

Technip & Refining: Taking Our Track Record Further



Marie-Christine Charrier / Andrea Gragnani, Refining Product Line
Technology Webcast, October 2, 2012

Technip
take it further.



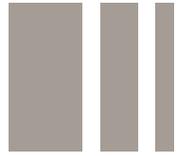
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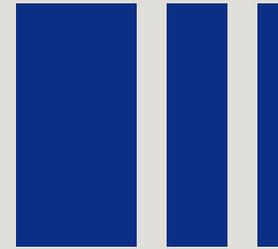
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Agenda

- 1. What is Refining**
- 2. Market Trends**
- 3. Technip Unique Advantage**
- 4. Glossary**

1. What is Refining



Refining is at the Heart of the Downstream Oil Industry

- **Highly distributed industry:**
 - 655 refineries in 2012
 - 120 countries from Albania to... Zambia
 - 260 different operators
- **Provides fuels to the transportation industry worldwide...**
 - Gasoline, diesel, jet, bunker fuel
- **Feedstock to the petrochemical industry...**
 - Aromatics, naphtha for plastics, rubbers....
- **...and specialty products for niche markets**
 - Bitumen, lube oils, etc...

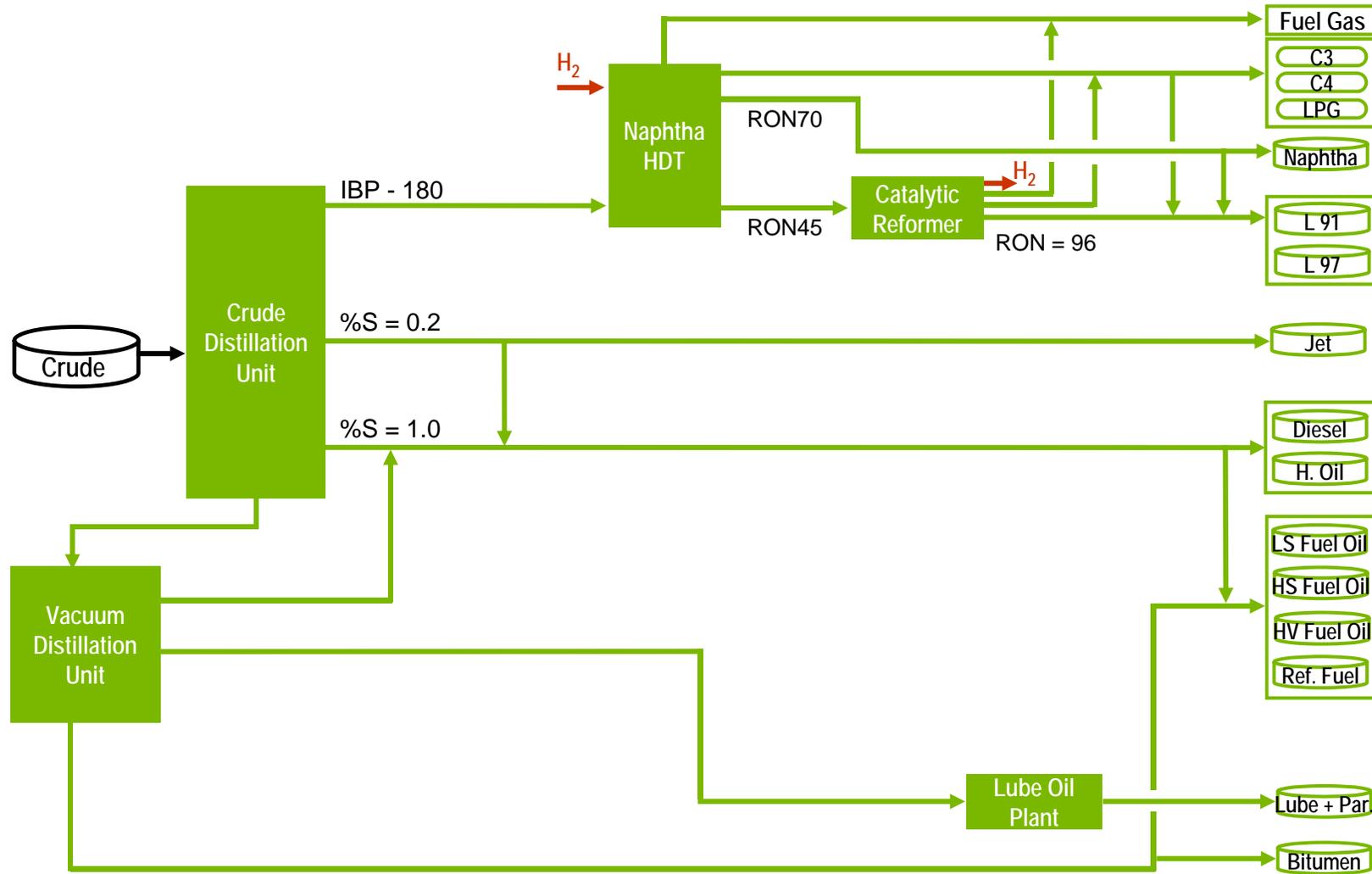


Transformation of Crude Oil into High Value End Products



Refining is Constantly Evolving

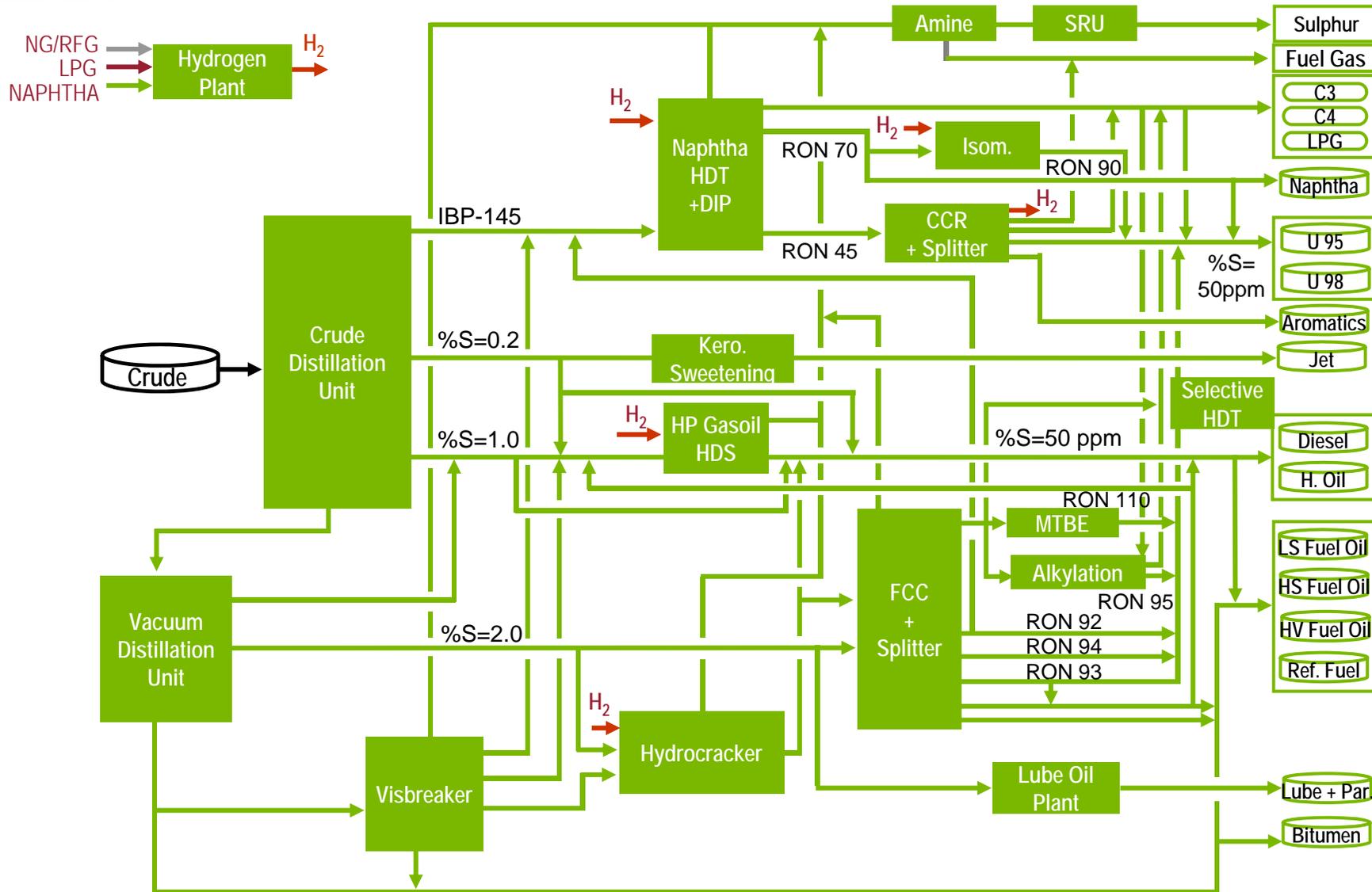
Typical Refinery Scheme in the 1960's



Source: Technip

Increasingly Complex Process

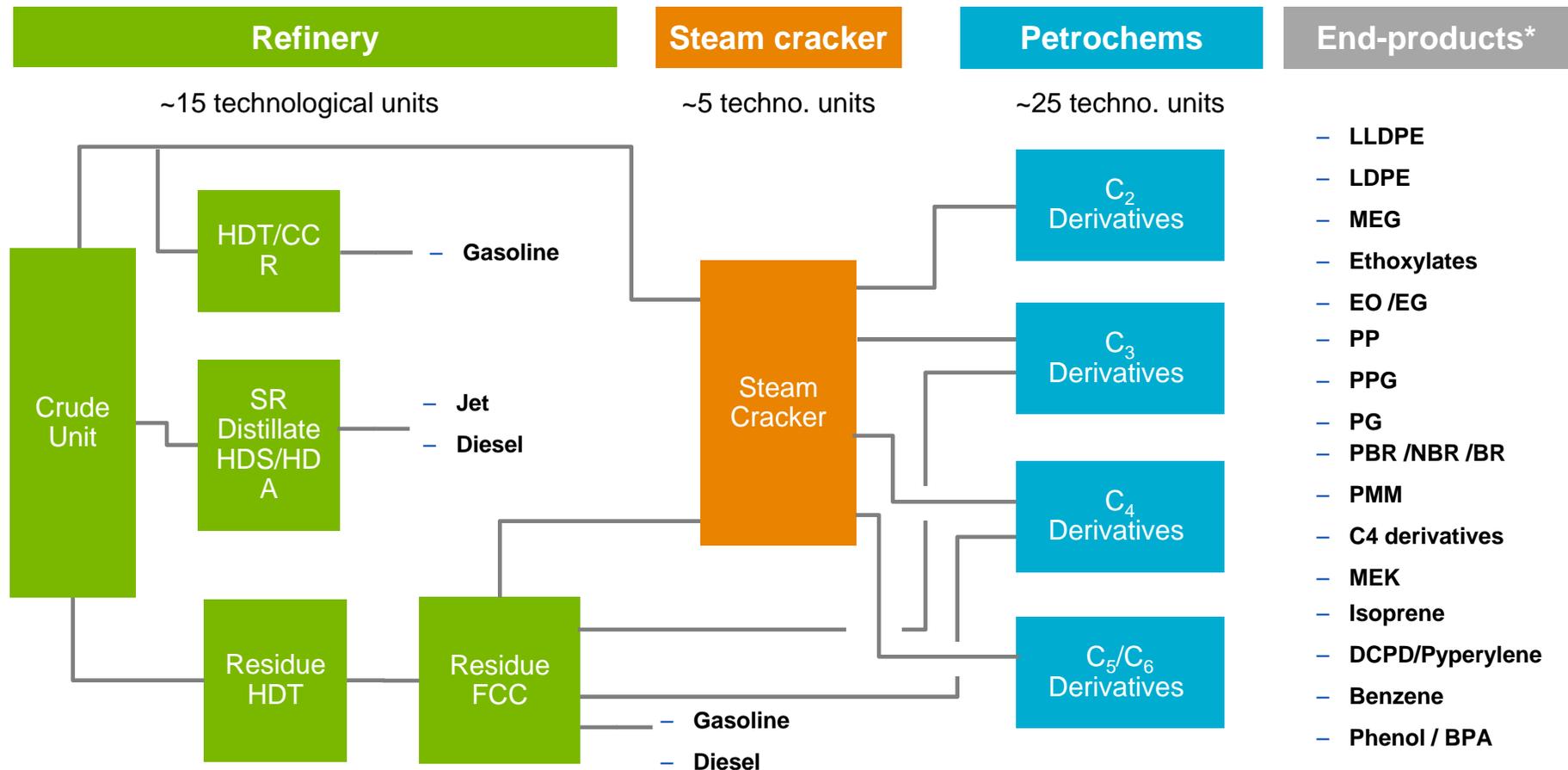
Typical Refinery Scheme Today



Source: Technip

Refineries & Petrochemical Plants are Being Combined into Mega Integrated Complex

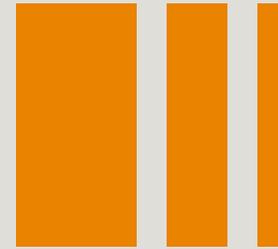
Example: Petronas RAPID Facility in Malaysia



Source: Technip

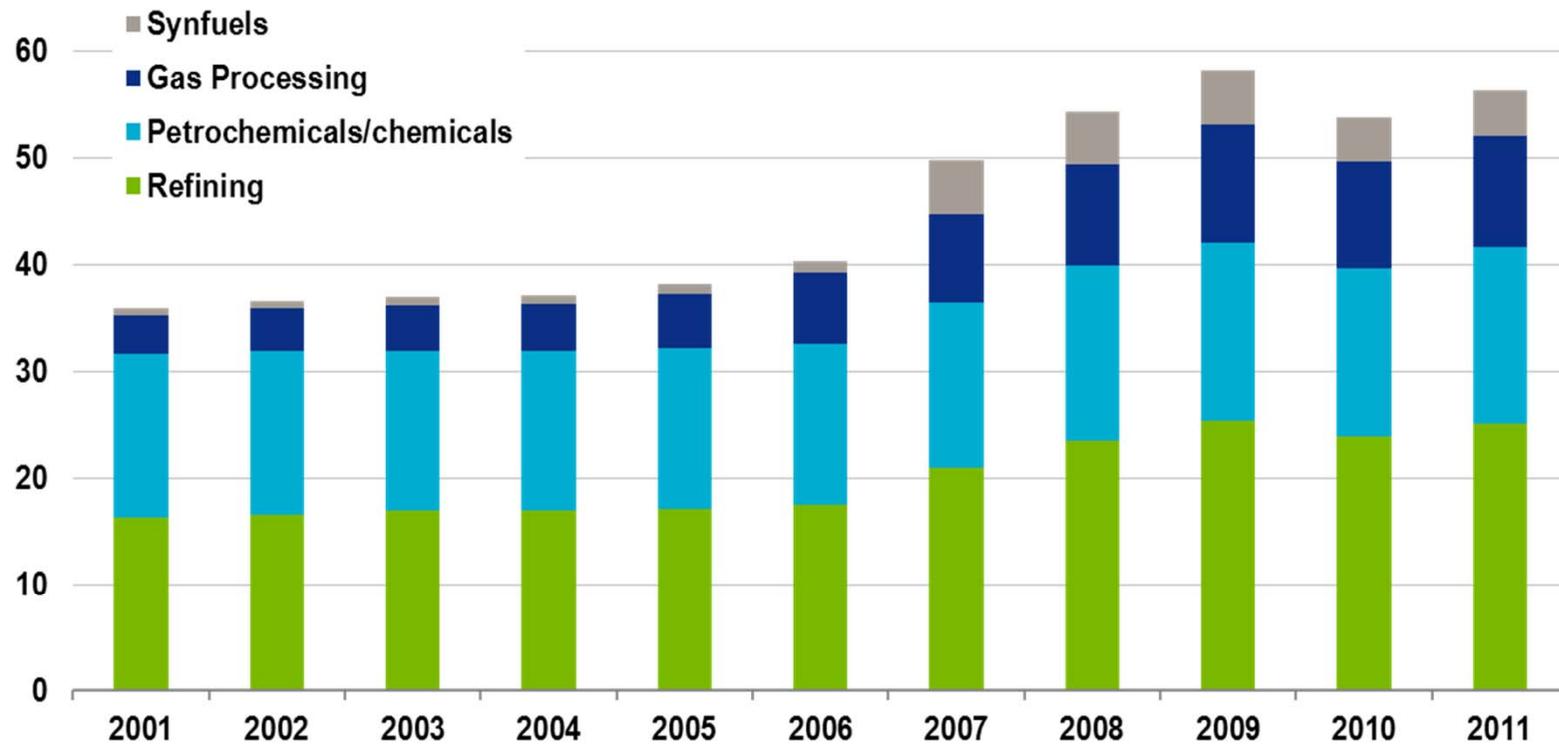
* Please see glossary in the annex of this presentation

2. Market Trends

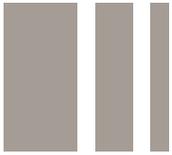


Refining: a Top Spender in the Downstream Industry

Historical Capital Spending per Year, in US\$ billion

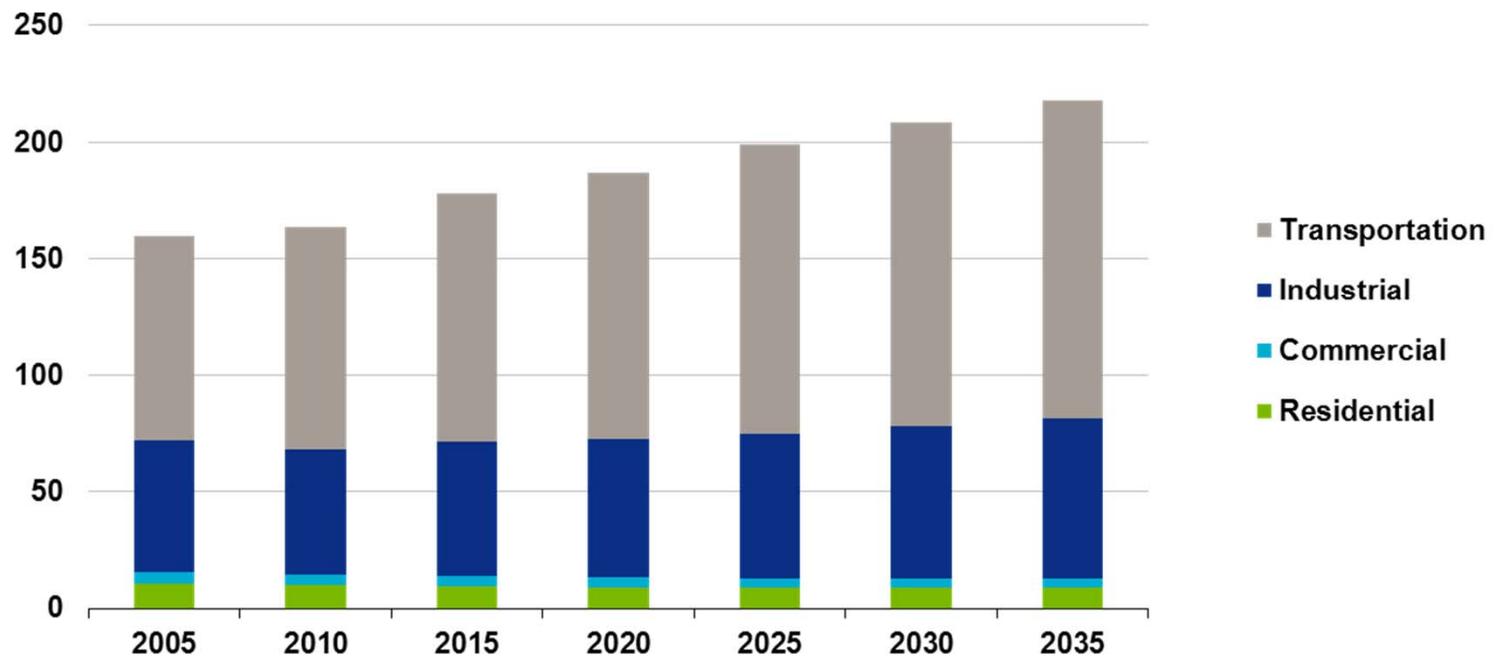


Source: HPI Construction Report



Refining Sustained by Transportation Demand

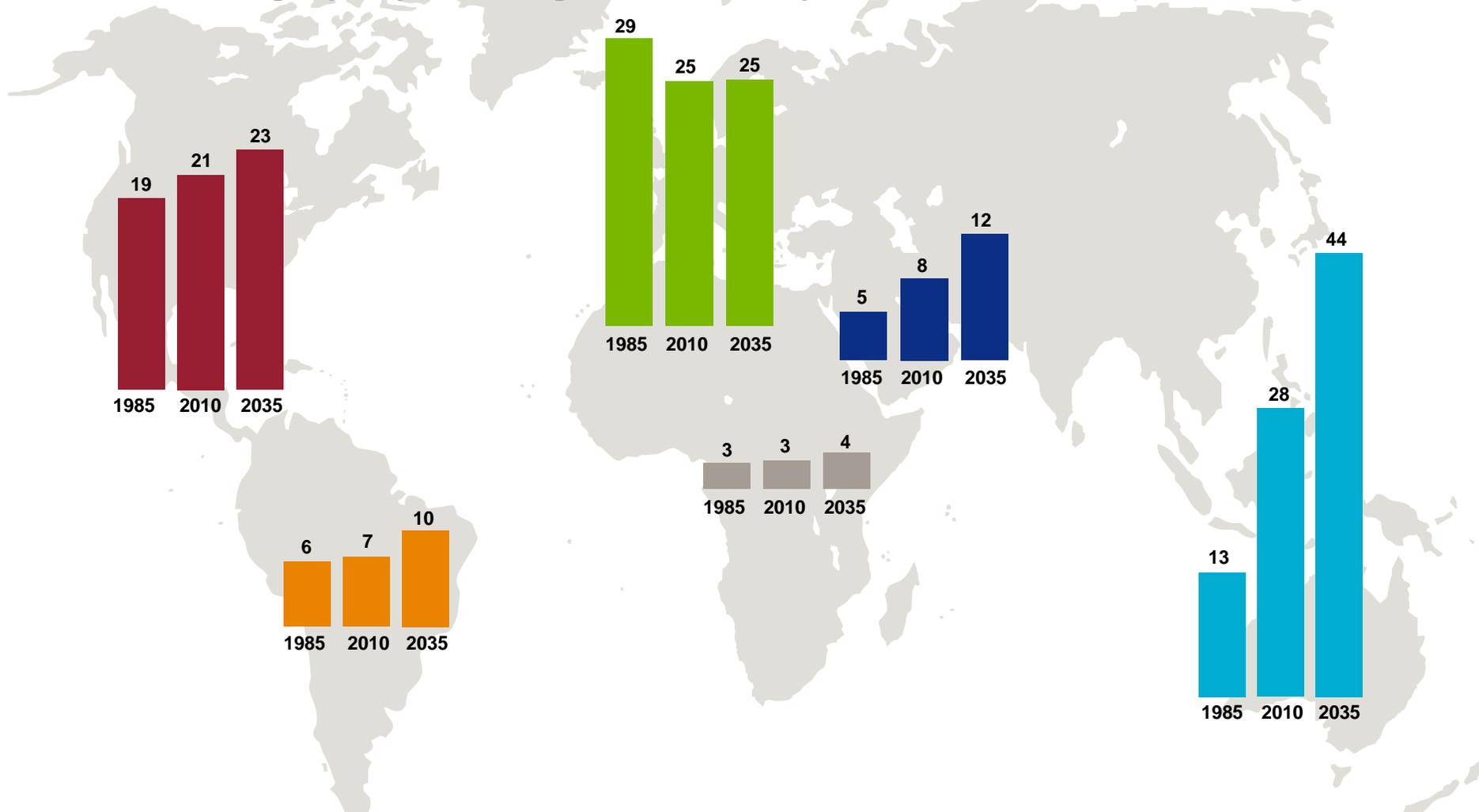
Liquids Consumption by Sector, Quadrillion Btu



Source: EIA International Energy Outlook 2011

Geographical Trends for Refining Capacity Investment

Refining capacity across regions, in million bpsd* for 1985, 2010, 2035



*Bpsd: barrels per stream day

Source: Technip, BP Statistical Review of World Energy 2011

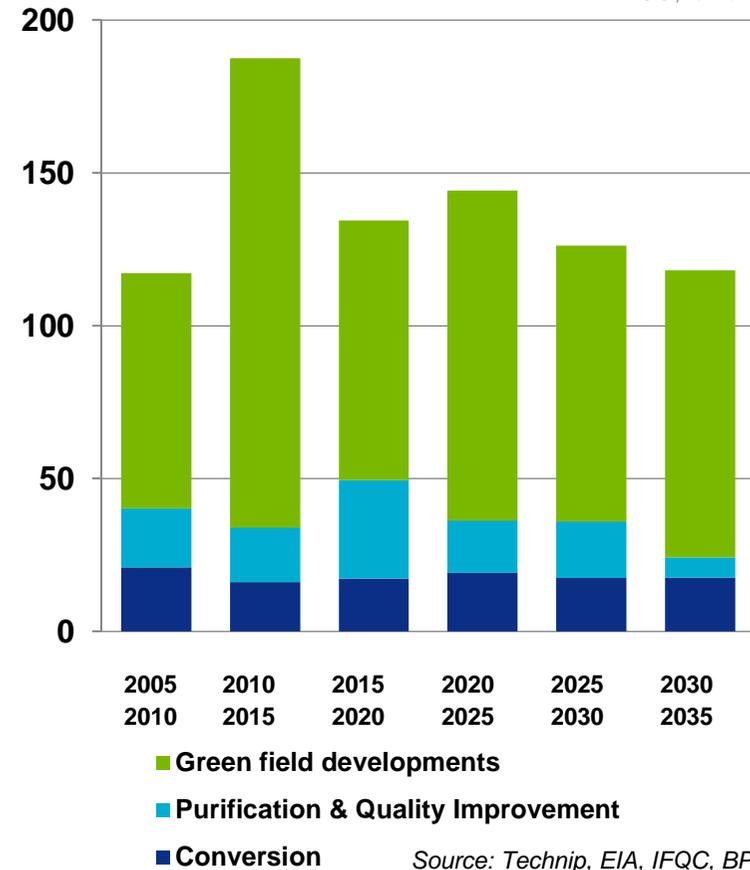


Long Term Visibility Across Types of Work

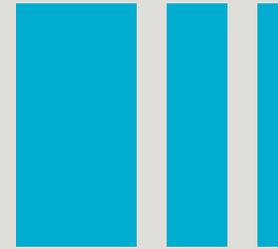
- **Purification & quality improvement**
 - Plant upgrades to meet environmental regulation and more stringent fuel specifications
 - Medium size market opportunities mainly in Asia Pacific, Middle East, South America and Africa
- **Conversion**
 - Major expansion projects to increase conversion of heavy oil to motor fuels and thus, plant profitability
 - Everywhere, notably Europe and North America
- **Green field developments**
 - High level of investments with good visibility
 - Integrated refinery & petrochemical complex mainly in Asia Pacific, Middle East and South America

Estimated Capital Spending in Refining

In US\$ billion

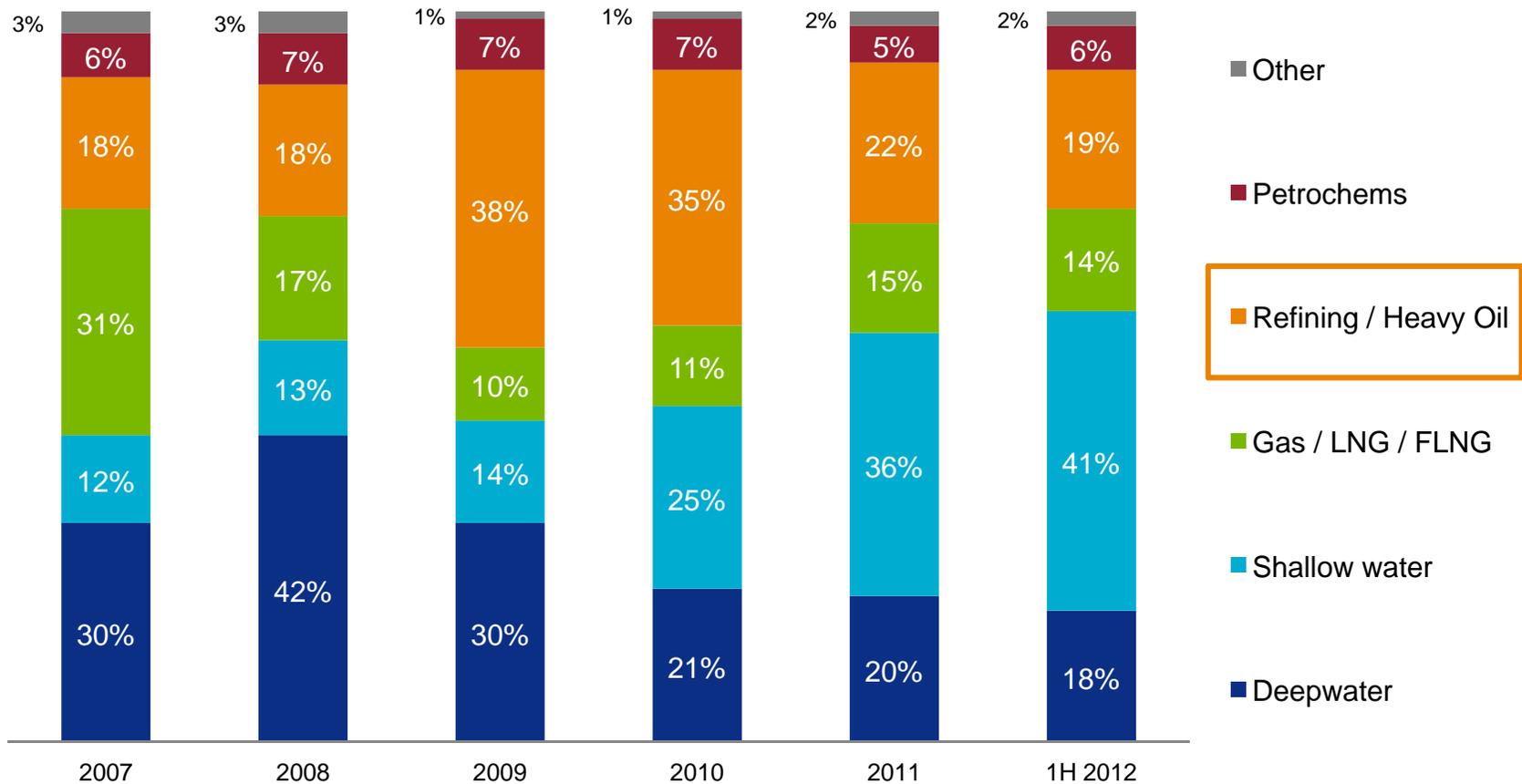


3. Technip Unique Advantage

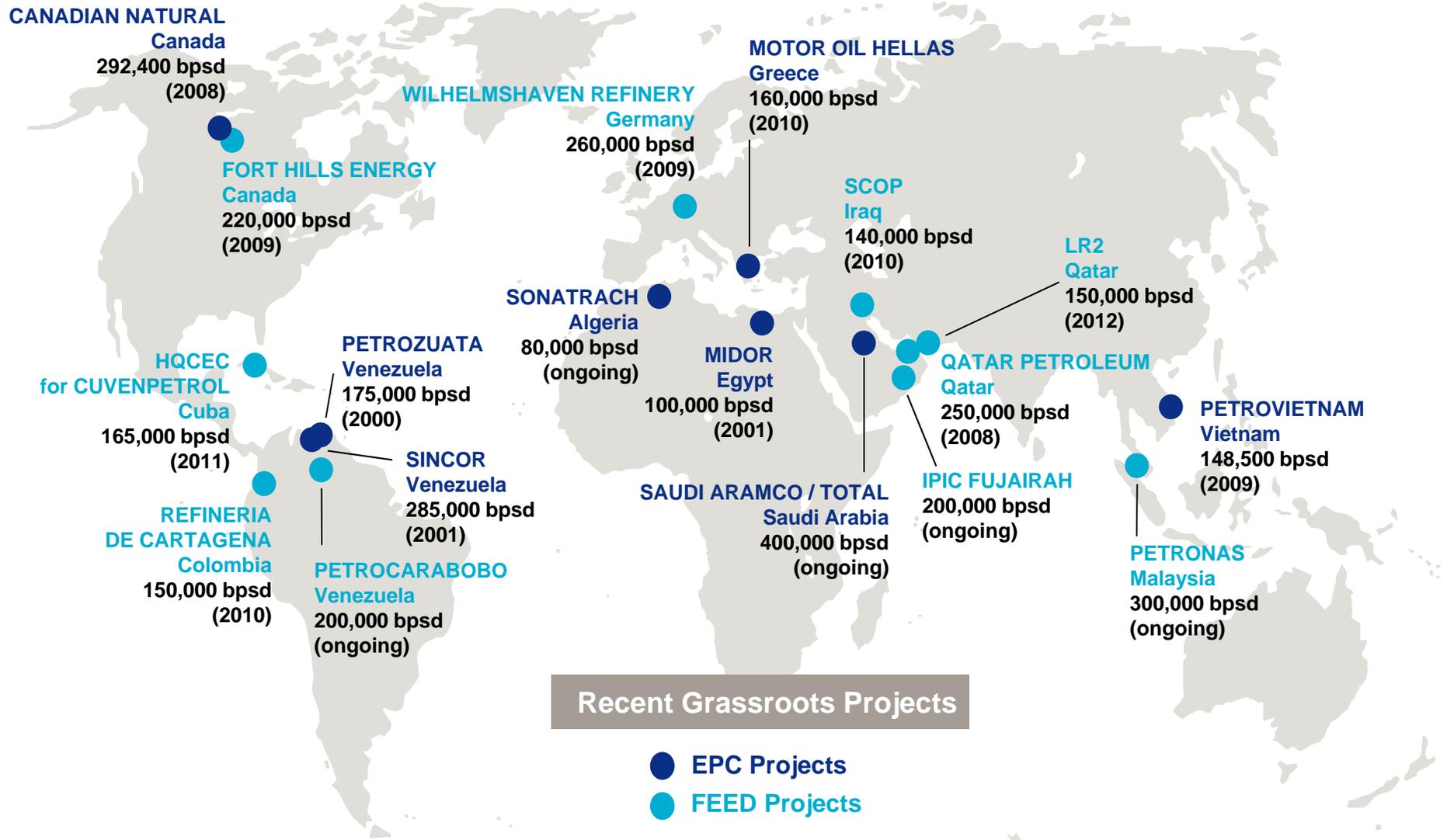


Refining is Core to Technip

Technip Backlog by Activity



Technip Recent Track Record in Designing and Building Refineries





A Stepwise Approach to Building a Refinery

- **Market orientation and scoping studies**
- **Conceptual design: refinery profitability master plans**
- **In-house technology development and licensing**
- **Third party technology evaluation and selection**
- **Cost estimates, economic and financial analysis**
- **Financial engineering / project risks assessment**
- **Basic Design (BD)**
- **Front-End Engineering Design (FEED)**
- **Project Management Consultancy (PMC)**
- **Detailed Engineering, Procurement, Construction (EPC LSTK*) and Start-Up**

* Engineering Procurement Construction on a Lump Sum Turn Key contract

Required Skills Vary from Conceptual to Start-up

- **Traditionally, companies have taken different roles:**

- 1) Well established licensors and catalyst suppliers

- Provide proprietary technologies to customers and engineering companies

- 2) Highly skilled engineering contractors

- Open art unit design capabilities
- Conceptual and master planning capabilities
- Ability to develop front-end design to support investment decision

- 3) Construction focused engineering contractor



Technip: strongly positioned all along the value chain to build solutions for our clients

Technip



New Licensing Business in Refining to Provide Customers with Cutting Edge Technologies

(Resid) Fluid Catalytic Cracking: RFCC/FCC

- Key conversion technology producing gasoline from fuel oil
- Alliance technology with Axens, IFP and Total
- World leader in RFCC

Deep Catalytic Cracking

- Unique technology maximizing the yields of propylene from vacuum distillates
- Exclusive licensor of Sinopec RIPP technology outside China
- Catalyst providing unrivalled performances

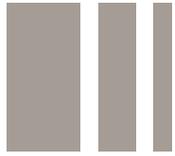
BenzOUT®

- Benzene removal technology from the gasoline pool
- Developed with ExxonMobil
- Niche technology with references in the US

Steam Reformer (Hydrogen)

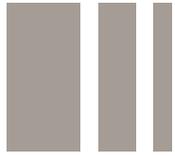
- H₂: feedstock used in all refineries to crack heavy oil
- Proprietary steam reformer technology and global alliance with Air Products for “over-the-fence” H₂ plants
- World leader with around 40% market share

Recently enhanced with the acquisition of Stone & Webster Process Technologies



Technip Expertise at the Conceptual Phase

- **Strong capabilities in detailed feasibility studies**
 - Technical and economical analysis to optimize plant overall configuration
- **Expert in integration of downstream technologies**
 - Assemble and design a large number of technologies from several licensors for large & complex greenfield projects
 - Develop synergies between technologies with our technology provider knowhow
 - Revamp existing facilities for plant upgrades
- **Design efficient utility systems and offsites**
 - Huge potential for cost savings for both initial investment and operating costs
 - Utility systems and offsite represent ~40% of the initial investment
- **EPC knowhow**
 - Cost estimates supported by recently executed projects
 - Construction oriented design capabilities



Key Differentiators in the Execution Phase

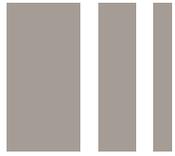
- **Strong national content**
 - Operating centers spread around the world with a presence in 48 countries
 - High-skilled engineers close to customer and projects

- **Innovative partnerships with solid construction companies**
 - Combine Technip leading engineering capabilities with strong local construction companies
 - Strategic partnerships with international construction companies

- **Brownfield expertise**
 - Expertise in working close to running facilities
 - Minimize production losses during mandatory plant shutdowns

- **Worldwide procurement centers**
 - Monitor suppliers workload and continuously qualify new suppliers

- **Project Management Consultancy**
 - Provide our clients services based on our EPC experience

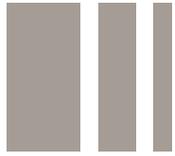


Key Takeaways

- **Positive market outlook with broad range of opportunities in terms of project types and geography**

- **Technip uniquely positioned:**
 - Cutting edge technologies offering
 - Expertise from conceptual to start-up, to build solutions for our clients
 - Impressive track records
 - Extensive network of engineering centers providing solid design and execution capabilities close to our customers

4. Glossary



Glossary

- LLDPE: Low low density polyethylene
- LDPE: Low density polyethylene
- MEG: Methyl ethylene glycol
- EO /EG: Ethylene oxide / Ethylene glycol
- PP: Polypropylene
- PPG: Polypropylene glycol
- PG: Propylene glycol
- PBR /NBR /BR: Poly-butadiene rubber / Acrylonitrile butadiene rubber / Butadiene rubber
- PMM: Poly-methyl methacrylate
- MEK: Methyl ethyl ketone
- DCPD: Dicyclopentadiene
- BPA: Bisphenol A

Thank You

