Heerema Marine Contractors
Dutch Oil & Gas Conference 2012
by Frans den Houter
Heerema Group in Summary

- **ONSHORE & OFFSHORE STEEL CONSTRUCTION**
- **OFFSHORE TRANSPORT & INSTALLATION**

**MARINE CONTRACTORS**
- DCV Thialf
  - DP Class III
  - 7100 & 7100mT cranes
- SSCV Hermod
  - Moored
  - 4000 & 5000mT cranes
- DCV Balder
  - DP Class III
  - J- l ay 1050mT
  - 3000 & 4000mT cranes
- DCV Aegir
  - DP Class III
  - R/J- lay 2000mT
  - 4000mT crane
### HMC’s Core Capabilities

#### HMC Product Groups

<table>
<thead>
<tr>
<th>Fixed Platforms and Facilities Development</th>
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<tbody>
<tr>
<td><strong>Jackets</strong></td>
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<tr>
<td><strong>Topsides on fixed and floating platforms</strong></td>
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<tr>
<td><strong>Float-overs</strong></td>
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<thead>
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<th>Floating Facilities</th>
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<tbody>
<tr>
<td><strong>Installation of deepwater floating facilities</strong></td>
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<td><strong>Spars, TLPS, Semis and FPSOs</strong></td>
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<th>Subsea Infrastructure and Pipelines</th>
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<tr>
<td><strong>Mooring lines</strong></td>
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<td><strong>Anchoring systems</strong></td>
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<tr>
<td><strong>Pipelines</strong></td>
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<td><strong>Risers</strong></td>
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<td><strong>In-line structures</strong></td>
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<td><strong>Templates</strong></td>
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</tbody>
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<tr>
<th>Platform Removal and Decommissioning</th>
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<tr>
<td><strong>Removal and decommissioning of platforms</strong></td>
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Agenda

- Market Developments
- Investments Required
- Risks & Mitigations
- Answers to the Dilemma’s
Revenues growth since 2000
Revenues per Product
Revenues per Geographical Area
Moving Forward
GDP % growth Y.o.Y.

Source:
- World Bank
- EU Commission

The sky is the limit
The big scare

Hope cocktail:
Do not shake
Do not steer

Euro zone  USA  Brazil  Russia  India  China  World
Moving Forward

- Deep Water
- Decommissioning
- Renewables
Agenda

- Market Developments
- **Investments**
- Risks & Mitigations
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Requiring major efforts....
Investments to date...

Deepwater Construction Vessel Aegir is under construction at DSME in Korea

2 tugs, length 72 meters and a width of 18 meters. The fully custom-built tugs will be larger than HMC's existing tugs, the Husky and Retriever. They are build in Spain.

H-542 is a 165m long and will have a width of 42m and be suitable for launching jackets and performing topside float-overs.
But more is needed

- Deep water is growing
- Subsea development to continue
- Removal market is there already
- Arctic will come, but when
- Offshore wind is booming
Agenda

- Market Developments
- Investments Required
- **Risks & Mitigations**
- Answers to the Dilemma’s
Risks & Mitigations
Offshore Contracting Regime was originally based on following principles

- Knock for knock contracting regime where Contractor carries a reasonable deductible for damage to or loss of the Project Works.

- Contractors cumulative liability limited to an agreed limit which related to Contractor’s relative reward for the project

- Risks covered by CAR insurance taken out by operator
## History of Offshore Contracting

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<th>Decade</th>
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<td>'60s</td>
<td>Dayrate &amp; Manhours</td>
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<td>'70s</td>
<td>Dayrate &amp; Manhours</td>
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<td>LS &amp; Manhours</td>
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Shift in Offshore Contracting Regime

Today we see an increase in both costs & risks for Contractors particularly in the areas of contracting regimes

- Knock for knock eroded

- Excessive limitation of liability with many carved outs

- No (available) CAR insurance
Agenda

- Market Developments
- Investments Required
- Risks & Mitigations
- **Answers to the Dilemma’s**
Answers to the dilemma’s

- Recognize mutual dependency
- Contract conditions to be sustainable (for both)
- Harmonization of future Investments
Agenda

- Market Developments
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- Answers to the Dilemma's