

Standardization of Procurement Equipment Specifications: A Foundational Step Change in Facility Cost and Schedule Reduction

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Standardization session, 30 August 2022:
*Standardization accelerates value creation in
the Oil and Gas Sector – Energy transition*

Why we need to change the way we work

Initiated by the IOGP and endorsed by the World Economic Forum, Joint Industry Program (JIP)33 creates **standardized procurement specifications** that add value by making the supply chain faster and more efficient.

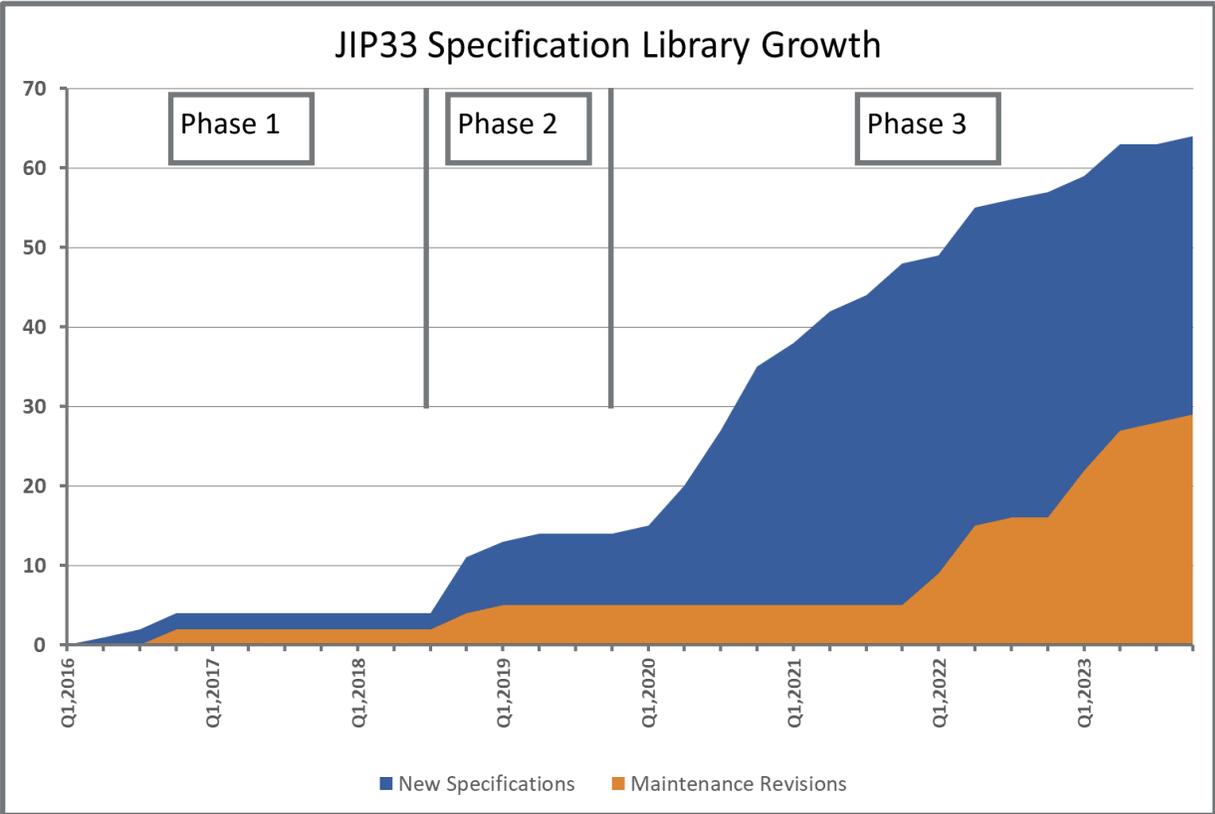
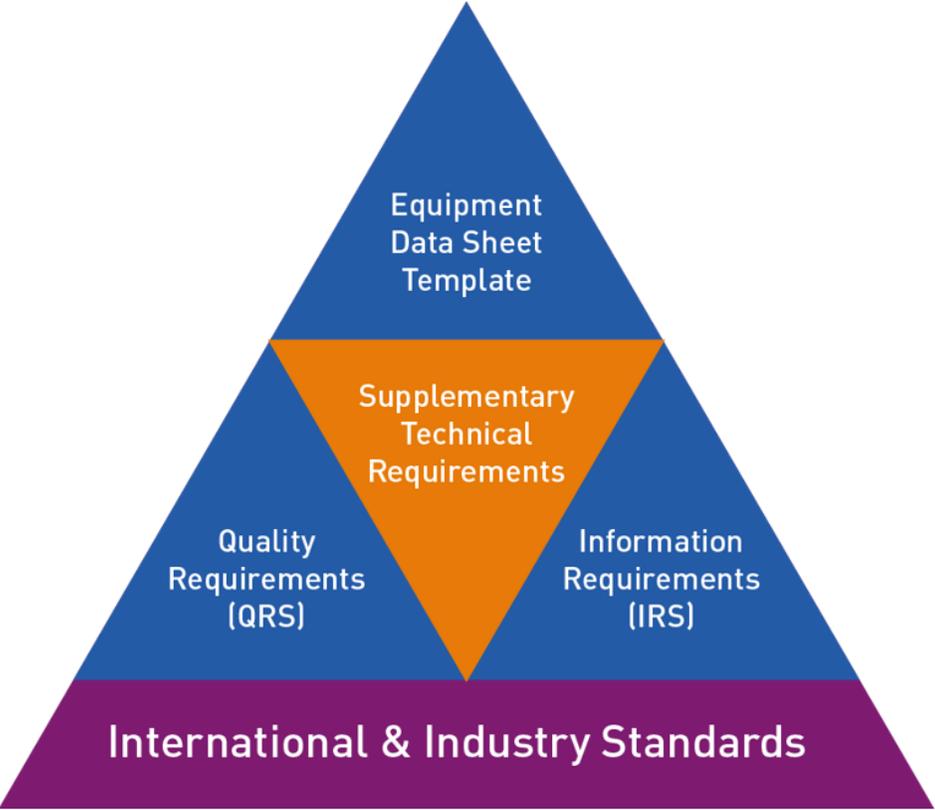
Between 2010-14:

- **75%** of exploration and production projects exceeded budget by 50%
- **50%** overran scheduled completion dates by 40%.
- Opportunity Context: Forecast Capex spend of \$3 Trillion 2018-2025

(Figures from WEF Oilfield Services Report 2015)

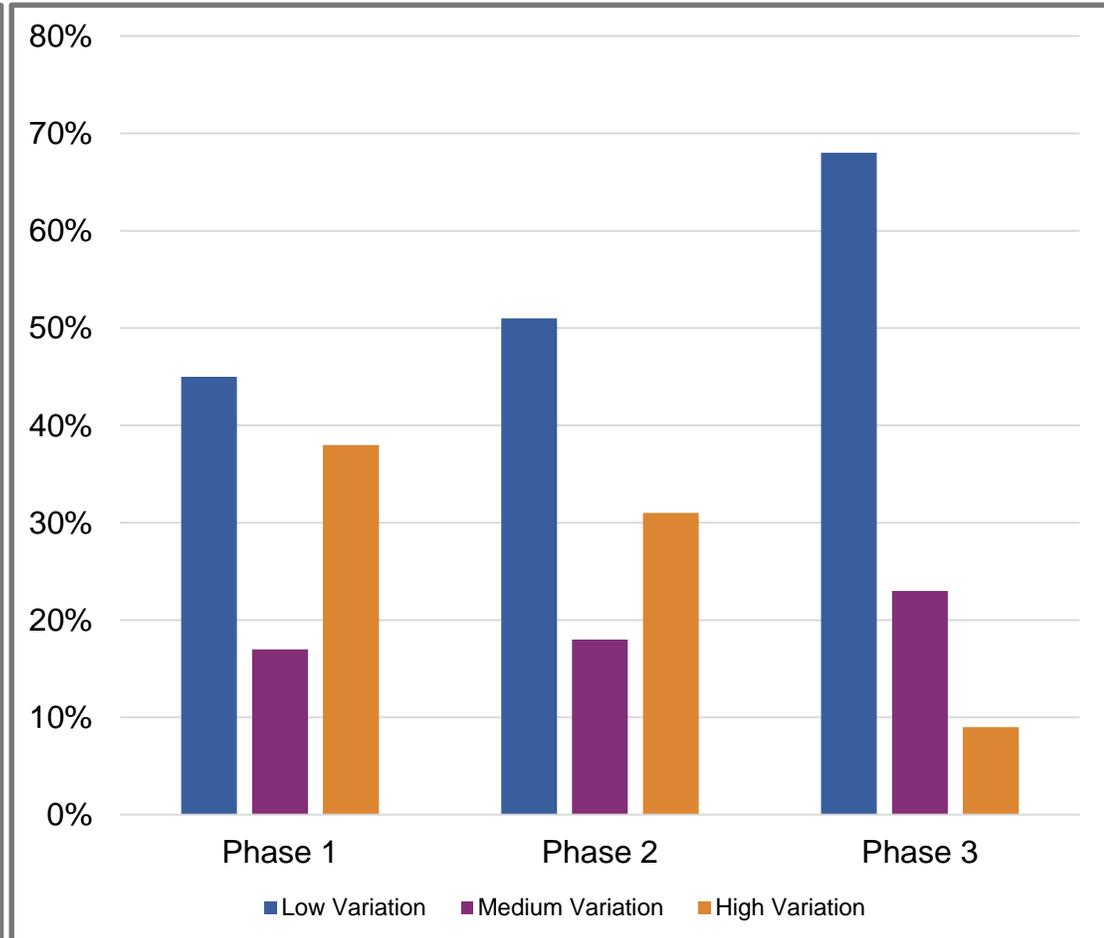


JIP33 Specifications Structure & Project Development

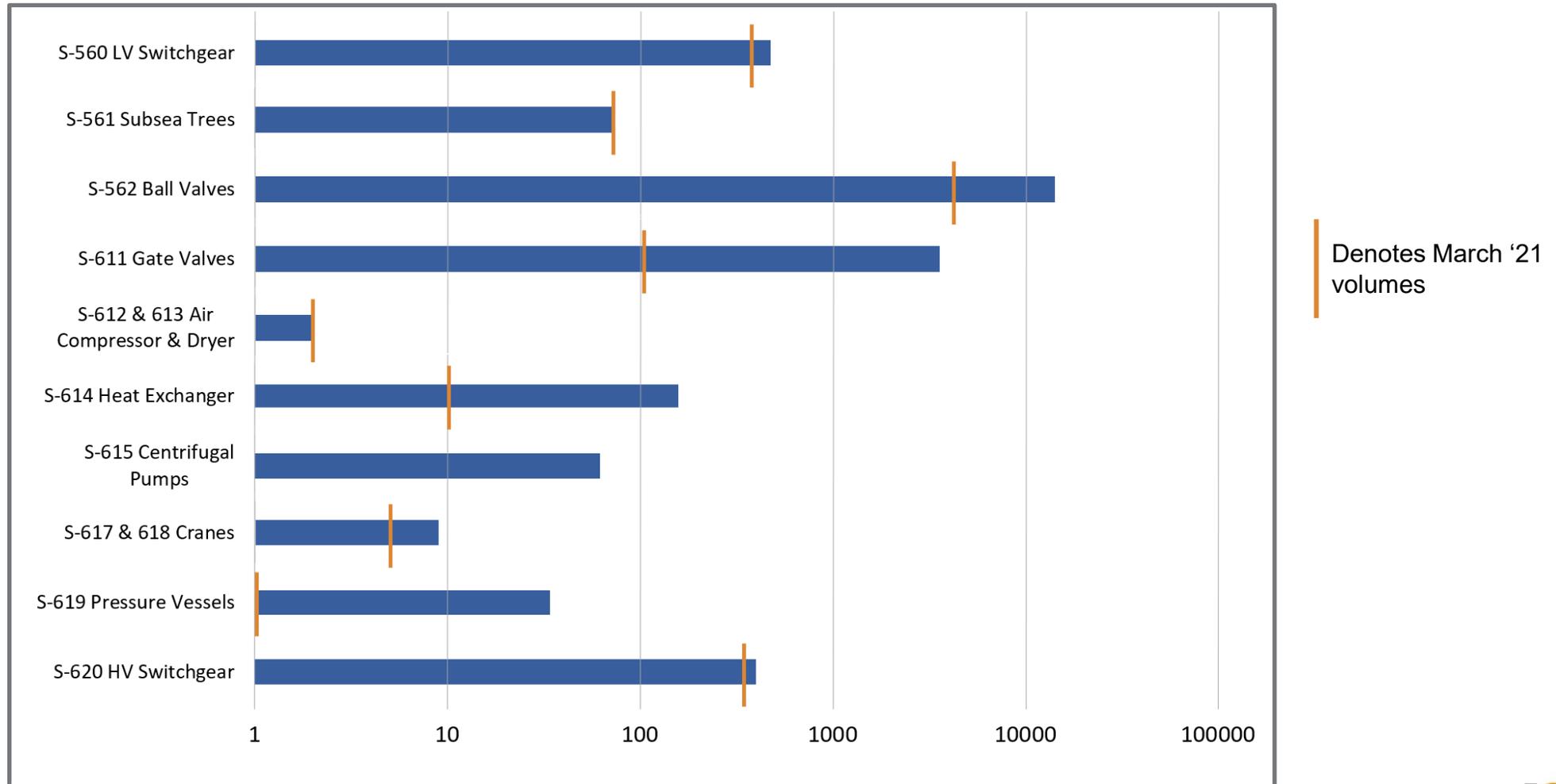


Driving Commoditization by Managing Adoption & Variation

- Phase 1 & 2 specifications @ 60% adoption in sponsoring OpCo's
- Challenges to adoption include:
 - Early specification quality & consistency
 - Global Framework Agreement updates
 - Cultural and behavioural change required
- We have reduced variation through:
 - Introduction of 'Essential Minimum'
 - Bottom-up development, including justification and verification statements
 - Increased supplier engagement
 - High positive voting requirement for publication
 - Working in digital databases

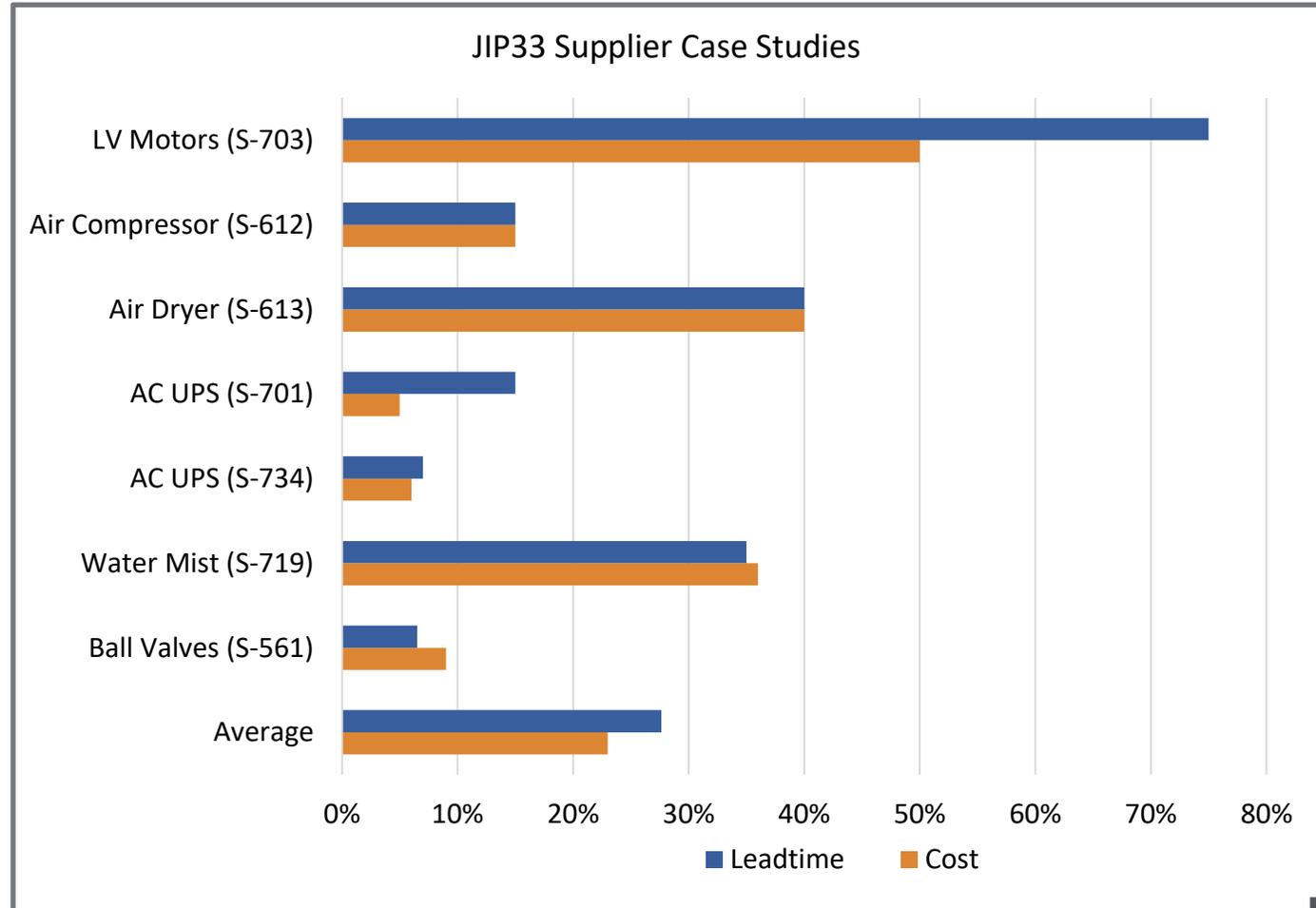


Volume Dashboard (Oct-21)



Supplier JIP33 Specification Impact Case Studies

- OEM case studies comparing cost and lead-time for JIP33 vs Legacy OpCo Specification Average
- JIP33 Standardisation gives an average 23% cost saving
- JIP33 Standardisation gives an average 28% lead-time saving
- Quality & information standardisation positively impacts cost & lead-time too
- Many thanks to the JIP33 suppliers for providing this data



Projects Utilizing JIP33 Specifications

Greenfield bp



- Matapal Subsea Project
- Herschell Subsea Project
- Raven Infill Project
- Azeri Central East
- Tortue Phase I
- 10 more in concept development
- **Net Zero Teesside (CCUS)**

Greenfield Petrobras



- Buzios FPSO P-78
- Buzios FPSO P-79
- Buzios FPSO P-80
- 2 additional P-80 designs

Greenfield Petronas



- >50 projects in the funnel

Greenfield Woodside



- Scarborough Upstream
- Sangomar Field Development
- Greater Enfield Development

Greenfield Equinor



- Northern Lights (a CCUS project)

Greenfield Shell



- Marjoram/Rosmari
- Linnorm Project
- Polaris CCS project
- Singapore Biofuels facility
- Pernis Biofuel facility
- Moerdijk energy efficiency project
- Hydrogen Holland 1 project

Brownfield Equinor



- Breidablikk
- Troll West electrification
- Oseberg gas capacity upgrade and electrification
- Tjeldbergodden modifications
- Gina Krog Electrification project
- FLEX modification projects

Brownfield Shell



- BGC
- Bukom
- BSP
- Pearl GtL Qatar
- BLNG

Making JIP33 a Reality



Integrate (all or parts of) the JIP33 specifications in the relevant base standards



Broaden the 'user base' through active engagement with non-sponsor Owner Operators and EPCs



Increased involvement of suppliers and supplier associations (consistent messages and one voice)



Stimulating the development and use of JIP33 equipment to drive commoditization

JIP33 Equipment Hub

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29 AUG - 1 SEPT STAVANGER - NORWAY

Acknowledgements / Thank You / Question

