CHINA’S FIRST 3,000-METER DEEPWATER PIPE LAYING CRANE VESSEL  
“HAI YANG SHI YOU 201” SETS SAIL FOR THE SOUTH CHINA SEA  
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DEPLOYS WORLD LEADING OFFSHORE ENGINEERING TECHNOLOGY TO ADVANCE THE  
NATION’S DEEPWATER RESOURCES EXPLORATION STRATEGY

(15 May 2012, Hong Kong) – China Rongsheng Heavy Industries Group Holdings Limited (“China Rongsheng Heavy Industries” or the “Group”; stock code: 01101.HK), a large heavy industries group in China, has collaborated with China National Offshore Oil Corporation (“CNOOC”) to complete construction of a 3,000-meter deepwater pipe laying crane vessel (“DPV”) “HAI YANG SHI YOU 201”. The vessel has set sail for the “Liwan 3-1” gas field in the South China Sea today and will prepare for pipe laying works.

“HAI YANG SHI YOU 201” not only deploys world-leading offshore engineering technology, but also marks the first self-design and self-build deepwater offshore engineering vessel project in China, advancing the nation’s deepwater resources exploration strategy.

As the flagship of CNOOC’s deepwater exploration fleet, “HAI YANG SHI YOU 201” is planned to arrive at the “Liwan 3-1” gas field in June after departing from Qingdao. The vessel is to collaborate with “HAI YANG SHI YOU 981”, the deepwater semi-submersible drilling platform which started production in early May, and will prepare for pipe-laying works. This collaboration marks the beginning of the practical stage of deepwater resources exploration for China. “HAI YANG SHI YOU 201” addresses a shortcoming in China’s extraction of natural resources in deepwater areas. Together with other deepwater apparatus owned by CNOOC, the DPV extends CNOOC’s development capability from a water depth of 300 meters to that of 3,000 meters. The DPV will definitely strengthen the deepwater exploration capability of CNOOC as one of the most advanced deepwater resources developers.

Mr. Chen Qiang, Chief Executive Officer and Executive Director of China Rongsheng Heavy Industries, said, ““HAI YANG SHI YOU 201’ advances the technology and construction capabilities of the Chinese offshore engineering industry to a global leading level. After its christening ceremony in May 2011, ‘HAI YANG SHI YOU 201’ has been on a one-year trial period and is now ready for production. It is dedicated to ensuring the reliable supply of energy to China, and to promote the strong maritime developing strategy and protect the integrity of sovereignty in China.”

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“HAI YANG SHI YOU 201" is the world’s first DPV featuring 3,000-meter deepwater pipe-laying, 4,000 tonnes of lifting capacity and DP-3 dynamic positioning capability. The vessel is designed to handle deepwater pipe-laying and gearing tasks. The DPV was the culmination of the first joint offshore engineering project of CNOOC and China Rongsheng Heavy Industries. Offshore Oil Engineering Co., Ltd. ("COOEC"), a listed subsidiary of CNOOC, was responsible for all construction cost as well as the operation upon completion.

The DPV received high praise from Mr. Xiao Long, Project General Manager of Deepwater Pipelay Crane Vessel PMT of CNOOC, ““HAI YANG SHI YOU 201’ has demonstrated China Rongsheng Heavy Industries’ capability to build a wide variety of offshore engineering vessels. With its outstanding mobility and stability, the vessel will enhance the efficiency of CNOOC’s deepwater energy resources exploration.”

The gap between energy supplies and consumption in China is coming to the fore, China is turning to deepwater gas field to fulfill energy demand in the future. The oil and gas reserves in the South China Sea are reported to be abundant, accounting for about one-third of total oil and gas reserves in China, of which 70% is located in a deepwater zone covering 1,537,000 square miles. Hindered by its relatively backward offshore oil technology and equipment, oil and gas exploration has been confined to operate at a shallow water depth of 300 meters. The launch of two core equipment “HAI YANG SHI YOU 201” and “HAI YANG SHI YOU 981” will extend the capability of energy exploration of China into deepwater and over a wider area.

The overall technology and capacity of “HAI YANG SHI YOU 201” are superior to similar vessels overseas. The vessel is able to operate in any navigable area globally except for the Arctic regions. It is equipped with a series of advanced equipment including electric propulsion, VF electric drive, DP-3 dynamic positioning, “S” type deepwater dual node pipe-laying system as well as a 4,000-tonne heavy offshore crane. The vessel was designed and built in China. With a crew of 380, it is the first offshore engineering vessel in Asia and China capable of laying pipes at a water depth of 3,000 meters.

Mr. Chen Qiang concluded, ““HAI YANG SHI YOU 201’ and ‘HAI YANG SHI YOU 981’ highlights China’s ability to develop sophisticated offshore engineering equipment and its competitiveness in the international market. China Rongsheng Heavy Industries will continue to seize the opportunity in developing its offshore engineering business, and achieving breakthroughs in technology as well as securing new orders. The Group will also contribute to laying the foundation of the deepwater offshore engineering industry in China."

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About China Rongsheng Heavy Industries Group Holdings Limited

Established in 2005, China Rongsheng Heavy Industries Group Holdings Limited has been developed as a leading diversified large heavy industries group in China. The Group is headquartered in both Shanghai and Hong Kong. Currently, China Rongsheng Heavy Industries spans four business segments: shipbuilding, offshore engineering, marine engine building and engineering machinery. Products include dry bulk carriers, crude oil tankers, containerships, offshore engineering products, low-speed marine diesel engines and small- to mid-size excavators for construction and mining. According to Clarkson Research, China Rongsheng Heavy Industries was the second largest shipbuilder and the largest privately-owned shipbuilder in the PRC in terms of total order book measured by DWT as at December 2011. The Group operates the largest shipyard in the PRC. It is also a global leader in manufacture of very large ore carrier (VLOC) of 380,000 DWT class.