



UNWAVERING FOCUS

Vision and integrity has catapulted Hassan bin Ali Salman, chairman of Al Hassan Group of Companies, to great success. He shares his journey with his trademark wisdom and humility

The sparkling white office of Hassan bin Ali Salman spells grandeur, reflecting on his integrity as a human being. In his down-to-earth style, he shares the journey of his company from its humble beginnings with us. “After accession of His Majesty Sultan Qaboos bin Said to the throne in 1970, Oman had started opening up. In April 1975, while I was working in Qatar, I got an offer from the Central Bank of Oman and joined them in October of the same year. I wanted to start a business of my own. A month later, my younger brother, Maqbool Ali Salman, and I pooled in all our financial resources into a 50:50 partnership and registered our own company with the Ministry of Commerce and Industry in the name of Al Hassan Trading and Contracting Company,” says Hassan.

When it came to choosing the business

sector, the Salman brothers decided to enter the sector of electricals as at that time there was an acute shortage of quality products in Oman. The simple philosophy was to light up every house in Oman with Al Hassan bulbs. From this line of thinking emerged the idea of selling *Noor* (light) to people, something that costs very little but enlightens and brightens people’s lives. They also bought some land in their name. One of the first plots they bought is where the Hamriya showroom of Al Hassan Electricals stands today. They later bought land in Wadi Kabir, from where Al Hassan Corporate Office is being run since 1980.

Trading business today

Today the trading business has grown immensely. From one showroom in Hamriya it has grown to become a

network of six showrooms, five in Muscat and one in Buraimi, and 400 plus dealers serviced from its warehouses by its own fleet of vehicles. The Salmans have established a specialised company called Hi-Tech Services and Supplies which caters to oil and gas, water and wastewater sectors ranging from bulk materials like pipes, pipe fittings and valves, to engineered products like pumps and data control systems.

Diversifying to contracting

By early 80s, the Salmans realised that they were doing quite well in the area of electrical products and in order to grow further they diversified around the core business of the company, dealing with the same clientele and entailing only a marginal increase of effort. It was a kind of forward integration that involved more or less the same clientele.

“In contracting, we started off with house wiring, transmission line projects including transformers, cables, conductors and poles, and other outdoor works for ministries. As the business grew, the basic principle that one has to be honest, ethical and provide the customer with more than he expects held good,” recalls Hassan. In 1988, the company secured four-year instrumentation services contract for South Oman Oilfields and Wellheads from PDO. In 1998, Al Hassan Trading & Contracting Co. became the first construction company in Oman to be listed on the Muscat Securities Market and was re-christened as Al Hassan Engineering Co. SAOG (AHEC). Today, AHEC has three business streams, oil, gas and petrochemicals, power, and civil and water.

Oil & Gas / Petrochemicals

AHEC has successfully completed a number of significant projects throughout Oman, including oil and gas gathering stations, deep water disposal facilities and gas treatment and processing facilities.

In 2005, in a joint venture with SNC Lavalin, AHEC successfully completed the prestigious gas treatment plant for PDO at Saih Nihayda. In a separate joint venture in 2005, AHEC completed the landmark 265-km, 48-inch gas pipeline which stretches from central Oman to the northern town of Sur. AHEC also installed a SCADA



Mukhaizna Power Station for PDO

network for over 2,000km of gas pipelines in Oman which are monitored from a Central Control Station in Muscat. For the Shams Gas and Condensate project, commissioned in 2006, AHEC was the chosen local EPC partner. A full EPC contract for the PDO Nimr-C full field water injection project is one of the ongoing projects of AHEC.

Power

In the power sector, out of approximately 5,400MW of Oman's installed power comprising both grid connected and captive power, AHEC has been involved in the construction of over 2,000MW of power plants in both simple and combined cycle configurations using

GE, Siemens and Alstom-manufactured gas turbines. The company's power plant business started with construction works at PDO's Saih Rawl, Hubara and Qarn Alam Phase-1 facilities.

In 2008, AHEC completed construction works on the largest power plants on the PDO network at Qarn Alam and Mukhaizna. During 2009, AHEC was involved in the successful completion of Oman's largest power plant to date, the 1,000MW combined cycle captive power plant for Sohar Aluminium. Also in 2009, it successfully completed a subcontract for full mechanical erection for two heat recovery steam generators at Mukhaizna power plant for Occidental Mukhaizna.

Continuing its leadership position in the power generation sector, the company is presently executing an EPC contract for a 260MW gas turbine power plant in simple cycle for PDO at Amal. In fact, this is the first contract of its type awarded to a local Omani company. Currently, AHEC is executing on EPC basis the long term power supply project for Occidental for their Mukhaizna field development.

Civil and Water

The company's diverse activities include major civil works and water and waste water projects. One such example is the major civil works for the Sewage Treatment Plant at Seeb. Close to Muscat, this will be the largest plant of this type to be built in Oman to date.



View of Amal Power Station Project for PDO



A' Seeb Sewage Treatment Plant

Delivering award-winning projects

- The Salalah Methanol Project for South Korea's GS Engineering and 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 the second consecutive year. Al Hassan Engineering was the only Omani company to feature in the shortlist.

Also, for Burhan-Harmal pipeline project, AHEC was the National Award Winner

in the Oil & Gas Category for 2011 in MEED Quality Awards for Projects.

Safety and quality conscious

The cornerstones of AHEC's continuous success in project execution are its excellent capabilities in health, safety and environment (HSE), quality, resource management and mobilisation (both material and manpower). HSE has always been a strategic priority for AHEC and it has been very successfully working with its clients to ensure 'zero' accident levels as well as a better quality of life.

The company is ISO 9001 certified since 1994 and is now re-certified for the latest ISO 9001:2008 version for both Oman and UAE operations. Also, AHEC Oman has been awarded the prestigious ASME 'S' and 'U' stamps for fabrication of boilers and pressure vessels. In addition, AHEC UAE has been successfully audited by Vincotte in June 2011 for the requirements of OHSAS 18001:2007 (Health and Safety) and ISO 14001:2004 (Environment).

UAE Expansion

The UAE operations of AHEC has successfully pre-qualified itself with leading oil and gas companies of ADNOC Group and continues to bid for construction packages for various projects. AHEC won its first project in the UAE power sector in 2009. In 2010, AHEC won 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 8,000sqm 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.

Success Strategy

Hassan's integrity and farsightedness has been a key to great success in business. He always made sure that each deal he made was a win-win situation for both or all parties involved. He developed strategic relationships with long-term growth potential in mind. He was recently featured in the 2011 *Construction Week* power 100 list compiled by *Construction Week* magazine. This list features the most influential people working in GCC construction. His real edge comes from his having remained committed to the core business activity of the energy sector and the habit of always keeping an eye on future trends in order to figure out what the next move should be in view of new opportunities that the Renaissance has made possible.



Salalah Methanol Project overview