++ Shipbuilding News ++

Jinhai to pen two 64K BCs

(http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=16205)

China's Jinhai Heavy Industry is known to have won an order for two bulkers from a Greek owner. The Laskaridis group of Greece is planning to expand its activity in the dry-bulk sector and is close to ordering newbuildings. But it has not as yet put pen to paper. Meanwhile, some brokers report that the group has already booked two 64,000-dwt bulkers at Jinhai for delivery in early 2014. The ships are said to be costing $26m each. However, commercial director Yannis Lagarias says no contract has yet been inked, however confirmed, "We are looking and discussing a project with a couple of shipyards and have discussed specifications and other issues."

Brightoil to order LNGC & Tankers

(http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=16200)

China's Brightoil Petroleum is to order five products carriers and three LNG carriers as early as this year. The Hong Kong-listed company announced in 2010 that it would increase its total fleet to 2m dwt by 2013, to take advantage of the Chinese government policy that requires half the crude imported into the nation to be carried on Chinese-owned ships. The plan to add PCs and LNGCs signals the company's growing ambitions. Per Wistoft, chief executive of Brightoil's shipping unit, told Reuters: "We are looking to grow the fleet. For us, it's very much a question of price." He said that Brightoil would also consider buying additional VLCCs. Late last year market sources said Brightoil was preparing for a massive newbuilding orders worth $1.75bn, including five LNG carriers, in South Korea. They said the Hong Kong-listed owner has approached major South Korean shipbuilders for a total of 15 newbuildings also including five VLCCs and five aframax tankers. Meanwhile Brightoil penned five 319,000-dwt VLCCs from Hyundai Heavy Industries in August 2010 for $107.5m per vessel.

Bohai in talks for Newcastlemax

(http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=16206)

Sources said that China's Bohai Shipbuilding Heavy Industry is in talks with a Singaporean owner for two large bulkers. As Berge Bulk is lining up orders for two Newcastlemaxes in a further sign of fleet expansion, sources say the Singapore-based company is in contact with China's Bohai Shipbuilding Heavy Industry for the 210,000-dwt Newcastlemax pair. "We heard Berge Bulk signed a letter of intent for the newbuildings early this year, slated for delivery between end 2013 and 2014." one said. A source familiar with Bohai confirms Berge Bulk is interested in the Newcastlemaxes but says a deal is still far from being sealed, saying "Berge Bulk has requested the yard to come up with designs for the 210,000-dwt bulker. It will require some more time before they can conclude the deal." Berge Bulk already booked four 388,000-dwt very large ore carriers (VLOCs) at Bohai in 2007 for a reported $100m each. It has since taken delivery of two and is due to take in the remaining pair this year.

++ Shipping News ++

Daily LNG vessel spot rates could hit $155,000 by summer

(http://www.lloydslist.com/ll/sector/tankers/article397103.ece)

SPOT market rates for liquefied natural gas carriers are rising again, having slid this year, and could reach highs of $155,000 per day in summer, when the Middle East imports LNG for electricity to power air conditioning, analysts said on Wednesday. Japan, the world's biggest LNG importer, also takes more cargoes in the summer when the country's gas-fired power stations tend to have spare capacity for additional LNG imports required to offset the loss of nuclear power. Last summer, this drove up the spot rate to record highs of around $100,000 per day as cargoes in the Atlantic were diverted to Japan and reduced the number of available ships. In addition to fresh Japanese demand this summer, delayed new liquefaction plants are now poised to start exporting, including Pluto LNG in Western Australia and Angola LNG, which will start sending regular cargoes into the market in June. Vessels assigned to Angola LNG have been operating on the spot market until the project start-up, said Lloyd's List Intelligence lead analyst Claire Wright. Taking them off the spot market to begin longer-term contracts for Angola LNG will cut the number of spot vessels available, helping remaining owners to negotiate higher rates from charterers, she said. Analysts said on Thursday that these positive factors should help the spot rate to match the one-year timecharter high of $155,000 per day. The heady forecast comes after a sharp dip in LNG spot shipping rates this year. Golar LNG has put this down to charterers reletting vessels for spot market voyages, increasing numbers of available vessels. Rates declined around 30% from January to April to settle at this year's low of $105,000 per day. But as summer approaches, rates are climbing back up.

Atwood ties up Hunter rig

(http://www.tradewindsnews.com/offshore/666979/atwood-ties-up-hunter-rig?lots=site)

Atwood Oceanics has secured a short term contract for one of its deepwater semi-submersible drilling rigs off Africa. The Atwood Hunter (built 1981) has been fixed to Noble Energy for three firm wells with a duration of 150 days plus one option well. The first well will be in a tax-free location in Cameroon at $364,000 per day, while the second and third wells will be in Equatorial Guinea at $388,000 per day. Atwood said one priced option well has been provided which will be located in either Equatorial Guinea or Cameroon. This option well will be at the applicable rate and must be exercised prior to the spud of the second well, the company added. If the total program, inclusive of the option well, exceeds 155 days, then the rate will increase to about $408,000 plus applicable corporate income tax. The contract is due to start in December 2012 following a 30-day period alongside in Ghana to carryout survey and maintenance work. "With the award of this contract, the firm contractual commitment for the Atwood Hunter is expected to extend through April 2013," Atwood said. Earlier this week, Atwood disclosed that it had secured a three year contract extension from Chevron Australia for one of its semi-submersibles.

Containership owners head for consolidation

(http://www.lloydslist.com/ll/sector/containers/article397122.ece)

CONTAINERSHIP owners may combine fleets in the same way that liner operators have formed service alliances, Germanischer Lloyd chief executive Eric van der Noordaa has predicted. Consolidation among containership owners will bring about much-needed economies of scale in a sector struggling after an ordering boom, followed by two separate market downturns, in the space of five years. Some consolidation has already started. Erck Rickmers' ER Schiffahrt, Komrowski Befrachtungskontor and Komrowski-owned Blue Star are merging their ship management activities under Blue Star Holding, a new entity due to be up and running by the end of May. Germany's shipowning community has been particularly hard-hit by the slump. A new report found that the number of insolvent KG vessels or funds now exceeds 60 and that the pace at which such funds are failing is accelerating. Speaking at a press dinner in London this week, Mr van der Noordaa, who was appointed GL chief executive in late 2010, said tonnage providers needed to consolidate to run fleets more efficiently.

++ Finance News ++

Greek owners suffer fall in financing

(http://www.lloydslist.com/ll/sector/finance/article397124.ece)

SHIP finance for Greek owners fell last year but a surprising number of new banks have become involved in the industry as the sector grows more fragmented, Petrofin Bank Research has found. In its 11th annual survey on the subject, the Greek research house headed by analyst Ted Petropoulos reported that the combined bank portfolio to Greek owners shrank by 1.9% in 2011 to $65bn. While most existing lenders scaled down their presence and the market as a whole was “subdued”, Petrofin said no less than 16 banks new to Greek ship finance had “a visible presence” for the first time. The newcomers, from a wide variety of geographical locations, were estimated to contribute about $2.7bn to the overall portfolio, but could contain major lenders of the future for Greek owners, Petrofin said. They included Bank of America, Beremberg, Danske Bank, Danish Ship Finance, Fokus, KBC, Scotia Bank and Standard Chartered, among others. Petrofin linked the emergence of new players partly to syndicated or club deals and restructurings, although it also said that there appeared, "for the first time since the 1980s", interest among North American banks entering Greek ship finance, primarily via through lending to US quoted public companies. "It is expected that the Greek ship finance market will become more fragmented and the share of the top 10 banks shall continue to decline," said Petrofin.

Navios Partners lifts first-quarter operating surplus by 12%

(http://www.lloydslist.com/ll/sector/dry-cargo/article397128.ece)

Partners has reported an 11.7% increase in its operating surplus in the first quarter of this year, turning in a steady set of results that closely matched analysts’ expectations. The Greece-based owner’s surplus hit $29.6m for the quarter and net income increased marginally to $16.9m. Time charter revenues rose to $48m, from $42.8m in the first quarter of 2010, reflecting that the company has added two vessels since then; the capesize bulker Navios Luz and panamax bulker Navios Orbiter, bringing the core fleet to 18. Navios Partners said that the daily time charter equivalent across the fleet averaged $29,978 daily, a modest drop from $30,422 per day a year earlier, but that utilisation of the fleet increased from 96.9% to a stellar 99.88%. Chief executive Angeliki Frangou said she was pleased with the results. “Although the market has been difficult in the past few years, we have been able to increase distributions and believe we will be able to continue increasing distributions by growing our fleet,” she said.

MOL slumps to annual loss

(http://www.tradewindsnews.com/finance/666981/mol-slumps-to-annual-loss?lots=site)

Mitsui OSK Lines (MOL) has slumped to a huge loss for the FY2011 year on the back of a poor performance at its liner operation. MOL suffered badly in FY2011 The major Japanese owner posted a net loss of JPY26bn ($320m) on Friday versus a profit of JPY58bn in FY2010. Revenue for the full-year was JPY1.4 trillion, a year-on-year decline of 7% as its bulker and liner divisions turned in weaker performances. MOL's bulk shipping arm reported an operating loss of JPY7bn compared to an operating profit of JPY71bn in the previous year. "The spot market for the four major dry bulk ship types dropped sharply dropped sharply compared to the last financial year," MOL said. It said this offset any gains it made from its long-term transportation contracts for iron ore, coal and woodchips. "The VLCC market was weak due to a stagnation of crude oil imports into the US and Japan and the uncertainty surrounding the European economy," it said. Meanwhile, MOL's car carrier operation suffered the double whammy of the earthquake in Japan and flooding in Thailand. Its containership operation booked an operating loss of JPY30bn compared to FY2010 when it made an operating profit of JPY39bn.

PetroChina Profit Unexpectedly Rises on Higher Oil Output

(http://www.bloomberg.com/news/2012-04-26/petrochina-profit-unexpectedly-rises-on-higher-oil-production.html)

PetroChina Co. (857)'s first-quarter profit rose unexpectedly after it ramped up oil and gas production, while China Petroleum & Chemical Corp. (600028)'s earnings slumped on losses from selling fuels at state-controlled prices. Net income rose 5.8 percent from a year earlier to 39.2 billion yuan ($6.2 billion), PetroChina reported yesterday, beating the 34.8 billion yuan mean estimate in a Bloomberg survey. Profit at Sinopec, as China Petroleum is known, slumped 35 percent, almost triple the pace forecast by analysts. PetroChina rose the most in more than three months in Hong Kong trading after earnings outperformed global rivals Exxon Mobil Corp. (XOM) and Royal Dutch Shell Plc. (RDSA) State-owned PetroChina and Sinopec are buying energy assets abroad to diversify from refining and are pressing the government to deliver on its pledge to relax controls on gasoline and diesel prices. "Both Chinese companies are living at the mercy of China's fuel-prices reforms," said Anna Yu, an analyst at ICBC International Research Ltd. in Hong Kong.