

Garus-Kogi, Oghenedoro F SPDC-UPO/G/TP

From: Cookey, Gabriel D SPDC-FUP/OG
Sent: Thursday, November 7, 2019 11:11 AM
To: Garus-Kogi, Oghenedoro F SPDC-UPO/G/TP; Orajaka, Chinenye M SPDC-UPO/G/USMI; Akaka, Alphonsus E SPDC-UPO/G/TC; Falaye, Olatunbosun M SPDC-FUP/OGS
Cc: Uduka, Okoro SPDC-UPO/G/UST; Akanni, Joseph B SPDC-UPO/G/USMI; Akinyemi, Olabisi A SPDC-FUP/OG; Audu-Usman, Isaac O SPDC-FUP/OG; Omokiniovo, Ovoke SPDC-FUP/OG
Subject: RE: Diebu / NuN river Insp / refurb cost savings
Attachments: RE: Diebu / NuN river Insp / refurb cost savings

The manual accrual has been ascertained to no longer be necessary and will be dropped, bringing the total spend within the OP18 estimates. Total savings on the execution is therefore \$376,325(\$750,000-\$373,675).

FCF impact is as recomputed below;

Opex Savings

UVAS INITIATIVE SAVINGS

2019

USD'000

Net Opex Savings 100%	376.33
Opex Savings Shell Share	112.90
Lost Tax shield	-14.34
FCF (SS) \$'000	98.56

FCF for banking 98.56

Akaka/Bosun, I confirm bankable FCF above is valid. Please lets progress loading in wave for approval.

Rgds

From: Cookey, Gabriel D SPDC-FUP/OG
Sent: Wednesday, November 6, 2019 5:34 PM
To: Garus-Kogi, Oghenedoro F SPDC-UPO/G/TP <O.F.Garus-Kogi@shell.com>; Orajaka, Chinenye M SPDC-UPO/G/USMI <Chinenye.Okpala@shell.com>
Cc: Uduka, Okoro SPDC-UPO/G/UST <Okoro.Uduka@shell.com>; Akanni, Joseph B SPDC-UPO/G/USMI <Joseph.Akanni@shell.com>; Akaka, Alphonsus E SPDC-UPO/G/TC <alphonsus.akaka@shell.com>; Akinyemi, Olabisi A SPDC-FUP/OG <Olabisi.Akinyemi@shell.com>; Audu-Usman, Isaac O SPDC-FUP/OG <Isaac.Audu-Usman@shell.com>; Omokiniovo, Ovoke SPDC-FUP/OG <Ovoke.Omokiniovo@shell.com>
Subject: RE: Diebu / NuN river Insp / refurb cost savings

Colleagues,

If we say we saved this much on the Diebu creek execution, how is it we are substantially over in YTD performance on that cost object?

SAP COST OBJECT	SAP COST OBJECT DESCRIPTION	APPROVED OP18 SN	APPROVE D OP18 S\$	APPROVED OP18 F\$	2019 OPCOM RECOMMEN DED BUDGET	2019 OPCOM RECOMMEN ED BUDGET S\$
C.NG.PAE.DF.19.006	Underwater Inspection/Refurbishment - Diebu Creek and Nun river	91,500,000	450,000	750,000	91,500,000	450,000

Included in this are a list of SEs totaling over \$508k. The major lines contributing to that are below.

ROLL-UP CODE	Comm	Purch.Doc.	Vendor Name	Purchase order text	RefDocNo	Doc. Date	C
C.NG.PAE.DF.19.0	Marine	4510416650	NATONY LIMITED	DIEBU INSP.&UNERDEC	800939660	9/27/2019	
C.NG.PAE.DF.19.0	Marine	4510416650	NATONY LIMITED	DIEBU INSP.&UNERDEC	800939660	9/27/2019	
C.NG.PAE.DF.19.0	Marine	4510416650	NATONY LIMITED	DIEBU INSP.&UNERDEC	800939660	9/27/2019	
C.NG.PAE.DF.19.0	Marine	4510416650	NATONY LIMITED	DIEBU INSP.&UNERDEC	800939660	9/27/2019	
C.NG.PAE.DF.19.0	Marine	4510416650	NATONY LIMITED	DIEBU INSP.&UNERDEC	800939660	9/27/2019	
C.NG.PAE.DF.19.0	Marine	4510416650	NATONY LIMITED	DIEBU INSP.&UNERDEC	800939660	9/27/2019	
C.NG.PAE.DF.19.0	Marine	4510416650	NATONY LIMITED	DIEBU INSP.&UNERDEC	800939659	9/27/2019	
C.NG.PAE.DF.19.0	Marine	4510416650	NATONY LIMITED	MATERIAL/SERVICES RE	800939662	9/27/2019	
C.NG.PAE.DF.19.0	Marine	4510416650	NATONY LIMITED	DIEBU INSP.&UNERDEC	800939660	9/27/2019	

We also have a manual accrual of \$684K. What is this about and is it still valid considering the savings we are declaring on this activity?

Help me understand how we made so much in savings yet have such high performance on the approved budget.

Rgds

From: Garus-Kogi, Oghenedoro F SPDC-UPO/G/TP <O.F.Garus-Kogi@shell.com>

Sent: Wednesday, November 6, 2019 4:09 PM

To: Cookey, Gabriel D SPDC-FUP/OG <Gabriel.Cookey@shell.com>

Cc: Uduka, Okoro SPDC-UPO/G/UST <Okoro.Uduka@shell.com>; Akanni, Joseph B SPDC-UPO/G/USMI <Joseph.Akanni@shell.com>; Orajaka, Chinenye M SPDC-UPO/G/USMI <Chinenye.Okpala@shell.com>; Akaka, Alphonsus E SPDC-UPO/G/TC <alphonsus.akaka@shell.com>

Subject: FW: Diebu / NuN river Insp / refurb cost savings

Hello Gabriel,

Please help to verify this savings and FCF before we can bank it.

Opex Savings		
	<i>Cost savings from optimizing Diebu crk inspection scope</i>	2019
		USD'000
	Net Opex Savings 100%	302.00
	Opex Savings Shell Share	90.60
	Lost Tax shield	-11.55
	FCF (SS) \$'000	79.05

Warm regards,
Doro



From: Orajaka, Chinenye M SPDC-UPO/G/USMI <Chinenye.Okpala@shell.com>
Sent: Thursday, October 24, 2019 11:53 AM
To: Garus-Kogi, Oghenedoro F SPDC-UPO/G/TP <O.F.Garus-Kogi@shell.com>
Cc: Akanni, Joseph B SPDC-UPO/G/USMI <Joseph.Akanni@shell.com>; Lawal, Kamar N SPDC-UPO/G/USMI <Kamar.Lawal@shell.com>
Subject: Diebu / NuN river Insp / refurb cost savings

Hi,

This cost savings of F\$376324.72k was achieved by :

- Eliminated the diving Scope by carrying out refurbishment of the pile structures along side the well heads inspection
- by implementing the outcome of the RBI for underwater , we integrated the statutory inspection (topside, underwater, Jetty and structural) and refurbishment activity to achieve one call out against multiple
- Close out of Remedial actions for the flowlines were closed out

By freeing up cash flow we were able to take up Additional Work scope

Approved Scope Cost	Actual Achieved Scope Cost	Additional Achieved Work Scope Cost
Total = F\$750K	Total = F\$373,675.28	Total = F\$302,514.96

<ul style="list-style-type: none"> • Underwater inspection of Diebu @ \$250k • Diebu Flowstation underdeck refurbishment of flow station @ 350K • NUNR Underwater inspection @ 150K 	<ul style="list-style-type: none"> • Underwater inspection of Diebu • Diebu Flowstation underdeck refurbishment of flow station • NUNR Underwater inspection 	<ul style="list-style-type: none"> • Topside inspection of all marine structures at Diebu • Diebu flowstation disbanded risers rewinding of 22 flowline • Refurbishment of 6nos wellheads platform at Diebu Creek • Topside inspection of all marine structures at NUNR • NUNR flowstation riser and manifold disbanded risers 17 lines was rewrapped
Savings = F\$376324.72		

Attached is the 2019 JV Budget final approval, line 1834 is specific for Corrosion and inspection activities.

- Also made use of spare Humidur (F\$**21,955.50**) with no extra cost to the asset
- Accommodated 12 Telecoms Work party for Diebu tower modification in our House boat 20days resulting in **F\$48,000** cost savings
- Acted as AHSS for 2 ongoing activity happening In the environ