

SUBSEA UK NEWS

THE NEWSLETTER FROM SUBSEA UK

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FEBRUARY 2008

Subsea Oil and Gas Sector Grows by Almost 30%

"But Lack of Skills and Capacity Pose Real Threat"

A recent report commissioned by Subsea UK revealed that:

- UK subsea sector now worth £4.3 billion, up 29% on previous figures
- Further increases are expected for 2008
- Some companies have shown a growth rate of up to 80%
- Over 50% of products and services are exported

Global management consultants, Arthur D Little, presented Subsea UK with these findings in a comprehensive review of the subsea market. This review, which was co-sponsored by Scottish Enterprise and One North East, measures the change in market activity from 2006 to 2007. Chief Executive of Subsea UK, David Pridden, says: "Subsea companies continue to exceed expectations. 2007 has been an excellent year for the industry."

With well over 30,000 people delivering cutting edge technology solutions to the global oil and gas industry,

the UK's subsea sector can justifiably claim to be the market leader. However, the study also identified that while subsea companies have experienced higher activity levels in the last few years, they face constraints when struggling to cope with heightened client demand.

Subsea UK, the body set up to champion the sector and promote it both at home and abroad, believes that the sector's dominant global position is under increasing threat from other countries as demand for new subsea technologies and personnel resources continues to grow.

Pridden is concerned that one of the major influencing factors for not meeting the demand is the lack of skilled workers: a recent electronic poll of Subsea UK members has revealed that over 80% are still seeking to

recruit engineers and technicians.

In light of the poll and the latest ADL report, Pridden adds: "Recent press reports have implied that the skills issue in the oil and gas industry has perhaps been over-played and that the shortages are not as acute as we believed. However, our members would disagree. Any sector growing annually by 30% will have skills and ageism issues. If we don't take immediate, collective action to correct the skills problem, then we will see gradual but inevitable erosion of our strong position in this global industry."



In this issue...

SUBSEA UK NEWS

MEMBERS NEWS

- COMPANY PROFILE
- TECHNOLOGY
- CONTRACTS
- AWARDS & RECOGNITION
- ANNIVERSARIES

With input from our membership, Subsea UK News continues to gain momentum and we are pleased to announce the addition of another newsletter to the production schedule for 2008. Subsea UK News is now published three times a year. In addition, Subsea UK News continues to increase its circulation and each issue is now translated into a Spanish (South American) version.

While every effort has been made to ensure that the information presented in this newsletter is accurate, Subsea UK assumes no responsibility for errors, omissions, or out of date information and shall not be liable in any manner whatsoever for direct, indirect, incidental, consequential, or punitive damages resulting from the availability of, use of, access of, or inability to use this information.

Surface to seabed



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- In-house hydrostatic testing



BALMORAL OFFSHORE ENGINEERING
T +44 (0)1706 362800 E offshore@balmoral.co.uk www.balmoraloffshore.com

Tel: +44 (0)1224 355355
 Fax: +44 (0)1224 707776
 E-mail: admin@subseauk.com
www.subseauk.com

Member List

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Rounding UP

Subsea UK's 2007 Event Success:

Subsea 07 – 8 February 2007 – AECC, Aberdeen

The Conference and Exhibition (82 companies) were sponsored by Acteon, CSL, Balmoral Offshore, Nautronix, BSW and Offshore Engineer and attended by over 1000 delegates. The Subsea 07 Business Awards dinner sponsored by Acergy was fully booked and attended by 330 people.

Subsea Tie Back Forum – March 2007 – USA, Galveston

15 companies showcased their capabilities in the Subsea UK Pavilion. UKTI supported the event by sponsoring a Networking Lunch.

Offshore Pipeline Technology Conference – 8 March – Amsterdam

Subsea UK participated in a Roundtable Debate on skills.

Focus on Energy – 13 March – Newcastle University

Subsea UK attended the event organised to offer engineering students the opportunity to learn more about the different roles open to engineers in a range of sectors including Oil & Gas.

OSIG Geoforum – 15 March – Aberdeen

Subsea UK spoke about Bringing Industry, Academia & Government to a group in Aberdeen.

MCE Deepwater Development – 27/29 March – London

9 companies shared space under the Subsea UK brand at the event.

Business Breakfast: 2020 – 17 May – Aberdeen

The results of the 2020 workshops were presented by Subsea UK with support from Steve Sasanow.

All Energy – 23/24 May – Aberdeen

Subsea UK had a central stand at this well attended event which saw plenty of interest in subsea activities from delegates and fellow exhibitors.

ITF/Subsea UK: Technology Seminar – 22 May, Aberdeen

This well attended workshop combined ITF and Subsea UK membership. Presentations by various people including ITF and Subsea UK resulted in a better understanding of the industry's technological needs and the development of a joint ITF/Subsea UK approach.

Subsea Forum: Europe – 13/14 June 2007 – Sofitel La Défense, Paris

Sponsored by Total, the programme included senior speakers from Total, Acergy, Vetco Gray, BP, Acergy, Subsea 7 and exhibits from FMC, Acergy, Oceaneering, BP, Fugro, and Technip.

The cocktail reception, sponsored by BP, was attended by the British Ambassador and launched the exhibition and conference. The Networking Dinner was also sponsored by BP. The Conference, sponsored by Acergy, was very well attended with presentations by senior speakers from Acergy, Subsea 7 and Technip as well as technical presentations by Alcatel-Lucent, Insensys Oil & Gas, MCS, Nautronix, Prospect and Roxar.



Asia Oil and Gas: Deepwater/Subsea Seminar – 14 June – Kuala Lumpur

14 presentations by Subsea UK member companies given during a one day seminar organised by the British High Commission, Kuala Lumpur on behalf of Subsea UK. 120 delegates attended with the majority from Petronas. The successful seminar was followed by a reception at the High Commission.

Oceans 07 – 18/21 June 2007 – AECC, Aberdeen

Subsea UK spoke at the conference and had a central stand supported by Nautronix. Subsea UK sponsored an ROV building competition which involved primary school children from throughout the area.

Subsea UK and NOF Energy supported Subsea North East in their annual conference – 21 June – Newcastle upon Tyne

There were presentations from Acergy, Aker Kvaerner, Cameron, FMC, Subsea 7, Technip & Vetco on projects and future requirements. The exhibition showcased North East subsea companies to highlight their capabilities to an industry specific audience.

OE2007

Subsea UK was represented at OE2007 and welcomed our members and their guests to the hospitality suite. The following companies sponsored the Suite; AFL Telecommunications, Aker Kvaerner, Brinker Technology, Dominion Gas, Sonardyne, SECC Oil and Gas and Sonsub.

Subsea UK hosted a sold-out Networking Dinner at the Marcliffe at Pitfodels on Tuesday 4th September. The Drinks reception was sponsored by Technip and the Dinner by RBG Ltd.

The AGM was held on Wednesday 5th September to enable all Subsea UK members to attend if they were in Aberdeen for Offshore Europe.



DOT – 10/12 October – Stavanger

8 companies shared the space, branded under Subsea UK. UKTI/NOF Energy organized a networking event and also a UK exhibitors' brochure.

UK/US Showcase – 1 November 2007 – Houston

In collaboration with SUT, Houston, 120 delegates attended the event where Subsea UK member companies (Acergy, MCS, Nautronix, BSW Ballgrab, Technip, DES, 2H, Brinker and Duco) presented their game changing technologies. This

was followed by a networking event sponsored by UKTI in Houston.

Lunch and Learn – 20 November – Aberdeen

14 company representatives attended to listen to presentations from Tony Aldhous, Scottish Enterprise, Dorothy Burke, Connect Scotland and Helen Tulloch of ITF. The presentations containing all the relevant information have been posted on the website and it is intended to formulate the information into an easy-to-read table.

UK Oil & Gas UK Share Fair – 21 November – Aberdeen

Subsea UK member companies Infield, Acergy and Subsea 7

presented at this event.

Subtech 07 – 12/13 December – London

70 guests attended the Subtech Dinner which preceded Subtech: Mind the Gap on 13 December, held at the Institute of Directors in London.

Skills Conference – 12th December – London

Subsea UK presented findings on the current skills shortage at this event held in London in Simons in the Strand.

Subsea UK Goes Global

New Events Target International Growth

Along with workshops being held in Mexico and Cairo this year, Subsea UK has recently announced a new initiative for Asia's subsea industry professionals: SUBSEA Asia 2008 will take place 11-13 June 2008 at the Kuala Lumpur Convention Centre.

The event will bring together industry leaders from around the world. Subsea UK Chief Executive, David Pridden, said: "This will be the first ever subsea focused conference and exhibition in the Asia Pacific region." He also went on to say, "the conference and exhibition will focus on the three strands of our industry that

we are looking to develop: business, skills and technology. By doing this we will ensure that the Asia Pacific Region has a vibrant technology driven business environment for the seabed-to-surface sector for years to come."

By collaborating with local companies the SUBSEA Asia conference will be able to focus on issues that challenge the region's subsea professionals. Speakers and delegates will be drawn from National and International Oil Companies, subsea service companies, subsea manufacturing companies, professional societies,

2008

Forthcoming Events

SUBSEA WORKSHOP

Cairo
 10th February

SUBSEA 08 – A VIEW TO THE FUTURE – CONFERENCE AND DINNER

Aberdeen
 13th February

SUBSEA 08 – A VIEW TO THE FUTURE – EXHIBITION

Aberdeen
 14th February

SUBSEA TIEBACK FORUM

Galveston
 3rd-5th March

SUBSEA WORKSHOP

Mexico
 May

ALL ENERGY

Aberdeen
 21st-22nd May

SUBSEA PARLIAMENTARY RECEPTION

House of Commons, London
 3rd June

SUBSEA ASIA

Kuala Lumpur
 11th-13th June 08

DOT

Perth, Australia
 3rd-5th December

book for all these events at www.subseauk.com



universities and other institutions. The conference will look at the industry trends in Asia, dissemination of new and

existing technology and most importantly the exchange of valuable ideas and theories.

The event will be jointly organised by Subsea UK, the industry's leading subsea business association and Malaysian Exhibition Services Sdn Bhd (MES), organisers of the region's largest petroleum industry event, OGA.

If you wish to exhibit or attend please contact admin@subseauk.com

Subsea UK Sees Centre of Excellence Welcomed

In late 2007 Subsea UK produced and distributed a much welcomed glossy prospectus describing a global subsea centre of excellence here in the UK. 350 key players in the industry, government and academia were targeted with the publication in a bid to stimulate action.

As part of the 2020 vision, launched in early 2007, the prospectus highlights Subsea UK's view of a



Centre of Excellence and what it would comprise of:

- A showcase for subsea equipment and technology
- A centre for co-ordination of research and development of novel subsea related technologies
- A test house for new technologies
- An incubator for subsea start-up companies
- A subsea skills and training academy

Chief executive of Subsea UK, David Pridden, explains: "Such a centre would ensure that we achieve

our vision of being the dominant force in the global subsea sector with vibrant, technology-driven businesses generating revenues of over \$15 billion by 2015, employing the most talented, educated workforce in the world."

"We feel we've successfully captured the imagination of industry, government and academia and will continue to push the vision. What we need now is the assistance of the private, public and academic sectors to raise funds to establish the centre."

For a copy of the prospectus please contact Subsea UK on 01224 355 355 or email pr@subseauk.com

Subsea Skills Site Launches New Links

Recruiting Just Got Easier



Subsea UK, along with guidance from its Skills Forum, has upgraded its www.subseaskills.co.uk site. The site dedicated to the sectors skills shortage has had several improvements including the addition of the newly created Recruitment Link.

New features have been added to better reflect the needs of the industry and allow prospective engineers to gain more convenient access to all the information necessary to apply for the right job.

The easy-to-use search options allow potential employees to see how wide ranging a subsea career can be but also allows direct access to the vast companies within the sector and their vacancy portals.

As part of their membership every Subsea UK member company is eligible to include their recruitment needs on the site. This complimentary service creates a comprehensive marketing platform suitable for every member.

If you wish to include details of your subsea company, then e-mail pr@subseauk.com

ITF and Subsea UK to Work Together to Define and Implement a National Strategy for the Development of Subsea Technology

The two not-for-profit industry bodies are to combine their efforts to ensure that the subsea supply chain can meet the future technology needs of the oil and gas industry.

Subsea UK is the established champion of the UK subsea industry. ITF is the oil and gas industry's technology facilitator, which was set up in 1999 by the major operators and the DTI, to identify exploration and production technology needs and foster the development of the new technologies. The new agreement between the two bodies will ensure that they will work together to meet their common subsea industry objectives.

Neil Poxon, ITF's Managing Director, says; "we have been collaborating for some time and last year we jointly held a very successful subsea technology theme day, which attracted more than 70 representatives of companies and organisations from across the industry. The new agreement is a logical development that will be of mutual benefit to the companies that use and supply subsea technologies."



Giving Teachers a Lesson in How to Help Solve the Skills Shortage

A recent initiative by Subsea UK has been set up to promote science and engineering subjects among school pupils by asking teachers to become the students in an effort to solve the shortage of engineers facing the oil and gas industry.

It is hoped the initiative, which was piloted by Aberdeen-based Subsea UK member companies Prospect and Nautronix, will help improve teachers' knowledge and understanding of the subsea industry and the range of employment and training opportunities it offers young people.

A handful of science and technology teachers from across Aberdeen City and Shire have taken part in the scheme which saw them spend two days with subsea oil and gas firms as a way of gaining first hand experience of the skills, knowledge and

behaviours required in various working environments in the energy sector.

By taking part, teachers are able to translate the experience and information gained from the placement back to the classroom for use with pupils when making curricular and career choices.

Turriff Academy physics teacher Jamie McHugh (pictured) carried out an industrial placement with Prospect at the end of September.

He said: "I was able to interact freely and question staff from all levels about their daily tasks and how they are using applied physics on a daily basis – everything from making additions to existing structures and simulating stresses in a joint to extremely complicated gas and fluid flow simulations."

"To be able to take back to the classroom an extremely positive



message about an up and coming engineering company and how they work on a day to day basis was very rewarding. Taking physics out of the textbook and classroom and into real-life is part of my job and my experience at Prospect has allowed me to bring physics to the pupils and make it more interesting and relevant."

For further information and details on how you or your company can participate then please contact pr@subseauk.com

Armed Forces to Strike the Subsea Industry

Subsea UK has teamed up with the Career Transition Partnership (CTP) to promote the industry and the skills shortages it faces to those leaving the armed forces.

The subsea industry continues to be buoyant and needs the right people with the right skills to make sure it stays that way into the future. Many of the skills required and valued by employers are taught and practised by a number of people in the Services.

The CTP, set up by the Ministry of Defence and Right Management, provide eligible Service leavers with career transition services as part of their resettlement process.

With over 15,000 Service leavers looking for employment, Romana Grant, Regional Employment and Training Manager for CTP in Scotland, said there was a potential for thousands of jobs in the subsea sector.

Grant says: "It is one of the few industries offering a range of opportunities in Scotland and beyond which also meet the needs and expectations of Service leavers, who can offer a wide range of



transferable skills and experiences to prospective employers."

"We have got some from the lower ranks of the army looking to go in at roustabout level, but we also have a very high technical element in Scotland, particularly within our main RAF bases at Kinloss, Lossiemouth and Leuchars, where there are highly qualified people with transferable skills the oil and gas industry requires."

The CTP already works with a number of Subsea companies and has placed many Service leavers in a range of roles within subsea. Building

Transferring the Skills to Tackle the Shortage

on this existing relationship, Subsea UK aims to enhance the association between the two sectors.

Romana Grant and her colleague, Colin Brown, will be in attendance at Subsea UK's Subsea 08 Exhibition on 14th February, at the AECC, where further information and details about CTP recruitment services can be obtained.

For further information and to find out about CTP employment fairs for 2008 please visit www.ctp.org.uk

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Subsea Sector Driving Growth at Xodus

Rapidly growing oil and gas engineering consultancy, Xodus Group, has seen its subsea business increase by 50% in the last 12 months. Xodus Subsea is reporting £1.5 million of new contracts in this niche oil and gas sector alone in recent months.

Xodus Subsea, which now employs 30 people, has recently made four

high level appointments to support the growth in both its Australia office in Perth and its Aberdeen headquarters.

As part of the broadening of its service it is also expanding its subsea controls engineering service to satisfy the increasing demand for through-life support for increasingly complex subsea controls systems.

Mexico and Singapore for Rotech Subsea

An innovative Scottish company has announced plans to open two new overseas bases to cope with soaring demand for its revolutionary subsea excavation tools.

Aberdeen-based Rotech Subsea has enjoyed six years of steady growth, but is braced for dramatic expansion thanks to a flood of orders from international clients who have seen the benefits of its pioneering technology.

Launched in 2001, the company is already predicting sales to grow by 40 per cent in 2008 at the same time as it opens new bases in Mexico and Singapore.



Powerful New Subsea Technology Grouping SRD Joins the Trittech International Group of Companies



Richard Marsh (left) MD, Trittech International with Brian Bullock (right) MD, SRD

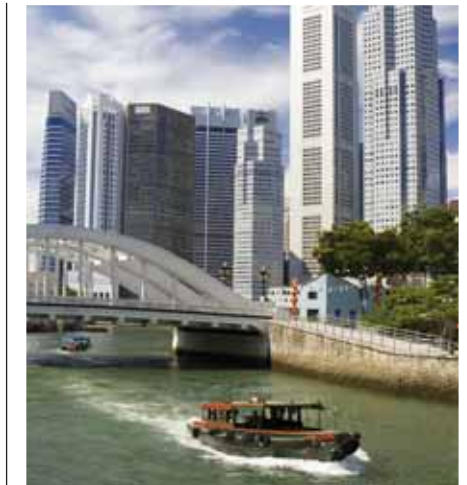
Trittech International Limited, part of Halma Group plc have announced the acquisition of Beverley-based SRD (Sonar Research & Development Limited), which specialises in the design, development and manufacture of innovative multibeam systems for use within the oil & gas industry and other subsea applications.

Richard Marsh, Managing Director of Trittech International said: "The addition of SRD into the Trittech Group of companies is a very positive step and gives Trittech access to SRD's solid state multibeam technology" he said. "I am very excited at the prospect of harnessing SRD's technology and developing a wider range of products and services as a result. SRD will continue to offer their specialised survey services, which will now be more accessible to a wider subsea audience through Trittech's international distribution network. We anticipate making further acquisitions to continue to broaden our capabilities to create a dynamic and powerful force in the subsea acoustic market."

Brinker Confirms Expansion Plans with New Premises

Aberdeen-based Brinker Technology is expanding into new offices in the city's Bridge of Don area. The innovative engineering and integrity management company, which has created a further five engineering and technical jobs, has secured an additional 7000 square feet of quality office and workshop space in the Bridge of Don.

New technology developments have boosted growth at Brinker Technology and the company is on target to achieve £1.6m turnover this financial year.



Aquatic expands in Asia Pacific with New Facilities in Singapore

Aquatic Engineering & Construction Ltd, an Acteon company, is expanding its activities in Asia Pacific; a Singapore office has already been established and an operations base will follow shortly. This will improve service for customers in the region, who will gain from rapid access to Aquatic's range of specialist flexible handling equipment and back-of-boat solutions.

"The Asia Pacific subsea oil and gas business is experiencing significant growth, particularly offshore Australia, New Zealand, Indonesia, Thailand, Vietnam and China," says Chris Brooks, president of Aquatic. "The new base in Singapore will be well-placed to meet the increasing demand for our services."

Subsea Engineering Company Builds Premium Pipeline Capability



Angus Reid

MCS has added to its expanding array of subsea capabilities with a comprehensive pipeline offering.

The global subsea engineering company has appointed Angus Reid as Pipeline Team Leader. Reid says: "Over the last 18 months we have made a series of strategic

appointments to build our pipeline and subsea capability. We now offer a multi-discipline team across our network of offices with unrivalled knowledge and expertise in all areas of pipeline, flow assurance and subsea engineering."

New Dedicated Facility for Manufacture of GE's Sensors



GE Sensing has created a dedicated facility for the production of its high integrity hydraulic pressure sensors for subsea operation at its Groby, Leicester, manufacturing site. This significant investment demonstrates GE's total commitment to sensing products for the subsea sector.

With further refinements such as a complete anti-static floor, rather than merely benches, with single batch processing to assist traceability, and with comprehensive aging in controlled ovens before calibration, the new facility represents the state-of-the-art in the manufacture and assembly of sub-sea sensors.

NaREC

AT THE HEART OF INNOVATION

NaREC is a great place to trial your new subsea equipment.

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- Dedicated operations support team
- Simulated sea bed
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Contact:
Lisa Dodds, Business Development Manager
01670 357 625 lisa.dodds@narec.co.uk

www.narec.co.uk

Got something new in the pipeline?

Come and Meet us at:
Subsea 08, AECC Aberdeen
14th February 2008

The NOC Sees Successful First Sea Trials of the Autosub6000 AUV

Developed at the National Oceanography Centre, the Autosub6000 – the 6000m rated Autonomous Underwater Vehicle – has recently returned from its first sea trials, onboard the UK research ship, RRS Discovery, in the abyssal NE Atlantic Ocean.

Following a short test deployment in Falmouth bay, England, (the first time that the AUV had ever run in water), the second mission took Autosub6000 to a depth of 4556m.



Autosub6000: Final checks before launch on its first ever deep mission to 4553m depth.



The FCV 3000.

Fugro Trial New Flagship R.O.V.

Fugro, the Dutch technical underwater geological consultancy, has conducted the first U.K. open water trial of their FCV 3000, the new flagship R.O.V at the Underwater Centre in Fort William. It has been built in-house by Fugro and is a highly capable, 5th generation Work Class ROV System built to service their client needs across the global market for ROV operations whether that is in Survey, Inspection, Intervention or specialist Operations.

A Strong Partner For Future Growth And Investment In The North Sea

E.ON Ruhrgas is one of Europe's leading gas companies. We purchase gas under long-term contracts from sources in Germany and abroad, supplying it to utilities, industrial customers and power stations. In 2006, we sold over 68 Bcm of natural gas to our customers.

As part of the E.ON Group, we are optimally placed for the market of the future. This includes investment in global upstream projects. In E.ON Ruhrgas UK, we have a young, dynamic upstream company with offices in London, Aberdeen and Great Yarmouth focusing on the UK market. E.ON Ruhrgas UK has a strong operating base, which provides an excellent platform for further growth.

Our existing UK portfolio spans the central and southern North Sea and includes operated and non-operated assets and interests in key pipeline infrastructure. Currently operated UKCS development projects include Rita – a subsea development, and Babbage – a multi-well platform development.

We look forward to meeting you at Subsea 08!



New Survey Vessel SV Geograph from DOF Subsea Group

The SV Geograph is DOF Subsea's most recent new build vessel; one of the most advanced and flexible survey vessels currently available. Fully mobilised with the very latest in hull-mounted and topside technology, the SV Geograph offers unlimited operational flexibility within the survey and construction arena. From near shore surveys to full ocean depth the vessel has the capacity to operate in all market areas, be it oil and gas or the cable industry.

With much of the interior designed by surveyors, with survey and construction projects in mind, the SV Geograph offers conference, office, on-line and off-line facilities of an extremely high standard. The vessel has 50 berths with dayrooms, a mess and a gym.

Bowtech Announce Latest Aquavision Range

Bowtech's ever expanding AquaVision range sees the launch of their smallest LED underwater light to date and their SURVEYOR colour zoom camera. The LED-800 is but 3 inches in length, less than 2 inches in diameter at the lens and 1 inch in the body.

Featuring their latest LED technology, the light produced is ideal for colour video inspection or viewing tasks – especially for diving and ROV inspection applications.



The SURVEYOR camera utilises Sony's latest ExView HADtm CCD technology. One of the many unique features of this camera is the advanced backlight compensation technology that dramatically improves the camera's dynamic range.

Tritech Launch NEW Merlin ROV Excavation & Jetting System at Subsea 08

A brand new 35 h.p. – 60 h.p. Merlin excavation pump is being launched at the Subsea 08 Exhibition on 14 February, Tritech stand A5.



Aberdeenshire based, subsea technology company – Tritech International – are showcasing the new Merlin, which is said to be small, light and robust, with great performance in both excavation and jetting functions.

Paul Hudson, Marketing Executive for Tritech says, "The Merlin is the natural successor to the Excalibur pump, which has proved as efficient and reliable as the whole ZipJet family."

New Hira Enabled Software to Enter the Subsea Market

Highlands based C3 Amulet Ltd has strengthened its reputation as a world leader in Asset Performance Management solutions by partnering with Aberdeen based Pegasus International and bringing SAIMS (Subsea Asset Integrity Management System) to the subsea offshore market.

The software, which is already being used by Venture Oil plc and has been in development over the previous 3 years, represents a key step in C3 Amulet's plans to build upon the strong Amulet software brand name that is already consolidated in the Oil and Gas industry in Aberdeen by oil majors such as Chevron and ConocoPhillips.



The Underwater Centre Hosts Groundbreaking Submarine Trials

Rolls-Royce has conducted the first open water trial of the groundbreaking new NATO Submarine Rescue System (NSRS) at the Underwater Centre in Fort William, the UK's leading commercial diving training centre.

Rolls-Royce programme manager, Jonty Powis, comments: "The extensive facilities which are provided here by The Underwater Centre and the established history with previous trials of other submersibles, such as the LR5 and UK Submarine Rescue Service, have allowed us to test the increased capability of our new remotely operated vehicles and submersibles with great confidence. This is the first trial in open water of the NSRS, but is the first of several planned here at The Underwater Centre in Fort William."

Technip Awarded USD, 1.1 Billion Contract for Subsea Development in Angola

Technip, leader in a consortium with Acergy, has been awarded by Total a contract for the development of the Pazflor oil field, located offshore Angola in Block 17, at water depths reaching 1,200m. Technip's share of this USD 1.860 billion contract represents USD 1.160 billion.

Technip's share of the contract covers:

- the engineering, procurement, fabrication and installation of over 80km of production and water injection rigid flowlines(1), conventional flexible risers(2) and integration production bundle (IPB) risers,
- the engineering, procurement and fabrication of over 60km of umbilicals(3).

Offshore installation will commence in 2010, using Technip's vessels Deep Blue and Deep Pioneer.



ISS Secures a World First with Latest Generation ROV

Oil and gas specialists Integrated Subsea Services (ISS) are the first in the world to take delivery of the latest generation of ROV.

The Aberdeen-headquartered diving and ROV service firm has invested £10million (GBP) in four of the newly launched Triton® XLX ROVs, manufactured by Perry Slingsby Systems (PSS).

The vehicles feature innovative dynamic positioning technology which reduces pilot intervention and allows navigation data to direct the ROV. It is the first time this type of technology, which is used on surface vessels, has been available for subsea projects.

ENHANCED RECOVERY SOLUTIONS

Technology experience that adds value

Subsea Boosting: Multiphase, Raw Seawater Injection and Wet Gas Compression 0-100% gas and up to 150 bar pressure 800,000 hours plus operational experience world wide.

Multiphase and Wet Gas Meter: PhaseWatcher Vx™ 0-100% gas; excessive of 800 meters; approved and installed for fiscal allocation.

Pump Controls: High availability + high speed communication = low down time.

Compact Manifold: Multimanifold™, less than 50% weight of a conventional manifold.

Fluid Transfer Systems: for FPSO

We are leading the way in enhanced recovery system solutions to meet the markets growing needs



Shell Contract for DPS

Dynamic Positioning Services of Aberdeen, a leading equipment hire and sales company for Survey, ROV and Dynamic Position (DP) sensors, has been awarded a major contract by Shell U.K. Limited (Shell) to supply and support a Guidance Navigation DP Reference sensor called RadaScan.

The contract involves the installation of up to eleven RadaScan systems on board Shell's contracted fleet of platform supply vessels, and the supply of ninety passive positioning transponders which will be installed on all Shell North Sea installations and mobile drilling unit supported from Aberdeen. RadaScan is an advanced radar based positioning sensor for DP vessels, which was released to the



market in 2006 following four years of development by Guidance Navigation, a Leicester based company.

Finnish Navy Chooses Saab Seaeye Falcon

The Finnish Navy Research Institute is taking delivery of the highly successful Saab Seaeye Falcon ROV.

The Institute wanted a compact and light-weight ROV incorporating the latest technology, and suitable for underwater warfare.

They liked the ease by which the Seaeye Falcon can be transported and deployed from a mother ship and its flexible operational capability.

This flexibility comes from the ROVs modular design that allows upgrades and additional equipment to be added and changed easily, even under operational conditions, and that power demands are moderate.



Subsea Construction Company Wins First Middle East Contract

Subsea installation company, Subocean Limited, has been awarded its first contract in the Middle-East.

The Aberdeen-based company has won a \$13.5 million contract with PMS in Egypt to install ten power cables for Saudi Aramco on a number of platform interconnections in Saudi Arabia.

The contract, which is expected to begin right away, with installation activities due to start in April 2008, will take about nine months and involve cable lay work.

This contract comes at a time when Subocean Limited is also celebrating the award of a second contract with the British company Centrica, on a wind farm development.

The seven figure sum contract is for the cable termination work of the Lynn and Inner Dowsing offshore windfarms, five kilometres off the Lincolnshire coast, bolstering the company's strategy of generating £40 million in sales from the renewable energy sector in the next two years.

NCA Rigless Subsea Wellhead Removal - A World First



Norse Cutting & Abandonment (NCA) has successfully completed a 'World First' in a well abandonment in a project comprising of 3 subsea wells with the NCA Subsea Wellhead Picker in the Admore Field through a contract with Specialist contractor; Acergy, The Admore Field abandonment was planned, managed and funded by Acorn Oil & Gas.

NCA managing director Eddie Grant states: "This award is another acknowledgement of our company's unique system for internal cutting of

multistring conductors (IMCT) combined with the 'in house' developed Subsea Wellhead Picker, and falls in line with several contract awards for major decommissioning projects in the Gulf of Mexico."

The Subsea Wellhead Picker is a new concept for removal of subsea wellheads that follows their previously awarded and very successful Internal Multistring Cutting Tool that was developed for cutting and removal of platform wells.

AWARDS & RECOGNITION

WWW.SUBSEAUK.COM

BCC and the Learning Skills Council (LSC) Announce the Winner for Performance through People

Prospect Flow Solutions Limited has been announced as the regional winner of the Award for Performance through People in Scotland for the British Chamber Awards 2007.

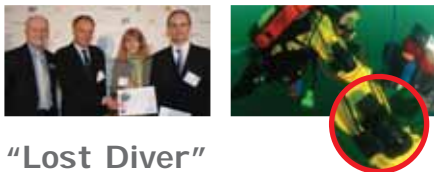
Prospect won the LSC-sponsored award because the judges could see that the management put staff development at the heart of the company's culture and business strategy. Finally, the judges were impressed by how Prospect was delivering measurable commercial benefits from this commitment to its people.

NCA Receive Innovation and Technology Award

NCA – Norse Cutting and Abandonment – has been honoured as one of the leading players in the oil, gas and related sectors at NOF Energy's annual awards and dinner.

Norse Cutting and Abandonment Ltd, which provides decommissioning, cutting and abandonment and removal services, won the Innovation and Technology award, sponsored by Recognition Marketing and PR.

The judges' citation said Norse Cutting and Abandonment's development of the 'Wellhead Picker' combined with the abrasive water jet internal cutting of wellheads (IMCT) in the field of well abandonment demonstrated the potential for significant cost savings, efficiencies and environmental benefits making the company stand out.



"Lost Diver" Competition – Winning Prototype Receives Award

Tritech International and Newcastle University has received a prestigious innovation award from the Institution of Engineering and Technology (IET), Europe's largest professional society for engineers, and the UK governing body, British Sub Aqua Club (BSAC).

The £5000 prize was presented to the winning team Tritech/NU who designed and manufactured DiveTrack, a transceiver device carried by divers, which communicates with a surface unit. This enables the diver to be located at all times and can also send emergency signals to the surface alerting boat crew to problems underwater.

RBG Competency Management System Gains OPITO Approval

RBG Limited ("RBG"), the integrated oil, gas and petrochemicals services contractor, has gained OPITO approval for its competency management system ("CMS") for operational personnel.

This prestigious achievement is the culmination of many months of intensive effort from a team led by Jim Massie (RBG's Personnel, Logistics & Competency Manager), and supported by Walter Diaper

ANNIVERSARIES

NHC Celebrate 20 Years

Aberdeen's National Hyperbaric Centre celebrated its 20th anniversary with a multi-million pound plan to build the world's largest and deepest test chamber.

The project, which could cost up to £10 million, would allow the centre to test subsea equipment to a depth of 5000 metres or more than 3 miles below the surface.

It is the latest ambitious initiative from the NHC which is currently establishing itself as a global centre of subsea excellence.

25 Years for Framo

In 2008 Framo Engineering celebrates its 25th birthday. In 2007 Framo Engineering (UK) Ltd celebrated its 5th year in Aberdeen.

Established in 1983, Framo Engineering is synonymous as a systems supplier of enhanced recovery projects.



(Competency & Training Advisor). The company is one of the first in the oil and gas industry services sector to reach OPITO qualification status for its CMS. Consequently this enables RBG to progress assessments of its workforce to recognised industry standards and it positions the company at the forefront of its industry peer group in terms of personnel competence development.



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