

THE SEASPAN SHIPYARDS REPORT

President's Message

2017 will be a busy year at Seaspan with four active National Shipbuilding Strategy (NSS) programs running concurrently on Canada's west coast, including:

- One at the build phase: Offshore Fisheries Science Vessel (OFSV);
- Two at the design phase: Offshore Oceanographic Science Vessel (OOSV) and Joint Support Ship (JSS); and
- One at the concept phase: Polar Icebreaker.

We are also in the active planning stage with our primary customer, the Canadian Coast Guard, for their future fleet requirements of vessels over 1,000 gross tonnes.

These are exciting, busy and productive times at Seaspan. We accept our role as the long-term strategic capability partner to Canada for its non-combat fleet renewal plans with humility and determination. The NSS is a crucial and effective way to deliver needed new fleets to the Coast Guard and Navy. Through its execution, it is also stimulating innovation, generating significant economic

activity across the country and offering high-value career opportunities to an expanding number of trades and professional occupations.

In Canada's 150th birthday year, Seaspan is proud of the role we are playing to bolster our country's historic maritime tradition as we continue to grow a B.C.-based centre of excellence in shipbuilding and ship repair.

Please let us know if you have any questions or comments on our work, or on the contents of this newsletter by e-mailing **Tim Page**, Vice President – Government Relations, Seaspan Shipyards directly at: tpage@seaspan.com.

Sincerely,



Brian Carter
President, Seaspan Shipyards

Offshore Fisheries Science Vessel (OFSV) Progress in Full View

Modern shipbuilding looks a lot like an old-school Lego set with individual blocks; 37 of them to be specific in the case of the OFSV, being manufactured



at Seaspan's Vancouver Shipyards (VSY). Progress in this environment is not obvious to the untrained eye until the blocks start to come together and the systems and equipment that support the vessel's mission are brought into play. That is where we are today with the first of three OFSV's being built at VSY. As of the end of 2016, 60% of OFSV #1 is complete and over 20% of OFSV #2 is complete. The third and final OFSV is scheduled to begin full-rate construction in February.

Offshore Oceanographic Science Vessel (OOSV) Design Contract Awarded

As of late December, 2016, VSY is under contract to conduct the basic design development for the OOSV, our second class of vessel to be delivered to Canada under the NSS. From this design phase, information will be generated and system integrator partners selected to develop robust estimates of labour and material costs required to adequately budget for the build phase of OOSV.

Joint Support Ship (JSS) Achieves Significant Milestone

VSY achieved a significant NSS milestone in late 2016 when it received a task authorization from the federal government to adapt the original Berlin-class design by TKMS to meet specific Canadian Navy requirements for the Joint Support Ship and to prepare it for early equipment purchases, construction and systems integration work at VSY. The JSS will be the third class of NSS vessels to be built at VSY.

National Shipbuilding Strategy Delivering Socio-Economic Benefits

VSY's 2016 NSS work produced \$184 million in new supplier contracts, 93 percent of which were awarded to Canadian-based businesses. The NSS program is also contributing directly to employment growth in the marine sector. As a case in point, at the end of 2016, Seaspan employed 650 tradesmen and women and 390 professionals, management and staff support. And the gene pool of available trades and professional talent will continue to grow over time through our own apprentice and internship programs and our investments in college, aboriginal, female and high-school training programs in the B.C. marketplace.

Coast Guard Deputy Minister Blewett Visits Seaspan's VSY

On January 24, Deputy Minister Blewett met with Seaspan CEO **Jonathan Whitworth** and Seaspan Shipyards President **Brian Carter** at VSY as part of a west coast series of meetings to review the OFSV and OOSV programs and to discuss the next priorities in the Coast Guard's fleet renewal plans. Seaspan is a strong advocate for shipyard visits by those with responsibility for the NSS program in Ottawa. Those who visit quickly appreciate the progress that has been made, over the past four years, to prepare and now build ships for Canada. They also see first-hand the complex hull construction and integration



Left to right: **Brian Carter**, President – Seaspan Shipyards, **Catherine Blewett**, Deputy Minister – Department of Fisheries and Oceans Canada & the Canadian Coast Guard, and **Rebecca Reid**, Regional Director General – Fisheries and Oceans Canada & the Canadian Coast Guard.

of equipment and systems into tight spaces required on the OFSV to meet the operational needs of the Coast Guard.

Maritime Forces Pacific Commander Rear Admiral Art McDonald Visits VSY



Left to right: **Brian Carter**, President - Seaspan Shipyards, **Art McDonald** - Canadian Maritime Forces Rear Admiral, and **Andy Hale** - Program Director, JSS.

On January 30, Canada's Maritime Forces Pacific Commander Rear Admiral **Art McDonald** visited VSY as a follow up to a meeting held in the Fall of 2016 at VSY with Royal Canadian Navy Commander Vice Admiral **Ron Lloyd**. The meeting with RAdm. McDonald also provided a timely opportunity to review Seaspan's engineering, equipment purchasing and forward planning work on the JSS program and to discuss other Naval force readiness priorities for Canada's Pacific fleet in 2017.

Seaspan CEO Jonathan Whitworth Appears before the House Standing Committee on National Defence

On February 2, Seaspan CEO **Jonathan Whitworth** appeared before the House of Commons Standing Committee on National Defence as an expert witness to discuss Canada's National Shipbuilding Strategy and progress made therein by Vancouver Shipyards. Like this newsletter, his appearance before the Committee reflects Seaspan's commitment to raising awareness amongst Parliamentarians of the status of the NSS program and of the long-term benefits accruing across the country to an increasing number of Canadian businesses, tradespeople and professionals.

Seaspan CEO Jonathan Whitworth Scheduled as Keynote Speaker at Canadian Club of Ottawa Luncheon on February 14, 2017

We are also pleased to share that **Jonathan Whitworth** will be speaking at the Canadian Club of Ottawa on February 14 from 12:00 pm – 2:00 pm EST to discuss Seaspan's NSS partnership and the resurgence of Canada's shipbuilding sector. For more details, please click [here](#), or visit the Canadian Club of Ottawa's website at www.canadianclubofottawa.com.