



PandaNews

COSCO SHIPYARD NEWSPAPER

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VOLUME
89
25 May 2013
MONTHLY

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 Dalian Secures LNG Carrier Newbuilding

COSCO (Dalian) shipyard has recently firmed up a contract with Dalian Inteh Group and Shanghai Bestway Marine Engineering Design Co. Ltd., to build a 28,000-m³ "Inteh Class" LNG Carrier. The vessel is designed to be dual-fuel driven and will become the first new energy standard vessel in the domestic market.

The order further expands the scope of COSCO (Dalian)'s shipbuilding products and enhances the shipyard's share in the domestic high-tech shipbuilding market; meanwhile, it fills the gap for small and medium-size LNG Carriers construction in the domestic shipbuilding industry.

The 28,000-cbm LNG carrier epitomizes several major LNGC

technologies. It adopts the C-type independent liquid cargo tank structure and a dual fuel driven propulsion system. The liquid cargo processing system is made up of liquid cargo pumps, steam compression system, water/glycol system, inert gas system, security monitoring system as well as other components, embodying globally advanced technologies and ensuring a safe, reliable and effective transport of the cargo. Each cargo tank has a maximum holding capacity of 10,000 cubic metres (making them the biggest tank of this type in the world) with a design temperate of -164 degrees centigrade, making it suitable for the entire range of liquefied natural gas products.



The vessel will be equipped with a dual fuel driven main engine and a controllable pitch propeller propulsion system. The efficient use of diesel oil and vapourized LNG during its transport greatly reduces energy loss and

pollution to the ocean, land and atmosphere, while at the same time improves fuel efficiency. The vessel fully meets the Green Ship II standard of the China Classification Society and serves as a good role model for the promotion of the

utilization of LNG fuel in marine transportation.

Compared with the construction of conventional bulk carriers, the construction of LNG carriers calls for stricter standards of welding quality, piping outfitting and commissioning. COSCO (Dalian) has already established a project team with personnel skilled in production, technology and quality control. The pre-preparation of the construction work is in process. The LNG carrier is scheduled for delivery in 2015 and will be used for the transfer of liquefied natural gas between large-scale LNG terminals and LNG satellite stations, which will enhance the efficiency and safety of shore-distant LNG transfer.



COSCO Delivers T-16 and T-17 Tender Rigs to Seadrill

On May 14, COSCO (Nantong) Shipyard delivered a self-erecting tender drilling rig, T-17, to Norway's Seadrill. The delivery of T-17 took place less than three weeks after the successful delivery of the T-16 tender rig of the same series on April 25. T-16 will join T-15 in drilling operations off Thailand.

COSCO has been contracted to deliver a total of 4 tender rigs to Seadrill. T-16 and T-17 are the second and third of the series. The first rig, T-15, was successfully delivered in December, 2012. The fourth rig, T-18, was successfully launched on May 23.

The self-erecting tender drilling

rig series is mainly intended to provide drilling and repair services for oil fields. However, it can also support the world's most advanced lightweight drilling equipment in drilling operations in both shallow and deep water. Each rig measures 95 metres LOA, 27 metres in breadth, 11 metres in depth and can accommodate 160 people. The tender rig series is capable of drilling in waters of up to 6,500 feet and has a drilling depth capability of 20,000 feet. The detailed design, production design and construction of the series were completed by COSCO (Nantong) Shipyard.

The rig series is equipped with a full set of auxiliary devices

for drilling platforms, including a power supply system, high-pressure slurry supply system, low-pressure slurry separator and slurry system. In addition, a number of functional compartments were arranged for the storage of raw materials required for drilling, such as cement, clay, barites, brine and oil-based drilling water. The drilling module was designed to be demountable so that after the completion of a fixed platform operation in one area, the drilling module can be easily disassembled into three parts and carried by the tender rig to another area, which will improve drilling efficiency greatly.

COSCO Firms up Another FPSO Conversion from MODEC

A contract COSCO (Dalian) Shipyard signed with the Japanese company MODEC has recently come into effect regarding the conversion of the VLCC "Algarve" to a FPSO unit. This is the eighth major FPSO conversion project COSCO (Dalian) has secured from MODEC, following the successful delivery of the FPSO "Cidade de Mangaratiba MV24", which was converted from the 1992-built VLCC "Sunrise Jewel", to the same owner.

The project is to convert a very large crude oil carrier (VLCC) to a floating production, storage and offloading unit (FPSO) which will be equipped with a spread mooring system, capable of

processing 15,000 barrels of crude oil and 8,000,000-cbm of natural gas per day and will have a storage capacity of up to 1,600,000 barrels of crude oil. The sea chest structural steelwork for the conversion has already commenced production.

In recent years, COSCO (Dalian) has shown strong performance in the FPSO conversion market and has accumulated a wealth of experience in FPSO conversions; continuously improving its technological strength and project management capabilities. This has won the yard wide recognition from the industry and clients and made COSCO (Dalian) "The No.1 FPSO Conversion Yard in China".





COSCO Shipyard and COSCO (HK) Enter into a strategic cooperation framework agreement

On May 14, a strategic cooperation framework agreement was signed between the COSCO Shipyard Group and the COSCO (HK) Group. The signing ceremony saw the presence of Mr. Zhang Liang, the president of COSCO (HK) and the vice chairman of COSCO International, Mr. Xu Zhengjun, the vice president of COSCO (HK), Mr. Wang Yuhang, the president of the COSCO Shipyard Group, Mr. Ma Zhihong, the party secretary of the COSCO Shipyard Group, among others. Mr. Wang Yuhang and Mr. Zhang Liang signed the strategic cooperation framework agreement on behalf of COSCO Shipyard and COSCO

(HK).

Before the signing ceremony, the two sides carried out active discussions and studies on the strengthening of cooperation within the COSCO Group. According to the strategic cooperation framework agreement, the two sides will further reinforce cooperation and establish a long-term strategic partnership in such aspects as ship repair and newbuilds, property insurance, financing, leasing and information management. Hopefully, the strategic cooperation framework agreement will serve as a prelude to better and stronger mutual support and development.

SEVAN 650 4# Oil Derrick Successfully Installed

On May 15, the oil derrick of the offshore platform "Sevan 600 4#" was successfully lifted and installed in COSCO (Qidong) Offshore.

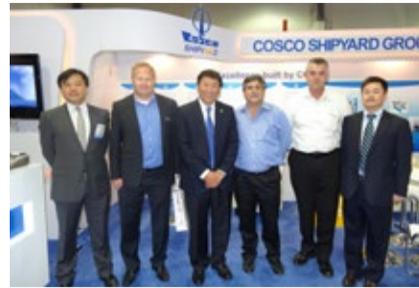
Thus, the lifting and installation

of all the large modules of the platform have now been completed, setting a firm basis for subsequent construction and commissioning works.



COSCO Shipyard Delegation at OTC

A COSCO Shipyard delegation, led by the president, Mr. Wang Yuhang, attended the 44th Offshore Technology Conference held between May 6 and May 9 in Houston, USA. The delegation visited COSCO Americas Inc. as well as some of their core customers in the US, strengthening the cooperation and exchange between the COSCO Shipyard Group and their main customers, suppliers and other enterprises within the COSCO Group. This played a positive role in the enhancement of the COSCO Shipyard Group's influence in the field of offshore engineering, ship new building and ship repairing at the international level.



As the largest, most influential and authoritative petroleum exhibition in the world, OTC attracted up to 90,000 attendees this year. Mr. Wang Yuhang visited the COSCO Shipyard pavilion personally; He also had in-depth exchanges and discussions on the prospective for further cooperation with Maersk Drilling, BW Offshore, MODEC, Petrofac, as well as the

world's largest drilling set supplier National Oilwell Varco (NOV), among others.

During his stay in the US, Mr. Wang Yuhang and Mr. Liu Hanbo, the president of COSCO Americas Inc., entered into a memorandum of cooperation, according to which the two sides shall strengthen cooperation in information-gathering, market development, offshore technology related personnel recruitment and management and offshore equipment supply among other things. In addition, in-depth discussions were carried out with top executives of Libra Capital US Inc. and General Maritime, which set the basis for future cooperation.

ABB Group Executives visit COSCO (Nantong) Shipyard

On April 26, a delegation from the ABB Group, led by Senior Vice President, Mr. Sandy S Taylor, Vice President of China Area, Mr. Zeng Tao and Business Development Director of the Petrochemical Department of China Area, Mr. Lu Jun, visited COSCO (Nantong) Shipyard. The General Manager of COSCO (Nantong) Shipyard, Mr. Ni Tao, Deputy General Manager, Mr. Tang Shengtao, and Deputy General

Manager of the Offshore Research & Development Centre, Mr. Xu Xiulong, warmly welcomed the delegation. The two sides reviewed their many years of cooperation and held in-depth discussions on the current situation of the offshore engineering business, especially the FPSO market. Both sides were looking forward to cooperating successfully on the upcoming "Dana FPSO" project.

As a global leader in power and automation technologies, the ABB Group occupies a major share in the global FPSO power and automation technologies market.



N448 Pipelay Vessel Successfully Launched

On April 27, Nantong (COSCO) Shipyard successfully launched a pipelay vessel (hull No.: N448) using a floating dry dock.

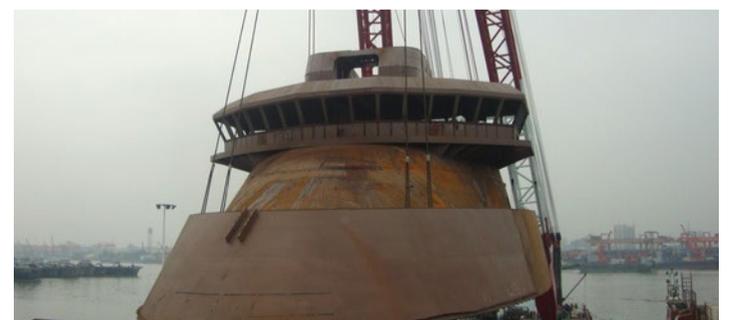
The vessel measures 153.6 metres in LOA and weighs 12,520 tonnes. It is the biggest vessel that COSCO (Nantong) has launched using the floating dry dock method. The project team had several pre-planning meetings, made thorough calculations, carried out minutely detailed studies of the tides and worked out an elaborate launching plan. After two days of intense on-the-spot work, the launching of the vessel was successfully completed.

Zhongxing Sea-Land delivers GPA688 PSV Superstructure

Recently, Zhongxing Sea-Land Engineering successfully delivered the GPA688 PSV superstructure to CSSC Guangzhou Huangpu Shipbuilding Company. This marks another major step for Zhongxing Sea-Land in the development of their offshore superstructure construction technology.

The construction of the project started in early January, 2013. Weighing 392.6 tonnes, the superstructure has the most irregular shape and complicated curves of all the projects that Zhongxing Sea-Land has undertaken. The buyer has been very strict about the accuracy of the blocks and the total station concept was used for inspection during the whole process of construction.

To ensure a timely delivery of the project, Zhongxing Sea-Land paid much attention to technological planning and innovation. Meanwhile, during the construction process, the shipyard maximized the effective usage of manpower and material resources to strengthen the implementation of the construction plan, exploring all possible solutions to resolve problems on the spot, in a timely manner, and thus effectively overcame negative factors such as the rainy season, the parallel production of multiple projects, etc. As a result, the block erection was completed within 21 days and delivered ahead of schedule. The extraordinary performance of Zhongxing Sea-Land has won full recognition from the buyer.



"I Love COSCO Shipyard!"

Best Wishes to the Korean Shipbuilding Specialist, Mr. Hwang Yoon il



"Thank you for the outstanding contributions you have made to the shipbuilding business of the COSCO Shipyard Group!"

"It is the COSCO Shipyard Group that provides me with such a good platform (to put my knowledge to good use). The six years that I spent with the COSCO Shipyard Group will always stay in my memory."

On the morning of April 22, a farewell party for Mr. Hwang Yoon il, a Korean specialist in shipbuilding, was held in the COSCO Shipyard Group Headquarters in Dalian. The party secretary of the Group, Mr. Ma Zhihong, chief engineer, Mr. Zhan Shuming, representatives of Korean specialists in Dalian and representatives from the Production Management Department and Technology Centre, as well as other departments, shared the moment.

In recent years, in order to seize the initiative in technological innovation as well as the market,

COSCO Shipyard invited a number of renowned specialists, such as Mr. Hwang Yoon il, from Singapore and Korea as well as other countries and regions to work with the group. This greatly increased the Group's capability in shipbuilding and offshore equipment construction and accelerated the successful transformation of the COSCO Shipyard Group from a ship repairing company to a multi-sectional complex organisation.

Mr. Hwang Yoon il graduated from the College of Engineering of Inha University and acquired his Master's degree in Industrial Management Engineering from the University of Ulsan, South Korea. From 1972 to 1998, Mr. Hwang Yoon il worked as the head of the shipbuilding production department and executive director in Hyundai Heavy Industries. As one of the founding members of the shipbuilding industry in South Korea, Mr. Hwang Yoon il witnessed the early days and prosperity of



the shipbuilding business in South Korea.

In May, 2007, Mr. Hwang Yoon il joined the COSCO Shipyard Group, which was looking to make its way into the shipbuilding business. With adequate experience in shipbuilding management, Mr. Hwang held the office of the first general manager of the shipbuilding management department, executive vice president of COSCO (Zhoushan) Shipyard, and senior adviser of the COSCO Shipyard Group among others. Mr. Hwang visited the production frontline in COSCO

(Zhoushan), COSCO (Guangdong) and COSCO (Dalian) many times and contributed a large number of valuable research reports as well as other guidance material, which set a firm basis for the rapid development of shipbuilding capacities as well as the successful transformation of the Group.

Mr. Hwang expressed his thanks for the grand farewell party as well as the pleasant working and living environment that were provided by the COSCO Shipyard. He said, "I couldn't have made such achievements as I have

made today were it not for the kind support and cooperation from everyone here."

"I love COSCO Shipyard!" Mr. Hwang spelled out the sentence in his not quite fluent Chinese.

In the six years that Mr. Hwang worked in COSCO Shipyard, the shipbuilding business of the Group has progressed from the initial stage through a rapid development to full prosperity with the support of many foreign specialists such as Mr. Hwang Yoon il, who made his choice and kept to his belief without regret. On receiving from Mr. Ma Zhihong, the party secretary of the Group, a photo album named "Pursuing My Dream in COSCO", which preserves the precious images of Mr. Hwang during the six years when he worked in China, his eyes moistened. At the end of the party, both sides promised that they will meet again in China when COSCO Shipyard delivers its 200th new building vessel.

COSCO (Dalian) Delivers its 10th 92,500-dwt Bulk Carrier

On May 15, COSCO (Dalian) Shipyard delivered a 92,500-dwt bulk carrier, MV "Ocean Topaz", to the Noble Group. Thus the six 92,500-DWT bulk carriers ordered by the owner have all been delivered on schedule and put into operation. This is also the 10th 92,500-DWT bulk carrier COSCO (Dalian) has delivered since it entered the shipbuilding business.

MV "Ocean Topaz" measures 229.2 metres in length, 38 metres in breadth, 20.7 metres in depth

and has a cruising speed of 14.5 knots. During the construction process, COSCO (Dalian) Shipyard worked in close cooperation with the LR inspectors and the owner's surveyors and carried out comprehensive planning and meticulous construction. The shipyard has attained an advanced level in the domestic market in terms of quality, cost and launch integrity with this series of vessels and has won high appreciation from the owner.



COSCO (Guangdong) Delivers the Second 35,500-DWT Bulk Carrier to Harbor Shipping & Trading

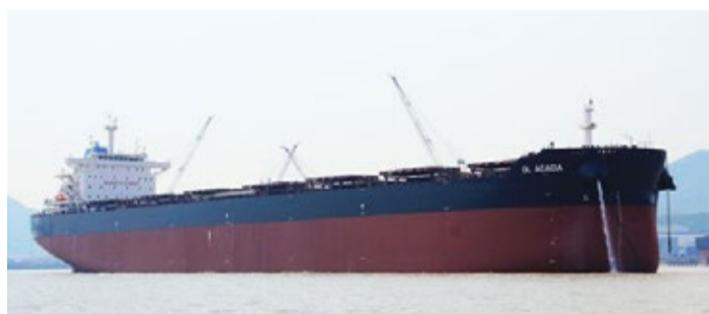
On May 10, COSCO (Guangdong) Shipyard delivered a 35,500-DWT bulk carrier (hull No: N366), to Harbor Shipping & Trading. This was the second 35,500-DWT bulk carrier COSCO (Guangdong) has built for Harbor Shipping & Trading. On the same day, the steel-cutting ceremony for the third 35,500-dwt bulk carrier (hull No: N398), being built for the same owner, was held in the hull shop.

Harbor Shipping & Trading ordered a total of four 35,500-DWT bulk carriers from COSCO (Guangdong) Shipyard, two of which have been successfully delivered; the third is under construction while the construction of the fourth is set to begin in July, 2013.

N361 Successfully Completes Sea Trials

On May 2, the 57,000-DWT Bulk Carrier (hull No: N361), being built by COSCO (Guangdong) Shipyard for Golden Union, returned from a successful 2-day sea trial.

During the sea trials, a series of tests, including the main engine remote control test, unmanned engine room test as well as other ship performance tests, were carried out one after another with the close cooperation of the project team, the owners and the inspectors.



COSCO (Zhoushan) Delivers 82,000-dwt Bulk Carrier

On May 14, COSCO (Zhoushan) Delivered an 82,000-DWT bulk carrier (hull No: N413) to its Korean owner, Fairbridge. The delivery ceremony was attended by the owner's representative, Mr. Myung Sig Park, and the general manager of COSCO (Zhoushan) Shipyard, Mr. Dong Yezong.

The vessel measures 229 metres in length, 32.26 metres in breadth, 20.25 metres in depth and has a cruising speed of 14.13 knots. This is the first 82,000-DWT bulk carrier COSCO (Zhoushan) has delivered. It is also the fifth newbuild the yard has delivered in 2013.

Livestock carrier N393 Successfully Launched

On May 21, COSCO (Guangdong) Shipyard successfully launched a livestock carrier (hull No: N393), being built for Dutch owner Vroon. This is the second of four livestock carriers awarded to COSCO (Guangdong) by the owner. Meanwhile, the first vessel of the series, N392, is scheduled for delivery in July, 2013.



COSCO (Zhoushan) Shipyard Wins the First Battle of Container Vessel "CMA CGM TOSCA"

-Container vessel "CMA CGM TOSCA" undergoes bulbous bow conversion in COSCO (Zhoushan) Shipyard

Xu Huangkai

On May 17, COSCO (Zhoushan) Shipyard finished the bulbous bow conversion of the container vessel "CMA CGM TOSCA" ahead of schedule, which resulted in a good beginning for the CMA CGM project. Experiments and data comparison in recent years show that, when the bow is thinner, the maximum sailing speed is continuous and the oil consumption is 8% lower. The conversion of "TOSCA" involved the removal of the original bulbous bow, which weighed 300 tons, and the mounting of a new one which equals 245 tons of steel structure, in addition to plenty of normal repair items. The repair period was quite limited with a lot of difficulties.

COSCO (Zhoushan) shipyard has considered the "TOSCA" project to be a very important project. The party secretary, Mr. Cao, organized planning meetings many times to

order all workshops to cooperate actively and ensure quality was maintained. He demanded the "TOSCA" undocking should be ahead of schedule and checked the work progress on board frequently.

The biggest element of the whole-bow conversion work was the dismantling of the original bulbous bow and the assembly of the new one. The yard worked out an intense but reasonable construction plan. The new bow block was completed and passed to the surveyors for inspection on time. The original one was dismantled and the new block was carried and hoisted by a flat truck which made it easy to position the block more precisely. The proactive plan reduced the contract docking time from 18 days to 12 days and also brought forward the re-delivery time. In order to ensure a quality delivery, the yard assigned a special repair team for

supervision on board.

According to the overall plan, the workshop set up a 24-hour work regime. In the process of block fabrication, the technicians looked for the smallest problems and solved them in time. The workshop management was told to be responsible for personnel coordination according to the plan. The commercial department kept in close touch with the owners. The quality department carried out careful observation and supervision during the prefabrication phase. The workshops also stuck to the "each welding seam should have a responsible person" principle to ensure quality. Even the bad weather failed to stop the shipyard from reaching its goal. Finally, the modified hull steel structure was presented to the owner for integrity inspection on the eighth day, which also created a new record for projects of this kind.



Successful Repair and Conversion of Pipelay Vessel "Stingray" in COSCO (Nantong) Shipyard

Recently, COSCO (Nantong) Shipyard received two letters of appreciation from Van Oord for the repair and conversion of the shallow water pipelay vessel "Stingray". In the letters, the project manager of the vessel, Mr. Hans Ceton, expressed his appreciation for the good cooperation and hard work of the yard's project team in the past 390 days.

The pipelay vessel "Stingray" measures 120 metres LOA, 40 metres in breadth and is classed by ABS. It was converted from a crane / derrick barge. The conversion included the installation of the stinger, the steel structure of the living quarters and hull areas, etc. After conversion

the vessel can now carry out pipelaying operations, including the installation and replacement of shallow water pipelines with a diameter of up to 60 inches, at a depth of 100 metres. Its main deck crane has a lifting capacity of 500 tons and the living quarters can accommodate up to 300 people.

Van Oord is a century-old company specializing in dredging and marine engineering. "Stingray" is the very first pipelay vessel in the owner's fleet, and thus they attach high importance and paid close attention to the project. COSCO (Nantong) Shipyard is a market leader in offshore engineering equipment manufacturing, with rich experience not only in pipelay vessel manufacturing, but also



in the majority of offshore rigs and special vessels. The successful repair and conversion of "Stingray" will serve as a good beginning for further cooperation between Van Oord and COSCO Shipyard and will lead to mutual benefit and prosperity.



MV "Peng Jie" Successfully Repaired and Sailed on time from COSCO (Nantong) Shipyard

Wang Jing

MV "Peng Jie" is under the banner of Shenzhen Ocean Shipping Limited. She came to COSCO (Nantong) Shipyard on April 28, not long after the repair of another vessel from the same owner, MV "Peng Xin", was completed. COSCO (Nantong) Shipyard attached high importance to her arrival and set up an experienced repair team and provided strong support for her repair. Good wharfage and a detailed dock schedule were arranged for her. The vessel sailed successfully on May 13. The yard received full recognition for the repair job as well as receiving a letter of appreciation from the attending superintendent.

Summer Leisure Activities Promote Friendship

Solidarity between COSCO (Zhoushan) shipyard and shipowners



Xu Huangkai

May 4, 2013 was Youth Day. In order to increase the opportunity to communicate with the shipowners, to utilize the island's location as far as possible and to enhance customers' satisfaction, the commercial department of COSCO (Zhoushan) shipyard organized all the shipowners in the yard to attend a "Friendship Weekend Leisure Activities - BBQ".

Shipowners from China, India, Greece, the United States, and other

countries, participated in this activity. The COSCO (Zhoushan) commercial department prepared popular sports games such as football and volleyball for the shipowners, and the two sides played a football game together. The shipowners enjoyed this rare leisure opportunity, where they could open up their hearts and communicate with each other in a sincere and honest manner in a relaxed atmosphere. They were satisfied with, and grateful for, the arrangement of the event as

well as for our good service and cooperation, which allowed them to enjoy themselves after intense work in the yard.

The activity not only helped to reduce work pressure, but also reserved more follow-up energy. We believe that our efforts on behalf of the shipowners will be repaid with more trust and cooperation from the owners in the future. Participants also hoped there would be more opportunities in the future to come to COSCO (Zhoushan).