

# Valuation Report

## 74m Ropax Catamaran – MV Dona Mercedes



Prepared for



17<sup>th</sup> November 2017

Private & Confidential

Sealease Pty Ltd  
c/o Stephanie Dawson  
Chief Financial Officer  
P.O Box 577  
Paradise Point QLD 4216

Dear Stephanie,

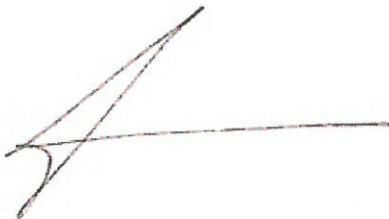
### **Valuation – 74m Ropax Catamaran MV Dona Mercedes**

Further to your instructions please find herewith our valuation report in respect of the abovementioned 74m Ropax Catamaran currently under final stages of construction.

We are pleased to advise that we have determined our valuation of the current market value of the subject vessel, and other matters as discussed herein.

We trust the information is self-explanatory however should you have any queries please contact Oceanic Design & Survey on +61-7-5529-5788.

Regards,

A handwritten signature in black ink, appearing to be 'Scott Murphy', with a long horizontal line extending to the right.

Scott Murphy p.p.,

Chris Hutchings  
**CEO**

**Oceanic Design & Survey**  
*AMSA Accredited Designers & Surveyors*

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# 1. Executive Summary

This valuation is for the 74m Ropax Catamaran MV Dona Mercedes.

The vessel is a steel hulled and aluminium superstructure STS Ropax catamaran ferry with capacity for up to 680 persons and 90 cars. The vessel is fitted with 4 x MTU 16V 4000 M70 Marine Diesel Engines and has a service speed of approximately 22knots.

Vessel was launched in 2017 and is currently undergoing final stages of LR survey.

It is important to note, that the value is determined upon successful completion of final stages of construction/fitout and final survey certification being achieved. Value has also been derived from the assumption of vessel acceptance by owner.

A Market comparison valuation approach has been adopted as the most applicable methodology for this vessel.

## As of the date of this Valuation:

Our estimate of the value for the subject vessel, complete with all fittings and fixtures and in current survey as follows:

Total: \$USD 19,000,000 as of 17 November 2017\*(see note in general comments)

(Nineteen million United States Dollars)

## 2. Background Information

### 2.1 Subject Vessel

This report provides a Valuation of the current market value for the following subject vessel:

"DONA MERCEDES" – Ropax Cat

### 2.2 Prepared For

This Valuation describing the current value for the subject vessel has been prepared for the following parties:

- Sealease Pty Ltd c/o Ms Stephanie Dawson

### 2.3 Dates & Inspections

This Valuation is a desktop valuation only, and relies on progress reports and photographs from the attending Sea Transport surveyors Eric Chu and Stephen Ashcroft. Information and photos presented are reportedly most current.

### 2.4 Purpose of Report

The report is undertaken to determine a Valuation of the current market value of the subject vessel.

### 2.5 Appendices

The following Appendices are included with this report:

Appendix 1 – Comparable Vessels, calculations

Appendix 2 - Vessel Pictures

## 3. Vessel Details

### 3.1 Subject Vessel

#### 3.1.1 73.6.0m Ropax Catamaran – MV "Dona Mercedes"

The main particulars of the vessel are summarised below.

Main Particulars	Table 1
<b>Particulars</b>	<b>Dimensions</b>
■ Vessel Type	■ STS Ropax Catamaran
■ Classification	■ LR
■ Notations	<ul style="list-style-type: none"> <li>■ ✖100A1 SSC, Passenger Catamaran, LDC, G3</li> <li>■ [✖]LMC, UMS. Service restriction: Coastal</li> <li>■ Special Duties Notation: Roll on-Roll Off Ferry</li> </ul>
■ Hull material	■ High Tensile Steel
■ Super structure	■ Aluminium
■ Length overall	■ 73.60m (approximately)
■ Beam	■ 22.00m max (approximately)
■ Depth (moulded)	■ 5.75m (approximately)
■ Designed draft	■ 2.75m (approximately)
■ Capacity	■ 700 Persons & 90 cars (or truck / car combination)

A detailed vessel specification is included at Appendix 1 of this report.

## 4. Valuation – Current Value

### 4.1 Basis of Value

Our Valuation of the subject vessel has been conducted on the basis of market comparison sale value, excluding any business value.

### 4.2 Definition of Value

The definition of market value as provided by the International Valuation Standards published by the International Valuation Standards Committee (IVSC), and endorsed by its member countries (including professional valuation societies in the United Kingdom and Singapore), the Australian Property Institute and the American Society of Appraisers:

*“Market value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”*

### 4.3 Valuation Approaches

There are a number of valuation approaches available to the valuer when addressing the valuation of assets, such as those that are the subject of this valuation. The three most commonly used approaches are:

- The market comparison approach;
- The income approach; and
- The depreciated replacement cost approach.

The market comparison is considered the most applicable for this valuation.

### 4.4 Market Comparison Approach

The market comparison approach seeks to determine the current value of an asset by reference to recent comparable transactions involving the sale of similar assets. Adjustments may need to be made to those recorded transactions to take account of differences in the timing, location, background and subject matter of the recorded transactions as compared to the assets being appraised.

# Appendix 1 – Declarations, Qualifications & Indemnities

## Declarations

Oceanic Design & Survey was instructed to carry out a valuation on the 74m Ropax Catamaran on behalf of earlier noted party in section 2.

The valuation of the vessel was undertaken for the purposes of determining the vessel's current market value. We understand the valuation will be used to assist Sealease Pty Ltd by providing a professional view of the value of the vessel.

It is not intended that this report should serve any purpose other than as stated above. Accordingly, none of Oceanic Design & Survey employees thereof undertakes responsibility to any person in respect of the use of this report, other than for the specified purpose. Neither the whole nor any part of this report may be included in any document without the prior written consent of Oceanic Design & Survey to the form and context in which it appears.

## Qualifications and Experience

Oceanic Design & Survey (ODS) was established in 2001 to provide a specialised design, survey and consultancy services to the greater marine community. Our focus is to provide clientele with a professional and reliable service that delivers superior results.

ODS's qualified and experienced team has extensive knowledge in all areas of the design and survey of aluminium, steel and composite vessels ranging up to 90 meters in length. Our portfolio covers a diverse range of vessels of both recreational and commercial design and includes monohull and low wash catamarans of both power and sail capabilities.

ODS is an associate company but with different shareholders to Sea Transport Solutions (STS) which was formed in 1976 as an independent company to provide marine design and consultancy services to the Australian maritime industry. To date, over 47 countries have built STS designs, or have used STS consulting services.

For more information refer to our website [www.oceanicdesign.com.au](http://www.oceanicdesign.com.au)



## Assumptions and Limiting Conditions

The appraisal report is subject to the following general assumptions and limiting conditions as applicable:

No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valued or legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is assumed to be free and clear of any liens, or other encumbrances unless otherwise stated. We advise that this report is only for the attention of the parties to whom it is addressed or their professional advisers. We accept no liability to any third party unless previous written permission is obtained from ourselves. Information furnished by others, upon which all or portions of this appraisal are based, are believed to be reliable but have not been verified in all cases. No warranty is given as to the accuracy of such information. It is assumed that all required licenses, or other legislative or administrative authority from any local, state, or national government or private entity or organization has been or can readily be obtained or renewed for any use on which the value estimates contained in this report are based. No responsibility is taken for changes in market conditions, and no obligation is assumed to revise this report to reflect events or conditions, which occur subsequent to the date hereof. The opinion of value is predicated on the financial structure prevailing as of the date of this appraisal. Responsible ownership and competent operational management are assumed.

Neither Oceanic Design & Survey nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony, or appear in court or at other legal proceedings unless specified arrangements therefore have been made.

This report has been made only for the purpose stated and shall not be used for any other purpose. Neither this report nor any portions thereof (including, without limitation, any conclusions as to value or the identity of Oceanic Design & Survey or any individual signing or associated with this report or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties except federal and state taxing authorities by any means without the prior written consent and approval of Oceanic Design & Survey.

The client shall indemnify and hold harmless Oceanic Design & Survey and its personnel from and against any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of Oceanic Design & Survey personnel involved) brought against, paid or incurred by Oceanic Design & Survey at any time and in any way arising out of or relating to Oceanic Design & Survey services under this letter, except to the extent finally determined to have resulted from the gross negligence or willful misconduct of Oceanic Design & Survey personnel. This provision shall survive the termination of this agreement for any reason.

Our value opinion is based on the purchasing power of the local currency, as of that date. The allocation, if any, in this report of the total valuation among components of the property applies only to the program of utilisation stated in this report. The separate values for any components may not be applicable for any other purpose and must not be used in conjunction with any other appraisal.

## Disclaimer

Any items noted as N.A/NIL does not necessarily mean that they are not required by survey, but rather, items were either absent, unknown or not applicable. This report is not a commercial survey and does not give any opinion on the vessels seaworthiness or compliance to any standard other than what is noted on vessel certificates at time of review. Any commercial survey should be conducted by an accredited marine surveyor. Oceanic Design & Survey warrants that this report is a true and unbiased opinion of the vessel, based upon data received during time of review.

It is the nature of marine vessels that deterioration, wear and accidents do occur and as such this report can only be indicative of the condition or value of the vessel at the time the review was conducted.

If this report does not discuss a specific item, equipment or machinery, it is not covered by this report.

While every effort has been made to conduct a thorough review, there can be no guarantee or warranty, express or implied, as to the condition or suitability of the vessel including equipment and machinery.

This report makes no representation and does not purport to describe any condition which may have changed since the date of review and the recommendations herein are limited to those that, in the opinion of Oceanic Design & Survey. Furthermore, the details contained within this report are based upon the condition and circumstances as they existed at the time of review. Oceanic Design & Survey assumes no responsibility for any defects and cannot be held accountable for conditions subsequently arising.

## Appendix 2 – Vessel Specifications

### VESSEL SUMMARY

Due to the desktop valuation approach, the following is taken from last progress report issued by Mr Eric Chu from Sea Transport Solutions HK, dated 8<sup>th</sup> September 2017. The following areas are estimates of completion as follows:

Item	Description	% Complete	
1	Hull construction	100	%
2	Superstructure construction	100	%
3	Painting (Internal)	100	%
4	Painting (External)	100	%
5	Piping system	100	%
5.1	Fuel oil system	100	%
5.2	Lube oil system	100	%
5.3	Domestic fresh water system	100	%
5.4	Cooling water system	100	%
5.5	Bilge & fire system	100	%
5.6	Black water & gray water system	100	%
5.7	Hydraulic oil system	100	%
6	Electrical system	100	%
7	Shafting & steering gear system	100	%
8	Engine room fitting out	100	%
9	Wheel house fitting out	100	%
10	Internal fitting out	99	%

## GENERAL

Name of Vessel:	As per noted in section 2.1
Vessel Type:	Ropax Passenger Catamaran
Year of construction:	2016- 2017
Length:	73.60m
Beam:	22.00m
Draft:	2.75m
Survey Class:	LR SSC
IMO Number:	9772888
O.N:	2176
Designer Hull Number:	1029
Shipyard Hull Number:	HY2186
Passengers/Cars:	700 Passengers (incl crew) and 90 Cars
Method of Identification:	Markings on vessel and verbal

## CONSTRUCTION

Design:	Sea Transport Solutions
Hull Type:	Catamaran
Hull Material:	High Tensile Steel
S/Structure Material:	Aluminium
Windows:	Bonded
W/T Bulkheads:	6 (Including coll. BHD)
Compartments:	14

## TANKS

Fuel:	156,000L
Fresh Water:	13,000L
Sullage:	10,000L
Lube Oil:	3,200L
Dirty Oil:	3,200L
Bilge Holding:	3,200L

## MACHINERY AND SYSTEMS

### Main Engines:

Number - 4  
Make/model - MTU 16V 4000 M70  
Rating - 2240kW @ 2000rpm  
Hours - New  
Cooled - Raw Intake HX  
Exhaust - Wet

### Gearbox:

Make/model - ZF 7650  
Ratio - 2.905:1

### Auxiliary:

No - 2  
Make/model - QSB7-DM (164kW @ 1500rpm)  
6BT5.9 – DM (91kW @ 1500rpm)  
Alternator - WU XI Stamford UCM274D  
WU XI Stamford UCM274H  
Hours - New  
Cooled - Raw Intake HX  
Exhaust - Wet

Propellers: 4 x Fixed pitch.

Bow Thruster: Yes, 150kW

Steering: 2 x Kobelt Steering system (P&S)

Rudders - Semi balanced stainless steel x 2

## SANITATION

WC:	4 in crew area, 15 in pax area (incl 1 disabled) 2 in WH
Basins:	4 in crew area 11 in pax area 2 in WH
Head:	2 in WH 3 in Crew area
Sewage Plant:	NIL

## RIGGING/RAILING

Mast:	Nav. equip/lights
Stanchions:	Sundeck and aft Accom deck. Gunwale around main deck.
Rails:	Aluminium round pipe

## DECK EQUIPMENT/MOORING

Windlass:	Horizontal Drum Type w/ 37T Brake loading
Primary anchor (s):	855kg HHP
Secondary anchor:	855kg HHP
Cable:	175m x 28mm galvanised wire w/27.5m x 30mm stud link chain
Mooring lines:	140m x 26mm Dia, 3 strand braided polypropylene rope with min breaking strength of 93.2kN
Cranes:	Davit for rescue boat
Winch:	Hydraulic operated Aft and Fwd ramp raising/lowering
Mooring points:	Bollards around deck
Other:	Fwd and Aft Ramp visor

## ELECTRICAL INSTALLATION

AC system:	Yes
DC system:	24V bank series (2 x House, 1 x Nav Equip, 2 x Gen, 4 x Main Engines)
Shore power connection:	Yes, International
Inverter:	Yes
CCTV:	Yes
Tank and Engine monitoring:	Yes

## ELECTRONICS AND NAVIGATION

Full set of Coastal Navigation equipment and shipboard operating equipment.

Full list as per Appendix A

## ONBOARD PUMPING SYSTEMS

The following pumps were noted to be onboard for services and systems:

ITEM	QUANT	SERVICE	Q(m <sup>3</sup> /h)	H(m)	TYPE	MOTOR (KW)
1	2	Fire-GS pump	30	50	LN-EP-32-200 - Ø208	11
2	16	Submersible bilge pump	15	15	DRX200-2-G50V	2
3	2	Roving bilge pump	15	15	CA-50-2	1.5
5	2	Black W macerator pump N1	15	15	CA-50-2	1.5
6	2	Black W macerator pump N2	1	10	CA-32-0,5	0.55
8	2	FO transfer pump	15	15	BT-IL52D4-F	3
9	1	Em'cy Gen. FO pump	2.5	15	BT-MB32D-F	1.1
11	2	Waste Oil pump	2	15	BT-HM25D4	1.1
12	1	Lube Oil transfer pump	2	15	BT-HM25D4	0.75
13	2	FW pump	5.4	30	CP-40-160 - Ø160	2.2

## LIFE SAVING APPLIANCES

To meet 2A & 1C NSCV requirements

## FIRE SYSTEMS

To meet 2A & 1C NSCV requirements

## ACCESSORIES

- Air condition: Full internal cooling throughout vessel accommodation area and crew area, by 4 x Chiller Units on sun deck.
- Hot Water heater: Yes
- Entertainment: LED TV's throughout Accommodation areas, central DVD player and PA System

## GALLEY AND EQUIPMENT

Two fully functional cafes (Port and Stdb side in Main Accommodation areas) with the following equipment as standard

- Microwave oven
- Cold display cabinet
- Hot display cabinet
- Under bench fridge
- Under bench freezer
- 4 door glass display fridge
- Coffee machine
- Coffee grinder
- Instant water boiler
- Cash register
- Stainless single sink with drying area

## HULL INTERNALS AND ACCOMMODATION DETAILS

The vessel is divided into four primary passenger areas; Port and stbd, with aft section for passengers (economy class) and fwd areas (First class). The accommodation seating arrangement is of transit style seating with tables. The accommodation is accessed via aft access stairs, midship access stairs and fwd access stairs.

The main deck accommodation, on both port and stbd sides, house fully functioning Café for service to passengers, including large domestic fridges and under bench freezers. The Café are also complimented with a microwave, hotplates, grills, sink and cash machine. There is storage underneath Café for storage of items for the café as well as a locker forward.

The accommodation areas are also fitted with large screen flat screen TV's for passenger entertainment. Accommodation area is fully Air-conditioned

Accessible by the upper deck accommodation aft deck stairs, the open sun deck seating area has open bench style seating for passengers and access to the WH, this area is covered by an awning.

The Wheelhouse is fully air-conditioned and is complemented with the latest navigational and safety services equipment.

WH and Crew accommodation areas are fitted out to a good quality marine standard with beds, furniture, shower and WC.

## HULL EXTERNAL

From the data and information received, the vessel's hull and external areas appear in like new condition. The final coating is yet to be applied but as advised is to be completed as per manufacturer's specification.

## GENERAL COMMENTS

Overall from the data and information received the vessel appears in very good, like new condition. From what was reported and observed from pictures the internal structural members, frames and girders appeared in very good and new condition. Main Engines and machinery appear in a very good condition.

The vessel has some areas that are still under final stages of completion and are reported to be to a high quality and survey standard.



# Appendix 1 – Comparable vessels



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**RORO PASSENGER FERRY - VALUATION**

Coastal Service Vessels

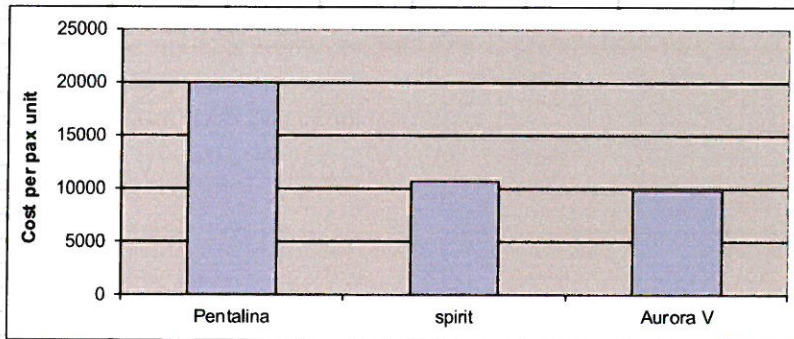
Vessel - **M.V. Dona Mercedes**

Date :- 17th November 2017

Type - 74m Roro Passenger Cat  
Survey:- USL/NSCV Class 2A/1C Roro Pax 90 cars 700 pax RDWT 340  
LR SSC Plan approval, G3 Survey total **1240 pax units**  
Currency:- US \$ G6 (delivery)


2nd hand	Similar size & type vessels sold	Cars #	passengers	pax units	Cost/Pax	Rdwt	Cost/rdwt
70m	Pentalina 14000000 2010	58	350	698	20057	300	46667
64m	spirit 10000000 2009	88	400	928	10776	390	25641
57m	Aurora V 8500000 2014	85	350	860	9884	180	47222
	<b>average</b> 10833333 <b>2011</b>	<b>77</b>	<b>367</b>	<b>829</b>	<b>13572</b>	<b>290</b>	<b>39843</b>

#- cars are taken at 6 times pax revenue



**New price of similar capacity ropax ferries for extended coastal service**

Coastal Service	cars	pax summer	pax units (incl 6/car)	yr of build US cost US\$	cost/pax	vs! Rdwt	cost/dwt	source
Scotland Pentalina	58	350	698	14000000	20057	300	46667	FBMA Cebu
Scotland Pentalina 2	98	430	1018	17000000	16699	300	56667	Strategic Marine
Holland Strategic	66	592	988	18000000	18219	300	60000	Strategic Marine
			<b>901</b>	16333333.3	18325	300	54444	

Dona Mercedes Valuation			
	<b>oceanic</b> design & survey	Vessel capacity	1240 pax units 340 RDWT
<b>Dona Mercedes</b>			
<b>Average replacement price</b>	<b>Life expectancy</b>	<b>Age</b>	<b>Residual %</b>
18325 \$ per pax	35 years	1	15
	<b>\$ per unit</b>	<b>units</b>	<b>value</b>
Using straight line depreciation, final value =	2749	1240	511271
Present tabulated value =	17880	1240	22171293
Market value (as above) =	13572	1240	16829648
Revenue dwt value =	39843	340	13546724
Mean Value =			17515888
<b>Adjustment for condition and fittings:-</b>			
excellent	+	10 %	19267477
good		0 %	17515888
fair		-10 %	15764299
poor	-	-15 %	14888505
The vessel as specified is described as good			17515888
<b>The summarised market value is (excellent) - US\$</b>			<b>19m</b>
<b>For purposes of market valuation at today's date</b>			
<b>Redeployment potential - good</b>			
e.g. Coastal ro-ro freight only vessel 450 tonnes (greater dwt)			
Coastal or inshore Passenger only vessel for 1500 pax			
Restricted waters pax or function vessel			
<b>Conditions of this Valuation:-</b>			
- Vessel to be sound, seaworthy and certificates to be current			
- No other current regulations which adversely affect the vessel's survey certificate			
- This valuation is to be read in conjunction with the Vessel Specification			
- The vessel is to perform and be equipped as per specification			

## Appendix 2 – Pictures





