

## 2000

In spite of all the doomsday predictions, Montship ushered in the new millennium without any catastrophic occurrences brought about by the failure of computers to change the dates over; a technological concern shared by businesses and corporations around the world.

The year 2000 had an important significance for Montship Inc., as it welcomed its 75<sup>th</sup> Anniversary on April 25<sup>th</sup>, 2000.

Montship celebrated this milestone in style, by holding receptions in each Canadian city where it has offices. All the events were well attended by both Principals and customers. In honor of this special birthday, this book entitled 'The Montship Story' was published.

To further mark the occasion, Montship undertook the complete renovation of 360 rue Saint Jacques, its Head Office since 1968.

The business year started with the Canadian economy still experiencing moderate growth, but by the end of the year, the technology explosion that had captivated everyone for the two previous years began to show signs of weakness, and the empty balloon of high market capitalization was about to burst. This turn in the market threatened to affect the traditional economy, but it was soon evident that investors, while quickly losing confidence in high tech companies, were still willing to support the traditional sectors like mining, resources, manufacturing and service industries.

The last quarter saw a considerable slowdown in the US economy, which threatened to spill over into Canada negating all the confidence built by the aggressive deficit cutting measures, instituted by Paul Martin, the Liberal Canadian Finance Minister. At year's end Mr. Martin was still confident that the Canadian economy was strong enough to withstand the pressures of the faltering US economy.

At Montship the challenge was to integrate and begin servicing its latest Principal, the Hamburg Sud group of companies.

In April the newest venture, Trealmont Chartering (USA),

was launched. With an office in New Orleans, Louisiana Trealmont Chartering (USA) was set up to handle the outsourced business of Pacfor and various other forest products clients.

Late in the year the Islamic Republic of Iran Shipping Line (IRISL) appointed Montship to be its Liner and Tramp agent in Canada. This Principal, whose primary shipping mandate was to carry grain from Canada to Iran, aimed to start a Liner Service between the Persian Gulf and Canada.

While the U.S. was closed to trade with Iran, it was believed that relations between the countries would improve eventually, with MSI positioned to participate in the consequent growth of the service to North America.

Due to deteriorating relations between Iran and the rest of the world, we totally discontinued our relationship with IRISL early in 2009.

The Oldendorff purchase of Hoegh Lines' Indotrans Liner Service moved along one more step, as Oldendorff agreed to take possession of some of the Hoegh ships and charter some of the others. Montship was appointed as Canadian Agent for the new operating company, Oldendorff (Indotrans) Carriers Ltd.

#### 2001

Trealship Services acquired J. Dorich Enterprises Inc., a Montreal reefer repair company with an excellent reputation for customer service and expertise in refrigeration mechanics. The shop and offices were based in Montreal West, with locations throughout the Greater Montreal area being served on a mobile basis. This purchase furthered the Company's expansion of its reefer container maintenance and repair division, and continued to offer competitive services, thus ensuring further savings for MSI's Principals.

The Company was very pleased to be appointed as full North American agents for Oldendorff (Indotrans) Carriers Ltd. in late 2001. This included all aspects except sales and marketing, and offered a new challenge, as well as an opportunity to promote our Back Office expertise in the much larger U.S. Market.

Trealmont Chartering continued to strengthen, and expanded again with the opening of an office in Pasadena,

California.

## 2002

It was a year of transition following September 2001 (9/11), as both the Canadian and U.S. economies adjusted to the shock - a shock that was exacerbated by the hit from corporate malfeasance and weak equity markets.

Both the Canadian and U.S. economies recovered from the tragic event of September 11<sup>th</sup> quite well. While growth was adversely affected in the immediate aftermath, it steadily improved.

The last quarter of 2002 saw a slowdown in the economic growth in Canada, the United States and other world economies due to tensions in the Middle East and a looming war in Iraq.

In overseas shipping, liner, non-liner and tanker operations were affected by sluggish markets. The tensions over Iraq caused higher bunker prices, a decline in tanker freight rates and higher insurance premiums. Security concerns added to the costs of doing business. With U.S. customs set to introduce strict reporting rules to deter terrorist attacks, shipping companies throughout the world scrambled to adjust.

Liner companies worked hard to expand cargo volumes by aggressive marketing and sales activities, the launching of large container ships on key routes, and expanding service networks. However, the large decline in freight rates resulted in deterioration of profits for many. Late in the year, there were some signs of recovery of freight rates.

For Montship, it was a year of challenges, and by early 2002, the responsibilities grew greater to ensure that Oldendorff's "liner" experiment was a success. Through the spreading of the traditional base of accounts and thus the cost of overhead, Montship succeeded in reducing operating costs, matching the lower revenues earned due to poorer freight rates, and continued to stay strong.

Trealmont Chartering was faced with the challenge of expanding its customer base in the face of declining

volumes from its traditional supporters, Pacfor/Cellmark and the steel industry. By the end of 2002 both Trealmont Chartering and Trealmont Chartering (U.S.A.) saw an increase in volumes attributed to new accounts, importing lumber named Carolina Holdings, an importer of lumber into the U.S.A. from Europe.

J. Dorich succeeded in cutting its losses in half, while Trealship posted a small overall profit. The challenge for these Companies was to cut costs and expand their customer base.

During the year, MSI and Trealmont Chartering welcomed MST sister vessels Anette and Harriett to the St. Lawrence River Port.



**m/v HARRIETT**  
**Jiangsu Yangzijiang Shipyard (2002)**  
**25.575 dwt**

2003

In May 2003, Montship Inc. began the process of merging husbandry services for Nova Scotia and New Brunswick with those of Maritime Canada Shipping Services Limited under the name of Montship Maritime Inc. Through the synergies of this merger, offices were situated both in Nova Scotia and New Brunswick. The objective was to ensure the ongoing competitiveness of the Company's Maritime operation, and to continue to provide top quality service for the valued Principals. This Saint-John-based company had an outstanding reputation, and was wholly owned by Don Hall, who joined the Trealmont Chartering Division. Montship Maritime operations, with its joint ownership, would be overseen by the Montship team.

On the West Coast, due to lack of volume for several years in Prince Rupert, the Company entered into a mutually beneficial arrangement with our Manager, Carl Nielsen, who undertook to represent Montship as a sub-agent. We were very pleased to continue our long term relationship, as Mr. Nielsen was ably responsible for the Prince Rupert office since its opening in 1983.

Reflecting its increasing focus on third-party logistics, Trealmont Chartering (USA) Inc. changed its name to Trealmont Logistics (USA) Inc., and with Tom Baldwin, established a third US base of operations, in Keswick, Virginia.

In July 2003, Trealship Services, handling maintenance and repair of temperature controlled containers, opened a new office in Winnipeg, Manitoba. The westward expansion of the Reefer Container, Genset and Chassis Maintenance and Repair services into Winnipeg was established in response to a growing demand for service, and the high costs of repairs in Western Canada.

In the summer of 2003, Trealmont Chartering Inc. brokering and transportation logistics services to include a special focus on steel commodities, and welcomed the arrival of professional brokers Dean and Clive Seacombe from Britain.

The Seacombs established and operated Seachart Limited of London, and were responsible for all the commercial transportation transactions and operational issues relating to their principals' international steel and raw material trading activities. Their specific knowledge in this field would allow Trealmont will continue to grow its expertise

and improve its position in a very competitive market sector.

2003 was an excellent year; most Principals enjoyed better freight rates, and consequently, MSI and its sister companies benefited. The year, however, also brought the drastic decline in the value of the U.S. Dollar, which depreciated some 20% over the twelve-month period. Unavoidably, this had a negative impact on bottom-line results. Nonetheless, the Company ended the year healthy, and ready to face new challenges in 2004.