



International Oil Pollution
Compensation Funds

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INCIDENTS INVOLVING THE IOPC FUNDS — 1992 FUND

MARINE HONOUR

Note by the Secretariat

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| Objective of document: | To inform the 1992 Fund Executive Committee of the latest developments regarding this incident. |
| Summary: | <p>As reported in document IOPC/NOV24/3/15, the 1992 Fund has been informed of an incident which occurred on 14 June 2024 at Pasir Panjang Terminal in Singapore.</p> <p>Both the 1992 Civil Liability Convention (CLC) and the 1992 Fund Convention are applicable to this incident. Claims have exceeded the limit of liability of the shipowner under the 1992 CLC, so the 1992 Fund has been called upon to pay compensation.</p> |
| Recent developments: | <p>Clean-up and response operations in public areas and at sea have been completed by the Singapore authorities.</p> <p>On 23 September 2024, the Singapore High Court granted the shipowner and insurer's application to limit their liability.</p> <p>In September 2024, the Director, the Information Officer and a member of the Claims Department visited Singapore to meet the Maritime and Port Authority of Singapore (MPA) and various other stakeholders.</p> <p>As at 25 September 2024, the Claims Submission Office (CSO) has registered 105 claims. The total amounts claimed are SGD 6 043 365.35 and USD 15 605 476.13.</p> <p>The 1992 Fund is awaiting claims from MPA and other government agencies in Singapore for their clean-up and response costs. These claims will form a significant portion of the total losses arising from the incident.</p> |
| Relevant documents: | Background information to this incident can be found in document IOPC/NOV24/3/15 . |
| Action to be taken: | <p><u>1992 Fund Executive Committee</u></p> <p>Decide whether to authorise the Director to make payments in respect of losses arising out of this incident.</p> |

1 Impact of the spill

1.1 Singapore

The pollution damage resulting from the *Marine Honour* incident affected the Southern Islands, Sentosa Island, Labrador Nature Reserve and East Coast Park. Within these areas, Keppel Marina and One Degree 15 Marina Club were also affected, resulting in oiling of privately owned pleasure craft and jetties. Yacht charter businesses operating in the area faced charter cancellations due to the oiling of the hulls of their vessels and contamination to the sea within their trading areas. Commercial vessels adjacent to the incident location were also contaminated and faced delays to their operations. Restaurants, hotels and resorts that operate in the vicinity of the affected areas also saw disruption to their businesses to varying degrees. Pasir Panjang Terminal was largely unaffected by the incident and remained operational with minimal disruption.

1.2 Malaysia

Fishing communities on the east coast of Johor do not appear to have been adversely affected by the spill. That said, some fishers have reported contamination to their equipment while others reported that they refrained from fishing when they observed oil in their local waters.

2 Response operations

2.1 Singapore

2.1.1 In the aftermath of the incident, the 1992 Fund and the insurers of the *Marine Honour*, QBE Insurance (Singapore) Pte Ltd under the British Marine brand (QBE), relied on experts to survey the spill and advise on the clean-up operations. The MPA coordinated the response with the National Environmental Agency (NEA), private contractors and QBE.

2.1.2 Current busters were deployed and directed by drones. Booms and sorbents were placed along the coast of affected areas, and manual clean-up techniques, flushing and high-pressure washing were employed where necessary. The fish farms near the Southern Islands were not heavily oiled, but upon the expert's advice, a quick response force was stationed in the vicinity of the fish farms in case oil appeared. By early September 2024, clean-up operations in the affected areas were completed.

2.1.3 In September 2024, the Director, the Information Officer and a member of the Claims Department visited Singapore to meet with MPA and QBE.

2.2 Malaysia

2.2.1 Clean-up operations in Malaysia involved placing booms and sorbents along the coast, debris collection, manual collection of bulk oil, flushing and high pressure washing. A current buster was also deployed in the Johor Strait to protect fish farms and mangroves.

2.2.2 By 16 July 2024, all clean-up operations were complete and had been signed off by the experts following their inspections.

3 Claims for compensation

3.1 The shipowner and insurer have submitted claims to the CSO for clean-up costs, the costs for removing the cargo and fuel from the *Marine Honour*, and the management of these operations. QBE also initiated a hull cleaning programme, which offered hull cleaning services to owners of pleasure craft moored at Keppel Marina and One Degree 15 Marina Club. As at 25 September 2024, QBE have only submitted the fees of its experts who administered the hull cleaning programme. The operational costs of the programme are expected to be in the region of SGD 400 000.

- 3.2 The following table provides a breakdown of the claims submitted by QBE to the CSO as at 25 September 2024.

| Claim category | Claimed amount (SGD) | Claimed amount (USD) |
|---|----------------------|----------------------|
| Clean up | 2 005 603.56 | 15 287 006.81 |
| Fuel removal | 110 748.00 | - |
| Management of response (expert fees) | 1 105 615.38 | - |
| Hull cleaning programme | tbc | - |
| Management of hull cleaning programme (expert fees) | 168 532.46 | - |
| Total | 3 390 499.40 | 15 287 006.81 |

- 3.3 The CSO has also received claims from yacht charter companies that suffered losses from closures of the marinas, hotels that have faced room cancellations, and from restaurants along the affected coastline due to reduced levels of tourism. Private pleasure craft owners have also claimed for oiled hulls and damaged equipment, while commercial vessel owners have claimed for hull cleaning costs and loss of hire. There have also been claims for private clean-up costs and for water testing at a resort that relies on seawater for its facilities. Further claims in these categories are expected.

- 3.4 The following table gives a breakdown of the total claims submitted to the CSO as at 25 September 2024.

| Claim category | No. | Claimed amount (SGD) | Claimed amount (USD) |
|----------------------------------|------------|----------------------|----------------------|
| Clean-up and preventive measures | 3 | 4 032 861.98 | 15 287 006.81 |
| Loss of hire | 3 | 69 661 | 113 191.41 |
| Property damage | 85 | 930 734.96 | 205 277.91 |
| Tourism | 14 | 1 010 107.41 | - |
| Total | 105 | 6 043 365.35 | 15 605 476.13 |

- 3.5 The 1992 Fund is expecting claims from MPA and other government agencies in Singapore for the clean-up operations from 18 July 2024, when the authorities took over the clean-up from QBE. These claims are expected to be in the region of SGD 50 million and will form a significant portion of the total claimed compensation for this incident.

4 Limitation proceedings

On 16 July 2024, the owner of the *Marine Honour* and QBE filed an application with the Singapore High Court to limit the shipowner's liability under the 1992 CLC. The 1992 Fund made an application to intervene in the limitation proceedings so that it may monitor proceedings and make submissions if necessary. On 11 September 2024, the Court granted the 1992 Fund's application. On 23 September 2024, the Court granted the shipowner and QBE's application to limit their liability. The limitation fund will be constituted by 18 October 2024.

5 Recourse actions

- 5.1 The proceedings commenced by the owner of the *Vox Maxima* to limit its liability to SDR 18 373 680 under the Convention on Limitation of Liability for Maritime Claims, 1976, as modified by the 1996 Protocol (LLMC 76/96) are ongoing.
- 5.2 The 1992 Fund and its lawyers will be seeking to recover the compensation it pays to the claimants of this incident from the owner of the *Vox Maxima*.

6 Director's considerations

- 6.1 Initial estimates of the impact of the incident indicate that claims for pollution damage will not surpass the 1992 Fund Convention limit.
- 6.2 The Director is grateful to MPA for its efficient response to the incident and for hosting a meeting at its offices with the 1992 Fund to discuss the pollution incident.
- 6.3 The Director would like to thank QBE for its continued cooperation in the handling of this matter.

7 Action to be taken

1992 Fund Executive Committee

The 1992 Fund Executive Committee is invited to:

- (a) decide whether to authorise the Director to make payments in respect of losses arising out of this incident; and
 - (b) give the Director such instructions in respect of the handling of this incident as it may deem appropriate.
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