ASRY enters land rig repair market
First land rig repaired as diversification of revenue streams continues

Rig work rises
ASRY Offshore Services sees new momentum in rig repair work

Engineering expertise tapped
Variety of engineering projects increasing at New Construction & Engineering Division
Safety improvements taking center stage in 2016, while Q1 sees an offshore sector uptick and completion of ASRY’s first land rig project

One of the key focus points for ASRY for 2016 is safety. Despite the latter half of last year showing a steady improvement in our incident rate - with an 18% reduction in our lost time injury frequency (LTIF), exceeding the target of 10% set by Industrial Safety Committee - there is still much work to be done to reach our goal, which is to be a regional leader in not only safety best practice, but also safety culture.

ASRY is now initiating a comprehensive analysis of improvement areas in the entire yard’s safety systems, with the aim of overhauling the operational approach to Safety. From individual operational safety checks all the way up to corporate-wide safety culture, a new holistic system to employee well-being is going to be devised and implemented. The new approach will include redesigned training and induction courses, new integrated protocols and checkpoints, new multi-lingual literature handouts, a company-wide awareness campaign, and more. Every ASRY employee must know that ensuring our own and each other’s safety and well-being is the most important single issue in the yard’s operations, and that working safely is everyone’s responsibility.

A new safety strategy will hopefully be welcomed by our customers, whose continued support of ASRY in the first quarter of 2016 is appreciated and will be rewarded with our commitment to continually improve our operational safety and efficiency. Ship repair occupancy has remained high at the start of the year, carrying some of the momentum from last year, which has maintained ASRY’s dominant market position.

On the offshore repair side, the year has started strongly with both current projects and jobs in the pipeline looking better than at a similar time last year. Also, we’re proud to have completed our first land rig refurbishment project, on a drilling rig that is owned by one of the world’s largest oil and gas drilling contractors. Being given the opportunity to use our predominantly maritime expertise in an onshore application is a strong diversification for ASRY, which we will be looking to expand in the future.

Q1 of this year also saw two specialist onsite contractors expand their presence at ASRY, as Project Jupiter’s mission to provide customers with a comprehensive selection of premium contractors was boosted by reconditioning experts Trinity Industrial Services agreeing to expand their workshop facilities, and turbocharger specialists Gulf Turbo extending their specialist services agreement.

Nils Kristian Berge
CHIEF EXECUTIVE
ASRY
ASRY Offshore Services has repaired its first land rig, as expansion to onshore work makes gains

ASRY recently completed its first land rig refurbishment project, on a drilling rig that is owned by one of the world’s largest oil and gas drilling contractors. ASRY has many years experience in offshore rig repair, but has now successfully expanded into onshore rig repair. The scope consisted of project management, engineering, procurement, and safety management of the upgrading of a 3000 HP land drilling rig.

“ASRY’s experience lends itself perfectly to diversifying into new areas such as land rigs,” commented ASRY Offshore Service General Manager, Rob Bryant. “We have been actively seeking this type of project, and glad we could rise to the challenge of such an extensive scope for a reputable global client.”

The rig, a large 3000 HP land drilling rig capable of drilling depths of 30,000 feet, or 9,200 metres was stacked at ASRY awaiting its next contract negotiations.

The upgrade package included the rig substructure being raised five feet, the addition of a 100-tonne Blow Out Preventer (BOP) handling system, and the addition of a new pump an additional Caterpillar 3512 x 1365 KW generator set was also added. Other work included the replacement of all solids control equipment and skids; a new well control manifold was fitted and installed; all pipework adjustments to accommodate the new substructure, including the well head risers (bell nipples) and the replacement of all BOP control pipe work. The mud system also required a complete foam fire-fighting system to be installed, in addition to a zero discharge collection system. Comprehensive blasting and painting was included.

The client’s satisfaction with the job bodes well for more rigs being refurbished and upgraded by ASRY in the future, with the yard’s safety compliance particularly highlighted by the client’s team as exemplary.
HMA Simon Martin highlights the Royal Navy’s history of choosing ASRY for maintenance work, including 41 repair projects in 2015.

ASRY hosted the British Ambassador to Bahrain, HMA Simon Martin on an official tour of the yard and the Cardigan Bay, a Royal Fleet Auxiliary vessel currently docked at the yard. The visit highlighted ASRY’s Navy vessel capabilities, as well as the rich history of support ASRY has with the Royal Navy.

“We’re proud to be the repair yard of choice for multiple navies in the region, including the Royal Navy,” commented Nils Kristian Berge during the visit. “In 2015 alone we were tasked on a total of 41 Royal Navy and Royal Fleet Auxiliary vessels, and have forged an efficient and mutually beneficial working relationship with the assets that frequent the region, and are keen to continue being the maintenance destination of choice going forward.”

“ASRY has proven on multiple occasions to be a reliable partner in ensuring Royal Navy assets in the region are in good condition,” said HMA Simon Martin, during the tour. The visit included an introduction to the yard’s history and capabilities, as well as a tour of the wide variety of maritime repair facilities available at the yard. A detailed tour of the RFA Cardigan Bay, currently docked at ASRY, was also included in the visit, led by Captain Jonathan Huxley.

ASRY participated in the Gulf Industry Fair 2016 (GIF) in Bahrain, the country’s main industrial services exhibition, inaugurated by His Royal Highness Prince Khalifa bin Salman Al-Khalifa, the Prime Minister, in February 2016.

In a statement, ASRY’s Chief Executive, Nils Kristian Berge, said: “GIF has always been an important platform not only for promoting our services but also for emphasizing our commitment to supporting the industrial sector in the Kingdom of Bahrain. Our strategic support of the GIF this year will further confirm our marine industry potentials in the region and the leading position of our company”. This year the exhibition boasted a total of 80 local and international exhibitors from Bahrain, Saudi Arabia, United Arab Emirates, United States of America, United Kingdom, Poland and Germany. Berge echoed directives of His Excellency Shaikh Daij bin Salman Al-Khalifa, ASRY’s Chairman of the Board of Directors, for the company to support the national exhibitions held in the Kingdom of Bahrain for promoting industry that further strengthens the leading position of Bahrain and thus, contributes to the Kingdom’s national economy.
**PROJECT JUPITER UPDATE**

Latest developments on the project making ASRY the region leader in on-site specialist contractors

**Lightfoot Defence joins ASRY’s onsite specialist contractor list**

UK-based refrigeration experts sign agreement to be preferred onsite specialist for Military Refrigeration and HVAC systems at ASRY

ASRY has signed a specialized Services Agreement with Lightfoot Defence, a UK-based refrigeration and HVAC contractor, to become one of the yards onsite specialist contractors. Lightfoot will provide upgrade, modification and repair services to standard and non-magnetic air-conditioning plants and associated equipment of naval vessels calling at the yard.

During a ceremony held at ASRY’s headquarters, the service agreement was signed under the umbrella of the ongoing Project Jupiter – an initiative to make ASRY the leading hub of onsite specialist contractors in the Arabian Gulf. The agreement provides a permanent presence for Lightfoot in ASRY, and also confirms that Lightfoot will construct a new service workshop inside ASRY, with a timeline to be confirmed within three months.

ASRY Chief Executive, Nils Kristian Berge, commented, “adding Lightfoot Defence to our portfolio of premium onsite specialist contractors is another boost for the yard’s regional and global competitiveness, especially within the Naval vessel repair market. ASRY can now provide the most comprehensive range of repair and maintenance services to our customers. Our goal of being the region’s one-stop shop for maritime maintenance is drawing closer; thanks to partnerships with reputable firms such as Lightfoot.”

Lightfoot Defence Managing Director Terry Nichols added that this agreement is an important element for the UK firms global expansion plan, and committed to promote ASRY as a qualified and preferred ship repair destination to their client roster, gathered over 130 years of operation.

ASRY Procurement & Contracts General Manager, Magdy Abd Elghany, said that “Lightfoot Defence joins a distinguished collection of partners that ASRY is gathering to ensure the customers who dock at ASRY now that they are choosing a hub that combines some of the world’s first class contractors in one place.”

The agreement covers the provision of refrigeration and HVAC systems at ASRY, UK-based refrigeration experts sign agreement to be preferred onsite specialist for Military Refrigeration and HVAC systems at ASRY. The agreement provides a permanent presence for Lightfoot in ASRY, and also confirms that Lightfoot will construct a new service workshop inside ASRY, with a timeline to be confirmed within three months.

ASRY Procurement & Contracts General Manager Magdy Mustafa (back left), ASRY Chief Executive Nils Kristian Berge (bottom left) and ASRY Navy Defence & Industrial projects Manager Tony Halla (back right) join Lightfoot Defence Managing Director Terry Nichols (front right) for the signing.

**ASRY partners with Gulf Turbo**

Regional turbocharger specialists take permanent presence at shipyard

ASRY has entered into a Specialized Services Agreement with Gulf Turbo, specialists in the repair and reconditioning of all models and types of turbochargers, which will see them take a permanent presence at the yard. Top officials from both ASRY and Gulf Turbo attended the signing.

Gulf Turbo, with strategic offices in Singapore, UAE, Oman, and Bahrain, will increase its regional footprint by establishing a service station in ASRY, equipped with the latest technology required for overhaul, balancing, re-blading and repair of all types of turbochargers.

Attending the function, ASRY Chief Executive, Nils Kristian Berge, commented that “the specialized services agreements we sign with specialists such as Gulf Turbo are design to bring direct benefits such as technical expertise and authorised warranties to our customers. This is the essence of Project Jupiter, region-leading customer satisfaction. We are confident that the cooperation between ASRY and Gulf Turbo will contribute to that goal and be mutually beneficial”. Representing Gulf Turbo, Rehan M Karanja, Founding Partner, who was present with Easwaran Iyer, Managing Director during the ceremony, said that “it is our honour to be partner with ASRY and provide excellent service to its customers on 24/7 basis. Gulf Turbo is an ISO certified company and is the Authorized Repair Agents for Mitsubishi Heavy Industries for MET Turbochargers. Our engineers and technicians are trained in Germany, South Korea and Japan and formerly worked with the turbocharger makers. Gulf Turbo’s services and spare parts carry the same period of warranty as offered by the Turbocharger makers”. Magdy M. Moustafa, ASRY Procurement and Contracts General Manager said that “With Gulf Turbo Service Station, ASRY is now hosting the three major turbocharger makers and their authorized repair centers, i.e., ABB, MAN and MET within our premises. We are sure that this will enhance ASRY’s image in the Ship Repair and Offshore Repair markets and will satisfy the client needs”.

Gulf Turbo Founding Partner Rehan Karanja (third from right) joins ASRY and Gulf Turbo officials for the signing.
Offshore sector starts strong in 2016

Tight market from 2015 loosening as 2016 progresses with high numbers of rigs in yard

The first months of 2016 have seen a surge in rig repair work at ASRY peaking with over 17 rigs in the yard at the beginning of April. This is a welcome change from the slowdown in rig repair in 2015, but also a testament to the fact that ASRY is protecting its leadership position in offshore repairs regionally.

The increase was noted at the Board of Directors Meeting in March, presided over by His Excellency Shaikh Duaij bin Salman Al-Khalifa, Chairman of the Board and representative of Bahrain. The meeting was attended by the other shareholding countries, Kingdom of Saudi Arabia, Republic of Iraq, State of Kuwait, State of Libya, State of Qatar and the United Arab Emirates.

The Board reviewed the results and financial matters, operational results and commercial activities of the company for the period from 1st January to 29th February 2016. The Board also discussed a number of topics which aim at developing the performance of the company and adopted resolutions which are conclusive to achieving the desired growth. His Excellency also pointed out that the meeting discussed the financial and operational results of 2015, during which the company repaired 243 ships - the most in a single year in the company’s history - against 193 ships in the same period in 2014. The total revenue made during the past year was US$158 million in 2015 compared to US$163 million in 2014 – a decrease largely due to the softer offshore and rig repair market caused by the low oil price. In January and February the revenues amounted to US$29.1 million and 35 ships were docked during the same period.
Variety of engineering work increasing

The New Construction & Engineering (NCE) division is seeing an increase in the type of engineering work being requested, exemplified by three recent projects:

**SIMOPS**

The first type of job that is expanding the NCE division’s portfolio is projects concerning Simultaneous Operations (SIMOPS) of Jack-Up rigs. With a view to improve safety, Saudi Aramco require drilling contractors to ensure protection of well-heads from falling objects. Therefore measures would have to be taken to strengthen the drill hole and mouse hole to withstand impact loads, as well as closing gaps between the drill package and pipe rack by way of an enclosed structure, and provision of a deluge/fire protection system on the well head deck. ASRY carried out such engineering works for rigs owned by Saipem and Egyptian Drilling Company, which took the form of foldable platforms to ensure Aramco standards were met. With multiple packages completed successfully, ASRY’s SIMOPS solutions have now been well-received by the market, and are expected to become a fixture in the division’s project line-up.

**LSMGO**

A second type of job to gain momentum in 2015 was engineering Low Sulphur Marine Gas Oil (LSMGO) packages. Based on Marine Pollution (MARPOL) requirements limiting sulphur oxide emissions within Emission Control Areas (ECA) areas from 1st Jan 2015, a number of ASRY’s customers decided to switch over to LSMGO when working in ECA areas. To meet their needs, ASRY carried out onboard inspections to identify changes in the ship’s piping system and thereafter produced the necessary basic and production engineering. This included being responsible for class approval for the basic engineering work, as well as implementing the packages through its ship repair division. Amongst other owners, KOTC were one of the regional leaders to choose ASRY for this re-engineering work on their complete fleet of tankers.

**BESPOKE MOORING BOUY**

The third highlight project rounding out NCAE’s diverse engineering scopes in 2015 was the design and construction of a bespoke mooring buoy, required for mooring a Floating Storage Oil (FSO) tanker (which ASRY converted). ASRY met the challenge by designing the calm mooring buoys and thereafter fabricating them so that these could be loaded on the FSO tanker and taken to the point of mooring. Each buoy - 5.6m in diameter - was designed by ASRY to meet structural and stability requirements. Various fittings, such as quick-release hooks and chain-stoppers to handle the mooring loads, were incorporated in the buoy. Once the design was class-RINA-approved, it was fabricated by ASRY and lashed on board using ASRY engineering’s lashing engineering studies.
CUSTOMER FEEDBACK

“Very cooperative...very professional and supportive.”

“I found the ASRY team very cooperative, and they support their customers to the best of their abilities. With a few areas of improvement the yard team would be remarkable. I personally want to thank the team for giving us their valuable time, and conducting the project very professionally, allowing the vessel to sail on time.”

Khawer Nizami
Superintendent, NCC Tihama

THE LEADING SHIPYARD IN THE ARABIAN GULF SINCE 1977

LEAVE ONLY YOUR WAKE BEHIND

WITH ASRY, THE MIDDLE EAST’S BALLAST WATER TREATMENT RETROFIT EXPERTS