

3C News



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A WORD FROM THE MANAGING DIRECTOR



Welcome to the first edition of 3C News for 2018. This year's forecast for the energy sector depicts a brighter outlook in comparison to 2017. Recent market improvements in the oil and gas industry have brought increased optimism and attractive prospects for the year ahead. Despite these improvements, 2018 will not be without its challenges and 3C Metal will push to remain competitive and guarantee that our clients' needs are met. Looking ahead, we will increase our efforts to improve our innovation. The key areas of focus will be safety, brand value, expanding our regional and international operations and enhancing the technical support provided to our teams.

It gives me great pleasure to announce that we achieved our safety target of zero lost time injuries (LTIs) in 2017. Our overall Group safety record currently stands at two million man-hours LTI free. As we increase our operations and diversify our activities, it is vital we scrupulously examine all our safety procedures and management systems. By remaining vigilant and evolving our safety standards, we can achieve our new objective of closing 2018 with zero LTIs.

As mentioned in the previous newsletter, 3C Metal has officially opened a new office in Houston. This addition to the Group has increased 3C Metal's locations to six countries across four continents. We will continue to make efforts to increase our brand recognition across our global operations - ensuring the 3C Metal brand is synonymous with

superior engineering solutions and customer focus. This is particularly important as we look to selectively pursue new opportunities in key strategic markets poised for growth. Areas that will be key for us in 2018 are Saudi Arabia, the UAE (in particular Abu Dhabi), Algeria, Libya, Australia, Mozambique, Uganda and the Canary Islands, amongst others.

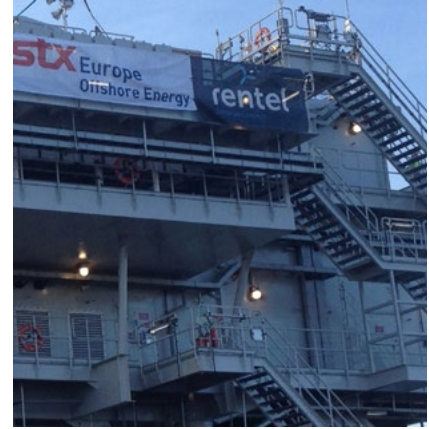
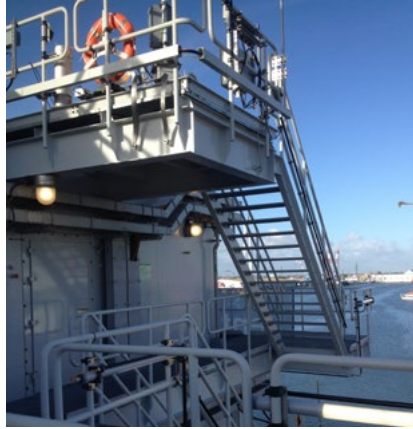
With transformation happening in all areas of the energy sector, we need to be prepared. 3C Metal's small but diverse team is now made up of more than 400 employees. In order to offer our clients the best service and value for money, it is paramount that our team's technical knowledge and training are up to date and of the very best standards. By enhancing the skills of our workforce (and thereby increasing our productivity) we can pass on the benefits to our clients by offering more at a lower cost.

I hope you enjoy reading our highlights from across the Group. Your feedback and comments are always welcome. To our clients in Algeria and the USA, 3C Metal will be present at the North Africa Petroleum Exhibition and Conference (NAPEC), held 25 to 28 March in Algeria, and the Offshore Technology Conference (OTC), held 30 April to 3 May in Houston. Local clients, and those in attendance are encouraged to come and meet with our representatives to learn more about 3C Metal's services.

Philippe Boy
3C Metal Managing Director
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3C METAL COMPLETES WORK ON OFFSHORE ELECTRICAL SUBSTATION

3C Metal France recently completed its first project in marine renewable energy for STX France. The project was for the construction of the Rentel offshore electrical substation for Belgium's Rentel windfarm.



The windfarm is located in the Belgian North Sea and is comprised of forty-two 7-MW Siemens turbines. The topside of the substation weighs 1,200 tons and was made at STX's yard in Saint-Nazaire, France. 3C Metal was in charge of "Pack 1", which included the fabrication and installation of technical floors, stairs, vertical ladders, guard rails and grating. All

material had to be designed for the topside lifetime or 30 years. The fabrication started in late 2016 and finished in April 2017. The installation phase was carried out in stages and was completed in early January 2018. In total, the work required 4000 man-hours of fabrication and 5000 man-hours for the installation in Saint-Nazaire.

3C METAL CARRYING OUT EPC CONTRACT FOR GAS PIPELINE INTERCONNECTION GRID IN FRANCE

In late 2016, TIGF awarded 3C Metal an engineering, procurement and construction (EPC) contract for their new 36 inch diameter gas pipeline interconnection grid located at a gas storage center in Lussagnet, southern France. The award reflects the strong working relationship 3C Metal has built with TIGF over the years through repeat business.



The work is being carried out in a joint venture – 3C Metal being the lead company. With the project still ongoing, 3C Metal has managed this interdisciplinary project which involves civil works, instrumentation, electricity, automatism, communication of the site as well as piping in compliance with French Government standards.

The contract includes construction work for the connection to

the gas compressor by a 320m long, 24 inch diameter pipeline; the connection to the gas compressor by a 430m long, 36 inch diameter pipeline; and the construction of a 180m long 36, inch diameter pipeline. The work also includes the construction of a gas quality laboratory and the installation of a 16 inch filtration and counting package. Commissioning is planned for May 2018 and the grid connection for mid-2018.

3C METAL SUCCESSFULLY COMPLETES RZL PROJECT

3C Metal has successfully completed the RZL project for TIGF in Lacq, France. The project was awarded following the end of a historical gas exploitation site in Lacq.



The RZL project involved diverting the main gas interconnections, operated by TIGF, from the former gas factory in the area. 3C Metal undertook the construction of four gas interconnection sites, including process equipment installation, such as gas counting, safety valves and coalescent filters. The work also involved the construction of six main pipelines, four horizontal drilling operations of 40m long, two horizontal directional drilling operations of 450m long and two 100m deep-vertical drilling operations for cathodic protection.



The commissioning was performed in mid-June and included the transfer of the process control equipment of the existing sites (which are monitored by 3C Metal's new installation). Tie-in operations and start-up took place at the end of June.

This challenging and multi-disciplined project was carried out over a period of 18 months. The successful completion of the project adds to 3C Metal's repertoire of downstream projects carried out in France for TIGF.

BELMET AND 3C METAL SOUTH AFRICA CARRYING OUT PROJECT FOR SASOL'S SECUNDA PLANT

3C Metal South Africa was contracted by Proxa Water at the end of 2017 to fabricate three water treatment skids for Sasol's Secunda plant, located in eastern South Africa.



The first two skids, phase one of the project, have been completed and delivered to Secunda. The third skid, phase two, is due to start shortly.

Belmet Marine (part of 3C Metal Group and located in Cape Town, South Africa) fabricated the structural frames. 3C Metal South Africa fabricated the pipework, consisting of duplex and stainless steel materials. The scope of work also included the installation of the client's equipment, as well as

non-destructive testing (NDT), pickling and passivation and pressure testing.

The project schedule was a critical factor for the client. To reduce the project lead time, the piping was fabricated in parallel with the structural fabrication. Once the frame was completed the piping was installed and the remaining tie-in welds were completed - reducing the overall fabrication time considerably.

3C METAL SOUTH AFRICA CONSTRUCTING 15 TON PURIFICATION UNIT

3C Metal South Africa has been contracted to complete the material supply, fabrication, and testing of a purification unit. The work is being carried out for a South African entity of a global company operating in the water and purification industry.



The purification unit will be used to remove non-generable salts (also called heat stable salts, or HSS) and fine particulates that accumulate in a lean absorbent fluid. The purification allows for the fluid to be recycled into the plant. The purification unit is to be commissioned as part of a new oil field operation in the Middle East.

The project is being carried out in a team effort between 3C

Metal South Africa and Belmet – 3C Metal is responsible for the piping fabrication, installation and part commissioning of the purification unit, and Belmet for the fabrication of the processing unit frame.

The purification unit weighs more than 15 tons with outside dimensions of roughly 7900 x 4100 x 3700mm. The fabrication and installation consisted of the frame fabrication using structural steel; piping fabrication using stainless steel pipe ranging from 0.5 to 6 inches; installation of free issue equipment including pumps, pressure vessels, a heat exchanger, a filter, valves, and several types of instrumentation (for plant monitoring); and function testing of two-off process cycles.

Two-off contractors completed the instrumentation installation (placement and hydraulic tubing) and the electrical installation. This provided a good opportunity for 3C Metal to collaborate in the completion of a successful project (scheduled for early 2018.) This project is an example of 3C Metal's capability to complete a full project cycle - producing a superior product that meets all project targets successfully.

3C METAL SUCCESSFULLY COMPLETES FAST-TRACKED RIG UP-GRADES ONBOARD VANTAGE DRILLING'S PLATINUM EXPLORER

Vantage Drilling commissioned 3C Metal to carry out several upgrades to its ultra-deepwater drillship, the Platinum Explorer, during its reactivation in Labuan, Malaysia.

The sack store landing area was re-configured in order to get a safer and more efficient layout. This was achieved by relocating the sliding door and creating a new landing area on the portside. This new layout would result in improved visibility of the area for the crane driver.

The scope consisted of the installation of a 20m long x 3m wide extended deck with associated reinforcements. Existing piping needed to be re-routed and the existing forward sliding door was relocated with its control and accessories. This installation required the assembly of an intricate 20m long x 6m wide x 10m high overboard scaffolding. This was designed ahead of the team mobilization to ensure the safe construction and assembly, and to ensure sufficient material was provided.

The work was completed on a very short timeline. The overboard work had to be finished in under three weeks to allow the rig to start its transit to India. The 3C Metal team of up to 20 personnel worked around the clock to get the additional deck installed and scaffolding dismantled before the transit. A smaller team then remained onboard during the transit to India to finalize the reinstallation of the door and close the original opening.



3C Metal was also involved in other upgrades during the voyage. A rope access team worked on adding more than 50 new latches to the belly board. Some light platforms were also installed on the side of the helideck to accommodate two helicopter approach path indicators (HAPIs).

The team onboard was congratulated by Vantage for a safe and fast-track execution. This is another testimony of 3C Metal's seamless project preparation and experienced installation team.

3C METAL AND WEATHERFORD - THE LEADER IN MPD - CARRY OUT MPD SYSTEM INTEGRATION ONBOARD DRILLSHIP IN EGYPT

Last quarter, 3C Metal successfully manufactured structures for the integration of a permanent Weatherford managed pressure drilling (MPD) system onboard a drillship, located offshore Egypt.



The drillship was previously equipped with a temporary Weatherford MPD system. Weatherford commissioned 3C Metal to carry out the structural and interconnecting piping components for the integration of the permanent Weatherford MPD system. The new set up will accommodate the IWOCS and the Weatherford MPD system onboard.

The design involved the installation of the Weatherford MPD equipment in three stackable DNV GL 2.7-3 certified modules, allowing for the easy disconnection and demobilization of

nonpermanent equipment. The modules were then clamped onto a spreader frame located on the X-mas tree. The piping was designed with bolted connections and all electrical cables running to junction boxes in the modules.

3C Metal's engineering and project teams performed a 3D laser scanning survey onboard the vessel in order to optimize the designs and offer a fully prefabricated option to the client with the intention of producing the most efficient solutions for Weatherford's project schedule.

The supply and prefabrication was carried out from Dubai (3C Metal Middle East) including the fabrication of the three DNV GL 2.7-3 certified modules, the spreader skid as well as the integration of the electrical components and the prefabrication of the interconnecting piping.

The structural, piping and electrical items were delivered to the client in Egypt. A mechanical fitter and welder were then sent to the Weatherford yard in Egypt to assist the client with the fitting of their MPD equipment inside the modules. The installation of the permanent equipment onboard the drillship was performed early in December 2017 by the client.

WORK CONTINUES ON TWO MPD SYSTEM INTEGRATIONS FOR SEADRILL

In 2017, Seadrill awarded 3C Metal Middle East two projects for the integration of managed pressure drilling (MPD) systems onboard semisubmersible West Capricorn and drillship West Saturn.

Work is currently progressing smoothly on both projects. Having recently completed the second phase of the project for the West Capricorn, the 3C Metal team is getting ready to start the third phase of the project in the Gulf of Mexico.

For the West Saturn, the first phase of the project was successfully completed in Tenerife between October and December 2017. During this phase the rig was upgraded with all structural items required for the four MPD modules. All the new MPD piping lines were pulled to the area for the MPD modules and all piping connections were finished on the existing rig systems. This phase was successfully carried out in 15,732 man-hours with zero lost time injuries (LTIs).

The MPD modules were then sent to the United States and the second phase of the West Saturn project was completed. All the MPD manifolds were manufactured by Cortec and all the electrical actuators, sensors and lightings were fitted in the modules by Seadrill's subcontractors.

The West Saturn modules were shipped from Houston in mid-December and reached Tenerife in early January, allowing



for the third phase of the project to start. The main priority at the start of this phase was to install and secure the main equipment such as the four MPD modules, the MPD reeler, the central control unit (CCU) and hydraulic power unit (HPU) before the rig departure. 3C Metal is currently finalizing the installation of all the piping to the MPD manifolds and all required safe accesses to the modules during the transit from Tenerife to Brazil.

3C METAL OPENS OFFICE IN USA

3C Metal is excited to announce the establishment of its new subsidiary, 3C Metal USA. The new office is located in Houston, positioning 3C Metal closer to the head offices of some of its major clients. The 3C Metal USA team will deliver projects to local clients and drive 3C Metal's activities in the Gulf of Mexico, Central, North and South America.



Houston was chosen as an ideal location to allow 3C Metal to pursue more opportunities in the oil and gas industry, particularly onshore projects but also offshore and downstream projects. The new office will enable 3C Metal to further strengthen its capabilities in the region and respond more quickly to the needs of local clients.

3C Metal Managing Director, Philippe Boy, said the establishment of 3C Metal USA is part of the strategic expansion of 3C Metal Group.

"3C Metal has a long history of delivering projects for clients from the USA. By expanding to the USA we will be able to

work more closely with these clients, offering more flexibility as well as the benefits of our expanding global presence. By utilizing the advantages of our global facilities, coupled with the services of our local USA team, we will be able to provide strategic support to projects in the region," Mr Boy said.

The new office officially opened in early December and offers specialized services such as project management, engineering, deployment, 3D laser scanning surveys, piping services and structural services. 3C Metal is committed to hiring local employees and using local USA subcontractors as far as possible.

3C METAL MIDDLE EAST ENTERS INTO AN AGENCY AGREEMENT WITH AL ROUMI GENERAL TRADING IN ABU DHABI

In late 2017, 3C Metal Middle East signed an Agency Agreement with Al Roumi General Trading in Abu Dhabi, UAE.

The agency agreement allows 3C Metal to deploy staff to onshore and offshore projects in the emirate of Abu Dhabi. With the establishment of an agency agreement with Al Roumi General Trading, 3C Metal now has access to Abu Dhabi National Oil Company (ADNOC) oil and gas tenders. 3C Metal is also in the process of being registered with ADNOC.

General Manager of 3C Metal Middle East, Yannick Damry, said, "3C Metal has been present in the Middle East since 2001, however, the agreement will allow us to offer more services and more flexibility to clients operating in Abu Dhabi. With the added ability for personnel deployment in the emirate of Abu Dhabi, and the local support provided by Al Roumi General Trading, 3C Metal will be better positioned to tap into markets that are still dynamic in the region."

BELMET ACHIEVES 4 MILLION MAN-HOURS LTI FREE

Last quarter, Belmet reached an impressive safety milestone - 4 million man-hours LTI free.



Belmet Managing Director, Pieter Kroon said the accomplishment is testimony to the Belmet's commitment to safety.

"Each employee has a role to play when it comes to safety by committing to safe, secure and incident-free operations," Mr Kroon said.

"Throughout Belmet's history, its leaders have shaped a culture that places the highest priority on safety. This culture drives Belmet's performance and resulted in positive safety outcomes such as this," he said.

BEST OBS CARDS OF THE WEEK



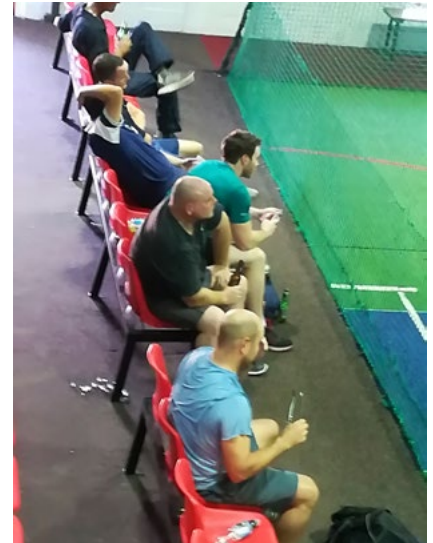
Two 3C Metal employees were recognized for their keen safety observation skills onboard Seadrill's West Gemini.

3C Metal employees, Bicu Florin and Dutu Emil, were recently awarded the Best OBS Cards of the week after they identified potential safety hazards and took preventative actions onboard the Seadrill's West Gemini.

Safety is at the forefront of all 3C Metal's operations. Each 3C Metal employee understands the importance of applying and promoting safe work practices every day. This recognition from Seadrill is a reflection of the strong safety culture fostered at 3C Metal.

3C METAL AND BELMET ENGAGE IN CRICKET SHOWDOWN

The afternoon of 8 December, saw the two Cape Town offices, 3C Metal South Africa and Belmet, come together for a cricket showdown.



It was a close match but in the end 3C Metal South Africa was victorious. The final score was 131 (2 skins) to 3C Metal and 111 (2 skins) to Belmet. Harold Myburgh, from 3C Metal South Africa, was named player of the match. A rematch will be played soon.

BELMET'S ANNUAL CHARITY EVENT FUNDS LOCAL COMMUNITY PROJECTS

Belmet's annual charity event, the Albert Frost and Kids Charity Auction, has raised an impressive R170, 000 (\$US14, 000) which will help to fund local community development initiatives in Cape Town, South Africa.



The charity auction was held on 21 October at Kronendal Boutique winery. The annual event raises funds for local community projects that are focused on children's sports and music. The name of the event comes from the long-time event partner - South African rock-blues musician, Albert Frost, who performed at the event.

Belmet Managing Director, Pieter Kroon, said the motivation behind the event and the chosen beneficiaries is partly inspired by the belief that music and sports activities help instill discipline, perseverance and encourages children to show commitment.



Mr Kroon offered his gratitude to the event's sponsors, buyers and service providers for the donations, effort and time.

"We want to extend a heart-felt thank you for your support and generous contribution toward the Albert Frost and Kids Charity Event. Your involvement, support and generosity do not go unnoticed. Belmet are continually inspired by the dedication and generosity of all involved who answer the call to give again and again. You are making a difference."

100% of the funds raised from the auction will be allocated to the community projects.

3C METAL EXHIBIT AT ADIPEC

The Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) 2017 was held from 13 to 16 November. For the second year running, 3C Metal, in partnership with HYD&AU, had a promotional stand at the exhibition's French Pavilion.



ADIPEC is an annual flagship event and is the world's most influential oil and gas exhibition and conference. During the four-day period, ADIPEC received more than 100,000 visitors making it the epicenter of business activity for the oil and gas industry in the Middle East.

The event provided a unique opportunity for 3C Metal to showcase its brand to representatives from the world's largest oil producers and service providers. A team of dedicated 3C Metal employees were on site every day to answer questions and promote 3C Metal's tailored services and industry-specific solutions.

3C METAL SOUTH AFRICA CELEBRATES ITS 10 YEAR ANNIVERSARY

Last quarter, 3C Metal South Africa marked its 10 year anniversary at an end of year function held in Durbanville, Cape Town.



Since it was established in 2007, 3C Metal South Africa has been the hub for 3C Metal Group's activities in the Africa region. To mark the 10 year anniversary, staff and their families came together for an evening of celebration.

General Manager of 3C Metal South Africa, Michael Birch, said he was proud of what the company had achieved over the years and how far it had come. Addressing the group, he spoke of the early projects undertaken by 3C Metal South Africa and how the company had grown since then.

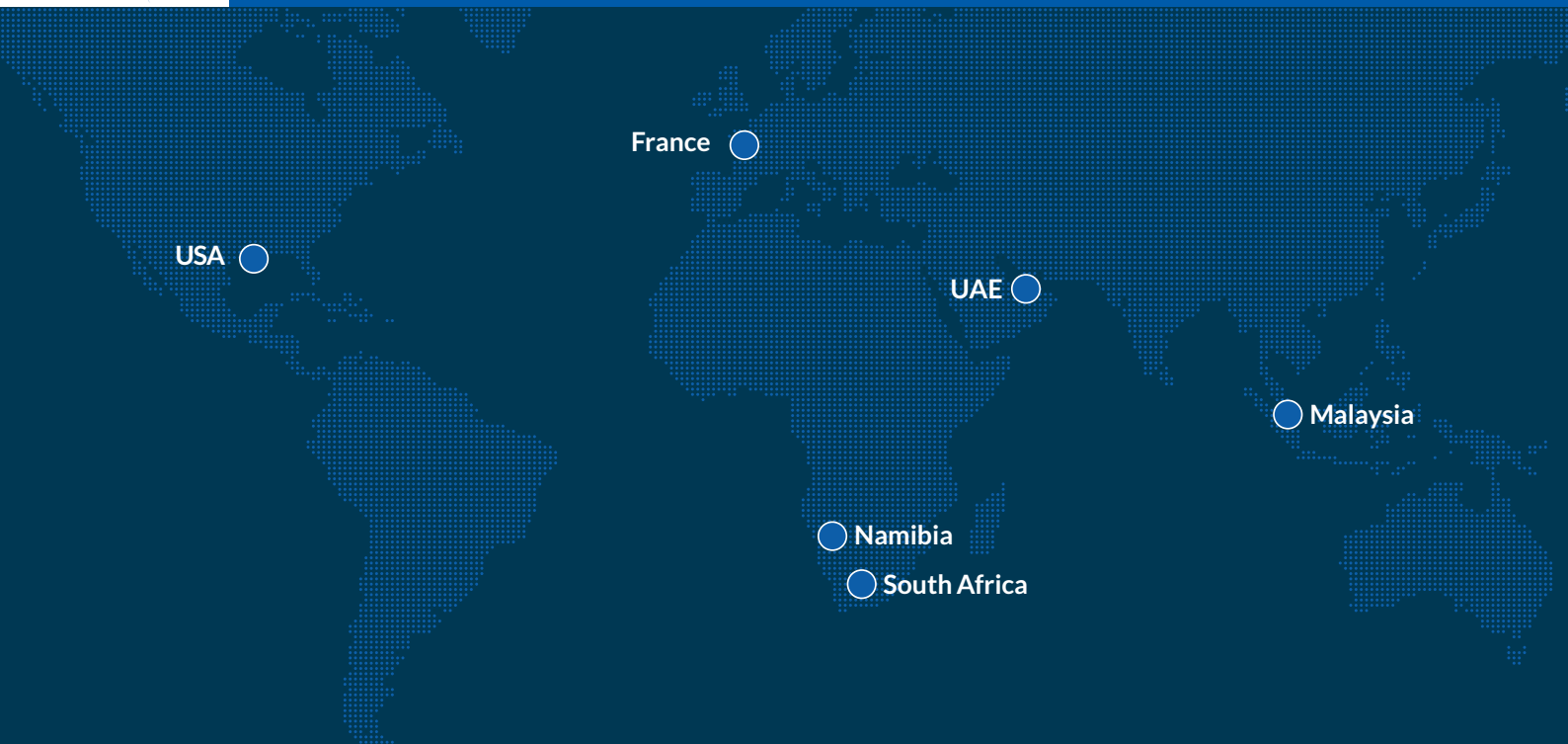
"It's a pleasure to be able to tell you, how much I appreciate the good work you have all put in," Mr Birch said.



"There are so many people in this company that are willing to go the extra mile. I want to assure you that we do notice this and truly value the commitment and dedication of the 3C Metal team," he said.

"In 2017, we pulled together as a team and managed to complete the largest prefabrication piping project in the history of 3C Metal Group. We successfully completed a very low margin project and something that was especially pleasing to see was the company working together to make it a success.

"We look forward to another challenging year in 2018. We are positive and together we know we can make a success and let's see where 3C Metal South Africa is 10 years from now."



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