

Offshore Marine

Keppel

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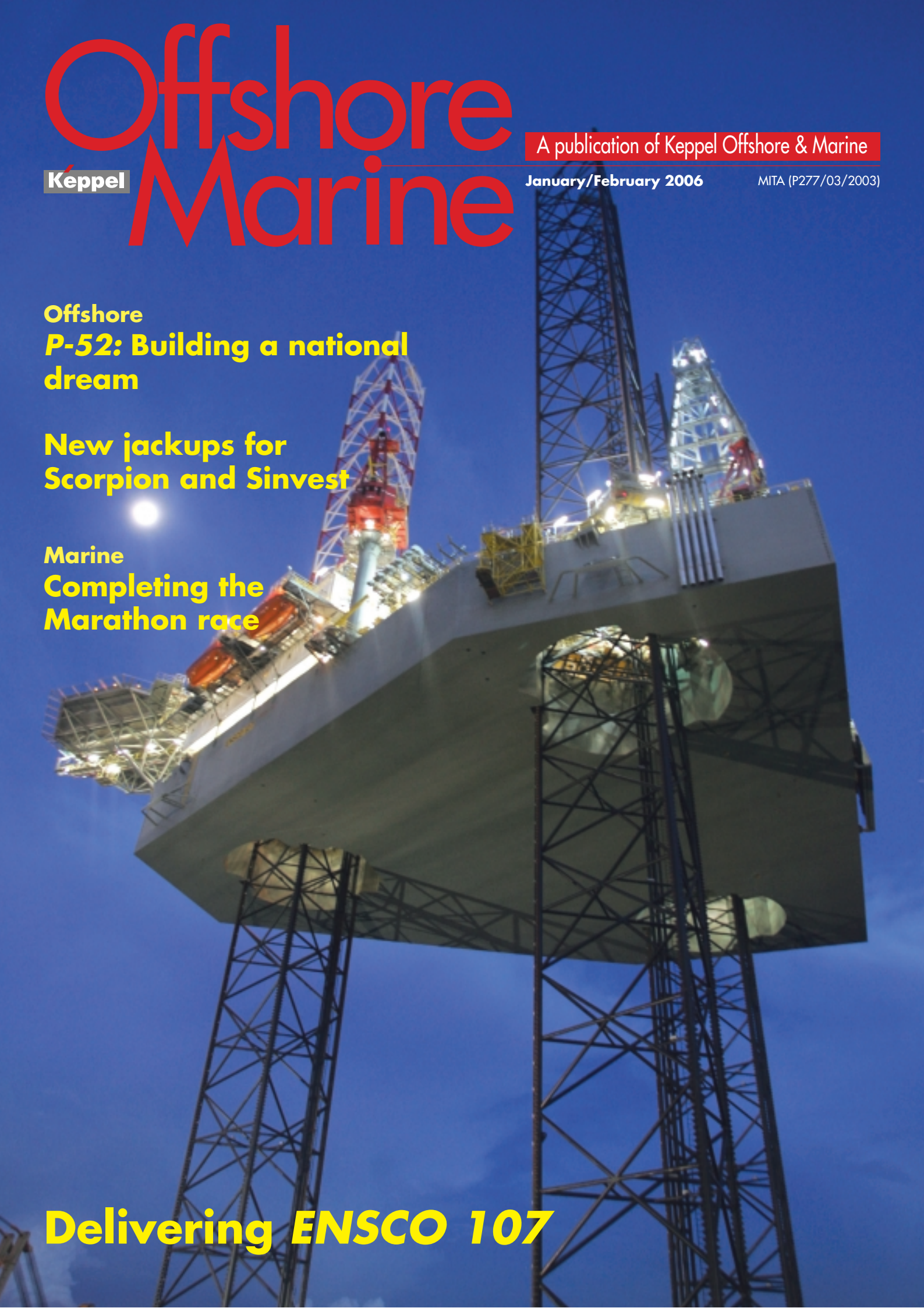
P-52: Building a national dream

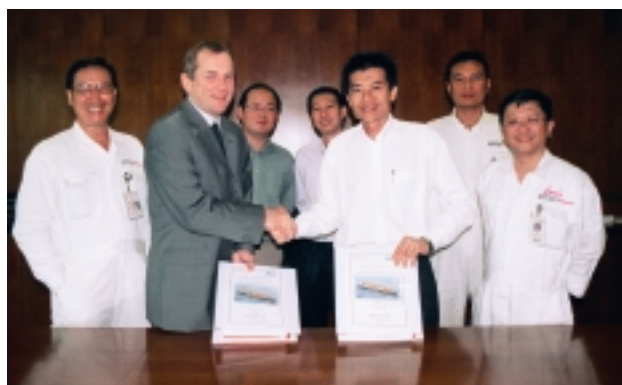
New jackups for Scorpion and Sinvest

Marine

Completing the Marathon race

Delivering *ENSCO 107*





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Asia Pacific Maritime 2006

Watch out for Keppel Offshore & Marine's showcase at the 9th Asia Pacific Maritime (APM) 2006. Visit our booth at 3D04.

Date: 22 – 24 March 2006

Time: 10.00 am – 6.00pm
(22 & 23 March)

10.00 am – 4.00 pm (24 March)

Venue: Singapore Expo, Hall 3
1 Expo Drive

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Keppel FELS secures repeat order from ENSCO

Keppel FELS has secured a repeat order for an ultra deepwater semisubmersible drilling rig from a wholly-owned subsidiary of ENSCO International Incorporated (ENSCO). The total project value is approximately US\$338 million.

The unit is scheduled for delivery in the first quarter 2009.

To be named *ENSCO 8501*, this rig is similar to the first semisubmersible, *ENSCO 8500*, which ENSCO ordered from Keppel FELS in September 2005. Both units will have the capability of drilling in water depths of up to 8,500 feet, and can be readily upgraded to 10,000 feet water-depth if required. Each rig is fitted with a DPS2 dynamic positioning system, eight 2600KW thrusters and a single conventional drilling derrick system, with accommodation for up to 150 people.

Carl F. Thorne, ENSCO's Chairman and CEO, commented, "We are pleased to have entered into a second transaction of this type in the last few months. As with the *ENSCO 8500* project, *ENSCO 8501* is expected to provide a cost-effective deepwater drilling solution for our customers and expand ENSCO's deepwater capability on a conservative and financially attractive basis.

"We are gratified to again be working with Keppel FELS shipyard on the *ENSCO 8501*. We highly value our longstanding relationship which has resulted in a history of successfully delivering high-quality newbuild rigs on time and within budget."

The pontoons and lower hull columns of the two ENSCO semis will be built in the Keppel Philippines shipyard in Batangas. When completed, these modules will be transported to Keppel FELS in Singapore

to be assembled with the other parts of the semis.

Said Choo Chiau Beng, Chairman & CEO of Keppel Offshore & Marine (Keppel O&M), "We expect to cut the first steel for the *ENSCO 8500* semisubmersible in Keppel Batangas shortly.

"This strike steel event is significant to the Keppel O&M group, because it marks Keppel Batangas' entry into the offshore sector as demand for offshore drilling rigs continues to rise.

"We are grateful for the continued confidence that ENSCO has in Keppel to carry out their work from newbuildings to fleet enhancement, anywhere in the world. We will continue to prove to ENSCO that their decision is a right one."



Sharing a jubilant moment are (seated from L) Tong Chong Heong, MD & COO of Keppel O&M, Carl F. Thorne, Chairman and CEO of ENSCO, (standing from L) Choo Chiau Beng, Chairman & CEO of Keppel O&M and Eisso Koenders, Vice President of ENSCO Offshore International and Unit Manager for the Asia Pacific region

The *family* factor

At the christening ceremony for the jackup rig, *ENSCO 107*, Carl Thorne, Chairman & CEO of ENSCO International (ENSCO), attributed the success of the company to the larger ENSCO family comprising staff, business partners and allies as well as the families they represent, particularly the wives.

Can the women behind their successful husbands, please stand up!

Carl Thorne called out in his speech during the celebration for *ENSCO 107*, which was delivered one month ahead of schedule.

He said, "CB and Eileen, CH and Catherine and all of the people of Keppel FELS, would you please allow me to recognise you by standing and express the admiration and appreciation of ENSCO for the enormous contribution that you have made in the building of our company."

A leading figure in the offshore drilling industry, Carl believes in family values influencing the man. He said, "I have known CB Choo and CH Tong close to 30 years, even going back to the days when I was the President of Sedco before we started ENSCO. CH and I were just talking about it this morning. This is a long-standing relationship.

"I know their families. They did as I did, married up. Eileen (CB Choo's wife) and Catherine (CH Tong's wife) have been an inevitable part of their success. They have been what they are. Eileen even allows me to refer to her and introduce her once as one of my two favourite midgets, the other being my beloved partner of some 40 years."

Carl, who will step down as Chief Executive Officer within the next year, remembered the friendships of those who,

he said, "have been with us in the trenches since the first day.

"People who have been inevitably involved, people who have contributed enormously to the maturation of our company in good times and in bad. Keppel FELS has been there since the start."

Since the inception of ENSCO 18 years ago, Keppel FELS has rebuilt at least 15 of ENSCO's older rigs, and 17 after arduous work on two other rigs that are presently with their yards.

Keppel FELS has also completed eight jackups for them and is currently constructing one more jackup and two deepwater semisubmersibles.

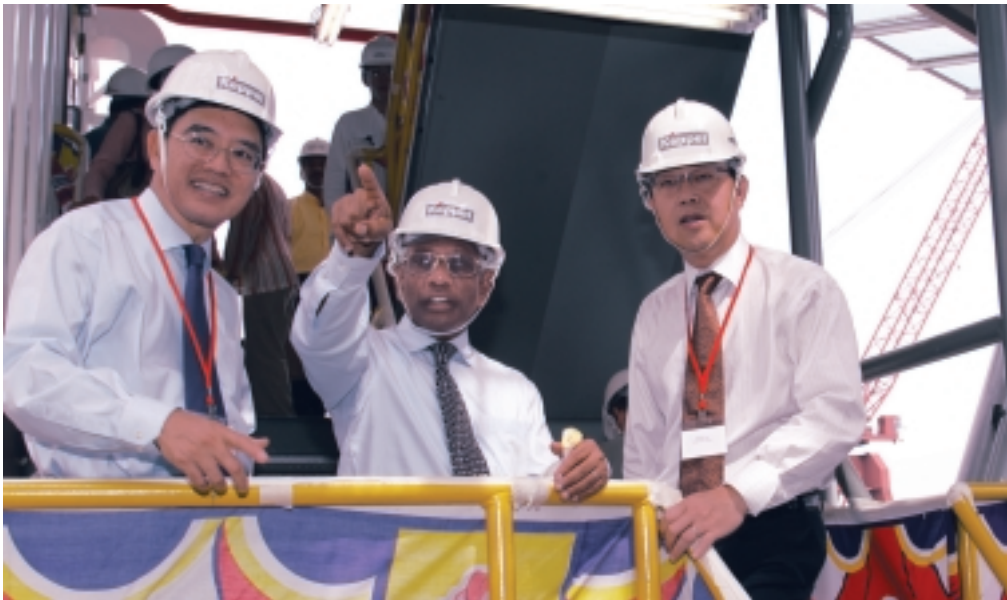
Guest-of-Honour, S. Dhanabalan, Chairman of Temasek Holdings, and Lim Chee Onn, Executive Chairman of Keppel Corporation, were present to witness the christening ceremony held on 21 January 2006.

The Lady Sponsor for *ENSCO 107* was Mieke Koenders, wife of Eisso Koenders, Vice President of ENSCO Offshore International and Unit Manager for the Asia Pacific region.

The *ENSCO 107* is the eighth jackup rig that the Keppel Offshore & Marine group has completed for ENSCO since 1999. It has achieved a clean safety record of zero loss time for its 2,500,000 manhours of work.



Below left: George Lee, Project Engineer for *ENSCO 107* with his family
Below right: Expressing appreciation to Lawrence Mah, the former human resources director of Keppel Shipyard



Top left: Tribute to the wives!
 Top centre: Mieke Koenders receives token from C. H. Tong as US Ambassador H.E. Patricia Herbold (extreme right) looks on
 Top right: C. B. and Eileen Choo

Centre left: Carl Thorne and a child
 Centre right: C. B. Choo, S. Dhanabalan and Michael Chia, ED of Keppel FELS



First offshore project for Keppel Batangas

At a touch of the button, the panel line machine started to cut its first steel plate for the new semisubmersible rig, *ENSCO 8500*.

This strike steel ceremony, held on 25 January 2006, marked the first milestone in offshore undertaking by Keppel Batangas Shipyard (Keppel Batangas), an affiliate of Keppel FELS, in the Philippines.

Ron Couet, Project Manager of ENSCO International (ENSCO), officiated the event attended by project teams from ENSCO, Keppel FELS and Keppel Batangas.

Ron said, "I am very impressed with Keppel Batangas from my initial observation. I have had my pre-conceived notion of what this place looked like. But now, seeing the people who have been managing this place, looking at the infrastructure and yard facilities, the support and enthusiasm of the workforce, I can tell that this is going to be a very successful place.

"This is the first of many projects that we are going to do here."

Keppel Batangas, a division of Keppel Philippines Marine, Inc., secured the subcontract work for the fabrication of lower hulls of the ultra-deepwater semisubmersible drilling platform from Keppel FELS.

Ron Couet, Project Manager of *ENSCO 8500*, officiates the strike steel ceremony with Yeo Yue Ngiap, Senior Project Manager of Keppel FELS



Groundbreaking milestone for Keppel Batangas: the strike steel ceremony for *ENSCO 8500*

Drawing support and expertise from Keppel FELS, the company has spent the last one year beefing up capabilities and facilities on its 50-hectare site southwest of Luzon Island, 2.5 hours drive for Metro Manila.

Toh Ko Lin, President of Keppel Philippines Marine, said, "Today is a watershed in the history of Keppel Batangas as it heralds the shipyard's entry into the growing and lucrative offshore construction market.

"We are committed to work closely with Keppel FELS and ENSCO to make this project a success."

A team from Keppel FELS is already based in Keppel Batangas. This team is expected to grow as work progresses. They will work with the Keppel Batangas project team to ensure on time, on budget delivery of its commitment to ENSCO by December 2006.

Upon completion, the hull blocks will be transported to Keppel FELS for assembly with the rest of the parts.

The ENSCO 8500 is slated for delivery in 2008, and will begin its operation for a consortium of three independent oil companies for operation in the Gulf of Mexico. The oil rig is a dynamically positioned offshore drilling unit with a single conventional drilling derrick system.

Advancing with time and tide

Having worked at Keppel Batangas Shipyard for 26 years, Ramon M. Cornelia, Assistant Yard Manager and Project Manager for Shipbuilding of Keppel Philippines Marine, Inc. (KPMI), bears witness to the dramatic transformation the shipyard has undergone to become what it is today.

Indeed, there has been major changes since 'Chief Ramon', as he is fondly called by his colleagues, first joined the company as a Trainee Engineer assigned in the Drawing Office in 1980.

Back then, the yard had only small capacity floating docks that serviced mostly local vessels. Now, the ship care facility occupies a larger land area of over 50 hectares, with a 50,000 dwt capacity drydock able to accommodate handy-max-sized vessels, a 20,000 dwt capacity shiplift system with eight dry berths and a 6,000 dwt capacity floating dock.

The fabrication shop has been expanded and upgraded to include a panel line system for shipbuilding. Constructions are ongoing for the block assembly facility with mobile sheds.

Being the person-in-charge of the shipbuilding operations, 'Chief Ramon' recalled that the yard then was only



'Chief Ramon' with his wife at Keppel Batangas Shipyard

constructing non-propelled loading barges, single screw tugboats and vessels based on simple designs for the local market using conventional shipbuilding techniques such as manual welding.

Since then, the shipyard has developed competence to build sophisticated vessels, and now, the semisubmersible oil rig for ENSCO.

'Chief Ramon' states that with the trademark "Can Do" attitude, he looks forward to the day when Keppel Batangas Shipyard will be building the whole oil rig structure itself.

"Imagine newly constructed oil rigs awaiting delivery on the waters of Batangas Bay!" he mused. With teamwork and commitment, the Filipinos will see this dream come true for them.

Fifth jackup for Scorpion ...

Keppel AmFELS has signed a contract with Scorpion Intrepid Ltd, the wholly-owned subsidiary of Scorpion Offshore (Scorpion), for the fifth jackup rig order valued at US\$143 million.

All five jackup orders have been secured within nine months of Scorpion's execution of the first construction contract in May 2005.

Said C.Y. Ho, President and CEO of Keppel AmFELS, "Keppel AmFELS is glad that Scorpion has chosen us to be their partner in building their fleet of rigs. Work on the first four rigs is progressing well and we expect to begin progressive delivery in the second quarter of 2007."

Keppel AmFELS is the best equipped offshore yard in the Gulf of Mexico

Like Scorpion's other four jackups, the new rig will be a LeTourneau Super 116 design equipped with leg lengths of 477 feet, and capable of drilling wells up to 30,000 feet in water depths of 350 feet.

Scorpion's latest rig is named *Offshore Intrepid* and is scheduled for delivery in the fourth quarter of 2008.

Located in Brownsville, Texas, Keppel AmFELS is one of the best-equipped offshore yards in the area, serving customers operating in the Gulf of Mexico and internationally. Currently, it is constructing five jackup rigs namely *Offshore Courageous*, *Offshore Defender*, *Offshore Resolute* and *Offshore Vigilant* for Scorpion and a KFELS Super B Class

jackup rig *Ocean Scepter* for Diamond Offshore.

The yard is also building two accommodation platforms for PEMEX and a sludge vessel for the City of New York.

Keppel AmFELS engages in the construction, refurbishment, conversion, life extension and repair of a complete range of mobile drilling rigs and platforms. Its comprehensive facilities are first class, including a drydock capable of docking the largest semisubmersible drilling units, and a modern steel processing plant.

Founded in 2005, Bermuda-based Scorpion Offshore owns and operates state-of-the-art offshore drilling rigs.





... and for Sinvest

Keppel FELS has received notice from Sinvest ASA's wholly-owned subsidiary to exercise its option for another KFELS Super B class jackup rig.

To be completed in first quarter 2009, the rig is contracted at US\$140 million.

This KFELS Super B Class jackup is Sinvest's fifth rig with Keppel FELS, and can drill high pressure, high temperature wells up to 35,000 feet at 350 feet water depths.

Sinvest's first rig with Keppel FELS, *Deep Driller 2*, is expected to be delivered in April this year, while the three subsequent rigs will be progressively delivered between end 2006 and third quarter 2008.

Involved primarily in investments relating to the offshore industry, Sinvest ASA is a public company quoted on the Oslo stock exchange.

With the new jackup order from Sinvest, Keppel FELS is currently constructing a total of 25 units of offshore structures. The KFELS Super B Class jackup rig in the centre is the first Sinvest rig which will be delivered in April this year

Keppel Singmarine kickstarts 2006 with six new projects

Keppel Singmarine heralds 2006 with the announcement of contracts to build six vessels on Monday, 3 January.

Worth a total of S\$120 million, these contracts are for the building of four Anchor Handling Tug/Supply (AHTS) vessels, a 60-tonne Ice-Class AHTS vessel and a 100-tonne Anchor Handling Tug (AHT).

The four AHTS for repeat customer, Hadi Offshore Pte Ltd (Hadi), which is a newly

established Singapore subsidiary of Hadi H. Al Hammam Est. (Saudi Arabia), will be built in Keppel Nantong Shipyard.

They are expected to be delivered between third quarter 2007 and mid 2008.

Charles Foo, Managing Director (Special Projects) of Keppel Offshore & Marine and Chairman of Keppel Singmarine, said, "Construction of the first Hadi vessel at Keppel Nantong Shipyard will begin by the first quarter this year. We are committed to ensure that our good track

record with HADI will be replicated in Keppel Nantong Shipyard.

"Nantong City where our yard is located has good infrastructure, efficient logistics network and skilled manpower. With Keppel Singmarine's management, we are confident that we will be able to meet our customers' requirements in completing the newbuildings to their satisfaction."

T.K. Rajgopal, General Manager of Hadi, said, "We have full confidence in Keppel Singmarine's capabilities and commitment. Their track record has indeed led us to entrust them to build our next fleet of vessels in their new overseas yard in Nantong, China. We are confident that they will be able to deliver the vessels with the same high quality that we have been enjoying."

The Hadi companies have awarded Keppel Singmarine a total of 14 orders since 2001. Keppel Singmarine delivered the latest vessel for Hadi, *Hadi 19*, ahead of schedule in December 2005 (see box story).

The Ice-Class AHTS will be built for LUKOIL, the leading oil company in Russia. A similar order was earlier placed for a similar AHTS in the second quarter 2005.

Keppel Singmarine will also build an AHT for its new customer, Seaways International, a newly setup operations in Singapore with base company in the Middle East.

One of the world's leading builders of offshore support vessels, Keppel Singmarine has delivered a total of 15 vessels in 2005, with 26 others currently under construction.



Keppel Singmarine's strength as a builder of offshore support vessels has gained trust and confidence from valuable customers such as Bourbon Offshore, Gulfmark Offshore, HADI, LUKOIL, SMIT, Zamil and now Seaways International. AHTS *Hadi 19* (above) was recently delivered to the owner ahead of schedule

Bonus for Safety



Presenting the bonus cheque to Hoe Eng Hock is T.K. Rajgopal, as Keppel Singmarine's Project Engineer, Dick Yeo (left) and Wong Phuy Cheng, Project Manager (right) for *Hadi 19* looks on

Hadi H. Al Hammam Establishment (Hadi) awarded Keppel Singmarine a bonus of US\$10,000.

Explaining the reward, T.K. Rajgopal, General Manager of Hadi, told Hoe Eng Hock, Executive Director of Keppel Singmarine, in a letter, "An excellent safety record of "zero incident performance" during the whole construction period of [*Hadi 19*] is a great reflection of the dedication that Keppel has to safety and delivery commitment.

"You and your staff should be very rightly proud of this achievement, especially given the tight delivery schedule requested by us and the early delivery, ahead of the contractual delivery date.

"This is testimony not only to the good organising ability and a highly committed workforce, but also to the safety culture of the whole company."

15 deliveries in 2005

Keppel Singmarine wrapped up 2005 on a high note – with 15 deliveries including Anchor Handling Tug/Supply (AHTS) vessels, tractor tugs and Azimuth Stern Drive (ASD) tugs.

Of these vessels, three AHTS vessels and six tugs are of the designs by Marine Technology Development (MTD), Keppel Singmarine's own research and development division. They are also equipped with sophisticated capabilities to serve their respective functions, being built to customise to the owners' requirements.

Charles Foo noted at Keppel Singmarine's New Year's Eve luncheon, "We have delivered a record number of vessels till

date but it is not enough. We can do much better in the following years."

He added, "This has been possible not only through our employees but with our Class, contractors, suppliers and partners."

Going forward, Keppel Singmarine will build and deliver more high-value vessels to provide customers with superior quality of shipbuilding at both its local yard and at its Keppel Nantong Shipyard, now fully operational.

Owner	Vessel	Type
Bourbon Offshore Surf	<i>Bourbon Aladin</i> , <i>Bourbon Apsara</i> and <i>Bourbon Alexandre</i>	120-tonne bollard pull AHTS vessels
Gulfmark Offshore Inc	<i>Coloso</i> and <i>Titan</i>	70-tonne bollard pull AHTS vessels
Hadi	<i>Hadi 19</i>	60-tonne bollard pull AHTS
KST	<i>KST Sky</i> and <i>KST Space</i>	45-tonne bollard pull tractor tugs
KST	<i>Maju Star</i> and <i>Maju Sun</i>	45-tonne bollard pull tractor tugs
PRM	<i>Pacific 38</i> and <i>Pacific 68</i>	60-tonne bollard pull AHTS vessels
PSA Marine	<i>Noble Prince</i> and <i>Noble Knight</i>	45-tonne bollard pull ASD tugs
SMIT	<i>SMIT Kamara</i>	70-tonne bollard pull AHTS vessel



Bourbon Apsara



Coloso



Maju Sun

Keppel Shipyard undertakes world's first FSRU

Keppel Shipyard will undertake the world's first LNG floating storage and re-gasification conversion project for Golar LNG.

The scope of work to convert a Liquefied Natural Gas (LNG) carrier into a floating LNG storage and re-gasification unit (FSRU) includes installation of a new forward turret, LNG loading arms, aft thruster with compartment and a re-gasification plant, and replacement of cargo pumps. There is also the upgrading of the existing steam power electrical and marine systems.

The S\$90 million project will be the first of its kind worldwide and is expected to complete in the second quarter of 2007.

Keppel Shipyard and Golar LNG will work closely in the engineering, procurement and construction for the project.

Graeme McDonald, Group Technical Director of Golar LNG, said, "We have been developing this 'Floating Energy Solution' as part of our strategy to

diversify into other parts of the LNG value chain and to offer customers greater flexibility. It is our belief that no other system can compete with this concept in terms of timing or pricing by satisfying early or extra demand for gas.

"We have selected Keppel Shipyard as our partner due mainly to the company's impressive track record and proven expertise with Moss Rosenberg type LNG vessels."

Nelson Yeo, Executive Director of Keppel Shipyard, said, "Being entrusted to undertake the world's first FSRU conversion certainly strengthens our market leadership in offshore and marine conversions, especially in the areas of LNG vessels. We are committed to deliver the facility on time, on budget."

Golar LNG currently owns a fleet of 11 vessels, with two more on order. It operates vessels worldwide in well-established relationships with British Gas, Pertamina, Chinese Petroleum Corporation, Petronas, Sonatrach and Shell.

About FSRU

The FSRU is a LNG terminal permanently moored offshore and exports gas to shore through a subsea pipeline.

The LNG terminal is a steel mono hull with Moss® LNG tanks arranged in the middle, with the re-gasification plant in the forward section and crew facilities with control room and utility machinery in the aft section.

The terminal will be moored with an external or internal turret arrangement and the gas send-out line is arranged through the turret system down to the seabed and from there, directly to the shore manifold.

The LNG offloading tankers will be moored in a side-by-side configuration with the FSRU for efficient replenishment of the terminal. Berthing, loading and de-berthing will take approximately one day.

Process and utility systems have been selected and designed for simplicity and least retro-fit as well as for ease of operation and maintenance.



Keppel Shipyard will undertake the world's first FSRU conversion for Golar LNG

Maersk projects take shape

A.P. MØLLER-Mærsk (Maersk) awarded Keppel FELS contracts to build two DSS-21 semisubmersible drilling platforms and four jackup drilling rigs last year. Just half a year later, these projects are fast taking shape at Keppel FELS. *OffshoreMarine* reports.

Jackup unit (B273)

Off to a striking start on 15 December 2005 – Keppel, represented by Senior Project Manager K. C. Kwok (left), and Maersk's Project Manager, Morten Poulsen, cut the first steel for B273, the first of four jackups Keppel will construct for Maersk.

Expected delivery for B273 is in the fourth quarter of 2007, with the other units to be delivered consecutively in half-yearly intervals thereafter.

Semisubmersible unit (B280)

The keel for the first Maersk semisubmersible (B280) was laid on 22 December 2005 in a ceremony officiated by Maersk Contractors' CEO, Claus V. Hemmingsen (second from left), Keppel O&M Chairman & CEO, Choo Chiau Beng (left) and MD & COO, Tong Chong Heong (second from right).

The semis are built to Keppel's co-design, the DSS-21, jointly developed by Keppel's Deepwater Technology Group and Marine Structure Consultants (MSC).

Explorer, a DSS-20 design, which was built by Keppel FELS for operations in the Caspian Sea in 2003.

On why this design was selected, Claus V. Hemmingsen shared, "Exploration in deepwater has given good results and now enters the development phase. In response to our customer's request for lower cost development solutions, we have, together with Keppel and MSC, designed a high efficiency rig to support our customers' ambitions."



The DSS-21 design is drawn from extensive customer inputs and operational experiences from the semisubmersible, *Maersk*

Deliveries of the two deepwater semisubmersibles are scheduled for 2008 and 2009 respectively.



Apprenticeship of a mariner

Many aspire, few attain, fewer inspire.

Charles Foo, Managing Director (Special Projects) of Keppel Offshore & Marine, is one such rare personality. He grew with the Singapore marine industry, and could tell the tales of its trials and triumphs over a span of 50 years.

Charles, who began his career as an apprentice (*not a lawyer, but a mariner*), enlivened his 400 listeners at the 20th Chua Chor Teck Memorial Lecture with his treasure trove of anecdotes.

Alluding to Samuel Taylor Coleridge's poem, "The Rime of the Ancient Mariner" where the wedding guest departed a sadder but wiser man, Charles likened himself to the Ancient Mariner relating his tales to his audience.

However, in this lecture, he hoped that each of his listeners would return home "a happier and wiser man" after his tales

"of love and reverence for all things God made and loved."

Speaking of God, he shared that his aspiration was to be a "god". He recounted that back then, the surveyors were like gods, and the thought of becoming one of the gods, and a respected one at that, appealed to him.

That started Charles' quest for knowledge, qualifications and sea-going experience. It turned out to be a lifelong apprenticeship in an industry that was changing and expanding rapidly.

Through zest and fortune, he progressed from an apprentice to engineer to surveyor, Senior Principal Surveyor & Chief Representative of China for Lloyd's Register and Managing Director (Special Projects), Keppel Offshore & Marine.

Just as the sophistication and demands of the industry increase from barges to LNG carriers and tankers to FPSOs, the prestige of the surveyor declines.

Changes have been wide and pervasive, ranging from the services shipyards provide and maritime education to health, safety and environment (HSE), new shipyards and classification societies.

As the industry evolves, the marine and maritime industry in Singapore also matures to become an International Maritime Centre with a strong marine cluster.

Drawing from his nearly 50-year apprenticeship and from hindsight, Charles offered golden nuggets of advice for the next aspiring apprentice. His best nugget is this: rules are for the guidance of the wise, and applications of fools.

He believed that the future of industry lies in the hands of the engineer, scientist and technologist. Education, as a means to acquire knowledge, remains the route to success. It is in the management of knowledge and innovation that provides the aspiring apprentice a fighting chance.



The photo gallery and mini exhibition corner at the 20th Chua Chor Teck Lecture were well received by the participants

For Singapore, his take is that our current peak in the maritime industry is our window of opportunity to be more innovative so that when the downturn comes we would be in a niche market providing solutions, not just services, to our international customers.

Passionate as he was for the industry that grew him, his heart lied with the individual youth, and wisely so.

As such, he reserved the parting shot of his supposedly 45-minute lecture that

turned out to last two and a half hours, for the aspiring apprentice.

“The road ahead will be hard and long, frustrating at times, always challenging but finally rewarding.”

Remembering Chor Teck



(From L to R): Andrew Chua, son of the late Chua Chor Teck, Mrs Foo, Alice Chua, Charles Foo and Ernest Wee, President of SNAMEs



An annual lecture held in memory of the late Chua Chor Teck, the 20th Chua Chor Teck Memorial Lecture (CCTML) was held in the Singapore Polytechnic Auditorium on 24 January 2006.

Since its inception in 1986 following the demise of Chor Teck, the lecture has benefited more than 5,000 people.

Chor Teck, former Managing Director of Keppel Shipyard and a chief architect of Keppel's growth and development in the early days, was a giant in the marine field.

He died of a tumor in his liver at the age of 47, and is survived by his beloved wife, Alice, a son and a daughter.

Senior Minister Goh Chok Tong, said, “I remember him as a true friend. I like

his simple unassuming ways, his warm and ready smile, and his sincerity and humility.

“I remember him as the proverbial Singapore boy, who came from a poor family, apprenticed himself, studied and work hard, rose to become the head of a large company, and gave his time and knowledge selflessly to society to benefit others. He was a admirable role model for young Singapore.”

His spirit of selflessness lives on in the custodians of the Chua Chor Teck Memorial Fund and organisers of the CCTML.

Without exception, each year the organisers, the Society of Naval Architects & Marine Engineers Singapore

(SNAMEs), will invite some of the most prominent marine and maritime personalities from around the world to address the local marine and maritime community.

Apart from supporting the CCTML, the Fund also gives out scholarships in keeping with Chor Teck's urging that we must attract talents to the marine industry.

The Fund is managed by the Singapore Polytechnic where donations attract no tax as it is an institution of public character.

To read more about Chor Teck and the Fund, log on to www.keppcorp.com/CCT_Memorial_Fund_Trustee.

The Admiral undocks two rigs

Two undockings took place over the Lunar New Year week at Keppel FELS, signifying yet another successful milestone for the projects.

The first to leave the 400,000 dwt Admiral drydock was Diamond Offshore's *Ocean Endeavor*, after her three month stay.

During this period, the Victory-class semisubmersible rig was installed with additional pontoon and column spousers. Her main deck was extended and the engine, switchboards and drilling systems upgraded.

She will undergo upper hull upgrading which include living quarters expansion and the addition of wing decks for the next nine months at the quayside.

Another undocking involved a jackup, *Deep Driller 3*. She was towed out of the dock on 4 February 2006 to the quayside for final works.

Deep Driller 3 is one of five Super B Class rigs that Keppel FELS is building for customer Sinvest ASA. When completed in last quarter 2006, the rig will be able to drill down to 35,000 feet in extremely high pressure, high temperature.

First of two rigs to undock, *Ocean Endeavor* is ready to leave Keppel FELS for her next assignment nine months later.



Another milestone for the newbuild! The sequence of pictures shows the undocking of *Deep Driller 3*



Double joy for SMIT



Celebrations at the naming ceremony of *SMIT KAMARA* in Rotterdam, Netherlands



SMIT KOMODO

Two days before *SMIT KAMARA* was named at the headquarters of Smit Internationale N.V. in Rotterdam on 9 February, Keppel Singmarine delivered her sister vessel *SMIT KOMODO* in Singapore.

A third vessel, the *SMIT NICOBAR* will be handed over to the owner in mid 2006.

These must have pleased Abel Dutilh, MD of SMIT Transport & Heavy Lift tremendously in the current buoyant offshore market.

At the christening ceremony for *SMIT KAMARA*, he said, "Whilst we anticipated these vessels to have their hunting grounds in South East Asia, it now appears they will spread all over the globe."

SMIT KAMARA will operate in the North Sea. *SMIT KOMODO* was planned to go to South Africa, but will end up for a long-term contract in Egypt. *SMIT NICOBAR* will have her first work in Sakhalin.

He added, "It shows us that these are good vessels, which brings me to the yard Singmarine of the Keppel Group in Singapore. I would like to thank Hoe Eng Hock and his team for a job well done and delivery in time."

For Keppel Singmarine, the SMIT series of AHTS vessels based on MTD's designs

for bollard pull ranging from 80 to 120 tons is yet another track record that the company delivers on its promise of offering a "one-stop" value products and services.

Mrs. Kathleen de Weijer-Findlay named *SMIT KAMARA* on behalf of 'Nederlandse Aardolie Maatschappij B.V.'

Keppel at OTC 2006

Visit Keppel Offshore & Marine Group at the Offshore Technology Conference (OTC), to be held in Houston from 1-4 May 2006.

We are at booth number P10617 in the Singapore Pavilion (Pavilion 1).

Themed "New Depths, New Horizons", OTC 2006 will be larger with extensions to the exhibition space in Reliant Centre, Houston.

Building a national dream

"We had a challenge to fulfill a national dream – to build part of the P-52 platform in Brazil, and we have succeeded."

*Renato Duque (right)
Director for Services, Petrobras
(19 December 2003)*





Partners in celebrations

Dotting of the lion's eye symbolises a new beginning – commemorating the opening of a safe passage for the P-52 lower hull

Standing tall at 34 storeys and with a main deck the size of 10 Olympic swimming pools, the P-52 floating production unit (FPU) is being constructed using cutting-edge construction engineering techniques. It is also the fulfillment of a Brazilian dream.



“We had a challenge to fulfill a national dream – to build part of the P-52 platform in Brazil, and we have succeeded,” said Renato Duque, Director for Services, Petrobras, when Petrobras SA awarded the contract to the Keppel-led consortium for the P-52 FPU on 19 December 2003.

Renato was referring to Brazil's ambition to rejuvenate the country's offshore and marine construction industry.

By building part of the P-52 platform and of the P-51 unit in Brazil, the country will be able to boost the economy with more jobs and opportunities.

Two years on, this dream is well on its way to fulfillment, through sheer hard work and the solid partnership between the Keppel-led consortium and Petrobras.

The red letter day of 16 December 2005, aptly named ‘Milestone in Partnership’, was a celebration by the partners of the completion of the lower hull of the P-52 by Keppel FELS.

Renato told the 200 guests at the event, “The challenge of delivering P-52 lower hull, within the deadline, was accomplished.”

Choo Chiau Beng, Chairman & CEO of Keppel Offshore & Marine, the parent company of Keppel FELS and Keppel FELS Brasil said, “Keppel is glad to participate in this national dream.”

This significant milestone event for the US\$775 million FPU was graced by Mr Yeo Cheow Tong, Minister for Transport, Republic of Singapore.

Encouraging the industry to continue the growth, Minister Yeo said, “We need to deepen and broaden our expertise and technological know-how...To this end, [Maritime and Port Authority] will continue to work with the industry, the [Economic Development Board], A*STAR and our tertiary and research institutes to help promote more R&D in the offshore and marine engineering sector.”

The lower hull will set sail for Brazil where she will be mated with her upper deckbox and modules, which are currently being built by Keppel FELS Brasil in its BrasFELS yard.

The P-52 is being built by the consortium comprising Keppel FELS, Keppel FELS Brasil and Technip.

Success *sinks* in for Petrobras units



P-52 successfully completes the submergence trial (above and below right) and is towed back to Keppel FELS in preparation to depart for Keppel FELS Brasil (below)



The rain failed to dampen spirits as the sweet taste of success was 'sinking' in with the lower hull of floating production unit (FPU), *P-52*, undergoing her submergence trial.

On 9 January 2006, the lower hull was towed to anchorage where it successfully completed the one-week submergence trial test before returning to Keppel FELS yard.

The unit's ballast systems were put to work to ensure that the hull is ready for all-systems-go during its offshore deployment. The 43-metre high lower hull was submerged to a depth of 24 metres.

The hull was scheduled for departure in late February 2006 from Singapore to Brazil where the final works will be carried out. The upper hull and deckbox are currently being built by Keppel FELS Brasil in its BrasFELS yard and will be mated with the lower hull later in the year.

When completed, *P-52* will one of the world's largest semisubmersible FPU.



Work on P-51 continues in Brazil

The four nodes for P-51, completed by Keppel FELS, have reached BrasFELS yard in Angra dos Reis, Rio de Janeiro, on 10 January 2006.

Construction of the lower hull is being carried out on the home grounds of Brazil.

When completed, this milestone is significant not only for the P-51 project, but also for the country as it will be one of the first marine engineering projects of this nature and magnitude to be built in Brazil.

After being at sea for four weeks, the offloading operation for the four nodes was successfully completed 12 hours ahead of schedule.

The support team with two ships from BrasFELS Shipyard, four tugboats and workers from the shipyard was responsible for this feat.

The nodes were unloaded one by one with due consideration to the maximum wind condition of 15 knots. The nodes were subsequently towed by the tugboats to the quay and moored to Slipway Two.

Subsequently, the nodes will be welded to the blocks fabricated at Nuclep, to form two big "Cs" which will in turn, form the seat of the P-51 hull. Upon completion of its columns and pontoons, the hull will be ready to receive the topside through a mating operation.

José Pedro Mota, Director of P-51 project, said, "Keppel FELS in Singapore demonstrated its commitment to the success of the undertaking, through its dedication and professionalism in the fabrication and transportation of the nodes as planned.

"We are ready to take over the baton to continue the race for its completion at BrasFELS."

Meanwhile, the construction of the topside modules is well underway in the Niterói yard.



P-51 nodes sails smoothly to BrasFELS after four weeks at sea

Dredging of the Jacuecanga channel begins

Since early January 2006, dredging work has commenced in the channel of Jacuecanga, Brazil, in front of BrasFELS shipyard, to increase the depth of the access channel to the wharf of BrasFELS yard.

About 520, 000 m³ of sand and mud will be removed from the bottom of the bay of Jacuecanga to increase the width of the channel by 2.25 metres deep and to 200 metres wide.

The primary goal is to prepare BrasFELS for the movement of floating production platforms such as P-51 and P-52. With a deeper access channel, the shipyard will be able to extend its services to vessels with greater load and platform size. This will spell new business opportunities for BrasFELS.

To comply with the Brazilian legislation, the dredging at BrasFELS has received an environmental license from the State of Rio de Janeiro after a thorough evaluation of the environmental impacts.

Five environmental programmes were developed to minimise possible impacts on fishing and tourism activities in the area. A dredge solemnity-carrier has been selected to carry out the dredging by suction to ensure minimum environmental impact.

Celebrating 20 years of friendship

As NSB and Keppel Shipyard plan their celebration of the docking of the 150th vessel at Keppel Shipyard in February 2006, *OffshoreMarine* gets close up with the men who made NSB successful as well as their longstanding relationship with Keppel.

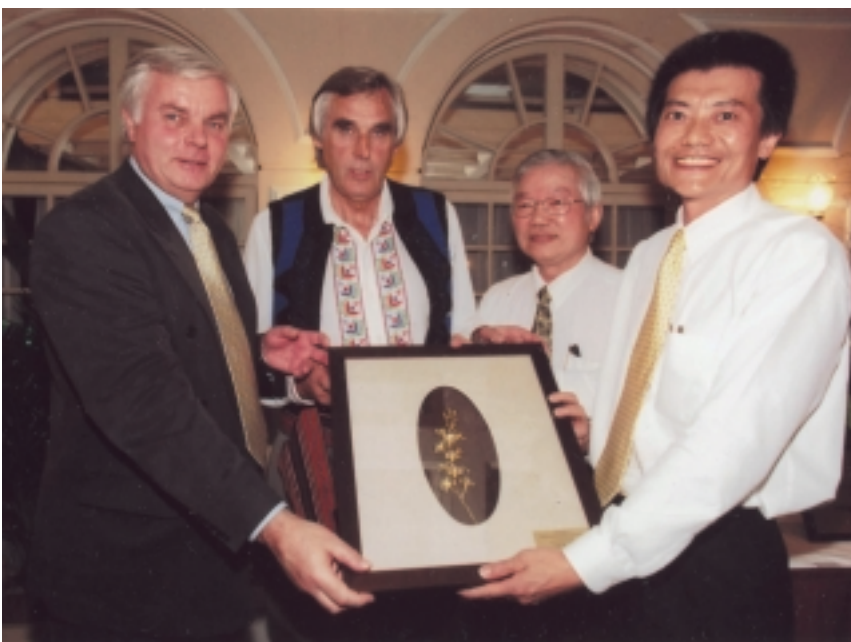
The meteoric rise of Niederelbe Schiffahrtsgesellschaft mbH & Co. KG (NSB) in the German shipping industry is a legend that few have heard of.

In 1986, two enterprising young men, Helmut Ponath, President & CEO, and Bozidar Petrovic, Vice President, rejuvenated NSB with only two chartered vessels.

In less than 20 years, the company has grown to become the world's fourth largest container vessel operator, operating 84 container ships and four Liquefied Petroleum Gas carriers. Come 2009, they will have another 40 new vessels.

Their business has expanded from the operation of container vessels to leisure in which global tourist/ passenger services are offered on freight ships.

Bonded by strong friendship: Helmut Ponath, President & CEO, and Bozidar Petrovic, Vice President of NSB, together with Fong Kwan Hong, Commercial Manager, and Nelson Yeo, ED of Keppel Shipyard



Teamwork

Ponath, who hails from Laboe, a village near KIEL in north Germany, spoke of the sheer hardwork and team effort that he and NSB team had put in over the past two decades.

Petrovic who was the first to join Ponath in his new venture, is fondly referred to as “my Number One man” by Ponath.

The two gentlemen first met when they were working at Howaldt Deutsche Werft (HDW), the largest yard then in Europe. Ponath was with the design office while Petrovic was a unionist working in the electrical department.

Ponath jokingly said, “He gave me trouble then.”

Amazing partnership and deep friendship has since developed between the two good men who have distinctively complementary strengths.

Another core team member, Detlev Fahrenkrug, with his outstanding knowledge in design and marine technology came aboard NSB in 1994.

Four other men joined NSB between 1991 to 2001 as engineers and nautical officers. They were Borchert Meyer, Niels Kaiser, Thomas David and Andreas Jeromin.

Today, each of them takes charge of a NSB fleet section as fleet manager. NSB has a total of five fleets, with a sixth one coming up soon.

Together, they put their industry expertise and determination to build NSB to what it is today – an international company with over 3500 staff and crew members worldwide and Asian presence in offices in Korea, Singapore and China.



A new milestone in partnership:
The docking & repair of
CMA CGM Voltaire, NSB's 150th
vessel at Keppel Shipyard

characterise the essence of Ponath and Petrovic's management style. The constant appreciation shown by the two gentlemen to Keppel Shipyard is heartwarming.

A classic example was a surprise gesture during the celebration of the 100th vessel in December 2002. Ponath pulled out a cheque of EUR\$10,000 and presented it to the employees of Keppel Shipyard for their contribution to the NSB repairs.

Petrovic brought cheers to the team through his kind gestures of giving "ang pows" (red packets containing cash – a traditional Chinese symbol for prosperity) during lunar new year, and hamburger treats amidst the hectic repair schedule.

Vision

Despite being in their 60s, they are brimming with plans for the growth of the company. Plans are underway for construction of their new two-storey office that will house 200 staff and stocks by September 2006.

Talent development is another key area. They have plans to set up a training centre for nautical and technical fields. Succession planning is yet another area that occupies the minds of the two gentlemen.

"By then, we will have time to be seated by the River Elbe near Hamburg and counting the new vessels as they sail past." Both gentlemen exchanged a contented smile.

Ponath humbly attributed the success of the ISO 9001 and ISO 14001 certified company to the support of the company's major shareholders, partners from the financing institutions, classification company GL Class and Keppel Shipyard.

Friendship

Ponath was first invited to visit Keppel Shipyard in August 1983 after the repair of a vessel at Keppel Shipyard's affiliated company, Western Eagle.

The first seed of partnership was sown in May 1984 when Ponath brought the first vessel to dry dock at Keppel Shipyard on the recommendation of Fischer, CET Werft-und Handelsvertretungen Grünewald GmbH & Co. KG (CET)

It marked the beginning of a longstanding friendship and business relationship between Ponath and Nelson Yeo, Executive Director of Keppel Shipyard.

Ponath mused, "I first met Nelson in 1984. He was then the shiprepair manager. Despite the eventful first encounter, he did a very good job. So we

came back with other ships. Now, we are good friends."

The two gentlemen had a fiery exchange over the phone late in the night when they started working on the first project.

"I find in Ponath a friend who will go out of the way to help others. We have confidence in each other that we will do whatever we can to support one another," said Nelson.

In spite of the competition from China, NSB continues to send ships to Singapore for repair.

Ponath explained, "It takes three to four times longer for the repair works to be done in China. We are very happy with the service and quality of work we receive at Keppel Shipyard."

The mutual trust and bond between the companies has extended to family-like ties with many of Keppel Shipyard personnel.

Generosity

Loyalty, warmth and generosity

Delight of the Princess

The magnificent *Diamond Princess* made her first call at Keppel Shipyard



The repair of cruise liner, *Diamond Princess*, was completed in eight days, much to the joy of Princess Cruises, Keppel Shipyard's first-time customer.

The largest cruiser to have docked in Keppel Shipyard, *Diamond Princess* measures 288 metres in length and 40 metres in breadth, and can accommodate 1,100 crew and 2,678 passengers.

The scope of work, which was carried out in December 2005, involved hull-painting, steelworks, piping and general drydocking works, which includes propellers, stabilizers and bow/stern thrusters.

Andrew Wright, Superintendent Engineer, Technical Services, Princess Cruises, said, "I am very pleased with the project team and the manner in which

they handled my vessel – great care was taken for the interior of the ship, which was greatly appreciated.

Overall, I am very impressed with the yard and would certainly recommend it."

Sockalingam Sugumaran, Senior Project

Manager, Keppel Shipyard (Tuas), said, "We feel very happy and proud that we were able to handle such a large cruiser in less time than allowed by the owner.

"The team worked round the clock to resolve all technical issues and to give our customer a positive first impression."



Andrew Wright (3rd from left) and Ken Gillespie, Fleet Technical Superintendent, Technical Services of Princess Cruises (fifth on the right) celebrating a job well done with the Keppel team led by Jimmy Loh (left), Yard Manager of Keppel Shipyard (Tuas) and Sockalingam Sugumaran (centre)

Ministerial visit

Dr Vivian Balakrishnan, Singapore's Minister for Community Development, Youth & Sports and Second Minister for Trade & Industry, visited Keppel Offshore & Marine (Keppel O&M) on 11 January 2006.

The half day visit provided an opportunity for the Minister and Keppel O&M's senior management to discuss issues within the marine industry and to foster Government-Corporation relations.

During the visit, Dr Balakrishnan toured Keppel O&M's Benoi, Gul and Pioneer yards and went onboard a jackup rig and an FPSO vessel, gaining a full insight to the group's businesses.

He also met with some of the young talents from the various yards at a meet-the-people's session.



Dr Balakrishnan tours the Keppel yards. With him are (from L to R) C. H. Tong, MD & COO of Keppel O&M, Nelson Yeo, ED of Keppel Shipyard, Michael Chia, ED of Keppel FELS, Hoe Eng Hock, ED of Keppel Singmarine and CB Choo, Chairman & CEO of Keppel O&M

Long service, rich experience

A total of 96 employees of Keppel Shipyard and Keppel Singmarine were honoured for their commitment to their companies.

The two companies held their Long Service Awards ceremony at Keppel Shipyard (Tuas) on 25 November 2005, graced by Tong Chong Heong, MD & COO of Keppel Offshore and Marine who gave out awards for personnel who has served 10, 20 and 30 years.

After the ceremony, a few of the employees shared their sentiments.

Kuan Chong Hian
Senior Foreman, Shipwright of Keppel Shipyard (Tuas)

"I am very happy to work in the Company since 1974. It is through the job security and good pay that I can set up a good family. My career has provided me a wonderful experience that money cannot buy."



Mahmood Bin Mohd Shariff
Administrative Assistant, Benoi Yard

"Time flies. Imagine 30 years in Keppel Shipyard, starting from Keppel Telok Blangah,



Tuas Yard, and now Benoi Yard is like my second home. I am very happy with the recognition that the company has given me."

Philip Koh
Senior Draughtman, Outfit & Accommodation Section, Engineering, Keppel Singmarine

"I began my career at Keppel Singmarine as a draftsman and now I am given the opportunity to lead a team. I appreciate the career development which the company has provided me."



Celebrations



With a pop of the champagne bottle, Tong Chong Heong, COO/MD of Keppel Offshore & Marine, officiates the 'Swinging 70s' Keppel FELS Engineering Christmas party



Keppelites grease and groove to nostalgic retro music

Keppel FELS Senior Management and valued customers tossing 'Yu Sheng' (a dish of raw vegetables and fish to symbolise prosperity and health in Chinese traditions) at a Chinese New Year party



At the Keppel Shipyard year-end party, staff from its three yards gather to celebrate a fruitful year, and recognise the excellent performances of 46 outstanding employees. Below: Sharing the joy are the recipients of the Best Worker Awards



Having a whale of a time are (L to R) Terry Wong, Project Manager, (Operations – Tuas), Vasconcelos Santos, P-53 HSE coordinator, and Leong Siew Loon, Project Manager (Operations – Tuas)

@ Keppel

Bingo time at Keppel Singmarine's New Year Eve luncheon!
Drawing lines with numbers, not AUTOCAD

That chair is mine! Colleagues fighting it out
at the musical chairs game



MD (Special Projects) of Keppel O&M and Chairman of Keppel Singmarine, Charles Foo, presenting a lucky draw prize to Lily Lin, Assistant Engineer of Marine Technology Development (MTD)

Food and fun at Caspian Shipyard Company's New Year Party



Join me on the dance floor



Keppel showcases offshore expertise

Offshore Asia 2006

Keppel Offshore & Marine (Keppel O&M) was invited to showcase its advanced drilling equipment at an industry conference.

Presenting a paper on “Advances in semisubmersible design in tendering operation” was Anis Hussain, Technical Manager for Deepwater Technology Group (DTG), the R&D arm of Keppel O&M.

“The heightened interest in deepwater drilling and exploration activities has resulted in the need for more advanced drilling equipment,” said Anis. One such solution is the proprietary semisubmersible drilling tender (SSDT) series of designs developed by DTG.

Successful projects include *West Alliance*, built for Smedvig Asia to the KFELS SSDT3000 series. It was the first drilling tender to operate alongside a Tension Leg Platform (TLP) in the deep waters of the West Seno field in offshore Indonesia in 2003. Meanwhile, sister vessel, *West Setia*, which was delivered by Keppel FELS in August 2005, will work alongside a Spar in the Kikeh field in Sabah, East Malaysia, in September 2006.



Customers visit Keppel O&M booth to discover more about Keppel's expertise in offshore technology

Aptly themed “Developing E&P Opportunities”, the first Offshore Asia conference held in Kuala Lumpur from 17 to 19 January 2006 highlighted the Asian offshore exploration and production (E&P) market's developments – growth, change and expansion.

Keppel's expertise in the expanding offshore marketplace were featured in the exhibition organised in conjunction with the conference.

FloaTEC at Deepwater Symposium

Also sharing its experience at two other deepwater symposiums is FloaTEC.

Organised in November 2005 at Kuala Lumpur and Perth, FloaTEC presented their deepwater concepts for the different hull forms, namely the TLP, Spar and the semisubmersible. The company also took the opportunity to share its solutions for potential hybrid hull forms, such as the mini-spar, single-column floater and heave-plate semi; including moorings and risers.

FloaTEC President, Eric Namtvedt, and FloaTEC's strategic partner, Houston Offshore Engineering's Founder & President, John Chianis, presented at the symposiums.



Enthusiastic participants at the Deepwater Symposium

Keppel forms Board Safety Committee

Keppel Corporation has set up a Board Safety Committee to review the effectiveness of the group's companies' safety management systems, provide a forum for discussions on developments and best practices in safety standards and practices, and assist in enhancing safety awareness and culture within the Keppel Group.

With Yeo Wee Kiong, Independent Director of Keppel Corporation, as the chairman, members on the committee comprise Lim Chee Onn, Executive Chairman of Keppel Corporation, Sven Ullring and Dr Lee Tsao Yuan, also Keppel's Independent Directors.

The formation of this committee reflects the priority that Keppel places on growing and reinforcing the culture of safety in and across the Group's companies.

This move also underscores our commitment to make it a hallmark for the industries in which we operate.



Keppel is focused on keeping a safe and healthy working environment for all

Dispensing Innovation



Chng Bak Huat, Team Leader of Evolution Team receiving a token of appreciation from Captain M. Segar, Director of Port Division / Port Master of MPA

The innovative pipe elbow dispenser saves Keppel FELS up to \$61,700 per annum.

Developed by Keppel FELS's iQC team, "Evolution" in 2004, this device was inspired by the humble sweet dispenser. It makes collection of the pipe elbows both safe and efficient, improving productivity.

The Maritime and Port Authority of Singapore (MPA) was so impressed with

the invention that they invited the team to share their "innovative spark" at the MPA Port Division Work Improvement Teams (WITS) Convention on 1 December 2005.

The pipe elbow dispenser won gold award at the 2004 National Innovation & Quality Circle (IQC). Keppel FELS started its IQC in 2003 to further encourage employees' participation in work place process improvement.

Union award for family members



Recipients of the Award together with Minister Lim and Keppel's senior management

38 recipients were given awards at the annual Keppel Employees Union (KEU) Scholarship/Bursary Award 2005 held at PSA Club on 29 December 2005.

Guest-of-Honour, Lim Swee Say, Minister in the Prime Minister's Office and Deputy Secretary-General of National Trades Union Congress (NTUC), presented the awards ranging from \$100 to \$600 to students from primary to tertiary institutions.

The Award is open to families of KEU members and Permanent Residents of Singapore who have been a KEU member for at least a year.

KEU General Secretary, Phang Weng Onn, said, "This is another effort by the Union to help our low-income and needy members and their families to continue their educational pursuit and fulfill their aspirations in life."

Super Vroom... to a new career

At 40, you could start a new career as a supervisor with Keppel Offshore & Marine.

That is, if you participate in the *Super V* programme, initiated by the Association of Singapore Marine Industries (ASMI), in collaboration with the Workforce Development Agency of Singapore (WDA) and National Trades Union Congress (NTUC).

The aim of this latest recruitment drive is to build up a steady and long-term pool of local supervisors to fuel the growth of the marine industry.

Through *Super V*, Keppel O&M recruited more than 140 Singaporeans, ranging from the early 20s to 40 years old, with the support of Keppel Employees Union.

Upon recruitment, the candidates underwent an employability camp after which suitable candidates were identified for leadership roles in the trades. The selected candidates then embarked on a two-year training programme in Keppel yards beginning in January 2006.

Upon completion of their programme and graduation, they would assume supervisory roles for different trades such as welding, painting and scaffolding.

The *Super V* programme was launched by Minister Lim Swee Say, Minister in Prime Minister's Office and Deputy Secretary General of the National Trades Union Congress, on 24 November 2005.



Michael Chia (left), Executive Director, Keppel FELS and President of ASMI, presenting a token of appreciation to Minister Lim Swee Say (right) at the launch of the *Super V* programme

Sowing for the future

Keppel Philippines Marine, Inc. (KPMI) is one of the first members of the Batangas business community to support the environmental restoration programme initiated by the local government of Bauan.

The Batangas community can look forward to cleaner air, greener landscape and delicious fruits with the donation of one thousand seedlings of fruit bearing trees from the company.

Over the years, the rapid industrialisation of Batangas has led to the gradual degradation of the environment as more forest areas are cleared and converted for commercial purpose. Consequently, air quality, especially in the town proper, has begun to decline as these natural air filters are continually being cut down.

To assuage the environmental impact of deforestation and its resultant problem, the municipality of Bauan has embarked on the reforestation of strategic areas.

“The people of Bauan express its gratitude to Keppel for its support in preserving our



Sowing for the future: Bauan Municipal Mayor Herminigildo J. Dolor, joining Yu Cheng Hee, Executive Vice President, Keppel Batangas, to plant the first of a thousand seedlings in Bauan

environment for the future generation. We look forward to a more fruitful partnership with Keppel in other community projects,” said Honorable Herminigildo J. Dolor, Municipal Mayor of Bauan, Province of Batangas, at a tree planting ceremony.

It was attended by key government officers held at the sprawling school grounds of Bauan Technical High School

during its Christmas Festival programme on 14 December 2005.

Keppel Philippines Marine has been very active in the environmental and civic-oriented projects in its community as it subscribes to the local adage – “*Kung anong itanim ay siya ring aanihin*” which literally means “You reap what you sow”.

Speaking before the student assembly, Yu Cheng Hee, Executive Vice President of Keppel Batangas Shipyard, urged, “We are committed to the preservation of the environment and we are proud to be one of your partners in this worthy cause. We hope that the youth will realise their important role in protecting and promoting a clean environment.

“The seedlings that we have planted today will bear fruit by way of generating more environmental awareness and encouraging more participation from all members of the community. Protecting the environment is a shared responsibility.”



Yu Cheng Hee shares the message of environmental protection and responsibility with Bauan Technical High School after the tree planting ceremony

Around our yards

OffshoreMarine tracks works carried out in some Keppel yards.

MV Medina Carrier



USA

Keppel AmFELS

Valued customer ENSCO brought their rig, *ENSCO 87*, into the yard for major conversion works. The slot system of the LeTourneau Class 116-C rig was converted to a cantilever system. Its facilities were also upgraded and refurbished.

THE PHILIPPINES

Keppel Cebu

Two sister reefer vessels *MV Medina Carrier* and *MV Sidonia Carrier*, each weighing 6,499 GRT were repaired at the yard. The Norbulk Shipping UK owned vessels arrived on 7 January and 20 January 2006 respectively. Major works for each vessel included 50 tonnes of steel renewal, machinery overhauling, pipe renewals and external hull blasting.

New Auspicious



The yard also repaired *MV Vigsnes* (ex *Iron Stuart*), 14,785 GRT Bulk Carrier/Acid Tanker of ASP Ship Management, Australia. She arrived at the yard on 10 January 2006 and works were completed by 26 January 2006. Major works involved over 40 tonnes of high tensile steel renewals on its cargo hopper plate and various machinery overhauls, pipe renewals, cleaning/painting of tank internals and external blasting and painting.

US Navy patrol boat *MKV 986* had her water jet replaced during her stay from 27 January to 7 February 2006.

Keppel Batangas

Bulk Carrier *New Auspicious* arrived on 19 January 2006 for a 19-day stay during which she underwent 65 tonnes of steelworks, cargo holds cleaning, blasting and painting works. The 26,586 GRT, New Pursue Line S.A. owned vessel was delivered to her proud owners on 6 February 2006.

Works on a cargo carrier, *Ocean Quest* were also carried out at the yard. The Oceanic Container Lines, Inc vessel sailed in on 13 January 2006 to undergo rudder and propeller repair, sea valves overhauling and machining of windlass on top of the 26 tonnes steelworks and hull blasting and painting.

Subic Shipyard

Maersk Taiki, the A.P. Moller owned car and truck carrier sailed in on 4 February 2006 for drydocking. While drydocked, the 44,500 tonnes vessel had her stern thruster removed for overhauling. Other works included hull blasting and painting, engine repairs and piping renewal.

Container ship, *YM America* also drydocked at the yard for hull blasting and painting, ballast tanks painting, steel works and main engine works. Yang Ming Marine Transport Corporation owns the 46,728 GRT vessel.



Maersk Taiki



YM America



Keppel Group Newsbytes

Keppel Corporation welcomed the Clipper fleet as they sailed into Keppel Bay, Singapore, on 15 January 06. The 10-strong international Clipper boats created a buzz during their stay on the tropical island. They attracted a huge send-off of 1,000 Singaporeans and friends, including the Senior Minister, Mr Goh Chok Tong, on 27 January 2006.

The race partners of the Clipper Round-the-World Race 05/06 by amateurs are Keppel, Singapore Tourism Board, Sentosa Cove, PSA and Team Singapore.

The Clippers started from Liverpool in September 2005, making their round trip via the Pacific and Atlantic oceans. Singapore is the fourth leg involving 10 cities. The boats are on their way to Qingdao, China.

Keppel Land, which has around 56% interest in Dragon Land Limited, has acquired another 10.78% stake in the company on 20 January 2006. 54,448,604 ordinary shares of S\$0.10 each were purchased for a total consideration of US\$5,989,346.44 (US\$0.11 per share). Keppel Land will have an effective 66.69% stake in Dragon Land once the sale is completed.

Keppel Seghers, the environmental technology division of Keppel Integrated Engineering (KIE), has signed the 25-year Design-Build-Own-Operate Contract for Waste-To-Energy (WTE) Plant with the National Environment Agency (NEA) on 20 January 2006.

Located at Tuas South, the WTE plant, Singapore's fifth, is the first incineration

plant to be built under the Public-Private Partnership (PPP) initiative. When completed in early 2009, the WTE plant will be able to treat 800 tonnes of waste per day and generate 20MW of green energy.

Keppel FMO has been appointed by the National Library Board (NLB) as its facilities management agent for three years. It will service some 40 stand-alone libraries, rental libraries, community children's libraries and offices at various locations in Singapore.

In China, Keppel FMO secured a one-year contract to provide engineering management services for Barclays Capital's office in Shanghai. This is the second contract awarded by Barclays Capital to Keppel FMO.



Rousing welcome for homecoming Uniquely Singapore Clipper crew at Keppel Bay

Keppel's Global Reach

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Completing the Marathon race

Keppel Shipyard has delivered *Alvheim*, its first Floating Production and Storage Offloading (FPSO) facility for Marathon Petroleum Company (Norway) (MPC).

Previously known as *MST ODIN*, the 87,000 dwt multi-purpose shuttle tanker was contracted to Keppel Shipyard at S\$84 million for a conversion job which comprises hull upgrading and structural modifications.

Both Keppel Shipyard and MPC have demonstrated strong commitment and partnership in carrying out the conversion in

accordance with the stringent requirements of the Norwegian regulatory standards.

The vessel arrived at Keppel Shipyard in March 2005 and left the yard in January 2006 for Norway for its topside integration works. This will complete the conversion of the vessel to a FPSO. *Alvheim* will be deployed in the North Sea where production will begin first quarter 2007.

With the completion of *Alvheim*, Keppel Shipyard's strong track record for the conversion and repair of FPSOs and FSOs adds up to 54 FPSO and FSO projects.

First MPC FPSO facility sets forth from Keppel Shipyard (Tuas) for the North Sea

