

++ Shipbuilding News ++

"No more losing bargains!"

(http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=17691)

Many Chinese shipyards have been stronger in price competitiveness since global financial crisis in 2008, in order to secure works, however, they recently start to refuse loss-making bargains. According to brokers, many Chinese shipbuilders with some amount of orderbook are declining newbuilding negotiations since a number of shipowners are asking unreasonable prices that unfulfill even break-even points. One broker said, "Shipyards are no longer interested in loss-making newbuilding projects. They'd rather wait until market recovers." For instance, Jiangsu-based private-owned New Century Shipbuilding has contracted no newbuilding year to date and is avoiding low-margin orders. An official from New Century said "We hope to win new orders, but it would be meaningless with current market prices. We plan to focus on building those on the book and hold out as long as possible." Local shipbuilding players explained that shipyards with some tonnages on the book would be able to survive by slowing down construction or embracing owners' requests for delaying deliveries. Quite a number of shipbuilders in China, including China State Shipbuilding Corporation (CSSC), Yangzijiang Shipbuilding, Sainty Marine, Huanghai Shipbuilding, Yangzhou Guoyu Shipbuilding, etc., are establishing ship-owning subsidiaries with a purpose to secure works and protect decreasing prices simultaneously.

STX to build FSO

(<http://www.tradewindsnews.com/offshore/282858/stx-to-build-fso>)

Korea's STX Offshore & Shipbuilding has won an FSO order worth KRW 500bn (\$440m). The company said the floating storage and offloading unit will be built for a North African oil company. The 324-metre FSO will have a storage capacity of 1.5m barrels of crude. The contract will include a subsea pipeline system design, as well as manufacturing, installation and commissioning. STX plans to target more FSO, FPSO and FLNG business, it said.

++ Shipping News ++

Koon seals PSA job

(<http://www.tradewindsnews.com/liner/282856/koon-seals-psa-job>)

Koon Holdings has won a contract from port operator PSA Corp for work on a new container terminal in Singapore. The contract has been won via a new joint venture with Penta-Ocean Construction and Hyundai Engineering & Construction. Koon, which has a 20% stake in the new tie-up, says the contract is worth around SGD100m (\$80m) and will take about 17 months. Work will involve the construction of container berths and stacking yards at phase three of the new Pasir Panjang Terminal.

U.S. Gas Rises On Forecasts Of Below-Normal Gain In Inventories

(<http://www.bloomberg.com/news/2012-09-05/u-s-gas-rises-on-forecasts-of-below-normal-gain-in-inventories.html>)

Natural gas climbed for a fifth day in New York, the longest run of gains since July 24, on speculation a government report this week will show a smaller-than-normal increase in stockpiles. Gas for October delivery rose as much as 1.5 cents, or 0.5 percent, to \$2.869 per million British thermal units in electronic trading on the New York Mercantile exchange. It was at \$2.86 per million Btu at 10:27 a.m. Tokyo time. Stockpiles probably rose 38 billion cubic feet in the week ended Aug. 31, according to Tim Evans, an energy analyst at Citi Futures Perspective in New York, before tomorrow's Energy Department report. The five-year average change is a gain of 60 billion. A surplus of the fuel has been declining since March. Futures rose 5.5 cents to settle at \$2.854 per million British thermal units yesterday in New York. Gas has climbed 9.4 percent from a two-month low of \$2.614 on Aug. 28.

Venezuela's Amuay To Return To Full Operations In 'Days'

(<http://www.bloomberg.com/news/2012-09-04/venezuela-s-amuay-processing-crude-as-some-units-remain-offline.html>)

Venezuela's Amuay oil refinery, the country's largest, will return to full capacity in "days" after restarting some distillation units following a fatal gas explosion on Aug. 25, Oil Minister Rafael Ramirez said. "We're in the midst of our safe restart protocol and currently processing 264,000 barrels a day," Ramirez said today at an oil conference in Puerto La Cruz. "In the next few days we'll have normalized our operations." A gas leak just after midnight on Aug. 25 caused an explosion at Amuay that engulfed homes, businesses and storage tanks in flames, killing 42 people. President Hugo Chavez ordered an investigation into the accident and vowed to replace or repair the more than 1,000 damaged residences near the plant. Petroleos de Venezuela SA, the state oil company, has resumed three crude distillation units, the Caracas-

based company said in an e-mailed statement yesterday. The facilities break down crude into components that can be converted into fuels in other units. Amuay has restored almost a third of its daily crude processing capacity of 645,000 barrels.

++ Finance News ++

Teekay LNG preps cash grab

(<http://www.tradewindsnews.com/tankers/282853/teekay-lng-preps-cash-grab>)

Teekay LNG has unveiled plans to issue shares in a sale that could help fund newbuildings or vessel purchases. The New York-listed spin-off of tanker giant Teekay Corp plans to offer 4.6 million shares to the public market and up to 690,000 to underwriters. The limited partner units would be worth more than \$211m at today's closing price, although the threat of dilution often sends share prices downward following such an announcement. Teekay LNG said it plans to use the proceeds to fund newbuilding deliveries or vessel acquisitions, as well as paying down revolving debt facilities. The company has touted expansion potential in the LPG and LNG sectors. The master limited partnership controls 27 LNG carriers, five LPG carriers and 10 suezmax crude tankers.

Kirby snaps up Allied

(<http://www.tradewindsnews.com/finance/282855/kirby-snaps-up-allied>)

Kirby Corp has announced plans to acquire offshore barge and tugboat operator Allied Transportation for \$116m. Allied's vessels participate in the coastal transportation of petrochemicals, as well as dry sugar products, in the Northeast, Atlantic and Gulf Coast regions of the US. Customers include major petrochemical companies, most of which are current Kirby customers for inland tank barge services. Allied's fleet consists of 10 coastwise tank barges with a total liquid capacity of 680,000 barrels, three offshore dry-bulk barges with a total capacity of 48,000-dwt and seven tugboats. Kirby said the purchase will be financed through its revolving credit facility, which was recently increased from \$250m to \$325m. The deal is expected to be completed late in the third or early fourth quarter of 2012 and is subject to certain conditions.