

SBM eyes \$700M Woodside deal

Published May 30, 2008

Floating production expert SBM Offshore has secured a \$145-million letter of intent with Woodside petroleum for a floating production storage and offloading vessel, or FPSO, at the North West Shelf project.



The ship will replace the producing Cossack Pioneer FPSO in the third quarter of 2010. The Okha FPSO will be fitted with a disconnectable production turret to become the new project floater.

The Okha is under contract with Sakhalin Energy offshore the Russian Far East until year-end at the latest. “On release, it will sail to a shipyard for conversion and integration of the process modules and turret,” a SBM statement heralded.

The “portfolio value of the full contract scope is expected to be around \$ 700 million,” the statement continued.

The fixed part of the original 1994 turret — which is moored and connects risers to the ship — will be reused for the new floater to save time.

The deal is still subject to a final project investment decision by Australian parties to the \$25 billion North West Shelf Venture.