



PandaNews

COSCO SHIPYARD NEWSPAPER

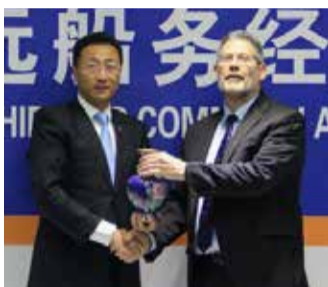
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MISSION STATEMENT To be a world leader in ship repair, conversion, new building and offshore marine engineering, we maintain trusting relationships with our customers, employers, and partners, yielding best returns for shareholders, society and environment. Depending on our talented engineers working alongside with an efficient project management team and a highly skilled workforce, we could guarantee to deliver the projects we undertake timely and professionally.

A.P. Møller - Mærsk delegation visits COSCO Shipyard



On November 12, a delegation from the Maersk Group, led by the Vice President, Mr. Charl Bester, and the senior management of Maersk Line, Maersk Supply Service and Maersk Tankers, and including their offshore and marine technical department and purchase department, visited the COSCO Shipyard Group Commercial Headquarters in Shanghai. The President of CSG, Mr. Liang Yanfeng, warmly received the delegation and both

parties had pleasant exchanges.

During the meetings, Liang reviewed his pleasant visit to the Maersk Group headquartered in Copenhagen, Denmark at the beginning of October, and extended a warm welcome and sincere thanks to the delegation led by Mr. Charl Bester for the visit. Liang once again expressed his appreciation to Maersk for entrusting COSCO with the construction of four subsea supply vessels as well as the wish to establish a long-term partnership with Maersk in ship repair, newbuilding and offshore marine sectors.

Mr. Charl Bester spoke about Maersk's current situation and their upcoming concerns and development plans. He showed deep appreciation for COSCO

being so highly attentive and cooperative with the Maersk projects and suggested they arrange more regular high-level visits. He also expressed his wish to have the COSCO Shipyard Group as one of their prominent partners in China.

The two sides also exchanged their views on the global shipping and offshore marine markets.

Both sides believed that, while the previous cooperation has been successful and pleasant, a brighter future is awaiting which will benefit both parties.

Management of COSCO (Dalian), COSCO (Zhoushan), COSCO (Guangdong) Shipyards and the Commercial Headquarters and Technology Centre also attended the meetings.



CSG President visits our partners in Hong Kong



Recently, the President of the COSCO Shipyard Group held constructive and pleasant exchanges with the COSCO (HK) Group, Chellaram Shipping, KC Maritime, Noble Chartering and the Hong Kong Branch of Deutsche Bank AG, among other clients and partners in Hong Kong.

During a pleasant meeting with the COSCO (HK) Party Secretary, Mr. Wu Shuxiong, Vice President, Mr. Xu Zhengjun, and Chief Accountant, Mr. He Jiale, both sides reviewed their close cooperation in ship repair and discussed the development and maintenance of their information system. They also discussed how they could complement each other in the future development of their businesses.

At the Deutsche Bank AG, Hong Kong Branch, Liang was received by Mr. Vishal Khurana, the General Manager of their

Asia Pacific Business, who spoke highly of the rapid development of the COSCO Shipyard Group and expressed his wish that they work together in arranging financing for future projects. Both parties agreed to stay in close contact and be prepared to act on any potential opportunities for future cooperation.

During the meetings with Chellaram Shipping, KC Maritime and Noble Chartering, the parties reviewed their previous cooperation, introduced their near-term and long-term plans, exchanged their views on the global shipping, ship repair and newbuilding markets, and expressed their interest in market highlights such as eco-ships and new technologies. They agreed to continue to work in partnership with each other to achieve a win-win situation. Liang expressed his appreciation to the owners for their continuous trust and support and said that COSCO Shipyards will do their utmost to provide our clients with the best products and services.

COSCO Dalian delivers two FPSOs in succession

On the 24th and 27th of October, COSCO (Dalian) Shipyard delivered two floating production, storage and offloading (FPSO) units, "Petrobras 76" and "Algarve", to Modec. The units were converted from very large crude carriers (VLCCs) and will eventually join the Petrobras fleet.

Equipped with a spread mooring system, the units are capable of processing 150,000 barrels of crude oil or 8,000,000 cubic metres of natural gas per day and have a storage capacity of 1,600,000 barrels. The units are able to operate in water depths up to 2,300 metres. During installation of the flare tower on the Algarve unit, the flare tower module was lifted to a height of 150 metres, setting a new record for COSCO Shipyards. Whilst Petrobras 76 was undergoing conversion, three supplementary orders were placed, as a result of which nearly 100% of steel work, 90% of coating and painting, 70% of piping work, as well as part of the machinery work and air channels were completed by COSCO (Dalian) Shipyard.

Since 2007, based on abundant experience from the conventional ship repair business, COSCO (Dalian) probed into the offshore marine conversion sector and expanded its production and technical team extensively. In just 7 years, the yard has undertaken 12 FPSO conversions, 10 of which have already been successfully delivered with Petrobras as the end user. Through these projects, COSCO (Dalian) has gained rich experience in FPSO conversion, optimised technology and developed sophisticated project management systems. Thanks to its remarkable performance, the yard has won high recognition from the industry and is acclaimed as the "No. 1 FPSO conversion yard in China".



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COSCO Nantong: econd jack-up drilling rig named



COSCO Guangdong delivers second self-erecting drilling tender barge



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Sea damaged HLV restored three days ahead of schedule in COSCO Zhoushan Shipyard



COSCO Nantong: Second jack-up drilling rig named



On November 19, a LeTourneau Workhorse jack-up drilling rig, built by COSCO (Nantong) Shipyard for the Singaporean buyer, KS Energy, was named "KS Orient Star 2" by Godmother Mrs. Elizabeth Wiluan. The Board Chairman of KS Energy, Mr. Kris Wiluan, Vice President of American Bureau of Shipping China Area, Mr. Darren Leskoski,

Vice president of the COSCO Shipyard Group and general manager of COSCO (Nantong) Shipyard, Mr. Ni Tao, Party Secretary of COSCO (Nantong) Shipyard, Mr. Zhu Zhihong, and Executive Director of the COSCO Shipyard Group Commercial Headquarters, Mr. Shi Wei, as well as other guests and friends, co-witnessed the moment.

This unit is very much at the high end of all units ever built and delivered by a domestic Chinese yard and represents world-class technologies and building techniques. The COSCO Shipyard Group owns the intellectual property rights of the production and detailed design of the unit. It measures 69.49 in length, 67.06 in breadth, 7.92

metres in depth and each leg measures 536 feet in length. The unit is capable of operating in 400 feet of water and can drill to a depth of up to 30,000 feet. The drilling package has a working load of 1,000 tonnes. The livingquarters is capable of providing accommodation for up to 150 people.

The sister rig of "KS Orient

Star 2", "Kai Xuan Yi Hao", was successfully delivered on July 17, 2014 and put into action in the East China Sea by the charterer, China Oilfield Services Ltd (COSL). It accomplished its first drilling task on October 20, its performance highly recognized by COSL. The unit has been re-positioned and has started its second drilling task.

COSCO Guangdong delivers second self-erecting drilling tender barge

On November 18, COSCO (Guangdong) delivered a self-erecting drilling tender barge, EDrill-2, to the Singaporean buyer, Energy Drilling. This is the second drilling tender barge COSCO (Guangdong) has built and delivered to the buyer. The unit measures 99.97 metres LOA, 29.87 metres in breadth and 11.35 metres in depth and can accommodate a crew of 170. It is designed to provide remote field drilling and workover services; it can also carry out drilling operations in areas requiring



pile positioning. The barge has a working depth of 2,000 metres and a drilling depth of over 5,000 meters.

COSCO-built drilling tender barge put into action in Gulf of Thailand

Recently, the COSCO-built, high specification drilling tender barge, EDrill-1, was positioned on station and commenced drilling in the Gulf of Thailand for the Bongkot Program. The unit was delivered by COSCO (Guangdong) Shipyard to the Singaporean buyer Energy Drilling in April 2014 and leased by PTT Exploration & Production Public Co. Ltd (PTTEP) for a fixed term of three years, starting on 1 August 2014. So far all the systems and equipment are running smoothly. Both the charterer and the crew on board speak highly of the performance of the unit.

EDrill-1 is very much at the high-end of the market for drilling tender units. Its light-weight Drilling Equipment Set (DES) erects in three major heavy lifts



and is ideally suited to the fast paced Gulf of Thailand infield drilling programs. It can work in water depths of 6,000 feet (approx. 1,828 metres) and has a drilling depth of 20,000 feet

(approx. 6,000 metres). A 400-t lifting capacity makes it possible to transfer a whole drilling packet to the drilling rigs in merely three shifts, greatly increasing drilling efficiency.

COSCO-built wind turbine installation vessels reunite at Esbjerg Port, Denmark

Recently, two wind turbine installation vessels, Sea Installer and Sea Challenger, were spotted loading wind turbine components at Esbjerg Port, Denmark, at the same time, creating a unique sight for the city.

Built by COSCO (Qidong) Offshore, Sea Challenger and Sea Installer are both third generation wind turbine installation vessels and are the first of their kind to have been designed and built in China. Thanks to the remote-controlled seawater lifting device, navigation and DP2 dynamic positioning, jack-up operations can be completed easily by one person. The pile leg design of the third generation is a distinct improvement on the previous generations: the first and second generations adopted a six-leg arrangement, with the main crane in the center of the stern, which limited the loading area of the main deck; the third generation adopts a four-leg design, leading to a significant increase in the

loading area of the main deck and enabling the vessel to handle the installation of larger 5MW to 7MW wind turbines – it will now be able to carry 10 sets of wind turbine components per voyage. The lifting capacity has also been improved with a 900t variable frequency drive main crane. Meanwhile, the vessels are equipped with advanced steerable thrusters with enhanced mobility – it takes merely 5 to 6 seconds for the vessel to make a 180-degree turn. The vessels meet both DNV offshore construction specifications and Danish maritime standards. They have also been awarded the DNV class notation "clean design" and will play a positive role in the promotion and development of clean energy.

The vessels have successfully carried out wind turbine installation work in the UK sector of the North Sea, where their strong performance was fully appreciated by the owner and the charterer.



COSCO Zhoushan: 152,000-dwt shuttle tanker named

On November 12, a 152,000-dwt shuttle tanker, being built by COSCO (Zhoushan) Shipyard for the Norwegian owner, Knutsen NYK Offshore Tankers, was named "Raquel Knutsen" by Godmother Ms. Natalia Fernandez. The CEO of Knutsen NYK Offshore Tankers, Mr. Trygve Seglem, a representative from the Spanish energy company Repsol, Mr. Ignacio Redondo, the Chief Engineer of the COSCO Shipyard Group, Mr. Zhan Shuming, and the General Manager of COSCO (Zhoushan) Shipyard, Mr. Dong Yezong, co-witnessed the moment.

At the naming ceremony, Mr. Trygve Seglem spoke highly of the yard's execution of the project. Mr. Zhan Shuming offered warm congratulations and extended sincere thanks to Mr. Trygve



Seglem and Knutsen NYK Offshore Tankers on behalf of the COSCO Shipyard Group. He said that it was our great pleasure to have Knutsen as a good friend and supportive partner, and we hoped that the Raquel Knutsen project would serve as a new starting point for more cooperation in broader fields.

The 152,000-dwt shuttle tanker is the fifth offshore vessel type in COSCO (Zhoushan) Shipyard's product catalogue. The vessel measures 276 metres LOA, 46 metres in breadth and 24.3 metres in depth, with a designed draft of 16 metres and a scantling draft of 17.5 metres. The vessel is classed by DNV-GL.

COSCO Dalian: Steel-cutting for two emergency response/rescue field support vessels

On the 18th and 30th of October, the steel-cutting for two emergency response/rescue field support vessels (ERRV) were held in COSCO (Dalian) Shipyard.

COSCO (Dalian) has undertaken to build four ERRVs for the Malaysian buyer Nam Cheong,

with the British company Sentinel Marine as the end user. The vessels will measure 62 metres in length, 15.5 metres in breadth and 6 metres in depth.

They will adopt the conventional double engine/propeller propulsion system and will be equipped with

a bow thruster and a retractable thruster. They are designed to provide emergency response assistance and other services for offshore oil field facilities. The vessels in the series are scheduled for delivery from the end of 2015 to the beginning of 2016.

COSCO Guangdong: Second platform supply vessel launched

On October 28, a PX121 platform supply vessel (PSV) was launched in COSCO (Guangdong) Shipyard. It is the second of the six PSVs the yard has undertaken to build for the Dutch owner, Vroon B.V.

The vessel measures 83.4 metres LOA, 18 metres in breadth and 8 metres in depth, with a maximum draft of 6.7 metres and a deadweight of 4,200 tonnes.



Zhongxing Sea-Land delivers car/passenger ferry to Guangdong Hopeyue

On November 28, Zhongxing Sea-Land Engineering, a subsidiary of the COSCO (Shipyard) Group, delivered a 73.7m car/passenger ferry to the domestic Chinese owner, Guangdong Hopeyue Ship Building Industry Limited. The President of Guangdong Hopeyue Ship Building Industry Limited, Mr. Li Guoxuan, the Party Secretary

of the COSCO Shipyard Group, Mr. Ma Zhihong, and the management of COSCO (Guangdong) Shipyard co-witnessed the moment. The successful delivery of the vessel adds to Zhongxing Sea-Land's competitiveness in the construction of small size vessels.

Prior to the delivery, on October 30, the vessel returned from its

three-day sea trials, during which tests on hull performance, main engine workload, cruising speed, power system and communication and navigation systems were successfully carried out. The tests won high levels of praise from both the owner and the ABS inspectors.



COSCO Shanghai recognised as eco-friendly manufacturer

At the end of November, after comprehensive evaluation and assessment by a team of authorized experts, COSCO (Shanghai) Shipyard was recognised as an eco-friendly manufacturer.

During the assessment, COSCO (Shanghai) delivered a report elaborating their production process, submitted their Environmental Monitoring Report and Environmental Impact Assessment, and gave detailed and persuasive answers to the experts' inquiries concerning production process and techniques and bilge water treatment facilities. They emphasised the dust control measures taken during cutting and welding. The

experts were very impressed by the yard's concerns for the environment, as well as by their ability to put the environment protection concepts into practice, and unanimously approved the nomination of the yard as an eco-friendly manufacturer.

The recognition from the experts justifies the yard's efforts in environment protection, emission control and eco-friendly manufacturing. As an almost-half-a-century-old shipyard with a sharp sense of social responsibility, COSCO (Shanghai) will never compromise the environment for their business performance and will always try their utmost to become "greener", which is the only way that leads to a sustainable growth.

THIS MONTH IN HISTORY

November

November 17, 1869

The Suez Canal was formally opened after more than 10 years of construction.

November 22, 1497

Portuguese navigator Vasco Da Gama, leading a fleet of four ships, became the first to sail round the Cape of Good Hope, while searching for a sea route to India.

November 28, 1520

Portuguese explorer Ferdinand Magellan passed through the strait (of Magellan) located at the southern tip of South America, thus crossing from the Atlantic Ocean into the Pacific.

November 4, 1890

The first electrified underground railway system was officially opened in London.

November 3, 1957

Soviet Russia launched the world's first inhabited space capsule, Sputnik II, which carried a dog named Лайка.



November 8, 1656

Astronomer and mathematician Edmund Halley (1656-1742) was born in London. He sighted the Great Comet of 1682 (now named Halley's Comet) and foretold its reappearance in 1758. Halley's Comet appears once each generation with the average time between appearances being 76 years. It is expected to be visible again in 2061.

November 7, 1867

Polish chemist Marie Curie (1867-1934) was born in Warsaw, Poland. In 1903, she and her husband received the Nobel Prize for physics for their discovery of the element Radium.

November 8, 1895

X-rays (electromagnetic rays) were discovered by Wilhelm Roentgen at the University of Würzburg in Germany.

November 25, 1835

American financier Andrew Carnegie (1835-1919) was born in Dunfermline, Scotland. He emigrated to America, made his fortune in steel, and then became a major philanthropist. Among his gifts are more than 2,500 libraries, Carnegie Hall, the Carnegie Foundation and the Carnegie Endowment for International Peace. He once wrote, "The man who dies rich dies disgraced."

Sea damaged HLV restored three days ahead of schedule in COSCO Zhoushan Shipyard

Yang Guochen

COSCO (Zhoushan) Shipyard

"Lesheng" is a heavy lift vessel owned by COSCO Shipping. She sailed out from COSCO (Zhoushan) Shipyard on September 9, 2014, following the successful completion of repairs required because of sea damage. The repairs involved the bulbous bow, forepeak tank and forecastle deck areas. The vessel measures 169 metres LOA and 25.2 metres in breadth, with a maximum loading capacity of 50,000 tonnes. Difficult sea conditions had resulted in her colliding with other ships, which damaged the bulbous bow and forepeak tank, as well as the forecastle deck area; the collision almost reached the collision bulkhead. Fittings on the forecastle deck were either damaged or disappeared into the sea. In her current state it was difficult to moor and, considering the unpredictable condition of the vessel and how easy it would be to cause further damage, we made



a temporary repair by filling the fractured area with foam in order to prevent the sea water from flowing into the cargo holds or tearing more cracks in the already fragile area. Once we received the precise order of repair, we organised the repair team without delay and initiated preparation. After evaluating the damage, our Technical Department started to make production drawings utilizing

the part drawings which were supplied by the owner. However, without the original molded lines, based only on a limited number of construction drawings, it was quite a challenge for us to simulate and design. Meanwhile, time was marching on and the remaining time was critically low. Our technical team was working around the clock. Their vast experience and impressive design

ability enabled them to overcome the many obstacles they faced and they managed to produce the necessary working drawings sooner than the owners expected. Once the vessel arrived at the yard, the owner required that her departure date be brought forward by 10 days. Focusing on this case, we had to abandon the first plan completely and started to adjust all our general production running

lines; everything, from the block working drawing division up to the material cutting arrangements, had to be changed. Then the workers were dispatched to fabricate the blocks 24 hours a day and, despite the poor weather conditions, which added to the difficulty in construction, the new blocks were fabricated and ready to be installed in just 20 days. The internal and external coating of the new plates called for a higher than standard quality, and from sandblasting in the workshop to full coat to stripe coat, we followed the guidance and standards for new builds. In order to save time, and only after careful evaluation and analysis of the risk, we decided it would be possible to replace the above waterline parts alongside the jetty. It only took us 35 days to complete the work from the time of her arrival. Our strict quality control, zealous execution and hearty service earned us high recognition from the owner.

Milestones in the history of the COSCO Shipyard Group (2001-2008)

I On June 22, 2001, the COSCO Shipyard Group (CSG) was founded in Nantong, China. As the result of reorganization and integration of the COSCO Group's regional ship repair resources in Nantong, Dalian and Guangdong, CSG not only consolidated its position in the ship repair market, but also became the first among domestic Chinese ship repair yards to rise to fame in the ship conversion sector.



II On January 1, 2003, the CSG Commercial Headquarters came into operation in Shanghai, the international shipping centre, marking the revolutionary adoption of the Integrated Marketing Model, based on which CSG managed to establish a sound global client base and marketing network.



III On April 5, 2004, CSG acquired several private ship repair and building facilities on Liheng Island, Zhoushan, Zhejiang Province. On this island, a world-class ship repair, shipbuilding and offshore marine engineering base covering 2,000,000 square metres with 6 docks and 10 berths would soon greet the world.



IV On March 2, 2005, the CSG Headquarters were relocated to Dalian in response to the call of the national strategy to revitalize the Northeast region.



V In 2006, CSG decisively implemented the offshore marine engineering strategy and successfully undertook a number of orders, including the high-end semi-submersible drilling rig "GM4000", the world's first ultra-deepwater cylindrical drilling rig "Sevan Driller", the world's first self-propelled jack-up rig "Super M2" and a series of wind turbine installation vessels and deepwater pipelaying vessels, developing a comprehensive product mix from the nearshore to the offshore segment, spanning the entire value chain.



VI On January 16, 2008, the ground was broken for a new project granted by the newly established Ministry of Industry and Information Technology; it is capable of fulfilling EPCI contracts for cylindrical offshore units, large semi-submersible offshore units and specialist offshore vessels. The construction of the facility is divided into two phases and will be completed by the end of 2014, when it will become the biggest modernized offshore marine equipment construction base in China.



The Milestone series is to be continued in the December issue – see you then!