



INFORMATION FROM CONCORDIA MARITIME
15 DECEMBER, 2003

Concordia orders two new P-MAX tankers

Concordia has now exercised its option at Brodosplit Shipyard in Split, Croatia, to order a further two Stena P-MAX product tankers at a predetermined price.

This means that Concordia now has six vessels on order at the shipyard for delivery in 2005-2006.

Superior economy, safety and environmental friendliness

The vessels, called Stena P-MAX, are conceptually similar to the two V-MAX tankers utilised by Concordia to transport oil from West Africa to Philadelphia since 2001, which provide the highest level of safety based on double propulsion systems, rudders and steering gear. These vessels have a 30 per cent larger cargo capacity and can call at ports with draught restrictions, thus solving, by virtue of superior economy and safety, problems transporting oil to ports, which would otherwise have to be either dredged or closed down.

The six Stena P-MAX tankers can be used to solve some of the serious bottlenecks affecting oil transportation.

Russian oil exports limited by ice in the north and narrow passages in the south

Russian oil exports are expected to continue to increase sharply in the next few years and this is welcomed by nations in the West as an important component of the country's economic and political development. However, exports are limited by ice problems for about four months every year outside Russian export ports in the Baltic Sea. Concordia's six P-MAX tankers will be built to Swedish/Finnish ice class 1B specifications, which will enable them to operate with up to 80 cm thick broken ice, prepared by icebreakers.

A large proportion of Russia's oil exports come from the Black Sea and is transported through the narrow and difficult-to-navigate Bosphorus. Turkey has introduced restrictions on navigation, which means that vessels with a length of more than 200 metres may only pass through the Bosphorus during daytime. As a result, tankers have to wait several weeks to pass through the Bosphorus, which in practice, means that Black Sea oil is economically less advantageous for Russia and the large oil companies, which have invested billions of dollars in the region.

The Stena P-MAX tankers will contribute to solving this transport problem. With their length of 182.9 metres, they are free to sail through the Bosphorus without



having to wait for lengthy periods. But, more importantly, these vessels, with their built-in safety systems and double propulsion systems, represent a solution to the demands authorities are expected to place on oil transportation in narrow waters in the future.

The Stena P-MAX tankers have double propulsion systems and can operate safely even if one engine room or its systems should fail. In addition, the vessels have double rudders and double propellers, which give them superior manoeuvrability. This translates into greater safety in heavily trafficked waters with strong currents such as the Bosphorus. Furthermore, Stena's concept for safe navigation of passenger ferries has also been utilised in the new tankers, i.e. redundant systems, the latest technology and bridge design. The vessels' ability to navigate even if suffering from engine problems has been confirmed by Det Norske Veritas' RPS classification – Redundant Propulsion Separate.

Oil exports from Russia and the vessels transporting the oil are strictly monitored by environmental organisations and European nations following several accidents involving tankers, which have resulted in large-scale damage and negative publicity. This makes the P-MAX tankers attractive alternatives.

Rising US gasoline imports but draught-restricted ports

Another anticipated bottleneck in tanker shipping is the rising imports of light petroleum products to the US as a consequence of refinery capacity not increasing at the same rate as rising demand. Although a large proportion of these imports will be shipped from Asia, there is a surplus of gasoline in Europe where cars and trucks, etc. often run on diesel fuel. With increasing volumes of gasoline being transported from Europe to US East Coast ports, the Stena P-MAX tankers are the perfect answer. Our vessels not only have a very large cubic capacity, which is needed for gasoline, but they are also dimensioned for the US ports and can lift maximum cargoes for the US market. Naturally, their high safety level is also an important argument in both Europe and the US.

Concordia's safe fleet: Six P-MAX and two V-MAX tankers

With this order, Concordia has completed its planned investments for the time being. In a short period of time, Concordia's fleet has changed from consisting of eight of the world's very safest and most well-designed large tankers built in the 1970s to consisting of eight of the world's safest and most economical tankers designed and built for the 21st century.

We will now concentrate on expanding our collaboration with the oil companies looking for efficient and safe oil transportation where Concordia's tankers can contribute to realising this goal.

Concordia's Chairman of the Board and CEO of Stena, Dan Sten Olsson, says: "With these investments in Concordia's fleet, together with Stena's own investments in the



StenTex system, we have a tanker fleet of 16 ultramodern vessels under construction, which corresponds to an investment of more than SEK 4.5 billion. None of these vessels is being built on pure speculation – they are all earmarked for transport systems where they can enhance both transport economy and safety. This is our contribution to safe and secure flows of oil, which are a prerequisite of stability and economic growth. The vessels will also be a safety factor for Sweden, whose coasts are passed by all the tankers loading oil in the Russian part of the Baltic Sea”.

Lars Carlsson, President of Concordia, says: “Concordia has been developing a system of safe tankers for more than 15 years with highly competent and well-trained seafarers and a collaboration with leading oil companies. The MAX tankers are a logical development for Concordia and we will devote all our energy, together with the shipyard, to refining their performance and training the crews that will man the world’s safest vessels”.

Concordia Maritime is a listed shipping company with the Stena Sphere as its principal shareholder. Its business activities are conducted in Göteborg in Sweden, Zug in Switzerland and Houston in the US.

Göteborg, 15 December, 2003

CONCORDIA MARITIME

Lars Carlsson
President

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Encl.
Technical specifications
Pictures



TECHNICAL SPECIFICATIONS

PRINCIPAL DIMENSIONS

Length, overall	182.9 m
Breadth, moulded	40.0 m
Draft, design	10.7 m
Draft, scantling	13.0 m
Deadweight, design	49,900 tons
Deadweight, scantling	65,200 tons
Cargo volume (100%)	69,400 m ³

MACHINERY

Main Engine	2 x B&W 6S46MC-C
Power, output (MCR)	2 x 7860 kW @ 129 rpm
Design speed, at design draft, CSR and 15% sea margin	14.5 knots
Cruising range	14,000 nm

CARGO ARRANGEMENTS

Tanks	5 x 2 cargo tanks + 2 slop tanks
Segregations	5+2
Tank coating	Epoxy

CARGO AND BALLAST PUMPS

Cargo pumps, deepwell	10 x 800 m ³ /h + 2 x 300 m ³ /h
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NAVIGATION

Integrated bridge system	Designed for W1-OC
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