

New Sellers Market



Jim Loughead

Technip USA

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Jim Loughead, Technip

- Jim Loughead has over 31 years of experience in the Oil and Gas Industry.
- Jim began his career as a construction laborer. He has worked for major engineering and construction companies in the power industry, petroleum and petrochemical, refining and processing industries. His positions have included estimating, scheduling, Manager of Proposals, Marketing Manager, senior level positions in sales and business development. The projects he has been involved with range from coal fired power plants, Artic North Slope production facilities, gasification to refining of heavy crudes.
- He has spent the last 5 years of his career at Technip as Commercial Vice President.

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Big Challenge For Owners and Contractors

Contractors Lining Up For New Projects!



Changing Business Model

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Current Client Contracting Approach

- Bundle Projects – Multiple Location
- FEED Contractor Continuing On Project To Do EPC
- Resource Issue Of People More Important Than Pricing
- Long Term Partnerships
- Open Book Sole Source Negotiated Contracts

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Benefits To E & C Industry

- Contractors Have Time To Organize Strong Execution Teams
- Continuity Of Work
- Offer Better Compensation and Training to Workers

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Freeport LNG

Case Study in Changing Contracting Methods

- Open Book Sole Source Conversion To Lump Sum Turnkey Project

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LNG Terminal JV: Technip, Zachry, Saipem



- *Notice to Proceed Jan 17, 2005*
- *Send out capacity - 1.5 bscfd (11 MTPA)*
- *2 x 160,000 cm Tanks*
- *Owner Freeport LNG L.P.*
- *Contract Completion Date March 10, 2008*

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Freeport LNG Quintina Receiving Terminal

- **Scope of work**
 - 2002: Basic Design and Permitting (Technip for Cheniere Energy)
 - 2003: FEED (Technip for Freeport LNG)-Bid with rights to negotiate
 - June 2004: Initial FERC approval; Final approval January 10, 2005
 - LSTK contract signed November 2004
- **Execution overview**
 - Project Management: Houston and Site
 - Tank Engineering: Paris-France, Chennai-India
 - Marine and Balance of Plant Engineering: Houston-Texas, Chennai-India

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