

NEWS

SALES

BULKERS

••• Pacific Basin is said to have sold the Kanda-built, 28,500-dwt bulker **Columbia River** (built 1998) to a Greek buyer for \$43.5m. Last month, the younger sistership **IVS Kingfisher** (built 2002) was sold for \$49m.

••• Geden Lines of Turkey is logging a huge profit on selling a capesize-bulker contract to US-listed DryShips.

A 177,000-dwt newbuilding set for delivery from Shanghai Waigaoqiao Shipbuilding (SWS) in December is said to have fetched \$153m. It is believed to have been ordered by Geden at the Chinese yard for just \$60m.

••• Samsun Logistics is said to have bought contracts for two 57,000-dwt bulkers. The ships are set for delivery in February and March 2010 and have gone for \$51.5m each, brokers say.

TANKERS

••• The 3,800-dwt tanker **FS Victoria** (built 1999) is said to have been sold to a Russian buyer for \$6m, brokers say.

••• Baltic Navigation of Riga has sold two 40,000-dwt products tankers for conversion into bulkers. The double-bottom **Balta** (built 1990) and **Brasa** (built 1991) have gone to an undisclosed buyer for \$30m en bloc.

The company bought the sisterships from TransPetrol for \$12m and \$13.35m in 2003 and 2004.

Last November, the Latvian owner sold another two sisterships, the **Banga** (built 1988) and **Balva** (built 1990), to a Greek buyer for \$31m also for conversion purposes.

••• Aegean Shipping of Greece has sold the Setenava-built, 88,000-dwt double-sided tanker **Aegean Tiger** (built 1990) to China for \$20m for conversion purposes.

Aegean bought the ship as **Bornes** in 2003 for in excess of \$16m.

••• US-listed Overseas Shipholding Group (OSG) has sold the 96,000-dwt double-hull products tanker **Pacific Ruby** (built 1994) to a Middle East-based buyer for between \$37m and \$38m, brokers say.

OSG bought the ship as **Burwain Electra** in 1995 for close to \$40m.

••• Greek owner Stealth Maritime has reportedly bought a products-tanker contract. The 47,000-dwt newbuilding is set for delivery from Hyundai Mipo in April next year and has been sold for \$57.5m.

CONTAINERSHIPS

••• The 508-teu containership **Virgo Island** (built 1996) is said to have been sold to an undisclosed buyer for \$14m.

••• The 3,029-teu containership **Zim Korea** (built 1991) is said to have been sold to Gold-ent of Greece for \$29.5m. The deal includes a 14-month bareboat charter at \$480,000 per month.

Resignation paves way for shake-up

The departure of Bluewater's chief stems a share slide.

Jim Mulrenan

London

Turmoil continued at Bluewater Insurance this week with the plunging share price finally arrested by the resignation of the chief executive and appointment of a new chairman.

There is a widespread expectation that the Oslo-based marine underwriter, which has a number of Norwegian shipowners as investors, is set for further restructuring as it strives to shake off a year of bad news.

The Bluewater share price jumped from NOK 11.30 (\$2.19) to NOK 16 Tuesday following the resignation of long-term chief Bjorn Hildan, 56, and the election of Stig Grimsgaard Andersen, the husband of Norwegian shipowner Elisabeth Grieg, as chairman.

Grimsgaard Andersen is a former senior executive of the Aon mega-broking group, whose Norwegian operations are 20% owned by the Grieg family. Some believe he may switch to being chief executive. Steen Parsholt, another former Aon executive, has also joined the Bluewater board.

The Norwegian marine-insurance market is awash with rumours about the future of Bluewater. Some combination with the start-up business of Vega Energy & Marine, which appears to be making slower-than-expected progress in raising capital, is a favoured speculation.



BJORN HILDAN: At Bluewater since it was founded seven years ago

Photo: Per Stale Bugjerde

Bluewater had a tough 2007 with red ink on the books and a share price in free fall from NOK 56.

The first-quarter result of the Oslo-listed insurance company this week brought a return to profit as it scaled back its once-core hull business.

Bluewater made a net profit of NOK 14m through the first quarter, as compared to a loss of NOK 27.7m for the same period of 2007 and a loss of NOK 157m for the full year.

Bluewater got through the first quarter free of the big claims that have hit other sectors of the marine market, so it was either lucky or the strategy of scaling back its hull account appears to be paying dividends.

The company's non-marine-business premiums outstripped those from marine for the first time through the opening quarter.

A by-product of the scaling

back of the more capital-intensive cyclical marine business is that Bluewater may be able to release reserves to develop the non-marine activities further.

Bluewater's first-quarter announcement mentions the possibility of a share or convertible bond issue but Hildan said this was to give the board freedom of action and was not on the agenda for this year.

Hildan, who has been with Bluewater since it was founded seven years ago and in marine insurance since he joined Protector in 1992, tells TradeWinds he is thinking of going back to the finance sector and sees his future in corporate banking, private equity or even real estate.

Top investors in Bluewater include a number with shipping connections such as Morten Bergesen, Bryn Skaugen, Inge Steensland, Torstein Tvenge and Elisabeth Grieg.

Stock slump ups interest in KG projects

Geoff Garfield

London

Leading German shipping financier and managing owner Conti Reederei claims stockmarket doldrums have raised interest in KG (limited partnership) projects.

A combination in Europe of struggling share values and low bank interest rates is maintaining retail interest in quality KG shipping-refinancing schemes, says Conti managing director Shaun Harbinson.

The company, which has many bulkers, containerships and tankers on order (see page 7), is currently marketing 37,000-dwt products tankers. It converted an order 18 months ago from six 1,800-teu containerships.

Two of the Hyundai Mipo new-buildings have already been delivered and another four arrive this year. The KG prospectus is

with BaFi, Germany's federal financial services authority, for approval.

Harbinson says moves by banks to limit risk has had less impact on the KG market, where projects have lower debt-to-equity gearing.

Also, he reckons many shipowners are being forced during the tightening credit market to seek off-balance-sheet financing such as limited partnerships.

"Again, another good opportunity for us, especially for high-value projects," said Harbinson.

He says there is evidence of shipping companies that used to fund expansion through highly-leveraged funding facing tougher times. "The banks are not willing to give you up to 80% or 90% leverage and an 18-year loan profile," he said.

On the chartering front,

Harbinson says clients are being more selective but deals can still be done based on a good relationship.

"It is a dynamic market with big cargo volumes being transported, both on the bulk and tanker side," he said. "It is interesting to see how strong world demand is still despite amazingly high oil prices."

During the past year, Conti, traditionally a containership financing group, has entered the dry-bulk market with a vengeance. It has 26 bulkers on order in China and, says Harbinson, has not closed the door on eventually ordering capesizes. Until now it has been unable to achieve the right combination of price, yard, charter rate and charterer. However, it is "certainly not a market where we would feel comfortable ordering speculatively", he says.

Navig8 opens Shanghai office

Irene Ang

Singapore

The Navig8 Group has opened a representative office in Shanghai.

Manager HK Choo says Navig8 has decided to establish an office there to capitalise on the country's growing business. It was officially set up last month.

Navig8 is a products-tanker owner and operator. It says the best way to do business with the Chinese is to have a physical presence there. "The Shanghai office will support Singapore [head office] in expanding our China business," said Choo. "We are looking to expand our fleet through fixing ships to the Chinese and chartering vessels from them. We may also acquire ships from them or even get involved in newbuilding activities there."

The Navig8 Group has hired Zhao Yun Bao as its chief representative for the Shanghai office and Gordon Shen Ge as general manager. Both Zhao and Shen have extensive shipping experience and will be able to bring in valuable contacts.

Zhao has been in the industry for more than 30 years. He was a former vice-president of Cosco Group in Beijing and ex-president of Cosco Dalian Ocean Shipping Co (Cosco Dalian), the tanker arm of Cosco.

Shen has 16 years of shipping background. He was involved in the tanker business of China Shipping Group (CSG) and was a sale-and-purchase (S&P) broker for Braemar Seascope.

The Navig8 Group was established in March 2007 in Singapore by the former management of FR8. It controls a fleet of 39 products tankers including new-buildings. Navig8 has offices in London, Mumbai and Stamford.

ORDERS

CCHC BOOKS BULKERS

••• Brokers say China Cosco Holdings Co (CCHC) is paying a low price for nine 57,000-dwt bulkers ordered at Cosco Shipyard Group for delivery between March and July. CCHC announced it will pay \$38.7m per ship. One broker says Jinning Shipyard is currently quoting \$45m for a comparable ship. The early delivery date has fuelled speculation that space has been freed up at the yard because of a cancelled contract.

SALES

TANKERS

••• Singapore-based Neptune Associated Shipping (NAS) has sold the 6,500-dwt single-hull products tanker **Neptra Premier** (built 1994) to undisclosed Nigerian interests. No price has been revealed.

••• Vegoil trader Wilmar International of Singapore is the buyer of Eitzen Chemical's 46,000-dwt double-hull chemical tanker **Siteam Leopard** (built 1985), reported sold last week for \$12m.

MPPS

••• The Sedef-built, 7,300-dwt multipurpose (MPP) vessel **Anamaria 1** (built 1986) is said to have been sold to an Indian buyer for \$10.3m.