

REVIVAL OF NEW YORK PROPELLER CLUB

The New Year is traditionally a time for renewal and so it was for the Propeller Club in the US, which kicked off 2010 with the revival of its New York chapter. Now known as 'the Port of New York and New Jersey, the International Propeller Club of the United States', the reformed branch saw an impressive turnout for its first meeting at Union League Club on January 20.

Over 60 members of the local maritime community gathered to celebrate the revival and hear presentations from Richard Larrabee director, Port Commerce Department of the Port Authority of New York & New Jersey, as well as Eisenhauer of Maersk and program chairman of the



Washington DC Chapter of the Propeller Club. There was also a high-spirited cocktail reception for new members.

'Today, there are over 100 Propeller Clubs around the world offering maritime leaders and professionals a platform committed to the enhancement and well-being of all interests of the maritime

community on a national and international basis, reminded Carleen Lyden-Kluss, president, Port of NY/NJ chapter. 'The response to the relaunch of this Propeller Club Chapter, the very first one formed in 1927, is a testament to the strength of the Propeller Club organisation and the maritime industry's commitment to it. We look forward to more members joining our ranks, and to building a vibrant and robust Chapter.' The Propeller Club also serves a networking function, providing social activities and informative programmes for its members.

It is planned that the New York branch will meet and issue an e-newsletter quarterly. Annual dues include a contribution to the international headquarters.

BRAZILIAN BOOM LIFTS LATIN AMERICAN FINANCE FORUM

At Marine Money's Latin America Ship and Offshore Finance Forum, held in late November in Miami Beach, the mood was as upbeat during the day as it was later that night, when the attendees attended an exclusive bash at Gloria Estefan's 'Larios on the Beach'. The ceo of the event's sponsor, Wilmer Ruperti of Venezuelan tanker specialist Maroil, speaking on a panel several hours earlier, had talked about an instinctual view that it was a good time to buy tankers. Others in attendance might disagree.

Investment fund Cypress Financial Corp, from San Francisco, revealed that it was launching a fund to buy tankers, as 'hedge funds and other investors rebalance their portfolios.' Distress by any other name. However, one high-level banker, Geir Sjurseth, who runs DVB's offshore financing unit, wondered aloud: 'If these are the worst conditions in decades, where are all the distress sales? We, like others, have units ready to buy distressed assets, but we are not seeing a flood of deals.'

Most of the one-day conference pointed to the boom in Brazil. Lesser known Brazilian companies from the construction business - Odebrecht, Schahin, Delba (partnered with Interoil) and Etesco - are all moving to the front lines of the floaters business.

The Brazilian stalwarts, experienced with big projects (albeit on terra firma, rather than 3,000 metres down), will be joining better known Scandinavian names - such as Stena, Seadrill and Wilrig - at the forefront as deal 'sponsors'. One of the best sessions at the Marine Money event saw bankers discussing the dynamic finance market for drillship and semi-submersible rig finance, where assets can cost \$600m and more.

The importance of Petrobras, clearly the driver of activity in the sector, is illustrated by its plans to deploy 28 floaters, delivering between 2012 and 2017. On the various pie charts displayed, the offshore segment is a sliver in the behemoth's \$174bn capital expenditure budget.

The banker panel, moderated by Watson Farley Williams' partner Dan Rodgers, which included top deal men from West LB, Standard Chartered, HSBC, SMBC and DVB, identified numerous issues that could make



Speakers' dinner with Harry Vordokas, GL (right) and Deutsche Bank's Sten L. Gustafson, in the foreground (left)

or break the nascent boom in Brazil, and how to structure finance packages that would appropriately balance the great rewards (maybe) with the risks.

One theme that emerged during the day was a concern whether Brazilian yards could rise to the occasion, and build the requisite maritime equipment - spanning a spectrum from SOV's to floaters - on time and close to budget, to meet Petrobras's ambitious plans. So far, Korean yards have amply met the challenge of supplying the large units (with the finance community responding favorably). Plans in Brazil, virtual yards and all, might give a new lease of life to the phrase 'greenfield yards'.