



# Traditional vs. Transformational Local Content

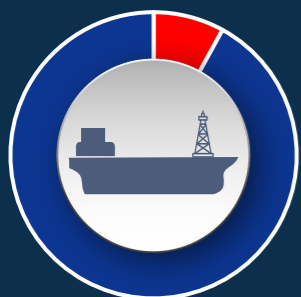
Aug 2024

# Extensive Experience: 55 years offshore

MODEC has been a leading provider of solutions to the Floating Offshore Oil & Gas market.



**+6000**  
Employees



**55 floating units**

- 51 delivered
- 18 FPSOs & 3 FSOs in operation
- 4 under construction



**+300 years of cumulative O&M experience**

## OUR GLOBAL PRESENCE



- |                   |                 |                       |                       |
|-------------------|-----------------|-----------------------|-----------------------|
| 1 – <b>BRAZIL</b> | 5 – Ivory Coast | 9 – UK                | 13 – China            |
| 2 – <b>USA</b>    | 6 – Ghana       | 10 – Netherlands      | 14 – Vietnam          |
| 3 – Mexico        | 7 – Senegal     | 11 – <b>JAPAN</b>     | 15 – <b>AUSTRALIA</b> |
| 4 – Guyana        | 8 – Portugal    | 12 – <b>SINGAPORE</b> | 16 – New Zealand      |

Vision 2034

“Global Leading Player in Connecting Ocean and Humanity”



FPSO

World's best FPSO builder and operator achieving the **Smallest Carbon Footprint** alongside safety and high uptime



Floating Offshore Wind

Essential player in Floating Offshore Wind based on our **Unique Ocean Friendly Solutions**



Alternative Energy

Make ready Floating Production Solutions for **Carbon Free Alternative Energy**



Digital Solution

Provide Innovative Digital Solution to help resolve industry challenges including **GHG Emissions Reduction**



Culture & People

- Innovation culture and new business incubation
- Unlock our Human Capital (employees' potential) through DE&I<sup>(\*)</sup>

Materiality



\*Diversity, Equity & Inclusion

# FPSO Léopold Sédar Senghor

**168m**

Equivalent to 49  
floor building

**325m**

Equivalent to 3 football fields long



FPSO  
Léopold Sédar Senghor

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# Local Content is Subjective!

## local-content in American English

('loukəl'kantent)

**adjective** of or pertaining to the number or percentage of the components of a product, as an automobile, that are manufactured in a specific country

**Local content** is the value that an extraction project brings to the local, regional or national economy beyond the resource revenues.

**Local content** is a national agenda that contributes to the development of the national economy through the participation of all economic segments, which are represented in the government sector, the private sector and individuals.

**Local content** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place

Local Content: When a foreign company makes products in a country, the materials, parts etc that have been made in that country rather than imported.

## local content

*noun* [U]

**PRODUCTION**

**UK / US**

(also domestic content)

Add to word list

the materials, workers, etc. used to make a product that are from the area where the product is made rather than being imported:

**LOCAL CONTENT:** a set of policy instruments elaborated by national and/or regional governments to ensure that a certain proportion of factors of production (such as labour, supplies of goods and services, technology and technical know-how) required at various stages of the mineral value chain is sourced from the domestic economy

**Local content** requirements (LCR) are a type of protection mechanism that aims to prevent the local industry from the negative outcomes of international trade

**Local content** means that portion of the bidding price which is not included in the imported content provided local manufacture does not take place

**Local content** refers to materials and products made in a country as opposed those that are imported.

## Ownership Structures

(Partnerships)

- Profit Sharing
- Leverage Local Network
- Financial Transfer



## Training

- Specific Requirement Training
- On the Job training
- Low-Intensity Cognitive Training
- Generic Abstract Training



FRAGMENTED DEVELOPMENT

## Local Fabrication

- Leverage costs
- Specific Employment
- Partial Fabrication
- Leverage local industry



## Procurement of Goods and Service

- Meet Quota
- Supply Chain Reliability
- Stronger SMEs
- Community Support







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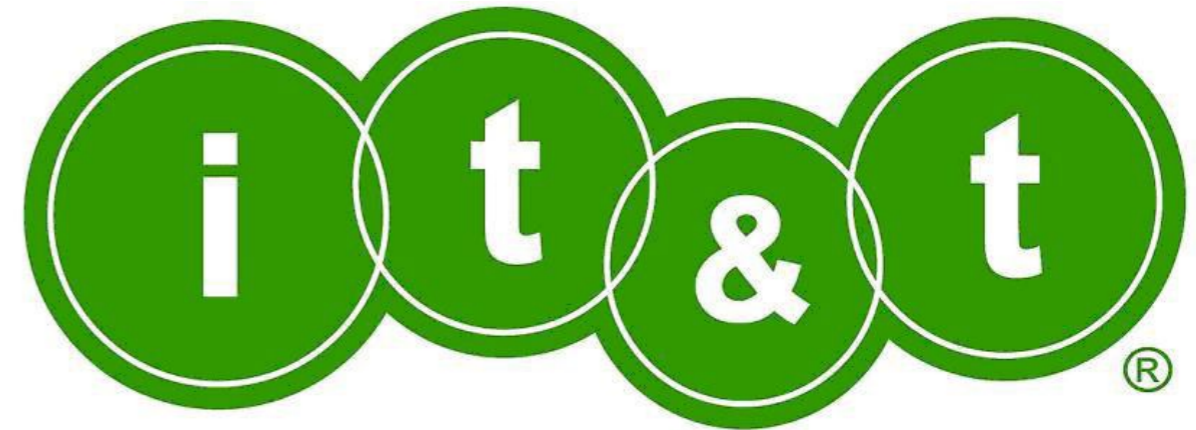
# TRAINING Case Study: Accelerated Strategic Training / Angola

## The Programme focused on:

- Practical Technical Training
- Tailored to field-specific requirements
- Versatile Management Training
- Soft skills
- Specialized Simulation
- Business Resilience
- Continuity Planning

## Who:

- Graduates
- Management Trainees
- Underemployed individuals
- Secondees from Contractors
- Secondees from Clients



INTERNATIONAL TRAINING & TECHNOLOGY LIMITED



# TRAINING Case Study: Accelerated Strategic Training / Angola



## Technical Courses

- Civil & mechanical Engineering
- API (American Petroleum Institute) & ASME (American Society of Mechanical Engineers) and other certifications
- Offshore & Onshore Inspection and Operations

## Management & Soft Skills

- Health, Safety and Environment
- Project Management
- People Management and Leadership
- Team Building
- Sales and Negotiating

## Job-Track

- Vocational and Skills
- Project Management
- Coding & Programming
- Information Technology and Networking
- Introduction to Artificial Intelligence



# TRAINING Case Study: Certification Training / Angola



After Certification: Stools, Support Structures, Pipe-racks, Mooring, Pressure Vessel Fabrication

# TRAINING Case Study: Offshore Recruitment / Ghana



1

## Offshore team Recruitment:

- ❑ Candidates go through Aptitude and Psychometric Testing for suitability
- ❑ Shortlisted Candidates are identified via interview and appraisal processes
- ❑ Offers of contract made to selected candidates

2

## Traditional Entry-Level Training

Selected Prod. & Maintenance. Techs. enter a 24-month Program:

- ❑ 6 months NVQ Level 2 (Occupational Standards framework)
- ❑ 6 months NVQ Level 3 Program (classroom-based Knowledge & Competency" program)
- ❑ 12 months On-the-Job Training with live Process Operating Plant & Equip training in all disciplines -FPSO Fleets

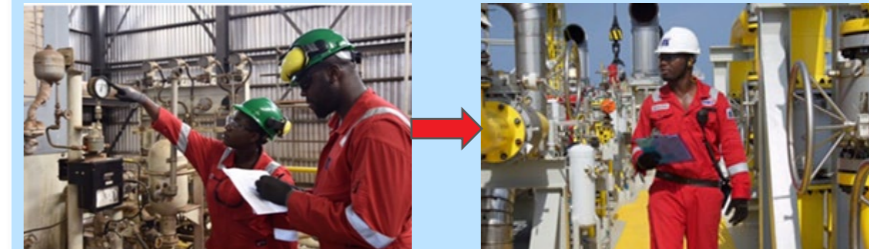
Selected Marine CRO Techs to enter an 18-month Program:

- ❑ FPSO Fundamentals @ RMU
- ❑ Tanker Dev. on Bernhard Schulte VLCCs
- ❑ Onshore CRO development @ B.S Training Center, Cyprus
- ❑ Final Tanker development on B.S VLCC

3

## Offshore Site-Specific Training

- ❑ Technicians selected to enter a D2D role:
- ❑ Trainees are presented development plans, & undertake Competency Programs being mapped & aligned to FPSO Processes & Systems specific to each Discipline
- ❑ In alignment with Competency Profile requirements, MODEC internal CBTA program (mapped to the NVQ process & evidence for) and external training Programs (OPITO or similar level).



**Focus on Positive Learning Attitude, Right Mindset, and Commitment**

# TRAINING Case Study

## Local Employees Worldwide Training / Senegal



 + 52 Postings Worldwide

 + 31 Employees Trained

 + 20 Offshore Crew

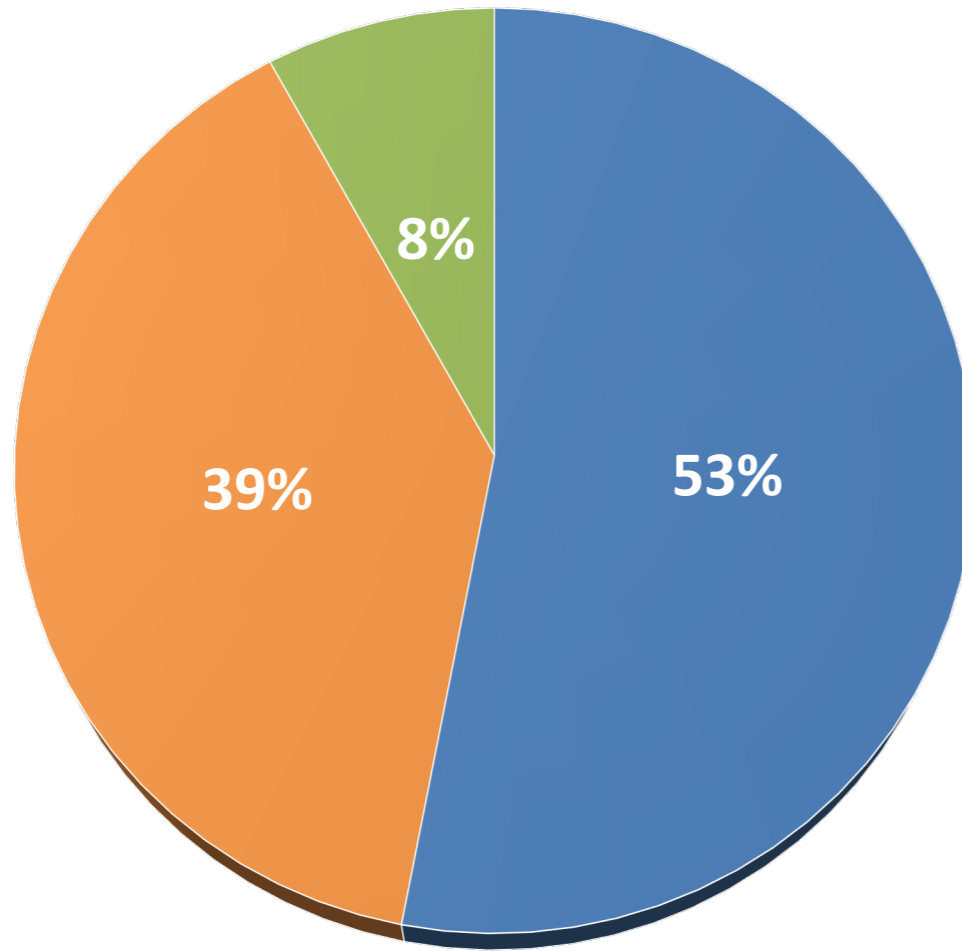


# TRAINING Case Study

## Staff Development / Cote d'Ivoire



### Location Of Training



■ Cote d'Ivoire ■ Abroad ■ Both

Main Trainings
IMIST
BOSIET /FOET
OERTM/L (Offshore Emergency Response Team Member/Leader)
Tanker Familiarization
Rigging & Lifting
Flange Management
Dangerous Goods By Air/Sea
Fast Rescue Craft
ISPS (International Ship & Port Security)
Gas Detector Calibration & Maintenance
Confined Space Entry / Rescue
Tanker Safety
STCW Basic Safety Trainings
HOIT (Helideck Operations Initial Training)
HERTM/L (Helideck Emergency Response Team Member/Leader)
SBT (Small Bore Tubing)
Incoterms
CompEx-01-04
POL-PPT (Petroleum Processing Technologies)
AGT (Authorized Gas Tester)
OIM Course
CompEx-F/CompEx Ex01-Ex04
HVAC
OLC (Offshore Lifeboat Coxswain)
PSCRB
AFF (Advanced Fire Fighting)
Diesel Engine Maintenance
AOT (Advanced Oil Tanker)
Belzona Application
Cargo & Manual Handling
CSO (Company Security Officer)
GMDSS GOC
HV/LV Switchgear
OCO L1
OCO L2
OCO L3
PSV Maintenance
SSO (Ship Security Officer)

# TRAINING Case Study

## Developing New Talent / Senegal



### Results:

- 80% secure employment within 6 months
- 15% average salary increase among trained individuals
- 90% of employers observe improved job performance and retention among trained employees

**Continuous Development: Training Hours in and out of Senegal**



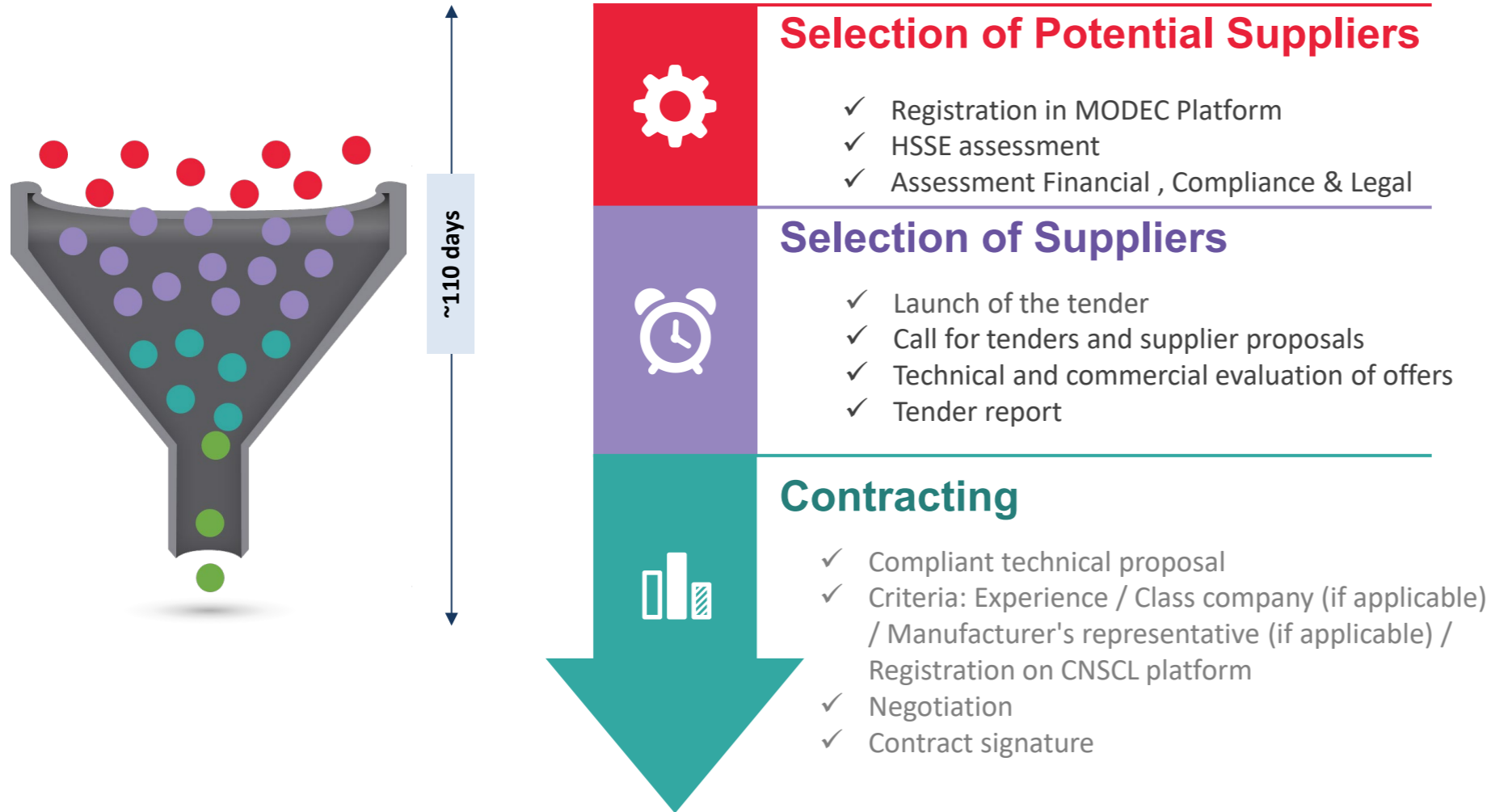
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# PROCUREMENT Case Study

## Local Sourcing / Senegal



# Key elements - Supplier success




## Registration

MODEC Portal + CNSCL Portal

## Vetting

**Compliance**

Integrity  + Local content

**HSSEQ**


Safety management system

**Finance**

Financial capacity

## Supply Chain

 Original equipment manufacturer (OEM)

 Specific certificates

 Previous experience

 Local infrastructure

# PROCUREMENT Case Study

## Partnerships Achieved / Senegal



SERVICE	COMPANY	PARTNER
Mooring Installation	HAVFRAM SENEGAL SA	NAVITRANS
Cultural Relations and HR Consulting Company	RMO ENERGY SERVICES SAS	% UPGRADE
Chemicals Management & Lab Services	BAKER HUGHES CAMEROON S.A.	TERANGA OIL AND GAS
Fabric maintenance, Painting, Tank Cleaning and Repair	PROMETRIC OFFSHORE SERVICES SENEGAL	% UPGRADE
Scaffolding	PROMETRIC OFFSHORE SERVICES SENEGAL	% UPGRADE
Integrated Control Safety Systems - ICSS services	HONEWELL PTE LD	ENERGY PLANET
Drop, Cranes, Lifting Gears Certification/Rigging Services	AXESS GAINDE	GAINDE MARINE OFFSHORE
FPSO Towing (SG - SN)	ALP MARITIME SERVICES B.V.	SENTRAK / SAHEL....
Piping Repairs And Replacement	ORSEN SA	FREIDLANDER
Provision of Station Keeping Vessels (In-Country)	TIDEWATER MARINE INTERNATIONAL INC.	SENTRAK / SAHEL....
Heat Exchange Cleaning and Refurbishment	SOUTHEY CONTRACTING LIMITED	ECSN
Station Keeping Vessels	ALP MARITIME SERVICES B.V.	SENTRAK / SAHEL...
Provision of Construction Support Vessel (In-Country)	OLYMPIC HOLDING CHARTERING A.S.	SENTRAK / SAHEL...
Tank Inspection and Facility Wide NDT	GLOBAL ENERGY VENTURES	GOREE OFFSHORE

# PROCUREMENT Case Study

## Partnerships Achieved / Senegal



SERVICE	COMPANY	PARTNER
Risk Based Inspection (RBI)	CODEX WISE SENEGAL	WISE SENEGAL
VSAT Technical support	MARLINK	XELCOM SERVICES
Gas Turbine Generator Commissioning	BAKER HUGHES	TERANGA OIL AND GAS
Fugitive Emission	CODEX-WISE	WISE SENEGAL
Small Bore tubing and flexible hose management	HYDRASUN	CAMMACH
Pressure Test	SOUTHEY CONTRACTING LIMITED	ECCEN SHORELINE LOCAL SERVICES
Tank Gauging System (Aut. Instr. Readings)	EMERSON PROCESS MANAGEMENT MARINE	OCEAN MARINE SERVICES
Marine Manpower	RMO ENERGY SERVICES	% UPGRADE
Lifting Accessories	GLOBAL ENERGY VENTURE	GOREE OFFSHORE
Cultural Adaptation program	RMO ES	% UPGRADE
Gas Turbine Generator	BAKER HUGHES	TERANGA OIL AND GAS
Valves Aftersales	EMERSON	OCEAN MARINE SERVICES
Topside valves signature	EMERSON	OCEAN MARINE SERVICES

- “The contract is having a good impact on our business, especially the diesel bunkering operation, which is a good reference for our bunkering activities. It allows us to have a better understanding of Offshore operations, the sensitivity of the activities around, etc. This pushes us to seek operational excellence by always adapting or improving our procedures and organization. Hopefully the experience we will get in this contract will be very helpful to develop and extend our activities to the upcoming Offshore projects: Second phase of Sangomar, Yakaar Teranga or GTA projects.”

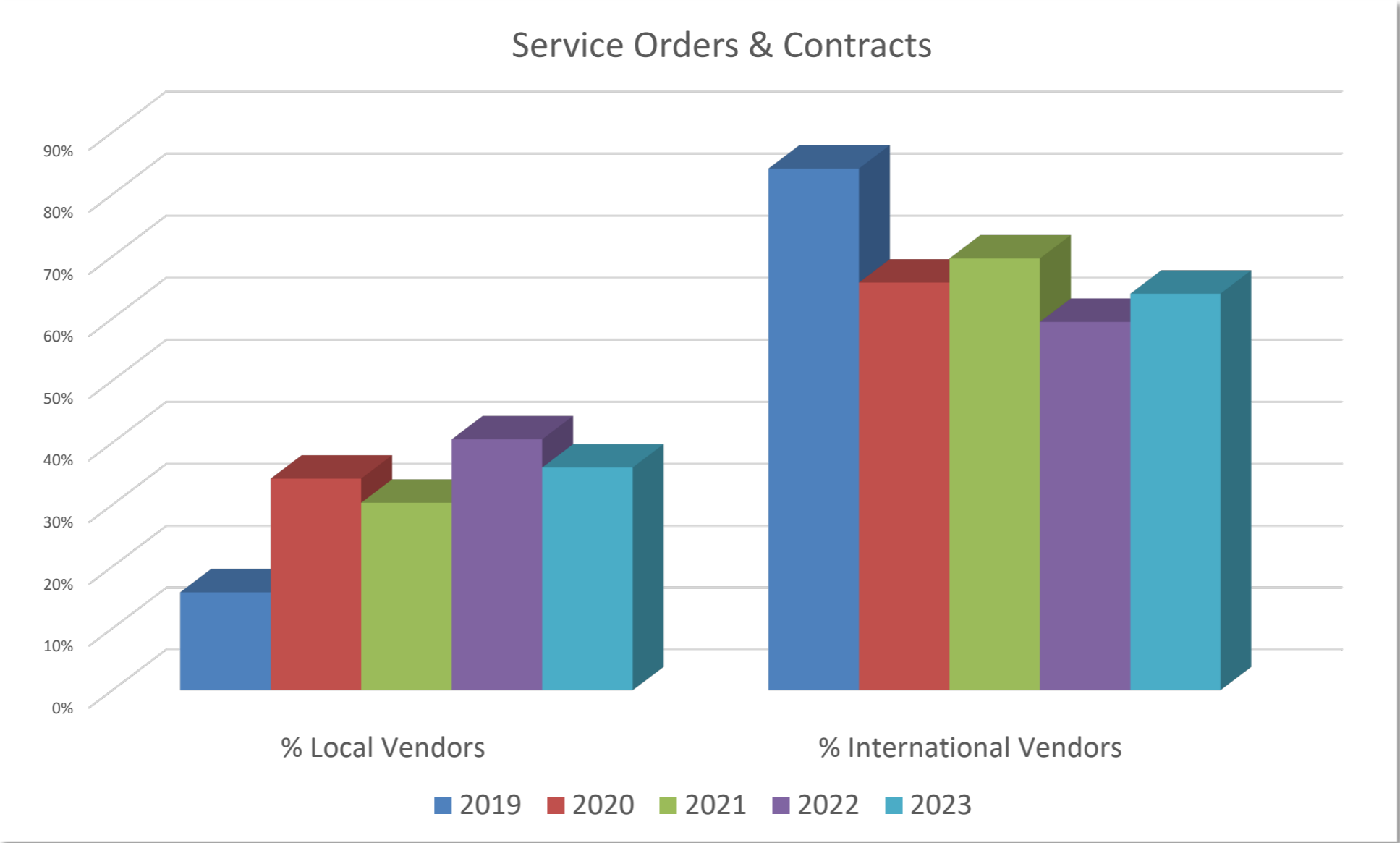


Working with MODEC has been transformative for SILS. This partnership has significantly expanded our capabilities and enhanced our service offerings. Here are a few key impacts of our collaboration with MODEC:

- 1. Business Growth: Our contract with MODEC has notably increased our business volume. It has allowed us to scale our operations and invest in expanding our infrastructure to meet the demand that comes with servicing major projects in the oil and gas sector.
- 2. Skill Development: Collaborating with MODEC has accelerated our learning curve. We've developed specialized skills, particularly in managing complex logistics and handling sophisticated equipment necessary for large-scale energy projects. This expertise is now part of our core competencies, setting us apart in the logistics field.
- 3. New Opportunities: The experience gained from working with MODEC has significantly boosted our credibility and reputation in the industry. This has opened doors to new business opportunities, allowing us to attract other potential customers who are looking for a logistics partner that operates with international standards in safety, efficiency, and reliability.
- 4. Innovation in Logistics Practices: MODEC's requirements and innovative approach have pushed us to adopt cutting-edge logistics solutions and technologies. This has not only improved our operational efficiency but has also positioned us as a forward-thinking player in logistics, ready to take on complex projects. The partnership has indeed been a catalyst for SILS, not just in terms of growth but also in fostering a culture of excellence and innovation. We're excited to leverage this experience and continue contributing to the development of the oil and gas sector in Senegal and beyond.

# PROCUREMENT Case Study

## % Local Vendors / Cote d'Ivoire



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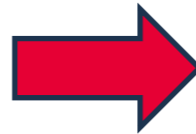
# Case Study: Local Fabrication – Strategic Investments / Angola

## Fabrication Yard Development

December 2008



May 2009



- Yard expansion including yard layout design
- Resourcing additional expertise needed for the expanded capability
- Fabrication equipment purchase
- Training of local trades personnel

**Sonangol Integrated Logistics Services (SONILS)**

# Case Study: Local Fabrication – Strategic Investments / Angola

## Investment in Welding Training School at SONAMET Completed



# Case Study: Local Fabrication – Strategic Investments / Angola

## Sonamet (Lobito)

Strategic Investments for:

- Central pipe rack structure and brackets
- 700 mt of suction piles
- 80 mt of pressure vessels
- Training Facility



## Pressure Vessels: Air Intake



80 mt Fabricated using hybrid workforce

## Central Piperacks



Central piperack / 6 piperack structural sections (750 mt)

## Pile Fabrication



12 piles fabricated making a Total: 700 mt / 17m x 4m Ø each

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# TECHNOLOGY TRANSFER Case Study: Transfer of Technology through J.V Formation



- **Small bore tubing & fitting installation**

- **Ex) Inspections & hazardous area electrical equipment remedial work**

- **Servicing of control valves**

- **PSV/PCV calibration**

- **Flange management**

- **Deluge system recovery**

- **Lagging and insulation**

- **Valve management**

- **Pipe support anomalies remediation**

- **Fabrication**

- **Scaffolding**

- **Rigging**

# Success stories

Exclusive

## Logistics Base

1 SENTRAK Logistics

## Waste management

2 SEPCO Industries

## OSV & FSV

3 O3S – Oil Senegal Support Services

## Oil and lubricants

4 ELTON

## Onshore Security Services

5 CONTROL RISKS

## Catering

6 O2 Catering & Service

## Hazardous Area Elect. Insp.

7 Gorée Offshore Engineering

## Industrial gas

8 Sahel Gaz

## Mooring installation

1 Havfram Senegal JV between Havfram and Navitrans SA

## Tank Inspection

2 Global Energy Venture & Gorée Offshore

## Risk-based inspection

3 Codex Wise Senegal JV between Codex & Wise Senegal

## Diesel engines and alternators

4 Saudequip & Global Energy Services

## Crane, lifting, etc.

5 Axess Gainde JV enters Axess and Gainde Marine Offshore

## Chemicals

6 Baker Hughes & Teranga Oil and gas

## Software for metering

1 KELTON Meter Manager & CODEX WISE

## Dry Deluge Test

2 SIRON & TECHSPARES

## Deck crane

3 PALFINGER & GORREE Offshore

## Valves aftersales

4 EMERSON & OCEAN Marine Services

## Sand cleaning solution

5 NOV & TERANGA Oil and Gas

## Gas turbine generator

6 BAKER HUGHES & TERANGA Oil and Gas

## ICSS Services

7 HONEYWELL PTE LTD & ENERGY PLANET SARL

Mixed

OEM

# TECHNOLOGY TRANSFER

## Case Study: Vendor Success Stories / Senegal



### Onshore Supply Base

1 SENTRAK Logistics

### Waste Management

2 SEPCO Industries

### FSV and OSV

3 O3S – Oil Senegal Support Services

### Oil & Lubricants

4 ELTON

### Onshore Security

5 CONTROL RISKS

### Catering

6 O2 Catering & Service

### Hazardous Electrical

7 Gorée Offshore Engineering

### Industrial Gas Supply

8 Sahel Gaz

### Software for Metering

1 Havfram Senegal JV between Havfram with Navitrans SA

### Tank Inspection

2 Global Energy Venture & Gorée Offshore

### Risk Based Inspection

3 Codex & Wise Senegal

### Diesel Eng. & Alterators

4 Saudequip & Global Energy Services

### Drop, Crane, Lifting, etc.

5 Axxess Gainde JV - Axxess and Gainde Marine Offshore

### Chemicals

6 Baker Hughes & Teranga Oil and gas

### Piping Repair

7 ORSEN JV Freelander with TERANGA Oil and Gas

### Chemical Pump

8 SPIE & TERANGA Oil and Gas

### Heat Exchanger Maint.

9 Southey & ECSEN

### Software for Metering

1 KELTON Meter Manager & CODEX WISE

### Deluge Dry Test

2 SIRON & TECHSPARES

### Deck Creane Mainten.

3 PALFINGER & GORREE Offshore

### Topside Valves & Tank

4 EMERSON & OCEAN Marine Services

### Sand Cleaning Solution

5 NOV & TERANGA Oil and Gas

### SRU System

6 SOLEVO & TBC

### Gas Turbine Generator

7 BAKER HUGHES & TERANGA Oil and Gas

### ICSS Services

8 HONEYWELL PTE LTD & ENERGY PLANET SARL

OEM

# Sucess Stories in exclusive regime

Modec Senegal has supported local companies to achieve some sucess stories in the procurement process

## Oil and Lubricants supply

1

- ❖ Elton Oil an 100% Senegalese-owned company
- ❖ Around 12 Million XOF

## Onshore Security Services

2

- ❖ Control Risk an 51% Senegalese-owned company
- ❖ Around 14.5 Million XOF per year

## Fast Service Vessel

3

- ❖ Oil Senegal Support Services (O3S) an 51% Senegalese-owned company
- ❖ Around 2.5 Billion XOF per year

## Catering Services

4

- ❖ O2 Catering an 100% Senegalese-owned company
- ❖ Around 1.1 Billion XOF per year

## Industrial Gas Supply

5

- ❖ Sahel Gaz an 100% Senegalese-owned company

## Hazardous Electrical Inspection

6

- ❖ Goree Offshore an 84% Senegalese-owned company
- ❖ 29 Millions Year 1 and around 116 Million XOF per year



# Keys to success stories

## Vetting Process

### HSSE

- ✓ Management commitment to implementing an HSSE policy
- ✓ Availability of resources to put the HSSE policy into practice
- ✓ Compliance with national and international HSSE legislation

### Compliance (Company, Manager, key employees)

- ✓ Listed in a Governmental Restriction List
- ✓ potential or confirmed link to a criminal record

### Finance

- ✓ Financial strength
- ✓ Liquidity according to latest financial statements
- ✓ Working capital requirements

### Local Content

- ✓ Relevant regime requirements fulfilment
- ✓ CNSCL Platform registration

## Tendering Process

### Technical Evaluation

- ✓ Track record
- ✓ Certifications
- ✓ Key personnel experience in the field
- ✓ Employees mandatory trainings and certifications
- ✓ Compliant technical proposal with scope of work

if applicable

- ✓ Class society
- ✓ Manufacturer or OEM representative
- ✓ Partner track record

### Commercial Evaluation

- ✓ Commercial experience with MODEC Group
- ✓ Pricing reasonability
- ✓ Pricing transparency
- ✓ Costs Competitiveness
- ✓ Commercial Terms and conditions
- ✓ Current workload

if applicable


- ✓ Statutory approvals from government
- ✓ Availability of local workforce
- ✓ Availability of local facility





# Key Takeaways

- Intentional Planning is Fundamental
- Incentives are the best Catalyst
- Strategy Creates Exponential Local Job Opportunities
- Unlock hidden growth Opportunities
- Generates Sustainable Business Growth

The image shows two workers in silhouette on an offshore platform deck. They are positioned in front of a large metal structure, possibly a crane or hoist, with the ocean and a sunset sky in the background. The lighting is dramatic, with the sun low on the horizon, creating a strong backlight effect on the workers and the structure.

 Building a more sustainable future one person at a time

