



31 March 2021

General Rate Increase - effective 01 May 2021

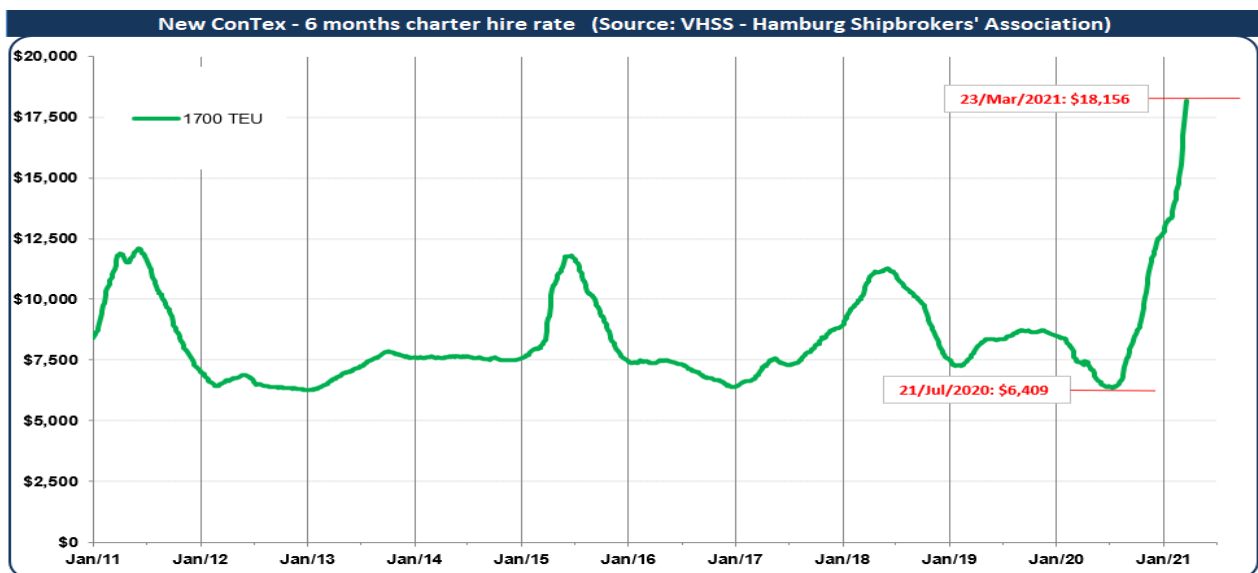
Dear customer,

Pacifica is proud to operate MV *Moana Chief* ; the only New Zealand flagged container vessel dedicated to connecting key North & South Island ports. Our commitment is to ensure customers enjoy reliable access to the most environmentally friendly solution to move inter-regional cargo with the lowest carbon emissions per tonne/km.

You will no doubt be aware of the extraordinary challenges faced by the Global Supply Chain over the past 12 months. In the early stages of the COVID-19 pandemic, shipping lines heavily reduced their capacity and container inventories in response to a sharp decline in demand. Unexpectedly, a subsequent and sustained surge of spending on consumer goods overwhelmed supply lines and this is forecast to continue for the foreseeable future.

Consequently, this shift has created congestion bottlenecks and disruptions throughout the supply chain which have contributed to delays and rising costs. The most significant trend has been the abrupt and unprecedented escalation of vessel charter rates during this period .

The below index tracks the daily charter rate (US\$) for a 1700 teu capacity vessel (e.g MV *Moana Chief*) ; almost tripling since Q3/2020 :



Cont../2



General Rate Increase (cont.)

It is clear that high charter rates are here to stay, and Pacifica can no longer absorb the substantial additional expenditure required to retain and operate MV *Moana Chief* on the New Zealand coast.

Following a detailed review of our operational costs, rate increase for coastal cargo as follows :

Effective MV *Moana Chief* 4291/92

NZ\$ 490 per 20'

NZ\$ 700 per 40'

Pacifica have not taken this decision lightly, this cost recovery measure is essential to maintain a financially sustainable coastal solution.

If you have any questions with regards to the above, please do not hesitate to contact your local Pacifica Shipping representative

BAF REVIEW

In alignment with the rate review, effective from 01 May 2021 Pacifica will restructure the Bunker Adjustment Factor from the current percentage of freight rate, to a flat per teu rate .

A separate advisory notice will be issued to confirm the BAF quantum and uploaded on our website www.pacship.co.nz .