



30 July 2021

Pacifica September BAF update – VLSFO (Very Low Sulphur Fuel Oil)

Dear Customer ,

Pacifica are pleased to announce further enhancements to coastal shipping's reputation as the most sustainable transport solution for the movement of FCL cargo within New Zealand.

As you may already be aware, the Government has agreed to accede to MARPOL Annex VI : Regulations for the Prevention of Air Pollution from Ships. Whilst these regulations are scheduled to come into effect in early 2022 , Pacifica has commenced the switch from HFO (Heavy Fuel Oil) to VLSFO.

This change of fuel will result in a 86% reduction in SOx emissions from approx. 3.5% to meet the sulphur content cap of 0.5% by mass for marine fuels.

The cost for 0.5% fuel is higher than HFO and will impact our fuel surcharges going forward. Following a review of these prices, our Bunker Adjustment Factor effective 01 September 2021 will be set at :

NZ\$ 153 per 20'

NZ\$ 306 per 40'

BAF will be reviewed again at the end of August to apply from 01 October 2021.

If you require more information on BAF, please contact your local Pacifica Shipping Account Manager.

Thank you for choosing to partner with Pacifica. Your support is crucial to reducing the current emissions from the growing freight movements throughout New Zealand.

Kind Regards,

Pacifica Shipping

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