RUSSIAN FEDERATION

30 MAR 2022

Black Sea/Sea of Azov

The following information was received from our correspondent on 30 March 2022:

QUOTE

Please kindly note attached our situation report for 30.03.2022.

UNQUOTE

Members with vessels in or who are planning to call Ukrainian ports are encouraged to reach out to their local agents and Managers’ offices in the region for further updates and advice. With the addition of recent Sanctions, members are advised to exercise particular care in performing due diligence on any trade to Russia or Ukraine. More information can be found on the sanctions section of the Club’s website:


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SITUATION REPORT

Black and Azov seas and South Russian ports
30th March 2022
1. Ports and adjacent waters status

- The following Russian ports are continuing their normal operations:
  - Port Novorossiysk
  - Port Taman
  - Port Tuapse
  - Port Kavkaz
  - Port Sochi
  - Port Anapa
  - Port Gelendzhik

  Including relevant Crimea ports:
  - Port Kerch
  - Port Sevastopol
  - Port Yalta
  - Port Evpatoriya
  - Port Feodosiya

In accordance with Order of Russian Transport authority (Rosmorrechflot) dated 25.03.2022, Port security level No.2 was established in all Russian ports and port waters until 10\textsuperscript{th} April 2022.

- Azov Sea is still officially restricted for shipping. As per last navigational warning, issued by Russian Department of Navigation and Oceanography:

  "\textit{In connection with counter-terrorist measures sailing of all ships is prohibited in Azov sea above 45-40' parallel}"

Therefore, the following ports are open for vessels traffic:
- Port Kavkaz
- Port Temryuk
- Pot Kerch

The following port in Azov sea are continuing internal operations only:
- Port Rostov-on-Don
- Port Yeisk
- Port Taganrog
- Port Azov
• For general review, please see the sanction map, provide by Shipping Company Wilhelmsen.

2. Navigational circumstances:

• Mine danger
As per our last report, there is a danger of drifting mines in Back Sea. Mines established in Odessa region were cut off from their position due to adverse weather and presently drifting in Western part of Black Sea area. Please note below scheme:
Due to anti-clockwise current direction in Western part of Black sea, mines drifting southbound towards Bosporus strait.

As per latest press-releases from open sources, mines were detected in the following locations:
- Bosporus strait (26 March 2022). Found and destroyed by Turkish military.
- off Igneada (28 March 2022). Found and destroyed by Turkish military.
- off cape Midia, Romania (28 March 2022). Found and destroyed.

Vessels are recommended to proceed with caution, keep well clear of any suspicious object in vicinity, and immediately report in case of detection of such object.

- **Humanitarian corridors for vessels in Ukrainian ports.**

Russian Ministry of Defense announced that around 67 vessel from 15 countries are presently blocked in Western Ukrainian ports.

“The Russian Federation has set up a humanitarian corridor to allow foreign vessels to leave Ukrainian ports for the open sea, which is a safe lane for ships from the assembly area located 20 miles southeast of the port of Iliychevsk. The corridor will start operating on 25 March and will be open daily from 08:00 to 19:00 hours LT (GMT+3). The length of the corridor is 80 nautical miles in the southwestern direction, the lane width is 3 miles”
3. Travel, crew and logistic restrictions

- Restrictions of flights were imposed the following airports in South and central parts of Russian Federation until 07 April 2022.
  - Anapa
  - Gelendzhik
  - Krasnodar
  - Rostov-on-Don
  - Belgorod
  - Bryansk
  - Voronezh
  - Kursk
  - Lipetsk
  - Simpheropol
  - Elista

Airport Sochi is presently working as a hub for South Russia region. As per latest news, flights will be resumed at 17 foreign countries (including Armenia, Egypt, Israel, Kazakhstan, Turkey and Uzbekistan) in April 2022.

- Incident on CPC Terminal at Novorossiysk port

On March 22, 2022, to eliminate the risk of an accidental oil spill into the Black Sea water area, loading at the CPC Marine Terminal was suspended at all three mono-buoys (hereinafter “units”). This decision was made based on the results of surveys that revealed storm damage to equipment at unit-3 and unit-2, as well as due to the inability to promptly conduct a diving inspection of unit-1 due to weather conditions.

Presently loading through unit-1 is proceeding normally. Unit-2 and unit-3 are remain out of service. Expected time of loading units repair service is around 3-4 weeks, however we may expect further difficulties due to present sanction situation and delay with delivery of required spare equipment.

CPC Terminal provides loading of around 2/3 of total volume of Kazakhstan crude oil (Tengiz Light). As per information from Company press-release, volume of potential short of supply would be around 1% of total world consumption.
4. Sanction update

**US Update**

- The US has issued an import ban of Russian oil, liquefied natural gas, and coal. Any transactions entered into prior to 8 March 2022, that are ordinarily incident to and necessary to the importation of crude oil, petroleum, petroleum fuels, oils, liquified natural gas, coal and coal products, *are permitted through 22 April 2022 at 12:01 a.m. eastern daylight time*. **Relevant General License was issued by OFAC.**

- **General License No.20** (Authorizing Third-Country Diplomatic and Consular Funds Transfers) and **General License No.25** (Journalistic Activities) were issued by OFAC.

- Certain Russian individuals and Defence-related entities were added in **OFAC SDN updated list**.
UK Update

- UK Government published a Guidance on Russian sanctions
- OFSI published a Financial Sanctions Notice dated 24 March 2022 and added 33 individuals and 26 Russian and Belorussian entities into UK Consolidated List.

EU Update

- EU published a Consolidated List of FAQ's on Russian-related export sanctions, as well as for sanctions, related to insurance and re-insurance matters.

Australia Update

- From 25 April 2022, Australia will prohibit the import of oil, refined petroleum products, natural gas, coal and other energy products from Russia.
- On 20 March 2022, Australia imposed an immediate ban on Australian exports of alumina and aluminium ores (including bauxite) to Russia.

Russian counter-measures

- Russian President has announced a decision to establish payments for natural gas supplied from Russia in Russian roubles for countries, which were set-up in the list of "unfriendly countries" by 31 March 2022. Central Bank and Government-owned Company “Gazprom” received relevant instructions.
- As per latest announces of Russian Government, the similar measures expected to be applied for payments for other export commodities, such as oil, timber, steel etc.
- The Union of grain exporters, including Russian top exporters “TD RIF”, “ASTON” and “Demetra Trading” (Novorossiysk Grain Terminal) have prepared a request for Russian Central Bank to set a stable method of RUR transfers for export grain contracts. As per latest press-release, the Union asks for sufficient RUR liquidity to be provided for foreign banks serving grain buyers (Turkey, Egypt, Iran and Saudi Arabia), to avoid difficulties with execution of payments under export contracts.
- Russian Government has announced preparation of a travel restrictions which would be applied on citizens of “unfriendly countries.”