Tanker shipping review
March 2008

- Top 30 Tanker Companies
- Stealth Maritime
- Insurance
- Chartering
- Services
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Several companies have lost their identities as a result of consolidation into Wilhelmsen Maritime Services (WMS).
As everybody knows forecasting is a nightmare. No sooner have you compiled your masterpiece than the world conspires against you and throws your calculations out of the window.

However, we all do it and below are extracts from facts, figures and forecasts recently supplied by US tanker pundits McQuilling Services.

As of 1st January 2008, there were 492 VLCCs, 360 Suezmaxes, 783 Aframaxes, 329 Panamax tankers and 981 MR type product tankers in service.

With the exception of the MR types, these totals were an increase on the figures for 1st January the previous year, according research undertaken by McQuilling.

In 2007, there were 32 VLCCs added and 24 deleted. In the Suezmax sector, there were 30 additions and 14 deletions, while Aframaxes showed 65 additions and 20 deletions. The smallest sector is the Panamax tanker types of which 35 were added and just nine deleted. In the MR range, 91 were added and 39 deleted.

However, some of the larger vessel deletions were due to conversions rather than scrapping.

The years 2008 and 2009 will provide the indicators of how the supply side is shaping up. McQuilling said that the picture going forward is better balanced than it was due to the various conversion projects involving large tankers earmarked for rebuilding to drybulk carriers, FPSO/FSOs, heavy lift and from single to double hull vessels.

The largest number of deletions is still expected in 2010 when the IMO 13G single hull phase out kicks in. However, the biggest net change is due to take place in 2009 on the back of the very large orderbook.

Not surprisingly, the VLCC sector remained and will remain by far the largest in terms of capacity and the 47 exits predicted against 42 entries should have a big impact on the overall tonnage supply.

Suezmaxes remain moderately balanced until 2009 when a positive net change of 56 vessels is forecast. Aframaxes are the second largest grouping by capacity and a substantial positive net change was expected in the foreseeable future, McQuilling said.

Panamaxes remained the smallest by capacity and this sector was forecast to remain balanced up to 2010. MR is the largest sector by vessel numbers and this sector also showed positive net fleet growth until 2010.

McQuilling recently stuck its neck out to try to predict the tanker market from 2008 to 2012 published in the annual *Tanker Market Outlook 2008-2012*.

Where do we go from here?

A look into the crystal ball with the help of experts

<table>
<thead>
<tr>
<th>Additions</th>
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<td>14</td>
<td>26</td>
<td>3</td>
<td>12</td>
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<td>Aframax</td>
<td>20</td>
<td>20</td>
<td>6</td>
<td>31</td>
</tr>
<tr>
<td>Panamax</td>
<td>9</td>
<td>9</td>
<td>12</td>
<td>27</td>
</tr>
<tr>
<td>MR</td>
<td>39</td>
<td>41</td>
<td>22</td>
<td>65</td>
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</tbody>
</table>

*Source: McQuilling Services.*
had noted that the world economic outlook had changed considerably in the short term from a year ago.

Growth is expected to slow to 4.8% this year from the 5.2% seen in 2007. Due to the situation in the US, which spread other financial markets, McQuilling said there is now a significant downside risk in the growth forecast.

Global oil demand is expected to increase by 1.6% in 2008, 2% in 2009 and 2.2% in 2010. These figures mean 600,000 barrels per day less demand in 2010 than forecast a year ago.

However, notwithstanding this reduction, tanker trade matrix considerations will boost transport demand for crude and dirty products this year by between 1.2% and 4.1% depending on the vessel sector.

For VLCCs, McQuilling forecast a 3.3% demand growth this year against zero growth in 2007.

Biofuels use, increases in US refining capacity and high oil prices in the short term, plus global refining rationalisation in the longer term, pointed to demand for clean petroleum product (CPP) shipments growing to 4.4% this year, up from 2.4% last year. However, this figure is lower than the 6.6% compound annual growth rate seen since 1998.

The pace of new tanker ordering has slowed from the high seen in mid-2006, but not before establishing huge orderbook backlogs across the tanker sectors. Double digit tonnage increases are expected in 2009, the year which sees the greatest number of deliveries scheduled. For the balance of the period through 2012, a developing tonnage supply surplus should impact on freight rates.

The various conversion schemes seen last year unexpectedly helped to ease the impact of the large delivery schedule. As a result, spot rates were on average higher in 2007, due partly to constrained tonnage supply. McQuilling said that rates this year could improve further, as many of the vessels earmarked for conversion projects exit the fleet.

Because of this unforeseen conversion programme, many of the tankers expected to be withdrawn in 2010, have already been, or shortly will be, removed from the fleet. Therefore, the ‘2010 effect’ on the market has been drastically diminished from earlier estimates.

The full impact of the Hebei Spirit spill off South Korea is still not clear. There is the possibility of an accelerated phase out of single hull tankers, as a result of this incident. Even without legislation, the trend will be to move away from single hull tankers from this year onwards.

Despite the weaker freight rates seen last year compared with 2006, new and secondhand asset prices increased by 9.3% on average across the five tanker sectors and were showing no signs of weakening. Internal rates of return for tanker projects showed a dramatic reduction since a year ago. However, that hasn’t stopped owners from continuing to order new vessels. But the mechanisms for restraint are emerging, McQuilling said.

International finance markets are in turmoil due to the problems being encountered by the US economy. This has led to a tightening of the credit supply, which should help to stop the more speculative acquisitions in a market looking for money.

Crude oil prices are forecast to be in the $85 per barrel range this year. Bunker prices are highly geared to the crude price and McQuilling expected bunkers to average $400 per tonne this year, increasing the pressure on timecharter equivalent (TCE) revenues over last year.

Given this environment, operators are expected to monitor vessel speeds closely and reduce power whenever possible in order to lower fuel consumption and costs. McQuilling also expected increased focus on backhaul cargoes and triangulated vessel deployments by tanker operators to improve vessel utilisation and TCE returns.

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*Tanker Market Outlook 2008-2012, 90 pages full colour, 89 figures and 19 tables, price $1,000. Available in hardback or pdf format from McQuilling Services LLC, Ocean house, 1035 Stewart Ave, Garden City, NY 11530; Tel +1 516 227 5700; Fax: +1 516 745 6198; E-mail: services@mcquilling.com

Selected spot rate and TCE revenue forecast by trade

<table>
<thead>
<tr>
<th></th>
<th>Spot (2008 WS)</th>
<th>TCE ($000/day)</th>
</tr>
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<tbody>
<tr>
<td>VLCC 265,000 AG/East</td>
<td>72</td>
<td>85</td>
</tr>
<tr>
<td>Suez 130,000 WAfr/USAC</td>
<td>116</td>
<td>120</td>
</tr>
<tr>
<td>Aframax 70,000 Carib/USG</td>
<td>168</td>
<td>180</td>
</tr>
<tr>
<td>MR 38,000 Carib/USAC</td>
<td>198</td>
<td>205</td>
</tr>
</tbody>
</table>

*Actual 2007 average rates based on 2008 levels.

Source: McQuilling Services.
Top Tankers becomes Top Ships. Always on top!
Fleet increases impact on the world’s top tanker companies

The next few years will witness significant growth in the number of tankers in service as the shipyards disgorge their newbuildings.

There have been some significant changes to the world's top tanker companies in the 18 months since we published the last Top 30 listing in June 2006. Not least is a change at No. 1 with Teekay overtaking Frontline, partly due to the Canadian concern’s buyout of 50% of OMI and partly due to Frontline's sell off of its older single hull tankers.

Apart from the demise of OMI, we have also seen the merger between Sovcomflot and Novoship rubber stamped. However, the two companies are likely to remain separate brands and have been listed as such.

We have started to see the large orderbook spawn an increasing number of deliveries, a situation which is likely to continue for at least three years. For the time being, the number of vessels entering the fleet will far outnumber the vessels deleted column, despite the number of conversions underway, or earmarked.

However, as we approach 2010 and the single hull phase out, scrapping and conversions are likely to accelerate. In the Asian arena, we have already seen South Korea and the Philippines talking of banning single hull tankers by that date, or even earlier in the wake of recent serious pollution incidents.

In the listing we have tried to identify those vessels, owned, managed, or operated. The description of a vessel operated is always open to question, but we have endeavoured to keep it to those vessels long term time-chartered, or bareboat chartered and not including voyage timecharter or spot charters.

To try to list the number of vessels that say an oil major might have on charter at any one time is almost impossible to define and in some ways meaningless, as the total changes on almost a daily basis.

We have only listed the companies that have a large presence in the crude oil market and not those purely engaged in parcel trades, such as Stolt-Nielsen, Odfjell and Berlian Laju Tanker.

However, if a company owns, manages, or operates VLCCs, Suezmaxes and/or Aframaxes, plus chemical and product tankers of over 10,000 dwt, these have been included in the aggregate totals. We have not included LPG or LNGCs in the totals, but have mentioned them where applicable. The same goes for FPSOs.

Noticeable absentees include Shell (STASCO) and ExxonMobil in the Top 30 companies, plus some of the other oil majors. This was due to the companies scaling back on their direct involvement in owning and management. However, most of the oil majors are still heavily involved in commercial management and have hundreds of tanker on their books daily.

Some companies remain just outside the Top 30, such as Petrobras (Transpetro) and Metrostar, but are expected to be in the next list published, due to their respective high number of large vessels on order.

For example, Transpetro, the shipping arm of Petrobras, has 4.16 mill dwt of tankers on order, a figure that is expected to grow as the company ramps up its involvement in Brazilian coastal and overseas crude oil and product movements.

Among Transpetro’s orders are two 308,000 dwt VLCCs, in addition to a further 10 x 157,700 dwt Suezmaxes and

![Indian tanker owners, such as Great Eastern, are expected to expand significantly during the next few years.](image)

exports into their own hulls.

Currently unknown is the influence that Iran will have on the future oil and gas markets. NITC has been making noises about ordering a vast amount of tonnage in Iranian shipyards, including a large series of shallow draught Panamaxes for operation in the Caspian Sea.

There is one thing that is certain. The Greeks will still be there or thereabouts in large numbers, whether based in Athens, New York or London. The scale of Greek-backed investment in recent years in large tanker tonnage is difficult to comprehend.

Some of the more traditional Greek tanker owners have recently spent near record sums on drybulk carriers and vice versa. We have even seen Harry Vafias’ StealthGas move into the LR1 sector, in addition to keeping his handysize LPG carrier sector on the boil.

Last year the magic $150 mill barrier was broken for a newbuilding VLCC. This was how much Vela was believed to have paid for a series of large tankers.

However, in February of this year, Oman Shipping Company confirmed an order for 10 VLCCs, split between Daewoo and Hyundai. The price per vessel was put at $154 mill and they are contracted to be delivered from the second half of 2011 through April 2012.

As usual when compiling such a list there is always room for errors and omissions to creep in. The Editor would like to hear from anybody begging to differ on the figures, or the companies listed, any errata will be corrected for the next edition of TANKEROperator’s Top 30 companies.
Top 30 Tanker Companies

This list has been compiled in terms of deadweight tonnage and includes companies owning or operating mainstream large crude carriers, chemical and products tankers of over 10,000 dwt. We have not included FPSOs or gas ships. The information has been taken from company websites, Equasis database and other sources, also from the companies themselves where they have submitted fleet details.

Teekay Corporation

(17.04 mill dwt, plus 2.28 mill dwt newbuildings)

1 Just pipping
Frontline to the number one slot is Teekay. Like many companies listed in TANKEROperator's top 20, the total figure includes several timechartered vessels and five FSOs.
However, the total deadweight does not include Teekay's more specialist tonnage such as the five FPSOs; nine LNGCs, plus another six building; one LPG carrier, plus another three on its orderbooks.
The company is acknowledged as the world's largest operator of Aframax tonnage and currently has 57 plus another one newbuilding Aframax on its books. However, since the joint takeover of OMI with TORM, Teekay's product carrier and Suezmax fleet have also grown.
Teekay boosted its fleet by seven Suezmaxes, four MRs and four handysize product tankers (including one newbuilding, due to be delivered in 2009) and assumed responsibility for a further six chartered Suezmaxes, as a result of the joint acquisition.
In total, the company now has 32 Suezmaxes, including eight commercially managed, plus another 10 under construction and 34 owned or chartered product tankers, plus another one building.
This decade, a series of takeovers and mergers has also seen Teekay emerge as a leading operator of shuttle tankers. The figure now stands at 40 in service, plus another two newbuildings, due to come on stream soon. They are mainly owned by subsidiaries based in Norway.
One long term chartered VLCC also helped to push Teekay into the number one position.
During the past couple of years, Teekay has split its empire into separate quoted concerns starting with Teekay LNG Partners and Teekay Offshore Partners. Late last year, the company went to the market with a third enterprise - Teekay Tankers.
Under the operational banner of Teekay Corporation, the Teekay Tanker fleet was formed consisting of nine double-hull Aframaxes and an addition four double-hull Suezmaxes will be added within 18 months. An additional 35 Teekay vessels have been identified as suitable for Teekay Tankers to acquire.
In early 2008, Teekay reportedly purchased six Aframaxes from ConocoPhillips for an undisclosed fee. This will add a further 600,000 dwt to the total. The company already has a number of other vessels on timecharter to the US oil major's Houston management office.
Frontline
(16.08 mill dwt, plus 2.4 mill dwt newbuildings)

John Fredriksen’s main tanker vehicle is Frontline, whose fleet came out as No 1 in terms of deadweight tonnage for several years, but last year was overtaken by Teekay, partly due to various buyouts.

Frontline’s total includes vessels attached to affiliates, such as Ship Finance International and others that are long term chartered.

As of January this year, Frontline boasted 39 VLCCs, 20 Suezmaxes and eight Obos. Its newbuilding portfolio included four VLCCs and eight Suezmaxes.

The fleet of Suezmaxes, Obos and VLCCs are owned and managed by a variety of companies, but all are operated under the Frontline banner.

For the last few years, the managers have been shedding the single hull elements in the fleet, either by sale or conversion to other types of vessels. However, a few still exist and are included in the figures although their days must be numbered.

Although headquartered in Oslo, Frontline is a Bermuda-based concern whose vessels are owned by, or chartered to separate subsidiaries, or associated companies.

The day-to-day running of the company is undertaken by Frontline Management AS, a wholly owned subsidiary of Frontline Ltd. It is responsible for the commercial management of the shipowning subsidiaries, including chartering and insurance.

Frontline differs to some of the other tanker operators by extensively outsourcing its management functions, such as technical shipmanagement, crewing and accounting. The company uses various flag states, including Bahamas, Liberia, Singapore, Norway and Panama. Both the accounting and crewing functions are performed by independent shipmanagement concerns.

As for the shipmanagement functions, these are undertaken by V Ships offices in Germany, the UK and Norway; Wallem; Chevron; ITM Germany; Thome; Shell; Socatra and BP Shipping. Some of the management concerns listed, such as the oil majors, have long term chartered tankers to Frontline, hence they have maintained the shipmanagement functions under the terms of the charter.

Frontline’s strategy is to benchmark the various third party shipmanagement concerns used in terms of costs and operational performance.

Most of the vessels are operated on the spot market as Frontline is a believer of maximising its earnings potential by playing the voyage charter market, rather than opting for long term charters.

Last year, Frontline sold its shareholding in Dockwise and Sea Production to concentrate purely on providing crude oil transportation services. The company is in the process of selling its single hull tankers, mostly for conversion projects, such as heavy lift ships and FPSO/FSOs.

In February, Frontline said that it was forming another Oslo quoted subsidiary - International Tanker Corp (ITC), which will control six VLCCs and three Suezmaxes.

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MOL Tankship Management
(13.11 dwt, plus 3.04 mill dwt newbuildings)

We have taken the figures for Mitsui OSK (MOL) purely on the vessels managed by MOL Tankship Management and have not included any of MOL’s subsidiaries, which operate as separate entities.

A few years ago, the Tokyo-based conglomerate split its tanker operations into three units - MOL Tankship Management Asia, based in Singapore; MOL Tankship Management Europe, based in London and MOL Tankship Japan, based in Tokyo.

The Singapore office handles around 19 VLCCs, plus a few chemical tankers. London is responsible for three VLCCs, two Suezmaxes, four Aframaxes and 16 chemical/product carriers; while Tokyo has 14 VLCCs on its books.

In addition, Singapore handles nine LPG carriers, while the LNGC fleet is handled separately.

In February, 2008, it was reported that the VLCC Welsh Venture had been sold to Petrobras, presumably for conversion to a storage vessel.

3

Overseas Shipholding Group (OSG)
(11.22 mill dwt, plus 2.73 mill dwt newbuildings)

OSG operates a mixture of owned, bareboat and timechartered vessels and has a substantial orderbook.

At the top end, the US-based company has 20 VLCCs, split equally between owned and chartered. Another two wholly-owned newbuildings are also to join the fleet.

OSG currently does not operate any Suezmaxes, but has two on order. As for the Aframax sector, seven are owned and another 13 are chartered in. In addition, there are five Aframaxes on order - four wholly owned and one chartered.

Another nine crude carrying Panamaxes are supplemented by another two both of which are chartered in, while OSG also owns four Panamax product carriers, plus another four currently on order.

In the handysize sector, OSG has 12 owned and 19 chartered vessels, plus 10 newbuildings - two owned and eight chartered.

The company’s US product carrier fleet consists of four owned and four chartered vessels, plus another 10 chartered tankers on order.

In addition and not included in the figures are 10 ATBS in service and another seven on order, plus four large LNG carriers on order.

Two of OSG’s Jones Act tankers have been charted to Petrobras America, which the company claims will be the first instance of US flag shuttle tankers used to transport oil from ultra deepwater drilling projects in the US Gulf of Mexico.

The oil will be loaded from an FPSO. The two tankers will be converted from the 12 ordered from Aker Philadelphia under bareboat terms and are expected to enter service during the first quarters of 2010 and 2011 respectively.

With these charters, OSG said that it had fixed 11 out of the 12 x 46,000 dwt tankers ordered at Philadelphia to oil majors and refiners.

4

Euronav
(9.43 mill dwt, plus 1.27 mill dwt newbuildings)

The Antwerp-based crude oil carrier owns 15 ULCC/VLCCs with another eight long term chartered, either directly or jointly with partners. Two of the vessels are former Hellespont 441,500 dwt ULCCs. Also two VLCCs are currently on order.

In addition, the company has 14 Suezmaxes, plus another four on order.

Euronav is part of the Tankers International Pool (TI), contributing 21 VLCCs and the two ULCCs to the pool’s total of 43 VLCCs and four ULCCs. The other two large tankers are owned by OSG and are sisters to the Euronav pair.

5
Singapore-based
Tanker Pacific Management currently manages 78 product and oil tankers, FSOs and FPSOs with an aggregate deadweight in excess of 11 million tonnes.

However, several of these are elderly FPSOs and FSOs, which have not been included in the figures. The company also has four drillships on order.

Tanker Pacific has 13 VLCCs, nine Suezmaxes and 20 Aframaxes in the crude sector and 20 MR and two LR1 product tankers. The company has another five Aframaxes and eight MRs on order.

The Ofer Brothers affiliated company has been gradually selling off or converting its single hull fleet to FSO, FPSOs and VLOCs. In February it was reported that it had sold three late 1980s built Aframaxes to Shanghai Zhen Hua presumably for conversion to heavy lift vessels.

Kristen Navigation (Angelicoussis Group)
(8.3 million dwt, plus 2.3 million dwt newbuildings)

Athens-based
Kristen Navigation manages 23 VLCCs, five Suezmaxes and six Aframaxes.

In addition, the company has three VLCCs, seven Suezmaxes and two Aframaxes on order.

Seven of the VLCCs in service are bareboat chartered to ChevronTexaco.

Part of the Angelicoussis Group, Kristen is the tanker management arm. Commercially, the vessels are handled by Agelef Tanker Chartering in London.

The group also includes Maran Gas, which was set up to operate four 145,000 cu m LNGCs and four 84,000 cu m VLGCs.

Nippon Yusen Kaisha (NYK)
(6.84 million dwt, plus 1.75 million dwt newbuildings)

NYK has offices worldwide, but for this survey, we have only included the tankers managed by NYK Ship Management, Singapore and TMM in Tokyo.

The conglomerate also charters in a huge amount of tonnage at any one time, which is almost impossible to quantify, due to the many worldwide

subsidiaries involved.

However, the Singapore and Tokyo offices manage 22 VLCCs, four Aframaxes and six chemical/product carriers between them, plus six LPG carriers and one LNGC.

NYK’s order book is shown as five VLCCs, one Aframax, three chemical/product tankers and three LNGCs.

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TOP 30 TANKER COMPANIES

MISC Berhad (MISC)

(6.52 mill dwt, plus 2.61 mill dwt newbuildings)

MISC is one of the world’s largest shipping companies by corporatisation and boasts a diversified fleet, including the largest number of LNGCs owned by a single entity. A subsidiary of Petronas, MISC is the leading international shipping line of Malaysia.

The principal business of the Corporation is shipowning, shipmanagement, and other related logistics and maritime transportation services.

In the figures, we have included the fleet of London-based subsidiary AET, formerly American Eagle Tankers, which mainly involves the VLCCs and Aframaxes listed below. Others are chartered in, which could affect the total deadweight at any given time and have not been included in the figures.

Of the 48 so called petroleum tankers in the fleet, 10 are VLCCs, 32 are Aframaxes, five are product tankers and one LR2 type. In addition, there are 13 chemical tankers.

AET claims to operate more than 70 ships, including 11 VLCCs, 49 Aframaxes and 11 product and shuttle tankers, but some of these are short term chartered, so are not included in the figures.

This February, AET took delivery of the Aframax Eagle Turin from Koyo Dockyard, Imabari, which is claimed to be the 49th Aframax operated by the subsidiary. By the end of March, AET will also have expanded its presence in the product tanker market by chartering in two 46,000 dwt MR2 types.

Illustrating the structure of a modern shipping company today, also in February it was reported that AET had sold the four Aframaxes Eagle Baltimore, Eagle Beaumont, Eagle Birmingham and Eagle Boston to Norwegian finance house ACTA for $52 mill each.

The deal included a 10 year bareboat charter back to AET, which will continue to manage and operate the vessels.

MISC/AET also has one VLCC, 12 Aframaxes and 16 chemical carriers on order.

Not included in the figures are 26 LNGCs, three LPG carriers, three FSOs and the same number of FPSOs. Three new conversions are also underway.

In addition, MISC operates a large fleet of containerships (19) and one drybulk carrier.

Tsakos Group

(6.13 mill dwt, plus 930,000 dwt newbuildings)

The Tsakos Group, including publicly quoted Tsakos Energy Navigation (TEN), manages six VLCCs; 10 Suezmaxes; 14 Aframaxes and six newbuildings; nine Panamaxes, plus four newbuildings; six MR types and eight handysize product tankers.

These include long term chartered vessels. Some of the tankers are Ice Class, enabling Tsakos to trade in the Baltic during the winter months.

In addition, the company has built one LNGC as a ‘toe in the water’ exercise.

Vela International Marine

(6.07 mill dwt, plus 3.17 mill dwt newbuildings)

We have put Vela in eleventh place as apart from owning 19 VLCCs, one Aframax and four MR product tankers, the Saudi Aramco subsidiary has some 40 VLCCs and product tankers on its books at any one time through spot and timecharters.

Therefore, the total is very difficult to quantify as Vela plays the market almost daily.

The Dubai-based company also has a large orderbook of six 317,000 dwt tankers due for delivery in 2008 and 2009, plus another four for delivery 2010-2011.

At the time that the second tranche of orders were placed last year, they were believed to be the most expensive VLCC newbuildings to date at some $151 mill apiece. The earlier six were thought to be contracted at $128 mill each.
NITC
(6.2 mill dwt, plus 4.62 mill dwt newbuildings)

NITC is how National Iranian Tanker Company now styles itself following privatisation in 2000. It is a well-run and respected tanker company that owns one of the world’s youngest and most modern fleets. The company is mainly engaged in cross trading and also charters in vessels for National Iranian Oil Co’s (NIOC) exports.

The company currently owns 16 VLCCs, five Suexmaxes, five Aframaxes, three IMO III chemical/products carriers, plus one LPG carrier. NITC also has a huge firm order book in South Korean yards and many ongoing projects in local Iranian shipyards, but which have yet to see the light of day.

In was widely reported a couple of years ago that NITC was looking to order an additional 35 vessels, split between 20 chemical tankers and 10 LNGCs. The LNGCs will be needed to export gas from the giant South Pars gasfield project, funding sources for which are still under examination.

There is another project ongoing for six 63,000 dwt Caspian Sea tankers to be built at Sadra and Neka in Iran and Kransoye Barrikady in Astrakhan, Russia.

As for the firm orders, these consist of six 317,130 dwt VLCCs booked at Hyundai HI and Hyundai Samho, three of the same size at Daewoo and another three at Samsung. Four 163,870 dwt Suexmaxes are also building at Hyundai Samho. Meanwhile, Hyundai Mipo is constructing four 36,200 dwt chemical tankers.

Locally, NITC is involved in another two chemical carriers at ISOICO, Bandar Abbas, which also has a VLCC on its books. Another yard called Iran Marine Industries has also been asked to build a VLCC, while two of the proposed six 63,000 dwt Caspian Sea tankers are to be built at Neka.

Other tankers are being built for Iran Shipping lines and Irano-Hind, which could end up being operated by NITC as the operator is involved in joint ventures with Islamic Republic of Iran Shipping Lines (IRISL) and Iran Petrochemical Commercial, among others.

NITC’s 2007-built VLCC Hadi.
Hyundai Merchant Marine (HMM)
(5.62 mill dwt, plus 530,000 dwt newbuildings)

The South Korean conglomerate operates a mixed fleet of tankers, as well as having significant LNGC interests. Including long term chartered vessels, HMM operates 15 VLCCs, three Suezmaxes, five Aframaxes, six MR types and six chemical tankers of various sizes.

As for newbuildings, including chartered tonnage, the company has three Suezmaxes, three MRs and another three smaller chemical tankers under construction.

Since the Hebei Spirit incident, HMM will have to phase out its single hull vessels rather sooner than expected, or hand them back to their respective owners in the case of the chartered vessels.

BW Shipping Managers
(5.17 mill dwt, plus 1.10 mill dwt newbuildings)

BW was formed following Hong Kong-based World-Wide Shipping's acquisition of Norway's largest shipping company - Bergesen - in 2003.

The group's tanker assets are managed by Singapore-based BW Shipping, while Oslo-listed BW Gas and BW Offshore manage the gas transportation and offshore oil and gas production businesses respectively.

BW Bulk is engaged in the shipments of coal and iron ore and these vessels are managed but not owned by companies in the BW Group.

BW Shipping has 15 VLCCs plus another two on order. The company also has six modern Panamax product carriers, plus another six on order.

An original Bergesen ULCC, the 1983-built BW Nisa, is currently working as a storage unit prior to possible conversion to an FPSO.

Dynacom Tankers Management
(4.85 mill dwt, plus 3.09 mill dwt newbuildings)

Athens-based Dynacom Tankers Management has nine VLCCs on its books, several of which will be phased out sooner rather than later, to be replaced by at least five newbuilding VLCCs.

One, the 1988-built 276,000 dwt Europe, was sold to FPSO operator Prosafe last year and is currently in Singapore undergoing conversion to a FPSO. The FPSO will be fitted with a drilling unit, hence the designation 'D'.

In addition, there are seven Suezmaxes in service, plus another five under construction, some of which are ice class.

Six Aframaxes and eight Panamaxes also make up the fleet with another 12 Panamaxes under construction. Some of the Panamaxes are also ice class.
Maersk Tankers

(4.85 mill dwt, plus 3.09 mill dwt newbuildings)

Maersk Tankers is a division of the AP Moller-Maersk group.

It manages, both technically and commercially, seven VLCCs, 13 LR2 product tankers, 27 MR/handysize product tankers and nine chemical tankers.

Newbuildings account for a further four VLCCs, plus four LR2s, 10 LR1s, seven MRs and two chemical tankers.

There are also tonnage bareboat and timechartered both in and out on a regular basis.

Maersk is a member of various pools.

For example, the large product tankers operate in the LR2 Pool, while the MRs and handysize product tankers are all operated in the Handytankers Pool.

Another pool Swift Tankers is a joint venture with Teekay operating smaller chemical carriers around northern Europe and the Baltic.

Maersk Tankers also looks after nine LPG carriers, plus five newbuildings and two LNGCs, plus a further six on order.

Car carriers also used to come under Maersk Tankers' wing.

However, this department was recently amalgamated with Hoegh Autoliners who will commercially manage Maersk's PCTC fleet.

Maersk Tankers' 2006-built VLCC *Maersk Nautilus*. 
Despite having no VLCCs, Sovcomflot has a large fleet of Aframax and Suezmax vessels and is also into both LNG and LPG, primarily on the back of Russian exports.

We have not included Novoship's fleet in with Sovcomflot as we understand that both entities will continue to operate separately, despite merging the shareholding.

Sovcomflot manages 12 Suezmaxes and has one longterm chartered from Prisco. There are another four on order.

As for the Aframaxes, there are 11 in service, most of which are ice class. In addition, Sovcomflot has 23 MRs, plus another one to come.

The first of five Panamax shuttle tankers was also recently delivered and is included in the total. The other four are still to come.

Its gas interests include four LNGCs, plus another two newbuilding and two LPG carriers.

Most of the vessels are managed by Cyprus-based Unicom Management Services.

Unlike some of the other oil majors, BP still operates a considerable fleet of tankers under its own banner.

These range from VLCCs down to MR product tankers. Recently, the UK oil giant also diversified into owning and operating LPG carriers and LNGCs.

BP Shipping manages, or operates four 'P' class VLCCs, 12 'Bird' ice class Aframaxes, eight 'Tree' class Aframaxes, 12 'Virtue' class LR product tankers, seven 'E' class MR product tankers (of which two were recently sold to Grand Union for $47.25 mill each) and a 128,700 dwt shuttle tanker.

In addition, BP has four LPG carriers and five LNGCs in service. The latter includes one as a joint venture, three 'Trader' class and the first of the 'Gem' class. Another three 'Gem' class LNGCs are still to come from the builder's yard.

Novoship does not operate any VLCCs, but concentrates on Aframax and chemical/product tonnage. One of the reasons for this is that similar to Sovcomflot, the vessels have been designed to transit the Bosporus, where VLCC transits were banned several years ago and the Baltic where there are draft restrictions.

Novoship has management offices in both London and Novorossiysk, from where the 28 Aframaxes, 26 chemical/product tankers and a Panamax are operated.

In addition, Novoship has a further six Suezmaxes, four Aframaxes and two chemical/product tankers on order.
National Shipping Corp of Saudi Arabia (NSCSA)
(3.95 mill dwt, plus 2.67 mill dwt newbuildings)

20 The Dubai-based Saudi tanker operator manages 11 double hull VLCCs and has another six on order. Three VLCCs are timechartered to Vela, two to Euronav operating in the Tankers International Pool, while another VLCC is chartered to Hanjin. In addition, NSCSA has 14 chemical carriers through its 80% ownership of National Chemical Carriers (NCC) with SABIC. Another 18 x 45,000 dwt chemical carriers are on order at Hyundai Mipo and SLS. Six chemical carriers currently operate in the Odfjell pool, while seven are on long term charter to SABIC.

21 SCI is in the throws of a fleet replacement programme as India gears up to be a major energy player. The company has several elderly units and has embarked on a significant newbuilding programme, which will probably grow still further in the next few years as more domestic refining capacity comes on stream. At present, SCI only has two VLCCs, plus another two on order. The company has seven Suezmaxes and eight Aframaxes with another six on order. Panamaxes also figure strongly in the fleet's make up with 11 in service and another six newbuilding. Following this, there are 14 product and chemical carriers in service with another two on order. Having a large coastline with massively populated coastal environs, India relies on the supply of product around the coast in large hulls and also on crude imports from the Middle East Gulf and West Africa.

Shipping Corporation of India (SCI)
(3.73 mill dwt, plus 1.85 mill dwt newbuildings)

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Thenamaris

(3.55 mill dwt, plus 460,000 dwt newbuildings)

22 Thenamaris manages two VLCCs; nine Suezmaxes, plus two newbuildings; 11 Aframaxes and nine MR type product tankers. The company has also ordered two Panamaxes.

TORM

(3.51 mill dwt, plus 1.27 mill dwt newbuildings)

23 The Danish concern’s fleet was considerably boosted by the joint takeover of OMI by gaining around nine MR types and 10 handysize chemical/product tankers. Most if not all of the fleet operates in the various pools run by TORM and its partners. Including the new acquisitions, TORM now owns 10 LR2s, 10 LR1s, 27 MRs and 10 handysize product tankers. The orderbook is also impressive with three LR2s; 19 MRs, including six Super Ice Class chemical/product tankers; and one handysize.

Chevron Shipping

(3.46 mill dwt, plus one 50,000 dwt newbuilding)

24 The shipping arm of oil major ChevronTexaco operates seven VLCCs, some of which are on long term charter from Kristen Navigation. Chevron Shipping also has four Suezmaxes, five Aframaxes and four handysize tankers in its portfolio. A chemical tanker is currently on order. As well as operating conventional tankers, Chevron manages an elderly VLCC, which is currently being used for storage duties, an LPG FSO, an LPG carrier and an FPSO. Together with partners, the company also has two 154,800 cu m LNGCs on order. In 2006, Chevron secured the charters of four Jones Act, US flagged product tankers, part of a large series building at Aker Philadelphia.

COSCO Group

(3.45 mill dwt, plus 1.5 mill dwt newbuildings)

25 The major Chinese groupings are roughly running neck and neck in terms of total deadweight of tankers in service. However, COSCO has seven VLCCs, two Suezmaxes, 13 Panamaxes and four Handysize tankers operating, according to the website. The group also has a fleet of small LPG carriers. A further five VLCCs, and LNGCs are under construction, although others could also have been ordered under different affiliated company names.

Kuwait Oil Tanker Co (KOTC)

(3.24 mill dwt)

26 KOTC finished taking delivery of its latest tranche of newbuildings last year, but has said another four VLCCs and two large product tankers could be ordered this year as fleet replacements. Today, KOTC has eight VLCCs, three LR2s, five LR1s and another four handysize product tankers on its books. In addition, it has four LPG carriers and two bunker tankers under management.
Panamaxes on order.

China Shipping also has a plethora of smaller tonnage from 70,000 dwt down to river and coastal type chemical and product carriers. There is a substantial orderbook for smaller tonnage as China seeks to get a firmer grip on shipping cargoes in its own hulls.

Walport has been supplying entertainment to the marine industry for 50 years - and, far from being stuck in the past, the latest entertainment packages from Walport have to be seen to be believed! The latest films, brilliant TV programmes, up-to-date sport, computer games, karaoke and a range of paperback books that would shame any airport bookshop - all, crucially, shipped out direct anywhere in the world by Walport's shipping experts.

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Top 30 Tanker Companies

Titan Ocean

Titan confirmed that it will continue to upgrade and introduce double hull tankers by way of chartering and newbuilding with support from the group's newly acquired shipyard - Titan Quanzhou Shipyard.

China Shipping Development Tanker

Panamaxes on order.

China Shipping also has a plethora of smaller tonnage from 70,000 dwt down to river and coastal type chemical and product carriers. There is a substantial orderbook for smaller tonnage as China seeks to get a firmer grip on shipping cargoes in its own hulls.

SK Shipping

Although difficult to quantify due to the numerous subsidiaries listed, the China Shipping Group is thought to have four VLCCs in service, plus another eight on order.

The vast conglomerate is also shown to have three Aframaxes and four new Panamaxes operating, plus another six Panamaxes on order.

China Shipping also has a plethora of smaller tonnage from 70,000 dwt down to river and coastal type chemical and product carriers. There is a substantial orderbook for smaller tonnage as China seeks to get a firmer grip on shipping cargoes in its own hulls.

Minerva Marine

Aframaxes, plus another pair on order, and four chemical/product carriers.

The company is also heavily involved in the South Korean gas markets and has six LNGCs, plus one on order and seven LPG carriers.

SK also operates a large local bunkering fleet.

Walport International Ltd

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The Vafias Group is not only known as an owner and operator of drybulk vessels and LPG carriers, it also has interests in several different types of tankers mainly through a subsidiary called Stealth Maritime.

Stealth Maritime Corporation was the second company to join the group being formed in 1999, some 12 years after Nikolas Vafias incorporated his first company - Brave Maritime - by buying secondhand bulkers of all sizes.

The second company to join the group - Stealth Maritime - concentrates on owning oil tankers and last year controlled four Aframaxes, six product tankers, one VLCC and one stainless steel chemical tanker, all being double hull and virtually new.

In addition, Stealth Maritime technically and commercially operates 40 LPG carriers owned by sister concern StealthGas - the third member of the group.

All of the tankers are on long term charters. For example, the VLCC - *VL Malibu* (248,976 dwt, built 1989) is operated by Hyundai Merchant Marine (HMM), mainly trading between the Persian Gulf and Onsan.

Three of the Aframaxes are bareboat chartered out being managed and operated by American Eagle Tankers (AET), while the fourth is also chartered out under bareboat terms and is managed by compatriot Cardiff Marine and operated by Heidenreich.

Two of the product tankers are under ASP management and chartered to BP Shipping, while the remaining ones are operated by Navig8, formed by the ex managers of FR8, who has sublet them to the likes of Shell, AET, Stena and others.

As for the chemical tanker *Beffen*, she was delivered from Fukuoka in June 2007 and immediately bareboat chartered to Bryggen Shipping & Trading for three years. Bryggen originally ordered the vessel. She is managed by Hong Kong-based Fleet Management.

At the beginning of this year, Stealth Maritime purchased two 115,000 dwt newbuilding resales for $76 mill each. The Aframaxes will be built at New Times Shipyard and were originally ordered by a company affiliated to the Schoeller Holdings Group.

Originally to be named *Cape Alba* and *Cape Angelia*, they are due for delivery in February and May 2009 respectively. They have been bareboat chartered to a US operator for five years at $20,500 per day net each.

Not stopping there, LPG arm StealthGas purchased two MR type 47,000 dwt SungDong newbuilding product tankers last December from affiliates of Navig8 for $115 mill in total.

The first one - *Navig8 Stealth II* - was delivered in February, while the second is scheduled for delivery in April of this year. They have both been bareboat chartered to an international oil trader for seven years. The aggregate monthly income for both vessels will be $932,672, according to StealthGas.

StealthGas also said at the time of the purchase that the cost was funded by a combination of equity from the company’s follow on offering completed in July 2007 and bank debt.

Last December, CEO Harry Vafias explained: “Since our successful follow on offering in July, we have been very active in trying to acquire further tonnage in our core sector, handysize LPG carriers.

“However, due to the continued improved market conditions within this sector, prices are still rising and existing owners have become much more reluctant to sell, therefore we took the decision to look for a secure opportunistic investment in order for us to be able to deploy some of the funds that we raised in the summer in an accretive manner”, he said.

Vafias continued; “As such, we believe that the investment in two brand new high tech product tankers fixed on long term bareboat charters to a first class name gives us that opportunity. The LPG sector will continue to be the core of our ongoing strategy as we believe the outlook for the transportation of these gases is very positive over the coming years, given the likely increase of supply of product at a time of declining fleet growth in the handysize sector.”

After these latest additions, the Vafias Group of companies own 75 vessels of all types, including newbuildings on order, making it the third largest shipping group in Greece by number of vessels.
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StealthGas Inc.

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www.stealthgas.com
Aon's conclusion was that the marine industry was set for a continued run of favourable insurance premiums this year, despite facing higher risks.

According to the broker's 2008 Marine Insurance Market Review, the cargo and liability markets offer a win-win situation to ship and cargo owners who are paying less and underwriters who remain profitable due to few claims - at least for the time being.

Rates for well managed risks are expected to continue falling throughout 2008 by up to 10%. This positive outlook is due to a plentiful supply of capacity combined with a low level of claims creating fierce competition between underwriters. The relatively benign claims environment reflects major advances in recent years in ship design, cargo handling and general maritime safety.

**P&I increases**

However, the market is turning for protection & indemnity (P&I) and the clubs have announced big rate increases for 2008 in response to a surge in the size of large claims. Neither is the situation quite so rosy in hull and machinery, where losses are starting to impact the accounts of many insurers, although not to the same extent as in P&I.

For the shipping industry, two continuing key risks threaten to increase the size and cost of claims:

- Crew shortages and a dwindling pool of skilled officers in the marine industry could result in increasing claims due to human error. At the same time, shipyards are working at full capacity on newbuilds and these additional ships will exacerbate the existing crew shortage, especially for complex vessels such as the new generation of LNG tankers. The industry must focus on recruitment, training and retention programmes.
- Bigger containerships, bulkers, tankers and dredgers are creating bigger concentrations of risk and magnifying the potential scale of disaster for P&I, liability and cargo insurers as well as for hull underwriters.

Peter Dobbs, Aon's marine team ceo, commented: "Although the short term prospects for insurers and shipowners are generally very favourable, the combination of falling premiums and rising risk does ultimately hold the potential to destroy this equilibrium. And, as we are seeing in the P&I market, that could provoke a dramatic response from insurers as they try to restore the balance between premiums and claims."

The report provides insight on rates, capacity and outlook for the key marine markets in 2008. Highlights include:

**Hull** - Rates are reducing by 5-10%. Insurer accounts are unlikely to be profitable due to the combination of falling rates and emerging losses - most are subsidising hull business with profits from other lines. South Korean, Japanese and Singaporean insurers are aggressively writing international tonnage.

**Cargo** - Ample capacity and few claims are resulting in savings of around 10% at renewal and profitable accounts for insurers. London maintains the role of leading rate setter on the majority of complex global placements. Meanwhile, Singapore is emerging as an international force for straightforward risks. Outside of London, insurers are willing to tempt clients with offers of much lower deductibles.

**P&I** - The surge in costly P&I pool claims in 2006 could be a sign of the times as booming shipping operations become more expensive. In anticipation, P&I clubs were already initiating increases of 10-20% in shipowners' premiums at the 20th February renewal.

**Liability** - Rate reductions are expected around 5-10%. Liability deductibles are fairly stable after years of increases to stay ahead of rapidly rising...
Tanker owners/operators are facing up to higher P&I club calls and hull and machinery premiums.

"Largely speaking the Clubs maintained their discipline and the renewal was remarkable for the lack of flexibility in the individual negotiations. Owners with better than acceptable records have found themselves paying double digit increases with concession only being granted for term changes (for example, increased deductibles).

"Against a backdrop of rocketing pool claims (as identified in Aon PLF’s pre-renewal report, November 2007) the great majority of clubs were demanding a double digit rise (with an average of around 15% across the 13 members of the International Group). Two Clubs, the UK Club and the North of England, segregated their advertised General Increase into mandatory (for increased cost of pooling) and negotiable (for individual owner's retention claims and general club inflation) elements.

"The renewal was also noteworthy for its lateness with more than the normal percentage of owners negotiating up to the very last minute. This is a reflection of the hardness of underwriter's attitude but also a predictable, but no less unwelcome, consequence of the absurdly late release of the reinsurance tariffs. Given that the reinsurance element of the premium represents a significant part of an overall owner's cost it is surely not unreasonable to require it be released earlier than (this year's) 23rd January.

"Premiums for shipowner's non-retention claims (for example, abatement, pooling and reinsurance) continued to increase with many owners having 50% of their premium being paid away in non-negotiable costs. Indeed owners paying away in excess of 70% is no longer uncommon and the need for a recalibration of how premiums are assessed and a greater transparency in how they are allocated becomes ever more urgent.

"Overall there appears to have been a greater than normal amount of owner's moving clubs: whilst there is no immediate financial benefit for so doing it is clear that many owners have been unimpressed with the rigidity of their existing club's approach, which has clashed with often long-term and cordial relationships.

"In summary, Aon PLF would estimate that premiums to the International Group will have risen by well over 10% and perhaps as high as 15% when changes in terms are factored in," Hawke said.

Aon’s P&I post-renewal report will be published in March.

Information extracted for the main processes for co-ordination purposes, should strictly be a by-product of what the main stakeholders perceive as their primary work. Any extra work to inform others is bureaucracy.

Information delivered for co-ordination purposes should be delivered in the relevant form and at the time of need to the stakeholders needing to co-ordinate. For example fleet managers need to be informed of items when the processes at risk require their involvement.

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Broström Tankers was one of the first users of what would eventually become Veson Nautical’s full-fledged Integrated Marine Operations System (IMOS).

Thus far, the company has been using IMOS for its chartering and operations activities for more than a decade. In 1993, Börje Forss, Broström Tankers’ chartering manager based in Gothenburg, and Michael Veson, founder of the predecessor of Veson Nautical, began working together to create a tailor made solution for Broström’s chartering calculation needs.

Forss explained, “Originally we had a DOS based calculation program, but it did not have the functionality or power we needed. Michael Veson approached us with the beginnings of a solution and we started working together.”

Because of his understanding of the shipping business, Veson ensured that flexibility was one of the most important benefits included in the IMOS program. For Broström, that flexibility translated into the ability to quickly produce complicated voyage combinations, despite variability in the figures using IMOS’ calculations and distance tables. Regardless of how Broström chose to run its calculations, the company claimed that it could accurately forecast voyages and earnings.

Today Broström Tankers conducts about 2,000 voyages per year, transporting cargo for oil majors such as BP, ChevronTexaco, ExxonMobil and Shell, among others. The chartering and operations staff believed that the Veson software provided them with a competitive edge. “With IMOS, we can always evaluate which cargo is the best for each vessel. In addition, the ability to combine voyages is both significant and unique,” explained Forss. “I’m sure we make better decisions, because when you have a good calculation tool and you can combine voyages, it’s truly a benefit.”

Gothenburg headquartered Broström is one of northern Europe’s leading chemical and oil industries’ logistics companies. The company is involved in two areas - industrial product & chemical tanker shipping and marine & logistics services.

Broström manages about 35 vessels - owned, partly owned and some under commercial management- operating mainly within Europe. The fleet primarily transports refined petroleum products including gasoline, diesel and easy chemicals.

Last November, Neste Oil also became a fully operational user of IMOS across its managed fleet of 30 tankers. Subsidiary Neste Shipping transports about 40 mill tonnes of crude oil, oil products and chemicals per annum. The vessels are not only crude oil, product and chemical tankers but also the company has two tug/barge combinations and three tugs. The operations are concentrated mainly in the Baltic, the North Sea and the North Atlantic region.

IMOS’ visual design is claimed to have shortened training time for new staff getting accustomed to the system requirements; response time was excellent and we all worked hard to complete the installation on time. The project received a very high score in the end evaluation of the project, which proves that the people involved - both end-users and staff involved in the implementation - felt that the project was a big success. I can confidently say that this implementation was the most successful I’ve ever seen.”

Neste Oil is also currently evaluating IMOS Trading, Veson’s module that adds forward freight agreements (FFA) functionality to the existing IMOS. “FFAs are an integral part of Neste's Shipping division's business activities, and IMOS Trading will enable users to have a unified picture of all physical and paper trades,” said Kärkkäinen.

Veson has also supplied the National Shipping Corp of Saudi Arabia (NSCSA) with an IMOS system. NSCSA’s commercial vice president Michael Hudson-Davies told TANKEROperator, during a visit to the Dubai office last November, that the system was working well (see August/September 2007 issue, page 46).
On 1st January this year we saw a new powerhouse emerge in the ships' service sector when several leading brands, such as Unitor, Barber Ship Management and Barwil came under the single banner of WMS.

One of the main reasons for bringing some of the most famous names in the service sector under WMS’ wing was to plug into a brand - Wilh Wilhelmsen - that has been in existence for almost 150 years and to rename the original company names to create just one identity.

WMS president and ceo Dag Schjerven said that the division was now part of a global maritime industrial group, based in Norway and listed on the Oslo Stock Exchange.

The idea of forming WMS first came to light in 2004 when the Wilh Wilhelmsen board made the strategic decision to go ahead and form a combined structure, resulting in its launch at the end of that year.

Unitor was acquired in 2005 and later the same year the new combined organisation structure of WMS was inaugurated. The full integration into one entity was finished at the end of 2006 and Callenberg was the latest company to join the fold late last year.

WMS is one of three business divisions within the Wilhelmsen empire - the other two are shipping services and logistics services. As for WMS, it is sub-divided into four distinct areas - ships service, shipmanagement, ships equipment and marine engineering.

Other subsidiaries include Wilhelmsen Premier Marine Fuels, which concentrates on bunker broking; Wilhelmsen Insurance Services, focusing on insurance broking; TI Marine Contracting specialising in low temperature insulation technology and Yarwil, a joint venture between WMS and Yara International, offering solutions to lower NOx emissions.

The four main WMS subsidiaries are:

- **Wilhelmsen Ships Service** has come about due to the integration of Barwil and Unitor Ships Services.
- **Wilhelmsen Shipmanagement** takes over the role previously undertaken by Barber Ship Management, but excludes International Tanker Management (ITM), which despite being a member of the group, retains its name.
- **Wilhelmsen Ships Equipment** is the old Unitor Marine Systems and focuses on safety and environmental solutions. One of its specialities is the cryogenic insulation fitted to LNG newbuildings and also retrofitted to LNGCs already in service.
- **Wilhelmsen Marine Engineering** is the result of the recent acquisition of the Callenberg Group, which brings to the table electro, automation and HVAC services also aimed at newbuilds and retrofits.

Schjerven said that WMS did not rule out more acquisitions, following the purchases of Callenberg and Unitor. During 2007, an agreement was also signed with Yarra International on a 50:50 basis forming Yarwil and another was agreed with Krystallon.

These agreements gives WMS an inroad into the world of SOx, PM and NOx emissions. The Krystallon deal sees WMS gain distributor rights for the BP affiliated company's SOx and particulate matter (PM) systems.

Eventually the SOx and NOx emission solutions could be merged, Schjerven thought. For the time being, Yarwil will concentrate on Scandinavian coastal vessels as the NOx technology has primarily been developed for 4-stroke diesel engines. It is possible to remove NOx emission from larger vessels' generators, but the technology needed for larger 2-stroke main engines is still under development and will not be available until some time in the future, Schjerven said.

At the time of the forming of the joint venture, Yarwil said that it also intended to embrace other areas of emissions control, such as SOx.

Schjerven claimed that WMS now handles almost 46% of the world's fleet of just over 43,000 vessels in some form or another and the share was growing as was the fleet. Backing up his claim, he gave some facts and figures concerning the current activity of the WMS division. The figures listed below include those for the recently added Callenberg Group:-

- Annual turnover $950 mill.
- About 195,000 deliveries to some 20,000 vessels annually.
- Service and delivery to more than 200 shipyards.
- About 54,000 port calls handled annually.
- Over 300 vessels under management.
- About 8 mill tonnes of bunkers brokered.
- More than 1,900 vessels on MTS e-commerce technology.
- About 5,500 employees.
- Around 8,600 seafarers available through the crewing network.
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