



MOZAMBIQUE LNG PROJECT – LOCAL CONTENT

March 2020

COMBINING PROJECT & COUNTRYS LONG TERM OBJECTIVES

Use the Mz LNG Project as a footbridge for national & local economic development in alignment with Mozambique long term vision

- **Country's objective : long term industrial development**
 - Long term effort to establish capable workforce and O&G industrial capability
 - Develop local industries
- **Projects' nature: leverage for a lasting industry**
 - High mobilization of manpower and equipment
 - Large-scale enterprise with high technological content => inherent international dimension
- **High expectations in terms of**
 - Recruitment & training of Nationals
 - Use of local goods and services
 - Capacity building

Reconciling objectives and **delivering the MZ LNG project in due time** without compromising **Total QHSE standards**, requires an integrated approach emphasizing :

Capacity building

CAPACITY BUILDING & TECHNOLOGY TRANSFER

CORNERSTONES OF LOCAL CONTENT STRATEGY

In the context of the MZ LNG project, **Capacity Building / Technology Transfer** refer to the following:

Activities and mechanisms aimed at maximizing knowledge and skills transfer to the Government, Mozambican companies and national citizens, including, but not limited to-

- ✓ encouraging and facilitating the **formation of joint ventures** and partnerships;
- ✓ the establishment in Mozambique of management and technical capabilities such as :
 - **local supplier development** programs aimed at building capacity at national and community level;
 - **support of existing institutions** in Mozambique by providing knowledge and technology;
 - **internships and attachment** of national citizens in petroleum activities, mentorships, scholarships;
- ✓ the **establishment or upgrading of any necessary facilities for technical, vocational or commercial work and technology transfer**;
- ✓ the **support to local education institutions**;

LOCAL CONTENT FOCUS



1 Employment Opportunities

PROMOTE THE DEVELOPEMENT OF MOZAMBICAN WORKFORCE & COMPETENCES

- Maximize the **recruitment and training of Mozambicans** within the Project (ie Mz Lng Project, Contractors, subcontractors, ...)
- **Develop competences** (through recruitment & training) to promote Mozambican citizens at management & supervisory positions (succession plans, etc....).
- Support to selected **universities and technical institutes**.

2 Supply of Goods & Services by Mozambicans

PROMOTE THE DEVELOPMENT OF AN O&G INDUSTRY IN MOZAMBIQUE

- **Promote** the establishment & registration of **high tech international companies in Mozambique**.
- **Promote the creation of joint-ventures and partnerships** between national and international companies to foster technology transfer and capacity building in the O&G.
- **Develop local industrial capacities** (structure works, & infrastructures (logistics facilities, construction yards, workshops, etc...))

3 Capacity building

BUILD CAPACITY AMONG LOCAL SMEs TO SUPPORT ECONOMIC GROWTH WITHIN & OUTSIDE THE O&G

- Promote Industrial Enhancement
- Implement targeted action plans to foster development of strategic activities / sectors

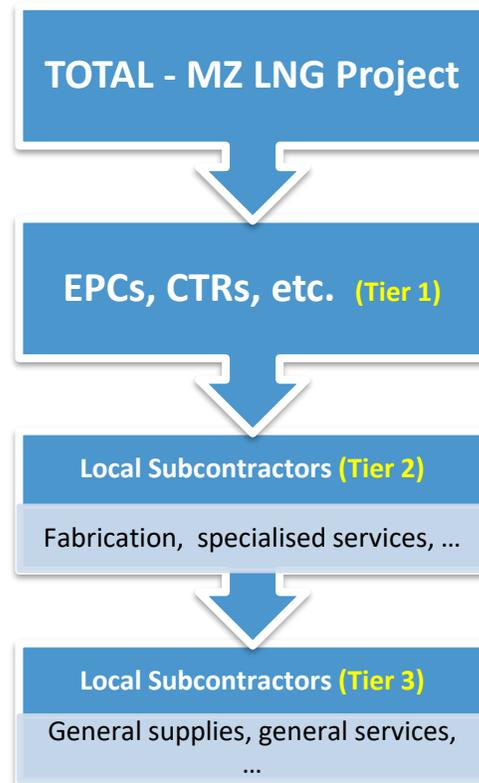
4 Develop activities with local communities

INCLUDE LOCAL COMMUNITIES OF CABO DELGADO

- Establish relationship during project phase.
- Maintain relationship during operation phase of the project.
- Implement practical contributions by company and contractors.

OIL & GAS ACTIVITY GENERATES OPPORTUNITIES BEYOND THE BOUNDARIES OF PROJECTS

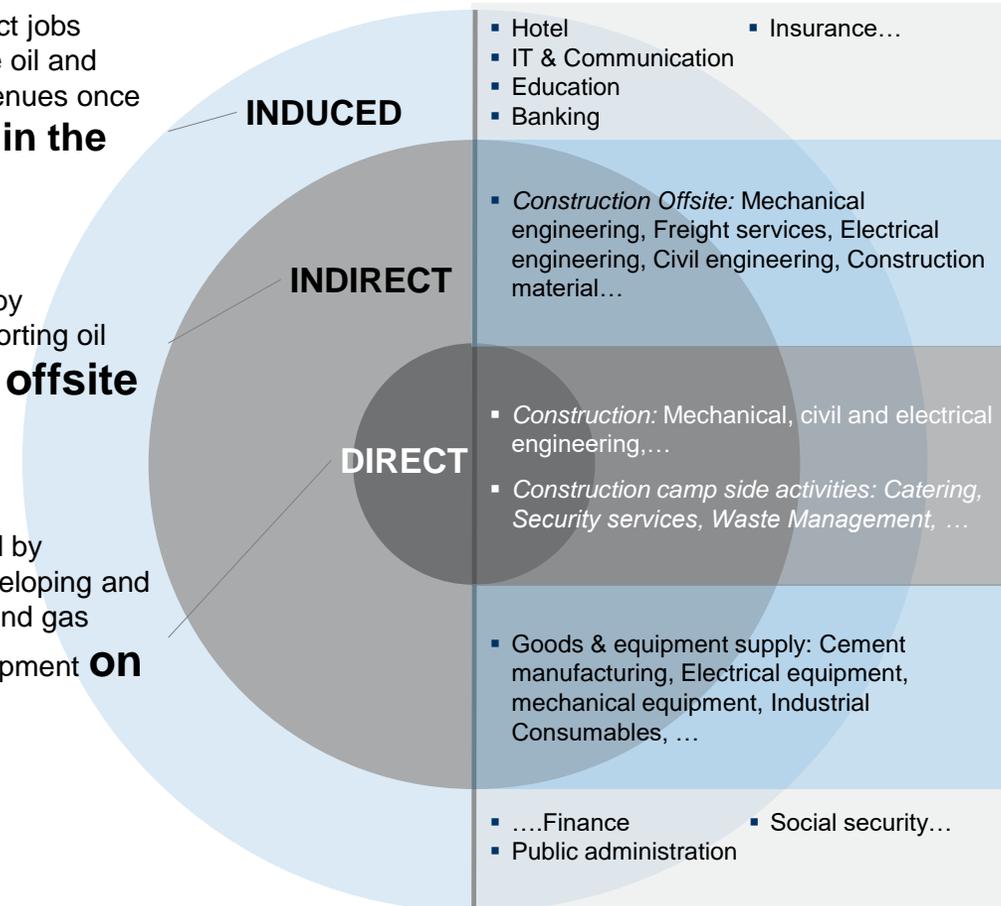
« WATERFALL » IMPLEMENTATION



Direct and indirect jobs generated by the oil and gas industry revenues once **re-invested in the economy**

Jobs generated by companies supporting oil and gas projects **offsite**

Jobs generated by companies developing and supporting oil and gas projects development **on site**



CONTRACTING FOR GOODS & SERVICES



The Mz LNG Project and his main Contractors are responsible for selecting the providers of goods and services for their part of work

Basis for selection include from each provider:

- **Quality**
Goods and Services must meet specified ISO standards, international codes, project technical standards and Mozambican standards, be « fit for purpose », meets availability/reliability requirements.
- **Cost**
Provides the economically competitive offering while meeting the other standards listed
- **Local Content**
The level of use of Mozambican labour, local expertise, goods and services, Mozambican owned companies, Locally registered entities, Mozambican citizens and proposals for technology transfer
- **Planning**
Demonstrates the capability of developing and maintaining plans to meet the schedule requirements and history of successful compliance on other projects
- **Ethics and compliance**
Conduct all business matters in the highest of ethical standards
- **Environment & Safety**
Demonstrate established environment, health and safety procedures use on previous projects and statistical proof of safety incident history

KEY GAPS AND OBJECTIVE TO SERVE O&G INDUSTRY

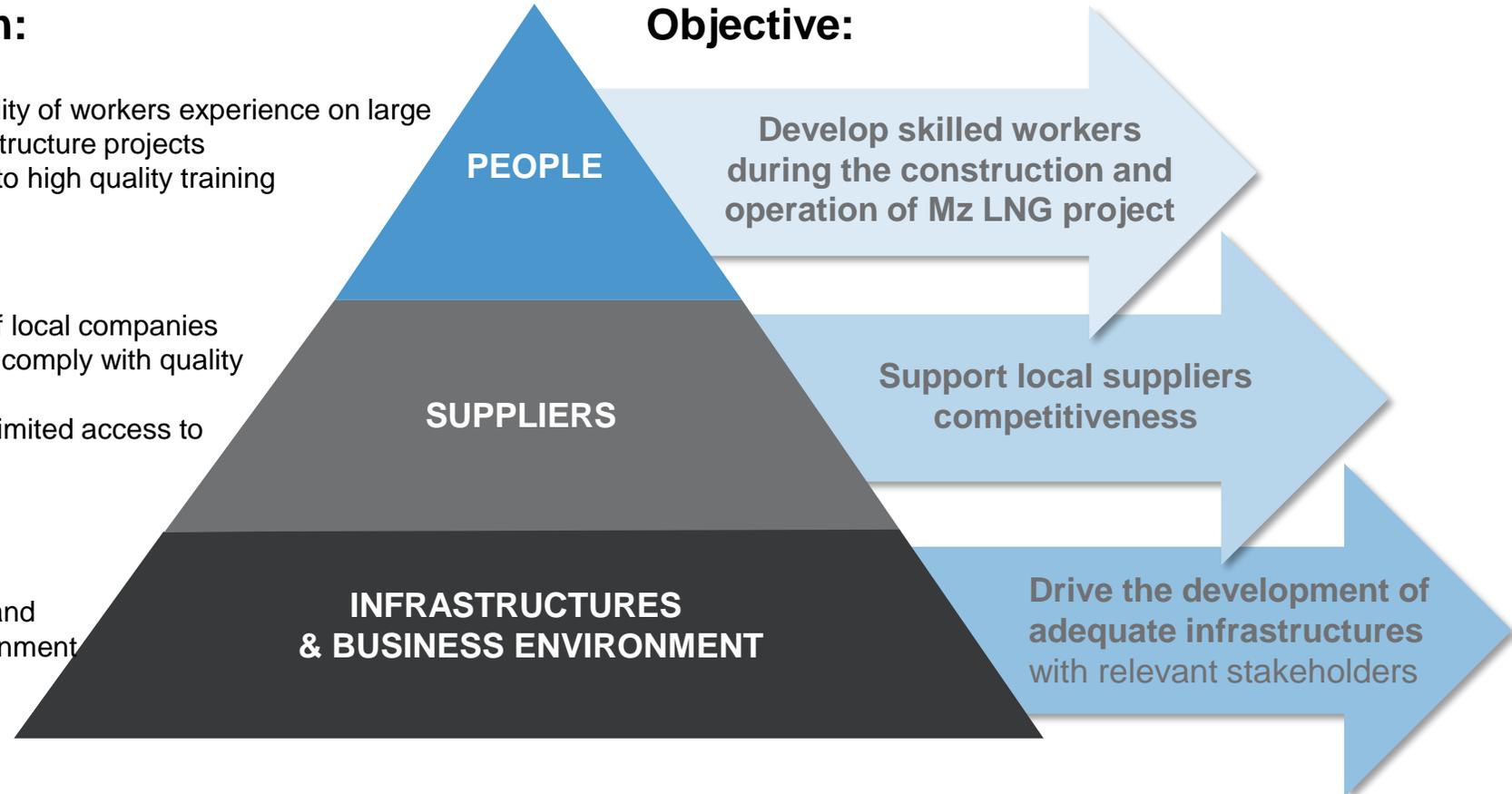
Observation:

- Limited availability of workers experience on large O&G and infrastructure projects
- Limited access to high quality training

- Limited ability of local companies to scale-up and comply with quality standards
- Notably due to limited access to finance

- Restraining infrastructures and business environment

Objective:





LOCAL CONTENT – RECENT ACHIEVEMENTS

March 2020

Q1
2020

Quarterly
news

Promotion of local business opportunities:

- **Contracting workshop** with CCSJV and main subcontractors in Pemba on 20/02/2020.

Employment & Training:

- CCS JV launched a **first training in partnership with IFPELAC**. This initiate a series of training covering different disciplines.
- **12 SPS Technical support personnel** left for Angola and Brazil as part of a 13 months training
- **10 graduates** from the School of Nautical Sciences in Maputo were selected as **Vessel Traffic Services (VTS) operators**. They left to the UK to continue their training

Capacity building:

- **Rehabilitation** of IFPELAC Pemba training facility
- Completion of the extensive **refurbishment of the IPEME CoRe center in Pemba**, which is now fully equipped to support Mozambican SMEs of Pemba.

Overview:

+ 500 MUSD direct local spend



+ 270 Mozambican companies involved, out of which + 150 are Mozambican owned



+ 17 000 000 local hours worked
Currently >5900 Nationals working (90% nationalization of total workforce)



+ 500 000 hours of training to + 18 000 Mozambicans



+ 500 000 hours of training



+ 34 young Mozambican graduates trained to high end technologies by renowned international companies involved in the project construction

TOTAL SUPPORTS CoRE CENTRE IN CABO DELGADO

- Provided \$200 thousand to support the upgrade of COre - with IT equipment, furniture and office supplies.
- An integral part of the Memorandum of Understanding between the Project and IPEME that foresees the use of these centers in Maputo and in Pemba for information, training and assistance to small and medium businesses.
- Newly refurbished Pemba center was inaugurated on 24th February 2020.



YOUNG MOZAMBICANS GAIN VALUABLE INTERNATIONAL EXPERIENCE

VTS Trainees to the UK

- Ten recent graduates from Maputo's School of Nautical Sciences have travelled to the UK to continue their training at a prestigious maritime school in Newcastle.
- The graduates will become Vessel Traffic Services (VTS) operators – the Air Traffic Controllers of the Sea, playing a valuable role in operations and gaining internationally sought-after experience.

Young Engineers to Milan

- Seven young Mozambican engineers have travelled to Milan for a 24-month assignment learning from some of the best in the world in disciplines including Process, Process Safety, Electrical, Mechanical and Instrumentation and Control Engineering.
- Participating in the detailed design of the first LNG plant on Mozambique soil. With this initiative, the project will ensure that local engineers have deep knowledge of how the plant was designed, incorporating local knowledge into the design and preparing the engineers to support the operational asset once the plant is in production.



TECHNIPFMC SENDS 12 MOZAMBICAN ENGINEERS ABROAD

- TechnipFMC is sending 12 young Mozambicans engineers to Brazil and Angola as part of a 1 year training program.
- The young graduates will be trained to become Technical Service Personnel.
- The training will support knowledge acquisition in offshore installation of subsea trees and confirm skills through exposure to offshore environment.
- The team is scheduled to leave the country in early March 10.





CLOSING REMARKS

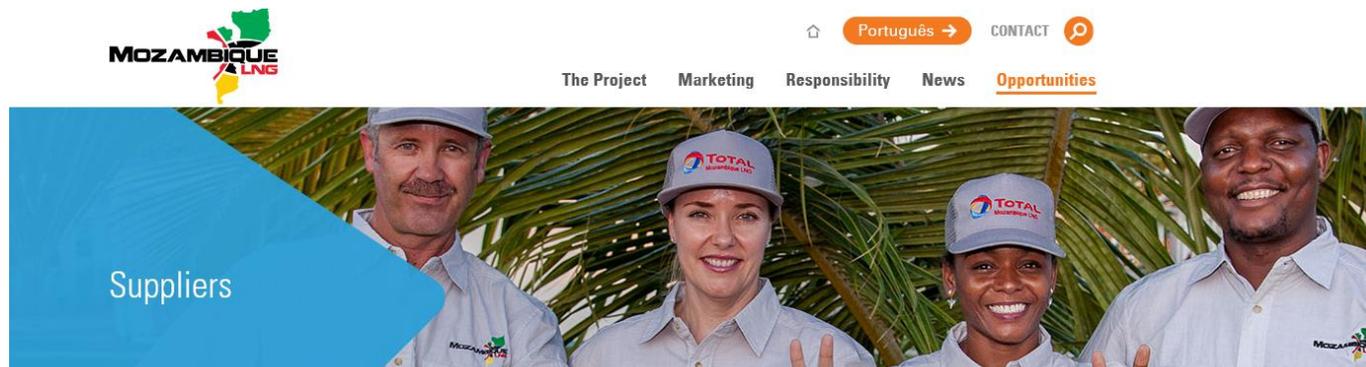
INSTRUCTIONS TO PARTICIPANTS & INTERESTED PARTIES

DOING BUSINESS WITH TOTAL LNG PROJECT

- TOTAL LNG Project has a program of active engagement with the supply chain
- This program is especially intended to increase opportunities
- In order to maximize opportunity for your company, you are recommended to follow the steps below:
 1. send an email to ep.mzsuppliers@total.com
 2. share a summary of goods and/or services your company wishes to provide. Please include a link to your website (if available);
 3. register your company on TOTAL's supplier information system at <https://pages.achilles.com/total-supplier-registration-en>
- Take note of following slides demonstration:



REGISTERING IN VENDOR DATA BASE -



Doing Business with Total

Total Supplier Registration

The First Step for suppliers to do business with the Total-led Mozambique LNG project is to register on the Total Supplier Registration System.

Provided by *Achilles*, the system will:

- allow suppliers to **create a supplier record** of basic company information with details of products and services
- provide suppliers with **information on upcoming contract opportunities**
- provide Total with better information on markets and the potential capabilities of suppliers
- increase transparency, increase competition and reduce duplication for both Total and

Supplier Brochures

[Manual De Competências](#)

[Preparação Para Fazer Negócios Com A CCS JV Concursos Para Bens E Serviços De Grande Dimensão](#)

[Preparação Para Fazer Negócios Com A CCS JV Concursos Para Bens E Serviços De Pequena Dimensão](#)

[Preparação Para Fazer Negócios Com A CCS JV 10 Elementos Da Empresa](#)

[Forward Work Plan - Aug. 27, 2019](#)



REGISTERING IN VENDOR DATA BASE - ACHILLES

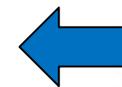
Registration is a mandatory requirement in order to become a potential supplier of goods and services to the Total-led Mozambique LNG Project. There is no charge for suppliers to register with Total.

As part of their registration, suppliers will be required to review our anti-corruption expectations.

Click here to view Total's "[Fundamental Principles of Purchasing](#)" & "[Code of Conduct](#)"

Interested suppliers should also **respond to Total "Expression of Interest" (EOI) advertisements** which are posted in Noticias. These are also posted in the section below. EOI will require interested suppliers to register on the Total Supplier Registration System if they are not already registered, thus avoiding duplication in the provision of information. Suppliers should of course ensure that their record is kept up-to-date.

Click [here](#) to register on the Total Supplier Registration System





Welcome to the Total E&P Mozambique Area 1, Lda Supplier Registration System

Please complete the application form to begin your Oil and Gas Africa registration.

You will then be sent a link within 48 hours to start your registration on the Total E&P Mozambique Area 1, Lda Supplier Registration System.

First name*

Last name*

Company name*

Email*

Phone number*

Street address*

State/Region*

City* Postal Code*

Country*

Please Select

Achilles needs the contact information you provide to us to contact you about our products and services. You may unsubscribe from these communications at any time. For

ACCESSING BUSINESS OPPORTUNITIES

- View business opportunities in 'Noticias' and 'O País' newspapers and from time to time, visit:
- <http://www.mzlng.com/Opportunities/Suppliers/> - see example below:



Expression of Interest

Current Applications

- [EOI - Community Malaria Control Program - Palma District Final](#)
- [EOI - Training Public Administration](#)
- [EOI - Stevedoring Services, Pemba, Cabo Delgado Province](#)

Prior Applications - Now Closed

- [EOI - Implementation of the Community Development Fund Program](#)
- [EOI - Fixed-Wing Aviation Services](#)
- [EOI - Global Ship Agency Services For Charterer Lng Vessels](#)
- [EOI - Provision of Marketing, Shipping and Project Finance Document Translation Services](#)
- [EOI - Community Strengthening Program](#)
- [EOI - Subsea Support Equipment Commissioning](#)
- [EOI - Technical Resources to Support Permitting Activities](#)
- [EOI - Supply of Drilling And/Or Completions Related Goods and Services](#)
- [EOI - Subsea Operations, Maintenance and Engineering Services](#)
- [EOI - Assessment and Design of Water Supply Systems for Communities in Afungi](#)

Opportunities: as on 4 March 2020



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