Capital Clean Energy Carriers Corp.

Capital Clean Energy Carriers Corp. - Q3 2026 Earnings Call

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Event Participants

Executives 4
Brian Gallagher, Nikolaos Kalapotharakos, Nikolaos Tripodakis, Jack Neilan

Analysts 4
Alexander Bidwell, Gregory Lewis, Liam Burke, Omar Nokta

Operator Operator

Good day, everyone, and welcome to the **Capital** **Clean** **Energy** Carriers Corp. Third Quarter 2026 Financial Results. Please note that this event is being recorded. [Operator Instructions] I will now turn over the call to today's host, Brian Gallagher, EVP, Investor Relations. Brian, please go ahead.

Brian Gallagher Executive

Thank you. Good evening and good afternoon to those of you in the U.S., and welcome to the **Capital** **Clean** **Energy** Carriers Q3 2026 Earnings Call. My name is Brian Gallagher, Head of Investor Relations. With me today, I have Jerry Kalogiratos, our Chief Executive; Nikolaos Kalapotharakos, our CFO; Nikos Tripodakis, our Chief Commercial Officer and Head of LNG Commercial; and Jack Neilan, our Head of LPG Commercial.

Before we start, please note that today's presentation contains forward-looking statements, and actual results may differ materially. Please refer to the notice on Slide 2 and the risk factors in our 2025 annual report on Form 20-F. So let's kick off looking at the key highlights from the Q3 that we just finished. In the third quarter, we took delivery of 3 vessels, the LNG carrier Alcaios I, the dual-fuel MGC carrier Aridaios in July, and the LCO2 multi-gas carrier Alkimos in September. During the quarter, we also secured new employment for 2 LNG carriers and 4 gas carriers.

The TCE for the quarter was just under $84,000 a day for our LNG fleet and just under $41,000 a day for our gas fleet. Net income from continuing operations was $34.6 million, up 52% compared to the same period last year, and we declared a dividend of $0.15 per share, our 78th consecutive cash quarterly dividend. Contracted revenues stand at around $2.8 billion for the group, or $4.2 billion for the group, including options.

That gives you a sense of the highlights. I'll now pass on to Nikolaos with regard to the financials.

Nikolaos Kalapotharakos Executive

Thank you, Brian. Before turning to the financials, I would like to touch on our dividend payout, which remains a core part of the company's value proposition to our shareholders. As already announced on October 22, we declared a quarterly cash dividend of $0.15 per share. This is our 78th consecutive quarterly dividend since our IPO in 2007. The dividend will be paid on November 12 to shareholders of record as of November 3.

Turning now to the income statement. Revenue for the 3 months ended September 30, 2026, increased to $138.1 million from $95.6 million during the same period last year. The 44% increase primarily reflects the growth in the average number of vessels in our fleet to 19.7 vessels from 13 vessels during the same period last year, following the delivery of 3 Handy gas carriers, 2 dual-fuel medium gas carriers and 3 LNG carriers during 2026. Voyage expenses for the third quarter of 2026 increased to $9 million from $2.2 million in the third quarter of 2025. The increase was mainly due to voyage expenses incurred by certain of our vessels during their delivery from the yard and the start of their employment as well as ballast legs associated with certain of our vessels passing their 5-year special survey.

Vessel operating expenses and depreciation and amortization increased by $6.2 million and $8.6 million, respectively, compared to the same period in the previous year, mainly due to the increase in the average number of vessels in our fleet.

Interest expense and finance costs increased to $33.7 million from $25.5 million during the same period last year. The increase mainly reflects higher average indebtedness following the financing of the vessels delivered this year, partly offset by a decrease in the weighted average interest rate on our debt. Therefore, net income from continuing operations was $34.6 million for the quarter, or $0.57 per share, corresponding to an increase of 52% compared to the same period last year as this year's deliveries start to contribute.

So moving on to our balance sheet. We maintain a solid cash position with total cash of $287 million, including restricted cash and the net leverage ratio adjusted for the fair market value of our vessels at approximately 55%. Total assets grew to $4.9 billion. That is an increase of more than 20% from the beginning of 2026 as we took delivery of 8 vessels this year. Shareholders' equity rose by $87 million, or by 6%, to approximately $1.6 billion.

As of quarter end, total debt stood at $3.2 billion. Floating rate debt, which makes up approximately 78% of our total debt, carried an average margin of 1.7%. Our fixed rate debt, together with the $800 million of zero-cost interest rate collars entered into during the second and third quarters of this year, make approximately 47% of our total debt either fixed or hedged. So let me now turn to our CapEx program. Our newbuilding program is well funded.

We have already paid a substantial portion of the CapEx from internally generated cash, asset monetizations and attractive debt financing, including our bond issuance in February. Assuming 70% debt financing for the vessels that do not yet have facilities in place and excluding future operating cash flows and net proceeds from the sale of Amore Mio to the previously announced LNG joint venture, we expect to fully fund the remaining CapEx while also releasing significant liquidity to the company.

So let me now hand over to Nikos Tripodakis, our Head of LNG Commercial, for an update on our LNG fleet and the market. Nikos?

Nikolaos Tripodakis Executive

Thank you, Nikolaos. I would like to start with Slide 10, which shows our charter book for our 21 latest generation LNG carriers, 15 on the water and 6 under construction. Our total contracted backlog is around $2.7 billion with an average firm duration of 6.4 years, rising to $4 billion and 9.4 years if all options are exercised. Long-term charters with high-quality counterparties insulated us from this quarter's spot volatility. Our market exposure is deliberate and limited.

Alcaios I is on an 18-month index-linked charter to early 2028. Athlos will start a 1-year index-linked charter on delivery before a 7-year charter, and we have 5 newbuilding positions open. We also continue to lengthen the book. The sale of Amore Mio I to our joint venture with BGN at $230 million remains on track to complete in the first quarter of 2027, when she starts a 10-year charter with 2, 3-year extension options. Until then, she is employed on a 3-month charter.

For our open positions, latest generation 2-stroke vessels like ours remain the first to be fixed and command a clear premium over older tonnage, which gives us confidence as we market them for long-term employment. Moving on to Slide 11. We can see that the LNG market has proven more resilient than initially expected after the outbreak of war. Qatar and UAE volumes have been largely shut in. However, an increase in production, mainly from the U.S., has partially offset the volumes lost, the rest of the lost output being met by lower demand in Europe and North Asia.

The U.S. has stepped up to replace part of the lost Middle East volumes. Year-on-year, U.S. project expansions have added roughly 8 cargoes a week, offsetting around 40% of the loss from Qatar. Global LNG exports in the first 9 months were down just 1.3% as record U.S.

output and new start-ups absorbed most but not all of the US -- of the [UAE] Gulf shortfall. For shipping, this matters as U.S. cargoes travel much further to reach Asian buyers, which supports ton-mile demand over time. On the import side, global LNG imports were down 1.7% year-on-year. North Asia, Europe and buyers that depend on Qatar supply cut back as prices rose, while Egypt, Thailand, India and Taiwan increased their imports.

Export growth came mainly from the U.S., Canada and West Africa. The longer the Gulf disruption lasts, the more buyers will look to diversify towards Atlantic supply, which is structurally positive for long-haul shipping. Even Qatar is now purchasing U.S. LNG volumes in order to diversify. For shipping, a strong first half of 2026 gave way to a softer third quarter as the risk premium faded and vessel availability rose.

Atlantic 2-stroke spot rates averaged around $51,000 a day with a low of around $10,000 a day in August. The quarter itself was very volatile. Long-haul 2-stroke rates were above $90,000 a day at the start of July before falling sharply in August as the interbasin arbitrage closed and prompt tonnage built up. Pacific rates held up for longer, averaging around $56,000 a day. A late quarter pickup in U.S.

Gulf requirements showed how quickly the market can tighten, but the depth of available tonnage, newbuilding deliveries, relets and shorter rotations limited the recovery. However, as it is always the case with shipping, volatility is a double-edged sword. And as we can see in Slide 12, this winter holds a significant risk premium.

Moving on to Slide 12. Europe enters this winter with gas storage at historically low levels. EU storage was around 74% full in mid-October, roughly 11% lower than a year ago and key markets such as Germany and the Netherlands are near 60% full. A backwardated forward curve through the summer gave little incentive to refill from the spot market, and that leaves Europe

more dependent on LNG this winter and more exposed to cold weather and supply disruption. It also means a larger refill requirement next summer, which should support LNG demand into 2027.

Europe is expected to enter November only 75% to 78% full, around 10 points below the 5-year average. With lower inventories, European gas prices are more sensitive to cold spells and to competition with Asia for cargoes. A cold winter could take stocks down to 10% to 15% by the end of the season, which would carry through into next year's refill demand. Weather here is a swing factor and current forecasts point to a milder start to the winter, so we expect volatility in both directions.

In a market where global gas prices trade at 4-year highs, currently around $35 per MMBtu, the value for a modern LNG carrier for the charterer increases exponentially. The boil-off cost becomes the most important factor in LNG transportation. And in this price environment of approximately $30 to $35 per MMBtu, the boil-off cost differential between one of our vessels in CCEC and another LNG carrier can be up to $100,000 per day. Moving on to a longer-term view, where the U.S. is set to further solidify its position as the world's biggest producer.

On Slide 13, looking further out, supply growth extends well into -- to the early 2030s. U.S. liquefaction capacity alone is now expected to exceed 260 million tons per annum by 2031. FID momentum has also continued. 5 projects totaling almost 58 million tonnes per annum have taken FID in 2026, including LNG Canada Phase 2 in the third quarter and several more are targeting decisions by the year-end.

Every one of these projects need shipping and a significant part of it is long-haul Atlantic volume. Three more projects in Canada, Texas LNG and YPF's export project in Argentina are targeting decisions around the end of the year. If all 3 proceed, 2026 FIDs would reach close to 100 million tons per annum, translating to firm demand for 150 to 300 LNG carriers. The impact of this demand surge is reflected in the term charter rates, as we can see on Slide 14. The term market has held up far better than the spot market towards the end of Q3.

1-year rates eased with a spot correction averaging around $55,000 per day in the quarter, but rates for 3 years and longer have remained broadly stable. Charterers are focused on 2027 and index-linked structures are gaining traction. For longer periods, rates continue to be supported by newbuilding economics. Forward rates softened into 2027 before recovering in 2028, a reflection of vessel redeliveries expected in 2027, including 18 uncommitted newbuildings. Index-linked fixtures are typically being concluded at around 90% to 95% of the relevant index.

And at the long end, 5-year rates for prompt deliveries are being fixed in the high 70s to mid-80s a day, well above 1-year levels. The message from the term market is clear. This is a near-term tonnage imbalance, not a change in the long-term structural fundamentals.

Moving on to the final slide now, where we still view the supply and demand inflection point happening in 2028. This analysis compares cumulative net fleet growth with the vessels required by liquefaction projects. Net fleet growth peaks around 2029 and then declines as older tonnage leaves the fleet, while the vessels needed by projects that have taken FID keep rising to over 440 by 2031, and over 700 including committed projects. That is why we focused on the latest generation vessels on long-term charters.

On the supply side, ordering has picked up despite the conflict. The order book now stands at 286 ships, around 36% of the fleet. 71 vessels were delivered in the first 9 months, a further 32

are due by year-end and 91 are scheduled for 2027 and 76 for 2028. 40 of those newbuildings remain uncommitted and scrapping has paused rather than stopped with 7 vessels demolished so far this year. As rates normalize, we expect older steam and early dual-fuel tonnage to leave the fleet at a faster pace.

I now hand over to Jack Neilan, our Head of LPG Commercial for the gas carrier update. Jack?

Jack Neilan Executive

Thank you, Nikolaos. Turning now to our gas carrier fleet and the handy midsized gas markets. All 5 of our 2026 gas carrier newbuildings have now been delivered and employed. The LCO2 multi-gas carriers Active, Amadeus and Alkimos and the dual-fuel MGCs, Aristogenis and Aridaios. 5 more delivers in 2027, the Athenian and Aratos in January, Anios and Agenor in March and the Andrianos in July.

This will then complete our gas program. The fleet on the water is fixed into 2027, and our 2027 newbuilds are already attracting firm term interest. Our gas fleet earned $40,987 a day in the third quarter, and we have been layering in coverage. Aridaios moves on to a 1-year time charter in Q4, while Alkimos, Active and Amadeus are fixed on charters through to the second quarter of 2027. Our multi-gas carriers can carry LPG, petrochemicals, ammonia and liquefied CO2 and our MGCs are LPG dual-fuel with the ability to carry LPG, ammonia and petrochemicals, so the fleet has the flexibility to follow the strongest trades.

Moving on to Slide 18. This slide shows how earnings have moved across vessel sizes. Rates for the larger fully refrigerated ships firmed sharply. 1-year TC assessments for VLGCs have nearly doubled this year to around $88,000 per day, and the MGC rates are up around $10,000 a day with 40,000 conventional units now at around $43,000. Semi-ref handy rates have held broadly flat at around $32,000 as ethylene capable ships moved into the LPG pool when the ethane arbitrage closed.

Three factors drove the market in the quarter: continued disruption at the Strait of Hormuz, growing constraints at the Panama Canal and record U.S. LPG exports. Middle East LPG and ammonia exports remained largely shut in, so buyers kept sourcing from the U.S., West Africa and South America. At Panama, falling water levels led the Canal Authority to suspend Panamax daily auctions from July 25. This then pushed more U.S.

cargoes on to MGCs and VLGCs on to longer routes via the Cape of Good Hope.

Moving now on to the Handy market update. The Handy market in the third quarter went from long to sold out. In July, the West position list lengthened as MGC tonnage briefly became available and ethylene capable ships entered the LPG pool with spot earnings briefly falling below $20,000 a day. By September, MGC availability had sold out. 2 Handys were needed for every MGC cargo, taking earnings into the $40,000s per day.

1-year TC assessments for semi-refs around $32,000 per day. The supply picture for Handys is supportive. The fleet stands at 131 vessels with 5 joining the fleet in the third quarter and the order book just 6 ships, under 5% of the fleet with no new orders placed in the quarter. Around 1/5 of the fleet is over 20 years old and more than half is over 15. We are also seeing charterers start to look at longer cover with 3 fixtures of 12 months or more concluded in the third quarter.

Moving on now to the medium gas carriers update. The MGC segment stayed structurally tight. In July, with owner tonnage limited, spot TCE was around $62,000 per day basis a 40,000 CBM

conventional vessel. U.S. positions for August were fully committed and a wave of fixing in September cleared the list, taking spot TCE to almost $80,000 per day.

U.S. MGC LPG loadings reached a record 50 in September. The 1-year TC assessments for 40,000 conventional ships rose to around $43,000 per day, and our early 2027 newbuildings are already drawing firm term bids.

Newbuild deliveries continue to be absorbed. The fully refrigerated MGC fleet stands at 150 vessels with 8 joining in the third quarter. The order book of 49 ships is about 1/3 of the fleet. Almost all of those newbuildings are 40,000 CBM or larger and both dual-fuel and scrubber-fitted, which is exactly the modern flexible tonnage charterers are looking for. Term interest is broad with 12-month fixtures in the 40s and some charterers now looking to take longer coverage beyond 2 years.

That concludes the slide presentation. With that, I'll hand back to the operator where management will be available to take any questions.

Operator Operator

[Operator Instructions] Our first question is from Alexander Bidwell from Webber Research & Advisory.

Alexander Bidwell Analyst

So I wanted to actually follow up on a question from last quarter. So the global gas market seems to be pricing in some continued degree of supply constraints into the second half of 2027, which implies some degree of risk to the right on a Middle East restart. Can you give us a sense of where charterer sentiment sits around the timing of a conflict resolution and how any quarter-over-quarter changes to that sentiment have impacted charterer events?

Nikolaos Tripodakis Executive

Alex, so obviously, when we try to give a view on how long this conflict will last, we're obviously expressing our opinion. The best indication that would help you with your question would be how long are the Qataris chartering out their own fleet, right? This is a concrete indication of their view of how long this will last. And I can tell you that as of now, we're looking at, at least a 4- to 5-month time frame based on that piece of information, which is usually pretty reflective of their view on outages. And usually, that's the case with outages.

When you see the producer chartering out their own fleet for an X period of time, it's a clear indication that they expect that they will not need that fleet for that amount of time. Now in any time frame in situations like this beyond that, we would be guessing. But our view is that this situation will continue for at least the first half of 2027.

Alexander Bidwell Analyst

All right. And then to follow up, just looking a little bit longer term. So we're seeing the conflict driving some LNG buyers to diversify their supply portfolios with some of the recent SPAs likely being driven by that diversification. Based on your recent commercial discussions, have you seen that diversification push start to impact shipping demand in the back half of the decade?

Nikolaos Tripodakis Executive

Yes, in a positive way. I mean who would have expected that the Qataris would be buying multiple million tons from a U.S. project, right? Crazy times we're going through. But all in all, this is very positive for LNG shipping for 2 reasons: one, more FIDs, which regardless of where it comes from the world, requires shipping and also because of ton-miles.

So U.S., as we have explained multiple times in the past, has potentially one of the best multipliers for LNG freight demand, especially if there is an open arbitrage to Asia. 1 MTPA from Qatar to Asia would require 1 ship, 1 MTPA from the U.S. to Asia would require 3 ships. So it's a double bubble in a sense for LNG shipping more -- if more U.S. projects go ahead, and this situation clearly helps this out.

Operator Operator

Our next question is from Greg Lewis from BTIG.

Gregory Lewis Analyst

I was hoping you could give a little bit of an overview of kind of the state of the build order book. I really appreciate you have a handful of ships on the LNG side -- LNGC side that are coming delivered, but just kind of how does that stand versus kind of the overall order book that you highlighted earlier in the slide presentation?

Nikolaos Tripodakis Executive

Just to make sure that I understand your question, what would you like us to expand on top of the slide with the fleet? Like what our order book looks like and...

Gregory Lewis Analyst

Versus the industry.

Nikolaos Tripodakis Executive

Okay. Well, the most important point of this is that we hold the biggest open order book of any of our competitors. If I'm not mistaken, right now, we have 42 open newbuildings in an order book of 287 ships. And of those, we control 5, where our -- the second biggest competitor has 4. So we hold the lion's share of open newbuildings.

And the majority of those are delivering in line with where we see the inflection point in the market from 2028 onwards. Does this answer your question? Or do you want to...

Gregory Lewis Analyst

Perfect. And then just as we think about the opportunity to recontract the vessels, as we think about just fixed rate versus index versus index with floors and ceilings, I mean, I guess, how is that evolving, right? And like does that end up -- I mean, I'm clearly that's in the negotiation process. But as we think about CCEC positioning its fleet, should we kind of think about a mix of all 3? Or I guess, given where we are in the cycle right now, I mean, hey, the Qataris have been putting some of their tonnage in the market, rates -- seasonally weak rates are maybe holding up better than some would think.

Is that kind of helping pave the way for higher floors and higher ceilings and maybe some of this index-linked charters?

Nikolaos Tripodakis Executive

I think the best way to think about this is that the market is undersupplied from '28 onwards. The problem is that the front, let's say, 2026 and the first half of 2027 is contaminating the long-term rates. So what would be $90,000 1.5 years ago has now become, let's say, $80,000. What we're trying to do at CCEC is make sure we don't commit into a long-term fixed rate at the point in time where we see being the lowest, i.e., now. These index deals have given us the opportunity to navigate this first part of the curve, 2027, with a market-linked deal, which currently right now is the same as the fixed price bid for 1 year, while at the same time, we keep the upside, right?

We're entering a winter where, as we mentioned, we have $35 per MMBtu gas prices. If there is any sort of change in demand from Asia and the arb towards Asia opens, then freight rates will skyrocket, and we keep that upside right now. There's no one committing to fixed-term rates, either long term or short term in this market. We feel there is a lot of upside if we wait or do this floating for Cal '27.

Operator Operator

The next question is from Liam Burke from B. Riley Securities.

Liam Burke Analyst

I just had a couple of questions on the macro. In the prepared comments, you talked about the steam propulsion LNG vessels being some part of the fleet. Only 7 have been scrapped this year. It's a much larger percent of the fleet. I would think that the reason they're still there is they're still under contract.

And as these contracts get released, global capacity will shrink pretty rapidly.

Nikolaos Tripodakis Executive

That's a very fair point. And yes, that is the case. However, we should have seen more scrapping this year because there were redeliveries from charterers that took place this year. However, there was a Hail Mary being thrown to these vessels with the situation in the Middle East where the insurance risk premium is much lower for vessels like those compared to ours, and they are still being employed for intra-Middle East Gulf business at healthy rates right now. So those vessels have been given a lifeline and an extension to the extent they can actually do this business.

And we feel that once the Middle East situation calms down and is resolved, there is -- as you said, there will be an accelerated scrapping of those vessels.

Liam Burke Analyst

Great. And when we were looking at a post-normalization LNG market, I guess referring to Slide 13. If that -- when and if that occurs, are you comfortable that the LNG production will continue to grow even after the conflict resolution whenever that occurs, normalizes the LNG industry?

Nikolaos Tripodakis Executive

Absolutely. I mean, first of all, Slide 13 does not really rely on the current conflict. Most of those volumes and projects have contracted capacity for a long time now and have reached final investment decisions without the conflict. What this conflict has done, and we haven't actually

seen so many contracts being signed since the war started, but it has changed the appetite of buyers to switch from Middle East towards the U.S. for security of supply.

And that includes a lot of Asian buyers, even the Qataris themselves. So back to your original question, the macro remains very strong for U.S. projects and U.S. capacity. And in general, obviously, we're very bullish LNG as a fuel replacing coal and the green transition and all of these arguments that are still in place.

It's just more of a reallocation within the LNG product heavily skewed towards the U.S. now.

Operator Operator

Our next question is from Omar Nokta from Clarksons.

Omar Nokta Analyst

I do have a couple of questions market related and kind of sticking with the point that you were talking about on Slide 12 with the low natural gas inventories in Europe. I just wanted to get a sense or perspective from you. Clearly, right now, when we look at LNG prices, as you were saying, they're up to $35, which is the high for the year and is really a multiyear high. And yet inventories are low, spot rates are also very low for ships. I'm just trying to get a sense, is there -- do you get a sense that the natural buyers in Europe are just maybe comfortable with this lower level of inventory?

Or is it more of there just isn't enough LNG flowing and that's why we're at these low levels of stockpile. And then I guess as we think about that, it seems like something has to give as we get closer and closer to winter that you -- as consumption starts to ramp up and inventories are low, does that drive rates higher? Is there enough of LNG flow rates higher in an environment where you have a normal seasonal winter in Europe and the squeeze starts to show up as it gets colder. Just trying to get a sense, is there -- basically, is there a lot of activity in the spot market? Or is it very quiet?

I guess, is ultimately the question.

Nikolaos Tripodakis Executive

All of these are very fair points. To start with the beginning of your question, if the buyers are feeling comfortable around this, I think the clear answer is depicted in the prices, and the answer is no. Nobody is feeling comfortable at $35 per MMBtu where Asia keeps buying at those levels and Asian prices are $33. Now how does this relate to low charter rates? I think it has to do with the fact that the arbitrage to Asia is shut, and it has been shut since, let's say, end of August.

So for the past 2 months, the shipping supply side is taking over. And just because there are too many vessels in the Atlantic, the rates are inevitably held at the low level. The key point here, though, is to realize that if anything changes, and there are so many different factors that could lead to reversing this spread between European and Asian prices, then we are in for a very, very bullish winter in terms of who will secure the limited amount of vessels that are available in the Atlantic right now. So looking at the curve and pricing the curve, yes, the arbitrage will remain shut for the next 2 or 3 months and freight rates and the forward curve on freight rates and FFAs are at $60,000, $70,000 for December. However, this situation is very volatile.

And if anything changes, we can see those $60,000 and $70,000 becoming $150,000 to $200,000. We have seen that multiple times in the past. So I don't think anybody is comfortable right now. It's just that nobody wants to pay more than they can on the spot market. But the second that the arb reverses, you will start seeing vessels being fixed for multi-month and even longer at significant premium to where they're trading right now.

Omar Nokta Analyst

It does seem like the setup seems very similar from 5 years ago where we saw what was happening in terms of low inventories, high prices, but it took -- basically took until you got to winter for there to be a scream and rates shot up to $200,000 plus.

Nikolaos Tripodakis Executive

No, another point that we haven't mentioned so far is that at, let's say, $50,000 a day, the freight cost in this cargo economics is miniscule. It means nothing. Like you have $35 per MMBtu sale price in Europe and a freight cost of $1. So you can realize how much freight can increase the second people start seriously competing about vessels to transfer cargoes that are making $25 profit.

Omar Nokta Analyst

Yes, certainly. And maybe just on that point then, I wanted to ask, obviously, in the crude oil market, there's been a lot of shuttling through Hormuz and ship-to-ship transfer to get that crude out into the marketplace. Obviously, in LNG, it's a lot more complicated. There have been some reports recently indicating that there's been some small scale of that. Are you able to give a sense or any perspective on what that looks like today?

I know it's clearly very complicated, but any thoughts you have on ship-to-ship transfer and shuttling through Hormuz as a viable option in the LNG market?

Nikolaos Tripodakis Executive

It is taking place. However, what makes this prohibitive for so far, it has been done so far on modern vessels is the insurance risk premium, which is north of $10 million right now, whereas when you can do the same business with a 145 steamer, you would be looking at $2 million to $3 million cost in terms of insurance. So the preference has been those older, smaller ships, even though the boil-off cost is significant because the voyage duration is very small. We're talking about 5-, 6-day voyages. And that is why back to the point we discussed a bit earlier, those vessels have been given sort of a lifeline this year and are trying to compete for business that is making decent returns for them.

Operator Operator

[Operator Instructions] This concludes our Q&A session. I'd like to give it back to our hosts.

Brian Gallagher Executive

Okay. Thank you, everybody. Thanks for taking the time to join our call today and speak to you going forward. Thank you.

Operator Operator

Ladies and gentlemen, this concludes today's presentation. Thank you for joining us. You may now disconnect your line. Have a great day.