

# Marcon International, Inc.

Vessels and Barges for Sale or Charter Worldwide

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April 2020

## Tank Barge Market Report

Following is a breakdown of both foreign and U.S. tank barges officially on the market and available through Marcon. Not included are those barges not officially on the market, which we may be able to develop on a private and confidential basis.

Listed Inland Tank Barges Barrel Capacity

	Under 10,000	10,000- 19,999	20,000- 29,999	30,000- 39,999	40,000- 49,999	50,000 Plus *	Total
Jan 2000	33	12	14	0	0		59
Feb 2001	22	14	11	0	0		47
Mar 2002	22	7	10	1	0		40
Mar 2003	28	18	19	4	1		70
Mar 2004	21	35	26	15	3		100
Mar 2005	19	44	40	8	4	1	116
Mar 2006	10	37	21	5	2	1	76
Mar 2007	6	9	4	0	0	2	21
Mar 2008	10	4	6	2	1	0	23
Mar 2009	12	8	7	5	1	0	33
Feb 2010	8	6	6	8	1	0	29
Feb 2011	10	13	4	4	2	0	33
Feb 2012	6	5	3	0	0	0	14
Feb 2013	5	16	8	0	1	0	30
Feb 2014	14	16	16	1	1	1	49
Feb 2015	9	11	10	1	1	0	32
Feb 2016	6	9	5	1	3	2	26
Feb 2017	7	9	8	11	2	2	39
Feb 2018	4	13	10	5	0	0	32
Jan 2019	2	13	10	3	0	0	28
Apr 2019	2	10	10	3	0	0	25
Jul 2019	3	10	13	0	0	0	26
Oct 2019	3	10	13	1	0	0	27
Jan 2020	1	9	12	1	0	1	24
Apr 2020 - Worldwide	1	9	12	1	0	1	24
Apr 2020 - U.S.	1	3	12	0	0	1	17
Apr 2020 - Foreign	0	6	0	1	0	0	7
Avg. Age - Worldwide	1943	1991	2005	2007	0	1993	1997
Avg. Age - U.S.	1943	1994	2005	0	0	1993	1998
Avg. Age - Foreign	0	1989	0	2007	0	0	1992
Charter - Worldwide	0	0	0	0	0	0	0
Charter - U.S.	0	0	0	0	0	0	0
Charter - Foreign	0	0	0	0	0	0	0

Up Since Last Report

Down Since Last Report

\* Before June 2004 40,000BBL plus barges were grouped together

Of the 3,667 barges and 13,543 vessels we currently track, 668 are tank barges with 24 inland and 21 ocean or coastal barges officially on the market for sale. The 24 inland tank barges were built between 1943 and 2009, with ten or 41.7% 25 years of age or over. The oldest inland tank barge listed today is a 76 year old, 9,000BBL tank barge previously used for transporting #2 oil in the U.S. Great Lakes. This old lady is counterbalanced by two U.S.-flagged 2009-built 1,600mt capacity tank barges located on the U.S. Gulf Coast. Seven double hull inland barges listed in the Americas from 11,066-28,000BBL capacity were built after 2005. One year ago, 25 inland barges were available with an average age of 26 years and five years ago, 24 inland barges were available with an average age of 27 years. The inland barges currently available for sale average 24 years old. Excess barges continue to sit on the market, with the continuation of scraping or selling for conversion to deck service of older units.

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Details believed correct, not guaranteed. Offered subject to prior sale of charter.

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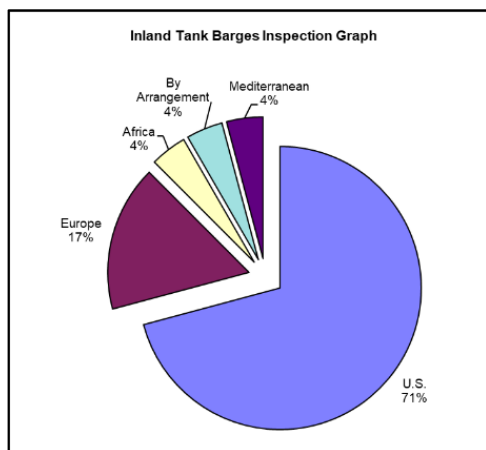
## Tank Barge Market Report – April 2020

**Listed Ocean and Coastal Tank Barges Barrel Capacity**

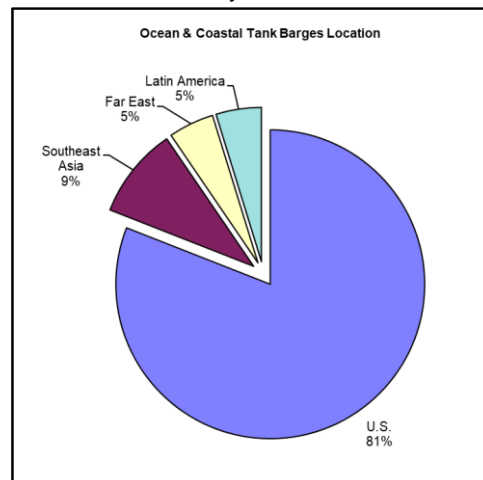
	Under 10,000	10,000-19,999	20,000-29,999	30,000-39,999	40,000-49,999	50,000-59,999	60,000-69,999	70,000-79,999	80,000-89,999	90,000-99,999	100,000 Plus	Total
Mar 2002	22	7	10	1	0	0	0	0	0	0	0	40
Mar 2003	28	18	19	4	1	0	0	0	0	0	0	70
Mar 2004	2	15	7	2	2	9	0	0	0	0	0	37
Mar 2005	5	9	5	1	0	1	0	2	1	4	3	31
Mar 2006	3	6	9	3	2	1	0	0	1	0	0	25
Mar 2007	2	11	9	2	3	1	2	0	0	2	3	35
Mar 2008	5	12	10	3	1	1	2	2	0	1	2	39
Mar 2009	5	6	15	8	5	5	4	3	0	1	5	57
Feb 2010	3	15	17	7	3	5	6	6	1	3	10	76
Feb 2011	6	4	18	11	2	6	4	5	1	1	6	64
Feb 2012	5	4	7	7	5	3	0	1	1	1	0	34
Feb 2013	7	3	7	6	4	3	0	2	1	2	2	37
Feb 2014	5	7	8	10	2	1	0	1	1	1	0	36
Feb 2015	4	7	6	12	3	1	0	0	2	1	0	36
Feb 2016	3	3	3	4	1	2	0	1	4	1	0	22
Feb 2017	3	6	5	3	1	2	0	1	2	0	2	25
Feb 2018	3	4	4	3	1	2	1	1	6	0	10	35
Jan 2019	3	4	1	1	2	2	1	0	4	0	10	28
Apr 2019	3	4	1	1	1	2	1	0	6	0	15	34
Jul 2019	1	1	2	1	0	1	1	0	6	0	10	23
Oct 2019	1	1	2	1	0	1	1	0	5	0	13	25
Jan 2020	0	1	0	2	0	1	1	1	5	0	10	21
Apr 2020 - Worldwide	0	1	0	2	0	1	1	1	4	0	11	21
Apr 2020 - U.S.	0	0	0	0	0	1	1	1	4	0	10	17
Apr 2020 - Foreign	0	1	0	2	0	0	0	0	0	0	1	4
Avg. Age - Worldwide	0	2011	0	2015	0	2014	1981	1999	2007	0	1985	1995
Avg. Age - U.S.	0	0	0	0	0	1999	1981	0	1986	0	1986	1993
Avg. Age - Foreign	0	2011	0	0	0	0	0	0	1980	0	1980	2005
Charter - Worldwide	0	0	0	0	0	2	1	0	2	0	1	6
Charter - U.S.	0	0	0	0	0	1	1	0	1	0	0	3
Charter - Foreign	0	0	0	0	0	1	0	0	1	0	1	3

Up Since Last Report      Down Since Last Report      Before June 2004 all 50,000BBL plus barges were grouped together

Of the 21 ocean/coastal barges, four are 10 years of age or less. Eleven or 52.4% of the ocean & coastal barges are at least 25 years old with the oldest one, a U.S. flagged, double-hull, 184,000BBL barge, built in 1975 and retrofitted in 2003. This is countered by a 2016 built foreign flagged 38,000BBL double hull barge. In May 2015, 46.9% of the 32 ocean and coastal barges listed for sale were 25 years of age or over, with the oldest barge being a 1961-built 30,000BBL barge in the U.S. Today, 11 fewer ocean/coastal barges are officially available for sale compared to five years ago and 13 fewer from one year ago. Average age of all ocean/coastal barges for sale today is 25 years old (1995), compared to 23 years last year (1996) and 25 years five years ago (1990). The closeness in average age suggests that while older barges have been disposed of, relatively younger units are coming onto the market for sale.



Seventeen inland tank barges which Marcon has today listed for sale are located in the U.S., followed by four in Europe and one each in Africa, the Mediterranean and location unknown. Seventeen ocean / coastwise barges listed for sale are in the U.S., followed by two in Southeast Asia and one each in the Far East and in Latin America. Thirty-five of the 45 tank barges listed for sale worldwide are double hull. Twenty-six of these are U.S. flag of which 16 are 11 – 25 years old and the remaining ten barges



are 27 - 55 years of age. The foreign double-hull barges range from four years old in the Far East up to 62 years old in the Mediterranean.

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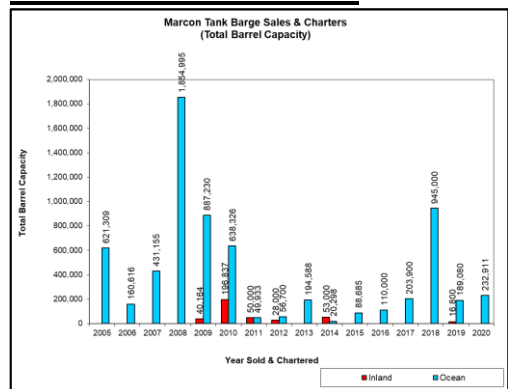
## Tank Barge Market Report – April 2020

### Marcon’s Market Comments

The first quarter and to date second quarter 2020 have been a time of hope and despair for most of the tank barge market. The situation with respect to the rapidly collapsing oil prices created opportunities for storage offshore, but it was our experience as brokers that this was scattered and mostly resulted in large offshore tanker charters versus sales of any US tonnage into the storage market. As brokers, we found that there were plenty of inquiries, but mostly for six month charters and potential foreign storage jobs. These jobs did not really look to last long enough to absorb the several retiring US Flag tank barges in the 100,000 BBL+ category that were coming out of service due to Class renewals, and also ballast water treatment system installation requirements. Scrap prices fell to extremely low levels as well (US \$80/LDT and lower) in the US Gulf market, and required cleaning costs surpassed scrapping values, so that the “Buyers” of this tonnage were chasing a rising tide of costs against value that didn’t equate to much action in the segment. Smaller double hull tank barges are available, but mostly offered for sale only out of the US market. In this instance we are seeing several larger double hull US Flag Tank Barges headed for the breakers.

Seasonal spring high water levels and flooding slowed the inland market’s activity. Refineries and petrochemical plants were forced to reduce their output activity, mostly due to an overall decreased demand in the market for crude oil and refined products. It can be expected that this low volume will persist until ‘normal’ economic activity resumes. Kirby Corp. reported in May 2020 that its utilization levels in the inland market were still in the 90%+ range, but this looks to decline if current trends of a stuttered and uncoordinated re-opening of the economy drive refineries and petrochemical plants to continue reducing production volumes. Supply chains and demand were curbed mainly due to the Covid-19 shutdowns, which effectively decimated the US economy throwing tens of millions of people onto unemployment rolls and collapsing demand for the foreseeable future. Tonnage far surpasses demand and it will take time for things to sort themselves out to return to a more predictable and consistent market.

### Marcon’s Recent Sales



To-date in 2020, Marcon has sold six vessels and seven barges, including two ocean tank barges totaling 232,911bbl and four tugs totaling 14,350BHP. In 2019, Marcon sold or chartered 27 vessels and barges, including three ocean tank barges totaling 189,080bbl, one 16,800bbl inland tank barge and 13 tugs totaling 58,060BHP. Since 1981, Marcon International has closely followed the tug, barge and offshore petroleum markets with over 1,508 vessels and barges sold or chartered worldwide. Sales include 104 ocean tank barges totaling 8.408 million BBL capacity (abt. 1,136,200dwt), 64 inland tank barge total 1.048 million BBL capacity (abt. 141,574dwt), 365 tugs (1,173,097BHP), 244 ocean & inland ocean deck barges (1,125,373dwt), 127 hopper barges, four tankers (7,794dwt) and one 2,995dwt LNG/LPG carrier.

The U.S. flag twin screw tug “Pacific Warrior” (ex- Powhatan, Robbyn J., Zapata 88, Hull 467) was sold. The tug was originally built in 1975 by Halter Marine in Louisiana. She was subsequently repowered in 2004 along with the installation of quad rudders, kort nozzles, new reduction gear foundations, shafts and propellers. She measures 105.0' loa x 96.8' lbp x 30' beam x 14' depth with a 11.7' loaded draft and has an ABS unrestricted ocean loadline. Tank capacities include 50,000g diesel oil, 600g lube oil, and 5,000g potable water. She’s fitted with an Intercon single drum main towing winch with a line pull of 40 tons and drum capacity for 2,600' x 1.75" wire. Main engines are two Cummins KTA50M2 Tier 1 diesels with a total 3,000BHP at 1,800RPM driving two 91"x 89" 4-blade skewed fixed pitch propellers in kort nozzles through Reintjes WAT 772 7.445:1 gears. Bollard pull is rated at 45 short tons. Marcon acted as the sole broker in the transaction. The tug will be repositioned to Kodiak, Alaska to work for new owners Paradigm Marine.



# Marcon International, Inc.

## Tank Barge Market Report – April 2020



Atlas Ocean Towing, LLC of California has concluded the sale of its tug "Pacific Freedom" to US West Coast Buyers. This is the second time Marcon has been involved with the sale of this tug. Originally built as the "Victor J. Guidry" in 1975 by Avondale SY in Mobile, AL (Hull 48) for the illustrious US Gulf offshore towing family of the same name, she was originally powered with Stork-Werskpoor main engines. She was purchased by a US West Coast company in 2001 with the intention to engage in towing tank barges on the US West Coast, and was known then as the "Paula V". Unfortunately, the tug suffered some major damage during an engine room fire in the Fall of 2001 while being delivered to the US West Coast from the US Gulf. For several years she was idle and in a continuous state of "being rebuilt" by her former Owner. Effectively she remained located at a small shipyard in Golden Meadow, LA for an extended period

while this work was underway. The tug was sold in an incomplete state of rebuild to US Gulf Buyers via Marcon's brokering in July 2006. Her total refurbishment and re-power were then completed by that former Owner during 2006-2007. After her rebuild completion, she traded under the name of "Int'l Freedom", and was once again stationed in the US Gulf. She is currently powered by two EMD12-645E7s for 4,300BHP, and swings a pair of 117" 4-bladed propellers on 10" shafts through Falk 3550MRHC15A 4.65:1 reduction gear. Her dimensions of 110' x 32.0' x 17.5' depth and fuel capacity of 87,000g, coupled with her raised foc'stle bow, gives her excellent ocean towing range. She is also fitted with a Smatco 55 DTD-170 double drum towing winch, with 125T of line pull, and has quarters for 11 crew members in eight cabins. She was last sold from the US Gulf to the US West Coast in 2014 where she traded successfully in the Pacific Ocean with operations in Hawaii, and Guam. The tug was originally classed with ABS+A1, +AMS and she now carries an ABS Loadline. She was also recently certified by the USCG with a Certificate of Inspection for Oceans, under the Subchapter "M" requirements. The tug's new Owner will operate her throughout the Pacific Ocean, and world-wide within the company's service.



A 400.0' x 99.5' x 25.0' depth', U.S. flag ocean former tank barge has been sold to foreign interests. The 16,200 long ton deadweight, single skin, double raked barge was built in 1981 by FMC Corp. of Portland, Oregon. The barge last served as a dedicated oil spill recovery barge with a 149,000bbl capacity in Alaska until 2018 when Marcon brokered its sale to present Sellers. Barge was classed ABS +A1, Oil Tank Barge, Spill Response. All oil spill recovery related equipment has since

been removed, as Buyer's intent is to convert the unit to dedicated deck service. The barge is fitted with a small notch aft, mooring winches and has a flat steel deck. This class of barge was originally built for combo ocean deck/tank service and many sisters have since been converted to dedicated ocean deck service. Marcon can develop a sister barge, which is currently undergoing full conversion to ABS Ocean Deck Service. Please contact this office for full details, price guidance and timing for delivery. This is the second ocean tank barge sold this year and the 104<sup>th</sup> sold since Marcon opened its doors in 1981.



On the low horsepower end of the market, private Canadian buyers purchased the 150HP, U.S. flag, single screw tug "National" (ex-Buckeye State) from New York Sellers. The 42.0' x 12.4' x 6.6' depth / 5.0' draft tug was originally built in 1951 by Equitable Equipment Co. of New Orleans, Louisiana for Great Lakes Dredge and Dock Co. of Oak Brook, Illinois. After passing through the hands of a number of marine construction and dive companies she was inherited by the seller. The steel hull tug is powered by a single GM6-71NA diesel developing 150BHP at 1,800RPM, with an Allison 3:1 gear and fixed pitch prop. Tug's electrical power is provided by a single 15kW Onan 120vAC diesel generator. Towing gear consisted of just a double tow bitt aft, but she looked like a

traditional work boat of another era. Marcon acted as sole broker in the sale of this fine, sixty-eight year old, little tug which I will refer to as a "classic" vs. "vintage" tug as it is four years younger than me.

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Details believed correct, not guaranteed. Offered subject to prior sale of charter.

# Marcon International, Inc.

## Tank Barge Market Report – April 2020

As the 1,499<sup>th</sup> sale or charter concluded over the last 39 years, Marcon International of Coupeville, Washington brokered the sale of the U.S. flag, twin screw tug “Nancy M” from Manson Construction Co. of Seattle, Washington. The “Nancy M” was originally built in 1970 at Albina Engine & Machine Works, Inc. in Portland, Oregon as the “Shelly Foss” (Hull 418) for Foss Maritime Company. The 90.0’ x 30.0’ x 14.2’ depth / 14’ draft tug was designed and built to take over as the prime ship-assist tug in Seattle, Washington, relieving the 1,200HP sister-tugs “Carol Foss” and “Shannon Foss” as ship tonnage and arrivals and departures increased to where a more

powerful tug was needed. Two distinctive features at the time, now common, was the design of the pilothouse window glass slanted inwards to minimize glare and viewing ports in the pilothouse “eyebrow” to better see tie-up lines and movement of the ships being maneuvered in and out of docks. The fifty-year old tug is powered by twin CAT D399TAs developing a total of 2,250BHP at 1,225RPM, Lufkin RLS 4218 5.526:1 gears and 84.5” 4-blade fixed pitch props on 8.5” diameter shafts in steering Kort nozzles. These were the days before azimuthing stern drive shipdocking tugs and Voith Schneider tractor tugs were in regular use. Owners reported that the Kort nozzles increased her actual bollard pull by about forty percent over a conventional open wheel installation and the props being trainable 25 degrees each side increased the tug’s maneuverability. Her bow and stern line winches were custom designed for more efficient line-handling, as both winches were controlled from the main console in the pilothouse alongside the main engine controls.



The 9,876dwt tank barge “Barge 360” (ex-Lube Quest, I-51) was sold between U.S. West Coast buyers & sellers on a private and confidential basis. The 357.5’ x 68.0’ x 24.0’ depth / 19.75’ loaded draft barge was originally built in December 1976 by Gretna Machine & Iron Works of Harvey, Louisiana as the “I-51” for Allied Transportation Co. of Norfolk, Virginia – an offshore tug and barge operator transporting petrochemicals and dry bulk along the Atlantic and Gulf Coasts, James River and Chesapeake Bay. In 1990, the barge was rebuilt / lengthened from her original 300’ length with a new bow by Sause Bros. of Portland, Oregon at their Southern Oregon Marine (SOMAR) shipyard for a lube oil contract with Chevron on the U.S. West Coast. After ten years,

the 83,911bbl clean product barge was sold by Sause to Crowley Maritime of Seattle, Washington with Marcon acting as sole broker. Crowley operated the barge coastwise in the clean trade, selling her in 2019 to local operators who shortly thereafter resold the barge to trade in non-petroleum service. Over the last 39 years, Marcon has sold 195 tank barges worldwide totaling over 9,306,562bbl capacity, representing a deadweight of over 1.3 million long tons.

Definitely much newer and with a lot more horsepower, tank barge operator, Kirby Corp. of Houston, Texas sold their U.S. flag, twin screw tug “Arabian Sea” to private interests. The 4,800BHP, high foc’sle bow tug was originally built in 2008 as the “Barbara C” by Don Church of SeaBoats, Inc. of Fall River, Massachusetts as Hull No. 8 for his privately owned and operated SeaBoats Incorporated / Tugs Unlimited Inc. of Portsmouth, Rhode Island. The 105.0’ x 37.8’ x 19.5’ depth / 16.0’ loaded draft tug is powered by a pair of CAT 3516B-HD diesels developing total 4,800BHP at 1,600RPM, Massone Marine 7.345:1 gears, ZF shaft brakes and 110” x 84” 4-blade props on 8” shafts. Ship’s power is provided by three 99kW / John Deere 6068TFM76 generators and towing gear consists of a single drum Almon Johnson 225 winch powered by a John Deere 6068TFM76 diesel.



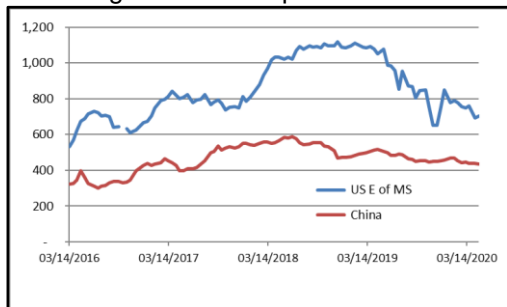
Tankage consists of 102,000g fuel, 1,760g lube oil, 10,000g potable water and 77,271g ballast water. In 2011, K-Sea Transportation, headquartered in New Brunswick, New Jersey and at the time operator of one of the largest U.S. coastwise tank barge fleets, acquired the “Barbara C” when they purchased the assets of SeaBoats Inc. to support their transportation of refined petroleum products. Shortly thereafter, Kirby Corporation acquired K-Sea Transportation Partners in a transaction valued at approx. US\$ 604 million. K-Sea then became a wholly owned subsidiary of Kirby and the tug was renamed the “Arabian Sea”. Kirby Corporation, with their 1,065 inland (23.7 million barrels capacity) and 49 coastal tank barges (4.7 million barrels), is the nation’s largest domestic tank barge operator transporting bulk liquid products throughout the Mississippi River System, on the Gulf Intracoastal Waterway, coastwise along all three United States coasts and in Alaska and Hawaii. Kirby transports petrochemicals, black oil, refined petroleum products and agricultural chemicals by tank barge. Marcon acted as sole broker in the sale and has represented both the buyer in seller in previous transactions.

# Marcon International, Inc.

## Tank Barge Market Report – April 2020

### Shipyard & New Construction News

According to the 27th April 2020 **SteelBenchMaker** report, standard steel plate



in the US, East of the Mississippi was US \$702/mt, down 6.28% from end March 2020 and down 33.27% from end April 2019. For comparison, standard plate in China was US \$435/mt, down 2.47% from end March 2020 and down 16.02% from one year ago. Numerous factors have impacted volatility of steel prices, from a U.S. - China trade agreement signed in mid-January, additional U.S. imposed tariffs on steel items beginning of February, then a global pandemic that shut down industries across the world, leading to significant downturns in worldwide economies.

According to **Colton Co.**, as of June 9, 2020, year-to-date three tank barges over 5,000GT and was delivered from U.S. shipyards. In 2019, one tank barge over 5,000GT and 182 under 5,000GT were delivered, compared to three tank barges over 5,000GT and 76 under 5,000GT in 2018, compared to eight over 5,000GT and 85 under 5,000GT tank barges delivered in 2017 U.S. shipyards.

2020 Deliveries of Tank Barges > 5,000GT Sorted by Owner/Operator					
Name	Builder	Owner/Operator	Type of Vessel	GT	Date
Oliver Leavitt	Bollinger Fabricators	Crowley Fuels	384' Tank Barge	8,164	31-Mar-20
OSG 204	Gunderson Marine	OSG Management	547' Tank Barge	12,568	29-May-20
Q-LNG 4000	VT Halter Marine	Q-LNG Transport	324' LNG Refueling Bar	5,660	
2020 Deliveries of Tank Barges <5,000GT Sorted by Owner/Operator					
Builder	Qty	Name	Owner/Operator	GT	Ft.
Arcosa Madisonville	2	WEB 282 to 283	Blessey Marine	1754	297
Southwest SY	3	CBC 1707 to 1709	Canal Barge	1088	200
Southwest SY	5	CBC 1420 to 1424	Canal Barge	735	200
Southwest SY	2	CBC 1010 to 1011	Canal Barge	735	200
Orange SB	1	DBL 315	Devall Barge Line	1,360	250
Orange SB	1	DBL 317	Devall Barge Line	1,360	250
Orange SB	1	DBL 318	Devall Barge Line	1,360	250
Orange SB	1	DBL 316	Devall Barge Line	1,360	250
Vessel Repair	1	DBL 141	Devall Barge Line	705	200
Vessel Repair	1	DBL 142	Devall Barge Line	705	200
Vessel Repair	1	DBL 143	Devall Barge Line	705	200
West Gulf Marine	1	E2MS 316	E Squared Marine	1,619	297
Conrad SY	5	EMS 513 to 517	Enterprise Marine	1619	298
Conrad SY	2	FMT 2060/2	Florida Marine	1185	245
Orange SB	1	FMT 2064	Florida Marine	1,185	245
C. & C. Marine	2	HFL 449/451	Hines Furlong Line	1,686	297
Arcosa Caruthersville	12	IB 1314 to 1325	Ingram Barge	735	200
Arcosa Caruthersville	1	IB 1326	Ingram Barge	735	200
Unknown	1	Kirby 16817	Kirby Marine	1185	245
Arcosa Ashland City	2	CTC 29100 to 29101	Unknown	1,619	297
Arcosa Ashland City	11	HSM 3032 to 3042	Unknown	1,616	297
Arcosa Ashland City	2	MPX 401/403	Unknown		297
Arcosa Madisonville	8	MTB 1101 to 1108	Unknown	735	200
Bourg DD	1	Gonsoulin 554	Unknown	1,619	297
Conrad SY	1	HSM 3057	Unknown	1619	297
Conrad SY	2	CBR 2028 to 2029	Unknown	1,619	297
West Gulf Marine	1	NGL 3052	Unknown	1619	297

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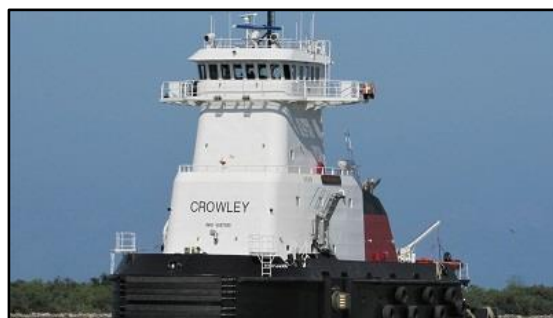
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On October 10, 2019 the steel cutting ceremony took place at **Jiangsu Jinling Shipyard**, Co. Ltd. in Yizheng, China (a subsidiary of the Nanjing Jinling Shipyard) for four oil/deck cargo barges being constructed for the **Government of the Northwest Territories in Northern Canada**. Steel blocks will be constructed at the Yizheng shipyard and then barged approx. 50 kilometers up the Yangtze River to Nanjing Jinling Shipyard for final assembly. Following steel cutting the construction is expected to take 9 months, with the barges being ready for delivery in Shanghai by July 2020. From there the barges will be placed on a heavy-lift ship and transported to Port of Tuktoyaktuk, in the Northwest Territories, on the Beaufort Sea. The barges are designed to Lloyd's Class Rules for double hulled oil barges and are compliant with MARPOL and Transport Canada Rules and Regulations. Each barge will be capable of carrying liquid petroleum cargoes and containerized and bulk deck cargoes. The barges are designed for operations in the Beaufort Sea and for shallow draft operations on the Mackenzie River in Northern Canada. They will be operated by Marine Transportation Services, which is fully owned by the Government of the Northwest Territories. The primary mission of the barges is to deliver resupply goods to the communities along the Mackenzie River and the Beaufort Sea coastline. At the loadline draft each barge can carry a total deadweight of 3,600mt, while at the river draft of 1.52m each barge can carry a total deadweight of 1,200mt. Each barge has a liquid cargo capacity of 3.0m litres.



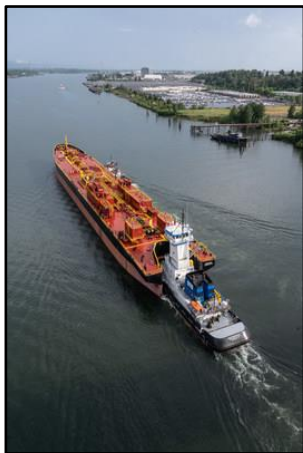
**Bollinger Shipyards Lockport, LLC** recently delivered an articulated tug-barge (ATB) unit capable of transporting multiple clean petroleum products in the Alaska market to **Crowley Fuels LLC** – the Alaska-based petroleum transportation, distribution and sales unit of Crowley Maritime Corporation. Crowley Shipping provided vessel Construction Management services in Bollinger's facility located in Amelia, La (Bollinger Marine Fabricators) from the final design phase through delivery. The company's Seattle-based naval architecture and marine engineering firm, Jensen Maritime, provided the functional design. Bollinger's engineering team provided the integration, detail design and construction package. "On behalf of our skilled workforce, along with a strong

*operational support group, the Bollinger team is proud to have built this ATB for Crowley Fuels,"* said Bollinger Shipyards President & CEO Ben Bordelon. "Contracts like this to build Jones Act classed ATB units, create and protect many jobs for U.S. mariners, shipyards and ancillary vendors, and that strengthens our local and regional industrial base. I am extremely proud to be part of a workforce that has, in the wake of this horrific pandemic, continued to safely focus and deliver an extremely unique, complex and very capable vessel." "We are pleased to take delivery of this high performance ATB, 'Aveogan / Oliver Leavitt', and look forward to getting her up to Alaska to begin serving our partners at Petro Star," said Rocky Smith, senior vice president and general manager, Crowley Fuels. "We congratulate the men and women at Jensen who designed the vessel and the team at Bollinger Shipyard who built it." The Alaska class ATB unit consists of one twin Z-Drive, 7,000HP ocean tugboat measuring 128 x 42 x 21 feet, paired with a 100,000-BBL ocean barge measuring 400 x 85 x 32 feet. The ATB was designed and built to meet Ice Class and Polar Code requirements, which include increased structural framing and shell plating and extended zero discharge endurance. The double-hulled design also features a barge form factor to achieve high cargo capacity on minimal draft. The tug is fitted with two GE 8L250 main engines that meet U.S. Environmental Protection Agency's Tier 4 emissions standards. The generators on the tug and barge meet EPA Tier 3 and IMO Tier II emissions standards. In addition, a closed loop, freshwater ballast system will eliminate the need to discharge tug ballast water into the sea.



# Marcon International, Inc.

## Tank Barge Market Report – April 2020



**Greenbrier Marine**, a division of The Greenbrier Companies, Inc. (NYSE:GBX), announced recently that it has delivered the “OSG 204”, a 204,000 barrel capacity oil and chemical tank barge for dual-mode ITB service pursuant to U.S. Coast Guard NVIC 2-81, Change 1. The barge has been built in compliance with MARPOL Annex VI Regulation 13 Tier III standards regarding nitrogen oxide emissions within emission control areas. The state-of-the-art 581' tank barge is among the largest in the history of Greenbrier Marine, with origins on the Willamette River in Portland dating to 1919. The “OSG 204” has been paired with an existing tug within the **OSG** fleet, the “OSG *Endurance*”, and will travel to the Gulf of Mexico, where it will contribute to OSG's growing presence in the Jones Act trade. The ATB unit has been fixed to a long-term charter commitment, with delivery to the charterer occurring late in the second quarter of 2020. Greenbrier Marine is also constructing a second sister barge, which has a scheduled delivery date during the fourth quarter of 2020. “OSG is a great customer and a dedicated business partner and we appreciate the opportunity to work together on the construction of this vessel. The launching of OSG 204 was completed in December and the christening was celebrated on

May 19 at the first virtual barge christening in the history of Greenbrier Marine, an adaptation necessitated by COVID-19,” said Richard Hunt, General Manager of Greenbrier Gunderson in Portland, Oregon. “We are thankful for the collaborative work with OSG and all major equipment vendors and suppliers and are pleased to deliver this Jones Act-compliant barge as the start of a long-term relationship with OSG.” “Completing a complex engineering and construction project on time and on budget is a challenge under any circumstances,” stated Sam Norton, OSG's President and CEO. “Having done so under the constraints imposed by COVID-19 makes that achievement all the more laudable. OSG is gratified to have partnered with Greenbrier Marine in the building of OSG 204, a barge that will serve for many years to come as a visible statement of OSG's continued commitment to supporting the U.S. Maritime industry. Together with her paired tug, ‘Endurance,’ this ATB will perform one spot voyage to reposition the unit to the Gulf of Mexico, after which she will give delivery into a previously contracted one year time charter with a long-standing OSG customer. The additional earnings and cash flow that will be contributed by this new asset will allow OSG to build on momentum demonstrated in its recent financial performance. Celebrating achievements such as this is particularly meaningful in these unusual times and we are pleased to be able to mark this day as a momentous one.” “I am very pleased to add the OSG 204 into OSG's fleet. I want to thank our site team and Greenbrier's team for the high quality work on completing the OSG 204,” said Patrick O'Halloran, Chief Operations Officer for OSG. “I look forward to continuing the excellent cooperative relationship with Greenbrier Gunderson into the future.”

**AET**, a leading energy logistics provider, took delivery of “*Eagle Petrolina*”, the first of four Suezmax Dynamic Positioning (DP2) Shuttle Tankers purposed built for long-term charter to **Petróleo Brasileiro S.A. – Petrobras**, the Brazilian multinational petroleum corporation. In May 2018, AET and Petrobras entered into a long-term charter to operate four Suezmax shuttle tankers in the Brazilian Basin and “*Eagle Petrolina*” is the first of these contracted vessels. She was delivered to AET on 22 May 2020 and will commence her operations in mid-late June joining the two vessels AET already operates in the Brazilian Basin for Petrobras. “*Eagle Petrolina*” was built at Samsung Heavy Industries (SHI) in South Korea where her three sisters are currently under construction and due to be delivered later this year. The four 152,000 DWT vessels have been built to Petrobras' technical requirements for DP2 shuttle tankers in a collaboration with SHI, DNV-GL and Eaglestar and will operate to the highest operational and environmental standards, including full compliance with IMO NOx Tier 3 and SOx emission requirements. Each is equipped with electrical driven cargo pumps for enhanced fuel efficiency, high power thrusters and are fully capable of operating in weather conditions expected for their class. On taking delivery, AET President & CEO Capt. Rajalingam Subramanian said: “Constructing and delivering ‘*Eagle Petrolina*’ safely amid the COVID-19 outbreak is a big accomplishment and testament to the commitment of all parties involved. I would like to thank everyone from Samsung Heavy Industries, Eaglestar, DNV-GL, Petrobras and AET for the excellent collaboration and management to deliver this milestone. The safe delivery of ‘*Eagle Petrolina*’ is a prime testament of such collaboration showcasing what can be achieved when everyone works together to be part of a solution. For AET, seeing the agreement we reached with Petrobras two years ago now coming into operation is another important step in growing our specialist DP activities in the Brazilian Basin and our partnership with Petrobras. The ‘*Eagle Petrolina*’ further demonstrates our continued commitment to high-quality, safe and eco responsible operations. As a second generation DPST, she is more environmentally-friendly than current average DPST assets operating in the Brazilian basin.” AET currently operates seven DP shuttle tankers (including “*Eagle Petrolina*”) and has a further 10 shuttle tankers under construction to be delivered between 2020 to 2022.





# Marcon International, Inc.

## Tank Barge Market Report – April 2020

### Company News



**Algoma Central Corporation** reported that consolidated revenue for the three months ended March 31, 2020 was CAD 85,097, an increase of 18% compared to CAD 71,853 reported for the same period in 2019, including a CAD 12,938 increase in the **Ocean Self-Unloader** segment resulting from an increase in the fleet size. The segment contributed to a CAD 2,222 increase in operating income, although the benefit of the additional ships was partially offset by the dry-docking of two vessels in the fleet. Revenue in the **Domestic Dry-Bulk** segment increased by CAD 3,242, driven by a 5% increase in volumes. The extension of the 2019 navigation season into early January of 2020 resulted in a carry over of cargoes that were booked in late 2019. A mild winter also enabled some of Algoma's vessels to operate longer, as parts of the system remained open during the winter months. The benefit of the improved winter weather was offset by higher lay-ups costs and higher depreciation as a result of the addition of

the "Algoma Conveyor" in the second quarter of 2019. Despite an increase in the number of ships in the **Product Tankers** fleet, revenues decreased by CAD 2,646 as strong customer demand in 2019 resulted in substantial use of outside charters compared to very minimal use this year. The segment experienced higher operating costs due to an increase in maintenance spending which, along with higher depreciation charges due to the increased fleet size, resulting in an operating loss for the quarter. Interest expense increased by CAD 1,266 due to higher debt levels resulting from borrowings in 2019 to complete vessel acquisitions. *"Every winter is a busy time for us, and this year was no exception,"* said Gregg Ruhl, President and CEO of Algoma. *"With an extra eight operating days in January for the Welland Canal, cargoes that were booked in 2019 were carried over and completed in early 2020. The fair weather we experienced in February also allowed a number of our dry-bulk vessels and much of our tanker fleet to continue operating in certain areas of the Great Lakes that remained open during the winter. Although we had a positive start to the year, we ended the first quarter with a new challenge as COVID-19 began to impact businesses across Canada. I want to thank everyone at Algoma for their resilience and hard work as we continue to navigate through these uncertain times,"* continued Mr. Ruhl. Algoma's first quarter financial results were not materially impacted by the outbreak of COVID-19. The effects of the pandemic began to be felt in North American markets during March and have added significant uncertainty to the outlook for the balance of fiscal 2020.

**Overseas Shipholding Group, Inc.** (OSG) a provider of energy transportation services for crude oil and petroleum products in the U.S. Flag markets, reported results for the first quarter 2020. Net income for the first quarter 2020 was \$25.1 million, compared with net income of \$3.2 million for the first quarter 2019. The increase was driven primarily by the gain on termination of a pre-existing arrangement related to the acquisition of ATC recorded during the first quarter of 2020 and an increase in revenues. **Shipping**



**revenues** for the first quarter 2020 were \$100.9 million, up 15.0% compared with the first quarter 2019. **Time charter equivalent (TCE) revenues**, a non-GAAP measure, for the first quarter 2020 were \$97.1 million, up 17.3% compared with the first quarter 2019. First quarter 2020 Adjusted EBITDA, a non-GAAP measure, was \$52.8 million, up 123.7% from \$23.6 million in the first quarter 2019. Total cash was \$101.5 million as of March 31, 2020. On March 12, 2020, subsidiaries of the OSG completed the purchase of three U.S.-flagged crude oil carrier vessels, the "Alaskan Explorer", "Alaskan Legend" and "Alaskan Navigator", and have entered into a bareboat charter with BP for a fourth vessel, the "Alaskan Frontier", currently in layup. In connection with these transactions, OSG also completed the acquisition of Alaska Tanker Company LLC (ATC), making ATC a wholly owned subsidiary of OSG. On March 26, 2020, one of the Company's subsidiaries, OSG 204 LLC, closed on a \$33.2 million 5-year term loan with Wintrust Commercial Finance and other syndicate lenders to finance a new 204,000 barrel U.S. Flag oil and chemical ATB barge, which is scheduled to be delivered in May 2020. Sam Norton, President and CEO, stated, *"We are pleased that the results we have announced today give credence to the narrative of emerging strength in our businesses that we have been speaking of in recent quarters. The deep book of time charters which we entered into at the end of last year has provided considerable insulation from exposure to the current market turmoil that has followed the outbreak of COVID-19, as well as from the extraordinary drop in transportation fuel demand affecting both crude oil and refined product pricing."* Mr. Norton added, *"Our tankers, niche businesses and remaining ATB's operated at close to 100% utilization rates throughout the first quarter, producing solid results. With the ATC vessels also beginning to contribute, and recent financings having significantly strengthened our liquidity, OSG is now well positioned to confront the heightened uncertainty occasioned by the impact of COVID-19 on both our operations as well as on the markets that we serve."*

# Marcon International, Inc.

## Tank Barge Market Report – April 2020



**Conrad Industries, Inc.** Morgan City, Louisiana's results for the quarter ending March 31, 2020, Conrad had net income of \$414,000 compared to a net loss of \$307,000 during the first quarter of 2019. Conrad's backlog was \$36.6 million at March 31, 2020 compared to \$79.2 million at December 31, 2019 and \$122.7 million at March 31, 2019.

**Greenbrier Companies, Inc.** of Lake Oswego, Oregon; parent of **Gunderson Marine**, reported net earnings for the second quarter of 2020 ending February 29, 2020 of 13.6 million on revenues of \$623.8 million. Net earnings include a mutually beneficial contract modification removing railcars from backlog that would have been produced in the second half of fiscal 2020 in exchange for \$9.2 million, after tax. This modification strengthens the quality and amount of Greenbrier's backlog and improves cash on hand. Orders for 8,500 diversified railcars were received during the quarter, with over 50% originating from international sources. New railcar backlog increased to 30,800 units with an estimated value of \$3.2 billion as of February 29, 2020. William A. Furman, Chairman & CEO commented, *"Greenbrier is focused on two primary goals: protecting the safety and health of employees and preserving the economic well-being of our enterprise in this challenging environment. We are executing on the latter by increasing liquidity and sizing the organization properly in the current business environment."* *"Market conditions drove actions in the first half to size Greenbrier's manufacturing footprint for lower levels of railcar demand, with reductions of 3,500 global employees to scale production capacity. Manufacturing workforce reductions were primarily in Mexico. Amid the uncertain and rapidly changing impacts on the global economy from the COVID-19 pandemic, Greenbrier is suspending its previously issued guidance for fiscal 2020. Greenbrier has initiated a range of proactive responses to address conditions in the rail equipment industry and the impact of the pandemic. The Company is eliminating all non-essential capital expenditures and is aggressively reducing overhead and SG&A expense. Greenbrier has eliminated all non-essential travel and implemented a hiring freeze while evaluating its total operating unit footprints. Collectively, these measures will generate substantial cash savings. Finally, the members of Greenbrier's Board of Directors, including me, have voluntarily reduced annual compensation."*



**Arcosa, Inc.**, formerly part of Trinity Industries, announced results for the first quarter ended March 31, 2020. First quarter revenues increased 18% over first quarter 2019 to \$488.2 million, while net income was \$31.6 million. *Commenting on first quarter performance, Carrillo said, "Our first quarter results demonstrate Arcosa's*

*outstanding earnings power when infrastructure markets are strong. Our Construction Products businesses had an excellent quarter, with the Cherry acquisition exceeding our expectations. Energy Equipment executed very well, and our Barge business continued to ramp up to meet higher levels of demand. "Our experienced management team has led our businesses through numerous cycles. As the macroeconomic outlook changed during the quarter, we responded quickly to conserve cash by minimizing non-essential capital expenditures, tightening our working capital management around receivables, payables, and inventory, and reducing our SG&A spending. We will continue to take appropriate actions on our cost structure. We have entered this period of economic uncertainty in a strong financial position. We have low leverage, ample liquidity, and a lean operating model to respond quickly to changes in demand. Our strong balance sheet will help us manage through this crisis and seek disciplined acquisition opportunities, where appropriate. I am extremely proud of our team's dedication and resilience during this challenging period."* Mr. Carrillo concluded.

**Transportation Products** – First quarter revenues increased 20% to \$117.0 million, driven by an 80% increase in barge revenues. Deliveries were higher for both dry and liquid barges during the quarter. Higher barge revenues were partially offset by a 42% decline in components revenues, due to the cyclical shift in new railcar demand that preceded the COVID-19 slowdown. The **barge business** received orders for \$90.0 million, representing a book to bill ratio of 1.0. New orders consisted of both dry and liquid barges, with liquid barges constituting the largest portion of new orders. The barge backlog was \$348.3 million, compared to \$346.9 million at year end 2019. Approximately 90% of the backlog is scheduled to deliver in 2020.



# Marcon International, Inc.

## Tank Barge Market Report – April 2020



**Genesis Energy, L.P.** reported its results for the first quarter ended March 31, 2020. Net income attributable to Genesis Energy of \$24.9 million for the first quarter of 2020 compared to Net Income Attributable to Genesis Energy, L.P. of \$16.0 million for the same period in 2019. In addition to both on and offshore pipelines & refinery services, Genesis operates 82 “brown water” barges and 33 inland river pushboats with a total capacity of abt. 2.3m BBL. Offshore marine “blue water” operations include nine boats and nine coastwise barges (abt. 0.9m BBL capacity), plus the 330,000BBL capacity ocean-going tanker “American Phoenix”.

Grant Sims, CEO, said, “For the quarter, our diversified businesses delivered financial results consistent with, if not slightly greater than, our expectations. The results were positively driven by solid pipeline volumes out of the Gulf of Mexico, strong crude-by-rail volumes out of Canada and robust demand for marine transportation across our different classes of assets. During the quarter, however, we began to recognize the prospective challenges from two exogenous events. While we are not directly impacted by the price of crude oil, when the OPEC Plus deal fell apart around March 1, the differential between Canadian barrels at their source and the Gulf Coast collapsed, making crude-by-rail out of Canada uneconomic. Volumes have gone to zero as of April 1, and we would expect them to remain so for the rest of the year. We do have certain protections to the downside in terms of minimum take-or-pay volumes, but we expect to experience some \$15-\$20 million less in terms of reported margin than what we would have otherwise expected for the remainder of 2020. Of more significance to us, and what should be to virtually every other energy/industrial company, is the across the board demand destruction resulting from shutting down substantial economic activity worldwide as we deal with COVID-19. This demand destruction will, in our opinion, significantly pressure crude prices worldwide for an extended period of time, notwithstanding the apparent production cuts that are scheduled to occur. It will also pressure the demand for finished products for which soda ash and sodium hydrosulfide are building blocks. We expect volumes out of the Gulf of Mexico to remain strong and growing through this year and in the years to come. We currently do not know of or expect any significant production that flows on our systems to be intentionally shut in due to the current crude oil price environment. While certain new projects that have yet to be sanctioned might be delayed under the current circumstances, we see little risk to the completion of, or significant delays, in the contracted and known/sanctioned projects in progress like Atlantis Phase 3, Argos and King’s Quay that will flow exclusively through our pipelines for decades to come.”

**Marine transportation** Segment Margin for the 2020 Quarter increased \$6.1 million, or 47%, from the 2019 Quarter. During the 2020 Quarter, in Genesis’ offshore barge operation, it benefited from the continual improving rates in the spot and short term markets along with reported utilization level of 99.4%. In its inland business, Genesis continued to see increased day rates throughout the period which more than offset the slightly lower utilization reported. Genesis has continued to enter into short term contracts (less than a year) in both the inland and offshore markets because it believes the day rates currently being offered by the market have yet to fully recover from their cyclical lows.



**Offshore pipeline transportation** Segment Margin for the 2020 Quarter increased \$8.9 million, or 12%, from the 2019 Quarter, primarily due to higher volumes on Genesis’ crude oil pipeline systems. These increased volumes are primarily the result of first oil flow from the Buckskin and Hadrian North production fields during the second quarter of 2019, both of which are fully dedicated to its SEKCO pipeline, and further downstream, Genesis’ Poseidon oil pipeline system. Additionally, during the second half of 2019, Genesis entered into agreements to move sixty thousand barrels per day on either CHOPS or Poseidon that are delivered to it by a third-party pipeline that has insufficient capacity. These agreements contain ship-or-pay provisions, have terms as long as five years and required no additional capital on Genesis’ part.

# Marcon International, Inc.

## Tank Barge Market Report – April 2020

**SEACOR Holdings Inc.** announced its results for its first quarter ended March 31, 2020 with net income attributable to Seacor Holdings was \$1.5 million, compared to first quarter 2019's \$7.7 million net income. Operating loss was \$0.1 million compared to operating income of \$19.0 million for the prior year quarter. The current quarter included a \$12.7 million income tax benefit as a result of the passage of the Coronavirus Aid, Relief, and Economic Security Act and included net foreign currency losses of \$3.6 million primarily due to the depreciation of the Colombian peso relative to the U.S. dollar.



Charles Fabrikant, Executive Chairman, commented on the quarter's results as follows: *"...The COVID-19 pandemic had a limited impact on our first quarter financial performance. Our diversified services dampened, and, hopefully, will continue to mitigate for us the severe economic fallout of COVID-19 on the economy. SEA-Vista, our Jones Act tanker business, benefits from charters that extend through the first quarter of 2021 and beyond. SCF's barges continue to move grain on the inland waterways and its terminals transfer agricultural and industrial essentials. Our Granite City, Illinois based oil storage facility is fully utilized for the first time in many months. Our harbor tugs continue docking ships with inbound goods and exports. Two of our service lines, SEACOR Island Lines, our liner and logistics support for the Bahamas and Caribbean, and Waterman Steamship, our Government Services group, have in the recent weeks experienced weaker demand. The Bahamas, like the U.S. has a "shelter in place" order in effect and in April the U.S. military instituted a moratorium on movements of cargo handled by vessels such as ours. I am quite pleased with our first quarter results. The primary cause for the large swing in cash earnings relates to performing periodic, heavy maintenance for some of our vessels and a falloff in revenues related to Witt-O'Brien's engagement in the U.S. Virgin Islands.... As a result of the passage of the CARES Act, we can carryback net operating tax losses from 2019 to recoup \$32 million of cash. This will boost SEACOR's already strong levels of liquidity."*



**Ocean Transportation & Logistics Services** - Operating income and OIBDA were \$7.5 million and \$17.8 million, in the current year quarter compared with \$18.8 million and \$20.1 million, respectively. Operating results were impacted by a \$6.7 million increase in dry-docking costs, which included the installation

of a ballast water treatment system for one U.S. flag petroleum and chemical carrier, and major overhauls for five harbor tugs. The related off-hire time for dry-docking the U.S.-flag petroleum and chemical carrier accounted for a \$2.5 million decrease in operating income. Projected drydocking costs for the remainder of 2020 are \$5.5 million. Two U.S.-flag petroleum and chemical carriers embarked on extensions of prior charters that last year had been at more favorable rates. In addition, operating results were impacted by a change in contract status for one U.S.-flag petroleum and chemical carrier, which commenced a multiyear bareboat charter following the conclusion of a multiyear time charter. SEACOR's port and infrastructure services business and SEACOR Island Lines both experienced revenue growth year over year and made an increased contribution to operating income. Waterman Logistics had continued success this quarter winning bids to move specialized cargo for the U.S. government. The Jones Act dry bulk carrier fleet benefited from steady cargo volumes and a full quarter of operations with no dry-dockings. In the aggregate, these service lines had a positive incremental contribution of \$4.8 million compared with the prior year quarter.

**Inland Transportation & Logistics Services** - Operating income and OIBDA were \$1.0 million and \$7.2 million in the current year quarter compared with \$2.7 million and \$8.4 million, respectively. The 4% Y-O-Y decline in U.S. grain exports through the Gulf of Mexico reduced demand for barge freight and activity levels at the Company's terminals on the Mississippi and Illinois Rivers. The primary culprits were the China trade war, U.S. government farm subsidy programs which were a disincentive to exports, and competition from South America as a result of a stronger U.S. dollar. As of March 31, 2020, the Inland Transportation & Logistics Services' fleet was comprised of 1,407 dry-cargo barges, 20 liquid tank barges, five specialty barges, 25 towboats and 21 harbor boats.



**Capital Commitments** - Seacor's capital commitments as of March 31, 2020 were \$61.0 million and included four U.S.-flag harbor tugs, SEACOR's interest in two foreign-flag rail ferries, six inland river dry-cargo barges, two inland river towboats, other equipment and vessel and terminal improvements. Subsequent to March 31, 2020, SEACOR committed to purchase other property and equipment for \$1.1 million.

**Equipment Acquisitions & Dispositions** - During the three months ended March 31, 2020, capital expenditures were \$6.4 million and primarily related to the construction of harbor tugs and the purchase of machinery and equipment. During the three months ended March 31, 2020, SEACOR sold equipment for net proceeds of \$0.1 million and gains of \$0.1 million. In addition, SEACOR recognized previously deferred gains of \$0.3 million.

[www.marcon.com](http://www.marcon.com)

Details believed correct, not guaranteed. Offered subject to prior sale of charter.

# Marcon International, Inc.

## Tank Barge Market Report – April 2020



**Kirby Corporation** of Houston, Texas' net loss attributable to Kirby for the first quarter ended March 31, 2020 of (\$248.5) million, or (\$4.15) per share, compared with earnings of \$44.3 million or \$0.74 per share for the 2019 first quarter. Excluding one-time items in the 2020 first quarter, net earnings attributable to Kirby were \$35.3 million or \$0.59 per share. Consolidated revenues for the 2020 first quarter were \$643.9 million compared with \$744.6 million reported for the 2019 first quarter. As of March 31, 2020, Kirby operated 1,157 inland tank barges, 357 inland river pushboats, 49 coastal tank barges,

four offshore dry-bulk cargo barges and 47 tugboats.

David Grzebinski, Kirby's President and Chief Executive Officer, commented, "... Kirby started the year with improving market conditions in our marine businesses and stable conditions in distribution and services. Most of the first quarter was solid, but as the COVID-19 crisis deepened and energy prices collapsed, business activity levels declined in distribution and services. Although there are many unknowns and business levels are expected to decline for a period of time, Kirby has ample liquidity, and we expect meaningful free cash flow in 2020. As such, we remain confident that Kirby is well positioned to overcome the current economic challenges while remaining focused on safety and serving our customers. In the first quarter in marine transportation, despite poor seasonal operating conditions, our inland marine business had strong activity with elevated demand, high barge utilization levels, and increased pricing for both spot and term contracts. Similarly, tight market conditions in coastal resulted in good barge utilization and improved spot and term contract pricing. Since the onset of the COVID-19 pandemic, marine activity has remained relatively strong with many customers using incremental barges to ready their supply chains, store products, and relocate inventories. However, with many refineries and some chemical plants curtailing production in response to lower consumer demand, our barge utilization levels started to decline in mid-April."

**Marine Transportation** - Marine transportation revenues for the 2020 first quarter were \$403.3 million compared with \$368.1 million for the 2019 first quarter. Operating income for the 2020 first quarter was \$50.7 million compared with \$35.4 million for the 2019 first quarter. Operating margin for the 2020 first quarter was 12.6% compared with 9.6% for the 2019 first quarter. In the **inland market**, average barge utilization was in the low to mid-90% range during the quarter. Operating conditions were unfavorable due to poor weather conditions, including fog and wind along the Gulf Coast and flooding on the Mississippi River, as well as lock closures on key waterways. These conditions resulted in 4,490 delay days which were similar to the record 4,613 delay days in the 2019 first quarter. Spot market and term contract pricing improved during the quarter, with spot rates increasing in the mid-single digit range sequentially and year-over-year. Average term contract pricing on expiring contracts increased in the low-single digits. Revenues in the inland market increased 13% compared to the 2019 first quarter primarily due to the contribution from the Cenac acquisition and improved pricing. In the **coastal market**, barge utilization rates were in the low to mid-80% range during the 2020 first quarter. Compared to the 2019 first quarter, spot market and term contract pricing was approximately 10% to 15% higher. Revenues in the coastal market were similar to the 2019 first quarter with the impact of higher pricing being offset by planned shipyard days on large capacity vessels.



Commenting on the 2020 full year outlook, Mr. Grzebinski said, "As a result of the COVID-19 pandemic and many unknowns surrounding the depth of the global recession and the potential impact on future demand, we are withdrawing our full year earnings guidance.... In **inland marine**, as a result of the mounting headwinds associated with COVID-19 and reduced consumer demand for petrochemicals, crude oil, and refined products, activity and barge utilization levels have declined to levels around 90% in recent weeks. With refineries and petrochemical plants reducing utilization rates to align with declining demand, Kirby expects low volume levels to persist until economic activity resumes. However, the long-term nature of many of our inland term contracts and the flexibility of barging in the evolving and complex U.S. supply chain will help to insulate some of the decline in business activity. Opportunities for storage, product relocations, and upcoming lock maintenance projects will also help to mitigate lower demand. Also, the integration of the newly acquired Savage Inland Marine fleet is going well and the expected synergies are occurring. In the **coastal market**, although approximately 85% of revenues are under term contracts, quarterly revenues and barge utilization are expected to decline in the near-term as a result of COVID-19. During the second quarter, Kirby's barge utilization has experienced a slight softening, particularly related to spot moves of refined products as customer refinery runs and demand have declined. Additionally, labor constraints in the shipyard industry as a result of the pandemic have resulted in delays and extended shipyards for several of Kirby's large capacity vessels. As previously announced, Kirby's retirement of four aging coastal barges, as well as anticipated activity reductions in the coal transportation business will have an impact on the full year."

# Marcon International, Inc.

## Tank Barge Market Report – April 2020

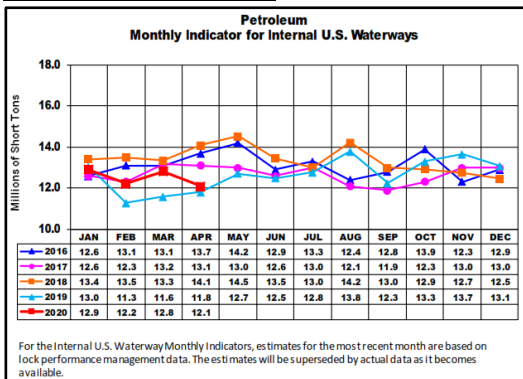


**Kirby Corporation** announced on April 2, 2020 that it completed the acquisition of **Savage Inland Marine's (Savage) inland barge fleet**. Savage is an operator of tank barges and towboats participating in the inland tank barge transportation industry in the United States. The total consideration paid was approximately \$278 million and was financed with additional borrowings. Savage's tank barge fleet consists of 90 inland tank barges with approximately 2.5 million barrels of capacity and 46 inland towboats. Savage primarily moves petrochemicals, refined products, and crude oil on the lower Mississippi River, its tributaries, and the Gulf Intracoastal Waterway. Savage also operates a significant ship bunkering business as well as barge fleet services along the Gulf Coast. Savage's customers include large midstream and global integrated oil companies, many of which are current Kirby customers for inland tank barge services.

**American Commercial Barge Line Holding Corp.** (together with certain of its affiliates, "ACBL"), as successor to American Commercial Lines Inc., April 30<sup>th</sup>, 2020 announced that it has successfully completed its recapitalization and emerged from Chapter 11. ACBL is moving forward as an inland barge transportation leader and continuing to provide customers with safe, reliable and competitive solutions. With \$200 million in new equity capital and having reduced its funded debt by approximately \$1 billion, ACBL has a strong financial foundation to support investments in future growth initiatives. *"Today is in an important day for our Company, our team members, our customers and our business partners,"* said Mark Knoy, President and Chief Executive Officer of ACBL. *"Having quickly completed our recapitalization, we are a stronger Company with the financial flexibility to build on our decades-long legacy of industry leadership. Looking ahead, we will be able to devote our available resources to competing in today's market. We look forward to continuing to provide the safest, most cost-effective and environmentally friendly barge transportation solutions for many years to come."* *"On behalf of all of us at ACBL, I'd like to thank our customers, vendors, and other business partners for their support throughout this process,"* Mr. Knoy continued. *"I am also deeply grateful to our dedicated teammates for their hard work and unwavering commitment to working safely. They will continue to be the ultimate drivers of our success as we continue meeting the evolving needs of our customers."* Milbank LLP served as the Company's legal counsel, Greenhill & Co. served as its financial advisor and Alvarez & Marsal North America, LLC. served as restructuring advisor.



### Economy & Trade



Under U.S. law, vessel operators must report domestic waterborne commercial movements to the **U.S. Army Corps of Engineers' Waterborne Commerce Statistics Center**. April 2020's 48.9 million short tons of all commodities carried on internal U.S. Waterways was 0.20% more than the 48.8 million short tons carried in March and 4.12% less than carried same month 2019. Year-to-date tonnage carried is 189.8 million short tons, compared to 2019's year-to-date tonnage of 184.7 million short tons, an increase of 2.76%. April 2020's 12.1 million short tons of petroleum (**bold red line**) carried was 5.47% less than March and 2.54% above April 2019's 11.8 million short tons. 2020's year-to-date monthly average for petroleum movement is 12.5 million short tons, compared to 2019's monthly average 11.9 million short tons over the same period. Year-to-date 2020 moved 50.0 million short tons

compared to same time period 2019's 47.7 million short tons, a year-to-date increase of 4.82%. 5.3 million short tons of chemicals were moved in April. This is above 2020's year-to-date monthly average movement of 4.4 million short tons. 17.7 million short tons have been moved to date in 2020, compared to same period 2019's 16.6 million short tons. Coal and coke at 9.8 million short tons moved in April is the lowest April recorded since we started tracking this information in 2010. Total short tons moved year-to-date 2020 is 8.05% below same period 2019. April's Farm & Food Products carried on internal U.S. waterways was 5.8 million short tons, the lowest month since September 2019's 5.3 million short tons moved. Average tons moved so far in 2020 are 6.3 million short tons compared to 2019's 6.2 million short tons, an increase of 1.63%. Total short tons moved year-to-date 2020 at 25.0 million short tons is 1.63% higher than 2019's year-to-date 24.6 million short tons moved.

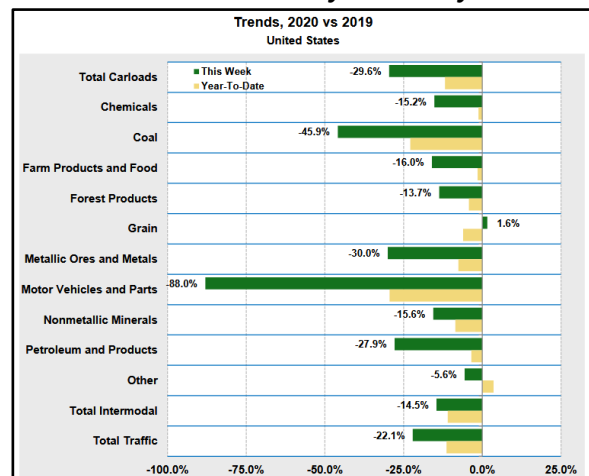
# Marcon International, Inc.

## Tank Barge Market Report – April 2020

According to the **Association of American Railroads (AAR)**'s **Weekly Rail Traffic** report issued on 6<sup>th</sup> May, for the month of April, U.S. railroads originated 980,535 carloads in April 2020, down 25.2%, or 329,693 carloads, from April 2019. U.S. railroads also originated 1,095,423 containers and trailers in April 2020, down 17.2%, or 227,165 units, from the same month last year. Combined U.S. carload and intermodal originations in April 2020 were 2,075,958, down 21.2%, or 556,858 carloads and intermodal units from April 2019. In April 2020, two of the 20 carload commodity categories tracked by the AAR each month saw carload gains compared with April 2019. These were all other carloads, up 2,699 carloads or 9%; and farm products excl. grain, up 1,093 carloads or 29%. Commodities that saw declines in April 2020 from April 2019 were coal, down 154,455 carloads or 38%; motor vehicles & parts, down 72,437 carloads or 86.3%; and chemicals, down 19,786 carloads or 11.9%.



***“To no one’s surprise, the pandemic made April a challenging month for rail traffic. The 25.2% year-over-year decline in total rail carloads was the worst decline for total carloads for any month since our records begin in 1989, and the 17.2% decline in intermodal loadings in April was the worst since the summer of 2009,”*** said AAR Senior Vice President John T. Gray.



***“Coal and autos were by far the worst-hit commodities in April, but declines spanned the industrial spectrum, hitting finished steel and steel scrap, chemicals, petroleum products, sand and stone, and much else. We don’t know exactly when it will happen, but our economy – and rail traffic – will rebound. No matter what, the men and women on our nation’s railroads will do their part to keep supply chains moving safely and efficiently as they link our businesses and communities to each other and to the world.”***

Excluding coal, carloads were down 175,238 carloads, or 19.4%, in April 2020 from April 2019. Excluding coal and grain, carloads were down 167,802 carloads, or 21.3%. Total U.S. carload traffic for the first four months of 2020 was 3,973,586 carloads, down 11.8%, or 532,448 carloads, from the same period last year; and 4,273,708

intermodal units, down 10.9%, or 525,462 containers and trailers, from last year. Total combined U.S. traffic for the first 18 weeks of 2020 was 8,247,294 carloads and intermodal units, a decrease of 11.4% compared to last year.

AAR also reported the U.S. weekly rail traffic was 416,954 carloads and intermodal units, down 22.1% compared with the same week last year. **Total carloads for the week ending May 2 were 189,190 carloads, down 29.6% compared with the same week in 2019, while U.S. weekly intermodal volume was 227,764 containers and trailers, down 14.5% compared to 2019.** One of the 10 carload commodity groups posted an increase compared with the same week in 2019. It was grain, up 355 carloads, to 22,653. Commodity groups that posted decreases compared with the same week in 2019 included coal, down 38,851 carloads, to 45,806; motor vehicles and parts, down 14,506 carloads, to 1,985; and metallic ores and metals, down 7,091 carloads, to 16,535. North American rail volume for the week ending May 2, 2020, on 12 reporting U.S., Canadian and Mexican railroads totaled 270,855 carloads, down 28.3% compared with the same week last year, and 309,731 intermodal units, down 13.4% compared with last year. Total combined weekly rail traffic in North America was 580,586 carloads and intermodal units, down 21.1%. North American rail volume for the first 18 weeks of 2020 was 11,401,713 carloads and intermodal units, down 9.9% compared with 2019. Canadian railroads reported 67,952 carloads for the week, down 23.8%, and 69,551 intermodal units, down 6.2% compared with the same week in 2019. For the first 18 weeks of 2020, Canadian railroads reported cumulative rail traffic volume of 2,532,358 carloads, containers and trailers, down 5.8%. Mexican railroads reported 13,713 carloads for the week, down 30.8% compared with the same week last year, and 12,416 intermodal units, down 27.7%. Cumulative volume on Mexican railroads for the first 18 weeks of 2020 was 622,061 carloads and intermodal containers and trailers, down 5% from the same point last year.

	This Week		Year-To-Date		
	Cars	vs 2019	Cumulative	Avg/wk <sup>2</sup>	vs 2019
<b>Total Carloads</b>	<b>189,190</b>	<b>-29.6%</b>	<b>3,973,586</b>	<b>220,755</b>	<b>-11.8%</b>
Chemicals	29,739	-15.2%	573,765	31,876	-1.2%
Coal	45,806	-45.9%	1,085,871	60,326	-22.9%
Farm Products excl. Grain, and Food	13,678	-16.0%	276,828	15,379	-1.5%
Forest Products	8,923	-13.7%	172,077	9,560	-4.2%
Grain	22,653	1.6%	369,112	20,506	-6.1%
Metallic Ores and Metals	16,535	-30.0%	358,828	19,935	-7.6%
Motor Vehicles and Parts	1,985	-88.0%	208,143	11,564	-29.4%
Nonmetallic Minerals	31,322	-15.6%	535,961	29,776	-8.5%
Petroleum and Petroleum Products	9,544	-27.9%	219,485	12,194	-3.5%
Other	9,005	-5.6%	173,516	9,640	3.6%
<b>Total Intermodal Units</b>	<b>227,764</b>	<b>-14.5%</b>	<b>4,273,708</b>	<b>237,428</b>	<b>-10.9%</b>
<b>Total Traffic</b>	<b>416,954</b>	<b>-22.1%</b>	<b>8,247,294</b>	<b>458,183</b>	<b>-11.4%</b>

<sup>1</sup> Excludes U.S. operations of Canadian Pacific, CN and GMXT.  
<sup>2</sup> Average per week figures may not sum to totals as a result of independent rounding.

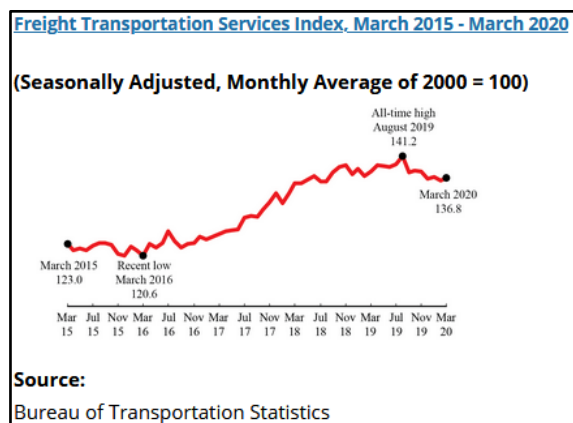
# Marcon International, Inc.

## Tank Barge Market Report – April 2020

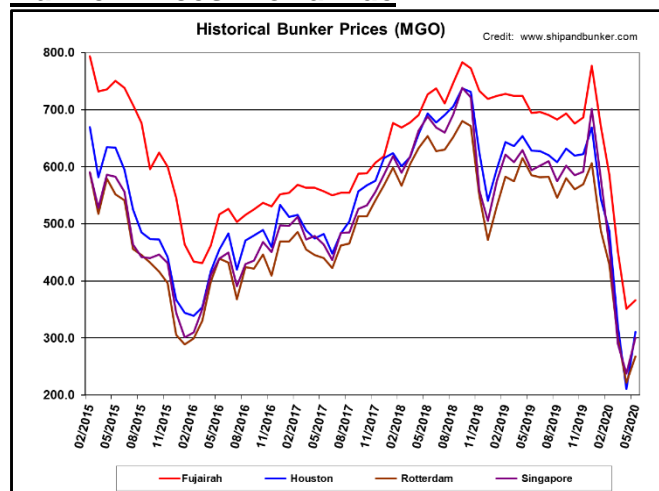


The U.S. Department of Transportation's Bureau of Transportation Statistics' **Freight Transportation Services Index**, which is based on the amount of freight carried by the for-hire transportation industry, rose 0.5% in March from February, rising after a one-month decline. From March 2019 to March 2020, the index fell 0.9% compared to a rise of 1.8% from March 2018 to March 2019 and a rise of 8.4% from March 2017 to March 2018. The level of for-hire freight shipments in March measured by the Freight TSI (136.8) was 3.1% below the all-time high level of 141.2 in August 2019. The February index was revised to 136.1 from 137.2 in last

month's release. The Freight TSI increased in March from February due to growth in air freight, trucking and water, despite declines in rail carload, rail intermodal and pipeline. The TSI rise was likely due to growth in shipping in the first part of the month. The increase for the month took place against a background of decline in other indicators driven largely by the impact of the COVID-19 virus in the latter part of the month. Personal Income decreased by 2.0% while housing starts decreased by 22.3%. The Institute for Supply Management Manufacturing (ISM) index was down by 1.0 point to 49.1, indicating a shift from slow growth to contraction in the manufacturing sector. The Federal Reserve Board Industrial Production (IP) Index decreased 5.4% in March reflecting a decrease of 6.3% in manufacturing and smaller decreases in mining and utilities. The decreases for total industrial production and for manufacturing were both the largest since 1946. The ISM manufacturing index is based on a survey of 800 supply chain executives on production, orders, deliveries, and employment, while the Federal Reserve IP index is based on estimated physical output using a range of output measures that the Federal Reserve considers reliable. Comparisons between patterns in the ISM manufacturing and the Federal Reserve IP index should be done with caution. The 0.5% March increase in the Freight Index was a return to growth after a decrease in February. March was the fourth month in a row that Freight TSI remained in a relatively narrow range, below the levels it had held from September 2018 to November 2019. However, the index remained above any level before June 2018. Despite peaks and dips in the 21 months after June 2018, the March 2020 index was at almost the same level as at the start of that period. For-hire freight shipments in March 2020 (136.8) were 44.2% higher than the low in April 2009 during the recession (94.9). The March 2020 level was 3.1% below the historic peak reached in August 2019 (141.2). For-hire freight shipments measured by the index were up 0.2% in March compared to the end of 2019. For-hire freight shipments are up 11.2% in the five years from March 2015 and are up 29.7% in the 10 years from March 2010. March 2020 for-hire freight shipments were down 0.9% from March 2019. The freight TSI rose 0.2% in the 1st quarter. It was the first quarterly increase following two consecutive declines in the third and fourth quarters of 2019.



## Bunker Prices Worldwide



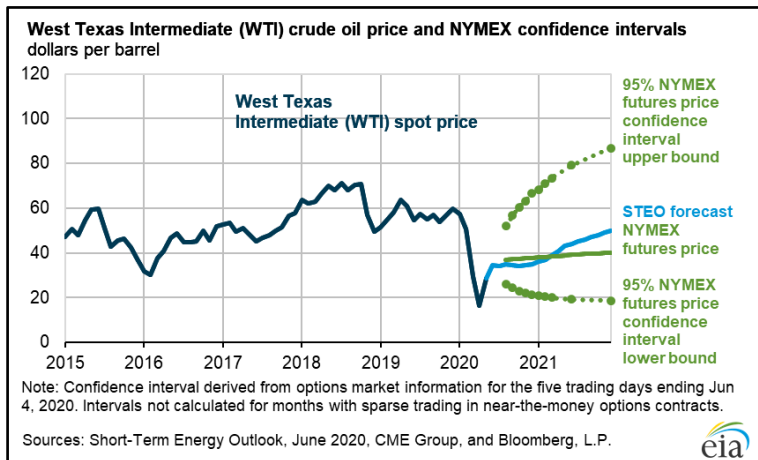
As can only be expected given our global environment the past few months, MGO prices plummeted with end April 2020 prices being the lowest month-end prices in the five years we have tracked these statistics, surpassing the lows experienced in 2016. In reaction to the slow restarting of businesses and stabilization in oil supply, prices increased in May. Fujairah ended May at US\$ 366.5/mt, up 4.42% from April's US\$ 351.0/mt. Year-over-year decrease is 47.19%. In the US, Houston ended May at US\$ 311.0/mt, a 47.74% increase from April's US\$ 210.5/mt and is 50.48% below last year's US\$ 628.0/mt. Rotterdam increased 20.50% from April's ending price to US\$ 267.5/mt from US\$ 222.0/mt, falling below last May's US\$ 585.0/mt by 54.27%. Singapore rose 26.53% over April, closing at US\$ 300.5/mt from US\$ 237.5/mt and is down by 49.41% or US\$ 293.5/mt from May 2019. As of 16<sup>th</sup> June 2020, MGO prices are up further in all areas tracked, with Fujairah up 9.82%, Houston up 3.70%, Rotterdam up 25.42% and Singapore up 16.31%.



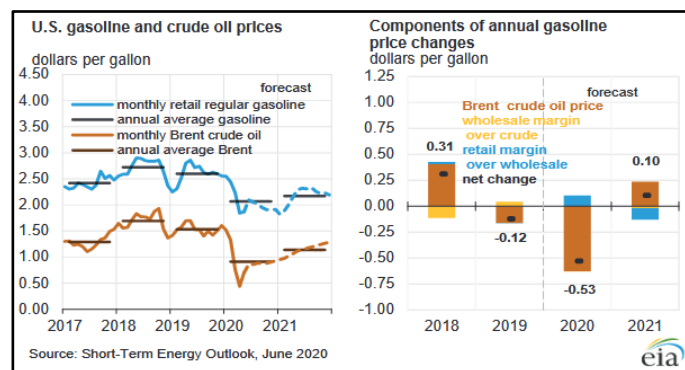
# Marcon International, Inc.

## Tank Barge Market Report – April 2020

Per the latest U.S. Energy Information Administration’s “Short-Term Energy Outlook”, Although revisions to EIA’s forecasts in the June STEO are generally smaller than they have been in recent months, this forecast remains subject to heightened levels of uncertainty because mitigation and reopening efforts related to the 2019 novel coronavirus disease (COVID-19) continue to evolve. Reduced economic activity related to the COVID-19 pandemic has caused changes in energy supply and demand patterns in 2020, particularly for petroleum and other liquid fuels. Uncertainties persist across EIA’s outlook for other energy sources, including natural gas, electricity, coal, and renewables. Daily Brent crude oil spot prices averaged \$29 per barrel (b) in May, up \$11/b from the average in April. Oil prices rose in May as initial data show global oil demand was higher than EIA had forecast and as adherence to announced production cuts by Organization of the Petroleum Exporting Countries (OPEC) and partner countries (OPEC+) was high. EIA expects monthly Brent prices will average \$37/b during the second half of 2020 and rise to an average of \$48/b in 2021. The forecast of rising crude oil prices reflects expected declines in global oil inventories during the second half of 2020 and through 2021. EIA expects high inventory levels and spare crude oil production capacity will limit upward price pressures in the coming months, but as inventories decline into 2021, those upward price pressures will increase. EIA forecasts that demand for global petroleum and liquid fuels will average 83.8 million barrels per day (b/d) in the second quarter of 2020, 16.6 million b/d lower than at the same time last year. Lower demand is the result of COVID-19-related shutdowns throughout much of the world. As stay-at-home orders are eased, EIA expects liquid fuels consumption will rise to an average of 94.9 million b/d in the third quarter (down 6.7 million b/d year over year). EIA forecasts that consumption of petroleum and liquid fuels globally will average 92.5 million b/d for all of 2020, down 8.3 million b/d from 2019, before increasing by 7.2 million b/d in 2021.



EIA estimates U.S. crude oil production fell from a record 12.9 million b/d in November 2019 to 11.4 million b/d in May 2020 as Baker Hughes reported the fewest active drilling wells in the United States in their records which go back to 1987. EIA expects U.S. crude oil production will continue to decline, to 10.6 million b/d in March 2021, then increase slightly through the end of 2021. EIA forecasts that U.S. crude oil production will average 11.6 million b/d in 2020, down 0.7 million b/d from 2019. In 2021, EIA expects U.S. crude oil production will average 10.8 million b/d. This 2020 production decline would mark the first annual decline since 2016. Typically, price changes affect production after about a six-month lag. However, current market conditions have shortened this lag as many producers have already curtailed production and reduced capital spending and drilling in response to lower prices.



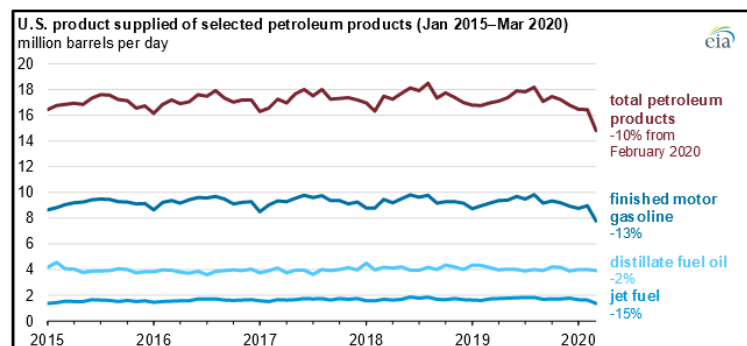
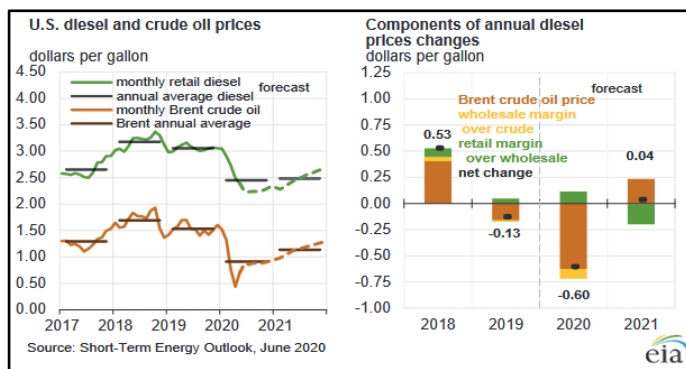
The front-month futures price of reformulated blendstock for oxygenate blending settled at \$1.15 per gallon on June 4, up 38 cents/gal from May 1, 2020. The RBOB–Brent crack spread increased by 6 cents/gal to settle at 20 cents/gal during the same period. In May, crack spreads ranged from a minimum of 14 cents/gal, a record-low crack spread for that month since 2006 (when RBOB contracts began selling), to a maximum of 23 cents/gal. May marked the first time the crack spread was positive for each trading day of a month since February, the last complete month before the March 13 proclamation of a national state of emergency in the United States. Increasing gasoline

demand and relaxed lockdowns related to COVID-19 mitigation efforts provided some strength to the crack spread. EIA estimates that the consumption of finished motor gasoline increased to 7.3 million b/d in May from 5.7 million b/d in April. Personal travel numbers matched the trend of motor gasoline consumption. According to INRIX, compared with the last pre-lockdown week ending February 29, weekly personal travel was down 16% on May 29 - compared with 47% on April 3. This increase in consumption, along with reduced refinery runs, contributed to gasoline inventories decreasing from record high levels in mid-April to an estimated 256 million barrels at the end of May. Increased net imports of gasoline partly offset the effect of rising consumption on gasoline inventories. EIA estimates a 0.7 million b/d increase in month-over-month net imports to 0.3 million b/d.

# Marcon International, Inc.

## Tank Barge Market Report – April 2020

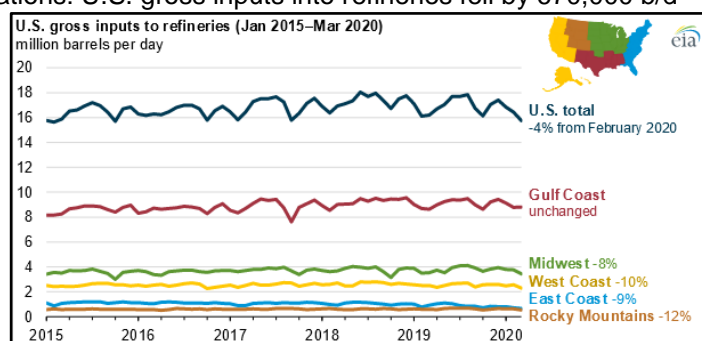
The ultra-low sulfur diesel (ULSD) front-month futures price for delivery in New York Harbor settled at \$1.07/gal on June 4, 2020, up 28 cents/gal from May 1, 2020. The ULSD-Brent crack spread decreased by 4 cents/gal to settle at 12 cents/gal during the same period. The average ULSD-Brent crack spread for May at 14 cents/gal was less than the five-year (2015-19) average of 34 cents/gal. EIA estimates May 2020 distillate consumption was 3.4 million b/d, down 0.7 million b/d (17%) from May 2019, but up 0.3 million b/d (11%) from April 2020. This increase can partially be explained by the increase in long-haul trucking as economic activity begins to recover. According to INRIX, which compared traffic data for the week ending May 22 with that of the week ending February 29, trucking was down 5% from pre-lockdown levels. Meanwhile, if confirmed by EIA's Petroleum Supply Monthly, distillate imports for the four weeks ending May 29 increased to their highest May levels since 2007, and exports decreased to their lowest May levels since 2011. Overall, net exports of distillate in May were 0.8 million b/d, down 0.6 million b/d from April. This decrease likely contributed to the increase in inventories, with distillate inventories rising to 174 million barrels at the end of May, 44 million barrels more than in May 2019 and the highest May-ending level since 1980.



As stay-at-home orders and mitigation efforts for the 2019 novel coronavirus disease (COVID-19) took effect and limited travel starting in the second half of March 2020, gasoline and jet fuel demand (as measured by product supplied) fell by near-record amounts, according to data in the **U.S. Energy Information Administration's Petroleum Supply Monthly**. From February to March, gasoline demand fell by 1.2 million barrels per day (b/d) (13%) to 7.8 million b/d, the lowest level since January 2000 and the second-largest monthly decline on record. During the same period, jet fuel demand fell by 242,000 b/d

(15%), the largest single monthly change in U.S. jet fuel demand in EIA's data, which dates back to 1965. By comparison, demand for distillate fuel in March remained near its January and February levels, falling only 98,000 b/d (2%). Because of its stronger ties to economic activity, distillate consumption was initially less affected by COVID-19 mitigation efforts than gasoline and jet fuel, which are more closely tied to commuting and personal travel. The drop in demand for petroleum products led refineries to limit operations: U.S. gross inputs into refineries fell by 670,000 b/d

(4%) from February to March to average 15.8 million b/d, the lowest monthly level since October 2015. The U.S. Gulf Coast region, or Petroleum Administration for Defense District (PADD) 3, is home to more than half of U.S. refining capacity. Unlike refinery runs in other regions of the United States, Gulf Coast refinery runs remained relatively unchanged between February and March as some refineries in the region returned to operation after maintenance in February. Also, Gulf Coast refineries tend to provide petroleum products to be exported or shipped to other parts of the United States, meaning their operations are less connected to in-region changes in demand. Refineries in the other parts of the country decreased operations in March. In particular, gross inputs into refineries on the West Coast fell by 267,000 b/d (10%) from February to March. Rapid changes in petroleum product demand and relatively slower changes in crude oil production and refinery operations led to increases in petroleum inventories. From February to March, U.S. crude oil inventories increased by 28.2 million barrels (6%) to reach 482 million barrels, the third-largest month-over-month increase in EIA data, which dates back to 1981, the beginning of the modern Petroleum Supply Reporting System. As a result of these increases in inventory levels, in early April, EIA began to track oil storage utilization in the Weekly U.S. and regional crude oil stocks and working storage capacity report. This weekly tracker indicated that U.S. crude oil stocks reached 52% of working capacity the last week of March.



# Marcon International, Inc.

## Tank Barge Market Report – April 2020



According to the Paris-based, **International Energy Agency's "Oil Market Report"**, oil demand in 2020 is expected to fall by 8.1 mb/d, the largest in history, before recovering by 5.7 mb/d in 2021. Reduced jet and kerosene deliveries will impact total oil demand until at least 2022. The forecast for 2020 oil demand has been raised by nearly 500 kb/d to 91.7 mb/d, due to stronger than expected deliveries during the Covid-19 lockdown. In China, oil demand recovered fast in March-April and

India's demand rose sharply in May. Global oil supply plunged by 11.8 mb/d in May, driven by a record OPEC+ cut and economic shut-ins in the US, Canada and elsewhere. After tumbling by 7.2 mb/d in 2020, global oil output is set for a modest 1.7 mb/d recovery in 2021, assuming OPEC+ cuts ease, Norway, Brazil and Guyana deliver solid gains and Libya manages to sustain a rebound. US supply is poised to fall by 0.9 mb/d in 2020 and a further 0.3 mb/d next year unless higher prices unlock fresh investments in the shale patch. Global refining intake in April fell 6.6 mb/d month-on-month to just 68.8 mb/d, down 12.3 mb/d year-on-year and in May it was down by a further 1 mb/d. Large implied product stock builds set the stage for a subdued margin environment for the near future. After a 5.4 mb/d decline this year, refining activity is set to gain 5.3 mb/d in 2021, nearly recovering to 2019 levels, but below the 2018 historical peak. OECD data for April show that industry stocks rose by 148.7 mb (4.9 mb/d) to 3 137 mb, and were 208.3 mb above the five-year average. In the US, preliminary data show that commercial stocks in early June were at record highs, having built by about 1 mb/d in 2020. In 1Q20, government held stocks increased by nearly 2 mb, mainly product stocks in Europe. In May, floating storage of crude oil fell by 6.4 mb from its all-time high (172.2 mb in April) to 165.8 mb. Crude prices rose in May to the highest in three months as demand began to recover and global supply fell sharply. Rising prices squeezed product cracks, in particular diesel and jet/kerosene due to concerns about the global economy and the weak outlook for the aviation industry. Freight rates plummeted as OPEC+ cuts took effect. In early June, both WTI and Brent traded close to \$40/bbl for several days before easing back slightly.

### **Highlighted Tank Barges & ATB Tugs Direct From Owners**

Marcon currently has a total of 207 tankers and tank barges for sale worldwide of which 162 are double hull. 169 are non-U.S. and 38 U.S. flag. We also currently have nine ATB tugs for sale worldwide, two foreign and seven U.S. flag.

**File: TB99906 Double Hull Tank Barge - Ocean:** 467.7' loa x 447.7' lbp x 74.0' beam x 38.1' depth x 32.00' loaded draft. Built in 1979 by Gretna Machine & Iron Works; Harvey, LA. Rebuilt: 2002. U.S. flag. GRT: 9,834. NRT: 9,834. Class: ABS +A1, Oil Tank Barge, Unrestricted. Docking and Special Survey due 31 Oct 2019. Last DD Oct 2017. **Dwt: 25,863T.** Rake(s): Spoon bow. Bulkheads: 11 oil tight. **Capacity: 158,128bbl.** Tanks: 16. **Coiled.** FO: 1,156bbl. FW: 50bbl. BW: 70,000bbl. **ATB black oil barge mated with 6,140HP tug TG61133 with Intercon connection system.** Converted to double hull barge in 2002 by Halter Port Bienville. U.S. Coast Guard Grade "A" (Max. 25 PSIA Reid) & Lower Grade Flammable or Combustible Liquids exp. 17 Oct 2022. 1-12 million BTU heater. ITC Tonnage: 11,853G / 7,594N. Further technical details, tank arrangement, class / survey status. available on request. As brokers only, we invite your best outright, reasonable firm cash offers for owner's consideration on an "as is, where is" basis for sale out of competition. **U.S. Gulf Coast.**



**File: TB99558 Double Hull Tank Barge - Ocean:** 467.0' loa x 447.7' lbp x 85.5' beam x 38.1' depth x 36.00' loaded draft. Built in 1987 by Gretna Machine & Iron Wks.; Harvey, LA. Rebuilt: 2006. U.S. flag. GRT: 9,832. NRT: 9,832. Class: ABS International Loadline and USCG COI Grade "A" (max. 25 PSIA Reid) & lower exp 17 Jun 2021. Rake(s): Spoon bow. **Capacity: 158,128bbl.** Tanks: 16. Coiled. FW: 50bbl. BW: 70,000bbl. Pumps: 4 - cargo pumps. **Double hull black oil barge with spoon bow and notched stern.** Pump rooms topside aft. Thermal oil heating. Further technical details including tank arrangement and latest PSIX report available on request. As brokers only, we invite your best outright, reasonable firm cash offers for owner's consideration on an "as is, where is" basis for sale out of competition. See also TB99906 for close sister. **U.S. Gulf Coast.**

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# Marcon International, Inc.

## Tank Barge Market Report – April 2020

**File: TB99430 Double Hull Tank Barge - Ocean:** 430.9' loa x 404.4' lbp x 84.0' beam x 42.0' depth x 17.00' light draft x 30.60' loaded draft. Built in 1982 by General Dynamics; Amelia, LA USA. Rebuilt: 2005. U.S. flag. GRT: 8,974. NRT: 8,974. Class: ABS + A1 Oil Barge exp. 23 Jun 2020; USCG COI Grade "B" and lower, exp. 17 Aug 2020. **Dwt: 19,683lt.** Lt Displ: 4,480lt. **Capacity: 139,922bbl.** Tanks: 12. **Coiled.** FO: 121,761g. BW: 14,507lt. Pumps: Ballast: 2 - Byron-Jackson; Cargo: 3 - 3,000bph / CAT 3412. 2 - 6,000lb; 1 - 7,000lb anchor(s). Windlass. Crane: 2 - Hose handling booms 5lt SWL each. Winch: 6 - Electric Mooring winches Markey DESM. Genset(s): 2 - 350kW / GM; 1 - 99kW / John Deere. Quarters: 4. Converted to double hull OPA '90 certified tank barge in 2005 at Gulf Marine Repair of Tampa FL. **ATB configuration with TG72003 via Bludworth connection system. Works in dirty service** with F.P. 60 deg C, or less. Next docking due for ABS June 23, 2020. 1 - VaPower 8 million BTU / hr. heater. 3 Manifolds / 3 segregations. **Black oil barge (not capable of carrying asphalt).** Vapor recovery. Bergen Guard Level Twinstick overfill warnings on fuel tanks and cargo tanks + Bergen Cargo Radar 250 & MMC on cargo with Bergen Guard Level HPT-3 on fuel oil and ballast systems. 1 - Foster Wheeler 1,700m3/hr. Inert gas system - decommissioned. 60' deep notch in stern. ITC - 10,736 G / 6,430 N. **U.S. Gulf Coast.**



**File: TB99055 Double Hull Tank Barge - Ocean:** 460.0' loa x 442.9' lbp x 72.0' beam x 36.0' depth x 29.20' loaded draft. Built in 1995 by Alabama Ship; Mobile, AL. U.S. flag. GRT: 8,327. NRT: 2,498. Class: ABS + A1 Oil Tank Barge exp. Jun. 30, 2020, USCG COI exp. June 19, 2020. **Dwt: 18,695mt.** Lt Displ: 3,800lt. **Capacity: 120,000bbl.** Tanks: 10. **Coiled.** Pumps: 2 - 1,192.4m3/hr Deepwell Cargo; 2 - 596.2m3/hr. Centrifugal Ballast. Crane: 2 - 5mt @ 12.2m cargo hose booms. Winch: 2 - Fwd / 1 - Aft. 27.2mt single drum mooring winches. Genset(s): 3 - 135kW / GM8V-71, 1-40kW / GM4-71. BCM 248'. Asphalt capable. 2 -

10million BTU heaters. Asphalt capable. OPA'90 double hull. No tank coatings. Two cargo systems. Bowthrustrer - 500HP. 1 GM4-71 diesel powered hydraulic system powers mooring winches and capstans. **Last cargo = fuel oil blend.** We can develop prompt for sale "as is, where is" against non-competing interests. **U.S. Gulf Coast.**

**File: TB99020 Double Hull Tank Barge - Ocean:** 502.3' loa x 473.8' lbp x 84.0' beam x 42.0' depth x 8.50' light draft x 35.60' loaded draft. Built in 1980 by General Dynamics; Quincy, MA. Rebuilt: 2000. Panama flag. GRT: 15,152. NRT: 14,299. Class: RINA C +Hull, Unrestricted Service exp. 24 Jul 2024. **Dwt: 28,580mt.** Rake(s): Ship Bow. **Capacity: 202,300bbl.** Tanks: 18. **Coiled.** FO: 115,275g. FW: 514g. BW: 9 tanks. Pumps: 4 - 4,500gpm Goulds deepwell Model VMP / GM16V71 driven. Genset(s): 2 - 150kW / CAT 3306 DITA & 1 - 65kW / CAT 3304N. **Double hull asphalt barge with 86' deep notch.** Extensively rebuilt from single-hull barge in 2000 when double-hulled to meet OPA-90 regulations. Asphalt / black oil service. 188,000bbl cargo at 98% in 9 P/S cargo tanks. 175,000bbl capacity at loadline draft. 19 oil-tight bulkheads. 4 cargo segregations. Two 12 million BTU Volcanic Hopkins heaters. No vapor recovery. Segregated ballast 6,800LT in epoxy coated tanks. BCM 250'. Air draft abt. 62' in ballast. 1,000BHP bowthrustrer. **Sold to current owner via Marcon.** Fresh 5-year class issued in 2019. Contact this office for further details, sale price ideas and charter rates to named / registered interests on request. **South America West Coast.**



**File: TB80007 Double Hull Tank Barge - Ocean:** 336.0' loa x 322.2' lbp x 74.0' beam x 25.0' depth. Built in 2008 by Bollinger Shipyards, Inc.; Amelia, LA. U.S. flag. GRT: 4,228. NRT: 4,228. Class: ABS +A1, Oil or Chemical Tank Barge, Unrestricted exp. October 28, 2023. **Dwt: 11,794mt.** Rake(s): Ship bow. Bulkheads: 6 transv. **Capacity: 80,000bbl.** Tanks: 10. Pumps: 2 - BJ 12LS 16 GH 3-stage / DD Series 60. BW: 2 - BJ LS 16GH 1 stage. 6,000lb. Stockless anchor(s). Windlass: Coastal Marine. Crane: 2 - 1.1T Techcrane F10-50 hose. Winch: 2 Coastal Marine aft mooring, 2 fender hoist, 2 stern capstans. Genset(s): 1 - 30kW / John Deere 4045DFM70B. **Double hull barge for ATB operation.** Notched stern with JAK 400K coupler. Raised trunk. Cargo gauging

overfill protection. Stewart & Stevenson hydraulic drive & pump system. Vapor Recovery system. Yokohama fender slides port fore & aft. Emergency tow wire. Panama chocks. Dry docked, painted & all certificates freshly renewed late 2018, including second five year Special Survey, etc. ITC Tonnage: 5,813G / 3,914N. **U.S. Gulf Coast.**

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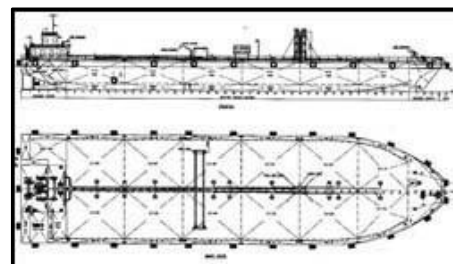
**File: TB71320 Tank Barge - Ocean:** 320.0' loa x 305.0' lbp x 64.0' beam x 23.0' depth x 3.75' light draft x 19.00' loaded draft. Built in 1981 by Gretna Machine Iron Works; Gretna, LA. U.S. flag. GRT: 3,483. NRT: 3,206. Class: ABS Loadline (exp Aug 10, 2021). **Dwt: 8,100lt.** Lt Displ: 1,381lt. Rake(s): Double. Bulkheads: 6 long'l / 1 transv. **Capacity: 66,644bbl.** Tanks: 10. **Coiled.** FO: 5,200g. BW: 1,000g. Pumps: 2 - 12" Byron Jackson Deepwell / GM12V92 rated at 6,500BPH. 5,000lbs stern anchor(s). Wire/Chain Capacity: 720'. Wire/Chain Dia.: 1.5". Windlass: Hydraulic. Crane: 60' 3,400SWL full radius. Winch: 4 Mooring Master DD-7 hydraulic winches with 850' 1.25" wire capacity. Genset(s): 2 - 30kW / GM3-71; 1 - 17.5kW / Lister. Quarters: 4 men. TPI: 43.77. Small notch aft. Twin towing skegs. Two each cargo headers P/S. 12" pipelines above & 16" pipelines below deck. Centerline 66' hose boom hydraulic. Vapor recovery. Hermetic gauging. Spill rails. Two 5' x 7' Yokohama fenders. Hydraulic bridle retrieving winch. TPI / TPF 43.77 / 525.2. OPA'90 retirement 2015. Trading in non-hazardous liquid cargoes. **U.S. Northwest.**



**File: HB42678 Hopper Barge - Ocean:** 426.9' loa x 78.4' beam x 24.6' depth x 17.71' loaded draft. Built in 1993 by Kvaerner Masa;Turku, Finland. Canada flag. GRT: 5,195. NRT: 1,558. Class: LR + 100A1, Ice Class SF1A exp. 2018. **Dwt: 8,212mt.** Lt Displ: 2,700mt. 318' x 68.9' clear deck. Deck Load: 15MT/m2. Rake(s): ship bow. Bulkheads: 2 long'l / 8 transv. **Hold Capacity: 688,642ft3.** 1 hold. FO: 10.3m3. BW: 6,053m3. Pumps: Ballast: 2 - 500m3/h, Bilge: 1 - 40m3/h, Fire: 100m3/h. 2 - 2,475kg HHP Pool anchor(s). Wire/Chain Capacity: 495m. Wire/Chain Dia.: 50mm. Windlass: 2-Hyd. Norwinch anchor/mooring. Winch: 2 - 10T hydraulic Norwinch mooring. Genset(s): 2 - 145kW / CAT. **EXTREMELY MOTIVATED**

**OWNERS. Articulated, ice-classed, bulk barge with Articuloupe linkage. Ice breaking ship shape bow with deep notch stern.** 32' high bin walls with 318' x 68.9' interior acting as single, open-top hold. Cubic capacity Grain/Bale: 19,500m3 / 688,642ft3. Can load up-to 20MT/m2 on tank tops. Has carried abt. 28,000m3 wood cargo in past. 9.5m x 6m MacGregor-Navire side ramp can carry up to 85T max truck axle load. 430kW jet bow omni-thruster. Below deck pump & control room. See File TG52132 for matching articulated tug. Well suited for project cargoes and bulk. Copies of capacity plans, general arrangement, deadweight scale & photographs available on request. **Canada East Coast.**

**File: TB39003 Double Hull Tank Barge - Ocean:** 280.0' loa x 266.6' lbp x 72.0' beam x 20.0' depth x 14.76' loaded draft. **Built in 2013** by Anhui Hezhou Hongyun Shipyard; China. Tuvalu flag. GRT: 2,837. NRT: 1,673. Class: BV I +Hull +Mach,Oil Barge,Unrestricted Navigation.Annual lay-up survey due 17 Feb 2020. DD overdue. **Dwt: 5,963mt.** Lt Displ: 1,405mt. Rake(s): Double. Bulkheads: 1 long'l / 6 transv. **Capacity: 39,000bbl.** Tanks: 12. FO: 21.6m3. FW: 36.0m3. Pumps: 2 - 400m3/h 2LB2-400-J screw cargo; 1 - 22m3/h gen. service, 1- 30m3/h fire. 1 - 1,140kg stockless anchor(s). Winch. Genset(s): 2 - 30kW / Cummins or eq. 50Hz AC. One newbuilding, IMO II, unmanned oil barge delivered in 2013, but never used and in "like new" condition. **Total of abt. 5,904m3 cargo @ 98% in 12 tanks. Designed for carrying base oil and finished oil with flashpoint below 60 deg. C.** Further technical details, small scale g.a., photographs and BV class survey status on request. See also TB13920 for other smaller versions. Contact Marcon for price guidance, small scale drawings, photos and further details. **Southeast Asia.**



**File: TG71096 Tug - ATB - Twin Screw:** 96.0' loa x 34.8' beam x 22.4' depth x 14.00' light draft x 19.70' loaded draft. Built in 1979 by Modern Marine Power; Houma, LA. U.S. flag. GRT: 199. Class: ABS +A1 Towing Service, AMS, Unrestricted Service. Special Survey due 25 May 2019. Docking due 19 April 2017. **Dwt: 787T.** Light Disp.: 761T. FO: 86,000g. FW: 10,160g. Crane: 5T. Winch: HC-20 emergency tow capstan. Wire Capacity: 1,000' x 12" hawser. Main Engines: 2 x Alco 16-251C total **7,130BHP.** 2 - 120" x 76" FP prop(s) on Stainless shaft(s). Repowered 1996. Abt. 7,460HP@1,200RPM. P/S Tailshaft Surveys due 04/19/2019. Speed about 10kn on 4,600gpd MDO. Genset(s): 2 - 99kW / John Deere 6068 TEM-5D. Firefighting: Fixed CO2 fire suppression system. Quarters: 9 berths. **HIGHLY MOTIVATED SELLER. Articulated offshore tug designed to operate with A/TB barge TB52392 via Bludworth pin system.** Combined Tug/Barge length 438'. Upper pilothouse with 46.45' height of eye. Highest fixed point 78.0'. 2 Quincy 325 air compressors. Last drydocked 20 April 2014. ITC Tonnage 541 / 162. Further technical details including Q-88s & Gas Form C available on request from this office. **Both units sold to present Owners by Marcon. U.S. Gulf Coast.**

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**File: TG61133 Tug - ATB - Twin Screw:** 127.0' loa x 37.0' beam x 20.0' depth. Built in 1979 by Halter Marine, Inc; New Orleans, LA. Rebuilt: 1998. U.S. flag. GRT: 199. Class: ABS +A1 Towing, +AMS, Unrestricted. Special Hull & Mach, Docking and Loadline Renewal Surveys due 31 Mar 2019. FO: 144,238g. Winch: Double drum side-by-side. Main Engines: 2 x EMD 16-645E7 **total 6,140BHP**. 2 - Bronze FP prop(s). P/S Tailshaft Surveys due 16 Oct 2022. Genset(s): 3 - 99kW / GM8V71 AC. **AT/B Pusher tug available with 25,863dwt, 158,128bbl double hull tank bargeTB99906.** Intercon coupler system installed in 1999. Sheer bow with elevated pilothouse. Height of eye: 48'. 77' highest fixed point. ITC Tonnage 592G / 177N. Laid up in active class. As brokers only, we invite your best outright, reasonable firm cash offers for owner's consideration on an "as is, where is" basis for sale out of competition. **U.S. Gulf Coast.**



**File: TG52132 Tug - ATB - Twin Screw:** 133.7' loa x 45.6' beam x 23.4' depth x 17.10' loaded draft. Built in 1974 by Oy Wartsila Ab; Helsinki, Finland. Rebuilt: 1993. Canada flag. GRT: 768. Class: LR + 100A1, Ice Class FS 1A, LMC exp. 2018. Dwt: 186mt. FO: 216m3. FW: 77.3m3. BW: 115.8m3. Winch: Seebeck 50MP tow hook. Main Engines: 4 x Wartsila 824TS **total 5,245BHP**. 2 - Lips 260RPM FP new 06/91 prop(s). Diesel electric. 4 - 925kW 500vDC gensets & 2 - 2,378HP elect. Motors. Bowthruster 576HP. Speed about 14kn free. Pump(s): BW: 40m3/h, Fire: 300m3/h & 50m3/h. Genset(s): 1 - 90kW / Valmet; 3 - 131kW / Saab 390vAC 50Hz. Firefighting: Fixed CO2 in engine & control rooms. **EXTREMELY MOTIVATED OWNERS. Ice Class 1A Super, articulated pusher tug with raised pilothouse.** 31.82m total fixed height from keel. Taisei Engineering articouple linkage system. 430kW bow thruster on barge. Six person rescue boat with davit. **Suitable for Finnish coastal & Baltic Sea service** including Skagerrak & Kattegat and previously classed as Ice Breaker, Baltic Service. **Available with barge HB42678.** Drawings, deadweight scale, photographs, class status and price ideas for tug and barge available on request. **Canada East Coast.**

