



Haya CEO (left) with Al Hassan chairman and CEO, (right) Al Hassan MD receiving the *Oman Economic Review* Top 20 award



# Focused approach, meticulous planning **take** Al Hassan to top

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**R**IDING high on its steady growth, Oman-based engineering, procurement and construction (EPC) firm Al Hassan Engineering Company (AHEC), says it is on target with a healthy order book which will carry it through this year and beyond. "We have aggressive business growth targets for 2011, 2012 and beyond. Our strategy and associated actions continue," says Maqbool Ali Salman, vice-chairman and managing director, AHEC.

The strategy of focused approach and meticulous planning has produced the desired results for the company which has been ranked in Top 20 listed companies in Oman by *Oman Economic Review* for the last three years in a row.

"Contract income has been higher in 2011 up to June 2011 and we expect the same trend to continue for the year 2011. In 2010, our business grew by an approximate 11 per cent by volume and 13 per cent in net profit before tax over 2009. This growth is in line with our target and builds on the growth that we achieved in 2009, which was 20 per cent over the 2008 volume," says Salman.

With the current investment shift by the Oman government to infrastructure projects, AHEC is considering realigning itself and expanding its activities so as to effectively sustain its position in the market. At the same time the company says it will continue to focus on its core business sectors.

"Our strategy, formulated in 2008, continues. We will focus our attention on development and growth of the energy sector of our business – power, oil, gas and petrochemicals and water. We will also continue to increase our penetration in the UAE market within our core business sectors," says Peter Hall, CEO while revealing the company's future gameplan.

## PRIME EPC FIRM

The company started out as a small construction office as Al Hassan Trading & Contracting in 1982. Over a relatively short period, it established itself as a prime EPC company and later changed to Al Hassan Engineering Company (AHEC) after listing on Muscat Securities Market in September 1998. AHEC is headquartered in Muscat, Oman while its UAE operations are run from Mafraq, Abu Dhabi.

AHEC currently operates in three main business sectors: oil, gas and petrochemicals; power generation, transmission and distribution; civil construction and water/wastewater treatment.

"In all of these sectors, we either operate as the main EPC contractor or as a chosen construction service provider in the areas of civil construction, mechanical/structural/pipework construction installation and electrical and instrumentation equipment installation and commissioning. In addition, we also provide maintenance services across the sectors," adds Salman.

In the last three decades, AHEC has successfully completed almost 100 small, medium, large sized contracts in the key industrial areas of oil and gas, petrochemicals, power, water and wastewater for leading Omani organisations such as PDO, ORPC, OGC, MHEW, OETC, Haya Water as well as for international contractors such as GS E&C, SNC Lavalin, Hyundai Rotem, and more lately Siemens, Petrofac and Technip.

## OIL AND GAS SPECIALIST

AHEC specialises in mid stream and downstream areas in oil and gas sectors which means oil and gas gathering from well heads, its further processing including separation, pumping and reinjection of water into wells.

In this area, AHEC provides either complete EPC services or construction support. As part of EPC, AHEC takes responsibility for design and engineering, procurement and installation including commissioning of the complete facility before its handover to client. In the case of construction services, the contracted work could include, civil works, installation of mechanical equipment, piping, electrical equipment, instrumentation, etc – actual material being supplied by the main contractor or client.

"Over the period, our scope of experience has included work on a wide spectrum of facilities in the oil and gas sector including equipment and materials such as oil and gas export pumps, deep water disposal pumps, heat exchangers, fin fan coolers, separators, hot oil furnaces, chemical injection facilities, instrument air systems, gas compressor systems, rack piping, etc," adds Hall.

## WINNING LAURELS

The company in 2010 successfully commissioned the following projects:

- The Salalah Methanol Project for South Korea's GS Engineering & Construction, safely put into commercial operation on schedule.
- The Burhan West and Harmal field development for PDO. The project was safely completed

some four months ahead of schedule in accordance with the client's operational requirements.

Interestingly, the above two landmark projects helped the company to be nominated among the five finalists in the 'Contractor of the Year Award' category, by *Construction Week*, for its ability to deliver projects on time and within budget for second consecutive year. AHEC was the only Omani company to feature in the shortlist. Also, for Burhan-Harmal pipeline project, AHEC was given National Award in Oil & Gas Category for 2011 in *Meed Quality Awards for Projects*.

## CURRENT MAJOR PROJECTS

Currently, AHEC is executing a number of high value and prestigious projects. They include:

- The EPC contract for the Nimr-C full field water injection project for PDO;
- Major civil construction works for the Seeb Waste Water – STP project for Haya Water, being executed by Hyundai-Rotem JV as the main EPC contractor;
- The 260 MW Amal power plant project, an EPC contract for PDO – this is a notable achievement as it is the first time that power plant project has been awarded on EPC basis to a local Omani company;
- A full construction package contract for a gas depletion compression facility being constructed for PDO at their Kauther site by the main EPC contractor, Petrofac.

## NEW AWARDS

- **Saih Nihayda Depletion Compression Project:** PDO selected GS E&C as their EPC contractor for executing the Depletion Compression facility at Saih Nihayda. In turn GS E&C awarded major portion of its construction work to AHEC.

- **Barka-3 Independent Power Project (IPP):** Oman Power and Water Procurement Company selected GS E&C as EPC contractor, along with a consortium of developers, to set up a 750 MW capacity IPP at Barka. AHEC entered its fifth contract with GS E&C by securing the civil and building works.

- **Long Term Power Supply (LTPS) project:** As part of its major expansion plans, Occidental Mukhaizna awarded this prestigious project on EPC basis. The facility involves the construction of a complex power transmission and distribution system for Occidental's pro-

duction facility at Mukhaizna.

- **Asab-3 Gasco Project:** In Abu Dhabi, EPC contractor Technip awarded a multi-million dollar contract to undertake civil and building works for the de-bottlenecking of the Gasco gas processing facility at Asab.

## DIVERSIFICATION PLANS

Since 2009, the company has diversified into execution of major civil works and water and waste water management projects. One such example is the civil work for the STP project at Seeb near Muscat, the largest so far in Oman.

Recently, AHEC has secured registrations with the Royal Court Affairs (RCA) for the construction works and Public Authority for Electricity & Water (PAEW) for Water Pipeline Works. These registrations will help AHEC bid directly for jobs in these sectors.

Also, the company has decided to explore and enter the renewable energy market. In this regard, AHEC, Abu Dhabi has successfully qualified as a general contractor with Masdar for major work-groups including civil works, power and communication, structural steel and MEP.

## UAE EXPANSION UNDER WAY

The UAE operations has successfully pre-qualified itself with leading oil and gas companies of Adnoc Group, Dewa, Fewa, Adwea and continues to bid for construction packages for various projects.

The company won its first project in the UAE power sector in 2009, securing an order from Siemens to undertake civil works associated with a new Dubai Electricity and Water Authority (Dewa) 400/132 kV substation and successfully completed it in December 2010.

In 2010, the company went on to win its first contract in Abu Dhabi, securing from Technip of France an order to undertake civil and building works for the Gasco Asab-3 gas project.

In February 2011, AHEC Abu Dhabi took up the tenancy of an 8,000 sq m plot of land at Mafraq Industrial Area. The plot has been taken on a long term lease and is being developed over the coming year to provide a permanent headquarters for the regional business. The development will provide dedicated office space for around 100 staff, with space for future expansion. It will also include a stores and workshop building with associated office space, and a fabrication facility.