



PROJECT NEWSLETTER



Status Summary

The Delta House Facilities construction activities are continuing on schedule. As you will notice in this update, the Hull Engineering update section has been removed.

That is because the hull engineering is complete. Great job Exmar! Further confirmation of our progress with the FPS is the new Mooring & Installation section of this newsletter.

Additional indication of our progress is the number of equipment purchase orders issued is declining in conjunction with the increasing number of production skids that are completed and being delivered to Kiewit for integration into the FPS deck.

Fabrication of the underwater equipment has ramped up significantly. These are the facilities that most people will not see after installation. Note that all of the underwater parts of the Delta House will account for about one half of our total investment in production systems.

There has also been a great deal of progress on the permit front. The most notable addition to the list is submittal of the Deepwater Operations Plan (DWOP). This 205 page application to the BSEE required input from every discipline involved in the project. Thank you to everyone involved in this effort.

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Drilling & Completions

There are no Delta House wells being drilled at this time. However, there is significant progress being made with our completion activities.

This photo shows our first Delta House tree, LLOG Tree #34. It was recently delivered to our storage facility in Sulphur, LA. Our next tree, LLOG Tree #35, is fully assembled. It is sitting in the hi-bay at FMC in Houston and is in the final process of FAT documentation. We anticipate it to be shipped next week. We should finish out 2013 with delivery of Tree #36. That will give us 3 of our original 6 Delta House Trees.



First Delta House Tree



Hull Fabrication

HHI has expended 471,028 man hours to date. Construction progress is 71.3%.

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 will be submerged in the dry dock on November 19th.

Currently, all blocks to be assembled and erected are in the dry dock and erection seam welding is underway. Once complete, a flange management checklist will be completed prior to flooding the dry dock.



Current Hull Progress Photo

The configuration of the hull will be as follows during the flooding procedure:

NW node, West Pontoon, SW Node, South Pontoon and SE Node will be completely erected and welded out. In addition, NW, SW and SE lower column sections up to 26 meters will be erected and welded out.

Upper column sections are being assembled and pre-outfitted to allow for one piece setting.

16" riser adapter is now complete at UNEX. All riser adapters are scheduled to complete by the end of November.

UNEX has been awarded the PO for fabrication of the column sump tanks and has begun ordering materials.



Upper Column section 26 - 44 meter

Production Systems Engineering

Engineering/Design:

- Overall progress for Engineering Topsides through October is approximately 92% complete.
- Continuing Kick-Off Meetings with Fabricators.
- Meeting with Vendors either weekly or bi-weekly if necessary to ensure that equipment deliveries are still on time.
- Ongoing reviews of Vendor Data Packages.
- Issued Generator Mezzanine main steel drawings.
- Issued Crane Access Platform structural drawings.
- Issued instrument location plans for the Booster Compressor and Production Modules.
- Producing Issued for Construction Isometric Drawings. To date, approximately 4046 out of 4337 (93%) (Revised estimated total) have been issued.
- Issuing Pipe Supports/Cable Tray Supports to Kiewit. Pipe supports are approximately 82% complete; Cable Tray Supports are approximately 40% complete.
- Issued Piping Plans for upper deck below and lower deck above.
- Incorporating vendor packages into the 3D model as they are received.
- Coordinating with BP for the Gas Pipeline requirements.
- Continued HMI/PLC development.

Engineering/Design Continued:

- Receiving automation hardware and packaging for delivery to panel vendor.
- Ongoing submittals to DNV.
- Held ESSA workshop.
- Continue interfaces between Kiewit, Exmar, and Pinnacle.

Procurement:

- Approximately 105 total Topsides Purchase Orders will be completed at the end of the project.
- 99 Purchase Orders (94%) have been issued to date (3 issued in October).
- 2 Request for Quotation Packages are under technical evaluation.
- 4 Packages are in technical development.



Overall View of the Delta House Main Deck from Southwest corner with the Living Quarters and Helideck on top in the Foreground

Production Deck Fabrication



Lower Level Framing: installing and welding the remaining braces and started installing grating.

Upper Level Framing: installing pipe supports, pipe spools and lights. The South end is being blasted and painted.

Pipe Spooling: some pipe spooling is being done at KOS and work continues at the sub-contractors shop. Spools are arriving weekly at the fabrication site.

Production Module Skid: the upper level has been flipped right side up and the installation of handrails and light stanchions is in progress. The mezzanine level has been painted out and handrails installed and grating installation is in progress.

Compression Module Skid: all fitting and welding has been completed and blasting and painting is in progress.

Lifeboat Platform: framing is in progress and expect to receive the lifeboat davit shortly.

Pipeline Pump Skid Valve Access Platform: framing is in progress.

Generation Module Skid: lofting is in progress and material is being purchased.

2 Crane Access Platforms: material is being purchased.

2 Crane Pedestals: cans have been rolled and welded and preparing for the installation of the internal stiffeners.

Valve and miscellaneous items continue to be blasted and painted daily.



Up Righting the Production Module's Upper Level



North Lifeboat Platform in progress

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

The base frame of the Gas Measurement Skid is in the early stages of fabrication at **Accurate Measurement**.

At **Airdyne**, all fabrication is complete on the Instrument Air Skid. Once the tubing/electrical is complete, the skid should be ready for shipment to Kiewit.

The Deluge Manifold Skid is waiting for 14 butterfly valves to arrive at **Blanchard Contractors**. Once they arrive, final assembly will begin followed by shipment. The AFFF Storage Skid fabrication and assembly is complete. There are a few punch list items that remain. Then it will be ready for shipment.

The Launcher/Receiver Skid is being fabricated at **Dynamic Industries** and is in the final stages of assembly. It awaits a few final touch-ups and then will be transported to Kiewit for installation.

At **GBA Corona**, fabrication of the Flare Tips is complete and the control panel was tested and accepted.

Fabrication of the Glycol Regeneration Skid and Heat Media Skid continues at **Integrated Flow Solutions**. The Glycol Regeneration Skid's structural steel is complete and leak testing was successful. The kettle vessel, stripping column, and HC Separator vessels are nearing completion. Piping fabrication is in progress and numerous other elements are complete and have been delivered for inclusion in this skid. Fabrication of the Heat Media Skid's structural steel is also complete and leak testing was successful. Fabrication of the expansion tank, start-up heater, filters, circulation pumps, and pump motors are complete.

The Fuel Gas Scrubber and the two Coalescing Filters have been installed onto the Fuel Gas Skid at **Moore Controls**. Upper level deck and mid-level framing are 100% welded and ready to be assembled. A total of 310 piping welds out of 512 are complete. As more components become available they will be integrated onto the skid.

At **Petrex**, the three vessels on the Gas Dehydration Skid are nearing completion. Installation of pipe supports, pipe spools and valves on the skid is progressing and awaits other components. Fabrication of the Condensation Stabilization Skid continues. The upper and lower decks of the structural skid are finished and both decks are now moving into the painting phase. The fabrication of the vessels on this skid is ongoing. Assembly will start as soon as the vessels are ready to be integrated into the structural skid.

The Storage/Workshop buildings sit near completion at **Stallion Offshore**. A few details remain, followed by shipment to Kiewit.

At **Wood Group**, the LACT Unit is 100% fabricated, assembled, and has passed the hydro test. Also, the water draw and hydro test have been completed for the Prover Loop. Once the Prover Loop has been coated, final assembly of the skid will begin.



Launcher/Receiver Skid



Instrument Air Skid



AFFF Storage Skid