



AMEC: Managing Growth on a Global Scale

World Energy interviews Simon Naylor, President, AMEC Oil & Gas Inc.



World Energy: As demand for petroleum products continues to increase worldwide, the industry is doing more to ensure continuity of supply. The good news is that service industry activity must also increase. Is AMEC seeing that?

Simon Naylor: Absolutely. AMEC is in a strong position right now. Across the company, the order book is up by 10% to \$6 billion, while contracts awarded for the year so far look to be worth over \$3.7 billion. Company revenues are some \$8.4 billion, employing approximately 45,000 people in over 40 countries worldwide.

World Energy: These new contracts are for more than your Oil and Gas Group engineering work, aren't they?

Simon Naylor: Yes, this includes engineering services in design, project delivery and maintenance support to clients in the transport, infrastructure and industrial sectors as well as oil and gas.

World Energy: The challenge is to grow your capabilities to match what's cropped up in the order book. How are you doing that?

Simon Naylor: Well, it is about reaching a balance between organic growth and acquisition. Regarding the latter, it is important to find the right match for our business needs and corporate style so that we add capability, not just capacity. We've been very fortunate that some exceptionally qualified companies have joined our team. The acquisition of SPIE has added additional strength in West Africa and other key locations in the Far & Middle East to AMEC's already established capability. In addition, Ipedex and Foraid are now with us.

World Energy: Why don't we stick to SPIE for a moment?

Simon Naylor: SPIE works in similar markets to AMEC but has really distinguished itself as a global leader in full life-cycle support to the large diameter pipeline industry. It has extensive experience of working on some of the most challenging pipeline projects of recent years in climates ranging from tropical rainforests to frozen tundra.

This company offers a full range of services from planning and regulatory permitting through to consulting and design, financial planning, engineering, procurement and construction management, plus commissioning through to operation and maintenance.

World Energy: Impressive. And the other two?

Simon Naylor: Ipedex provides a full range of technical services to clients in oil and gas production, refining, petrochemicals and other industries. Its specialist operations compliment AMEC's existing international operations and will further assist the company to grow market share in the oil and gas market. Foraid, an oil and gas services company acquired by SPIE in 2001, has an established position in the burgeoning West African energy market.



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World Energy: You've also grown internally, haven't you?

Simon Naylor: Yes. We now have offices in China, Moscow and Sakhalin to add to our already existing portfolio, allowing local delivery in these regions. We are continuing the development in West Africa and our role in complex projects goes on in Sakhalin – where we are working with local design institutes to deliver solutions to this harsh environment.

World Energy: One of AMEC's most prized attributes is its safety program. Do you think your outstanding record is contributing to your overall success?

Simon Naylor: Of course. When an E&P company sees Zero Lost Time from Accidents, it sees a much happier financial picture. That's why achieving Zero LTA is always a top priority on our part. One of our largest projects – the \$400 million Berri ethane recovery project – has just achieved the milestone of 10 million man-hours without any LTA. That's the fruit of a total commitment to safety.

World Energy: You must be proud of your recent safety award from Exxon.

Simon Naylor: Yes, having recently been awarded the prestigious Safe Contractor of the Year 2002/3 award by the ExxonMobil Development Company was indeed an honor, particularly since it was made in recognition of our achievements across the global business with regards to management leadership and systematic approach as well as, most importantly, delivery.

World Energy: In regards to your Oil and Gas Group, what are the latest developments?

Simon Naylor: We will be operating Bonga in Nigeria for the initial two years and we are looking to further invest in this region. Bonga has and will continue to deliver local content, and we're in a great position to build on that.

World Energy: What about in the U.S.?

Simon Naylor: Our Houston development is going to plan. In addition to our E&P work, AMEC is also delivering

expertise in support services, a fact that has now been recognised through the award of a three-year contract by BP America. We will provide operations and maintenance services in the GOM to support BP's continental shelf production facilities and the deepwater floating production facilities, Thunder Horse and Atlantis, currently under construction. In addition, AMEC's oil and gas operation in Houston is also carrying out a hook-up and commissioning contract for BP's Holstein and Mad Dog production facilities. AMEC has a very strong reputation in Asset Support services, which is reflected by the fact that currently, with partners, AMEC maintains all of Shell's offshore assets in the UK.

World Energy: Any final points?

Simon Naylor: We have now attained a leading position in the area of Floating Production Storage and Offloading (FPSO) units. With experience in over 20 of these projects, AMEC has a truly global reputation. The Bonga project has now left the integration facility, Kizomba A is complete, Kizomba B is in the integration facility, plus there is the recent award of the Enfield project in Australia. We are looking to continue this trend and maintaining our leading position.

