Schahin SS Amazonia drilling rig successfully delivered

On April 10, 2011, Yantai CIMC Raffles Offshore Limited (CIMC Raffles) successfully completed and delivered the SS Amazonia, the second in a series of two semisubmersible drilling rigs, to Schahin Oil and Gas Group (Schahin). The Friede & Goldman designed Millennium SA rig is a state-of-the-art 5th generation semisub with water depth rating of 2,000 m with a drilling depth rating of up to 7,500 m, and is equipped with a DP2 dynamic positioning system. TSC was awarded the contract for over twenty major equipments, including the BOP handling system, pipe handling system with dual remote control, and set of three Kingpost deck cranes. SS Amazonia is the second rig TSC has collaborated with Schahin after the completion of SS Pantanal. SS Pantanal arrived at Brazil in Feb 2011 and has started its contract with Petrobras.

As well put by Schahin: “The building of the semisubmersible drilling rig has been completed, but the marriage between Schahin and TSC has just begun.” TSC’s entire Amazonia project team was fully committed and dedicated to ensure on-time completion of equipment commissioning. The delivery of Schahin SS Amazonia not only provided recognition of our products’ quality and service support, but it also enhanced TSC’s global image, further strengthen our customers confidence in TSC’s ability as a seamless turnkey solution provider.
Announcement of 2011 Interim Results

On 24 August 2011, the Group reported a turnover of US$ 78.1 million for the six months ended 30 June 2011, representing an increase of 29.1% from same period last year. The Group’s gross profit grew 25.1% to US$ 28.5 million and net profit attributable to equity shareholders amounted to US $2.8 million. The Group’s turnover comprised revenue from capital equipment and packages, oilfield expendables and supplies, and provision of engineering services. Revenue from capital equipment and packages during the Period rose by 19.5% to US$ 55.1 million compared to US$ 46.1 million in the corresponding period of 2010.

Building a strong base of core products in oilfield expendables and engineering services were our primary focus in the first half of 2011. As a result, revenue from the oilfield expendables and supplies segment reached US$ 12.2 million during the period, which represented an increase of 9.9% compared with same period last year.

The revenue for engineering services grew significantly by 231.1% to US$10.8 million, driven by strong demand for quality engineering service by customers in emerging markets.

Beijing Office relocated

On June 18, 2011, Beijing TSC Offshore Oil Equipment Co., Ltd moved to the new location. With pleasant ambience, staff are encouraged the staff to dedicate themselves to work better.

A New address: 10 /F, NO.1 Beichentaiyue Office Building, Jia-13 Beiyuan Road, Chaoyang, Beijing 100107, P.R.China
Tel: +86 (0)10-6447 9600
Fax: +86 (0)10-8497 6659

Progress Report of Total Solution Packages

Adjustment and testing of individual units on CIMC 209 including power generation system, drawworks, rotary table, top drive, mud pump system, MCC and CCTV were completed. The next step is integrated system testing. Full-scale mobile testing on the jacking system was also finished.

For CIMC 197, adjustment and testing of the entire power generation system and partial MCC system were completed, while drawworks, rotary table, top drive and mud pump were also ready for test. Wiring and installation for the CCTV and meter continues.

For CIMC 196, testing of the power generation system and partial MCC system was completed. At the same time, cantilever skating was finished, which indicates the start-up of electric wiring from ship hull to cantilever as well as installation of other equipment.

As for the dragon oil project, its drill floor and cantilever beam set up are in progress and on schedule. With solid control equipment installation approximately 90% completed, electrical control cabin position secured, and derrick assembly in progress.

The brand-new TSC Offshore Equipment Institute

To expand TSC Group’s R&D and meet the growing market demand, Qingdao R&D moved to new location on May 15, 2011. At the same time, Qingdao R&D was renamed TSC Offshore Equipment Institute.

The new office is located at Financial Business Circle of Laoshan District, Qingdao it covers over 1500m2 and can hold 150 persons. Following is the new address:
TSC Offshore Equipment Institute
12th floor, Zhongshang International Building
No.8, Quanling Road, Laoshan District, Qingdao City.
Tel: 0086-0532-80999611
Fax: 0086-0532-80999511
TSC-OE Moves to a Higher Level of Safety Management

To meet the demand of being a modernized, civilized and safe manufacturing oil equipment enterprise, Qingdao OE is continuously adjusting its production management to a higher level. The establishment of an HSE system is our top priority.

OE conducted research on risk identification and integrated assessment, eventually formulating TSC’s own “HSE Management Handbook” and “Safety Handbook.” These handbooks clarify major controlling and monitoring departments, responsible positions, prevention measures, management goals and specific requirements for major risk areas. In the daily morning meeting of each production unit, workers should be reminded of the importance of safety precautions, so as to raise workers’ awareness of HSE.

The second thing is to enhance training on HSE matters. During the second quarter, OE’s management consolidated a series of typical cases for sharing and completed training materials for emergency drills.

Last but not least, strict inspection is essential. During the first half of 2011, the inspection team intensified inspection in different production units. They will report the problems they discover and will urge improvement in those units. In addition, more diversified products manufactured in OE means that the inspection team has to make more adjustments for each new safety measure.

TSC Passed the DNV Annual Audit on Quality Management

To ensure TSC’s quality management system continues to be valid and effective, DNV conducted the annual audit of the quality management system of TSC-HHCT between June 20 and June 21, 2011.

During the two-day audit, the auditor verified the company’s operation from product design, material procurement, product manufacturing all the way through quality control and final testing, according to the ISO9001:2008 benchmark and TSC’s internal procedures. The audit went smoothly and concluded with the auditor’s high acclaim for our quality management efforts. The auditor then declared that TSC successfully passed the quality management system audit.

Marketing Activities

TSC at Offshore Technology Conference 2011

The Offshore Technology Conference is the largest offshore technology conference in the world and is held in Houston, TSC’s corporate headquarters, during the first week of May. This year TSC created a new booth to present our products and capabilities to the global offshore industry. The event provides valuable exposure for TSC and further builds our TSC brand in the offshore oil and gas industry.

With all of the excitement surrounding the world’s largest oil and gas exhibition, TSC senior management arranged time to entertain delegations from the major Chinese shipyards particularly Rongsheng Heavy Industries, Dalian Shipbuilding Industry Offshore, and COSCO Shipyard Group, where TSC management help made delegations feel like at home. At each event relationships were strengthened and future cooperation was discussed. Our combined effort at OTC generated many new contacts and leads that will become new business in the coming months.
TSC at Brazil Offshore

On June 14-17 this year, TSC exhibited at Brazil Offshore Conference and Exhibition. Held in Macae, Brazil Offshore is the biennial exhibition showcasing over 600 Brazilian offshore industry players.

Our stand was considered one of highlights according to Brazil Offshore’s official website. We had a great opportunity to approach our existing customers, potential customers, suppliers and oil and gas professionals, thanks to good publicity, commitment and great job from the Brazil team, who presented TSC well at the oil show.

TSC Brazil has risen to the occasion once again by developing closer relationships with our customers. We emphasized the benefits of TSC’s products and services and informed customers about our commitment to deliver seamless solutions with most efficient operations possible.

We received very positive feedback and will hopefully open further opportunities to grow and develop our business, not only here in Brazil but for the whole TSC Group.