FLNG – Opportunities for WA – A Contractor’s Perspective

Sam ALLEN – Managing Director, Technip in Australia
Perth, 12 March 2015
Safe Harbor

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Some of these risk factors are set forth and discussed in more detail in our Annual Report. Should one of these known or unknown risks materialize, or should our underlying assumptions prove incorrect, our future results could be adversely affected, causing these results to differ materially from those expressed in our forward-looking statements. These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could have material adverse effects on our future results. The forward-looking statements included in this release are made only as of the date of this release. We cannot assure you that projected results or events will be achieved. We do not intend, and do not assume any obligation to update any industry information or forward looking information set forth in this release to reflect subsequent events or circumstances.

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1. Technip – Who We Are
2. Technip in Australia
3. Shell Prelude FLNG
   a) Technip Oceania Shell Prelude FLNG Offshore Installation Contract
   b) Technip Oceania Shell Prelude FLNG Offshore Services Contract
   c) Local Contracts
4. Civmec – Local Partnership Example
5. Future Opportunities
6. Summary
1. Who We Are
Technip Today

- A world leader in engineering, technology and project management for the energy industry
- From the deepest subsea oil and gas developments to the largest and most complex offshore and onshore infrastructures
- Worldwide presence – 38,000 people – in 48 countries
- Assets on all continents – state-of-the-art manufacturing plants
- A fleet of 27 specialised vessels (six under construction)
- More than 50 years of experience

Energy is at the core of Technip
2. Technip in Australia
Technip Oceania: What We Do – Design and Execution

Subsea

Offshore

Onshore

Major Project Support

*Image courtesy of Shell Australia
Current Australian Projects

*Image courtesy of Shell Australia
3. Shell Prelude FLNG
Shell Prelude FLNG

*Image courtesy of Shell*
Meet Shell Prelude FLNG

THE WORLD’S LARGEST FLOATING LIQUEFIED NATURAL GAS FACILITY

STORAGE EQUAL TO
175 OLYMPIC Sized Swimming Pools

FACILITY’S DECK LONGER THAN
4 Football Fields

WATER DISPLACEMENT EQUAL TO
6 Large-Sized Aircraft Carriers

6,700 Horsepower Thrusters Used To Position Facility

*Image courtesy of Shell Australia
Prelude EPIC Contract Execution Plan

- Shell Project Directorate
- TSC Project Directorate
  - IT/methods
  - Project controls
  - Procurement of tagged items and equipment
- Technip (POC)
  - Topsides engineering
  - Substructure interface management
  - Construction coordination

- Paris La Défense

- Technip
- Construction management
- Onshore commissioning

- Goeje
  - SHI
  - Hull engineering
  - All construction & module integration up to mechanical completion
  - Procurement of steel and other selected bulk
  - Technip
    - Construction management
    - Onshore commissioning

- Kuala Lumpur
  - Technip (KLOC)
    - Topsides engineering

- Perth
  - Local
    - Subsea engineering and installation
    - Support for regulatory requirements
    - Offshore HUC support

- Offshore
  - Tow
  - HUC
Shell Prelude FLNG – Offshore Installation Contract

Location:
- 230km from North West Australian coast in approximately 240m water depth

Duration:
- 2012 – 2016
- 6 Offshore campaigns from Q4 2014 to Q3 2016

Description:
- Project management and engineering
- Flowline fabrication
- Transport and installation of structures
- Fabrication, transport and installation of jumper spools
- Installation of riser and umbilical system
- Pre-commissioning
Prelude Offshore Installation Contract – Local Opportunities

- > 150,000 man-hours out of the Technip Perth Office
- 1,000 days offshore vessel services
- Opportunities for Australian industry exist or have already been placed on a wide range of services including:

Fabrication:
- Buckle Triggers
- Pipeline End Terminations
- Permanent Flowline Anchor Piles
- Rigid Jumpers
- Installation Aids

Offshore Support Subcontracts:
- Offshore Manning – Marine and Construction Personnel
- Pre-commissioning
- Survey
- Equipment Hire
- Catering

Procurement:
- Valves
- Rigging

Marine Support Subcontracts:
- Tugs
- Barges
- Supply Vessels
- Light Construction Vessels
- Survey and Pre-commissioning
- Support Vessels

Onshore and Logistics Support Subcontracts:
- Ships Agency Services
- Transportation and Storage
- Labour and Plant Hire
- Stevedoring Services
- Logistics Support
- Fuel Supply Services
## Prelude Offshore Installation Contract – Local Opportunities

<table>
<thead>
<tr>
<th>Subcontractor</th>
<th>WA</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civmec Construction and Engineering</td>
<td>Yes</td>
<td>General Fabrication Services – PLETS, Buckle Triggers, permanent Flowline Anchor Piles</td>
</tr>
<tr>
<td>Baker Hughes Australia Pty Ltd</td>
<td>Yes</td>
<td>Pre-commissioning Services (Onshore and Offshore)</td>
</tr>
<tr>
<td>Fugro Survey Pty Ltd</td>
<td>Yes</td>
<td>Survey Services</td>
</tr>
<tr>
<td>MMA Offshore Pty Ltd</td>
<td>Yes</td>
<td>Tugs, Barges and Supply Vessels</td>
</tr>
<tr>
<td>Monsons Offshore Pty Ltd</td>
<td>Yes</td>
<td>Ships Agency Services</td>
</tr>
<tr>
<td>Chameleon Resources Pty Ltd</td>
<td>Yes</td>
<td>Logistics, Transport, Storage, Labour, Plant Hire and Office Laydown Area Rental</td>
</tr>
<tr>
<td>Qube Ports Pty Ltd</td>
<td>Yes</td>
<td>Stevedoring and Logistics Services</td>
</tr>
</tbody>
</table>
Shell Prelude FLNG – Offshore Services Contract

- Project Management and Engineering
- Safety Case
- Mooring piles installation / chains pre-lay *(subcontractor)*
- Station keeping and heading control *(subcontractor)*
- Mooring hook-up
- Water intake riser installation

*Image courtesy of Shell Australia*
Shell Prelude Offshore Services – Local Opportunities

- Approximately 200,000 man-hours out of the Technip Perth Office
- Plan to execute approximately 120,000 man-hours of work offshore for Commissioning and Hook-up activities – various trades
- Opportunities for Australian industry exist or have already been placed on a wide range of services including:

**Marine Support Subcontracts include:**
- Supply Vessels
- Transportation Vessels
- Installation Support Vessel
- Station Keeping and Heading Control Vessels
- ROV Support Vessels

**FLNG Facilities Subcontracts:**
- Facilities Management
- Waste Management
- Scaffolding
- Rope Access

**Onshore and Offshore Support Subcontracts:**
- NDT
- Local Fabrication and Repair Facilities

**Offshore Support Subcontracts:**
- Offshore Manning – Marine and Construction Personnel
- Pre-commissioning
- Survey
- Equipment Hire
- Catering

**Local Logistical Support Subcontracts:**
- Ships Agency Services
- Transportation and Storage
- Labour and Plant Hire
- Stevedoring Services
- Logistics Support
- Fuel Supply Services
- Fixed Wing and Helicopter Services
4. Civmec – An Example of Local Opportunity
Prelude Subcontract to Civmec

Campaign X1
- 8 x Buckle Triggers (16 x 12m mudmats 46Te each)
- 1 x XT Wet Parking Frame (12 x 12m mudmats 55Te)
- BT Clumpweight Basket (8x8m 35Te)
- 4 x Concrete Clumpweights (6 x 2m 20Te each)

Campaign 1B
- 8 x PLETs and PLRs (12x9m 55Te each)
- PLETs include 12" Stainless Steel Clad (CRA) Pipe and UCON Connectors
- Installation aids, including skidding frames, spreader beams

Campaign 1A
- 4 x Permanent Flowline Anchor Piles (11m dia x 13.5m, 300Te each)
- 4 x Chain tensioning structure
Prelude Offshore Installation – Buckle Triggers
Prelude Offshore Installation – Pipeline End Terminations
New Award to Civmec
Lessons Learned

- Collaborative approach required
- Clear definition and agreement on requirements approved
- Potential changes identified upfront and clear variation pricing mechanism agreed
- Parties to work together to achieve required safety and quality standards – collaborate / train
- Combined change management process – work together to deal with change
Ideal Partner Attributes

- Embrace quality and safety ideals – willing to both share best practices and learn new techniques
- Collaborative approach, looking to build relationships rather than make a quick buck
- Flexible – we work in an ever-changing environment
- Willing to commit appropriate quality and number of resources – remembering management, reporting and documentation as well as delivery of goods
- Open relationship – good, clear and timely reporting
- Honouring commitment – schedule / quality / safety
How to Access Tier One Contractor Opportunities

- Larger projects registered in Industry Capability Network website –
  www.icn.org.au

- Opportunities posted on Project Connect –
  www.projectconnect.com.au

- John Ryrie – Technip Oceania Contract and Procurement Manager –
  jryrie@technip.com
5. Future Opportunities
Future FLNG Market*

* Technip estimate and viewpoint only
6. Summary
Summary

- There is significant potential for FLNG Projects in Australia

- Each FLNG project will bring substantial opportunity to local industry
  - Research and Development
  - Operations and Maintenance
  - Subsea Infrastructure
  - Offshore hook up and commissioning

- Australian companies will play a significant role in the development of Australian FLNG

Energy is at the core of Technip
Thank you