

7th October 2010

M/V “BORNEO EXPLORER”
CONDITION/VALUATION SURVEY AFLOAT

THIS IS TO CERTIFY

that the undersigned Registered Marine Surveyors-Engineers did, at the request of **The Cruise & Island Adventure, Inc.**, Unit 3, Southway Condominium, Mayapis St., Makati City, attend on board the above-mentioned vessel of the port of Batangas, 201.68 gross registered tons, whilst afloat and anchored off Barangay Solo, Mabini, Batangas, on **5th October 2010**, in order to ascertain the vessel's general condition and valuation for insurance purposes.

For further particulars, please see report as follows:

VESSEL'S PARTICULARS:

Name of vessel	: “Borneo Explorer”
Port of registry	: Batangas
Owners/operators	: The Cruise & Island Adventure, Inc.
Official number	: BAT5007382
Call sign	: DUE - 2188
Gross tonnage	: 201.68
Net tonnage	: 103.42
Type of vessel	: Pleasure cruise / dive boat
Construction	: All-steel, welded
Fuel tanks capacity	: 15,000 liters
Fresh water tank capacity	: 30 tons
Service	: Philippine coastwise
Principal dimensions (L x B x D)	: 27.30m x 6.50m x 2.50m
Builders	: Pera oka Zosen KK
Year/place built	: 1986 / Japan
Date/place last drydock	: July 2008/Elfa Shipyard, Navotas

Propulsion : Two (2) units **Yanmar** diesel engine, model 6LAAK-UT with engine no. 861116-5240(port) and 861115-5239(stbd), each **500hp**, six (6) cylinders, turbocharged, connected through shafting to a four (4) bladed bronze propeller.

Classification Society : Filipino Vessels Classification System Association Inc.

VESSEL'S CERTIFICATES:

1. **Cargo Ship Safety Certificate No. SSC-0005568**, issued on 31st August 2010 by the Maritime Industry Authority in Batangas, and expires on 2nd January 2011.
2. **Coastwise License No. 10-2010-02-0001650**, issued on 3rd February 2010 by the Maritime Industry Authority in Batangas, and expires on 11th February 2011.
3. **Minimum Safe Manning Certificate No. BMRO-10-0113**, issued on 27th January 2010 by the Maritime Industry Authority in Batangas, and expires on 27th January 2011.
4. **Ship Station License No. MS-7228-2009**, issued on 7th January 2009 by the National Telecommunication Commission in Quezon City, and expired on 9th January 2011.
5. **Coastwise Load Line Certificate No. S-3712**, issued on 24th March 2006 by the Aug Suzara, Inc., in Batangas, and expires on 27th December 2010.
6. **Certificate of Classification No. 017-05-86**, issued on 23rd May 2006 by the Filipino Vessels Classification Systems Association, Inc., in Manila and expires on 1st February 2011.
7. **Document of Compliance No. ISM-MNL-08-005**, issued on 2nd July 2008 by the Maritime Industry Authority in Manila, and expires on 29th December 2012.
8. **Certificate of Ownership No. 003111**, issued on 3rd December 2009 by the Maritime Industry Authority in Batangas.

9. **Certificate of Philippine Registry No. 003110**, issued on 3rd December 2009 by the Maritime Industry Authority in Batangas.
10. **Ship Stability Certificate No. RCA-0052-2007**, issued on 17th January 2007 by the Maritime Industry Authority in Manila.
11. **Tonnage Measurement Certificate No. BMRO-0044-06**, issued on 23rd March 2006 by the Maritime Industry Authority in Batangas City.

VESSEL'S DESCRIPTION:

The M/V “**Borneo Explorer**” is a single-screw, motor pleasure/passenger boat ferry of all-steel, welded construction with raked stem, cruiser stern, superstructure from forward to aft, and machinery space located at aft of midship.

The superstructure houses the wheelhouse, officers’ cabin and open sun deck at bridge deck, open sun deck, two (2) suite guest cabins, four (4) guest cabins and aftmost open space at deck A, forecastle area, four (4) guest cabins, dive launch area at midship, galley, saloon / dining area, crews quarter and recompression area at deck B.

GENERAL CONDITION

HULL ABOVE WATERLINE:

The vessel's hull above waterline was examined afloat as far as could be ascertained from forward to aft, port and starboard sides, found with side shell coated, and considered in satisfactory condition.

EXPOSED MAIN AND OTHER DECKS:

Exposed forecastle area at forward of deck B found coated, and considered in satisfactory condition.

Exposed deck A in way forward of superstructure all the way to aft found coated, with signs of normal wear from service, and considered in satisfactory condition.

BULWARKS AND GUARD RAILINGS:

Two (2) and three (3) tiered round bar guard railings at bridge deck, deck A and B found coated, and considered in satisfactory condition.

Bulwarks at forecastle area, deck A and B found bulwark plating including stays and toprail coated, and considered in satisfactory condition.

DECK FITTINGS AND EQUIPMENT:

Anchor windlass at forward frames and platforms coated, fitted with brake bands, and reportedly in working condition, including the electric motor- drive of the windlass.

Two (2) pcs. stockless anchors each reportedly with seven (7) shackles of anchor chains, noted with old coat, and considered in satisfactory condition.

Two (2) roller fairleads, twin mooring bitts, closed chocks and padeyes strategically installed on board were examined found coated, and considered in satisfactory condition.

All air, sounding and filling pipes for the underdeck compartments were examined found coated, fitted with covers and considered in satisfactory condition.

Crane with telescopic boom is installed at aft of bridge deck, reportedly in working condition.

SUPERSTRUCTURE:

The superstructure, houses the wheelhouse, officers' cabin and open sun deck at bridge deck, open sun deck, two (2) suite guest cabins, four (4) guest cabins and aftmost open space at deck A, forecastle area, four (4) guest cabins, dive launch area at midship, galley, saloon / dining area, crews quarter and recompression area at deck B, was internally examined and found as follows:

Bridge Deck:

Wheelhouse found interior deck found vinyl tile-sheathed, wooden side and ceiling panels noted intact, fitted with aluminum framed glass windows, and port /starboard hinged-type doors.

Officers cabin at aft found vinyl tile-sheathed, wooden side and ceiling panels coated, fitted with cabinets, double deck bed bunk, with own watercloset that is fitted with toilet bowl, shower with hot/cold water supply.

A laundry machine and ice maker machine were sighted at starboard midship, both reportedly in working condition.

Open sun deck at from midship to aft found deck coated and with rubber matting glued to the deck, provided with plastic chairs and tables, 3 tiered railings in way.

Deck A:

Open sun deck found deck coated and with rubber matting glued to the deck and bulwarks coated.

Two (2) suite guest cabins found each with a large bed, vinyl tile-sheathed interior deck, wood panels on walls and ceiling, wall-mounted lamps, fitted with either a large bed and/or double deck bunks, each with own private watercloset/bathroom noted interior deck and wall ceramic tile-sheathed, ceiling coated, fitted with mirror, toilet paper holder, wash basin, soap & shampoo dispenser, wall mounted glass/cup holders, and hand held shower with hot & cold water supply, and all cabins ventilated through air conditioning system.

Alleyway leading to aft found with carpet like rubber matting, walls and ceiling in way coated.

Four (4) guest cabins found vinyl tile-sheathed interior deck, wood panels on walls and ceiling coated, wall-mounted lamps, fitted with double deck bed bunks, each with own private watercloset/bathroom noted interior deck and wall ceramic tile-sheathed, fitted with mirror, toilet paper holder, wash basin, soap & shampoo dispenser, wall mounted glass/cup holders, and hand held shower with hot & cold water supply, and all cabins ventilated through air conditioning system.

Open space at aftmost found interior deck with rubber sheathed, provided with wooden tables and chairs, and pipe awning with canvas sheet.

Deck B:

Forecastle area found deck coated along with deck fittings.

Four (4) guest cabins found vinyl tile-sheathed interior deck, wood panels on walls and ceiling coated, wall-mounted lamps, fitted with double deck bed bunks, each with own private watercloset/bathroom noted interior deck and wall ceramic tile-sheathed, fitted with mirror, toilet paper holder, wash basin, soap & shampoo dispenser, wall mounted glass/cup holders, and hand held shower with hot & cold water supply, and all cabins ventilated through air conditioning system.

Dive launch area at port/starboard aft of midship and in way of the port/starboard aluminum deck foldable dive platforms

Galley found interior deck coated, fitted stainless wash basins, Whirlpool microwave oven, two (2) burner electric stove, 2-door refrigerator, upright freezer, three (3) food single burner LPG stoves, UV water sterilizer and water heater.

Saloon found interior deck with vinyl tile-sheathed, fitted with polyurethane coated tables and chairs, coated walls, aluminum framed glass windows with curtains, provided with a TV and dvd player, food catering trays, hot/cold water dispenser and ventilated through air-conditioning system.

Crews' quarter for 9 persons found interior deck with old coat, including walls and ceiling, fitted with a wash basin, double bed bunks, and with own watercloset with Japanese type toilet bowl.

Recompression area at aftmost found one (1) unit electric motor-driven "Kaeser" air tower compressor and one (1) unit Coltri (Nitrox) for charging air tanks, reportedly in working condition.

OTHER COMPARTMENTS:

Bosun's Store:

Bosun's store, located below the forecastle deck, was internally examined found interior deck with old coat, moderate signs of rustiness but structurally sound, including port/starboard side shell frames and plates, and considered in satisfactory condition.

Raised square access hatch found cover fitted with rubber gaskets and securing wings, and considered in satisfactory condition.

Engine Room:

Engine room was internally examined found checkered deck plates, side shell plates, bulkheads, stiffeners and frames with old coat, and considered in satisfactory condition.

Access way at Deck B leading down to engine room noted door intact, complete with rubber gasket and securing dogs, and considered in satisfactory condition.

Ventilated through two (2) units air blowers all noted in working condition and considered satisfactory.

NAVIGATION AND COMMUNICATION EQUIPMENT:

The vessel is fitted with the following navigation and communication equipment, all reportedly in good working condition and considered satisfactory:

1. One (1) unit Yamato electro-hydraulic steering console fitted steering wheel, push button steering and rudder angle indicator
2. Main engine bridge control console with engine maneuvering levers, rpm indicator, pressure gauges and emergency stop button.
3. One (1) unit Furuno GPS, model GP-32 with serial no. 4438-0223.
4. One (1) unit Furuno marine radar, model 1700 with serial no. 304-4977
5. One (1) unit Furuno marine radar model 1623 with serial no. 4322-2761
6. One (1) unit West marine VHF radio transceiver, model 500DSC.
7. One (1) unit Sea Scout echo sounder.
8. One (1) unit Garmin GPS, model 176C.

9. One (1) unit ICOM SSB radio transceiver, model no. IC-M710.
10. One (1) unit Furuno navtex receiver, model NX-300 with serial no. 3519-3863.
11. One (1) unit Osake wind speed/direction indicators.
12. Air horn
13. Clinometer
14. One (1) unit rudder angle indicator
15. One (1) unit barometer
16. One (1) unit magnetic compass adjusted on 14th July 2008 by the Philippine Compass Adjusters Society Inc.
17. One (1) unit Unipex public addressor.
18. Two (2) unit clear view screens
19. One (1) binoculars
20. One (1) unit wall clock.
21. Charts and navigation lights
22. The following publications were sighted onboard, except as noted
 - Philippine Merchant Marine Rules and Regulation
 - SOLAS - latest edition
 - IMO International Safety Management (ISM Code 3rd Edition)
 - Collision Avoidance Rules or COLREG
 - Latest Notice to Mariners, not updated
 - International Code of Signals

LIFE-SAVING AND FIRE-FIGHTING EQUIPMENT:

The vessel is equipped with the following life-saving and fire fighting, all noted in good order and considered satisfactory:

1. Two (2) units inflatable liferafts, each 20 persons capacity and launched through hydrostatic release mechanism, expiring on July 2011.
2. Two (2) units fiberglass chase boats, each propelled by two (2) units outboard motors
3. Forty (40) pcs. life jackets, each with light and whistle.
4. Four (4) pcs. lighted life ring buoys, including 2pcs lighted
5. Twelve (12) bottles chemical-type portable fire extinguishers, each 9lbs capacity.
6. Five (5) pcs. fire hoses, each 15 m long
7. One (1) sets fireman's outfit
8. Two (2) pcs. fire axes.
9. Six (6) pcs. fire buckets

MAIN ENGINES AND AUXILIARY MACHINERIES/EQUIPMENT

MAIN ENGINES:

The vessel is propelled by two (2) units **Yanmar** diesel engine, model 6LAAK-UT with engine no. 861116-5240(port) and 861115-5239(stbd), each **500hp**, six (6) cylinders, turbocharged, connected through shafting to a four (4) bladed bronze propeller.

AUXILIARY MACHINERIES/EQUIPMENT:

The vessel is equipped with the following auxiliary machineries/equipment:

1. Two (2) units Yanmar diesel engines, each model 4CHL-N with engine no 00494(port) and 00493(starboard), each 50hp, four (4) cylinders, 1800rpm and drives a 40kva generator.

2. One (1) unit Hino diesel engine, model EL-100, six(6) cylinders and drives a 90KVA generator.
3. One (1) unit sea water sanitary pump, electric motor-driven.
4. One (1) unit bilge pump, electric motor-driven.
5. Two (2) units fresh water pumps, each electric motor-driven.
6. One (1) unit freshwater transfer pump, electric motor-driven.
7. One (1) unit diesel oil transfer pump, electric motor-driven.
8. One (1) unit sewage pump, electric motor-driven.
9. One (1) unit sea water pump for auxiliary generator cooling, electric motor-driven.
10. One (1) unit Taiko oily water separator.
11. One (1) unit hydraulic pump for the steering gear, driven by an electric motor.
12. Four (4) units engine room blowers, each electric motor-driven.
13. One (1) unit Robin portable water pump.
14. Two (2) bottles air tanks for main engine starting air.

All the above-mentioned main engine and auxiliary machineries/equipments were examined as far as practicable without opening up for internal examination nor witnessing in actual operation, all reportedly in good working condition and considered satisfactory.

ELECTRIC POWER CIRCUITS, SWITCHBOARDS AND ARRANGEMENT:

The electric power circuits, switchboards and arrangement were examined as far as practicable without making removals to expose concealed parts, found clean, apparently free of grounds/short circuits and considered satisfactory.

REMARKS:

Basing on the result of inspection, it is the opinion of the undersigned attending marine surveyor that the above-mentioned vessel is in satisfactory condition and fit to engage in Philippine coastwise and short international trade, subject to vessel undergoing regular drydocking and for those safety equipment that are due for servicing.

VALUATION

It is our opinion that the present day market value of the above-mentioned vessel, after considering all the present condition and existing exigencies at this time, is approximately TWENTY MILLION PESOS (Php20,000,000.00) Philippine currency.

Survey made and this Report issued without prejudice.



NORTH SOUND CONSULTING & MARINE SURVEYS INC.

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Surveyor-Engineer

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