

THE SEASPAN SHIPYARDS REPORT

Significant National Shipbuilding Procurement Strategy (NSPS) progress has been achieved at our shipyards in North Vancouver.

Since our last edition of this newsletter in April, our Vancouver Shipyards has:

- Signed a build contract and commenced full rate construction on the Offshore Fisheries Science Vessel (OFSV) for the Canadian Coast Guard, with an expected first of three ship delivery date of early 2017;
- Ramped up our workforce and commenced work, as planned, for the design work and equipment selection options common to OFSV for our next project, the Offshore Oceanographic Science Vessel (OOSV);
- Progressed planning, engineering and design work required on the Joint Support Ship (JSS) project while meeting all milestone dates within budget;
- Hired an additional 100 employees and tradespeople, with another 240 planned by year-end, all thanks to NSPS;
- Spent or committed to spend \$148M largely on the OFSV project and largely through Canadian suppliers;
- Received a Canada Job Grant from the Governments of Canada and British Columbia that will help 260 Seaspan workers gain shipbuilding skills fundamental to current and future training requirements under the NSPS.

As Seaspan's CEO **Jonathan Whitworth** said at the June 24 start of OFSV construction celebration at Vancouver Shipyards (pictured above), "Don't bet against the National Shipbuilding Procurement Strategy and don't bet against Seaspan."

Not only are we building ships for the Canadian



Kyle Washington – Seaspan Executive Chairman, Andrew Saxton – MP, North Vancouver, Brian Carter – President, Seaspan Shipyards, the Honourable Diane Finley – Minister, Public Works & Government Services Canada, John Weston – MP, West Vancouver-Sunshine Coast-Sea to Sky and Jonathan Whitworth – Seaspan CEO, celebrating the official start of construction on the first Offshore Fisheries Science Vessel.

Coast Guard and the Royal Canadian Navy, we are doing it in a way that maximizes employment opportunities for Canadian workers, as well as Canadian ingenuity, products and services.

We are building ships for Canada by Canadians.

This edition also reports on Seaspan's Victoria Shipyards and its recently completed maintenance and repair project for Princess Cruise Lines and its continuing contribution to the Halifax-Class Modernization-Frigate Life Extension (HCM-FELEX) Project and submarine refit work for the Royal Canadian Navy.

Should you have any questions or comments on this edition of our newsletter, please contact Tim Page at tpage@seaspan.com and for more information, visit our website at www.seaspan.com

Sincerely,

Brian Carter, President
Seaspan Shipyards

| NSPS Non-Combat Vessel Profile |



Offshore Oceanographic Science Vessel (OOSV)
Canadian Coast Guard

The numbers	1 vessel
Displacement	Approximately 3,680 tons
LxW	Approximately 78.1 m/16 m/6.1 m or 256 ft./52.5 ft./20 ft.
Speed (maximum)	Approximately 14 knots
Endurance	Sustained operations for 84 days
Crew	Up to 56 (approximately 33 core/ approximately 23 science)

OOSV is a replacement to the CCG's largest science vessel (*CCGS Hudson*) to support the science mandate of the Department of Fisheries & Oceans, as well as the mandates of other government departments and agencies. Home-ported on the East Coast, the vessel will conduct oceanographic, geological, and hydro-geographical survey missions with significant "at sea" endurance. The OOSV will be the next class of vessel built at Vancouver Shipyards after the OFSV.

| Seaspan Delivering on Canada's Action Plan |

ECONOMIC IMPACT SINCE THE 2012 NSPS UMBRELLA AGREEMENT

\$321 MILLION IN CONTRACTS AWARDED

TO 137 COMPANIES IN CANADA

— OVER — 300 NEW JOBS CREATED AT SEASPAN

| Seaspan Shipyards in the News |

Canadian Coast Guard Hovercraft Undergoing \$4M Upgrade at Seaspan Shipyards

Seaspan Shipyards has been selected by Public Works and Government Services Canada (PWGSC), through a competitive process, as the preferred bidder for a \$4 million mid-life modernization and refit of the Canadian Coast Guard (CCG) Hovercraft *Siyay*.

After arriving in late May, the *Siyay*, one of three hovercrafts currently operating out of the Sea Island Coast Guard Station in Richmond, B.C., is now undergoing an extensive scope of work, including significant hull structural repairs, mechanical and electrical upgrades, dry docking, other general repairs and maintenance, and a variety of logistical support and specialized services. This project is planned for completion in the first quarter of 2016.

Victoria Shipyards Delivers *HMCS Ottawa* Back to DND On-Time, On-Budget

The FELEX program at Victoria Shipyards (VSL) continues to meet the complex challenges of upgrading the mission capabilities of the Royal Canadian Navy's Frigates. As of July, VSL has successfully delivered four MidLife Refits (MLRs), on-time and on-budget:

- *HMCS Calgary*, the first vessel to undergo an MLR was returned to the Royal Canadian Navy (RCN) in June 2012, and has since achieved operational status and is now fully operational.

- *HMCS Winnipeg* was returned to the RCN in April 2013. The ship is currently on a far-east deployment.
- *HMCS Vancouver*, the third vessel, was successfully returned to the RCN on May 7, 2014 as per schedule. The *HMCS Vancouver* recently completed her post MLR trials program.
- *HMCS Ottawa*, the fourth vessel to enter the MLR program, was delivered back to the RCN on May 15, 2015 and is currently conducting her post MLR work and trials program in the Naval Dockyard.

Victoria Shipyards Performs Cruise Ship Refit

On May 2, Princess Cruises' 947-foot-long *Crown Princess* cruise ship docked at the Esquimalt Graving Dock for an 11-day refit by Victoria Shipyards, employing more than 350 tradesmen and women over the duration of the work. A major component of the planned work was the installation of two scrubber systems in the ship's funnels. "Victoria Shipyards was proud to work on a project that was not only delivered ahead of schedule and under-budget, but also supported Princess Cruises' rigorous environmental standards," said **Joe O'Rourke**, Vice President & General Manager – Victoria Shipyards.