

TANKERS

Ocean Tankers gears up new 'dream fleet'



'HANDS FULL': Ocean Tankers is adding 12 ships to its fleet but has no plans for more. Pictured, the 50,000-dwt "Ocean Globe" (built 2007)

Photo: Jonathan Boonzaier

The Hin Leong group subsidiary has its eyes on the open market for its rejuvenated fleet.

Jonathan Boonzaier Singapore

Ocean Tankers Holdings of Singapore is eagerly awaiting the last six ships of a major newbuilding programme that has seen it totally rejuvenate its large fleet of tankers.

Along with this has come a new business model that is seeing the company play a greater role in the open tanker markets rather than concentrating on moving cargoes for its oil-trading parent, Hin Leong Group.

Pride of place in Ocean Tankers's new "dream fleet" are a series of 12 VLCCs of 318,000 dwt that China's Shanghai Waigaoqiao Shipbuilding (SWS) is in the process of finishing. Six have already been delivered, with the remain-

der set to arrive over the next couple of years.

Ocean Tankers executive director Evan Lim tells TradeWinds that contrary to many industry suggestions that these vessels will be used predominantly for Hin Leong business, the company has instead decided to trade them in the spot market.

"We have been gradually reducing our reliance on our parent's cargoes. Today, Hin Leong represents only about 10% of our business," he explained.

Lim adds that Ocean Tankers now works with many oil traders and majors, although at present the company is not especially interested in fixing out vessels, including the VLCCs, on period deals.



EVAN LIM: The executive director suggests the market is past the worst.

Photo: Jonathan Boonzaier

"There are a lot of charterers out in the market who are trying to lock in VLCCs at rates in the low \$30,000-per-day range. While we are open to fixing vessels out on time charter, we will only do so if the rates are good," he said.

Characterised as an extremely cautious player, Ocean Tankers seems more comfortable with the spot market.

Lim appears unconcerned about spot-rate volatility, claiming the company's ships were ordered at "fair" prices that were neither at the top nor the bottom of the market. Industry sources suggest the VLCCs were ordered for around \$118m each.

"I think we have seen the market at its worst. The spot market is very volatile but at the same time

it is all about timing. Tonnage made available this week is very different to what will be available next week. You just have to hope that you can do more fixtures when the market is better," Lim explained.

Asia-based brokers say that while Ocean Tankers's ships earn rates in line with the rest of the market, the company has gone to great pains to ensure its vessels get preferential employment from charterers.

"Their newer tankers were designed from the perspective of a trader. They are faster and they have much higher pumping capabilities so they can turn around much more quickly than standard-design vessels. Charterers like this," explained one broker who works closely with Ocean Tankers.

Brokers say charterers are also welcoming the company's recent decision to allow its vessels to trade to US ports. Until now, Ocean Tankers has avoided US trading — perhaps a legacy from the time it operated a fleet of older single-hull VLCCs.

But Lim says the quality of its current fleet has now given the company the confidence to start calling at these ports. "We were not comfortable with unlimited liability when we were running single-hull vessels. We don't have that concern anymore and we will

put our larger tankers through US Coast Guard [USCG] vetting if there is a requirement for us to do so," he said.

The last of Ocean Tankers's older single-hull VLCCs, the 255,000-dwt *Hida Maru* (built 1976), was sold to Bangladeshi breakers in March. It had been used in a storage role off Singapore by Hin Leong for almost five years.

Ocean Tankers currently controls a fleet of just over 100 vessels ranging from VLCCs to small coastal tankers, bunker barges and tugs. Approximately half the fleet are handymaxes or larger tankers.

Once the VLCCs are delivered the company will have no further ships on order and has no plans to order any in the foreseeable future. "I think we have our hands full managing the existing fleet," concluded Lim.

Evan Lim: "I think we have seen the market at its worst. The spot market is very volatile but at the same time it is all about timing. Tonnage made available this week is very different to what will be available next week. You just have to hope that you can do more fixtures when the market is better."



BARRY ROGLIANO SALLES
SHIPBROKERS SINCE 1856

www.brs-paris.com

ATHENS, DUBAI, GENEVA, HO CHI MINH CITY, LONDON, MADRID, MUMBAI, PARIS, RUSKA, SHANGHAI, SINGAPORE



AUSTEN MARITIME SERVICES PTE LTD
(A PAO / SEENA JOINT VENTURE COMPANY ESTD 1986)



FRANCOIS MARINE SERVICES
A Marine and Offshore Supplier

- Offshore Projects – Personnel Management
- Payroll Services
- Agency & Manning Services

- Marine & Offshore Supplier
- Procurement & Logistics Provider
- Warehousing & Storage Services

Head Office: Austen Maritime Services Pte Ltd
Tel: +65 6323 2066 Fax: +65 6323 2766 Add: 78 Shenton Way #19-01 Singapore 079120
Email: ams@austen.com.sg Website: www.austen.com.sg

Subsidiary: Francois Marine Services Pte Ltd
Tel: +65 6773 2777 Fax: +65 6776 8122 Add: 17 Kian Teck Avenue Singapore 628902
Email: francois@singnet.com.sg Website: www.francoismarine.com

VISIT US at LEVEL 4 Booth 4R4-01
from 30 Nov – 3 Dec 10.30am – 6pm Suntec Singapore.
Email us for meeting appointment or enquiries at
osea2010@austen.com.sg and osea2010@francoismarine.com