

**SPEECH BY MR JIM LIEBERTZ, PRESIDENT - ABS PACIFIC DIVISION**  
**INTERNATIONAL CONFERENCE ON TECHNOLOGY AND OPERATIONS OF OFFSHORE SUPPORT VESSELS**  
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**Offshore Support Vessels – A New Horizon**

Good morning distinguished participants,

Ladies and gentlemen,

I am pleased to join you today for the opening of the International Conference on Technology and Operations of Offshore Support Vessels, organized by:

- The Joint Branch of RINA and IMarEST, and
- Center of Offshore Research and Engineering at NUS.

Looking at the program, it is clear that this conference has brought together owners, operators, engineers, equipment specialists and researchers from around the world. Significantly, it symbolizes the current interest in and high level of activity for offshore support vessels. There could be no more appropriate venue for such a gathering than here in Singapore, the center for offshore related construction and management in the Asian theater..

Singapore has a tradition of building OSVs beginning in the 1970s. At that time Singapore's shipbuilding and marine industry was in its infancy. But it took on the challenge of serving the emerging offshore industry in the region with a particular focus on building mobile offshore drilling units and offshore supply vessels. We all know that these activities declined in the 1980s as oil prices dropped. Many well known names did not survive the lean years. Those that did are reaping the fruits now, as demand for both MODUs and OSVs is once again very strong.

In the Pacific region, my own organization, ABS, is very active in providing classification services for OSVs that have been built or are under construction at a large number of yards including established builders like Keppel Singmarine, Jaya, Nam Cheong and Pan United, among others, as well as newer entrants such as ABG, Bharati, Fujian Marwei, Piasau Slipway, and Yantai Raffles. We also work with almost all the major OSV owners, both here in Asia and worldwide: Tidewater of the US; Great Eastern of India; Chuan Hup, Jaya and Pacific Richfield of Singapore; Hadi al Hammam and Halul Offshore of the Middle East, again to name just a few. This exposure to so many different designs, yards and operators gives us a very comprehensive understanding of the evolution, function and future of these remarkable crafts.

The origin of today's OSVs can be found in the Gulf of Mexico – when oil exploration moved offshore in the 1950s. Then, surplus World War II vessels, wooden fishing boats, and shrimp trawlers were used to supply offshore rigs with cement, mud, spare parts,

crews, fuel and food. In 1955, Alden and John Laborde developed the first purpose-built vessel to supply offshore rigs and platforms. It featured a bow wheelhouse and a long flat afterdeck that became the standard for offshore supply vessels. If I can hazard a guess, the pioneers may have modeled OSVs on a pickup truck – rugged, versatile, and capable of delivering goods and people to the frontiers. The Labordes must be intensely proud today as their innovation has done more than survive. It has become an industry standard that is an integral element of the continuing search for energy resources under the world's oceans.

Today we are once again seeing an almost fevered level of offshore activity as the price of oil, and concerns over the adequacy of future supplies increase. Its impact on the OSV sector has been to create a second wave, similar to the crest of the 1970s after the long trough of the intervening years.

This wave is driven by two key factors: the first is the relatively low level of new buildings in the OSV sector over the last two decades or so, which has precipitated a dire need for fleet renewal. The second factor is obviously the unprecedented hike in oil prices I mentioned a moment ago, which in turn, has stimulated the current high level of offshore exploration.

Insiders and keen market observers would hasten to add that the first factor was felt way before the second was even imminent. Indeed, the second factor has been a godsend for the visionaries who ordered their vessels in the relatively lean time. They can now more than reap the benefits of their vision.

According to Douglas Westwood – a leading energy consultant – 34% of oil production in 2004 is from offshore; this will rise to 39% by 2015. Of this, product in shallow waters has been declining, which naturally drives exploration and production into deeper waters. It is projected that by 2010, most, if not all, of the growth offshore will likely be from deepwater. And by 2015 deepwater will account for 25% of all offshore production, a dramatic increase from the current 9% share.

Against this backdrop, the new generation of OSVs contains many features that cater to the needs of deepwater support operations.

Consider the following:

- Deepwater drilling rigs will need more drilling supplies than shallow water rigs.
- Deepwater locations are further out from shore bases.
- Deepwater anchor handling means heavier anchors and longer hawsers.
- Deepwater environments demand greater maneuverability and position-keeping ability.

- Increasing safety and environmental standards for offshore exploration and production will demand implementation of emergency preparedness such as standby and rescue, fire-fighting and anti-pollution capabilities.

The result is that the new generation of OSVs, built to support deepwater exploration and production, are larger, more powerful, more maneuverable and are outfitted to respond to a wide range of potential emergencies.

The engineering of all of these capabilities onto a relatively small platform is a challenge that has been met through the adoption of modern technologies, such as electric propulsion and integrated control systems. This new generation of OSVs is a far cry from the one it replaces.

If anything, the OSV of today is more than a pickup truck; it's like something outfitted for James Bond.

Many of the papers that will be presented, including one that my own colleagues will present on classification services for OSVs , will cover these developments in detail.

Given the current demand for this new generation of innovative, and often highly specialized OSVs, this conference could not be more timely. I believe it provides a valuable opportunity for an open exchange of views among the various participants in this exciting field. I am confident that the discussions of the next two days will prove useful and will lead to enhancements in the art and the science of OSV design and operation. On this note, I wish all participants a most successful and rewarding conference.

Thank you.