

U.S. Department of Justice
Washington, DC 20530

Supplemental Statement

Pursuant to the Foreign Agents Registration Act of 1938, as amended

For Six Month Period Ending 10/30/2011

(Insert date)

I - REGISTRANT

- 1. (a) Name of Registrant (b) Registration No.

Office Deputy Commissioner of maritime Affairs no.4860

(c) Business Address(es) of Registrant
Vanuatu Maritime Services Limited
39 Broadway, Suite 2020
New York, NY 10006

- 2. Has there been a change in the information previously furnished in connection with the following?

(a) If an individual:

- (1) Residence address(es) Yes No
- (2) Citizenship Yes No
- (3) Occupation Yes No

(b) If an organization:

- (1) Name Yes No
- (2) Ownership or control Yes No
- (3) Branch offices Yes No

(c) Explain fully all changes, if any, indicated in Items (a) and (b) above.

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, AND 5(a).

- 3. If you have previously filed Exhibit C¹, state whether any changes therein have occurred during this 6 month reporting period.

Yes No

If yes, have you filed an amendment to the Exhibit C? Yes No

If no, please attach the required amendment.

¹ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, National Security Division, U.S. Department of Justice, Washington, DC 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period?

Yes No

If yes, furnish the following information:

Name	Position	Date Connection Ended
------	----------	-----------------------

(b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period?

Yes No

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
------	-------------------	-------------	----------	--------------

5. (a) Has any person named in Item 4(b) rendered services directly in furtherance of the interests of any foreign principal?

Yes No

If yes, identify each such person and describe the service rendered.

(b) During this six month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes No

Name	Residence Address	Citizenship	Position	Date Assumed
------	-------------------	-------------	----------	--------------

(c) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Position or Connection	Date Terminated
------	------------------------	-----------------

(d) Have any employees or individuals, who have filed a short form registration statement, terminated their connection with any foreign principal during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Position or Connection	Foreign Principal	Date Terminated
------	------------------------	-------------------	-----------------

6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(b) of the supplemental statement?

Yes No

If no, list names of persons who have not filed the required statement.

II - FOREIGN PRINCIPAL

7. Has your connection with any foreign principal ended during this 6 month reporting period? Yes No
- If yes, furnish the following information:

Foreign Principal

Date of Termination

8. Have you acquired any new foreign principal(s)² during this 6 month reporting period? Yes No
- If yes, furnish the following information:

Name and Address of Foreign Principal(s)

Date Acquired

9. In addition to those named in Items 7 and 8, if any, list foreign principal(s)² whom you continued to represent during the 6 month reporting period.

The Republic of Vanuatu

10. (a) Have you filed exhibits for the newly acquired foreign principal(s), if any, listed in Item 8?

Exhibit A³ Yes No Exhibit B⁴ Yes No

If no, please attach the required exhibit.

- (b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes No

If yes, have you filed an amendment to these exhibits? Yes No

If no, please attach the required amendment.

² The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)). A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

³ The Exhibit A, which is filed on Form NSD-3 (Formerly CRM-157) sets forth the information required to be disclosed concerning each foreign principal.

⁴ The Exhibit B, which is filed on Form NSD-4 (Formerly CRM-155) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, or 9 of this statement? Yes No

If yes, identify each foreign principal and describe in full detail your activities and services:

The office of deputy Commissioner, c/c Vanuatu Maritime Services LTD., is responsible for the promotion of the registration of

vessels under the Flag of Vanuatu. Part of our services is to contact individuals among the ship industry by letter, fax, phone,

e-mail, or visits to inform them of Vanuatu ship registry.

We prepare officials documents on behalf of the Vanuatu Government for ship owners and financial institutions.

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity⁵ as defined below? Yes No

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits your foreign principal(s)? Yes No

If yes, describe fully.

⁵ The term "political activity" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes No

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.⁶

Date	From Whom	Purpose	Amount
5/01/2011- 10/30/2011	Republic of Vanuatu	contract six month stipend	390,000.00

390,000.00

Total

(b) RECEIPTS - FUNDRAISING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fundraising campaign⁷, any money on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes No

If yes, have you filed an Exhibit D to your registration? Yes No

If yes, indicate the date the Exhibit D was filed. Date _____

(c) RECEIPTS-THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁹ other than money from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes No

If yes, furnish the following information:

Foreign Principal	Date Received	Thing of Value	Purpose
-------------------	---------------	----------------	---------

^{6, 7} A registrant is required to file an Exhibit D if he collects or receives contributions, loans, moneys, or other things of value for a foreign principal, as part of a fundraising campaign. (See Rule 201(e)).

⁸ An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fundraising campaign and transmitted for a foreign principal.

⁹ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) DISBURSEMENTS-MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes No

(2) transmitted monies to any such foreign principal? Yes No

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
5/01/2011- 10/30/2011	Vendors	Office Expenses	\$ 153,784.35
5/01/2011- 10/30/2011	Vendors	Travel Expenses	\$ 14,850.04
5/01/2011- 10/30/2011	Vendors	Entertainment	\$ 0.00
5/01/2011- 10/30/2011	Vendors	Advertising	\$ 3,171.10
5/01/2011- 10/30/2011	Vendors	Employee Expenses	\$ 332,219.89
Transferred Funds			
5/01/2011- 10/30/2011	Republic of Vanuatu	Fees	\$ 396,075.52

\$ 900,100.90

Total

(b) **DISBURSEMENTS-THINGS OF VALUE**

During this 6 month reporting period, have you disposed of anything of value¹⁰ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, or 9 of this statement?

Yes No

If yes, furnish the following information:

Date	Recipient	Foreign Principal	Thing of Value	Purpose
------	-----------	-------------------	----------------	---------

(c) **DISBURSEMENTS-POLITICAL CONTRIBUTIONS**

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value¹¹ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes No

If yes, furnish the following information:

Date	Amount or Thing of Value	Political Organization or Candidate	Location of Event
------	--------------------------	-------------------------------------	-------------------

^{10, 11} Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

V - INFORMATIONAL MATERIALS

16. (a) During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials?¹²
 Yes No

If Yes, go to Item 17.

(b) If you answered No to Item 16(a), do you disseminate any material in connection with your registration?
 Yes No

If Yes, please forward the materials disseminated during the six month period to the Registration Unit for review.

17. Identify each such foreign principal.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes No

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- Radio or TV broadcasts Magazine or newspaper Motion picture films Letters or telegrams
 Advertising campaigns Press releases Pamphlets or other publications Lectures or speeches
 Other (specify) a quarterly update

Electronic Communications

- Email
 Website URL(s): _____
 Social media websites URL(s): _____
 Other (specify) current and potential ship owners

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- Public officials Newspapers Libraries
 Legislators Editors Educational institutions
 Government agencies Civic groups or associations Nationality groups
 Other (specify) _____

21. What language was used in the informational materials:

- English Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes No

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act?
 Yes No

¹² The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

VI - EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

(Print or type name under each signature or provide electronic signature¹³)

November 29, 2011

/s/ ARTHUR C BJORKNER

eSigned

¹³ This statement shall be signed by the individual agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

UNITED STATES DEPARTMENT OF JUSTICE
FARA REGISTRATION UNIT
NATIONAL SECURITY DIVISION
WASHINGTON, D.C. 20530

NOTICE

Please answer the following questions and return this sheet in triplicate with your Supplemental Statement:

1. Is your answer to Item 16 of Section V (Informational Materials -- page 8 of Form NSD-2, formerly Form CRM-154 Supplemental Statement):

YES or NO

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

YES or NO

(If your answer to question 2 is "yes" please forward for our review copies of all material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)

Arthur C. Bjorkner
Signature

11/18/2011
Date

ARTHUR C. BJORKNER

Please type or print name of
Signatory on the line above

SVP/DCMA
Title

SHORT-FORM REGISTRATION INFORMATION SHEET

The Department records list active short-form registration statements for the following persons filed on the date indicated by each name. If a person is not currently functioning in the same capacity directly on behalf of the foreign principal, please indicate the date of termination in Item 5 of the supplemental statement.

Short Form List for Registrant: Office of the Deputy Commissioner of Maritime Affairs

<u>Last Name</u>	<u>First Name</u>	<u>Registration Date</u>
Bjorkner	Arthur C.	01/04/2008
Rescigno	Dorothy A.	01/04/2008
Sheetz	Donald J.	10/12/1993

Received by NSD/FARA Registration Unit 11/29/2011 3:03:49 PM

Received by NSD/FARA Registration Unit 11/29/2011 3:03:49 PM

	<u>MAY-11</u>	<u>JUN-11</u>	<u>JUL-11</u>	<u>AUG-11</u>	<u>SEPT-11</u>	<u>OCT-11</u>	Totals
<u>OPERATING EXPENSES</u>							
Rent - 39 Broadway	\$12,229.86	\$11,549.03	\$21,843.37	\$4,847.33	\$11,911.66	\$24,571.02	\$86,952.27
Offsite Storage-Rent	\$151.35	\$0.00	\$318.65	\$158.65	\$154.18	\$158.65	\$941.48
FARA Reg fees	\$305.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$305.00
Insurance -Allied Risk Consult	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Insurance -Building & Contents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Insurance - Liability	\$0.00	\$0.00	\$0.00	\$0.00	\$270.00	\$0.00	\$270.00
Insurance - Workmen's Comp	\$1,227.32	\$912.09	\$510.88	\$1,572.73	\$1,168.24	\$510.88	\$5,902.14
Computer Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Computer Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Computer Maintenance	\$636.00	\$985.00	\$62.50	\$1,273.78	\$636.00	\$636.00	\$4,229.28
Computer Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Copier - Rental	\$443.14	\$443.14	\$443.14	\$443.14	\$443.14	\$443.14	\$2,658.84
Postage Meter - Rental	\$0.00	\$0.00	\$0.00	\$231.90	\$0.00	\$231.90	\$463.80
US Postal Servi ce-Reset Meter	\$0.00	\$200.00	\$0.00	\$0.00	\$0.00	\$200.00	\$400.00
Fax - Rental	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Telephone System	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prof.Fees - Accounting	\$0.00	\$4,712.25	\$0.00	\$0.00	\$0.00	\$0.00	\$4,712.25
<u>LICENSES AND PERMITS</u>							
PAYROLL SERVICE	\$509.15	\$488.32	\$488.32	\$505.08	\$553.34	\$505.93	\$3,050.14
Repairs & Maintenance	\$1,094.20	\$0.00	\$435.50	\$0.00	\$30.49	\$0.00	\$1,560.19
Depreciation Expense	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subscriptions	\$3,785.00	\$0.00	\$950.00	\$0.00	\$0.00	\$0.00	\$4,735.00
Ducs - Annual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Off.Sup.	\$843.56	\$683.56	\$3,903.95	\$167.64	\$1,105.04	\$1,681.51	\$8,385.26
Phone and Fax charges	\$547.32	\$1,134.92	\$433.65	\$219.24	\$358.46	\$481.58	\$3,175.17
Courier Charges - General Office	\$4,692.56	\$6,317.73	\$4,593.85	\$3,595.22	\$3,946.65	\$1,999.32	\$25,145.53
Messenger Service - General Office	\$410.00	\$0.00	\$51.00	\$87.00	\$299.00	\$51.00	\$898.00
Postage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Outside services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Printing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Vanuatu Sales Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Corp.Income Tax Expense	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL OPERATING EXPENSES	\$26,874.46	\$27,426.04	\$34,034.81	\$13,101.71	\$20,876.20	\$31,471.13	\$153,784.35
<u>TRAVEL EXPENSES</u>							
Travel expenses	\$0.00	\$2,720.96	\$126.19	\$56.01	\$1,526.25	\$4,225.68	\$8,655.09
Lodging	\$0.00	\$510.83	\$0.00	\$678.38	\$150.00	\$291.33	\$1,630.54
Food & beverage	\$167.35	\$253.62	\$217.36	\$60.55	\$149.56	\$720.97	\$1,569.41
Attendance Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,995.00	\$2,995.00
TOTAL TRAVEL EXPENSES	\$167.35	\$3,485.41	\$343.55	\$794.94	\$1,825.81	\$8,232.98	\$14,850.04
<u>ENTERTAINMENT</u>							
Entertainment expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tips & Gratuities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL ENTERTAINMENT EXP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>ADVERTISING</u>							
Advertising	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Maritime Bulletins	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
News Letter	\$0.00	\$0.00	\$2,133.95	\$0.00	\$740.35	\$0.00	\$2,874.30
Brochure	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fact Files	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Give Aways	\$129.40	\$0.00	\$0.00	\$0.00	\$0.00	\$167.40	\$296.80
Exhibit -Transport	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL ADVERTISING EXPENSES	\$129.40	\$0.00	\$2,133.95	\$0.00	\$740.35	\$167.40	\$3,171.10
TOTAL OPERATING EXPENSES	\$27,171.21	\$30,911.45	\$36,512.31	\$13,896.65	\$23,442.36	\$39,871.51	\$171,805.49
<u>EMPLOYEE EXPENSES</u>							
Insurance	\$446.98	\$25,076.44	\$893.96		\$17,313.60	\$8,209.82	\$51,940.80
Payroll Expenses	3,114.60	3,114.60	3,244.96	3,247.81	3,233.02	3,061.66	\$19,016.65
Salary Expense	\$41,813.58	\$41,813.58	\$43,413.58	\$44,213.58	\$44,053.58	\$41,813.58	\$257,121.48
Employer 401k Contribution	\$690.16	\$690.16	\$690.16	\$690.16	\$690.16	\$690.16	\$4,140.96
TOTAL EMPLOYEE EXPENSES	46,065.32	70,694.78	48,242.66	48,151.55	65,290.36	53,775.22	\$332,219.89
TOTAL EXPENSES	\$46,065.32	\$70,694.78	\$48,242.66	165,002.76	\$65,290.36	\$53,775.22	\$504,025.38
<u>TRANSFERS TO GOVERNMENT</u>							
MARINE INVESTIGATION	\$12,325.00	\$8,700.00	\$8,700.00	\$6,500.00	\$2,900.00	\$7,250.00	\$46,375.00
MARINE PARTICIPATION	\$10,848.00	\$8,700.00	\$7,200.00	\$7,250.00	\$2,900.00	\$7,250.00	\$44,148.00
RESIDUAL ANZ BANK	\$113,722.72	\$16,107.24	\$43,741.24	\$34,864.61	\$52,616.88	\$44,499.83	\$305,552.52
TOTAL SENT TO GOVT.	\$136,895.72	\$33,507.24	\$59,641.24	\$48,614.61	\$58,416.88	\$58,999.83	\$396,075.52

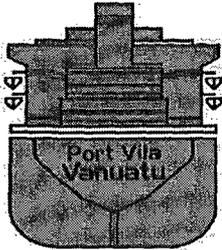
VANUATU MARITIME SERVICES LTD.

UPDATE

4/11

Oct-Dec 2011

This Update is intended to keep our friends informed about what is new at VMSL, in Vanuatu and elsewhere.



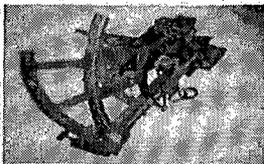
SATELLITES

Two Galileo satellites needed to establish the navigation system are ready for launch. The entire system should be ready for use in 2015



SAFETY FIRST

Remember accidents are not a planned event.



ECDIS

Mandatory ECDIS use being phased-in from 1 January 2012



The "STAR" of registries

OIL RECORD BOOK

A revised Guidance for recording of operations in the Oil Record Book Part I—Machinery space operations (all ships) has been issued. The Guidance is intended to facilitate compliance with MARPOL requirements onboard ships by providing advice to crews on how to record the various operations in the Oil Record Book by using the correct codes and item numbers in order to ensure a more uniform Port state control procedure.

IMO-BMP4 RELEASED

The fourth edition Best Management Practices for Protection against Somalia-based Piracy (BMP4) has been released electronically. It provides the most suggested planning and operational practices for ship operators and masters transiting the High Risk Area. www.shipping.nato/sitecollectiondocument/BMP4_web.pdf

INTERNATIONAL WORKBOAT SHOW

VMSL will be showing at the International WorkBoat Show in New Orleans on 30 Nov, 1, 2 December 2011. We would be pleased to see our many customers and friends, stop by and say "Hi".

STRUCTURAL SAFETY AND LOAD LINE CAMPAIGN

The 45 Maritime Authorities of the Paris and the Tokyo Memoranda on Port State Control have begun a joint concentrated inspection campaign with the purpose to ensure compliance with structural safety and the Load Line Convention. The states party of the Vina del mar Agreement, the Indian Ocean MOU, the Mediterranean MOU and the Black Sea MOU will follow the same routine during the campaign.

IMO- WORLD MARITIME DAY

The IMO issued a statement that the theme for World Maritime Day 2012 will be "IMO: One hundred years after the Titanic".

CARGO RECORD BOOK FOR NOXIOUS LIQUIDS

A new Cargo Record Book for vessels carrying Noxious Liquid substances in Bulk has been issued. All vessels carrying such cargoes are required to maintain this record book.

BRIDGE NAVIGATION WATCH ALARM SYSTEM (BNWAS)

Subject systems are now being phased into service (July 2011 to 2015). Required for all passenger ships irrespective of their gross tonnage and cargo vessels of 150 gross tonnage and upwards.

Website: www.vanuatuships.com

UPDATE

Page 2

South Pacific Tuna Treaty

The 25 year old treaty between the USA and fifteen South Pacific nations will come to an end next June as PNG, on behalf of the Pacific nations, has given notice to terminate the agreement pre-maturity because the USA would not agree to re-negotiate the treaty. The treaty directly links USA aid to the Pacific Island countries in exchange for fishing rights. This will cease and individual bi-lateral agreements might be entered into. The Pacific Island countries want more control of their exclusive economic zones and to reduce the allowed catch before the tuna stocks are further depleted. They also want more processing of fish within the islands, instead of just contributing the fish catch. The USA reportedly refused to enter negotiations claiming the USA produced the highest economic returns to the Pacific Islands under the existing treaty but this was refuted by the island nations claiming it was less than 1/10th what some other nations were paying.

Dangerous Country

The 2011 UN World Risk Report voted Vanuatu as the world's most dangerous place to live. For a country with very little crime, wonderful clean air, clean water, and pristine diving and hiking, the report reduces our opinion of remote experts even further. Vanuatu was also twice voted the happiest place on earth. We declare the latter vote the winner by 2 to 1.

ACP Conference 2012

Vanuatu has been chosen by the 108 countries which make up the African, Caribbean and Pacific (ACP) nations and the 27 member states of the European Union, to host the 37th ACP session in Port Vila next June. It is anticipated that there will be over 1,000 delegates and many more than that number supporting the delegates as well as world media coverage. Major expansion of Port Vila resorts are already in train, led by the Le Lagon Warwick Resort which will be the principal location for the Conference.

Vanuatu and the World Trade Organization

Vanuatu, at the urging of the WTO and its own Ambassador to the European Union, has been working toward accession to the requirements of the WTO and attaining membership by the end of the year. This has caused a major backlash by commerce and industry in Vanuatu as they feel the cost/benefit balance is very much greater on the costs side. Vanuatu exports only agricultural products, in small quantities which already have access to the international markets. Local manufacturers fear the opening up of the Vanuatu market to overseas producers who, due to large volume production, will be able to undercut the prices of locally manufactured goods, resulting in local closures and unemployment.

PITCO Chairman to Retire

Mr. Tom Bayer, long time head of Pacific International Trust Company Ltd. ("PITCO"), and of the group which now carries his name, has announced his retirement from active day to day involvement in the group's businesses, effective 30 September, 2011.

Mr. Bayer joined PITCO in 1974, when he was recruited from Singapore to be the second in command of the company under the then Managing Director. At the end of 1975 he was appointed as Managing Director. In 1984 his family interests purchased all the equity of PITCO and shortly thereafter Bayer became a Vanuatu citizen.

Mr. Bayer will continue to Chair some of his group's Boards of Directors, in a non-executive capacity, with Mr. Robert Böhn, currently the President and CEO, taking his place as the top Bayer Group executive.

Vanuatu will not lose Bayer's input, as he intends to continue to live in Vanuatu to pursue his private interests. He will remain on various government, community and private boards on which he now serves, including remaining as Chairman of the Independent Foundation, the not-for-profit registered charity that publishes Vanuatu's weekend newspaper.

Taxation Information Exchange Agreements

Taxation Information Exchange Agreements ("TIEAs") have been signed by Vanuatu with 13 other countries as at the date of this report. They are:

Sweden, Denmark, Finland, Norway, Iceland, Faroe Islands, Greenland (the Nordic seven) and Australia, New Zealand, France, Ireland, Grenada, and San Marino.

It is anticipated that additional TIEAs will be signed in the near future. To make them operative, domestic enabling legislation will have to be drafted and passed by Parliament.

The country has agreed to retain an international expert to advise it on its best strategic position and report what other countries are doing. This briefing is scheduled to take place in late October. One of the key questions will be whether the enabling legislation will be only prospective or also be retroactive.

The information in this publication is provided for the sole use of selected clients of VMS Ltd. While every care has been taken in preparation, no warranty is given as to the correctness of the information contained herein and no liability is accepted by VMS Ltd. for any statement, opinion, error or omission. Contact VMS Limited, 39 Broadway, Suite 2020, New York, NY 10006. Tel: 212-425-9600, Fax: 212-425-9652, Website: www.vanuatuships.com, E-Mail: email@vanuatuships.com.