

PRESS RELEASE

AECOM offers total lifecycle solutions for oil, gas and chemical sectors

18 August 2016: Clients in the oil, gas and chemicals sectors are on the lookout for smarter, more efficient ways to produce, process and deliver products to market, as well as assistance with environmental and sustainability considerations. AECOM is able to offer comprehensive services to these sectors over the entire lifecycle.

While AECOM has a strong presence in Africa, it is also one of the largest multinationals in the world, enjoying strong relationships with most of the major oil and gas companies. “As a company, we have a very good understanding of the industry and its role-players. Due to AECOM’s size and diverse nature, we are one of a few companies that can offer a total solution,” Africa Oil and Gas Business Line Leader **Samuel Du Rand** comments.

“AECOM believes a strong local industry that delivers services from within each country is essential to sustained success. It is this understanding that will allow us to add great value to the development of the industry on the continent,” Du Rand adds.

He points out that the biggest factors impacting on the industry at present is the oil and gas price, in addition to technological development and the costs associated with alternative energy sources. This includes the development of large global unconventional resources such as shale gas, which will impact the long-term development of new reserves. Global oil and gas dynamics, including the shifting political landscape within the oil-rich regions of the Middle East and other areas, will also have a major impact.

Du Rand predicts that there is likely to be an increased focus on previously untapped and unexplored reserves in Africa, especially Southern and Eastern Africa. Major oil and gas companies will look to expand their reserves in Africa as an alternative supply to the known markets of the Middle East and Russia. This, in turn, will enhance trade and investment on the continent.

“Inter-country infrastructure such as pipelines between Uganda and Kenya or Tanzania, Mozambique and South Africa, for example, are typically very large investments. However, these are game changers in terms of development and macro-economic growth. Unfortunately, in Africa, as well as many other parts of the world, the discovery of hydrocarbon reserves has come with conflict.”

Thus developing and implementing legislation and regulations at an early enough stage to adequately address the interests of African countries, local residents and international oil companies is essential for the success of the industry.

Du Rand points to numerous global instances of the success of this approach. “Norway is often used as an example of a country where wealth obtained from reserves was well-managed. Unfortunately, the development of regulations and preparing for development itself can also lead to long delays in decision-making that often hampers the feasibility of projects.”

Looking at oil-and-gas opportunities in Africa, Du Rand stresses that major discoveries in countries like Mozambique, Tanzania, Kenya and Uganda have generated a lot of excitement and interest in the region. “The development of new reserves has been slow, while the lack of enabling infrastructure such as roads, airports and ports requires a lot of time and major investment in order to be resolved,” Du Rand argues.

“However, regulatory requirements are being addressed, with Mozambique, for example, being close to ready for development. Unfortunately, the low oil price is stalling many developments at the

moment. It will also be interesting to see how international oil companies will decide to develop new reserves in Africa, and how the cost of creating enabling infrastructure here compares with other parts of the world,” Du Rand elaborates.

South Africa currently has little proven oil-and-gas reserves, and therefore remains a net importer of these resources. There is great interest in shale gas in the Karoo, as well as other potential oil-and-gas reserves on and offshore of South Africa.

“The current regulatory environment is not friendly to investment in exploration, while there are a lot of environmental challenges to overcome. Significant development of the industry in the short term is probably unlikely. Programmes such as the gas-to-power initiative by the Department of Energy may stimulate development going forward,” Du Rand predicts.

Ends

Notes to the editor

To download hi-res images for this release, please visit <http://media.ngage.co.za> and click on the AECOM link to view the company’s press office.

About AECOM

AECOM is a premier, fully integrated professional and technical services firm. It designs, builds, finances and operates infrastructure assets around the world for public- and private-sector clients. In Africa, AECOM has offices in over 20 countries, including Botswana, Ghana, Kenya, Mozambique, Nigeria, South Africa and Uganda. With top-level professionals in multiple locations, AECOM understands Africa’s specific infrastructure needs, together with the inherent challenges of working on the continent. Its multi-disciplinary teams of award-winning engineers, planners, architects, environmental specialists, economists, scientists, consultants, cost, project and programme managers are committed to delivering projects that improve the quality of life of communities throughout Africa.

Media Contact

Mmule Ncongwane

NGAGE Public Relations

Phone: (011) 867-7763

Fax: 086 512 3352

Cell: 083 661 8751

Email: mmule@ngage.co.za

Web: www.ngage.co.za

Browse the **NGAGE Media Zone** for more client press releases and photographs at <http://media.ngage.co.za>