

Corporate Finance

Your latest update in the world of Moore Stephens Corporate Finance

Commenting on the deal, Duncan Gregory Corporate Finance Partner said, "The transaction is naturally very significant for both parties and we are pleased to be able to apply our corporate advisory and shipping industry skills to such an interesting transaction."

National Shipping Company of Saudi Arabia acquire stake in Bermuda based Petredec

The National Shipping Company of Saudi Arabia (NSCSA) paid \$50 million for a 30.3% stake in Petredec, a Bermuda-based LPG carrier.

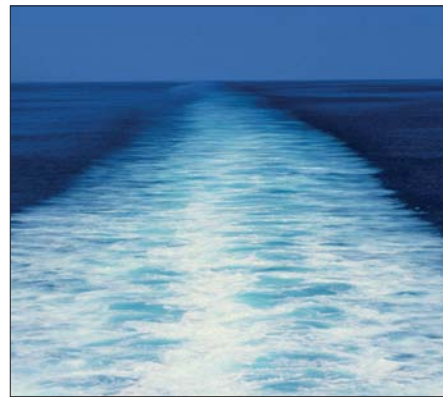
Moore Stephens Corporate Finance team provided corporate finance advice to NSCSA, together with UK based lawyers Holman Fenwick & Willan. The Saudi state shipping company is 28.2% owned by the Kingdom of Saudi Arabia and has a fleet of 37 ships, comprising large crude carriers, chemical and product carriers but no liquid petroleum gas (LPG) carriers. This deal will fill a gap in NSCSA's own fleet.

Petredec is a leading LPG trader and shipowner with a controlled fleet of 53 vessels, including two VLGCs recently ordered, each with a capacity of 82,000 m³ and due for delivery in 2008. Petredec is headquartered in Bermuda and trades globally with offices in Singapore, London and Barbados.

The deal comes at a time when Middle East nations are raising investment in downstream oil and gas projects to increase exports of refinery products, liquefied natural gas (LNG) and LPG.

Abdullah S Nojaidi, Chairman of NSCSA and Don Dunstan, Chairman of Petredec both agree that the gas trades out of the Gulf are set for significant growth in the coming years.

Mr Nojaidi said: "We consider our investment in Petredec to be the best route by which we can become a market leader in the shipping and trading of LPG in this region.



This transaction represents a number of firsts for NSCSA; our first share acquisition of an existing ship company, our first venture into the gas trades and our first major investment outside the Gulf Cooperation Council (GCC). It fits perfectly with our long term strategy of strengthening international alliances and diversifying our portfolio. We are extremely pleased to be investing in and working with a company of Petredec's calibre"

Don Dunstan agrees: "We are extremely pleased to welcome NSCSA onboard as a shareholder in Petredec. We are aggressively growing our shipping and trading activities and we expect to see a major part of this expansion take place in the Arabian Gulf. We fully expect that our relationship with NSCSA will grow over time to our mutual benefit."

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