

## General Maritime VLCCs kick-start Heidmar's Seawolf pool

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GENERAL Maritime has emerged as the catalyst to kick-start Heidmar's 13-month-old Seawolf Tankers pool of very large crude carriers, after the Peter Georgiopoulos-chaired company unveiled a plan to place its entire VLCC fleet of seven ships into Seawolf.

Heidmar, in which George Economou owns 49%, established Seawolf, its first VLCC pool, in May 2010 with a lone chartered-in tanker Solana from Mr Economou's Drytank. The Seawolf website shows a blank page under its "VLCC fleet", and the entity was known to be waiting for the big third-party influx that would give it formal shape.

That is set to happen, with the impending arrival of the seven General Maritime VLCCs. Two of the seven are entering timecharters with Heidmar.

For the New York-listed General Maritime, which emerged from a tough recapitalisation and debt refinancing earlier this year but whose cash flow and share price remain hostage to a chronically weak freight environment, the Seawolf foray is designed to lock in stable revenues, backed up by Heidmar's proven record of accomplishment in tanker pools.

Heidmar commercially operates 120 tankers through four other pools – Star Tankers for panamax and long-range 1, Sigma Tankers for aframax and long-range 2, Dorado Tankers for handysize and medium-range product tankers, and Blue Fin Tankers for suezmaxes. Heidmar also has a 50% interest in Womar, a chemical pool company.

Marc La Monte, a veteran former OSG executive, moved over from that company to Heidmar in September last year, tasked with growing the VLCC pool.

General Maritime president John Tavliarios said: "Seawolf Tankers complements our flexible fleet deployment strategy by enhancing our ability to maximise earnings while maintaining a level of stability in our results. The pool also provides the opportunity to realise economies of scale and to benefit from Heidmar's extensive global network."

General Maritime's \$620m purchase of seven Metrostar tankers in 2010 included five modern secondhand VLCCs, which was intended to establish the company's footprint in a sub-sector that at the time was seen to have solid prospects.

The company said on Tuesday that the VLCCs Genmar Poseidon and Genmar Atlas would be entering Seawolf via 12-month period charters with Heidmar at "market-related" rates, subject to a \$15,000 per day floor rate plus a 50-50 profit-share above \$30,000 per day.

The VLCC trio of Genmar Vision, Genmar Zeus and Genmar Ulysses would join the pool within 30 days. The duo of *Genmar Hercules* and *Genmar Victory* are to join by next year, assuming they come off existing timecharters that are not renewed.

Genmar Hercules currently is on charter to Trafigura at \$35,500 per day through to September, with a renewal option for 12 months at \$40,000 per day at the charterer's option. Genmar Victory is on timecharter with BP at \$40,000 per day, with BP required to declare an extension option by August this year.

Heidmar chief executive Timothy Brennan said: "We have great respect for General Maritime and look forward to working with them on the expansion of the Seawolf pool with other first-class vessel owners."

Iconic Norwegian-American entrepreneur Per Heidenreich founded Heidmar in 1984. He sold out at a handsome price to Morgan Stanley in 2006, before retiring. Mr Economou bought 49% from Morgan Stanley in 2008, with Morgan Stanley retaining 49% and 2% allotted to Heidmar personnel.

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