Positioned for Progress

Annual Review
2012
At a Glance
ASRY is the Arabian Gulf’s most experienced ship and rig repair yard. Founded in 1977 in Bahrain, ASRY has over 35 years of experience in marine asset optimisation. Its leading range of facilities includes a 500,000dwt drydock, two floating docks of 252m and 227m in length, 15 repair berths with a total length of approximately 4,000m, twin 255m slipways, as well as a full range of workshops and service centres. The yard’s portfolio of capabilities is not only the largest in the Arabian Gulf, but also includes jack-up rigs and other offshore assets, due to a dedicated division – ASRY Offshore Services. Combined with a series of other diversifications including an Energy Division dedicated to the production of unique power generation barges and a Consultancy Division offering bespoke engineering design services, ASRY is a multi-functional marine services hub committed to providing international standards to global shipowners operating in the Arabian Gulf.
Chairman’s Message

“The endeavours and achievements of ASRY throughout 2012 were the last remaining pieces of a strategy to position the yard for its next stage of progress.”

Daij bin Salman Al-Khalifa
Chairman
2012 proved to be a watershed year for ASRY. The endeavours and achievements of the company throughout the year were the last remaining pieces of a strategy to position the yard for its next stage of progress. With a recent $188m expansion programme largely completed, and an increase in revenues of 5.23% from 2011 to 2012, combined with the creation and development of new divisions, ASRY is now well-placed to graduate from being a ship repair yard to a multi-service marine complex.

This shift in positioning has seen ASRY complete a diversification process that has split the company into four distinct business units: Ship Repair Services, which will continue to remain ASRY’s core business; Offshore Services; Consulting Services; and Energy Services. Through this new configuration, global customers can experience the advantages of ASRY that have made it the leading repair complex in the region. These advantages are four-fold; firstly ASRY is the most experienced marine facility in the region with 35 years of repair knowledge; secondly it is one of the most flexible yards due to the recently expanded 4km of berth space; thirdly it is an integrated repair destination that includes all in-house representation of all suppliers and contractors required for a turnkey repair job; and fourthly it boasts leading turnaround times in the region thanks to Bahrain’s Business-friendly administrative, legal, and customs processes. ASRY’s future progress will no longer be solely dependent on ship repair, but on a variety of marine expertise that opens up exciting new revenues streams going forward.

This new strategic positioning, however, has not overshadowed the fundamental factor of our ongoing success – tireless dedication by a talented workforce. 2012’s results were a testament to that foundation as the company posted another year of growth. Considering the ongoing market depression and increasing regional competition, especially from the new ship yards or from existing yards in the region which have expanded their capabilities, posting a profit is impressive in itself, let alone carving out further growth. 2012’s revenues were $177m from 185 vessels repaired, compared to 2011’s $168m from 200 vessels.

I am proud that ASRY has also continued on its mission to modernize its corporate operation and be an example for other industrial players in the region. I believe that for external success to flourish, a company’s internal integrity must be rock solid. In this regard, ASRY made impressive gains in two particular areas. Firstly the Company’s corporate transparency reached new heights as new procedures were enforced in areas such as procurement and accounting to further reinforce and enhance the confidence of every customer and supplier about ASRY’s utmost fairness and transparency in their dealings with them. Secondly, community support initiatives such as new multi-million dollar training partnerships with the public sector are ensuring the Company gives back to the society in which it thrives. Recognition of these internal advancements came in the latter half of 2012 as ASRY was awarded multiple global awards – the Seatrade Award for Corporate Social Responsibility, and the Lloyds List Award for Safety Award – important reminders of the role of corporate values in building growth and success.

As a part of its commitment to a high level of corporate social responsibility, ASRY attaches considerable importance to comprehensive employee welfare, training initiatives and environmental programmes. As such, an important training initiative launched by ASRY in the first quarter of 2012 in association with Tamkeen and the National Institute for Industrial Training, is gathering momentum. Students selected for training under this programme would receive training at the institute as well as at ASRY’s Training Centre. A stipend is extended to the trainees during the training period, after which successful trainees will be employed by ASRY in stages. This programme is a part of series of projects and programs being implemented by ASRY in support of the national economy on an on-going basis.
ASRY is also strongly committed to protecting the maritime environment in the region and has committed more than three million US Dollars over the past two years to environmental considerations. During October 2012, ASRY was honoured by a visit to the yard by IMO’s Secretary General, Mr. Koji Sekimizu. During the visit, ASRY expressed its support to IMO in its global fight against piracy and protection of maritime environment.

ASRY’s development and growth continues in accordance with a carefully designed Strategic Plan. Having successfully implemented its agenda for the period 2008-2012, ASRY is in the final stages of drawing the next Strategic Plan starting from 2013, which will define where ASRY wants to be in five years from now, how to arrive there in the most effective manner, while also furthering the company’s capabilities, productivity and standards of service to its regional and international customers.

The successes of ASRY are primarily a tribute to its dedicated and highly skilled workforce, teamwork and leadership. It is most gratifying that ASRY has been continuously receiving excellent support and encouragement from all the shareholding countries - a vital factor in the Company’s continued and growing success over the years. I, therefore, take this opportunity to extend my appreciation and gratitude to all of our shareholders, including the Government of the Kingdom of Bahrain. I would also like to extend my sincere thanks to my colleagues on the Board of ASRY for their continued commitment and support to the company. ASRY’s entire workforce, including the management, staff and workers should also receive recognition for their dedication, hard work and support without which ASRY would not have achieved its results in the difficult market conditions. My sincere thanks also go to ASRY’s sub-contractor partners and of course our hard-working and highly capable global network of agents, for all of their valuable support and co-operation during the year.

I personally extend my deep gratitude to all those who have contributed to ASRY’s success.

I wish you all a prosperous and successful 2013!

Daij bin Salman Al-Khalifa
Chairman

Recognition of ASRY’s internal advancements came in 2012 as ASRY was awarded multiple global awards – the Seatrade Award for Corporate Social Responsibility, and the Lloyds List Award for Safety.
“The successes of ASRY are primarily a tribute to its dedicated and highly skilled workforce, teamwork and leadership. It is most gratifying that ASRY has been continuously receiving excellent support and encouragement from all the shareholding countries which is a vital factor in the Company’s continued and growing success over the years.”

Daij bin Salman Al-Khalifa, Chairman
Board of Directors

1. H. E. Shaikh Daij Bin Salman Bin Daij Al-Khalifa
   Chairman,
   Representing the Kingdom of Bahrain
2. Mr. Khalid Ali Al Hosani
   Deputy Chairman,
   Representing the UAE
3. Mr. Sa’ad Mohammad Al-Wasmi
   Second Deputy Chairman,
   Representing the State of Kuwait
4. Mr. Nasser Bin Ibrahim Al-Fouzan
   Board Member,
   Representing the Kingdom of Saudi Arabia
5. Mr. Abdulaziz Jassim Mohammed Al-Muftah
   Board Member,
   Representing the State of Qatar
6. Mr. Sharaf-Eddin
   Alternate Member,
   Representing the State of Libya
7. Mr. Hashim Abid Al-Ghafoor Shaker
   Board Member,
   Representing the Republic of Iraq
8. Mr. Aref Saleh Khamis
   Alternate Member,
   Kingdom of Bahrain
9. Mr. Ibrahim Mohammed Abu-Aisha
   Alternate Member,
   State of Libya
10. Mrs. Awatif Mohamed Al-Ali
   Alternate Member,
   State of Kuwait
11. Mr. Adel Abdullah Al-Baker
   Alternate Member,
   State of Qatar
12. Mr. Iqdam M. R. Hashim Al-Shadeedi
   Alternate Member,
   Republic of Iraq
13. Dr. Mohammed Bin Musaad Al-Sumairi
   Alternate Member,
   Representing the Kingdom of Saudi Arabia
14. Mr. Mohamed Mohsin Al-Jenaibi
   Alternate Member,
   UAE
15. Mr. Chris Potter
   Chief Executive
16. Mr. Mahdi Abdulla
   Board Secretary
“Part of ASRY’s secret to success has always been its recognition of the symbiotic relationship it has with its community, particularly in terms of employee training and development. 2012 was another year of landmarks in this regard.”

Chris Potter
Chief Executive
2012 saw the diversification of ASRY pay dividends as revenues grew in the face of ongoing downward forces in the market. The primary pillar of ASRY’s revenues continues to be the Offshore Division, which contributed approximately 44% of 2012’s income, its highest ever, firmly announcing that ASRY is now a multi-service marine destination. In the wake of the Offshore diversification’s success, two other divisions became integral pillars of the ASRY offering – ASRY Consultancy Services and ASRY Energy Division. The latter saw completion of the first barge hull, and the former was inaugurated later in the year and already has projects underway. The four divisions are now distinct revenue generators, which will form the basis of ASRY’s medium-term aspirations of providing a varied portfolio of high-end marine services.

Modernisation of the yard facilities entered its final phase in 2012, with several major projects being completed. The new quay wall cranes were commissioned in the first half of the year, adding another 45 tonnes of total lifting capacity to the yard and bringing the quay wall in line with leading berth infrastructure standards; a new sewage treatment plant and yard-wide network was completed, raising the standards of the yard waste management systems to international levels; and new facilities for labour accommodation were constructed on an area of 7,200m², upgrading the standard of living for the yard’s valuable workforce.

ASRY also overhauled its global agent network in order to maximize ASRY’s reach into the primary target markets across the world. This included three new agent appointments, in Germany, Benelux and Japan, which have already yielded appreciable increases in business from these markets. A new approach was also taken to agent-principal relationships, with greater communication implemented in ways such as annual agent workshops, increased marketing support and a dedicated agent manager within ASRY.

Part of ASRY’s secret to success has always been its recognition of the symbiotic relationship it has with its community, particularly in terms of employee training and development. 2012 was another year of landmarks in this regard with a strategic policy of investing in the nation’s workforce, resulting in an extensive range of human resources benefits across the firm and the entire industrial sector. In addition to this a partnership agreement was signed with Tamkeen and the National Institute of Industrial Training (NIIT) to train 50 Bahraini graduates of secondary technical schools at a cost of some $3.8m over the next three years.

With a new brand roll-out being completed in 2012, the year saw the company’s corporate communications strategy become more coherent. A strong calendar of local community and staff events contributed to corporate morale, while carefully selected participation and sponsorship in some of the world’s most prestigious shipping exhibitions and award programmes ensured the ASRY name continued to capture mindshare globally. As well as state-of-the-art exhibition stands at both Posidonia in Athens, and SMM in Hamburg, ASRY also continued its sponsorship of international Marine awards Lloyds List and Seatrade in London and the Middle East.

Going forward, ASRY’s future strategy is one of realizing potential in two ways. Firstly as the $188m expansion and modernization programme comes to an end, it’s imperative that the upgraded yard capabilities are translated into more efficient work processes and greater output capacity. Secondly, the re-organisation of commercial operations into separate profit centres, will lead to identifying where improvement and opportunities exist. The foundations for further growth have been created in the form of an upgraded and expanded yard, while simultaneously the mechanisms for that growth have been created, in the form of the new configuration of revenue streams. As ASRY positions itself within reach of new potential revenue opportunities, it is also now capable of attaining them. Translating this combination of positioning and ability into success, is the challenge of the coming years.

Chris Potter
Chief Executive
Performance Summaries

- **Main Revenue (US$)**: +6%
- **Number of Vessels Repaired**: -7.5%
- **Steel Consumed (in tonnes)**: -41%
- **Surface Painted (millions of sq.m)**: +20%
### Main Revenue (US$)

- **2008:** 207.5
- **2009:** 131.4
- **2010:** 150.0
- **2012:** 177.1

### Number of Vessels Repaired

- **2008:** 133
- **2009:** 168
- **2010:** 210
- **2011:** 185
- **2012:** 200

### Surface Painted (Millions of SQ.M)

- **2008:** 4.5m
- **2009:** 7.2m
- **2010:** 4.7m
- **2011:** 5.3m
- **2012:** 3.4m

### Steel Consumed (in Tonnes)

- **2008:** 704
- **2009:** 568
- **2010:** 492
- **2011:** 2.90
- **2012:** 6.92
Management Team

1. Chris Potter  
Chief Executive

2. Nils Kristian Berge  
Commercial General Manager

3. Dr. Tarik Ahmed Al Shaibani  
Services & Support General Manager

4. Andrew Shaw  
Offshore Services General Manager

5. Magdy M. Moustafa  
Technical Resources and Business Development General Manager

6. Mohammed Abdul Salam  
Production Manager

7. Mohammed Abdul Wahab Al Mansoor  
Finance and Accounts Manager

8. Mahdi Abdulla  
Board Secretary
9. Martin Hoskins  
   Energy Division General Manager

10. Magdy Sharkawy  
   Ship Repair and Projects Manager

11. Rob Bryant  
   Offshore Services Sales & Marketing Manager

12. Arran Dall  
   Corporate Communications Manager

13. Sh. Duajj Bin Mohd. Al Khalifa  
   HR & Development Manager

14. Mona Showaiter  
   Chairman’s Office Manager
Site Map

Classification Societies
Nippon Kaiji Kyokai
Lloyds Register
Germanischer Lloyd
1. Graving Dock No.1
2. Mechanical & Pipe Shop
3. Maintenance Shop
4. Plate Shop
5. Central Warehouse
6. Administration Building
7. Medical Center
8. AOS Office
9. Floating Dock 2
10. Floating Dock 3
11. Slipways
12. New Quay Wall
13. Asry Future Development
14. Fire Station
15. Seafares Club
16. Superintendent’s Building
Ship Repair Report

High occupancy strategy counteracts small scopes

Despite ongoing global ship repair market depression, ASRY’s ship repair division still remains one of the market leaders with a total of 162 ships repaired in 2012. As the value of scopes still remained relatively low on a global basis, the fact that a consistently high occupancy rate throughout the year was maintained is a testament to ASRY’s high competitive offering and marketing, as well as a reassuring sign of ASRY’s continuing reputation in the region. For example, ASRY’s slipways, which historically are one of the least popular repair slots in the yard, saw a 234% increase in revenue generated, proving that the management are utilizing every available resource at the yard to maximize income. Combine this with an average conversion rate of approximately 32%, the yard’s commercial offering clearly remains very competitive without compromising on quality.

Market position entrenches in face of new competition

Three interesting trends emerged in 2012, the most prominent of which was a shift in the weighting between regional and international customers. In the previous year, Arab customers represented approximately 65% of total revenue, however 2012 has seen a re-balancing of that number with 61.2% of total revenue coming from Arab customers. This shift is evidence that ASRY is maintaining strong market confidence in both international customers minds as well as regional customers, with revenue not overly dependent on either sector. This balanced market position provides reassurance of future growth stability.

The second trend to come out of 2012 is one that hints at a modicum of global market recovery. ASRY’s average ship repair contract value for the year under review was a conservative 1% greater than in 2011, which, although small, does reverse a trend of gradually decreasing repair contract values over recent years. For ASRY, at least, the average repair contract values may have bottomed out in 2011, suggesting optimism for 2013.

The final interesting feature of the final 2012 figures is the lack of movement in ASRY conversion rates for ship repair. 162 ships passed through ASRY from 511 received specifications, which translates to approximately 32% success rate in converting
leads into business. This is the same figure as 2011, which is evidence of ASRY’s ongoing competitiveness in a market that now has far greater competition. With two new regional yards now gaining momentum since their launch, the fact that ASRY remains the yard of choice is a positive reinforcement of the firm’s commercial strategy.

A standout example of ship repair in terms of both value and expertise was the work carried out on the Stolt Valor. The 2004-built, 25,268dwt chemical tanker experienced a serious explosion and fire while 48 nautical miles south of Farsi island. After being salvaged and towed to ASRY, one of the yards most complicated and challenging jobs in its history began, as it was split and broken down for recycling in the dry dock. Other notable repairs were the USS Gladiator from the US Navy, Gas AL Gurain form KOTC, AL Anbariah from RSMS & DLB 1000 from NPCC.

Production Variations
The production division has seen some interesting variations in its figures for 2012. As a clear indication of the market’s continued commitment to minimum work schedules, the steel works for the year totaled 2.9m tonnes, significantly down on the 4.9m tonnes of 2011. Large rig repairs constituted the majority of this steel work, with four of the five largest steel jobs being for rigs. Conversely the mechanical division’s workload increased significantly from 2011, signaling the yard-wide trend of an increased number of ships being repaired with smaller repair scopes. Rather than a relatively low number of large projects with major works, the majority of the ship business in 2012 was smaller repairs on more numerous ships. Nearly all rudder and mechanical works increased over 2011. Pumps, heat exchangers and winch overhauls were all up 30% year on year, with overall mechanical works up 23% over 2011. Blasting and painting workloads were also up on 2011, another function of increased number of ships rather than increased size of job. 9.5million square metres of hull was treated in 2012, whereas only 7.5million square metres in the same period the previous year.

Naval Sector Buoyant
Another successful diversification move has been into the Naval repair sector. 2012 posted some encouraging numbers from this market with 11 naval vessels repaired in total, hailing from the US, UK, Bahrain and Saudi Arabia. Naval revenues jumped approximately 21% from 2011 to 2012. With the US 5th Fleet homeported in Bahrain, much of the Naval work results from this valuable relationship, which includes warship repair as well as Military Sealift Command (MSC) vessels and Coast Guard cutters. A naval highlight for the year was the UK Royal Navy’s latest and most capable vessel, HMS Daring, which required an emergency inspection and repair. This expedited job – a starboard shaft bearing repair – returned the ship to full operational capacity and earned ASRY an official commendation from the Royal Navy, who commented “ASRY is the place to come and get large scale engineering issues resolved.”
Asry Offshore Services Report

After strong double-digit growth year-on-year, ASRY Offshore Services (AOS), posted in 2012 the highest annual revenues since it was founded in 2008. Offshore projects contributed approximately 44% of total yard revenues in 2012 - the largest portion it has contributed since the division began operations.

In light of this positive growth curve, AOS is now entering a period of consolidation in which the rapid growth of the past five years since inception can ‘bed down’ and solidify its new foundations. In five years, the division has gone from being an idea to being one of the leading contributors to the company’s income. Externally AOS has become the leading choice for small and medium sized rig repair projects, carefully avoiding the large-scale projects so as not to over-stretch its capacity. AOS has adopted a strategy that it is far more important for the division to continue to deliver top quality service, rather than compromising on quality for the sake of larger jobs. So rather than expansion, 2013 will primarily be focusing on consolidation. In terms of which business areas AOS will be focusing on, it will be looking even closer at the Saudi Arabian market, which is currently AOS’s most important, and in particular the Land Rig market there. Construction of rigs will be an area under investigation, with several enquiries already received from clients. However, again, this growth is being carefully tempered with quality as a priority rather than quantity. With this in mind, lift-boat size rigs and land rigs, rather than drilling rigs, are being researched. The small to medium rig construction segment has enough potential for it to now be on AOS’ near-future radar.

Accelerating through 2012

The main market for 2012 for AOS was Saudi Arabia – ASRY’s proximity and long regional legacy position it perfectly for the huge wealth of Saudi’s work. Looking at the year as a whole, the division saw a slow start to the year with the first two quarters proving less profitable than expected. However, by the third quarter business levels picked up to target, and the fourth quarter exceeded expectations. The final months of 2012 were some of the yard’s busiest, with more rigs in ASRY than ever before. Overall, the offshore division saw a 15-20% increase in revenues from 2011, which is unique both in the region and especially internationally.

Offshore highlights

2012 saw a slight increase in the number of rigs visiting the yard in total, with the average project value approximately 42% higher in 2012 than 2011. The most significant achievement being the completion of two projects in excess of $10m, which is a positive indication that the division is garnering a strong reputation for projects with increasing complexity and size. With Saudi Aramco dominating the offshore market, much of the year’s work involved upgrading to their standards to ensure the rigs were as ready as possible for the wealth of business Aramco represents.

The two major milestone projects for the year were ARB1, owned by Saudi Aramco, and EDC Senusret, owned by Egyptian Drilling company. The former was the largest contract of the year and had a repair and refurbishment scope that involved inspection and upgrade of the leg jacking system, installation of a new barge draft and load system, crane refurb and upgrade, and a complete upgrade of the accommodation and galley areas. The Senusret contract was the second largest of the year and required 5-year ABS inspection works, new drilling equipment, and upgrades to meet all Saudi Aramco’s requirements.
Notable jack-up repairs undertaken by AOS in 2012 include:

- ENSCO-94
  Enso Oceanics International
- EDC SENUSRET
  Egyptian Drilling Co.
- ARB-1
  Saudi Aramco
- PERRO NEGRO 3
  Saipem (Portugal)
- DEEPSEA TREASURE
  Jagson International
- PERRO NEGRO 2
  Saipem (Portugal)
- WEST FREEDOM
  Seadrill Management
- EDC SENUSRET
  Egyptian Drilling Co.
- DELTA 22
  Atlantic Marine Services
- HERCULES 262
  Hercules Offshore
- AD 20
  Arabian Drilling Company
- HERCULES 261
  Hercules Offshore

Percentage of total revenues contributed by AOS

- 2009: 76.6%
- 2010: 22.5%
- 2011: 37.5%
- 2012: 44.4%
ASRY Energy Division (AED) – the division of ASRY dedicated to the production of power barges and other vessels – completed its first full year with two key milestones. First was the completion of the new fleet of in-yard tugs, and second was the launching of the hull of the first power barge to be constructed by ASRY.

In general, the Energy Division consolidated its role with in ASRY in 2012. While the primary product of the division is the power barge, AED also included within its scope the capacity to handle other newbuild projects such as offshore vessels, workboats, and more. ASRY has accumulated over 35 years of vessel engineering expertise, and AED’s remit is to utilise that expertise to focus on newbuild projects. However, Power barges are the flagship product of the division, integrating the latest technology and best practice construction techniques to provide the foundation for floating power generation units.

In the third quarter of 2012, the final vessel in a new fleet of four tugs was launched, which marked the completion of a $20m project to modernize the yards workboat fleet. Fabricated entirely by AED, the new 4-vessel tug boat fleet in ASRY is state-of-the-art, and exemplifies AED’s newbuild capabilities. Not only capable of in-yard duties, the tugs are also capable of coastal towage if required. Designed with very maneuverable high performance Azimuth Stern Drives, 25.8m long with a bollard pull of 45 tonnes, the tugs also feature fire-fighting and pollution control capabilities. Currently in operation in ASRY, the fabrication quality of the tugs has received industry-wide praise.

In the fourth quarter of the year, AED hit a major milestone with the completion of its first power barge hull. The TPB125 Power barge is a self-contained, modular electricity generating system designed to be situated within port, river or sheltered coastal locations. The hull is constructed by AED, while the power generation sets are manufactured by Centrax in the UK, using Rolls Royce gas turbines. Combining these elements into the final package takes place at AED, prior to transport to the clients location. This initial phase of the project proved to be a valuable exploratory process in which the production line, manpower requirements, and time frames were laid down for future efficiencies. The lessons learned from this initial build have reduced the build-time for a single barge to less than six months.

As the Energy Division continues into 2013, there is growing interest in offering the AED’s production prowess to external clients, and the revenue generation aspect of the division will continue to be developed throughout the year.
BUILD TIME

6 Months

The initial exploratory build of the first power barge hull has led to efficiencies in production line, manpower requirements, and time frames, which have reduced the build-time for a single barge hull to less than six months.
Launched in 2012, ASRY Consultancy Services (ACS) offers independent maritime design, engineering and management expertise. With 35 years of marine engineering and production experience, ASRY has gathered a team of naval architects, engineers and yard managers that are experts at mitigating potential risks while delivering global-standard marine projects. Since 1977, a knowledge base has accumulated at ASRY, particularly with respect to charterer requirements and classification standards, that is second to none in the region. That knowledge is now accessible to global marine clients through ASRY Consultancy Services.

Having only begun operations in the latter half of the year, ACS has already gathered an active portfolio of projects. The division’s mission includes preparing clients and their projects to meet all current statutory regulations, environmental and energy-related risks standards, and up-to-date charterer requirements; design of offshore vessels, and workboats; create Engineering Work Packages; structural modifications; retrofits of all kinds, e.g. Ballast Water Treatments systems, SCR’s, scrubbers, hybrid propulsion systems, and drivers; design and provide client interface for new buildings of Floating Power Generation Barges; consultancy services for shipyard design, management, and optimisation.

Highlights of the year’s projects include a complete and delivered design package for Power Barges that are produced by ASRY. With the first barge hull launching in 2012, ACS’s conceptual and engineering designs proved not only successful, but comprehensive in delivering a turnkey solution. Another highlight was the design work for a client’s conversion project in which an Offshore Services Vessel was converted into a Diving Support Vessel. With stringent charterer requirements and complicated retrofit modeling, the challenge of reconfiguring the vessel to include the diving modules was a good example of the kind of project ACS was created to do. Other projects include working on the design work for the construction of a 130m, 7000-tonne lift capacity floating dock for a regional client, plus other newbuild discussions for medium-sized vessels.

Extensive studies were also carried out by ACS into Ballast Water Treatment systems to ensure ASRY is as informed as possible regarding the most suitable options for its clients. Similarly ACS has done background research and developmental studies into the latest offshore retrofit technologies, LNG-fuelled vessel knowledge, and FSO conversion techniques, to be fully prepared when clients begin to make moves to meet imminent new charterer requirements.

With ACS now a separate and dedicated division, it is well-positioned to service both ASRY’s internal design needs, but also offer external expertise on a commission basis, and thus monetizing the yard’s region-leading depth of experience.
Highlights of the year’s projects include a complete and delivered design package for Power Barges that are produced by ASRY. With the first barge hull launching in 2012, ACS’s conceptual and engineering designs proved not only successful, but comprehensive in delivering a turnkey solution.
2012 saw ASRY enter the final phase of a $188m expansion programme that was begun as part of a strategy to modernize the yard and bring it to the forefront of the region’s industrial capabilities. This year saw several major projects completed as part of the programme, outlined below:

**Quay Wall**
As the Yard added two floating docks and two slipways to its original graving dock, it was necessary to increase the wet berth facilities accordingly. For that purpose a 1.38 Km quay was constructed comprising a 1200 m wall with water depth of 10 m to 8 m and a return wall of 180 m with a water depth of 7 m. The quay wall includes an 80 m loadout pier of heavy construction with a bearing load of 80 tons/m². The dredging of the ASRY Basin for the construction of the Quay Wall and the associated reclamation work have increased the Yard’s area from 480,000 m² in 1977 to the present area of 1,440,000 m².

**Quay Wall Cranes**
To bring maximum efficiency to the new Quay wall and support the infrastructure under construction, two rail-travelling cranes were installed along the 1.2 km quay for ship service. Their capacities are 30 tons @ 28m & 30 tons @ 47 m with hook height of 99m & 132m respectively. They are powered by their own diesel generator sets. The cranes are built and installed by ARDELT GmbH of Germany.

**New Tug fleet**
ASRY enhanced the capabilities of its maritime fleet by building 4 new Tugs featuring latest design improvements in the field. The Tugs are each 25.8 meter long, 91/2 meter wide with a design draft of 4 meters. Their 3600 BHP, 45 tonnes bollard pull, 12 knots speed and its twin schottle propellers ensure easy maneuverability and efficient handling of all types of vessels.

**New Labour Accommodation Buildings**
Facilities for Labour Accommodation has been extended by constructing ten new accommodation buildings, multi-purpose hall and sub-station in April 2012, out of which two blocks were specifically constructed with higher standard for oil rig crews. A total of 600 personnel are now accommodated in the new blocks which were built on an area of 7,200 m².

**New Offshore Building and New Consultants Building**
Due to the current surge in offshore business and the expected increase in turnover, more office space was required to cope with such increased demand. The new facilities provide adequate space for engineering and commercial teams. A new building was also necessary to host ASRY’s newest division, the ASRY Consultancy Services, which will provide engineering consultancy services to Shipowners. The total built-up area of the above facilities was 1,500 m².

**Sewage Treatment Plant (STP)**
The new STP completed this year is a “zero waste” plant with a capacity of 1500m³/day. Its input of sewage collected from all ASRY office blocks, workshops & labour accommodation camps will be treated to fresh water standard which will be used for landscaping purposes in the Yard. The plant adopts the “Moving Bed Biofilm Reactor” (MBBR) technology and the produced sludge is bio-remediates in reed beds.
With the addition of the new quay wall, ASRY now has over 4km of alongside berth space, increasing flexibility and maximizing the ability to accommodate client’s schedule needs.
As one of the region’s most active industrial complexes and one of the largest employer’s in Bahrain, ASRY has a commitment to corporate social best practice that has become an integral part of the company’s strategy. The CSR policy of ASRY is split into three separate elements: Social Responsibility, Environment Responsibility, and Human Development Responsibility, and the successes of this structured in-depth approach earned ASRY the 2012 Seatrade MEIS Award for Corporate Social Responsibility.

The Social Responsibility element of ASRY’s CSR policy operates a detailed annual social calendar with more than 90 annual events ranging from medical initiatives such as blood drives, awareness campaigns, sick and disabled community campaigns, to community visits such as student tours, to charity and sponsorship activities such as donations and several high profile sports team sponsorships throughout the year. Presided over by a dedicated Social committee, the social events calendar has its own annual budget to ensure all the benefits of activities are tracked and measurable.

The Environmental Responsibility element of ASRY’s CSR policy includes several events on the aforementioned social calendar but also has a significant amount of corporate investment. ASRY was the first shipyard in the region to invest in an award-winning sludge treatment plant for handling tanker slops. Meanwhile, the end of 2011 saw the yard sign a US$8.6m contract for the construction of a new desalination plant and the beginning of 2012 saw ASRY invest a further US $2.8m in an eco-friendly sewage treatment plant which entered service in 2012. One of ASRY’s most celebrated contributions to the local environment was the restoration and ongoing maintenance of a public beach on ASRY premises. Residents and tourists alike use the leisure facility on a daily basis.

The Human Development Responsibility element of ASRY’s CSR policy seeks to make the firm an employer of choice on an international level. As such there is a strategic policy of investing in the nation’s workforce which has now reached a total spend of $7m in five years, with more planned, resulting in an extensive range of human resources benefits across the firm and the entire industrial sector. One of ASRY’s specific initiatives in this period of reinvestment is the commitment to Bahrainization with approximately 45% of workers at the yard being Bahraini – making ASRY a national leader in Bahrainisation, with an increase part of the strategic plan. Further outreach programmes seek to encourage and educate the national workforce through partnerships with government organisations. In early 2012 ASRY initiated a 3-year vocational training program for 50 Bahraini secondary school graduates in collaboration with Tamkeen (a government-owned institution supporting Bahraini’s private sector growth) and the National Institute of Industrial Training (NIIT).

ASRY’s CSR endeavours in 2012 garnered international attention when the company was awarded the Seatrade MEIS Award for Corporate Social Responsibility, which encouraged and motivated the firm to continue its commitment to give back to the society and community to which it owes so much.
ASRY’s CSR endeavours in 2012 garnered international attention when the company was awarded the Seatrade Award for Corporate Social Responsibility.
An integral element of ASRY’s future success is the perpetual improvement of its internally recognized quality certifications. For several years ASRY has been committed to qualifying and obtaining third-party verified certifications, and 2012 saw another ISO certification being added to the yard’s growing catalogue of ISO certifications.

Det Norske Veritas (DNV), the Norwegian-based standards company awarded ASRY the ISO 27001 certificate this year, after completing two months of internal and external auditing. The new certificate standardises the management of information security so as to provide maximum data protection for ASRY’s customers. It is the sixth ISO certification ASRY has obtained, and is another reminder of the yard’s dedication to providing customers with the reassurance that when they do business with ASRY, they are partnering with a globally reputable establishment.

Moreover, the portfolio of certifications that ASRY has now collected also binds the yard to international commitments to a variety of other important areas, including the environment, occupational health and safety, and security management. The following certifications have been obtained by ASRY so far:

ISO 9001 - This international standard specifies requirements for a quality management system where an organization needs to demonstrate it can consistently meet statutory and regulatory requirements, and aims to enhance customer satisfaction through effective application of the system.

ISO 14001 - This standard specifies requirements for an environmental management system to enable an organization to develop and implement a policy which take into account legal requirements and other requirements to which the organisation subscribes.

OHSAS 18001 – This standard is part of the Occupational Health and Safety Assessment Series (OHSAS) and specifies requirements for an occupational health and safety (OH&S) system to enable an organization to control OH&S risks and improve OH&S performance.

ISO 28000 – This standard specifies the requirements for a security management system, including those aspects critical to security assurance of the supply chain, and all aspects of business management.

ISO 20858 – This standard establishes a framework to assist marine port facilities in specifying the competence of personnel to conduct a marine port facility security assessment and to develop a security plan as required by the ISPS Code.

ISO 27001 – This standard specifies requirements for the establishment, implementation, monitoring and review, maintenance and improvement of a security management system through a documented approach based on continuous improvement.

With an internal audit section now integrated into the management process, the yard’s quality standards are set to build on the solid foundations already created, and position the yard as a leader in international marine quality certification.
Safety Report

As the 2012 recipient of the Lloyds List Middle East Award for Safety, ASRY is the region leader in industrial safety standards, and has been pushing forward with new initiatives to maintain that position. Now operating in its fourth decade, ASRY has a proven track record in developing and initiating new safety protocols with the latest safety innovation – the Shiprepair Safety Passport – being a landmark project that resulted in the yard’s Lloyds List Award victory.

Having identified a need to standardise yard safety in order to track and improve supervisor-level safety training and development, in mid-2011 ASRY began developing a yard specific enhanced safety awareness course, based on the UK’s Engineering Construction Industry Training Board (ECITB) guidelines and modified for shiprepair yard use using ASRY’s 35+ years of experience. It was finalised in late 2011 and comprises four-days of intensive training and embraces all levels of shipyard safety, including Fire and Rescue, Incident Command and Risk Assessment, and is aimed at workers operating within the yard, onboard ships and onboard offshore rigs.

Interestingly, the offshore industry was a key motivating factor for this new safety initiative, as offshore operators have a much higher benchmark for safety than in the general marine industry, and this course was designed to meet and exceed those exacting standards. Once successfully completing this safety course the shipyard worker is presented with his/her Shiprepair Safety Passport.

At ASRY the first courses launched in early 2012 and ASRY saw more than 400 workers and sub-contractors gain their Shiprepair Safety Passport during 2012. Having received interest and acclaim from external marine partners, ASRY is now expanding the Shiprepair Safety Passport initiative internationally.

Frank Leicester
Risk Prevention Manager
1. USA, CANADA, BAHAMAS, BERMUDA & COSTA RICA
Vogler Marine Agencies L.L.C.
79 Old Clinton Road, Building 4
Flemington, New Jersey 08822
5717, U.S.A.
T: +1 908 237 9500
F: +1 908 237 9503
E: shiprepair@vogler.net

2. BRAZIL
Sonave-Comercio E Representacoes Ltda
Av.Rio Branco 50-8 Andar
CEP 20090-002 Rio De Janeiro,
Rj, BRAZIL
T: +55 21 2223 1332
F: +55 21 2235 8250
E: sonaveopenlink.com.br
and sonave@ig.com.br

3. CIS & BALTIC REPUBLICS, SWITZERLAND & UK
ASRYMar Ltd. 28 Bolton Street
Mayfair, London W1J 8BP, UK
T: +44 20 7318 9800
F: +44 20 7493 9452
E: asrymar@asrymar.co.uk

4. BENELUX
Ruysch Technical Agencies
Oostzeestraat 3, 7202 CM Zutphen,
Netherlands.
T: +31 575 515 744
F: +31 575 515 750
E: jv@ruysch.nl

5. GERMANY
Zoeppflel and Schneider GmbH Alter
fischmarkt 5, D-20457, Hamburg
T: +49 40 879 7850
F: +49 40 879 78520
E: info@zoepffel-schneider.com

6. ITALY / MONACO
Victoria Maritime Services
7, Avenue des Papalins MC 98000
Principaute, De Monaco, MONACO
T: +377 99 99 5160
F: +377 99 99 5161
E: shiprepair@victoriamaritime.com

7. DENMARK
Falck Formco Aps,
Hans Edvard Teglers Vej 7,
DK-2920 Charlottenlund
DENMARK
T: +45 39 648511
F: +45 39 632840
E: office@falckformco.dk

8. SWEDEN
Klavang Shipping AB Harstena, Se-
610 42, Gryt, SWEDEN
T: +46 123 420 51
F: +46 123 420 64
E: maria.klavang@jkship.se

9. NORWAY
ECA Shiprepair AS
Haakon VII’sgt 9, 6th floor,
0161 Oslo, PO Box 1246, Vika,
0110 Oslo, NORWAY
T: +47 22 402740
F: +47 22 402741
E: eca@shiprepair.no

10. GREECE
N Bogdanos Marine Bureau Ltd.
80-88 Syngrou Avenue
Athens 11741, GREECE
T: +30 210 9246956 (10 lines)
F: +30 210 9246955
E: mail@bogdanos-marine.gr

11. TURKEY
Cerrahgil Gemi Acentaligi Ve
Hizmetleri A.S. Abdı Ipekci Caddesi
No.33, 80200 Tesvikiye, Istanbul,
TURKEY
T: +90 212 232 4700
F: +90 212 231 0035
E: operation@cerrahgil.com.tr

12. CYPRUS
W.S.R. Services Limited
Aytas Fylaxes 234, Amalias Court
2nd floor, CY5047, P.O. Box 58019
3730 Limassol, CYPRUS
T: +357 25 344418
F: +357 25 344419
E: mail@wsr.com.cy