

# Mega Project Experience and Execution

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# Recent ConocoPhillips Mega Project Experience



Qatargas 3



Australia Pacific LNG



Bayu Undan



Ekofisk



Surmont 2



Bohai Bay

## Project Background

- New LNG mega-train with a capacity of 7.8 MTA
- Three unmanned platforms, 33 wells and two subsea pipelines

## Success Factors

- Strong relationship with host government
- Effective JV marketing by leveraging collective IOC know-how
- Delivered and operated by the JV development team to capture best practices and synergies

Equity: Qatar Petroleum 68.5%, ConocoPhillips 30%, Mitsui & Co. Ltd 1.5%



Qatargas 3

# Australia Pacific LNG

## Project Background

- Over 1,000 wells drilled and commissioned
- LNG facility with two gas production trains (9 MTA capacity)

## Success Factors

- Strong JV partnership with diverse operational knowledge, including marketing
- Designed to minimize environmental impact (water, footprint, wildlife)
- Proactive engagement and early alignment with state and federal authorities

Equity: Origin Energy 37.5%, ConocoPhillips 37.5%, Sinopec 25%



# Mega Project Critical Success Factors

- Address issues between owners and governments **early**
- Right **people**
- Mature **engineering**
- Clearly defined **procurement** plans
- Integration of **construction** players (prime and subcontractor)
- Balanced **contract** and execution strategy
- Realistic **P50** cost and schedule

## Project Status

Pre-FEED technical work progressing

Commercial and fiscal negotiations underway

Current market creates economic headwinds



# Alaska LNG Project Challenges (Pre-FID)

- Commercial agreements between all CoVs, including State of Alaska
- Certainty around fiscal terms
- FERC/State permitting issues
- Global LNG project competition



# AKLNG Project Challenges (Post-FID)

## Complex project

- Gas Treatment Plant summer sea lifts and North Slope construction
- Pipeline – 800-mile, large-diameter pipeline across sensitive and difficult terrain
- Cook Inlet crossing
- Jetty construction/location
- New wells and facilities at Point Thomson and Prudhoe by-product handling/disposition

## Integrated execution:

Logistics, infrastructure, fabrication and labor



- Project management fundamentals are key to success
- Strong relationships with key stakeholders can never be overlooked – engage early and often
- Leverage CoV/partner strengths to achieve desired outcome
- Commercial and fiscal agreement between all parties early in the project is critical