



# marine

## PROVIDING CUSTOMISED SOLUTIONS IN SHIPBUILDING AND SHIPREPAIR

ST Marine is a turnkey provider of shipbuilding, ship conversion and shiprepair services, serving a global clientele that spans America, Europe, Asia and the Middle East. ST Marine's operations in Singapore are complemented by its US shipbuilding facilities in Pascagoula, Mississippi, under VT Halter Marine.

The year for the Marine sector was highlighted by new products, product deliveries and launches, and expanding business from existing customers requiring higher engineering expertise. Some of these customers included the Republic of Singapore Navy (RSN), the US Navy, Crowley Maritime Corporation, Louis Dreyfus Armateurs S.A.S. (LDA), and Shreyas World Navigation.

### Shipbuilding

Leveraging on its strength in designing and building customised and sophisticated vessels, ST Marine continued to secure high value added contracts and break new ground.

ST Marine successfully entered the Roll-on/Roll-off Passenger (Ropax) ferry newbuilding market, by securing a contract to design and build a Ropax ferry for LDA – the first in Singapore's

shipbuilding history. The shipyard, in collaboration with James Fisher Defence Limited (JFD), also clinched the first public-private partnership (PPP) project from the RSN. VT Halter Marine received repeat orders from existing customers, most significantly, from Crowley Maritime Corporation's subsidiary, Vessel Management Services Inc.

### Shiprepair

ST Marine continued to extend its reliable expertise and consistent service quality in shiprepair, modification and conversion to a wide variety of vessels, maintaining its strong presence in the regional market.

The year's shiprepair business was marked by the completion of several notable conversion projects. Of noteworthy mention was the conversion of *Rubicon Intrepid's* Floating Storage and Offloading (FSO) system to the Floating Production Storage and Offloading (FPSO) system for Rubicon Offshore. ST Marine also converted the *BGP Pioneer* from a fishing trawler to a seismic research vessel for China National Petroleum Corporation's BGP Inc., one of the world's leading onshore geo-physical exploration company.

### PERFORMANCE OF THE MARINE SECTOR

#### Half Yearly Performance

The Marine sector's turnover for 2H2007 at \$446m increased by 7% or \$29m over 1H2007 turnover of \$417m, following higher shipbuilding activities.

PBT for 2H2007 at \$60.5m increased by 67% or \$24.4m over 1H2007, as a result of better shiprepair performance and higher investment income from the maturity of a fund under management.

#### Full Year Performance

FY2007 turnover of \$863m for the Marine sector was higher than that of FY2006 by 23% or \$161m and this was largely contributed by the shipbuilding and shiprepair businesses. The higher shipbuilding turnover was mainly contributed by the US operation, while the higher shiprepair turnover was the result of a more active shiprepair market.

PBT of the Marine sector in FY2007 of \$96.6m was higher than that achieved in FY2006 by 21% or \$17.1m. The higher PBT was mainly attributable to higher gross profit contribution from higher turnover as well as higher investment income from the maturity of a fund under management.

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(from left to right)  
Delivery of third ATB unit to  
Crowley Maritime.

ST Marine signing the Ropax  
contract with LDA.



## Major Projects

In shipbuilding, ST Marine secured a contract worth about \$400m to deliver submarine rescue and other related services to the RSN over 20 years. ST Marine will design and construct the Submarine Support and Rescue Vessel (SSRV) necessary for the Submarine Rescue Vehicle (SRV), which will be designed and built by JFD. On top of this contract, ST Marine delivered the third and fourth of five locally-built stealth frigates, *RSS Tenacious* and *RSS Stalwart*, to the RSN.

ST Marine was awarded a \$168m contract to build a Ropax ferry for renowned French shipowner LDA, for day and night crossing in the English Channel. The Ropax ferry is the third newbuilding order awarded by LDA to ST Marine, following the order of two Roll-on/Roll-off (RoRo) vessels in association with Norway's Leif Hoegh & Co. AS (LH) for the transportation of Airbus A380 aircraft components in 2006. This brings the total value of contracts awarded by LDA to ST Marine to \$288m.

ST Marine delivered the first and second of four 1030 TEU feeder container vessels, *OEL Singapore* and *OEL Blessing*, to Shreyas World Navigation of Transworld Group. The last two vessels, *OEL Dubai* and *OEL India*, were also launched at the shipyard.

VT Halter Marine, clinched a contract valued at US\$254m (about \$381m) to build three 330,000-barrel tank barges for Crowley Maritime's subsidiary, Vessel Management Services Inc. VT Halter Marine currently has three contracts with Vessel Management Services Inc. to build the tugs and 185,000-barrel barges for ten articulated tug barge (ATB) units. The third ATB unit and the tug for the fourth unit were launched in 2007. The tank barge project will bring the total contractual value with Vessel Management Services to about US\$769m (\$1.2b). The shipyard also secured a contract worth US\$23.5m (about \$35.6m) to build a platform supply vessel.

VT Halter Marine was awarded a contract modification worth US\$41.5m (about \$64m) from the US Navy for the Egyptian Navy's Fast Missile Craft (FMC) project under the Foreign Military Sales (FMS) programme. The contract modification will enable the US shipyard to procure long lead time material for the command and control system. This is in addition to the earlier Phase I functional design contract for US\$28.8m (approximately \$49m) and the first contract modification valued at US\$165m (about \$263m). This second contract modification brings the total amount awarded on the FMC project to approximately US\$235m (about \$376m).

VT Halter Marine delivered a double-ended passenger/vehicle ferry to the Nantucket Steamship Authority (SSA), and a catamaran lift barge to the Washington Group International (WGI) and the Alberici Group for the Olmsted Dam construction project on the Ohio River.

In shiprepair, ST Marine has accomplished several significant conversions and modifications worth more than \$100m. The *BGP Pioneer* was successfully converted from a fishing trawler to a seismic research vessel for BGP Inc. Also completed was the extensive repair and modification of *Phoenix*, a cutter suction dredger from Boskalis B.V., of The Netherlands. The extensive modification work also saw the upgrading of its dredging capacity, fitting of new engines, generators, dredging equipment, and the addition of new accommodation spaces. The *Aquila Explorer*, from Seabird Exploration Norway AS, was converted from a platform supply vessel to a seismic research vessel. A second conversion contract was also awarded to ST Marine by Rubicon Offshore, following the successful conversion of *Rubicon Intrepid* from an FSO to an FPSO this year. With these projects successfully completed, the shipyard continued to maintain its dominance in the market for shiprepair, modification and conversion for a wide variety of vessels.