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Krúnborg - From fishing to offshore

It looks like the Norwegian offshore experience is repeating itself in the Faroes where well known and well established fishing companies are reverting to the offshore industry. We have seen this happen at Thor in Hósvík and Supply Service (now Skansi Offshore) from Leirvík. After having worked totally in the fishing industry, these companies have now partly turned their attention to the offshore industry. Now yet another fishing company, which formerly has been one of the great pioneers within the Faroe fishing industry has decided to switch to the offshore industry. This latest company is P/F Krúnborg, which has signed a cooperation and ownership contract with Norwegian shipping company Simon Møkster Shipping AS, to build a new offshore vessel costing D.kr 360 million. -The sea has been the backbone in our family and this is set to continue for the future, said a very pleased CEO, Mr Petur Jacobsen to oljan.fo after the contract signing ceremony. In a short comment he told oljan.fo how this all came about. He says they came into contact with this Norwegian shipping company through the Corporate Finance department at BankNordik, which must be said has built bridges between Faroe and Norwegian business interests. Mr Jacobsen says they have established a new Faroe offshore company; P/F Krúnborg Offshore, which will build a subsea-vessel, a so-called multi-purpose support vessel, together with Simon Møkster Shipping AS. The hull will be constructed at a Polish shipyard and the vessel will be completed at the Norwegian Simek shipyard. The vessel will be 85 metres long and have a width of 18 metres. It will have a 70 ton crane, ROV equipment and a helipad. Subsea activity is a specific integral part of the offshore industry. The vessel can have 90 people on-board and through its remote controlled subsea vessels, it can undertake repairs and inspections for drilling platforms

and other offshore installations. It will also be capable of providing services to marine based windmill farms. Three offshore companies P/F Krúnborg will hold a 30% stake of this newly erected company and has the option to acquisition another 20%, when the vessel has been delivered sometime in May 2014 - -We recognise good opportunities within this new industry. There are now three offshore companies in the Faroes, delivering services in three different areas. These three sectors will assist in developing competence within the Faroe offshore industry even more, says Mr Jacobsen. Three brothers own the company; Sámal, Petur and Eiler Jacobsen. They point out that Krúnborg with its more than 48 year long experience in the fishing industry, together with Møkster, with their 44 years from the marine industry, whereof 31 years stem from the oil industry, ought to create the correct formula to establish a new offshore company - -We have never doubted entering the marine industry again. The question was when and how. Through this project we believe we have created a good basis to further develop the company. Expanded activity The Simon Møkster company was established in 1968 and is based in Stavanger. The company owns and operates 23 vessels within the offshore industry. The company fiscal manager, Mr Alf Møkster, is very pleased with this new cooperation - -We are pleased to be able to expand our activities to the Faroes. We have already 130 Faroese sailors employed on-board our vessels and we are looking forward to cooperating with Krúnborg, which is a good solid shipping company with much experience from the Faroe fishing industry, says Mr Alf Møkster. The Corporate Finance Dept. of BankNordic has lead negotiations between the parties, while Arnason & Mortensen have acted as consultants for Krúnborg. Virtual picture of the Møkster/Krúnborg multi-tasking vessel