



SHUTDOWN MONITOR

WE PROVIDE SHUTDOWN AND CONSTRUCTION INFORMATION

MONTHLY SHUTDOWN NEWSLETTER

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SHUTDOWNS

☐ **CALTEX** As we kick off the New Year, the shutdown scheduled in May at the refinery is still on track. Transfield Services informs us that some of the resources required to perform the work might be coming from another project as it ramps down around the same time. Subscribers interested in getting on this shutdown better read all about it. See BlueScope No 5 Blast Furnace Reline below.

PROJECTS

☐ **UNITED GROUP LIMITED** The Company continues to win work in its various divisions and recently United has picked up a few facilities management contracts including one that runs for 26 years. That's one of the longest we have heard about and begs the question why 26 years? Management will surely love that one regardless of the length although readers will be more interested in the \$120 million in power contracts secured by the infrastructure division. 4 contracts make up the total with the one of particular interest being the installation of 2 x 45 megawatt gas turbines for ATCO Power at the Karratha power station in Western Australia.

☐ **RPG5** BHP Billiton has awarded Macmahon a contract for some preliminary civil works at Finucane Island in WA. The works will be pre dredging activities and include the construction of the sea wall that will be built using armour rock and the new containment ponds for the dredge material. This contract is estimated to be worth around \$50 million. Macmahon has also been winning work all over the country that stretches from Bunbury, Darwin & Sydney.

☐ **NORTH RANKIN B** The Shutdown Monitor assumes that the majority of work on these offshore projects is done by overseas companies. They fabricate the bulk of the structural steel and then assemble the mechanical and electrical kit that's required on the platform and transport it to location and even establish the rig in its correct position. We imagine that very little is done by Australian companies so the employment opportunities will be limited on these projects unless you have good connections in the industry or work permanently for one of the companies. A few years ago

there was talk to establish our own shipyard, which was headed up by the Unions at the time but in the end, Australia can't compete with the Koreans in this game. Saying all that however we noticed this month that Hastie Group who we mentioned a few months ago winning some work on the Sydney Desal Project have picked up a \$29m contract to design, procure and commission the air conditioning system on the North Rankin B Platform. The work is expected to be complete by June 2010. Looking back at issue 103 we recall that quite a bit of brown field work is required on North Rankin A to complete this upgrade so there could be a further contribution from the mainland down the track.

☐ **GLADSTONE GLNG** (Lasted Updated Issue 103) Up until now a battle has slowly been taking place in Queensland and involved the butting heads of two major players in the LNG industry. The battle lasted 6 months with the victor ending up with the FEED contract for the Gladstone LNG Project and another reference plant that carries an intrinsic value rather than monetary value. Bechtel has succeeded in securing the FEED contract for the downstream components of the project. The contract is worth approximately US\$40m and includes the FEED on the liquefaction plant and associated infrastructure on Curtis Island. The Final Investment Decision has slipped from the end of 2009 to the middle of 2010.

SHUTDOWN MONITOR NEWS

☐ **MAJOR PROJECT LIST** As we have moved the Major Project List forward this month we have taken the liberty of removing some projects that are at the commissioning stage for the next few months and include the Boddington Gold Mine, Gold Coast Desal Plant and the Western Corridor Recycled Water Project. Recently we have received emails asking us about the level of activity around the place and one particular overseas subscriber wanted to know what's happening down here before he comes back from his working holiday. Our crystal ball is no better than anyone else's and the only advice we can pass onto subscribers is something we learnt a long time ago. "When one door closes, another opens." Alexander Graham Bell



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Major Project List						2009 - Forecast												2010 - Forecast				
Project	State	Investment	Web Site	Last Updated	Crew	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	1 st	2 nd	3 rd	4 th	
			** Project Information Only **																			
Gorgon Project	WA	\$15 Billion	www.gorgon.com.au	Issue 111	2000	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	O
Rapid Growth Project 4	WA	\$2.3 Billion	www.bhpbilliton.com	Issue 110	N A	C	C	C	C	C	C	C	C	C	C	C	O	-	-	-	-	
Pluto Gas Field	WA	\$11.2 Billion	www.woodside.com.au	Issue 109	3000	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	O
Southern Seawater Desalination Project	WA	\$955 Million	www.watercorporation.com.au	Issue 110	500	D	D	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Worsley Alumina E&G Project	WA	\$2.5 Billion	www.worsley.geo.net.au	Issue 109	1,700	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Ichthys Gas Field Development	NT	\$20 Billion	www.inpex.com.au	Issue 110	2,000	-	-	-	-	-	-	FID	-	-	-	-	-	C	C	C	C	C
Penola Pulp Mill	SA	\$1.5 Billion	www.protavia.com.au	Issue 106	1200	-	-	FID	C	C	C	C	C	C	C	C	C	C	C	C	C	O
3 Destroyers	SA	\$8.0 Billion	www.asc.com.au	Issue 93	1000	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Adelaide Desalination Plant	SA	\$1.1 Billion	www.sawater.com.au	Issue 106	N A	SP	SP	SP	SP	SP	SP	D	D	D	D	D	D	C	C	C	C	C
Olympic Dam Expansion Project	SA	\$20 Billion	www.bhpbilliton.com	Issue 109	5,000	-	-	-	-	-	-	-	C	C	C	C	C	C	C	C	C	C
Sydney Desalination Plant	NSW	\$1.76 Billion	www.sydneywater.com.au	Issue 109	600	C	C	C	C	C	C	C	C	C	C	C	O	-	-	-	-	
Newcastle Third Port Project	NSW	\$1 Billion	www.ncig.com.au	Issue 100	5000	C	C	C	C	C	C	C	C	C	C	C	C	C	O	-	-	
Yarwun Expansion	Qld	\$2.0 Billion	www.riotinto.com	Issue 106	600	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	O	-
Santos GLNG	Qld	\$7.0 Billion	www.santos.com	Issue 111	3000	FE	FE	FE	FE	FE	FE	FE	FE	FE	FE	FE	FE	FE	FE	FE	FID	C
Gateway Bridge Upgrade	Qld	\$1.88 Billion	www.gatewayupgradeproject.com.au	Issue 101	5000	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Abbot Point X50 Expansion	Qld	\$287 Million	www.pcg.com.au	Issue 107	N A	C	C	C	C	C	C	C	C	C	C	C	C	C	O	-	-	
Melbourne Desalination Project	Vic	\$3.1 Billion	www.melbournewater.com.au	Issue 109	1000	D	D	D	D	D	FID	C	C	C	C	C	C	C	C	C	C	C
Bell Bay Pulp Mill	Tas	\$1.4 Billion	www.gunns.com.au	Issue 110	2400	A	A	A	C	C	C	C	C	C	C	C	C	C	C	C	C	C

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Shutdown List				2009 - Forecast												2010 - Forecast						
Facility	State	Next Shutdown	Contractor	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	1 st	2 nd	3 rd	4 th			
Caltex	NSW	Cracker – Major – May – 500 Trades – 4 weeks	Transfield Services					S	S													
Caltex	Qld	Major – September – 800 Trades – 4 weeks										S										
BP	WA	TBA																				
BP	Qld	Major - May																			S	
Incitec Pivot – Mt Isa	Qld	Next Mid 2009										S										
Incitec Pivot – Phosphate Hill	Qld	Next Mid 2009										S										
Incitec Pivot – Gibson Island	Qld	Next 2010																				
Orica Mining Services	NSW	Minor – 2 x 10 Days / Minor – Oct 10 Days			S	S									S							
Mobil	Vic	TBA																				
Orica	NSW	Next Major 2010																				
Shell	Vic	Major Aug 50 Days 400-500 Trades										S	S									
Shell	NSW	TBA																				
Port Kembla Blast Furnace Reline	NSW	Jan – June / >500 Trades (Issue 111)	Allfab Constructors Downer EDI Mainteck Services Transfield Services	S	S	S	S	S	S													
Karratha Gas Plant	WA	Next - May	Transfield Worley					S														

Legend: A – Approvals, FE – FEED, D – Design, Civ – Civil Works, C – Construction, Co – Commissioning, O – Operational, S – Shutdown, Up – Upgrade, SP – Selection Process, FID – Final Investment Decision

CONSTRUCTION PROJECTS:

CONSTRUCTION – WESTERN AUSTRALIA

Reindeer Gas Project

Last Updated Issue 103

FIRM: Apache Northwest Pty Ltd & Santos
LOCATION: Cape Preston WA
TOTAL INVESTMENT: \$1 Billion
CONSTRUCTION CO: Processing Plant - Clough
DURATION: On Line Late 2010

STATUS:

The Joint Venture has decided to defer the project. The decision was made due to changes in the global economic outlook that have impacted the anchor gas customer. The Joint Venture will now suspend or terminate the engineering and construction contract awarded to Clough, who in turn may have procured long lead items and other services. The Joint Venture will continue with certain approvals should the project be re-started, if so, they will be able to do so knowing the regulatory approvals are in place should a gas agreement be reached some time in the near future.

Another piece of information subscribers might be interested in is that this project is one of nearly 24 major energy projects worldwide that have been deferred or downsized since October. Australia is not immune from this global reduction in spending and a simple example is that of Rio Tinto, the company has this month alone embarked on a \$10 billion reduction in debt by the end of 2009, which includes the loss of 14,000 jobs world wide. Capital projects have been targeted as part of the review process and some of the outcomes are the termination of a contract for the manufacture of accommodation units on the 320 Expansion Project, the halting of crusher No 1, crusher No 2, pump station No 2 and associated facilities on the Argyle Diamond Mine in WA to name a few. As we put pen to paper on the 2nd January 2009 we can look back at the stock market performance for 2008 and take account that last year was the worst calendar year performance wise in 112 years. (CommSec market close report)

Gorgon Project

Last Updated Issue 109

FIRM: ChevronTexaco and Gorgon Joint Venture
LOCATION: The Gorgon gas field is located off the coast of Dampier in Western Australia
TOTAL INVESTMENT: \$15 Billion
CONSTRUCTION CO: TBA
DURATION: On line 2010

STATUS:

Up until now the project has spend around \$1 billion on planning, feasibility studies, and FEED costs. Recently however the Gorgon Joint Venture has committed another \$1 billion in funding for this years activity. A glance at the recent Project Newsletter tells us that the construction method being adopted will be that of modularisation. 200,000 tonnes of modules in fact, with the biggest weighing in at 7,000 tonnes, 40m wide x 35m high x 72m long. Shutdown Types will not only put this massive jigsaw together but quite a few boilermakers and welders will be needed to construct the 2 x 180,000 m3 LNG Storage Tanks and the 4 x 35,000 m3 Condensate Tanks. A whole other bunch of guys will be needed to construct the 1.9km jetty and electricians needn't worry as 2,100 km of electrical & instrumentation cable has to be pulled, terminated and checked. Michael Angelo's need not apply as 300,000 m2 of paint needs to get on all decks, deck heads and bulk heads. Logistics will be crucial and subscribers may remember another article where we discussed this and compared it to a military operation. Gorgon plans to use roll on roll off facilities in Kwinana and then again in Dampier where they have subleased 56,000 m2 from Mermaid Marine who have facilities in the area established for this very reason. Mermaid Marine last month took delivery of a new vessel called the Mermaid Searcher, built in Hong Kong. She has the capacity to carry 34 people on board and has 220 m2 on the main deck, which is suitable for all types of cargo operations. The Searcher's first job will be supporting the pipeline installation on the Pluto project but will no doubt be available for Gorgon when the time comes.

CONSTRUCTION – NEW SOUTH WALES

BlueScope No 5 Blast Furnace Reline

Last Updated Issue 104

FIRM: BlueScope Steel
LOCATION: Port Kembla, NSW
TOTAL INVESTMENT: \$504 Million
CONSTRUCTION CO: Various
DURATION: Reline January – June / Sinter Plant Precipitator April – June 2009

STATUS:

Sinter Plant Upgrade: Transfield Services have been awarded the Sinter Plant & Precipitator upgrades at BlueScope Steel in Wollongong. The Sinter Plant and Precipitator "A" upgrades will commence in early April for approximately 30 mechanical days. Resources will number up to 350. The upgrade on Precipitator "B" commences in early May and will run for approximately 30 mechanical days, with a crew of approximately 60. Resources coming off the Sinter Plant and Precipitator "A" will move onto the FCCU & Poly Plant shutdowns at **Caltex** in Kurnell. Both shutdowns commence May 11th for 20-30 mechanical days and resources will number up to 250. Transfield Services is interested in hearing from suitably qualified and experienced trades people for both these projects. Mechanical Fitters, Boilermakers / Pipe Fitters, Ticketed Welders, Riggers, Scaffolders, Trades Assistants can contact Deborah on 02-9464-1764. Supervisors, QA/QC, Planners / Estimators, HSE Coordinators can contact Kristy from the 12th January on 02-9464-1357. Don't forget to mention to Deborah or Kristy that you heard about it in the Shutdown Monitor.

No 5 Blast Furnace Reline: The project duration has changed somewhat since we mentioned this project last and the Reline will now commence around the middle of January with blow in planned for June. A longer duration usually means a smaller crew and two mechanical contractors have been awarded contracts to date. Both are locally based companies, they are Allfab Constructors and Mainteck Services. We called both companies just before Christmas and Allfab might required some specialist trades in the New Year whereas Mainteck has already embarked on a recruitment drive and has the required resources already in place, but did mention that it's not a bad idea to send your details to them regardless.

From an electrical perspective Downer EDI have picked up a portion of the electrical works on the project with the outstanding packages yet to be awarded. If they have been awarded then it is unknown to us at this stage.

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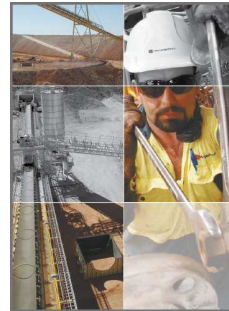
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