OFFSHORE

Oil India aims to hire mix of offshore units

Pinaki Routray **New Delhi**

State-owned Oil India plans to hire five offshore support vessels (OSVs) as it looks to expand its activities off the country's south-east coast later this year.

According to New Delhi-based sources, Oil India is expected to hire platform supply vessels (PSVs) of up to 3,000 dwt and anchor handlers of 80 tonne bollard pull (tbp) for periods of up to two years.

Sources say the vessels are expected to have dynamic-positioning one (DP1) or DP2 and firefighting-one (FiFi1) or FiFi2 facilities.

Company officials decline to comment but sources believe it is likely Oil India will fix the vessels by the middle of this year.

The company is set to launch drilling in its south-east offshore block later this year and is looking to spend nearly $200m in the next 12 months on the programme.

Sources say major domestic offshore services players, including ABG Shipyard subsidiary PFS Shipping, Greatship (India), Global Offshore Services (formerly Garware Offshore) and GOL Offshore, are likely to be in the race for the contract.

But it is expected that rates will remain low due to the sharp drop in international crude oil prices.

In February, state-owned Oil & Natural Gas Corp (ONGC) hired similar PSVs at $13,200 per day, lower than the $14,000 per day that it had paid in 2013.

LEGAL

Turkish tanker arrested over unpaid bunkers

Pinaki Routray **New Delhi**

A Turkish-owned products tanker has been arrested in India after moves by Monaco-based Dan Bunkering to recover the cost of unpaid fuel.

Ahmedabad-based legal sources say Judge Harsha Devani of the Gujarat High Court this week ordered the arrest of the 11,000-dwt *Maja Classen* (built 2009), which is owned by Dinamik Tanker Isletmeciligi.

They say the owner has been told to deposit $204,897 comprising outstanding payment of $181,498 plus interest of $3,399 and litigation charges of $20,000, to secure the vessel's release.

According to AIS vessel tracking, the tanker is lying at state-owned Kandla port on the west coast.

The case is expected to be heard later this month. Sources add that a growing number of payment defaults caused by weak shipping markets means creditors are turning increasingly to the courts to recover money owed.

In the past year, international bunker suppliers and financial institutions have secured the arrest of more than 20 foreign-flag vessels in India.

DRY CARGO

Simantonis makes a return with Seaplus Management

New outfit emerges as sale-and-purchase (S&P) activity in bulkers heats up, with buyers betting values will not fall much further

Harry Papachristou **Athens**

Greek owner Charalampos Simantonis has set up a new, fund-backed shipping outfit called Seaplus Management, which is close to acquiring two secondhand handysizes, according to a well-placed market source.

"[The] purpose of the new company is to buy 30,000-dwt handysize bulkers with a maximum age of 10 years," said the source.

Seaplus is already in negotiations to acquire a pair of such vessels built in 2005, the names of which, it is being said, will be revealed shortly.

The new Simantonis-owned outfit will be present in both London and Greece. Seaplus is backed by an undisclosed British fund.

It is understood that Seaplus plans to employ its new vessels in the sugar trade, where Simantonis has been active for years under his previous company, Silver Maritime.

Silver Maritime owned five to six ships and also operated other vessels as a third-party manager. Four of the ships it operated on behalf of other owners are understood to have belonged to Greece's Piraeus Bank.

Silver Maritime sold its last two units — the 18,400-dwt *Silver Star* and 22,000-dwt *Silver Wave* (both built 1984) — for scrap between March and May of 2013. The company applied to delist from Greece's Merchant Marine Ministry in June 2014 and obtained deregistration in July.

Simantonis, who is also chairman of the Hellenic Shortsea Shipowners' Association (EENMA), (*see On Watch page 46*) has bided his time since then — a patience that seems to have paid off in view of how much secondhand prices have retreated in the past three to four months.

Meanwhile, sale-and-purchase (S&P) activity overall heated up in the dry bulk segment last week, as an increasing number of prospective buyers seem to have come to the conclusion that prices have fallen enough to make commercial sense.

Piraeus-based Lion Shipbrokers recorded 12 transactions alone in the week to 6 March, attributing this volume to keen interest on the buying side.

"Several of our local clients argued that 'bulker values are finally making sense' and that 'it's a good opportunity to invest in bulkers'," Lion said in a weekly report.

Prices for used handymaxes and handysizes were at their lowest levels in 11 to 12 years, according to Clarksons data for the week to 6 March. Data suggests, however, that the price slide has halted after consecutive weekly declines in the previous month.

"I believe prices have hit rock bottom," an owner told TradeWinds on condition of anonymity. "It won't make much difference if they correct a further 4% to 5% now."

However, concerns remain on the buying side, due to the historically low charter market. Buyers accept they will have to subsidise the purchased ships for a while, as freight earnings will not cover operating and finance costs. The big question is for how long.

"Newly bought ships won't be even able to cover bank costs over the next year," the owner said. "Ships are bought because prices are very good but buyers will have to financially support their vessels and they don't know how long they will have to continue doing so — that's the whole issue today."

CHARALAMPOS SIMANTONIS: The Greek owner has set up new shipping outfit Seaplus Management. **Photo:** HARRY PAPACHRISTOU

DRY CARGO

Ionic continues to grow in poor market

Harry Papachristou **Athens**

Greek shipmanager Ionic Shipping's latest newbuildings will not be exposed to the oversupplied spot market and the company has no fears about further new vessels arriving into a sector suffering its worst rates in 30 years.

Ionic took delivery of the 81,900-dwt *Ionic Kibou* on 6 March, the second unit it has accepted from Tsuneishi Shipbuilding after the *Ionic Kizun* earlier this year.

Managing director Spyros Vlassopoulos tells TradeWinds that both vessels are trading in "long-term commitments".

While Vlassopoulos does not disclose details on the contracts, Ionic is known for doing business with big trading houses like Cargill, Dreyfus, Bunge, Vitol and Quadra.

These additions bring Ionic's fleet to 10 units, just before the company marks its second birthday. Ionic was officially established in April 2013, even though its principals had made their shipping debut three years prior. The two kamsarmaxes just delivered were ordered at Tsuneishi's Tadotsu yard in April 2008, according to Clarksons data.

Ionic has since expanded at a measured pace, accumulating four kamsarmaxes, three supramaxes and three handysizes with an average age of just four years.

Despite the poor state of the dry bulk market, the company is on course to take delivery next year of two further 60,200-dwt ultramax newbuildings from Mitsui Engineering & Shipbuilding.

"Of course we're going ahead with it," said Vlassopoulos.

Clarksons data suggests the two vessels were ordered in November 2013.

The two ultramaxes are a new, updated design of the three Mitsui supramaxes Ionic already has in its fleet: the 56,000-dwt *Ionic Storm* (built 2005), 56,100-dwt *Ionic Spirit* (built 2010) and 56,000-dwt *Ionic Smyrni* (built 2013).

"We're continuing to build on the quality of our tonnage," said Vlassopoulos, who spent several years managing tankers and working within the Papachristides-controlled Hellespont Group.