



## Eships dabbles in charters to test the water for a return to dry bulk

Eships, the tanker arm of liquid logistics giant Tristar Group, has begun to re-establish its presence in the bulker market by engaging in some chartering activity.

According to Chris Peters, who was promoted from chief financial officer to chief executive in March, the Dubai company has been exploring the sector since May, arranging a handful of voyage charters using ultramax bulkers.

"Eships has a history in bulk and we are dipping our toes back in. We are testing the waters to show our shareholders what we can achieve," Peters told TradeWinds.

"We have a lot of in-house experience in both the wet and dry sectors."

Eships was very active in dry bulk until main shareholder Abu Dhabi-based development company Mubadala sold it to Oldendorff Carriers in June 2014. It operated a variety of dry types, from large transloaders to conventional bulkers and barges that were acquired to service long-term industrial contracts.

The German company extracted the dry bulk division and merged it with its own. It later sold the tanker arm of the company along with the Eships brand name to Tristar, which owns Eships under Tristar Shipping and acts as the holding company for the brand.

Peters pointed out that a number of Eships staff who worked on the dry side were transferred to the wet side after the changes of ownership, so the company still retains the expertise needed for a quick dry sector return.

He cautioned that it was still early days for Eships in its dry bulk comeback, but in all likelihood the company would structure its dry business similar to its tanker business, focusing on long-term contracts and partnerships. He mentioned major Indian and South American commodities traders as being potential clients.

Asked whether a return to dry bulk would result in Eships either buying or ordering tonnage, Peters remained non-committal.

"It is too early to say. When the right tonnage comes along we will move," he said.

A return to dry bulk will not compromise Eships' plans to grow the tanker fleet, which has climbed to 13 chemical and product tankers ranging between 8,100 dwt and 49,900 dwt. It also has two LPG carriers and eight fuel and lube-oil barges due to the merger of the Tristar and Eships fleets.

Its six 49,900-dwt MR product carriers were ordered by Tristar in 2013 against a long-term charter to Shell as part of the latter's Project Silver programme, which saw a large number of product tanker newbuilding charters spread across a variety of players.

### Growth will be strategic

Tristar chief executive Eugene Mayne aims to target projects such as the Shell deal to take Eships into a leading position in Middle East tanker shipping.

"Growth would have to be strategic in nature, based on long-term relationships with clients," he said.

Mayne cited as another example Eships' more recent acquisition of two MR product tankers from Blue Lines Shipping that were delivered in January. The 47,100-dwt pair, now named Falcon Royal and Falcon Majestic (built 2008), were immediately put to work on medium-term charters to Emirates National Oil Co, which Tristar has had a close relationship with for many years.

"We are not keen to be a run-of-the-mill tonnage provider. We will continue to swim in the niche lanes. We deal with the top tier as clients, and will continue to do so," Mayne said, noting that Eships' client list is made up almost entirely of blue-chip oil majors and traders.