August 3, 2004

FLEET / SAFETY LETTER 04070.GEN

RE: PORT STATE CONTROL STATISTICS FOR VANUATU 2001 – 2003

The Paris MOU on Port State Control today published its 2003 annual report. We are proud to announce that Vanuatu is now on the Paris MOU "white list' of countries with zero detentions in 2003; a one year detention rate of 0 % versus the all ships/all flags rate of 7.05 %; and a three year rolling average rate of 2.27 % versus the all ships/all flags three year rate of 8.01 %.

Last year we announced that Vanuatu's low detention rate in the United States made Vanuatu vessels eligible for the U. S. Coast Guard's **QUALSHIP 21** program. The **QUALSHIP 21** eligibility continues in 2004 with no detentions for the second year in a row in the US; and a three year rolling average detention rate of 0.63 % versus the all ships/all flags three year rolling average rate of 2.22 %.

The Tokyo MOU Asia/Pacific Port State Control statistics are also excellent versus the all ships/all flags statistics, although 2 detentions were recorded in the area, one of which we contend was without merit and should be struck off. The Vanuatu one year detention rate (assuming 2 detentions) was 2.89 % versus the all ships/all flags detention rate of 8.49 %. The three year rolling average detention rate was 2.24 % versus the all ships/all flags three year rolling average rate of 7.65 %.

The chart on the backside of this page demonstrates the continued improvement.

We want to salute the owners of all the Vanuatu vessels everywhere that contributed to this record for their commitment to safety and the environment, and for maintaining their vessels in accordance with international conventions and national legislation. Thank you for your efforts: they have paid off. You can be very proud of your accomplishments.

> Donald J. Sheetz Executive Vice President



Website: www.vanuatuships.com