

EPC Market in the UAE by Manaar Energy Consulting & Project Management



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*Localising Global
Excellence*

Overview of the EPC market in the UAE

Overview

2013 has been a successful year for EPC awards in the GCC, led by projects in the UAE and Saudi Arabia.

The increase in EPC contract awards in 2013 is expected to continue in 2014. 2013 marked a four-year high for the value of EPC awards in the UAE's oil and gas sector, driven by Abu Dhabi National Oil Company (ADNOC).

Both the UAE's biggest offshore operators, Adma-Opc and Zadco are pushing ahead with greenfield oil developments to boost Abu Dhabi's crude output. Both companies have dominated spending in 2013.

Continued Growth

The strong stream of EPC awards is expected to continue in 2014 in the UAE oil and gas sector. Schemes such as the Shah and Bab gas developments, the Dolphin Energy pipeline importing gas from Qatar, the Dubai LNG imports infrastructure and planned LNG imports in Fujairah have all been undertaken to increase gas supplies for the UAE's growing population and industrial footprint.

Petrochemicals at Ruwais in western Abu Dhabi are another major source of growth.

The UAE is looking to invest heavily in refining and petrochemicals operations for the purpose of job creation and for diversifying income streams. Offering a vast array of different hydrocarbon derivatives to a domestic and international customer base is the next logical step for one of the stable producers in the region.

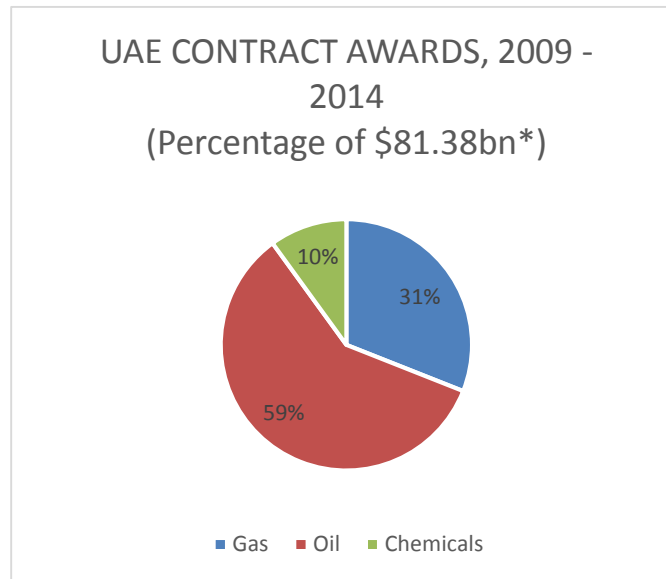
ADMA-OPCO

Adma-Opc awarded \$4.9bn-worth of deals in 2013 on two oil field developments: Satrah al-Razboot (Sarab) and Umm al-Lulu.

ZADCO

Zadco's expansion plans are focused on the Upper Zakum field.

Zadco awarded a \$3.8bn EPC contract to a joint venture of Petrofac and South Korea's Daewoo



*Forecast. Source: MEED

Please contact Manaar for more information on the EPC market in the UAE and to understand how to enter this important market. Manaar offers EPC companies market analysis, investment advisory, enterprise establishment and operations support to position EPC companies as strategic players.

Overview of the EPC market in the UAE

UAE's top 5 planned oil and gas projects

Project	Owner	Budget (\$m)	Main contract award due
Fujairah oil refinery: phase 1 (various packages)	International Petroleum Investment Company (Ipic)	3,500 (total)	2014
Nasr full-field development: package 2 (platforms and wellheads)	Abu Dhabi Marine Operating Company (Adma-Opco)	1,500	2014
North East Bab, Al-Dabbiya: phase 3	Abu Dhabi Company for Onshore Operations (Adco)	1,300	2014
North East Bab, Rumaitha and Shanayel: phase 3	Adco	1,000	End 2013
Umm al-Dalkh full-field development	Zakum Development Company (Zadco)	600	Early 2014

MENA Oil and Gas EPC Awards (\$M), 2008-2012

MENA OIL AND GAS EPC AWARDS (\$M), 2008-12			
Country	Petrochemicals	Gas	Oil
Algeria	3,250	16,992	8,306
Bahrain	-	125	592
Egypt	8,854	2,055	885
Iraq	200	2,267	14,897
Jordan	1,045	-	28
Kuwait	65	8,956	4,266
Libya	-	140	590
Morocco	174	-	616
Oman	635	2,507	1,117
Qatar	1,334	6,904	1,860
Saudi Arabia	27,429	15,381	35,493
Syria	-	983	199
Tunisia	533	-	-
UAE	6,955	21,762	35,452
Yemen	-	100	952
Grand total	50,474	78,172	105,253

About Manaar

Manaar supports energy business and operations in the MENA region by balancing practical insight, functional industry expertise and extensive global experience.

Manaar Industry Sectors

UPSTREAM OIL & GAS

GAS AND POWER

MIDSTREAM OIL & GAS

PETRO-CHEMICALS

RENEWABLE ENERGY

"A WELL-MANAGED ENERGY INDUSTRY IS THE BRIDGE BETWEEN A DEVELOPING AND DEVELOPED SOCIETY"

Manaar Services

ENTERPRISES

- Creating & developing enterprises
- Government partnerships & private sector joint ventures

ANALYSIS

- Customised market & operational studies
- Multi-client studies
- Data applications & information design

OPERATIONS

- Business support package
- Field scouting & surveying
- Operational quality control & HSE services
- Legal services
- Training & capacity building

ADVISORY

- Specialized business advisory
- Government relations
- Vendor selection
- Investment advisory

Case Study

The Objective

After strong success in the US, a leading oil services client made a strategic decision to enter the MENA region.

We immediately visited the client's Houston headquarters. Before signing any engagement, our team wanted to answer two basic questions:

- 1) Is there a MENA market for them?
- 2) Could we help them to enter it?

The Implementation

1. Office registration and legal advice in Iraq and the UAE
2. Studies on the MENA seismic demand and supply, opportunities and challenges
3. Business Transformation Outsourcing
 - Stake holder mapping
 - Business transformation package
 - Proposal preparations
 - Government negotiations
 - And more
4. Prepared an MoU to the Ministry of Oil (MoO) in Iraq for a partnership with the MoO
5. Strategy implementation
6. Local operations support

The Result

- Within three months, a Ministry delegation visited Houston, and a further three months later our client was the first international G&G company to receive an invitation to partner with the Iraqi government.
- The project covers over 50 oil and gas fields, and represents potential revenue of over \$200 million per year.
- Today, Iraq stands as our client's highest growing MENA market.

