



TOP 30 EPC CONTRACTORS

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OIL & GAS MIDDLE EAST REVEALS THE FIRMS THAT HAVE BEEN REDEFINING ENERGY PROJECTS IN THE REGION

So, another year passes and the landscape in the oil and gas sector looks rather different to how it did 12 months ago, as we once again pull back the curtain to reveal the great and the good of the engineering, procurement and construction (EPC) segment in our annual list of the Top 30 EPC Contractors in the Middle East.

If upstream operators were clutching their purse strings rather tightly as the summer months arrived in the Arabian Gulf in 2017, they might be loosening their grips a little this year. The oil price has risen more than 50% in the intervening period and it brings welcome headroom for development projects to kick on once more.

Our bigger players have once again landed some whopping deals right across the upstream industry, from major gas development tie-ups to midstream pipeline projects, while consolidation has also been the name of the game – as big beasts have combined to form even larger entities and it will be interesting to see, come 2019, how the playing field will look.

As ever, the usual methodologies have been utilised to assess these firms such as the size of deals made, revenues earned and, also, as mergers and acquisitions have hit the headlines, future potential and scale. We hope you enjoy this ultimately idiosyncratic journey through the region's main EPC runners and riders.

PETROFAC

What a difference a year makes. 12 months ago, the Jersey registered firm was embroiled in legal scrutiny over its dealings with Monaco's Unaoil and, despite those enquiries continuing, the EPC operator has nevertheless gone from strength to strength, securing all manner of contracts, not only within the Middle East but also in both the upstream and downstream segments.

Petrofac's order backlog has pushed through the \$10bn mark

and highlights in its confirmed order book include two deals in Iraq, one for a crude export facility offshore the Al Fao Peninsula and another to operate the expanding Majnoon oilfield alongside China's Anton Oilfield Services (remember that name).

But this is just the start – the firm, headed up by Ayman Asfari, has also landed some big tickets deals such as an \$800mn contract from supermajor BP for the second planned phase of the major Khaz-

zan gas project in Oman. Petrofac will help spike production from the central processing facility to around 1,500 million standard cubic feet per day.

The firm has penned a ten-year association with Petroleum Development Oman, which has already fashioned a significant downstream contract, while it also has on-going key projects in Kuwait. Expect even more – Petrofac is actively tendering and it rightly deserves our Top 30 EPC Contractors top spot.



2 LARSEN & TOUBRO

India's L&T is a global conglomerate with impressive reach – its total revenue of \$17bn last year is a testament to that. L&T Hydrocarbon Engineering (LTHE) is the firm's oil and gas arm and it has been very visible in the past year. Its most recent award came from Saudi Aramco as part of a consortium with Subsea 7 for three gas production deck modules. The consortium has four on-going projects in the kingdom.

Earlier this year, LTHE signed a major field development EPC contract with Abu Dhabi's Al Dhafra Petroleum Operations Company, worth in excess of \$342mn. The scope of the contract includes the commissioning of flow lines, gathering facilities and pipelines to transfer crude oil and gas from the Haliba oilfield to a processing facility at Asab.

LTHE also snared a big-ticket tie-up with the Kuwait Oil Company last year when it was chosen to build a crude oil transit pipeline from North Kuwait to Ahmadi, with a Q3 2020 completion date. The deal is worth \$262mn.



4 WOOD

Aberdeen's Wood may have lost "Group" from its name but it has acquired an entire rival engineering and project management firm, itself a top ten entry in this list last year, in the process.

Wood's purchase and absorption of Amec Foster Wheeler, a firm that had 35,000 employees and revenue of more than \$7bn in 2016, creates a genuine EPC sector big beast. The entity's expanded global footprint could well see Wood getting among the medals in our list next year.

But the past 12 months have been about more than just acquisitions. Earlier this year the firm trousered a much-coveted new multi-million dollar, five-year contract to support Saudi Aramco in the delivery of one of its mega-pro-

3 SNC-LAVALIN



Montreal's SNC-Lavalin has slipped from our top spot this year but this is more a reflection of the activity of its rivals rather than a diminution of its regional presence.

SNC-Lavalin has projects right across the Middle East but Saudi Arabia is a rich seam. As a case in point, the firm's subsidiary in the kingdom has been awarded a five-year framework agreement to provide general engineering services to Al Khafji Joint Operations (KJO), a joint venture between the Aramco Gulf Operations Company and the Kuwait Gulf Oil Company.

KJO is responsible for oil and gas exploration, development and production in the offshore area close to the Saudi-Kuwait border. The signed agreement will cover both on-shore and off-shore engineering projects.

The main headline over the past year has surely been the sealing of the \$2.7bn acquisition last year of the UK's WS Atkins, a design, engineering and project management consultancy. SNC-Lavalin now contains 50,000 employees and expects revenue in excess of \$9bn this year.

jects, providing engineering and project management services to develop the Marjan oilfield.

The front end engineering design (FEED), major increment and overall project management consultancy will be executed from Wood's Reading, UK, Khobar, Saudi Arabia and India offices.

Wood is present in seven countries across the Middle East including the UAE, Kuwait, Iraq and Kuwait and maintains almost 4,000 regional staff.



5 MCDERMOTT

A year ago McDermott was comfortably nestled in our top ten. But now it has started to move – upwards. The main reason? Its merger with another member of last year's top thirty, the Chicago Bridge and Iron Company (CB&I). The deal, valued at around \$6bn, ticks some key boxes for McDermott. Speaking exclusively to *Oil & Gas Middle East* (see pages 28-33), the firm's president and CEO David Dickson said the combination with CB&I gives his firm a wider, more balanced global footprint and diversifies its offering into areas such as onshore EPC work and the LNG sector.



7 NPCC

Abu Dhabi's National Petroleum Construction Company is the first locally based firm in our list. It certainly has a tempting local market to tap into and it has had a long-standing relationship with the Abu Dhabi National Oil Company but the NPCC has cast its net widely and in January it pocketed a \$327mn EPC deal from India's ONGC for five well platforms and a pipeline at the offshore Ratna oilfield. NPCC also has current projects with Saudi Aramco but sees the kingdom as key to its expansion drive and plans to build a fabrication yard in the country.



6 SAIPEM

Milan based Saipem has a presence in 66 countries around the world and a backlog pushing \$15bn, so its sheer scale is going to keep it at the business end of any EPC power list. The firm's most eye-catching upstream deal in the past year has to be its offshore contract variations worth \$900mn for engineering, procurement, construction and installation (EPCI) activities in relation to the optimised ramp up phase of the supergiant Zohr Field Development Project situated in the Mediterranean Sea off the Egyptian coast. The firm has also secured major downstream contracts in Oman and Kuwait.



8 WORLEYPARSONS

Familiar global player WorleyParsons has been active across upstream and downstream sectors in the region. Recently, the Australian outfit snared a five-year EPC deal from BP Oman, in a joint venture with Special Technical Services, for modification and sustaining capital works at the Khazzan gas facility in Oman. But a cornerstone of its Middle Eastern activities is its on-going engineering services deal with Saudi Aramco. In 2017 the firm was awarded project management and FEED services for the offshore oil and gas facilities portion and the onshore upstream and downstream pipelines portion of Aramco's Marjan Oil Field Development Programme.



9 KBR

This former Halliburton subsidiary is one of our big movers and has been prominent in the region. Last summer, Occidental Abu Dhabi on behalf of ADNOC awarded KBR a PMC deal for the management of the FEED phase of the Dalma gas field development and the detailed design and surveys phase of the Hail and Ghasha Islands project. Our new addition to the top ten has also just won an engineering, procurement, construction and management contract from the Basra Oil Company regarding Iraq's Majnoon oilfield and has also secured a FEED and project management agreement from Oman LNG.



38

11 Galfar

Another local firm, this Omani outfit might not have the global clout of some of the companies it is ahead of in this list, but its activity in the sultanate is prolific. The firm employs 23,000 people and claims to be the single largest employer of Omanis in the private sector. Deals wise, Galfar's ravenous appetite is shown by the fact it has secured three contracts since the start of the year, worth in excess of \$200mn in total, from BP, Petrofac and Daleel Petroleum. Galfar also has



previous significant tie-ups in its pocket courtesy of Petroleum Development Oman (PDO).

10 TechnipFMC

The result of yet another merger in the

EPC segment, TechnipFMC is a big gun eyeing up global deals. Revenues of \$15bn last year and a backlog not too far behind prove that but the past 12 months have been pretty quiet in terms of upstream EPC deals in the Middle East. The UK based firm did secure a FEED contract from ADNOC for the offshore Dalma sour gas project, a key component of the oil major's wide-ranging 2030 strategy, but the main headlines were reserved for its \$4.2bn downstream deal in Bahrain for the expansion of the Sitra refinery.



12 Mott MacDonald



This UK based firm has 1,500 staff in the Middle East working across various industry sectors. The past year has been a quiet one for Mott Mac but, despite this, the company has a sizeable regional presence. It carries out multidisciplinary engineering work for Alghanim International in Kuwait, while in Iraq it provides engineering and procurement services at the Xarajyan oil terminal. It has a PMC contract for work on ADNOC's onshore gas project at the North East Bab field. A five-year arrangement to deliver maintenance and development of the Khafji oilfield in Saudi Arabia is set to expire.



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13 JGC CORPORATION

This Japanese outfit has landed big deals in North Africa in recent years and these on-going projects keep it in the top half of this list. Last June, the company won a \$642mn deal from Algeria's Sonatrach for the construction of crude oil gathering and processing facilities in the north of the Hassi Messaoud district. The firm also possesses an impressive \$1.1bn agreement to boost output at Algeria's Hassi Rmel gas field.



14 CCC

The Palestinian founded and Athens based Consolidated Contractors Company owed its presence in this list last year to its share of the \$4bn contract secured by market leader and associate Petrofac at the Lower Fars heavy oil development programme in Kuwait but in December, CCC, again alongside partner Petrofac, nabbed part of an \$800mn deal at the Ghazzer gas field, phase two of the giant Khazzan project in Oman.



15 JACOBS

This Fortune 500 firm from Dallas has been punching below its weight in the regional EPC sector – but now it is firmly on the move. In April, Saudi Aramco handed it an engineering and project management services deal for the Zuluf Field Development Programme, while earlier in the year it won an EPCM contract at the key Khazzan tight gas project in Oman. It has also found time to acquire rival CH2M for \$3.3bn.



16 DODSAL GROUP

Like Bechtel below it, the UAE based Dodsall Group is an exciting new entry to our list and enjoys much success in North Africa. Last June its long-time collaborator, Sonatrach, awarded Dodsall a whopping \$1.1bn deal to develop a gas-oil separation and compression centre on the periphery of Hassi Messaoud. The facility is due to be completed in 2020. Dodsall has also worked in several LNG projects in Algeria.



17 BECHTEL

San Francisco's Bechtel Corporation is the biggest construction firm in the US accruing revenue of almost \$33bn last year. It has landed some big downstream deals in Egypt and also has an EPC contract for BP's West Nile Delta onshore gas processing terminal but its most eye-catching deal came in February when it was awarded a FEED contract for work on the Hail and Ghasha sour gas fields by ADNOC.



18 CPECC

The China Petroleum Engineering & Construction Corporation maintains a solid regional presence and it was the firm behind the construction of the strategic Habshan – Fujairah pipeline but late last year it pocketed a large EPC deal from ADNOC to lift production capacity at the onshore Bab oilfield by 30,000 barrels per day (bpd) to 450,000 bpd. Reports suggested the deal was worth \$1.5bn. CPECC is actively tendering for regional deals.



19 LAMPRELL

2017 was a challenging year for this UAE based rig maker as it had to write down \$80mn due to mounting costs at a renewable energy project in the UK. But the firm has an order pipeline of \$3.6bn and it is part of a huge \$5bn maritime joint venture, International Maritime Industries, alongside industry heavyweights like Aramco Developments and Hyundai. A fabrication yard is currently being developed near Jubail.



20 OIEC

Oil Industries' Engineering & Construction is a major Iranian EPC outfit and new to this list. The firm has secured some major wins such as a \$1.8bn deal at the Azar oilfield development involving pipeline construction, central processing facilities and flow lines for 17 wells. It is also designing and constructing the NGL 3100 plant – a natural gas liquids facility – near the oil production unit of Cheshmeh Khosh, outside the city of Dehloran.



21 TECNICAS REUNIDAS

The past year has largely been about downstream deals for this major Spanish EPC operator with big wins at the Sitra refinery in Bahrain and in Oman at Duqm. A notable upstream deal arrived in November as Tecnicas Reunidas landed a very significant contract from Saudi Aramco, worth more than \$2bn, to construct three gas compression facilities as part of the Gas Compression Programme in the Southern Area.



22 SUBSEA 7

This subsea umbilicals, risers and flowlines (SURF) specialist purchased Emas Chiyoda Subsea (ECS) last year to increase its presence in the Middle East, as ECS has three on-going projects in Saudi Arabia alongside L&T, including offshore platforms for Aramco. The firm has also completed a subsea EPCI contract offshore Egypt for a BP joint venture in a deal worth up to \$300mn and including constructing a 40-kilometre pipeline.



23 HYUNDAI ENGINEERING

This South Korean EPC firm has an established presence in the region, both upstream and downstream, and one of its biggest on-going projects is the downstream ethane and propane Uthmaniyah facility being established by Saudi Aramco. But the firm is also a part of the Al Zour LNG project in Kuwait, which is currently seeking \$3.3bn in investment and will include a regasification unit and a total of eight storage tanks.



24 PUNJ LLOYD

This Indian conglomerate from Haryana is heavily involved in pipeline construction. It secured a contract for building 459 kilometres of the ambitious TANAP pipeline project in Turkey as part of a joint venture early last year, while it is also constructing two 300 kilometre long pipelines for Orpic and the Oman Gas Company – one carrying natural gas, the other NGL – in the sultanate after being awarded a \$304mn deal.





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25 FLUOR

Fluor has been providing EPC expertise in the Arabian Gulf for decades and it remains a major player in the downstream sector with large-scale projects in Kuwait and a recent win in Egypt. But its upstream presence is minimal and consequently it is slipping down our rankings. Its main contract is a PMC with the Kuwait Oil Company, which has spanned 15 years and covers safety, efficiency and mentoring.



26 SAMSUNG ENGINEERING

Samsung Engineering has been prolific in securing huge deals in the downstream sector from all of the region's oil giants including, most recently, ADNOC and Saudi Aramco. The Korean firm headquartered in Seoul may have just delivered on its EPC contract at Algeria's Timimoun gas field development, where it built a gas oil separation plant, but it is going to have to raise its game to stay in this list next year.



27 SEEH AL SARYA ENGINEERING

SAS, founded back in 1999, is one of a number of Omani firms entrusted to carry out work by PDO as part of its strategic localisation push. SAS took a share of two four year contracts worth a very sizeable \$779mn to provide off-plot mechanical work at oilfields run by PDO at Fahud, Lekhwair and Yibal in 2016 and these are presently on-going. As part of the tie-up, SAS will generate hundreds of local jobs.



28 ANTON OILFIELD SERVICES

This Chinese firm currently has a project in southern Iraq, worth \$140mn, to provide workover and completion services for more than 160 wells. But in April, alongside our top ranking EPC firm Petrofac, it secured an impressive deal to operate Iraq's Majnoon oilfield – one of the country's giant fields and where production is currently 240,000 bpd with plans to spike to 450,000 bpd within the next three years.



29 BONATTI GROUP

One of several Italian firms, including fellow EPC outfit Saipem and supermajor Eni, that has a presence at the vast Zohr gas field offshore Egypt. Bonatti won an electrical and instrumentation contract last November and this followed a similar award to its subsidiary Carlo Gavazzi Egypt from Bechtel a few months before. The firm has eight on-going projects in key market Algeria, as well as a presence in Iraq and Libya.



30 TARGET ENGINEERING

This Arabtec Holdings subsidiary has operations across the Arabian Peninsula including in Saudi Arabia. The firm has four divisions covering civil, mechanical, electrical and marine works. According to its website, it is carrying out EPC work on a causeway pipeline project at the Mubarak Island oilfield in Abu Dhabi for the Japanese owned Abu Dhabi Oil Company. Target also has a controlling stake in Italian marine EPC firm IDROTEC.

