

THE IRISH TIMES

March 29, 2007

Blue Ocean GSM network a first in shipping

Irish communications group Blue Ocean Wireless yesterday launched the world's first GSM mobile phone network for merchant shipping. Ciarán Hancock reports.

This service will allow about 1.2 million crew on 40,000 merchant ships worldwide to use their existing mobile phones to make and receive voice calls, send and get SMS text and e-mail messages and browse the internet.

To date, these crew, who are mostly Asian and spend the majority of the year at sea, have only been able to communicate with home from a satellite phone on a ship's deck or when they dock in port.

Blue Ocean, headed by Clare-born aviation entrepreneur Domhnal Slattery, is a joint venture between Claret Capital, an Irish private equity group set up by Mr Slattery in 2005, and Tralee-based software company Altobridge.

Claret is providing \$20 million in equity for the venture with Altobridge supplying the software. Mr Slattery said Blue Ocean is valued at \$40 million. He expects the company to break even after year three.

Claret owns 51 per cent of the venture, with an option to acquire an additional 10 per cent by late summer 2008. Claret also owns 25 per cent of Altobridge, which is chaired by former tánaiste Dick Spring.

The mobile services will all be prepaid. Crew members will buy a blue ocean SIM card from their ship's bursar and purchase credit to make calls and send texts. Outgoing voice calls will cost \$1.25 a minute with SMS texts charged at 75 cent each. SIM cards will only work at sea; they will automatically shut down when the ship nears a port and detects a land-based GSM mobile network.

Blue Ocean has been trialling the service on two large ships since September last with crews spending an average of \$65 a month on calls and texts. The company hopes to license about 1,000 ships to use the mobile service within the first 12 months.

"There is a proven demand for this service," Mr Slattery said.

The technology is already available on cruise ships and ferries. It can also be used on super yachts and it is understood that Blue Ocean technology is being used on a yacht owned by Roman Abramovich.

The mobile service is being provided in conjunction with Inmarsat, a London-based satellite operator. To promote the new service, Blue Ocean and Inmarsat are sponsoring English yachtsman Tony Bullimore in his bid to break the solo round-the-world sailing record, held by Ellen McArthur. The sponsorship is thought to be worth €100,000.

Blue Ocean has 10 staff in Dublin. Mr Slattery expects this to grow to more than 40 over the next three years.

Claret manages investments on behalf of a number of families and wealthy individuals. It is an investor in JetBird, a low-cost executive jet airline, Irish television station Channel 6 and was part of a consortium that acquired Hertz last year.