

Technip invests for the pre-salt developments in Brazil

Technip announces today a new investment project to expand its flexible pipe manufacturing footprint in Brazil adding capacity for additional volume and high-end products.

The very significant development of Brazil's hydrocarbon reserves in recent years has driven huge growth in the demand for flexible pipes for infield flowlines⁽¹⁾ and risers⁽²⁾. Currently there are several thousand kilometers of flexible pipes in service in Brazilian oilfields. The pre-salt developments will increase the demand for flexible pipes, both for flowline and riser applications requiring additional capacity and technological capabilities. It is essential that this increasing demand is met locally, to the benefit of the Brazilian economy.

Technip began working with the relevant authorities to obtain approvals to construct a new manufacturing complex at its Angra dos Reis site. This site was acquired by Technip in 2009 and is strategically located in front of the pre-salt basins. It played a critical part in the logistics of the Tupi gas export project successfully executed in 2010. The new manufacturing site will focus on high-end products, such as Integrated Production Bundles (IPBs) which are products unique to Technip. The investment process will start in 2011 with preparing the construction site costing an estimated €30 million. Additional phases will follow upon completion of discussion with clients tailored to their technological needs.

Technip has been in Brazil for 34 years with a major manufacturing and deep water R&D complex at Vitoria, 3 vessels operating locally on charter, a major engineering center in Rio De Janeiro and two logistics bases: Angra dos Reis and Vitoria. Combined, Technip has a workforce in Brazil of 2,800 employees in the Onshore, Offshore and Subsea segments. Technip's ability to supply this growing flexible pipe markets is demonstrated, for example, by two flagship projects won in 2010 - to supply 90 km of risers and flowlines for the challenging Tupi pre-salt pilot field as well as state of the art IPBs for the conventional Papa Terra project. On both projects the risers are equipped with a new and innovative monitoring system.

⁽¹⁾ Flowline: flexible or rigid pipe laid on the seabed for the transport of production or injection fluids.

⁽²⁾ Riser: a pipe or assembly of pipes used to transfer produced fluids from the seabed to surface facilities, and transfer injection or control fluids from the surface facilities to the seabed.

Technip is a world leader in the fields of project management, engineering and construction for the oil & gas industry, offering a comprehensive portfolio of innovative solutions and technologies.

With 23,000 employees around the world, integrated capabilities and proven expertise in underwater infrastructures (Subsea), offshore facilities (Offshore) and large processing units and plants on land (Onshore), Technip is a key contributor to the development of sustainable solutions for the energy challenges of the 21st century.

Present in 48 countries, Technip has operating centers and industrial assets (manufacturing plants, spoolbases, construction yard) on five continents, and operates its own fleet of specialized vessels for pipeline installation and subsea construction.

The Technip share is listed on Euronext Paris exchange and over the counter (OTC) in the USA.



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