SAILING with **Stanford**



TABLE OF CONTENTS

Onboard This Quarter...

Stanford Marine HSEQ manager Mr. Simon King, highlights his team's accomplishments for this quarter.



Chartering Desk

Stanford Alpha, Stanford Swift, Stanford Energy and many more vessels on charter with different clients.



Sailing to New Markets

Stanford Marine's vessels expanding into new regions and markets.



Health, Safety & Environment

A quick review on HSEQ's progress and happenings this quarter.



Management Contract + New Joiners + Promoted Crew Members



CSR

SMG and its CSR initiatives and accomplishments.



ONBOARD THIS QUARTER...

STANFORD MARINE'S HSEQ MANAGER, MR. SIMON KING, GIVES US A QUICK OVERVIEW OF HIS DEPARTMENT'S ACCOMPLISHMENTS THIS QUARTER



Simon King HSEQ Manager

It is hard to believe that we are already into September! Summer is over, and we are approaching the year end. This is the perfect time to review our performance thus far, enabling us to focus on what is required to achieve the targets set out at the beginning of the year, not only in terms of HSEQ but across all aspects of our operations.

The most noteworthy achievement in this quarter has been the retention of our ISM, ISO 9001, ISO 14001 and OHSAS 18001 certifications without a single non-conformance or observation raised. This is a fantastic outcome, and I would like to thank the whole Stanford team for its efforts, in particular the HSEQ department. Despite this achievement, we should not rest on our laurels but should endeavour to strive still harder to find and resolve issues before our next audit. The process of continual improvement must be our goal.

There are two further achievements so far this year that I would like to mention: Firstly is the response to the 'Eye on Safety' observation cards that were rolled out in March. By July we had received over one thousand - an amazing response, although we still have some way to go to achieve our target of one per man, per vessel, per month by the end of the year.

I therefore ask all of you onboard to assist us in achieving this goal in the short time we have left. Secondly I would like to recognise the fact that Stanford Marine passed the milestone of three years without a Lost Time Incident (LTI) in July. A remarkable achievement considering the hazardous environment in which we operate further underscoring the commitment to injury free operations. This period covers over 7.9 million man-hours worked both on and offshore. Nonetheless as the bar rises each month so must our focus and concentration increase. I put it to you all to produce another twelve months LTI free. Working safely together and communicating effectively can make this possible!

Safe sailing!

CHARTERING DESK

STANFORD ALPHA, STANFORD SWIFT, STANFORD ENERGY AND MANY MORE VESSELS ALL ON CHARTER WITH DIFFERENT CLIENTS.

Stanford Marine continued to maintain its high utilization level during Q3 2012 and secured various short and medium charters for its vessels.

Stanford Alpha, 59M 5150 BHP AHTS is continuing its operation in Malaysia with a new contract with Petronas Carigalli. **Stanford Swift**, 34M crew boat with 60 pax seating was awarded a 60 days contract by McDermott to support their operations in Saudi Arabia. Another contract from McDermott was awarded to the 2010 built work boat with 50 men accommodation **Stanford Goshawk**.

Stanford Energy, 37M, 45 T BP AHT is engaged in a short term charter in Qatar as a chase vessel. **Stanford Osprey**, 58M DP1 MPSV secured a few weeks charter from Valentine Marine to conduct touchdown mooring survey in support of their project with Occidental Petroleum of Qatar. Upon release from the contract with Valentine, Osprey entered into a medium term charter with Maersk Oil Qatar.



Stanford Energy 40M Utility Tug Boat



Stanford Goshawk 58M Platform Supply Vessel



Blue Jay 33.5M Crew/Utility Supply Vessel

Blue Jay, 34M crew boat with 59 seating secured a month charter with Dubai Petroleum. **Stanford Pride** was engaged in various spot charter in UAE during the 3rd Q 2012.

Stanford Pelican has been working with ZADCO since 2007, this long term contract was extended for another year.

SAILING TO NEW MARKETS

STANFORD MARINE'S VESSELS EXPANDING INTO NEW REGIONS AND MARKETS.

As part of our expansion plan, Stanford wanted to increase its presence; focusing mainly on the South East Asian Market.

The **Stanford Alpha** (59M, 5150 BHP, 65T Bollard Pull AHTS) got its break in Malaysia with state owned national oil company Petronas Carigali Sdn Bhd. It wasn't an easy task to enter Malaysia, because Stanford Marine did not have previous experience in this region and much had to be done to convince the client of our high standards of operations as well as vessel up-keeping.

They were later on convinced in our abilities due to our professional approach with clients and when we impressed the Petronas's dedicated inspection team (OSVIS) by the timely and mannerly close-out of their recommendations.

In its first charter, Stanford Alpha was engaged to support the Hook-Up & Commissioning division of Petronas Carigali which included platform shut-downs and Well Heads Tie-in activities. Main function of the vessel was supply duties and an accommodation base for the charterers. Upon completion of the project, Stanford Alpha was contracted for another project for an initial firm period of 45 days but has a potential extension till end of year 2012. The vessel is deployed to Petronas Carigali - Peninsula Malaysian Operations (PMO) operating in Angsi Field offshore Kemaman.



Stanford Alpha



Stanford Mermaid

Stanford Mermaid (49M, 5150 BHP, 71T Bollard Pull AHT) commenced its operations in Myanmar early this quarter for Punj Lloyd. She is currently supporting their barge "Kuber" and engaged in towing and safety standby duties. As in any other project, we had to face few challenges in this region.

Various operational issues such as application for crewing visa has proven to be a very lengthy procedure which needs various approvals taking up to 1 - 2 weeks. Since the vessel is operating in a relatively remote area, it's not easily accessible logistically.

Due to lack of facilities, provisions and spares have to be well planned and stored. In case of maintenance or repairs, the vessel will have to be brought down to Malaysia, Batam or Singapore. However, Stanford team has been able to plan well ahead and overcome these difficulties with efficient and diligent efforts.

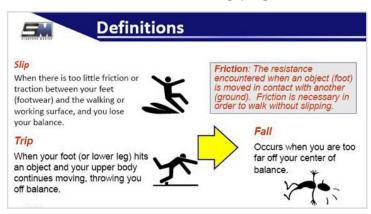
We also found success in penetrating further in the East African region. The **Stanford Buzzard** (87M, 5000BHP, DP2 PSV) was on two months charter with Apache in Mombasa, Kenya. One of the major issues that had to be tackled was that of Piracy. Unlike in Tanzania, we had no naval escorts in the region. But the vessel was well equipped against piracy with its bullet proof bridge, citadel, etc.

HEALTH, SAFETY and ENVIRONMENT

A OUICK REVIEW ON HSEO'S PROGRESS AND HAPPENINGS THIS OUARTER.



Some slides of the training programs



In the third quarter of 2012 we are continuing to maintain our high safety performance as described by Simon.

So far 2012 has been a year of initiatives, Q3 is no different.

Our HSEQ Department has finalized and begun implementation of a series of twelve training programmes designed specifically for our Vessel Safety Management System. This series allows us to give training and information on specific areas, such as our permit to work and risk assessment systems. It provides clear and concise information to assist the implementation of our comprehensive safety management system throughout our fleet.

Also in Q3 several members of staff received first aid training some first timers and some refreshers! In August the HSEQ department distributed fire warden and first aid responsibilities. We plan in conjunction with our building managers and Dubai Municipality to hold a fire drill in O4.



Distributed first aid and fire warden responsibilities into areas within the company

MANAGEMENT CONTRACT **OF "FUGRO ADVENTURER"**

Stanford Marine won the management contract of "Fugro Adventurer" which is a 70M, DP2 survey vessel.

The vessel started work in Iraq from August.

Congratulations and good luck to Stanford Marine's team for their continuous hard work and effort in maintaining and increasing Stanford Marine's growth.



Fugro Adventurer





Doris Ang

NEW JOINERS AND CONGRATULATIONS!

We would like to welcome our 3 new joiners to Stanford Marine Asia:

Kelvin Lee *Marketing Manager* **Doris Ang** *Purchasing Assistant* Nadiah Muhd Adam Admin Assistant

We would also like to congratulate Jessy (Asst. Chartering Manager) and Kathleen (HSEQ Advisor) on their respective marriages. Best wishes to both of them and their partners for the future.

PROMOTED CREW MEMBERS

We would like to congratulate our crew members that got promoted this quarter, and wish them good luck with their new designation.

Felix Guzman: Chief Officer to Master Dede Sunandar: Chief Officer to Master Zuar Karimov: Chief Officer to Master

Andriy Drozdyn: Chief Officer to Master

Syatib Ambo: Chief Officer to Master

Heriyana Rachmat: Chief Officer to Master

Vincente Agustine -2nd Engineer to Chief Engineer

Bogdan Churyna -2nd officer to Chief Officer Rovel Balikbalik – Oiler to 3rd Engineer Alain Lacaya – AB to Crane Operator Abdul Halim Shekh – Messman to Cook



Andriy Drozdyn



Heriyana Rachmat



Vincente Agustine



Abdul Halim Shekh

CSR

SMG AND ITS CSR INITIATIVES AND ACCOMPLISHMENTS.



We, Stanford Marine Group, believe that Corporate Social Responsibility is as important as any other business deal that might approach our company. We strive on being a responsible business because we believe it will make us a better business.

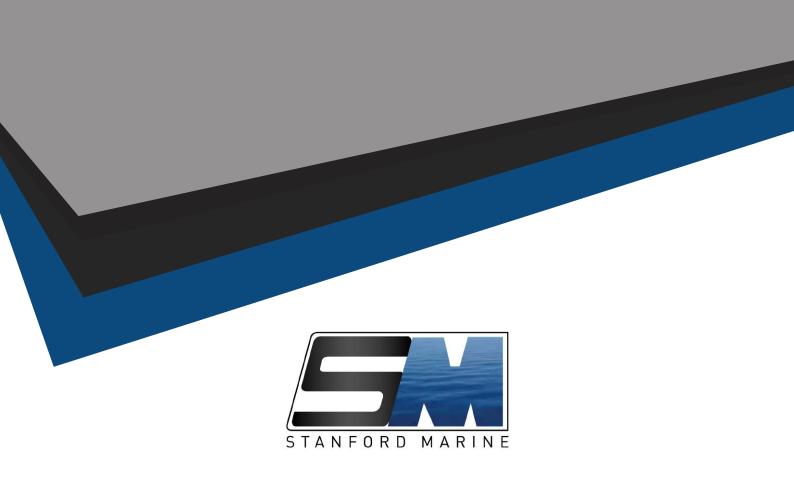
Stanford Marine Group has been supporting Al Noor Training Centre for Children with Special Needs for 13 consecutive years. In addition, we support Rashid Paediatric Therapy Centre.

Our support includes both financial and emotional support; we sponsor children, ads,

fund any additional equipment they might need, be present in students' school performances/ events, and much more.

Our giving doesn't stop here; going green is also one of our main initiatives in this company starting from recycling to building our new facilities and vessels with environment friendly materials.

We believe that CSR has a positive impact on society as well as our company and its employees.



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