



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 Shipyard to convert legendary cruise ship "Queen Elizabeth 2" to five-star floating hotel

On October 15, COSCO (Zhoushan) Shipyard, a subsidiary of the COSCO Shipyard Group, and QE2 Holdings Ltd, entered into a contract for the refurbishment of the legendary cruise ship "Queen Elizabeth 2" into a luxury five-star floating hotel. This is the first cruise ship conversion project COSCO Shipyard has undertaken; it is also the first time a project of this kind and scale has been assigned to a Chinese Shipyard, marking the successful entrance of Chinese Shipyards into the international cruise ship conversion market.

Executives from the Oceanic Group, COSCO Shipyard, Drydocks World and QE2 Holdings, as well as guests from the shipping, tourism and hotel operations industry, attended the signing ceremony.

The cruise ship, which hosted kings, queens, presidents, prime ministers and celebrities throughout its legendary 40-year history, will depart from Dubai and arrive in COSCO Shipyard's facility in Zhoushan, Zhejiang Province. Once there, it will receive a thorough revitalization and makeover that is scheduled for completion by 2015. The existing 990 staterooms onboard the cruise ship will be converted into an all-suite arrangement with 400 premium suites ranging from 60 to 150 square metres. COSCO



Shipyard will be responsible for all the technical repairs and coordinate with an appointed interior renovation contractor to revamp the accommodation and ballroom, as well as refitting seven restaurants, 10 lounges, a cinema, a maritime museum displaying QE2 memorabilia, and a shopping mall. In the near future, "Queen Elizabeth 2" will become one of Asia's major waterfront tourist attractions, a new symbol of luxury, magnificence and appealing life.

Mr. KhamisJuma Buamim, Chairman of QE2 Holdings and Dubai's Drydocks World, said, "No

other ship can match the QE2's prestige, or her legacy. She is an absolute icon of maritime history, one of the best and most powerful ships in the world. Therefore, our decision on a partner was critical."

"We are pleased to be working closely with COSCO Shipyard for the technical repair and refurbishment process, which will be carried out with the utmost respect to the QE2's heritage and splendour. China COSCO's expertise in cruise ship conversion will complement our extensive experience in comprehensive ship repair work and upgrades."

Mr. Yan Chengxiang, Vice President of COSCO Shipyard, said, "The Zhoushan shipyard is one of COSCO's largest and newest, and it certainly has the capacity to host a cruise ship of the QE2's stature. QE2 Holdings' decision to carry out this work with us is a reflection of COSCO Shipyard and COSCO Group's leading position in China's shipbuilding industry. We will appoint our best management, technology and production teams to ensure first-rate service, smooth implementation and quality delivery of the project."

COSCO delivers ultra-deepwater cylindrical offshore drilling rig "Sevan Louisiana"

On October 28, the ultra-deepwater cylindrical offshore drilling rig, Sevan Louisiana, designed and built by COSCO Shipyard, was successfully delivered to its Norwegian owner, Sevan Drilling.

"Sevan Louisiana" is the third of the four ultra-deepwater cylindrical offshore drilling rigs COSCO has undertaken to build. The engineering, procurement, construction, installation and commissioning of all equipment were completed by COSCO (Qidong) Offshore. In the construction process, making

full use of its experience gained from the construction of the first two rigs, the yard made great improvements in technical design, procurement, construction plan, equipment logistics, facilities maintenance, cost control and other aspects, further implementing digitalized and modular construction technology, thanks to which the rig was successfully delivered ahead of schedule.

"Sevan Louisiana" has a total height of 135 metres and a maximum diameter of 99 metres. The main deck measures 24.5



metres in height and the upper deck – 36.5 metres. The light weight is nearly 30,000 tons and the variable deck load is 15,000 tons. The rig is capable of working in water depth of up to 3,810 metres and has a drilling depth of 12,000 metres. The living quarters can accommodate 150 people and

meets the ultra quiet standards (below 40 decibels).

The Sevan series consists of four rigs; the first and second ones, delivered respectively in the end of 2009 and in the beginning of 2012, were both drilling in Brazil waters for Petrobras, and have discovered large oil and gas fields multiple times. Their stability and performance in deepwater environment were highly acclaimed by the industry. "Sevan Louisiana" is already contracted by an American drilling company and will be deployed in the Gulf of Mexico.



COSCO Dalian secures one more jack-up drilling rig

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COSCO Guangdong launches its first tender drilling rig

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COSCO Dalian secures one 30,000-dwt cargo and training ship from Dalian Maritime University

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COSCO (Guangdong) completes heavy lift vessel "Finesse" outfitting project

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COSCO Dalian secures one more jack-up drilling rig

Recently, COSCO (Dalian) Shipyard entered into a contract with Deepwater for the construction of one LeTourneau Super 116E jack-up drilling rig.

Based on the LeTourneau Super 116E design, the rig will measure 70.09 metres in LOA, 62.8 metres in breadth and 7.92 metres in height. Each spud leg will be 145.3 metres long. The rig will be capable of working in a water depth of up to 350 feet and will have a drilling depth of 30,000 feet. The rig will have a crew of 120 and be classed by ABS. This is the third jack-up rig construction project COSCO (Dalian) has secured in 2013, following the two ordered by the British owner Foresight Limited. The construction of the rig will begin in early 2014. The rig is scheduled for delivery in the 3rd quarter of 2015.



COSCO Guangdong launches its first tender drilling rig

On the morning of October 15, a tender drilling rig, being built by COSCO (Guangdong) Shipyard for the Singaporean owner Energy Drilling, was launched successfully. The chairman of Energy Drilling, Mr. Ståle Rød, chief executive, Mr. Marcus Chew, party secretary of the Machong Town (where the shipyard is located), Mr. Chen Jianzhi, director of the ABS China area, Mr. Tan Haoming, representatives from the COSCO Shipyard commercial headquarters, and leaders from the Science and Technology Bureau of Dongguan City attended the launching ceremony and co-witnessed the moment.

The rig measures 99.97 metres in length, 29.87 metres in breadth, 11.35 metres in height, 8,740 tonnes in weight and can accommodate a crew of 170. It is designed to provide remote field drilling and workover services; it can also carry out drilling operations in areas requiring pile positioning. The tender rig is more economic than a jack-up rig in terms of day rate. It is capable of drilling in water depths of up to 2,000 metres and has a drilling depth of over 5,000 metres. The



rig is being built to meet the IMO noise level rules and ABS MODU (mobile offshore drilling unit) norms. It is equipped with a full set of auxiliary devices required for a drilling rig, including the power supply system, high pressure mud supply system and low pressure mud return system. In addition, functional compartments are arranged on the rig for the storage of raw materials such as cement, clay, barite, salt water and drilling water. This is the first tender drilling rig being built in COSCO (Guangdong) Shipyard, which is responsible not only for the construction, but also for the detailed design, production design, equipment procurement, installation and commissioning of

various systems.

At the launching ceremony, the general manager of COSCO (Guangdong) Shipyard, Mr. Huan Yueshi, expressed his thanks to the owner's supervision team for their efforts in advancing the project and the great help they have given the yard's offshore construction team; Mr. Huan said that the yard would spare no effort to ensure the subsequent work on the rig would proceed smoothly, leading to a timely and high quality delivery. Mr. Ståle Rød spoke highly of the working spirit of COSCO (Guangdong) and expressed his wish that the successful cooperation on this project will lead to a longer term partnership between the two sides.

COSCO Qidong celebrates safe completion of 500,000 man hours on the semi-submersible accommodation rig

On September 25, a celebration was held in COSCO (Qidong) Offshore to celebrate the safe completion of 500,000 man hours of labour on the semi-submersible accommodation rig being built for the Mexican owner Cotemar. The vice president of Cotemar, Mr. Yiorgos, the owner's site representatives, the yard's project team and some of the subcontractors attended the celebration.

Mr. Yiorgos acknowledged the efforts of the project team and all the construction workers. He hoped that they would reach a higher goal in the coming days. Mr. Yiorgos then awarded a souvenir to the representative of the construction workers and a "Safe Completion of 500,000 Man Hours Outstanding Contribution" medal to selected subcontractors to recognize their outstanding performances.



Platform supply vessel Groundbreaking in COSCO Guangdong

On the afternoon of October 21, a groundbreaking ceremony was held for the second platform supply vessel (PSV), being built by COSCO (Guangdong) Shipyard for the Dutch owner, Vroon BV. The ABS representatives, owner's supervision team and yard's offshore project team members co-witnessed the moment.

The vessel will measure 83.4 metres in LOA, 18 metres in breadth and 8 metres in height, with a design draft of 6.7 metres and a cruising speed of 14.5 knots. The deck area will be 830

square metres and the deadweight – 4,200 tonnes. The vessel will be equipped with a DP-2 dynamic positioning system.

Vroon B.V. is a leading shipping company from the Netherlands, which operates a diverse fleet of specialist ship types. It owns a fleet of more than 160 vessels, including offshore engineering vessels, livestock carriers and car carriers. The company has trusted COSCO (Guangdong) Shipyard with the construction of four livestock carriers and two platform supply vessels (PSVs).

COSCO signs strategic cooperation MOU with GE

COSCO signed a strategic cooperation MOU with GE on 21 October to cooperate in the development of LNG carrier technology, marine engineering equipment, supply chain and logistics management, industrial internet, personnel training and other fields. The COSCO chairman and party secretary, Mr. Ma Zehua, and GE chairman and chief executive officer, Mr. Jeffrey Immelt, attended the signing ceremony and delivered speeches.



The director and president of the COSCO Group, Mr. Li Yunpeng, and the global vice president and China

area president of the GE Group, Mr. Xia Zhicheng, signed the MOU on behalf of the respective parties.

COSCO Dalian secures one 30,000-dwt cargo and training ship from Dalian Maritime University

Recently, COSCO (Dalian) Shipyard and Dalian Maritime University entered into a contract for the construction of one 30,000-dwt cargo and training ship, whose design is based on the 30,000-dwt multipurpose heavy-lift vessel series which COSCO (Dalian) has successfully constructed. As a self-designed second generation cargo and training ship, the vessel is suitable for carrying bulk cargoes (grain, coal, metal concentrates, salt, sugar, bagged cement, scrap metal, ore), general cargoes (cotton and other crops, coil, wood), as well as engineering parts and containers. Additionally,



the vessel can also be used as a training ship for students taking navigation courses, as well as for scientific research and testing in relevant fields such as transportation engineering, navigation and marine engineering. The vessel measures

199.8 metres in LOA, 27.8 metres in breadth, 15.5 metres in height, has a design draft of 10.3 metres, a cruising speed of 17.5 knots and an endurance of 15,000 nautical miles. The vessel is scheduled for delivery in the third quarter of 2015.

[News Link]

COSCO Shipyard Group and Dalian Maritime University enter into a comprehensive cooperation agreement

On August 28, a comprehensive cooperation agreement was signed between the COSCO Shipyard Group and Dalian Maritime University. The party secretaries of both sides, Mr. Zhang Yanhua and Mr. Ma Zhihong, delivered speeches at the signing ceremony. The President of the COSCO Shipyard Group, Mr. Wang Yuhang, and the President of Dalian Maritime University, Mr. Wang Zuwen, co-signed the agreement.

After many years of co-operation and co-development, the COSCO Shipyard Group and Dalian Maritime



University have established a broad and deep partnership. Jointly facing the current difficult market conditions, both sides will further explore possibilities in research-practice integration and the school-enterprise training model, to ensure sustainable development for each side.

COSCO (Guangdong) completes heavy lift vessel "Finesse" outfitting project

Liu Hong, Xiong Ke (COSCO (Guangdong) Shipyard)

Heavy lift vessel "Finesse" arrived at COSCO (Guangdong) Shipyard on September 18. The vessel measures 216 metres in LOA, 43 metres in breadth and 13 metres in depth. The design draft is 9.68 metres, the submerged draft - 47,500 tonnes, and the ballast water capacity - 87,400 cubic metres. The vessel can accommodate a crew of 49.

"Finesse" is built to support the central metering & manifold platform (CMMP) - part of the offshore loading facility developed to promote the Iraq crude oil export expansion project, which perhaps is the most important strategic project in the Iraqi Ministry of Oil's master plan. The master plan has the objective of developing further offshore loading facilities to enable an export capability of 4.5 MMBO per day within 5 years.

The design, construction, transportation, installation and commission of the CMMP had been undertaken by Saipem, and the transportation of the CMMP was subcontracted to Dockwise Shipping BV. Dockwise corporation made a worldwide request for tenders and finally selected

COSCO Shipyard as their partner to achieve the outfitting work.

COSCO (Guangdong) completed 156 pieces of detail design and production design drawings, the enquiry and purchase of 36 items, the fabrication of 28 blocks totaling 1,185 tonnes of steel plates and 34 tonnes of pipe lines and the fabrication of 20 sets of foundations. The hook-up and installation of 28 blocks, as well as the installation and commissioning of the 26 sets of equipment (mooring equipment, deck electric power supply and lighting system, safety equipment, etc) were completed within 24 days after the vessel's arrival in the yard. The vessel was successfully re-delivered to Dockwise on October 15, as scheduled.

Classed by DNV, the project adopts strict quality control and meets various codes, specifications and standards, including AISC (American Institute of Steel Construction), AWS (American Welding Society), API (American Petroleum Institute), ASME (American Society of Mechanical Engineers), ASNT (American Society of Non-destructive Testing), ISO (International Standard Organization) and European standards.

Steel-cutting for COSCO Zhoushan's 64,000-dwt bulk carrier



On September 30, a steel-cutting ceremony was held for the 64,000-dwt bulk carrier, being built by COSCO (Zhoushan) Shipyard for the British owner Lomar Shipping.

This is the first of the four options Lomar Shipping has rendered effective in COSCO (Zhoushan) in June 2013, as well as the third of the 64,000-dwt bulk carrier series COSCO (Zhoushan) has been building for the owner.

The owner's representatives, LR representatives and the yard's relevant personnel co-witnessed the moment.

COSCO Zhoushan Shipyard to build environment-friendly oil tankers

Following the creative usage of the wake equalizing duct and energy-saving propellers to reduce fuel consumption last year, recently, COSCO (Zhoushan) has made another breakthrough in the "green shipbuilding" practice. The 111,000-dwt crude/product carrier, which is in the design phase, will adopt a number of energy-saving technologies and become a world-leading "green tanker". The equipment procurement and detailed design of the vessel are progressing as scheduled.

The tanker will be equipped with a long-stroke MAN B&W G-ME Green series main engine, the speed of which is lower than the S-ME series, thus it can match propellers of larger diameter to increase propulsion efficiency. Compared with the 6S60ME-8.2



main engine, the G-ME series can reduce fuel consumption by 4% to 7%. The vessel will also be equipped with an auxiliary exhaust gas boiler in case the evaporation of the main engine exhaust gas boiler should be inadequate.

Meanwhile, the vessel will be awarded the class notations "Recyclable" and "Clean": all the construction materials will be free of IMO-forbidden substances and the emissions of exhaust gas,

bilge water, sewage, garbage and other wastes are to meet the IMO restriction requirements.

Besides that, the ballast water treatment system of the vessel will meet the IMO D-2 standard, the content of microorganisms and colonies in treated water will remain within the standard, which will effectively prevent the metastasis of harmful aquatic organisms and pathogens due to the uncontrolled emissions of ballast water and sediments.

It is reported that, based on the excellent linear optimization and the application of other green energy saving measures, the EEDI (Energy Efficiency Design Index) of the 111,000-dwt crude/product tanker series will meet the ship newbuilding standards applicable after 2020.



The last working day

Wang Jing (COSCO (Natong) Shipyard)

MV "Manukai" is the 31st container vessel to be sent for repair by our core client, Matson Navigation Company. As a fixed route vessel, her redelivery date – 9 September 2013 - was fixed before she arrived in our shipyard.

However, the main deck and weather deck final coating work had to be suspended because of the continuous rain which began on September 4. The subsequent marking of hatch coamings and container sockets was also delayed. Matson's representatives were extremely anxious - if the vessel could not make up the lost time and get back on schedule, she would miss her next, 35 day, voyage.

On September 8, the weather finally cleared. On this last day, more than 320 workers came on

board, as promised, to finish the remaining work including the final coating, painting and cleaning. All the workers and the yard's repair team stayed on board until early the next morning.

On September 9, at 8 o'clock, the vessel left from the wharf,

fully completed and ready. The owners were rather excited at the final result and expressed their appreciation for the huge devotion the yard had shown to the vessel's repair job. The yard received an additional \$50,000 for their work on the "last working day".



An interview with Mr. Loukas M. Kaniros

Wan Wei (COSCO (Zhoushan) Shipyard)

Recently, the capesize vessel "Anangel Legend", which is owned by the Greek owner, Anangel Maritime Services Inc, was successfully repaired in COSCO (Zhoushan) shipyard. Anangel Maritime Services and COSCO (Zhoushan) Shipyard have cooperated since 2006, and "Anangel Legend" is the fifth vessel the owner has sent to us for repair this year.

Upon completion of the repair work on "Anangel Legend", we had an interview with Mr. Loukas M. Kaniaros, the owner's site representative for the vessel, and had some pleasant exchanges about our cooperative experiences.

Mr. Kaniaros was deeply impressed by the security and management of the yard as well as the responsibility of the yard's management team. He said: "COSCO (Zhoushan) shipyard has a good set up, installation is well equipped and people know their job. Their performance for our project was as per agreement, or even better. The behavior of the management was very good."

Mr. Kaniaros is a strong, agreeable and responsible man who works hard and applies strict standards. When asked if there were currently any problems in areas such as communication, feedback, technical or production, he said: "we feel confident

here because all problems can be solved in a timely manner and, to my surprise, not only the site repair manager and project manager, but also all the supervisors and some foremen could speak to us in English."

When talking about the biggest difference between COSCO (Zhoushan) Shipyard and other repair shipyards, Mr. Kaniaros said: "Compared with other shipyards, COSCO (Zhoushan) has many advantages. Firstly, excellent geographical position - COSCO (Zhoushan) is close to international shipping routes (around 40 miles), and it is also a very important hub of the Pacific Ocean shipping network; secondly, good climate - there is no particular time of year where painting and other jobs are adversely affected by the weather; thirdly, the scale - COSCO (Zhoushan) occupies a total land of 2,000,000 square metres and sea coast of 4,060 metres with three dry docks, ranging from 80,000-dwt to 300,000-dwt, two slipways and seven piers. The last and important point is the management - from my first visit until now, every time I return I can really feel a big improvement in all aspects."

At the end of the interview, Mr. Kaniaros said, "we are very satisfied to work with COSCO (Zhoushan) shipyard; we appreciate the yard's work so much and hope to come here again."

MV "Lena" successfully repaired and sails on schedule -First cooperation with Sal Heavy Lift GmbH

Li Jiahai (COSCO (Shanghai) Shipyard)

On the morning of October 17, MV "Lena" set out from COSCO (Shanghai) Shipyard on her new voyage. She completed her first repair tour in China as one of the 16 vessels from Sal Heavy Lift GmbH. Previously the company repaired their vessels exclusively in one German shipyard.

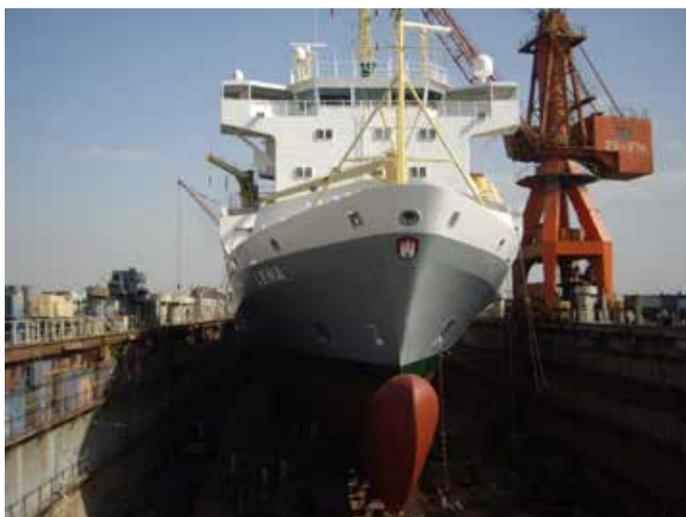
The main projects in the original repair plan included 30 tonnes of steel renewal in water ballast tanks, bow thruster repair, main engine maintenance, renewal of heavy lift crane steel wires and docking repair. The owner decided to repair the vessels in China but had the main engine maintenance and heavy lift cranes' steel wire renewal jobs carried out by teams from the manufacturers, MAN B&W and Neuenfelder Maschinenfabrik GmbH (NMF). This gave both the owner and the equipment manufacturers a chance to establish and maintain good cooperation and build a relationship with our shipyard.

During the repair period there were many discussions held between the shipyard staff and the shipowner concerning the repair philosophy and culture. In order to avoid any inconsistency of opinion, the repair team stayed in close communication with the site superintendents, confirming with them every update in the repair plan. It was on the third day after the vessel was undocked that the class surveyor required us to renew the whole No.2 water ballast tank block and part of

the steel plates in the No. 5 and No. 7 portside and starboard side water ballast tanks, because of the results of the thickness measurement of the steel structures. The required steel renewal added up to 48 tonnes of fabrication, fitting, testing and painting. For this project, we would first have to clean five fuel oil tanks and transfer the oil from two of them. The superintendents told us that the shipyard would need at least another 12 days to carry out this job in dock, which would inevitably affect the sailing plan of the next two vessels to be docked. This meant we had to determine how to make a new docking schedule which would minimise the docking period. The repair team assembled all their members and technical experts and very carefully analysed the plan for the in dock steel work. At last, a repair plan was devised

which could reduce the docking period to 10 days. The plan also took into consideration ways of minimising the influence of the extended docking of "Lena" on the docking schedule of the following two vessels.

Although the scrupulous superintendents were still a little concerned about the quality and security of the construction based on our new plan, the whole project team commenced work on the vessel in accordance with the overall plan. The supervisors and skilled labours took turns and built up a 24-hour working regime. Finally, the vessel was successfully undocked, in accordance with our plan, on 1st of October. The yard's repair team received full recognition for their work from the owner's representatives. COSCO (Shanghai) has created a new record for a ship repair project of such a type and scale.



-Social Responsibility-

COSCO Shipyard helps to improve school conditions in remote area

On October 9, COSCO Shipyard received a letter of appreciation from the COSCO Charity Foundation for the 100,000 Yuan donation they made to improve the study conditions for children of the Yunnan border region. The donation was made in response to a campaign launched by the COSCO Charity Foundation in May 2013; the aim of the campaign was to provide new school furniture to remote schools and so help disadvantaged children

achieve a level of education that would enable them to realise their dreams.

As a COSCO subsidiary, COSCO Shipyard has been actively fulfilling its social responsibility, positively encouraging its employees to give more attention to the needs of remote regions. In the future, COSCO Shipyard will establish an assistance partnership with the students in the Cangyuan area, Yunnan province, to help improve their living and study conditions.