



# Subsea

Alain Marion

*Senior Vice President, Subsea Assets and Technologies*



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**Technip**



# Technip Subsea Segment

## SERVICES



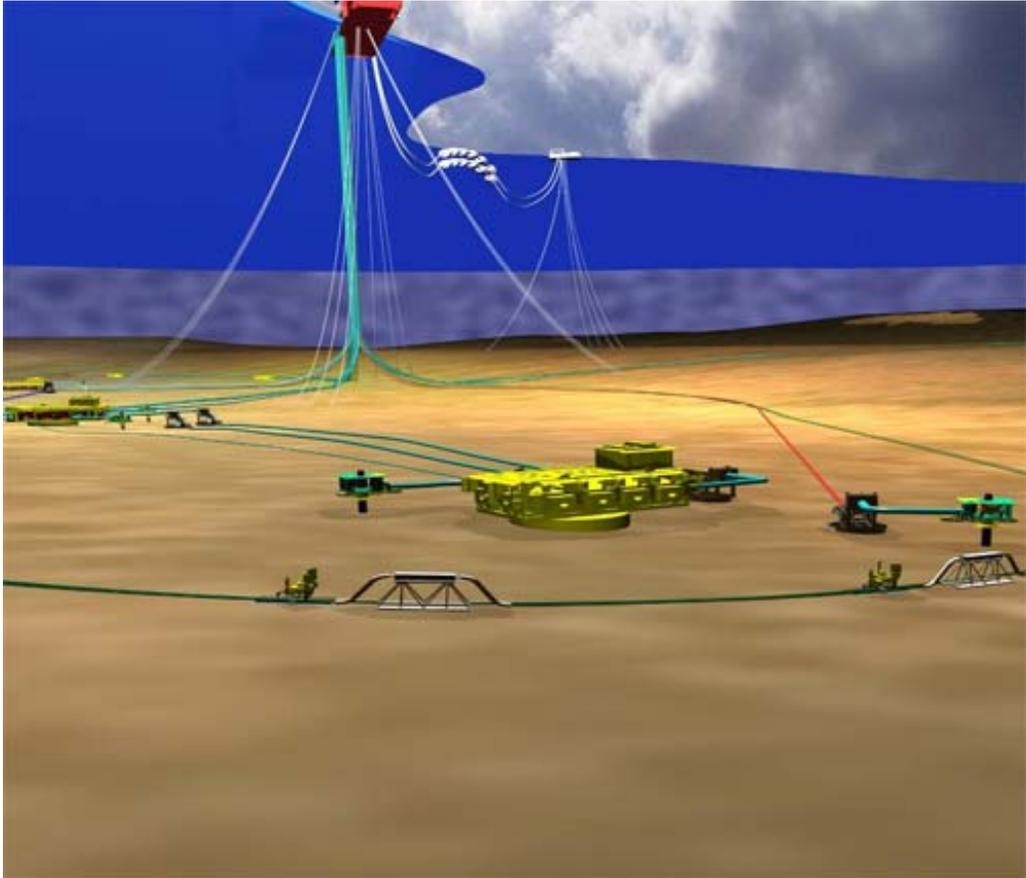
Deep Water Installation & Construction



Pipelaying



Inspection, Repair & Maintenance



Project sizes:  
from €50 M in North Sea  
to €750 M in West Africa

## PRODUCTS



Flexible Pipes



Rigid Pipelines



Umbilicals



# Key facts

- ▶ **Backlog: €2,523 M (June 30, 2007)**
- ▶ **A staff of 6,500 and a permanent presence in all key markets**
- ▶ **A worldwide fleet of specialized pipelay and construction vessels**
  - 16 vessels
  - Marine CAPEX: €600 M over the next 3 years
- ▶ **State-of-the-art manufacturing plants**
  - 2 for flexible pipe (France & Brazil), 3 for umbilicals (UK, USA & Angola)
  - Manufacturing CAPEX: €300 M over the next 3 years



# Technological achievements

## ▶ Angola, Dalia (Total), 2006

- 71 subsea wells in 1,400m water depth
- Integrated Production Bundle: 10.75" ID
- Temperature monitoring with optical fibers
- High performance Pipe-in-pipe (Aerogel technology)

## ▶ Brazil (Petrobras), 2006

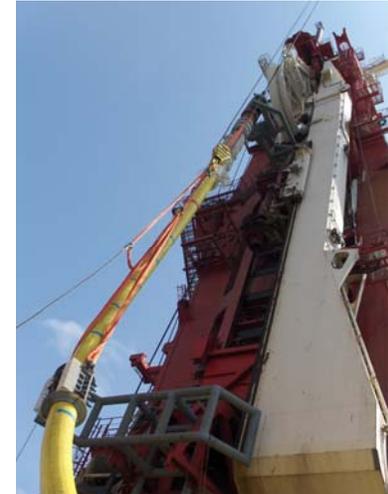
- Deepest flexible pipe structure tested in 2,100m water depth

## ▶ US Gulf of Mexico, Nakika (Shell), 2004

- Reeled Pipe-in-pipe (8" in 12") Steel Catenary Risers - 2,000m water depth

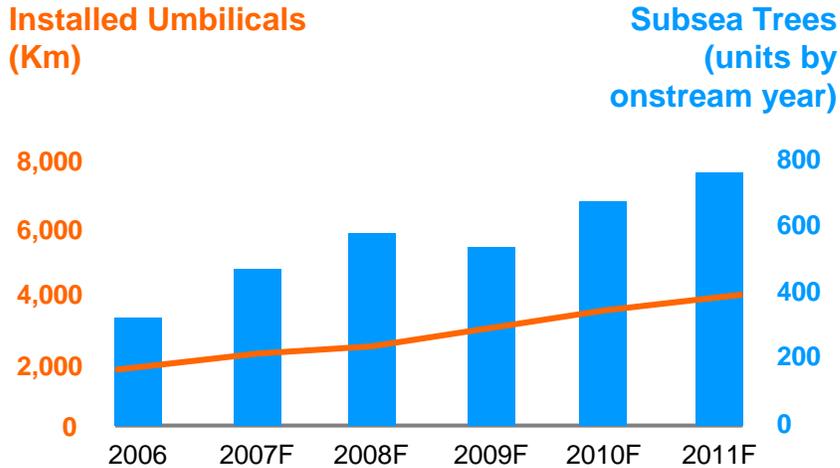
## ▶ Norwegian Continental Shelf, Asgard (Statoil), 2007

- First flexible pipe smooth bore gas export riser (13.7" ID)

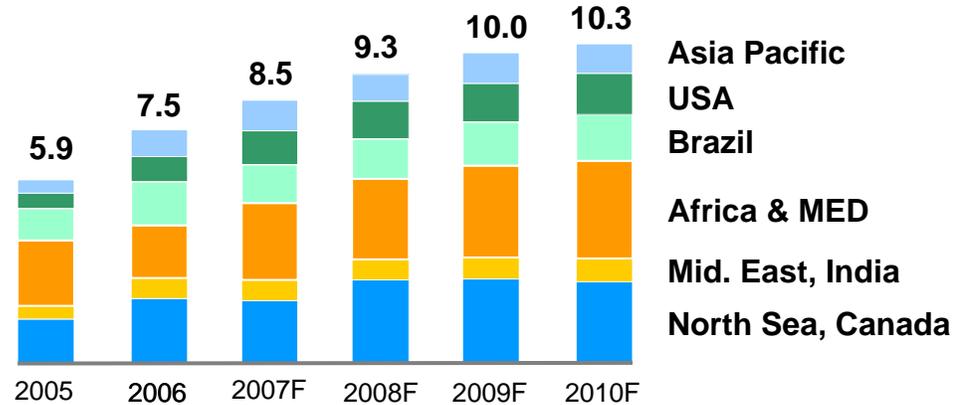


# Subsea market growth

## KEY INDICATORS



## MARKET BY REGION (€Bn)



- ▶ Ultra deep water remains a strong growth axis driven by the Atlantic triangle
- ▶ Emerging deep water provinces such as India, Indonesia & Malaysia
- ▶ North Sea / Eastern Canada: still a large number of subsea tiebacks
- ▶ Asia Pacific should see a sustained activity driven by regional energy demand

# Subsea fleet expansion

- ▶ **Vessels currently working near full capacity**
- ▶ **Industry response to anticipated subsea market growth**
  - Worldwide fleet: + 70% (2005 – 2010)
  - Growing number of vessels controlled by ship-owners & new entrants
  - Technical differentiation is a must
- ▶ **Evolving key success factors**
  - Key installation equipment
  - Engineering & project management capabilities

## ANTICIPATED MARKET GROWTH & FLEET EXPANSION



# Technip commitment to top-of-the-range technology

## ► New frontiers, new challenges

- Ultra deep water: 3,000m developments are within sight
- High pressure, high temperature, corrosive fluids
- Enhanced recovery systems, flow assurance
- Subsea processing applications

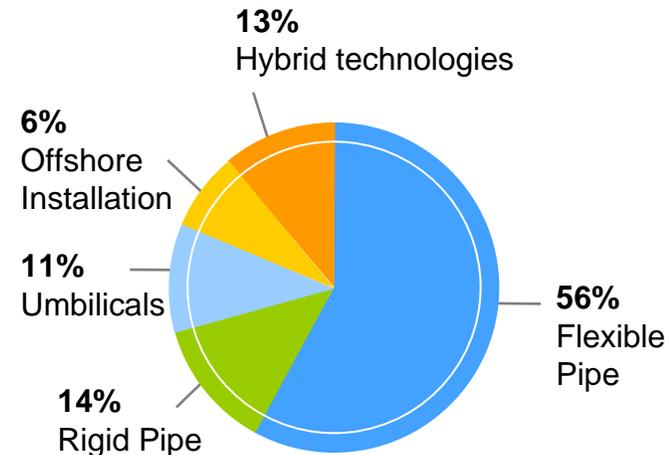
## ► Technip sustained R&D expenditure

- Ultra deep water = 45% of Subsea R&D
- 150 people worldwide
- More than 1,500 active licenses

## ► Technip focus

- Riser solutions for 3,000m
- Insulation techniques and active heating
- Flexible pipe for 20,000psi & 150°C applications
- Compatibility with more corrosive fluids (H<sub>2</sub>S & CO<sub>2</sub>)
- Smart riser systems for optimum operational performance & fluid surveillance
- Installation techniques and associated new equipment

## SUBSEA R&D EXPENDITURE



Total 2007\*: €30 M

# New differentiating vessels & installation equipment

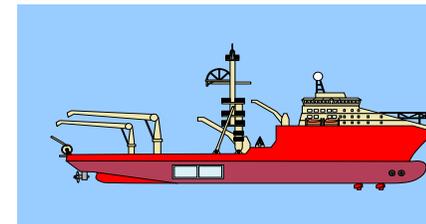
- ▶ **New built diving support vessel class III**

Largest & most sophisticated in its category  
(Statoil frame agreement - delivery Q4 2008)



- ▶ **New built flexible pipelay vessel**

Planned for the deep water Brazilian market\*  
(delivery Q4 2009)



- ▶ **New built deep water pipelay vessel**

High transit speed (20kt)  
(worldwide operations - delivery Q4 2010)



- ▶ **New built umbilical installation equipment**

Target subsea construction & umbilical installation  
in 3,000m water depth (particularly in Gulf of Mexico)



# New differentiating manufacturing assets

## ▶ **Maintain our global leadership in flexible pipes**

- Two major expansion projects launched in 2006 have increased production capacity by about 30%
- A new factory planned in Asia Pacific for start up in 2010
  - Driven by regional growth in deep water projects (Malaysia, Indonesia)
  - Capacity: 150km per annum of deep water type flexible pipes
  - Factory lay-out with an optional umbilical manufacturing capacity



## ▶ **Upgrade of our umbilical facility in Angola\***

Start up in 2009

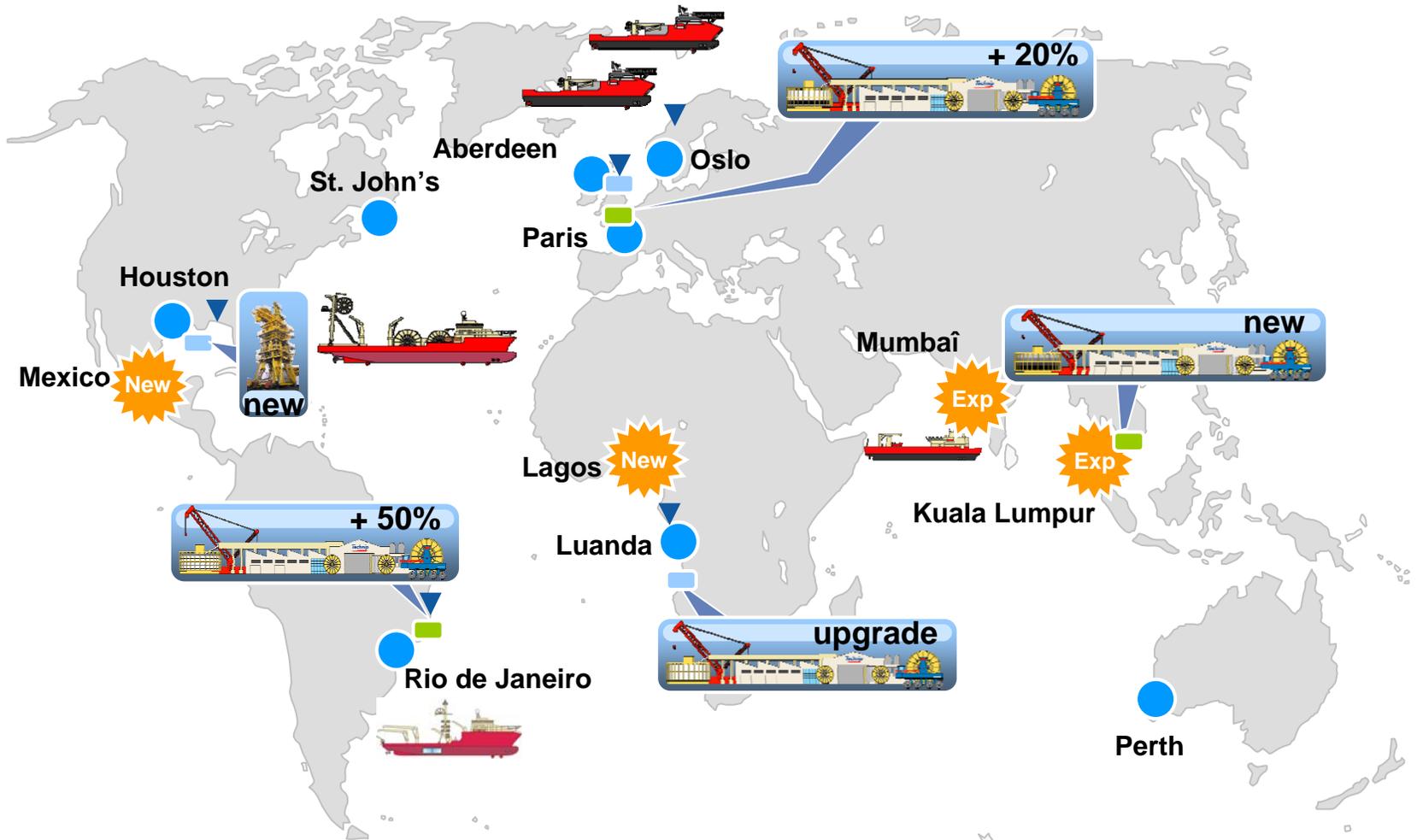


## ▶ **Further develop local content**

# Revenue growth associated to new assets

	Assets Location	Start Year	Revenue Impact (Full Year Est.)
<b>Flexible pipes &amp; umbilicals</b> Additional capacity New flexible pipe plant Upgrade umbilical plant	France & Brazil South East Asia Angola	2006/2007 2010 2009	€400 M
<b>Pipelay vessels</b> Heavy flexlay vessel * New deepwater installation equipment New pipelay vessel	Brazil US GoM Worldwide	2009 2009 end 2010	€380 M
<b>Diving support vessels</b> Skandi Achiever DP III DSV Seamec Princess	UK Norway India	2007 end 2008 2007	€220 M
<b>Total</b>			€1 Bn

# Subsea global expansion



-  New/expanded Operating Centers
-  Current Operating Centers
-  Spoolbases
-  Flexible pipes
-  Umbilicals

# Key goals

- ▶ **Deliver 16% operating margin by 2010**
- ▶ **ROCE > 15%**
- ▶ **Successfully build & operate our new vessels and industrial facilities**
- ▶ **Introduce technological solutions for new frontiers development**
- ▶ **Further develop regional differentiation**

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please contact:**

## **INVESTOR RELATIONS**

- ▶ **Xavier d'Ouince**  
Tel. +33 (0) 1 47 78 25 75  
e-mail: [xdouince@technip.com](mailto:xdouince@technip.com)

# Trading Technip



**ISIN**  
**FR0000131708**

