



**Pareto Oil & Offshore conference**  
September 15, 2016

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# Energy consultancy with strong market niche positions

## Offshore Oil and Gas

**AQUALIS**  
OFFSHORE  
MARINE & ENGINEERING SOLUTIONS



- Global presence with established market position
- Marine consultancy and engineering services
- Clients: Asset owners, oil companies, EPC contractors, financial institutions, insurance companies

## Offshore renewables

**AQUALIS**  
OFFSHORE  
MARINE & ENGINEERING SOLUTIONS

**OFFSHORE WIND**  
CONSULTANTS



- Main activity in Europe
- Geotechnical & engineering, project management and due diligence for technology, projects and markets
- Clients: Developers, utilities, vessel owners, financial institutions, insurance companies, investors

## Solar<sup>1</sup>

**ADLER**SOLAR<sup>2</sup>



- Strong position in Germany. Growing in Japan
- Technical services for the entire life cycle of PV plants
- Clients: PV manufacturers, plant operators, EPC contractors, financial institutions, insurance companies, investors

Enhanced service offering through the groups global network, client base, resources and expertise

1) Aqualis has an ownership of 49.9% in ADLER Solar

# Global footprint – active in all major oil and gas regions

Corporate HQ: London

Operating in 22 offices in 15 countries

Approximately: 175 FTEs<sup>1</sup>

Traded on Oslo Stock Exchange

No interest bearing debt

ISO 9001:2008 & 18000:2007 approved

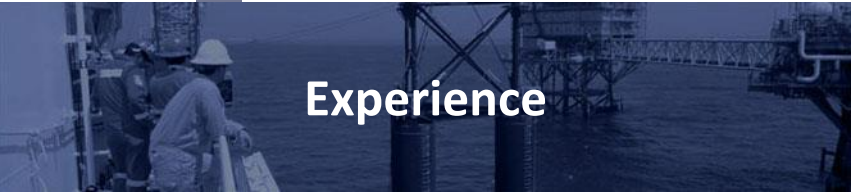


Energy consultants to the oil & gas, offshore renewable and solar sectors

1) Per June 2016. Including FTE subcontractors but excluding ADLER Solar. Adler Solar has ~100 employees

# Aqualis' competitive advantage

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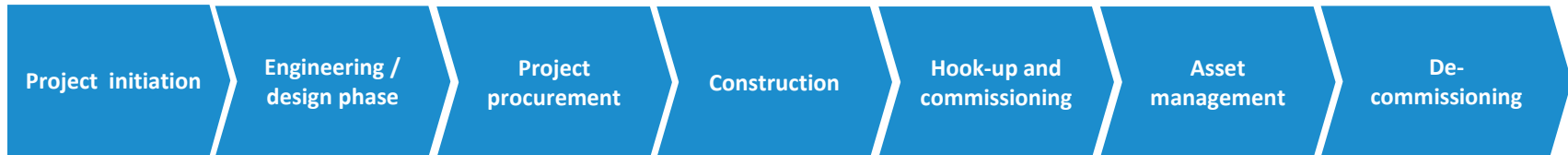




# Offshore Oil & Gas

- Service offering covering the life cycle of offshore assets

## Marine project / asset life cycle



### Aqualis Offshore services

#### Engineering (niche-focus):

Basic / conceptual design / FEED  
Modifications and upgrades of drilling rigs / FPSOs / FSOs / lift-boats  
Transportation & installation analysis

#### Construction yard supervision:

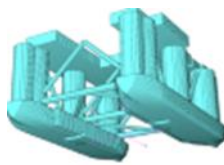
Site attendance on behalf of owners, shipyards, financial institutions, 3<sup>rd</sup> parties  
Conversions & upgrades + New-builds  
Due diligence / compliancy; financial community focus

#### Marine operations:

Transport and installation services; "moving of offshore assets"  
Rig moving  
Float-overs  
Site attendance & procedure management

#### Inspection & approvals:

Marine warranty services  
Mooring analyses  
Condition and suitability surveys / audits  
DP inspections and audits  
Jack-up site assessments



Aqualis' key competencies cover both offshore opex and capex cycles

# Offshore Oil & Gas

## - Technical Due Diligence services

### Overview of services offered

- Assessment of vessel requirement vs. capabilities
- Design review, professional peer review
- Assessment of owner, project management team and project plans/schedule
- CAPEX/OPEX budget evaluation
- Identify delay risks and other project risks
- Pre- and post- contract reviews
- Yard evaluation and inspection
- Verification of project progress / payment milestone audits
- Suitability survey, condition survey, assessment of vessel function
- Lifetime assessments

**Audit of drillship for stacking:** *Verify preservation of entire vessel, mooring arrangement, implementation of class recommendations, competence of crew/watch-men, lay-up plan, opine on deactivation, stacking and reactivation costs*

**Audits of new semi-submersibles under construction:** *Verify and opine on schedule, progress, approve further drawdown on loans, budget yard capacity, experience, plans, execution and opine on delay risks and other risks to the project*

**Technical due diligence of floating production unit:** *Inspections and opine on condition and function, budgets, and lifetime extension*

**Audit of existing semi-submersible during yard stay:** *Verify and opine on schedule, progress, budget, owner and yard competence, capacity, experience, plans, execution. Opine on remaining lifetime after yard stay*

# Offshore Oil & Gas

- Extensive client list

## NOCs / IOCs



## Offshore contractors / shipyards



## Rig / vessel owners



## Underwriters / financial institutions

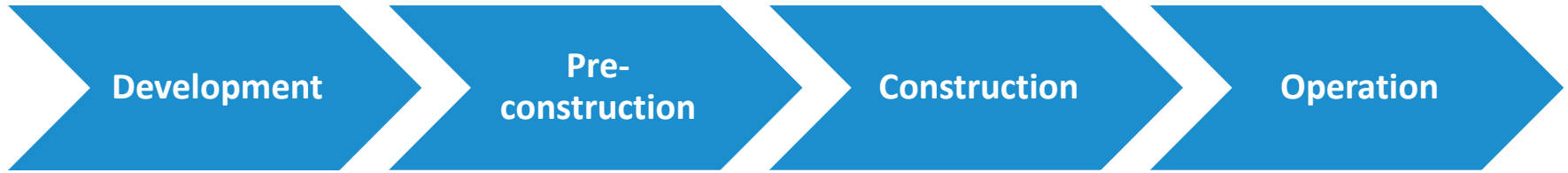




# Offshore renewables

- Broad service offering with a high reputation

## Offshore Wind Project Lifecycle



### Geotechnical & Engineering

- Ground model development
- Managing, designing and overseeing site investigation campaigns
- Front End Engineering Design (FEED)
- Design of cable routes and landings
- Cable burial risk assessments
- Review of foundation designs
- Review and specialist consultancy advice on grouted connection designs
- Leg Penetration Analyses
- Pile driveability assessments
- Layout concept and optimisation
- Rock dumping intervention
- Remedial burial work on export and inter-array cables

### Tech & Commercial Project Mgmt

- Develop contracting strategies
- Contractor selection & qualification
- Managing procurement processes
- Noise control
- Construction management
- Management of load out and transportation
- Marine co-ordination & advisory role
- Installation programme analysis and weather simulation
- Offshore installation management
- Project interface management
- Work package management
- Project peer reviews –schedule, contracting, procurement, CAPEX, budget
- HSE management

### Consultancy

- Marine warranty services
- Site specific engineering assessments
- Assisting to mobilise project finance
- Client representative
- Technical due diligence and review of investment decisions
- Review of potential licence areas
- Bidding support for developers
- Development, management or review of project CAPEX models
- Project risk management
- Analysing wind energy output
- Export cable O&M and contingency advisory
- Extended project life assessments
- Decommissioning studies & projects

# Offshore renewables

- Strong track record and expanding client list

## Selected clients



## Selected projects

- East Anglia ONE (UK)
- Navitus Bay (UK)
- Kentish Flats Ext (UK)
- West of Duddon Sands (UK)
- Galloper (UK)
- Beatrice (UK)
- Hornsea (UK)
- Neart na Gaoithe (UK)
- London Array (UK)
- Walney 1 & 2 (UK)
- Barrow (UK)
- Lincs (UK)
- Gunfleet Sands (UK)
- Ormonde (UK)
- Robin Rigg (UK)
- Westernmost Rough (UK)
- Gwynt y Mor (UK)
- Triton Knoll (UK)
- Wikinger (DE)
- Borkum West II Phase 1 & 2(DE)
- Nordsee Ost (DE)
- Hornsea (UK)
- Horns Rev 3 (DK)
- Fecamp (FR)

## Track record

Geotechnical assessment & support:	<b>6.1 GW</b>
Project management & support (incl. construction):	<b>5.4 GW</b>
Subsea cables consultancy (route, risk, remediation):	<b>4.0 GW</b>
Offshore Substations advisory:	<b>2.2 GW</b>
TDD & Peer Review of offshore wind projects:	<b>2.3 GW</b>
<b>Total Experience</b>	<b>20.0 GW</b>

Note: Excludes work on assignments considered confidential, so above project list is not exhaustive.

Our service portfolio in accordance with the “lifecycle” of a PV system

Before grid connection: < 2 years

After grid connection: < 25 years

Planning	Delivery	Construction	Operation	End of life
<p><b>Engineering Services</b></p> <p>Surveys, expert reports, analysis, consulting</p> <p>Planning support and Project development</p> <p>Technical documentation</p> <p><b>Consulting</b></p> <p>Advice on the selection and procurement of modules and components</p>	<p><b>PV test center (onsite or offsite)</b></p> <p>Incoming goods inspection</p> <p><b>Logistics</b></p> <p>Logistics Management</p> <p>Transportation</p> <p>Warehousing</p>	<p><b>Engineering Services</b></p> <p>Technical consultation</p> <p>Construction supervising and monitoring</p> <p>Expert reports</p> <p>Measurements for the commissioning</p> <p>Documentation</p>	<p><b>Engineering Services</b></p> <p>Expert reports</p> <p>Technical Due Diligence</p> <p>Performance and data analysis</p> <p>Failure and damage analysis, measurements, tests</p> <p>Warranty/guarantee check</p> <p>Plant optimization</p> <p><b>PV test center (onsite or offsite)</b></p> <p>Visual inspection, testing, measurements, repair</p> <p><b>Service Teams</b></p> <p>Maintenance, inspection, fault clearance</p> <p>Repair and Replacement</p> <p><b>Dialog Center</b></p> <p>Customer support</p> <p>Warranty management</p> <p><b>Procurement</b></p> <p>Spare parts / components</p>	<p><b>Engineering Services</b></p> <p>Repowering</p> <p><b>Service Teams</b></p> <p>Replacement / exchange of components</p> <p>Dismantling</p> <p>Packing</p> <p><b>Logistics</b></p> <p>Transportation</p> <p>Warehousing</p> <p>Spare part management</p> <p>Recycling</p> <p><b>Sales support</b></p> <p>Marketing of modules and components on the secondary market</p>

# Solar

## - Strong track record

ADLER**SOLAR**<sup>2</sup>

### Selected clients

- E.on
- First Solar
- IBC Solar AG
- Juwi Energieprojekte
- KOSTAL Industrie Elektrik
- LG Chem
- Masdar
- REC Solar
- R+V Allgemeine Versicherungen
- RWE
- SolarWorld
- Sonnedix
- Soventix
- Stadtwerke Münster
- SV Sparkassenversicherung
- Viessmann
- VR Leasing
- Westfälische Provinzial Versicherung

Client List Note: ADLER Solar also work on assignments considered confidential, so above list is not exhaustive.

### Track record

Incoming goods inspection: **100 MW**

System tests & measurements  
(IR, IV, EL, VIS, ISO): **650 MW**

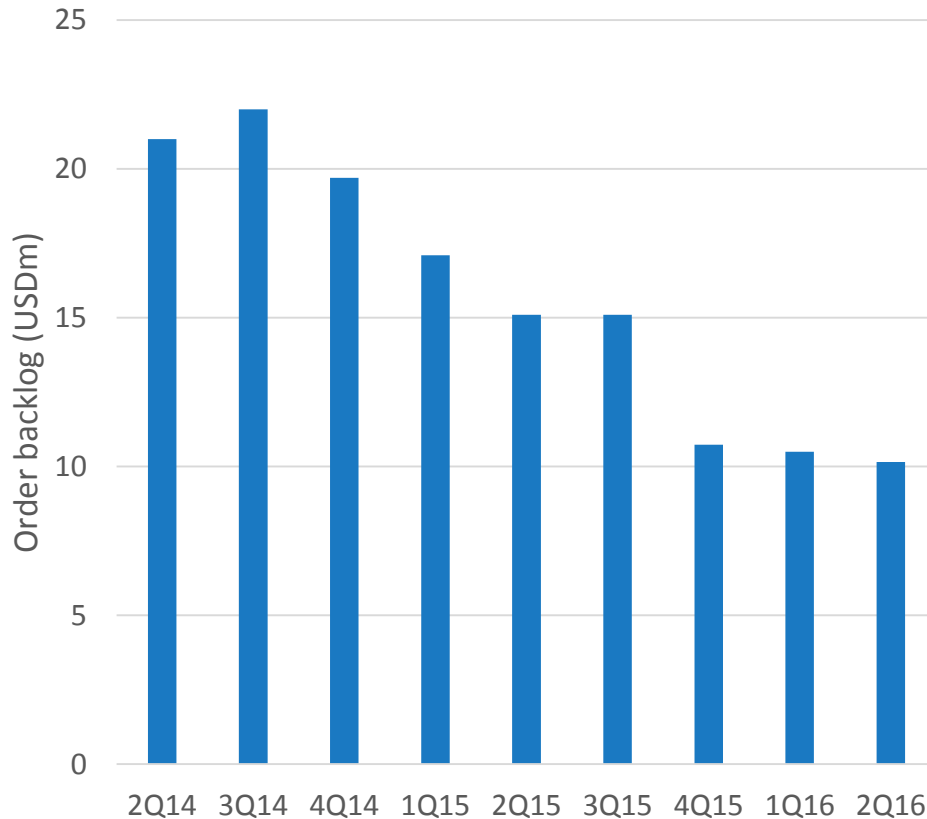
PV system repair and  
overhaul : **> 1,000  
projects**

Expert reports (insurance  
damage) **> 1,800  
projects**

Performance reports and  
technical Due Diligence **300 MW**

**Total Experience** **2.7 GW**  
**> 3,000 projects**

# Order backlog – quarterly development



## Highlights Q2 2016

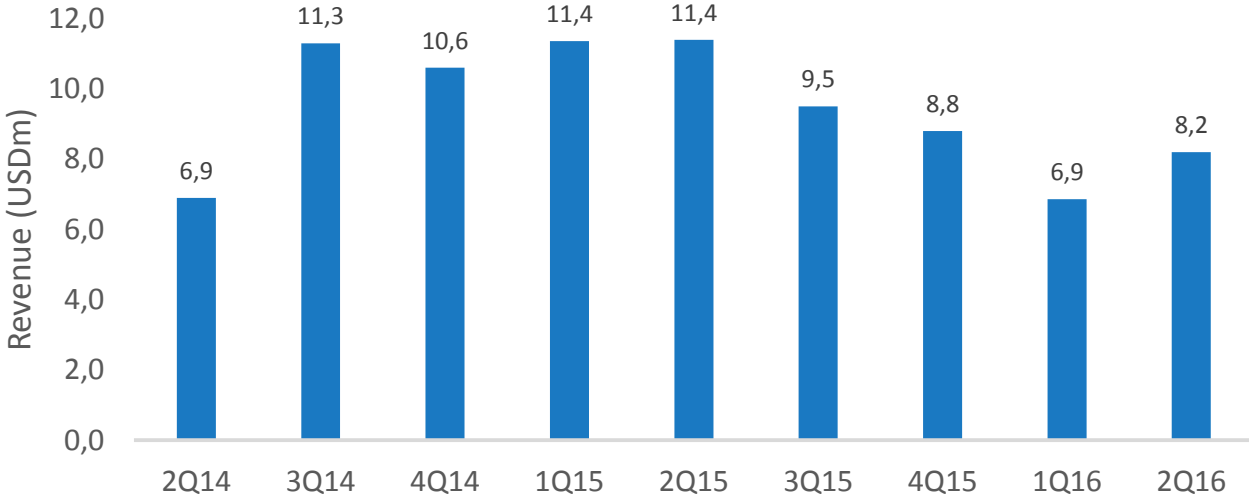
- Pipeline of work expected from call out contracts continues to look positive, but visibility is limited
- Backlog upside affected by re-focused strategy of supporting clients on day-to-day service operations which are typically short term/call-out contracts that are not included in backlog
- Backlog levels have remained relative stable over the last quarters and is mainly related to investment projects

Notes:

- (1) Tristein AS included from May 2014; OWC Ltd from July 2014
- (2) Figures excluding ADLER Solar

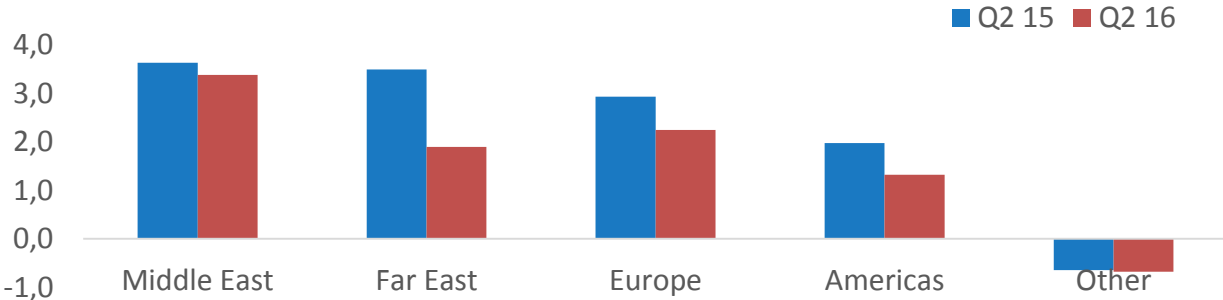


# Revenue development and geographical split



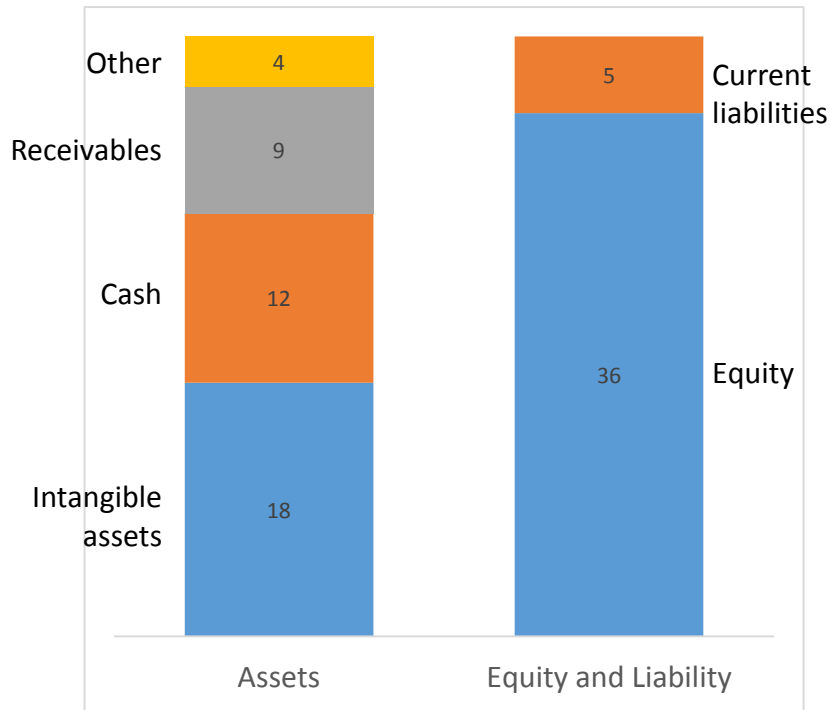
## Highlights Q2 2016

- Several entities impacted by lower activity level in the oil and gas market
- After weak start of quarter, operations improved substantially during Q2 2016 for entities in Europe



Notes:  
 (1) Figures excluding ADLER Solar

# Solid balance sheet – Q2 2016



- Cash balance per Q2 2016 of USD 11.7 million
- No interest bearing debt
- Strong balance sheet provides opportunities for future growth

# Selected projects



# Gina Krog Transportations

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Gina Krog will be developed via a new, standalone, 20 well, 70 bed jacket platform, which has a designed production capacity of 60,000 bbls/d of oil and 9,000,000 m<sup>3</sup>/d of gas. Gina Krog is a Statoil led consortium with 1st production scheduled in 2017

TPI Megaline's heavy transport vessels "Mega Caravan" and "Mega Caravan 2" were used for the two voyages from the fabrication shipyard in South Korea to the Gina Krog field at the Norwegian continental shelf.

The first vessel carried the 12,000 MT Integrated deck

- The second vessel carried
- 5,000 Te process module
- 4,000 Te unity module
- 300 Te flare bloom

The vessels sailed in July 2016.



# Gina Krog Transportations

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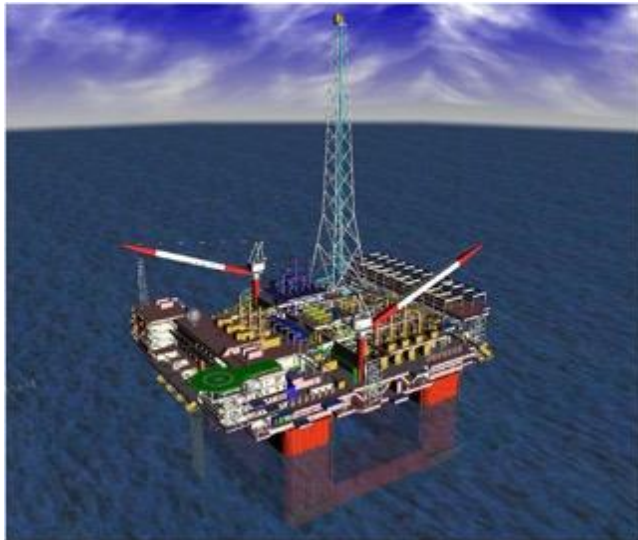
Working for the carrier, TPI Megaline

- Sea fastening and grillage design
- FEM analysis of the grillage/sea fastening and vessel structure
- Deflection analysis, buckling check
- AFC AutoCAD drawings including validation report
- Provision for vessel local strength check and vessel modification for load out and transportation (frame/BHD reinforcement) if needed
- Both loadout (by skidding and self-propelled modular transporter) and transportation load cases are considered in the FEA

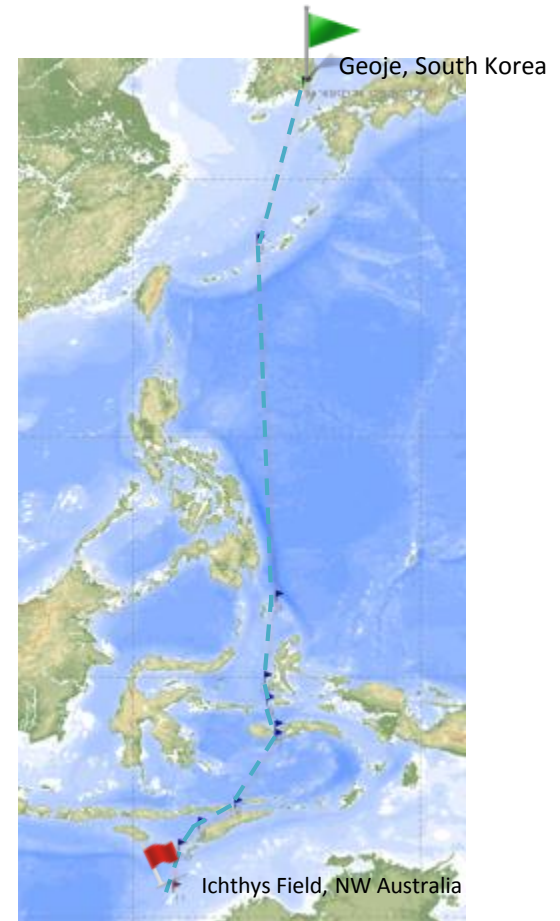




# Ichthys project – positioning of FPSO and CPF



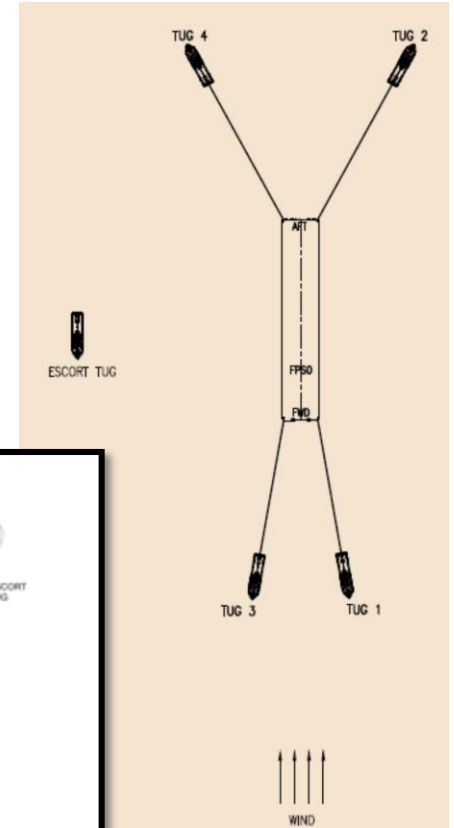
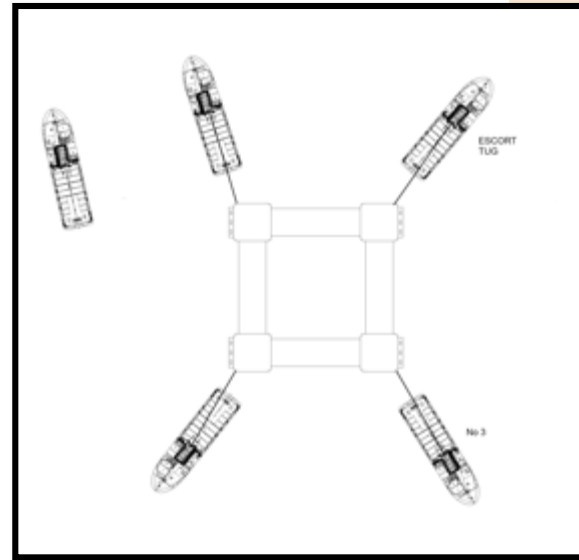
- Position Keeping Marine Procedure and Execution - jointly by POSH Terasea and Aqualis Offshore
- Shortest Route ~ 36 / 45 days towing



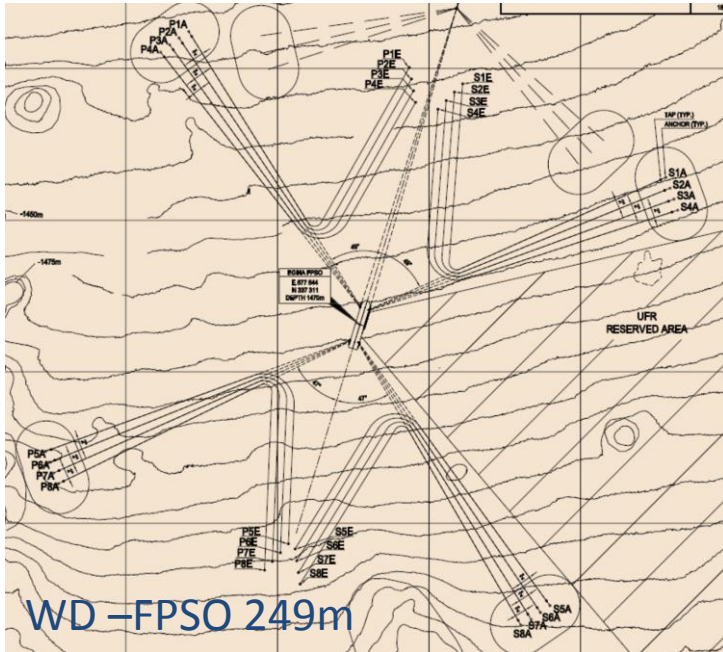
# Ichthys project – positioning of FPSO and CPF

- 4 x BP200 ton tugs + 1 x BP200ton standby tug

	Name	BHP	BP	DP	Year Built
	Terasea Falcon	16,300	205T	DP1	2013
	Terasea Hawk	16,300	203T	-	2013
	Terasea Eagle	16,300	203 T	DP1	2013
	Terasea Osprey	16,300	205 T	DP1	2014
	POSH Champion (escort tug)	16,000	194T	DP2	2011



# Ichthys project – positioning of FPSO and CPF



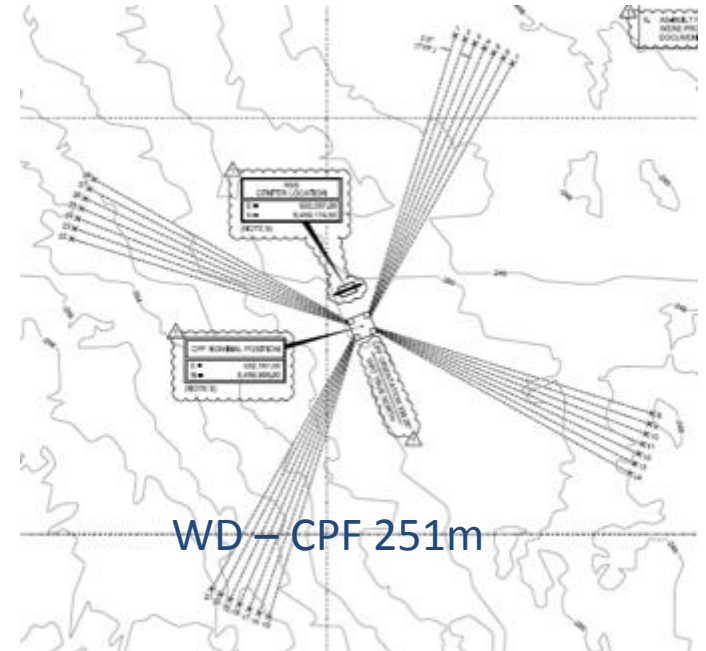
- Engineering
- Position Keeping Marine Procedure and Execution
- Attend offshore to supervise the station keeping operation
- Provision of 4 x Station Keeping Masters
- 24 hours operation

## FPSO

- ▶ 16 mooring lines (spread) in clusters of 4
- ▶ Mooring lines are to be pre-installed and pre-laid on the seabed, before the vessel arrives in field

## CPF

- ▶ 28 mooring lines (spread) in clusters of 7



# Rig Moving Operations – Noble Lloyd Noble



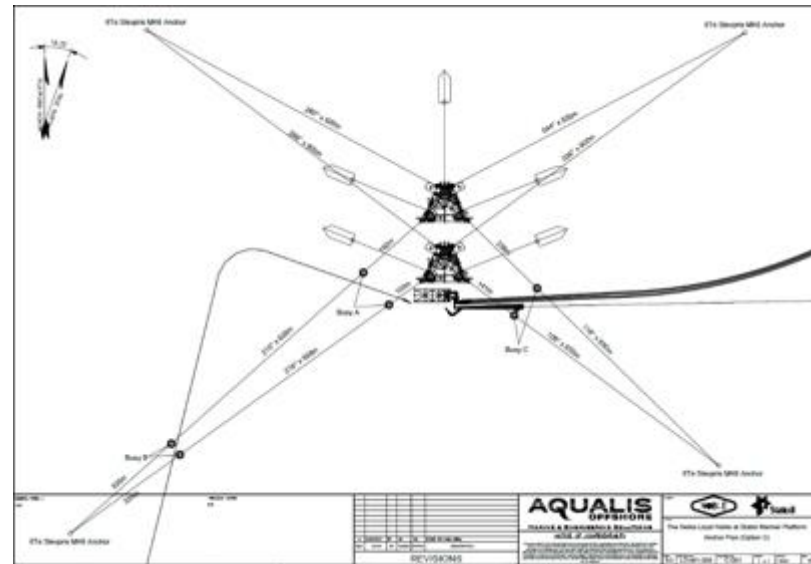
Arrival now offshore Scotland

Aqualis SoW is:

- MWS services (rig move and dry transportation)
- Site Specific Engineering Assessments
- Rig move consultancy

World's largest jack up  
Gusto MSC CJ70 design  
150 m water depth capability (214 m leg length)

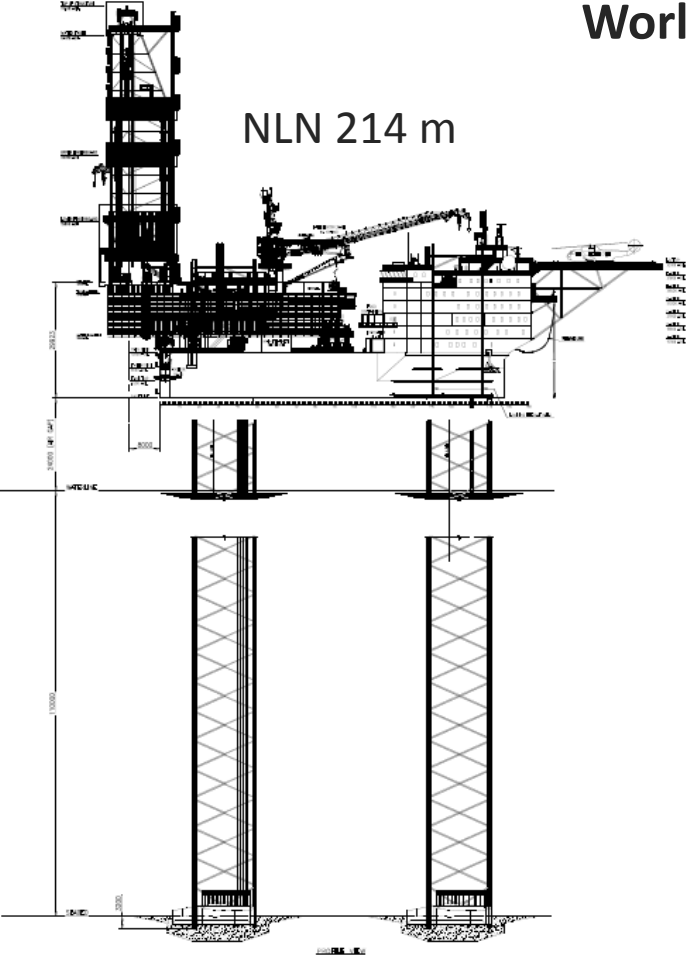
Long term contract with Statoil at Mariner Field  
Will be operating in 110 m wd and 69 m air gap





# Rig Moving Operations – Noble Lloyd Noble

World's largest jack up



London Gerkin 180 m



Oslo Plaza 117m





# ALYESKA oil spill response barge modifications

Alyeska pipeline company is owned jointly by BP, Conoco Phillips Transportation, Exxon Mobil Koch Alaska Pipeline Company and Unocal

- Scope of work covers designing modifications to two oil spill response barges operating at Valdez in Alaska
- The first barge, “450-6”, requires addition of accommodation, associated marine systems and power generation
- The 2nd barge, “Mineral Creek”, requires addition of lightering systems so it can remove oil from damaged tankers and transfer to smaller barges
- The work comprises engineering design and construction supervision, dealing regulatory matters such as Class and US coastguard
- Scope include evaluation of different options such transfer of accommodations between barges instead of new-build quarters



# Upper Zakum 750 Islands Surface Facilities project

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The UZ750 project is one of the major offshore field development projects in the UAE. It is located 80km off the coast of Abu Dhabi, and involves the construction of four production artificial islands.

The second phase involves the development of the facilities on the islands.

Up to 22 production modules comprising a wellhead control and oil processing unit are being constructed. The facilities are expected to come on stream in 2017.



# Upper Zakum 750 Islands Surface Facilities project

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The Project involves 13 shipments to Abu Dhabi from

- Bomesc, Tianjin
- DSME, Korea
- Dynamac, Singapore

2 shipments so far. First was 2 barges loaded with modules onto on the HLV “Black Marlin” from Bomesc shipyard, Tianjin (China). Second was loaded from Singapore.

Aqualis undertaking:

- Loadout quayside mooring and ballast plan
- Barge motion analysis and transport stability
- Barge local strength checks
- Slamming and submergence checks on barge overhang from HLV
- Provision of Client’s Marine Representative during loadout and float-on operations

Currently working on next 3 shipments from China, Korea and Singapore. 8 more shipments to follow.



# MWS for Pre-Salt FPSO's

- Marine Warranty Surveyor for the Integration of FPSO's MV27 and MV29 by Modec at BrasFELS shipyard in Rio de Janeiro.
- MWS for the Integration of FPSO P-76 at Techint Yard in Paranagua.
- MWS for Marine Operations and Departure of the FPSO P-66 of Petrobras at BrasFELS shipyard.



MV 27

- Provision of highly experienced surveyors and engineers familiar with local shipyards and client requirements and who added value on site.
- Key activities:
  - Loadouts, Transportations and Installation of Modules and High-Value Equipment
  - Quayside Mooring and Tow to Field
- MV27 currently at the field ready for First Oil.
- All FPSO's to be installed at Pre-Salt Fields

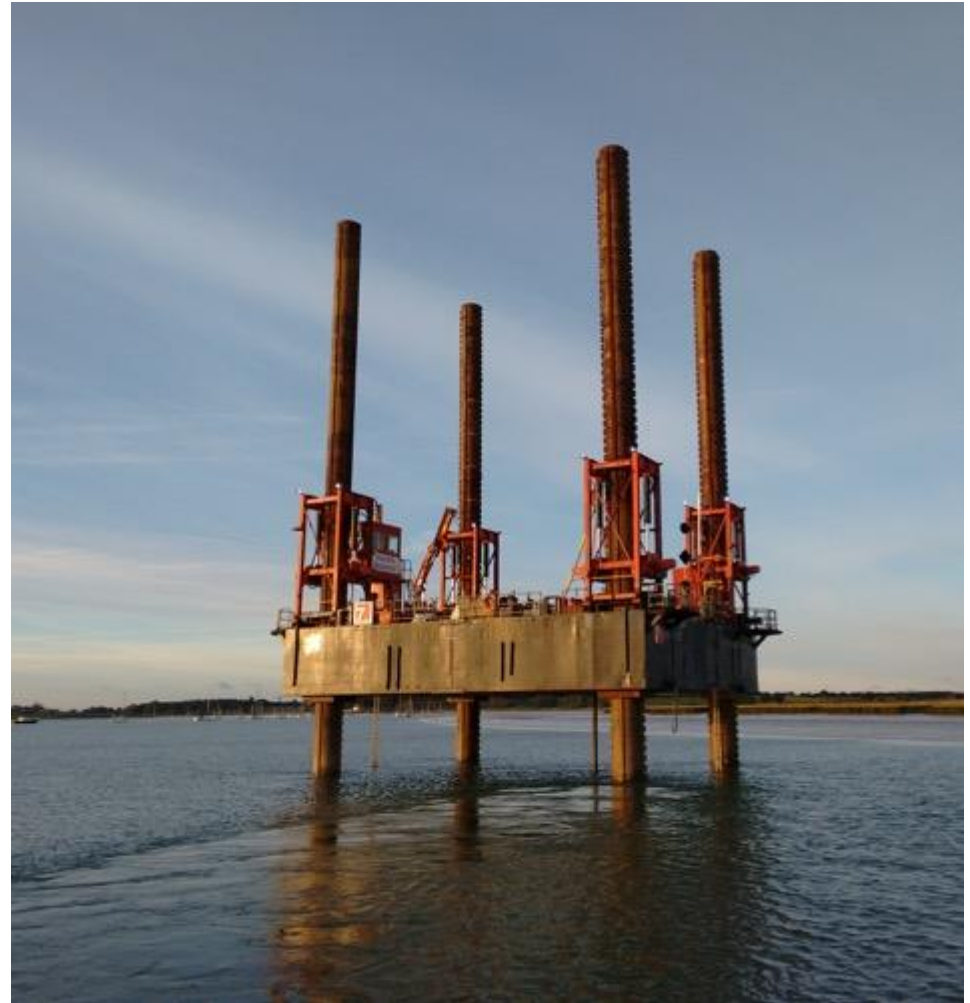
# Geotechnical Engineering

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Our geotechnical team based in London includes 5 geotechnical engineers working onshore, and 10 offshore representatives.

All are specialists in:

- Offshore site investigations
- Cable route risk mitigation
- Jack up leg penetration analyses





# Offshore Site Investigations

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Aqualis Offshore staff have scoped, managed and supervised site investigations for over 10 of the UK offshore wind farms.

“Live SI 1.0” tool was created for East Anglia Offshore Wind farm, reducing their total cost by >£1m, and resulting in shortlisting for the Ground Engineering Awards. “Live SI 2.0” is due in the market Q4 2016.

Other offshore wind farm site investigations managed recently include for Hornsea (soon to be the biggest offshore wind farm in the world), and for Horns Rev 3.

The Offshore SI side of the business has raised our profile and allows us to market other services at the start of offshore wind projects.



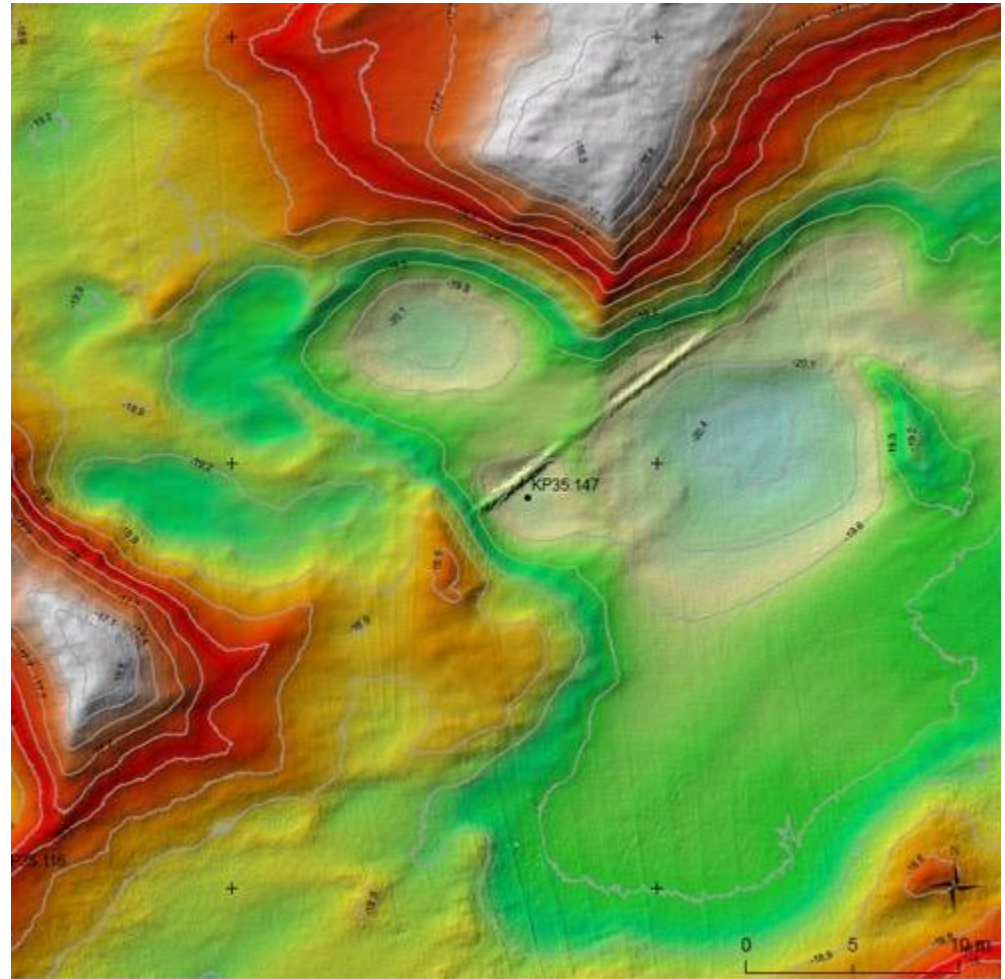


# Cable Route Risk

Through secondments into offshore wind developers, Aqualis Offshore staff are at the cutting edge of:

- Cable burial risk assessments to recommend burial depth, and advise on related risk
- Scoping of cable installation both offshore and onshore;
- Reviewing seabed bathymetry throughout the life cycle of a cable to predict future risk;
- Back analysis of trenching data to ensure the efficient and cost effective use of trenching tools.

Similar work is also being provided to OFTO developers, as well as project management services.



# Asset risks



# Idle Tonnage

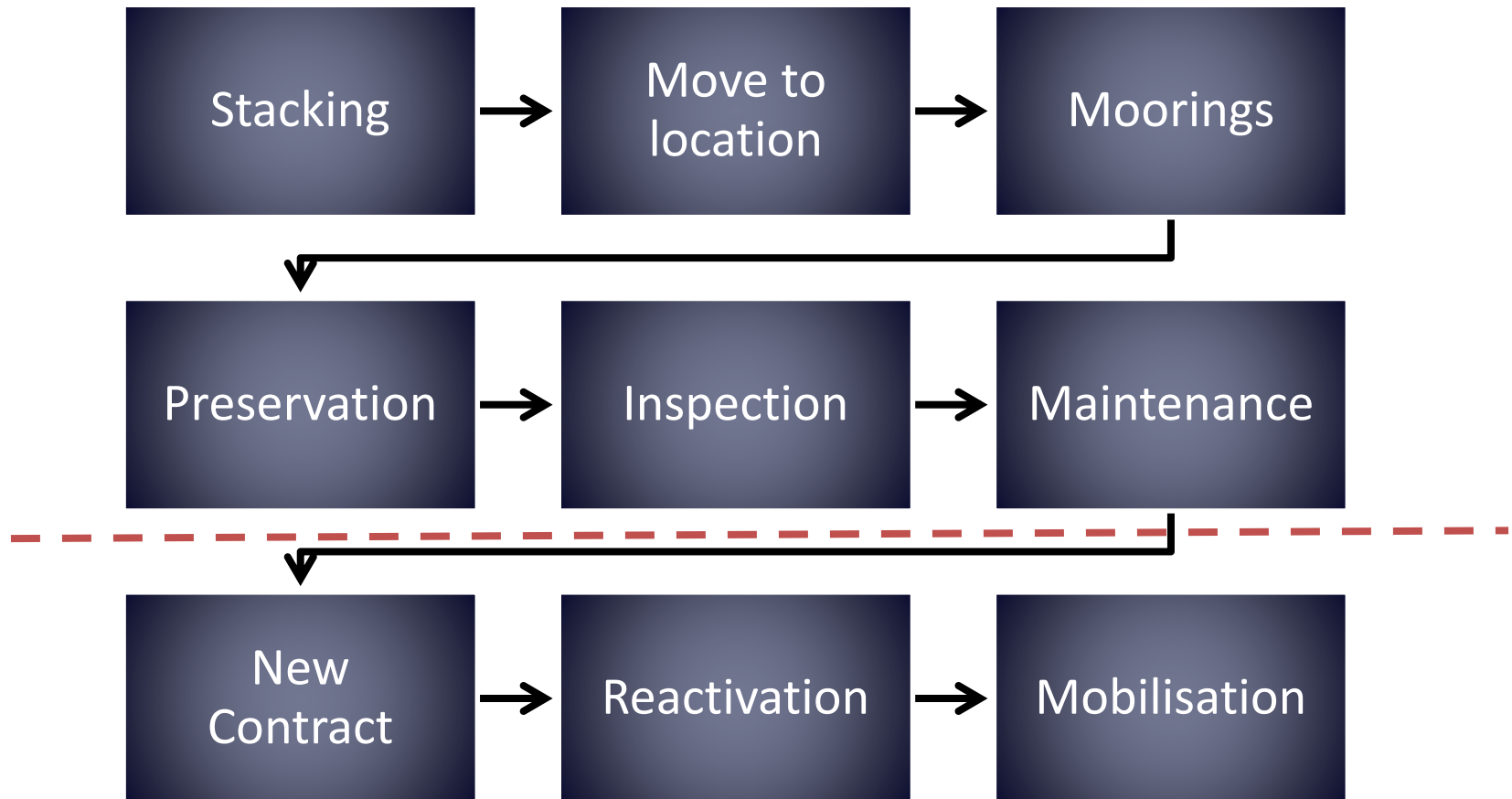
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- Huge investments made into new O&G assets during last decade
- Heavy recession in Oil and Gas Markets
- Many assets either now laid up / stacked or will be
- Are owners / underwriters / investors at Risk?



# The Stacking Cycle

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# Considerations

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Stacking considerations:

- Hot stacking
- Warm stacking
- Cold stacking
- Long-term cold stacking
- Running costs
- Lay up plan
- Assessment of risk factors and mitigating measures
- Insurance/Class



# The Risks

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- Deterioration of equipment condition
- Moorings / site weather protection
- Fire
- Unit security - Equipment loss/theft
- Environmental pollution
- Water ingress
- Insurance / Class
- Corrosion / Degradation

Leading to reduced asset value and high reactivation costs?





# Outlook

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- The overall oil and gas market is expected to remain challenging in 2016 and into 2017
- Activity level in Q3 2016 will be impacted by the monsoon period offshore India and vacation months
- Q2 2016 has indicated that there are still opportunities within smaller consultancy work available in all regions. Aqualis aim to continue to increase its' market share in the consultancy fields
- The short term outlook for offshore wind in Europe is good, but the market is competitive with low margins
- ADLER Solar is repositioning its services and organization to target higher margin projects and implementing cost measures to improve its profitability
- Aqualis will continue focusing on improving its profitability and competitive position and being adaptive to changes in market conditions

# Q&A



**AQUALIS**