



Navios Maritime sold its 170,000dwt *Obeliks* to an unnamed buyer for \$36M – a vast increase over a sale price of \$24.1M previously agreed for delivery in 2009's second quarter

prices should follow. But increasingly, an alternative point of view is holding sway. In reaction to a serious crane collapse at a major yard in China (*Fairplay* 24, 30 May), the bullish views of naysayers (more properly, perhaps, 'delaysayers') might gain more traction.

Savvy owners see huge unrealised values in their fleets. Broker estimates, such as those of Compass Maritime Services, place the value of promptly delivering Capesize newbuildings at \$164M, for example. Values are elevated because of huge immediate cashflows.

The charter market provides an opportunity for a rapid pay-down on tonnage, and a way to realise some of the hidden value.

As Genco Shipping & Trading nears delivery of its sixth Capesize, *Genco Hadrian* (expected later this year), it has arranged a charter of four years, or possibly five, at a fixed rate of \$65,500 per day, complemented by a profits split.

Three sister vessels are scheduled to be deliv-

Go ahead, cash me quick!

SALE AND purchase markets have an important intersection with the charter arena: vessel buyers carefully balance pricing of vessels against their abilities to generate revenues.

As analysts are quick to point out, ship prices

also reflect expected future earnings. The years beyond 2008 present a big question mark.

A simple glance at the statistics suggests that existing fleets will be drowned in future deliveries. If charter rates are forced down, then asset



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Container & Multipurpose

GLOBAL PIONEER (General Cargo Ship): sold by Daiichi Chuo Kisen Kaisha, Japan, to undisclosed interests, Japan, \$34.25M. 1997. 24,406dwt, 20,395gt. Built KK Kanasashi, Mitsubishi, 8,399bhp/14kt.

JOLLY SMERALDO and **JOLLY TURCHESE** sold en bloc by Ignazio Messina & C SpA, Italy, to undisclosed interests, Turkey, \$20.00M. **JOLLY SMERALDO** (Ro-Ro Cargo Ship) *ex-C Valor*: 1978.

31,254dwt, 29,119gt, 1,107TEU. Built Sasebo HI, MAN/17kt.

JOLLY TURCHESE (Ro-Ro Cargo Ship) *ex-C Innovator*: 1978.

31,292dwt, 29,106gt, 1,107TEU. Built Sasebo HI, MAN/17kt.

PEARL ISLAND (Container Ship) *ex-Uni-Winner*: sold by Shikishima Kisen, Japan, to undisclosed interests, Malaysia, \$14.30M. 1997. 8,515dwt, 6,543gt, 561TEU. Built Murakami Hide. B&W/15kt.

ZIM ITALIA (Container Ship): sold by Zim Integrated Shipping Services, Israel, to undisclosed interests, \$29.70M. Last Sale:

\$35.00M (2004), 1991. 47,230dwt, 37,209gt, 3,029TEU. Built Howaldtswerke-Deutsche AG (HDW), Sulzer/21kt.

Bulkers

BET PERFORMER (Bulk Carrier) *ex-Mineral Poterne*: sold by Enterprises Shipping & Trading SA, Greece, to undisclosed interests, China, \$130.00M. Last Sale: \$70.00M (2006), 1997. 172,091dwt, 87,368gt. Built Nippon Kokan (NKK Corp), B&W/15kt.

FALCON CAPE (Bulk Carrier) *ex-Linda Emilia*: sold by J Bekkers Co BV, Netherlands, to undisclosed interests, Greece, \$87.00M. Last Sale: \$38.75M (2006), 1991. 150,940dwt, 77,529gt. Built Namura, B&W/14kt.

GOLDEN VENTURE (Bulk Carrier): sold by Wah Kwong Shipping Agency Co, Hong Kong, to undisclosed interests, Greece, \$76.50M. 2007. 53,410dwt, 32,505gt. Built Shanghai Shipyard & Chengxi Shipyard Co Ltd, MAN-B&W, 9,871bhp/14kt.

KUISEB (Bulk Carrier) *ex-Claire*: sold by Unicorn Shipping Pty,

South Africa, to undisclosed interests, Croatia, \$19.75M. Last Sale: \$10.00M (2005), 1983. 30,650dwt, 18,964gt, 168TEU. Built Austin & Pickersgill, Sulzer/14kt.

MERVE INCE (Bulk Carrier) *ex-Consensus Progress*: sold by Ahmet Bedrie Armatorluk ve Nakliyat, Turkey, to undisclosed interests, Turkey, \$21.00M. Last Sale: \$10.30M (1991), 1983. 31,427dwt, 18,596gt. Built Hakodate Dock, Sulzer, 9,900bhp/16kt.

NIRMAL BHUSHAN (Bulk Carrier) *ex-Zeynep Ana*: sold by Binny Ship Management Pvt, India, to undisclosed interests, China, \$10.75M. Last Sale: \$4.75M (2004), 1977. 38,962dwt, 23,760gt. Built Mitsubishi HI, Sulzer/16kt.

OCEAN SYMPHONY (Bulk Carrier): sold by United Ocean Enterprise, Singapore, to undisclosed interests, Greece, \$69.50M. 2002. 52,421dwt, 30,053gt. Built Tsuneishi, B&W/14kt.

PILION (Bulk Carrier) *ex-Nordpol*: sold by Helikon Shipping Enterprises, United Kingdom, to undisclosed interests, \$54.00M. 1994. 48,218dwt, 29,031gt. Built Danyard, B&W/14kt.

ered in 2009 from the Sungdong yard. Genco had agreed to pay \$1.1Bn for the nine Capesizes in July 2007 – working back to \$122M each.

Quick pay-downs are a way to monetise unrealised gains quickly.

Where listed companies are involved, finances might drive S&P activity. Navios Maritime's recently announced sale of its *Obeliks* (pictured) illustrated some of the trade-offs involved.

In this, an NM charterer held in extreme the money purchase option on a vessel it leased out. NM announced that it was selling its 2000-built, 170,000dwt vessel to an unnamed buyer (possibly its Turkish customer under the finance lease), with proceeds amounting to \$36M.

That represented a vast increase over a sale price of \$24.1M that had previously been agreed for delivery in 2009's second quarter.

The purchase obligation on the vessel reflected prices from an entirely different market contour. It had come into NM's fleet from Kleimar (acquired in early 2007) as an asset under a capital lease. NM books a small gain of \$0.9M on the early disposal of a vessel reflecting circa-2000 economics.

NM has usually been on the other side of deals where purchase options are tied to char-

ters in. NM also "dropped down" the 2005-built, 75,000dwt *Navios Aurora* to its sister company Navios Maritime Partners – for \$80M, divided between cash and partnership units in NMM.

With a five-year charter on the vessel of about \$34,000 a day, NM realised a gain of nearly \$59M, reflecting the \$80M sale to NMM and the purchase option price at \$21M.

Product tanker newbuilds acquired

Meanwhile, Omega Navigation has acquired two 47,000dwt IMO III product tanker newbuildings under construction at the Hyundai Mipo. ONAV already has five 37,000dwt ships under construction there, for \$55.5M each. Of this price, 90% of the financing will be due when these ships deliver in 2009 and 2010, both into multiyear charters.

The ability to pay out dividends is a driver for all aspects of ONAV's corporate strategy, so a financing scheme that helps it carefully allocate its cash was an important deal point in this purchase.

ONAV's multiyear charter deals often include a floor rate, designed to cover finance costs, and a share of profits.

In another key deal, Belgium's Seatrade swal-

lowed up the entire reefer fleet of Marítima del Norte, halting the Spanish company's reefer operations. Seven reefer vessels are involved, of 136,200ft³ (2,357m³) to 262,210 ft³ in capacity.

Marítima del Norte's decision to offload the ships was seen by analysts in terms of the global trend in which smaller operators can no longer continue as independent companies.

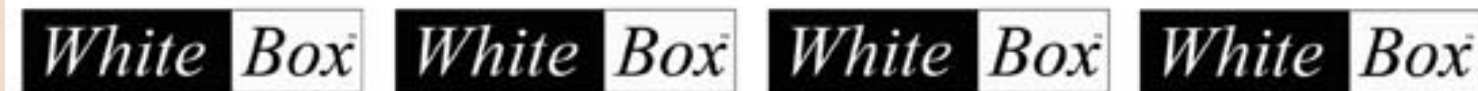
The Spanish company was unavailable for comment on where it would invest the undisclosed sale proceeds. The reefers will largely be employed in Seatrade's fisheries business, especially in the tuna sector.

The company's 40 ships of less than 300,000ft³, meanwhile, are used in the initial stages of the fruit season, when the company cannot fill a vessel exceeding 500,000ft³.

Seatrade has said the smaller-size fleet is not likely to involve newbuildings because operating costs can approach those of vessels of double the size.

Crewing, fuel and insurance costs are about one-fifth higher on vessels of twice that size.

But Seatrade said the smaller reefers remain useful in the steadily growing intra-Mediterranean trade.



RI ZHAO STEEL NO. 1 (Bulk Carrier) *ex-Lanikai*: sold by China Ocean Shipping (Group) Co (COSCO), China, to undisclosed interests, South Korea, \$46.75M. Last Sale: \$27.00M (2007), 1988. 68,676dwt, 36,120gt. Built Sasebo HI, Sulzer, 8,816bhp/14kt.

SEALINK (Bulk Carrier) *ex-Seastar II*: sold by Thenamaris (Ships Management), Greece, to undisclosed interests, Greece, \$22.00M. Last Sale: \$3.40M (1986), 1983. 28,234dwt, 18,173gt. Built Dalian Shipyard Co Ltd, B&W/14kt.

TPC GISBORNE (Bulk Carrier) *ex-Nicholas*: sold by KDB Capital, South Korea, to undisclosed interests, \$30.50M. Last Sale: \$15.00M (2006), 1986. 40,016dwt, 23,312gt. Built Imabari. B&W, 6,930bhp/14kt.

VEGA III (Bulk Carrier) *ex-Great Polaris*: sold by Arne Blystad A/S, Norway, to undisclosed interests, \$40.00M. Last Sale: \$20.00M (2005), 1983. 139,650dwt, 72,931gt. Built Kawasaki HI Ltd, MAN/14kt.

Tankers

PERGIWATI (Crude Oil Tanker) *ex-Bandar Ayu*: sold by PT Berlian Laju Tanker (BLT), Indonesia, to undisclosed interests, \$20.00M. Last Sale: \$20.00M (2005), 1993. 36,345dwt, 21,804gt. Built KK Kanashashi, B&W, 9,610bhp/15kt.

VIET GAS 02 (LPG Tanker): sold by Government of The Socialist Republic of Vietnam, Vietnam, to undisclosed interests, \$2.00M. 2002. 2,650dwt, 2,280gt. Built Ha Long Shipyard, Mitsubishi

Newbuilding Resales

CAPE ANTIGUA and **CAPE AVON** sold en bloc by Schoeller Holdings, Cyprus, to undisclosed interests, \$148.00M. **CAPE ANTIGUA** (Crude Oil Tanker) *ex-New Times 0311516*: 2010. 114,000dwt, 63,000gt. Built New Times Co Ltd, MAN-B&W, 18,282bhp. **CAPE AVON** (Crude Oil Tanker) *ex-New Times 0311517*: 2010. 114,000dwt, 63,000gt. Built New Times Co Ltd, MAN-B&W, 18,282bhp.

Scrapped

AQUARIUS (Oil Products Tanker) *ex-Linkuva*: sold by undisclosed interests, \$1.70M (740.00/ldt), 1980. 4,985dwt, 5,095gt. Built Rauma-Repola, B&W/14kt.

CLIPPER VICTORIA (LPG Tanker) *ex-Vira Gas*: sold by Solvang, Norway, \$3.51M (645.00/ldt), 1976. 11,440dwt, 9,538gt. Built Moss Rosenberg Verft AS (Moss Verft), Sulzer/18kt.

KATIE (Oil Products Tanker) *ex-Kaliningradskiy Neftyanik*: sold by Eastwind Maritime (Eastwind Group), United States of America, \$1.70M (740.00/ldt), 1979. 5,873dwt, 5,072gt. Built Rauma-Repola, B&W/14kt.

MAHARSHI VYAS (LPG Tanker) *ex-Hermod*: sold by Varun Shipping Co, India, \$5.55M (680.00/ldt), 1975. 18,165dwt, 15,092gt. Built Moss Rosenberg Verft AS (Moss Verft), B&W/16kt.

All details given in good faith but without guarantee