



# 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.

## Mr. David Crawford, Dana Petroleum's CFO, visits COSCO Shipyard Group

On September 11, DANAPetroleum's CFO, Mr. David Crawford, visited the COSCO SHIPYARD GROUP. The COSCO SHIPYARD GM,

Mr.Liang Yanfeng, and Chief Accountant, Mr.Cai Yun, extended a warm welcome to Mr. Crawford and the delegation and expressed thanks

for their support. Both parties discussed current Dana Projects and also discussed how they might enhance their cooperation in the future.



### Successful Completion of Ultra-Deep Water Drillship

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### COSCO Dalian Shipyard successfully complete JACK UP Leg extension Project

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### Shipping Industry's Morale Suffers Sharp Decline-by World marine

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## COSCO Dalian Shipyard wins livestock vessel extension project

Recently, COSCO Dalian Shipyard signed a contract with the Italian ship owner-Wellard Ships Pte.Ltd for the extension of their livestock carrier "Ocean SHEARER". This is first livestock carrier extension project Dalian COSCO SHIPYARD has signed. It will help lay the foundation for similar projects in the future. This project will be a big challenge in special vessel conversion. The dimensions of the vessel are 189.5m(L), 31.1m(B) and 24.33m(D).

## Delivery of Semi Submersible Accommodation Vessel

COSCO (Nantong) Shipyard Co., Ltd delivered the Semi Submersible Accommodation Vessel "ATLANTIS" to ATLANTIS OFFSHORE PTE LTD. The unit will be

chartered to the Mexican oilfield services company Cotemar, S.A. de C.V., which will use it to fulfill their service contracts with the country's state-owned oil compa-

ny Pemex.

The vessel measures 91 meters in length overall, 67 meters in breadth and 27.5 meters in depth.



### A special interview with the attending superintendent Mr Ado Randic from MV Regina Oldendorff.

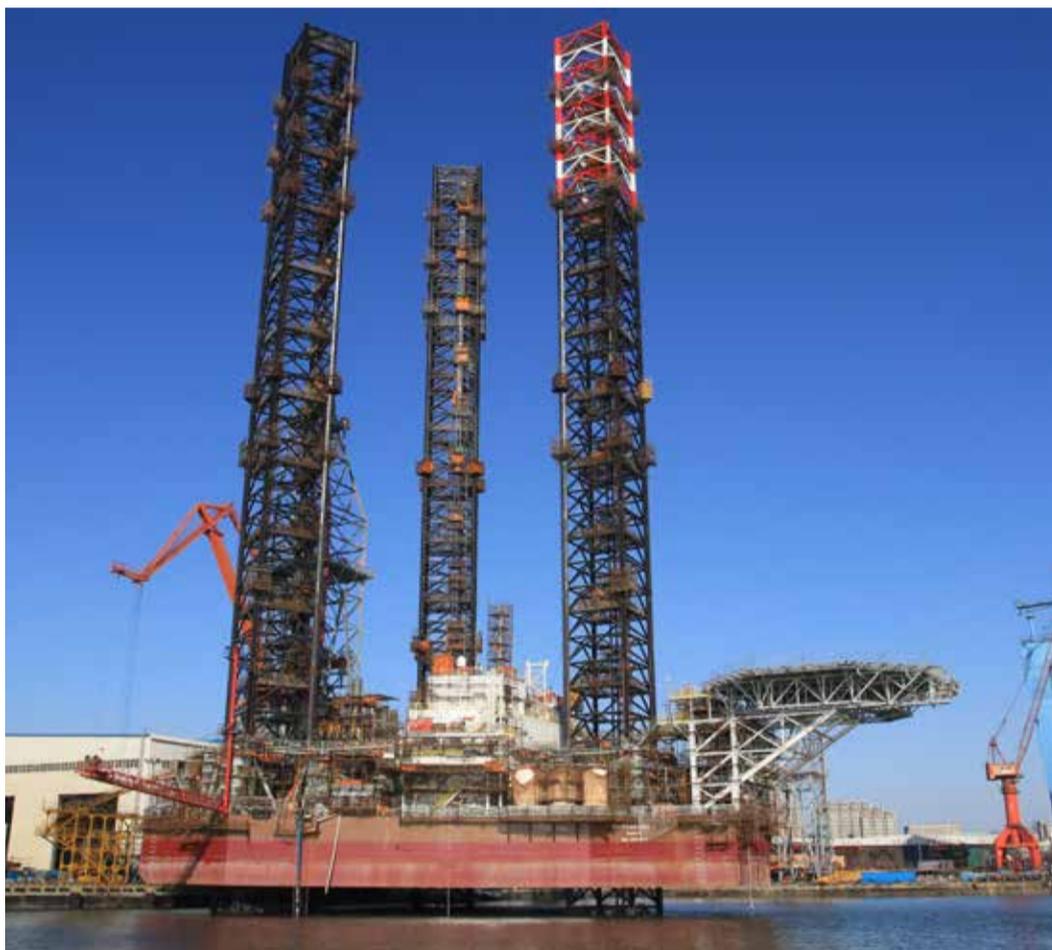
► P03

## COSCO Dalian SHIPYARD successfully complete JACK UP Leg extension Project

Recently, COSCO Dalian shipyard completed a Jack up Drilling platform leg extension project for the Singaporean company Momentum Drilling Pte. The Leg extension work has now been

completed and work on the main hull is almost finished. The pressure testing of the legs will now commence following completion of the extension work. The dimensions of the Jack up

are 74.0m(L)\*62.8m(B)\*7.9m(D) and the extended legs are 145.5m in length. The rig will have a maximum working water depth of 106.68 meters, a drilling depth of 3000 feet.



## Steel Cutting Ceremony for Dalian COSCO Shipyard MV29 Module Project

On September 14, the steel cutting ceremony for the Modec MV29 Module project was held in Dalian COSCO Shipyard. Deputy GM Mr. Hao Zenghui, Deputy GM Mr. Wang Yu from Dalian COSCO Shipyard, MODEC Project manager Mr. Eric Powell, Deputy manager Teoh Teik Khai and construction manager Mr. Vaibhavall attended the ceremony.

MV 29 is the 9th FPSO conversion project on which Dalian COSCO Shipyard and MODEC have cooperated. Since June 2015, COSCO Dalian Shipyard has successfully signed a total of 14 module construction contracts including a Pipe Gallery module, MSS and Laydown modules. The final completion and delivery date will be in 2016.



## Steel Cutting for Dalian COSCO Shipyard Subsea Support Vessel

On September 23, the steel cutting ceremony for No.3 and No.4 Subsea Support Vessels was held in COSCO Dalian Shipyard. Mr. Ivan Seistrup, the Chief technology officer of Maersk supply company, Mr. Gao Yongqiang, GM of COSCO Dalian shipyard and Mr. Nikolas Skaribas, GM of Lloyd's Register attended the ceremony.

This project is an EPC contract; Dalian COSCO shipyard will be

carrying out the Project design, hull construction, equipment procurement, installation and testing. The dimensions of the vessel are 137m(L)\*27m(B)\*11m(D). They will be equipped with a level III dynamic positioning electric propulsion system, 6 sets of main generators, three thrusters on the keel, and two conventional propellers at the stern.

## South Korea's major rig builders Hyundai Heavy Industries (HHI), Samsung Heavy Industries (SHI) and Daewoo Shipbuilding and Marine Engineering (DSME) have teamed up in a Joint Industry Project, looking to cut rig construction costs and project delays.

According to Hyundai Heavy Industries, the three companies recently held a meeting for an "Offshore Design Standardization JIP" with American Bureau of Shipping (ABS) at Houston, Texas.

On the occasion also attended by ConocoPhillips and Technip, the three Korean shipbuilders agreed to join forces to standardize materials, design, and procedures of offshore facilities that vary by project and client by the first half of 2016.

In the absence of common rules for equipment lists, design

and work procedures, offshore facilities contractors and clients alike have been facing increases in the number of materials needed and material procurement costs, and project delays with the project-specific procedures, Hyundai Heavy Industries said in a statement on Wednesday.

According to Hyundai, the three Korean major shipbuilders have also been working on standardization with DNV GL since May this year. The plan is to further expand the standardization work with Lloyd's Register and Bureau

Veritas, and to list the common rules on ISO.

Choi Kil-seon, chairman and CEO of HHI, said: "Standardization of offshore design is an essential move to ease material cost increases and project delays, and to enhance our competitiveness in the global offshore market. We hope that the standardization will help lower the entry barrier of domestic offshore facilities equipment manufacturers in the global market."



# Shipping Industry's Morale Suffers Sharp Decline-by World marine

**The morale in the shipping industry has fallen to the lowest level in the past six years, according to the Way Ahead Transport survey by Norton Rose Fulbright law firm.**

The battered optimism has been attributed to a fleet overcapacity in the shipping industry at a time of record downturn in emerging markets in Asia coupled with ongoing turmoil in Greece, which is threatening the Euro zone.

The survey shows that merely 33 % of respondents see the current market conditions as positive, a steep fall from 69 % recorded in 2014.

"We have this huge overcapacity but a lot of shipowners are still going out and ordering ships," Harry Theochari, the firm's global head of transport, is cited by Bloomberg as saying.



The survey shows that mergers and acquisitions along with joint ventures and pooling deals are to be expected in the next year as market players eye capital opportunities.

Theochari estimates that consolidation, driven by both distress and the on-going corporatisation of the industry, is the natural next step for shipping businesses.

The survey findings correspond to those released last week by shipping adviser Moore Stephens, saying that the overall confidence levels in the shipping industry fell during the three months to May 2015 to a level equal to the lowest rating recorded in the past seven years.

The low confidence levels stem from low freight rates and overtonnaging, with continuing doubts about private equity funding.

## Newbuilding Prices in Decline Until Next Year

**The newbuilding price index has been in decline since June 2014, and the trend is likely to continue until next year, the South Korean daily Business Korea quoted US investment firm Morgan Stanley as saying.**



The newbuilding price index peaked at 140 in June last year, before steadily sliding and reaching 132 as of June 19 this year. Worryingly, the decline has been more rapid this year, with the index falling from 137.5 recorded in January, to 132.9 in May.

Morgan Stanley chalks the decline up to several factors, including the aggressive bids made by Japanese shipyards, backed by increased capacity through the expansion of shipbuilding facilities.

On the other hand, China's shipbuilding capacity has been de-

clining since 2013, with a number of smaller shipyards going out of business.

The index has also been negatively affected by huge losses accumulated by South Korean major shipyards in 2014.

However, South Korean ship-

yards should not worry too much, according to Business Korea, as the prices of ships the country's shipyards have specialized in have remained more or less steady.

The price of a 13,000 TEU container ship newbuilding has gone down from USD 117 million

to USD 116 million, while a 8,800 TEU newbuilding is actually USD 1 million more expensive, standing at USD 89 million. An average price of a Capesize bulk carrier has gone down from USD 58 million to USD 50 million.

# A special interview with the attending superintendent Mr Ado Randic from MV Regina Oldendorff.

**COSCO Zhoushan Shipyard:**  
What's your nationality?

**MrAdo:** I am from Croatia, a very beautiful country.

**COSCO Zhoushan Shipyard:**  
Wefully agree. I have looked at many scenic photos of Croatia showing its beautiful coastline and beaches. Could you please give us a brief description of your company?

**MrAdo:** Our company changed its name to "SeaquestShipmanagement" a few months ago. As you know, it was previously called "SeaflagShipmanagement".

**COSCO Zhoushan Shipyard:**  
Yes, that's true. How many times have you come to cosco(zhoushan) shipyard in total?

**MrAdo:** This is the second time. The last time was at the beginning of this year.

**COSCO Zhoushan Shipyard:**  
What attracts you to our shipyard?

**MrAdo:** CoscoZhoushan offers very good facilities, it is conveniently located in China and, most importantly, the yard personal I have dealt with are exceptionally good, friendly and always give their best to ensure the owners' representative is fully satisfied.

**COSCO Zhoushan Shipyard:**



What impression did our ship repair team members make on you during your time working together?

**MrAdo:** Mr.ZhengZhoulei, SRM, was very efficient, with good knowledge of all subjects. Mr.Ma Liang, PM, was usually extremely helpful and efficient in providing all relevant information when needed. From amongst the other people in the repair team, I have to specially mention Mr.LiuBoguang, paint super, who was an efficient and hard working person too.

**COSCO Zhoushan Shipyard:**  
That's our job. We must do our best to ensure our good clients receive good service. Were you satisfied with the project?

**MrAdo:** Just as I was with

the previous project, I am very satisfied with this project too. I was especially satisfied with the yard's reaction when the Owner had to put the vessel in dry dock for a second time, due to a leak found in the vessel's hull. All was done in an extremely efficient and fast way.

**COSCO Zhoushan Shipyard:**  
Owner's needs are our needs. In addition to the work on the project, how did you find the service you received from our yard in other areas?

**MrAdo:** Absolutely, I am very happy with the service provided by the yard and will definitely aim to come to this shipyard again for another project.

**COSCO Zhoushan Shipyard:**  
We also hope to see you soon. Could you please share with me your general feelings about your most recent time at our yard?

**MrAdo:** This is second time I have worked on a project with CoscoZhoushan and, as was the case the first time, I am again leaving this shipyard with a very good feeling; With the feeling that all of us, vessel personnel and yard personnel, have done our very best to

finish this project basically on time and within budget, not considering the additional days and docking required for the hull repair in way of the Bilge Water Tank. Cooperation with the yard SRM and PM was really very good and, as such, should be taken as a good example of how the business should be run: fully professional when the job is in progress and very friendly when time allows this, i.e. out of working

hours. I do hope that when I come back to this shipyard I will have the same repair team available to work with again.

**COSCO Zhoushan Shipyard:**  
Dear Mr Ado, thank you very much for your perfect appraisal of our yard. We really appreciate the strong support we have continually received from you and your company and we hope to see you again very soon!



## COSCO DENMARK: Propeller removal and tailshaft withdrawal for aft seal renewal

COSCO DENMARK is one of the 13000-teu container ships belonging to the SHANGHAI OCEAN SHIPPING CO., LTD. This is her first time docking since delivery. The major job involved removing the propeller and withdrawing the tailshaft to facilitate renewal of the aft seal.

The vessel measures 366 meters in length overall and 51.2 meters in breadth. The existing propeller weighs more than 100 tonnes, and one section of the tailshaft weighs more than 100 tonnes. It is a giant in every sense and posed a challenge to the yard's facilities. On top of that, sophisticated technical support, efficient management, sufficient man power and a high level of quality control were also essential for the successful execution of the project.

First we studied the project and related drawings very carefully and, relying on our rich experience in tailshaft and propeller system repairs and renewals on large container ships, we started working enthusiastically on the project. We managed to remove/replace the propeller, withdraw/put back the tailshaft and replace the aft seal in 4 days with a high level of quality control. Our execution of this project has been held in high regard by both the owner and Class.



## MV. "English Bay" successfully redelivery from COSCO Zhoushan shipyard

On 6th, Sept. "English Bay" which is from Pacific Basin Shipping (HK) Limited was redelivery from COSCO (ZHOU SHAN) SHIPYARD. This is the third ship of bilateral cooperation since this year between COSCO (ZHOU SHAN) and PB.

The vessel's measure 177 meters in length, 28.4 meters in breadth, 10 meters in depth. The main repair project of the vessel are five 5 C/H holds sand blasting and painting, 58 pcs log stanchions lift to work shop and repair, the hatch covers' outfitting of main deck repair, crane blocks repair and lots of new piping renew in the engine room etc.

In the repair period, the repair team actively communicated with superintendent, overcame the difficulty which is too many repairing ships in the yard and too much work of sand blasting and staging labour shortages. High quality efficiently finished all repair project. The superintendent on site Mr. Munish Khatri highly praised the repair team about general arrangement, the quality of the ship repairing, and expressed hope the next cooperation with COSCO (ZHOU SHAN) SHIPYARD! Looking forward to COSCO and PB can achieve "win-win" Corporation.