## Lamprelltimes Q2, 2016



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Lamprell



Page Annual Safety Day **Celebrations Held** 

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Page Lamprell signs JDA 14 for Maritime Complex

Lamprell Wins Best Page **Offshore Construction** 15 Yard Award





### Message from the CEO

Since the last issue of Lamprelltimes, we have seen a number of developments which reflect both the challenging times in which we are currently operating and also the great efforts by our employees to meet these challenges.

In April, we were sadly obliged to declare a significant number of redundancies amongst our professional, management and administrative staff. This was of course a very difficult event, not least for our colleagues that we had to let go, but also for those employees who saw friends and colleagues leave the Company.

Our Business Development, Proposals and Estimating teams, supported by all key operational and support functions are working very hard as a team to improve our competitive position and win new work. We are constantly looking at all areas for improvement including our senior management succession planning as well as non-staff related costs where we have identified some significant potential savings. In our three main yards, progress on all our projects continues at a steady pace. However, I am particularly proud of the world class safety milestones that continue to be reached on our major projects including notably the five million manhours on the two Shelf Drilling projects page 5. The development of Phase 2, the additional land acquired in Hamriyah, has progressed smoothly and efficiently through the dedication and planning of our local team and you can read more about this on Page 14.

Our management team is looking at potential partnerships to help reposition the business in line with its long-term strategy and with this in mind, Lamprell has taken the next steps in its collaboration efforts with the Saudi Aramco, the National Shipping Company of Saudi Arabia and Hyundai Heavy Industries, and has signed a Joint Development Agreement for a Maritime complex which may be established in KSA. This agreement represents the next phase of development between the partners after signing the Memorandum of Understanding in January; you can read more on **>** page 14.

In May we announced that John Kennedy and I have agreed to extend our respective roles as Executive Chairman and Chief Executive Officer while the search process to find a new CEO continues. These extensions look to ensure management stability during a challenging period for the industry and we will remain in these roles until the end of the year, or until the Board appoints a new CEO to lead the business.

Our other business units of LRS, O&M, E&C and Sunbelt are also contributing well to the profitability of our business and have been able to win additional work. Furthermore, our bid pipeline is still sizeable which is encouraging given the state of the industry.

Finally, I would like to give special mention to the employees who were nominated for each of the "Star of the Quarter" and/or the "Star of the Year" processes during 2015 ▷ page 12. These employees are just a few examples of the high quality, committed workers that we have within the Lamprell group. Whilst we have been obliged to take some tough decisions to stay competitive, I am confident that we have the right people, processes and teamwork ethic to build a strong future.

Jim Moffat CEO



## **HSES News**

### Annual World Safety Day Celebrated at Lamprell

The annual "World Day for Safety and Health at Work" is an awarenessraising campaign started by the International Labour Organisation (ILO), whose aim is to promote the prevention of occupational injuries and diseases globally. The goal of the safety day, which took place on 28 April, was to encourage companies to focus on how creating and promoting a strong health and safety culture can help reduce the number of work-related deaths and injuries. Lamprell held a double celebration at its

Sharjah facility combining this day and the Kaombo project achieving over 500,000 manhours without a recordable injury. The event was kicked off with a stretching exercise and mass toolbox talk which focused on the prevention of occupational near miss incidents in particular. Short speeches were given by a number of Lamprell management and a "spot the hazard" competition and safety quiz were held for both day and night shifts. The Kaombo project team provided lunch and dinner for all



A "World Day for Safety and Health at Work" celebratory event was kicked off with stretching exercises in Lamprell's Sharjah facility

supervision and workforce staff in honour of their safety achievement and a number of prizes were given out to competition and quiz winners at the close of the event including four bicycles and four solar chargers. Over 500 people, including departments, supervision, clients, sub-contractors and project workforce, participated in the event.

### Q1 Hand Safety Award Winners Announced

As part of the company's commitment to continually improving the standard of our health and safety performance, we have kicked off a hand safety campaign which will run for the duration of 2016. One of the many initiatives we are undertaking as part of this campaign includes the "safety observation card" where employees are encouraged to observe, provide feedback, stop work if necessary, report and record any potentially unsafe acts that could

cause hand injuries. At the end of each quarter the observations will be reviewed and a winner for each facility for the "best hand safety improvement observation" will be selected by a panel of judges. Congratulations go out to the Q1 winners Simoan Thankchan from our Hamrivah facility, Vimal Patel from Port Khalid and Sathishkumar Paramasivam from Jebel Ali who each received a voucher worth AED100 from Carrefour.



Hamriyah Yard Manager Gary Jones presents the Q1 Hand Safety Award to Simoan Thankchan for his demonstration to a panel line operator on how to correctly use a wedge with a handle to prevent a hand injury

# Envirotank Introduced at Lamprell

To help protect the environment from any unintended hazardous material spills, Lamprell is in the process of replacing old portable diesel tanks with new environmentally friendly models. This new 'Envirotank' contains a self-bundled diesel tank which prevents spillage in case of damage or decay. Additional features include a ladder for safe access to the tank re-fuelling point and lifting points for safe and efficient movement around the facility.



environmentally friendly models



### **HSES News Energy Conservation Initiatives Kicked Off**

Energy conservation and cost saving are two of the most important, related components in environmental and organisational management. Unless the fuel for energy, such as electricity, gas and diesel, is powered by renewable sources, consumption requires the burning of fossil fuels such as natural gas and oil, which results in damaging global warming CO<sub>2</sub>e emissions. Each year Lamprell spends

large sums of money on energy to power company operations which results in us releasing harmful CO<sub>2</sub>e emissions into the atmosphere. According to industry statistics, approximately 25% of Lamprell operational energy costs are generated from inefficient energy practices. To help reduce the environmental footprint of our operations, Lamprell is currently taking on a number of initiatives. These include adjusting

yard light timings to reflect the longer day light hours, turning off all water heaters in bathrooms, replacing halogen and fluorescent lights with LED lights and removing the hot water function on water dispensers. In addition, we are assessing the need for the operation of ventilation fans throughout facility buildings and shutting these down outside of operational hours, we are installing timers and setting controls for A/C

units to ensure that these are not left running when not required, and we are also consolidating offices and blocks that have limited occupancy to avoid unnecessary energy burdens. Lamprell consciously looks for ways to reduce our impact on the environment and will continue to do so in the future.

### Bee'ah Waste Recycling & Disposal Presentation

On 26 May Lamprell personnel gathered for an interactive presentation by Bee'ah, our waste management provider for both the Hamriyah and Port Khalid facilities. The presentation outlined processes one can take to improve recycling efforts both at home and in the office. Through alliances with waste recycling companies such

as Bee'ah, Lamprell is able to divert the majority of waste from landfill and help the UAE and wider region implement more sustainable waste management practices. The presentation was well received and employees gained a greater understanding on how Bee'ah recycle waste collected from across the UAE.



Lamprell's waste management provider gave a presentation to employees in May

### Sustainability Dashboard Launched

With the assistance of the Lamprell IT Department, the Company recently launched a sustainability dashboard on its intranet,

which contains important environmental and sustainability data that is updated on a monthly basis. The dashboard

Worker Welfare

Stakeholder Engagement

**Financial Performance** 

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enables all personnel across the organisation to monitor how their facility is performing and provides tips as to how employees

Lamprell is committed to ensuring continued compliance with all

internal labour welfare policies and external regulations. The

being of all stakeholders.

company is committed to promoting the health, safety and well-

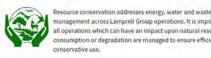
Stakeholder engagement is an important facet of business operations

other forums which engage external parties important for Lamprell's

which the company promotes through daily activities. These activities include the undertaking of client alliance meetings and

growth and continued successful operations.

**Resource Conservation** 



management across Lamprell Group operations. It is important that all operations which can have an impact upon natural resource consumption or degradation are managed to ensure efficient and conservative use.

#### Environmental Protection



Lamprell understands the impact which company operations have upon the environment. We continually strive to ensure compliance with applicable environmental laws and regulations and to reduce the carbon footprint of company operations.

#### Sustainable Procurement



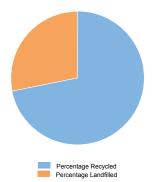
Sustainable procurement involves the acquisition of products and services essential to the Lamprell Group which reduce the environmental impact of material sourcing, processing and supply The company will work with new and current suppliers to promote ethical sustainability practices.

The continued growth and strong financial performance by the organisation is an important component of sustainability management. Positive responses in customer satisfaction surveys and company financial performance indicators are two mediums which Lamprell reviews performance in this area

Lamprell recently launched a sustainability dashboard on its intranet

can assist with reducing both the environmental footprint and operational costs for the company. Data provided on the dashboard includes CO<sub>2</sub>e emissions, waste recycling percentages, sustainability projects under review as well as Lamprell's Sustainability Pillars.

#### 2016 Lamprell Waste Diversion





### **New Build Jackup News** Three NDC Rigs Progressing on Schedule

It has been an extremely busy period for the National Drilling Company (NDC) jackup rig projects, NDC7 "Al Gharbia", NDC8 "AI Hudairivat" and NDC9 "Al Lulu". All three rigs currently under construction have completed over one million manhours each without a day away from work case. These significant milestones were achieved during the critical phases of each project whilst heavy fabrication and erection work was being carried out, which is a major achievement for the team and something for which Lamprell can be truly proud. At the beginning of April. the 345 tonne accommodation module for "Al Gharbia", which

has been constructed separately to the main hull, was lifted on board and installed. This was done with the help of SPMT trailers and two of Lamprell's biggest cranes which moved the module 600 metres across the vard. The "Al Gharbia" hull was then jacked up off its blocks in order for the bottom to be painted. The rig was successfully loaded out and floated off into sea on 9 June and preparations are under way to slide the cantilever on. The "Al Hudairiyat" team installed the accommodation module in May, started the main engines for commissioning at the beginning of June and are now on track to jackup the hull in order to

complete painting work. On rig "Al Lulu", the team are busy installing the remaining main decks in order to close up the hull and commence installing

leg sections. All three projects are continuing to meet all major milestones as planned thanks to the hard work and dedication of the project teams.



In May the NDC 8 accommodation module was lifted on board the rig and installed successfully

### Shelf Drilling Projects Continue to Progress Ahead of Schedule

Construction activities on our Shelf Drilling projects continue ahead of schedule with world class quality and safety statistics. Both projects combined have reached over five million manhours without a day away from work case. During Q2, Shelf Drilling "Chaophraya" reached the threshold of three million manhours while Shelf Drilling "Krathong" reached two million. Shelf Drilling "Chaophraya" will have reached over 99% of construction by the end of Q2, with the biggest accommodation

module that Lamprell has ever built which can house up to 160 people. Shelf Drilling "Krathong" is also progressing ahead of schedule with safety and quality statistics trending well. In late Q2 the project will reach 75% construction and one of the most important milestones. engines start-up will take place. This will be followed by the jacking trials and load out in Q3. Shelf Drilling "Chaophraya" is scheduled to be delivered in late Q3 this year followed by Shelf Drilling "Krathong" in Q2 2017.



Shelf Drilling "Chaophraya" is on schedule to be delivered in Q3

### **Rig Refurbishment News**

### Dhabi II Rig in Hamriyah for Fast Track Refurbishment

Lamprell's strong relationship with Paragon continued with the recent arrival of the Paragon jackup rig "Dhabi II" in our Hamriyah facility for upgrade and refurbishment work. The project has a fast-track schedule for completion and Lamprell plans to undertake the significant scope of work in less than 40 days, before the rig returns to its contract with NDC in Abu Dhabi. The work includes the replacement of over 150 tons of steel. the overhaul and load testing of rig cranes, an underwater survey in lieu of dry docking, standpipe manifold replacement, life boat load testing as well as painting of the hull and rig bottom. In addition, Paragon has chosen to take advantage of the Lamprell API workshop located in our Hamriyah facility for the recertification of the rig's drilling equipment. As with every project, both Paragon

and Lamprell have been heavily focussed on safety, especially as the number of men working on the rig is now averaging over 700 per day which requires particular vigilance from all parties to ensure that we achieve the target of zero incidents or injuries. Work has progressed well to date and we are confident of meeting the completion date to ensure the rig is back working in as short a time as possible.





Paragon jackup rig "Dhabi II" is in our Hamriyah facility for upgrade and refurbishment work



Lamprell has developed a location for rig stacking at its Sharjah facility

### New Stacking Facility at Lamprell

In response to the increasing demand for stacking of jackup rigs, Lamprell has developed a new location on the breakwater area close to our Sharjah facility. The area can house up to ten rigs depending on size, and there has been significant interest from the market. Although the rigs are not situated on the quayside, our operations team has developed a creative solution to reach each rig

by gangway allowing us and our clients to cold or warm stack those rigs. This also enables regular visits to the rigs and allows us to carry out preservation works which will ensure that the reactivation costs are kept to a minimum when the rigs are back on contract. A seabed survey was carried out to ensure the location was feasible and safe. The first rig has already arrived on location.



### Land Rig Services News Trinidad 602 Departs Hamriyah

The rig "Trinidad 602" departed from our LRS yard in Hamriyah in April after completing various refurbishment works, on an expedited basis, in order to meet its deadline to start drilling operations elsewhere in the UAE. A new mud system was designed, built and tested by our LRS business unit and rig modifications were carried out prior to delivery. The project, as with many we have delivered in the past, was completed successfully within the tight schedule.



"Trinidad 602" was successfully delivered after being refurbished in April



### Land Rig Services Move to Hamriyah Phase 2 Yard

Our LRS business unit recently moved out of their temporary facility in Hamriyah Phase 1 to a new facility in Hamriyah Phase 2 which Lamprell acquired in January 2016. This move will allow LRS to develop the yard to suit the fast track nature of land rig projects and allow better utilisation of space and personnel. The aim is to consolidate all land rig projects in the new facility in the near future which will benefit the operation and our clients.



Lamprell's propriety rig LAM2K was recently relocated to the Hamriyah Phase 2 development

## **Onshore & Offshore Construction News**

### UZ750 Projects Continue to Load Out Successfully



Lamprell's Jebel Ali and Sharjah yards have completed the majority of the first phase of the UZ750 project, having delivered a total of 28 pipe racks to date, on schedule, with a further five racks ready for load out imminently to the Zakum Island in Abu Dhabi.

At the end of May the project celebrated reaching yet another major milestone, hitting a total of 4.9 million manhours without a DAFWC. In addition, the quality performance on the project has been solid with the structural and piping weld repair percentage being well under the stipulated project KPI's.

Structural fabrication and erection works for the three WPAU03, SPAU04 and NPAU04 modules are nearly complete with major top deck lifts scheduled for completion in Q3. All major equipment for the WPAU03 and SPAU04 modules has been delivered and is being erected, and painting of the NPAU04 module is complete. Approximately 80% of the piping fabrication work for all

three modules is complete and the coating works have commenced. The team working on these modules is now focussed on piping, electrical, telecom and instrumentation erection as well as hydro testing. In addition, engineering work for the further eight units (three pre-assembled modules and five preassembled racks) awarded in 2015 is nearly complete with structural, piping and EIT erection work and sea fastening scheduled for the second half of 2016. Delivery of these final eight units and the WPAU03, SPAU04 and NPAU04 modules are scheduled for Q4 2016.



Lamprell continues to successfully load out racks for the UZ750 project



### **E&C** News

### E&C Win New Awards

Lamprell's E&C business unit continues to win small and medium scale EPC projects both for site works and pressure vessels. In May we secured additional awards from Galfar Engineering and Contracting Emirates and Petrofac International. Galfar awarded an EPC contract for six large H<sub>2</sub>S scrubber vessels for the GASCO H<sub>2</sub>S Removal Jump Over and Pipeline project in Abu Dhabi. The scope includes engineering, design, procurement, fabrication and painting in accordance with ASME section VIII Div. 2 standards. The vessels will be fabricated with heavy wall thickness suitable for high pressure and all works will be carried out at our Sharjah facility with delivery scheduled in Q4 2016. Additionally Petrofac International awarded an EPC contract for the supply of a deaerator package for the Petroleum Development Oman Yibal Khuff project. The scope once again includes engineering, design, procurement and fabrication work in accordance with ASME Section VIII Div. 1 standards. The package will include fabrication of carbon steel and stainless steel vessels with complicated internals. The vessels and skidded packages will also be built in our Sharjah facility and delivered in Q2 2017. We are very pleased that with focus and perseverance we continue to win work in this highly competitive market. Well done to the E&C and Proposals team as well as the other support groups in securing these awards.

### Kaombo Project Gear Up for Load Outs

Fabrication activities on the Kaombo project subsea packages are progressing well in our Sharjah fabrication yard. The suction piles are nearing completion and are scheduled for load out in Q3 and the first of 18 buoyancy tanks are being prepared for hydro testing with load out expected in Q4 2016. The design of the subsea packages means that a lot of the construction has to be completed in confined spaces which can be challenging from a fabrication and safety perspective. With this in mind, regular and ongoing safety audits are held. Total and Heerema Marine Contractors are highly appreciative of Lamprell's ongoing safety programmes and safety performance on the project which continues to be



One of the suction piles that is nearing completion and is scheduled for load out in Q3

world class. A "World Safety Day" celebration was held on 28 April with Lamprell, Total and Heerema participating in several safety focused activities and Lamprell was presented with a certificate of appreciation for executing in excess of 500,000 working hours without a recordable incident.



#### Successful Completion of Margham Flow Line Debottlenecking Project



Lamprell was awarded the Margham flow line project in December 2015 by Dubai Supply Authority (DUSUP), a Government of Dubai entity that operates the Margham gas field, process facilities and an import terminal with distribution networks throughout Dubai. Lamprell completed the debottlenecking works for the project in Q2 and has installed new duplex stainless steel flow lines. The scope covered multi discipline works including fabrication, installation, E&I and civils including 230 pile supports. The remote project location in the Dubai desert provided some challenges but despite the sometimes harsh environment, the work was executed with zero recordable safety incidents and zero weld repairs.

#### **EPC Berth Pipeline Project for Dugas**

Construction work on the Dugas berth pipeline in Jebel Ali, a contract which was awarded to Lamprell in Q3 2015, started after completing engineering and procurement activities. Installation activities commenced after obtaining over 30 NOC's from various government departments and stakeholders. Completion of the marine loading arm, which is used to load propane gas on and off vessels, was also safely and successfully installed at a Dugas Berth in the Jebel Ali Port in May.



Lamprell successfully installed the Dugas marine loading arm in May

#### **ENOC Refinery Shutdown**

Lamprell was awarded a contract by ENOC to complete mechanical works on various equipment and systems for its EPCL Jebel Ali refinery in late 2015. Project work related to the refinery shutdown was completed safely and on schedule in March. Post shutdown work is in progress with some work being completed in Lamprell's

Sharjah fabrication facility. All ongoing site installation works are progressing well and the project is on track and scheduled for full completion in Q2.





### Service Business News Sunbelt Secures New Project Awards

Sunbelt recently returned to work on the Taqa Atrush B.V contract in Kurdistan which is part of an existing framework agreement and will cover the provision of H<sub>2</sub>S safety services on the AT4 and AT2 work over projects. Also in Kurdistan, Sunbelt successfully secured a new contract award with Gulf Keystone Petroleum International Ltd. The scope includes the provision of H<sub>2</sub>S safety services for the drilling of a new well. The contract will commence in July 2016 and run until September 2017 for the first well with a further extension option for a second well.

In addition, in July Sunbelt will return to work on the Saipem Castoro II barge which is currently in Sharjah for refurbishment work. The work order is for 60 days and is an extension to Sunbelt's existing contract with Saipem. The barge will go back to work in the Kingdom of Saudi Arabia under a long term agreement contract.

Finally, Gazprom Neft Middle East B.V. appointed Sunbelt as the provider of  $H_2S$  services for the drilling of two wells in the Shakal and Halabja fields. The Shakal field has an anticipated spud date of Q1 2017 and the Halabja field Q2 2017. The work is scheduled for completion within 450 days. In addition, Sunbelt has sold a fixed gas detection system for the same project which will be used to protect the workers at the camps of both drilling sites. The system will be provided by Detcon USA, one of Sunbelt's long term partners.



### Training and Workshop Move

Sunbelt workshop staff recently converted a storage area at its Jebel Ali OSC facility into a new gas detection and instrumentation training area. This is a positive initiative from staff members and utilises an area of the workshop facility that was previously non-productive. The area will be used for in-house, hands on gas detection training for Sunbelt employees, contractors and clients when required. The training room was put to good use in May with a two day training session on the advanced maintenance and trouble shooting of Detcon wireless H<sub>2</sub>S detection equipment which was held for Sunbelt consultants to strengthen their knowledge and proficiency on the product.



A two day Detcon wireless H<sub>2</sub>S detection equipment course was held for Sunbelt consultants in May

### HR Activities O&M Services Division Update

In Q2, Lamprell's O&M business unit secured new manpower support services contracts at INCO and Drydocks World Dubai for the supply of qualified welders and fabricators. Approximately 30 skilled personnel were successfully onboarded at the client's facilities in April and May, and will work there until September 2016.



In terms of training, five Lamprell employees successfully completed certified HV/MV Cable Splicing, Jointing and Termination training in January 2016 at the DUCAB facility in Dubai. In addition, CITB - System Scaffolding and Advanced Rigging Level Two training has been scheduled at offshore sites in July 2016 in order to further develop our employee's skills. The training has aided in boosting the quality of service provided by our O&M contract staff. Finally, Lamprell's employees working on the Dubai Petroleum Establishment (DPE) project continued their winning streak for five consecutive months by bagging the Horizon Zero Hero Award from DPE, facing off stiff competition from other contractors working at the DPE facility. These awards represent Lamprell's commitment to safety and the leadership exhibited by our employees. Congratulations go out to Fabricator Sushin Suresh, Fabricator Roji Samuel, Construction Foreman Sivasankaran Sivakumar, Scaffolder Lead Hand Sanyasi Rao and Pipe Fitter Sukumaran Pillai who each secured the prestigious award during the first five months of the year.

# Q4 2015 Star of the Quarter and Lamprell Star of the Year Announced

Congratulations goes out to Faiz Mohammad from the HR & Admin Department who managed to bag the big prize of "Q4 2015 Star of the Quarter" as well as the grand prize of "Lamprell Star of the Year". Faiz is very well deserving of this award, he volunteered to manage Lamprell's social calendar and spent a lot of his own time co-ordinating these events. In 2015, Faiz hired the highest number of yard recruits in one year in Lamprell's history, he helped reduce yard absenteeism by introducing initiatives which contributed towards a 25% improvement in absenteeism and he helped negotiate a new

hourly labour rate which has helped the company bid projects at more competitive rates. He also rallied his team to promote the use of safety cards to achieve the department target and last but not least, he has not had one day off sick in the last three years. Faiz continues to live and work the core values of the company and is certainly very worthy of this prestigious award.

Congratulations must also go the other Q4 "Star of the Quarter" nominees, namely Rodel Romero from Corporate Communications, Shibu John from PSC, Saleem Ahmed from Finance and Suraj Koothur from E&C. All the nominees should be proud of themselves for being selected by our Senior Management Team. An award ceremony to thank nominees was held on 14 April where our CEO Jim Moffat handed out certificates and prizes.





Congratulations goes out to Faiz Mohammad who won the ultimate "Lamprell Star of the Year" prize



#### International Women's Day Recognised at Lamprell



March 8th was recognised as International Women's Day and to mark the occasion, Lamprell held a wellness session for female employees at its Hamriyah and Sharjah facilities on 24 March. Guest speaker and wellness expert from Anglo Arabian Healthcare, Dr Jenna Burton, delivered a presentation on "stress management for working women", covering symptoms, risk factors, general advice and steps that can be taken to reduce, prevent and cope with stress. In today's day and age of the socalled 'do it all generation', women have the pressure of having to juggle both their homes and careers and Lamprell's ladies very much welcomed the wellattended event.

### Cervical Cancer Awareness Talk Held for Lamprell Ladies



Following on from the Lamprell Women's Wellness session held earlier in the year, a follow up cervical cancer awareness talk was held in June. Many women are diagnosed with cervical cancer each year of which studies say approximately 33% die as a result. Experts say cervical cancer is a highly preventable and treatable cancer via regular screening tests, vaccinations and follow on care. To raise awareness about how women can protect

themselves from cervical cancer Lamprell invited Specialist Gynaecologist Dr. Karanti Deepak Jadhav from Zulekha Hospital in Sharjah to present a talk. Vouchers were given to attendees for a follow up consultation and test which were highly appreciated by Lamprell's female employees.

### Health Screenings and Talk Held in April

Regular health screening can help detect risk factors early while they are easier and less expensive to treat. Awareness of these risk factors allows our employees to make lifestyle changes that prevent diseases in their early stages. With this is mind, Lamprell organised health screenings for all of its admin employees across its three main facilities. Anglo Arabian Healthcare came to our

facilities and conducted free blood pressure, heart rate, cholesterol, glucose and body composition tests and a doctor was on site to consult where necessary. The screenings, which were held in April, were extremely well attended and appreciated by our employees. Living a healthy lifestyle is not simply a New Year's resolution, nor is it a temporary diet in preparation of a big event.



Employees took free blood pressure, heart rate, cholesterol, glucose and body composition tests in April

At Lamprell we believe that healthy living is a way of life and one that needs to be moulded into our employees' daily lives.

**General News** Hamriyah Phase 2 Update



Lamprell's Hamriyah Phase 2 development

Civil works have commenced in Lamprell's new Hamriyah Phase 2 yard and we imported 12,000m<sup>3</sup> of sand to fill the site to the correct levels with HAFZA's help. We are in the process of building a 300 metre long retaining wall at the site as well as security fencing. A large

storage area of 17,000m<sup>3</sup> has been completed with a compacted road base and HAFZA have commenced work on the surrounding access roads. Work on the new semi-automated pipe shop is progressing as planned. The foundations for the large steel framed building that will house the equipment, which will be 140 metres long and 80 metres wide, will be placed soon and the steel frame building sections are being manufactured in an offsite facility with deliveries expected to start in early Q3. An open material storage area has also been completed and our LRS business unit, including its first proprietary rig LAM2K, have relocated from Phase 1 into the new Phase 2 yard. Lamprell leased the additional 114,000m<sup>2</sup> of land in January and the development is progressing well.

#### Lamprell Signs JDA for Saudi Maritime Yard

Further to Lamprell's MoU announcement on 26 January for the potential partnership in establishing a Maritime complex in KSA, Maritime Offshore Limited, Lamprell's subsidiary, has signed a Joint Development Agreement (JDA) with the Saudi Arabian Oil Company (Saudi Aramco, the national oil company of the Kingdom of Saudi Arabia), the National Shipping Company of Saudi Arabia (Bahri) and Hyundai Heavy Industries to take the next steps in

establishing a Maritime Yard at Ras Al Khair in eastern Saudi Arabia. As per the MoU agreement, the partners have been working closely to undertake preliminary due diligence and feasibility studies. Good progress has been made in recent months and, with the signing of the JDA, the partners intend to assess the operational, financial, personnel and legal aspects of the project in detail with a view to making a Final Investment Decision in due course.

The costs associated with the work streams covered by the JDA will be shared by the parties according to the agreement. The intended Maritime Yard will provide engineering, manufacturing and repair services for offshore rigs, commercial vessels and offshore service vessels. Lamprell is pleased to be part of this important undertaking which is looking at possible ways through which potential partners can leverage their collective know-how and current and future

business needs, to help to promote economic development in the Kingdom of Saudi Arabia in line with the Kingdom's Vision 2030. The outcome of the agreement will be determined upon finalisation of all activities and required due diligence and may or may not lead to Lamprell's participation in this venture. Negotiations will continue until completion of this process, at which time Lamprell will be in a position to make a further announcement on its participation.









One Team. One Goal. **Success Delivered** 



#### Lamprell Wins Best Offshore Construction Yard Award



Group Operations Manager Tom Hart accepts the "Best Offshore Construction Yard" award from Consul General of Republic of Panama in Dubai H.E. Eduardo Fonseca Ward Lamprell recently won the "Best Offshore Construction Yard" award at the 7th ShipTek International Maritime Awards ceremony held on 29 May in Dubai. The award ceremony saw industry experts come together to celebrate outstanding contributions from the veterans of the industry. With a total of 17 categories, some of the other winners included big names such as ALE Heavy lift who won the award for "Best Innovative Project/ Concept", Drydocks World Dubai for "Best Repair Yard", DAMEN Shipyard Sharjah for "Best New Building Yard" and Kuwait Oil Tanker Company for "Best Ship Management Company" to name a few.

### Lamprell Runners Participate in Wings for Life Fun Run



Admin Coordinator Muhammad Adnan was one of the runners that took part in the "Wings for Life Fun Run" on 8 May Two Lamprell employees took part in the global fundraising "Wings for Life Fun Run" on 8 May where people from all over the world started running simultaneously from 34 different locations in countries spread across the world. The purpose of the event was to raise money for the Wings for Life Foundation whose aim it is to find a cure for spinal cord injuries. Project Manager Piotr Jaworski and Admin Coordinator Muhammad Adnan both took part in the event. The run started at 3pm sharp on a very hot day with temperatures reaching up to 40 degrees. Congratulations go out to our runners Adnan who managed to complete 10km and Piotr who completed 13km. Our runners each paid for their entry into the event which Lamprell matched upon completion.

### **Glossary of Terms**

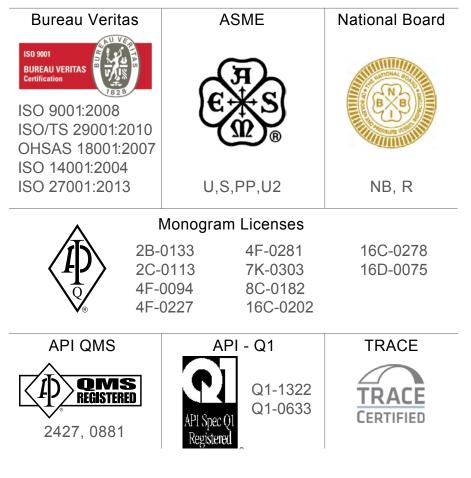
A/C - Air Conditioning API – American Petroleum Institute ASME - American Society of Mechanical Engineers CEO - Chief Executive Officer DAFWC - Day Away From Work Case DPE - Dubai Petroleum Establishment DUSUP - Dubai Supply Authority E&C - Engineering & Construction ENOC - Emirates National Oil Company EPC - Engineering, Procurement and Construction HAFZA – Hamriyah Free Zone Authority HR – Human Resources HV/MV - High Voltage/Medium Voltage ILO - Internation Labour Organisation IT – Information Technology JDA – Joint Development Agreement

KM – Kilometer
KPI – Key Performance Indicator
KSA – Kingdom of Saudi Arabia
LED – Light Emiting Diode
LRS – Land Rig Services
MoU – Memorandum of Understanding
NDC – National Drilling Company
NOC – No Objection Certificate
O&M – Operations and Maintenance
OSC – Oilfields Supply Centre
Q 1,2,3,4 – Quarter 1,2,3,4
SPMT – Self-Propelled Modular Transporter
UAE – United Arab Emirates
USA – United States of America
UZ750 – Upper Zakum 750



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