

Drydocks World may invest in more rigs and vessels

SINGAPORE: Drydocks World may consider investing in more rigs and vessels on order from its shipyards in Singapore and Indonesia in anticipation of an upswing in newbuild demand after the current economic downturn.

Drydocks' Graha yard in Batam, Indonesia, is planning to build two jackup rigs on speculative orders. The shipbuilder has ordered the drilling equipment and expects to start work on the new units in next March and June. Deliveries are scheduled for the end of 2010 and the first quarter of 2011, according to Managing Director of Drydocks - Graha and Nanindah, Mark Biggs.

Biggs said the yards have received expressions of interest for newbuild jackups from clients based in Mexico, northern Europe and the Middle East. The final contracts however, may have been slow in materialising due to the current financial crisis. Prior to the investment in these jackup rigs, Drydocks has also invested directly or indirectly in offshore support vessels, according to Biggs. Drydocks holds stakes in Polarcus' seismic vessels now undergoing construction at its Dubai facility.

The shipbuilder also owns indirect interests in two 260-man jackup accommodation units under construction at its Graha facility through equity holding in Norwegian Master Marine ASA. The first unit, Service Jack 1, is due for delivery in January 2010 and will depart to work in ConocoPhillips' Ekofisk Renewal Project in Scandinavia. The second unit, Service Jack 2, will be equipped with two cranes capable of a tandem lift of 1,500-ton (1,364-tonne) and is scheduled for delivery in June 2010.

Drydocks now owns and operates six shipyards covering a total 455 ha (1,124 acres) in Dubai, Batam and Singapore. The Graha facility in Batam is undertaking most of the shipbuilder's rig building projects. The yard will be delivering four jackups through the end of next year. Two of the jackups Naga 2 and Naga 3 will be delivered to a joint venture between UMW Holdings and Standard Drilling ASA, while the third and fourth units will go to Saipem S.p.A.

In addition to the rigs at Graha yard, Drydocks is building a jackup at its Nanindah facility in Batam. The shallow water drilling unit will be built based on a similar design as the four other jackups. The jackup will be equipped with a National Varco Oilwell drilling package and to drill in up to 50 metres (164 ft) of water. When complete, the rig is expected to work in the shallow waters of the North Sea.

The Nanindah yard is presently undertaking the construction of two jackups designed to support wind farm installations and offshore construction vessels including an accommodation crane barge and several anchor handling tug supply vessels. More investments will be poured into the Graha and Nanindah yards, with the aim of expanding their shipbuilding capacities up to seven rigs and 18 vessels a year, according to Biggs.

Drydocks will also be building a US\$300 million Maritime Centre in Batam. The 174-ha (430-acre) facility is due to be complete in 2010.