STX Pan Ocean has successfully bought its first Open Hatch General Cargo Carrier (OHGCC) to be deployed for a long-term transportation contract with Brazilian company Fibria and spurs its launch into South American wood pulp transportation market.

STX Pan Ocean held a christening ceremony for the STX Arborella, a 57,000-DWT OHGCC at STX Offshore & Shipbuilding’s Jinhae Shipyard on September 6th, attended by President Pae Seong-ryung of STX Pan Ocean and Mr. Marcelo Strufald Castelli of Fibria with about 60 others concerned from STX Pan Ocean, STX O&S and Fibria.

STX Arborella, 200m long, 32m wide and 19m high, can ship more than 55,000-tons of wood pulp as the largest-scale ship of the Supramax-grade open hatch ship type.

STX Pan Ocean signed a contract for specialized vessels worth USD 5 billion with Fibria of Brazil, the world’s largest pulp production company in October 2010. Subsequently, in October 2011, it signed an additional transportation contract worth USD 246 million.

The ship is the first of a total of 230 OHGCCs ordered by STX Pan Ocean and will be deployed in the sea route that plies between Brazil and the Americas, Europe and Asia, beginning in September, and it will implement a project to carry all of Fibria’s exported wood pulp freight for 25 years. The rest of the ships are scheduled to be delivered in due order by 2014.

The STX Arborella was optimally designed to suit the characteristics of wood pulp freight which is carried by STX Pan Ocean. This ship is expected to contribute to Fibria being able to maintain its distribution cost competitiveness, leading the market in the future and present an opportunity for STX Pan Ocean to strengthen its status as the leading maker of specialized shipping vessels in the world’s wood pulp market.

The South American wood pulp transportation market is known to have been almost exclusively monopolized by shipping companies from northern Europe. Under such circumstances, having signed a long-term carriage contract for 25 years and being the first among Asian-based shipping firms to launch itself into wood pulp market, fortifying its status as a leading company while sideswiping existing European shipping companies, STX Pan Ocean has become capable of securing an advantage in order to expand to further expand its scope of business in future.
STX Group, jointly with Nonghyup Feed, has started an initiative for a stable supply of imported grains to the country.

STX entered into a contract with Nonghyup Feed to form a strategic partnership designed for a stable supply of imported grains on July 30th in Portland, Oregon. Kim Dae-yoo, President of STX Corporation, Oh Se-gwan, CEO of Nonghyup Feed, and Lee Young-il, Manager of the US Branch of Nonghyup Feed were present to add to the importance of the occasion.

With the contract, STX is expected to supply up to 700,000-tons of US-grown corn per year starting this November. The supplied corn will be processed through Nonghyup Feed which constitutes over 30% of the local mixed feed market used to produce livestock feed. As corn price largely fluctuates in accordance with its supply, each shipment will have its price updated, while the yearly supply by STX will amount to roughly USD 200 million.

As Agflation* becomes increasingly feared, the stable procurement of corn is gaining in priority. In this light, the partnership is meaningful in that it can mitigate the follow-up hike in the price of meats and dairy products in the wake of a feed price rise by contributing the stabilization of the domestic feed price.

By securing a long-term and stable supplier through the creation of the partnership, STX expects that it will reinforce the company’s grain trading function and clear the domestic concern related to grain supply. Furthermore, exploiting its strength as a global trading company that deals with major crops such as corn, soybean, and wheat, the company will do its part to shore up the country’s cereal sovereignty.

STX Heavy Industries has won an order for an Iraqi oil and gas processing plant from ENI Consortium comprising Ente Nazionale Idrocarburi, an Italian state-run energy company, Occidental Petroleum and Korea Gas Corporation.

STX is scheduled to begin the construction of the plant in the Zubair oilfield in Basrah, Iraq from August, with the aim of completing it by April 2014 on completion, the plant will be able to separate 80,000 barrels of crude oil daily into oil and gas for production. STX Heavy Industries will implement the EPC turnkey project that takes care of design, purchase of equipment and materials, and construction for a processing plant that is needed to produce oil and gas.

By getting this order, STX Heavy Industries is now able to enter the area of Up-stream* and construct a chemical engineering plant which is expected to place large-scale orders to increase oil production in Iraq. Especially, receiving orders in Iraq with the fourth largest oil reserve in the world is seen to be a springboard for actively exploring the up-stream plant market in the Middle East from now on.

*prices pushed up by the rising grain price

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Building A Strategic Partnership with Nonghyup Feed

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Receiving An Order for A Plant in Iraq

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Launching 155,000 DWT Shuttle Tanker, the World’s Largest

STX Offshore & Shipbuilding held a launching ceremony for a 155,000 DWT Shuttle Tanker, attended by President Shin Sang-ho of STX Offshore & Shipbuilding and those concerned from the ship’s owner European Navigation of Greece, at Jinhae Shipyard on the 30th of August.

The shuttle tanker launched on the day is a Suezmax ship that is 278.3m long, 48.7m wide and 23.6m high, being the largest of the existing shuttle tankers and it is scheduled to be delivered in December 2012.

This shuttle tanker is scheduled to be chartered on a long-term basis to Petrobras, the Brazilian state-run petroleum company, to carry crude oil produced in Brazilian territorial waters after delivery. Also, European Navigation is a shipping company that specializes in tankers operating charters for major oil companies like Shell, BP etc. and the ship is its first to be built in Korea, making it all the more meaningful.

Building the World’s Largest Goliath Crane

STX Construction Dalian Co., Ltd in China has recently built a goliath crane, the world’s largest. The goliath crane installed on a dock at the STX Dalian Shipbuilding Complex weighs 1,000-tons and spans 248m, its lifting height is 84m and dead load reaches a whopping 8,300-tons. The goliath crane manufactured as its own model using original technology is the world’s largest, by which STX Dalian has built a springboard for turning itself into a global crane maker.

The crane was built in the world’s largest dockyard, the STX Dalian Shipbuilding Complex, which measures 460m long, 135 m wide and 14.5m high. As STX Construction Dalian adds the goliath crane possessing its own technology, work time in the dockyard can be shortened significantly through a synchronized operation with crane 6.

Beginning Full-Scale LNG Carrier Insulation Box Business

STX Metal Daegu Factory has begun to operate its LNG carrier insulation box in a full-scale manner.

STX Metal’s new business, the production of the LNG carrier insulation box relates to the production of insulation materials to be installed in the cargo containment of LNG carriers and plays the role of preventing the evaporation of LNG that turns into gas in the air by filling insulation materials in a wooden box.

At present, STX Metal has received orders for 4 LNG carriers from STX Offshore & Shipbuilding and begins its full-scale production in October on obtaining a final license from GTT, a French engineering company in late September.
Completing the Construction of Photovoltaic Generation Complex in Gumi

STX Solar held a ceremony to mark the completion of the construction of the photovoltaic generation complex inside the terminal sewage disposal plant in the 4th Complex of Gumi, where Choi Jin-seog, CEO of STX Solar, Nam Yu-jin, Mayor of Gumi, and Jang Do-su, President of Korea South-East Power Co., Ltd. were present.

The photovoltaic generation complex, built inside the existing terminal sewage disposal plant, started its construction in June, and it took STX Solar two months to complete it. The company installed the photovoltaic generation system on top of the terminal sewage disposal plant for a maximum spatial efficiency.

STX Solar plans to produce 1,350 MWH in pollution-free electricity annually that may be used by some 155 households in the compound. The company is expected to replacing yearly 568-tons of crude oil and thereby cutting down on 274-tons of carbon dioxide.

STX Solar is expected to take charge of the installation and operation of the photovoltaic generation located in the 4th Complex of Gumi. The electricity generated is to be purchased by Korea South-East Power and supplied to the civilian sector.

Publishing a Report on Sustainable Management

STX Group has published ‘Now and from Now’ a report on sustainable management containing results of sustainable management achieved in the last year.

This report on sustainable management was written in accordance with the G3.1 guideline of GRI (Global Reporting Initiative) and it deals with four main themes of momentum for future growth, product and service competitiveness, human resource management and sharing and co-prosperity.

From now on, STX plans to generate results of its consideration of sustainable business and society through the report and develop its sustainable management system continuously.

FESRC Visiting STX Dalian

A group of four including the head of FESRC (Far Eastern Shipbuilding & Ship Repair Center), Igor Borbot, visited STX Dalian on August 17th. The visitors had an in-depth discussion on the floating dock, crane, tankers, shipyard improvement and renovation etc. with executives and employees of STX Dalian and toured the site.

Through this visit, FESRC rated highly the shipbuilding technology, capabilities of building shipyards, and specialized shipbuilding technology of STX Dalian. Subsequently, it signed an MOU on investment in each category of cooperation with STX and discussed ways to pioneer the Russian shipbuilding market together.
STX Cup Korea Open Regatta Held

STX Cup Korea Open Regatta hosted by the STX Group and organized by the Korean Rowing Association was held at the Misari Boat Race Course (located in Hanam-si, Gyeonggi-do) on August 18th. The competition that celebrates its second meeting after holding its premier event last year is hosted by the STX Group, a company headed by the president of the Korean Rowing Association with a view to expanding the base of rowing and enhancing rowing capabilities, and it is the only rowing competition in which various athletes and enthusiasts participate.

The contest began with Rowing Old Boys Eight (8+) and proceeded in the order of Amateur High-School League Quadruple Scull (4X+) in which students from prestigious schools for special purposes take part, Elite Single Scull (1X) sprint in which male and female players with the strongest techniques take part, and Quadruple Scull (4X+) for the General Public (Corporate Workers and Enthusiasts) with the objective of expanding the reach of rowing as a sport.

Furthermore, it was accompanied by diverse events like the STX Picture Picnic Drawing Contest, Photo Contest, Ergometer Contest etc. that all from kindergartners to secondary school students can join, thus giving venue a festival-like atmosphere in which executives and employees of STX and their families, as well as rowers and their families could spend time together.

STX Welfare Foundation Sponsoring ‘the Global Pioneers Expedition’

STX Welfare Foundation sponsored ‘In search of Balhae’, a program for ‘the Global Pioneers Expedition’ involving twenty-four high school students living in Changwon, to foster correct historical consciousness in youth.

With 24 high school freshmen or juniors in Changwon recommended by principals, the program proceeded for six days from Aug. 15th~20th, with a tour of the historical sites of Goguryeo and Balhae Dynasty including Dandong, Lushun, Jiban where the tomb of King Gwanggaeto the Great is located, and the mountain-top lake of Baekdu-san, preceded by a visit to STX Dalian Shipbuilding Complex, the world’s largest shipyard.

On the first day of the Expedition, students witnessed the development of the Korean shipbuilding boom outside Korea through their tour of the STX Dalian Shipbuilding, and then toured the historical sites of Goguryeo.

The STX Welfare Foundation will continue to provide opportunities for youth from regional communities in order to promote sound social activity and give them a clear understanding of history.
Sailing to a World of Opportunities

STX dreams of making a hopeful future for the globe. With STX’s technology, the world is making a brighter future. Based on its world-recognized technology and 170 global networks, STX will take the lead in opening up a better future of the world and never cease its challenging spirit.

STX is a heavy industries group that has four core business units: shipbuilding and machinery; marine transportation and trading; plant and engineering; and energy. It is a global enterprise of Korea, which operates in 170 global networks based on its world-class technology.