

NEWS

A new Maersk-led VLCC pool aims to operate 50 ships with an average age of just 3.5 years by the end of this year.

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Singapore

Nova Tankers, the new VLCC pool set up by partners Maersk Tankers, Mitsui OSK Lines (MOL)'s Phoenix Tankers, Ocean Tankers and Samco Shipholding opened its doors for business this week.

The ambitious undertaking seeks to create a fleet of 50 modern VLCCs by the end of the year.

TradeWinds sat down for an exclusive interview with Nova Tankers managing director Morten Pilnov to find out how the pool will operate and what impact he expects it to have on the VLCC market.

Plans for Nova Tankers first emerged late last year, when it was revealed that the four partners were in the process of setting up a pool with a focus on the spot market. Each partner has a very modern fleet and enjoys an excellent reputation in the market.

"When we first decided to set up the pool, we had dialogue with various tanker operators. To make a pool successful you need partners who share the same beliefs and values. All of us are financially strong, have modern fleets and have a focus on quality and safety," said Pilnov, who was previously head of gas for Maersk Tankers.

Setting up the pool was in part a response to the lacklustre VLCC market but Pilnov is quick to stress that the partners are in it for the long haul and will hopefully not pull out when the markets improve.

"At Maersk Tankers, we have had very good experiences with pools that have existed through both good and bad times. We will keep Nova running as long as all the partners are willing to do so," he said.

Combining their VLCC fleets gives each partner better market coverage and operational efficiency.

Nova aims high with new pool



UP AND RUNNING: Nova Tankers managing director Morten Pilnov

Photo: Jonathan Boonzaier

"It is not possible for operators with smaller fleets to build up good relationships with charterers if most of the time they don't have an available ship. The pool gives customers a greater deal of flexibility and reliability," said Pilnov.

Naturally the pool also offers its partners greater efficiencies and economies of scale, especially

since there will no longer be a duplication of chartering teams in each company's offices. The pool will also be able to benefit from individual purchasing and agency agreements that are already in place.

Pilnov says that at present it is difficult to say whether the pool will give any advantage on freight rates.

"It is too early to make that determination. The focus right now is on optimising vessel efficiencies," he explained.

It is still early days for Nova Tankers and ships are joining the pool as and when they become free from existing employment. Pilnov expects the fleet will grow to 37 ships within the next two months.

"Our plan is to have 50 VLCCs with an average fleet age of 3.5 years by the end of this year," Pilnov explained.

He stresses that the fleet arrangement will be fairly flexible, with individual partners being free to withdraw a vessel if they sell a ship or line up long-term employment. Similarly, partners can add new vessels or ones that are coming off period employment.

Pilnov does not disclose exactly how many vessels each partner will deploy in the pool, except to say Maersk Tankers will be contributing 19.

Samco chief executive Bengt Hermelin says his company initially plans on contributing six vessels from its 12-strong VLCC fleet, while Evan Lim, executive director of Ocean Tankers, tells TradeWinds that it is considering adding up to 14 tankers.

Nova Tankers has long stressed that it aims to operate a very modern VLCC fleet and this is supported by the young fleet-age profile of its partners.

Pilnov is reluctant to divulge any age cut-off point for potential vessel candidates and, given the young profile of the partners' fleets, this is unlikely to be a pressing matter for several years to come.

Operators of pools are always keen to grow their size and partnership base, something Pilnov says Nova Tankers is also keen to do but only at some point in the future.

"We will be interested in considering other like-minded parties but for now our concern is that we are running this pool as efficiently as possible," he concluded.

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New ground for partners Ocean Tankers and Samco

Joining the Nova Tankers VLCC pool marks a major change in direction for two of the four pool partners.

Pool partnerships are nothing new for Maersk Tankers and Mitsui OSK Lines (MOL) but it is new ground for both Ocean Tankers and Samco Shipholding.

Ocean Tankers of Singapore, which is not to be confused with the troubled Cypriot company that shares the same name, has always been regarded as a fiercely independent operator, although joining Nova could mark a new era of close co-operation with other industry players.

Ocean Tankers chief executive Evan Lim says the company decided to join Nova because of the challenging conditions shipowners are facing.

"We hope that by joining the

pool we will share common resources that will allow better efficiencies. We won't be worse off than if we did not join," he explained.

Ocean Tankers operates a large fleet that is spread over all tanker sectors and Lim says its participation in Nova could be the beginning of more such ventures.

"This is just the start. The market needs consolidation and if our experience with Nova is successful we may also consider adding our other classes of vessels to pools," said Lim.

Joining Nova also marks a new era for Samco.

The company is managed from Singapore but owned by the Al-rehab family of Saudi Arabia. It controls a fleet of 10 modern VLCCs that have traditionally been employed on long-term charters to oil and tanker majors such as Vela, ExxonMobil and Esso.

Chief executive Bengt Hermelin tells TradeWinds that several of these vessels are coming off period charter, which has put the company in the unusual position of playing the spot market.



EVAN LIM

Photo: Jonathan Boonzaier



BENGT HERMELIN

Photo: InterTanko