

HIGHLIGHTS

Woodside Awards Pluto

Perth office awarded FEED for Woodside's Pluto development, a major deepwater gas field offshore NW Australia.



Chevron Award Olakola

Work has begun on the FEED for the pipelines in Chevron's Olakola project in Nigeria.



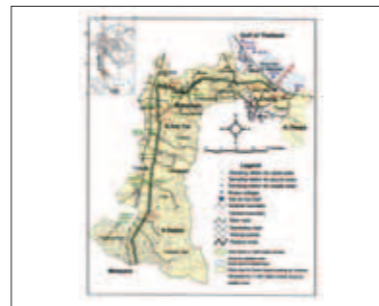
Galsi Engineering Commences

London office have begun Pre-FEED work on the Galsi system, a deepwater pipeline between Algeria and Northern Italy, including an onshore section across the Mediterranean island of Sardinia.



Carigali Hess Award Study for Malaysia Gas Network

The KL office have been awarded engineering of pipelines within the Thai-Malaysia network by Carigali Hess.



Integrity Survey Completed For Dow

Houston completed a review of pipeline integrity within a Dow chemical plant.



Relocation of Keon Pipeline

Work has started on the relocation of the Keon pipeline system in Australia. The Melbourne office are considering a variety of routes.



Hydro Award Visund

The Norwegian office have been awarded studies of the Visund project by Norsk Hydro.

(IMAGE - NORSK HYDRO)



Angolian Studies for Total

The London office have completed a review of gas gathering systems in Angola on behalf of Total.



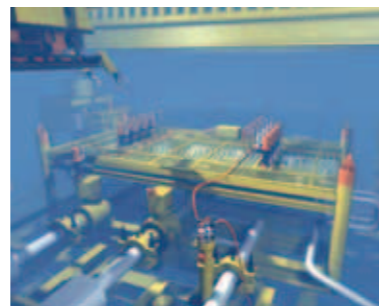
Egyptian Case Studies

Apache have asked J P Kenny to complete further studies of gas evacuation options for new developments in Egypt's western desert.



BG Awards Atlantic Frontier

FEED of BG's Atlantic Frontier has been awarded to J P Kenny Aberdeen.



J P KENNY

INTERNATIONAL NEWS

DELIVERS AND EVOLVES WHOLE-LIFE SOLUTIONS FOR PIPELINES AND SUBSEA SYSTEMS WORLDWIDE SEPTEMBER 2006

Probabilistic Span Analysis

Remote Monitoring

Anchoring Systems

Optimised Diverless Intervention

System Integrity

Material Selection

pH Stabilisation

Composites & Polymers

Expansion Absorption Techniques

LNG Transfer Systems

Insulation Systems

Knowledge Management

GIS Flowline Routing

Lightweight Structures

Optimised Field Layouts

Remote Monitoring

IMPROVEMENTS ADD TENS OF MILLIONS OF DOLLARS IN VALUE TO OUR PROJECTS



INNOVATIVE PROJECT SOLUTIONS AND EFFECTIVE DELIVERY MATTER MORE THAN EVER

The need for innovation on subsea and pipeline projects has never been greater. As operators seek oil and gas in more inaccessible locations, an increasing number of technically advanced projects are being sanctioned. In combination with this we are seeing a shortage of manufacturing and installation capacity throughout the industry, and that's creating a need for alternative, simpler solutions.

J P Kenny has an enviable record of delivering innovations. In the last 25 years our teams have been responsible for crucial advances in pipe-in-pipe systems, pipeline stability, materials for subsea systems, and subsea reliability to name but a few highly topical examples. We continue to view our ability to advance technology, not merely to apply it, as one of the core competencies of our company.

In this issue you'll read about innovations that have led to a range of improvements – in cost, schedule and safety – across our current projects. Some of the developments, such as alternative LNG handling systems, create decisive improvements of many tens of millions of dollars. Advances such as improved pipeline routing capability produce less quantifiable benefits, but are unquestionably seen as advantageous by our customers.

AND THERE ARE PLENTY MORE IMPROVEMENTS TO COME

Our recent request for mid-year technology ideas, to supplement our annual programme, produced an impressive response. We received more than 50 proposals from our teams around the world for funding to develop embryonic ideas covering hardware design, improved materials, optimised installation techniques, as well as improvements to the way we manage knowledge and deliver our work. A number of these proposals will receive immediate funding and we expect that, in time, you will read that some of them have had an impact on our customers' projects.

BUT QUALITY STILL COMES FIRST

In our last edition we reminded everyone that we mustn't compromise the quality of our services because of significant growth and expansion. It's been good to see that all growing offices have taken specific steps to achieve this. And it's nice to report that we seem to be keeping our customers happy.

The focus on quality must not just continue but must intensify. In the last year we have grown by a further 20% and now have more than 850 staff in our company. Not only are we the largest subsea and pipeline engineering specialist in the world, but we are also involved in the most exciting portfolio of projects. Only by focusing on doing things right, will we continue to be number one.

Special thanks to:

Colin Cameron, Dave Baker, Gary Webster, Ian Bertram, Jonathan Lindsay, Marianne Vassbø, Petter Birkeland, Rob Preston, Siew Ming, Sue Taylor.



Steve Wayman, CEO.



Gerwyn Williams, MD
Global Operations.

CONTACT DETAILS

J P Kenny Group
Thames Plaza, 5 Pine Trees, Chertsey Lane
Staines, Middlesex, TW18 3DT, UK
Tel: +44 (0) 1784 417291
Fax: +44 (0) 1784 417251
Contact: Steve Wayman
steve.wayman@jpkenny.com
or Gerwyn Williams
gerwyn.williams@jpkenny.com

J P Kenny Ltd
Thames Plaza, 5 Pine Trees, Chertsey Lane
Staines, Middlesex, TW18 3DT, UK
Tel: +44 (0) 1784 417200
Fax: +44 (0) 1784 417283
Contact: Dave Baker
dave.baker@jpkenny.com

J P Kenny Caledonia Ltd
4th Floor, Ebury House, Dee Street
Aberdeen, AB11 6DR, UK
Tel: +44 (0) 1224 347300
Fax: +44 (0) 1224 347301
Contact: Gary Webster
gary.webster@jpkaberdeen.com

J P Kenny Inc
Ten West Center One, 17420 Katy Freeway
Suite 100, Houston TX77094, USA
Tel: +1 281 675 1000 Fax: +1 281 646 9827
Contact: Alan Brackenridge
alan.brackenridge@jpkhouston.com

J P Kenny Wood Group Sdn Bhd
18th Floor, Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur, Malaysia
Tel: +60 3 2162 1266 Fax: +60 3 2164 1311
Contact: Suhaimi Ismail
suhaimi.ismail@jpkenny.com.my

J P Kenny Triune Eng. Pvt. Ltd.
11th Floor, International Trade Tower
Nehru Place, New Delhi, 110 019, India
Tel: +011 2642 7700 Fax: +011 2645 3885
Contact: Sukhamoy Paul
s.paul@galaxy.triune.co.in

J P Kenny Pty Ltd
11th Floor, 221 St Georges Terrace
Perth WA 6000, Australia
Tel: +61 8 9 4818222 Fax: +61 8 9 4818223
Contact: Phil Brown
phil.brown@per.jpkenny.com.au

J P Kenny Melbourne Pty Ltd
Level 17, 535 Bourke Street, Melbourne
Victoria 3000, Australia
Tel: +613 9211 6400 Fax: +613 9211 6401
Contact: Ian Jenkins
ian.jenkins@mel.jpkenny.com.au

J P Kenny Norge AS
Lokkevegen 103, 4004 Stavanger, Norway
Tel: +47 5191 1822
Contact: Petter Birkeland
petter.birkeland@jpknorge.com

J P Kenny Abu Dhabi (c/o Wood Group)
1404, Al Gaith Tower, Hamdan Street
P O Box 7312, Abu Dhabi, UAE
Tel: +97 1 2 626 0030 Fax: +97 1 2 626 1939

J P Kenny PTWG Indonesia
Wisma Staco, 6th Floor, Jl. Casablanca Kav.18
Jakarta 12870, Indonesia
Tel: +62 21 8370 2455
Contact: James Tsang
james.tsang@woodgroup.com

IONIK CONSULTING business streams can be accessed through J P Kenny offices.



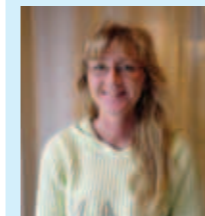
J P Kenny is part of international energy services company, John Wood Group PLC.

"Not only are we the largest subsea and pipeline engineering specialist in the world, but also we are involved in the most exciting portfolio of projects."



Old friends build new team

Amongst the twenty or so staff that have joined us in Norway are many old friends who previously worked at J P Kenny. These include Per Damsleth, John Willcocks, Jens Olav Rundsag and Marianne Vassbø, all of whom are keen that the friendly, professional and open J P Kenny culture takes root in Stavanger.



Marianne Vassbø.



Per Damsleth.



Jens Olav Rundsag.



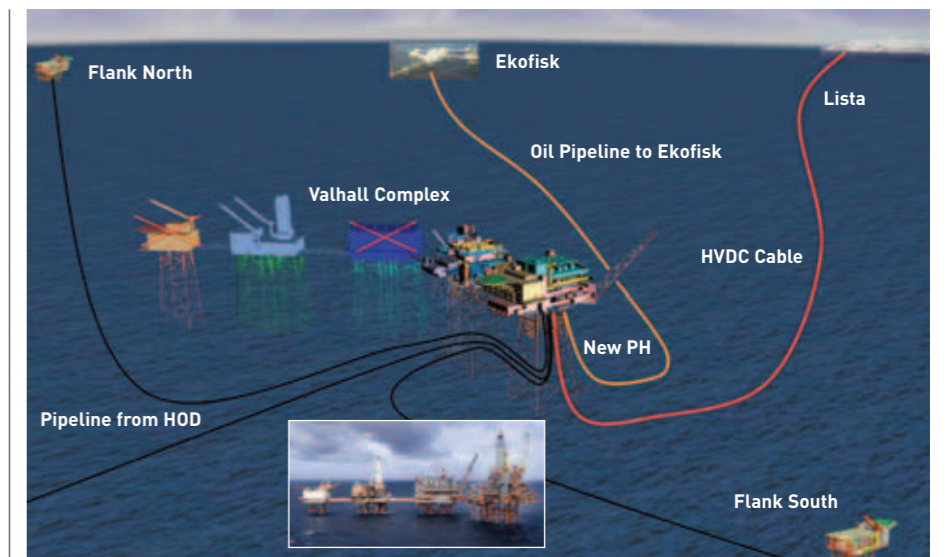
John Willcocks.

Marianne first started work for J P Kenny Norge in 1988, when the company only had five people. She stayed with us for more than 12 years until the Norwegian business was sold. But she never lost touch with many of the staff and she was delighted to see an advertisement in the local Stavanger newspaper in 2005 announcing our return to Norway. She says: "My first thought was, yes, they're back in business and so I gave Petter Birkeland a call to tell him I'm still here if he's interested in offering me a job!" She says, "I was thrilled. I was so proud of J P Kenny when I was here before," adding "Now I am looking forward to helping J P Kenny grow in Norway to more than 100 people."

J P Kenny at ONS

J P Kenny exhibited at the September ONS (Offshore Northern Seas) event in Stavanger, arguably Europe's biggest oil and gas event. More than 34,000 visitors attended, and half of the exhibitors were from outside Norway. Perhaps the highlight of the event was a boat trip and party on Hidle Island, organised by J P Kenny Norge, and attended by 100 senior oil industry people.

"The global J P Kenny organisation can bring much in the way of ideas and skills to Norwegian customers."



Norwegian office takes off

After an absence of 5 years J P Kenny returned to Norway at the end of 2004. Since then we have been steadily building up our in-country team, establishing the J P Kenny procedures and methods in our new office in Stavanger, and getting reacquainted with many of our old customers.

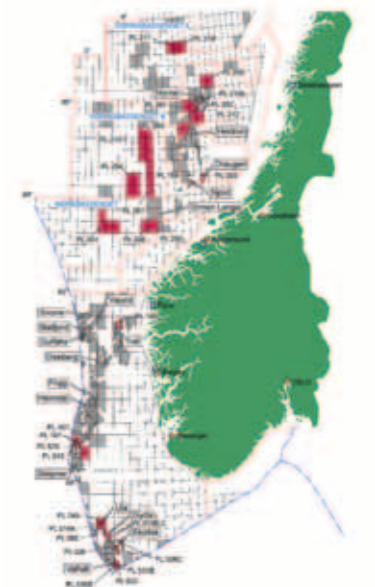
Working with the major customers

The Norwegian team are currently working on the engineering of subsea facilities for BP's Valhall project. The project began with a small study in the middle of 2005 and that is progressing into detailed design. We hope that J P Kenny's involvement will continue until 2009 and our team should peak at more than 15 people.

The office has also been working on:

- An investigation of intelligent pigging activities for Norsk Hydro.
- Studies of an onshore pipeline system in Iran.
- Work on Asgard for Norske Shell.
- FEED Engineering of the Yme system for Talisman.

Operations Director for J P Kenny Norway, Petter Birkeland believes that the opportunities for his team are really exciting. "Over the past two years 40 new oil companies have registered in Norway and they will need our services as they begin to sanction projects" he said. "Norway is about 10 years behind the UK sector when it comes to exploiting new small and medium sized prospects and I think that the global J P Kenny organisation can bring much in the way of ideas and skills to Norwegian customers" he added.



Valhall Facts

- BP's Valhall Redevelopment Project will allow the North Sea field, already in its 24th year of production, to remain in service until around 2050.
- When the field was first developed in the early 80's recoverable reserves were estimated at 250 million bbl. Now BP expects to recover more than 1500 million bbl.
- A new production and accommodation platform will be installed to achieve this.
- In addition to optimising recovery, Valhall Redevelopment has been driven by a second consideration – subsidence of the reservoir as hydrocarbons are produced. The new facilities will safeguard the three original platforms at the field centre.
- J P Kenny is engineering the pipeline systems that are needed to integrate the new facilities.



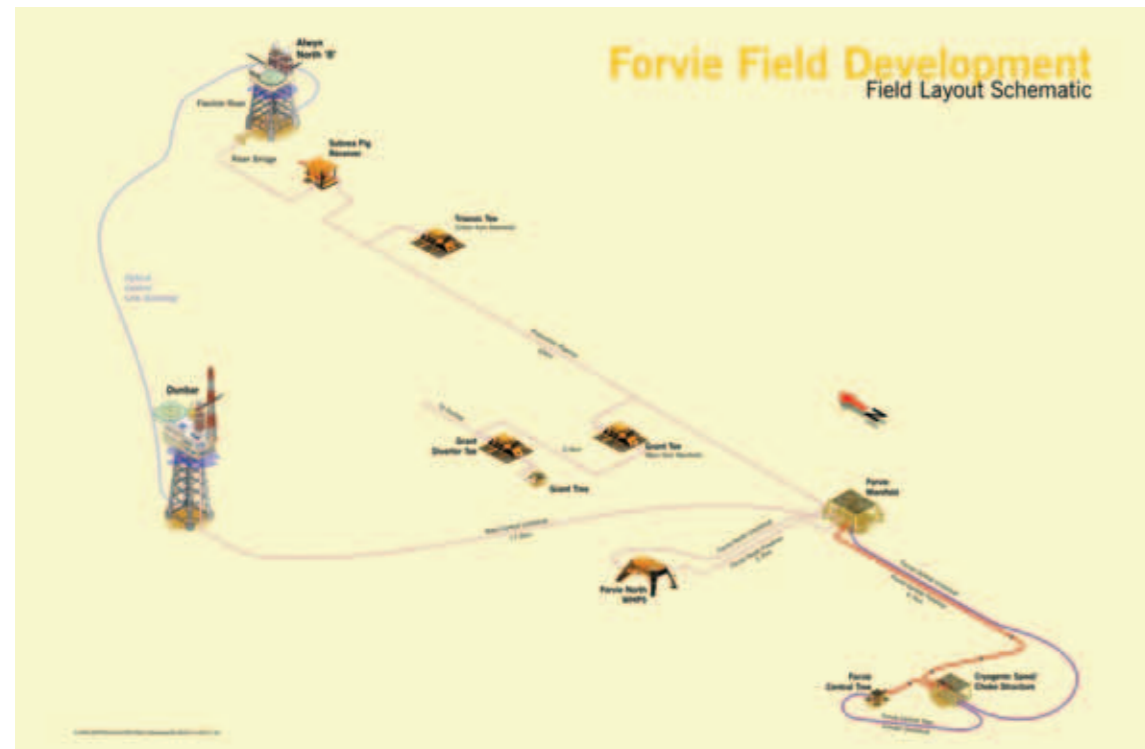
Petter Birkeland,
Operations Director.



Hidle Island.



Joint effort gets fast track Forvie up and running



On the 29th December 2005, just 20 months after completing conceptual studies, Total achieved first gas from the high pressure Forvie field in the North Sea. J P Kenny's Aberdeen and London offices had combined to complete the subsea and pipeline engineering for the project.

J P Kenny's original role was to carry out a FEED study and provide technical documentation to enable Total to go out for EPIC contracts. Due to the fast-track nature of the project, and reluctance on behalf of some installation contractors to take on the procurement, J P Kenny were then asked to carry out detail design activities for long-lead items. The pipe-in-pipe design was done in the London



office but with 2 senior engineers seconded from Aberdeen to complement the team and provide continuity from FEED. In parallel, the Aberdeen office completed detail design of the structures, infield lines, riser and tie-ins on behalf of installation contractor Acergy. The work was completed in the Autumn of 2005 and represents a good example of inter-company working.

Total's Project Manager, Stephane Janton sent his congratulations to the J P Kenny team:

"I am proud to announce that Forvie started up on the 29/12 at 22.20.

It took around 20 months from beginning FEED until the start-up. This is in itself, a successful performance."

◀ J P Kenny supported fabrication of the various structures.



The Forvie Field

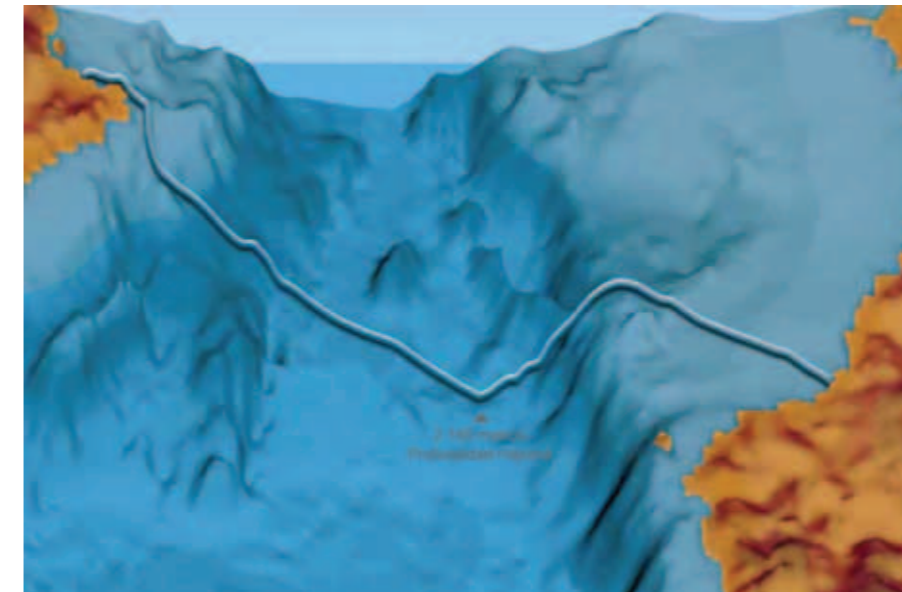
The Forvie North Field is situated in Block 3/15 of the Northern North Sea, approximately 16.4km from the Dunbar Platform and 33.6km from the North Alwyn 'B' Platform (NAB), in a water depth of approximately 120m. The reservoir is high-pressure gas condensate with a maximum wellhead shut-in pressure of 520barg. The Forvie North prospect was developed as a subsea tieback to the NAB platform. The production base case is a single well development (Well 3/15-9a), tied back to a production manifold located approximately 2.2km north east of the Forvie well. A new pipe-in-pipe pipeline with two inline tees, Grant and Triassic South was routed directly from the Forvie manifold to a subsea pig launching / receiving station and then on to the NAB platform.

"I AM PROUD TO ANNOUNCE THAT FORVIE STARTED UP ON THE 29/12 AT 22.20. IT TOOK AROUND 20 MONTHS FROM BEGINNING FEED UNTIL THE START-UP. THIS IS IN ITSELF, A SUCCESSFUL PERFORMANCE."

Stephane Janton, Total's Project Manager.



J P Kenny continues to support 2100m Medgaz project



Engineers from J P Kenny's London office continue to work on the development of the proposed Algeria to Europe gas pipeline that will be installed in water depths of 2100m. Early in 2006 the permit phase of the project moved into its final stages as critical information was released as part of a public disclosure process. The final investment decision is due in the second half of 2006 and the J P Kenny team are helping to finalise the costs, execution strategy and other critical parameters that will be used as input to that process.

Don McKinnon, J P Kenny engineer based in Madrid, says, "This is a very challenging project as well as being one that's of strategic importance to the gas market in Europe. It is great to be involved in the resolution of the execution plan and we hope to continue to support the project as it proceeds."

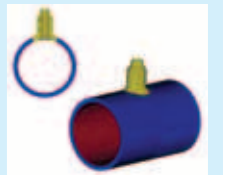
The Medgaz project is being funded by a consortium of 7 leading companies lead by CEPSA and Sonatrach, and including Total and BP. The offshore section of the pipeline system will be 24-inch diameter, approximately 200km in length and will transport up to 8 billion cubic meters/year of gas. A 42

inch diameter onshore line will take the gas from its landing point near Almeria in Spain to the European Grid.

Fact Box

- **Capacity:** 8 bcm/year (8 billion m3/year).
- **Length:** 210 km.
- **Diameter:** 24 inches.
- **Maximum water depth:** 2,160 meters.
- **Estimated Total Investment:** €700 million.
- **Workforce:** Over 2,000 people will be involved in the construction phase.

"A very challenging project as well as being one that's of strategic importance to the gas market in Europe."



KL office completes fast track finite element analysis of tri-metal structure

J P Kenny's KL office was recently contracted by Shell Sarawak to conduct finite element analyses on a sweep-out tee. This tri-metal assembly was designed to connect a 2" by-pass line to a 14" riser pipe. A full 3D model was generated and structural analyses conducted using an implicit ABAQUS non-linear solver. The study was successfully completed in 5 weeks and provided clarity on the stresses experienced by the structure under pressure and external loadings.

◀ The pipeline from Algeria to Europe.

JPK Engineering processes reach Gold Standard

J P Kenny are renowned within the industry for our technical expertise and quality of engineering. Rather than resting on our laurels we are continuing to develop systems that allow us to increase engineering efficiency, and simplify checking. In doing so, we aim to maximise the value we can offer our clients.

As part of this ongoing development the London office, with input from around the group, has developed a series of checked and validated 'Gold Standard' calculation worksheets to address the range of common engineering challenges that must be addressed on a project.

The worksheets are available for engineers in any office around the world to access via our Group Wide Knowledge Sharing Network. Once downloaded, the worksheets can be modified to allow specific project challenges to be incorporated on a solid foundation.

"Worksheets are available for engineers in any office around the world to access via our Group Wide Knowledge Sharing Network."





Melbourne deliver fast track power station upgrade

J P Kenny Melbourne was selected by Alinta Network Services (the major Australian natural gas transmission pipeline asset owner) to carry out the detailed engineering for expansion of the gas supply to Tasmania's Bell Bay power station. This fast track project from concept stage to construction completion was undertaken over a nine-month period (September 2005 – May 2006).

Australia's Tasmanian region relies mainly on Hydro Electricity generation for supply of electrical power to most homes and industry. The cumulative effects of long term drought in Tasmania means a potential shortage of water for sufficient hydro electricity production during Tasmania's peak demand summer periods. The Tasmanian government initiated the Bell Bay Power Station Upgrade Project in a bid to ensure the long-term future availability of reliable electricity in this region.

The J P Kenny team completed detailed design and construction support of new filtration, metering, heating and pressure regulation facilities at the power station. These new facilities were installed to supply natural gas to three

new 50 MW Gas Turbine Generators – with a combined peak hourly gas demand of just over 1500 GJ/hr.

Melbourne office manager Ian Jenkins commented, "The project is an example of key players, the engineering consultant – J P Kenny Melbourne, the client – Alinta Network Services and third party suppliers/manufacturers taking a proactive and cooperative attitude to bring a fast track project to successful completion."



▲ Bell Bay Pressure Regulation Skid.

"The project is an example of everyone taking a proactive and cooperative attitude to bring a fast track project to successful completion."

► Artist's impression of the new airport facilities in Doha. (IMAGE - INDIA)

London office engineers fuel Doha Airport Development

The onshore pipelines and facilities team within J P Kenny Ltd in London have been awarded the detailed design and engineering of the aviation fuel system for the New International Airport (INDIA), in Doha, Qatar by Punj Lloyd for completion of detailed design in mid March 2007.

Such fuel systems are well aligned with J P Kenny's proven expertise in onshore oil and gas systems and our local branch office in Abu Dhabi allows us to provide effective, local support to our client.

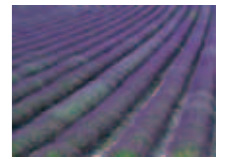
J P Kenny engineers will undertake the concept development, detailed engineering and procurement services for the Aviation Fuel Receiving Station, Aviation Fuel Farm and associated buildings, the underground Aviation Fuel Hydrant System including the Cathodic Protection System, Process and Control systems.

Also included in the scope of work are the Ground Services Equipment Fuel Station, the Aviation Fuel dispensers truck parking and airplane maintenance waste disposal systems. Operating and maintenance manuals and system commissioning procedures will also be developed.

All special systems required for the operation of such facilities will be designed and engineered and interfaced with the overall airport infrastructure. These include; access control system, CCTV system, fire detection and protection system, flight information system, building management system, telecommunication and data system.

The J P Kenny project team consists of more than 30 full time engineers and designers.

The airport will be designed to accommodate planes including the new Airbus A380 (the new 'superjumbo' jet) and will cover an area approximately one third the size of Doha city itself, significantly enhancing Qatar's transport infrastructure.



Front-end study processes

J P Kenny has a number of specially designed tools that support front-end studies. FOCUS is a proprietary GIS based system which enables various development concepts to be reviewed and compared very quickly using highly visual output. Supporting this is our business risk software that is used to prepare cost estimates and complete the economic appraisal of options.

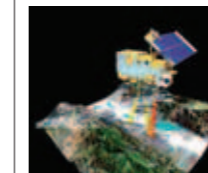
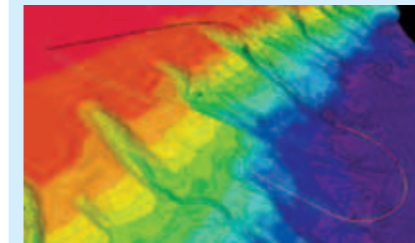


◀ Integrate layout, costs and scheduling using FOCUS.

Fledermaus and Remote Sensing Technology

J P Kenny uses Fledermaus software (developed by IVS3D) throughout design and also to add value to both onshore and offshore FEED routing activities.

The system provides a way of carrying out real time optimisation of pipeline routing.



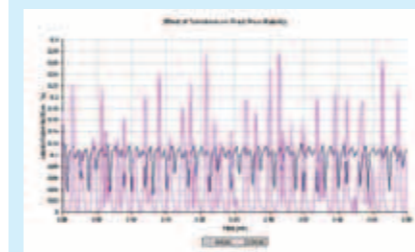
▲ Remote sensing technology applied to enhance early routing data.

◀ Seabed bathymetry and routing options using Fledermaus.

Flow Assurance

Flow assurance issues are fundamental for a reliable system and therefore vitally important during FEED.

J P Kenny's sister company MSi, maintains an extensive suite of process and piping design tools for use at all stages of the design. This includes: Olga 2000, Pipesim, Pipesim NET, Pipeline Studio, and Flowmaster software.



◀ Slugging curve showing the effect on slug volumes with a reduction in flow rate.

► ONGC FOCUS field layout.

Adding value at the front end of projects

The delivery of front-end studies is organised as a specialised discipline within J P Kenny. It is one of our 6 discipline areas each of which has its own unique tools, processes and skills. Over the years we have delivered a number of studies that have radically transformed the value of oil and gas prospects. Recently however, as the investment in new oil and gas has increased, so has the appetite for rapid and innovative development concepts.

Coiled tubing changes the Ibhubesi Development

On behalf of Forest Oil of Denver, J P Kenny Houston has reviewed development concepts for the Ibhubesi field offshore Africa. By introducing a coiled tubing solution for the pipelines the team have been able to radically improve the economics of the project.

The studies were completed over a 10 week period and culminated in J P Kenny leading presentations to the partners and government agencies in South Africa. As well as defining the main technical features of the project, J P Kenny prepared an economic appraisal which included cash flow analysis, risk assessments, etc.



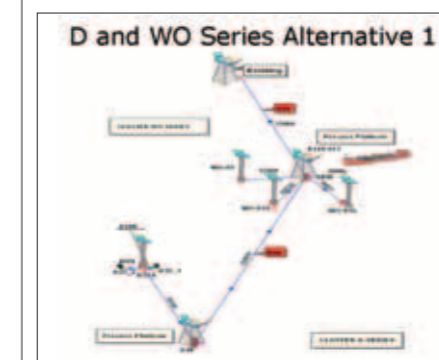
Deploying Coiled Tubing.

Lower cost LNG transfer systems

J P Kenny has designed loading systems for LNG terminals for BP and other majors, creating savings of tens of millions of dollars. By using pipe-in-pipe technology developed for high temperature applications, we have been able to replace long jetty systems with a single underwater pipeline.



Optimising field layouts for ONGC



The FOCUS system has been applied with great success on the recent India Marginal Fields Screening Study. The study was carried out by Mustang (Perth) for ONGC, in the Gulf of Khambhat (Cambay), India.

The GIS features of the FOCUS proved to be a great asset, allowing field layout configurations to be developed and costed efficiently within a virtual team environment that included engineers in London and Perth.



Pancake Day in London raises money for charity

With typical British determination, the team in London braced a rather chilly afternoon on 28th February to celebrate Pancake Day, historically a day just before the Christian period of Lent when all fats and cream had to be used up. In France and Brazil it is known as 'Mardi Gras', in Iceland as 'Sprengridagur' (Bursting Day) and in Sweden it's called 'Fettisdagen' (appropriately translated as 'Fat Tuesday').

They had on hand the services of Laurence Curtis, Executive Chef from the local Runnymede Hotel (and husband to Jennie, one of our secretaries) to make over 300 pancakes on the patio where £1,000 was raised for the Surrey Air Ambulance Service and the NSPCC.

FACT: The world's biggest pancake was cooked in Manchester (UK), and was 15m in diameter, 2.5cm deep and weighed 3-tonnes. Most worryingly it contained an estimated 2,000,000 calories!

KL expands into new office

In April of this year the KL team relocated to the 18th floor of the Menara Tan & Tan building. "Our previous office was too small and in need of a tidy up so we decided to move," said Suhaimi Ismail, Operations Director. "The new office is about 50% bigger than the old space, although it's nearly filled up already" he added.



Perth Winter Party tradition continues



As the UK and Norway offices were welcoming summer temperatures of 20 degrees centigrade, the Perth office held its now traditional winter party on 5th August... in temperatures of 20 degrees centigrade. Held jointly

with our sister company Mustang, the event was a great success and a welcome release for the team in Perth who have been working flat-out on Gorgon, Angel and other key projects.

Aberdeen management team changes

The frantic rush to develop pockets of oil and gas in the North Sea has seen the Aberdeen office expanding in all departments and, with every sign suggesting the boom is set to continue, it was time to extend the management team.

Ron Bird, who joined Caledonia in 1995 when there were under 50 people in the office, has grown the Asset Management team to a 30+ strong group during the last 10 years, intends to retire in January 2007 (by the way Ron's idea of retirement is to work 3 days per week).

So with these two factors in mind it was decided to re-structure the Management team promoting Bob MacDonald to Manager Asset Operations and Joe Cross to become Manager of our

Subsea Equipment Group. Ron will focus on the rejuvenation of our IONIK Consultancy and a more general Business Development role.

So congratulations to Bob, Joe and Ron – we wish all three of you the very best of luck in your new roles!



Bob MacDonald.



Joe Cross.

New Subsea Business Leader in Perth

Keith Smalley joined the Perth office in April to take on the challenging role of Subsea Business Leader. Keith's experience extends over 35 years, with the last 18 years being dedicated to subsea hardware facilities and related control systems, primarily with Aker Kvaerner and most recently

with Total Exploration & Production.

Keith has been spending his weekends doing a lot of walking around Perth and Fremantle, trying out the local restaurants and basking in the sunshine (a pleasant change after the UK weather he left behind).



Keith Smalley.



Long service celebrations

"SINCE THE ORIGINAL OFFICE WAS OPENED IN 1980 WHAT HAS DIFFERENTIATED J P KENNY FROM OUR COMPETITION HAS BEEN THE QUALITY AND EXPERIENCE OF OUR PEOPLE. WE WANTED TO SAY A BIG THANK TO THOSE WHO'VE HELPED TO ENSURE THAT J P KENNY REMAINS AT THE TOP OF THE TREE."

On Friday 24th February J P Kenny Aberdeen held a lunch for 10 people who have been with the company for more than 10 years. The group included Francis Barrett and Liz Donald who between them have clocked up 45 years. Operations Director Gary Webster said "Since the original office was opened in 1980 what has differentiated J P Kenny from our competition has been the quality and experience of our people. We wanted to say a big thank to those who've helped to ensure that J P Kenny remains at the top of the tree."

The London office made a special presentation in February to George Quennell when he became the first employee to reach 25 years of continuous service with J P Kenny. George, who is the Drawing Office Manager, was presented with various gifts including a silver plated mouse for his pc, plus a large cake, which George shared with his colleagues.

Over the past 25 years George has witnessed the company grow from a single office in London to a worldwide organisation in 4 continents with over 850 employees. George said "I wouldn't dream of working for anyone else, why would you when you already work for the best!"

Aberdeen's Graduates:

The Aberdeen team have been successful in attracting seven top quartile students from Heriot Watt and Strathclyde

Universities. This was despite strong competition from other oil service companies and from the oil majors.

"WE HAVE MANAGED TO RECRUIT A RANGE OF EXCELLENT STUDENTS FROM INDIA, TRINIDAD, SPAIN, SYRIA, EGYPT AND SCOTLAND AND HAVE ESTABLISHED SOME VERY GOOD GROUNDWORK WITH THE CAREERS DEPARTMENTS FOR FUTURE YEARS. THESE SEVEN GRADUATES SHOULD HOPEFULLY BE SOME OF THE KEY RESOURCES IN J P KENNY IN YEARS TO COME."

Caroline Montague, Aberdeen's HR advisor.



Alvaro Coche Da Costa.



Andrew Leslie.



Helen Moss.



Teckle Zemicael.



Francis Barrett.



Liz Donald.



George Quennell.

► At the finish in Austin, Left to right: Colin Cameron, Alan Brackenridge, Dawn Champagne, Brett Champagne, Paul Jukes.

Houston team cycle 180 miles and raise \$6500 for charity

The MS150 consists of various cycle events to raise funds for Multiple Sclerosis research.

This year the MS150 had over 100,000 participants in 48 cities across the US. A team of 11 from J P Kenny entered their local MS150 event – a 180 mile cycle ride from Houston to Austin completed over 22/23rd April.

A 7am start and the encouragement of bright sunshine meant all of the team smoothly completed 80 miles on the first day before enjoying a good sleep at the overnight camp at La Grange. Day two involved an equally early start but with all 13,000 participants leaving together J P Kenny team member Colin Cameron said, "it felt really special." He added, "that the finish in the centre of the state capital in Austin was incredible, with all roads closed and lined with spectators to cheer the cyclists over the line."

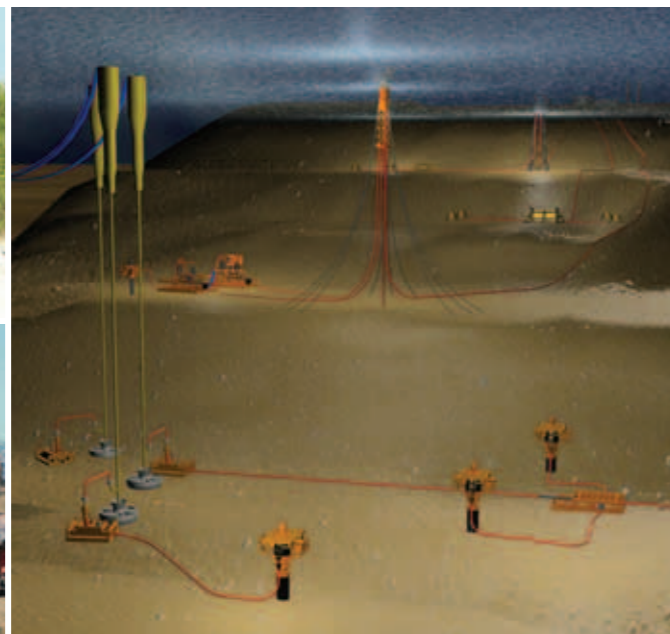
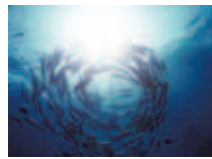


Management Development Programme

J P Kenny managers continue to attend the Management Development Programme organised by parent company Wood Group. The one week programme, which brings together participants from the WG business units (gas turbines, well servicing and engineering), is designed to increase personal awareness, and leadership skills.

The latest participants included Guy Bell and Bob MacDonald both of whom enjoyed the course even though it was rather intensive. "It certainly was an illuminating experience. Deconstructing the team situation sessions really illustrated the value all people bring to a team if handled in the right way. I am looking forward to part 2." said Guy.

"I wouldn't dream of working for anyone else, why would you when you already work for the best!"



J P Kenny selected for BP Angola Programme

J P Kenny London has been selected by BP for SURF FEED and management services of the Angola Deepwater Programme.

The development programme is scheduled to run until 2014, with first oil late 2009. A total of 10 subsea fields have been discovered to date. These comprise Plutão, Saturno, Marte, Venus, Palas, Ceres, Juno, Astraea, Hebe and Urano in water depths up to 2500m.

BP's strategy for these fields is to develop them as a programme whereby successful designs, equipment and contractors will be carried from one project to the next, rather than selected afresh each time. Experience of the programme approach within BP, Exxon Mobil, and elsewhere indicates that it can create cost and schedule improvements for each successive project. Indeed J P Kenny over the past 7 years has delivered a series of satellite developments in conjunction with Kerr McGee in the GOM, and those have been independently benchmarked to be among the most cost effective deepwater subsea wells.

J P Kenny's work on the Angola programme began with pre-FEED studies of the subsea, umbilicals risers

and flowlines (SURF) for the Saturno development. This was followed by pre-FEED work on a portion of the Plutão field. J P Kenny then began FEED for these two developments in January 2006. Work to date has focused on preparing sufficient technical definition to allow the ITT packages for the SURF equipment to be prepared and issued.

Currently the core team comprises approximately 40 engineers with other technical experts being brought in as necessary. It is expected that the team will grow to about 60 to 65 by the year-end. Although currently based in J P Kenny's London office it is expected that the subsea team will eventually move to a single building which will house the complete BP Angola business unit.



Exploration continues off Angola.
(IMAGE - BP)

"It is expected that the team will grow to about 60 to 65 by the year-end."

BP invest in Angola

"Angola is the future. It's a very promising source of both oil and gas, and we're investing a lot here – in our work and in the community" – BP Magazine.

BP's involvement with Angola goes back to the mid 1970s. During the 1990s, BP made substantial investments in Angola's offshore oil and has interests in four blocks (15, 17, 18, 31) and operates 18 and 31.

Operatorship of Block 31 was awarded to BP Exploration (Angola) Limited in May 1999. The Block covers an area of 5,349 square kilometres and lies in water depths of between 1,500 and 2,500 metres.

BP has a 50% equity stake in Block 18 where the Greater Plutonio Project is currently being developed.

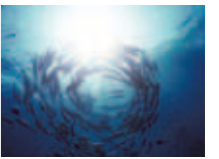
BP's non-operated interests are in Block 15, operated by Esso Exploration Angola (Block 15) Limited (BP 26.67% equity) and Block 17 operated by Total (BP 16.67% equity).

The objectives of a programme approach

Developing a group of fields as a phased programme development offers significant benefits in terms of:

- Effective use of the project learning curve to apply lessons learnt at each phase to the technological and contractual issues of the work.
- Programmed approach assists in securing project personnel in times of significant demand on engineering resources.
- Application of a consistent quality management strategy across the whole development.
- Minimise project schedule through standardisation of procured equipment.
- Minimise engineering costs through use of congruent technology on subsequent developments within the programme.
- Provides continuity and standardisation on all the elements of the project business process.

BP has begun to move toward greater standardisation for the future delivery of its major offshore and onshore projects, taking advantage of opportunities for capital cost and schedule savings which are beginning to present themselves as the scale of the company's projects has grown in magnitude.

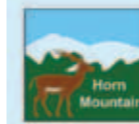


The Projects



Mad Dog SW Extension

The South West Ridge will be BP's first major tieback to the Mad Dog Spar. The project includes 2-8 subsea production wells, water injection wells, subsea production manifold, dual 10 inch flowlines subsea metering and gas lift facilities in 1300m of water.



Horn Mountain NW Field Extension

The North West field extension is a subsalt extension of the Horn Mountain field and may ultimately include a subsea tieback to the Spar facility in 1600m of water and subsea water injection. The wellsite is located on the petit Bois Dome, approximately 300m higher than the seafloor at the spar.



Dorado Field Tieback to Marlin

Located in 1200m of water near the Marlin Field in the GOM, the Dorado field comprises a pipe-in-pipe flowline tied in to three subsea wells, a steel Catenary riser, subsea control system and horizontal trees.



Holstein Dry Well Additions

The Holstein project in the Green Canyon block is located approximately 160km south of Grand Isle Louisiana in 1300m of water. Developed as a spar facility the field comprises 12 production wells and risers, three injection wells using subsea wellheads, production risers and dry trees.



Na Kika Phase II SS Tiebacks

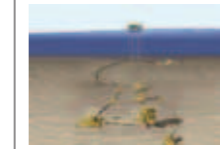
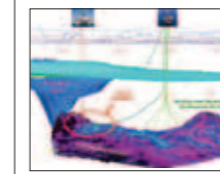
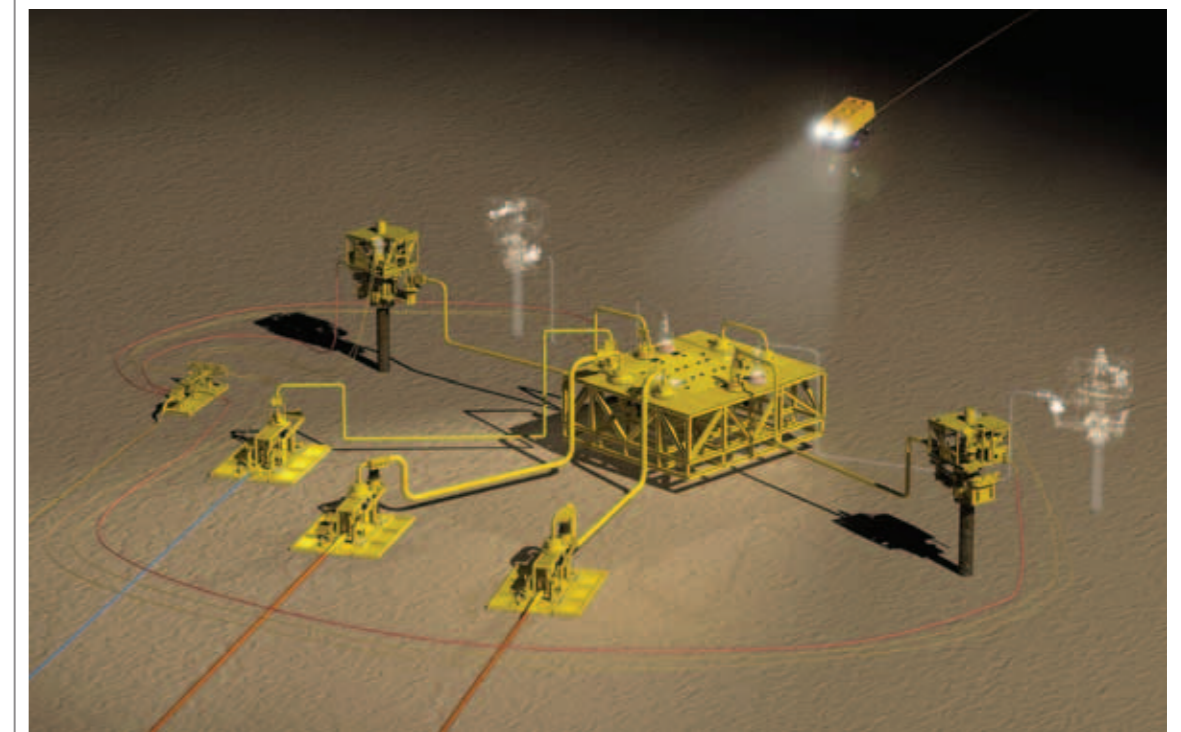
Na Kika phase II comprises a two well subsea tieback to the Na Kika semi sub in 2100m of water. The development optimises use of the existing infrastructure and produces approximately 200 mcmcf of additional gas. The project includes 2 subsea production wells, rigid jumpers, control umbilical and subsea manifold.



Pompano Subsea Tiebacks

Pompano is one of the deepest steel jacket structures in the world in approximately 400m of water. The satellite fields lie in almost 900m of water. Challenges include lack of spare risers and space/weight restrictions.

Houston office deliver satellites tiebacks, Gulf of Mexico



J P Kenny have formed a combined team with BP in their West Lake Complex in Houston to carry out the Engineering Services and Project Management of the BP GOM Deepwater Production – Subsea Tieback Projects.

The overall team comprises, with BP J P Kenny Inc., MSi (a J P Kenny Engineering subsidiary Flow Assurance Specialist) and Mustang Engineering (our Sister company within Wood Group).

The integrated team is made up of approximately 40 professional staff including project managers, project engineers, discipline and specialist engineers, designers, planners and cost estimators. J P Kenny's Houston office supplies complementary services including drafting, materials and corrosion engineering, QA and reliability engineering etc.

The six fields that comprise the tiebacks programme range in depth from the Pompano field at 400m WD, to the

Na Kika Phase II Subsea Tieback at over 2100m and present a range of challenges to the design teams. These include Extreme High Pressure, High Temperature (XHPHT) pipe-in-pipe, bottom roughness and spanning issues.

The J P Kenny Project Manager Mike Garrett said "this contract was both an excellent business opportunity for J P Kenny and a means for BP to supply much needed engineering and project management services into their projects on a long term basis. This not only provides BP resources which are scarce in today's market but does so in a way to establish continuity from project inception to completion and across the various projects themselves."