



## PRESS RELEASE

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### **AET selects LNG dual fuel option for newbuild Aframaxes**

#### ***Leading tanker owner backs LNG fuel to improve environmental footprint***

3 April, 2017, Singapore - AET, one of the world's leading petroleum and chemical tanker owners and operators, announced today that up to four of its new Aframax tankers currently under construction with Samsung Heavy Industries Co Ltd (SHI) will be equipped with the LNG dual fuel option.

AET is committed to further improving its environmental footprint through adopting responsible maritime practices that move the company towards the ultimate goal of safe, secure and efficient shipping on clean oceans. The company has been working on a Green Sustainable Agenda to control the emission of "particulate matters" (PM), sulphur oxides (SOx), nitrogen oxides (NOx) and carbon (CO<sub>2</sub>). Investment in LNG-fuelled ships is the sustainable solution, both in the mid and long term, and this LNG solution also strengthens AET's resilience to fluctuations in operating costs.

AET's pursuit of its Green Sustainability Agenda is also consistent with the MISC Group's Vision and Mission which calls for the Group "to consistently provide better energy related maritime solutions and services, care for the environment and operate responsibly".

The 113,000 dwt vessels, due for delivery from Quarter 3, 2018 onwards, will replace existing tonnage as part of an ongoing fleet renewal programme, and will join AET's fleet of petroleum and chemical tankers which operates worldwide ensuring the company continues to deliver optimum solutions for its customers. AET anticipates that up to half of its Aframax fleet and other petroleum assets, including VLCCs, will also adopt the LNG dual fuel option over the next few years.

The new ships will have global trading flexibility but their initial operations will focus on areas with LNG bunker availability. Fitted with twin LNG tanks, the vessels will have the ability to trade on LNG fuel for about a month before refuelling and will likely operate in North America, Northwest Europe and Asia. The company is actively working with potential LNG suppliers to ensure reliability of the LNG bunker supply chain globally.

AET, a wholly owned subsidiary of Malaysian energy shipping corporation MISC Berhad, anticipates significant growth in the global fleet of LNG-fuelled vessels having conducted its own



LNG fuelling feasibility study since 2015, the results of which support the findings of industry participants and other experts. The shipping company has also conducted a comprehensive fleet review that has mapped expected LNG bunkering infrastructure expansion across strategic locations, alongside traditional bunkering for LSFO and MGO, to ensure security of supply and optimum operational efficiency across its global operations from 2020 onwards.

Mr Yee Yang Chien, Chairman, AET and President/Group CEO, MISC Berhad, commented:

*“As an organisation, operating in a responsible manner and improving our environmental stewardship is key to the way business is managed at MISC. We have complete confidence that LNG will play a significant part in the marine fuels mix in the coming years, and we have been reviewing the feasibility of developing a dual fuel LNG fleet since 2015. MISC is a leading global transporter of LNG, with unparalleled experience in handling LNG cargoes and a complete understanding of the entire supply chain. We are utilising this experience with the new AET ships which we believe sets us ahead of other operators with similar vessels. Our experience allows us to have confidence that the required infrastructure for LNG bunkering will develop at pace as we approach 2020 giving much more trading flexibility in the future.”*

Captain Rajalingam Subramaniam, President & CEO, AET, said:

*“At AET we are fully committed to building a sustainable fleet and working to develop solutions that improve our carbon footprint. Our Green Sustainable Agenda aims to provide innovative solutions based on our experience across our different asset classes. This is further enhanced by a close working relationship with Samsung Heavy Industries. Our customers and strategic partners have been very supportive and I would like to extend my thanks and appreciation to all our major customers and strategic partners with whom we have worked very closely to determine LNG supply availability and commercial viability of our vessels. Now we look forward to working with our entire customer base to lead the way in this sector.*

*As a business, it is important that we have the ability to operate with flexibility in the face of change, which means developing a diverse fleet portfolio, expanding our core capabilities and investing in people – both at sea and onshore – who are equipped to flawlessly operate our vessels with optimum efficiency.”*

Alongside the dual fuel LNG engines, the new Aframax vessels will be fitted with a range of eco-innovations to maximise fuel efficiency and minimise their emission impact on the natural environment – this will enable them to be awarded the “green passport” notation. They will also be fitted with an IMO-compliant ballast water management system.

The Aframax are being built at Korea’s Samsung Heavy Industries yard and Mr Dae-young Park, President and CEO commented:

*“These new vessels represent a milestone for AET, the tanker sector and the commercial shipping industry as a whole. We are proud to be able to play our part in what is a truly innovative project. By choosing the LNG option, AET has raised the bar and it will be only a matter of time before other operators follow.”*

**Ends**



## **Notes to editors**

AET specialises in the global ocean transport of petroleum and operates a fleet comprising 12 VLCCs, 4 Suezmaxes, 1 Panamax, 45 Aframaxs, 4 DP tankers, 5 CPPs, 3 LR2 tankers, 13 chemical ships and 1 LPG tanker. Its current orderbook includes 2 Suezmaxes, 4 Aframaxs and 2 LR2 tankers.

The company is headquartered in Singapore, with commercial centres in Houston, Kuala Lumpur, London, Montevideo, Panama and Rio de Janeiro with a specialist offshore lightering unit in Galveston, Texas. It operates crewing and manning agencies in Brazil, China, India, Indonesia, Malaysia, Philippines, Singapore, UK, Ukraine and Uruguay.

AET is the petroleum logistics unit of Malaysian energy logistics group, MISC Berhad.

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