



# PandaNews

## COSCO SHIPYARD NEWSPAPER

COSCO SHIPYARD GROUP CO.,LTD.

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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.

## COSCO secures TAERRV from Sentinel Marine

COSCO (Guangdong) Shipyard has recently secured a contract, from the UK offshore support vessel operator Sentinel Marine, to build one Tanker Assist / Emergency Response / Rescue / Field Support Vessel (TAERRV). The vessel is expected to be delivered in the first quarter of 2017. Pursuant to the contract, Sentinel Marine has an option to place an order for an additional TAERRV within six months.

The vessel will be custom built for Statoil and will provide emergency cover, firefighting, oil spill response preparedness and tanker assist capabilities for the Mariner field. It will measure 65 metres LOA, 16.6 metres in breadth, 6.8 metres in depth, have a dead-



weight of 1,450 tonnes and a cruising speed of 13.5 knots. Classed by ABS, it will meet the DP2 dynamic positioning requirements and be equipped with two 4,000-bhp pro-

pulsion motors and deck towing winches.

Sentinel Marine has already secured a charter contract from Statoil with a fixed duration of five

years, commencing in July 2016, which also includes five one-year extension options. From the summer of 2016 until the new vessel is ready for operation, Sentinel Marine will provide another ERRV for emergency cover on Mariner.

In 2014, Sentinel Marine ordered four Multi-Role Field Support Emergency Response and Rescue Vessels (ERRVs) with Nam Cheong, which are now under construction in COSCO (Dalian) Shipyard and scheduled for delivery in the first half of 2016.

Sentinel Marine is a trader, owner and operator of offshore support vessels in the marine oil and gas industry, with offices in Singapore and Aberdeen.



**COSCO works with rig owners to weather the storm**

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**Arendal Spirit flotel homes in on operation start-up off Brazil**

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**Shell's FPSO Systems Team Leader Joost Lemmens visits COSCO Dalian Shipyard**

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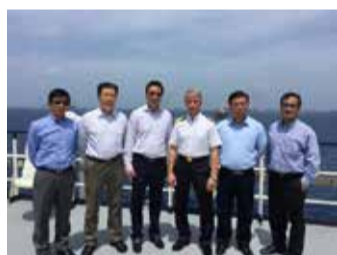


**Reederei Nord: COSCO Zhoushan does not disappoint**

➤ P04

## Biggest offshore accommodation unit named in Mexico

On May 12, an offshore semi-submersible accommodation unit, deployed in the Gulf of Mexico, was named "Neptuno". It was built by COSCO (Nantong) Shipyard and delivered to the Mexico buyer Cotemar on 5 January 2015 with Pemex as the end user. Based on GustoMSC's Ocean 500 design, it is capable of accommodating 990 people and is the biggest offshore accommodation unit in the world. COSCO Shipyard independently carried out the detailed design, production design, procurement of all equipment



and installation and debugging of equipment and systems.

The compact, but formal, naming ceremony was held on the unit by Cotemar. The CSG President Liang Yanfeng attended the ceremony on behalf of the construc-



tion yard. The ceremony also saw the presence of representatives from Pemex as well as from other business partners of Cotemar.

At the ceremony, Cotemar spoke highly of the quality of the unit and the smooth collaboration

with CSG, and expressed their wish to work cooperatively again in the future. In return, Liang expressed his thanks to the buyer and assured them that CSG is always ready to provide products and services of the best quality.

Cotemar is a construction and service company set up in the early 1979 by private Mexican investments. Since its foundation, Cotemar has provided Pemex with services related to the development of offshore oil fields using specialized vessels.

## COSCO Zhoushan wins seven bulbous bow modifications

**Yang Guochen**

COSCO (Zhoushan) Shipyard

Recently, COSCO (Zhoushan) Shipyard stood out from numerous competitors and successfully secured 7 bulbous bow modification projects, from CMA CGM and Zodiac maritime, on container vessels of various tonnages: 11,000-teu, 11,400-teu and 13,000-teu.

COSCO Shipyards have successfully completed more than 40 bulbous bow modifications in the past two years; our clients span various countries and regions across Europe and Asia, from France, Germany, Greece and Brit-



ain to Singapore and Taiwan.

The CMA CGM Group is the third-largest container shipping company worldwide and number 1 in France. It is a major economic player and a long-term partner

of COSCO (Zhoushan). Our initial collaboration on bulbous bow conversions dates back to 2013. Based in Marseille, the CMA CGM Group has a presence in more than 160 countries through its

network of over 655 agencies, has a young and diversified fleet of 445 vessels and has an annual transport capacity of 12.1 million TEUs.

Zodiac Maritime Ltd. is an international ship management company, headquartered in London, with representative offices in Shanghai, Tokyo and Mumbai. Zodiac Maritime Ltd. specialise in the management of VLOCs, Capesize, Panamax, Handymax and Handy-size Bulk Carriers, Container Ships, Crude Tankers, Product Tankers, Chemical Tankers, LPG Tankers and Pure Car (Truck) Carriers.



TradeWinds

21 May  
2015

## COSCO - CSDC team on VLOCs

Chinese shipping giants China COSCO Holdings Co. (CCHC) and China Shipping Development Co. (CSDC) have set up a joint venture company to operate four very large ore carriers (VLOCs) bought from Vale.

The joint company, called China Ore Shipping, has been established in Singapore with

COSCO, the majority shareholder, holding a 51% stake. COSCO and CSDC have contributed capital of CNY 168.3m (\$27.14m) and CNY 161.7m (\$26m) to China Ore Shipping respectively.

Earlier this week, Brazilian mining company Vale agreed to sell four 400,000-dwt ore carriers to COSCO for \$445m. The deal

came with a 25-year charterback agreement plus an option to extend the tenure by five years.

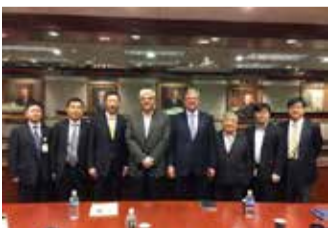
TradeWinds understands that the four VLOCs will be assigned to China Ore Shipping and it will carry out the charter contract. It will be taking delivery of the VLOCs from Vale early next month.

## COSCO Shipyard Group at OTC 2015

From 4-7 May, a COSCO Shipyard Group (CSG) delegation, led by President Liang Yanfeng, attended the Offshore Technology Conference (OTC) in Houston and met our existing and potential partners. They also took this opportunity to visit the ABS World Headquarters, where they shared their views on market trends and offshore contractors' coping strategies. Through face-to-face interactions, the parties gained a deeper understanding of each other. Liang was accompanied by the COSCO Dalian Shipyard General Manager, Gao Yongqiang, CSG Technical Centre Lead, Zhao Zhijian and CSG Commercial Headquarters Directors, Lu Hua and Xiao Zijian.

After the conference, Liang visited COSCO Americas and COSCO Shipping Americas and expressed his thanks to them for supporting us in establishing our American Office and assisting us with our marketing activities in America.

The Offshore Technology Conference (OTC) is where energy professionals meet to exchange ideas and opinions in order to advance scientific and technical knowledge of offshore resources and environmental matters. Founded in 1969, OTC's flagship conference is held annually at NRG Park (formerly Reliant Park) in Houston. OTC has expanded technically and globally with the Arctic Technology Conference, OTC Brasil, and OTC Asia.



Responding: CSG President Liang Yanfeng (centre)

Photo: Yang Zhang / CSG Commercial Headquarters

## COSCO works with rig owners to weather the storm



upstream  
THE INTERNATIONAL OIL & GAS REVIEW

6 May  
2015

Excerpt from the *Upstream Show Daily*, issued on Wednesday 6 May 2015, with amendments

**Liang Yanfeng, President of the COSCO Shipyard Group, says his company is responding positively to proposed delays on projects following industry downturn**

China's COSCO Shipyard Group (CSG) is working with rig owners to weather the stormy rig-building market plagued by delivery delays, a lack of charters and, in some cases, cancellations.

The CSG President Liang Yanfeng told *Upstream* on the sidelines of the offshore Technology Conference (OTC) in Houston that the rig market has been hit hard by the downturn in oil prices, a reality he expects will linger for some time.

He said CSG "positively responds" to any delay proposals from rig owners and always tries to work with them to find a solu-

tion through friendly consultation.

Rig orders have dwindled since the second half of last year, Liang said, adding that no Chinese yards have finalised any previously agreed contracts for construction of deep-water semi-submersible rigs. However, he argued that there are rig owners considering placing orders at a time when the market is down, in anticipation that the rig could be employed at a higher rate when the market picks back up in a few years.

"Yards are focusing on timely delivery of the units under fabrication," he said, adding that delivery is now the top priority

for Chinese yards.

He said CSG will base its delivery schedule on contracts rather than market conditions.

CSG is widely known for their competency in designing and building cylindrical semi-sub drilling rigs and has delivered three to Sevan Drilling. Delivery of the fourth has been postponed. He said CSG reached an agreement with Sevan last October for postponing delivery of the fourth unit for up to three years, but the delivery schedule will be reviewed in one year, with four additional reviews scheduled at six-month intervals.

CSG is China's largest off-

shore yard by revenue, with \$2.5 billion last year. Its product line covers most types of offshore units, including supply vessels, floating production, storage and offloading vessels and deepwater semi-sub.

CSG is also China's designated FPSO conversion yard and has delivered nine conversions, with another three vessels currently under conversion.

According to Liang, CSG is the world's top semi-sub accommodation unit fabricator, having delivered two such units for operation in Brazil and the Gulf of Mexico, with another seven under fabrication.

upstream

22 May  
2015

## Arendal Spirit flotel homes in on operation start-up off Brazil

A newbuild semi-submersible accommodation and maintenance vessel is due to start operations for Petrobras off Brazil next month.

The Arendal Spirit - the first cylindrical flotel ever built in the world and with a capacity to accommodate 500 people - arrived in Brazilian waters on 2 May and is currently undergoing preparations to start its three-year contract with Petrobras in June.

The semisub is being supplied by Teekay Offshore, which has a second Sevan Marine-design unit under construction at China's COSCO (Nantong) Shipyard.

The Arendal Spirit, to be renamed Praia de Itaipu in Brazil, is expected to make its debut in the Barracuda-Caratinga complex in the Campos basin.



## COSCO Dalian launches LNGC

On May 3, a 28,000-dwt LNG carrier, being built for the domestic Chinese buyers Dalian Inteh Group and Shanghai Bestway Marine Engineering Design Company, was successfully launched in COSCO (Dalian) Shipyard and is now ready for outfitting and commissioning work.

## Shell's FPSO Systems Team Leader Joost Lemmens visits COSCO Dalian Shipyard

On April 24, a delegation from Shell, led by the leader of their FPSO systems team, Mr. Joost Lemmens, paid a visit to COSCO (Dalian) Shipyard. The delegation was accompanied by the leaders of the Transportation and Energy Efficiency Departments of our mother company, the COSCO Group. The COSCO Shipyard Group Vice President, Yan Chengxiang, and COSCO (Dalian) Shipyard General Manager, Gao Yongqiang,

warmly received the delegation.

Mr. Joost Lemmens and the delegation visited the construction site of our latest FPSO conversion project as well as our steel and pipe processing workshops. They listened to the report on our FPSO conversion and offshore module construction business and spoke highly of our technical strength and practical experience in FPSO conversions.



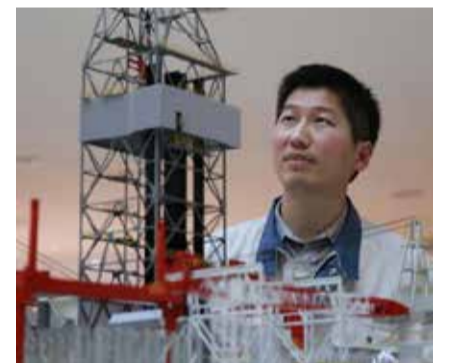
## COSCO Nantong's Guan Qinquan awarded May Fourth Youth Medal

Guan Qinquan, Technical Manager at COSCO (Nantong) Shipyard Offshore R&D Centre, has recently become one of 25 recipients of the May Fourth Youth Medal in 2015. This is the highest honour awarded by the Communist Youth League Central Committee and China Youth Federation, issued annually on May Fourth in honour of the May Fourth Youth Movement, which took place in 1919. Recipients should be 14 to 40 years of age. Guan is the only recipient from Jiang Su Province this year.

Aged 39, Guan is the Technical Manager of COSCO (Nantong) Shipyard's FPSO newbuilding project for the British buyer Dana

Petroleum. Upon completion it will be the first cylindrical FPSO built in China. Guan also worked as Deputy Technical Manager on the construction of the world's first cylindrical drilling rig, "Sevan Driller", and as Technical Manager for "Sevan Brasil", the second cylindrical drilling rig delivered by the yard. Both projects have won national-level awards and COSCO (Nantong) Shipyard has become a preferred choice for building Sevan's cylindrical designs.

Back in November 2013, Guan was recognised as one of "China's Top Ten Young Engineers" by the Communist Youth League Central Committee. He was the first within



the COSCO Group and its subsidiaries, as well as in China's marine and offshore industry, to have been given this honour.

## March on: CSG staffing at IML Dalian International Walking Festival

On May 16, the IML Dalian International Walking Festival kicked off in Xinghai Square. More than 200 CSG staff participated in this annual walking event.

Three different routes were designed for the Festival, to meet the participants' varying abilities. More than 140 of our colleagues chose and completed the 10-kilometre route; over 40 managed to finish the 20-kilometre route, and 10 of us conquered the most challenging 30-metre route.

We take it as our responsibility to help our staff lead a dynamic and joyful life and career. We encourage them to take part in the walking event in the hope of drawing their attention to health and environmental issues. Furthermore, we believe that group activities will lift our spirits and keep us

together, enabling us to better handle the challenging market situation.

The International Marching League (IML) Walking Association is a non-political, non-profit organisation whose purpose is to promote walking as a worthwhile and

healthy recreation, and to foster international understanding and goodwill by promoting international multi-day non-competitive walking events in each of the member countries. In Dalian it is held annually on the third weekend of May.



Art: Scarlet sails

Illustration to Alexander Grin's novel "Scarlet Sails"

Poem: I walk the streets of Moscow  
Originally written in Russian by Gennady Shpalikov  
English translation by the PandaNews

I walk the streets of Moscow

The world is full of joy and fun,  
You just don't see it at once,  
Too caught up in a summer rain,  
It happens, and it will pass.

A familiar face flickers in the crowd,  
Cheerful eyes happily caught,  
In which rushes the Garden Ring,  
In which sparkles the Garden Ring  
And a summer thunderstorm.

And I walk the streets of Moscow  
And I can go farther still  
Across the salty Pacific Ocean  
Through taiga and tundra fields.

To raise a white sail on my boat,  
Knowing not who will come along,  
And if one day I'll miss home,  
I'll find a violet beneath the snow  
And to my mind comes Moscow.

# Reederei Nord: COSCO Zhoushan does not disappoint

## Guo Zhaoxian

COSCO Zhoushan Shipyard

The cooperation between Reederei Nord and COSCO Shipyard started in 2005, with the docking of panama bulk carrier "Nord Moritz" over the Chinese New Year in COSCO (Zhoushan) Shipyard. Now, 10 years later and after a number of dockings in COSCO shipyards in Dalian, Nantong, Guangdong and Lianyungang, Reederei Nord is returning with "Brahms" and "Nordweser" to COSCO (Zhoushan) Shipyard.

Coincidentally, the attending superintendent for the "Brahms" and "Nordweser" projects, Mr. Grzegorz Kowalczyk, was the same person who oversaw the docking repair of "Nord Moritz" at COSCO (Zhoushan) Shipyard 10 years ago.

Now, at the sight of a brand new COSCO (Zhoushan) Shipyard, Mr. Kowalczyk said he was surprised at the improvements we had made, which he then added "is not unexpected". He said things he saw here added to their confidence that COSCO Shipyard was the perfect choice for their docking projects.

The main job on "Brahms" was cargo hold sandblasting and painting as well as other general docking tasks. We ensured there was abundant manpower and equipment available for the project and our management paid close attention to its progress. The vessel was redelivered on time marking the

completion of another pleasant collaboration between Reederei Nord and COSCO Shipyard. The repair period coincided with Easter Day, in celebration of which we were invited to join the owner, captain and crew on board for lunch. We had a lovely time together and a memorable experience of observing a Western Festival.

Following "Brahms" came "Nordweser". In addition to cargo hold sandblasting and painting, similar to the work carried out on

"Brahms", she also required renewal of approximately 130 tonnes of the cargo hold tank top plate. The owner and yard agreed on a tight schedule for her, especially considering that the cargo hold sandblasting and tank top plate renewal couldn't be carried out simultaneously. We had to complete the steel work first, with zero delay, then start sandblasting. As we had done for "Brahms", we gave the "Nordweser" project top priority, and with great support from Mr.

Kowalczyk and the ship's crew, we managed to make another timely delivery for Reederei Nord.

Meanwhile, to celebrate 10 successful years of cooperation between Reederei Nord and COSCO Shipyards, we threw a small dinner party for Mr. Grzegorz Kowalczyk and the crew where we reminisced about the past, looked into the future and, most importantly, temporarily forgot about the worries of work and had a good time.

Mr. Kowalczyk expressed his

satisfaction with the work carried out on "Brahms" and "Nordweser". He didn't hesitate to confirm his preference for COSCO Shipyard, not only because we work well with each other, as had already been proven during previous collaborations, but also thanks to the great quality we delivered every time. Whatever difficulties and challenges there might be, we will never let our clients down.



## COSCO (HK) Shipping top management visits COSCO Zhoushan



### Ma Liang

COSCO (Zhoushan) Shipyard

On the afternoon of April 26 a delegation from COSCO (HK) Shipping Co., Ltd., comprising General Manager, Mr. Chen Xinchuan, and 10 department managers, paid a visit to our COSCO (Zhoushan) Shipyard. The delegation was warmly received by our General Manager, Mr. Dong Yezong.

The next morning, all members of the delegation went on the board MV "He Ying", which was being repaired in our shipyard at that time.

The delegation was accompanied by the COSCO (Zhoushan) Deputy General Manager, Mr Ao Wuping. Mr Chen checked the ship very carefully, from main deck to engine room, and said he was very satisfied with her general condition and the crew's daily maintenance routine. After that, Chen summoned a short meeting with the ship's crew, where they had a nice chat, and Chen listened to and recorded the crew's suggestions on every aspect of the vessel's operation.

Because of the tight schedule, the delegation had to end their visit and leave Liuheng Island at noon.

That same afternoon the COSCO (HK) Party Secretary, Mr. Lai Yiguang, also arrived at our shipyard. The main intent of his visiting was to inspect the results of their New Standard Management on the two vessels "He Ying" and "Hong Dai". He passed on the details and purpose of the New Standard Management to the crew and expressed his belief that it would help strengthen the domestic solidarity action.

COSCO (Zhoushan) Shipyard completed a total of 51 shiprepair projects for our sister companies in 2014, 17 of which were for COSCO (HK) Shipping, which has become our biggest client within the COSCO Group in terms of the number of projects.

In 2015 to date we have already repaired and redelivered 3 vessels to COSCO (HK) Shipping and, according to confirmed plans, there will be at least ten more vessels to come!

