

QUEEN'S AWARD FOR ENTERPRISE:INTERNATIONAL TRADE 2010 TO THE PENSPEN GROUP LIMITED

PENSPEN GROWS BY 400% IN 5 YEARS

Over the last 3 years, Penspen has grown exports by over 90%. Penspen has two principal business services in the oil and gas industry. Its traditional business providing engineering and project management services for the development of new pipelines, pump or compressor stations, tank farms and similar facilities and its more recent expansion into operating and maintaining oil and gas assets such as offshore platforms, onshore fields, pipelines, tank farms and gas storage.

The main regions of growth have been:

In the Americas where Penspen's USA subsidiary operates many of the recently developed shale gas fields, many of the offshore platforms in the Gulf of Mexico and is a consortium member along with Penspen's UK Integrity business on a \$1.3bn contract for Pemex in Mexico.

In the Middle East, where Penspen has been engineering and designing the huge \$3bn plus Abu Dhabi Crude Oil Pipeline in partnership with China Petroleum Engineering and Construction Corporation and providing Project Management Services to Khafji Joint Operations for the multi-billion dollar development of the Khafji Field facilities.

In the Asia Pacific region where Penspen is engineering or managing projects in Vietnam, Thailand, Indonesia, and Australia.

In Europe, Penspen is providing the lead engineering role for the development of the \$7bn Nabucco pipeline planned to bring natural gas from the Caspian Region and maybe Iraq to Western Europe. Penspen continues to secure engineering and project management contracts for the development of the natural gas pipeline system in Greece. In North Africa, GreyStar operates the offshore platforms for the Sabratha field in Libya.

David Stanley, Penspen Group's CEO, said "The Queen's Award for Enterprise 2010 to The Penspen Group is the most prestigious recognition of our staff and their work. Our ability to grow in the way we have and continue to achieve is based on the outstanding performance and quality of work from our personnel. The most significant factor in our success is our reputation and this relies completely on how well our staff performs for our clients. I am enormously proud of what everyone at Penspen has achieved."

The Penspen Group has placed strategic importance on the training and education of engineers both in-house and in the wider oil and gas industry and the participation in developing engineering codes and standards particularly relating to pipelines. Lead by Technical Director, Professor Phil Hopkins, Penspen has contributed significantly to and continues to actively support Newcastle University's MSc in Pipeline Engineering. Several Penspen employees have successfully completed the course and it continues to provide highly successful graduates into the wider international energy industry.

Penspen also operates a full annual schedule worldwide of training courses for the public and bespoke for industry clients. Penspen applies the same pursuit of excellence to its in-house training programmes running workshop sessions in all of its major offices around the world.

Penspen's leading technical members contribute to British and International Standards, including past Chair of ASME Pipeline Systems Division.

In 1999, Penspen acquired Andrew Palmer & Associates establishing the Group's capability in subsea engineering. From its two operational bases in Aberdeen and London, Andrew Palmer & Associates has expanded into the Middle East and Asia Pacific regions joining with Penspen's traditional onshore engineering capability on many major pipeline projects including the Abu Dhabi Crude Oil Pipeline and pipeline from Khafji to Kuwait.

In 2005, Penspen acquired GreyStar Corporation in Houston. GreyStar's presence in the Group has been the catalyst for establishing Penspen's Asset Management Services business along with Penspen's existing Integrity business centred in Newcastle and its existing operations and maintenance business in UK. This was further developed with the acquisition of ProGas based in South Wales in 2008. The synergies within this part of the Group have started to generate significant benefits particularly in UK and Mexico.

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