

## **Stena Bulk on the offensive – invests SEK 4.5 billion in three ultramodern LNG tankers**

Stena Bulk is on the offensive again – this time in the transportation liquid natural gas.

The company has purchased three LNG (Liquefied Natural Gas) tankers from the Taiwan-based shipping company TMT for a total of USD 700 million, approx. SEK 4.5 billion.

The three LNG tankers are the “Stena Blue Sky” (145,000 cubic metres), which was built in 2006, and the two newly built tankers “Stena Clear Sky” and “Stena Crystal Sky”, each 174,000 cubic metres. The three tankers are all ultramodern and ice classed. The “Stena Blue Sky” is currently chartered by Russian Gazprom with 22 months remaining on its contract.

“We believe this to be a very good investment. LNG accounts for a significant part of the growth in the global energy supply and there is currently a shortage of LNG tankers. Consequently, we expect the two newly built vessels to directly command freight rates in excess of USD 100,000 per day”, says Ulf G. Ryder, President and CEO of Stena Bulk.

Capacity utilisation of the 320 or so large LNG tankers in operation is currently nearly 90 percent. In addition, the demand for transportation of liquid natural gas is expected to rise about 8 percent per year over the next ten years.

### **Excellent starting point**

“In addition to the shipyards’ full order books, there is a need for 60-70 new LNG tankers to satisfy the rising demand up until 2014. LNG tankers are more capital intensive than normal tankers and are about three times as expensive. It takes nearly four times longer to build a LNG tanker than a normal tanker of the same size. Because of this and the more complicated operation of an LNG tanker, there are few players active in the segment”, says Ulf G. Ryder. He adds:

“Having in this situation the liquidity and operational know-how to be able to purchase these three vessels so quickly, two of which are so new that they have not even been delivered from the shipyard yet, gives our LNG investment an excellent starting point”.

Stena Bulk expects the two newly built vessels to be delivered from the shipyard already in June. They will then be fitted out with supplementary equipment and manned with new crews after which they will be ready to load their first cargo of liquid natural gas at the end of July.

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