



FESCO Ocean Management Limited

31st October 2019

IMO 2020 Low Sulphur Regulation

Dear Valued Customers,

Hereby we inform you that from **January 1st, 2020, the new IMO (International Maritime Organization) 2020 Low Sulphur Regulation will be in effect**. All sea-going vessels worldwide will have to comply and reduce their sulphur emissions by 85%.

To comply with the Regulation, sulphur in fuel oil must be reduced from 3.50% to 0.50%, in addition to the 0.10% sulphur limit already effective in the Emission Control Areas (ECA). This aims to reduce the amount of sulphur oxide emissions and should have major health and environmental benefits globally, including improving air quality and reducing risks of acidification of the oceans.

The new IMO 2020 Low Sulphur Regulation impacts the global shipping industry and shipping costs are set to increase worldwide. As the cost of the Very Low Sulphur Fuel Oil (VLSFO) is expected to be significantly higher than the present High Sulphur Fuel Oil (HSFO), Fesco Ocean Management will implement a Low Sulphur Surcharge (LSS), which will be applied on top of Fesco's ocean freight charges, effective 1st of December 2019.

Please, find the applicable Low Sulphur Surcharge in Annex I attached hereto.

If you require any additional information, do not hesitate to contact us.

Faithfully Yours,
Director
Of FESCO OCEAN MANAGEMENT LIMITED



Konstantin Privalov

Zavos Pavilion Center, 50 Pafou & Omonias Avenue, Office No. 302, 3rd Floor, 3052 Limassol, Cyprus
Tel: (357) 2558 8487 Fax: (357) 2558 8489
VAT No. CY 10096069X

ANNEX I

<i>Service</i>	<i>LSS valid for December 2019</i>
FBOL	
Asia (direct ports) to EU/St. Petersburg	USD 50 / TEU
EU/St. Petersburg to Asia (direct ports)	USD 30 / TEU
Asia (direct ports) to Mediterranean ports	USD 60 / TEU
Mediterranean ports to Asia (direct ports)	USD 30 / TEU
FBSS	
Asia (direct ports) to Novorossiysk	USD 55 / TEU
Novorossiysk to Asia (direct ports)	USD 35 / TEU
Asia (direct ports) to Turkey	USD 60 / TEU
Turkey to Asia (direct ports)	USD 25 / TEU

Zavos Pavilion Center, 50 Pafou & Omonias Avenue, Office No. 302, 3rd Floor, 3052 Limassol, Cyprus
 Tel: (357) 2558 8487 Fax: (357) 2558 8489
 VAT No. CY 10096069X