



International Oil Pollution
Compensation Funds

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1992 Fund Executive Committee	92EC84	●
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INCIDENTS INVOLVING THE IOPC FUNDS—1992 FUND

TERRANOVA

Note by the Secretariat

Objective of document:	To inform the 1992 Fund Executive Committee of the latest developments regarding this incident.
Summary:	<p>On 25 July 2024, the <i>Terranova</i>, a 2002 built, 498 GT, Philippines flagged oil tanker, capsized and sank in water approximately 23 metres deep on the east side of Manila Bay, the Philippines, after encountering heavy weather during Typhoon Gaemi. Despite the rapid launch of search and rescue operations, one crewmember lost his life. The vessel was carrying 1 468 896 litres of IFO 230 and had approximately 27 metric tonnes (mt) of bunkers of biodiesel on board.</p> <p>On 12 September 2024, fuel removal operations on the vessel were completed. The cargo tanks of the <i>Terranova</i> were emptied and 97% of the cargo has been removed or recovered during at-sea response activities. On 23 October 2024 the Philippines Coast Guard (PCG) issued a wreck removal order for the vessel.</p> <p>Municipalities in the provinces of Cavite and Bataan were impacted, and the Philippine authorities imposed fishing bans in these provinces. Contamination was also observed in the province of Bulacan.</p> <p>The Philippines is Party to both the 1992 Civil Liability Convention (1992 CLC) and the 1992 Fund Convention. The <i>Terranova</i> is insured with the Steamship Mutual Underwriting Association Limited (Steamship Mutual), which is part of the International Group of P&I Associations (International Group).</p> <p>The 1992 CLC limitation applicable to the <i>Terranova</i> is SDR 4.51 million, but the vessel owner is a party to the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) 2006 (as amended 2017)^{<1>}. Under STOPIA 2006, the 1992 Fund should be indemnified by the vessel owner of the difference between the limitation amount applicable to the tanker under the 1992 CLC and the compensation paid for admissible claims up to SDR 20 million.</p> <p>Given the latest information reported, claims relating to this incident are expected to exceed the limit under the 1992 CLC. The 1992 Fund, which provides a second tier of compensation up to a maximum of SDR 203 million, will therefore be called upon to pay compensation.</p>

<1>

From this point forward, references to 'STOPIA 2006' should be taken to read 'STOPIA 2006 (as amended 2017)'.

Recent developments:	Claims submission offices (CSOs) in Bataan and Cavite were established jointly by the 1992 Fund and Steamship Mutual to facilitate the submission of claims for compensation resulting from the incident. As at 15 March 2025, the CSO in Bataan has collected 2 693 claims and the CSO in Cavite has collected 6 959 claims.
Action to be taken:	<u>1992 Fund Executive Committee</u> Information to be noted.

1 Summary of incident

Ship	<i>Terranova</i>
Date of incident	25 July 2024
Place of incident	Manila Bay, the Philippines
Cause of incident	Capsize and sinking
Quantity of oil spilled	Unknown
Area affected	Bataan, Cavite and Manila, the Philippines
Flag State of ship	Philippines
Gross tonnage	498 GT
P&I insurer	The Steamship Mutual Underwriting Association Limited
CLC limit	SDR 4.51 million
STOPIA/TOPIA applicable	STOPIA 2006 applies up to SDR 20 million
CLC + Fund limit	SDR 203 million
Legal proceedings	N/A

2 Background information

- 2.1 On 25 July 2024, the *Terranova* (a 2002 built, 498 GT, Philippines flagged oil tanker), capsized and sank in water approximately 23m deep on the east side of Manila Bay, the Philippines, after encountering heavy weather during Typhoon Gaemi. Despite rapid search and rescue operations, one crewmember lost his life.
- 2.2 The vessel was carrying 1 468 896 litres of IFO 230 and had approximately 27 metric tonnes (mt) of bunkers of biodiesel on board. In the aftermath of the incident, aerial observations of the area showed a sheen spreading across the bay, indicating that the cargo tanks had been breached and oil was being released intermittently.

3 Impact of the spill

Municipalities in the province of Cavite were impacted, as oiling in the form of a sheen on nearshore waters and oiled garbage was reported. A fishing ban was imposed from 31 July 2024 to 28 August 2024. It was reported by the 1992 Fund's experts that 31 000 fishers have been impacted in the area. A ban on fishing within four kilometres of the casualty has been imposed in Bataan, where 21 000 fishers are reported to be affected. Sporadic tar balls, sheen, and oiled rocks and debris were also observed in the province of Bulacan, but no fishing ban was imposed.

4 Response operations

4.1 Philippines oil spill response bodies

The Philippine Coast Guard (PCG) is responsible for preventing and controlling pollution within territorial waters. The Marine Environmental Protection Command (MEPCOM) is a unit of the PCG and is the point of contact for oil spill response operations. Within MEPCOM, is the National Operations Center for Oil Pollution (NOCOP) which has the authority to request assistance from other government, private and military sources. The PCG also controls the Marine Environment Protection Offices.

4.2 Contingency plan

The Philippines has a three-tier contingency plan. For a tier one spill, the vessel owner is required to undertake the clean up using its own resources. The local coast guard commander will oversee the response for a tier two spill, while working closely with NOCOP. For a tier three spill, NOCOP assumes command and utilises resources from various bodies and third parties as required.

4.3 Cargo removal and clean-up operations

4.3.1 Through sealing and capping operations, contractors were able to minimise the volume of oil leaking from the vessel. On 11 August 2024, salvors commenced hot tapping to remove the remaining cargo on board the *Terranova*. The oil removal operations were completed on 12 September 2024 when the vessel's tanks were confirmed to be empty, save for unpumpable and/or inaccessible cargo and residues/tank clingage. In total, 97% (approximately 1.4 million litres) of the cargo was recovered from the vessel and as a result of at-sea response activities.

4.3.2 On 23 October 2024 the PCG issued the vessel owner with a wreck removal order. The wreck removal order notes that approximately 3% of the cargo of oil could not be removed through the siphoning operation and remains a continuing hazard to the marine environment. The order also notes that the location of the wreck will create a hazard to vessel anchoring and other operations. Steamship Mutual is working with contractors on a plan to remove the wreck.

5 Claims for compensation

5.1 The 1992 Fund and Steamship Mutual have taken steps to jointly establish claims submission offices (CSOs) in the provinces of Bataan and Cavite in the Philippines, to facilitate the submission of claims for compensation resulting from the incident.

5.2 Given the characteristics and extent of the affected areas, it was considered necessary to open temporary collection centres in affected barangays and neighbourhoods to assist claimants with submitting their claims. The claims submission process involves staff of the CSOs travelling to the different affected areas to conduct short, one-to-one interviews with individual claimants, mostly fishers, to help them submit their claim.

5.3 The CSO in Bataan opened on 11 October 2024 and as at 15 March 2025, had collected 2 693 claims. The CSO in Cavite opened on 16 January 2025 and as at 15 March 2025, had collected 6 959 claims.

5.4 Staff from the CSOs met with the provincial government in Bulacan to discuss the claims submission process for the provincial and municipal governments.

5.5 The 1992 Fund and Steamship Mutual have jointly appointed fisheries experts to work alongside the 1992 Fund's pollution experts to assess the impact of the spill on the local fisheries.

6 Visit by the IOPC Funds' Secretariat to the Philippines

The Director and two Claims Managers visited the Philippines in January 2025, meeting with staff of the CSOs and visiting some of the affected areas in Rosario, Cavite and Limay, Bataan, where meetings were held with the local authorities. The Director and Claims Managers also met with various national government agencies, organised by the Department of Transport, to discuss the claims submission process and claims covered by the 1992 Fund. The Director also met with the Secretaries for the Department of Transport and the Department of Justice.

7 Interim payments

At its meeting in November 2024, the 1992 Fund Executive Committee authorised the Director to make payments in respect of losses arising out of the *Terranova* incident and to sign an agreement on interim payments with Steamship Mutual in respect of the incident. That agreement was signed on 11 November 2024.

8 Director's considerations

- 8.1 Initial estimates of the impact of the incident indicate that claims for pollution damage and preventative measures have surpassed the 1992 CLC limit applicable to the *Terranova*. On the basis of the claims received as at 15 March 2025 and the anticipated number of fisheries claims, it is considered likely that this incident will exceed the STOPIA 2006 limit.
- 8.2 The 2006 Memorandum of Understanding between the 1992 Fund and the International Group has been followed, and Steamship Mutual and the 1992 Fund will share joint experts.
- 8.3 The Director is grateful to the Government of the Philippines for their assistance during visits by members of the IOPC Funds' Secretariat to the Philippines. The Director is also grateful to the local authorities in the affected areas for their help.
- 8.4 The Director would also like to thank Steamship Mutual for its active response to this incident and ongoing cooperation with the 1992 Fund.
- 8.5 The Secretariat will continue to liaise with key stakeholders, to monitor developments closely and will respond accordingly.

9 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.
