



BELMET



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Belmet Namibia

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Message from the MD: Pieter Kroon



Belmet has once again managed to maintain its position within the markets it services in Africa and beyond during 2018. With a good start to the year, things slowed down slightly towards the third-quarter, but prospects for 2019 are already looking much more promising.

As we conclude our 50th year of operations, we can look back on our history with pride and celebrate the sound decisions that have been made to ensure the long-term success of the company since 1968.

Our strategic partnerships have helped the company expand beyond its South African roots to the extent that we now have operations in Ghana and Namibia as well as a partner in Mozambique.

We have recently joined forces with a number of key marine stakeholders in the establishment of Cinco Engineering - an entity that will initially service the local marine market out of the Port of Cape Town, but is likely to undertake larger, more international projects in the future.

I am particularly optimistic about the future. Between South Africa and Mozambique, we have had a lot of enquiries and offshore activity in Angola is once again beginning to pick up. In addition, we have been awarded some good projects in Ghana and are seeing reasonable opportunities for offshore deployment for maintenance on FPSOs.

De Beers continues to be an important client and we have quoted on a number of projects as well as completed a number of orders for them including the fabrication of a subsea crawler and a seabed sampling tool.

Our commitment in Namibia is ongoing and our expansion project is on track. We recently completed projects for the Oceaneering team on the *Maersk Installer*.

We are also pleased to have made some inroads into the fishing industry this year, having undertaken the first major project for Seaworks in Walvis Bay that included the 3D laser scan of one of their vessels.

Looking ahead we are excited about the future of using technologies such as this. Working with our clients, Belmet has begun to research and develop modern technologies such as virtual and augmented reality as well as laser scanning to improve our internal operations across safety, engineering and inter-departmental cooperation.

Belmet also understands its commitment to the community and was recently pleased to host a charity auction that raised over R200,000 - 100 percent of which will be allocated to various projects.





1968

BELMET ESTABLISHED

Focused on engineering and fabrication for the construction materials industry

1999

MARINE FOCUS

Belmet begins to focus on the marine engineering and fabrication sector

2005

SUBSEA PROJECT

Belmet completes first subsea project: subsea manifolds for the South Coast Gas Development Project

2006

3C METAL

Belmet invests in a 25% shareholding in 3C Metal SA which focuses on high pressure piping

2008

BELMET NAMIBIA

Belmet Namibia is established to undertake work in the oil & gas, diamond mining, mineral processing and marine industry

2009

NAMIBIAN 1st

Belmet completes their first project in Namibia: Silos for Sedneth 701 Transocean oil rig

2010

BELMET GHANA

Belmet Ghana is established to undertake work in the oil & gas, diamond mining, mineral processing and marine industry

2014

GHANA 1st

Belmet completes their first project in Ghana: Suction piles for the TEN project offshore Ghana

2015

BELMET 7

Belmet 7 is established as a joint venture between Belmet and Subsea 7

2016

NEW SHAREHOLDING

A shareholding agreement is signed between 3C Metal and Belmet in order to offer full turnkey solutions

2018

CINCO ENGINEERING

Belmet becomes a partner in Cinco Engineering for fabrication, ship repair, NDT, corrosion protection and high pressure piping



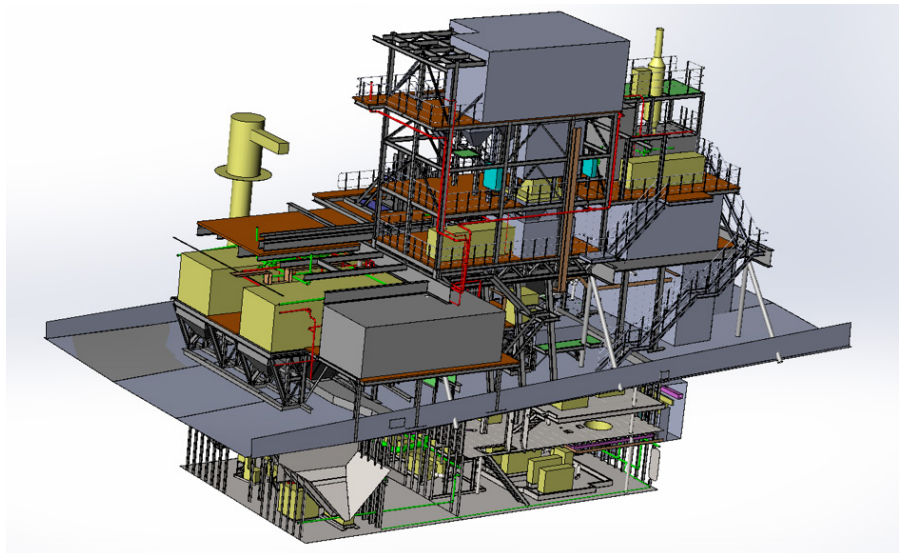
3D SCAN: Namibian fishing industry

Representing one of Belmet's first projects in the Namibian fishing industry, we undertook a full 3D scan of a vessel to ensure the seamless installation of new fabrication.

"Although we have offered this to the offshore oil and gas sector, this is the first time we have undertaken such a project for the fishing industry," says Pieter Kroon who says that the technology allows the customer to take a virtual tour of the vessel without having to be on site.

Kroon adds that this helps streamline the process of adding new fabrication to an existing structure without the need for continuous adjustments during installation.

Belmet is one of the few engineering company with the technology that completes both scanning, modelling, fabrication as well as installation.



Adopting modern technology

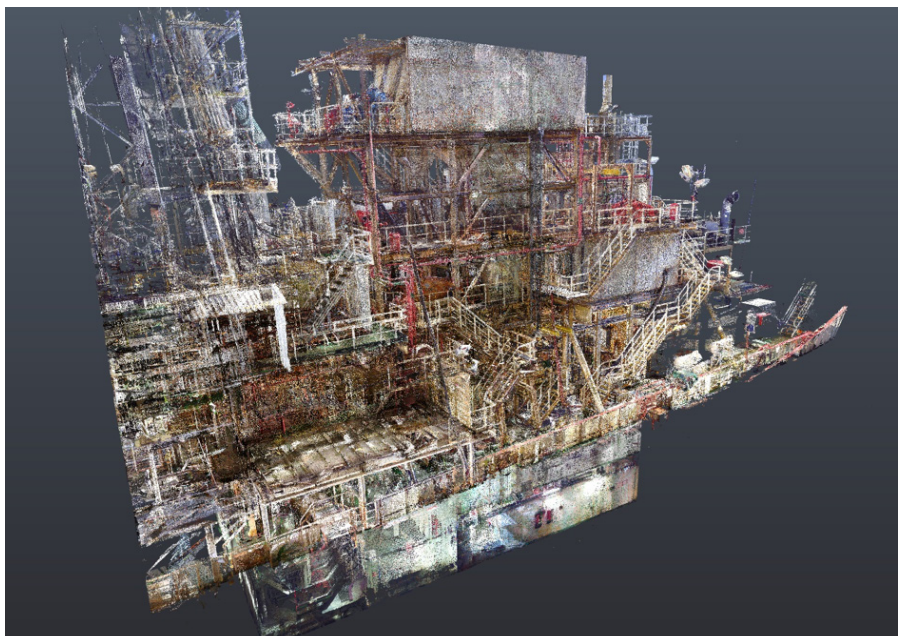
As part of Belmet's dedication to adopt modern technologies and offer our clients additional value, we have performed numerous laser scanning projects over the last two years. These projects have included offshore and in-port laser scanning, as well as modelling of CAD data from laser scans. We are then able to determine deviations and clashes.

Laser scanning offers clients very accurate information of existing structures, which can be used by their engineering teams to optimise designs. The goal is to minimise reworks during site installation while maximising the amount of work that can be undertaken during the workshop fabrication stage.

The technology also ensures that Belmet can become involved in projects during their feasibility stage, allowing us to provide early insights to streamline the fabrication and installation processes.

Belmet has also invested in technology that allows clients to take a virtual reality tour through their laser scans. Virtual reality provides a truly immersive experience, that enables the user to properly judge depth. This allows design engineers, who may not have been on site, to get a realistic idea of the challenges involved in their design. The ability to incorporate CAD design data with laser scanning data in a virtual reality environment also affords users a unique "feel" for the practicality of their designs long before the implementation stage.

Recently, Belmet has also began working with clients to research and develop how to further utilise modern technologies, such as virtual and augmented reality and laser scanning, to improve safety, engineering and inter-departmental cooperation.





Offshore project: meeting the needs of the expanded scope of work

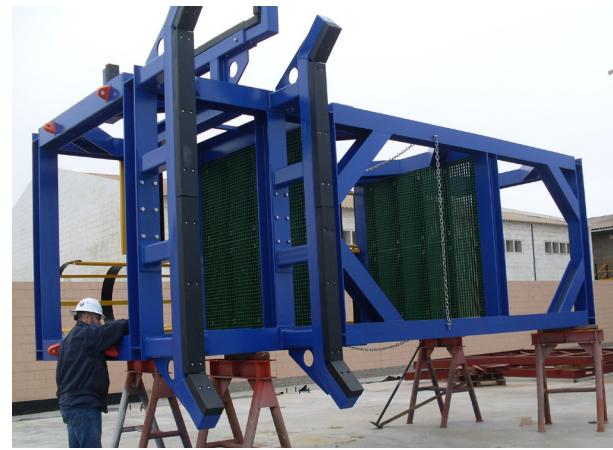
Belmet Marine Namibia recently complete projects for Oceaneering Team in Walvis Bay for the vessel *Maersk Installer* that was in the port prior to being mobilised to Angola to undertake well projects for BP.

The initial order for two antenna pedestals was subsequently increased to include prefabricated steelwork. All technical issues and concerns were liaised directly with the Oceaneering Team in the United States of America as well as their local team in the Port of Walvis Bay.

After undertaking work on the antenna pedestals, Belmet accepted further work that included the supply and onsite support for the IRIS Subsea Assembly structure.

Once completed, Belmet Marine Namibia had executed 28 various contracts on the project over a six week period. The estimated total steel mass amounted to 40 tons and included:

- › IRIS Support Structure.
- › Antenna Pedestals.
- › 3 x Sub-Frame Foundations.
- › Various access platforms as well as ladders / handrails.
- › THTT Skid modifications.
- › Various machining, equipment modifications and components (site support).



NAMIBIA:

Expansion on track

Despite difficult conditions in the Namibian market, Belmet remains committed to the expansion plans for the Walvis Bay facilities.

The construction of the workshop expansion is progressing well with civil works of phase one already completed. The steelwork for the workshop extensions are currently being undertaken at Belmet Cape Town.

With an anticipated completion date for early next year, the expansion will effectively increase the capacity of the workshop by 70 percent. Installation of the cranes, which have already been purchased, and other equipment is scheduled for the New Year.

Part of the expansion includes the addition of an inhouse painting facility. This will provide Belmet with the opportunity to undertake quality corrosion services inhouse.

"We have committed ourselves financially to the Namibian market through this expansion project," says Pieter Kroon.

Kroon adds that prospects for 2019 in Namibia look substantially better than recent years.

"This year has already been much better than previous years and we have been fortunate enough to attract a few new clients in Namibia," he says.

"The likelihood of increased activity in the oil and gas sector in Angola has also renewed our confidence in the Namibian market."

Unlike previous years, however, it has been the marine and not the mining sector that has kept the Namibian facility busy over the current period.

"We have also picked up work from the rigs that have been laid up in Walvis Bay," says Kroon.

Highlighting the closure and shrinkage of some of the engineering firms in Walvis Bay, Kroon says that Belmet remains committed to the future. "As a privately-owned company we are able to invest in our facilities and people at this time," he says.





Partnering to deliver key services to industry

Belmet has partnered with key stakeholders in the marine engineering sector to establish a new entity that will focus initially on local marine contracts in the Port of Cape Town, with plans to expand.

Cinco Engineering is a partnership between Belmet, 3C Metal South Africa, Nico's Engineering, MCM Blasting & Coating and Akram Consulting. After many years of working together on various projects, we have teamed up to establish this

new entity that aims to draw on the combined knowledge and resources of each of the companies and to focus on local projects.

Cinco Engineering is a Level 2 B-BBEE Company and has recently taken up a lease for facilities in the Cape Town harbour.

"We are very proud and excited to be a part of Cinco," says Pieter Kroon who acknowledges that it is a tough time to start a new entity.

"We are confident, however, that there is a gap in the market for this type of

company and have decided to take the risk," he says adding that the company has already undertaken some small contracts and has imminent projects in the pipeline.

The new premises in the harbour include offices as well as workshops with overhead cranes and fabrication equipment.

"Being in the harbour in close proximity to the drydock is obviously a huge advantage that will benefit the shareholders as well," says Kroon.

Having made the commitment to the premises, Cinco Engineering is set to grow by initially concentrating on local marine and industrial work with the view to expanding into the international market.

"The new entity can offer a scope of work beyond the current capacity of the shareholding companies and will certainly offer us the advantage of being in the harbour precinct," says Kroon.



Charity drive hits the right note

Belmet's Charity Auction that was hosted at the end of July at Kronendal Boutique Winery in Durbanville helped raise a staggering R211,385.00 for charity. One hundred percent of these funds are allocated to various projects in and around our community.

Having supported the establishment of the Kronendal Music Academy (KMA), children from the academy helped entertain guests alongside Albert Frost. "We were thrilled to see the progress that these children have made and to hear how dreams are now being realised and that hard work is being rewarded," said Pieter Kroon after the event.

"We believe that music and sport activities help instill discipline, perseverance and encourage children to show commitment," he added. The auction is an annual event held to raise money for the community.





DE BEERS PROJECTS

Belmet has been involved in a number of turnkey projects to supply seven Alternative Drilling Systems (ADS) for De Beers Marine. These units consisted of six 600 mining systems and one 500 unit. In addition, we are also involved in the maintenance and refurbishment of the units as they return from deployment; and provide support to De Beers Marine Namibia for the maintenance of these units. Belmet was also awarded the construction of a subsea crawler mainframe and seabed sampling tool as well as a set of guide legs for the vessel, Grand Banks.





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