

NSRP Project Book

The National Shipbuilding Research Program Project Book Winter 2010 edition is now available. The Project Book was created as a concise compilation of both major and panel projects funded under the Program with the goal of increasing awareness of ongoing work under NSRP, stimulating interaction among project teams, and accelerating transfer of technology throughout the U.S. shipbuilding and repair industry. <http://www.nsrp.org>

Daewoo Expects 18% Jump in Offshore Orders

According to a report from Bloomberg, Daewoo Shipbuilding & Marine Engineering Co., the world's third-largest shipyard, expects orders for drilling vessels and offshore platforms to increase 18% this year, helped by higher fuel prices.

General Maritime Sells Tankers

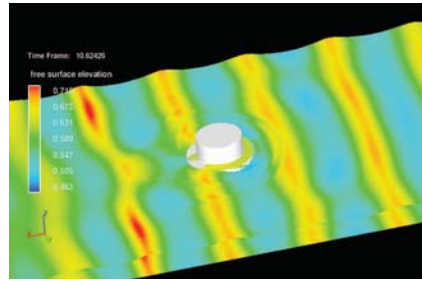
General Maritime Corporation entered into an agreement to sell three product tankers, the 2004-built Genmar Concord, the 2005-built Stena Concept and the 2005-built Stena Contest, to affiliates of Northern Shipping Fund Management Bermuda, Ltd., an alternative capital provider to the shipping and offshore oil service sectors. General Maritime was to receive net proceeds totaling \$61.7m for the sale of the three vessels. The sale will fulfill the requirement under the amended bridge loan, which is expected to be repaid in the current first quarter of 2011.

The sale is subject to the leaseback of the vessels under bareboat charters to be entered into with the purchasers for a period of seven years at a rate of \$6,500 per day per vessel for the first two years of the charter period and \$10,000 per day per vessel for the remainder of the charter period.

As part of the agreement, General Maritime will have options to repurchase the vessels for \$24 million per vessel at the end of year two of the charter period, \$21 million per vessel at the end of year three of the charter period, \$19.5 million per vessel at the end of year four of the charter period, \$18 million per vessel at the end of year five of the charter period, \$16.5 million per vessel at the end of year six of the charter period, and \$15 million per vessel at the end of year seven of the charter period.

Safe Production & Transportation of Offshore O&G via**Accurate Numerical Simulations of Environmental Loads**

Oceanic Consulting Corporation signed a contract with the Atlantic Canada Opportunities Agency (ACOA), entitled "Accurate Numerical Simulations of Environmental Loads for the Safe Production and Transportation of Offshore Oil and Gas." This contract will allow Oceanic to develop engineering software tailored to the needs of the offshore oil and gas industry specializing in harsh environments, which includes ice-covered water and extreme waves. The objective is to accurately predict the forces and resulting motions acting on complete offshore systems (such as drill ships, FPSOs, semi-sub-



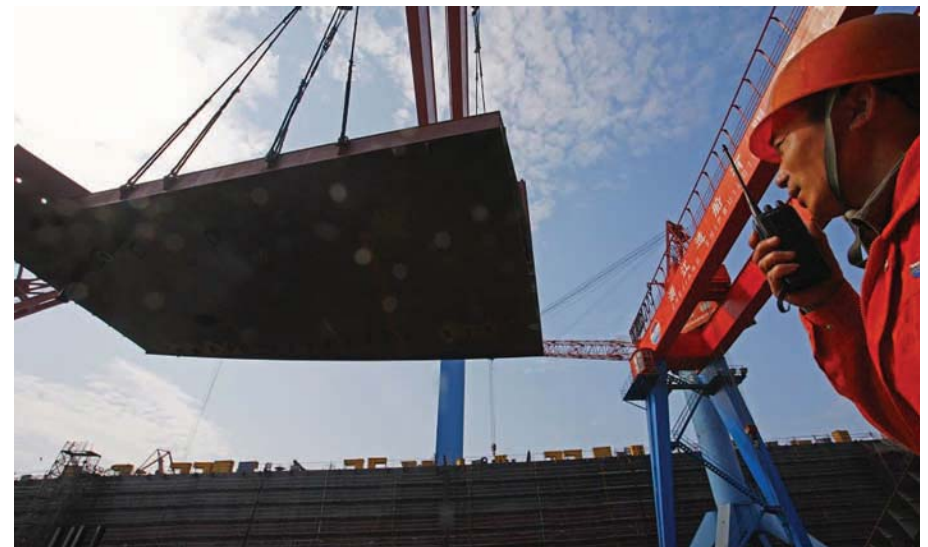
mersibles, spars, support vessels, and shuttle tankers). Through this initiative, Oceanic will work to address specific and immediate technical challenges of oil and gas exploration and production in harsh environments. The global challenges of the performance of marine ves-

sels in the offshore petroleum industry are reflected in Atlantic Canada: the impact of wind, water, and ice on the motions and loads of moored or moving structures; safe passage for tankers and Liquefied Natural Gas (LNG) carriers between production site and shore terminal/refinery; and safe berthing and maneuvering of vessels in harsh and/or confined waters. Oceanic sees tremendous potential for the growth of business in numerical simulation, and this development work has already resulted in several commercial contracts which would have been impossible to complete without this support from ACOA.

A Strong 2010 at**Sinopacific Shipbuilding**

It might be hard to judge now if the global shipbuilding industry is recovering, but an encouraging story is taking place in China in 2010. According to Clarkson Research Services, China has overtaken Korea as the world's top shipbuilder in the first half of 2010 and kept ahead in terms of three major industry indicators, including new orders, order backlogs and delivery. Sinopacific Shipbuilding Group – a leading private Chinese company – is a significant engine driving the industry.

According to the data, till the end of November 2010, Sinopacific Shipbuilding delivered 54 vessels in 2010, and completion DWT amounted to 1.8 M. In terms of order backlogs, there are nearly 4.2 M DWT in the pipeline. As a highlight of these achievements, Sinopacific had signed a frame agreement with Bourbon in June worth \$1b for building 62 offshore vessels. "In light of our clear corporate position of 'perfection in simple products, leadership in niche markets', we provide unique value to our clients. With a strate-



gic international vision and strong integration capacity, Sinopacific wins trust and many partnership opportunities from overseas." Simon Liang, CEO of Sinopacific Shipbuilding Group said.

In the coming 2011, Sinopacific Shipbuilding Group expects to improve its production efficiency by producing 24

vessels in one dock in one year. There will be more milestones for group's development. In the first quarter of 2011, the 100th OSV and several 1st vessels, including SX130, GPA696, PX105 OSVs and 1st Crown 118 bulk carrier, are scheduled to be delivered; the steel cutting of the new designed Crown 63 bulk carrier.

Chinese Yard Logs LNG Ship Orders

Exxon Mobil and Mitsui O.S.K. Lines (MOL) selected Hudong-Zhonghua Shipbuilding (Group) Co., Ltd. (Hudong), a subsidiary of China State Shipbuilding Corporation, to build four LNG carriers in China. These carriers will provide LNG transportation from the Papua New Guinea (PNG) and Gorgon Jansz LNG projects and will be jointly owned by MOL and China Shipping (Group) Company (CS). On hand for the ceremonial signer were Zhang Guobao, vice chairman, National Development and Reform Commission, and minister, National Energy Administration; Mark Albers, senior vice president, Exxon Mobil Corporation; Akimitsu Ashida, chairman, Mitsui O.S.K. Lines, Ltd.; Zhang Guofa, vice president, China Shipping (Group) Company; Tan Zuojun, president, China State Shipbuilding Corporation and Wang Yong, president, Hudong Zhonghua Shipbuilding (Group).