

Press release

Seven Yield delivers Siem Confucius, the first deep-sea LNG-powered car carrier to Siem Car Carriers



Singapore, 12 March, 2020

Highlights

- First of two vessels, it is the largest LNG-powered car carrier
- Each measuring 200m long by 38m wide, its 13 decks have a capacity of 7,500 ceu
- The ships will operate exclusively for the Volkswagen Group
- As a result, Volkswagen will be the first automaker to use LNG-powered ships in long-distance overseas distribution of cars and light vehicles
- A comprehensive LNG bunkering fuel supply agreement has been signed with Shell to guarantee that all voyages will utilize exclusively LNG fuel
- Compared to conventional fuel, LNG propulsion reduces carbon dioxide emissions by up to 25%, nitrogen oxide emissions by up to 30%, particulate matter by up to 60% and sulphur oxide emissions by up to 100%
- The ships are financed under a JOLCO structured arranged by Crédit Agricole CIB, and documented in accordance with LMA Green Loan Principles (GLP) and Second-Opinion provided by DNV-GL

Leveraging on the Siem Industries Inc. Group's expertise and with the support of our financing partner, Crédit Agricole CIB, Seven Yield and Siem Car Carriers overcome capital cost challenges to deliver a technologically advanced solution to Volkswagen, contributing towards its "goTOzero" emission strategy. This also marks a significant milestone in Seven Yield's commitment towards reducing carbon emission in a greenhouse gas intensive sector.

According to the Volkswagen Group, until now only a few smaller ships have been built with LNG propulsion for short-haul traffic of vehicles. The Siem Confucius and sister Siem Aristotle will replace two of the nine conventional heavy oil-powered ships on the trans-Atlantic route, representing a significant step towards Volkswagen's strategic goal of a climate-neutral logistics for their long-distance shipment of vehicles.

We are very pleased to partner Crédit Agricole CIB in the arrangement of this first Green Loan JOLCO arranged by a commercial bank. Over the last decade, Crédit Agricole CIB has demonstrated its global



leadership in Sustainable Finance supporting its clients in their energy transition and sustainable development strategies.

Seven Yield has received a Second Opinion from DNV GL, a leading shipping classification and consultancy, confirming that the transaction is eligible and in accordance with LMA (Loan Market Association) Green Loan Principles.

Statements

“From the first conversations, Volkswagen were very clear that they wanted something much more than just compliance. The project was inspired by a vision of the future.”

Kenneth Ross, Chairman of Seven Yield and CEO of Siem Car Carriers

“Crédit Agricole is proud of supporting Seven Yield and Siem Car Carriers in their initiatives of lowering carbon-emissions. As signatories of the Poseidon Principles, fighting climate change is for us a fundamental duty. Extending loans to support our shipping clients in their efforts to improve their CO2 performance is one way to fulfill it. Seven Yield and Siem Car Carriers have made a serious commitment in the energy-transition front, together with their contract-partner Volkswagen, in building and deploying the two first deep-sea car-carriers in the world with LNG-propulsion, and our bank is pleased to be a part of this initiative”

Thibaud Escoffier, Global Head of Shipping of Crédit Agricole Corporate & Investment Bank.

About Seven Yield, Siem Car Carriers & Siem Industries

Seven Yield Holding Pte. Ltd. was established in 2018 as a maritime leasing company with subsidiaries awarded the Singapore MPA's Maritime Leasing Award. Siem Car Carriers specialises in the transportation of automobiles, roll on roll off (RO-RO) and break bulk cargo, while operating a fast, regular and direct service. Both Seven Yield and Siem Car Carriers are members of the Siem Industries Inc. group of companies. Siem Industries Inc. is a diversified holding company with significant investments in oil & gas, shipping, mining, finance and renewable energy. The Group employs over 12,000 employees in over 70 countries, and operates more than 100 ships.

About Crédit Agricole CIB

Crédit Agricole CIB is the Corporate and Investment Banking arm of the Crédit Agricole Group, the largest retail bank in France, and the world's #12 largest bank measured by Tier One Capital. The bank is committed to sustainable banking signing the Equator Principles (2003), Climate Principles (2008), Green Bond Principles (2014), and Poseidon Principles (2019).

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