

2013

Besiktas Shipyard

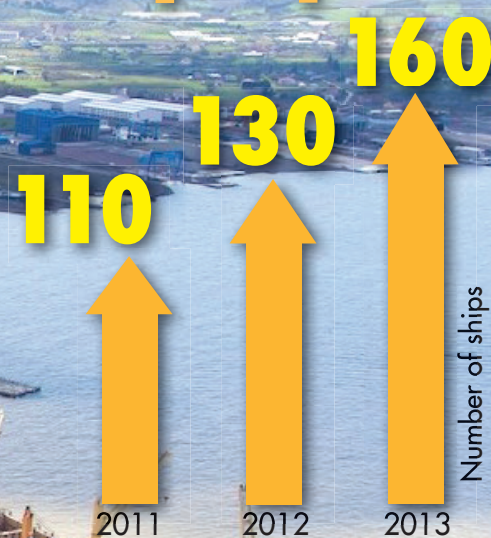
news

The Annual Publication of Besiktas Shipyard

TARGETS ACHIEVED

Ship Building & Ship Repair

Ship Repair projects



"8 New Building orders from Scandinavian and Caspian Regions"

Substantial technical infrastructure investment in 2012

NEW FLOATING DOCK

In addition to the two existing docks, a third floating dock with two cranes of 20 tons

lifting capacity on each side is in service. Besiktas Shipyard now has 3 docks. All

three docks are able to accommodate vessels up to including 92.000 dwt "Kamsarmax" size.



CONSTRUCTION OF A NEW WET BERTH

The addition of the third dock increased the number of repaired vessel. To meet this increase and add more operational flexibility an extra length of 440 m long pier has been built. The total length of shipyard piers reached to 1845 m.

FLOATING CRANE

Apart from the strong crane support on our berths, now we have a good lifting capacity at sea too. The purchase of a self-propelled floating crane with a capacity of 100 tons, gives more flexibility to our shipyard in all lifting requirements of our customers.



New floating crane on operation

THREE MORE JIB CRANES ON THE PIERS

To improve the lifting capacity and the operational flexibility on the piers, three jib cranes have been purchased and they are all in service now. All three units have the same lifting capacity of 16 tons at 35 meters.



200 TONS CAPACITY TRANSPORTER

Since the brand new transporter is in service in Besiktas Shipyard, moving hatch covers, prefabricated panels and blocks, heavy equipments is easier and faster from one location to another. The lifting capacity of the transporter is 200 tons.

NEW MECHANICAL WORKSHOP

In addition to the existing mechanical workshop a new one has been built with the aim of separating delicate jobs which requires more preciseness such as main engine fuel pumps and attachments, hydraulic power packs and valves.

8 New building orders from Scandinavian and Caspian regions

Due to current market developments, our new building department was fully concentrated on more value added projects of the offshore, fishing and gas industries of Europe. Meanwhile, Besiktas Shipyard was also trying to find opportunities in the Caspian Sea Offshore Market after having managed to deliver a 7000 tons steel lightweight Platform Construction Barge in a record-breaking 4 months period to Palmali Group.

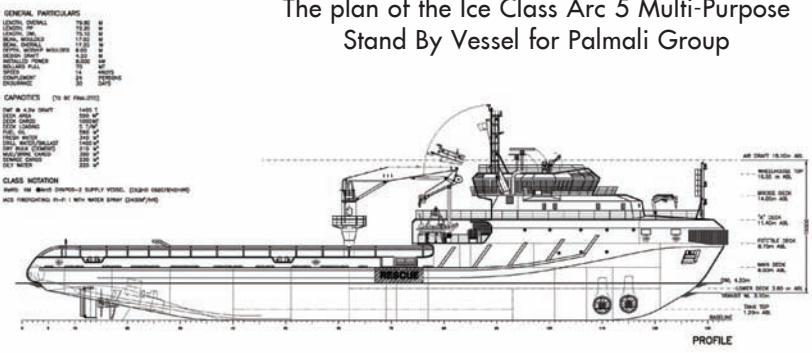
The above mentioned efforts have been resulted as the following firm new building orders from:

PALMALI GROUP:

- 2 Units of tug supply vessel (TSV)
LOA: 80m / Ice Class Arc 4 / DP2 / Fi Fi 1 WS / Bollard Pull: 60t / Shallow Draft / Speed: 12Knts.
- 1 Unit of multi-purpose stand-by vessel (MPSV)
LOA: 80m / Ice Class Arc 5 / DP2 / Fi Fi 1WS / Bollard Pull: 60t / Shallow Draft / Speed: 14Knts

These vessels are intended to be used for serving LUKOIL for their operations in the Caspian Sea. Both types of 80 meter vessels have multipurpose service capabilities in operations under heavy ice conditions, DP, shallow draft, carrying of various cargoes, rescue, stand by and oil recovery functions. The projects are designed by Robert Allen.

The plan of the Ice Class Arc 5 Multi-Purpose Stand By Vessel for Palmali Group



GENERAL PARTICULARS	
NAME	ARC 5
TYPE	Multi-Purpose Stand-By Vessel
LOA	80.00 m
BEAM	12.00 m
DRAFT	4.50 m
DISPLACEMENT	1,200 tons
ICE CLASS	ARC 5
DP	DP2
FI	Fi Fi 1 WS
BOLLARD PULL	60 tons
SPEED	14 Knts
CRUISING CONSUMPTION	150 tons/day
MAXIMUM FUEL CAPACITY	1,000 tons
MAXIMUM CARGO CAPACITY	1,000 tons
MAXIMUM PASSENGER CAPACITY	100 persons
MAXIMUM CREW CAPACITY	20 persons
MAXIMUM SUPPLY CAPACITY	100 tons/day
MAXIMUM OIL RECOVERY CAPACITY	100 tons/day
MAXIMUM RESCUE CAPACITY	100 persons
MAXIMUM STAND-BY CAPACITY	100 persons
MAXIMUM OIL RECOVERY CAPACITY	100 tons/day
MAXIMUM RESCUE CAPACITY	100 persons
MAXIMUM STAND-BY CAPACITY	100 persons

THOR OFFSHORE:

- 4 UNITS OF SEISMIC SUPPORT VESSELS

THOR Ltd. is an Offshore Support Servicing Company based in Faroe Islands. After signing a long term employment contract with Petroleum Geo Services (PGS) of Norway they have placed an order to build 4 units of ICE 1 A Seismic Support Vessels at Besiktas Shipyard. 64 meters long vessels will cover series of different operational features on board such as: Offshore bunkering, supply of provision, spare parts, technical support during on-sea maintenance of the seismic equipment, passenger capacity for transporting a full seismic vessel crew, towing capability etc.



The design is provided by
Skipsteknisk Norway.

YTTERSTAD FISKERISELSKAP AS:

■ 1 UNIT OF
PELAGIC TRAWLER
Ytterstad based in Lodingen
Norway, is active in the fish-
ing industry. Ytterstad placed
a new building order of a 75
meters long pelagic fishing
trawler at Besiktas Shipyard.



*All these units of the different contracts signed in 2012,
are planned to be delivered until mid-2015.*

*Besiktas believes that these orders are important steps
for entering a very broad market of specialized vessels
enabling the yard having a better name in the ship build-*

ing market and diversifying its ship building portfolio.

*The high requirements of quality, technical expertise and
building planning of these projects shall allow the yard to
further improve its capabilities and reputation to provide
further services to those markets.*

Offshore Platform Construction Barge ordered by Palmali for Lukoil requirement

The Platform Construction Barge
(PCB) is ordered by Palmali Group.

Besiktas Shipyard made a thorough planning, revision on its technical infrastructure and increase the number of people involved from 450 to 800 as the delivery deadline was the most critical issue.

The Steel cutting of the massive 7000 tons lightweight, Russian Classed project took place on the 8th of June 2012 and delivered to PALMALI GROUP with a **record-breaking 4 months**. The project was consisting of the steel construction works, piping works, steel - panel - insulation outfitting jobs, electric works, machinery and mechanical equipment installation, carpentry – furniture works and finally protective coating and painting jobs.

Presently the barge is serving for LUKOIL for their operations in the Caspian Sea.



3 Major works from STX Pan Ocean and Grimaldi's Finn Lines

STX Pan Ocean's MV STX CHANGXING ROSE:

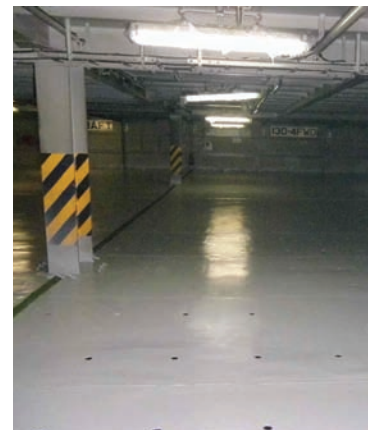


2010 built, 60.396 Gt, PCC, MV Stx Changxing Rose suffered from a heavy fire damage on her cargo decks and aft mooring deck.

The prefabrication of 48 panels weighting 10 tons each started prior the vessel's arrival to the shipyard.

Once the vessel reached the shipyard, cropping of the fire damaged decks started.

Prefabricated panels carried and fitted to their places of origin together with all relevant devices such as lightening, fire control, alarm and RoRo systems. This important repair project delivered earlier than the agreed period of 60 days to the owners with their complete satisfaction.



STX Pan Ocean's MV STX ROSE 2:

The required jobs of MV STX ROSE 2 are completed within the quoted 13 days.



STX Pan Ocean, the owner of 2012 built, DNV Classed, 24.173 dwt, semi-submersible heavy lifter MV STX ROSE 2, awarded the following jobs to Besiktas Shipyard:

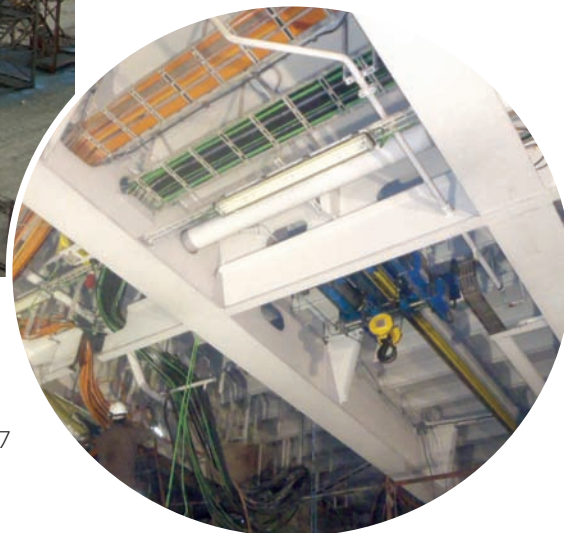
- Prefabrication and installation of 6 flexible float tanks. Total weight is 240 tons.

- Shifting of two existing buoyancy tanks 250 t/each from the aft to the forth of the vessel.

After the modification, MV STX ROSE 2's next cargo was the new lock gates of the expanded Panama Canal to be lifted from Italy to Panama.



Grimaldi / Finnline's M/V EUROPALINK



Besiktas Shipyard has been nominated to install a new fixed ramp during the Special Survey of 2007 built, ROPAX vessel "EUROPALINK" by Grimaldi / Finnlines Group. The sections of the ramp were prefabricated before the vessel's arrival to the shipyard. Accommodation extension works have also been carried out during the repairs.

With the new ramp, totally 210 tons steel repair work were carried out within 25 days including all piping and electric cable ways revisions at the location.



Mr. Günay Sürenkök, Head of Det Norske Veritas Turkey

'Besiktas works hard for Excellence'

May you please describe the strong points of Besiktas Shipyard, from Scandinavian Owners and Det Norske Veritas' point of view.

The most strong points of BESIKTAS Shipyard, in my perception, are "Vision" and "Commitment" by the top management that makes the rest of the levels at the yard believe and follow the improvement process with trust and confidence; example? Yes;

ISRS (International Safety Rating System) is a world leading system to assess, improve and demonstrate the health of an organization's business processes, and using ISRS gives organizations and their stakeholders' peace of mind that their operations are safe and sustainable. It ensures systematic and effective risk management. ISRS is a DNV licensed service, preferred mainly by those industry leaders that have matured in their performance and seeking excellence. It is not a kind of service that is delivered over a day; it might take years to excel if there is ever an end of excellence! BESIKTAS Shipyard has voluntarily asked this service and systematically continuing in their journey to "Excellence" in a committed discipline.

Another point of

importance we highlighted was "communication". This is, in my opinion, another strong point of the yard. This Newsletter itself should be a good example of how the yard values communication.

What are your expectations with regard to the organization, structure and reputation concerning for the next 10 years of our shipyard?

Our expectation from the yard is to continue actively listening all their business partners - clients, employees, suppliers, service providers - and learn and implement from their experience/ideas/opinion. Transparency and open communication of such issues may only be the driving force of the success for the years to come, keep up!

Besiktas Shipyard provides wide range of services for Scandinavian Shipping Companies. What are the requirements and expectations of those companies when they are selecting a shipyard?

The expectations of any shipping company from the shipyards where they either build new ships, or repair existing ships, should not be differing much by nationality; it is the value perception that counts, and may be described as "The right balance, as perceived by



the client, of quality, delivery time, price, and the other values of importance to the client".

The client's expectations shall be matched with the value in each of the yard's deliverables. This is not an easy task and requires vision, foresight, excellent communication skills, and broad cultural knowledge to better understand how the value is perceived by, and what is "the right balance" for, a targeted specific client; e.g., the right price for some clients might be the lowest figure in digits they had secured, but for some the right price may mean "predictable cost", and for some the value they get for what they pay.

When we said "The

right balance of quality, delivery time, price, and the other values of importance to the client", the very first three elements <quality, delivery time, price> are well known market dynamics being toughly competed already in the markets and one can name these three elements as Business Definers.

What about then "... other values of importance to the client" as phrased in the quote above?

Would it help to enable business once these values to the client were known? In my opinion definitely "yes" and indeed we can name these values as Business Enablers; some examples being;

■ Safety Excellence

■ Excellence in Environmental Awareness

■ Transparency

■you name it as you know your client better than anyone else.

How to justify towards a client that what you deliver meets their expectation?

Communication and being transparent to the extent possible is the key. For example, try openly communicating the following;

■ Yard's procedures, workmanship standards, etc.

■ Your criteria in selection of your suppliers and service providers, and their values

■ Your references

■ Your training programs to your employees, suppliers, clients, service providers proving the value you give to your own business

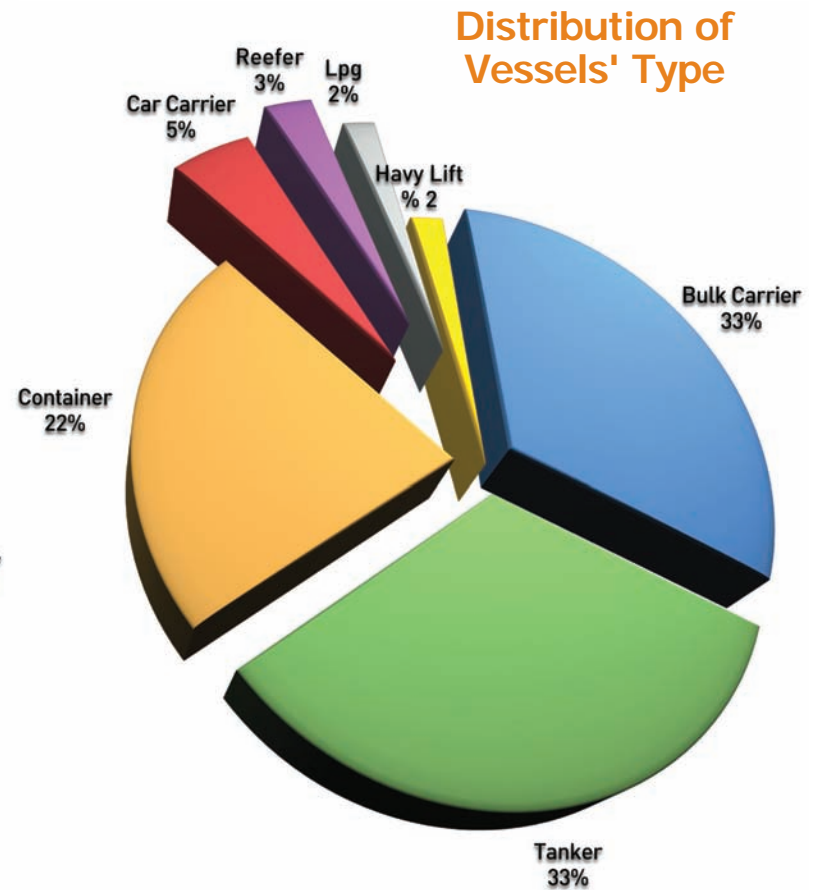
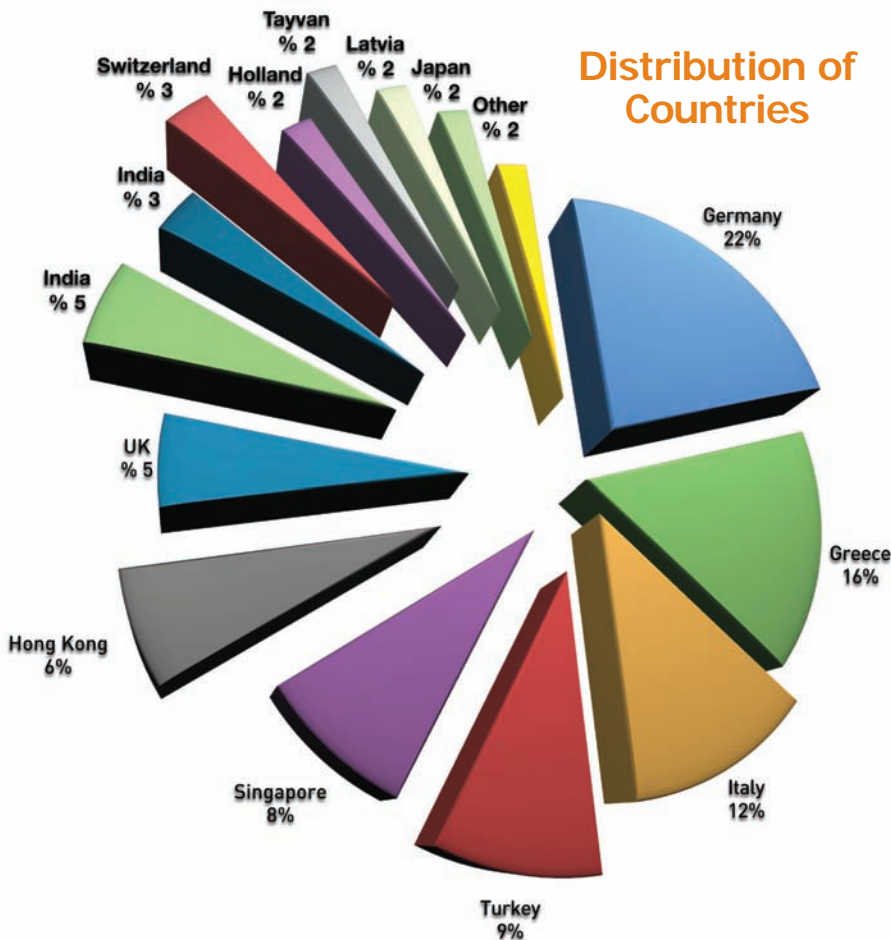
■ How you actively listen your clients, your employees, suppliers, service providers and share opinions/ideas, and examples of what you have been implementing out of such sessions for continual improvement of the Shipyard

■ Your commitment on Safety and your targets

■ Your Environmental policy

■ What you do for the society at large, Corporate Social Responsibility

Ship Repair Major of Atlantic Region



Besiktas Shipyard has become one of the most active ship repair yards in the Atlantic Region since it has started his activities in 2009.

In 2013 Besiktas Shipyard plans to have 160 repair ships with the increased docking and berthing facilities.

Besiktas Shipyard is having most of its ship repair business from the major shipping countries.

In the last 3 years we had repeated orders from leading Germany, Greece, Italy, Denmark, Singapore and Hong Kong ship

owners and managers for major repair works.

Our regular, repeated customers:

■ Germany:

Briese Schifffahrts, Reederei CPO Claus Peter Offen, Reederei NSB Niederelbe Schifffahrtsgesellschaft, Harren & Partner, Reederei Jüngerhans, Alpha Ship, Triton Schifffahrts, Bernhard Schulte, Aug. Bolten, Reederei W. Bockstiegel, Draxl Schifffahrts.

■ Greece:

Valiant Shipping,

Thomasos Brothers, MMS (Marine Management Services), Dorian Hellas, Evalend, Avin, NGM Energy, Anbros Maritime, Enterprises Shipping, Hellas Marine Services, Roxana, Alloceans Shipping, Bernhard Schulte Shipmanagement Greece, Technomar, Sicuro.

■ Italy:

Grimaldi, Giuseppe Bottiglieri, Marnavi, TTS, Navigazione Montanari

■ Denmark:

Eitzen, Nordic Tankers (Clipper)

■ Switzerland

Massoel

■ Singapore:

MTM Ship Management, Thome Ship Management, Fleet Ship Management, Parakou, Selandia, Executive, MMS / Neom, World Tankers, Nissho Odyssey Ship Management

■ Korea

STX Pan Ocean

■ Japan:

MOL, Hisafuku Kisen, JX Shipping

■ Hong Kong:

Parakou Shipping, Anglo Eastern Ship Management, Wallem

■ Taiwan:

Yang Ming, Evergreen

■ India:

Selandia

We also aim to increase the number of our clients from Gas and Offshore markets.

Besides Bulk Carriers, Tankers and Container Ships, Besiktas Shipyard has strong experience also on RO-RO, Car Carrier, Reefer, LPG Carrier, Heavy Lift vessels.

Besiktas Shipyard plans to have an additional **large dock** for **200.000 dwt** range of ships in the next few years.

Comments of Partners

Peter Gast Shipping – Germany

It makes really fun to work with this reliable partner every day especially with Mr. Gundem Gümüşkaynak and his brilliant team due to their quick communication and reaction. Besiktas

Shipyard is working in a very professional attitude and has an excellent style.

The shipyard has also an excellent location which is minimizing deviation and good prices which is very important in these times.

Also we learn from owner's superintendent's when they are back from docking at Besiktas that they are satisfied with the project/docking as well quality of works. A lot of them are already

Besiktas' regular clients.

This is an important feedback and also a "new" motivation for the "next" project.

From the German market we docked 24 vessels at Besiktas in 2012 which

underlined also the good reputation which Besiktas has in the German market.

My wish for the future: Besiktas go ahead in same manner.

Jens Tapken
Peter Gast Shipping

Victoria Maritime Services - Italy

BESIKTAS SHIPYARD & VICTORIA MARITIME SERVICES - ITALIA

Victoria Maritime Services has proudly cooperated and represented Besiktas Shipyard since 2009, when the construction of the post panamax graving dock was still being completed and the outfitting and logistics of the yard being developed.

Besiktas Shipyard is now a modern industry, equipped with state of the art facilities, experienced and customer oriented work force

and management, leading the fast developing Turkish marine sector for quality of the repairs and new buildings, on time delivery and price competitiveness.

With the full backing of the yard management, we have slowly but steadily increased the awareness of Besiktas Shipyard amongst the prudent and conservative Shipowners of our market (Italy, Monaco and Switzerland) and have succeeded in stemming repairs of vessels of Grimaldi Group,

Navigazione Montanari, Marnavi, Giuseppe Bottiglieri Shipping Company, Motia di Navigazione, Synergas, Massoel, T.T.T. Lines and V.Ships.

Thanks to the high professional approach of Besiktas Shipyard and the successful outcome of the awarded jobs, we have obtained repeat repair assignments from many of our Clients, thus ensuring a steady business flow for the yard and the consolidation of an excellent reputation amongst our

shipping community that we trust will enable us to keep developing the penetration of the yard in our market.

The team of Besiktas consisting of Yavuz Kalkavan, Derya Sabaz, Murat Bener, Cem Mete, Zeki Korkmazgil, Dogan Akpala and Gundem Gumuskaynak with the productive Marketing Department Nedime Ozoglu (Ms.), Tağmaç Gürev and Evrim Saltoglu, have created a cohesive group of professionals, unique in making employees feel impor-

tant part of a team and in maintaining a close personal relationship with clients, agents and suppliers.

We strongly feel as part of Besiktas Shipyard family and believe that agents can express their full potential only closely cooperating with all key personnel of the yard and establishing with them trust, friendship and understanding.

Luca Spinelli-Donati
Managing Director
Victoria Maritime Services

AMS International Group - Hong Kong

Pioneer Of New Building & Repair Shipyard In Turkey

High efficiency, with continuous improvement and emphases on safety working environment has made us very proud to be the exclusive agent of Besiktas Shipyard in Hong Kong market.

Besiktas Shipyard

always performs utmost to accomplish repairs within agreed delivery schedule. It is very important especially during current unfavorable shipping market, any single day of late delivery can lead to a huge loss to ship owners from enormous running costs as well as the

depressing chartering rate.

Transparent quotations are submitted, avoiding chances of arousing dispute during bill discussion on extra costs and unnecessary jack ups.

Besiktas has a competitive edge in its capacity and in-house workers. Spacious warehouse with most of

the common spares ready for the use during repairs.

Besiktas owns a team of young and proactive staff. They are willing to take challenges and flexible to new ideas in full compliance of safety regulations. With this modern operation atmosphere yet without

and conflicts to the professional ethics and principles, their continuous success and its leading position in the international market are unquestionable.

Clayton Yu
Managing Director
AMS International Group

Coway Marine Services PTE LTD - Singapore

BESIKTAS SHIPYARD – VIEW FROM AN AGENT

COWAY MARINE SERVICES PTE LTD first learnt of BESIKTAS SHIPYARD from a friend during the latter part of 2009 that this new shipyard in Turkey may be looking for an exclusive agent to represent them in the Singapore and Malaysia market.

This set the ball rolling. Wilson Lee immediately made contact with Mr. Yavuz Kalkavan, Managing Director of Besiktas. We convinced them of our ability and track record and Coway Marine was then appointed the ex-

clusive agent in January 2010.

On 15th Apr. 2010, the first vessel from Singapore, “Northern Bell” arrived at Besiktas Shipyard. This 83,600 DWT Chemical Tanker, managed by Thome Ship Management Pte Ltd was then due for its 4th Special Survey. Besiktas showed its mettle by completing the vessel within the contractual schedule and within budget without sacrificing quality and safety. This led Mr. Paul Dragu, the then attending Superintendent to heap praises on the yard to his colleagues at Thome Ship Management.

That project is now history and convinced the Company that this yard with its “Can-Do” attitude and willingness to “Do things right” all the time that they became a repeat customer many times over.

We remember Besiktas as a yard with just one panamax size graving dock. Within the next few years, the yard added 2 panamax size floating docks to its impressive facilities befitting a world class shipyard. Plans are now to have a suezmax size dock so that it can take in bigger ships as they know of their limitations when they began to lose

to some of their neighbors.

We are glad to learn that the yard is actively reviewing their operating procedure and implementing systems to further enhance operations and customer relations. They have a fully equipped hotel within the yard to provide accommodation to their customers.

Coway Marine personnel, being ex shipyard employees themselves were occasionally called upon by the yard to provide feedback. We also recommended a Safety Consultant from

Singapore to the yard to review their safety system and make recommendations.

Coway Marine helped to plan their marketing visits as well as the help design and build their exhibition booths at the last Sea Asia in 2011. We are doing this again for this year’s edition of Sea Asia which will be held from April 9th to 11th at the Marina Bay Sands.

We look forward to continuing our excellent relationship and we compliment them on their success.

**COWAY MARINE SERVICES
PTE LTD - SINGAPORE**

Being an international tanker owner and manager since 1960, Besiktas Group has a good understanding of Safety management and its benefits. Having this culture, the top management of the Group strongly supports the safety management of Besiktas Shipyard and follows the performances and improvements thoroughly.

The safety management in Besiktas Shipyard:

Besiktas is fully concentrated on a continuous improvement on the safety awareness among its 1400 employees. To manage this task by using various training mediums is under the Safety Department responsibility.

The Safety Department team consists of 70 permanent employees of Besiktas Shipyard. They are trained continuously in accordance with the company and industry requirements. This allows us to have a good level of LTIF (lost time injury frequency) and on time delivery of the commercial projects. The key factor behind this success is the excellent cooperation between the production and safety department teams.

Safety department performance is followed internally throughout the year and also externally by an independent audit company every year.

All of the potential customers in the past whom reviewed the safety depart-

ment management procedures became our permanent customers.

Having its ISO 9001, ISO 14001 and OHSAS certifications from Bureau Veritas, Besiktas Shipyard Management took also the decision to have the “International Safety Rating System” of Det Norske Veritas (DNV ISRS).

DNV ISRS system is a top level and long term self-assessment and improvement tool for major organizations from various industries. DNV ISRS will add a higher level of safety management and standardization in Besiktas Shipyard.

Besiktas believes that implementing higher levels of standards related to safety and integrated management is important for a positive differentiation in the industry. Primary purpose for all of the above efforts is to protect our valuable human resources and to build a better environment for the existing and potential customers.



Message of Mr. Mauro Evangelisti, President of Gas and Heat and G&H Shipping - Italy

Reliable partners in times of crisis

Our broker in Turkey, Alpina Shipping, introduced me to Mr. Yavuz Kalkavan before he started to establish the Besiktas Shipyard and it was friendship at first glance. Any time we met, the promise was always the same: sooner or later we should find a business opportunity where we could cooperate in. In 2009 this opportunity came through as our company was facing a bad and unpleasant situation that had forced us to cancel an important shipbuilding contract with a yard for the construction of 4x3300 cbm LPG Carriers and we were looking for a reliable shipyard which could complete the works. This is a typical case during a time of harsh crisis, but still there is no proven approach which can be followed to manage the transition phase from the two yards. And, on top of everything, time was a key factor as the fast employment of the vessel was the way to heal the losses we were forced to bear. The only solution we found, along with Mr. Kalkavan, was to make a list of the various activities to complete each vessel by the yard, assign to them the expected cost, add something for the yard's General Expenses and a small margin. These negotiations took a day time! The yard also accepted to purchase all the missing machinery and components,



on our specification, charging the pure cost. The agreement provided for a potential discount when the actual costs had been cheaper than expected. This was not a standard Shipbuilding Contract, but it looked like the only tool to manage the given circumstances. The agreement was finalized during a nice dinner in Istanbul and, to my request to have a formal contract signed by the parties, Mr. Kalkavan, Mr. M. Bener and Mr. G. Denaro provided the document, drafted on a paper napkin. Presently, three of the ves-

sels have been delivered to our company, G&H Shipping, and are successfully operated by first class North European Charterers. The last one is to be completed and delivered within this year. The quality and the performances of these vessels are fully appreciated by the Charterers and the Oil Majors, always scoring the highest rates with the vetting and Class. This true tale witness that the combination of large experience of both companies, the skilled personnel, the great spirit of co-operation and the good

faith between the leading managers generated, even in worldwide deep crisis, very high quality units, without the complication of any contractual and legal constraints, but supported by the strong believe on mutual understanding and unblemished honesty. Last year, the positive experience with Besiktas Shipyard and the mutual confidence has led us to become partners for a new and innovative project: to build and operate a 9000 cbm Double Screw ETHYLENE Carrier which has been

launched on Feb 22nd, 2013.

We are confident that our large experience in the gas containing and handling plants, jointed to Besiktas experience as a valued shipyard will create the right mix for the future in building innovative and performing gas Carriers for the transport of liquid LPG, ETH, LNG.

Finally, I can confirm that, after some years of co-operation, I have not found a partner only, but a very kind friend!

Mauro Evangelisti

2013

BesiktasShipyard *news*

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Guest house* services have been extended and upgraded

With the addition of 7 more new rooms, now we have 21 rooms for our guests.



Wi-Fi, A/C, Satellite TV, Mini Bar are standard in all guest rooms.



In addition to the sport court, a new living room guest saloon has been built to increase the comfort of our guests.



Owners' representatives, superintendents, crew members may relax, and communicate with their families via internet 24 hours.



Our guests may enjoy the taste of our breakfast and dinner in our restaurant.

(* Guest House related services are free of charge for our customers.