



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.

COSCO Secures Four Offshore Support Vessels from COSL



COSCO has recently secured contracts for two deepwater platform supply vessels and two anchor handling tug supply vessels from a leading domestic oilfield services provider, China

Oilfield Services Limited (COSL).

The detailed design and construction of the vessels will be completed by COSCO (Dalian) Shipyard and COSCO (Guangdong) Shipyard. The vessels are due for

delivery in the second quarter of 2014.

This is the first time COSL has turned to COSCO Shipyards for offshore EPC (engineering, procurement and construction)

projects. The collaboration on these projects will establish a firm basis for future strategic cooperation between the two parties.



Sevan 650 III Ultra-Deepwater Cylindrical Drilling Rig Named

➤ P02



Keel Laying for COSCO Zhoushan's First 152,000-dwt Shuttle Tanker

➤ P03

COSCO Delivers FPSO Modules

On the morning of August 1, the delivery ceremony for two sets of FPSO modules was held in COSCO (Shanghai) Shipyard. The successful construction of the two modules is another major breakthrough for COSCO (Shanghai) in the offshore market, following their previous, successful, offshore design projects. The work has also widened the experience and developed the ability of COSCO Shipyards' offshore engineering business.

In 2011, COSCO (Shanghai) entered into an FPSO design and consultancy contract with Ecovix and became the first in the domestic shipbuilding market to export offshore technology. Based on their successful cooperation during that project, COSCO (Shanghai) was awarded additional FPSO module and ultra-deepwater drillship design projects. The FPSO modules are the first construction project COSCO (Shanghai) has delivered, the total cost of which exceeds the cost of four 57,000-dwt bulk carriers.

These modules meet North Sea



regulatory requirements. Among them, the four sets of living modules and generic modules represent the highest technology. Each living module measures 13.5 metres in length, 41.4 metres in breadth, 23.5 metres in height and 1,880 tons in weight, and fully adopt green design principles and outfitting materials, ergonomics and integration control technology, first-class air-conditioning systems and sanitary units and the most advanced internal and external communication systems.

A small shipyard of 37,000 square meters with a 280-metre quay, COSCO (Shanghai) managed to arrange proper construction space for the modules and

established an appropriate offshore engineering standard QHSE management system, which was recognised by ABS. Thanks to the unremitting efforts of 1,400 staff throughout the past year, the design, structure, machinery installation, piping installation, electric installation, painting, external outfitting, commissioning, lifting lashing and fixation work were completed. All the work passed the strict inspections and tests of the end user, Petrobras, the Ecovix supervisors and the ABS inspectors. Furthermore, the ergonomic design, noise control arrangements, lifting and lashing plans have undergone assessment or field verification by world-

authoritative professional bodies.

The Petrobras and Ecovix representatives spoke highly of the project management, design, construction, HSE, quality control and services of COSCO (Shanghai) Shipyard which led to a quality product and timely delivery. At the delivery ceremony, the Petrobras FPSO construction supervision manager, Mr. Bellas, said in his speech: "Until now, I have in mind, one year and a half before, when I arrived here, walking in the workshops, beside Mr. Xie, when I said, this shipyard is too small, then, one worker near us said in English: we are small but we are strong.

Today, I can say, he was right in his words. At this moment, with the sail way, the end of this job, that means a success, that along those months, since when we start the first cutting, on April 23, 2012."



First Merchant Ship on Arctic Northeast Route

➤ P04



Sea Damaged Vessel "CMA CGM Florida" Re-delivered from COSCO (Zhoushan) Shipyard

➤ P04

Sevan 650 III Ultra-Deepwater Cylindrical Drilling Rig Named

On August 20, a naming ceremony was held for the Sevan 650 III ultra-deepwater cylindrical drilling rig, being built by COSCO Shipyard for the Norwegian company Sevan Drilling. The Godmother, Ms. Pam Baudoin, named the rig "Sevan Louisiana" and sent her blessings. The Director of the Board of Sevan Drilling, Mr. Erling Lind, Chief Executive, Mr. Scott Kerr, the Vice President of the E & P Division of LLOG Exploration, Mr. Joe Leimkuhler, the Municipal Party Secretary of Nantong City, Mr. Ding Dawei, and the President of the COSCO Shipyard Group, Mr. Wang Yuhang, co-witnessed the moment.

"Sevan Louisiana" is the third sixth-generation ultra-deepwater cylindrical drilling rig COSCO



Shipyard has undertaken to build. The engineering, procurement, construction, installation and commissioning of all equipment (EPCI) are to be completed by COSCO Shipyard. The series contains a total of four rigs, the first two rigs, "Sevan Driller" and "Sevan Brasil", delivered at the

end of 2009 and the beginning of 2012 respectively, are now deployed off Brazil and have both discovered large offshore oil and gas fields. Their stability and excellent performance in the deep sea environment are highly acclaimed by the industry. The core design and manufacturing

technology of "Sevan Driller" was awarded the "National Science and Technology Progress Award" in 2011. Compared with the previous two rigs, the design and manufacturing programme of "Sevan Louisiana" has been fully optimized, significantly improving the construction efficiency and

setting a rich basis for the design and construction of subsequent products of the same type. "Sevan Louisiana" has already won a charter contract from a leading American E&P company, LLOG Exploration, and will be deployed in the Gulf of Mexico for deepwater drilling operations.

The Sevan series ultra-deepwater drilling rigs distinguish themselves by their unique cylindrical design, prominent performance, stability and reliability in operation. In addition to the Sevan series, COSCO Shipyard is executing one cylindrical FPSO EPC project and two cylindrical accommodation units' conversion projects. Cylindrical offshore units have become one of COSCO's flagship products.



Helicopter Deck Installation Completed on COSCO Guangdong's Tender Drilling Rig

On July 4, COSCO (Guangdong) Shipyard successfully completed the lifting and installation of the helicopter deck on the tender drilling rig being built for the Singaporean owner, Energy Drilling.

The vessel measures 100 metres in LOA, 30 metres in

breadth, can accommodate 170 people and is capable of drilling in water depths of up to 2000 metres. It will also be equipped with a drilling set, generator sets, deck cranes and mooring equipment as well as other service systems. The construction is now progressing in an orderly way.

Cosco Guangdong Celebrates Safe Completion of One Million Man Hours on the Tender Barge Project

On the afternoon of July 24, a celebration was held in COSCO (Guangdong) Shipyard to celebrate the safe completion of one million man hours of labour on the tender barge project. The president of Energy Drilling, Mr. Marcus Chew, the supervision team, the ABS leaders and offshore project team co-witnessed the moment.

At the ceremony, Mr. Marcus Chew awarded a silk banner and a premium of 10,000 US dollars to the yard's project team.

Since the tender barge project started construction on September 20, 2012, COSCO (Guangdong) has strictly complied with the requirements

of the offshore HSSE (Health Safety Security Environment) system, focusing particularly on scaffolding, heavy lifting and cabin ventilation. Special inspections and assessments were carried out every two weeks in order to strengthen the workers' ability to identify potential hazards on site and improve the tracking and feedback system, all of which resulted in the achievement of the "one million men hours without LTI (Lost Time Injury)" goal.



DNV Executives Visit COSCO Shipyard

On July 24, a DNV (Det Norske Veritas) delegation of five, led by the Vice President and Technical Director of Asia Pacific and the Middle East Area, Mr. Mike Brogan, and the China Area Marine Department Offshore Engineering General Manager, Mr. Derek Hoare, visited the COSCO Shipyard Group. The Chief Engineer of the COSCO Shipyard Group, Mr. Zhan Shuming, the General Manager of the Technology Centre, Mr. Zhao Zhijian, and the Chief Designer, Mr. Wang Zhi'an, warmly received the delegation.

Mr. Brogan said that DNV would continue to provide all-round support in the research and development of COSCO Shipyards, assist the yards in delivering on-going projects in a timely



manner, and also provide more help in the construction of their management system.

Mr. Zhan Shuming expressed his thanks to DNV for their assistance in the business transformation process of COSCO Shipyards, and encouraged

DNV to use their great influence in the industry and abundant customer resources to create a mechanism where the shipyards, classification societies, shipowners and main equipment suppliers could all participate in the research and development process.

CIMC Raffles Executives Visit COSCO Qidong Offshore

On July 17, a CIMC Raffles delegation, led personally by the president, Mr. Yu Ya, paid a visit to COSCO (Qidong) Offshore. The delegation was made up of enterprise executives, as well as principles of the Offshore Research and Development, Production, Materials and Quality Departments. The COSCO Shipyard Group Party Secretary, Mr. Ma Zhihong, the General Manager of the Offshore Division, Mr. Ni Tao, warmly received the delegation.

The delegation visited the production site of COSCO (Qidong) and inspected various offshore installations which were under construction. Afterwards they proceeded to the enterprise culture exhibition hall, where Mr. Ni Tao introduced the latest developments in the offshore business for the COSCO Shipyard Group. The technology, production, planning, materials and



quality personnel from both sides also had friendly exchanges and discussions.

During the conversation, Mr. Ma Zhihong recalled the pleasant visit to CIMC Raffles on October 8, 2010, where he was warmly received by the Vice President, Ms. Wang Jinghua. Mr. Ma expressed his appreciation to CIMC Raffles for their co-operation with COSCO (Qidong) Offshore and for the wisdom and courage they had contributed to help overcome all difficulties in the current tough market

conditions and especially for their contribution to the successful execution of the "Focus" strategy, thanks to which the company had successfully delivered seven semi-submersible rigs. Mr. Yu Ya expressed his thanks to Mr. Ma Zhihong for travelling all the way from Dalian to meet the delegation; he also conveyed his respect for the offshore development achievements and diversification of COSCO (Qidong) Offshore.

As the leading offshore engineering equipment manufacturers in the domestic market, the COSCO Shipyard Group and CIMC Raffles maintain a good cooperative relationship with a long history. Faced with the expanding world offshore engineering market and the Chinese ocean economy strategy, both sides wish to further strengthen their cooperation to increase marine equipment manufacturing capabilities and to better serve the national strategy.



Keel Laying for COSCO Zhoushan's First 152,000-dwt Shuttle Tanker

On August 5, a keel laying ceremony was held for the first 154,000-dwt shuttle tanker being built by COSCO (Zhoushan) Shipyard for the Norwegian

owner Knutsen Shuttle Tanker AS. The owner's site manager, Mr. Ma Zhenqing, pushed the ignition button to start the cutting machine.

Grasp Each Opportunity to Repair Vessels and Get More Orders

Ye Min (COSCO (Zhoushan) Shipyard)

The ASP Ship Management vessel "Oceanic Coral" is a 5-year-old containership with twelve cargo holds. The 8,505-grt beauty measures 130 metres in LOA and is classed by the American Bureau of Shipping (ABS). The work scope for the vessel included blasting & painting, machinery repair and conversion of the exhaust gas system.

The vessel was alongside the shipyard's jetty on the evening of July 18. Our production department arranged ventilation of the holds and organized scaffolding overnight; our workers began the erection of scaffolding in the cargo holds the next day. The owner's site superintendent, Mr. Derek, was satisfied with our quick actions and timely preparation.

At first everything seemed to be going smoothly, until we realised that the painting schedule of "Oceanic Coral" coincided with that of another vessel, resulting in a manpower shortage. Faced with this difficulty, we didn't give up but instead tried our best to resolve our dilemma. Finally we turned to COSCO (Nantong) for help and "borrowed" more workers. Mr. Derek witnessed all the effort we made and expressed his understanding of our difficulty.

The painting superintendent was strict and stringent with the quality of painting. Before the arrival of "Oceanic Coral", he

called in supervisors and workers to hold a meeting to explain his requirements for equipment, work procedure and craftwork and his other criterion for the work. After docking the vessel on July 22, we began sandblasting the shell plate. We fulfilled each step completely in accordance with the owner's requirements. The painting department arranged two teams to work day and night shifts. The superintendent stayed all day in the cargo holds to inspect each step of the work, only taking a break to eat, and when the painting was finally finished, he praised us highly. Finally our hard work won the trust of the owner. After all, the main part of the project was the painting of the vessel, the completion of which was the key factor in the success of the whole repair project.

"Oceanic Carol" has five sister vessels, all of which have one common problem – due to design problems, the actual power of the auxiliary engines is half that of the original design specification. The ship owner had planned to replace all five auxiliary engines, but gave up the idea due to the expense involved. Instead, he wanted to try a waste heat recovery system. They wanted to test this option on "Oceanic Coral" first and, if it proves successful, the shipowner will save a significant amount of money. The technicians on both sides fully discussed the conversion plan, which proved to

be perfect.

On August 2, Mr. Pratap, the ASP Ship Management senior representative, visited COSCO (Zhoushan) Shipyard, where he was received by the party secretary, Mr. Cao Huadong. Mr. Pratap spoke highly of our shipyard's equipment and large scale and indicated his satisfaction with our repair quality, especially with regards to sandblasting, painting and conversions. He expressed his wish to cooperate with the yard long term and agreed to send more vessels to our shipyard.

The superintendent Mr. Derek was also satisfied with the repair quality and sent us a letter of appreciation. Meanwhile, their second vessel, "Oceanic Cobalt" arrived at our shipyard on August 11. The main work scope for this second vessel is similar to that of "Oceanic Coral". Additionally, they have requested quotations for their third vessel, "Kakariki", and fourth vessel, "Oceanic Crimson", both of which are scheduled to come to our shipyard in October.

We will continue to ensure each individual vessel is repaired well and provide our best service to each shipowner who trusts us with their vessels. Instead of standing and waiting, we will take the initiative and fight for more chances so as to ensure our place during the current shipping downturn.

COSCO Zhoushan's Quality Control Team Wins Provincial Awards for Four Successive Years

At the closing ceremony of the "Zhejiang Province Quality Management Team Awards 2013", which was held a few days ago, COSCO (Zhoushan) Shipyard's three quality control teams were presented with the "Prominent Quality Management Team of Zhejiang Province" award. This is the fourth successive year COSCO (Zhoushan) has been given this honour.

In recent years, COSCO (Zhoushan) has made notable progress in both technological and management innovation. Major



breakthroughs have been made in cost control, material inventory control, production procedures improvement, production acceleration and quality control.



Matson Vessel Repaired in COSCO Nantong Shipyard Again

Wang Jing (COSCO (Nantong) Shipyard)

Recently, Mr. Robert Hawke, Matson's Director of Engineering, visited COSCO (Nantong) Shipyard. The 29,400-dwt container vessel "Manukai" was docked in the shipyard at that time. Matson first came to us in 2001 for the repair of their vessel "SS Maui", and MV "Manukai" is the 32nd Matson vessel to be dry-

docked in our Shipyard. The work to be carried out on "Manukai" includes rudder system overhaul, cargo holds blasting, full deck electric cable conduit renewal, 4 monitor systems modifications and 10 year special survey.

We warmly welcome Mr. Robert Hawke, Mr. Scott Hauck and the Matson site team, and look forward to continuing our long and good relationship.



First Merchant Ship on Arctic Northeast Route

On August 8, China's first merchant ship to head to Europe via the Arctic Northeast passage set off on its voyage from the northeastern port of Dalian. Using the Arctic route will greatly shorten the distance between China and Europe/North America, resulting in reduced fuel consumption and carbon emissions, improved energy efficiency and lower operational costs.

The ship "Yong Sheng" is scheduled to arrive at Rotterdam port on 11 September. She completed her last docking repair before sailing from COSCO (Dalian) Shipyard on August 4, three days ahead of schedule. COSCO Shipping sent a letter of appreciation to COSCO (Dalian), in which the owner highly commended the yard on their technological strength and hearty services, as well as the great attention the yard has paid to the repair of the vessel, which provided solid safeguard for her first voyage on the Arctic

route and maximized the ship's navigation capabilities in the Arctic region.

MV "Yong Sheng" is a 12-year-old, 15,840-mt, general cargo ship. She measures 159.99 metres in LOA and 23.7 metres

in breadth. Carrying the dreams of the COSCO people, she will open a new chapter for China's Arctic shipping history, making a new "Silk Road by Sea" which will connect China, Europe and North America.



Happiness (Poetry)

Hatiana (Brazil)

*Happiness, joy, joy...
Is feeling the wind in the face;
It is to live every moment intensely.
Is getting away from sadness, bringing someone loved in mind;
One day, or even a moment well lived;
Is realizing that there is pleasure in doing good things;
Is enjoying life;
It is believing in yourself.
It is thinking outside of the difficulties, diseases, miseries and Existence of such ills.
Happiness is not to perceive life as a burden.
Is enjoying the dreams;
Is enjoying the new ideals, living the old ones, or changing them.
It is being sure that there is a higher, honest, reliable and power / being;
It is being happy to witness and also be glad with the joy of our brothers;
It is not to envy anyone;
Happiness is seeing greatness in life.
Is learning that not everything is about money, power; but also Friendship, humility, understanding, tolerance, unity, and knowledge.
Is believing in human beings, because sometimes This leads us only to a certain mistake.
Happiness is having a job;
Is stopping feeling contempt for the lives we live.
Is getting to maintain ourselves with own sweat.
Happiness is dreaming;
Is stopping insisting that this feeling (happiness) is just par.
Happiness is enjoying the pain, without insisting suffering - that It is unnecessary and optional;
Happiness is choosing; not allowing others, or life Choose for us.
Happiness is when you feel like in the times of elementary school When we knew that the exams existed, but did not let them be Reasons for not being happy.
Is having an option - and that we always have...
Happiness is simple, is not conditioned on anything.
Just need to believe and notice it in the details, read between the lines.
Yes, there is happiness!*



Sea Damaged Vessel "CMA CGM Florida" Re-delivered from COSCO (Zhoushan) Shipyard

Yang Guochen (COSCO (Zhoushan) Shipyard)

On July 21, the sea damaged container vessel "CMA CGM Florida", which belongs to CMA Ships - a member of the CMA CGM Group, was successfully re-delivered from COSCO (Zhoushan) Shipyard to her owner for her next assignment. The repair job involved 1,400 tonnes of steel plate replacement, 10,000 metres of cable renewal, a great deal of pipeline renewal in the port passage way, cargo hold, etc; the refurbishment of the portside accommodation on A & B deck and the installation of new hatch covers. Furthermore, the great challenges of preventing environmental pollution had to be overcome. From the moment the project was awarded to COSCO (Zhoushan) - from initial production design to procurement of materials, from the fabrication of new blocks to their installation on board, from the cleaning of oil flooded structures to re-coating and the rectification of the twisted structures and, finally, to the testing of all the systems - to the moment the entire repair job was completed, took three and a half months.

On March 27, on hearing the news that MV "CMA CGM Florida" had had an incident at the mouth of the Yangtze River, in order to help the owner estimate the loss, we sent a special team on board straight away, to carry out comprehensive measurements; the team worked double shifts to fulfill their task and, upon their return, immediately started working on the repair plan. The material prediction list, master schedule and pollution prevention plan were produced one after another. On March 29, we received the good news that we had won the project from a number of strong competitors. Right after that, the executive deputy general manager of COSCO (Zhoushan), Mr. Cao Huadong, visited the maritime bureau and the customs, and together they developed a detailed plan for the safe transfer of the vessel from Shanghai to Zhoushan, as well as other subsequent solutions of pollution prevention. The COSCO (Zhoushan) spirit - capable of enduring all hardships - had been abundantly embodied.

This steel titan was slowly moored alongside the shipyard jetty on April 4. She had a huge hole in the shell and some of the containers and part of the ship

were covered with a black layer of oil. Our first challenge was to change the colour from "black" to "white", so we adjusted the production schedule and docked the vessel in good time, having regard for the work scope and procedure for her first docking-in. When the vessel sat down on the dock block, the dock was not yet completely dry; so as not to lose any time, our technical team seized the initiative and, donning their wet weather gear, went to the dock bottom to check the condition of underwater parts. A big transverse deformation and a crack had appeared in the bottom. We organized a "strike team" to deal with oil sludge and oily water 24 hours a day. More than 1,500 tons of oil sludge and 10,000 tons of oily water were collected and disposed of; 241 dry and flooded containers were transferred ashore, the polluted dock was cleaned and the cracks in the underwater areas were temporary closed. When the vessel was undocked, a joyful smile was found on the owners face. It seemed unbelievable that all these intersecting jobs had been done in only 8 days. The COSCO (Zhoushan) spirit - capable of winning all battles - had been abundantly demonstrated.

Quality is life. The new hull structure was made as 23 independent blocks. In fabricating the new blocks, we adopted modernized shipbuilding procedures and management, adopting the latest newbuilding standards. All the accessories were treated by automatic cutters to increase accuracy. In the process of accessory assembly and block assembly, our quality control team monitored and controlled the procedures at all times. In order to maximise outfitting in advance and reduce the time in dock, more than 1,000 tons of steel blocks with all the cable tray supports and pipe work in the port passageway pre-installed, were completed within 45 days. The high efficiency and quality made a deep impression in the owner's heart. The COSCO (Zhoushan) spirit - utter devotion - had been abundantly displayed.

"You have successfully rectified the deformation to straightness. It's unbelievable that you managed to complete so much in 48 hours," said the owner's supervisor at the time the dock blocks were reset. In the next few days, the open hole was repaired with 23 new blocks, inserted step by step. The main technical problem was how to monitor and control the

deformation while installing the new blocks. Our technicians stayed on board 24 hours a day to guide the production, and bear with the bad weather and very tough working conditions. No complaint was heard. With the special COSCO (Zhoushan) spirit in mind, they selflessly dedicated themselves to the repair job.

On July 21, the vessel was transferred to the anchorage, from where she would depart for her next target port. The dry dock director of CMA Ships, Mr. Giovanni Marmorio, warmly shook hands with Mr. Cao Huadong and the project team. He said, "I am very happy that "CMA CGM Florida" was delivered exactly in accordance with the production schedule. I, on behalf of CMA Ships, sincerely thank all of you for your attention and endeavours. Your powerful technology, great reactivity without any protraction, cordial service - all these have left me with a deep impression. This is a very successful case. Let us start with business and end as close friends. I hope the constant and excellent cooperation between CMA Ships and COSCO Shipyard will continue into the future. The time I've spent here is indelible and I wish to see you soon."