



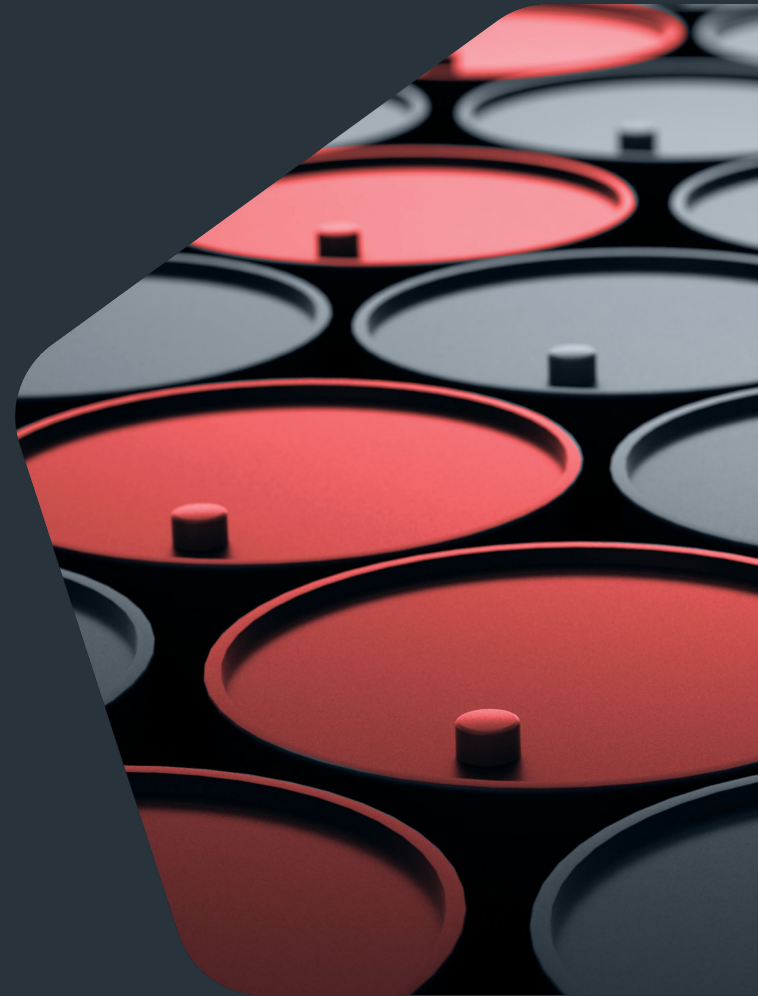
Deconstructing the Shadow Fleet

What Owners, Charterers and Financiers Need to Know

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Russian and Iranian crude oil

Sanction programs

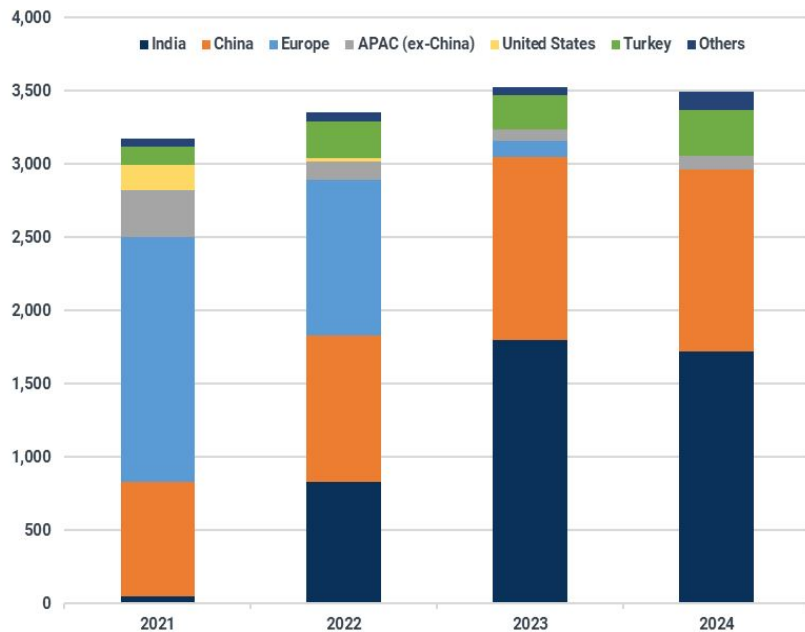


The Price Cap Mechanism for Russian Crude Oil

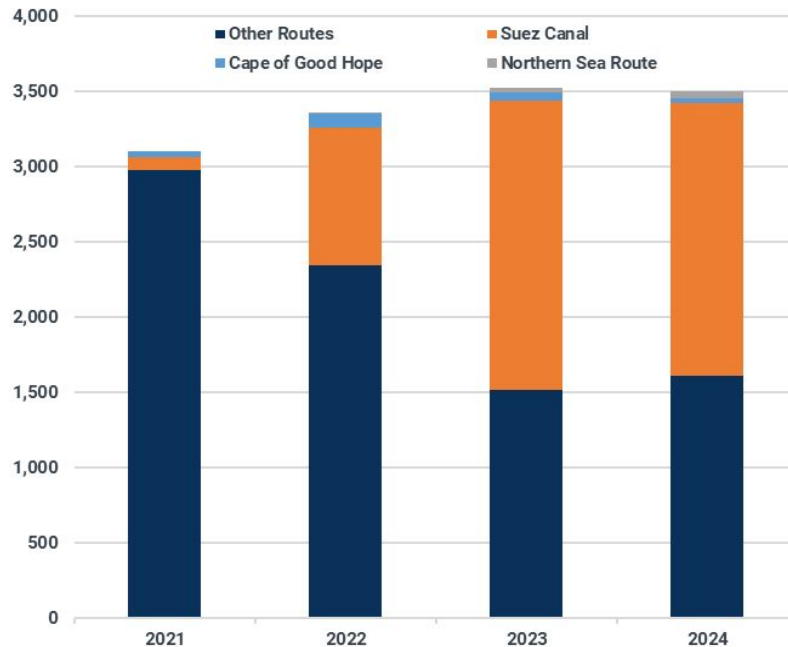
- The G7, in coordination with the EU and Australia, set a price cap of **\$60 per barrel** for Russian crude oil sold internationally via maritime transport.
- Companies in G7 countries cannot provide services like **shipping, insurance, or financing** for Russian oil transactions unless the oil is purchased below the price cap.

Russian crude exports

Exports by destination (kbd)



Exports by route (kbd)

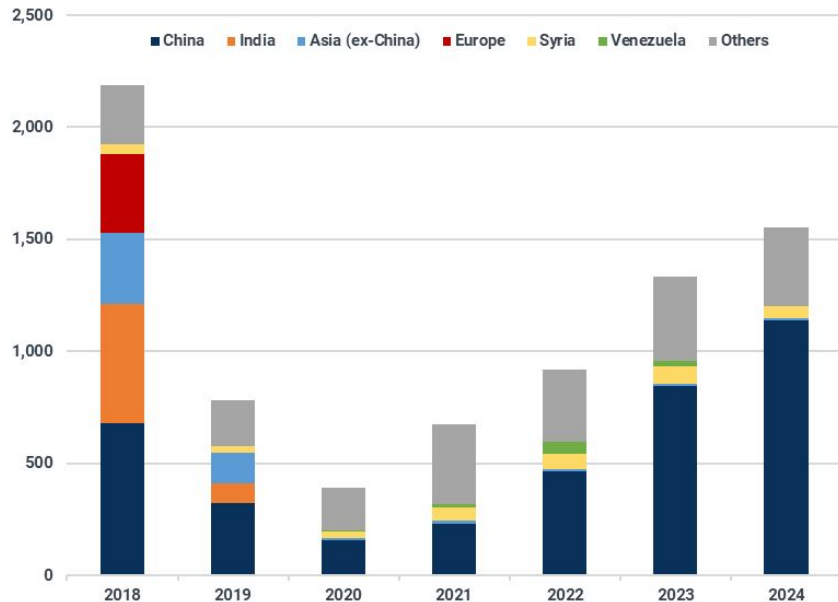


Iranian crude oil export sanctions

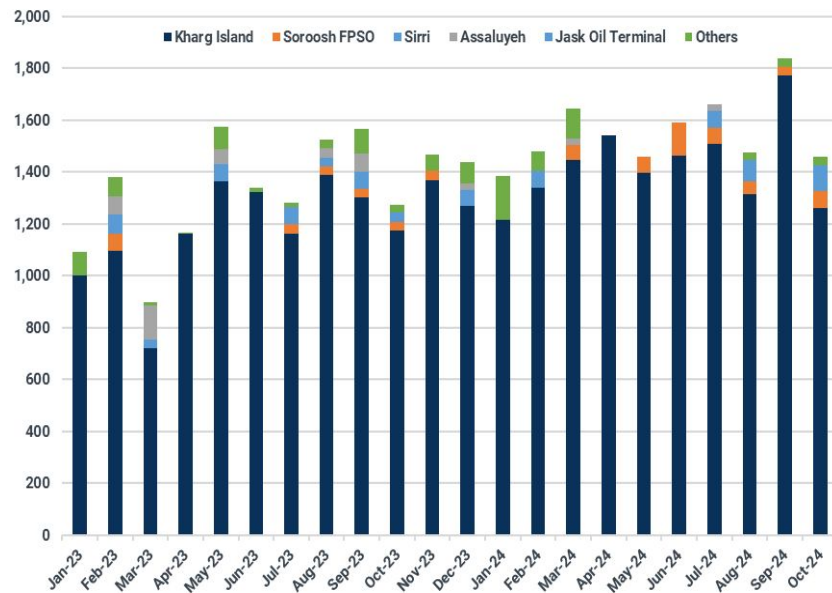
- The U.S. imposed sanctions on **Iranian oil exports** in 2018 under Executive Order 13846 after withdrawing from the Iran nuclear deal (JCPOA).
- Sanctions target entities purchasing Iranian oil or **providing related services**, aiming to cut Iranian oil exports to zero.

Iranian crude exports

Exports by destination country (kbd)



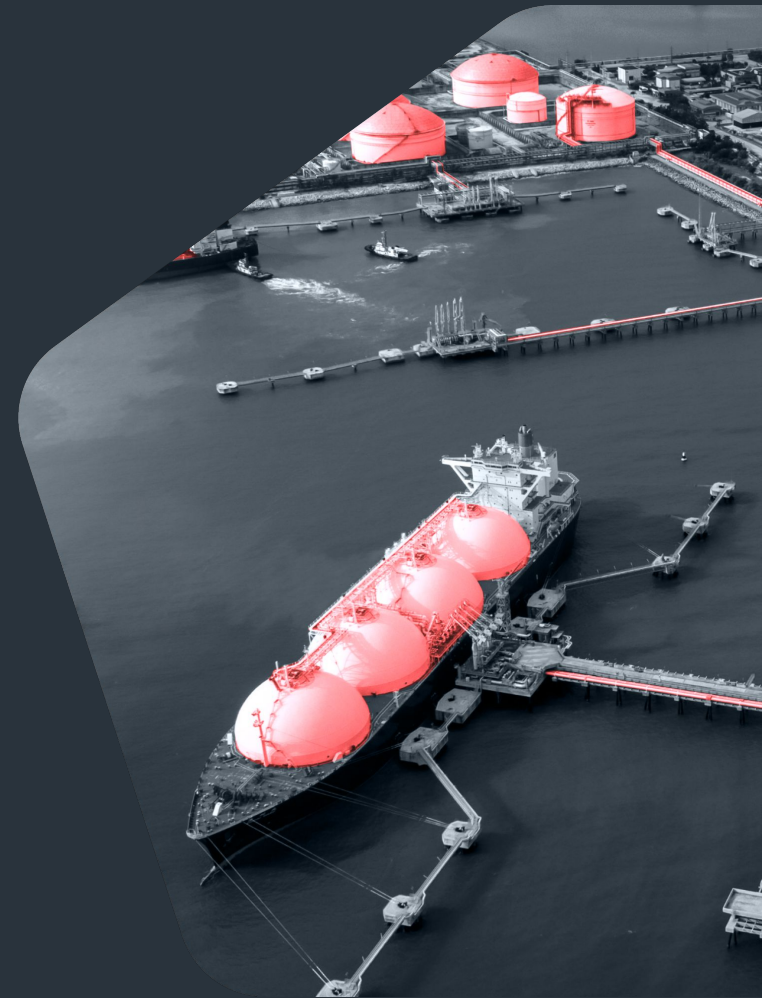
Exports by origin installation (kbd)



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Russian LNG

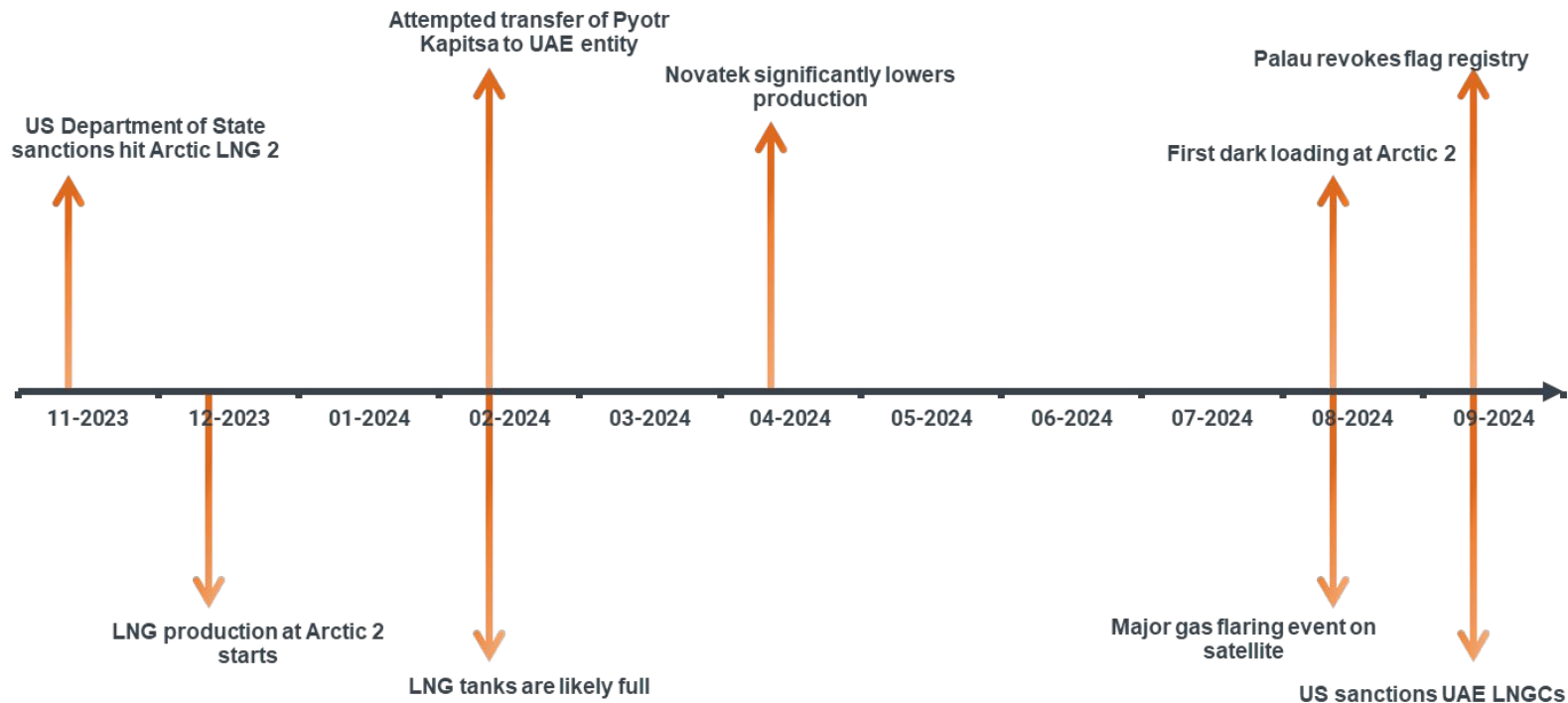
Arctic LNG 2



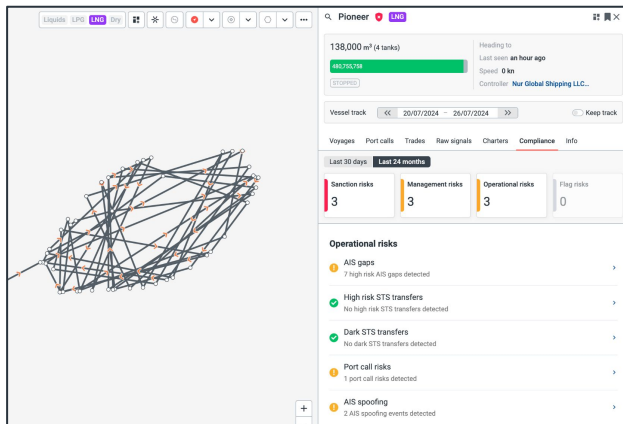
Russian LNG sanctions

- On November 2, 2023, the U.S. sanctioned **Russia's Arctic LNG 2 project** operator under Executive Order 14024.
- Sanctions ban **financing, shipping, insurance, or logistics services** linked to Arctic LNG 2 or its affiliates.

Arctic LNG 2 timeline



The first ever AIS spoofing event for LNG shipping - The PIONEER



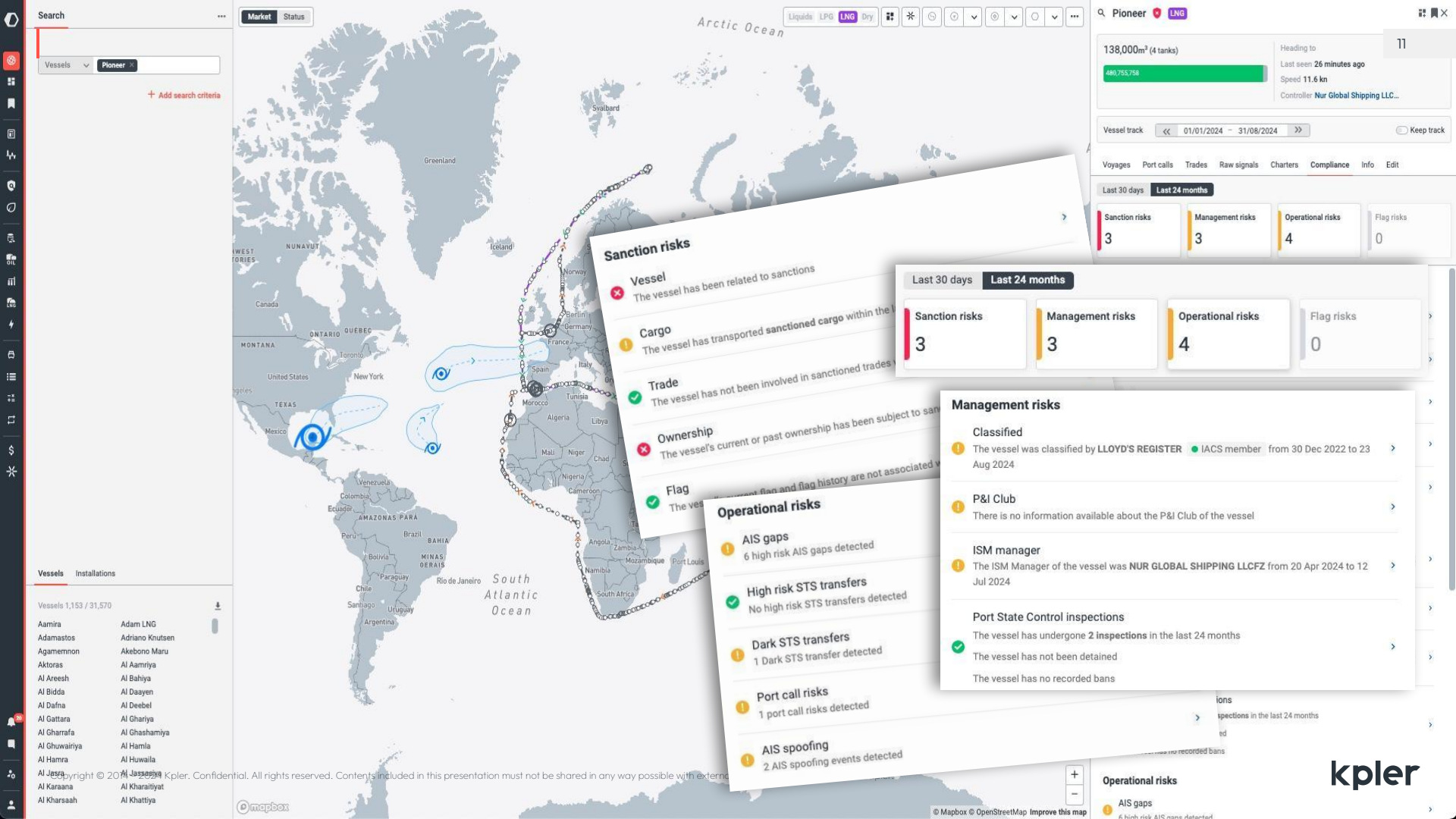
AIS spoofing



Gas flaring



Dark loading



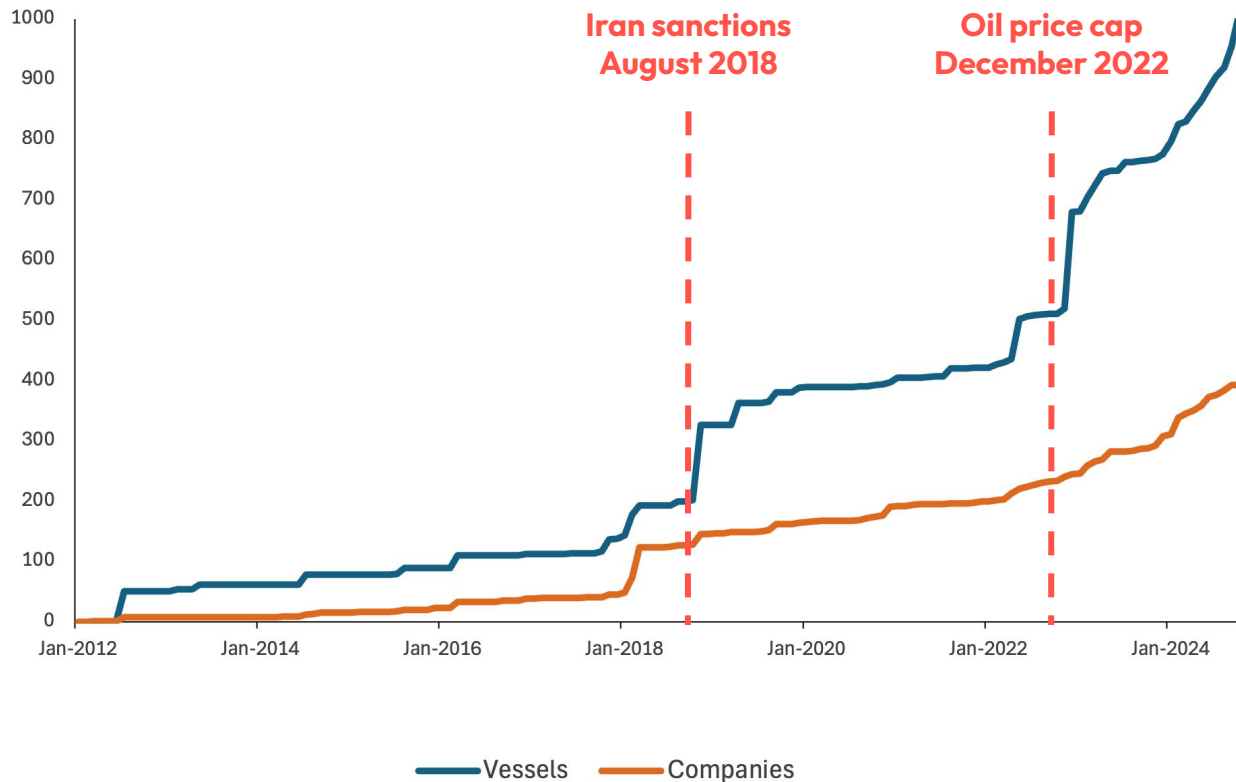
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Sanctions evasion

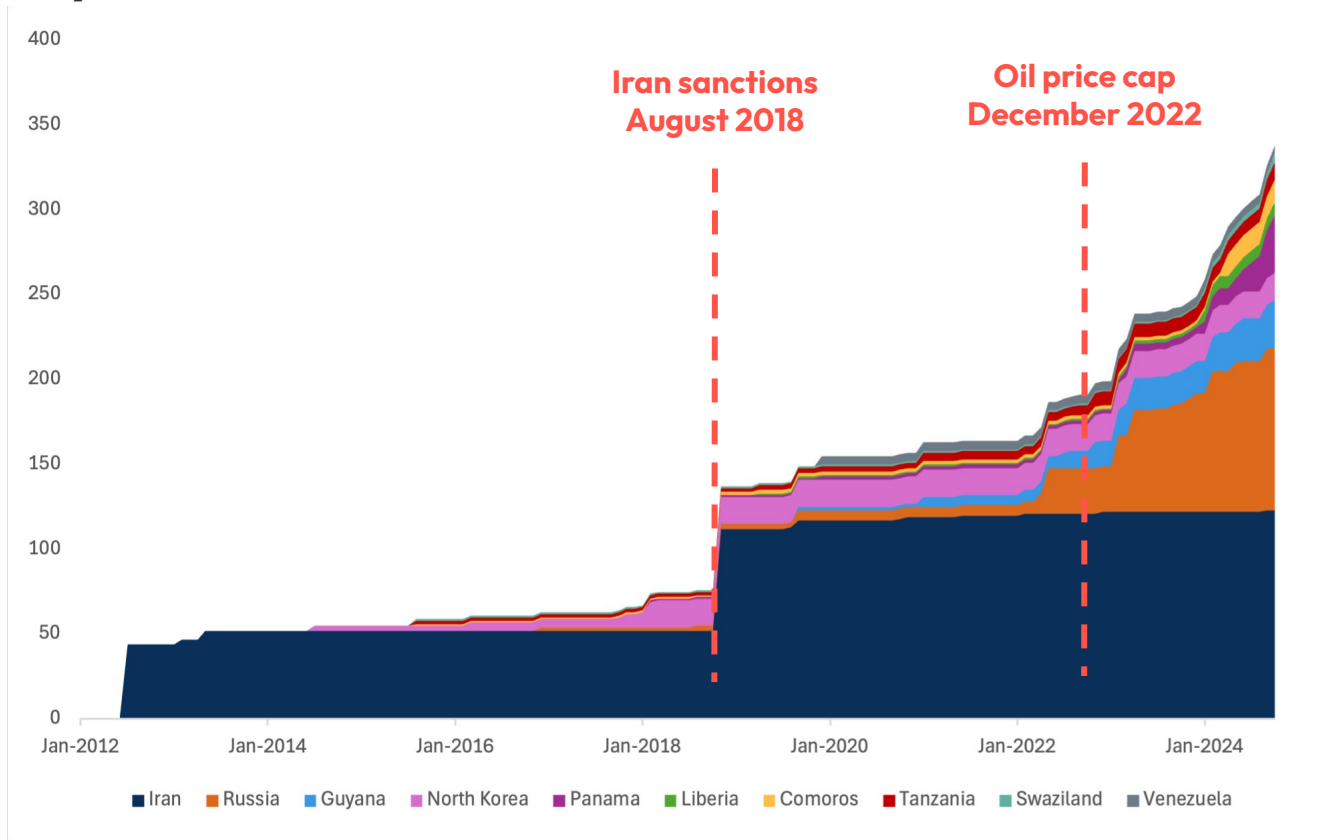
The rise of the shadow fleet



Sanctioned vessels and companies through the years



Flag registry distribution of the sanctioned fleet

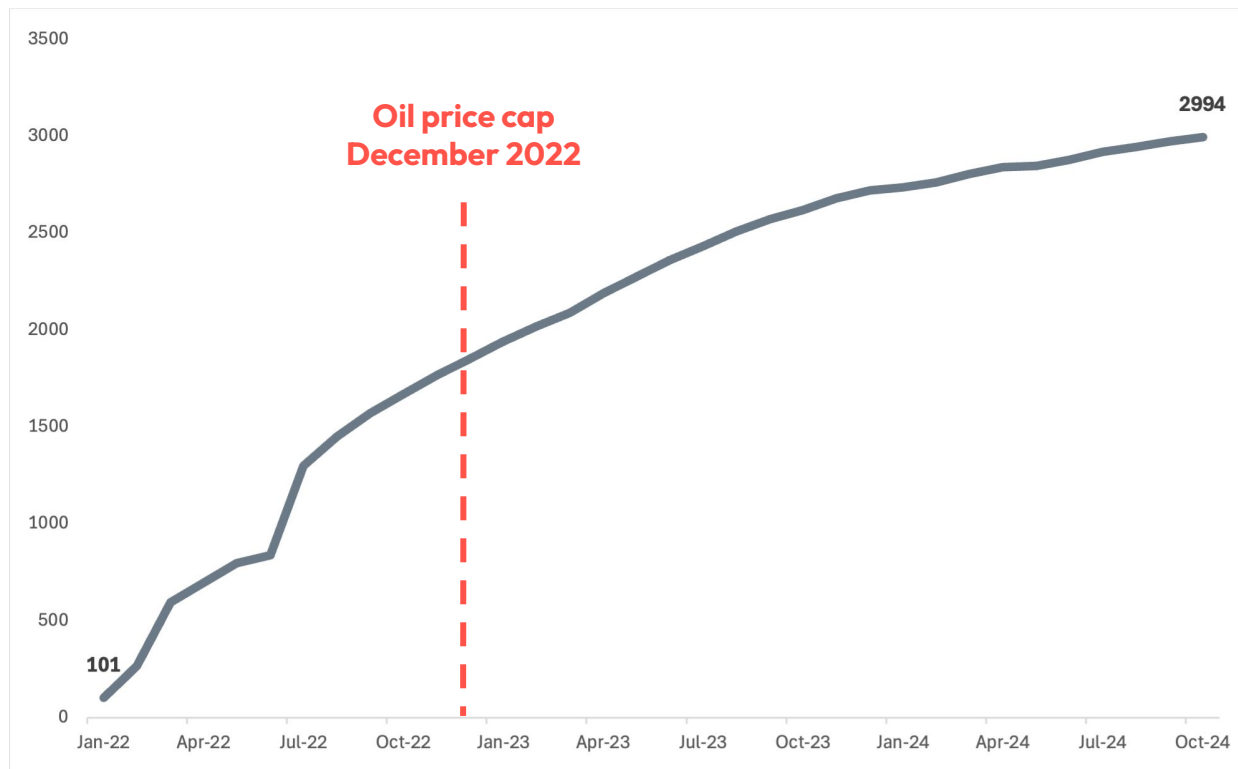


Defining the shadow fleet

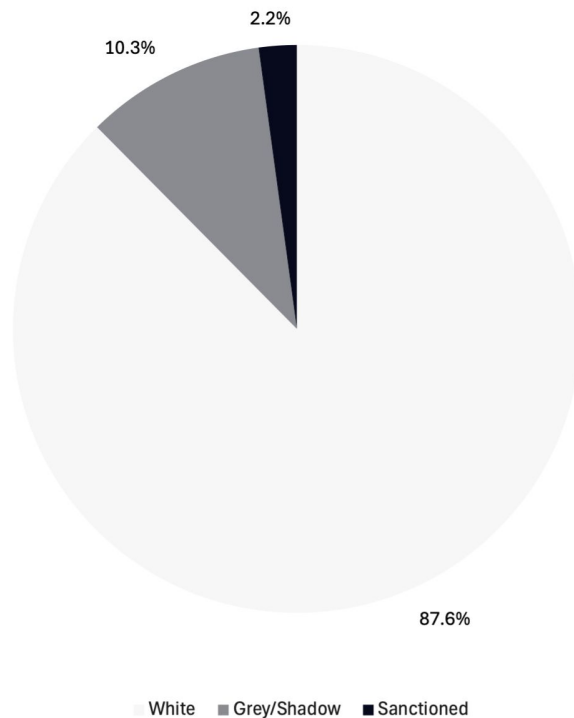
A vessel has loaded sanctioned cargo **and** at least one of these conditions are met:

- Vessel ownership structure is opaque or unknown
- Vessel is not classified by an **IACS** classification society
- Vessel is not insured by an **IGP&I** member
- Vessel age over 20 years old
- Dark activity spotted through satellite imagery during AIS Gaps
- AIS spoofing detected

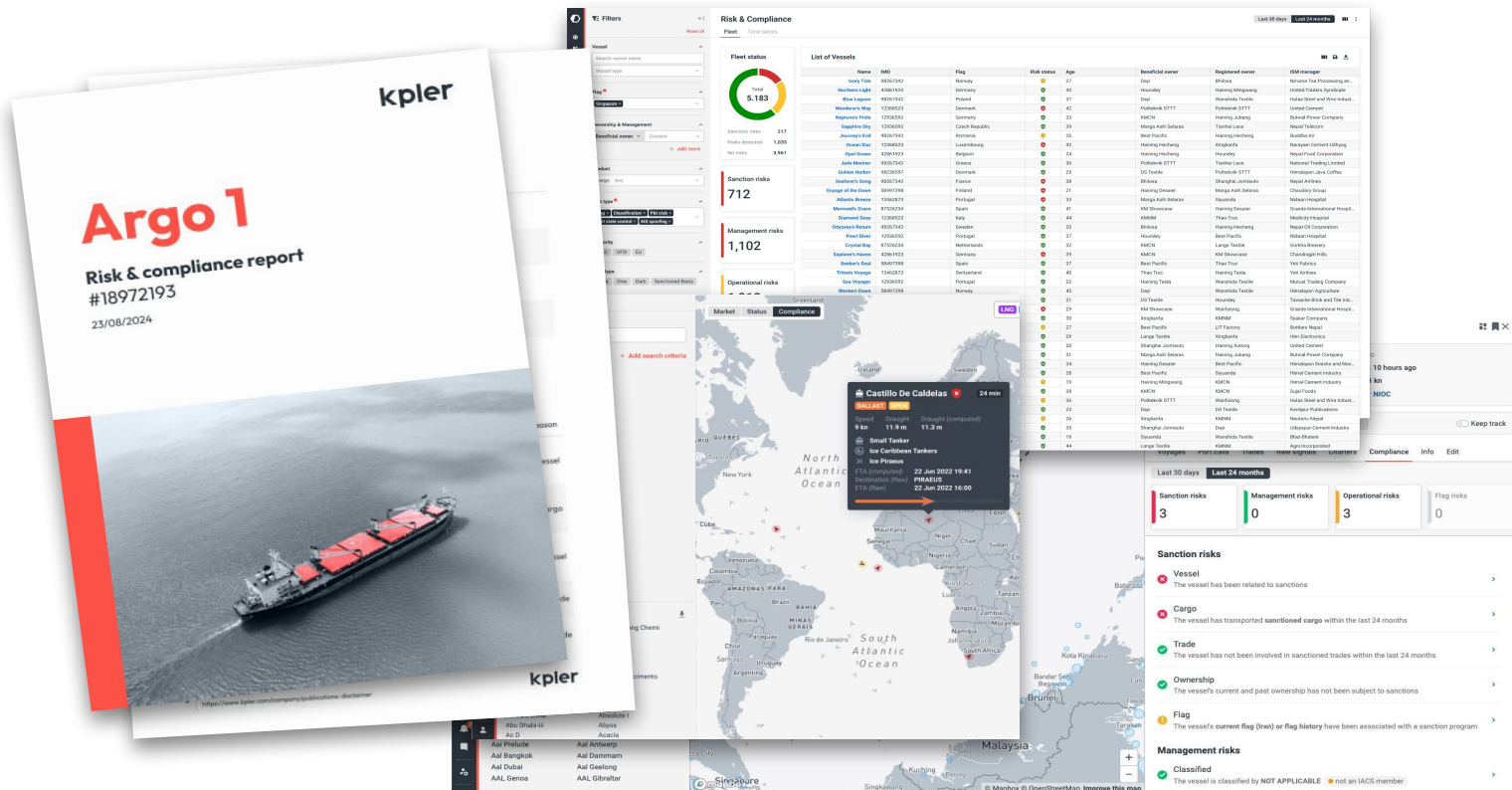
The rise of the shadow fleet



Distribution of white, grey, and sanctioned commercial fleets



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Future Outlook

Long-term implications for shipping in a high-sanction environment



Future Outlook

- US commodity exports likely to be a central point of focus in trade negotiations.
- Trump will shift the geopolitical position of America. This includes less support for Ukraine, entrenched disdain for Iran, continued hard line view towards China.
- Tough Iranian stance could pull 500 - 600 kbd off the market by middle of next year.
- Increased dark vessel activity and AIS spoofing in new regions if hard line stance on sanctioned countries intensifies.

Thank you

Q&A

