

Middle East Market Opportunities for Italian Suppliers



OUR VISION

To be the
**World's most
admired** oilfield
service company

OUR VALUES

Petrofac people are:

- **Safe**
- **Ethical**
- **Responsive**
- **Innovative**
- **Quality and cost conscious**
- **Driven to deliver**



OUR HERITAGE

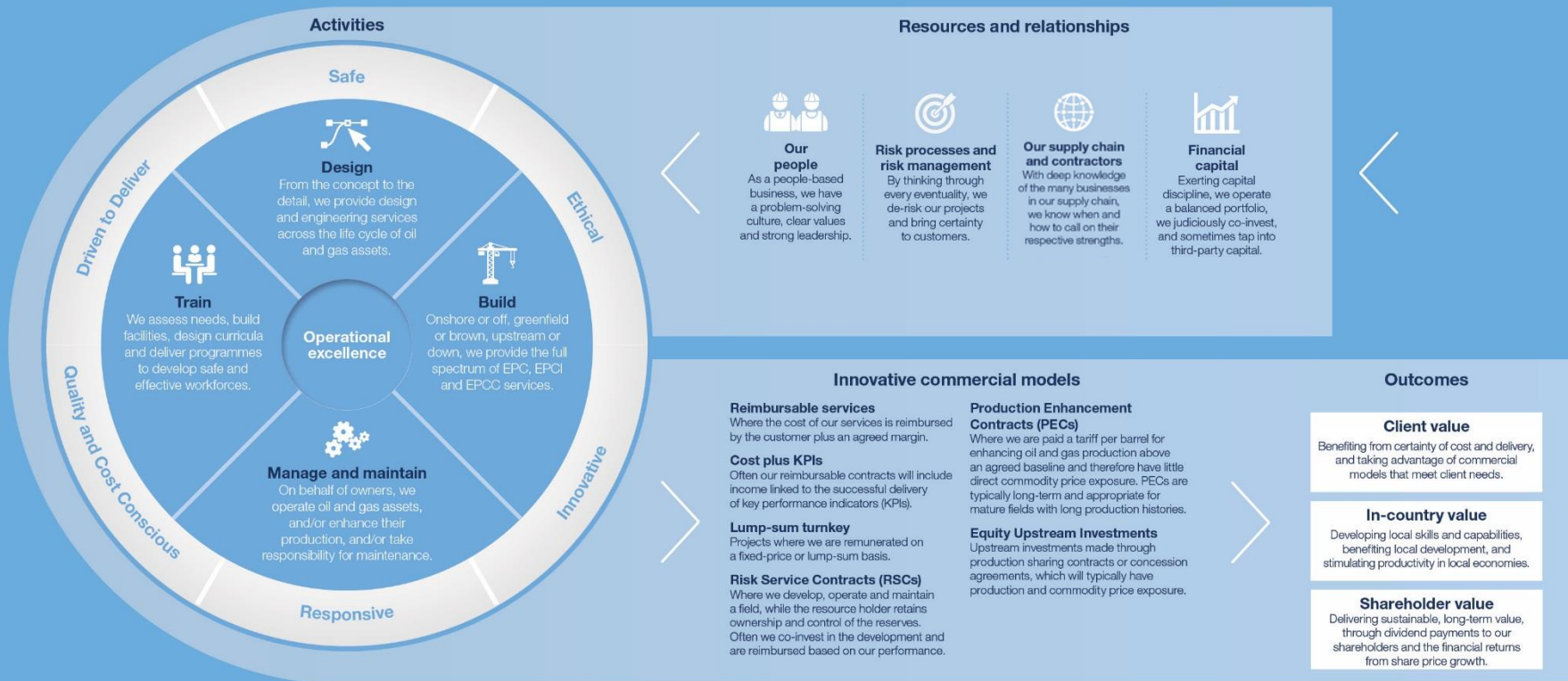
- **Petrofac is an international service provider to the oil and gas industry**, with approximately 18,000 employees across the world;
- **We have 35 years' of international experience and a track record of several projects** across the globe;
- **The Middle East is our heartland**, we have been present in the Middle East for 25 years, this was the catalyst in our journey and ability to execute large lump sum EPC projects;
- **In the UKCS (UK Continental Shelf) we have around 5,000 people** supporting onshore and offshore operations to help unlock the value of our customer's oil and gas assets.



OUR CAPABILITY

- **Our capabilities span the oil and gas value chain**; offering complete life cycle of field services from concept to EPC, through operations and maintenance and decommissioning underpinned by our substantial training capability;
- **We provide our services as standalone offerings but also offer our capabilities as integrated services** to enable our customers to develop their assets;
- **Ranked number 1 (one) EPC contractor for the sixth time by Arabian Oil & Gas.**

OUR BUSINESS MODEL



Petrofac Services

Our services meet our clients' needs across the full life cycle of oil and gas assets.



E&C

Onshore

- LSTK
- FEED design
- Project Management
- Supply Chain Management
- Construction
- Fabrication
- Pre-commissioning
- Commissioning
- Start-up

Offshore

- Fixed production facilities
- Floating production facilities
- Subsea facilities



EPS

Engineering

- FEED, Detailed design, Subsea, Pipeline and Subsurface engineering, EPCm
- Construction and shutdown management.

Production Services

- Operations
- Asset management
- Well engineering

Training

- Training and competency

EPCm

- Full field development consultancy with associated studies, value engineering, operability and operational enhancement studies
- Health, safety and environmental studies






IES

- Production Enhancement Contracts (PEC)
- Risk Service Contracts (RSC)
- Build, Own, Operate and Transfer (BOOT)

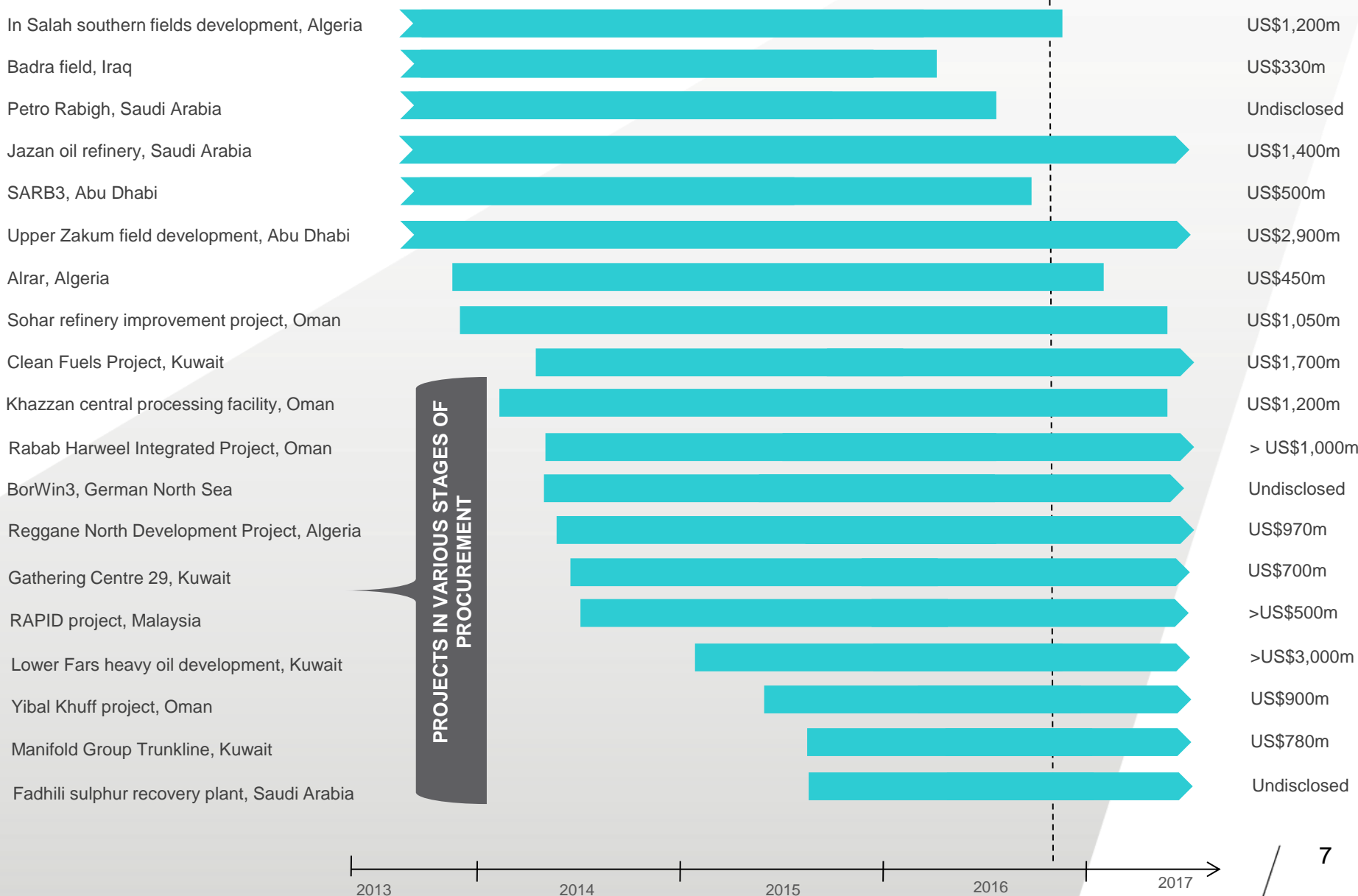
Global footprint, local capability



-  Main operational centers
-  Other operating locations
-  Corporate services

Key projects

Original contract value to Petrofac

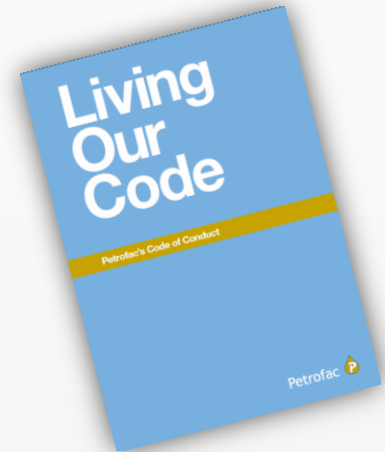


PROJECTS IN VARIOUS STAGES OF PROCUREMENT

OUR SUPPLY CHAIN

Our Code is founded on our values, the basis of everything we do.

It **governs** how we work. It sets out our expectations of **everyone** who works for and with Petrofac – our **employees, suppliers, contractors, agents and partners** – and helps all of us work consistently to the same **high standards**



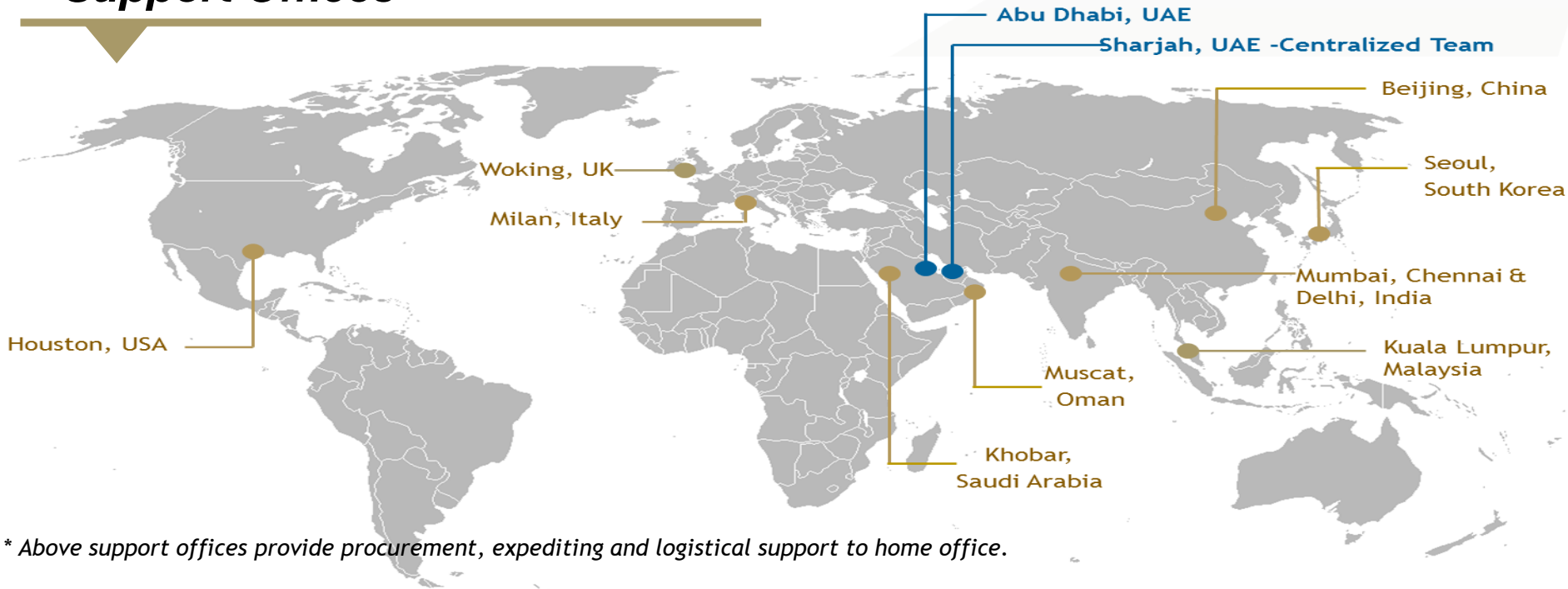
Working with contractors, suppliers and business partners

- We seek **honest**, and **open relationships** with all our business partners, based on **fairness, trust and respect**.
- Always follow Petrofac's due diligence process, which is based on **transparency** and **objectivity**, when selecting contractors and suppliers.
- We expect all who work with Petrofac, including contractors, subcontractors, joint venture partners, agents and other third parties to act in a way that is consistent with **local laws and our Code**, and to follow its principles. We encourage third parties working with us or for us to **Speak Up** in respect of any violation of our Code.



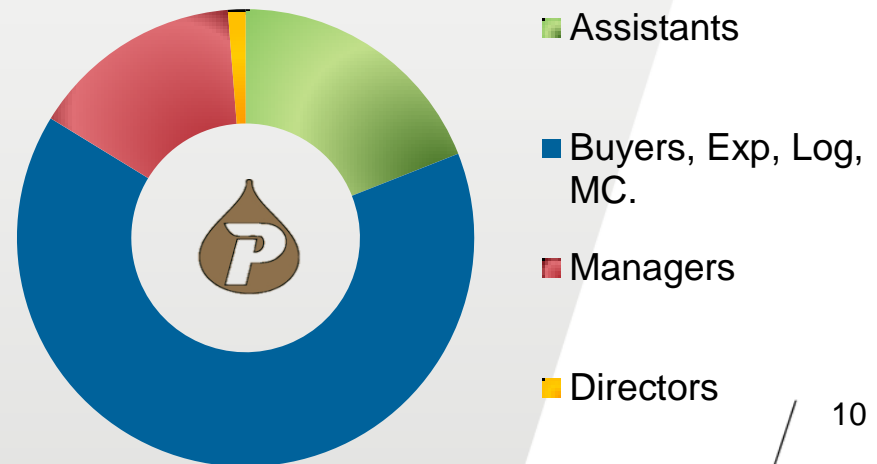
Supply Chain Strength

Support Offices

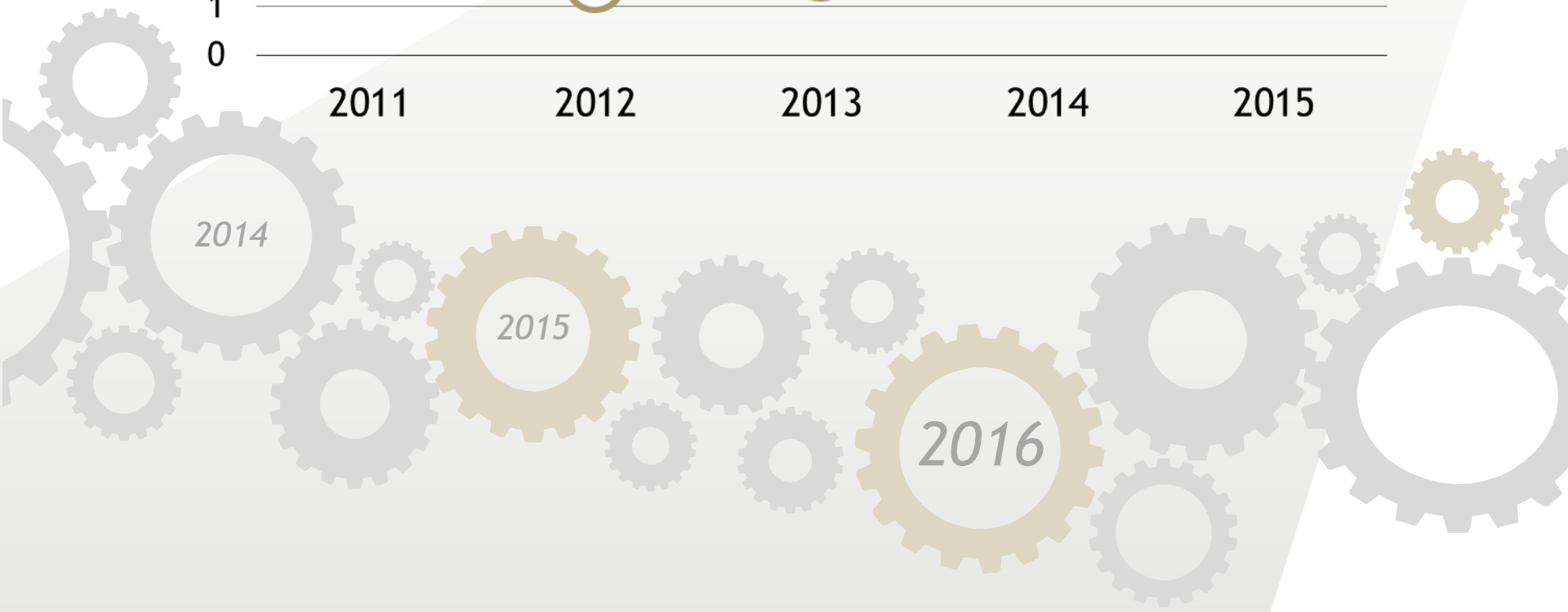
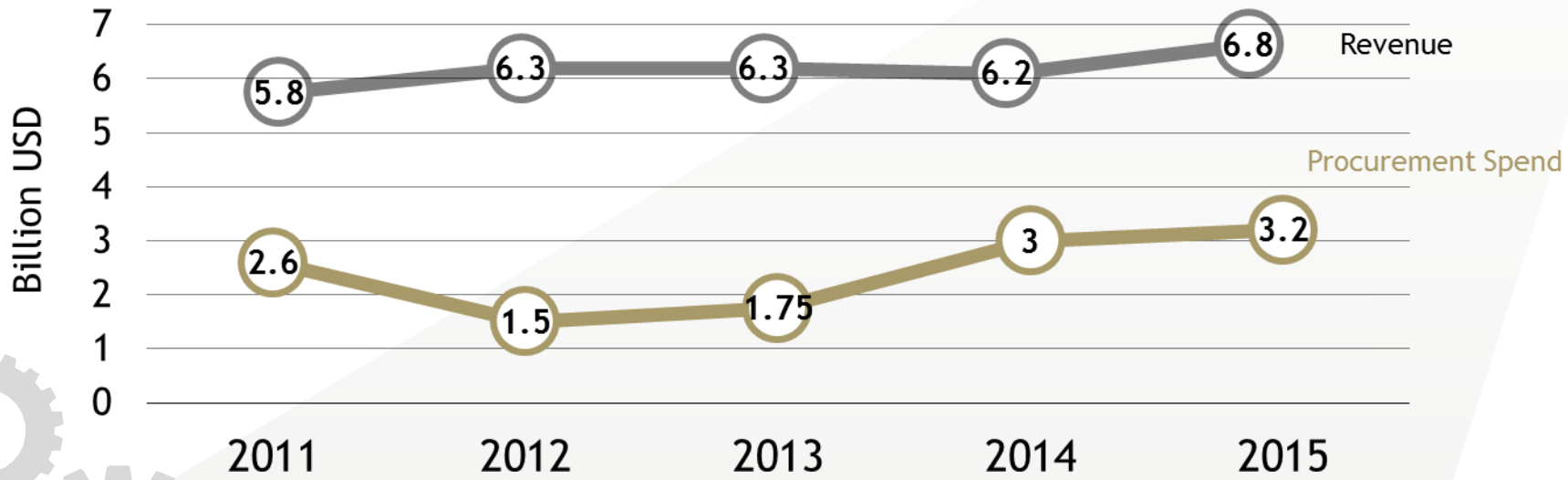


Supply Chain Manpower

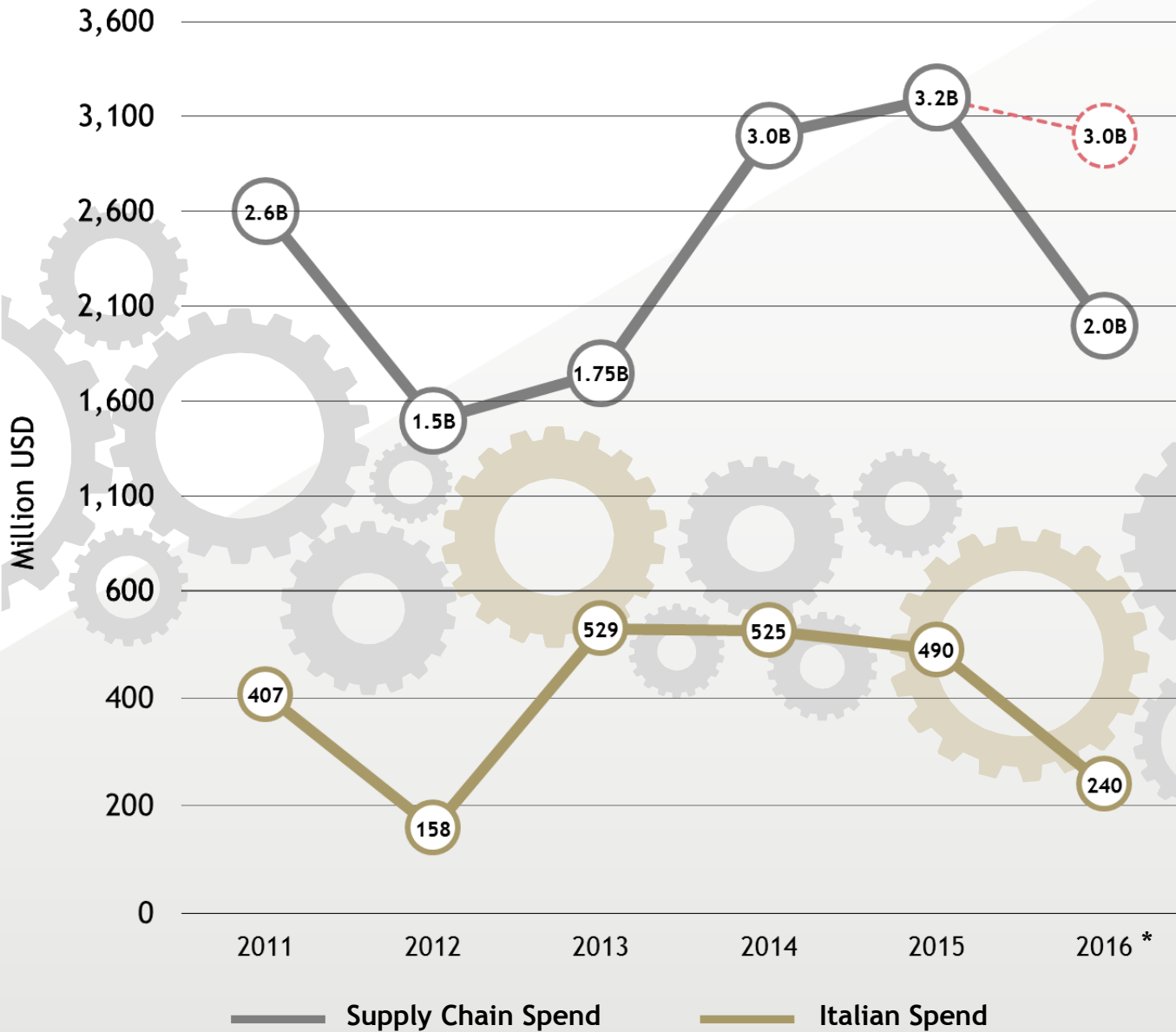
Centralised in Sharjah, the Supply Chain department comprises of Regional Supply Chain Directors supported by 350+ experienced Buyers, Expeditors, Logistics Officers and Materials Controllers.



Procurement Value | Last 5 Years Spend



Italian Market | Last 5 Years Spend

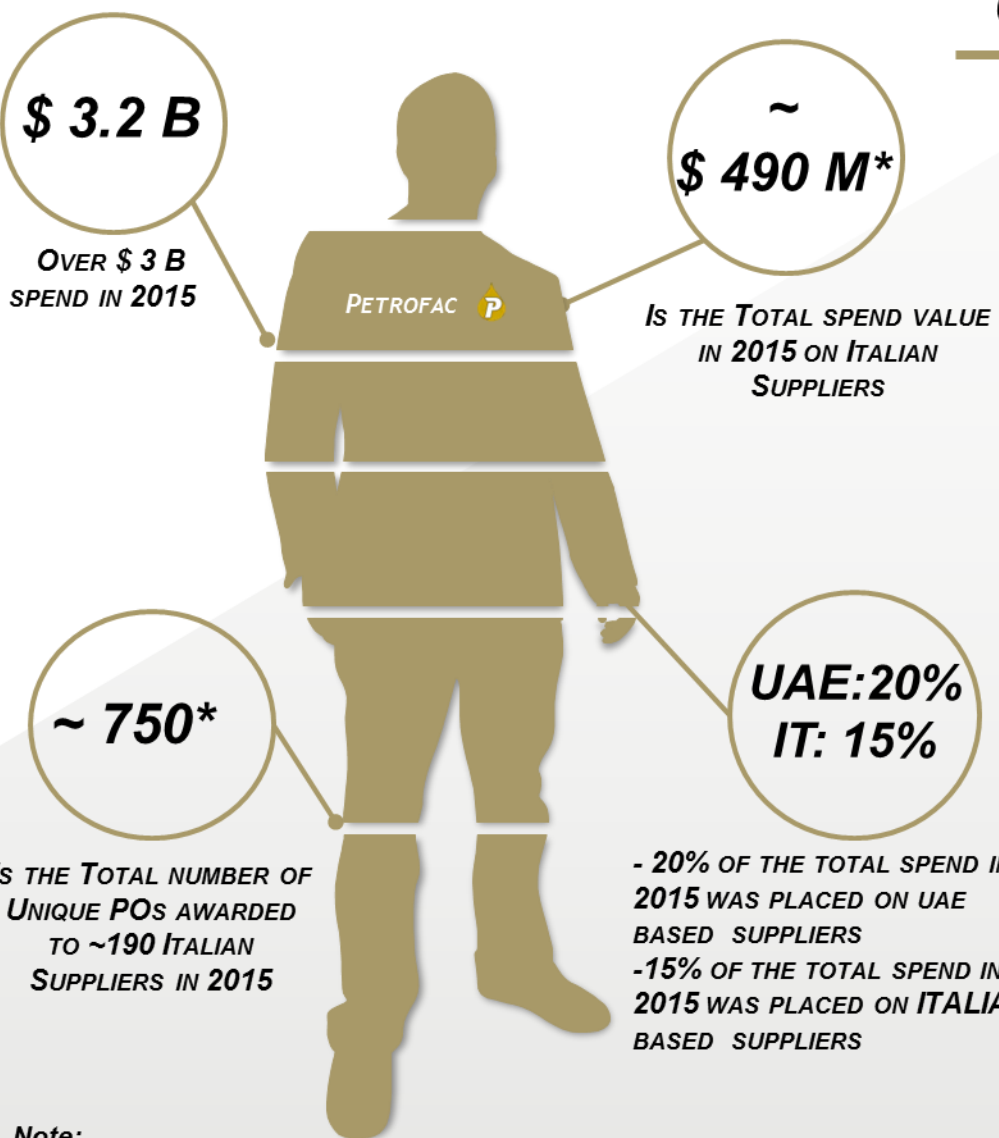


15% Is the ICV for Italy with respect to the total Supply Chain spend for 2015.

11% Is the ICV for Italy with respect to the total Supply Chain spend for 2016*.

* As of 31 August 2016

Procurement Overview



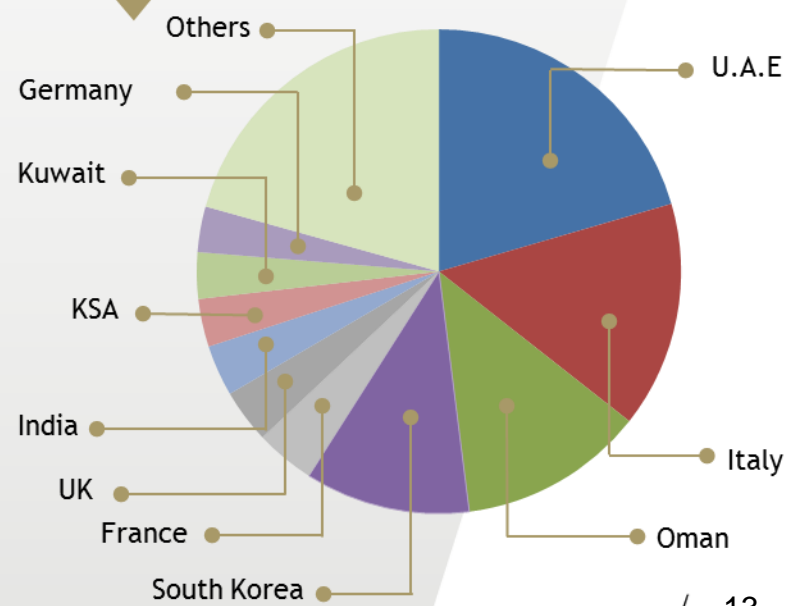
Note:
* Spend Analysis is performed based on the suppliers location where the Purchase Order is released.

GOVERNANCE

At Petrofac, **everyone** is **Responsible** for **compliance****. The company's **policies**, **procedures**, **processes** and **systems govern** our daily execution and are at the heart of **everything** we do.

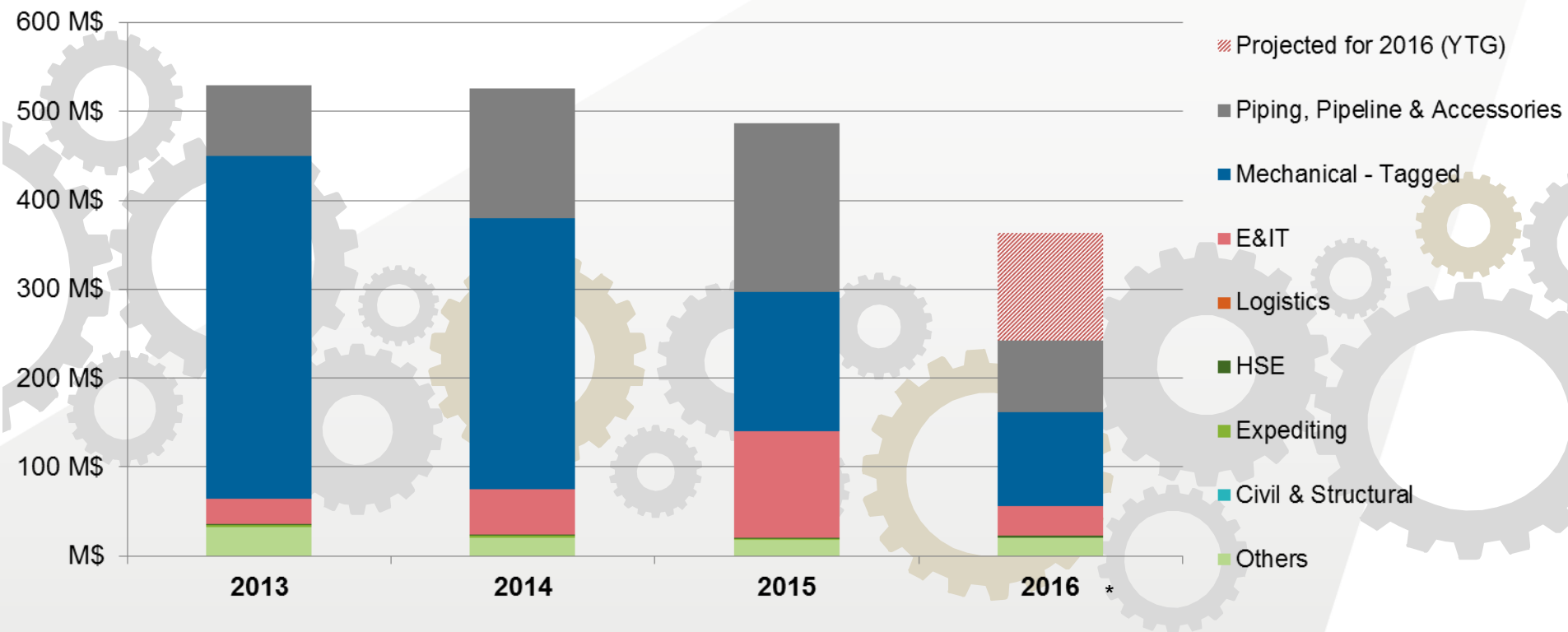
** Compliance Due Diligence - Anti-Bribery Compliance (ABC) / Capability Assessment (Technical/ Quality and Financial)

2015 SPEND BY REGION *



Spend Overview

Around **USD 1.8 Billion** of Orders, in aggregate, transacted with **ITALIAN Suppliers** for the past 3 years.

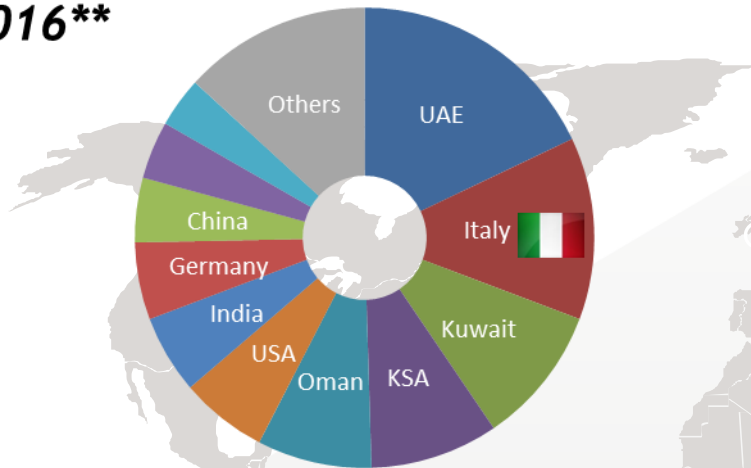


Biggest Ticket items for Rotating Equipment and Piping and Accessories.

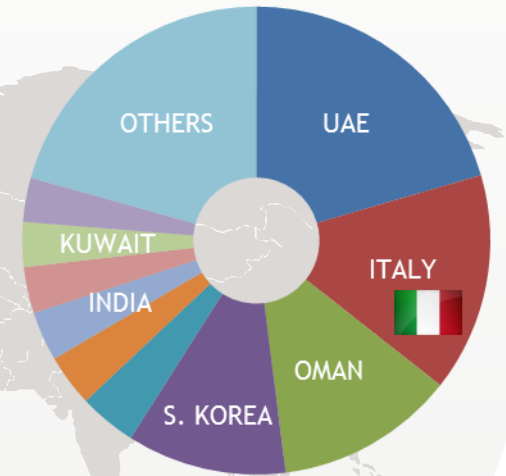
* As of August 2016

Procurement Footprint*

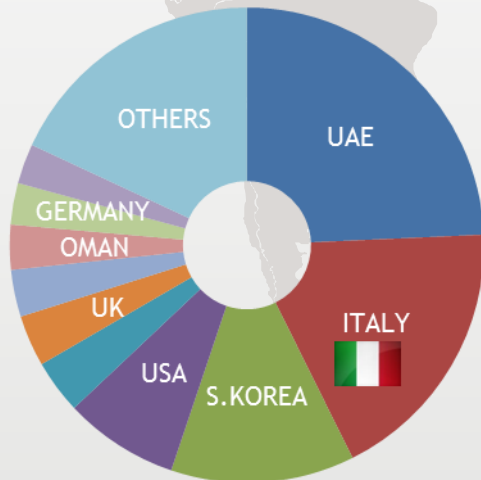
2016**



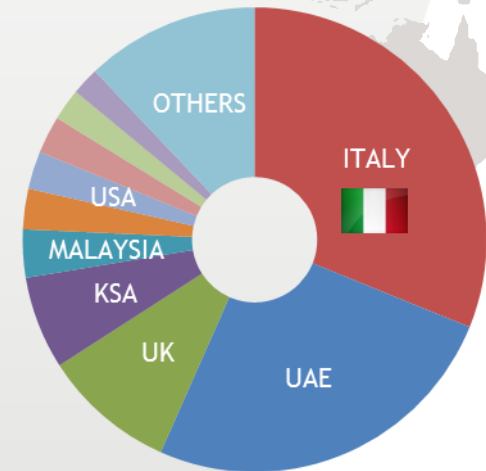
2015



2014



2013



Note:

- * Suppliers locations are grouped by PO entity location - not necessarily the country of manufacturing;
- ** As of August 2016

Client AVL

Petrofac complies with customer project AVL's

01

Petrofac Vendor List

Vendor Registration on Petrofac Portal and database.

www.petrofac.com/vendors

02

Supplier Assessment

For new vendors, Supplier Capability Assessment is carried out for:

- 1) Technical pre-qualification
- 2) Financial audit (Petrofac Finance and Third Party Agencies)
- 3) Compliance Due Diligence

03





01. Support to Proposals

- Foster good relationships with the EPC contractors and extend full support during proposals to secure a good standing after award.

03. Project Management

- Multi-disciplinary project management structure to cater for the overall requirements during project execution i.e: Quality, Engineering, Contracts, Commercial etc....
- Be open minded to comments, changes and recommendations to meet the EPC contractor and client's requirements.

02. Business Development

- Increase Local Content in country of operation;
- Relationship development with EPC contractors and End User;
- Continuous improvement of products and technology development;
- Consortium and partnership with Italian SMEs to cater for the market requirements, capacities and workloads.



1. Competitive Market

Down market conditions, and suppliers' eagerness for business has driven higher competition.



02. Local Environment / Culture

Adapt to multicultural environment and get to know the local culture, custom and business models in the region.

03. Feedback

Past Performance Evaluations and vendor's feedback/reputation is a major evaluation factor in future procurement awards.



DISCOVER THE DIFFERENCE

- Building excellent relations with suppliers;
- Prompt decision making;
- Heavy engagement with suppliers;
- Early commitments for LLI's;
- Booking slots with fabricators, pipe mills;
- Pro-active expediting (desk and field), including extensive use of support offices, resident inspectors and management visits.



THANK YOU.

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Director – Deputy HOD



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www.petrofac.com