



MAJOR DECOMMISSIONING PROJECT UNDERWAY

The largest single offshore structure yet to be shipped to Lerwick for decommissioning is being readied at the Shetland port's Greenhead Base for work to begin this month. The giant modules support frame, weighing 8,800 tonnes, from the TOTAL E&P NORGE AS-operated Frigg field in the North Sea, was delivered via the north entrance of the port on board the S600 transport barge owned by heavy-lift contractor, Saipem.

The barge is the biggest vessel yet to berth at the base.

The contract is being undertaken by local company, SBS Logistics, with Aker Kvaerner and Veolia Environmental Services. Around 16,000 tonnes of steel and materials will be processed over three years.



Evolving Centre

Lerwick Harbour continues to evolve its support for the offshore oil and gas industry, based on over 30 years' experience of servicing exploration, production and development in northern waters.

The advantages of Lerwick's strategic proximity to operations in the northern North Sea and Atlantic are complemented by well-developed facilities and services, making it Shetland's leading marine centre for industry.

SBS Logistics' multi-purpose support base adjacent to deep-water quays at Greenhead has six berths, with up to nine metres' water depth, fabrication, engineering works, offices and warehousing, plus open storage and laydown.

There is deep-water berthing for rigwork and decommissioning projects at the sheltered Dales Voe base, with 12.5 metres water depth alongside.

Facilities & services at the 24-hour port include:

- Over 900 metres of deep-water berthing (7.5 metres+)
- Licensed decommissioning pad
- Quayside waste management and drill cuttings recycling
- Adjacent modern landfill site
- Heavy lift capability
- Engineering
- Project support
- Laydown areas, open storage and warehousing
- Environmental services
- Skilled workforce



Project Support

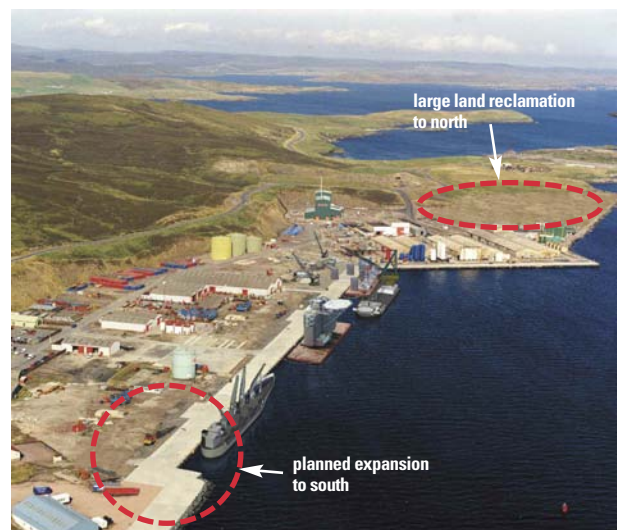
Lerwick is ideally located to provide project support. Recent activity includes the Greenhead Base being used as a support base for operations associated with an installation project at BP's Schiehallion field, West of Shetland.

Planning expansion

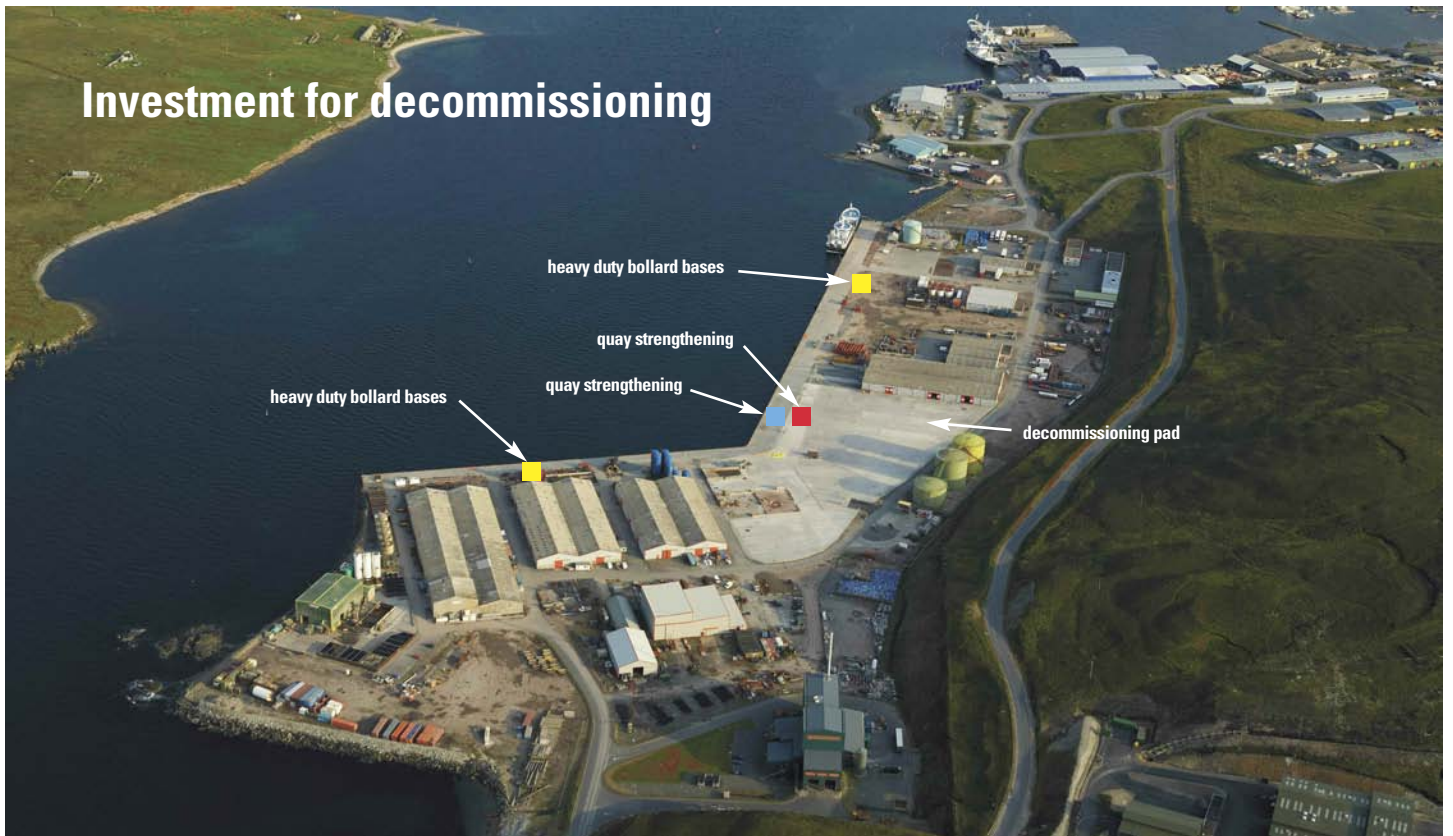
The long range plans for the future development of Greenhead Base include large land reclamation to the north, which will assist with the expansion of the port's facilities and capacity to handle the decommissioning of offshore oil and gas installations.

The Authority is also looking further ahead and is developing plans to extend Greenhead Base to the south to create additional deep-water berthing, as well as at other areas within the Port.

It is also exploring possibilities for creating further deepwater decommissioning facilities at the Port for use by heavy lift vessels.



Investment for decommissioning



Lerwick Port Authority has recently invested £415,000 in quay strengthening and other improvements at Greenhead Base to accommodate decommissioning, including:

- £75,000 in heavy duty bollard bases – completed July, 2007
- £200,000 investment in quay strengthening works - completed early 2006
- £140,000 further investment in quay strengthening works - completed July, 2007

Investment by SBS Logistics has included the £1.2 million decommissioning pad, completed last year.

Positioned for decommissioning

Strategic location, deep water, modern facilities and experience of working with the offshore oil and gas industry since the 1970s mean Lerwick Harbour is ideally positioned for recycling and disposal of oil and gas installations removed from the central and northern North Sea.

With several small decommissioning projects completed at the port, there has recently been significant upgrading of facilities to handle major contracts.

All quays are operated by the Port Authority and are common-user, giving the flexibility for marine support with or without the using pad.

Services and facilities include:-

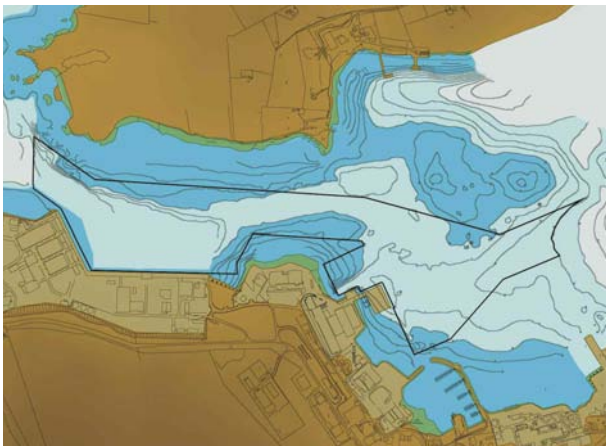
- Greenhead Base;
 - Strengthened quays, with up to 9 metres' water depth alongside
 - Licensed decommissioning pad
 - Controlled discharge areas
 - Open storage, laydown & warehousing
- Dales Voe;
 - Quay with up to 12.5 metres water depth alongside
 - Workshop and warehouse facilities
 - Open storage & laydown
- Sheltered, deep water (over 45 metres), suitable for de-ballasting/lifts close to berthing
- Experienced onshore decommissioning contractors
- Decommissioning waste management



Delivering the future

With anticipated completion in 2008, a major dredging project by the Port Authority is designed to deepen access channels for larger vessels and provide additional land for future decommissioning.

The deeper and wider access will suit the larger vessels now operating at the Port and will create opportunities to bring a number of barges to the Port for future projects and move them from different, sheltered berths in the harbour to the decommissioning pad at Greenhead Base.



The graphic above shows the extent of the planned dredging.

