PENS - SUCCESS EXPERIENCE IN MEXICO
Gustavo Romero Urdaneta

Penspen – Success Experience in Mexico
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2/15/2017
60 YEARS OF ENGINEERING SUCCESS

- **1954**: Pencol opens first office in the Middle East in Beirut.
- **1969**: Spencer & Partners and Pencol merge to form Penspen.
- **1982**: Dar Al Handasah acquires a majority stake in Penspen.
- **1989**: Penspen establishes first office in Asia Pacific in Bangkok.
- **2000**: Greystar Corporation in Houston is acquired.
- **2006**: Progas and Unipen merge to become the operations and maintenance division, Greystar UK.
- **2010**: Penspen celebrates its 60th anniversary. All brands become Penspen.
- **2014**: Penspen acquires DPS Engineering.

Spencer & Partners established as cathodic protection consultancy.
The Dar Group is a multinational group of consulting firms that cover a spectrum of specialized design and consulting services in the different engineering areas.
Support across the full project lifecycle

Our Services

- Engineering & Project Management
- Total Programme Management
- Software & Tools
- Asset Management O&M
- Training & Education
- Asset Integrity
Global engineering experience and capabilities

Regional Headquarters
Houston, USA

Corporate and Regional Headquarters
London, UK

Regional Headquarters
Abu Dhabi, UAE

Regional Headquarters
Bangkok, Thailand

Over 1100 staff worldwide

Key Offices
Europe and Africa
Aberdeen, UK
Bristol, UK
Lagos, Nigeria
London, UK
Maputo, Mozambique
Middlewich, UK
Neath, UK
Newcastle, UK
Tripoli, Libya

Middle East
Abu Dhabi, UAE
Basrah, Iraq
Doha, Qatar
Khafji, Saudi Arabia

Asia Pacific
Bangkok, Thailand
Perth, Australia
Singapore

The Americas
Ciudad del Carmen, Mexico
Houston, USA
Lafayette, USA
Santiago, Chile
Villahermosa, Mexico
ABOUT PENSPEN MEXICO

In January 1996 Penspen registered as a legal entity in Mexico

After executing some contracts in Mexico and seeking to establish a better presence from the UK, Penspen registered as a legal entity in Mexico

- **PENSPEN SA DE CV**
Our Main Contracts in Mexico

- Comisión Federal de Electricidad (CFE)…..1996
- Pemex Exploración y Producción (PEP) …..1998 to 1999
- Comisión de Avalúos de Bienes Nacionales (CABIN)……..1999-2000
- Comisión Reguladora de Energía (CRE)……2001
- Constructora Subacuática Diavaz……2006 to 2009
- Pemex Exploración y Producción (PEP)……2009 to 2019
- CONACYT-UACAM……..2014-2016
- Gasoductos de Chihuahua….2016
Our Main Contract in Mexico

In 2009 Penspen (UK) and Diavaz (Mex) formed a consortium to Assuring the Integrity and Reliability of the Transportation of Hydrocarbons in System 1 – Tabasco and Campeche areas of the Gulf of Mexico for 10 years (2019).

Dos Bocas Maritime Terminal Onshore

140 Offshore Pipelines (About 1600 Km)
Cayo Arcas Offshore Platform
Rebombeo Offshore Platform
Queen’s Awards

The Project System 1, with Petroleos Mexicanos (PEMEX) is for a total value of 1,300 MM USD for ten (10) years of the contract.

In 2010, Penspen has been awarded:

“The Queen's Enterprise Award, International 2010 Trade“

After increasing its exports over 90% to £75 million in the last three years and expanding over 400 % since 2005.
ABOUT PENSPEN MEXICO

58 direct employees (95% Mexican)

150 contract workers (Direct and Indirect)

13 Agreements with subcontractors to provide services (Local and International)
Academic Programs in Mexico

Currently, Mexico has a deficit of professionals at technical levels, which must be solved as soon as possible in order to cover the growing demand for the coming years.

Agreements between Penspen and Universities
### WHY MEXICO 🇲🇽

Mexico is an open economy that guarantees access to international markets through a network of free trade agreements.

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<thead>
<tr>
<th>Germany 🇩🇪</th>
<th>Sweden 🇸🇪</th>
<th>Russia 🇷🇺</th>
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WHY MEXICO

The country boasts a strategic geographic location and competitive costs to service global markets.

Penspen has developed different projects in Latin America, managed and executed from our office in Mexico.
WHY MEXICO

PEMEX Oil Production Mbd

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil Production Mbd</th>
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<tbody>
<tr>
<td>2011</td>
<td>2,553</td>
</tr>
<tr>
<td>2012</td>
<td>2,548</td>
</tr>
<tr>
<td>2013</td>
<td>2,522</td>
</tr>
<tr>
<td>2014</td>
<td>2,429</td>
</tr>
<tr>
<td>2015</td>
<td>2,267</td>
</tr>
<tr>
<td>2016</td>
<td>2,138</td>
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</table>

PEMEX Gas Production Mbd

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas MMpcd</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>5,913</td>
</tr>
<tr>
<td>2012</td>
<td>5,676</td>
</tr>
<tr>
<td>2013</td>
<td>5,679</td>
</tr>
<tr>
<td>2014</td>
<td>5,758</td>
</tr>
<tr>
<td>2015</td>
<td>5,504</td>
</tr>
<tr>
<td>2016</td>
<td>4,800</td>
</tr>
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WHY MEXICO

Energy Reform. December 18, 2013

The Mexican State maintains control and ownership of hydrocarbons

PEMEX becomes a State Productive Company

Participation of third parties in the hydrocarbons sector through different types of contracts and a new tax regime

Farmouts

Production-Sharing

Utility-Sharing

License agreements
# PENSPEX Future Opportunities in Mexico

## Asset Integrity
- Midstream pipeline and facilities integrity assessments
- Asset Integrity support for brownfield facilities
- PIMS for midstream pipelines
- AIMS for midstream pipelines
- Asset performance and risk assessment

## Engineering & Project Management
- Engineering support for produced water facilities
- Feasibility study
- Brownfield engineering and PMCs
- Process engineering for FPSOs
- Refinery Upgrade engineering
- Onshore pipeline engineering
- Subsea pipeline engineering

## Total Programme Management
- Field development consultancy
- Advice and supervision of all project phases
- Tender production and evaluation
- EPC contractor evaluation
- Provision of project management teams, project controls and engineering supervision

## Asset Management
- Operations and maintenance management
- Planning
- Subcontractor management
- Inspection & maintenance
- Terminal management
- Midstream pipelines
- Brownfield turnkey
Lessons Learned from Our Experience in Mexico

- Strong predisposition to UK companies, through the years of successful experience in the energy sector and with the support of the British Embassy in Mexico and its different departments to provide support and help in closing agreements.

- A strategic Mexican partner highly advantageous – Understanding Mexican business culture and idiosyncrasies is a critical success factor.

- If not managed correctly, the language barrier can become a significant impediment to knowledge transfer. Excellent practitioners may not be bilingual. Translation, interpretation and language classes are important.
Lessons Learned from Our Experience in Mexico

• Mexico shouldn’t be viewed in isolation, but considered as part of a wider Latin American strategy, because of the relatively easily accessible, cost effective skills-base and common language.

• Perception and reality of security issues are very different in almost all locations. Obviously, areas close to borders require greater security.

• For the opportunities that will generate after the new energy reform, we must be attentive and prepared.
Lessons Learned from Our Experience in Mexico

New Energy Reform

Our organisation is committed to contributing to the growth of hydrocarbon production at a lower cost through the use of alternative technologies, implementation of best practices and recommendation of international standards.
THANK YOU VERY MUCH
INNOVATION IS GREAT
BRITAIN & NORTHERN IRELAND