



华泰保险经纪有限公司

HUATAI INSURANCE AGENCY & CONSULTANT SERVICE LTD.

Circular

Date: 29 April 2010

Dear Sirs,

Re: Marine Traffic Safety Management at Shanghai Port during Expo 2010

With the forthcoming Expo 2010, Shanghai MSA has recently issued a notice regarding marine traffic safety management at Shanghai port during Expo 2010, which will be applied from 01 April 2010 to 30 Nov 2010. To facilitate owners with a brief picture of the requirements, we have prepared this circular for the reference of our clients and their members/assured.

Division of Waters around Shanghai

According to the aforementioned notice, the waters around Shanghai is divided to Central Control Area ("CCA") (the waters from Nanpu Bridge of Huangpu river to 100 meters down Chuanyang river), Circumjacent Area ("CA") (waters from 100 meters down Chuanyang river to Guangang waters & from Nanpu bridge to Qiqin ferry route), Periphery Area ("PA") (waters from Guangang to Zhaigang & from Qiqin ferry route to Wusongkou) and Pre-Control Area ("PCA") (waters covering upriver of Zhagang, Yangtz River Shanghai section, Chang Jiang Kou area, Yangshan port area and Jinshan area).

Three Levels of Security Management

During Expo 2010, the port security management will be classified to be three levels, with the first level being the strictest one. According to the current notices, from 0800hrs to 1400hrs on 29 April 2010 & from 0000hrs on 02 May 2010 to 2400hrs on 04 May 2010, the second level security management will be applied; from 1400hrs on 29 April 2010 to 2400hrs on 01 May 2010, the first level security management will be applied. All the other time from 01 April 2010 to 30 Nov 2010, the third level management will be applied, unless otherwise noticed in advance.

Generally, the third level management will prohibit passage of private yachts, vessels without AIS and vessels carrying poisonous, explosive and radioactive cargo from CCA. Other vessels carrying dangerous cargo and vessels with DWT of over 5,000mt passing CCA shall be escorted and monitored and can only pass within limited hours. Vessels with DWT of over 5000mt shall be escorted and monitored when passing CCA. Vessels other than those of MSA for fulfilling management and security tasks, public security patrol boats and Expo exclusive use vessels, cannot berth within CCA. In CA, vessels with DWT of over 5,000mt should be escorted and monitored under control when passing, and other vessels can pass and berth. In the other controlled areas including PA and PCA, vessels can berth and temporarily stay at anchorage under monitoring.

The second level management will prohibit passing of vessels carrying dangerous cargo, vessels with DWT of over 5,000mt, tugboat fleet, fishing vessels, sightseeing boats and private yachts in CCA. Other vessels can pass but are not allowed to berth or stay in CCA. In CA, passing of vessels carrying dangerous cargo, vessels with DWT over 5,000mt, and fishing vessels will be prohibited; other vessels can pass and berth. In PA and PCA, vessels can berth or temporarily stay at anchorage.

The first level security management is the highest level, where no vessels can enter, berth or stay in CCA other than vessels of MSA for fulfilling management and security tasks, public security patrol boats and Expo exclusive use vessels. In CA, except vessels of MSA for fulfilling management and security tasks, public security patrol boats, Expo exclusive use vessels, and ferry boats, no vessel can enter. In PA and PCA, vessels can berth or temporarily stay at anchorage.

Equipment Requirement

During Expo 2010, all the vessels entering CCA should be equipped with AIS which can be operated in good order; all the cargo vessels entering Shanghai inland waters should be equipped with VHF and keep it on; all the vessels carrying dangerous cargo should be equipped with GPS when entering Shanghai inland waters.

Reporting

Totally there are eight reporting positions: Taigong Ferry route, buoy 107, buoy 101, Linpu Ferry route, Guangang, Fengpu Bridge, Liuhekou, Yuanyuansha.

Vessels passing the above positions should report the vessel's name, the

reporting positions it has passed, destination port, etc. to local MSA via VHF.

Vessels which haven't submitted Vessel Information Report to MSA at departure port and which haven't reported at the above reporting positions cannot call Shanghai or enter Huangpu river and Shanghai inland rivers.

Special Security Inspection

International navigation vessels which are scheduled to berth or pass by CCA should undertake special security check in case she hasn't conducted PSC inspection or FSC inspection in the last two months or she hasn't rectified the deficiencies indicated in the most recent inspection report in respect of security on sea, main propelling machinery and auxiliary equipment, navigation safety, MARPOL Annex I, and MARPOL Annex V.

Carriage of Dangerous Cargo and Prevention of Pollution

Within Huangpu River waters, the following vessels are prohibited from entry and departure: 1) ocean going oil tankers, bulk chemical cargo vessels and LNG vessels, which carry bulk liquid dangerous cargo and whose age are over 12 years; 2) bulk chemical cargo vessels, which fail to satisfy II type vessel requirement and carry X substance, high viscosity or congealed Y substance, poisonous cargo, and flammable cargo.

When third level security management is applied, dangerous cargo carrying vessels passing CCA should comply with the following requirements: 1) only pass between 0400hrs and 0800hrs; 2) apply to Shanghai public security bureau for on-board escort; 3) stay under the control and monitor of marine patrol boats when passing both CCA and CA.

When second level security management is applied, dangerous cargo carrying vessels are not allowed to enter CCA or CA. All discharging and loading operation of dangerous cargo, and anti-pollution operation are prohibited within these areas.

When first level security management is applied, dangerous cargo carrying vessels are not allowed to enter Huangpu River. All discharging and loading operation of dangerous cargo and anti-pollution operation are prohibited within Huangpu River waters.

Contact with MSA for Enquiries

In case of enquiry regarding the special management requirement of marine traffic during EXPO 2010, information can be obtained from Shanghai MSA's

website : www.shmsa.gov.cn, or by dialing their hotline 400 11 12395.

We hope you will find the above useful. Owners are recommended to check with their local agent for detailed requirements beforehand if their ships are scheduled to call Shanghai during Expo 2010. Meantime we will also remain available to assist in case of problems.

Shan Hong
Assistant President