



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.

52 hours: Six thrusters installed on Cotemar accommodation unit



At 3pm on 5th July, all six thrusters had been successfully installed on a semi-submersible accommodation unit being built for the Mexican buyer, Cotemar, by COSCO (Qidong) Offshore. The installation took a mere 52 hours, breaking the previous record of 72 hours for the installation of thrusters offshore

among COSCO Shipyards.

The unit was towed to the anchorage at 2am on 3rd July. After thorough preparation, it was ready for the installation of the first thruster at 11am. Despite the huge and frequent waves, the installation team managed to finish installing all six thrusters by 3pm

on 5th July, breaking the record created on its sister unit, which was 72 hours. At 11pm on the same day the loading test was finished on the first thruster, buying time before typhoon Chan-hom could arrive.

The installation of the thrusters was followed by the testing and ver-

ification of the unit's service speed, DP3 dynamic positioning system and the Failure Modes and Effects Analysis (FMEA) during sea trials.

In the thruster installation area, such efficiency is rarely seen even among offshore majors in Korea, Singapore and Western countries.



Maersk delegation visits COSCO Shipyards

➤ P02



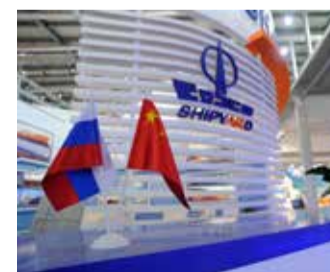
Suezmax tanker "Raquel Knutsen" completes maiden voyage

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CSG-Formosa cooperation continues in 2015

➤ P03



COSCO nominated Top International Exhibitor of INNOPROM-2015

➤ P04



FPSO Cidade de Itaguaí arrives at Petrobras' Lula field

Petrobras reports that the floating production, storage and offloading unit (FPSO) Cidade de Itaguaí is now anchored in the Iracema Norte area of the Lula field, in the Pre-Salt layer of Santos Basin, off the coast of Rio de Janeiro. The platform-ship is able to produce 150,000 barrels of oil and compress 8million cubic metres of natural gas per day. Oil production in the field is scheduled to begin in the third quarter of this year.

Moored 240km off the coast of Rio, at a water depth of around 2,240m, FPSO Cidade de Itaguaí will be connected to eight production wells and nine injection wells. The natural gas will be exported to shore via a subsea gas pipeline. The unit is also capable of storing 1.6 million barrels of oil and

injecting 264,000 barrels of water per day.

The platform-ship was acquired from the Schahin/Modec consortium, which was responsible for converting the hull, constructing and integrating the modules, and operating the unit. COSCO (Dalian) Shipyard won the contract from Modec to convert the hull and build and integrate some of the modules. This is the 10th FPSO conversion project the yard has delivered since 2007.

The Iracema Norte area of Lula field is located in exploration block BM-S-11, in the pre-salt layer of Santos Basin. BM-S-11 is being developed by a consortium consisting of Petrobras (leader and operator, with a 65% stake), BG E&P Brasil (25%) and Petrogal Brasil (10%).

COSCO delivers PSV to COSL

Yan Chongyu

COSCO (Dalian) Shipyard

On July 22, COSCO (Dalian) Shipyard delivered a Platform Supply Vessel (PSV), "Hai Yang Shi You 660", to China Oilfield Services Limited (COSL).

The vessel measures 85.4m LOA, 20m in breadth, 8.6m in depth and has a deck space of 1,000sqm. It is designed to transport supplies and crew, as well as provide rescue and fire-fighting services for offshore platforms. The production de-

sign of the vessel was completed by COSCO (Dalian) Shipyard.

COSCO Dalian has undertaken to build two PSVs for COSL. The other one is being readied for sea trials.

COSCO Shipyards have secured orders for a total of four Offshore Supply Vessels (OSVs) from COSL. On June 19, the first one of the series, Anchor Handling Tug Supply (AHTS) vessel "Hai Yang Shi You 641", was successfully delivered by COSCO (Guangdong) Shipyard.



Maersk delegation visits COSCO Shipyards

Yang Guochen

COSCO (Zhoushan) Shipyard

During July 14-15 a delegation from the Maersk Group, led by their Vice President Mr. Charl Bester, visited COSCO Shipyards in Dalian and Zhoushan, where they inspected the production preparation for the seven 3,600-teu Container Ships and the progress made on the four Subsea Supply Vessels (SSVs).

On July 14, the delegation visited COSCO (Zhoushan) Shipyard accompanied by the CSG Commercial Headquarters Director, Swem Sun. The delegation was warmly



received by the yard's General Manager, Dong Yezong. The two parties exchanged information on current projects and came to an understanding on plans for further

cooperation.

At the meeting, the yard's Assistant General Manager Liu Quan introduced their facility capacity, sophisticated project management

and mature HSE and QA management and summarised their previous cooperation in the ship repair and conversion fields. The two parties agreed to continue their cooperation in these fields and to jointly strive to optimise project management, cost control and the time taken to complete each repair. After that, Liu reported on the production preparation for the 3,600-teu newbuilds and they then exchanged details of the projects as well as their expectations.

After the meeting, Mr. Bester visited COSCO Zhoushan's construction site and workshops be-

fore expressing his satisfaction with what he saw as well as his confidence in the prospect of our debut cooperation in ship newbuilding.

On July 15, the delegation visited COSCO (Dalian) Shipyard and was warmly received by the CSG President Liang Yanfeng and the COSCO Dalian General Manager Gao Yongqiang. Gao reported on the progress made on the SSV newbuilds. Mr. Bester fully acknowledged the yard's efforts and achievements and also gave us constructive and useful advice based on his experience and expertise in this area.

Keels laid for Maersk Subsea Supply Vessel

On 2nd July, the steel-cutting for two deepwater Subsea Supply Vessels (SSVs), being built for the Danish owner Maersk Supply Service, was held in COSCO (Dalian) Shipyard. These are the first offshore and marine newbuilding orders Maersk has placed in a Chinese Shipyard.

CSG has undertaken to build a total of four SSVs for the owner. Each vessel will measure 137m LOA, 27m in breadth and 11m in depth. They will be equipped with an electric propulsion system, a DP3 dynamic positioning system, dynamically compensated deepwater cranes, underwater robots and heli-decks. They are designed to carry out subsea cable laying in water depths of up to 3,000m, as well as well installation and maintenance work.



Suezmax tanker "Raquel Knutsen" completes maiden voyage

The Norwegian owner Knutsen NYK Offshore Tankers (KNOT) told us that the COSCO Zhoushan-built 152,000dwt shuttle tanker, "Raquel Knutsen", has been delivered to her charterer, Repsol/Sinopec, for trading offshore Brazil. She completed her maiden voyage just a few days ago, transferring oil from FPSO "Cidade de Ilabehla" to another tanker.

The crew on board for the maiden trip reported that, throughout the whole loading/unloading, transferring and sailing process, the vessel gave good performance and everything functioned smoothly. KNOT very kindly sent us an email where they expressed their satisfaction with COSCO Zhoushan's work.

"Raquel Knutsen" was delivered to KNOT on 27 March 2015. The owner has placed an order for a second vessel in the series to be built at COSCO (Zhoushan), which will be delivered early 2017.



Against the storm: Bye-bye, Chan-hom

In the sales department we travel a lot. It is impossible to have everyone in the office at the same time. We travel to our six shipyards to sort out various problems. We travel to the other end of the planet to visit our clients. We hit as many conferences and exhibitions as we can and do our marketing there.

Travelling is always a refreshing and inspiring experience. Although it can be exhausting at times, and may involve a lot of messing with our watches and electronic devices, we willingly undertake it because we know when we'll get to go home.

Except sometimes we don't.

We first heard of Chan-hom - the strongest typhoon in the last 60 years - the day before we were due to leave on our return flight to Shanghai. We were at Ekaterinburg Airport, tapping our mobile phones nervously. I had never noticed how often people from my circle of

friends travelled until the typhoon came: it seemed everyone was stuck somewhere: Taiwan, Guangdong, Heilongjiang...

The more we read the more anxious we got. It was not the possibility of delay, but the uncertainty of the whole situation, that frustrated us. Another major concern - we needed to know that our shipyards would still be in one piece after the typhoon and our clients' property would remain unharmed.

The first tactic we employ to survive extreme weather is to stay prepared and never take chances. Safety is our top priority. From 5pm on 10th July, all production had been suspended in our shipyards in Zhoushan, Nantong and Shanghai and all staff were evacuated from the yards, except for the top management who were responsible for dealing with emergencies 7/24. Contingency plans were made to

help the crews on board vessels in the yards. Large equipment and blocks were properly reinforced. Emergency rescue tugboats were booked. Smooth communication was ensured at all times and we kept a close eye on landslides and other secondary disasters.

Since Chan-hom was expected to land in the Zhoushan area, COSCO (Zhoushan) Shipyard had our full attention. By July 9, we had moved most of our unpowered

vessels, including one FPSO and several PSVs, to the dry docks, while all the 11 powered ones found shelter at the anchorage. Two of the 9 quays were cleared out so we could focus on the rest. We frequently checked the mooring lines, especially at high and low tide, adjusting and strengthening them according to the direction of the wind. Cranes were ground anchored, tugboats were moored, and barges were fixed to shore.

We also tried to reduce the number of vessels at the quays. After 32 hours of emergency repair, COSCO Zhoushan managed to undock a 64,000-dwt bulk carrier and she dropped anchor at a safer off shore location. COSCO Shanghai reinforced their floating dock "COSCO Sheshan" with 4 additional mooring lines. COSCO Qidong installed the thrusters on a semi-sub in record time and had her travel 35 hours and 120 sea miles to a safe sea area where she escaped the worst of the typhoon.

On July 12, our plane landed in Shanghai Pudong Airport with only a minor delay. We turned on our phones and told ourselves that no news was good news. Chan-hom didn't hit Shanghai full on as expected; instead we were greeted by the long absent sun. The weather cannot be predicted and neither can many other things, but somehow it doesn't upset me anymore.



CSG-Formosa cooperation continues in 2015

Wu Zhirong

COSCO (Zhoushan) Shipyard

At the end of May, MT "FPMC 13", owned by Formosa Plastics Marine, arrived at COSCO (Zhoushan) Shipyard for her dry dock repairs. This was the first time Formosa Plastics Marine and COSCO Zhoushan have cooperated on a project since the Chinese Lunar New Year. Two weeks later, we were awarded the repair of a Capesize Bulk Carrier, "FPMC B Harmony", by the same owner, infusing new energy into the CSG-Formosa partnership.

Back in 2013, we spent more than 6 months negotiating, and finally confirming, a long-term ship repair agreement with Formosa Plastics. In 2014 the contract came into effect, and the owner sent a total of 8 vessels to our shipyard for dry dock repair. These included 2 Capesize bulk carriers with a great amount of steel renewal and 4 oil tankers with coating reversion in their cargo oil tanks. For Formosa Plastics, these 8 vessels took up almost 1/3 of their yearly repair plan in the global field and more than 1/2 in the Chinese field. Such was the trust and support the owner had for us, and such was our precious friendship. Since January 2015, we have repaired 4 vessels for Formosa Plastics, including container ships, oil tankers and



bulk carriers. To complete these projects to the highest standard is the best way we can think of to celebrate the second anniversary of our long term agreement, as well as the fourth anniversary of our partnership in general.

MT FPMC 13's original repair specification did not include tank coating. The major work scope included overhaul of mechanical equipment in the Engine Room and on deck, installation of a new N2 system in the Steering Gear Room and other normal docking items. However, during the repair

process we found some rusty areas in the oil tanks, especially in the starboard slop tank. We needed to be really careful with the extra thin zinc coating and had to arrange additional workers to cover the unplanned work, which was scattered extensively around the tanks but was insignificant in terms of total area, as a result of which our earnings from this job would barely cover the labour costs. However, the superintendent's explanation - "It might be a small job for the shipyard, but for the owners it is a very important method to improve

the quality of oil product; it also influences our fleet operation very much" - made us see the significance of this seemingly trivial job. We made a quick adjustment to the master schedule to cover this job and assigned additional workers to it in order to reach a higher standard. The superintendent was very pleased with our strong commitment and proactiveness.

The repair of "FPMC B Harmony" was not as complicated but, as one of the biggest Capesize type with a principal dimension of 295m x 46.5m and a deadweight of 180,156mt, she was a challenge for our Capesize dry dock whose breadth was 49m. When docked, there was only a little more than 1m between her hull and the dock walls, leaving hardly any space for cherry pickers. Fortunately, in order to start dry dock work as soon as possible and for the project to process smoothly, we evaluated all possibilities in advance and found the best solution, which was to erect a 180m long staging on both sides of the dock.

Now that "FPMC 13" and "FPMC B Harmony" have been successfully redelivered, we are preparing for the fifth, sixth and even more projects from Formosa Plastics in 2015, and we are expecting additional opportunities for prosperous cooperation with the owner in the future.



Fairweather Steamship: Top Wing repaired to satisfaction

"Top Wing" is a bulk carrier owned by the Hong Kong-based company, Fairweather Steamship. After a 20-day repair in COSCO (Zhoushan) Shipyard, she set out on her new voyage in July 2015. The Fairweather Steamship Technical Department General Manager, Mr. Yin Huanzhou, was very happy with our work and sent us a handwritten letter of appreciation, which we reproduce below as a self-reminder to keep up the good work and never let our clients down!

The "Top Wing" project featured an extensive work scope and involved a heavy workload. Despite being in a busy season and undergoing shortages in capacity and manpower, COSCO

(Zhoushan) Shipyard put themselves in our shoes and worked on the project with total devotion.

Thanks to COSCO Zhoushan's unrelenting efforts, "Top Wing" was able to sail on time, which was great news for the owners and made us feel highly privileged. We'd like to offer our sincere thanks to COSCO Zhoushan for their continuous support and cooperation.



COSCO Zhoushan completes intermediate shaft repair for National Navigation

Zhang Yuting

COSCO (Zhoushan) Shipyard

On June 21, a container vessel named "Wadi Alrayan" was redelivered by COSCO (Zhoushan) Shipyard to the Egyptian owner, National Navigation. The owner has a long-term partnership with COSCO Zhoushan and, based on their previous experience, they

have great faith in our repair ability and quality. Therefore, when it came to the intermediate shaft repair project for "Wadi Alrayan", the owner named COSCO Zhoushan as their first choice.

During the repair, the yard's ship repair team tried their best to organise and discuss the shaft machining, bearing casting and

bearing seat repair plan. Thanks to the operable and efficient working plan and positive and effective coordination, the yard completed the project in a timely manner and to a high quality, which won high praise from the owner and reinforced our mutual trust and working partnership.



COSCO nominated Top International Exhibitor of INNOPROM-2015

During July 8-11, 2015, on behalf of the COSCO Shipyard Group and as part of the Chinese National Delegation, we attended the sixth INNOPROM International Industrial Trade Fair in Ekaterinburg, Russia.

INNOPROM has been held annually in Ekaterinburg since 2010 and has now become the most influential industrial trade fair in Russia. It displays state-of-the-art industrial technologies, with a sharp focus on pressing issues in global industry, and sets out a platform for international cooperation.

The chosen topic for INNOPROM-2015 was Industrial Efficiency. More than 600 industrial corporations took part in the Trade Fair and its associated Business Programmes. During the four days the Trade Fair was open, the Ekaterinburg-EXPO International Exhibition Centre recorded more than 52,000 visitors, up 14% on the figure for 2014.

We are proud to be nominated as one of the Top International Exhibitors of INNOPROM-2015. The other nominees included: China Railway, Siempelkamp, Turkish Machinery Promotion Group (TMPG), Siemens, Fanuc Corporation, KUKA Systems Group, Rittal, DuPont, Delta Electronics Inc., Schneider Electric, Yamazaki Mazak, Omron Electronics, Cisco Systems and Kärcher.

Top Russian Exhibitors included Rostec, Rosnano, Rosatom, TMK, "Rosseti" corporation, Shvabe, Russian Helicopters, Sberbank, Eurasia, EXIAR, KAMAZ, NPK Uralvagonzavod, Sinara Group, UMMC-Holding, United Heavy Machinery, Airports of Regions Holding, SC KORTROS and NPO Automation named after academician N.A. Semikhatov.

China was the official partner country of INNOPROM-2015. The Chinese

National Exhibition at the Trade Fair covered an area of 7,500sqm (comprising nearly 150 companies spread over 33 interconnected stands). The Chinese delegation, which included state representatives, Chinese business leaders and company executives, ran to over two thousand members.

Our stand took up an area of 60sqm and was located to the North-West of the Chinese National Stand. Both the facade and profile of our stand opened to main thoroughfares, ensuring frequent visitors. We adopted diversified formats to display our three business sectors and six subsidiary shipyards - videos, posters, brochures and tablets - with emphasis on our recent technology developments and achievements in the shipbuilding and offshore engineering area, reflected in our cylindrical drilling rigs, semi-submersible accommodation units, wind turbine installation vessels and live-stock carriers. We were also invited to take part in the Grand Opening Ceremony and the "Russian-Chinese Business Partnership to Meet World Progress" business forum.

In the Trade Fair we had in-depth exchanges with local ship and offshore operators and acquired first-hand information on the Russian shipping and offshore market, which will be very useful when we further develop our marketing strategies for Russia and East Europe. We chatted with representatives of special economic zones and looked into the investment environment in Russia in areas such as tax policies, labour cost and local content requirements. We also had the chance to interact with other exhibitors and our counterparts and share their views on the global and Russian shipping/offshore market as well as on management concepts and market strategies.

During our stay in Russia, we also visited Sovcomflot (SCF) - Russia's largest shipping company and one of the global leaders in the maritime transportation of hydrocarbons, as well as in the servicing and support of offshore exploration and in oil & gas production. Its fleet (owned and chartered) specialises in hydrocarbon transportation from regions with challenging icy conditions and includes 151 vessels with a combined deadweight of 12,799,913 tonnes and with the average age of 7 years. A third of these vessels have a high ice class.

SCF is registered in Saint-Petersburg and has representative offices in Moscow, Novorossiysk, Murmansk, Vladivostok, Yuzhno-Sakhalinsk, London, Limassol, Madrid, Singapore and Dubai.

At their Moscow office, we met up with Vice President Mr. Igor Tonkovidov and Director Mr. Alexander Sokolov. We both introduced our key business and products and found that we shared common interests and there was potential for cooperation in liquefied natural gas transport, storage and regasification equipment (LNGC, FLNG, FSRU) as well as in the financing and leasing sectors.

We also followed up on the execution of our long-term ship repair agreement signed earlier this year and inquired about SCF's ship repair plan. The owner said they would consider CSG as their preferred partner for ship repair in China; in return we offered to provide them with first-class services, a competitive price, high quality and strictly controlled repair schedules. The two parties agreed to work together to continue our long-term partnership in ship repair and conversion and jointly explore possibilities of cooperation in more extensive areas.

Seasons and the sea



Art: Ocean Horizon, by Richard Diebenkorn (1922-1993)
Poem: Giraffe, originally written by Nikolay Gumilyov (1886-1921)
English translation by the PandaNews

Giraffe

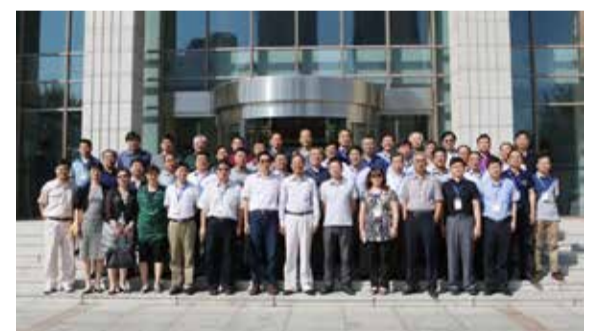
Today, I see, such sadness in your eyes
And your arms, so small and pale
Wrapped around your knees.
Listen: far, far away, on Lake Chad
Gracefully wanders a giraffe.

His body speaks of harmony, joy and grace,
And his fur is painted with magical patterns,
That can be matched only by the moon,
Falling apart in the vapours on the wide lakes.

From afar he looks like the colourful sails of a ship,
And his movement is smooth, like a joyous bird flight.
I know, what miraculous sight sees the land,
When he hides in his grotto as the sun sets.

I know merry tales of mysterious lands
Of the black maiden, and the passionate young prince,
But you are trapped for too long in a thick haze,
You refuse to believe in anything but the rains.

And how am I to tell you about the tropical garden,
About slender palm-trees, and the scents of unheard-of grass.
Are you crying? Listen... far away, on Lake Chad
Gracefully wanders a giraffe.



CETC chief scientists visit COSCO Shipyard

On the afternoon of 8 July, a delegation of more than 50, comprising chief scientists and experts from the China Electronics Technology Group (CETC), visited COSCO Shipyard for technological exchange.

The CETC Group is a domestic leader in the research, development, production and system integration of electronic and information products for both civil and military use. Under direct management of the Central Government, it features a strong R&D team, which consists of 11 members of the Chinese Academy of Engineering and 487 national-level scientists.