

FOR IMMEDIATE RELEASE

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OTC Talks about Risks Associated with Offshore Projects

RICHARDSON, Texas, U.S.A. (6 February 2004) – A General Session, two Topical Luncheons and a panel session focus on risks associated with offshore projects at the 2004 Offshore Technology Conference (OTC), scheduled 3-6 May at Reliant Park in Houston.

The General Session, **Risks and Challenges to the Successful Execution of Major Offshore Projects**, is scheduled 1400 to 1630 (2 to 4:30 p.m.) on Wednesday, 5 May. The presentation focuses on the future of the offshore industry, which lies in deep water or in frontier regions. Costs for these projects tend to be high, ranging from hundreds of millions to several billions of dollars. Recent experience on major projects, as well as recent trends within the industry, indicate executing such projects will involve increased difficulty and risks in the future. Understanding these risks is critical to the success of both operators and contractors. This General Session addresses the four critical risks key to successful execution of major projects worldwide—financial, contract, geopolitical, and technological.

Participants for this session include:

- Moderator - Kris Nielsen, Chairman of the Board, The Nielsen-Wurster Group, Inc.
- Rodney Cook, Africa and Middle East Business Unit Manager, Noble Energy
- James “Buddy” DeVoe, Vice President, ABB Lummus Global, Floating Production Systems
- Jean François Duhot, Vice President Development Studies, Total
- Bart Heijermans, Vice President Offshore, GulfTerra Energy Partners, L.P.
- Jon Erik Reinhardsen, Group Executive Vice President, Aker Kvaerner

A panel session, **Commercial/Contracting Strategies for Offshore Projects**, is scheduled 1400 to 1630 (2 to 4:30 p.m.), Monday, 3 May. Participants in this session discuss how in recent years, large EPIC/lump-sum, turn-key contracts have incurred heavy losses for contractors and have not been able to satisfy operator’s expectations. Moreover, the industry is hesitating to align its workforce as either a few “single-stop” shops or using a “best-in-class” approach. This panel addresses what model or solution could be mutually acceptable for both contractors and operators.

Panelists for this session include:

- Moderator – Sandeep Khurana, Petroleum Engineer, J.P. Kenny, Inc.
- Keynote – C. Tracy Harris, Engineering Manager Construction, EP Projects, Shell International Exploration and Production, Inc.
- Jose Formigli, E&P-Services General Manager, Petrobras
- Bruce Crager, President, ABB Offshore Systems, Inc.
- Svein Eggen, President and CEO, Technip Offshore, Inc.
- Johnny Reed, CEO, Intec Engineering, Inc.

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Two OTC Topical Luncheons also focus on risks:

1215 to 1345 (12:15 to 1:45 p.m.), Wednesday, 5 May

Business Relations between the Operators and the Service Industry—Who Takes the Financial Risk of the Project

Presented by Daniel Valot, Chairman and CEO, Technip

Business relations between oil companies and service companies have changed in the past few years. The bargaining power of oil companies has increased, and insurance cost increases have led clients to transfer bigger risks and liabilities on to contractors. Balance between risks and rewards is becoming increasingly difficult. This luncheon presents ways to restore a more balanced and cooperative relationship between clients and contractors.

1215 to 1345 (12:15 to 1:45 p.m.), Thursday, 6 May

Managing Mega-Mega Projects

Presented by Graham Searle, Director of EP Projects, Shell International Exploration and Production BV

Attendees learn about the intricacies of the U.S. \$10 billion project, Sakhalin Phase 2, built in the harsh environment of Eastern Russia. This presentation includes how all the project's parts work together, the challenges, and the opportunities for creative solutions.

For more information about the complete OTC technical program, including speaker biographies, visit www.otcnet.org/2004.

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Founded in 1969, the Offshore Technology Conference is the world's foremost event for the development of offshore resources in the fields of drilling, exploration, production, and environmental protection. OTC is held annually at Reliant Center at Reliant Park in Houston. For more information, visit www.otcnet.org.