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Bank of Scotland dips into Blue Ocean for 10%

By Ciarán Hancock, Business Affairs Correspondent

Bank of Scotland (Ireland) has paid \$4.8 million to acquire a 10 per cent equity interest in Blue Ocean Wireless, an Irish company that aims to provide low-cost GSM mobile phone calls to crew on container ships.

This places a valuation of \$48 million on Blue Ocean, which was launched this year. The money raised from Bank of Scotland will be invested in the company.

Blue Ocean is a joint venture between Claret Capital, a private equity group headed by Clare-born businessman Domhnal Slattery, and Altobridge, a Tralee-based technology group chaired by former tánaiste Dick Spring.

Claret has so far provided €20 million in equity capital for Blue Ocean, and owned 51 per cent of the stock. Altobridge has developed the software for the mobile phone service and owned 49 per cent. Both parties are being diluted as a result of this fundraising.

Blue Ocean is targeting a market of 1.25 million crewmen working in merchant shipping. To date such crew have not been able to use their mobiles while at sea. Instead, they have had to rely on using the ship's phone.

Blue Ocean has launched a service that it says will be more cost efficient and more convenient to use.

Altobridge has developed technology for use in conjunction with Inmarsat, a satellite provider, and Stratos, a GSM network operator, to allow seafarers use their own mobiles at sea. The technology can also be used to track and monitor individual containers on board cargo ships as they travel across the oceans.

Blue Ocean believes this will prove popular with ship owners and insurers.

It is understood the company is close to securing its first shipping group as a customer.

The Irish company is also recruiting for its Dublin headquarters having recently appointed Robert Johnson, a former executive with Inmarsat, as chief executive.

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. The company hopes to license about 1,000 ships to use the mobile service within the first 12 months.