

■ Energy Chamber:

## Region to benefit from energy giants' merger

THE Energy Chamber of Trinidad and Tobago says it expects the Caribbean to benefit from the merger involving two global energy services companies that are active in the region with projects in Guyana, Suriname and Trinidad and Tobago.

Last week, Subsea7 and Saipem, which had previously indicated the potential merger in February this year, announced they have reached an agreement in principle on the key terms of their merger that creates synergies in the delivery of services to the industry.

Saipem is an engineering, procurement, construction, and installation (EPCI) company while Subsea7's core business revolves around subsea engineering and construction. The new entity will be named Saipem7.

The Energy Chamber said that the combination of the two companies creates a full spectrum of offshore and onshore services, from drilling, engineering and construction to life-of-field services.

It said both companies have been engaging more in the southern Caribbean in the past few years. In Guyana, Saipem established the Saipem Guyana Offshore Construction Facility and was involved in the Liza project since phase one in 2017. The offshore facility enables fabricated items to be loaded onto vessels to be delivered offshore from the Demerara River.

The Energy Chamber said more recently, Saipem received a contract from Exxon which involves the engineering, procurement, construction, and installation (EPCI) of subsea structures, umbilicals, risers and flowlines (SURF) for the production facility and gas export system of the proposed Hammerhead oil field development project. Saipem was also involved with the Payara project.

Subsea7 was also involved in Guyana and worked on the gas-to-energy project where they were contracted by Exxon for a scope which included project management, engineering, and installation of approximately 190 kilometres of pipeline, with an associated shallow water portion and onshore approach making landfall to the west of the Demerara River, along the coast of Guyana.

In Suriname, Saipem was also awarded an EPCI contract from TotalEnergies for work in Suriname for the subsea development of the GranMorgu project, located in Block 58.

In Trinidad and Tobago, Subsea7 was recently awarded a contract by Shell for the Aphrodite gas project offshore. The project involves the transportation and installation of subsea equipment at the Aphrodite development, located within Block 5a, at water depths of up to 290 metres.

'The combination of capabilities from the two companies will have synergies which will allow the new entity to do more joint subsea work in addition to the engineering capabilities. In addition, equipment for heavy lifting will also aid in the execution of subsea projects,' the Energy Chamber said.

It said when the merger was announced, one of the major benefits proposed was the ability to optimise project schedules, delivering projects quicker. This is, of course, appreciated in a sector striving for greater efficiency in the context of concerns about long-term oil and gas price outlooks.

'The company has indicated that the offshore engineering and construction business will be contained within an operationally autonomous company, fully owned by the new Saipem7, but retaining the name Subsea7. For the Caribbean, it is anticipated that most of the work will be done by the new enlarged Subsea7, given the focus on offshore and subsea activity,' the Energy Chamber added.

Meanwhile, the private sector organisation said that the United Kingdom-base EnerMech has won a contract extension for work carried out on platforms offshore Trinidad and Tobago operated by bpTT.

It said the company originally secured the contract in 2022 and has now received a twoyear extension to continue providing crane operations on 12 offshore platforms bpTT has a stake in, offshore Trinidad and Tobago.

Additionally, EnerMech's scope under the extended contract includes crane operations, preventive and corrective maintenance, minor modifications, and offshore audits.

'Our strong working relationship with bp has been a key factor in the continuation of this contract, and the foundations laid over the last three years will be crucial to the continued success of the operations,' said Al Murray, Operations & Maintenance Manager, Lifting Solutions at EnerMech.

Murray said approximately 30 EnerMech personnel, who are all Trinidad and Tobago nationals, will hold positions, including supervisors, crane operators, technicians and supply chain and logistics personnel. bpTT is the largest producer of natural gas in Trinidad and Tobago. bpTT is majority owned by the British major international energy company bp, but with a significant minority shareholding from the Spanish international energy company Repsol. bpTT has produced natural gas at an average rate of 1,174 million standard cubic feet per day (mmscf/d). -CMC