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(TradeWinds)

OMI looks to sell US assets

Fresh off an agreement to bolster its presence in the Far East trade through a joint venture in Singapore with Heidenreich Marine, OMI Corp now appears poised to sell off the remnants of its US-flag operation.

Market sources insist a deal is near to sell OMI's few remaining US-flag vessels and US Gulf lightering operations to a domestic operator, perhaps New Jersey-based Marine Transport Lines (MTL).

OMI chief financial officer Vincent de Sostoa said last week that there is no deal yet.

He acknowledges, however, that the sell-off is a priority for OMI, even as the New York- based operator steps up its activities in international trade.

"We're working on it, that's all that I can say," de Sostoa says.

Of the MTL rumours among brokers, de Sostoa says: "About the only connection there, is Richard du Moulin," the former OMI officer who now heads MTL. MTL's du Moulin was not available for comment.

Offshore lure

While an en bloc sale of OMI's remaining US-flag assets would not in itself be a huge cash transaction, the interesting part is what comes next, according to market sources.

OMI then would be free to incorporate itself offshore and be rid of US tax obligations after a large lump-sum payment.

But while in a favourable operating position, it would become more vulnerable to a possible takeover by another international operator, sources believe.

Valuable ties

As for the product-tanker venture with Heidenreich Marine (Heidmar), both companies say a long-standing relationship between OMI chief executive officer Craig Stevenson and Heidmar chairman Per Heidenreich helped spark the arrangement.

Both sides also cited an opportunity for cost savings in a market in which both are eager to increase their presence.

The new venture, staffed by both companies, will be called OMI-Heidmar Shipping LLC.

Per Heidenreich says the two companies currently operate a total of about 11 vessels in the Far East market. They presumably will all eventually be dedicated to the new entity, which may be running by August. It will be headed by Glen Gronseth of Heidmar.

"We can increase the size of the fleet by combining resources, and at the same time share the costs," Heidenreich says. "It's very expensive to operate an office in Singapore."

Heidmar, headquartered in Connecticut, has been running its Far East vessels from its UK offices, while OMI has been handling its vessels from New York.

By Joe Brady