

SAILING Stanford

with



Issue 15
January 2016

Message from the GM

Getting The
Job Done
Efficiently
and Safely...



*Upcoming
conferences &
exhibitions*

MESSAGE FROM THE GM

STANFORD MARINE'S GENERAL MANAGER, MR. DARREN REEVES, GIVES US AN OVERVIEW ON STANFORD'S 2015 PERFORMANCES AND HIS EXPECTATIONS FOR 2016.

▶▶ Darren Reeves.
General Manager



2015 has been a difficult year for the industry. An oil price which initially rallied after the dramatic decline of the second half of 2014, continued to slide to levels not seen for several years. This has of course continued into 2016 and we now see a barrel of oil at levels under \$30, the lowest it has been for 13 years. Whilst some analysts anticipate further decline, others are suggesting that by the second half of the year we will see the start of a recovery. Of course the future is largely unknowable and what has been abundantly clear over this crisis, is the so called 'experts' often actually know little more than the rest of us!

What we do know for sure is that the reduced oil price has hit our customers, the National and International Oil Companies of the GCC and beyond, very hard. This has had significant impact on both their CAPEX and OPEX planning. New projects have been shelved, leading to less new opportunities for our vessels. Existent projects have been subject to pressure to reduce operating costs either through seeking significant discounts on charter rates or in some cases early termination of contracts.

At Stanford Marine, we have always tried to maintain positive relationships with our customers and as such we have listened when requested to offer discount and in most cases have granted reduced rates to try to assist our customers through these hard times.

This impact on demand is only one half of the problem though. Arguably far more damaging to the industry than a reduction in demand has been the increase in supply, namely that of more and more vessels competing for the same opportunities. In a global sense the increase in supply is a result of the vast numbers of new build vessels which have entered operations over the last few years, but in a regional sense it has been owners from outside the Middle East bringing vessels into the region to work.

This has resulted in bidding wars as companies compete fiercely to win what opportunities there are. Some vessel owners from outside the region have been prepared to work at levels below the operating cost of the vessel. That is obviously not sustainable and I only hope does not literally lead to disaster!

For Stanford Marine, 2015 has been a year of mitigating the demands of working for significantly reduced charter hire by finding ways to optimise and control our costs.

This is a challenge we have met – and each and every employee of Stanford ashore and afloat has contributed to this. In the spirit of a challenge, we have seen within the negativity of tight market conditions, the opportunity to strengthen our processes and increase our efficiency.

...MESSAGE FROM THE GM

This we managed and this will hold us in good stead when the market does pick back up.

Outside of issues dictated by the market, we have had a few points of note in 2015. We have taken delivery of the Stanford Volga and Stanford Niger, two 42m FSIVs built at Grandweld, and swiftly deployed on long term contract in Abu Dhabi.

We also successfully entered new territory, with two of our larger PSVs, the Stanford Buzzard and Stanford Eagle, starting operations in Nigeria.

In conclusion, whilst 2015 has been a year that we shall not recall with much warmth when we look back on it in the future, it has by no means been all bad. As a company we have done well and we can certainly hold our heads high. We met the challenge of working for less charter hire by reducing our own cost, and without adversely impacting on our excellent safety record or the quality synonymous with our operations. 2016 certainly promises to continue to challenge us, but I remain confident we are up to this challenge!



Stanford Volda and Stanford Niger



Chartering Desk

Stanford
Goshawk,
58m
PSV



According to many industry reports 2015 was the worst year for the industry in over a decade, with oil prices tumbling to record lows. The low oil prices forced the E&P companies to slash growth plans thus directly impacting the OSV demand, and with the incessant delivery of new build's from China this created an oversupply in the market suppressing the day rates and utilization of OSV's.

It was a challenging year for the entire industry but we successfully managed to steer through the rough waters achieving a high utilization rate of 87%. This was achieved with the support from our clients with whom a strong relationship was developed over the years.

Stanford Marine continued its global expansion strategy and entered into Nigeria with two long term contracts for 2 of our PSVs, thus expanding our presence in West Africa. The long term charter of "Stanford Goshawk" in Mexico was successfully concluded in June 2015 and the vessel was demobilized to UAE.

As part of our fleet rejuvenation program, "Stanford Pelican" and "Stanford Falcon" were sold. However two new built 42 m FSIV's, "Stanford Niger" and "Stanford Volga", built at Grandweld were added to our fleet in the last quarter.

Abu Dhabi continued to be an active region in the last quarter with many long and short term contracts. Stanford Volga, new built FSIV was contracted to McDermott for 100 days charter on delivery from the Shipyard. Upon completion of her charter with McDermott, Volga entered into a long term charter with HDEC supporting their project in Zirku Island. The second new built FSIV, Stanford Niger, commenced her long term charter with ADYARD in October 2015.

NPCC extended the existing contracts of Stanford Bream, Stanford Seal, Waha Mermaid and Stanford Gold for around six month plus options in direct continuation of their ongoing charter. Stanford Challenger and Stanford Goshawk was chartered by Schlumberger and McDermott respectively for short term charters in Abu Dhabi.

Firebird was released from ZADCO on successful completion of her 5 year charter, she secured a new 4 year charter with Dolphin Energy in Qatar which commenced in December 2015.

Dubai Petroleum extended the charter of Stanford Harrier for another year, extending the contract up to February 2017. In addition, Stanford Dove got a medium term charter with Dubai Petroleum.

Chartering Desk



Stanford
Pride,
38m
AHT

Stanford Pride continued on her ongoing contract with Dana Gas as Standby Safety Vessel with 40 days extension.

McDermott continued to extend the charter of the vessels operating in Saudi Arabia for 90 – 160 days, including: Stanford Maya, Stanford Nile, Stanford Condor and Stanford Hudhud. The charter duration of cross chartered vessel Allianz Ariston was also extended for four months.

The long term charter of Firecrest with Van Oord was extended for another four months extending the charter period to March 2016.

Couple of cross charter deals were done during the last quarter; BES Pioneer was fixed on a short term charter with McDermott and Ocean Tanzanite with Dubai Petroleum.

The market outlook for 2016 is not positive and tough times are ahead of us. With the right strategies and continued support from our close clients, we expect to weather the cycle successfully.



Firecrest



Health, Safety and Environment

September was the completion of the new Vessel Safety Management System roll out across the fleet

The new system has received positive feedback from all crew. The key features of the system are the new form coding system and the cross reference index. This improvement is of benefit to all users, specifically new users at every level.

Our learning management system has now been rolled out to 4 vessels and is fully operational. The system provides each crew member with a personalised login and rank specific training programs and curriculums. Within the program crew can access all available training programs as well as a library of marine regulations and resources. Another 15 vessels will receive the system during the course of 2016. The key focus of the system is to provide an up to date, relevant and interactive training platform for our crew.

From September to December several of our vessels received awards and appreciation from our Clients including RasGas, MOQ, McDermott and Oxy.

At the close of any year we have to look back at our performance and 2015 started off badly in HSE terms. Thanks to the committed efforts of our crews and shore based teams we were able to see out the remainder of the year without a further recordable incident. With that in mind it is worth reporting that we passed 5 million man-hours LTI free during the first week of January 2016. The HSEQ Department would like to thank our staff and all SM crew for their continued support and dedication to safety. We look forward to keeping up the good work in 2016 and continuing to improve our safety performance.



Assigned On	Title	Status
Apr 08 2015	Learning system - Introduction	Completed (May 11 2015)
Apr 09 2015	Understanding the learning platform	Completed (May 10 2015)
Apr 09 2015	Video player and Message	Completed (May 11 2015)
Apr 08 2015	Key points before logging on	Completed (May 11 2015)

Conferences & Exhibitions...



SeaTrade Offshore Marine & Workboats Middle East Exhibition

Abu Dhabi - Oct. 5 - 7

Stanford Marine has successfully participated in the SeaTrade Offshore Marine & Workboats Middle East Exhibition that was held at the Abu Dhabi National Exhibition Centre, UAE from the 5-7 October 2015.

Stanford Marine was not only an exhibitor; we were also one of the Silver sponsors of this successful event.

The event brings together decision makers and buyers from different geographic areas like Africa, the growing Caspian Sea area, the Indian Subcontinent and the Middle East - to name a few.

This exhibition which takes place every other year provides a great opportunity for delegates to share their ideas & knowledge. In addition, it gives exhibitors and visitors the chance to view the latest technologies and methods in the Marine industry.



Conferences & Exhibitions...

Upcoming...

ANNUAL OSJ CONFERENCE

London - Feb. 3 & 4

OSJ's Annual Conference will take place in London, Lancaster Hotel.

Our GM, Darren Reeves, and our Business Development Manager, Shamjith N.V., will be attending the 2 day conference.



OSV ASIA

Singapore- April 19 & 20

Stanford Marine is going to attend and sponsor the OSV Asia conference taking place in Singapore, Marina Bay Sands, organized by Informa.

One of the most important conferences that take place yearly and is part of Singapore's Maritime week.



**Offshore
Support Vessels**

CSR...

“

SMG has been supporting Al Noor Centre for more than 15 years

”

In 2016, we aim to continue our CSR initiatives of the past years and look forward to exploring new ways to make a difference.

In 2015, Stanford Marine Group was awarded a certificate of appreciation by Al Noor Training Centre for Children with Special Needs.

H.H. Sheikh Mansoor Bin Mohammed Bin Rashid Al Maktoum, Chariman of the Higher Committee for the Protection of the Tights of People with Disability Honorary Patron of Al Noor Training Centre for Children with Special Needs, took pleasure in awarding this certificate of appreciation to Stanford Marine Group in recognition of our effective contribution towards Al Noor Centre and supporting the community of special needs.

SMG has been supporting Al Noor Centre consecutively for more than 15 years, our contribution doesn't only cover financial support we also encourage our employees to participate in volunteer work with the Centre.

AL NOOR  النور
TRAINING CENTRE FOR CHILDREN WITH SPECIAL NEEDS
لتدريب وتأهيل الأطفال ذوي الاحتياجات الخاصة

يسر

سمو الشيخ منصور بن محمد بن راشد آل مكتوم

H.H. Sheikh Mansoor Bin Mohammed Bin Rashid Al Maktoum

رئيس اللجنة العليا لحماية حقوق الأشخاص ذوي الإعاقة
والرعاية الفخري لمركز النور لتدريب وتأهيل الأطفال ذوي الاحتياجات الخاصة

Chairman of the Higher Committee for the Protection of the Rights of People with Disability
Honorary Patron of Al Noor Training Centre for Children with Special Needs

منح هذه الشهادة التقديرية إلى

Takes pleasure in awarding this certificate of appreciation to

مجموعة ستانفورد مارين
STANFORD MARINE GROUP

وذلك تقديراً لجهودكم المثمرة ومساهمتمكم الفعالة في دعم مسيرة المركز بما يخدم المجتمع في رعاية ذوي الاحتياجات الخاصة
In recognition of your valuable efforts and effective contribution towards our Centre and supporting the community of Special Needs

#شكراً من النور

17 مايو 2015

#ThankYouFromALNOOR

17-May-2015

Celebrations



Christmas ▶▶

As always, we like to end our year with a fun celebration that brings all our staff together!

Christmas this year was as festive as it could have been in our offices; with fresh turkey, yummy dessert and thoughtful secret Santa gifts it surely was a memorable occasion.

Celebrations, food, happiness and laughter.. what a great way to end our 2015!





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