

Navig8 sets up pool for aframaxes

The tanker owner has joined forces with John Fredriksen and JB Ugland.

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Oslo

The Navig8 group of Singapore is boosting its fleet and has set up an aframax-tanker pool with ship-owner John Fredriksen and JB Ugland Shipping.

The V8 pool already has 10 ships including eight newbuildings and expects to have 15 to 20 vessels later this year. Navig8 was formed in March 2007 by the former management of FR8 and now has commercial control of 57 tankers. Ugo Romano is pool director at Navig8.

The company operates a handy-size and medium-range (MR) tank-

er pool and plans to launch a long-range-one (LR1) pool within the next six months.

Pools tend to get support in difficult times and this week spot rates for aframax tankers dropped below \$20,000 per day. Navig8 claims that it has a track record of outperforming the market by some \$4,000 to \$5,000 per day.

Two of the ships joining the new pool are the 104,000-dwt *Zaliv Baikal* and *Zaliv Vostok*, which are shortly to be delivered from Hyundai Heavy Industries. Last year, the ships were said to have been fixed from Primorsk Shipping for three years at \$29,000 per day.

An indication of the subsequent fall in rates came when the sister-ship *Zaliv Anadyr* (built 2009), which operates outside the pool, was this week said to have been taken by an undisclosed charterer for three years at \$26,000 per day.

Two 108,000-dwt tankers, to be named *Sea Bay* and *Sea Hope* and ordered privately by Fredriksen at Zhoushan Jinhaiwan, are also set to join the pool this year.

The 105,000-dwt *Blue Jasper* (built 2008) was said to have been fixed last July by Fredriksen trading company Arcadia Petroleum for two years at \$33,000 per day and is also now joining V8.

The Fredriksen pool company is VTN Shipping, the shipping arm of Arcadia Petroleum.

JB Ugland Shipping was last year sold by Johan Benad Ugland of Norway to Siba Ventures of India. It has commercial control of seven aframaxes (see also page 20).

The management of Navig8 owns the majority of the company shares.

Other investors are Fredriksen-controlled Frontline (15.8%), Touradji Capital and the Peninsula group.

MOL and Gulf LPG pact puts squeeze on BW Gas

Adam Corbett

London

BW Gas's domination of the very large gas carrier (VLGC) market has been thrown a serious challenge by the growing partnership of Mitsui OSK Lines (MOL) and Qatar's Gulf LPG.

The two partners have expanded their co-operation in the LPG field and will operate a combined fleet of eight ships immediately under the LPG Global Transport Management pool.

Each company will hold a 50% stake in the pool.

With the addition of the newbuildings, the pool is set to grow to 16 VLGCs, amounting to 1.28 million cbm by the spring of 2010.

But the pairing is also expected to plunder the charter market while rates are low and bring in additional vessels, which could see the pool eventually reach 20 ships.

BW Gas currently operates a fleet of 31 VLGCs with a total capacity of 2.5 million cbm.

Brokers say Global Transport Management is likely to have considerable influence in the market once its newbuildings are delivered.

But they point out that the pool has been formed at a time when rates are at rock bottom and bare-



BW GAS: 85,660-cbm VLGC "Berge Frost" (built 1983) Photo: Jonathan Boonzaier

ly covering operating costs. The question whether the pool will continue when the market improves, in view of the flood of newbuildings expected in 2009 and 2010.

However, there has been an ongoing consolidation in the VLGC market. AP Moller-Maersk has teamed up with Transpetrol and Zodiac and is aiming to operate a fleet of 14 vessels by 2011, making a third major grouping in the VLGC sector.

A moribund market has tested operators' appetite with BW Gas recently considering a possible sale of its LPG fleet.

The VLGC fleet currently stands at 135 vessels with another 27 on order, the majority of which will be delivered this year.

Gulf LPG is a joint venture between Qatar Gas Transport Co and Qatar Shipping Co.

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