

Mr. Eric Namtvedt, CEO of FloaTec, speaks in an exclusive interview to The Energy Exchange about FloaTec's projects and involvement with the Brazilian oil industry and the Pre-Salt oil fields. Mr. Namtvedt will be a panelist during the Offshore Production and Operation Units session of the Pre-Salt E&P Congress that happens in Rio de Janeiro from September 26th to 28th. For more information about the program and confirmed speakers, visit www.presaltbrazilcongress.com.

ENEX: What is the extent of FloaTEC's involvement in Brazil's oil industry?

Namtvedt: FloaTEC regards Brazil to be one of their key target areas and has been intimately involved in the Brazilian oil industry since FloaTEC's inception in 2005. We have carried out several field development and conceptual studies for Petrobras and for other major oil companies operating in Brazil. This culminated with being awarded a turnkey EPCI contract in 2010, the first TLP to be installed in Brazil, the Papa Terra P61 TLWP. To fulfill local content requirements, P-61 will be built in Brazil, at Keppel's BrasFELS yard in Angra dos Reis. In addition to this, we are participating in the development of production and drilling concepts for Santos Basin; model testing ultra-deep water platforms in Brazil; and have established an operation center in Brazil.

ENEX: You are already in business with Petrobras, what has your experience been like?

Namtvedt: We have found Petrobras to be a very good customer that has many highly experienced professionals who are extremely dedicated to their work and who treat their contractors fairly, and with mutual trust. Petrobras is always open to new ideas and new ways of doing things if it benefits the project and the organization. Their decision to use a Tender Assisted TLWP in the challenging environment of Brazil is a testament of their willingness of going in new directions as well as their willingness to look at the use of TLP's, SPAR's and Deep Draft Semi's for dry tree applications in Brazilian ultra-deep water, as we have been doing for them. Petrobras has deep and broad technical capability through CENPES.

ENEX: What makes FloaTEC's field of expertise particularly suitable to the pre-salt oil fields?

Namtvedt: FloaTEC is in possession of a suite of expertise, tools and experience that is particularly suited for the ultra-deepwater environment in the Brazilian pre-salt. Its unique ability to objectively evaluate existing and new floaters in both existing and virgin environments is widely recognized in the industry and has allowed FloaTEC to get involved in these challenging projects early, including in the pre-salt area. FloaTEC can objectively compare a wide range of floaters with a wide range of pay loads, several uses; from wellhead platforms to full PDQ (Production and Drilling unit); dry tree and wet tree applications; a range of riser applications; and several mooring options, in order to find the most suitable solution for these fields. Furthermore, because of our unique JV structure, FloaTEC is able to draw on the added resources of Keppel FELS and McDermott to provide realistic execution plans particularly relating to local Brazilian content matters, schedules and cost estimates based on current data.

ENEX: What are the main challenges to reach these pre-salt deposits?

Namtvedt: The fact that the oil is below the salt layer makes detecting it difficult. The ultra-deepwater depths, swell-dominated seastate, and deep and complex wells require more focus on drilling, requiring long drilling campaigns, directional drilling, etc., favoring on-board drilling rigs and dry tree riser systems. The deep water, being far from existing infrastructure and a potential for high sulfur and CO₂ content in the oil, makes design of SCR's and flow lines challenging. The location being far from existing infrastructure makes transportation of oil and personnel particularly challenging.

ENEX: Any specific new projects or plans that you can report on?

Namtvedt: We have an ongoing stream of projects that we are undertaking in Brazil and we are continuously evaluating existing and new prospects where FloaTEC can offer its expertise to the local oil industry. The Extendable Draft Semisubmersible (EDS) & Deep Draft Semisubmersible (DDS) Model tests for Pre-salt Santos Basin environment conditions that are ongoing at Lab Oceano, will be key in developing a better understanding of the operating conditions and will continue the strong cooperation with the research communities in Brazil.

ENEX: How important are these fields in terms of the global oil industry?

Namtvedt: The Brazilian pre-salt developments provide the world oil industry with a new and significant source of new reserves that is in a region of political and economic stability and a large pool of expertise to explore and extract it. They will boost Brazil's production into the top 5 in the world and be a proving ground for ultra-deepwater production and drilling, including the use of dry trees.

ENEX: What surprises you about this industry?

Namtvedt: What we see happening in the Brazilian pre-salt shows this industry's continued ability to adapt to new challenges and come up with new and innovative solutions to find and extract oil in new areas. Regardless of whether the nature of these challenges are technical, requires major infrastructure improvements, possible modifications to political environment, rules and/or regulations. It also shows the true international nature of this industry, with the ability of companies globally to quickly respond to the needs and challenges that are facing Brazil and the Brazilian industry to meet the demand of the pre-salt development.

ENEX: You were part of the event last year, how important is it for FloaTEC to be present?

Namtvedt: FloaTEC intends to continue being a key player in the Brazilian pre salt. We have great ambitions to have a key role here. The Pre-Salt Congress is a key event that enables us to get exposure and also share experience on a professional and political level that support FloaTEC's goal of being a major player in the future of pre-salt.