

## **Heidmar adds new pool to its collection**

*Lloyds List*

Leading tanker operator believes it can offer good value through its recently-formed Marida pool for smaller product tankers  
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ONE of the world's premier product tanker pool operators recently decided to expand its business by diversifying into a new size of ship and by forming a new pool upon which to build this ambition.

Heidmar, the closely-held shipping group controlled by Norwegian entrepreneur Per Heidenreich of Connecticut, established the Marida pool in July to ply product tankers in the 5,000 dwt to 18,000 dwt segment.

Initially, northwest Europe is to be the Marida pool's business area.

The Marida pool currently has one ship trading and another expected to join. The pool is designed to build upon the investments made by existing partners in other Heidmar pools in smaller product tankers.

"From the service and logistics point of view, this size is quite challenging," says Tim Brennan, president of Heidenreich Marine, the shipping division of Heidmar.

"However, this is our forte. We believe we can provide good service to our clients and pool partners by expanding in this category."

The Marida pool hopes to replicate the success of Dorado, which was established in 2001 as a handysize product tanker pool.

Starting from scratch, the Dorado pool today has 22 ships trading and one expected, with an average size of 43,000 dwt. Based on tonnage, Dorado counts as one of the biggest product tanker pools in the world.

Mr Brennan says Marida has been created in the classical Heidenreich mould: a revenue-sharing arrangement that gives prospective pool partners the benefit of size and technology, while affording flexibility in terms of time commitment.

The business model has proved highly successful. Excluding Marida, Heidenreich Marine operates three pools - the 45-strong Star Tankers panamax pool, the 14-ship aframax Sigma Tankers pool and Dorado.

The economies of size and the reputation Mr Heidenreich has built since founding his firm in 1984 allow the pools to cultivate blue-chip clients such as oil majors and to parlay these relationships into contracts of affreightment.

Simultaneously, a sister enterprise focused on information technology started by Mr Heidenreich's son Fritz provides the pools and their partners with internally developed, web-based computer systems and proprietary reporting procedures.

All told, in 2004 Heidmar-controlled vessels lifted more than 1,200 cargoes and earned \$949m in fixed freight revenues. Of these, 423 voyages worth \$281m in revenues originated from the Dorado pool's product cargoes, says Heidmar chief financial officer Charles Tammara.

While admitting that exact forecasts are impossible due to the potentially converse relationship between the crude and product transport segments, Mr Brennan does not expect product rates to nosedive.

"Our considered view is that while 2006 freight rate levels might not touch the records seen in 2004 into the early part of 2005, we still will have a healthy market," he says.

"Rates should be well above levels seen in 2002."

Glenn Gronseth, general manager of Dorado Tankers, concedes the realities of the bulging orderbook in his business segment.

However, he cites several macroeconomic factors as reasons why the product tanker market is likely to thrive.

Europe is likely to face shortages of distillate and this demand could well be met out of US refineries, he believes. On the fronthaul leg, European gasoline would ride on essentially the same ships back to the US.

There will also remain a viable market for Middle East naphtha into Europe, in view of the supply shortfalls projected in this commodity.

Both Heidmar executives say they are confident of the freight market's sustainability. Mr Gronseth notes: "Three years ago, everybody took one look at the orderbook and said the market will collapse. We then saw record rates."

Both executives refuse to comment on the reported emergence of oil traders as disponent shipowners and therefore competitors.

Nevertheless, they maintain that there are enough differences between the two business models to keep pools and pool participation an attractive proposition for owners.

"At our pools, the whole focus is on customers and customer satisfaction," Mr Brennan says.