

LAURITZEN NEWS #10



April 2009

Insights from an industry expert

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OCEANS OF KNOW-HOW

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Dear Reader,

As global output and trade plummeted in the final months of 2008, international shipping markets – in particular the bulk and container segments – were impacted immediately and immensely. The gas and product tanker markets were also affected. The prolonged financial crisis has battered global economic activity far beyond what was previously anticipated, and advanced economies are currently suffering their deepest recession since World War II.

The financial sector has been supported by central banks worldwide and early in 2009 the level of support reached previously unseen levels, both in terms of money and new instruments, with the aim of restoring stability to international financial markets.

However, the financial sector is still weak and further efforts to re-capitalize the banking sector are currently underway. At the time of this writing, governments have enacted stimulus packages increasing public spending and reducing taxes to support demand.

The opening months of 2009 have proven far more depressive in economic terms than expected, and shipping markets have shown continued high volatility as a response to trade developments. The aforementioned stimulus packages will take time to make an impact, starting with barely visible effects that are likely to gain momentum in the second half of 2009 and continue into 2010. This will hopefully form the basis for a sustainable recovery in international trade and transport.

In such difficult circumstances it is a pleasure to witness the support of our customers and partners in giving preference to our services. Equally encouraging is the unconditional support from our dedicated staff on board our ships and in our offices around the world.

Summing up, 2009 will be difficult. Even so, JL expects to achieve positive results in 2009, although considerably lower than in 2008.

During the year, we will continue to receive newbuildings within our various business areas in line with our business strategies of enhancing JL's performance and competitiveness.

Founded in 1884, JL will in May this year celebrate its 125 years anniversary, confirming that tradition, ambition and know-how continue to create value for our shareholders, customers, business partners and employees.

Sincerely,

Torben Janholt
President & CEO

In the wake of the global economic downturn, JL's results for 2008 were satisfactory. The result amounted to USD 150 million after inclusion of write-downs and provisions of USD 209 million due to our conservative approach to risks. Excluding write-downs and provisions, results for 2008 would thus have been at the same level as the result achieved in 2007.

*Torben Janholt,
President and CEO*



Satisfactory results

During the last four months of 2008 the world changed dramatically, as the US credit crisis spread rapidly through the global banking system to the rest of the world and developed into a severe global economic downturn. A long period of relatively strong economic growth and booming world trade was abruptly replaced by a business environment with poor liquidity, stagnant trading conditions and weak consumer and investor confidence. The impacts on shipping markets were dramatic and within a few

weeks the Baltic Dry Index plummeted, confirming an unprecedented market collapse. In line with IMF and OECD predictions for lower global economic growth and in view of the general increase in deliveries of new tonnage to the world fleet, JL had already anticipated adjustments and made downward corrections for 2009 compared to the buoyant shipping markets in 2008. The suddenness and steepness of the actual decline in freight rates was, however, unexpected.

Result for the year

The result for 2008 was USD 150 million compared to USD 342 million in 2007. The result includes profits from the sale of vessels and other assets of USD 154 million, up from USD 77 million in 2007. It also includes write-downs and provisions of USD 209 million.

Return on invested capital was 17.1% compared to 38.4% in 2007. When excluding prepayments on newbuildings not generating revenues until delivery from yard, the return on invested capital was 34.1% compared to 65.2% in 2007. Return on equity was 14.7% compared to 40.9% in 2007.

Revenues totaled USD 666 million compared to USD 657 million in 2007. Increased revenues from ethylene gas carriers, continued expansion of the product tanker fleet and favourable overall market conditions during the first three quarters of 2008 were offset by the effects of exiting reefer shipping in 2007 and a net loss on Forward Freight Agreements (FFAs) in 2008 compared to a net gain in 2007.

“In view of the escalating global financial crisis in late 2008, JL’s results for 2008 are considered satisfactory. As a consequence of the global economic crisis and because 2009 is expected to be a year with uncertainty and volatile market conditions, write-downs and provisions, measured on an asset by asset basis, totaling USD 209 million have been included in the results for 2008. Excluding write-downs and provisions, results would have been at the same level as the 2007 record result.”



*Birgit Aagaard-Svendsen,
Executive Vice President and CFO.*

Key figures USDm	Full year	
	2008	2007
Revenue	685,2	674,3
EBITDA	158,9	262,5
Depreciation	(142,6)	(34,2)
Sale of assets	153,8	76,6
Operating income	170,1	304,9
Associates	27,3	24,4
Finance net	(38,1)	22,7
Result before tax	159,3	352,0
JL’s share of the result	149,5	341,5
Invested capital (average)	1.155,9	858,5
ROIC	17,1%	38,4%
ROIC (excl prepayments)	34,1%	65,2%
Investments, net	283,6	335,4
Invested capital (period end)	1.225,1	1.086,8
- hereof prepayments	658,5	495,9
Fleet (full year average)	136	147
- hereof pool/partner share	42	59
Average no. of employees	662	575

in 2008

Lauritzen Bulkers was yet again the main contributor to JL's 2008 earnings but Lauritzen Kosan also made positive contributions to results. Lauritzen Tankers made a positive contribution as well, although the result was offset by write-downs.

Lauritzen Bulkers continued its fleet renewal and expansion programme through deliveries of newbuildings and additional newbuilding orders were placed during the first half of the year.

Likewise, Lauritzen Kosan continued the fleet build-up in the expanding market for interregional transportation of petrochemical gasses with deliveries of additional ethylene gas carriers.

Lauritzen Tankers further developed its operations in MR product tankers with high cubic capacity, and Lauritzen Offshore Services was established as an independent business unit with the strategic objective of servicing the offshore industry with dynamically positioned support vessels.

During 2008, JL controlled a total average fleet of 135 vessels compared to 147 vessels in 2007.

Investments

At year-end, the invested capital amounted to USD 1.2 billion compared to USD 1.1 billion year-end 2007.

During the year, JL's investment in fleet expansion totaled USD 707 million compared to USD 542 million in 2007. Divestments of vessels and other assets amounted to USD 423 million compared to USD 207 million in 2007.

At year-end 2008, JL's newbuilding portfolio comprised a total of 48 wholly owned vessels, including 28 bulk carriers, eight gas carriers, ten product tankers, and two dynamically positioned shuttle tankers for delivery 2009-12. Partners will add another eight newbuildings to the fleet controlled by JL. The total investment programme amounts to USD 2,400 million (USD 1,950 million in 2007) of which 32% has been prepaid by own funds. Financing of the investment programme is primarily based on post-delivery finance.

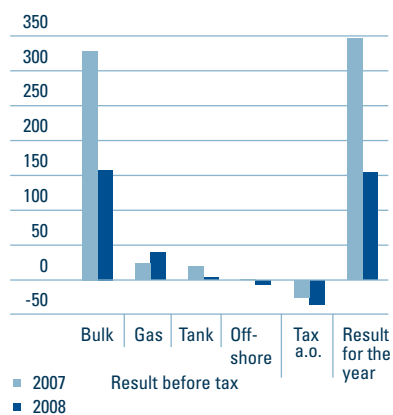
Outlook

As of early 2009, governments around the world have implemented more schemes to restore confidence in the financial markets and to recapitalize banks. Governments have also adopted fiscal stimulus packages which it is assumed will start taking effect during the second and third quarters of 2009.

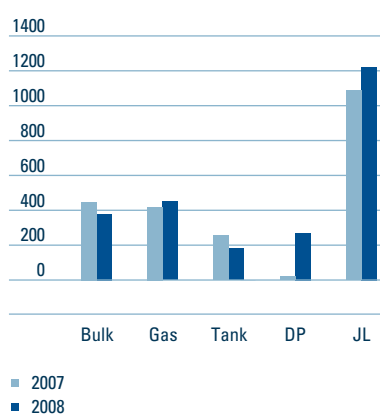
It is anticipated that 2009 will be a difficult year. Although, JL expects to be able to benefit from a strong and reliable brand as a recognized and preferred carrier, 2009 results are forecast to be considerably lower than in 2008.

Forward cover for Capesize bulk carriers, including deliveries during the year, is 100% in 2009. For Panamax bulk carriers 66%, Handymax bulk carriers 55%, gas carriers 65%, and product tankers 50%. For Handysize bulk carriers coverage is limited, but expected to increase due to scheduled redeliveries of time-charter tonnage and additional cargo commitments.

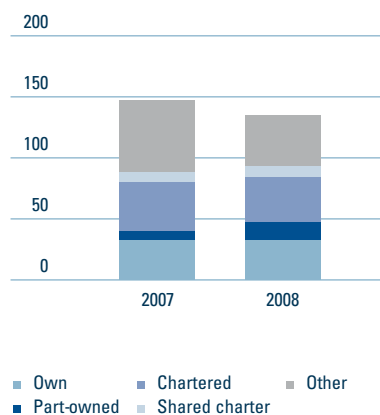
Results for the year, USDm



Invested capital year-end, USDm



Average number of vessels



For further details on JL's 2008 Annual Report, please visit our website: www.j-l.com



Insights from an industry expert

Bent Mikkelsen, a journalist with 25 years of experience writing about Danish shipping, has completed a two-volume history of J. Lauritzen. Scheduled for publication in conjunction with the company's 125th anniversary this April, the books about JL are numbers seven and eight in his ongoing series titled Danish Shipping Companies. The main focus of his account is a detailed fleet history with photos of all the ships owned by JL. There is also a narrative history of the company. So we refer anyone looking for the complete JL story to these volumes. In the following, Bent Mikkelsen provides a few insights of an informed outsider into one of Denmark's leading shipping companies.

When you look back over its 125 year history, what are one or two of JL's most notable developments?

I think I would have to mention JL's pioneering efforts in reefer transport and technology as the most notable accomplishment. Various methods of carrying fruit and other perishables were used previously, but during the 1930s JL built up a refrigerated shipping business, which eventually became a dedicated mode of

transport with specialised ships. They were real pioneers in this area, and for decades after this JL was a leader in reefer transport and opened new markets in South America and elsewhere. It's also worth mentioning that JL was able to see that the market for specialised reefer vessels was up against an overpowering competitor, i.e., the container lines, and so made a timely exit.

Another innovation I find very interesting is JL's development of cargo vessels that were strengthened for winter trade with Finland and other places with icy waters. The hulls were reinforced, engines were given added power and propellers and rudders were protected against ice damage. The idea really took off in 1950 when JL ordered a small vessel called the *Kista Dan* to be specially built for trade with Greenland. She became a rather famous ship, the first of a fleet of four JL "expedition vessels". Because the Greenland trade is only a half-year business, JL built up a new business serving various governments – including those of Australia, Belgium and Britain – that needed to supply research bases in Antarctica.

How would you describe JL's personality – if you think it's possible to talk about a corporation this way?

Absolutely, I do. I would say that for many years JL has been a very "human" company. Long before many other shipping companies JL discovered that if you care about your people, you get better performance in return. This policy started with Knud and Ivar Lauritzen, the late shipowners, when they took over the company in 1935 after their father died. They bought a shipyard in Aalborg, and in one of the first ships they built the brothers broke with tradition by moving the crew quarters from the fore part of the ship to midship, which was safer and much more comfortable. I could name a number of other companies that still hadn't made this change even as late as the early 1990s.

This was the beginning of a long line of such measures taken by the two brothers. For example, they reduced the number of people living in each cabin, from 12 to two or three, which was again a radical improvement on existing standards. Also in the 1930s, there was a dedicated library service for seafarers which provided boxes of books on all kinds of subjects for each ship. JL didn't invent this but was one of the first and strongest supporters. Starting in the 1950s, JL provided dental care onboard ships trading with Finland,

which was extremely advanced for the time. And around the mid 1950s, JL began putting bicycles on board ships for crews to use when in port and even provided photography darkrooms on many ships for the crews' use. JL had – and still has – the philosophy that if they treated people well they'd get a return on their investment, and you can see in their actions the beginning of many amenities – like Internet and telephone service – that are becoming standard for crews today.

Let's move from the corporate to the individual – in your survey of JL history what interesting or unusual characters have you encountered?

Of course, there's no question that Knud and Ivar Lauritzen were the flag-bearers and dominant personalities of the company from the time their father died in 1935 until their deaths in the 1970s. But if I had to choose another extraordinary personality, I think it would be Captain Axel Nielsen, who was born in 1912 and is still alive today. He started out as a sea captain, became superintendent of the JL fleet and over time became Knud Lauritzen's right-hand man. I single him out because he was the father of JL's outstanding shipboard training and education programmes. He founded the JL training centre in Svendborg, Funen, in the 1940s and persuaded Knud and Ivar Lauritzen that it was in JL's interest in the long run to provide a high level of training. It's also interesting to note that Axel Nielsen was responsible for the distinctive red colour of JL ships, which makes them more visible. He left JL in 1960 and with a partner started Nielsen and Bresling, a coastal shipping company – and despite his advanced age still goes into the office one day a week.

What do you see looking ahead, for JL specifically and for Danish shipping in general?

Well, my impression is that the present management of JL is strongly focused on the future. They are in business areas that despite the current downturn are very promising – dry and wet bulk, tanker operations and the new offshore initiative. In fact, offshore is not an entirely new area, as JL was quite well known for offshore operations in the 1980s. Beyond that, it's complicated to guess what the future is going to be – particularly given the fluctuation of oil prices. Of course shipping has been a success industry, and Denmark's official government goal of being Europe's leading maritime nation

by 2015 is a sort of support for all our shipping companies. I'd also add another perspective on JL's prospects in long run. This has traditionally been a very honest and disciplined company. I have always admired the fact that JL survived the crisis of the 1970s and 1980s, which was a tough period for all shipping companies. A number of big shipping houses fell at that time because of bad management. It's true that JL had to spend a lot of money to reposition and regroup, but they managed it and didn't bail out. They fought their way up again, which I think shows what the company is capable of.

Celebrating 125 years of innovation

When J. Lauritzen marks its 125th anniversary this May, we'll be celebrating a long history of shipping innovation. The pioneering developments in reefer technology mentioned in the accompanying article are just one chapter in a story that cuts across our various business areas. Lauritzen Bulk, was, for example, a pioneer in fitting its bulk carriers with grabs. Just last year, Lauritzen Kosan received the Lloyd's List top award for engineering and environmental innovation, which recognised the *Isabella Kosan* and her sister ships. These are the first gas carriers designed to comply with the International Maritime Organisation's (IMO) Green Passport concept and the CLEANSHIP class notation for pollution prevention. Innovative work done by Lauritzen Tankers with dynamic positioning (DP) technology has led to the creation of a new J. Lauritzen business entity, Lauritzen Offshore Services. This promising new venture is aimed at high-tech services such as DP accommodation and support vessels and shuttle tankers, which are far in advance of J. Lauritzen's offshore operations of the 1960s. As our 125th birthday approaches, we look forward to future decades at the forefront of shipping innovation.

Danish naval vessel in multinational task force

Torben Janholt, president and CEO of J. Lauritzen and chairman of the board of the Danish Shipowners' Association, honours officers and crew of the Absalon.

When J. Lauritzen president and CEO Torben Janholt stepped onboard the Danish navy vessel the *Absalon* this January in Bahrain, he was bridging centuries of Danish anti-piracy campaigns. The ship's namesake, Absalon, the 12th century warrior-bishop who founded Copenhagen, made a mission of clearing the northern sea of Wendish pirates. Nearly 900 years later, the *Absalon* has twice made the news for capturing pirates that threaten international shipping lanes off the coast of Somalia.

The *Absalon* has been engaged in Task Force 150, a multinational anti-terrorism naval task force with logistics facilities at Djibouti. From September 2008 to January 2009 the *Absalon* was the Task Force command ship. "These new ships – the *Absalon* and her sister ship the *Esbern Snare* – are some of the most modern naval ships in the world," says Torben Janholt. "They're especially notable for their flexibility, but they certainly also have a lot of firepower. They're designed to carry containers and act as supply ships or troop transports and can also be used as hospital ships and – as recently demonstrated – as the command ship for a multinational naval fleet."

The main mission of Task Force 150 was not to combat piracy, but as pirate attacks on commercial vessels increased in the Gulf of Aden the task force's attention was diverted to this problem. The *Absalon* has played an important role fighting piracy, and it was only due to problems of international legal jurisdiction that the *Absalon*, much to the dissatisfaction of officers and crew, had to return the group of ten pirates they intercepted last September to the coast of Somalia. There was, however, a more satisfactory conclusion to the *Absalon's* capture of five pirates in January as they attempted to hijack a Netherlands Antilles-registered cargo ship: the Dutch government agreed to take them into custody for prosecution.

Torben Janholt visited the *Absalon* on behalf of the Danish Shipowners' Association to thank the officers and crew for their efforts and to stress the importance of Denmark's participation in the Task Force. During the ceremony, he presented a cheque for DKK 30,000 as a contribution to Soldaterlegatet (a fund established to assist members and families of the Danish military forces who have served

abroad). "I have the highest respect for all Danish military personnel engaged in missions abroad, and I think that often too little recognition and thanks are given to Danish soldiers, who do a tremendous job in difficult and often dangerous circumstances," he says.

Recently, a new Task Force 151 has been formed specifically to combat piracy in the region. The *Absalon* is part of this task force, and the Danish Shipowners' Association (see accompanying article) is lending its support to Denmark's continued participation in protecting civil cargo vessels from piracy attacks – which stands to reason, considering that Denmark is a major maritime nation.

Torben Janholt (far left and far right), onboard the Absalon



Piracy problem persists

Danish Shipowners' Association sees need for broad-based international effort to safeguard shipping lanes.

According to Hans Henrik Petersen, head of the nautical department for the Danish Shipowners' Association, current problems with piracy can be traced back to the 1970s and have flared up periodically since then. "Earlier outbreaks occurred in the Malacca Straits and off the coast of West Africa he says, "and attempts were made to combat them through the IMO. In the Malacca Straits in particular, where the problem was particularly bad, pirates were brought under control through the cooperation of governments in the region. They agreed to allow pursuit of the pirates across territorial waters, a policy that proved successful."

Danish involvement

Denmark had its eyes opened to the re-emergence of piracy off the coast of Somalia with the highjacking of the *Danica White* in the summer of 2007. Awareness had been building since 2005, when the Danish Shipowners' Association sent out its first warning that ships should keep a distance of 200 nautical miles from the Somalia coast. "Since the *Danica White* incident the situation has escalated, and 2008 was a horrible year," says Hans Henrik Petersen. "From our point of view, this is an issue that should be dealt with internationally, as it's affecting major shipping lanes." The highjacking of the *Danica White* was the chief cause for Danish naval engagement in the area. It brought the problem of piracy to the attention of the Danish government and also led to requests for increased safety from organisations like the World Food Programme. All of which helped lead to

the decision that a Danish naval vessel, the *Absalon* (see accompanying article), should join Task Force 150, an international coalition brought together in connection with the war in Afghanistan.

"The Danish Shipowners' Association was, of course, very satisfied to see this Task Force engagement on the part of Denmark and for support from the Danish government," he says. "We have a huge merchant fleet to protect. But Task Force 150 – including the *Absalon* – was charged with a wide range of goals, from fighting terrorism to countering drug smuggling, and couldn't focus exclusively on piracy." The problem in the area is long-term. In the end, a solution probably rests with conditions in Somalia where there is at present no central control. For the near future, say four to five years, there will continue to be a need for some kind of military protection for shipping. "We're eager to see an international solution," he says, "and – despite the challenges posed by the huge area involved – I'm more and more convinced that one is taking shape. A new Task Force 151 has been formed to fight piracy, and EU, US and coalition naval forces have been joined by vessels from Russia, India and China."

Co-ordinating safe transit

Hans Henrik Petersen also stresses that an important key to maritime safety in the area is the coordination provided by the UK Maritime Trade Operations office in Dubai. "This small operation is extremely helpful and effective in

providing data on merchant vessel movements and taking responsibility for merchant ship-position report management," he says. "They help ensure safe transit by coordinating ship traffic information in the area. We advise all our vessels to coordinate with them." He also notes that the Danish Shipowners' Association advises ships to register with the Maritime Security Centre/Horn of Africa, an EU naval coordination centre tasked to safeguard merchant shipping operating in the region and to participate in their group transit system. This is a kind of evolved convoy system, which enables vessels to transit the area together, making it easier for naval forces to provide protection. It's also encouraging that pirates captured recently by the *Absalon* and a US naval ship have been held for prosecution by, respectively, the governments of the Netherlands and Kenya. Ultimately, however, a more broadly coordinated international solution is necessary."

At the Tackling Piracy at Sea conference in London in March 2009, Torben Janholt was one of the speakers. In his speech "Does responsibility for the protection of merchant seafarers lie with industry?", Mr Janholt stressed that "a fundamental building block in our societies is that states or coalitions of states have the monopoly to use armed force, and that this is something that can be outsourced neither to the shipping companies nor to private entities."

Technical management moves to business units

Lauritzen Kosan and Lauritzen Tankers seek to increase efficiency and competitiveness by assuming Lauritzen Fleet Management duties.



Early in 2009, JL decided that responsibility for technical fleet management previously undertaken by Lauritzen Fleet Management (LFM) should be transferred to the business units, specifically Lauritzen Tankers and Lauritzen Kosan. (Lauritzen Tankers outsources technical management of its fleet to a company based in the Philippines.) The rationale behind this move is based on both long-term business strategy and the tactical requirements of daily operational efficiency. By aligning fleet management activities with commercial and operational activities, the business units will be able to derive increased value from JL's historic emphasis on quality shipping.

"In recent years, our customers have become increasingly concerned about safety, health and the environment," says Peter Justesen, vice president and head of fleet management for Lauritzen Kosan. "They want to minimise risks that could have a negative impact on their operations and their image. This means that the strategic importance of this part of our operation has grown significantly. We believe that moving responsibility for technical fleet management closer to our commercial operations will make us more

competitive." Because of the complexity of operating gas carriers, Lauritzen Kosan has always been involved in many aspects of technical management, so moving these functions completely into the business unit will not be unduly difficult.

Improved planning and coordination

There was certainly a strong emphasis on health, safety and environmental issues within LFM's operating strategy. The independent nature of the LFM organisation, however, resulted in a division of responsibilities that often made it difficult to translate this strategy into compelling business propositions for Lauritzen Kosan's and Lauritzen Tankers' customers. Simple physical proximity plays an important part: working on the same floor and in the same office with commercial operations will inevitably streamline fleet management coordination and planning. Being housed in the business units will also give technical management specialists a better understanding of the business, not to mention increased job satisfaction.

"I was originally employed by LFM," says Ole Svendsen, vice president, head of fleet management for Lauritzen Tankers, "and

I'm not surprised by this decision. LFM was a service provider to the business units – a good service provider, but still a separate entity. Integration of technical management functions into the business units gives the very strong advantage of gathering resources in one spot, where all the decisions are made. It provides better, faster communication and more seamless cooperation. For example, having technical management within Lauritzen Tankers will optimise the planning process for repairs and planned maintenance, work which often can't be undertaken while at an oil pier. The vetting process for tankers has grown significantly over the years, and close co-operation between the commercial staff and the fleet management department has streamlined this process. This change will also give employees a more direct sense of ownership and responsibility for the entire operation of the vessel – and that's bound to be good for our bottom line."

JL guest lecturer

Line Lund Clausen supplements Nanyang Technological University students' theoretical education with her real-life experience as Singapore chartering manager for Lauritzen Bulkers.

Singapore has identified shipping as a key strategic area for the country. The goal is to maintain and develop Singapore as a regional and global centre for shipping, with a focus on maritime studies as a way to develop local shipping knowledge. Contributing to this goal, the School of Civil and Environmental Engineering at Nanyang Technological University, Singapore, offers a Bachelor of Science (Hons) degree in Maritime Studies.

The four-year programme focuses on building up local expertise in all areas of the shipping industry. It covers various aspects of shipping and has a foundation in mathematics, social science, business and technology. Shipping-specific subjects include organisation, management, international shipping logistics, maritime law, marine insurance, strategy and maritime economics, among others, as well as a research project.

Industry input

The university wanted to get input from the shipping industry and to support the theoretical course-work with real-life and up-to-date examples of relevant cases and material. They therefore extended an invitation to Line Lund Clausen, chartering manager of J. Lauritzen, Singapore, to become a guest lecturer. Since August 2008, she has been conducting guest lectures at the university in maritime economics for the 72 students presently in their second year of studies. "One of the cases I made with the students in Maritime Economics was a fictitious recommendation to a board of directors to buy two Handymax bulk carriers, applying the economical and financial concepts they'd been introduced to," she says. "I wanted to help them understand how these concepts and mathematical models are applied in everyday life. The aim is to illustrate the relevance of the theory and make it easier to understand and apply in work situations."



Line Lund Clausen completed JL's shipping trainee programme in 2001, and continued with shipping studies at the Institute of Chartered Shipbrokers (ICS), where she earned a full tutorship. Some eighteen months after the completion of the shipping trainee programme, she was posted to the Lauritzen Bulkers USA office as operations manager. After three years in New York, she was transferred to the Singapore office, where she is chartering manager. In Singapore, Line Lund Clausen has also been involved in the MaritimeOne campaign, initiated by the Maritime & Port Authority of Singapore and the Singapore Maritime Foundation to promote careers in the maritime industry.

Career opportunities

"I also hope that with my knowledge and personal experience I can illustrate to the students the relevance of what they are studying, and inspire them with the many opportunities there are within shipping. I want to let them know that an interesting career in shipping is viable – even at relatively young age."

As part of the programme, students serve a ten-week internship at a shipping company. JL's office in Singapore has agreed to take an intern this summer, which is a good opportunity to support the education programme – as well as an excellent way to spot possible young shipping talents.

"I wanted to help them understand how these concepts and mathematical models are applied in everyday life. The aim is to illustrate the relevance of the theory and make it easier to understand and apply in work situations."

Line Lund Clausen
Chartering Manager, Lauritzen Bulkers, Singapore

Looking back and looking ahead

The Danish Shipowners' Association celebrates 125 years of commitment to Danish shipping and moves to a new Brussels office.

Both the January jubilee celebration and the relocation of the Brussels office to a new townhouse signal where the Danish Shipowners' Association has been, and where it's going. The jubilee itself consisted of a one-day seminar and dinner for members, ministers, ambassadors, government officials and industry experts. "It was our intention to keep the celebration low key," says Peter Bjerregaard, managing director of the Danish Shipowners' Association. "We wanted to focus attention on key issues affecting our three most important markets, North America, the Far East and Europe. We also wanted to avoid getting overly caught up with the current financial crisis – to remind ourselves that shipping is a cyclical business and that we'll see an upswing again. This 125th jubilee makes the Danish Shipowners' Association the same approximate age as many of Denmark's leading shipping houses. As our history shows, we have a long-term commitment to the

health of these companies and also to the contribution they make to the overall Danish economy."

He continues by identifying three key objectives that guide the Association's efforts. First, to fight for free trade and against protectionism. Second, to nurture a competitive framework for shipping companies within Denmark. And third, to foster international regulations, particularly within the increasingly important areas of climate and safety. "From early on, Danish shipping has been international and outward looking. Even if you look back to our early days, around 1900, when we – along with other industries – were focused chiefly on labour issues, it's interesting to note that Denmark was already an international player. Even then more than 50% of our shipping was to foreign ports, around the Baltic and with Russia, for example."

Historical perspective

Seen from the members' point of view, the establishment of the Danish International Ship Register in 1988 and the tonnage tax system in 2001 are probably considered to be the most important results achieved by activities of the Danish Shipowners' Association. However, according to Peter Bjerregaard, a very high-level view of the Association's activities can be delineated into periods of distinct but not mutually exclusive activity. "If you leap ahead from our early days to around 1950," he says, "our efforts turned largely to helping Danish shipping become more competitive – to making sure we had the right economic framework, tax structure and financial conditions to encourage shipping growth." During this period, the Association also helped develop optimal technical and management conditions and negotiated wage agreements. In the late 1950s and into the 1960s the Association focused increasingly on technical matters, such as



About the Danish Shipowners' Association

Founded in 1884, the Danish Shipowners' Association is as old as its major members and performs a number of important functions for the Danish shipping industry. It is an employer organisation which concludes wage agreements with the seamen's unions and handles all matters concerning employment, safety, and training within the shipping and offshore industry. The Association is also a trade organisation,

representing Danish shipowners when dealing with the Danish Government, Parliament and other authorities, as well as with the media. Additionally, the Association is active internationally, both as an adviser to government delegations in several United Nations bodies and as a member of various international shipowners' organisations. The Danish Shipowners' Association is also permanently represented in Brussels, the EU "capital", through its own office.

From left to right: Peter Bjerregaard, managing director of the Danish Shipowners' Association; His Royal Highness The Prince Consort of Denmark; Torben Janholt, president and CEO of J/L and chairman of the board of the Danish Shipowners' Association



ensuring that ships were equipped according to international standards and working through the IMO to ensure the safety of crews and cargo.

“From the early 1970s through the 1990s, partly in response to widely publicized oil spills, our attention turned more and more to environmental issues and work with the IMO on tanker regulations and ship safety,” he says. “In recent years we’ve shifted from general environmental matters to specifically climate-related issues. These are more complex than earlier environmental and safety problems, which were more easily pinpointed and solved – even if they were expensive. The climate issues are simply harder to get a grip on, and will certainly continue to be a major concern for us.”

A base in Brussels

In parallel with all these activities, the Danish Shipowners’ Association has historically been concerned with market

access. In this area, the Association did not have the same kinds of international fora to work through as it did with environmental and safety concerns. “We originally opened our Brussels office in 1989,” says Jan Fritz Hansen, executive vice president of the Danish Shipowners’ Association, “and our specific mission at that time was to encourage free trade and counter the efforts of some European countries – specifically the French in their West Africa territories – to impose trade restrictions, despite EU regulations against doing so. Having a presence in Brussels gave us the ability to accomplish this, and the problem was resolved in our favour in 1992.”

A more general goal for the Association’s activities in Brussels was its concerns about efforts to harmonize EU trade and create a single, streamlined common market. “The key concept was ‘harmonization,’” says Jan Fritz Hansen, “which was a good thing for a Danish company

doing business in Spain or Italy but too restrictive for Danish shipping. International shipping couldn’t be treated correctly under European single-market regulations – what was good for Italian shippers would be restrictive for Danish shippers and vice versa. Through our Brussels office we worked to have shipping treated differently from other industries, and in 1996 the EU Commission accepted that it should be treated in a more international context.”

National and international focus

The recent opening of its new office in Brussels underscores the importance the Danish Shipowners’ Association attaches to its presence there. “No other European country has a full permanent office in Brussels to represent its national shipping,” says Jan Fritz Hansen.

Facts about Danish shipping

- Danish shipping companies own three percent of world tonnage.
- Danish shipping companies order four to five percent of world newbuildings.
- The average age of the Danish merchant fleet is now seven years, compared to a world average of about 13 years.
- Seven percent of world tonnage is controlled from Denmark.
- Danish shipping companies transport ten percent of world trade, measured in value.
- Danish shipping companies employ approximately 30,000 of the total 100,000 in the Danish maritime complex.
- The 500 ships registered under the Danish flag have a total deadweight tonnage of 12 million tonnes. Danish shipowners operate an equivalent tonnage owned by sister companies abroad.
- It is estimated that, together with their overseas affiliates, Danish owners operate a fleet of 50 million tonnes deadweight.
- Shipping has become Denmark’s second most important export earner, with an aggregate turnover of almost 200 billion DKK.
- Danish shipping is truly international, and only five per cent of the tonnage is employed in national and neighbouring countries’ waters. In fact, more than 75 per cent of the activities do not even include calls at European ports.

“We’re the most shipping-intensive European nation, with the biggest shipping turnover. This gives Denmark an influence in Brussels that we don’t have in other areas. Of course we don’t – and can’t – dictate shipping policy, but our views are taken into account. And to a certain extent this effort on behalf of Danish shipping also works in favour of common EU interests – we have the knowledge to help shape effective shipping regulation. Over the years we have developed very good contacts with EU ministers and officials, and we’re also a resource for them.”

“We want to make progress on new fronts and also ensure that we don’t lose ground we’ve gained in past, including DIS and the tonnage tax,” says Peter Bjerregaard. This includes spending more time influencing the European Parliament on shipping issues such as safety and climate.

Remaining watchful that the current financial crisis doesn’t trigger a backslide into protectionism. And seeking more organised ways, through the WTO for example, to eliminate secondary protectionist barriers, such as tax discrimination and local inland container traffic restrictions. “As long as we have international regulations Danish shipping can compete successfully,” he says. “We’ll also work to maintain a competitive framework here in Denmark. There’s been a generally good understanding within the government that Danish shipping is competing in international markets and sometimes needs different treatment – including legal and tax regulations – compared to other segments of Danish industry. This is what enables shipping to maintain a healthy growth, which is good for the industry and also strengthens Denmark’s international business and economic position.”



The Danish Shipowners' Association's new office in Brussels

J. Lauritzen (Japan) K.K. celebrates 25th anniversary



Last November, J. Lauritzen (Japan) K.K. celebrated its 25 years anniversary at a reception at the Tokyo Kaikan in Tokyo, Japan. J. Lauritzen (Japan) K.K. was established due to the essential proximity to some of the world’s most important charterers, trading houses, shipowners and shipyards. At the event, Torben Janholt, JL group president & CEO, praised the long-standing and very strong relationship between Japan and Denmark in general and the extraordinary strong relationship between the two countries as regards shipping. “It is often said that we are only as good or strong as the support that we are given,” he said. “In this manner, all our Japanese business partners have played a very important role in the growth that J. Lauritzen has experienced during the past 25 years.”

From left: Mr. Keiichi Yamada; Ms. Akiko Yasui; Ms. Minako Uesugi; Ib Hansen, general manager of JL Japan; Karin Hansen

Joint ownership arrangement

Lauritzen Tankers has sold a majority share of two vessels to Kirk Kapital but retains technical and commercial management.

Kirk Kapital is an investment fund owned by family members behind one of Denmark's best-known privately held companies, Lego, the unique and world-famous toy brand. As part of a revised investment strategy, Kirk Kapital has diversified its investments into the aircraft sector as well as into the purchase of majority shares of two Lauritzen Tankers vessels. This began with an arrangement to buy a 75-percent stake in the Lauritzen Tankers vessel *Freja Sirius*, followed soon by a similar agreement covering the *Freja Polaris*. Both ships are MR product tankers built in 2004.

An experienced partner

"We continue to maintain a 25-percent ownership stake as well as full responsibility for technical and commercial management," says Erik Donner, senior vice president of Lauritzen Tankers, "which is not unlike other joint ventures we've entered into.

Kirk Kapital has established a separate company called Kirk Shipping, which runs each ship as a subsidiary operation. Of course, Kirk Kapital is involved in considerations about commercial strategy through an open and dynamic dialogue between the partners, but we continue to handle all day-to-day operations. Kirk Kapital has valued our frank and open approach and sees Lauritzen Tankers as a solid, experienced partner. We also feel that our dedication to quality rather than volume has been influential in Kirk Kapital's choice of partner. Our attitude is that even though we own only 25 percent of the vessels, we operate them as if they were 100 percent ours."

Both ships trade chiefly in Europe and are operating under fixed long-term contracts. "We view this as an excellent opportunity of combining capital interests focused on reliable investments with our specific

know-how and skills, and we will aim to expand the partnership further," says Erik Donner, who also acts as director of both ship-operating companies, *Freja Sirius A/S* and *Freja Polaris A/S*. Anders Mortensen, president of Lauritzen Tankers, is on the board of Kirk Shipping, along with two members from Kirk Kapital.

"Our attitude is that even though we own only 25 percent of the vessels, we operate them as if they were 100 percent ours."

Erik Donner
Senior Vice President, Lauritzen Tankers

The Freja Polaris

© Ron Van de Velde



Seven days in the desert



Listen to Anders Kartik Jensen describe it, and a week's run through the sand, rocks and dunes of the Sahara begin to sound almost like a pleasure outing.

An experienced short-distance runner, the Lauritzen Bulkers assistant chartering manager decided to try a marathon last May. When that didn't faze him, he set his sights on something a little more challenging: a seven-day, six-stage 250-kilometre run through the Sahara desert in October 2008. Organised by RacingThePlanet, the Sahara run is one leg of The Four Deserts ultramarathon, named by *Time* magazine as one of the world's top ten endurance competitions. The series encompasses the Gobi Desert in China, the Atacama Desert in Chile, the Sahara Desert in Egypt and a run in Antarctica, as well as a fifth event which roves to a new location each year.

A daily marathon

According to Anders Kartik Jensen, all kinds of people participate. "The oldest runner in my group was 72," he says. "The others were mostly in their 20s through 40s, from lots of different backgrounds and professions. A few of them were very well trained competitors – including Dean Karnazes, a famous ultramarathoner – who were out to win the race. But most of the entrants were people like me who were there for the experience. We had to carry all our own gear, food and clothing in a

backpack. The average backpack weighs about 10 kilos, which gets a bit lighter as you eat the food you're carrying. The race was very well organised, but the only assistance provided is lots of water, tents and medical assistance."

After an arrival night in a Cairo hotel, all the participants travelled by bus into the desert, and the race was on. Most of the 250-kilometers are covered over a period of six days. "For the first four days," says Anders Kartik Jensen, "you run approximately the equivalent of a marathon (42 kilometres) a day – roughly five to seven

hours a day, depending on the runner. The fifth stage covers 100 kilometres, and you're allowed to take two days to finish it – but the majority did it in one day and took a break on the sixth day. The fastest runner did the 100 kilometre stage in about 12 hours, and the slowest took the full two days. On day seven, all of us were bussed to Giza where we ran the final stage of about five kilometres in front of pyramids – that was a thrill."

Intense and beautiful

He describes running through desert sand as tougher even than running on a beach,

"In my daily work I have a lot of challenges and goals to reach, but I think that it's also important to have challenges and goals outside office hours that can actually strengthen and develop your personal skills. I find it praiseworthy that JL supports employees to reach some of our personal goals – and to work for such a company is fantastic."

*Anders Kartik Jensen
Assistant Chartering Manager, Lauritzen Bulkers*

including one day of running through high dunes. Temperatures averaged around 45 degrees Celsius, except for a day of running through the “black desert” – an area covered with small black stones that intensify the heat – when it was around 50 degrees. At night, the temperature dropped to nearly freezing. During the day, snacks are gels and powerbars; the evening meal is powdered food mixed with hot water – all from supplies carried in backpacks. Preparation for such a demanding race is extremely time consuming. Five months prior to the event, Anders Kartik Jensen used more than 10-12 hours per week training, which meant that he sometimes ran up to 110 kilometres per week. “I did this preparation with the help of a personal trainer,” he says. “He designed a programme combining long-distance training, interval training and strength training that really got me in shape for the race.”

At the end of a day of running, home is a nine-person tent provided by Racing ThePlanet. “When you arrive at the tent in the evening, the surprising thing is that you don’t just collapse,” says Anders Kartik Jensen. “It’s amazing how good you feel and what your body can do. The entire experience is just fantastic. The terrain is incredibly beautiful, changing all the time, with rock formations, dunes, oases. We saw spectacular sunrises and sunsets, and at night the sky was totally black and filled with stars from horizon to horizon.”

JL team spirit

“And for me, one of the most amazing parts of the experience was the support I got from JL,” he says. “When Lauritzen Bulkers’ senior vice president Ejner Bonderup heard me talking about the race, he wrote an e-mail to Torben Janholt, president and CEO of JL, who immediately said JL would sponsor me. When I went to the media tent in the evenings during the race to check e-mails, I had even more messages from my colleagues than I did from my family. Then when I returned to the office in Copenhagen they’d put up a huge collage of photos from the race to welcome me back. I felt a tremendous level of support, which I think really says something about the meaning

of JL’s Team Spirit core value. It’s not just a slogan, I experienced it in action.”

After the last short stage in Giza, it was back to a final overnight in Cairo and a farewell banquet. “One of the best parts of the experience was meeting all the other participants and sharing the experience with them,” he says. “There is a winner, of course, but the focus wasn’t on winning.” So, the natural question for someone who’s run through the Sahara is, What next? Not surprisingly for someone who says that running the final days in the Sahara with a strained Achilles tendon wasn’t so bad because the race depends mostly on mental attitude, Anders Kartik Jensen has a plan in mind: “The next race I want to participate in takes place in Namibia, in May 2009. It’s also organised by Racing ThePlanet, around the same concept as the Sahara race: 250 kilometres over seven

days and six stages. But the terrain will be much tougher, with small river crossings, sand dunes and mountains. If all goes well, I’ll also be competing in Sahara 2009, only this time I’ll try make it into the top five finishers.”



In the Sahara race, everyone is a winner

Building bridges



Captain Bernardino Lladoc of Manila-based New Century Overseas spends a year on assignment in Lauritzen Bulkers' Copenhagen offices.

Even the best working relationship can be put under a bit of a strain by a separation of nearly 10,000 kilometres, the distance that separates the Lauritzen Bulkers headquarters staff from its ship management company in Manila. So posting one of New Century Overseas' (NCO) most experienced officers to Copenhagen for a year seemed an obvious way to create better understanding and faster communications between ship and shore-based personnel – and to generally support an already strong ten-year relationship between the two companies.

Captain Bernardino Lladoc is obviously the right man for the job. He has been with NCO since 1997. During that time he has alternated between periods at sea – typically for eight months – followed by six months in the office. “It’s an arrangement that allowed me to learn a lot,” he says. “What I learned onboard I could apply in the office, and vice versa.” While on shore, he accumulated experience in both the marine and safety departments, chiefly visiting and inspecting vessels and carrying out safety and security audits.

His shipboard experience is also extensive: between 1988 and 2008 he served on or commanded Swedish, Danish and Japanese vessels, and he’s been master onboard four Lauritzen Bulkers ships, the *Sofie Bulker* being the latest. It was during this last assignment that he agreed to spend a year in Copenhagen as part of the competence development programme for NCO officers.

Better understanding

“I was delighted and honoured to be assigned here in Copenhagen, to have the chance to explore new surroundings and learn new things. And to help people here better understand our operations at NCO and what happens on board the ships we manage,” says Captain Bernardino Lladoc. “Also, because I know everyone in the Manila office personally, I can help Copenhagen get fast responses to questions. For one thing, I know my Manila colleagues well enough to call them late at night, if I have to! It’s like building a bridge and helping to direct the traffic in both directions.

“In Manila, we’re focused on the daily technical operation of vessels – on keeping them well maintained, supplied and in good condition. Generally making sure everything is running correctly on behalf of the owners. Here in Copenhagen, I get to see the big picture, the ‘helicopter view’ of the entire shipping operation. It’s given me a much better understanding of how the business side works, like how you get employment for the vessel, how you contract for cargo and so on. It’s a practical application of a lot of what I learned in school.” While in Copenhagen, Captain Bernardino Lladoc has also traveled a number of times to make pre-purchase inspections of vessels, another area where the support of his Manila colleagues comes in handy. His expertise is deck-side, but he is able to consult with Manila for advice about below-decks operations.

Life in Copenhagen

As for working and living in Copenhagen, Captain Bernardino Lladoc has taken an immediate liking to both. “The people here in the headquarters office are

“In Manila, we’re focused on the daily technical operation of vessels – on keeping them well maintained, supplied and in good condition. Generally making sure everything is running correctly on behalf of the owners. Here in Copenhagen, I get to see the big picture, the ‘helicopter view’ of the entire shipping operation.”

*Captain Bernardino Lladoc
New Century Overseas/Lauritzen
Bulkers exchange officer*

very friendly and approachable. There’s a big difference between how this office is run compared to other companies. Here, all employees are considered equal, which creates a working atmosphere that tends to bring out ideas from everyone – even if you’re not a senior person in the company you can express your ideas,” he says. In his first weeks and months here, colleagues in Lauritzen Bulkers introduced him to the city – everything from Tivoli and the Royal Theatre to shopping at the local supermarket. The department’s birthday present to him was a bicycle, which he rides to work from his flat near Fisketorv (a big shopping centre) in good weather. In addition to Danish friends, he’s found new Filipino friends in the community of nearly 6,000 Filipinos living here. With deep roots in Manila and growing ties to Copenhagen, Captain Bernardino looks well positioned to be a main link in the communications bridge between the two locations for years to come.

A ship with a pedigree

The LPG carrier *Berceo* and her crew are particularly well-suited to handle trade routes between Sicily and Adriatic ports on the Italian coast.

José Antonio Landaluce, general manager of Gasnaval – a subsidiary of Lauritzen Kosan in Bilbao, Spain – is quick to point out that the *Berceo* is no ordinary vessel. This is a ship with a pedigree, named after Gonzalo de Berceo (1190 - about 1264), born in the Riojan village of Berceo and recognized as the first known Spanish-language poet. He also notes that the vessel is unusually well suited to her current assignment plying the routes between Sicily and Italy’s Adriatic coast.

“The *Berceo* is a semi-refrigerated LPG carrier built in 1991, and she offers great versatility for her size,” he says. “She’s able to carry up to two different types and amounts of cargo simultaneously in three cargo tanks. Wing tanks for ballast make her a particularly strong and stable vessel. But her crew is what really sets the *Berceo* apart. It’s composed of more officers than ratings because the wide variety of sensitive cargoes they handle demands a very high level of technical skills. The *Berceo*’s officers all have a combination of university degrees and professional training. It’s our policy to

keep the two crews that serve the *Berceo* in rotation intact, because chartering companies request the ship based on the crews’ know-how and experience.”

Also significant is that these are all-Spanish crews and the vessel is registered in the Canary Islands. José Antonio Landaluce points out that Italy, along with other southern European countries, adhere closely to EU guidelines requiring a European flag and crew for ships making regular calls, as the *Berceo* does, between Sicily and the mainland. The *Berceo* typically loads Mix C4 (a mixture of butadienes) from the crude oil refineries in Augusta-Priolo, Sicily, and travels to Ravenna, as well as other ports along the Adriatic coast. She often takes on a cargo of Raffinate 2 (butilene) for the return trip to Sicily. The entire rotation from Augusta to Ravenna and back takes about a week: two days from Sicily up the coast to Ravenna, two days back, plus a day’s loading time in each port and a day’s waiting time. A mundane schedule for a poet perhaps, but excellent business for a ship named after one.

© Rogerio Cordeiro



Education becomes adventure

Two Lauritzen trainees discuss a shared first voyage aboard the Ocean Prism: from Egypt through the Suez, the Dardanelles, the Bosphorus and on to Romania.



Participants

Jakob Langballe Pedersen, shipping trainee
Maria Mosekjer Rasmussen, finance trainee

Both trainees are in the second year of their respective training programmes. They spent their first year with Lauritzen Kosan and are now with Lauritzen Tankers.

You're both nearing the end your trainee programmes. How did this voyage come about?

JAKOB – Well, in my case, it's part of the shipping trainee programme that trainees get some experience at sea in the form of sailing with one of the fleet vessels. And when the head of Lauritzen Kosan's commercial department asked me to join one of Lauritzen Kosan's gas carriers transiting the Suez Canal, I was ready to go, because I'd been waiting for this kind of voyage. During my time with Lauritzen Kosan

I had wanted to transit either the Panama or Suez Canal, and this one fit. But since this particular voyage also included some expected technical issues with the discharge port, it contributed to an even better learning experience.

MARIA – It wasn't really planned that I would go at all, but at the last minute – because my traineeship with Lauritzen Kosan also ended in August – everyone seemed to agree that it would be good for me to get a realistic view of ship operations. And I'm glad it worked out this way, because it was great to have someone to share the experience with.

So how did the voyage unfold – you started in Cairo, right?

JAKOB – Yes – we flew to Cairo, but didn't spend time there. We were met by a car and driver and drove for two hours through the desert to Suez.

MARIA – It was a crazy drive – a very exciting beginning to the trip. For the entire two hours we never saw a traffic light, horns were constantly honking. We just had to cross our fingers and trust our driver.

JAKOB – The road itself was fine, but let's just say that driving customs weren't exactly the same as in northern Europe. Anyway,

we arrived at Port Suez and immediately took a launch boat out to the ship, which took about one and a half hours.

MARIA – This was the first time onboard a launch boat en route to a Lauritzen vessel for both of us. It was beautiful – we saw the sun going down behind the mountains and tried to guess which of many vessels anchored off the coast was ours.

How about the voyage itself: what were some of the high points?

MARIA – First, I think we should say that Captain Dexter Cabarrubias, the senior officers and the crew all took great care of us. I'm on the finance side, but it was still fascinating to see details of things I previously didn't have a clue about, to get an idea of life onboard – and to see exactly what the money I'm paying out goes for. We spent a lot of time on the bridge and spoke with all the officers and were told many sea stories.

JAKOB – The main purpose of the voyage for me was to experience ship operations up close, because I'm doing day-to-day operations here in Copenhagen. We definitely both got a thorough familiarisation with vessel. The third officer took us all around, from bow to stern. We received a thorough introduction to all the safety measures and even tried on the immersion suits. The captain spent a lot of time showing me all

the operational details of the vessel. One of most interesting – and strangest – experiences we had was to actually see the hold spaces. The hold space is basically a huge tank, or cylinder, completely dark. We got a guided tour, wearing a boiler suit, helmet and gas detection unit. We followed the chief officer and his flashlight and crawled the entire length of the holding tank, about 75 metres, I would say.

MARIA – We experienced a lot during the voyage. It was supposed to last five days but that stretched to seven because we had to anchor twice due to heavy traffic through the Dardanelles and the Bosphorus. We weren't in a hurry to get home and enjoyed all the time on board, especially because we'd specifically asked the crew to call whenever something interesting happened, no matter how late at night.

JAKOB – The highest point on the vessel, kind of a lookout point with the best possible view, is called Monkey Island. We stayed up there as we entered the Suez and also going into the Bosphorus, which we transited at night. It was very exciting going through the Dardanelles as well – also late at night – in stormy weather with lots of lightning and difficult manoeuvres for the captain to make. On nights like that it was actually a pleasure to be up until 4:00 in the morning.

How about the port in Romania and discharging the cargo: did that go as planned?

JAKOB – We had expected that there might be some minor issues about entering the harbour due to the vessel's limited under-keel clearance, which was rather close to port restrictions. On that basis, the captain decided to lower the rescue boat for the ship's senior officers to circle the vessel to observe the load lines and make sure we could enter safely.

MARIA – Jakob went along on this inspection tour; I was just as happy to stay on board the vessel and observe from there.

JAKOB – This is one of the times I felt the anxiety that can be experienced when a tense situation like this occurs. However, when we returned to the bridge, they were all quite confident about the situation, and the Master could now assure us that he had no worries about proceeding inwards to the terminal. It was very interesting to observe the discussion and calculation between the captain and his senior officers – which showed the high standards of professionalism and teamwork onboard. The *Ocean Prism* is one of our new highly advanced ethylene carriers, with one of the most sophisticated cargoes onboard, which we carry at approximately minus 103 degrees Celsius. I wanted to see the discharge process get started,

which we did – but then we had to leave to catch our plane back to Copenhagen before it was completed.

Any final thoughts on the voyage?

JAKOB – Last year Lauritzen Kosan made the decision that each operator has to visit the ships he or she is responsible for – usually four per operator – once a year. Just from this one experience, I can see how sensible this is. Being onboard and meeting face to face is – naturally – a completely different experience from working in Copenhagen, and a positive one.

MARIA – I think we both agree that it obviously means a great deal to the crew to have direct contact with JL headquarters, to see that we're thinking about them and are directly involved with what they're doing. So it's a valuable experience on both sides.

Growing Singapore

Lauritzen Kosan joins the JL Singapore office.



A Lauritzen Bulkers enclave since its opening in 2005, the JL Singapore office expanded to include Lauritzen Kosan when Chai Yee Poh was hired as senior operations manager in November 2008. "The business reasoning for opening a Singapore office was very straightforward," says Thomas Wøidemann, senior vice president of Lauritzen Kosan. "We started building a series of technically advanced ethylene carriers in 2004, and now that those ships are in service our business has grown even further in Far Eastern markets. In particular, these larger carriers are in demand on routes between the Middle East and the Far East. Customer support and service is the top priority for us, so opening in Singapore was a logical move. As was hiring Chai Yee Poh, who brings decades of experience to the office – commercial decisions will still be made out of Copenhagen, but he'll run the operations side directly from Singapore."

Chai Yee Poh, Senior Operations Manager, Lauritzen Kosan/Singapore

A good fit

Chai Yee Poh is clearly a good fit for the job. He has a wide-ranging background in Singapore shipping, both onboard and ashore, and an extensive network of contacts. Most recently he was working as senior commercial services manager for another owner of gas carriers, where he established and developed the operations department for all East-of-Suez shipping activities. "My main challenge in this new position will be to get up to speed with JL systems and communications – just absorbing the company culture," he says. "I had a good three-week introduction to the company in Copenhagen before we opened in Singapore. I'm very much looking forward to using my previous experience to contribute to Lauritzen Kosan operations – which will be all the easier as my first impression of JL is that it's a 'good family' and easy to work with. There's a relaxed atmosphere, that encourages open discussion and new ideas."

STAFF NEWS

Michael Kristensen, vice president of Lauritzen Offshore Services, receives Executive MBA.

Posted to JL's Singapore office in December 2008 as vice president for Lauritzen Offshore Services, Michael Kristensen is a man on the move in more ways than one. He joined JL as a trainee in 1993 and was subsequently posted to Mexico and Los Angeles, California, USA, in connection with JL's reefer activities. He returned to Denmark, earned a degree in economics from Copenhagen University and then worked for Alcatel Denmark's cable vessel division. In 2001, he returned to JL, first as general manager for LauritzenCool in Brazil, then in 2005 as general manager for the South America regional office in Santiago, Chile. He moved back to Copenhagen in April 2007 as manager of business development for

Lauritzen Tankers – a job progression which shows that JL's withdrawal from the reefer business does not mean an end to a career within the JL Group.

Not long before the recent transfer to Singapore, Michael Kristensen received an Executive MBA from a leading global business school, IMD in Lausanne, Switzerland. "The course covered 18 weeks spread over two years," he says, "and had a lot of relevance for my work at JL, as it was based on real-world projects and initiatives. The emphasis was on how to combine theory and practice and put learning into action. I've found that it's made a real change in the way I work and



think. I also have to say that one of the biggest challenges in finishing the course, was simply finding time to work, study and, every now and then, get some sleep."

An afternoon of Korean barbecue and football

In appreciation of very good support from the staff of their local agent, Korea Shipping & Trading, Lauritzen Kosan invited the agent's staff and their families to join Lauritzen Kosan's site team at an afternoon event last autumn. After a Duck Bulgukgi (Korean barbecue) lunch, it was time for some exercise in the form of a Jokgu match (Korean football). Korea Shipping & Trading has been Lauritzen Kosan's agent for projects at the Sekwang and STX shipyards. The relationship continues to grow as Lauritzen Bulkercs has also appointed Korea Shipping & Trading to be their agent in connection with their newbuilding programme at Hyundai Heavy Industries.



Left to right, first row: Juvanni Aniscal Silverio, 3rd mate; Nelson Bunlalit Lappao, master; Darius Andres Battad, chief mate; Arsdell Lasaga Fetalco, chief engineer; Marvin Icoy Linan, GP; Erric B. Lencioco, 2nd mate; Allman Ferrer Cruz, 4th engineer. Second row: Reynato Madelo Bedia Jr., electrician; Carlito C. Decena, GP; Silverio Ferfas Chavez, 2nd engineer; Rogelio Sapiendante Rodriguez, cat/OS; Third row: Efen Ferrer Pacardo, GP; Ubaldo Rapirap Mape Jr., c/cook; Oliver Legaspi Layog, GP.



Crew of Isabella Kosan delivers first gas cargo north of Arctic Circle

In late October 2008 the *Isabella Kosan*, one of Lauritzen Kosan’s new generation of high-tech ethylene carriers, set sail from Kaarstoe, Norway, for a two-and-a-half day voyage in heavy seas. She was one of only a few ships available on the open market qualified to carry a cargo of ethane at minus 90 degrees Celsius. The

ethane was urgently needed by Statoil to help get its new terminal just outside Hammerfest, Norway, up and running. “This was the first time we had ever moved ethane,” says Michael J. Molter, operations manager for Lauritzen Kosan, “so we had to do some careful research about exactly how to handle it. Even more

interesting, this was the first time a Lauritzen Kosan gas carrier delivered a cargo north of the Arctic Circle. Despite the two first-time efforts, everything went very smoothly, thanks to the professionalism of our officers and crew – and, of course, to the *Isabella Kosan* herself.”

Remarkable anniversary

On 4 April, Mrs Nancy Trigo will be the first local employee of a JL overseas company to celebrate a 25 years anniversary. Throughout the years, Nancy has been a very dedicated and loyal employee and the mainstay for the many expatriates who have passed through the office in New York, and later on Stamford. She started out in 1984 as corporate secretary

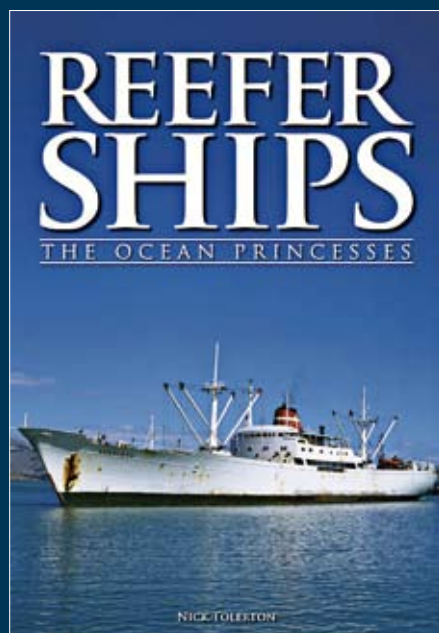
and has “served time” with Torben Janholt, now president and CEO of J. Lauritzen; Jens Ditlev Lauritzen, now president of Lauritzen Bulk; Ejner Bonderup, senior vice president of Lauritzen Bulk; and for the past ten years Jørgen Kragh, general manager, has been taken under her wing.



Another 125 years celebration

In a year when the Danish Shipowners' Association and J. Lauritzen celebrate their 125th anniversaries, a century and a quarter of refrigerated shipping is also being marked in a recently published book by Nick Tolerton. Fast and graceful, reefer ships have always stood out from other cargo ships plying the world's sea lanes. This book looks at the evolution of pure refrigerated ships, and the histories and fleets of the major owners involved, including JL. It marks a century and a quarter of refrigerated shipping which has transformed the economies of a number of countries.

Reefer shipping has attracted innovators, visionaries, and entrepreneurs, and seen some dramatic rises and falls. This decade has seen enormous restructuring within the reefer industry, which started with JL's acquisition of Cool Carriers in December 2000, and some of the most prominent owners have withdrawn, making the publication of this magnificently illustrated book very timely. Nick Tolerton. *Reefer ships. The ocean princesses*. Willson Scott Publishing Limited.



Excerpt from "Reefer Ships"

"Probably no other shipping company has been successful in as many spheres of shipowning as the Lauritzen group. JL has been prominent in bulk shipping, gas and oil tankers, heavy lift shipping, offshore drilling, and briefly cruise shipping, and been ice masters through its unique involvement in polar shipping at both ends of the world. Through DFDS it has also been in the fore with passenger ferries and general cargo shipping. However, it is reefer shipping from which Lauritzen is most famous. The red-bulled JL reefers (the colour was originally adopted for the polar vessels) were familiar in all parts of the world, and while other reefer operators came and went, Lauritzen maintained its eminence for more than 70 years in this very specialized area before bowing out in 2007."

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J. Lauritzen A/S operates globally and is engaged in diversified ocean transport through Lauritzen Bulkers (dry bulk cargoes), Lauritzen Kosan (petrochemical and liquefied petroleum gases) and Lauritzen Tankers (refined oil products). J. Lauritzen also serves the offshore oil exploration and production industry with specialised tonnage through Lauritzen Offshore Services.

JL employs a staff of approximately 680 persons and together with partners/associates controls a combined fleet of about 220 vessels including vessels on order consisting of bulk carriers, gas carriers, product tankers and dynamically positioned offshore support vessels.

For more details on JL's business activities and fleets, see www.j-l.com