

NewLead aims to double fleet in 2015

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NewLead's dry bulk carrier fleet consists of two panamaxs and three modern handysizes such as Newlead Albion, pictured.

More bitumen tankers could be among the targets as the Greek owner continues its makeover

NEWLEAD Holdings intends to grow rapidly this year, with the planned acquisition of another 10 vessels, the Greece-based owner has said.

A source close to the shipping and coal-processing company told Lloyd's List that one avenue for expansion being eyed is acquiring further bitumen tankers. However, other sectors are also being looked at.

NewLead acquired five asphalt carriers that were delivered at the start of this year and are now operating alongside its dry bulk carrier fleet, consisting of two panamaxs and three modern handysizes.

It also manages a 19,831 dwt oil tanker for another party.

The company set out its immediate ambitions at the LD Micro Conference in Los Angeles this week, saying "2015 will be a year during which NewLead plans to double its fleet to 20 vessels".

NewLead cited surveys highlighting the numerous infrastructure and construction applications for asphalt and bitumen, that "ensure constant demand" for its transportation.

Out of 293 specialised tankers built for the trade, just 109 were less than 10 years old, although they accounted for half the total carrying capacity.

Asphalt and bitumen are traded from all major refineries as a byproduct of crude oil.

NewLead's vessels have been loading predominantly in European ports and discharging in the Mediterranean, Black Sea, Middle East and Africa.

In 2011 and 2012, the company underwent a major restructuring that saw virtually the entire fleet traded away in return for shares and extinguishing debt, reducing it to two bulk carriers.

However, it doubled its cargo carried last year to nearly 1.4m tonnes as the fleet increased to five bulkers.

Coal has been the largest single cargo and last year it represented close to 40% of the company's cargoes.

In the first quarter of 2015, said NewLead, fleet utilisation for the tankers was 98.7%, with the bulkers not far behind, being 97.8% utilised.

For the year, fleet capacity in terms of available days has been 42% contracted.

Last month, NewLead clinched a one-year time charter with an unidentified "first-class charterer" for its 2009-built bitumen tanker *Ioli*.

The charterer has the option to extend the contract for up to four additional one-year periods.



Ioli: One-year time charter with an unidentified "first class charterer".

Chairman and chief executive Michael Zolotas said the company was pursuing an "adaptive, prudent and long-term" chartering strategy, aiming "to capture opportunities with first-class oil majors and traders".

NewLead, which nowadays trades on the over-the-counter market, is losing its chief financial officer. Antonios Bertzos last week resigned to pursue other career opportunities but will remain until the end of this month to ensure a smooth transition, the company said.

The company reported a \$65.3m net loss for 2014 and has been in lengthy negotiations with Piraeus Bank with a view to amending the terms of its loan agreement and regaining compliance with covenants.

The continuation in the fleet of one of the two panamaxers, the 1990-built *Newlead Markela*, hinges on the success of the negotiations.

Meanwhile, the company has been struggling for the past two years to complete the acquisition of assets of the Five Mile Mine in Kentucky.

It said last month its US coal operations are currently limited to coal-processing and blending services.

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