

From: [REDACTED]
Sent: Thursday, 6 March 2025 3:28 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Copies of offer/counter offers re Spirit 4 leasing

I will need to get advice on this one.

Can I ask why?

[REDACTED]



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From: [REDACTED]
Sent: Thursday, 6 March 2025 3:16 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: [EXTERNAL] Copies of offer/counter offers re Spirit 4 leasing

Hi [REDACTED]

Are you able to provide copies of the offer/counter offer negotiations re leasing of Spirit 4 that were mentioned in the RMM on 13/2/25? We were advised there was an offer and a counter offer from TT-Line as there were matters of difference including regarding the length of the proposed lease. The Treasurer would like to see a copy of these exchanges.

Cheers,

Office of the Hon Eric Abetz MP

Minister for Business, Industry and Resources

Minister for Transport

Leader of the House

Liberal Member for Franklin

Phone: **Out of Scope**

Level 10, 15 Murray Street, Hobart 7000

www.premier.tas.gov.au

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Released under RIA

From: [REDACTED]
Sent: Friday, 7 March 2025 3:07 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Offer / Counter Offers - Private and Confidential
Attachments: Offer from s.39 [REDACTED]
 [REDACTED]

PRIVATE AND CONFIDENTIAL

Hi [REDACTED]

As requested, please find attached the relevant email exchange from our Broker that reflects the offer and counteroffer with s.39 and the interest from and the offer back to s.39 [REDACTED]

As discussed between our Chair and the Minister, it is extremely important that this information does not get into the public domain.

As you would be aware, confidentiality in negotiations such as these, both current and future, is critical and both parties to these negotiations requested the details be kept confidential and in return we made representations that we would comply with their requests.

If the detail of these discussions is released in any forum, the Company's credibility will be significantly damaged which will in turn negatively impact on the Company's ability to participate in future commercial discussions or negotiations for either vessel to the detriment of both the Company and the State.

Kind Regards,



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From: [REDACTED]
Sent: Monday, 3 March 2025 9:42 PM
To: [REDACTED]
Subject: Ministerial Update - Revised document
Attachments: TT-Line Spirit of Tasmania IV Update.pdf

Importance: High

Apologies, please find updated document following a couple of edits from the Chair.

Kind Regards,



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From: [REDACTED]
Sent: Monday, 3 March 2025 9:23 PM
To: [REDACTED]
Subject: Ministerial Update

Evening,

Following on from this morning's meeting, please find attached a briefing paper with requested information.

In response to the questions on the Scottish Government, we went back through all our correspondence and the Broker had advised that s.39 [REDACTED] were inspecting the vessel. Upon goggling the names to put their titles in this document, we found that they are s.39 [REDACTED]
s.39 [REDACTED]

Kind Regards,



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3 March 2025

Spirit of Tasmania IV

Charter Options

TT-Line has received a significant amount of interest in the potential charter options of the new vessels. The key consideration for any charterer is the technical specifications of the vessel and whether it will be compatible with the port infrastructure. As a result, whilst numerous enquiries have been made, once the technical specifications and general arrangement drawings are provided, it can result in a quick determination that the vessels would not be suitable for the proposed operations.

Early enquiries were made by:

s.39

s.39 inspected SOT IV on two separate occasions whilst the vessel was still in Finland, including one visit with seven technical representatives. Ultimately the specifications of the vessel were not compatible with the intended operations and discussions were concluded.

Further interest was received from:

s.39 continued to make enquiries and the Broker expected to receive an offer (which was ultimately not forthcoming)

s.39

s.39 in eastern Mediterranean.

s.39 who have a client who is interested in starting a ferry service between

s.39

s.39 - new operator looking to start a ferry service between s.39

s.39 specialise in vessel accommodation solutions.

s.39 interest in an accommodation charter in s.39

s.39 inspected the vessel in Scotland on 13th January 2025 and TT-Line was advised by the Broker that two representatives from s.39 would also be inspecting the vessel.

These representatives were identified as s.39 who have since been identified as two

they inspected the vessel on 20th January 2025.

s.39

Following the inspections, a formal quote was provided by s.39 and discussion progressed beyond technical specifications to include crewing and provision of goods and services.

s.39 provided a signed Letter of Intent on 12th February 2025.

s.39 have requested, and TT-Line agreed, to complete confidentiality all through discussions given the UK political sensitivities surrounding the proposed option.

s.27

Broker

After a tender process, TT-Line appointed Clarksons as their exclusive broker to explore charter options.

Clarksons is the world's largest shipbroker. Founded in 1852, Clarksons offers its' diverse and growing client base an unrivalled range of shipbroking services, sector research, on-hand logistical support and full investment banking capabilities in all key shipping and offshore sectors. The Group employs about 2,000 people in 64 offices in 24 countries across its four divisions (Broking, Financial, Support and Research). The Group is listed on the main market of the London Stock Exchange - www.clarksons.com

The arrangement with Clarksons is a commission based one and as such no fees have been paid.

Mobilisation Plan

TT-Line has been preparing a mobilisation plan that it will now enact.

- **Departure Date** - The exact departure date from Scotland is not yet known. The logistics of the mobilisation plan, including crewing, port stop overs and refuelling options on the return journey will need to be worked through before setting an exact departure date, however it is anticipated that this would be sometime in May. A key consideration is ensuring the operations of existing vessels are not impacted by the crewing requirements for the new vessel.
- **Cost of delivery voyage** - The exact cost of the delivery voyage cannot yet be determined as will be dependent on final crew numbers, length of the voyage and refuelling options. We have previously advised that we estimate it to be circa \$4m.
- **Delivery crew numbers** - the final crew numbers is still to be determined. TT-Line has been working on a MOU with the unions for the mobilisation journey. An EOI process will be undertaken to identify the crew that will participate in the return journey.
- **Berth Location** - TT-Line and TasPorts are working collaboratively on possible berthing locations. TasPorts have presented several options, and the option of spending some time at anchor rather than alongside a berth for a period will also be considered. The vessel is expected to spend some time in Hobart for final fit out and training.
- **Alternate uses** - all options for a use for the vessel will be considered if commercially viable and there is no impact to the operations of SOT I and SOT II



Leith Berthing Costs

TT-Line have previously advised that the costs incurred to berth at Leith to December 2024 were \$1.005m and the estimated ongoing monthly costs would be \$600k, excluding departure costs from Leith.

Once finalised costs are received an updated cost incurred can be provided.

Tasmanian Berthing Costs

The costs expected to be incurred to berth the vessel in Tasmania will ultimately depend on the location (at berth or at anchor), total crew numbers, and ancillary services required. The major increase in costs to berth in Tasmania (compared to Scotland) is the increase in required crew. Whilst the number of crew has not yet been finalised, the cost per month is expected to be in the vicinity of \$870k (compared to an estimated \$340k in Scotland).

Released under RFI

From: [REDACTED]
Sent: Tuesday, 4 March 2025 11:12 AM
To: [REDACTED]
Subject: RE: Ministerial Update - Revised document

Importance: High

Apologies – The Board has now requested a change – s.27 [REDACTED]
[REDACTED]
[REDACTED]

Kind Regards
[REDACTED]



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Duplicate

From: [REDACTED]
Sent: Tuesday, 4 March 2025 8:38 AM
To: [REDACTED]
Subject: SOT IV Charter Options - Speaking Notes
Attachments: SOT IV Charter Options - Speaking Notes.docx

Importance: High

Out asked me to send this through.
of

Released under RTI

Spirit of Tasmania IV – Charter Options

- TT-Line took delivery of Spirit of Tasmania IV (**SOT IV**) in Rauma, Finland in early September 2024 where it remained temporarily to undergoing final remediation of outstanding defects and minor work required by TT-Line.
- Due to the delays in completion of the port infrastructure required to operate new vessels in Devonport, storage options for the vessel were explored.
- Due to severe cold temperatures and ice pack formation expected in Rauma, it that SOT IV would need to be relocated from the RMC prior to 30 November 2024 to avoid the vessel being ice locked until early 2025 and potentially cause damage to the vessel which has not been designed for these ambient temperatures.
- The Government indicated support for exploring options to mitigate the costs associated with delays in putting the vessel in service, including lease / charter opportunities.
- Storage options were assessed with Scotland determined to be the most appropriate option, operationally and commercially, and it provided the best location to explore vessel charter opportunities in the European region.
- Interest in a charter option was expressed immediately with one European company sending representatives to inspect the vessel in Finland on the 8th November 2024 and again on the 13th November 2024. It was ultimately determined that vessel was not suitable for the intended use.
- SPOT IV was relocated from Rauma, Finland to Leith, Scotland for temporary storage at the end of November 2024.
- On 7th December 2024 TT-Line appointed Clarksons, the world's largest shipbroker, as their exclusive broker to explore all charter options.
- Early enquiries were made from 14 parties – 12 expressed interest in utilising the vessel for ferry operations and two expressed interest in utilising the vessel for accommodation solutions.
- All interested parties were provided with the technical specifications and general arrangement drawings for the vessel.
- On 13th January 2025, two representatives from a party interested in utilising the vessel for an accommodation solution, inspected the vessel in Scotland.

- On 20th January 2025, two representatives from an agency that may provide support for an accommodation solution, also inspected the vessel in Scotland.
- Discussions continued with interested parties for both ferry operations and accommodation solution options.
- On the 22nd January 2025, through the Broker, an offer for a long term charter was received.
- This option provided a potential opportunity for \$20 - \$30m in revenue over a 12 month period and was considered appropriate to fully explore to determine if it was a viable option.
- Discussions continued over the coming weeks, as the potential details were considered.
- The negotiations did not get to the stage of being able to present a firm agreed position to the TT-Line Board, or the Government, for approval.
- It was ultimately determined that this option was not going to reach a final agreed position.
- Interest in the vessel as a charter option continues to be received, but no viable options are considered to be available at this time.
- The decision has been made to mobilise a crew to deliver the vessel to Tasmania.

From: [REDACTED]
Sent: Sunday, 2 March 2025 8:03 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: TT-Line q's

Hi [REDACTED]

Answers below in blue with some context provided in red but this is not for release.

Happy to discuss if needed.

Kind Regards,



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-----Original Message-----

From: [REDACTED]
Sent: Sunday, 2 March 2025 2:29 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: [EXTERNAL] TT-Line q's

Hi [REDACTED]

GMO have advised they will need answers on the below for the Premier tomorrow. Can you please advise. Happy to discuss - imagine some will be easier to respond to than others.

When will the ship leave Scotland? Exact date has not yet been determined. We will work through the logistics of the mobilisation plan, including crewing, port stop overs and refuelling options on the return journey before setting an exact date. We anticipate this would be in May.

s.27

How much will it cost to return the ship? The exact cost cannot be determined as will be dependent on final crew numbers, length of the voyage and refuelling options. We have previously advised that we estimate it to be circa \$4m

How many crew will be required? This is still to be determined. We are working on an MOU with the unions for the mobilisation journey. We will undertake an EOI process to identify the crew that will participate in the return journey.

s.27

Where will the ship be stored when it arrives? We are working with TasPorts on the possible options. TasPorts have presented several options, we will also consider spending some time at anchor rather than alongside a berth for a period. We expect to spend some time in Hobart for final fit out and training.

s.27

What will happen to the ship between now and when the berth is finished? We will explore all options for a use for the vessel, but only commercially viable options will be considered

s.27

Will it operate or sit idle? We will explore all options for a use for the vessel, but only commercially viable options will be considered

s.27

How much \$\$ has been spent to berth spirit to date? We have previously advised that the costs incurred to December were \$1.005m and the estimated ongoing monthly costs would be \$600k, excluding departure costs from Leith.

s.27

How much \$\$ did we spend on brokerage fees? Nil

s.27

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From: [REDACTED]
Sent: Wednesday, 13 November 2024 8:53 PM
To: [REDACTED]
Subject: TT-Line Scotland Storage Costs

Hi [REDACTED]

We have looked at the numbers and provide the following:

TT-Line has found the best economic solution for the storage of Spirit of Tasmania IV at Leith in Scotland. Leith is also a safe and sheltered locked port – that is the sea level does not rise and fall.

While the arrangement with Forth Ports at Leith is a commercial one, vessel port and layup costs in Hobart are more than s.27 higher than Leith.

s.27

Kind Regards,



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