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Building on
Experience



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Chairman's Message

It has been a busy quarter since the last World Horizon. We have secured business for our FSRU BW Singapore, which was prepared in record time and is already on station in Egypt. We closed the financing for our BW Pavilion LNG joint venture with Pavilion Energy. BW LPG is providing the floating storage solution for the first seaborne LPG-to-power project in the Virgin Islands. And we continue to take delivery of the large series of 22 product tankers from SPP, which are arriving to healthy market conditions. Peregrino, which BW Offshore is operating for Statoil, has reached a milestone with 100 million barrels of oil production.

In contrast, the global outlook has been shaky in recent months. The Chinese economy is slowing. Oil producing countries are building massive deficits. Emerging markets are facing a loss of confidence and capital. Fighting continues in the Middle East, and Europe is inundated with refugees. Some major companies of systemic size and importance are under siege, albeit for different reasons.

Our own successes in this environment are in large part thanks to BW teams working hard around the world. Beyond hard work, continued success will depend on maintaining a healthy corporate culture

that can secure us against the storm outside. Culture – “our way of doing things” – determines whether an organisation makes good decisions, whether it is a pleasant company for other parties to deal with, and whether it is an enjoyable place to work in.

One aspect that is worth reflecting on is how a company responds to challenges. In the wake of a corporate scandal in the car industry, which follows on the heels of two other major cover-ups in the same industry, it is timely to remember that a philosophy of “no cheating, no cover-ups” is vital to any company which values its reputation. A phrase which I have commonly heard in Scandinavia (which I believe originates in Italy) is to “put the fish on the table”. Or as the English saying goes: “don’t sweep it under the carpet”. If there is something difficult to be discussed – a problem, a disagreement, however awkward – it is better to deal with it openly rather than allowing it to rot under the table.

Without openness, there is no trust. And without trust, the team ceases to function efficiently – everyone starts looking over their shoulder, small miscommunications lead to big misunderstandings, complexity and bureaucracy increases.

Some might argue that trust has its limits in an operational environment with risks involved. Safety is clearly an area where checks and redundancies are critical, and blind trust – not considering an individual’s experience with a task or the risks involved in a particular situation – is not what we are advocating. But again, openness and trust go hand in hand. Being open about the limits of one’s experience or capability and speaking openly about what is at stake, should allow trust to be a guiding principle without allowing it to become blind.

BW is fortunate to be doing well in its core businesses, and this success is founded on a strong corporate culture. Whatever the numbers look like in the present, it is culture that will determine our success in the future. Openness about problems, and the trust that results from that, are key elements in how we will deliver on our value “acting for the future”.



Sincerely,
Andreas Sohlen-Pao
Chairman

Built on Experience

Nearly two centuries of combined crew experience onboard BW Singapore

BW Singapore is BW's latest addition to the company's Liquefied Natural Gas (LNG) fleet. Built at Samsung Heavy Industries, BW Singapore has low environmental footprint, high fuel efficiency, a storage capacity in excess of 170,000 cbm, and a peak regasification capacity of 750 mmscfd. She will provide LNG regasification services in the Port of Ain Sokhna, Egypt.

Providing stable, safe and efficient regasification service

Apart from fulfilling contractual obligations, BW Singapore provide Egypt with a stable, safe and efficient regasification service. She will be permanently moored alongside a jetty in the Port of Ain Sokhna, and will regasify up to 600 mmscfd of gas per day for five years. She will double Egypt's capacity to import and regasify LNG. The additional gas will be used mainly for power generation, and also help satisfy the growing demand of directly connected residential and industrial consumers.

Two centuries of experience onboard

Just as impressive as the vessel is the crew onboard. Helmed by long-serving

Master Petter Maelandsmo, the Captain is surrounded by team members who have also seen many years with BW. Electrical Officer (EO) Sverre Henry Johannessen recently celebrated 30 years with BW, Chief Engineer Mokkelbost Steinar has been with BW for 24 years, and Chief Officer Lie Mathias Edvin has served for 17 years. Although not sailing onboard, other long-serving colleagues also worked on getting BW Singapore ready for water, such as Site Manager Jan Egil Torvik (38 years) and Chief Engineer Per Aslak Ringstad (42 years).

Like rice and potatoes

Crew retention numbers at BW are higher than the industry average. When asked about the long years of service, the crew which World Horizon spoke with said that they appreciated the respect they received as professionals in their field. BW treats all employees fairly and the working environment is pleasant. EO Johannessen commented that it is the team camaraderie, and that no two days are the same, which keeps him going. Captain Maelandsmo agreed and commented that everyone pitches in regardless of rank when help is needed, "onboard, we are

like rice and potatoes – we can be used in many dishes". This "can-do" spirit and the willingness to go beyond the call of duty are captured in one of BW's four company values, Creating Energy Through Collaboration.

BW also offers opportunities for career progression – something which Captain Maelandsmo exemplifies. He joined then-Bergesen as a deck boy in 1982, rose through the ranks over the years and was made Captain in 2001. During his time with the company, he has sailed on crude oil tankers, Liquefied Petroleum Gas (LPG) and LNG carriers, bulk carriers and OBO (oil, bulk and ore) carriers.

BW is a leading international gas shipping company with more than 75 years of maritime energy transportation history, 40 years of operational experience in LNG and a current fleet of 21 LNG carriers including newbuildings. While this is something to be proud of, we are prouder still of our crew, where onboard a single vessel, we have nearly two centuries of in-house experience in managing one of the world's largest fleet of gas carriers. **wh**

Low environmental footprint, high fuel efficiency:

170,000 cbm
storage capacity

750 mmscfd
regasification capacity





Safety and security of the crew is paramount... there are no compromises on that.

— Captain Leif Einar Olsen (left), captain of BW Pavilion Vanda

No 'gas' work when it comes to safety

BW Pavilion Vanda, a vessel transporting liquefied natural gas, is well-equipped to handle threats from leakages to pirate attacks

Report by **TAN TAM MEI**
tammei@sph.com.sg

It might sound dangerous to be sailing in the open sea on a vessel filled with liquefied combustible gas.

But the crew on board liquefied natural gas (LNG) carrier BW Pavilion Vanda is safe, said Captain Geoffrey Pearson, the general manager of BW Fleet Management, who looks after the safety and security of the LNG vessels.

BW Pavilion Vanda is more than capable of handling threats like pirate attacks and leakages of combustible gas or liquid, he said.

The vessel stores LNG in four heavily-insulated and protected tanks and has fire-resistant rooms

that are designed to withstand fires for up to an hour.

However, to ensure safety, mobile phones are not allowed to be used while boarding or getting off the ship as the spark produced from the mobile phone may ignite any vapours on the carrier.

The BW Pavilion Vanda is owned by home-grown Pavilion Energy in a joint venture with BW Group, which is headquartered in Singapore and Oslo, Norway.

The LNG carrier has an average of 20 crew members and was commissioned in December last year.

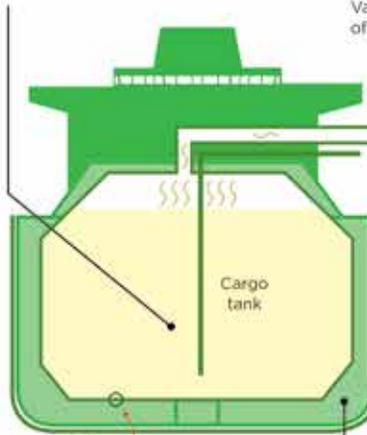
The carrier will eventually be used to transport LNG from around the world to Singapore if the import licence is approved.

LIQUEFIED NATURAL GAS (LNG)

Liquefied natural gas (LNG) is natural gas that has been converted to liquid form for ease of storage or transport. It is odourless, colourless, non-toxic and non-corrosive. It is potentially flammable in its gaseous state.

HOW IS LNG TRANSPORTED?

The natural gas is cooled below its boiling point of -162 deg C and is transported as a liquid. If it were to be transported in its gaseous form, a carrier 600 times bigger would be needed. The LNG is stored in four large tanks on board the BW Pavilion Vanda, which can hold about 162,000 m³ of LNG.



GAS TO ENERGY

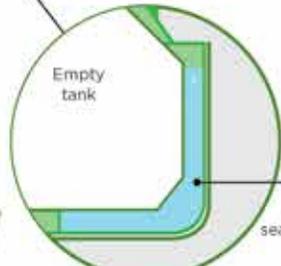
Due to heat from the sea, atmosphere and movement of the ship or cargo, pressure is formed in the LNG tanks. The pressure causes some of the LNG to evaporate. This process is called the "boil-off". This vapour is not released into the atmosphere. Instead, it is directed to the boilers and used as fuel for the vessel on its voyage.



INSULATION LAYER

The layers of the LNG storage tanks are made of rigid polyurethane foam, which is good for insulation and protection of the liquid.

The primary barrier is a membrane sheet and the secondary barrier made out of a material called triplex, which prevents the LNG from leaking in the event of an accident.



BALLAST TANK

Ballast tanks are filled with seawater when the LNG has been discharged, to weigh the carrier down. This ensures that the carrier is more stable and able to withstand collisions and other kinds of damage. The ballast layer also ensures that the LNG tanks are not damaged.



SIZE COMPARISON



TNP INFOGRAPHICS: BILLY KER, TNP PHOTO: CHOO CHIEW HWA

BW and Pavilion Energy hosted a group of media professionals onboard LNG carrier BW Pavilion Vanda. This article appeared in a Singapore daily, The New Paper, on 21 September 2015. BW thanks Singapore Press Holdings for permission to reproduce the article.



Expanding Horizons

BW LPG at the 28th annual World LPG Forum in Singapore

The 28th annual World LPG Forum was held in Singapore from 28 September to 2 October. The World LPG forum is organised annually by the World LPG Association (WLPGA), the authoritative voice of the global LPG industry. Established in 1987, WLPGA aims to add value by driving demand for LPG and helping both public and private companies to partner with international organisations and implement LPG projects on a local and global scale.

This is the first time the World LPG Forum was held in Singapore, which is reflective of Singapore's important role as a business

and shipping hub in Asia, the importance Singapore now places on the gas industry and the rising portion of economic growth that has been coming from Asia. BW LPG was one of the main sponsors for this forum which saw significant attendance by participants across the entire LPG value chain. The forum provided an excellent platform for developing relationships within the industry and for updating knowledge on latest trends and developments within the LPG industry.

The forum's theme, "Expanding Horizons" was especially relevant given emerging opportunities within the LPG market

against the backdrop of various global developments such as energy price fluctuations, developments within the Chinese economy and geopolitical considerations. At a session titled, "Deciphering the Upstream", Mr Ackermann, together with a panel of industry practitioners, presented and discussed the impact of the recent growth in LPG on shipping, trade routes, LPG exports and LPG prices for players upstream and in other parts of the value chain.

The forum also featured insights from the retail and petrochemical parts of the value chain which were of significant interest to many who attended. Mr Ackermann spoke about the quality of the event, commenting, "Ultimately the World LPG Forum provided an excellent platform for robust discussions and delivered significant insights on latest trends and changes in the global LPG supply chain, making it a valuable event for participants across the entire value chain." **wh**

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Signed, Sealed, Delivered

BW Pavilion LNG has acquired
USD360 million in financing

BW Pavilion LNG recently secured two financings worth USD360 million in total. This deal is a highly competitive funding solution that was attained at attractive pricing with favourable terms and conditions. This facility will be used to fund the purchase of the newly-delivered BW Pavilion Leeara and refinance the shareholders loan used to purchase BW Pavilion Vanda.

A total of 22 banks were invited to submit proposals for the initial phase and the response was overwhelming. The total



USD360m

Total of two financings
secured by BW Pavilion LNG

commitments amounted to an over-subscription of more than five times. Six banks were eventually selected for this deal, with Sumitomo Mitsui Banking Corporation (SMBC) acting as the facility agent. The other lenders include DBS Bank, Overseas-Chinese Banking Corporation (OCBC), Clifford Capital, Societe Generale and Credit Industriel et Commercial.

This was the second financing deal that was closed since the formation of the partnership with Pavilion Energy. By signing this deal, BW Pavilion LNG has

secured a strong funding platform from a group of supportive banks. This deal also demonstrated that such funding for LNG vessels is feasible in today's relatively soft LNG market with the right structure and stakeholders involved in the project. It also highlighted the trust shown by the banks towards both BW and Pavilion Energy and the strength of both companies' brands.

This deal helps to crystallise Singapore's energy diversification strategy and the country's push to become an LNG hub in the region. It also places BW Pavilion LNG

at the forefront of such initiatives; and with a 20-year charter in place to serve the region's LNG needs, the joint venture is poised to be involved for the long term.

BW Pavilion LNG is a joint venture formed between BW and Pavilion in May 2015. The main business of this joint venture is to invest in Liquefied Natural Gas (LNG) vessels to meet the growing demand in LNG transportation in the region. **Wh**



22

Banks were invited to submit proposals for the initial phase

2nd

Financing deal that was closed since the formation of the partnership with Pavilion Energy

Developing Our Talent

Training future leaders through the Management Associate programme

Having a team of capable leaders is necessary for the smooth running of a successful company. But not all leaders are born with the gift to lead; many are made through experience and knowledge. But... however... having the opportunity to acquire such attributes is not always easy. BW believes in training the next generation of talent and empowering them with the skills and knowledge to lead. One of BW's core values is acting for the future and the company's commitment to the future can be seen through the company's Management Associate (MA) Programme.

The Management Associate programme

In the Singapore office, BW runs an MA programme that is designed to attract fresh graduates who are interested in developing a career in the maritime industry. Through a rigorous two-year development period, these individuals are equipped with the necessary skills and knowledge to succeed as a leader within the organisation. Each MA is also assigned a mentor who acts as their programme sponsor and supervisor.

At BW's Oslo office, a partnership with

Norges Rederiforbundet (Norwegian Shipowner's Association) sees our participation in what is widely regarded as one of the best MA programmes in Norway. Under this programme, associates are employed by the company and given exposure to the daily operations of the business. The programme also features an academic component where associates attend modules to build their knowledge of the shipping industry.

Making improvements

The MA programme also provides opportunities for the associates to suggest and implement improvements. Second-year MA Joshua Lin modified a Time Charter Equivalent (TCE) calculator for benchmarking the Chartering team's performance. The TCE calculator is often used as a tool to calculate the average daily revenue performance of a vessel. This modified TCE calculator proved immensely useful for the department with the customised values tailored to the department's operational needs. This improvement was a collaborative effort between his mentor and himself.

Creating energy through collaboration

BW provides a safe environment to grow

and learn as a team. Brian Ang, a second-year associate, notes how the importance of working together within the department and with others is essential to achieving objectives. Team work is a necessary component for any business, and a leader that understands how to make people work together to accomplish a common goal is a hallmark of success.

Vivian Yuan, a first-year associate says, "The most enriching aspect of the MA programme so far has been the exposure to different departments and functional units within BW. I enjoy picking up new skill sets with each rotation, as well as meeting new colleagues who are very friendly and approachable."

Speaking from experience

Senior Vice President for Quality, Audit and Compliance Billy Chiu joined the company, then known as World-Wide Shipping, as a management trainee in 1985. He was exposed to the deep end when he was posted to the Japan office after just two months in the company. Despite the steep learning curve, he had a mentor who was patient and willing to show him the ropes. The comparatively



▲ From L-R: Management Associates Joshua Lin, Brian Ang and Vivian Yuan



“Being humble enough to allow your seniors to teach you and to learn from mistakes is important.”

– Billy Chiu

smaller team in the Japan office afforded Billy the chance to be exposed to different aspects of the business. It also gave him the opportunity to take on projects and responsibilities that were normally beyond his scope, allowing him to gain a broader appreciation of the interconnectedness of each department. Looking back, he said, “there are two sides to the coin, I was given the chance to do things that were normally for more senior positions but at the same time, I had to do small tasks such as photocopying too. But overall, I learnt a lot from all these experiences.”

As advice to the new management associates, he says that “being humble enough to allow your seniors to teach you and to learn from mistakes is important. Being able to commit time and effort to further your knowledge is necessary as well.” **wh**



To The Rescue

Very Large Gas Carrier BW Carina rescues refugees in distress

With a fleet of over 150 ships, BW's vessels cover a vast expanse of the world's oceans, delivering energy to wherever it is needed. On this occasion, Very Large Gas Carrier (VLGC) BW Carina was to make a short voyage from Grand Cayman to Houston when she was called upon to assist in a rescue.

The Rescue

During the journey from the Grand Cayman to Houston, the Officer on watch spotted a small raft. White flags could be seen being waved in the distance by two individuals. Captain Biju Jayarajan, Master onboard BW Carina, was immediately informed of the situation and the crew was called into action.

BW Carina made contact with BW Fleet Management to keep the office apprised of the situation. Following international protocol, BW Carina alerted the nearest

Maritime Rescue Coordination Centre and proceeded to investigate further.

A total of 14 people were spotted onboard the small raft and orders were immediately issued by Captain Jayarajan to bring them onboard BW Carina. Fortunately, none of the rescued required serious medical attention. The crew later learn that the 14 people onboard the raft were Cuban refugees who had been out at sea for the past 19 days.

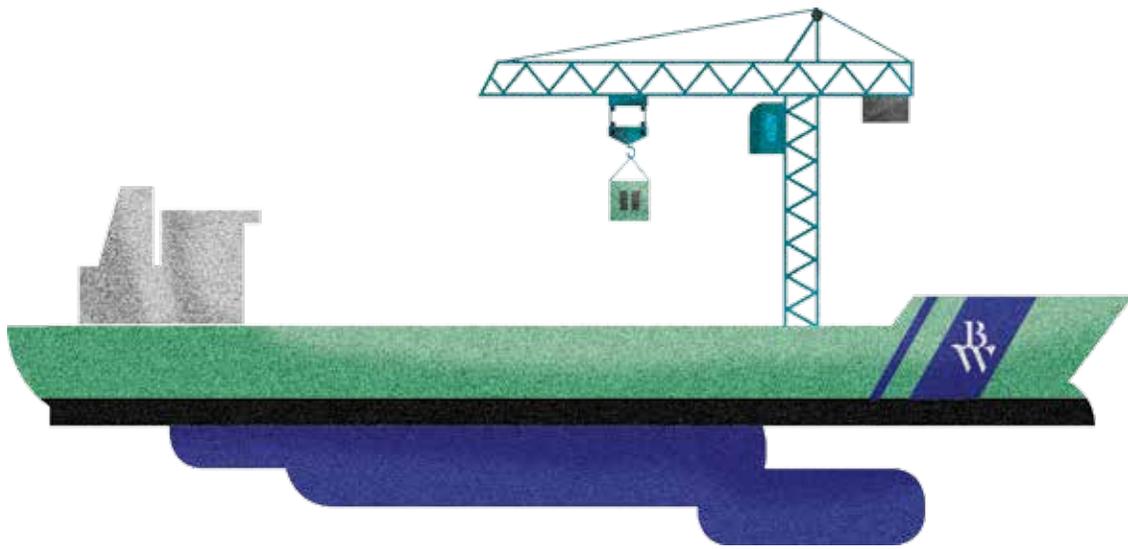
Swift Response

The entire process lasted two hours, from the first sighting of the raft to the successful rescue of the 14 onboard. The swift and timely response of BW Carina ensured the safety of the refugees. The refugees were transported off BW Carina onto the United States Coast guard vessel USCGC Kathleen Moore later that evening. The crew of BW Carina were presented with a badge of commendation for their role in rescuing the refugees.

Lars Pedersen, Managing Director of BW Fleet Management, thanked the crew for the professional and efficient handling of the matter. He said, "It makes us all very proud when we are able to make a difference." Captain Jayarajan echoed that sentiment, "I am glad that we could be of assistance to the refugees who were adrift at sea."

Longstanding Tradition

It is a longstanding maritime tradition to render assistance to others in distress at sea. This tradition has been codified into law through the Safety of Life at Sea (SOLAS) Convention, under which the Master of a ship is legally obligated to respond to any distress situation regardless of nationality, status or circumstance in the world. While BW Carina's response to the situation fulfilled her legal obligation, it was borne out of BW's belief in the sanctity of life and commitment to ensure safety for everyone. **wh**



Catching Up with BW Catcher

BW Catcher is on course for delivery in 2017

BW Catcher Floating Production, Storage and Offloading (FPSO) is currently on track for its delivery in 2017. Set to be deployed in the Premier Oil operated catcher field of the United Kingdom's (UK) North Sea, the FPSO vessel will be placed on a seven-year charter with a contract value of USD2.3 billion.

"Two significant milestones have been achieved with the cutting of the first steel in the first quarter of 2015 and the Keel-Laying recently in August," says Project Manager Venu Viswanadha. The FPSO is half-way to completion and on course for its 2017 delivery schedule. The next major milestone would be

the delivery of the Middle Mega Block (MMB) which is expected in November. The MMB is being constructed in Korea and will be shipped to Japan where it will be assembled by IHI Shipyard.

New Challenges

Working in the Catcher field presented new challenges to the project team with stringent regulatory requirements and unique geographical conditions necessitating a unique hull design for the FPSO. With harsh weather conditions and waves three to four metres high, special consideration was given to designing a hull that satisfied safety concerns. Strong winds and currents are also present in the Catcher field that required attention.

Ensuring that key personnel were properly informed and educated on the requirements of the project was necessary. Experienced individuals with extensive knowledge on the UK continental shelf and its regulatory requirements were deployed to the shipyards to ensure the smooth progress of the project at hand.

Going forward

Project Manager Venu thanked the team for their hard work, "All the team members have been putting in their best efforts to ensure the project remains on course for delivery despite all the challenges." **wh**



Always Trying to do Better

BW Aries aims for the stars
in energy management



BW Aries, a recently delivered Very Large Gas Carrier, is certainly living up to its name. Individuals with this zodiac sign are often described as “go-getters” and leaders, and with less than a year on the water, crew onboard are already hard at work trying to raise fuel efficiency levels to reduce emissions to air and at the same time save cost.

Leading such energy management initiatives onboard is Chief Engineer Jitendra Kumar Sabharwal. He says, “It is always exciting to deliver higher efficiency and run the vessel in the most economical way. Every ship and voyage is a new journey of findings and learnings. Most of the time, it is just minute key observations, which if taken care of, can lead to surprising results.”

Elaborating on a particular initiative, Jitendra adds, “As we had insufficient spare load to run only one generator efficiently, the LPG compressors were

operating on lower revolutions per minute (RPM). The compressor efficiency was tested at different RPM levels and we found that at 525-550 RPM, the compressors were delivering better fuel efficiency. We validated our observations with further studies and analyses. With this finding, we have managed to reduce the fuel consumption of LPG compressors by about 33%, which will help us save quite a bit of cost”.

Says Erle Wagle, Environmental Performance Manager, “BW Aries is a new and efficient vessel, but onboard crew have done additional work in cooperation with Technical and Electrical Superintendents to reduce fuel consumption of generators which will give us an annual saving of over USD100,000 and reduce the emissions from the vessels by about 1,500 tonnes of CO₂.”

Working as a team

Working to increase efficiency is a team

effort and everyone onboard was involved. Day to day operations required coordination, and data had to be collected and analysed. A major challenge was to sustain the spirit and motivation of the team throughout the initiative. Jitendra comments, “Throughout the study, there were times when our tests failed or produced no results, but the team did not give up. I try to keep the energy of the teams on board high by being involved with them – I make sure we celebrate even small victories, and appreciate all effort put in”.

Finding new challenges

Chief Engineer Jitendra is setting his sights further with this success. His future energy management projects will be related to the performance of auxiliary boiler, and cylinder oil optimisation. He reflects “There is always immense scope to explore. We need to think and approach our daily operations as if we are the owner, and start taking initiatives from our end to improve current operations, and have an eye for detail and passion to do better”. **wh**

Good to Great

BW LPG's new chief executive Martin Ackermann talks about building on the success of the company and driving the business forward

With two decades of experience in the commercial LPG business, Martin has led a dynamic career in gas shipping. Up until this summer, Martin was the CEO of Evergas for the past seven years, where he led the rejuvenation of the former Eitzen Gas with a one billion USD investment programme, including pioneering the ethane transportation market as well as introducing dual fuel propulsion to the fleet. With Martin having embarked on his new role at BW LPG, World Horizon speaks to him to find out what he has in store for BW LPG.



Arathi Menon [AM] for World Horizon**AM: "Why did you join BW LPG?"**

Martin Ackermann [MA]: "I have always admired BW Group for its ability to drive market leadership as well as being an industry role model. I was very inspired about this opportunity and being able to work with the world leader within LPG transportation. Having been here now for a short period of time I am delighted that we have such a strong team and this gives me a lot of confidence for the future.

We all spend an enormous amount of our time in the workspace, thus what we do has to matter. The BW values resonate very well with my own values and how I see myself as a person. This combined with the opportunity to work for BW LPG made the decision to join BW easy."

AM: "What are some of your key ideas for running a successful organisation?"

MA: "The three key pillars that define success in an organisation are its people, a customer centred mindset and efficient processes. People are the backbone of any organisation. In BW LPG, we have a pool of dedicated and talented individuals. The company is already a very well-run company and I am looking forward to working closely with our team, driving the business forward.

The customer is still king. Understanding the long term needs and demands of our customers will remain important for us to move onto the next level and drive BW LPG's business forward.

Operational efficiency is key to ensuring a high service level as well as cost efficient operations. Change is a constant

factor we have to embrace and we do this by having an agile business platform that is supported by efficient systems and lean processes.

BW LPG has enjoyed extraordinary success over the past 18 months and has become an excellent industry platform. Our focus is long term and we will work to ensure that the company remains well poised for capturing future growth opportunities and remains competitive in scale and across our business. Shipping markets are cyclical by nature, thus it is vital to ensure that our focus remains on being best in class by delivering competitive and sustainable solutions to our clients."

AM: "What inspires you as a leader?"

MA: "A good leader is someone who is in close contact with his or her team. Within this team everyone is working together, aligned on goals, and growing together within their respective responsibilities to deliver results consistently. There is already a strong team behind BW LPG and I hope my direct, open and empowering leadership style will help to further strengthen within the organisation.

There are so many great leaders in this world who are a source of inspiration. Mandela's courage and perseverance to fight for justice without ever losing hope and focus is inspiring. Another leadership principle that has stayed with me over the years is, "When you talk, you are only repeating what you know. When you listen, you may learn something new." Having a collaborative leadership style, asking incisive questions, understanding socio-cultural contexts and motivations of people are all crucial for good leadership."

AM: "With your busy schedule, how do you spend the little spare time that you get?"

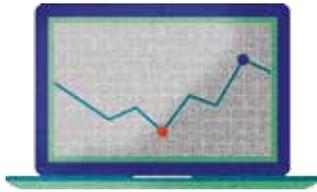
MA: "On the personal front, my two boys Emil, aged 11 and Niels, aged 9 are both a great source of joy and they inspire me to be present in every moment of my life. Time is always a scarce resource, making it important and ultimately more rewarding for all of us to be present in the moment, be it at work with our colleagues or at home with our families." **Wh**

I hope my direct, open and empowering leadership style will help to propel the business forward.



Changing Directions

BW Offshore adopts a more strategic approach to Supply Chain



“First and foremost it is a question about communication and alignment. Many of our internal customers have never been aware of the value that a properly executed Supply Chain function can bring to the business. There is also a need to move towards a greater focus on value creation and not just cost.”

– Michael Skyum

Prourement is about spending money and creating value for the business that it supports.

Knowing how to spend the money optimally and create value in the process is important. For this, you need a clearly defined strategy. At BW Offshore, the Supply Chain Department (SC) is going through a transformation to improve its practices to achieve better cost savings, efficiencies and generate more value for the company.

From reactive to proactive

Supply Chain practices have historically been very reactive in nature with individual orders placed when requests are made. The SC team is in the process of shifting towards a much more proactive approach in handling supply chain matters, where the company adopts a long term mindset when thinking about their procurement requirements. This involves working much closer with internal stakeholders and vendors to understand life cycle cost and form long term relations that offers benefits for all parties.

An eye on value

This shift in strategy is much more than

just a cost cutting exercise. Senior Vice President Michael Skyum, Head of Supply Chain, says, “First and foremost it is a question about communication and alignment. Many of our internal customers have never been aware of the value that a properly executed Supply Chain function can bring to the business. There is also a need to move towards a greater focus on value creation and not just cost. Creating value means not always taking the cheapest option but ensuring that the choice is the best one that satisfies the requestor’s needs and requirements without being over-engineered.”

For example, value can be achieved when shortened lead time for deliveries are secured or even when accepting higher costs to acquire more durable materials that can offer better performance and thereby Life Cycle Cost. Providing an analogy, Michael says that, “Instead of paying a dollar for a pen that lasts three months, we may pay three dollars for a pen that last 10 years.”

A collective journey

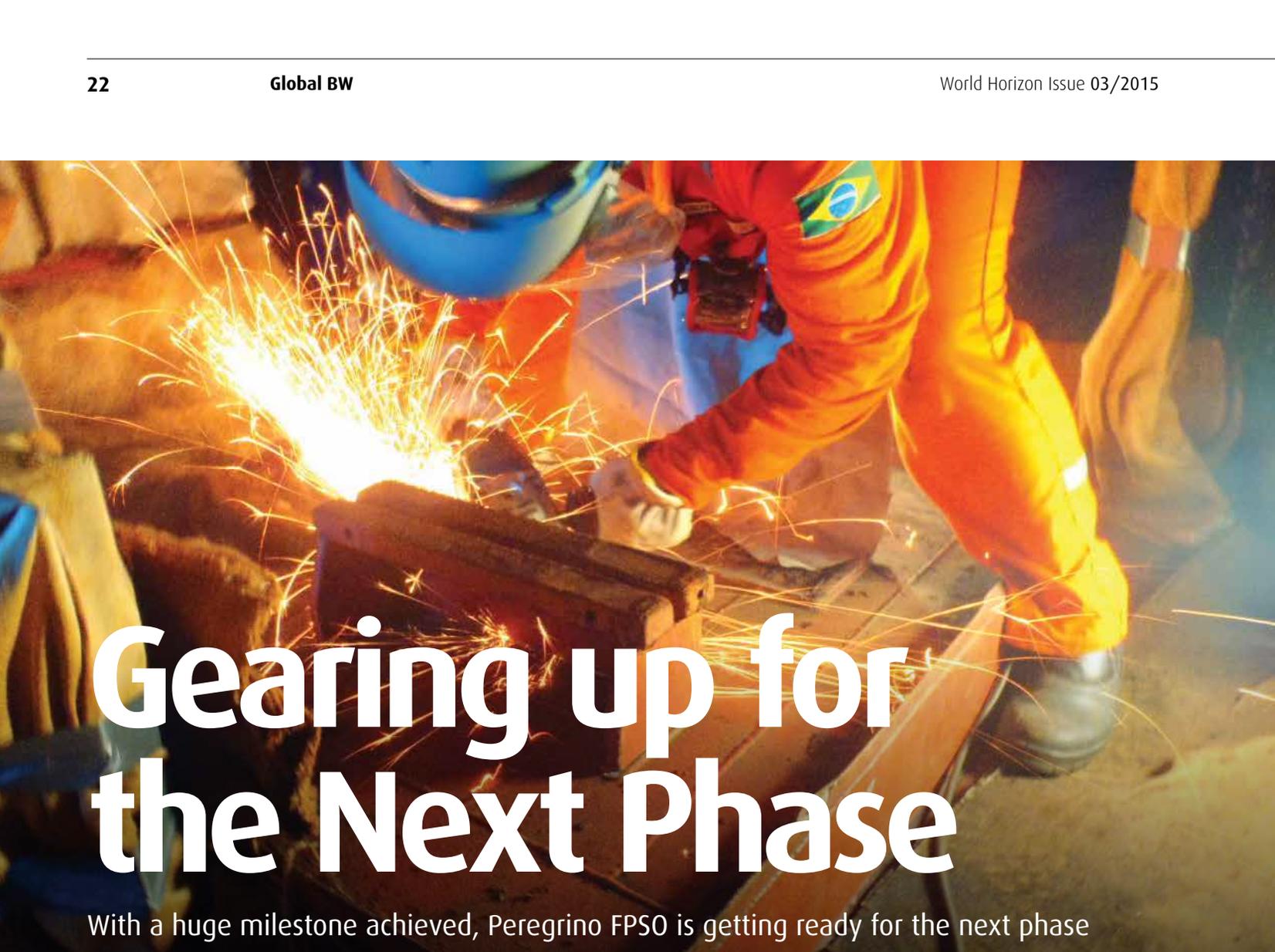
To implement this proactive approach successfully, a collective effort is required

from all departments. Incorporating a procurement phase into Fleet and Project planning minimises last minute requests and allows the procurement team increased flexibility in negotiating with suppliers. This can translate into better value and cost efficiency. A mindset shift with regards to procurement together with effective communication company-wide is necessary to ensure that everyone is on the same page.

For the procurement team, being equipped with the necessary sourcing skills and knowledge to utilise the various procurement systems is critical for a smooth transition. Proper training and courses are planned to ensure that all SC personnel have the required knowledge to do their part in this transition.

The bigger picture

The successful transition towards a strategic focus on procurement can have benefits outside of BW Offshore. The initiatives and systems are being discussed Group-wide to look for synergies and achieve better procurement efficiencies. BW is always trying to do better and this timely strategic review readies our business for the years ahead. **Wh**



Gearing up for the Next Phase

With a huge milestone achieved, Peregrino FPSO is getting ready for the next phase

The BW Offshore operated Peregrino Floating Production Storage and Offloading (FPSO) vessel has successfully completed the installation of two new crude oil pumps. These new pumps will feature an increased output of 60,000 barrels per day which caters for future increase in demand from the Peregrino field. In addition, the new pumps are expected to have lower gas emission into the atmosphere.

This project was assigned to the Brazil Modification Projects team by Statoil. Benito Ciriza, Vice President for Brazil Modification Projects said, "The entire project took about one year to complete, from designing the equipment specification to engineering, fabrication and

installation." The success of project was a result of strong cooperation between Statoil and BW Offshore teams.

This modification project was an important component for the preparation for Peregrino Phase II. This second phase will expect to see an increase of approximately 250 million barrels in the field. The pump installation was considered a production bottleneck and the successful installation meant that the FPSO was on course for this second phase.

Safety First

Installing the pump in a challenging environment meant that all involved had to have an even greater awareness of safe work practices and strict adherence

to proper work procedures. As the installation required hot work, strict control of the environment was also necessary to avoid incidents. This was managed through pressurised habitats to control the atmosphere in the work area. Even under such controlled environments, proper safety procedures for equipment installation had to be observed.

Passed the 100 million mark

On 2 August, 2015 the Peregrino operations in the Campos Basin crossed the 100 million barrel mark. Brazilian National Agency of Petroleum, Natural Gas and Biofuels reported earlier this year that Peregrino is Brazil's eighth largest field and has the second heaviest oil production rate. **Wh**

BW GROUP FLEET: 156 VESSELS

As of 24 July 2015



Very Large Gas Carriers

No. of vessels: **35**
 Year of construction: **1990-2015**
 Average age: **7.9**
 Cargo carrying capacity: **78,000-84,000 CBM**
 Areas of operation: **Worldwide**



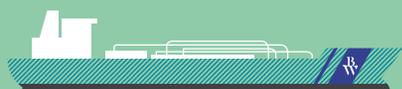
Large Gas Carriers

No. of vessels: **5**
 Year of construction: **1991-2003**
 Average age: **18.2**
 Cargo carrying capacity: **58,050 CBM**
 Areas of operation: **Worldwide**



LNG Carriers

No. of vessels: **15**
 Year of construction: **1984-2015**
 Average age: **7.4**
 Cargo carrying capacity: **125,200-162,500 CBM**
 Areas of operation: **Worldwide**



Very Large Crude Carriers

No. of vessels: **10**
 Year of construction: **2000-2012**
 Average age: **10.4**
 Cargo carrying capacity: **298,600-320,000 DWT**
 Areas of operation: **Worldwide**



Long Range 1 Product Tankers (LR1)

No. of vessels: **17**
 Year of construction: **2004-2010**
 Average age: **7.8**
 Cargo carrying capacity: **72,800-76,600 DWT**
 Areas of operation: **Worldwide**



Medium Range Product Tankers (MR)

No. of vessels: **13**
 Year of construction: **2013-2015**
 Average age: **0.7**
 Cargo carrying capacity: **49,999 DWT**
 Areas of operation: **Worldwide**



Offshore Fleet

No. of vessels: **17**
 Year of construction: **2002-2012**
 Areas of operation: **North and South America, Europe, Asia Pacific, Africa**



Chemical Tankers

No. of vessels: **4**
 Year of construction: **1997-2010**
 Average age: **11.8**
 Cargo carrying capacity: **19,400-22,000 CBM**
 Areas of operation: **Worldwide**



Newbuildings

Very Large Gas Carriers: **8**
 Floating Storage & Regasification Unit: **1**
 Liquefied Natural Gas Carriers: **5**
 MR Tankers: **9**
 Chemical Tankers: **11**
 LR1 Tankers: **6**
TOTAL: 40

Around the World

1.

Meet the President

BW Group Chairman Andreas
Sohmen-Pao met Egyptian
President H.E. Abdel Fattah al-Sisi
at a Leaders Luncheon during
the President's state visit to
Singapore in August.

1



2. **BW will be at Gastech 2015**
BW will be showcasing over 80 years of maritime energy transportation history and 40 years of operational experience in LNG at this year's Gastech in Singapore. Find us at stand B110 at the Singapore Expo, from 27-30 October.

3. **Ahoy there little Captain!**
Ole Theodore Teien, son of Captain Jan Ivar Teien, was onboard FSRU BW Singapore when the vessel was at Keppel Shipyard in Singapore. Striking a fine figure in BW's boiler suit, the world is the little Captain's oyster.

4. **Hollywood material**
Captain Leif Einar Olsen and Captain Petter Maelandsmo were stars for a day when a video crew boarded BW Pavilion Vanda and BW Singapore to film footage for a corporate LNG video.



5. **Godmothers to constellations**

In a double shipnaming ceremony, President of BW Shipping Philippines Office Rosalinda Cruz and BW LPG HR Business Partner Sonia Vaswani, as godmothers, named Very Large Gas Carrier (VLGC) newbuilds Hull number 2723 and 2724 BW Libra and BW Orion respectively at Hyundai Heavy Industries, Korea.

6. **Fifty Wings for 50 years**

BW Group in August donated a public sculpture commissioned by American artist James Surls in honour of Singapore's 50th anniversary. The three metre high bronze and stainless steel outdoor sculpture Fifty Wings draws its artistic inspiration from the Dipterocarp seed. Dipterocarps are the tallest trees in the rainforest, and can be found in the Singapore Botanic Gardens.

7. **A piece of cake**

BW Fleet Management colleagues based in Singapore celebrated the delivery of Product Tankers BW Kestrel and BW Merlin in September with some cakes in the office.

5



6



7



8.
Crossing the Ts and dotting the Is
The Finance team in Singapore organised a signing event for BW Pacific USD676 million facility and USD266 million facility in June which involved 12 banks. BW thanks our bank partners for their confidence in the company.

9.
Work hard, play hard
The BW Shipping team in Singapore organised a team building session in July, where colleagues tested each other's IQ with general knowledge quizzes and 3D puzzles.

10.
Safe recovery
On 25 September, condensate offloading from Cidade de São Mateus (CSM) to the shuttle tanker Sao Luiz was completed safely. The operation has been completed safely and in strict adherence to detailed procedures required for such a challenging operation. This marks a major milestone for the CSM Recovery Project. Going forward, the focus

is on the next phases to prepare the FPSO for disconnection, repair and return to operation. The teams continue to maintain the strong HSEQ focus. The management takes this opportunity to thank everyone for their professionalism, commitment and hard work in reaching this milestone.

8



10



9



11.
Big trophy, bigger smiles
 Triumphant smiles from the winning team at a bowling competition held in conjunction with an Officer conference held in Oslo from 23-25 September. From left to right: Chief Engineers Ole Raknes, Ragnar Ueland and Thomas Pryde, and Captain Timothy Goldsmith (winner).

13.
25 years of commitment
 BW thanks Captain Charles Leite and Chief Engineer Tor Arne Helgesen for 25 good years with the company. Presenting gold watches as a token of this significant milestone is Vice President and Head of Fleets (Oslo) Olav Lyngstad.

12.
Meeting onshore
 Marine personnel department of BW Fleet Management held another successful Officers Conference in Oslo from 23-25 September.

11



12



13



BW CRYPTIC CROSSWORD #2

Welcome to the BW Cryptic Crossword. This puzzle consists of cryptic clues all having a maritime or BW-themed answer. *(Some lateral thinking is required.)*



Contest rules:

- Please submit a scanned copy of your entry to lisa.lim@bwmaritime.com by 30 November 2015, 1800h SGT (Singapore Time) with your full name, department, email address and a contactable number on the top right hand corner of the page.
- Three complete and correct entries chosen from a hat will receive a limited edition BW Moleskine notebook.
- Winners will be notified via email. Answers will be revealed in the next edition of World Horizon.

Across

- 2. Altitude with the (L) moved forward
- 5. The right of the vessel
- 7. After removing the ER
- 8. The belt in the sky
- 10. Hot attire, white & orange
- 14. Support that is not turned on
- 17. A timekeeper that is not sitting
- 19. Safety from bombs, also used to store explosive materials
- 20. Line for safety and a caring man
- 23. An electric flow, also a strong force that can carry you

Down

- 1. Shorts that you wear that make things disappear
- 2. A home that is not heavy
- 3. To transfer, also red wine of the Portuguese
- 4. In school and status
- 6. Our way of making energy
- 9. A good day greeting or a lover
- 11. Protection on the beach
- 12. To salvage, also to make safe
- 13. Jelly that runners use, also a fossil
- 15. The English version of GDF Suez
- 16. Commissioned above a Captain
- 18. The roof covering the hull, also a collection of cards
- 20. The rim where robots and aliens fought
- 21. A Japanese staff with the brightest star in this system
- 22. Making light of liquid

Special Thanks to...

25 Years

October

Billy Chiu, SVP, Quality, Audit And Compliance
Dela Cruz Diosdado D., Third Engineer

November

Rolf Harald Bjørnø, Chief Electrical Officer
Serra Felicisimo II Tejero, Second Engineer
Villacura Bonifacio Jr. Opingo, Second Engineer

December

Alonzo Aurelio Romion, Motorman
Laserna Dindo Alinsod, Motorman
Ole-Vidar Berglund, Electrical Officer

20 Years

April

Bjørnar Jensen, Master
Surajit Chanda, Fleet Manager

October

Dela Rosa Domingo Regla, Second Officer
Diaz Neri Severino, Bosun
Emilio Dennis Pacantara, Motorman
Gregorio Luisito De Vera, Engine Fitter
Guatno Enrico Cruz, Motorman
Paler Jerry Barrete, Third Officer
Sambit Srimany, Master

November

Aranzanso Jessie Florentino, Master
Cada Rodel Sagunde, Motorman
Castillo Rodelio Lasam, Mechanical Technician
Delgado Marvin Cabahug, Able Seaman
Gula Macario Jr T., Bosun
Ole-Anders Johansen, Master
Virtudes Robin Cadelina, Able Seaman
Villamor Antonio Cubrita, Second Cook
Pedrosa Joel C., Able Seaman

December

Jupio Tommy O., Able Seaman
Mohseen Khanche, Marine Superintendent

15 Years

October

Almojuela Nestor O., Chief Cook
 Baluco Warlito R., Oiler
 Bangoy Lorenzo R., Oiler
 Baticos Richard A., Fitter
 Briones Dennis T., Oiler
 Cabug-Os Michael, Able Seaman
 Canong Henry Ulaira, Chief Steward Cook
 Chiva Ronnie L., Fourth Engineer
 Chon Hyon Chol, Master
 Devender Kaushal, Second Engineer
 Espana Joseph P., Able Seaman
 Fernandez Irineo P., Oiler
 Gabayno Ronilo G., Oiler
 Gurin Sergiy, Offshore Installation Manager
 Kochukulam Appu Gireesan, Mechanical Technician
 Knut Georg Kvifte, Manager Information Technology
 Lancy Prasad D'souza, Chief Engineer
 Lico Ernesto A., Able Seaman
 Lumandog Romeo Jr V., Fourth Engineer
 Loable Cirilo Abiado, Electro Technician
 Mag-Usara Bruce B., Pumpman
 Malik Purna Chandra, Motorman
 Melvin Cardozo, Chief Cook
 Naciongayo Fred T., Oiler
 Nastor Ronaldo S., Able Seaman
 Preciosa Jevey J., Oiler
 Pryde Thomas William, Chief Engineer
 San Martin Yorino S., Bosun
 Tarrant Philip, Master
 Tequil Nemesio B., Pumpman

November

Abdul Rasheed, Cook
 Cabasa Ramon Benadera, Second Cook
 Chandrashekhhar Menon, Master
 D'souza Urban Dominic, Sr. Maintenance Technician Deck
 Joseph Joshy, Engine Fitter
 Kurup Kesava Velayudha, Electrical Officer
 Lagura Arnie D., Bosun
 Malaluan Justino T., Pumpman
 Maruvan Krishnan, Electrician
 Naringahon Ruel Rada, Able Seaman
 Torre Wilfredo T., Third Engineer
 Yong Meng Heng, Procurement Controller

December

Aguilar Rodrigo Q., Third Engineer
 Almirol Garry G., Third Engineer
 Banagan Ronaldo Pingol, Second Officer
 Chee Emmanuel Orate, Chief Engineer
 Dcouto Burk, Engine Fitter
 Johnson Michael, Production Superintendent
 Kalinin Viacheslav, OIM
 Nallasubbu Sekar, Third Engineer
 Rajiv Atrey, Master

10 Years

October

Baclayanto Jose Errol Curio, Reeferman
 Bartolome Aaron Clemente, Able Seaman
 Caramay Ariel Banaga, Able Seaman
 D'cruz Charles, Mechanical Technician
 Enriquez Nicasio Hernandez, Chief Engineer
 Gestopa Enrico Jr. Seno, Able Seaman
 Hernandez Julieta San Juan, Cargo Engineer
 Kouame Koffi Trinite, GP Marine
 Lim Eder Santos, Second Officer
 Plaza Rhys Sy, Master

November

Balan Santhosh Kumar, Able Seaman
 Diplo Rose Georgina, Planner
 Figueroa Mark Louise Lunasco, Ordinary Seaman
 Medina Miguelito III Gabriel, Chief Engineer

December

Baidaks Konstantins, Fitter
 Dissamoussa Patrick, Process Operator
 Rutagines Louie I., Messman

Retired

October

Dinesan Ashari Kandi, Able Seaman
 Tore Rødbøl, Master



H E R I T A G E

This photo was taken at SingaPort '94. The exhibition and conference gave an opportunity for shipping businesses to display new products and meet new clients from all over the world. Dr Helmut Sohmen gave the keynote speech on "Challenges and Prospects in International Shipping Beyond 1995".

Fifth from Left, then Minister for communications and Minister for the Environment Mr Mah Bow Tan, with Dr Sohmen.

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