

## **++ Shipbuilding News ++**

### **Qingshan booked 10 ships**

([http://www.asiasis.com/view\\_new.php?bbs\\_id=news&doc\\_num=17610](http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=17610))

Qingshan Shipyard has bagged overall 10 newbuildings totalling around CNY 2bn (\$315m) in the first half of 2012. The Chinese shipbuilder, at present, has 32 vessels, around CNY 4.89bn, on order. Meanwhile, Qingshan has recently been placed a new order for a pair of 35,800 dwt bulkers from Wilmar of Singapore, with delivery slated for the second half of 2013.

### **Framo inks Subsea deal**

([http://www.asiasis.com/view\\_new.php?bbs\\_id=news&doc\\_num=17604](http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=17604))

Framo Engineering, a Schlumberger company, announced on August 27 that A/S Norske Shell has awarded the company a 100-million USD contract for the supply of a complete subsea multiphase booster pump system for the Draugen Field in Norway. The contract includes a complete system for topside power and control, the power and control umbilical, and the complete subsea pump module and manifold. The subsea multiphase booster pump system, which will be installed at some 250 meters water depth, has been designed to contribute to increased oil production in the Draugen Field. The Draugen subsea multiphase booster pump system will be assembled and tested at the new Framo Engineering advanced test facility in Hosoe, Norway. Field installation is planned for the summer of 2014.

## **++ Shipping News ++**

### **Silver lining in the smoke**

(<http://www.tradewindsnews.com/tankers/282439/silver-lining-in-the-smoke>)

Spot rates have already responded to outages caused by a deadly explosion at PDVSA's Amuay refinery but it's still too early to accurately predict how the incident will impact the crude and product tanker markets, according to a researcher at MJLF. Donald Bogden says medium-range product carriers saw rates climb \$110,000 on a lump sum basis Monday after the Venezuelan energy giant requested at least seven prompt cargoes of distillates and gasoline to ensure domestic markets would remain well supplied. "The surge in import requirements is also coinciding with Tropical Storm Isaac which has

shut down approximately 25% of US Gulf refining adding an additional supply constraint to the market," he wrote in a note to clients Tuesday. While PDVSA claims only 15% of the facility's storage capacity was affected by the blast and hopes to renew operations by the end of this week Bogden anticipates at least "several days" of disruptions due to stress testing. "While it is very difficult to assess the duration of any outage given the fluidness of the situation, MJLF expects there will at least be a temporary outage at the Amuay refinery after the fires are brought under control and extinguished," he said. While the impact on the crude and product tanker market is contingent on the duration of the Amuay outage, the analyst believes there would be a "significant structural shift" in the Atlantic Basin if the refinery itself or key infrastructure is damaged.

### **Oil Declines From One-Week High On Isaac Landfall, G-7 Statement**

(<http://www.bloomberg.com/news/2012-08-28/oil-trades-near-one-week-high-as-hurricane-isaac-disrupts-output.html>)

Oil fell from the highest closing price in a week in New York after Hurricane Isaac made landfall in the U.S. and industrialized nations expressed concern that elevated prices may threaten the global economic recovery. Futures slipped as much as 0.7 percent after Isaac struck the coast of southeastern Louisiana. Refinery shutdowns because of the storm have curbed crude demand, according to Goldman Sachs Group Inc. The Group of Seven nations called on oil-producing countries to increase output and is monitoring the economic risk posed by current prices, according to a joint statement issued yesterday by the U.S. Treasury Department. "Markets were already pricing in what was proving to be a disruptive storm," said Jeremy Friesen, a commodity strategist at Societe Generale SA in Hong Kong. "The market is focusing on the comments from governments. The comments highlight that policy makers are getting concerned about how high oil prices are." Oil for October delivery declined as much as 66 cents to \$95.67 a barrel in electronic trading on the New York Mercantile Exchange and was at \$95.72 at 3:04 p.m. Singapore time. The contract yesterday climbed 0.9 percent to \$96.33, the highest close since Aug. 22. Prices are 3.2 percent lower this year.

## **++ Finance News ++**

### **Norway fund opposes Glencore merger**

(<http://www.ft.com/intl/cms/s/0/ea7fce0e-f134-11e1-a553-00144feabdc0.html#axzz24p2XsUSw>)

Losing its shine: a worker at Xstrata's Lydenburg chrome smelter in South Africa. The merger with Glencore is looking less likely. Norway has joined forces with Qatar in opposition to the \$70bn merger between commodities trader Glencore and miner Xstrata, further threatening one of the biggest deals in the natural resources industry over the past decade. Norges Bank Investment Management, the manager behind Norway's oil-backed sovereign wealth fund, has spent more than \$500m over the last few weeks buying Xstrata shares, according to regulatory filings. NBIM is now the fourth largest shareholder in Xstrata – behind only Glencore, Qatar and BlackRock – with 87.8m shares, equal to roughly 2.97 per cent of the total and up from 1.72 per cent in June. The Norwegian buying spree came after NBIM privately indicated to both Xstrata and Glencore that it opposed the current terms of their planned merger. NBIM, Qatar Holding, Glencore and Xstrata all declined to comment. Glencore is offering 2.8 of its shares for each of Xstrata's but Qatar said in June that a ratio of 3.25 "would provide a more appropriate distribution of benefits of the merger". The sizeable gap suggests the "Glenstrata" merger will collapse.

### **SFI holds steady**

(<http://www.tradewindsnews.com/finance/282431/sfi-holds-steady>)

Ship Finance International defied the downturn in the second quarter despite a modest decline in revenues. New York-listed SFI reported net income of \$61.2m in the three months to 30 June, versus a gain of \$39m in the comparable period a year ago. The result, which included a \$16.3m cash sweep from Frontline, amounted to \$0.77 in earnings per share, well above the \$0.49 turned in at this stage 12 months prior. Revenues fell to \$83.6m from \$84.1m year-on-year but the decline was offset by \$21.7m from the assets sales and penalties tied to the termination of charters. In Tuesday's earnings report, SFI said the tanker market was relatively firm in the second but expects the segment to soften in the quarters to come.