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SM's 2014 overview with Darren Reeves

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Getting The Job Done Efficiently and Safely...

2015 conferences and exhibitions

...MESSAGE FROM THE GM

STANFORD MARINE'S GENERAL MANAGER, MR. DARREN REEVES, GIVES US AN OVERVIEW ON STANFORD's 2014 PERFORMANCES AND HIS EXPECTATIONS FOR 2015.

Darren Reeves.General Manager

At the start of 2015, it is of course customary to look back at our achievements in 2014. The year as a whole was another good one for us in Stanford and we continued in the same vein that we have exhibited in the years previous. Namely, this meant we enjoyed very high levels of charter utilisation, operated our fleet to the highest quality levels, and demonstrated an enviable safety performance.

It is to this last aspect which I will come first. January 2014 saw our attainment of 15 million man hours without Lost Time Injury. This fantastic achievement was the pinnacle of more than 4 years of efforts from our crews across our various vessels and is something that we should all take tremendous pride in. We did unfortunately lose this record shortly after, but I am tremendously proud that we reached it and it certainly sets a benchmark for what we need to strive for going forward. As I write this though, I have to say that 2015 has not started the best in terms of HSEQ. We have so far had two serious hand injuries, one of which resulted in a young man has losing his finger as a result of a crush injury involving a gangway. This is very upsetting and it serves as a timely reminder that we need to refocus our efforts and ensure that nobody gets hurt across our fleet. We all have the right to safe work areas, and as a Company we must provide the right people, procedures, policies, tools and equipment to ensure that we achieve this goal. The HSEQ Department will be doing their best through 2015 to return us to record breaking safety performance again.

Over the course of 2014 we took delivery of two new vessels, the Stanford Eagle and the Stanford

Mustang. The Eagle, a 75m DP2 PSV is a sister ship of the Stanford Hawk, which also of note, started a successful long term charter in Angola early 2014. The Eagle is a well-designed, proven midsize PSV with good capacities and the fuel saving possibilities offered by Diesel Electric. She arrived in Dubai on 11th October and went on-hire exactly a week later with CCC, performing ROV and diving work in the Al Khalij field of TOTAL in Qatar. She has remained on hire since and has had very positive feedback from charterers and also end users.

The Stanford Mustang, a 50m DP2 Platform Utility Vessel (PUV), was built specifically for a long term contract with Maersk Oil of Qatar. The Stanford Pride had acted as a front runner on the charter, and in August of 2014, the Mustang arrived to take over. One of the specific design features of the Mustang is her low air draught and collapsible mast, which allow her to pass freely under the bridges of the Bravo Complex in the Al Shaheen field. She was also specifically designed with retractable thrusters to give her increased manoeuvrability.

Aside from these two additions, the end of year saw the departure of two of our oldest crew boats. The Stanford Falcon was sold to a Mexican entity and will perform crew transfers out of Ciudad Del Carmen, the same 'home' port as currently used by the Stanford Goshawk.

The Stanford Pelican has been sold to a Nigerian entity, whom will use the vessel to assist in security operations in the offshore fields of that country.



...MESSAGE FROM THE GM

In other chartering related news, 2014 saw an average fleet utilisation of 92%, equalling the record set in 2012. There were 38 new contracts entered into and extensions exercised in 59 running charter parties.

The Technical Department had a strong year in general. There were some headaches- there always are, but the record achievement of having the fleet's uptime at 97.83% for the year speaks for itself! In addition to this, there were 18 dockings of our various types of vessel.

The Crewing Department performed well in ensuring we maintained an above industry average of 75% retention of the approximately 1500 active crew members on our books. I have always thought of people as our biggest challenge and most important asset, so I firmly believe if we can keep our crews happy, then we are doing something right. I take pride in the fact that so many of our crew wish to come back and that some of our crew have brought members of their families to work for us. What better compliment can there be than a father looking to bring his son into the company?

Our Purchase Department continued to cement their supply chain relationships and ensure that as a company we get the best deals in terms of availability and price. They have also added new vendors and facilitated tweaks in the purchase software currently used to allow for increased budget control.

I mentioned already our HSEQ department and the fine work they have accomplished, but is also worth noting two more aspects in relation to them. Firstly in addition to that LTI milestone mentioned earlier, they also oversaw the achievement of a 50% reduction in recordable injury cases over the year, and secondly they have been hard at work revising and improving our Vessel Safety Management System- I expect this to be rolled out in the next few months.

Our Operations Department harnesses the collective efforts of the previously mentioned departments to ensure our vessels operate to the highest levels possible. Their work is much

appreciated, as is that of our PRO Department in Dubai and Abu Dhabi, who work closely with the Operations team.

Lastly, our Finance and Payroll Departments, who I suspect sometimes feel like they get forgotten about- but actually perform the most important tasks within the Company- making sure that we as an enterprise are paid by our clients, that we pay our suppliers and most critically that we all get our salaries on time – both ashore and afloat.

Outside of this departmental delineation, it is worth nothing the efforts of our satellite offices. The Singapore office oversaw the smooth incorporation of the Ark Oslo into Malaysian operations in April, and has recently welcomed the Stanford Buzzard after her tenure in Tanzania came to an end. She will work out of Myanmar for the next few months. The Qatar office is also worth of mention in their effective management of several of our largest vessels and some of our best customers.

As I started this piece, 2014 was a good year for the Company. As was 2013, and 2012, and 2011 before that. However, 2015 does promise to be somewhat of a challenge. We have all noticed the price of a barrel of oil more than halving in the last couple of months, and will be aware of the uncertainty that this creates in the industry within which we operate. We will see that rates achievable for our vessels will drastically reduce as opportunities decrease and competition for what opportunities there are increases. It is therefore vital that we adopt strong cost control measures throughout this year and that we look to maintain our edge in terms of our safety and operational performance.

There is a proverb from Kenya I was told recently. It is, "Sticks together in a bundle are unbreakable." This really resonated with me and gives me absolute faith that we shall weather this storm- because I know we have great people on our vessels, supported by great people in our offices, and that we shall work together and be unbreakable- as a team.

Chartering Desk



Platform Supply Vessels

Stanford Kite and Caracara: secured new 3 years contracts from OXY Qatar with direct continuation of their existing contracts with OXY.

Stanford Eagle: commenced her first charter after delivery with CCC Underwater Engineering, supporting their project with Total E&P Qatar as a dive support vessel. The project commenced in Nov and duration of the charter is 3 months plus options.

Stanford Buzzard: moved to South East Asia from East Africa after operating in Tanzania for more than 3 years with BG, Apache and Ophir supporting their drilling campaigns. She's currently operating in Myanmar on a medium term charter with CAL Energy which commenced in early Jan 2015.

MMPL Merlin: secured a short term charter with Technip supporting their ROV Survey campaign with Dubai Petroleum. She was released by RasGas after successful completion of their drilling campaign, she has been working with RasGas since her delivery back in 2010.

Stanford Gold and Condor: secured 60 days firm plus options charter from McDermott for a project in Saudi Arabia. Gold's previous charter with Fugro was also extended during this period.

Crew Boats

Firecrest: secured new 1 year charter by Van Oord to support their operations in Iraq.

Stanford Nile: commenced a 90 days contract awarded by Total E&P Qatar in Oct 14 and extended until end Jan, 2015.

Stanford Harrier: extended contract with Dubai Petroleum for another year and she will continue working with them until Feb 2016.

Stanford Dove: commenced a spot charter for few days in Dec 2014 by Dubai Petroleum.



Health, Safety and Environment

In the final quarter of 2014 the HSEQ department finalised the recruitment for two new positons. As SM operations have grown in Qatar in the last number of years we identified the need for a full time HSEQ representative on the ground.



The other position is a Deck Operations Supervisor; this position will rotate an experienced deck hand throughout the fleet providing support and HSE training to our deck crew. This position has been developed in order to improve the safety consciousness of all crew, particularly deck crew who are some of our most 'at risk' staff. We have found two excellent candidates for these roles and are looking forward to welcoming them to Stanford Marine in 2015.

As part of our continuous improvement plans we have begun work on an internal Ship's Safety Officer course to be provide to all SM safety officers. This is expected to be rolled out in Q1 2015.

Our Learning Management System development has reached another milestone in Q4 with content handed over to our partners Experion. A test version is expected in early Q1 2015. Overall in 2014 our safety performance continued to improve, as always there is more to do. Unfortunately while our recordable injury rate has reduced we had 2 LTI's during the course of the year. The lessons learned have been shared with the fleet and we continue to work towards zero injuries.

In 2015 we look forward to welcoming our new team members and launching our Learning Management System in conjunction with the roll out of a comprehensive revision of our vessel management system. After the success of our in-house passenger safety videos we plan to develop further videos to improve safety onboard. The first of which will cover safety information for seafarers joining our crew boats.



As we embark on a new journey of social awareness and responsibility for 2015 we should review the successful accomplishments of 2014.



We continued our support to Al Noor Training Center for Children with Special Needs, Al Rashid Centre for Disabled Children and the Angel Appeal Mission to Seafarers in 2014. In addition to our financial support for The Angel Appeal we provided the seafarers with SMG t-shirts, The Angel Appeal team were kind enough to wrap the t-shirts with other products from different sponsors and hand them out to the Seafarers. We also sponsored the project of renewing and enhancing Ligula hospital in Mtwara.

Not only is social responsibility embedded into our organization as a whole but also into our staff as individuals. Our star of good will and responsible work for 2014 is Nataliya Kartavenko! She has 340 cats registered under her 'Animal Rescue' contract with Zabeel Vet Hospital; some of which are undergoing treatment, others were caught under the TNR (Trap - Neuter – Release) method/campaign and over 40 cats were re-homed.

> We salute her and look forward to further involvement of our staff in humanitarian work. Hoping for bigger and better accomplishments in 2015!



Our Cataliya with her awards!

ADOPTED -2014



Some of the cats that were adopted from Nataliya in 2014

Staff News

New Joiners to SM's team











Date of Joining



Staff Name Ashirvad. V. Kamath Capt. Jamal Ahad Ramzi Habr Weanchad Balangon Patrick Denis Van Tijn Matthew Edward Owen Vimal Raj Menon

Designation

CrewingAssistant14.10.2014Marine Superintendent (SM Singapore)15.10.2014Business Development Officer16.10.2014Purchase Assistant09.10.2014Technical Manager-DP02.11.2014Deck Operations Supervisor10.01.2015HSE Officer11.01.2015

Birth announcements



Aaron

Staff Name Jennylyn Refran Jessy Joy Darren Reeves



Keandre

Aaron

Name of Child

Keandre Barquez

Francis Murray Reeves



Francis

Date of Birth 17.11.2014 05.12.2014 21.12.2014

Active Staff

Dubai's Standard Chartered 10K run

Well done to Lakshmy Renjith, Rajan Masurkar and Joamar Boado from our Finance department for completing the 10K run that took place in Dubai, January 23rd 2015.



L to R: Joemar - Lakshmy - Rajan.

Employee of the Quarter

Hareendra Nath Moolayil Technical Superintendent in SM Qatar

66



"I joined Stanford Marine in September 2012, during this time I have enjoyed the camaraderie of my colleagues and the atmosphere of the co-operation.

I remember my first day and 1st project at Stanford Marine, the bow thruster of Stanford Challenger was ruined and the shipyard gave up on a permanent repair solution but with full team collaboration we were able to solve the issue and next scheduled dry dock of the vessel was not until 2 ½ years! Another project I recall was Stanford Caracara's unscheduled docking for 4 ton steel renewal, the job was executed and completed in 5 days. Stanford Caracara was the first SM vessel to dock in Qatar.

I very much look forward to reducing costs in these challenging times, in addition to growing the company and increase the dependability of our assets. I believe that motivation & encouragement along with mutual respect built a strong team!"



Because of his consistent outstanding performance Hari is the first employee at SM to be awarded the 'Employee of the Quarter', we wish him the best of luck for the year ahead and hope to see him improving even more in the coming months!

We encourage all SM staff to be motivated by Hareendra and strive towards being the next Employee of the Quarter!

Celebrations

Christmas

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

Christmas this year was as festive as it could have been in our offices; with fresh turkey, yummy dessert and thoughtful secret Santa gifts it surely was a memorable occassion. Of course our crew onboard didn't miss the chance to celebrate this special occasion; with an additional christmas meal allowance provided, our vessels did their best to ensure a great feast and celebration was had by all. This was certainly the case onboard the Stanford Eagle as shown in the pictures below.

What a great way to end our 2014 with celebrations, food, happiness and laughter!



SM offices



On Board

UPCOMING CONFERENCES...

OSJ CONFERENCE

London - Feb 19&20

OSJ conference is an established international meeting place for shipowners, senior offshore support executives, shipbuilders, designers and equipment manufacturers. Our General Manager, Darren Reeves, and Business Development and Contracts Manager, Shamjith, will be attending the second and third day of the conference in London.

OSJ - OSV

We will also be attending upcoming conferences in 2015 like: OSV Asia April 20-21 OSJ ME May 19 - 20 OSV Africa Oct. 29 - 27





EXHIBITIONS

Stanford Marine will be sponsoring and exhibiting in Middle East Workboats (MEWB) held in Abu Dhabi Oct. 5-7 2015.

"Embracing the burgeoning offshore marine market, Middle East Workboats has been renamed Offshore Marine & Workboats Middle East in time for the 5th chapter of this 3 day exhibition and conference held biennially in Abu Dhabi.

The focus of the event will now be on not only the workboat sector, but the offshore marine market taking into consideration the growing demand for a new generation of offshore support vessels to support infrastructure expansion both on and offshore.

The event has also expanded its reach into new geographic territories, in particular the Caspian and Africa.

Alongside the exhibition, these three days in Abu Dhabi present the region's only platform to network and do business in the workboat and offshore marine sectors." www.seatradeoffshoremarine.com

SM - Stand N14





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