

Moscow, 26 April 2005

Sovcomflot and Stena Bulk commence project to ensure safe transportation of crude oil through the Baltic Sea

Leading Russian and Swedish ship-owners, Sovcomflot and Stena Bulk, have signed a Letter of Intent for the joint development of a new type of supertanker called the “B-MAX”, which will bring safety, environmental and economical benefits to the Baltic region.

The aim of the “B-MAX” (Baltic Max) project is to design and build a vessel which combines unprecedented safety levels with a competitive economical freight offering for companies exporting crude oil through the Baltic Sea. The export of Russian crude oil through the Baltic sea has substantially increased since 2001 in the framework of the growing energy dialog between Russia and western counterparties.

In addition to having mandatory double hulls, the “B-MAX” will feature double main engines in two completely separate engine rooms, double rudders and steering gear, two propellers and double control systems similar to those found on commercial aircraft.

The shallow draft of the “B-MAX” will afford it a cargo capacity in the range of 200 - 250,000 metric tonnes - an increase of 60-80% on conventional tonnage operating from the Baltic Sea - thereby enabling a reduction in both the total number of vessels trading from the Baltic and in the cost per barrel moved.

Sergey Frank, President & CEO of Sovcomflot comments; “As Russia’s largest shipping company, we are committed to supporting the growth of the Russian energy sector and in this case focusing on Russian oil exports. The “B-MAX” project is aimed at reducing freight cost for our clients whilst increasing safe transportation in the Baltic Sea – we like this equation.”

Ulf Ryder, President & CEO of Stena Bulk, comments; “Our objective of providing ever safer tanker transportation is clearly visible in our new-building program. We have a special focus on the traffic in our home waters. Designing a vessel with a superior cargo intake and higher safety specifications is a Stena speciality and we currently have 10 of these “MAX-concept” vessels contracted to leading oil companies. Working jointly with Sovcomflot on

the B-MAX is a natural step for us with both companies sharing the same commitment to the Baltic region.”

The “B-MAX” will be designed and tested during 2005. If successful the first production could start by the end of 2006.

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Design information for the B-MAX is available via the following email: info@stenabulk.com

Notes to Editors:

Sovcomflot - Established in 1973, Sovcomflot is Russia’s biggest shipping company and one of the top 20 shipping companies in the world. It is focused on the Russian energy export sector.

Sovcomflot is based in Moscow and has offices in St Petersburg, Geneva, London and Limassol. The company employs 3500 people at sea and 250 on-shore personnel.

Sovcomflot was the first Russian shipping company established according to international shipping practices. It owns 47 vessels totalling 3.6m dwt and its fleet is one of the youngest in the world. The average age of its tankers is just four and a half years compared to the industry average of 9.6 years. Its fleet under construction comprises 17 oil and gas tankers. www.sovcomflot.ru

Stena Bulk - Stena Bulk operates 69 vessels with a total deadweight of about 6.0 million tonnes and is active in the international tanker and bulk-carrier markets with offices in Gothenburg, Moscow, London, Houston, Singapore and Beijing. Stena Bulk is a part of the Stena Sphere with about 13,000 employees and a turnover of about SEK 34 billion.

www.stenabulk.com