



# BEAR FACTS

ALGOMA CENTRAL CORPORATION NEWSLETTER • WINTER 2012

## President's Message



I opened last year's winter edition of the Bear Facts noting that we ended the summer on a high note with the Christening Ceremony for the *Algoma Mariner*. This year I am able to start off by saying we ended the fall on a high note with the Rededication Ceremony of the *Radcliffe R. Latimer*. This self-unloading vessel, previously named the *Algobay*, was re-named in honour of Algoma's recently retired Chairman, Radcliffe Latimer. Mr. Latimer has an association with the Company spanning 46 years and acted as our Chairman between 2003 and 2010. Please refer to page 15 for more details and pictures of this exciting day.

The next Christening ceremony will be for the first Equinox vessel, the *Algoma Equinox*, which is expected to take place in March 2013 at Nantong Mingde Shipyard in China. The construction activity at Nantong Mingde is gearing up with steel cutting having taken place on all eight vessels and keels being laid on four of the vessels. I had the pleasure of being at the Shipyard in mid-November along with our Board

Chairman, Duncan Jackman and Clive Rowe, a long-time Director. We took a number of pictures which are included in the Equinox Project update on pages 16 through 21. The *Algoma Equinox* is coming along nicely with the quality workmanship of the Shipyard employees very evident. By the time you are reading this message the vessel should have been launched from the slipway.

On October 31st we announced our third quarter results that on the surface looked much lower than 2011. This decrease in earnings was due entirely to non-cash adjustments resulting from the strengthening of the Canadian dollar compared to the U.S. dollar. Consolidated operating earnings (excludes interest expense and foreign exchange adjustments) from our four business segments was \$34.3 million, an increase of \$2.3 million or 7.2% over the 2011 third quarter. On a nine month basis, our consolidated operating earnings for our four business units was \$32.5 million which was \$651,000 less than 2011.

We continue to be pleased with these results especially as it relates to the improvements in our Domestic Dry-Bulk business as a result of our 2011 acquisition. The balance of 2012 should continue to be strong with the only uncertainty being the extent of weather related delays.

The Company wide Return on Capital Employed (ROCE) Improvement initiative continued throughout the year with particular focus on the

reduction/elimination of incidents and non-productive time, cost management, revenue optimization and increased utilization or occupancy. Although there is much more to be accomplished, we have seen many positive outcomes from the ROCE Improvement initiatives. I would like to thank all employees for their increased focus on these important areas.

Coincident with our earnings announcement, we also announced a cash dividend of \$.60 per share and a share split by way of a 9 for 1 stock dividend. I believe the Board's confidence in the strength of our business is demonstrated by these two dividend announcements. The share split is being done to make our shares more accessible to a broader group of retail investors. We have seen considerable interest in Algoma over the last couple of years and we wanted to take steps to make an investment in our common shares affordable to smaller investors including our employees.

At our September Board Meeting, Management was authorized to introduce an Employee Share Purchase Plan (ESPP). We are very pleased to introduce this Plan and feel strongly that owning shares will more closely connect employees to the company and feel that they can benefit from the success that they help to create.

## President's Message Continued

The ESPP, which commenced with the November 15th pay, is open to all permanent employees. We have had information sessions for all shore side employees and are planning on rolling out the ESPP to shipboard employees throughout the winter and during our spring fit-out meetings. Please refer to page 6 for more details on the ESPP.

Plans are well underway for the relocation of the staff that currently work at 20 Corporate Park Drive. This group will be moving to 63 Church once the renovations are completed. The current floor plan has the Human Resources, Business Information Systems, Finance and Purchasing departments located on the 5th Floor of 63 Church with the Operations, Technical, Sales, Traffic and Executive departments located on the 6th Floor. We expect everyone to be in their new spots by the summer of 2013.

On pages 9 through 12 you will find our 2012 Scholarship recipients. I am pleased to note that in 2012 Algoma awarded a record number of post-secondary entrance Scholarships to 26 children of Algoma employees. Including the 2012 awards, Algoma has contributed a total of \$352,000 in support of 202 children of Algoma employees.

During 2012, we continued our strong focus on worker safety practices and programs with the goal to achieve zero personal injury incidents throughout the Corporation. Although the goal has not yet been achieved, I am pleased to note in 2012 we continued our record of improvement in our

lost time injury frequency per 200,000 hours over our five year average.

I am also very pleased to note that in 2012 we created and introduced an Algoma specific safety program called Algoma Fundamentals of Safety (AFOS) which is modelled after a global safety training program.

AFOS will be rolled out during the winter meetings and spring fit-out.

Safe Sailing and please remember STOP and THINK – SAFETY FIRST.

In closing, I would like to wish all employees and retirees and their families the very best for the Holiday Season and a Happy New Year.



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Jocelyne Plamondon, daughter of Field Superintendent, **Paul Plamondon** created this artwork. Jocelyne is 11 years old.



Artwork created by 9 year old Makayla Anger, granddaughter of **Louise Young**, Payroll Clerk.

Congratulations to Jocelyne and Makayla - they are the co-winners of this year's Children's Christmas Card Contest.



# Algoma Central Corporation

## New Hires



Algoma welcomes **Adam Lewis** who has accepted the position of Supervisor, Technical Services effective June 11, 2012.



**Timothy Lincoln** accepted the position of Chief Engineer in the Algoma Bulker fleet effective July 26, 2012. Welcome to Algoma Timothy.



Algoma welcomes **Tessie Fiore** who accepted the position of Manager, Human Resources effective August 8, 2012.

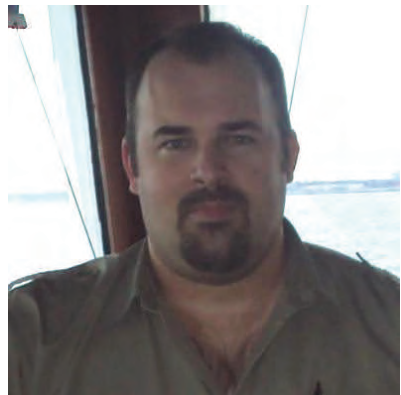
## Promotions



Algoma would like to welcome **Lisa Rotella** who accepted the position of Coordinator, Health and Wellness effective September 4, 2012.



Welcome to **Viktor Chernyak** who accepted the position of Manager, Operations effective October 15, 2012.



On March 1, 2012, **Duncan Roberts** was promoted to Captain in the Algoma Tankers fleet. Congratulations Duncan.



Algoma congratulates **Chesley Thorne** on his promotion to Captain with Algoma Central Marine effective June 18, 2012.



On July 9, 2012 **Robin Waldie** was promoted to Manager, Operations. Congratulations Robin.



Congratulations to **Graham Lindfield** who was promoted to Director, Operations on August 7, 2012.

# Algoma Central Corporation

## Promotions



Congratulations to **Mike Wolny** on his promotion to Manager, Operations effective September 4, 2012.



Congratulations to **James McAleer** who was promoted to Captain within the Algoma Central Marine Fleet on September 12, 2012.



Congratulations to **Monford Organ** who was promoted to Captain within the Algoma Central Marine Fleet effective September 13, 2012.



Congratulations to **John Tipton** who was promoted to Chief Engineer within the Algoma Central Marine fleet effective September 16, 2012.



On September 17, 2012, **Yangming Wu** was promoted to training Chief Engineer within the Algoma Central Marine Fleet. Congratulations!



Algoma congratulates **Dmitrijs Zaika** who was promoted to Training Chief Engineer with the Algoma Tanker Fleet effective October 11, 2012.



Congratulations to **Dalia Dief** who has accepted the position of Purchasing Supervisor with the Purchasing Department. Dalia will start in her new role early in 2013.

### Congratulations to the following employees who have upgraded their certificates:

Dominic Morin - September, 2011  
Dalia Dief - February 14, 2012  
James MacDougall - February 14, 2012  
Carolyn Babin - March 11, 2012  
Lukasz Kondratowicz - March 21, 2012  
Stephanie Duchesne - March 27, 2012  
Monford Organ - April 18, 2012  
John Lavery April 19, 2012  
James Ryan - April 19, 2012  
Timothy Mustard - April 26, 2012  
John Tipton - May 4, 2012  
Sarah Needham - May 15, 2012  
John Ducey - June 12, 2012  
Oleg Mamonkin - October 9, 2012  
Robert Edwards - October 31, 2012  
Oleksandr Bondarenko - November 19, 2012

# Algoma Central Corporation

## Retirements

**Dennis Thayer** retired effective June 13, 2012 after 33 years of dedicated service to Algoma Central. During Dennis' career as 3rd Mate he sailed on many vessels within the ACM fleet, most recently the *Algolake*.

After 32 years of service, Wheelsman **Lloyd Fifield** retired June 14, 2012. Lloyd sailed on various vessels throughout the ALGSI fleet and has spent the last 5 years sailing on the *Algoma Provider*.

On June 20, 2012, after 17 years of service, Cargo Maintenance Man **John Duggan** retired. John sailed onboard numerous vessels throughout the ALGSI fleet, most recently onboard the *Algoma Transfer*.

Third Engineer **Crawford Gordon** retired on July 17, 2012 after 12 years of dedicated service to Algoma Tankers. Crawford sailed primarily on the *Algosea* as well as the *Algoeast*, and the *AlgoCanada*.

Oiler **Sandy Bugden** retired July 20, 2012 after 17 years of service. Sandy sailed onboard many vessels within the ALGSI fleet, most recently the *Algoma Enterprise*.

Cargo Maintenance Man, **Alex Tucker** retired August 2, 2012 after 24 years of service. Alex sailed onboard numerous vessels within the ALGSI fleet including the *James Norris* and *Algoma Olympic*.

After 18 years of service, Ordinary Seaman **Van Forde** retired August 8, 2012. Van sailed onboard many vessels within the ALGSI fleet, most recently the *Algoma Navigator*.

On August 15, 2012, Wheelsman **Robert Peddle** retired after 17 years of service. Robert sailed onboard various vessels throughout the ALGSI fleet including the *Algoma Progress* and *Algoma Quebecois*.

Deck Foreman **Philip Dodd** retired on September 10, 2012. Philip had over 30 years of service and sailed onboard many vessels within the ALGSI fleet including the *Algoma Enterprise*.

Third Engineer **Bruce Ward** retired on September 21, 2012 after 33 years of dedicated service to Algoma Tankers. Bruce spent most of his career sailing primarily on the *Algosar*.

After 15 years of service, Ordinary Seaman **Andrew Abbott** retired on October 10, 2012. Andrew sailed onboard many vessels within the ALGSI fleet, most recently the *Algoma Transport*.

Second Cook **Archibald Layne** retired November 5, 2012 after 28 years of service to Algoma. Archibald sailed among the ACM fleet, most recently *Captain Henry Jackman*.

Mechanical Assistant **Ezekiel Yakobo** retired on November 6, 2012 after 4 years of service to Algoma. Ezekiel sailed among the ACM fleet, most recently *Captain Henry Jackman*.

**We wish all those who have retired with Algoma a healthy and happy retirement and appreciate the many years of dedicated service they have provided.**

## Final Sailings

It is with deepest sympathy that we announce the passing of the following Algoma employees, past and present. They will be greatly missed by many friends and family.

Retired Second Engineer **Alan Jackson** passed away March 25, 2012.

Able Seaman **David Carew** passed away July 14, 2012.

Third Engineer **Tony Newman** passed away September 26, 2012.

Retired Chief Engineer **Vernon McLellan** passed away November 8, 2012.

## Weddings



Chief Engineer **Steve Sparling** married Sofia Nino Sanchez July 21 in Brampton, Ontario with another celebration August 4, 2012 in Bogota, Columbia.



**Dalia Vanagas**, Crewing Coordinator married Peter Dief November 3, 2012 in Welland, Ontario.



# Employee Share Purchase Program

## Introducing the Algoma Employee Share Purchase Program (ESPP)

The Company-wide ESPP commenced on November 15, 2012.

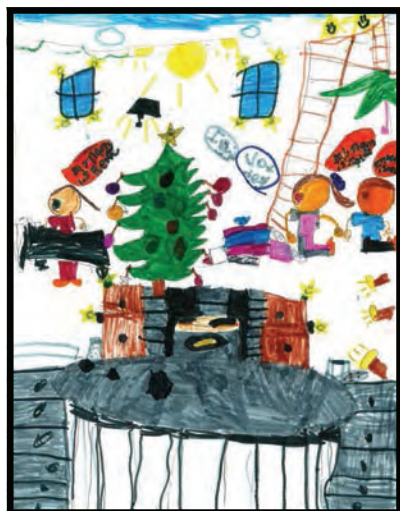
Listed below are a few details regarding the ESPP. More information will be provided at the upcoming information sessions. If an employee is interested in learning more, or in enrolling in the plan in advance of the sessions, they are encouraged to contact either Wes Newton at (905) 687-7836 or Terry Cochrane at (905) 687-7812.

### What is the ESPP?

- The ESPP is a program which allows employees to invest in Algoma Central Corporation (ALC-T) shares through regular payroll deduction
- A plan administrator has been appointed who will purchase shares on the employees' behalf into a pooled account.
- Algoma will pay the cost of acquiring the shares
- The account you set up to hold the shares can be either a non-registered account, an RRSP account or a tax-free savings account (TFSA).

### Who is eligible to participate in the ESPP?

- All permanent employees are eligible to participate in the ESPP



Artwork created by the children of Applications Analyst **Giulia Smyth** .  
From left to right: Kate - 6, Nathaniel - 8

**Do you have a story or an announcement  
to share with fellow employees?**

**If so, mail your story to:**

**Algoma Central Corporation**

**Attention: BearFacts**

**20 Corporate Park Drive, Suite 300**

**St. Catharines, ON L2S 3W2**

**or email us at: [Bearfacts.ACC@algonet.com](mailto:Bearfacts.ACC@algonet.com)**

# Algoma Central Corporation

## Operations Excellence

Algoma employees continue to show their commitment to Operations Excellence. Operations Excellence is one of the four main tenets to Algoma's Corporate Sustainability Strategy (Environmental Responsibility, Social Responsibility and Corporate Governance the other three) and has been demonstrated in a number of ways throughout the fleet this year:



Crew of the *Radcliffe R. Latimer* who recently assisted with a shore emergency.

- Vessels' team work in maintaining the **"Don't Hurt-Don't Spill-Don't-Damage"** credo and being able to fly the Safety Award Flag.
- Stepping up when a ship mate is in difficulty either through illness or injury and making sure they get immediate assistance and treatment.
- Taking the time to listen to questions, pass on experience and give a cadet the understanding that they are important to Algoma and the industry.
- In times of emergency ashore, maintaining communications, mustering the crew and assisting in putting out fires.
- Giving of time and effort to support charities that make a difference in the communities we live in.



Artwork created by the grandchildren of ACPI Administrative Assistant **Mary Borowicz**.

From left to right: Meagan Perlini - 11, Jessica Sibenik - 5, Hannah Perlini - 9.

## Crewing Corner

As you are all aware, crewmembers are required to provide copies of all current certificates and documents required to sail in their current rating to the shore office. This is a requirement mandated by various regulatory bodies.

At this time we would like to remind all crewmembers that when they depart the vessel for vacation or vessel lay-up to please review the expiry dates of their documents and certificates. It remains the responsibility of each employee to ensure that all of their documents are current and up to date at the time when they are required to return to work.

Documents, when achieved or renewed, can be forwarded by regular post, fax or email ([crewing@algonet.com](mailto:crewing@algonet.com))

We appreciate your cooperation.



# Algoma Central Corporation

Algoma has been participating in career fairs in an effort to increase awareness in the Marine Industry. Below are pictures from the 2012 Ontario College Information Fair held in Toronto; at the "Make it , Move it, Ship It" Fair held in Hamilton; at the Career Evolution Job Fair in Thorold; and at the "Your Future Your Choice" Career Fair in Guelph.



Crewing Coordinator Douglas Dorn (L) and Chief Engineer Stephen Sparling (R) at the Ontario College Information Fair in Toronto.



Crewing Coordinators Douglas Dorn (L) and Barb McFadyen (R) at the Make it, Move it, Ship it Fair in Hamilton.



Crewing Coordinator Peter Van Rooijen (L) and Purchasing Director Jim Phillips (R) at the "Your Future, Your Choice" career fair at Centennial High School in Guelph November 21, 2012.



First year Cadet Students from Georgian College are engaged in discussion as Crewing Coordinator Douglas Dorn and Captain Seann O'Donoghue educate the students on the history of Algoma, the make up of the fleets and the insight into the life on board and future opportunities.



Artwork created by Rachel MacNinch, 11 year old daughter of **Sheree MacNinch**, Manager, Infrastructure.



# Algoma Scholarship Recipients

The Algoma Central Corporation Scholarship program was launched in 1993 and has since provided assistance to over 202 deserving students. To be eligible to receive the \$2,000 first-year post-secondary education scholarship, the student making the application must meet the following criteria:

- a) The student must be a dependent of an employee of Algoma Central Corporation or one of its subsidiaries (please note that all divisions are eligible), and
- b) The student has or is about to graduate from high school and/or CEGEP and has been accepted by a recognized post-secondary institution for the purpose of continuing their education.

Application packages for 2013 scholarships are available now through the Human Resources Department. For further information and an application package, please contact Judy Ann Savoia, Administrative Assistant; Human Resources, 63 Church St, Suite 600, St. Catharines ON, L2R 3C4. Applications for 2013 scholarships must be received by the Human Resources Department no later than May 31, 2013.



**Jacqueline Anderson**

Daughter of Tom Anderson  
Director, Ports and Harbours  
Attending: University of  
Western Ontario



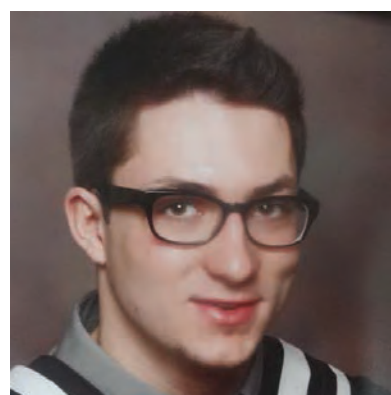
**Lyndsey Bain**

Daughter of Captain Hugh  
Bain, *AlgoCanada*  
Attending: Dalhousie University



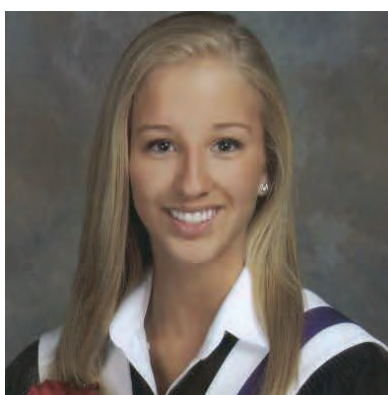
**Joan Bennett**

Daughter of Peter Bennett  
Manager, Technical Services  
Attending: Brock University



**Dylan Billard**

Son of Chirstopher Billard  
Ordinary Seaman, *Algowood*  
Attending: Marine Institute



**Erin Brown**

Daughter of David Brown  
Senior Business Analyst  
Attending: Concordia  
University



**Laura Caines**

Daughter of Colin Caines  
Head Tunelman, *John B. Aird*  
Attending: Memorial University

# Scholarship Program



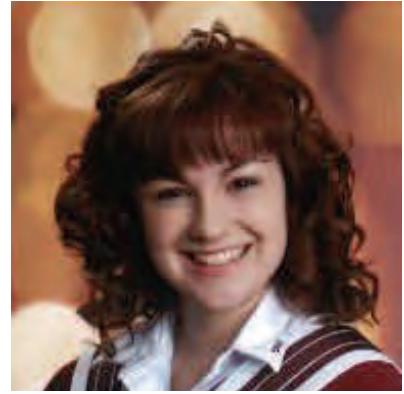
**Alyssa Chisling**

Daughter of Captain Bruce Chisling, *Algosar*  
Attending: University of New Brunswick



**Catey Cochrane**

Daughter of Terry Cochrane  
Manager, Payroll  
Attending: McMaster University



**Ariella D'Agostino**

Daughter of Janet Kubik  
Office Assistant, Properties  
Attending: Wilfred Laurier University



**Amanda Day**

Daughter of Edward Day  
Second Engineer, *Algoma Enterprise*  
Attending: Cape Breton University



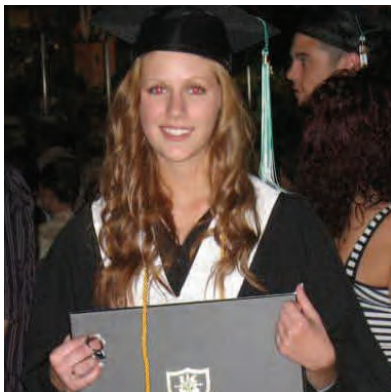
**Lucas Feehan**

Son of Michael Feehan  
First Mate, *John D. Leitch*  
Attending: Memorial University



**Brendon Fudge**

Son of Douglas Fudge  
Head Tunnelman (ACM)  
Attending: Fanshawe College



**Shannon Gervais**

Step-daughter of Anthony Hyska  
Foreman, Fabrication Shop  
Attending: Niagara College



**Joshua Gushue**

Son of Andre Gushue  
Second Mate, *Algosar*  
Attending: College of the North Atlantic

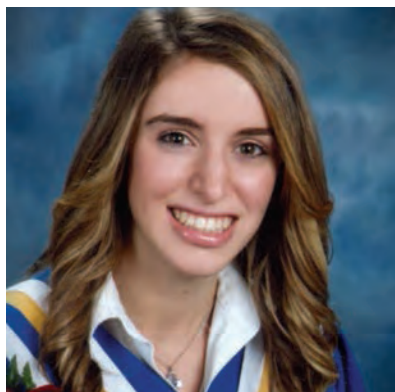


**Matthew Harvey**

Son of Rex Harvey  
Ordinary Seaman, *Algosoo*  
Attending: Nova Scotia Community College



## Scholarship Program



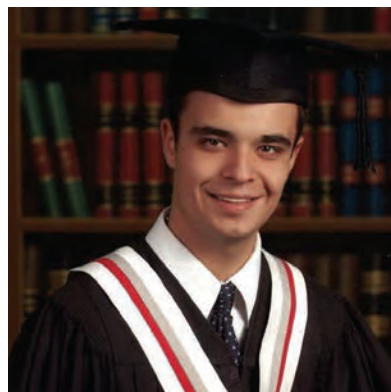
**Laura Hayward**

Daughter of Peter Hayward  
Operations Manager  
Attending: Humber College



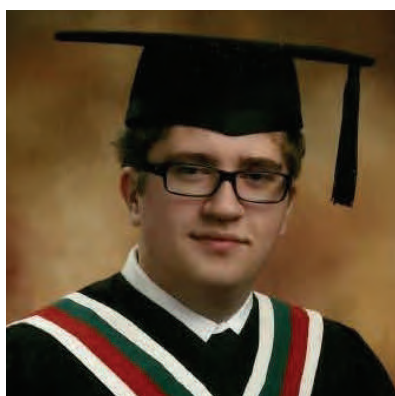
**Courtney Hicks**

Daughter of Bob Hicks  
Manager, Traffic  
Attending: McMaster University



**Spencer Houston**

Son of Robert Houston  
Director, Technical  
Attending: Brock University



**Wojciech Janda**

Son Chief Engineer Wacław  
Janda, *Algoma Spirit*  
Attending: York University



**Jonathan Joseph**

Son of David Moffatt  
Second Engineer, *Algoeast*  
Attending: Brock University



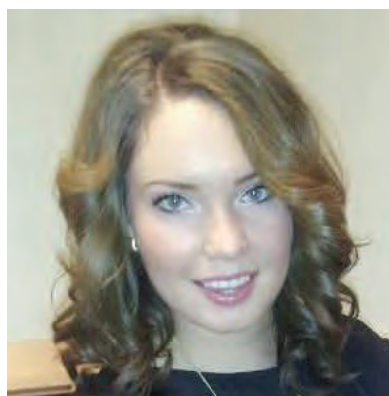
**Ryan Langdon**

Son of Eric Langdon  
Training Captain  
Attending: University of King's  
College



**Bronwyn Pitts**

Daughter of Tim Pitts  
Second Mate, *Algonova*  
Attending: Nova Scotia  
Community College



**Courtney Ross**

Daughter of David Ross  
Director, Technical Services  
Attending: Sheridan College



**Michael Sharp**

Son of Janice Sharp  
Administrative Assistant  
Attending: Niagara College



# Scholarship Program



**Isabel Szulewski**

Daughter of Tomasz Szulewski  
First Mate, *Stephen B. Roman*  
Attending: George Brown  
College



**Fiona Watt**

Daughter of Karen Watt  
Vice President, Human  
Resources  
Attending: Ryerson University



Artwork created by Catriona McAleer, 8 year old daughter of **Captain James McAleer** on the *Algosteel*.

## Marine School 2012 Academic Awards

Algoma supports marine schools throughout Canada by providing berths for cadet officers and by providing scholarships to outstanding Marine School cadets. The following are the recipients of this year's Marine Scholarships at the British Columbia Institute of Technology.



Captain Jim Pound, Vice President, Operations (L) congratulates Jordan Sallstrom (R) with the Algoma Central Award at the Marine Engineering Convocation.



Captain Jim Pound, Vice President, Operations (R) congratulates Dmitry Belyakov (L) with the Algoma Central Award at the Nautical Sciences Convocation Ceremony.



Artwork on left created by 6 year old **Talia Hopkins**, and artwork on right created by 12 year old **Teely Hopkins** grand-daughters of Jo-Ann King, Office Administrator, Properties.



# Community Involvement

## Alzheimer Society 2012

### National Coffee Break Day



Coffee Break is the Alzheimer Society's major nationwide annual fundraiser where friends and co-workers gather in communities across Canada to raise funds for local Alzheimer Society chapters.

On May 25th ACC Office employees came together and challenged each other through a friendly "Battle of the Blades" hockey match and in the process raised \$3,500 for the Alzheimer Society. (Picture Right: Church Street and Corporate Park Teams)

Office employees also participated in the "National Coffee Break Day" on June 14th with a "National Coffee Break BBQ". Together we raised \$6,292.23.

On board the Algoma Vessels, the crews participated in the Alzheimer Society's "National Coffee Break Day" by having a "Pop and Chip Party" on August 22nd and raised over \$7,100 doing so. Congratulations to the *Algoma Quebecois* for being the vessel to raise the highest amount at \$1,150 and our thanks to all the vessels that participated in this event.

All together with various fundraising events Algoma and its employees raised almost \$24,000 for the Alzheimer Society.



### Algoma Hockey Game



Above: Church Street Team



Above: Corporate Park Team

### Take Your Kids to Work



On November 7th, Take Your Kids To Work Day took place. Manager, Operations, Dave Pauze and Manager, Quality Systems, Captain Martin Neuenhagen took the grade nine children of Dave Pauze and Christine Ellis on board the *Stephen B. Roman*.



# Community Involvement

## United Way

### Backpacks for Kids



"Backpacks for Kids" is a hands on, committee run initiative coordinated annually by the United Way.

On August 24th, 2012, Algoma participated in this program with a team of 40 volunteers - including employees, family and friends - filled backpacks with schools supplies for children.

In total for 2012, an outstanding 2300 backpacks for kids were filled and delivered for schools.

### CIBC Run for the Cure

The Canadian Breast Cancer Foundation CIBC RUN FOR THE CURE is Canada's largest single day, volunteer-led fundraising event dedicated to raising funds for breast cancer research, and education and awareness programs.

Despite the pouring rain, on Sunday, September 30th, the Algoma Care Bears participated as a team in the 21st annual Canadian Breast Cancer Foundation CIBC Run for the Cure.

Algoma raised over \$11,000 for this year's event and was awarded the Corporate Spirit Award.

### Walk a Mile in Her Shoes

Walk a Mile in HER Shoes is a symbolic gesture of men who marched in female footwear raising awareness and money on the issues of violence against women.

On Saturday, October 13th, Wes Newton, Dan Fournier, Jeff Carter and Chris Lazarz put their best foot forward, walked a mile and with the support of Algoma, were able to raise \$6,360 for Gillian's Place.

### Grape and Wine Parade



Algoma held the 6th Annual United Way Grape and Wine Parade BBQ on Saturday, September 29, 2012. It was a fantastic turn out of employees who brought their children, grandchildren, and even their furry friends to the parade. The weather cooperated and it turned out to be a beautiful day!

Algoma Raised \$950.00 from BBQ sales alone with all proceeds donated to the United Way.





## Community Involvement

### Movember



Crew Members of the *Algosteel* and *John D. Leitch* grew their mustaches for Movember. Movember is an annual event involving the growing of moustaches during the month of November. This international fundraising phenomenon helps to raise awareness regarding men's health issues, specifically prostate cancer and mental health.

Crew of the *John D. Leitch*.

From left to right: Captain Bill Cross, Third Mate Jeff Martin, Wheelsman Alvin Parry and Third Engineer Guarav Devgan.

## Rededication Ceremony of the Radcliffe R. Latimer

The self-unloading bulk carrier, which transports commodities such as grain, coal, iron ore and gypsum to ports around the Great Lakes, St. Lawrence Seaway and Atlantic Canada, will now be called the *M/V Radcliffe R. Latimer*. Mr. Latimer, who recently retired from the Algoma Central Corporation board of directors, has an association with the company spanning 46 years and acted as its chairman between 2003-2010.

The *Algobay* was originally constructed in Collingwood Shipyard in 1978. After nearly 30 years of service in the Algoma Central fleet, the vessel underwent a major refit, including re-engining and a forebody conversion project at Chengxi Shipyard in China and returned to service with the company in 2010.

Mr. Latimer was very involved in the deliberation and approval process for the project, which was the beginning of Algoma Central's domestic dry bulk fleet renewal program. Algoma Central has committed \$400 million to 8 new Great Lakes vessels including the *Algobay*, *Algoma Mariner* and the six Equinox-class vessels now under construction in China.



# Equinox Vessel Update

## EQUINOX CLASS VESSELS

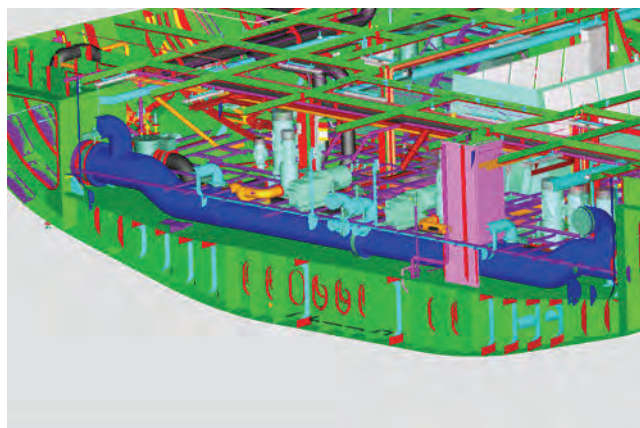
### Project Update

#### Background Information



Algoma Central Corporation signed its latest shipbuilding contract with Nantong Mingde Heavy stock Industry Co. Ltd on September 14th, 2010. Since that time the shipyard has completed the detailed design work through its contract with Deltamarin of Finland, and also its 3D production design work with a local company in China.

The electronic output of the production design work becomes the input for the production employees at the Nantong Mingde shipyard, the electronic information generates cutting information for plates and profiles as well as pipe spools, and positions the equipment and the parts required to build our vessels.



Lower Engine room

The first vessel in our series of ships is designated as MD149 and will be named *Algoma Equinox*. Steel cutting for this vessel (along with MD150) started on September 10th, 2011 with the cutting of the steel for the first double bottom block.

The next stage of production is the subassembly of individual parts and then through the assembly work to block fabrication.



Assembly work in progress



Block fabrication complete



# Equinox Vessel Update

After fabrication is complete the structural block is sent for outfitting (hot work), where all the miscellaneous brackets, supports, seats and hangers are added to the block, and from there sandblasting and painting are required.



Side block being outfitted before blast and paint



Side block after blast and paint

After painting of the block is completed and accepted by our on-site supervision team, the blocks are further outfitted (cold work) where the pipes and equipment are mounted in place. The block is then transferred to the slipway for vessel construction.



Keel-Laying for MD 149 – M.V. *Algoma Equinox*

Vessel construction: the first in our series of vessels takes shape



Double Bottom blocks with corrugated bulkheads



View from slipway



# Equinox Vessel Update



Side tank blocks being erected with cross decks



Progress on side blocks and MD 150 started



Side blocks erected from forward to aft end



Entire cargo hold section in place



Ready for Engine Room and Bow blocks



Bow blocks in progress, MD 150 taking shape

## Today's Situation

Construction of the new ships has visibly picked up pace and now that more blocks have been assembled on the slipway and more equipment is arriving at the shipyard innovations and ideas are becoming reality. There are currently five of eight ships being actively worked on but the focus is squarely on MD 149 – *M.V. Algoma Equinox* which will be the first to slide into the water and also the first to enter service within the Great Lakes.



## Equinox Vessel Update



The photo above shows the *Algoma Equinox* as of November 16th, 2012. At this point the main hull is complete and the majority of work is currently focused on the engine room. The accommodations block is being pre-erected in another area of the shipyard and it is intended to lift it into position just prior to launching. Launching is currently scheduled for December 18th.



Final forward unit in position



Final main hull block being installed.



Stern tube machining prior to bearing installation



Rudder stock fitting

## Equinox Vessel Update

The *Algoma Equinox* is certainly making the transition from a ship of paper drawings and designs to real machinery and equipment. The site team is now able to see many of the ideas that were put to paper come to life. The generators were installed in the ship November 15th and the main engine December 3rd prior to launching. These primary pieces of equipment represent a leap forward in technology above our current fleet. The generators have liquid cooled alternators which will ensure that they stay properly cooled, dry and clean throughout their life. This reduces maintenance requirements and improves the safety and operating performance of the power generation system. The electronically controlled main engine on its own will bring not only significantly reduced fuel consumption but also comes with a greatly extended maintenance schedule

The design team has not stopped looking for new ideas either, there always seems to be another opportunity just around the corner. Algoma recently added two new features to the propulsion system. A continuous bearing wear down monitoring for the stern tube bearing and Integrated Combustion Control, (ICC), to the main engine. Through the continuous measurement of wear on the stern tube bearing, along with temperature and water flow data logging it is possible to know the wear down of the stern tube bearing and predict its remaining service life without removing the tailshaft. This can be confirmed visually through borescope inspections to inspect the condition of the shaft liner all of which we hope will allow us to prevent unnecessary removal of the tailshaft during drydocking. The ICC system is a relatively new product for Wartsila and can only be applied to fully electronic engines. The system uses sensors mounted on each cylinder and analyzes virtually every stroke of the engine and makes minor adjustments to the fuel and exhaust valve control systems ensuring that the engine is operating at peak performance not just at full load but at all times regardless of operating conditions, it will even automatically correct for weather conditions which

might affect the performance of the engine. Wartsila has proven that this system has been able to reduce fuel consumption by as much as 2.5 gr/kW hr or over 1%.

Sitting off in a corner warehouse of the shipyard waiting for installation is a fully integrated Exhaust Gas Scrubber, (EGS). The EGS is one of the most significant environmental advances the *Equinox* Class vessels will bring to the Great Lakes. This EGS is the first commercially installed fully integrated fresh water scrubber from Wartsila, meaning that it can operate in closed loop mode in fresh water cleaning the exhaust streams from all sources on board including the thermal oil boiler. It is also integrated directly into the design of the ship therefore ensuring that all the systems and support required for the safe and reliable operation of the EGS have been fully engineered for this purpose. Wartsila have taken a keen interest in this project as it is breaking ground for them in a new area of marine equipment and Algoma again welcomes the support and strength of the Wartsila organization to be able to back up and support this equipment.



Auxiliary Generator installation in Engine Room



Main Engine delivered at Shipyard



## Equinox Vessel Update

The site team recently had the pleasure to show off their work to Greg Wight, Duncan Jackman (Chairman of the Board) and Clive Rowe (Algoma Director) who visited the shipyard in the early part of November and took time to tour the facility and of course the *Algoma Equinox* and the *Algoma Harvester*.



ACC Nantong Mingde site team with Board members on their recent visit

When asked to comment on his impression of the Shipyard, Duncan Jackman said, *“Nantong Mingde is certainly one of the most modern and efficient shipyards in China but what truly stood out for me was the obvious pride everyone, from the welders to the site supervisors, had in the Equinox project”*.



Main engine (Wartsila 5RT Flex 50) being lifted in to place on MD149 (December 3rd). The launching is expected to take place on December 18th.

# Algoma Central Properties Inc.

## New Hires



ACPI welcomes **Michael Szczepaniak** to the role of Leasing Representative – Sault Ste. Marie, effective August 13, 2012. Michael brings with him 4 years of finance experience in the banking and education sectors, and is excited to continue to learn the ropes of the real estate leasing industry. Michael is an avid golfer and is heavily involved in the local curling community.

## Promotions



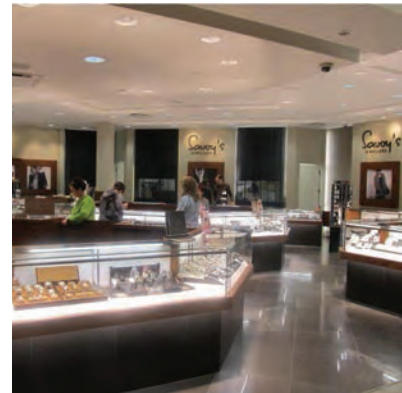
ACPI is pleased to announce that **Peter VanRooijen** has accepted the role of Leasing Representative – St. Catharines. Peter has been with Algoma for the past 7 years, and is currently in the role of Crewing Coordinator within the Human Resources team. We anticipate Peter will embark on his new role in early January 2013.

## Station Mall



On October 12th, 2012, WalMart opened the doors to its much-anticipated 'inner-city-style' compact concept in the former Zellers location at Station Mall. WalMart's presence has caused a welcome spike in foot traffic in the Mall, and has noticeably reinvigorated the corridor formerly anchored by Zellers.

The Station Mall is also in the early stages of an 18-month renovation initiative that will involve new tile throughout all common areas, new ceiling finishes, and renovations and reconfiguration of food court seating, public washrooms and entrances.



Savoy's Jewellers recently completed their relocation, and the result is a modern and vibrant corner suite facing the bustling food court, further highlighting the ongoing redevelopment at Station Mall. Other additions to the tenant mix in recent months include Fruits and Passion, Virgin Mobile, Carter's Osh Kosh, and the relocated and remodeled Tip Top Tailors, with Station Mall Medical Clinic slated to open in December.



Artwork by Charlotte Ross. Charlotte is the daughter of **Gabrielle Ross**, Human Resources Manager and Technical Services Director **David Ross**. Charlotte is 6 years old.



# Algoma Ship Repair

## Renaming

At an employee meeting held on October 5th, 2012, Greg Wight announced that the ship repair division of Algoma Central Corporation was changing its name from 'Fraser Marine and Industrial' to 'Algoma Ship Repair' – effective immediately. The renaming or 'rebranding' emphasizes the connection between the Corporation and its 'first choice' ship repair company, aligning it more closely to the Corporation's vision and values and its strategic plans. The name 'Fraser' has long been synonymous with quality ship repair on the Great Lakes, however, the new name looks to the future of Great Lakes shipping with the same high standards that our customers have come to expect.



## Updates

Following the 2012 Winter program, the workforce at ASR successfully completed the internal steel repairs required on the *Algoma Provider* allowing this vessel to be back in service when needed.

During the summer months, the Fabrication and Machine shops were busy preparing for the upcoming winter while also

dealing with the emergency repairs arising.

ASR is anticipating another busy Winter in 2013 with workforce requirements expected to be between 250 and 300. Projects planned include new Deck Arches and Longitudinal Bulkhead installation on the *John B Aird*, Tank Top renewal on the *Algoma Transport* and Longitudinal Bulkhead renewal on the *Algoma Olympic*.



**Above:** Screen Bulkhead Repairs on the *Algomarine* in Port Colborne.



**Above:** Fabricating a Deck Arch to be installed on the *John B Aird* this winter.



**Above:** Port Colborne Fairlead repairs

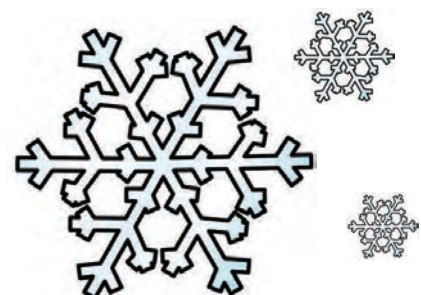


**Above:** Preparing to re-install the refurbished Gantry Crane on the *Algoma Spirit*.

## Service Awards



David Ross (R) presents Steve Siba (L) with his 25 year service award.



## Service Awards 2012



Robert Stavenow (R) presents Maxwell Clarke (L) with his 35 year service award.



Al Vanagas (L) presents Gary Mollins (R) with his 35 year service award.



Peter Hayward (L) presents Ronald White (R) with his 35 year service award.



Captain Dennis Seward (L) presents Paul Bown (R) with his 30 year service award.



Captain Dennis Seward (L) presents Wade Chaulk (R) with his 30 year service award.



Captain Robert Loveless (R) presents Terence Dominic (L) with his 30 year service award.



Dennis McPhee (L) presents Gerard Feehan (R) with his 30 year service award.



Captain Kenneth Mackenzie (L) and Peter Van Rooijen (R) presents James Field with his 30 year service award.



Captain Dennis Keating (R) presents Graham Green (L) with his 30 year service award.



## Service Awards 2012



Al Vanagas (L) presents Wayne Hankinson (R) with his 30 year service award.



Chief Engineer Wojciech Kondratowicz (L) and Dennis McPhee (R) present Pauline Hopkins with her 30 year service award.



Captain Kenneth Mackenzie (L) and Peter Van Rooijen (R) presents Mark Hurst with his 30 year service award.



Graham Lindfield (L) presents Rodney Lee (R) with his 30 year service award.



Captain Michael Jolliffe (R) presents Henri Levesque with (L) with his 30 year service award.



Chief Engineer Martin Olivier (R) presents Gerald Mahoney (L) with his 30 year service award.



Captain Ian MacFie (L) presents Warren Osborne (R) with his 30 year service award.



Captain Daniel Bielby (L) presents Jeffrey Scott (R) with his 30 year service award.



Chief Engineer Charles Forde (L) presents Garry Toope (R) with his 30 year service award.

## Service Awards 2012



Chief Engineer Peter Stanley (L) presents Robert Town (R) with his 30 year service award.



Captain Greg Crewe (R) presents Todd Trenholm (L) with his 30 year service award.



Chief Engineer Jacques Trudel (R) presents Benjamin Wells (L) with his 30 year service award.



Chief Engineer Roger Lightfoot (L) presents Terry Westhaver (R) with his 30 year service award.



President and CEO Greg Wight (L) and Chief Engineer Seth Gordon (R) present Carl Carey with his 25 year service award.



Congratulations to Terry Carter on 25 years of service with Algoma.



Captain Michael Jolliffe (R) presents Winston Gill (L) with his 25 year service award.



Captain James McAleer (R) presents Rupert John (L) with his 25 year service award.



Dan Fournier (L) presents Nicholas Cusovich (R) with his 20 year service award.



## Service Awards 2012



Chief Engineer Daniel Leblanc (L) presents Gordon Davis (R) with his 20 year service award.



Chief Engineer Daniel Leblanc (L) and Robert Stavenow (R) presents Philip Fowlow with his 20 year service award.



Captain Dan McCormick (R) presents Roland Harvey (L) with his 20 year service award.



Captain Ian MacFie (R) presents Francis Julien (L) with his 20 year service award.



Captain Jim McAleer (L) presents Leslie King (R) with his 20 year service award.



Karen Watt (R) presents Bruno Lemay (L) with his 20 year service award.



Captain Ian MacFie (L) presents Calvin Ransome (R) with his 20 year service award.



Captain David Jones (L) presents Mark Redman (R) with his 20 year service award.



Dan Fournier (R) presents Alfred Scott (L) with his 20 year service award.

## Service Awards 2012



Captain Jim Pound (L) presents Alexander Bell (R) with his 15 year service award.



Captain Dan McCormick (R) presents Martin Bride (L) with his 15 year service award.



Captain William Cross (L) presents John Caton (R) with his 15 year service award.



President and CEO Greg Wight (L) and Chief Engineer Seth Gordon (R) present Jorge Chavez with his 15 year service award.



Robert Stavenow (L) presents Wieslaw Fudzinski (R) with his 15 year service award.



Captain Seann O'Donoghue (L) presents Frederick Gagne (R) with his 15 year service award.



Captain Cameron Misener (L) presents Michael Lawrence (R) with his 15 year service award.



Captain Michael Jolliffe (R) presents Robert McGuire (L) with his 15 year service award.



Captain Jim Pound (L) presents Nicklaus (Lee) Miller (R) with his 15 year service award.



## Service Awards 2012



Captain Dan McCormick (R) presents James Murray (L) with his 15 year service award.



Captain Michael Jolliffe (R) presents James O'Toole (L) with his 15 year service award.



Eric Height (L) presents Captain Denis Saucier (R) with his 15 year service award.



Chief Engineer Colin Voyer (L) presents Gary Sokoloski (R) with his 15 year service award.



Captain Ian MacFie (L) presents Curtis White (R) with his 15 year service award.



Chief Engineer Peter Pennock (L) presents Dean Bobbett (R) with his 10 year service award.



Karen Watt (R) presents Robert Cook (L) with his 10 year service award.



Captain Seann O'Donoghue (L) presents Randy Densmore (R) with his 10 year service award.



Captain Michael Jolliffe (R) presents Ronald Eavis (L) with his 10 year service award.

## Service Awards



Captain Jim Pound (R) presents Clyde Grandy (L) with his 10 year service award.



Captain Robert Loveless (R) presents Hugh MacLean (L) with his 10 year service award.



Captain Michael Jolliffe (R) presents Porfirio Perneta (L) with his 10 year service award.



Captain Michael Jolliffe (R) presents Michael Sinderly (L) with his 10 year service award.



Chief Engineer Daniel Leblanc (L) presents Keith Stone (R) with his 10 year service award.



Chief Engineer Peter Stanley (L) presents Roland Vallee (R) with his 10 year service award.

**Congratulations to all employees who received a service award this year. Your hard work and dedication to Algoma is greatly appreciated.**

**The employees below also received a service award in 2012 but were unavailable for a photo.**

**Peter Sullivan - 35 years**

**Gordon Smith - 30 years**

**Phyllis Derraugh - 25 years**

**William Robertson - 20 years**

**Michel Boucher - 15 years**

**Robert Hopkins - 15 years**

**Lawrence Kurgan - 15 years**

**Daryn Miller - 15 years**

**Dennis Courtney - 10 years**

**Jacques Dumont - 10 years**



Artwork created by the daughter of Human Resources Manager **Gabrielle Ross** and Technical Services Director **David Ross**.  
Mackenna Ross - 9.



## Employee Photo Contest



**1st Place Winner:** Algorail

Photo taken by **Captain Seann O'Donoghue**, Algoma Spirit



**2nd Place Winner:** Algoma Vessels in the Welland Canal

Photo taken by **Captain Jerry Wheaton**, Algoma Enterprise



**3rd Place Winner:** Algoma Central Corporation Logo in Sunset

Photo take by **Arnesh Misra**. Deck Cadet, Algoeast

# Happy Holidays From The Children



This drawing was created by 7 year old Daniele Chernyak, daughter of Operations Manager **Viktor Chernyak**.



9 year old, Melinda De Silva, daughter of Chief Engineer **Nihal De Silva** on the *Algosea* drew this Christmas Picture.



8 year old Natalia Sawatsky drew this picture. Natalia is the niece of Payroll Clerk **Wanda Shaw**.



This drawing was created by Gavin Arbour. Gavin is the grandson of **Captain Peter Schultz** of the *Peter R. Cresswell*.

