

THE MELVILLE CONNECTION



A publication of MELVILLE SHIPPING LIMITED, provider of quality ship agency, chandlery and other related services at all ports in Trinidad & Tobago

Volume 2, Issue 2

November 2006

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Our Quality Policy **MELVILLE SHIPPING LIMITED**

We are here to :

Satisfy and exceed customers expectations with error free and on time goods & services

Evaluate & monitor performance and ensure continuous improvement

Represent our principals with integrity and build strong relationships with our many suppliers

Value every employee and ensure their ongoing development

Earn for our stakeholders the highest possible return on their investment

T & T Government Outlines Plans for Continued Expansion into 2007

The Government of Trinidad and Tobago in its 2006/ 2007 budget has outlined several projects in keeping with expansion thrusts aimed primarily in energy based and downstream industries including LNG, methanol, ammonia, and iron & steel.

This expansion comes against the backdrop of continued high oil and gas prices. The Trinidad and Tobago economy enjoyed an eight percent (8%) growth in GDP during the past year.

Much of this growth has come from a shift from crude oil production to natural gas. Production is currently at an all time high and the Government continued to facilitate an aggressive exploratory programme with the award of

several new blocks for exploration during 2006.

New projects which were highlighted in the Government's 2007 Budget presentation on October 4 include the ALCOA Aluminum Smelter, the Alutrint Aluminum Smelter, the Westlake Ethylene Complex, the Malaeic Anhydride Processing Facility and the UAN (Urea Ammonia Nitrate) project.

The ALCOA Aluminum Smelter project will see the construction of a plant capable of producing 341,000 metric tons of aluminum per year. The plant's proposed site is at Cap-de-Ville and it will be powered by a self contained power plant fueled by natural gas.

The Alutrint Smelter has a projected production capacity of 125,000 tons per year. It will be located at Union Industrial Estate in LaBrea. Alutrint is 60% owned by the Government of Trinidad and Tobago while the other 40% is owned by Sural of Venezuela.

The Westlake Ethylene Complex has been cited by the Government as a critical step in linking the petroleum and non-oil sectors in the economy as it is expected to facilitate downstream plastics based industries. The proposed plant will cost an estimated US\$ 1.5 billion and will be located at Pt. Lisas.

... Significant Developments in Ports and Infrastructure also Planned

Consistent with the expansion plans laid out in the 2007 budget, several projects have been identified to ensure the existence of proper supporting infrastructure. This includes plans for the development of new industrial estates and ports along with significant upgrades to existing facilities.

Planned new industrial estates include the Point Lisas South and East Industrial Estate and the

Cap-de-Ville Industrial Estate. These are being planned to accommodate heavy gas based industries and include the construction of new harbours and port facilities. Another industrial estate will be created at Oropouche through extensive land reclamation.

Existing industrial sites will also benefit from improvement plans during 2007. Many of these projects started in 2006.

At La Brea, there will be upgrades of access roads and water and electricity services which will allow the estate to more effectively continue current activities such as the provision of lay-down and fabrication yard facilities, bio-remediation and dock services at La Brea and Brighton.

Continued on page 2...



MEMBER NEAL & MASSY GROUP



MELVILLE SHIPPING LIMITED

18/20 London Street, Port of Spain, Trinidad W.I.

Tel : (868) 625-2384, Fax : (868) 623-2162, E-Mail : melville@melvilleshipping.com

ISO 9001 : 2000 REGISTERED FIRM

<http://www.neal-and-massy.com>
<http://www.melvilleshipping.com>

Neal & Massy Acquires Insertech and Majority Shareholding in Pres-T-Con

The Neal & Massy Group acquired a 100% holding in Insertech (Caribbean) Limited and Insertech Aruba N.V. in August 2006.

Insertech is the leading provider of power and control systems for the energy sector. It is also the most prominent electrical and instrumentation service provider in Trinidad and Aruba.

Pres-T-Con has been the leading manufacturer of pre-stressed concrete products

in the Caribbean for the past 40 years. Neal and Massy has acquired 60% of the issued shareholding of Pres-T-Con Holding Limited.

Insertech will fall under the Neal & Massy Energy Business Unit while Pres-T-Con will be part of the Financial & Other Services Business Unit.

Melville Shipping Limited is part of the Retail, Distribution/Logistics Unit of the Neal and Massy Group of Companies.

... and Secures Maintenance Management Contract with bpTT

The Neal and Massy Wood Group has secured a 5 year maintenance management contract with bpTT. This contract will cover works on all bpTT's offshore platforms, and onshore terminal and processing facilities.

Executive Chairman of Neal & Massy Energy, Gervase Warner, stated that under the new agreement the Neal & Massy Wood Group will have single point accountability for the execution of maintenance, minor modifications, maintenance management, operations materials management, training and development of maintenance personnel and would manage all maintenance service contractors currently delivering services to the company.

... Developments in Ports and Infrastructure (Continued from page 1)

By December 2006, Union Estate should see the completion of construction works on a new Petrochemical Pier to facilitate product for the Alutrint Aluminum Smelter and a petrochemical plant. The port of Brighton will also be expanded to handle increased volumes of incoming and outgoing product.

Development of the La Brea Harbour also continued in 2006. The harbour depth was increased from 8 metres to 12.5 metres.

PLIPDECO (Point Lisas Industrial Port Development Corporation Limited) will seek to increase capacity at Point Lisas through the development of Berth 6. Throughput at Pt. Lisas was in excess of 145,000 TEUs in 2005.

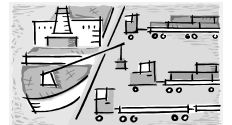
This project will begin in the last quarter of 2006 and is expected to be completed in December 2007 at a cost of approximately US\$ 79 million. The construction of a second channel at Pt. Lisas is expected to be completed by September 2007.

The National Energy Company which amongst other things provides important towage services at Pt. Lisas is in the process of acquiring three more tugs : one new 50 ton Bollard Stan tug and two 40 ton Bollard Pull Stan tugs. Estimated cost for these tugs is approx US\$ 11 million.

At Port of Spain, the Port Authority of Trinidad and Tobago (PATT) will during 2006/2007 complete infrastructural works that will result in the repositioning of the entry and

exit points to the ports and repairs to the facilities used to store full and empty containers. The PATT has also started work on and Equipment Maintenance Complex. Some US\$ 6 million has been allocated for this project in 2007 which will facilitate the maintenance of cargo handling equipment. This has been, for some time, one of the most pressing issues facing the port of Port-of-Spain.

At Galeota Port, development is geared towards the new port facilities to support continued oil exploration and production.



Revitalization of the Port-of-Spain Waterfront Continues

Under the Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT), the revitalization of the Port-of-Spain Waterfront will continue into 2007. The estimated US\$ 384 million project will provide conference and meeting facilities, and see the construction of a 400 plus room hotel, and a 800 space parking facility. The hotel, Hyatt Regency Trinidad, is set to open in late 2007. The site has also been proposed to serve as the new headquarters of the Association of Caribbean States.



Photo at right : The changing skyline at Port-of-Spain Waterfront

Expanding Pipeline Network to Meet Growing Industrial Needs.

2006 saw the completion of a major pipe laying distribution project : the Cross Island Pipeline program. The 76.5 km long 56" pipe runs from Beachfield to Point Fortin. The pipeline currently transports gas to Atlantic LNG Trains 3 and 4. It will also eventually deliver gas to Union Industrial Estate.

In the Beachfield Upstream Development project, a 36" offshore pipeline from the Cassia 'B' Platform to Beachfield is approximately 95% complete.

Pipelines to Union Estate (3km / 30") and from Pt. Fortin to Chatam (23km/ 24") were also initiated in 2006.

Other major undertakings as relates to gas distribution include a Pipeline to Tobago to supply gas to CovePoint for industrial purposes and for power generation. The inter-island pipeline commenced in 2006.

A 7km/ 36" pipeline loop is also to be added to the Pt. Lisas Main Ring. This is expected to be

completed by December 2006.

Also noteworthy is the Phoenix Park Valve Station upgrade. Work continues with regards to the procurement of pipes and construction. Also under continued development is a 50km 16" diameter pipeline from Phoenix Park to Wallerfield.



Did You Know ?

The world fleet of LNG carriers reached the 200-vessel mark in April. The LNG World Shipping Newsletter reports that it took 34 years to reach the 100-vessel mark in 1998. It then took just eight years to add an additional 100 vessels up to 2006. Estimates are, however, that it will take just two more years to add the next 100 carriers to cross the 300-vessel mark by the end of 2008.

Petrotrin's Pointe-a-Pierre Refinery to be Upgraded

Despite the shift from crude oil production to natural gas, crude oil and refined products continue to play an important role in Trinidad and Tobago's economy. The Government has announced a US\$ 900 million dollar upgrade for Petrotrin's Pointe-a-Pierre oil refinery that will allow for the production of cleaner fuels and a product mix that better reflects the needs of today's market. The upgrade will commence this year and is scheduled to be completed in 2009.

Petrotrin's existing refinery is founded on a facility acquired by the Government

from Texaco in the 1970s.

In addition to its limitations with regards to meeting current environmental standards, a large percentage of the product produced (approx 1/3) tended to be fuel oil which does not fetch as an attractive price as many other products which can be generated.

The upgrade project will include the acquisition of a fluid catalytic cracking unit to increase throughput and severity. This would result in more fuel being converted to gasoline. A pre-fractionation unit will aid with reducing the benzene content in finished gasoline.

A gas to liquids plant is also being erected at the Pointe-a-Pierre site.

There are also indications that a new second refinery at the Pointe-a-Pierre site is also being considered but given an estimated price tag of US\$ 3 –5 billion for a new refinery, upgrade continues to be the focus at present. This move comes in tandem with plans to continue to develop Petrotrin's upstream business through drilling and workover activities. The result should be an increase in oil and gas production at both land and marine sites.

Cargo Vessel Leased and Fast Ferry Purchased for Inter-Island Service

The Government of Trinidad and Tobago has added an additional cargo vessel to handle continued increasing needs on the route between Trinidad and Tobago. The vessel, formerly known as the "Malta Express" and now renamed the "Warrior Spirit" in tribute to the efforts of the national football team in reaching the 2006 World Cup, is being leased for a period of

two years at a cost of approximately US\$ 14,000 per day. The vessel has a cargo capacity which is more than the two previously used vessels combined: the Sonia and The Panorama and is expected to lead to a decrease in the cost of transporting goods between the two islands.

The Government has also agreed to

purchase a six year old fast ferry to transit passengers between Trinidad and Tobago. The fast ferry services has significantly decreased transit times for the inter-island journey from six hours to 2 & 1/2 hrs.



Railway Contract to be Awarded in December

A rapid rail system has been proposed to assist with alleviating road traffic congestion problems within Trinidad. Some 81 firms have indicated their interest in the project which will possibly be the most costly and large scale infrastructure project undertaken within this country. The contract will be awarded in December 2006. Sixty-five (65) of the firms which have expressed an interest are foreign while sixteen (16) firms are local.

Melville Shipping Limited Continues its Commitment to HSE

In keeping with our commitment to Health and Safety, Melville Shipping Limited organized Defensive Driving Training for members of its staff and contract drivers. The training was facilitated by Malcolm Bernard of Access Services Limited.

All twenty-two participants were unanimous in their view that the course reinforced skills that were thought to be invaluable. Each successful participant received a certificate from the National Safety Council (USA).

The course was conducted through the use of audio-visual aids, interactive discussions, case studies and written exercises.

Melville Shipping Limited has also, in keeping with the requirements of the revised Occupational, Safety and Health Act No 3. of 2006, formed a Safety Committee. The eight member committee has assumed primary responsibility for the management and ongoing development of the company's HSE policy.

It covered areas such as recognizing road hazards, maintaining control in adverse driving conditions, and the elimination of common driving errors.

Melville Shipping Limited HSE Policy Statement

The Management and Employees hereby commit to the

HIGHEST

Safe working environment for all employees, customers and suppliers by preventing accidents and injuries via thorough risk analysis of all our activities.

Address with immediate action any emergency situation that may arise and thereafter ensure the implementation of any necessary corrective activity.

Firm adherence to all government regulatory requirements and the safety requirements of all ports and facilities.

Evaluate our level of success in meeting our HSE goals.

Training to ensure competence of our employees and ensure communication of our policies with all parties including contractors.

Yearly review (minimum) of our policies to ensure they meet current and developing needs.

STANDARDS

The Lighter Side

I asked my boss for a salary raise because I was doing the work of three men. He said he couldn't increase my pay, but if I told him the names of the three men he'd fire them.

To err is human— and to blame it on the computer is even more so— Robert Orben

No man goes before his time—Unless the boss leaves early—Groucho Marx

Staff Notes

- Birthdays -

November & December

Table with 2 columns: Name and Birthdate. Includes Johnathon Mohammed (Nov 2nd), Melissa Ramjattan (Nov 3rd), Debra La Croix (Nov 9th), Susan Gomes (Nov 16th), Nigel Irish (Nov 27th), Patricia Moore (Dec 7th), Anthony Pegus (Dec 7th), Sheriff Deen (Dec 9th), Ricardo Maraj (Dec 9th), Mark Mayhrai (Dec 14th), Martin Henwood (Dec 23rd), Stefan Mohammed (Dec 25th).

- Congratulations -



To our CEO, Stewart Sankar and his wife on the birth of their daughter on August 18th, 2006.

To our HR Officer, Zeah Desaine-Dafos and her husband on the birth of their son on August 11th, 2006.

- Mark Your Calendars -

Staff Christmas party December 9th 2006

