

SAILING with Stanford

Issue 7 - March 2013



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ONBOARD THIS QUARTER...

STANFORD MARINE'S BUSINESS DEVELOPMENT AND CONTRACTS MANAGER, MR. SHAMJITH, GIVES US AN OVERVIEW ON STANFORD MARINE'S VESSEL STATUS, CONTRACTS & ADDITIONS.



Shamjith N.V.

Business Development & Contracts Manager

It is my pleasure to welcome you to the first edition of "Sailing with Stanford" for 2013.

The year 2012 was a successful year for Stanford Marine, it saw an all time high fleet utilization of 92% and Stanford Marine Group (SMG) achieving EBITDA of USD 62.1 million on revenue of USD 241 million. 2013 requires much of the same or more by working closely with our clients, securing vessel employment in the various offshore projects and cementing longer term relationships.

The outlook for the year 2013 is promising with increased activities in both exploration and offshore construction. High oil and natural gas prices continue to stimulate E&P activities creating healthy demand for OSV's.

With the optimism in the market, Stanford Marine is continuing its fleet expansion and has added four

vessels in the first two months of the year taking the fleet size to 39. Three AHT's owned by Waha Maritime namely Waha1 (2009 built, 5150 BHP 70T BP), Waha2 (2009 built, 5000 BHP, 60 T BP) and Waha Mermaid (2006 built, 5500 BHP, 70 T BP) was added to the fleet as of 1st Feb 2013, another addition to the fleet is the MMC 887 design Diesel Electric PSV "Stanford Bateleur" delivered from Fujian Mawei Shipyard on 20th Feb 2013. The focus is on building more technologically advanced deepwater capable vessels given that the demand is anticipated to increase consistently with the increase in deepwater fields. Three DP2 diesel electric PSV's are currently under construction, delivery of the first unit is due in 3rd Qtr 2013 and other two in early 2014. More interesting projects are on the pipeline expecting to take the fleet size to newer heights possibly within 2013 itself.

The year started off with a good note bagging a 3 year contract award from Maersk Oil Qatar for "Stanford Osprey" commencing in May 2013 for which the vessel will be upgraded to DP2. Newly delivered vessel "Stanford Bateleur" secured 6 months charter in Malaysia starting from mid March 2013 increasing the footprint in SEA. Waha vessels were taken over along with their existing contract with Abu Dhabi government owned entities and will continue on the same contract until its expiry. We have gathered momentum for the rest of the year, with many exciting new opportunities on the horizon.

Geographical expansion is set to continue in 2013 with more focus on West Africa, Gulf of Mexico and of course increasing the presence in Southeast Asia and East Africa.

Stanford Marine is growing gradually as a global operator and shall continue to devote considerable time and efforts to improve our service levels to our valuable clients with our goal of becoming the best offshore service provider in the industry.

CHARTERING DESK

STANFORD CONDOR, STANFORD NILE, STANFORD MERMAID AND MANY MORE VESSELS ALL ON CHARTER WITH DIFFERENT CLIENTS.

The first quarter kept us on our toes to secure jobs for few of our vessels that successfully completed their charter by end 2012.

Multipurpose Work/Maintenance Vessel **Stanford Condor** and **Stanford Goshawk** secured contracts from McDermott and Occidental Petroleum to support their hook up projects in Saudi Arabia and Qatar. Condor's contract is for 145 days and Goshawk's is 90 days with options.

Work boats and Fast Crew Boats were in great demand in the first quarter. Fast Crew Boats were like hotcakes with clients on the waiting list and securing contracts immediately on release from charter. **Stanford Tyne** secured a 1 year contract with Saudi Aramco. Firecrest which was recently released on completion of a long term charter with Hyundai Heavy Industries (HHI) secured a 60 days charter with Total E& P Qatar and **Stanford Nile** is awarded with a 120 days charter with McDermott to support their project in Saudi Arabia. Utility Vessel "**Stanford Service**" entered into a 90 days charter with an operator in Saudi Arabia.



Stanford Bateleur 87M PSV

The latest addition to the fleet MMC 887 design DP2 Diesel Electric PSV "**Stanford Bateleur**" secured 6 months charter with Halliburton in Malaysia straight on her delivery.



Stanford Mermaid 49M Anchor Handling Tug

Ark Oslo, 5150 BHP 68T DP1 AHTS was released by KJO in early January 2013 on completion of a 3 year charter. She has completed her dry dock and was engaged in couple of spot charter with Dubai Petroleum and another operator for a project in Iraq. She's now entered into a medium term charter with Maersk Oil Qatar.

Similarly, **Stanford Mermaid** completed her 3 year charter with Punj Lloyd and was on spot charter after completion of her dry docking with Maersk Oil Qatar and Saipem. She has secured 245 days charter with NPCC to support their pipe laying barge in Abu Dhabi.

Many of the existing contracts were extended during the first quarter for the period from medium to long term. Qatar Petroleum and Ras Gas exercised their option to extend the charter of **Stanford Rhine** and MMPL **Merlin** for another year. Charter of Stanford Provider and Waha II with NMDC was extended for 10 months and 2 months respectively. **Stanford Hudhud** which is working as a DP1 ROV support vessel with a Survey company for the past 8 months was extended for another 3 months with options to extend further. McDermott extended the contract of **Stanford Kite** and **Stanford Swift** till June 2013. The contract of **Stanford Swan** with Zadco was extended for 6 months and **Stanford Alpha's** charter with Petronas was extended for another 4 months

We look forward to unveil many more surprises for the year ahead!

HEALTH, SAFETY and ENVIRONMENT

A QUICK REVIEW ON HSEQ'S PROGRESS AND HAPPENINGS THIS QUARTER.

Stanford Marine has started 2013 with a 10million man hours without LTI record. This is an impressive achievement and as with the last 3 years one of our main objectives is to keep this number growing.

Maintaining this growth continues to be a challenge, however as we end the first year of our safety observation program the HSE awareness of our crews continues to evolve. This helps us truly improve our safety through proactive measures taken to avoid escalation of events into actual incidents.

With recent acquisitions our fleet continues to grow significantly. Recognizing the need for safety coverage we have added a third safety officer to our department, Arun Monteiro joins us from RasGas where he has gained extensive experience in the oil & gas industry over the last seven years. His appointment provides us with a ratio of one safety officer per 15 vessels. We would like to welcome him to the team.



Arun Monteiro

As the locations of our vessels continue to diversify we have developed an offshore vessel visit program for our safety officers.

This will consist of them travelling to the entire fleet over a two year period to provide intensive training onboard. This program is aimed at providing training on an individual basis to each vessel based on their specific needs. The key driver behind this program is for the safety officers to sail with the vessel which will provide the opportunity to observe actual operations and provide feedback and corrective actions.



One of our safety officers acting as a patient during a fire drill training

A significant focus in Q1 has been the review of our navigational procedures from a safety perspective. The changes provide a more detailed guidance on responsibilities with regard to navigation. These changes reflect the diversification of the fleet with many vessels now working in critical support functions in oil and gas fields throughout the Gulf region. The criticality of these functions reinforces the key role safety has in our operations and Stanford Marine's commitment to being a safe partner to all our Clients.

Stanford's Employees

Stanford Marine from the eyes of a Chief Officer

CHIEF OFFICER ON OUR MMPL MERLIN USES SM AS AN EXAMPLE TO ANSWER HIS MASTERS DEGREE ASSIGNMENT

Josh Ojowi, Chief Officer on our DP2 vessel the MMPL Merlin is undertaking his Masters Degree in Operations and Supply Chain Management and chose to write about the company he works in, Stanford Marine, for one of his assignments.

"I work in the upstream chain of the oil and gas industry. It is an integrated system starting with prospecting of the hydrocarbons below the seabed by seismic survey, drilling wells to confirm or negate the survey results, building mammoth platforms akin to cities at seas to ultimately produce the oil and gas and ultimately pump these to shore facilities where they are refined.

We safely navigate our ships to offer logistics support between the shore facilities and the offshore facilities working for oil majors such as Total, Ras Gas and Maersk Oil Qatar who demand from us: Value, Reliability and Efficiency in the safest way possible. An unsafe occurrence can cause billions in lost earnings, deaths and damages to both property and brand equity.

My Company, Stanford Marine is establishing itself into a reliable player especially in the Persian Gulf, Africa and the Far East. They have been thrifty, running a close knit team of prudent managers with a simple formula: Endeavour to provide the customer a reliable ship as and when needed.

This smacks of agility while at the same time the frugality of the operations thereof is reminiscent of lean principles.

Proper maintenance of the vessels, proper human resource logistics (face of the firm) and vessel availability are three factors that result into reliability, efficiency and value to the customer and single-point sourcing.

The effective logistics strategy is to concentrate on what we have done best and that is to be better ship managers.

This affords us to own ships by proxy while we use the resources accrued thereof to build more ships which then constitutes a solid base at our beck and call, better still, when not required can be leased out and be recalled when solid contracts are feasible.

The customers we serve can be fickle, and they have a wide choice. We are obliged to comprehend their needs now and in the future and prepare for it by making available reliable and economical ships with good safety records. This is being reliably responsive in which Shekhar, B, & Devi, P(2007), quotes (Holweg, 2005) defining as the 'ability to react purposefully and within an appropriate time-scale to customer demand or changes in the market place, to bring about or maintain competitive advantage'."

Welcome Onboard

NEW JOINERS TO STANFORD MARINE'S TEAM

Dubai's Office:

Shezan Khan, Crewing Assistant

Rody Jabbour, Buyer

Mykola Pushkaryov, Operations Superintendent

Jose Varghese, Driver

Richard Castelino, Driver

Arun Monteiro, Safety Officer

Jessica Paragatos, Operations/HSEQ Assistant

Christopher Young, Assistant Engineer-Fleet

Communication

Singapore's Office:

Muhammad Fahmi Bin Mohamed Ali, Intern

We hired Fahmi to support the Singapore Maritime's Academy (SMA) Internship Program – for students currently pursuing their Diploma in Maritime Business. Besides fostering good partnership with SMA, this program gives us the opportunity to educate the next generation within Stanford.

ANNUAL OSJ CONFERENCE, LONDON

Stanford Marine once again sponsored the London Annual Offshore Support Journal Conference and Awards that took place on February 19&20, 2013.

The 2 day conference brought together stakeholders in the Offshore Support industry, shipowners, shipbuilders, financiers, designers, suppliers, and industry associations to gather intelligence, network, share best practices, and get practical answers to the key industry challenges. The conference also featured a mix of commercial and operational sessions focused on the sector's key business priorities.



SM's logo on the event's website



SM - Internet Corner Sponsor

MARINE MONEY CONFERENCE



Mr. Elias Nassif, SMG's CEO, at the Conference

Stanford Marine Group also sponsored the 9th Annual Marine Money Conference which took place in Dubai on March 6th, the central theme of the conference was "Is 2013 the year to invest in shipping".

The one day conference covered presentations from economists, bankers and shipowners discussing different topics like port development and economic growth in the region, the offshore support sector, and Islamic Finance as it is a major source of finance in the region.

Of course with all the networking and beneficial presentations it was a successful conference.



SMG's logo on the event's website

CSR

SMG'S CSR INITIATIVES AND ACCOMPLISHMENTS.

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Continuing our CSR initiatives, we are pleased to inform you that we have become proud sponsors of the Angel Appeal after supporting them for a couple of years with their events and campaigns.

The Angel Appeal is a project by the Mission to Seafarers, the Mission to Seafarers is a British charity established 1856 and has been operating in the UAE since 1962. The Angel Appeal operates the 'Flying Angel' which is a ship that takes the seafarers center to the seafarers. In addition they manage to take care of many welfare cases of seafarers.



Angel Appeal's director collecting the cheque from Darren Reeves, SM's GM.



SMG's Banner at the FilmFest

As for our continued support to Al Noor Training Center for Children with Special Needs, we sponsored their 'WE CARE' FilmFest, which is the first film festival to take place in the UAE regarding disability issues.

The filmfest covered documentaries revolving around disability and people with special needs, it was a great way to educate and spread awareness on different cases and causes of disability.

We continue to support different CSR initiatives and encourage our employees to be involved as well.





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