

MILESTONES

Focus on China

Moody International Celebrates its 10 year Anniversary in China

In December 1992, Moody International made the strategic decision to enter the Chinese market. At that time there were very few western companies operating in China and the risks were substantial. An initial office was established in Xian in a joint venture with a traditional government commodity inspection agency.



Moody was rewarded for its foresight by being awarded two large projects in the infancy of its Chinese office. These two projects, the Phillips Petroleum Xijiang Offshore Oil Field Development Project and the Arco China Yacheng Project, were competently and cost effectively executed and that led to further development.

Capitalizing on its early success, MI-China expanded in early 1995 with the opening of an office in Beijing to manage the overall business in China. Moody's array of technical services was expanded to include expertise in power generation projects and a strategic joint venture company was formed with a subsidiary company of the Ministry of Power Industry, CHEC. Through this joint venture, MI-China continued to extend its project, inspection and certification services to the electric power industry.

In 1999, with the China market more open to foreign investment, Moody International registered its wholly owned company, Moody Shanghai Consulting Ltd. in Pudong, Shanghai, which allowed the Group increased flexibility in the management of the Chinese operations and improved service to its clients with a more customer service oriented, cost-efficient approach.

Today, Moody operates offices in nine key Chinese cities with its headquarters in Shanghai. Over the last ten years, numerous projects have been successfully executed in a multitude of industries including oil and gas (offshore structures, pipelines, refineries, etc.), power generation, chemical and petrochemical, pharmaceuticals, mining and metals, food processing, and more. Current clients of note include:

Aramco	Dupont
Voest Alpine	BASF
Nanhai Technip Group	KBR
CNOCC	Devon Energy
Rhodia	

Today, MI-China is a leader in the development of comprehensive procurement support services providing assistance with initial supplier sourcing, supplier surveys, capability and/or capacity assessments, supplier/manufacturer oversight and management, along with traditional inspection and expediting support. Steven Chiu, Manager of the Procurement Services Department, has led the effort to develop and strengthen this division.

MI-China is now the "technical service provider of choice" for many western companies requiring assistance with legal, regulatory, and statutory technical requirements (ex. local codes and standards). Moody engineers have contributed significantly adding value to client projects and/or procurement related activities in China.

The Group is very proud of the individuals who have contributed to the success of its operations and congratulates its committed staff for their 10 years of hard work and continued achievement.

MOODY AWARDED PRESTIGIOUS CIVIL CONSTRUCTION PROJECT

The Puerto Rico Convention Center Project

MI-USA was awarded a large contract by the Puerto Rico Convention Center District Authority to provide supplier surveillance services in Korea and site construction management services during installation/erection in San Juan, Puerto Rico.

Several Korean Inspectors, namely B.Y. Jeong and I.K. Kim, worked diligently at Hyundai Engineering and Steel Industries

to ensure that over 12,000 tons of structural steel was compliant with stringent purchase order, code and specification requirements. MI-Korea was also tasked with the



responsibility to expedite material to ensure timely delivery without sacrificing quality. The expediting function was performed very competently by H. J. Lee.

Once the steel started to ship from Korea, Moody mobilized its site construction management team, led by Lamont Wharton. In San Juan, Moody is responsible for oversight of construction/erection activities including substantial NDT (MT, RT, and UT). When completed in early 2004, this 600,000 square foot state-of-the-art facility will enable Puerto Rico to host many new and important social and business related functions.



AUSTRALIAN UPDATE

MI-Australia Poised for Significant Growth

Moody International has operated in Australia since 1984 and over that period of nearly 20 years, MI-Australia has proven themselves to be a stable and reliable service provider to their many clients. While the Australian market still remains a predominantly cyclical market, the present situation is very buoyant with multiple world-class projects in oil, gas, chemicals, and power generation in final planning or advanced engineering. Most of these projects will be very active within the next 12-24 months and this should ensure continued growth for Moody's Australian operations.

With Offices in Sydney and Perth, MI-Australia is effectively organized to pursue opportunities on both the East and West Coast of Australia. This geographic diversity has led to significant awards in recent years including major projects in oil, gas, power generation and the mining industry.

Of particular relevance, is MI-Australia's contract with ConocoPhillips for the Bayu Undan Project. Bayu Undan is an enormous onshore/offshore development project that is currently being installed in the Timor Sea. On this project Moody provided inspection services in 31 countries over three years during the main procurement stage of this project.

Both Australian offices are wholly-integrated, sharing market intelligence and technical resources. With strong, local management including Garry Tanner in Sydney and Ken Maloney in Perth, the future looks bright for Australia.



Current Australian clients of note include:

Bechtel
 ConocoPhillips
 Chevron-Texaco
 Kellogg JV
 Clough Engineering
 Worley Group
 Coflexip
 McConnel Dowell
 Air Liquide
 Woodside Energy
 Connell Wagner
 Rio Tinto
 BHP Billiton
 BP Oil
 Duke Energy
 Alstom Power
 Placer Dome
 AGIP Australia

PROJECTS OF NOTE: SOUTH EAST ASIA

MI-Indonesia is proud to have completed the ConocoPhillips Additional Dry Gas Field (ADGF) Project and is near completion with the Belanak Project. Moody's scope on both projects included worldwide supplier surveillance support, site fabrication support, pipeline construction inspection services and the provision of specialized hookup and commissioning personnel.

MI-Singapore successfully completed a large offshore project for Devon Energy China. Moody's scope included intensive fabrication inspection of the platform topsides at Sembawang Marine's Singapore Yard and the supply of personnel to oversee the offshore installation and hookup activities in the South China Sea.

MI-Singapore is also actively involved with the Singapore Deep Tunnel Sewage System and Water Reclamation Project as the Independent Inspection Agency overseeing all project contractors on behalf of governmental bodies.

MI-Thailand has been awarded a contract to provide pipe mill and coatings inspection services in Italy and Germany on the 366 km Trans Thailand Malaysia Pipeline Project.

MI-SOUTH AFRICA AWARDED MAJOR PIPELINE CONSTRUCTION CONTRACT

Deon van der Walt, MI-South Africa's Executive Director, is pleased to announce that Moody was selected to perform a variety of technical services in support of the SASOL Mozambique to Secunda (South Africa) Natural Gas Pipeline Project.

The project entails 865 kilometers of 26" X-65 / X-70, API 5L pipe. Moody has been appointed as the Authorized Inspection Authority (AIA) per South African



statutory requirements. In addition to Moody's statutory AIA responsibilities, MI-South Africa is providing support to BKS Engineering & Management, the project's appointed owner's representative team. This support includes the provision of multi-discipline teams to oversee the construction contractors activities in areas such as welding, NDT, coating, civil, mechanical, environmental, etc.

Utilizing resources from multiple Moody offices including Argentina, Brazil, Colombia, and Australia to complement a number of South African personnel assigned to the project, Moody has demonstrated the breadth of its international organization and its ability to provide cross-continent support.

The line pipe was sourced from mills in Japan, Germany and South Africa, with coating activities also taking place in Malaysia. Again, Moody's offices in these locations were able to offer their expertise in terms of inspection support to the project.

This is a very high visibility project

and Moody's successful execution of the work has cemented its solid



relationship with Sasol and should lead to other pipeline opportunities in South Africa and Africa as a whole.

RECENT APPROVALS

The Thailand Board of Investment (BOI) has certified Moody as an approved inspection agency authorized to perform import/export inspection of products and materials on their behalf. Also, Moody International has been accredited through Brussels as a Notified Body and will now be capable of performing conformity assessment services. Initial services will focus on the pressure equipment directives (P.E.D.)/ CE Marking. More to follow in the next issue of *Milestones*.



ATLANTIC CANADA EXPANSION

MI-Canada is pleased to report the recent opening of a Regional Office in Halifax (Dartmouth), Nova Scotia, Canada which will serve the Maritime Provinces of Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador. Halifax is considered the energy capital of the Maritime Provinces and major projects on the horizon include the Blue Atlantic Gas Pipeline and the Deep Panuke Gas Project. With the opening of the new office in Halifax, Moody should be strategically positioned to capitalize on project opportunities such as these.

MI-Canada has appointed Mr. Troy Ritcy as the Regional Manager for the Atlantic Canada operations. Mr. Ritcy's extensive involvement in the local business community including the Marine, Scientific, and Oil & Gas industries for over 12 years will provide valuable insight and experience in the development of Moody International in the Canadian Maritimes.

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INDIAN EXPANSION



Moody India Pvt. Ltd. proudly announces the opening of its second office in India. The new office is located in Chennai on the southeastern coast of India. The Chennai office will offer all of Moody's traditional services but will focus heavily on the growing offshore market in the Tamilnadu state region. The Chennai office will be managed by L.C. Tavares, working in close conjunction with Nachhattar Singh, Moody's General Manager in India. Moody's India Headquarters will continue to be located in Mumbai.

2003 SIGNIFICANT EMPLOYMENT MILESTONES

35 years

Marino Host

20 years

Uwe Saelzle
Kiyo Sakai
Koji Yamamoto
Allen Thompson

15 years

Hamidah Abdul Kadir
Capt. Lee
Zaim Mahmood
Roslan Ismail
Sakkie Grové
Joe Keefe

10 years

Motoko Furusawa
Richard Rainbow
Delphine Dearlove
Abdol Gani Dahim
Siti Rokiah Ariffin
Zhang Min
Shang Gaofeng

PERSONNEL / PROMOTIONS

John Chester has transferred to Dubai and named Assistant Regional Manager for the Gulf Region based in Dubai. John will take over as Regional Manager upon Ed Blake's planned retirement on 31st December, 2003.

Ian Porter, in turn, has been appointed General Manager of Moody International's Doha, Qatar office.

Alan Spanton has been appointed as the General Manager for Indonesia, effective June, 2003. Alan will also assist Capt. Lee in Singapore as needed.

Capt. Lee has been appointed as Regional Manager for South East Asia, effective January 2003.

MI-ECUADOR EXPERIENCES IMPRESSIVE GROWTH

Since its inception in 2001, the MI-Ecuador office continues to grow and flourish. Based in Quito, operations are directed by General Manager Alessandro Bruno, a Brazilian engineer who demonstrated his project management skills and loyalty to Moody on the Cuiaba Gas Pipeline Project in Brazil.



In early 2003, YPF Repsol awarded MI-Ecuador a very large project management contract to oversee the expansion of existing facilities at Block 16. The refinery expansion project (pictured above) is designed to increase the production of heavy crude. Moody provided a complete project management team of over fifty people to supervise the construction, pre-commissioning, commissioning, and start-up operations at the plant. Moody's scope also included various project management functions such as project controls reporting, document control, engineering review, material control, as well as HSE. Work on the \$300 Million dollar expansion project is expected to be complete by the 4th quarter of 2003.

In addition to the YPF Repsol project, MI-Ecuador is also active with other projects such as the Kerr McGee Yuralpa project, the OCP Pipeline project, the Samedan/EDC Machala Power Project, and the Norberto Odebrecht Guayaquil Airport project.

Alessandro Bruno is supported by Guillermo Freire, Marketing Manager.

Alessandro Bruno has been appointed General Manager of Moody International's Quito, Ecuador operations.

Kevin Osman has been promoted to Regional Director. Kevin will continue to be responsible for the CIS and will assist Geoff Lester in the European region.

Sun Aimin will be responsible for China and its continued growth. He will also act as the Regional Director responsible for certification services in the Far East.

Wayne Bamford has transferred from Dubai to the United States in order to fill the position of Managing Director of Moody International Certification Americas.

MI-UAE (Abu Dhabi) PRESENTED WITH SAFETY AWARD

Abu Dhabi Gas Industries (GASCO), one of MI-UAE (Abu Dhabi)'s major clients, recently presented Ed Blake with an award recognizing MI-UAE (Abu Dhabi) as



HSE contractor of the year for 2002. The award reflects positively on the Group's commitment to safety and the high level of service provided by Ed and the rest of the staff in the MI-UAE (Abu Dhabi) office.

MI-UAE (Abu Dhabi) was very active with GASCO in the past several years having worked on the following projects: Onshore Gas Development Project; Maqta to Jebel Ali Gas Pipeline Project; Bab to Umm Al Naar Pipeline Project; Ruwais to Shuweihat Pipeline Project.

Pictured above with Ed Blake is the rest of the Abu Dhabi Project Coordination staff including Andreea Donnison, Trisha Vivash, Janis Davies, Alex Ohorodova.

MI-PAKISTAN AWARDED PIPELINE CONTRACT

Techno Engineering Services (Pvt.) Limited, a part of the EPC Consortium recently awarded Moody International Pakistan a large contract to provide inspection services in support of the White Oil Pipeline Project. The project owner, PAPCO is a joint venture comprised of Pak Arab Refining Co. (PARCO), Shell, PSO, and Caltex. The White Oil Pipeline Project calls for 817 kilometers of 26" pipe running from the Bin Qasim terminal and pumping station in Karachi, Pakistan to the terminal at Mehmood Kot.



MI-Pakistan is working closely with the EPC Contractor, a joint venture between CPECC (China Petroleum Engineering & Construction Corporation) and Techno Engineering Services Ltd. to provide the following services

- Provision of a well trained, highly qualified team of 19 indigenous Inspectors working 24 hours a day in the two primary pipe mills (Shashi Steel Pipe Works and Crescent Steel and Allied Products) both located in Southern Pakistan. Duties include coil inspection, radiography, ultrasonics, coatings, and general inspection.
- Provision of 15 Inspectors to oversee pipeline construction activities (primarily welding and non-destructive testing) across four different pipeline spreads.
- Provision of worldwide supplier inspection support in multiple countries with a particularly important assignment for fiber optic material and equipment being conducted in Spain.

Congratulations to Rashid Mehr and his staff for a job well done.



Moody International

