

UPDATE

Schoeller Holdings | Austral Asia Line | COLUMBIA

4.14



Official opening of Columbia Shipmanagement (Shanghai) Co Ltd.

EDITORIAL

Dear Reader,

The China Association of the National Shipbuilding Industry sums it up in one sentence: "In recent years, the marine, port and shipbuilding industry in China have been developing dramatically." Seven of the ten biggest container ports in the world are located in China, no other country operates more shipyards than China and the number of Chinese companies and private individuals becoming involved in ship owning is increasing steadily.

So it was only natural for COLUMBIA Shipmanagement to strengthen its ties with China by forming a joint venture partnership with Singhai Marine Services who have offices in Shanghai and Singapore (see page 2).

Yours sincerely

Demetris Chrysostomou

Marketing Director . COLUMBIA Shipmanagement

IN THIS ISSUE

2

Official opening ceremony for
CSM Shanghai

3

AAL maintains involvement in
Western Australia projects

FSL strengthens partnership with
CSM Singapore

4

CSM supports
marine research project

5

Challenging supply logistics

AAL expands footprint in oil and gas projects

In October "AAL Singapore" which is employed on the Pacific Liner Service, successfully discharged 32 sets of heat recovery steam generator modules in Vancouver. AAL's main challenge was to overcome the space constraints: the heavier pieces weighed around 105 tons, measured 18.53 meters in length, were non-stackable and had to be discharged directly onto rail wagons. The modules will be used in Shell's Carmon Creek Project that is expected to produce 80,000 barrels of bitumen per day in Alberta, Canada. Carmon Creek will be part of Shell's broader production, refining and marketing business across the full value chain in North America.

Official opening ceremony for CSM Shanghai



To expand its more than 25 years of relationship with China, Mr Schoeller in 2013 approved the exploration of a joint venture partnership with Singhai Marine Services who have offices in Shanghai and Singapore.

Singhai's core business is that of a Chinese Manning Agency involved in recruitment, training and supply of Chinese seafarers to international ship owners. The partnership with Singhai is definitely a strategic one, based on their extensive knowledge and contacts in the Chinese shipping industry but also in terms of the future development of Chinese seafarers for COLUMBIA and COLUMBIA's Chinese clients.

With the support of our joint venture partner, Mr Terence ZhaoWei, COLUMBIA Shipmanagement Shanghai was officially incorporated on the 14th March 2014 and granted an International Shipmanagement License. The Hongkou District Government, Shanghai Transport and Port Authority, and the Water Transportation Administration Bureau of the Ministry of Transport, provided valuable assistance throughout the registration and licensing process of the joint venture.

On the 03rd November 2014, COLUMBIA Shipmanagement and Singhai Marine Services celebrated the official opening of their joint venture ship management company COLUMBIA Shipmanagement (Shanghai) Co Ltd. The opening ceremony was held in Shanghai with more than 150 attending guests, including the Vice District Mayor of the Shanghai Hongkou District Government, a representative from the Shanghai Trans-

port and Port Authority, representatives from Shanghai Maritime Safety Administration, leaders and guests from the Shanghai maritime and shipping industry as well as numerous Chinese and international dignitaries.

The Chairman of COLUMBIA Shipmanagement Mr Heinrich Schoeller attended the event along with along with COLUMBIA's Chinese Partner, Mr Terence ZhaoWei, Mr Demetris Chrysostomou and Mr Ruben Oggel in their capacity as COLUMBIA's representatives on the Board of Directors of COLUMBIA Shanghai, Mr Rangel Vassilev as General Manager of COLUMBIA Shanghai and finally Capt. Andreas Xapolytos, Managing Director of COLUMBIA Singapore which is also the Head Office for COLUMBIA Shanghai.

COLUMBIA Shipmanagement Shanghai will operate initially as a branch office of COLUMBIA Singapore. The same high standards and quality systems of the COLUMBIA Group will be provided to our Chinese clients ensuring that they will receive competitive services in a professional and transparent manner.

The COLUMBIA Shanghai Office team is built around the General Manager, Mr Rangel Vassilev who has been with CSM since 2005. As of October 1st, 2014, all staff members have commenced their duties in the COLUMBIA Shipmanagement Shanghai office after undergoing extensive training and familiarization in our Singapore office. COLUMBIA Shipmanagement Shanghai aims to contribute to China's global shipping aspirations and enhance the quality and competitiveness of Chinese shipping on an international level.

AAL maintains involvement in Western Australia projects



In October “AAL Nanjing” delivered a shipment of seven roof petals from Sattahip, Thailand to Onslow, Australia. The petals then were transported to the Wheatstone LNG site, to become part of the roof section of one of the LNG storage tanks.

The Wheatstone Project – Australia’s first natural gas hub – is one of the country’s largest resource projects – providing greater security of supply and significant economic benefits such as employment, government revenue and local business opportunities.

The Chevron-led project whose construction began in late 2011 includes an 8.9 million-metric-ton-per-year LNG facility with two processing units and a separate domestic gas plant.

As Wheatstone’s material offloading facility required a vessel with a shallow draft with a length over all restriction of 150 meters, one of AAL’s S-class vessels was the perfect tool for the job. The AAL Tramp and Project service division managed the safe stowage of seven petals – the larger ones weighing at around 25 metric tonnes and measuring 42 meters in length – thus saving an additional sailing and significant extra cost. In addition to offering tailor-made shipping solutions like this one AAL also runs a regular liner service into Western Australia.

FSL Trust strengthens partnership with CSM Singapore

First Ship Lease Trust (FSL Trust) is a shipowner and a provider of leasing services on a long-term bareboat charter basis to the international shipping industry. The FSL Trust has a diversified portfolio of 23 modern and high-quality vessels, comprising seven containerships, 11 product tankers, three chemical tankers and two crude oil tankers.

Working relations commenced in 2012 when FSL Trust appointed CSM Singapore the technical management of “FSL Singapore” and “FSL Hamburg”, two product tankers currently trading in the spot market. Soon after that



CSM was assigned the commercial management of the two vessels under Petrobras charter. In 2013 CSM became preferred ship managers for the chemical tankers “FSL Tokyo”, “FSL New York” and “FSL London”. FSL Trust has continued to strengthen the partnership through appointing CSM to manage “FSL Busan” and “FSL Santos” in 2014.

CSM supports marine research project



When it comes to biodiversity the Mediterranean Sea is a world leader. Biologists have identified some 17,000 different species of algae, fish, crustaceans and molluscs. Some 3,500 thereof are unique as they can only be found between Haifa and Tarifa, Venice and Tunis. One fact, however, is worrying biologists: Approximately 1,000 different species have immigrated the Mediterranean Sea in the last 150 years, the majority of them only in the last 50 years. And these invaders are more aggressive and spread faster than the old residents. Some used “public transport”, ie. they came in ships’ ballast water tanks, others arrived more slowly through the Sues canal. In an area of ten square kilometres in Israel’s coastal waters, scientists counted up to 129 species – mainly fish – that usually live in the Red Sea.

To keep track of this biological invasion, the Cyprus Institute, a non-profit research and postgraduate education institution, is taking part in a marine research project. Its objective is to “determine the abundance and taxonomy of plankton in the Eastern Mediterranean”.

“Plankton represents the smallest plants and animals of the sea, on which all other organisms feed on. However, plankton also includes the larvae of fish, molluscs, crustaceans and many more animals. Analysing the composition of plankton provides vital information, since it represents the lower end of the marine food web and the power of species larvae recruitment. Thus, a better understanding of species composition and abundances will contribute in the assessment of

ecosystem health of the eastern Mediterranean Sea. Investigation of the planktonic larvae in the region will also shed light on the migration of Lessepsian species (native species of the Red Sea) through the Suez Canal into the eastern Mediterranean Sea. This will facilitate an evaluation of species invasions and help in risk assessments.”

Continuous Plankton Recorder

COLUMBIA Shipmanagement has agreed to participate in this project by making the “Petrolina Ocean” available as a ship-of-opportunity for the surveys. To collect samples the vessel will tow a “Continuous Plankton Recorder” (CPR) on its regular route between Cyprus and Haifa. The CPR is a robust device weighing 185 kg, including 100 meters of 10 mm steel wire and is towed at a depth of about 10 meters, at speeds of up to 25 knots and in wind-force-eight-conditions. The plankton is captured between two layers of silk, which is fed onto a storage drum for later analysis.

The first CPR tow in the Eastern Mediterranean has been successfully realized on the 21st of October 2014 when Dr. Carlos Jimenez, Associate Research Scientist and the vessels crew put the CPR in the water soon after the vessel left Haifa. The CPR remained in the water for the complete voyage and was hauled in just before arrival at the port of Larnaca. The operation was successful in that the CPR immediately went to its operating depth of 6-10 metres and viable plankton samples were collected. Monthly tows are planned to build a database allowing conclusions in the long term.



Challenging supply logistics

We're the extended arms of our crews on-board" says Regina Gellers, Technical Commercial Manager at CSM in Hamburg. "If we don't provide the things they need – be it spare parts, ropes, paint or lube oil – they cannot do their job in the way our clients expect them to do it. Just imagine you're in charge of victuals and you realise you'll shortly be running out of rice, coffee or milk. Your only hope is somebody ashore understands your needs and delivers the goods to the next port of call."

In a nutshell, this is what technical ship management is all about: Providing the supplies that are needed onboard in the desired quality, at the right time and at the lowest possible cost. "Sometimes it's like juggling with five balls" adds Felix Spörl, Purchaser at CSM, "but that's what makes our jobs so interesting. In comparison supply logistics for containerships are a piece of cake, as you know the ports of call and the ships' arrival dates. But when it comes to bulkers and spot-tankers you're always in for a surprise."

Expecting the unexpected

In general bulk carriers have no fixed routes. They may load their cargo in South Africa and take it to Japan. This is what the ship manager knows for sure. Where the charterer sends the ship next to is often decided at short notice; it could either be Ponta da Turbarão in Brazil or Dampier in Western Australia. But as sailing these distances takes quite a while, ship managers have a bit of leeway. Tankers operating in the spot market, however, pose unique challenges. During a single journey from the Emirates to Europe their cargo can be sold several times. Instead of going to Rotterdam the vessel may be redirected to Le Havre only to unload in

Immingham in North East England. Sometimes this reduces the time slots for delivering supplies to just 36 hours.

Worldwide networks

To master situations like these CSM utilises own warehouses in key ports like Rotterdam and Singapore and takes advantage of respective services offered by its preferred suppliers and forwarding companies. Local suppliers come also into play, as it would be far too expensive to use airfreight for sending heavy items like ropes from Singapore to Los Angeles. Whenever possible supplies are not routed individually but rather collected in key ports and then delivered in bulk.

To further reduce costs supplies are requested and purchased on a quarterly basis, expendable goods and victuals in particular.

In case of an emergency, though, new rules come into play: If a damage – imagine some vital piece of machinery breaking down – cannot be repaired with on-board equipment the ship will be directed to the next harbour. The safety of ship and crew has top priority regardless of the timetable.

Quality controls

To ensure all supplies are of the desired quality CSM has established a rigid scheme of audits and evaluations. To become a "preferred" supplier companies not only must meet various criteria (CSM specific purchasing requirements, ISO, anti-bribery etc.) their premises will also be checked regularly by CSM staff. In addition the toughest jury chandlers can face – the crew onboard – rates their quality after each delivery.

IMPRINT

COLUMBIA Shipmanagement Ltd.

21 Spyrou Kyprianou Avenue . Yermasoyia . 4042 Limassol - Cyprus . tel. +357 2584 3100 . fax +357 2532 0325 . marketing@csmcyp.com