



The large coal and iron ore carrier, Aqua Venture, which is chartered to Noble Group, is the latest ship to join the Wah Kwong fleet. Photo: Basil Pao Ho-yun

Wah Kwong in US\$98m venture

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Keith Wallis in Shenzhen

Wah Kwong Maritime Transport Holdings has tied up a 50:50 venture with New York-listed tanker operator Teekay Tankers to invest in a super-tanker costing US\$98 million that will be built by Shanghai Waigaoqiao Shipbuilding.

The deal ended weeks of negotiation between the two shipping companies after Wah Kwong's George Chao Sze-kwong signed a letter of intent for the 319,000 deadweight tonne very large crude carrier with the Shanghai shipyard in August.

Teekay Tankers said about US\$70 million of the cost of the ship would be financed by banks.

The remaining US\$28 million would be sourced from the joint venture partners.

Teekay Tankers said its US\$14 million share would come from an

existing revolving credit facility. The ship will be chartered to "a major Chinese shipping company for a period of five years" upon delivery in April 2013.

No details of the charter rate were given, but the deal includes a basic lease fee plus a profit share based on future fluctuations in charter rates.

Shipping industry sources said Chinese companies have been will-

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Bruce Chan, chief executive-elect, Teekay Tankers

ing to pay a charter rate of between US\$36,000 and US\$37,000 per day for a five-year supertanker charter.

Wah Kwong Maritime already has one of its existing very large crude carriers on long-term charter to Teekay Tankers.

Bruce Chan, chief executive-elect at Teekay Tankers, said: "I am pleased we have been able to further develop Teekay Corporation's long-standing commercial relationship with Wah Kwong Shipping into an exciting new shipping project in China.

"We believe this is an attractive way of expanding our exposure to China and to the very large crude carrier segment."

Teekay transports about 10 per cent of the world's seaborne oil.

Wah Kwong Maritime already has two very large crude carriers on order at Dalian Shipbuilding Industry

(Group). Both will be chartered to Cosco Dalian, an arm of the mainland's largest shipping company, when delivered next year.

The deal with Teekay Tankers was confirmed just days after Wah Kwong christened the Aqua Venture, a 180,000 deadweight tonne dry cargo bulk carrier, that had been built by Dalian Shipbuilding Industry.

The christening ceremony, which was attended by representatives from Wah Kwong, including Chao and daughter Sabrina, and Noble Group, the Hong Kong-headquartered commodities group, will be followed by delivery of the Hong Kong-registered ship next month.

The Aqua Venture, which is likely to be used to transport coal and iron ore, has been chartered to Noble for five years and is the third new ship to join the Wah Kwong fleet since August.