

GRAIG HORIZONS

THE NEWSLETTER FOR THE GRAIG GROUP
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Wind lifts project cargo demand

Demand for project cargo carriage is strong and going to get stronger. Part of the demand is coming from the need to transport wind turbines from manufacturing plant to site. And part is from an increasing trend for manufacturers to try to ship large pieces of complex plant already assembled, to cut down on local assembly.

Those trends create demand for new multi-purpose heavy lift ships (MPPs), and old skills. "Wind turbine blades are awkward things to transport," says Ian Morgan, ceo of Cardiff-based Graig Ship Management (GSM). "So as everyone wants wind farms we see more demand for project cargo shipment to move wind turbines from manufacturer to site. They need new types of ships to move the blades and towers efficiently. And as turbine parts only move one way, that frees up project cargo ships to move big lifts on the back haul, which has changed the global market for project cargo. But one thing has not changed. That is the need for very good experienced crews on the MPPs. Handling large, heavy and delicate lifts is a very special skill set, and the consequences of not getting the lift or securing right can be huge. If a major plant unit is damaged, a whole project can be delayed."

GSM built and operated specialised heavy lift project cargo vessels in China starting in the mid 1990s, and manages a fleet of project

cargo ships. "We are helping to build some new wind turbine carriers," says Morgan. "These ships need a special hold configuration for the turbine blades, and they need big cranes for the backhaul leg, where they will compete in the project cargo market. That is where they will also need the skilled crews. Today we are often asked to move units over 40 m long and weighing up to 400 tonnes. That calls for rather special ships, and above all, experienced crews. For project cargo work, while the right ship is important, the right crew is even more vital. The new designs we are supervising have more room to carry trainees and cadets. That will be needed to preserve the skill base as there is no way moving project cargoes can be learnt from a book."

Project cargoes offer ships' crews an interesting and challenging life. "Typically they have to load at out of the way places, not a normal port, and there is huge variety and satisfaction in getting each lift right," says Morgan. "We have a pool of experienced masters and officers and a retention rate over 80 per cent, they really enjoy the challenge of the job. We are looking at new projects constantly and with the changing patterns of demand wind power has blown into project cargo we believe the special expertise is a value added factor."

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The Graig Group

The Graig Group is a broad-based international shipowning and shipping services group delivering technical and commercial ship management, newbuilding supervision, lay-up services, ship design, ship owning and ship finance to global clients who appreciate personal service.

Graig provides the missing piece which completes the picture for any shipping puzzle. Each part of the group can deliver specialised services to support partners and clients with exactly the service they need. Or Graig can take over entire projects from conception to on-going management in service. The key to its success lies in its personal service, deep experience and ability to manage partnerships and relationships globally.

Graig has been building, managing and owning ships since 1919. Today it provides technical management and crewing for a mixed fleet of vessels on behalf of a number of owners. It has supervised well over 120 newbuildings for itself and major shipowners. It develops innovative designs such as the Diamond bulk carriers and it can source yards and finance and provide newbuilding supervision and follow up with in service management.

Graig employs a global maritime workforce drawn from the UK, China, the Philippines, Vietnam, India and Russia and has offices in Cardiff, Hanoi, London, Singapore and Shanghai. Graig group staff bridge the gap between sea and shore, between east and west to bring the best in innovation, service and partnership to the global shipping industry.

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Tailored reporting

Controlling costs and knowing what is happening across the fleet is the challenge facing all shipmanagers. And keeping owners informed about their ships without overloading them with information they don't need is key to good relationships.

Now GSM has a tried and tested integrated system in place to bring together all the information on operations, budgeting, maintenance, purchasing and accounting. The system can deliver standard reports or reports tailored to the client's needs.

"We introduced this in 2008 and have now completed roll out across the fleet," says Ian Morgan, ceo of GSM. "We get 24 hour seamless data transfer between offices and vessels of live data covering purchasing, accounts, planned maintenance, operations (safety and reporting), and budgeting. The server-based application is available remotely to clients who are able to access live information on their vessels to review performance and defined reports as and when required. We also use the system to measure and report on our KPIs. It sets a new standard in both control and clarity, and contributes a lot to our peace of mind, and more importantly, the peace of mind of our owners."

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Keeping in touch

Peter Graverholt is just back from a summer break sailing a 64ft schooner round the Baltic Sea. "I spent a few years doing sail training for bad boys and some schools," he says. "Running Dania in the current global crisis doesn't give me as much time for schooner sailing as I would like, but it is good to keep in touch with people, and with the sea."



Today Peter is managing director and owner of Dania

Marine, a Denmark-based ship owning, investment and technical management company. He took an unconventional route there. After school he trained with the EAC company in its Copenhagen head office but decided to choose another path and began working as a shipwright to build wooden fishing vessels, going on to build yachts and steel ships before sailing the schooners. "Well it was all interesting," he laughs, "and it gave me a lot of different experience. Then I bought a small coaster, that was tough, but from that we grew, and today we are in touch with good investors and we run ten good ships."

Those ten ships are mostly multi-purpose (MPP) or small container ships which Dania runs from a quiet location on the Jutland coast. "We have good people here for our daily work," he says, "and good communications with our investors, those are the two things that matter. We don't have to be in a big city." Peter has plans to expand Dania, especially with more MPPs, and perhaps with container ships, when the price is right. "The prices are more interesting now but the investor community has some deep scars and the banks are a problem," he says. "But when people feel more confident with the

market we'll be ready to move, and we have good investors with us for that."

Peter says it has been a tough year. "We bought six ships and we had to do some modifications, as GSM understands very well, and we had to cope with the freight rate crash," he explains. "So it hasn't been easy. It has created some challenges for us, and for Graig, and for working together. But the co-operation has worked and I'm pleased with that."

When Peter is working with another management company, like Graig, he says he wants someone who thinks like an owner. "They have to keep costs down but also keep the ships good," he says. "They have to see the details but also the big picture. We are not looking for cheap quick solutions, we are looking for good solutions, but as cheap as possible. Sometimes I'd like to get stuck in myself but this is a global business, the ships are a long way away and I do trust Graig to run the ships day to day."

One thing important to Peter is having the information he needs, and knowing what is going on. "I can say Graig has been very good at keeping us informed," he says. "Of course sometimes I would do things different to them, but they listen to me and when I ask special questions I get a good answer."

www.daniamarine.dk

Graig moves into Singapore

Cardiff-based Graig Group has established a new company in Singapore.

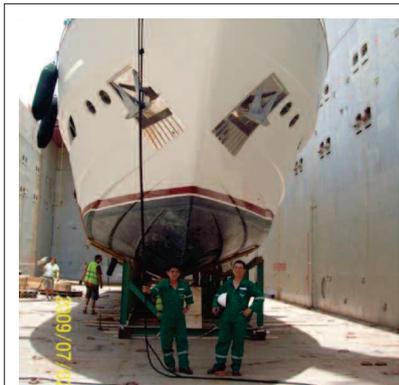


Graig Services (Singapore) Pte Ltd will provide ship management, crewing and other services including

lay-ups across Asia. Geoff Hutcheon has been appointed General Manager. "Singapore is one of the world's leading maritime hubs and the ideal place for the Graig Group to expand its Asian footprint," says Hutcheon. "We will be building a significant presence here to provide technical and commercial ship management and other innovative services to clients from the Middle East and across Asia, in addition to expanding the global network which Graig Ship Management puts at the service of its global clients."

Geoff Hutcheon has extensive experience as an engineer at sea and as a project manager, surveyor and newbuilding supervisor ashore as well as over ten years experience as a technical superintendent and fleet manager. Qualified with both a First Class Engineer's certificate and an MBA, he has most recently been supervising the building of Diamond bulk carriers in Vietnam for Graig China.

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Yacht given luxury treatment

Normally yachts are there to provide luxury transportation for their owners. But in July the 29 m Dominator yacht "Illusion 8" got its own luxury transportation when it was loaded carefully onto m/v Fanja in Jebel Ali for transportation to Porto Marghera, Italy.

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Graig widens training scheme

Graig Ship Management is widening its training scheme by sponsoring twenty Vietnamese officer cadets.

Under an agreement with Ho Chi Minh City-based University of Transport and Dutch education provider STC GSM will sponsor ten 2nd year and ten 3rd year cadets, both deck and engine, to complete their seetime leading to their first certificate and also a BSc in maritime studies on completion of training.

Each cadet will also complete an intensive English course. "Vietnam has a strong seafaring tradition and excellent training facilities, but these young men and women lack opportunities to develop themselves in international shipping. Graig can help them, and develop a new source of good crews from

the ground up," explains GSM ceo Ian Morgan.

Graig currently sponsors seven UK officer cadets and provides training berths for twelve Filipino trainee seamen. "We are delighted that one of our deck cadets and one engineer have recently qualified, and Rebecca Newdick, who recently won Cadet of the Year, will make her first voyage as Third officer on the Thor Spirit soon," says Morgan. "We will continue to train in the UK and the Philippines. Now by extending our training scheme to include Vietnamese officer cadets we will widen the pool of skilled crew we can place at the service of our clients."

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Graig to supervise windfarm vessels

Graig China has been appointed to supervise the plan approval and building of four specialised heavy lift vessels for the transportation of wind turbines.

The ships are to be built for SE Shipping Lines of Singapore at the Chinese Wenzhou Zhongou Shipbuilding Co. The 167m loa vessels will be built to DNV class. They have forward accommodation and a long unobstructed hold aft served by twin 450 tonne cranes. The new vessels were designed by Polarkonsult AS. The first vessel will be delivered in 2010.

Two more contracts were awarded to Graig China recently. Kiran Holdings of Turkey has appointed Graig to supervise

the building of six large bulk carriers in China. Two capesize vessels will be built at the Rongshen Shipyard and two Kamsarmax and two supramax vessels will be built at the Wujiuzui Shipyard. And O.I.S International has appointed Graig to supervise the construction of a craned pipelaying barge in Nantong, Tong Shun Shipyard and anchor handling vessel to be constructed at Guangdong Machinery Import and Export, China.

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news

- **Graig Ship Management has appointed Matt Callender as Operations Director.** He joined GSM as General Manager in March and is responsible for the day to day running of GSM's fleet. Matt has thirty-five years experience in shipping, as a sea-going Chief Engineer, then in management, including Joint Managing Director of Reederei NORD Klaus Oldendorff and General Manager – Technical for OSG Ship Management.



Atlantska Plovidba has taken delivery of the 53,000 dwt Diamond bulk carrier Ap Drzic. Constructed at Vietnam's Ha Long shipyard under Graig supervision it is the 6th Diamond from Ha Long and the 50th Diamond bulker in total to enter service.

- **UK-based Bibby Lines has taken delivery of a 57,000 dwt Dolphin design bulk carrier built at China's Yangzhou Guoyu under the supervision of Graig China.** Dawn Kitchen, wife of Bibby Line's managing director Jebb Kitchen, christened the vessel Shropshire in February, following a novel airbag launching method used to put the vessel into the Yangtze river.



- **Claims Co-ordinator Steven Halstead and Financial Controller Caroline Youde have successfully completed a P&I course run by the North of England P&I Club.** The week long residential course included ship visits, daily assessments, bridge simulation and MOB drills.



Spotlight

Ian Morgan chose to get married in Hollywood. But that is the only thing showy about him. He likes getting his hands dirty.



Ian Morgan

When he was growing up in Newport, South Wales, someone told him that a life at sea would be a way to travel the world and be paid for it. "I didn't need any convincing, I signed up to train as an engineer and had seventeen great years working my way up to Chief Engineer," says Ian. "We worked hard, played hard and I got a lot of satisfaction out of fixing machinery."

Love of the sea doesn't compete with love of daughters, though, so Ian came ashore to work for a classification society. He joined Graig as a newbuilding supervisor when it began

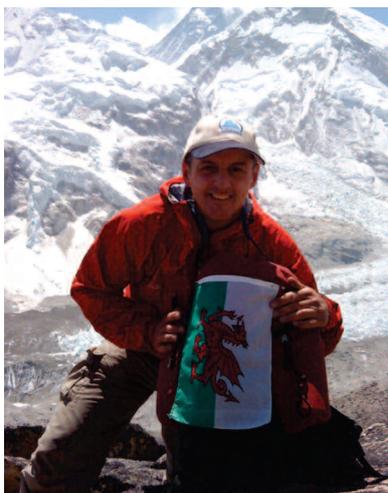
to build the Confidence ships in Shanghai. "Those three years really taught me how ships are put together," says Ian. "It was great experience and I'm pleased that so many in Graig's team have had the same background. It made my life easier when I became a superintendent, knowing the ships down to the last nut and bolt."

Back in Cardiff Ian was appointed ceo of GSM in January 2008, and now gets his satisfaction from delivering the service clients want. "I spend about half my time working with existing clients, and half developing new services and new clients," he says. "I can't get my hands dirty but I can get out, bring in a client and then make sure they get what they expect. It's a constant challenge but I enjoy it because of the good people I have working with me. They are self-motivating, so I can take a flexible role and help build the business."

Ian has two goals now. "I want to see Graig with fifty ships and lots of new projects", he said. "I want also, to see Cardiff City in the Premier League. Both teams have the ability, and I'm going to push them both up."

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- **Rebecca Newdick has won the Clyde Deck Cadet of the Year award.** She served on CEC Caledonia for phase 1 of her sea time and has now successfully passed her Orals for her Officer of the Watch Deck Certificate of Competency.
- **A team from Graig recently took part in the Fairplay Cup, a sailing event run for the maritime industry.**



- **Cardiff-based operations and technical assistant Mike Harry is aiming high.** He recently climbed Nepal's Lobuche Peak, 6,119 m, and reached Everest Base Camp Two.
- **Congratulations to Steve Davies, Ship Manager and Nick Owens, Purchasing Manager on passing the second year of their ICS professional exams with flying colours.**

