



PROJECT NEWSLETTER



Status Summary

Many portions of the project are coming to a close as others are just beginning. Overall the project is continuing to pick up pace. Some highlights are:

The new, dynamically positioned (DP) drill rig, Sevan “Louisiana” is on its way to the Gulf of Mexico. Acceptance testing of many of the drilling systems is being done while in transit. ETA to start operations is late April 2014. This rig will drill and complete two of the Delta House Phase I development wells. A second DP rig, the Seadrill “West Neptune”, is currently under construction in South Korea and expected to be delivered here and start drilling and completion operations of the remaining five of the remaining Phase I development wells in the 4th quarter 2014.

The dry dock at Hyundai in South Korea has been cleared out to allow the FPS hull construction to proceed unencumbered. Progress on the remainder of the hull has been very rapid since all subassembly (blocks) were mated together into larger assemblies in areas outside of the dry dock. These in turn are being set in place with and joined together very quickly.

A significant engineering milestone was achieved with 100% of the piping drawings completed and issued to Kiewit for fabrication. Overall Production Systems Engineering is 92% complete and is keeping pace with fabrication requirements. Congratulations to Audubon Engineering.

All line pipe required for the infield pipelines and export risers has arrived from Japan and is being coated in New Iberia, Louisiana. Fabrication of the 12” and 16” pipe for the export pipelines is nearing completion in Germany while portions of this order have already been delivered in New Iberia.

Please accept our apologies for the late delivery of this Newsletter. The delay up was due to the author of this summary. Thank you to everyone else that submitted your updates on time. Have a Merry Christmas.

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Drilling & Completions

No new Delta House Drilling for the last month, thus, our focus remains on the delivery of our two new build rigs, the Sevan Louisiana and the West Neptune. The Sevan Louisiana has completed its stopover in Singapore and is enroute to Mauritius, then on to Walvis Bay, Namibia. In Singapore, (pictured) the issues with the thrusters have been addressed and we are set to initiate the acceptance testing of the cement and mud systems as well as the pipe handling system. The BOP acceptance testing is set to occur on the leg from Mauritius to Walvis Bay, with the subsequent splash of the BOPs set for outside Walvis Bay, Namibia. Additional crew training on the BOPs and pipe handling systems will be conducted on the leg from Namibia to Curacao. In Curacao, we will bunker for the final time, crew change and take on our remaining subsea equipment. Current mobilization and GOM commissioning schedule projects the Sevan Louisiana starting well operations in the GOM late April of 2014.

Construction of the West Neptune continues in Korea, the drillship has left dry-dock and is now afloat. Current rig delivery is set for June 30th with a Mid-October arrival in the US GOM. The initial operations focus of the West Neptune will be the efficient completion of the 5 Delta House wells drilled to date. The dual BOP rig should efficiently complete these wells as its first GOM operations, enabling a quick production ramp up of the Delta House Facility.



Sevan Louisiana



Hull Fabrication

- HHI has expended 532,387 man hours to date. Overall construction progress is 86.8%.
- Major Events:

Steel Cutting	March 4, 2013
Keel Laying	July 15, 2013
Flooding of Hull	November 19, 2013
Launching	February 14, 2014
Ready for Sail Away	March 1, 2014
- The Delta House Hull was successfully submerged while another FPSO was removed from the dry dock.
- Currently all blocks to be assembled and erected are in the dry dock and erection areas.
- Pump rooms are almost completely outfitted except for cable pulling.
- Upper column sections are being assembled and pre-outfitting is on-going.
- The 8 riser adapters are now complete and in varying stages of surface preparations and coating at UNEX.
- UNEX is currently assembling the Sump tanks with expected delivery set for December 20th.



Upper Column Section Erection

Production Systems Engineering

Engineering/Design:

- Overall progress for Engineering Topsides through November is approximately 92% complete.
- Continuing Factory Acceptance Testing (FATs).
- Meeting with Vendors either weekly or bi-weekly if necessary to ensure that equipment deliveries are still on schedule.
- Issued Column Leg Sump tank drawings, Production Module P&ID's, and General Arrangement drawings for construction.
- Issued Lower Deck and Production Module wiring drawings and cable tray plans.
- Issued cable tray and tubing schedules to MMR for material take off.
- Completed stress analysis and vibration analysis.
- Completed Issued for Construction Isometric Drawings. To date, approximately 4415 out of 4415 (100%) (Revised estimated total) have been issued.
- Issuing Pipe Supports/Cable Tray Supports to Kiewit.
- Pipe supports are approximately 97% complete, and Cable Tray Supports are approximately 88% complete.
- Incorporating vendor packages into the 3D model as they are received.
- Coordinating with BP for the Gas Pipeline Requirements.
- Continued HMI/PLC development.
- Continuing Interfaces between Kiewit, Exmar, and Pinnacle.

Procurement:

- Approximately 106 Topsides Purchase Orders will be completed at the end of the project.
- 101 Purchase Orders (95%) have been issued (2 issued in November).
- 3 Request for Quotations are outstanding.
- 2 Packages are in Technical Development.



View of the Platform Upper Deck

Lower level framing: The Northwest launcher/receiver was received, installed, and grating installation continues. The remainder of the work will be done after the float of the upper level.

Upper level framing: Installing vessels, pumps, grating, and RIO panels along with piping to the vessels above the deck, while pipe spool installation continues below the deck. Also, preparation for the float over the lower level is in progress.

Pipe spooling: Spooling is taking place at: CB&I in Walker, Louisiana, TIC in Houston, Texas, and at the Kiewit fabrication yard in Ingleside, Texas.

Piping: Spools are being assembled and installed below the upper level, above the upper level and in the pipe racks.

Production module skid: The upper level is being painted and installation of light stanchions is in progress. Pipe supports and penetrations are being worked on the mezzanine level.

Compression module skid: Has been rolled over and is now right side up. Installation of platforms and handrails is in progress.

Lifeboat platform: The lifeboat davit has been installed and welded, and deck plate is being installed. Some revisions remain to be done.

Pipeline pump skid valve access platform: Framing is complete and the units have been flipped upside down, and legs are being installed.

Generation module skid: Framing is complete and welded, leg trusses are being fabricated.

2 crane access platforms: In lofting.

2 crane pedestals: Internal stiffeners are complete and preparing for final assembly with king post.

Valve and miscellaneous items: Continue to be blasted and painted daily along with miscellaneous access platforms.

Electrical and instrumentation: Lights are burning on the upper level and are being installed on the lower level. Lights have also been installed on the production module mezzanine and cable is being run. Studs have been shot on the outer perimeter on the generation module, the valve access platforms, and the North lifeboat platform.



Upper Level Framing



Lower Level Framing

Below is a snapshot of current activities that our inspectors are overseeing:

On November 22, 2013, the FAT was performed on the Instrument Air Skid. The skid will ship from **Airdyne** to Kiewit shortly.

At **Exterran**, the Flash Gas Compressor Skid has moved into final assembly. Equipment and piping are being assembled now with I & E to follow.

Fabrication of the Subsea Mooring Connectors continues at **First Subsea**. Currently, the Ball Grab Mooring Connects are being prepared for the proof load testing.

At **General Marine Leasing**, the 38 Man Quarters Building is approximately 95% complete. Final HVAC, painting and electrical work is taking place. We are also preparing for the final acceptance inspection.

Assembly of the Glycol Regeneration Skid is currently in progress. All major equipment and components have been delivered to **Integrated Flow Solutions** and most of this equipment has been installed onto the skid. Interconnecting piping and valves installations for these components are in progress.

The Fuel Gas Skid is being fabricated at **Moore Controls**. The test fitting of equipment and piping is complete, and everything has been shipped to be painted. Final assembly will begin soon, followed by shipment to Ingleside.

At **Point Eight**, structural framing and crimp plate walls of the Emergency Generator Building are 100% complete. The generator set and all of the MCC components are being wired. The Emergency Generator Building will ship after the first of the year.

At **Petrex**, assembly of the Gas Dehydration Skid is in progress. Most major equipment and piping is installed on the skid. Installation of I & E will begin shortly followed by shipment. The structural skid of the Condensate Stabilizer Module is in the final stages of being coated. The majority of the vessel has been coated, and the fabrication of the piping has begun.

LACT Unit fabrication, hydro, and FAT testing is 100% complete at **Wood Group**. Now that the top coat paint is complete, the LACT Unit is ready to be shipped to Kiewit where the I & E will be installed.



38 Man Quarters Building



Instrument Air Skid



LACT Unit

TOPSIDES

Chemical Injection Module:

- Chemical Injection Module (Omega, Delivery: 12/15/13) – Structural, piping and I&E fabrication is in progress. Second level was floated onto first level. The chemical tank, methanol distribution panel and third level will be installed in December.
- Methanol Distribution Panels (Omega, Delivery: 11/15/13) – Cable tray and junction box installation is complete, and cable is currently being installed.
- Chemical Tank (AGI Industries, Delivery: 11/23/13) – Completed and delivered to Omega.

Hydraulic Power Unit (HPU) and Topsides Umbilical Termination Assembly (TUTA): (Omega, Delivery: 12/15/13)

- Received HPU enclosures and are moving forward with I&E installation.

VK 817 Topsides : Boarding shutdown valves are currently in the review stage with Shell.

SUBSEA

- **Engineering & Regulatory** – Worked with LLOG to submit DWOP to BSEE. Held meeting with BSEE, and eliminated all but 3 cases of potential chemosynthetic areas along pipeline and umbilical routes. Agreed with BSEE to reroute our pipelines to avoid these areas. Issued pipeline reroutes to Fugro, who will produce revised permit plats for BSEE submittal.
- **Pipeline & Riser**
 - Infield Line Pipe and Infield & Export SCR Pipe (Sumitomo, Delivery: 11/15/13) – The remainder of the 6” line pipe arrived in New Orleans and is currently being barged to New Iberia.
 - Export Line Pipe (V&M, Delivery: 1/24/14) – V&M has completed 92% of the 16” line pipe and 100% of the 12” line pipe. The first shipment (16” line pipe) and second shipment (12” line pipe) arrived at Bayou Pipe in New Iberia. The third shipment (12” line pipe) is scheduled to arrive in New Iberia in early December.
 - Pipe Coating, Insulation & End Boring (Bayou/Perma Pipe/Bevel Tech, Delivery: 4/18/14) – Bayou Pipe completed 8” line pipe and 12” SCR pipe FBE coating and is currently offloading pipe from incoming barges. Perma Pipe has completed 64% of the GSPU on the 8” line pipe. Bevel Tech completed end dimensioning of all of the SCR pipe, and began counterboring on the 8” SCR pipe 11/21/13.
 - Steel Catenary Risers (2H/RTI, Delivery: 6/30/14) – RTI is currently forging and conditioning the titanium stress joints. Rough machining is scheduled to begin 11/28/13.
- **Subsea Manifolds** (Spitzer, Delivery: 5/10/14) – Fabrication of the subsea manifolds is in progress. They are currently fabricating mudmats, piping kits and support structures for all four manifolds.
- **Umbilical Fabrication** (Duco, Delivery: 8/30/14) – Kicking off the in-place and fatigue analyses, and raw materials have been ordered.
- **Pipeline & Riser Installation** (Technip, Completion: 10/15/14) – Technip began weld qualification testing on the pipe at their spoolbase in Mobile, AL.
- **Export Pipelines** - Coating procedure review with Shell for the 12” valves is ongoing. BP issued award for the hot tap installation to Cal Dive.



Chemical Storage Tank



Setting Second Level of Chemical Injection Module