

Business opportunities
in the oil and gas industry
In-Country Value

18 December 2013, Sultanate of Oman



الفرص الاستثمارية في
قطاع النفط و الغاز
القيمة المحلية المضافة
١٨ ديسمبر ٢٠١٣، سلطنة عمان



Fabrication of scaffolding and scaffold parts as well as scaffolding services

Presented by:

18th of December 2013



شركة تنمية نفط عمان
Petroleum Development Oman

أوربيك
Orpic



Safety briefing and lodging



Emergency contacts

Mr. Kashif - loss prevention manager - Mob : 98089044

Emergency alarm / fire drills

Fire drills, emergency alarms (if any), assembly points to be announced by then hotel loss prevention staff

Prayer rooms

ladies prayer room & gents Prayer room are located in the Third floor

Toilets

available in Oman Auditorium & Boshar area

Coffee / tea

Provided outside the workshop room

Arrangements for smokers

allowed only outside the hotel Promises

Meeting agenda



1. Purpose of this workshop
2. Industry Data
3. ICV creation through the opportunity
4. Context and background
5. Scope of the opportunity
6. Challenges & Constraints
7. Specifications
8. Targeted parties
9. Contact details
10. Q&A session

Purpose of this workshop

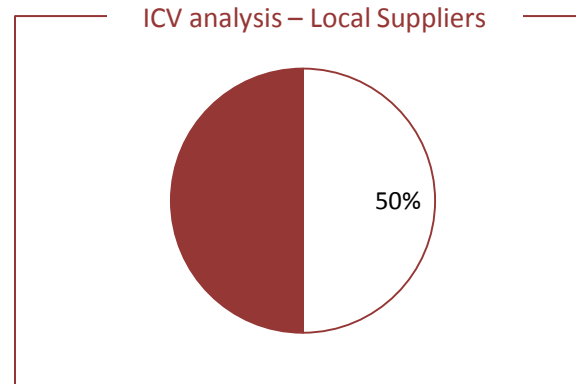
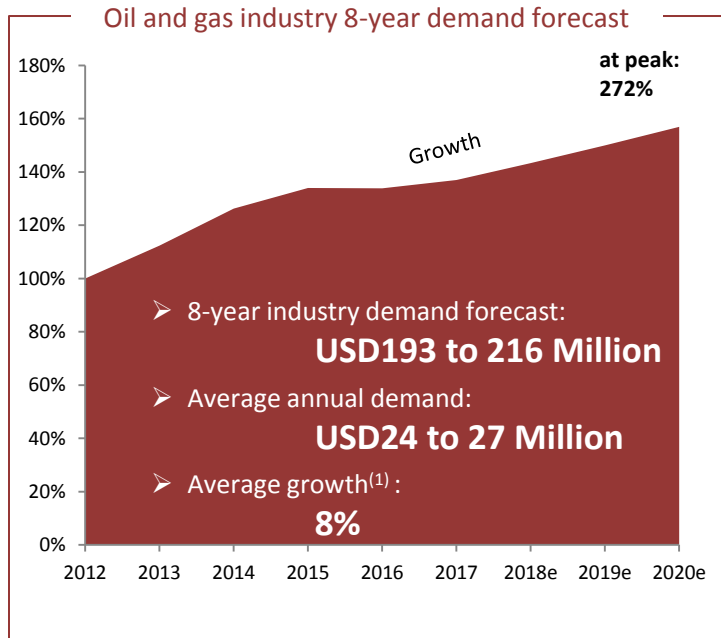


Purpose of the workshop

- To share the scope of one of the priority opportunities with the business community
- To register interest of the business community
- To set an initial dialogue between the oil and gas industry and business community
- To exchange ICV development best practices
- This workshop is NOT an contractual commitment with any business entity

Scaffolding Industry demand data

Industry demand data was the main trigger for the development of the opportunity



Category Overview – Scaffolding

- Scaffolding demand is between USD193 to 216 Mln
- Currently the market capacity provides 50% of the industry demand
- The remaining 50% of the demand is mainly addressed through imports with range of USD97 to 108 Mln
- Scaffolding is heavily demanded in civil works and construction projects, this include water works, transmission towers/lines, highways, bridges, etc.

(1) CAGR: compound annual growth rate



ICV creation through the opportunity

We are expecting that this opportunity would increase ICV by:

Potential direct job creation related to the opportunity

397 – 440 Jobs

Potential ICV related to the opportunity*

USD84 – 98 Mln

ICV value is decreased from opportunity size due to importation of raw material / components and need for employment of expatriates

Feasibility of implementation

High for manufacturing

Impact

- Manufacturing of scaffolding will increase demand for steel and aluminum which could be considered for ICV development opportunities.
- Together with manufacturing, businesses such as rental, maintenance, inspection and installation can be further improved
- Insurance business can also be impacted by the establishment of local rental companies
- Manufacturing scaffolding requires semi-skilled to skilled human resources

Feasibility

- Low technology complexity is required to manufacture scaffolding
- Furthermore, it is easy to implement due to existing metallurgy and steel fabrication capacity and capability
- Demand for scaffolding also justifies the investment to launch manufacturing and rental businesses
- Fast training can be given for professionals

Context and background



Use of Scaffolding in Oil & Gas industry

- Used in buildings; Tanks; vessels; gas columns & separators etc..
- Buildings ranged between Electrical substations & control rooms to multi-story offices and accommodations.
- Scaffolding used also in structural steel structures such as workshops, sunshades and pipe racks.
- Scaffolding is heavily used during construction, erections of structural steel and maintenance work

Scope of the opportunity



Category: Construction Support Services

Opportunity

Fabrication of scaffolding and scaffold parts as well as scaffolding services

- Manufacture scaffolding parts for the local market as well as exports
- Design and manufacture of mobile access and working towers made of prefabricated elements for indoors and outdoors usage.
- Provide customers with local scaffolding services
- The manufacturer may also establish training institutes to certify a basic, intermediate or advanced scaffolders and competent inspectors.



Scope of the opportunity

Category: Construction Support Services

PDO example – Scaffolding usage

Mina Al Fahal:

- New Medical Center. (approx 3,000 m2 BUA) – 1&2 storey.
- Ras Al-Hamra Club (approx 25,000 m2 BUA)
- Residential phases 1A/2 & 3 (approx 240,000 m2 BUA) – 826 units (mix of 2-3 storey villas & apartments)
- Central hub building – Similar to the new BMF office
- OGDR (approx 3,000 m2 BUA) – 1&2 storey

Interior – Major Projects (RHIP, YKP & BIP)

- Around 22 separate buildings and workshops for the three projects; summing approx 30,000 m2 BUA.
- Approx 6,000 Rm of pipe racks and 50 tanks & compressors.
- RHIP accommodations & offices approx 19,000 m2 BUA.

Interior – Other CPD Projects, Gas and south oil

- 13 projects with almost 15 buildings -(app 20,000 m2 BUA).
- Projects also have similar features of pipe racks, shades and tanks / equipments.

BUA = Built Up Area

Orpic example - Scaffolding usage

- Orpic has its own in-house Maintenance Department over looking all four plants. The Department adapts best maintenance practices known.
- Almost 80% of Orpic's Maintenance Department activities involve erection, alteration or dismantling of scaffolding.
- Orpic Maintenance activities require the usage of almost 50,000 Cubic Meters of scaffolding material per year excluding TA requirements.
- All four plants undergo TA activities on planned intervals which means that at least one plant will be under TA every year:
 - Sohar location requirements total to 30,000 Cubic Meters per year
 - Muscat location up to 20,000 Cubic Meters per year.

TA = Turnaround

Constraints & Challenges



Category: Construction Support Services

- Shortage of scaffolding and scaffolding part have led to delays and higher cost.
- Importing material has greater room for errors in supplying wrong material has cost and time implications
- Importing has put limitations on smaller local companies which may lead to monopoly in the market.

Specifications-Oil & Gas

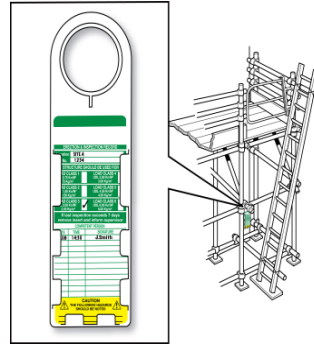


Industry Best Practice/Standards

Manufacture and Material supply



Competence and training of National Staff



Oil and Gas contract support
'Best Practice' site delivery
service

Market considerations

- Defining and agreeing Oil & Gas technical specifications
 - Design BS EN 12811
 - Tubes BS1139 Part 1.1/BS EN 39
 - Couplers BS1139 Part 2.1
 - Scaffold boards Timber BS2482
 - Tubes and fittings NASC TG20:08
 - Edge Protection BS EN 13374
 - Mobile Access Towers BS EN 1004:2004
 - Fall Protection Equipment BS 8437:2005
 - Ladders BS EN 131 1993/2037 Aluminum
 - Training Accredited International Scaffolder (Card holder System)
- Measure the potential for supply and for jobs


Target parties



- SMEs
- International investors
- International EPC contractors
- Local EPC contractors
- GCC investors
- GCC manufacturers
- Local manufacturers
- Local fabrication workshops
- Local agents
- Local suppliers
- Local entrepreneurs
- Omani Banks

Scaffolding Strategising & Execution Plan



Next Steps	Year 1	Year2	Year3
Feasibility			
Strategy Workshop			
Tendering			
Execution			

Contact details and support



Lead operator(s) contact details:

- *Hussein Abdullatif*

Other stakeholders:

1. Petrogas
2. OGC
3. Oxy
4. Daleel
5. OLNG
6. Orpic
7. OOCEP
8. OPAL
9. MOG

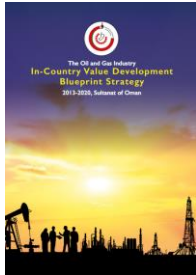
ICV PMO contact details

Website: www.incountryvalueoman.net

Materials and follow-up



For more information:



Brochure



Catalogue of opportunities



Website

For follow-up:

Register interest by contacting the PMO on: www.incountryvalueoman.net

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Thank you for your contribution!

Our mission:

***Developing a competitive and sustainable local supply
market... Together!***