Iceland Entrepreneur Has Novel Water Remedy: Fill Ships

By Sally Bakewell - Nov 14, 2013

An Icelandic entrepreneur says his company may have a novel solution to the world's water shortages: Transport the North Atlantic island's abundant supplies in supertankers to where they're needed.

Aqua Omnis ehf, a Reykjavik-based company, plans to ship water from aquifers beneath Iceland to sell to drier lands as well as in Europe, Managing Director Thorsteinn Gudnason said in an interview. Iceland has vast amounts of spring water naturally filtered by mountains and lava terrain for hundreds of years that otherwise goes to waste, he said.

Aqua Omnis's plan offers an alternative to energy-costly water desalination and recycling as supplies are reduced by climate change and rising demand from the agricultural, oil and gas industries. By 2030 almost half the Earth's population may face water scarcity, according to the United Nations.

"We have an abundance of high-quality spring water underneath our surface which we are offering to the world," Gudnason said yesterday in London at the IEA & Marketforce conference. "It flows from Iceland into the ocean, quenching no one's thirst."

Gulf Investors

It will cost $300 million to start the initial project including a minimum of seven ships, fuel and mooring equipment, the company said. Conditional funding agreements are in place from investors including parties in Gulf nations, Gudnason said, declining to name them. The company plans to start commercial operations within three years, he said.

Aqua Omnis will transport water from springs using second-hand vessels from the oil industry. Some tankers will be able to carry as much as 500,000 tons. It can also move the water in "flexitanks" made of the same material as plastic bottles that can be transported in trucks or smaller ships.

The company plans to use ultra large crude carriers, some of which may have been deleted from the official register though not yet scrapped, and then refurbished, Gudnason said.

"They can be as good as new or even better as new vessels would need to be overhauled anyway to carry water," he said. "Whether we use exactly 500,000 dwt vessel or 441,500 dwt or a portfolio of different sizes of vessels is not really the main issue to us," he said today. Dwt refers to deadweight tonnage.

In England, Aqua Omnis could sell the water for about $2 per ton, according to Gudnason. Thames Water Utilities Ltd. charges $2.05 a cubic meter, where 1 cubic meter is 1 ton, for household water supplies.

The water flowing from the aquifers through streams under land Aqua Omnis owns in Olfus in southwestern Iceland to the Atlantic is drinkable, a quality "unheard of" outside the country, he said. The tankers will moor just off shore and deliver water directly to distributors without requiring treatment, he said.

Ballast water that can sometimes contain invasive species isn't an issue because the water collected from Iceland is uncontaminated after being filtered for years underground, he said.

This isn't the first time Iceland has planned to share its resources. A plan for an undersea power cable to connect the British grid to Iceland, which has abundant geothermal and hydropower, is attracting investor interest, Charles Hendry, a U.K. lawmaker and former energy minister, said this month.