

Offshore consortium proved viable

Ten Esbjerg-companies have shown their skills for cooperation bagging contracts worth 35 million DKK.

2007 was the year when the newly established Offshore Consortium Esbjerg (OCE) was to prove viable and demonstrate that their fond intentions of cooperation could be transferred from paper to joint projects in the Danish and international oil and gas industry.

OCE now seems to have taken a number of significant steps forward. After minor contracts in the beginning of 2007 involving two or more of the ten partners OCE got a contract for a separation plant to StatoilHydro involving five or six of its members as participants. Since then they got a contract worth 10 million DKK for a process plant for an operator in the Danish sector. In both cases Promecon was awarded the main contract but it was supported by suppliers of technological specialities.

"The essence is that none of the orders would have been placed at for instance Promecon or ABB if we had not established the cooperation within OCE. The difference between a consortium and an individual company is that each of us has our specialities fully focusing on our primary competences. But



The majority of the representatives of Offshore Consortium Esbjerg gathered at Blue Water Shipping at Esbjerg Harbour. From the left: Aksel Nielsen, AN Group, Niels Aage Giversen, Force, Christian Jensen, HydroPower, Karin Knudsen, studying Management of Innovation and Business Development (MIB), Peter Jakobsen, ABB, Kim Beier, Blue Water Shipping, and Michael L. Madsen, Promecon.

when we add this expertise we represent a number of quite unique competences," states the chairman of OCE, Peter Jakobsen, who is responsible for sale of electrical components and instrumentation at ABB, Esbjerg.

Each of us may be small

All the OCE-members sell projects on behalf of the consortium. When a contract is signed they decide who of them can handle the individual processes. All calculations are laid openly on the table, for each member to know the costs and profits of their colleagues when handling their part of the contract. The company handling the

main contract gets a special allotment for handling the project, management and administration.

"The co-operation is unique in Esbjerg – especially within this branch which is definitely not famous for its openness. Each of us is too small – and that goes for ABB, too. Especially within this industry. Semco Maritime's taking over of Esbjerg Oilfield Services confirms our realization that we have to field a larger team, and the right solution seems to be this consortium."

The two major contracts for the Norwegian and the Danish sectors indicate the size of contracts being of

interest to OCE. Projects worth 10-20 million DKK will make up the majority of jobs, but in principle there are no upper limits to the capacity of the consortium. Last fall ABB got a 160 million DKK contract from Malaysia, but OCE is aware that in some cases it may be necessary to reject otherwise interesting jobs due to construction, geography or other parameters.

Knowledge of new materials

Especially in the Norwegian and the Danish sectors OCE will go far to secure contracts, and an order from M-I Epcom AS for a separator

PHOTO: NIELS HUSTED



plant was the first foothold. The plant is to be delivered in May, and in addition to being constructed in compliance with Norsok standard it will provide the consortium with valuable knowledge in several areas.

"We shall use high-end materials, super duplex as well as ceramics, so our knowledge gained of these materials will be useful in other contracts as well. It is an attractive project characterized by a fine cooperation between M-I Epcor and the final client, StatoilHydro."

Peter Jakobsen has introduced major Norwegian offshore contractors to the concept, and they were impressed as the cooperation makes it possible for the participants to maintain and develop in depth their specialities and thereby provide high quality work. Promecon has a branch in Norway promoting OCE, and this fall the consortium will participate in

ONS Stavanger 2008. Also the Dutch market is of interest.

Too little focus on the branch

The managing group of the OCE consists of representatives from four of the companies, and all participants meet at least four times a year. A fixed agenda will address the progress of the cooperation and if necessary adjust the direction and exchange new ideas for joint projects. The trend is that more ideas pop up, and the dialogue gets increasingly open.

"If we can maintain the 2007 level of contracts worth 35 million DKK it will be a success. In addition to that we provide our contribution to making Esbjerg visible to clients and politicians. Some 10.000 persons get their income from the offshore industry primarily in Esbjerg, and the turn-over is some 70 billion DKK. Considering

OCE members

The below companies form the OCE

- Promecon A/S – Steel fabrication, fitting, construction
- ABB A/S – E/I design and systems, automation and control systems, components, installation, service
- Niras A/S – Structure, piping and process design, environmental services
- Persolit A/S – Isolation and cladding
- Force Technology – NDE, metallurgy, quality control
- AN Group A/S – Field Life extension (topsides), instrumentation
- Hydropower A/S – Hydraulic systems and components
- Ocean Team Scandinavia A/S – Hydraulic and lube oil systems flushing
- Gardit A/S – Surface treatment
- Blue Water Shipping – Shipping, management

The companies forming Offshore Consortium Esbjerg total 4,700 employees in Denmark of whom 547 are based in Esbjerg where they account for a turn-over of some 1 billion DKK.

that, it is surprising how little interest the rest of our society shows this industry," confesses Peter Jakobsen.

OCE is focused on – but not limited to - the oil and gas industry. Several of the companies in the consortium are involved in other industri-

al projects, and constructions like process plants are used by a wide range of industries other than the ones involved in oil and gas, so the opportunities are legio.

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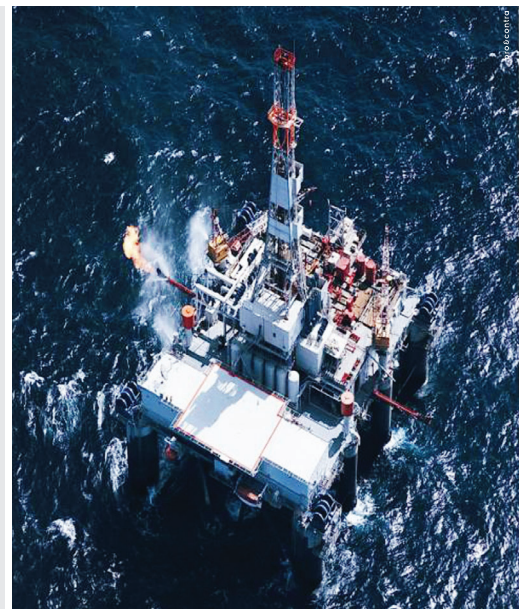
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