

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



Carbon Steel Pipes & Tubes

Presented by:



شركة تنمية نفط عمان
Petroleum Development Oman



December 18th, 2013



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. Context and background
3. Scope of the opportunity
4. Industry Data
5. ICV creation through the opportunity
6. Specifications
7. Targeted parties
8. Contact details
9. FAQ
10. Q&A session



Purpose of this workshop

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- 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

More information on the ICV blueprint or on other opportunities could be found in the brochure and catalogue distributed today or by visiting www.incountryvalueoman.net



ICV creation through the opportunity

We are expecting that this opportunity would increase ICV by:

Potential job creation related to the opportunity

991 – 1096 Jobs

Potential ICV related to the opportunity*

USD997– 1102 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

- The impact on value retention and job creation from developing the carbon steel pipes will be even greater when considering the power, marine, and infrastructure industries
- Manufacturing pipe requires semi-skilled to skilled human resources. Furthermore, producing pipes does not involve a very high figure of staff since automation levels are high

Feasibility

- Locally established line pipe manufacture may expand their product range to cover carbon steel pipes with wider diameter by modifying their facilities.
- Significant investment in facility upgrade is required

Context and background



With the continuous opportunities of growth in the Oil and Gas sector, the demand for Carbon steel pipes in its different range remains one of the highest requirements.

Internal and external coating of the above CS pipes have become inevitable due to increased corrosion due to various factors and the entire internal coating and part of the external coating is carried out outside Oman currently.

Scope of the opportunity

Category: Line Pipe & FBE Coating

Opportunity:

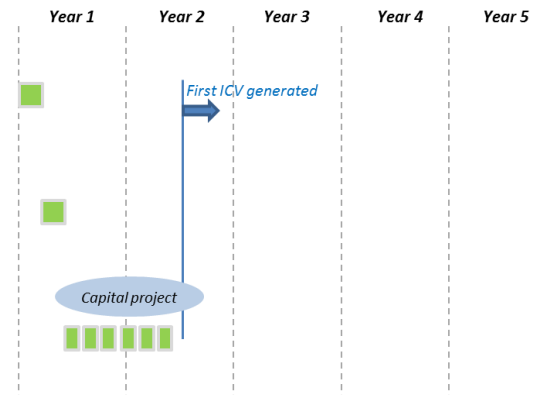
- CS Pipe size ranging from 28" to 36" dia (250 km)
- CS Pipe size ranging from 6" dia and below (2500 Km/Year)
- Internal FBE Coating
 - Pipes - 700 Km
 - Fittings - 20,000 Nos.
 - Hook-up kit - 200 Nos.

Development Phases / Streams

1. Incentivize established Omani company to expand the product range of local carbon steel pipes (30-in. and 36-in. diameter) by giving supply preference on major carbon steel pipeline project

2. Align project schedule to facility upgrade plan

3. Invest in facility upgrade



Specifications



Briefed herewith Line Pipe Material Specification and its coating for further utilization.

Carbon Steel Line
Pipe Specification

SHELL DEP 31.40.20.37 Amendment / Supplement to API 5L (PSL2 Grade X42, X52, X56, X60, X65 & X70) & ISO 3183:2012

Common Line Pipe
Dimension

Diameter from 3" to 6" with various thickness maximum up to 10.97mm – for larger Dia. Pipes, Common Sizes are 28" to 36" up to 20mm thickness.

Corrosion - H₂S
Environment
sustainability

PDO Specification SP-2041 Additional mandatory requirement to SHELL DEPs and ISO 15156

Line Pipe External
coating Specification

SHELL DEP 31.40.30.31 Amendment / Supplement to ISO 21809-1:2009
3 Layer PP / PE coated pipes

Line Pipe &
Customized Internal
coating Specification

PDO Specification SP-2034 Amendment / Supplement to API RP 5L7
Fusion Bonded Epoxy Coating

Standard Piping
Material

As per line class, standard MESC material to relevant ASTM / ASME standards are being used.

Target parties



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

Contact details and support



Lead operator(s) contact details:

1) Maqbool Zadjali

Engineering Manager North & CFDH Pipelines- PDO

2) Mansoor Al Abdali (Integrity
Manager - OGC)

Other stakeholders:

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

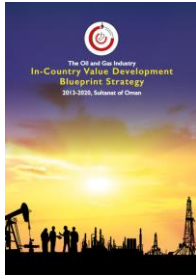
ICV PMO contact details

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!***