

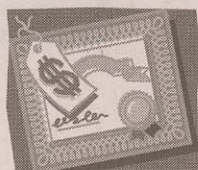
Sell High, Buy Low? Not OMI. Chief Focuses on Supply Trends

Stevenson Says Timing Of Recent Stock Purchase Was an Intentional Move

By **TONY COOKE**
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WASHINGTON—In a reversal of the pattern that insiders are expected to follow, OMI Corp. Chief Executive Craig H. Stevenson Jr. sold shares at low prices in December and bought shares at higher prices last Friday.

The difference between the December sales and the recent purchases, Mr. Stevenson said, is that the timing of last Friday's purchases was intentional. The December sales, he said, were the result of an automatic plan.



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OMI, incorporated in the Marshall Islands and based in Stamford, Conn., is a seaborne transporter of crude oil and refined petroleum products.

Friday, Mr. Stevenson bought 52,120 shares for \$13.41 a share, according to a filing made with the Securities and Exchange Commission. Company director Michael Klebanoff reported that he purchased a total of 24,228 shares on Friday and Monday for an average price of \$13.21 a share. Together, the two OMI insiders spent more than \$1 million on company stock in two days. OMI shares rose 89 cents yesterday to close at \$13.80 each in New York Stock Exchange composite trading.

"We think it's a good deal," Mr. Stevenson said.

Mr. Stevenson said in December he also thought the international tanker company's stock was a good deal. That month, however, he sold 515,000 shares for an average price of \$8.81 a share, according to transaction data provided by the Washington Service.

Those sales were made according to a set of prearranged instructions, known as a 10b5-1 plan, designed to shield insiders from accusations of illegal insider trading. Under such a plan, an insider designates a set of circumstances under which shares will be bought or sold, and the transaction is consummated automatically, even if the insider comes into possession of inside information that would otherwise make the transaction illegal.

Mr. Stevenson said his December sales, which all involved the exercise of stock options, were triggered automatically by two events: the impending expiration of some of those options and a sharp rise in the company's stock price. The company's shares more than doubled to \$8.93 each in 2003.

"At the time, I didn't want it to happen," Mr. Stevenson said of the December sales. "Nobody expected the market to go up as much as it did, and I got triggered on all my options. If you look at what this stock's done over the past couple years, it's just gone straight up."

Mr. Stevenson has taken advantage of lower prices in past years, buying nearly 260,000 shares from 1999 through 2002 for an average price of \$2.02 a share, according to historical data from Thomson Financial.

"This guy's been right in the past," said Michael Painchaud, research director for Market Profile Theorems. "What's really interesting is that he's stepping up at these prices."

Mr. Stevenson said he's comfortable buying shares at these prices because he is optimistic that the trends that have boosted his company's stock price—a limited supply of oil tankers and high demand for them—will continue.

Allen Brooks, an analyst for CIBC World Markets, last week upgraded OMI to "sector outperformer" from "sector performer," citing the same supply-and-demand issues discussed by Mr. Stevenson.

"It's an environment where the supply of tankers is being restricted by the mandatory scrapping dictated by the International Maritime Organization," Mr. Brooks said.

Because of environmental concerns associated with oil spills, the international regulatory body is requiring that single-hull tankers be retired before their useful life ends. OMI's recent expansion of its fleet has left the company with increased capacity at a time when restricted supply is driving up charter rates, Mr. Brooks said.