



International Oil Pollution
Compensation Funds

Agenda item 3	IOPC/NOV25/3/6	
Date	4 September 2025	
Original	English	
1992 Fund Assembly	92A30	
1992 Fund Executive Committee	92EC85	●
Supplementary Fund Assembly	SA22	

INCIDENTS INVOLVING THE IOPC FUNDS — 1992 FUND

NESA R3

Note by the Secretariat

Objective of document:	To inform the 1992 Fund Executive Committee of the latest developments regarding this incident.
Summary:	<p>On 19 June 2013, the 856 GT tanker <i>Nesa R3</i>, carrying 840 tonnes of bitumen from the port of Bandar Abbas in the Islamic Republic of Iran, sank off Port Sultan Qaboos, Muscat, the Sultanate of Oman.</p> <p>Of the 33 claims received by the 1992 Fund, 28 have been settled at the total amount of OMR 3 521 364 and BHD 8 419. The remaining claims were rejected.</p> <hr/> <p>In January 2023, the Court of Appeal in Muscat rendered a judgment in which the Court ordered the Indian Ocean P&I Club and Welance Marine Inc. to pay the 1992 Fund an amount of OMR 3 521 364 and BHD 8 419.</p> <p>The 1992 Fund has investigated the financial circumstances of the shipowner and the insurer. The investigation indicated that the 1992 Fund would be unlikely to recover any of the compensation paid for this incident.</p>
Recent developments:	<p>The Omani Government has withdrawn all claims against the 1992 Fund from the legal proceedings.</p> <p>Once the Court of Appeal issues its judgment against the shipowner and the insurer, the 1992 Fund will consider closing this incident.</p>
Action to be taken:	<p><u>1992 Fund Executive Committee</u></p> <p>Information to be noted.</p>

1 **Summary of incident**

Ship	<i>Nesa R3</i>
Date of incident	19.06.2013
Place of incident	About 1.4 nautical miles off Port Sultan Qaboos, Muscat, the Sultanate of Oman
Cause of incident	Sinking
Quantity of oil spilled	In excess of 250 tonnes
Area affected	Some 40 kilometres of shoreline
Flag State of ship	Saint Kitts and Nevis
Gross tonnage	856 GT
P&I insurer	Indian Ocean Ship Owners Mutual P&I Club, Sri Lanka
CLC limit	SDR 4.51 million
STOPIA/TOPIA applicable	Not applicable
CLC + Fund limit	SDR 203 million
Claims settled	Twenty-eight claims totalling OMR 3 521 364 and BHD 8 419
Legal proceedings	The 1992 Fund joined the legal proceedings commenced by the Omani Government against the shipowner and the insurer.

2 **Background information**

- 2.1 On 19 June 2013, the 856 GT tanker *Nesa R3*, built in 1981, sank in 65 metres of water approximately 1.4 nautical miles off Port Sultan Qaboos, Muscat, the Sultanate of Oman. The exact nature of the problems encountered and the sequence of events leading to the incident remain unknown. Tragically, the ship's master lost his life in the incident.
- 2.2 Background information, including an analysis of the claims submitted, is provided in more detail in the [online *Nesa R3* incident report](#).

3 **Applicability of the Conventions**

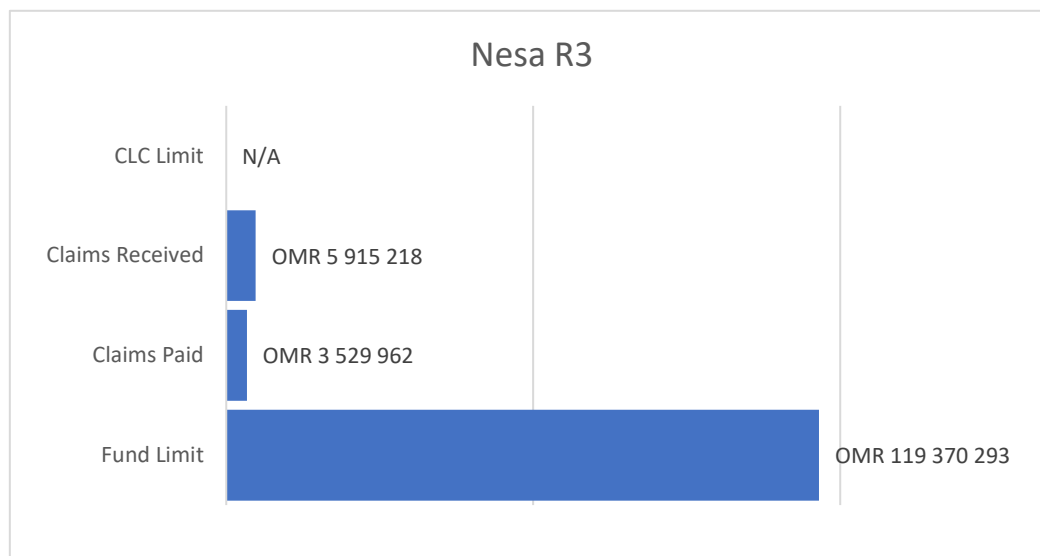
- 3.1 Oman is Party to the 1992 Civil Liability Convention (1992 CLC) and the 1992 Fund Convention.
- 3.2 The tonnage of the *Nesa R3* was 856 GT. Therefore, the limitation amount applicable under the 1992 CLC is SDR 4.51 million.
- 3.3 The insurer of the ship refused to consider any claims and has stated the reason for the refusal was that the cargo came from the Islamic Republic of Iran.
- 3.4 In October 2013, the 1992 Fund Executive Committee authorised the Director to make payments of compensation in respect of the admissible losses arising out of the *Nesa R3* incident and to claim reimbursement from the shipowner and the insurer (document [IOPC/OCT13/11/1](#), paragraph 3.16.19).

4 **Claims for compensation**

- 4.1 A total of 33 claims for clean-up operations, surveys of the wreck, environmental monitoring studies and economic losses, totalling OMR 5 915 218, were submitted to the 1992 Fund.
- 4.2 Of these, 28 claims were settled by the 1992 Fund for a total of OMR 3 521 364 and BHD 8 419. The remaining claims were rejected.

4.3 Summary of compensation^{<1>}

	Incident currency	GBP
1992 CLC limit (SDR 4.51 million)	N/A	N/A
1992 Fund Convention limit (SDR 203 million)	OMR 119 370 293	193 129 125
Claims received	OMR 5 915 218	9 570 228
Claims approved	OMR 3 529 962	6 703 801
Claims paid	OMR 3 529 962	6 703 801

5 Legal proceedings

- 5.1 The Omani Government commenced legal action in respect of all claims for the amount of OMR 5 932 703 at the Court of Muscat against the shipowner and insurer of the *Nesa R3*, since both had refused to meet their obligations under the 1992 CLC. In February 2016, the 1992 Fund joined the legal action commenced by the Omani Government.
- 5.2 On 20 December 2018, the 1992 Fund reached an agreement with the Omani Government to settle its claims out of court. The settlement agreements provided that the Omani Government would withdraw these claims against the 1992 Fund by application to the Court.
- 5.3 In January 2023, the Court of Appeal in Muscat rendered a judgment in which the Court ordered Indian Ocean P&I Club and Welance Marine Inc. to pay the 1992 Fund OMR 3 521 364 and BHD 8 419.
- 5.4 In February 2023, the insurer filed an objection before the Supreme Court, which referred the case back to the Court of Appeal.
- 5.5 On 19 January 2025, the Environment Agency submitted a memorandum to the Court of Appeal to withdraw its claims against the 1992 Fund.

<1>

With the exception of claims paid, currency conversions are indicative only and intended to assist the reader. Currency conversions are calculated using the FX rates applicable as at 8 November 2013 when the Director was authorised to pay claims. SDR 1 = OMR 0.588031 and OMR 1 = GBP 0.6180854. Figures are subject to change due to fluctuations in the exchange rates and intervening events.

- 5.6 The 1992 Fund's claim against the shipowner and insurer in the Court of Appeal is approaching a conclusion. Once the judgment is issued, the 1992 Fund will consider closing this incident.

6 Director's considerations

- 6.1 The 1992 Fund investigated the financial position of the shipowner and the insurer to ascertain their solvency, in order to assess a possible recourse action against either. The result of this investigation showed that neither entity had sufficient funds to cover the claims arising from this incident.
- 6.2 The Director is grateful to the Omani Government and the Environmental Authority for their cooperation in withdrawing the claims against the 1992 Fund.
- 6.3 The 1992 Fund will consider closing this incident once the Court of Appeal issues its judgment against the shipowner and insurer.

7 Action to be taken

1992 Fund Executive Committee

The 1992 Fund Executive Committee is invited to take note of the information contained in this document.
