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# SAOGA AGM - Agenda

1. **Open and Welcome**
2. **Approval of Chairperson**
3. **Attendance register to be signed**
4. **Apologies**
5. **Constituting the meeting**
6. **Approval and Acceptance of 2009 AGM Minutes**
7. **Matters arising from previous minutes**
8. **Resolution approving the Audited Annual Financial Statements**
9. **Appointment confirmation of Auditors**
10. **Appointment of Directors**
11. **Appointment Confirmation of Secretary**
12. **New Member Structure**
13. **Management Report**
14. **General.**
15. **Closure.**



# SAOGA AGM

Annual Report on 2010/11 Financial Year

*22 September 2011*

# Agenda

- **Presentation of Financials 2010/11**
- **Report on 2010/11**
- **Business Plan 2011/12**

# Statement of Comprehensive Income 1 Apr 2010 to 31 Mar 2011

<b>Income</b> (all figures in rands)	<b>2011</b>	<b>2010</b>
Public Sector Grants	8 098 871	12 206 294
Membership Fees	281 684	315 266
Interest	325 541	450 988
Digital Directory (net of costs)	-	47 269
Other	328 445	20 021
	<u>9 034 541</u>	<u>13 039 838</u>
<b>Operating Expenses</b>		
General Fixed Costs	4 969 653	4 740 251
Project Costs	2 671 073	11 110 693
Cluster & Industry Development		
<i>Studies</i>	-	506 973
<i>Profiling and Benchmarking</i>	59 279	-
<i>ISO Programme</i>	24 040	79 144
<i>Government Liaison</i>	-	30 786
<i>Member Networking Initiatives</i>	45 579	65 733
Marketing & Business Development		
<i>Marketing &amp; Conferences</i>	515 080	670 494
Human Skills & Development		
<i>Basic Training</i>	819 910	7 376 386
<i>Upskilling Courses</i>	1 207 186	2 381 176
	<u>7 640 726</u>	<u>15 850 944</u>
<b>Deficit/Surplus for the year</b>	<u>1 393 814</u>	<u>-2 811 106</u>

## Statement of Financial Position as at 31 March 2011

<b>ASSETS</b> (all figures in rands)	<b>2011</b>	<b>2010</b>
<b>Non-current Assets</b>		
Fixed Assets	63 290	78 816
<b>Current Assets</b>		
Current Tax Receivables	-	55 654
Trade & Other Receivables	210 181	473 511
Cash & Cash Equivalents	9 136 975	7 237 949
<b>Total Assets</b>	<b>9 410 446</b>	<b>7 845 930</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
Retained Surplus	8 614 945	7 221 130
<b>Liabilities</b>		
Trade and Other Payables	795 501	624 800
<b>Total Equity &amp; Liabilities</b>	<b>9 410 446</b>	<b>7 845 930</b>

## Breakdown of the R9 048 858 cash balance as at 31 March 2011

Budget Item/Projects	2011 Carryover
	FY2010/11
Website Development	153 814
Cluster & Industry Development	414 887
Office Move and Furniture	20 537
Industry Capability Development Project	110 000
Marketing an business development	150 000
Supply Hub Pre-feasibility Study	515 789
Dry Dock Feasibility Study	1 154 603
Human Skills Development	845 179
Opex	694 915
PGWC/Skills MOU	618 103
SAOGA Funds/Digital Directory	3 809 939
Accrued Expenses	561 091
<b>Total</b>	<b>9 048 858</b>

## Even with reduced project spend SAOGA gave back roughly 6 times the cash received from members

<b>Income from Member Fees</b> (as percentage of total income)	<b>281 684</b>	3.48% of total income
<b>Transfers back to members</b>	<b>1 682 180</b>	22% of total expenditure
Subsidies on networking events	45 579	
Subsidies on skills development	1 580 983	
Subsidies on Supplier development	55 619	
Subsidies on OTC2011	15 000	
<b>ROI to Members (%)</b>	<b>597%</b>	

***Obviously members who are not participating in SAOGA activities and events are missing these direct benefits.***

# Agenda

- **Presentation of Financials 2010/11**
- **Report on 2010/11**
  - Overview
  - Cluster & Industry Capability Development
  - Marketing & Business Development
  - Industry Skills Development
  - Management & Operational Effectiveness
- **Business Plan 2011/12**

## Highlights for 2010/11

Q1 Apr-  
Jun

- OTC10 in Houston
- New website launched
- MoC with UNIDO signed
- ISO Workshop held
- Shell initiates shale gas activity

Q2 Jul-  
Sep

- Industry dialogue session with MEC Winde
- MoC with PetroSA; Met with PetroSA NIPP programme director at DTI
- Clough industry session
- UNIDO programme launch workshop
- Company visit programme starts
- SAOGA hosts shale gas presentation with Shell
- Inquiries around SB supply base

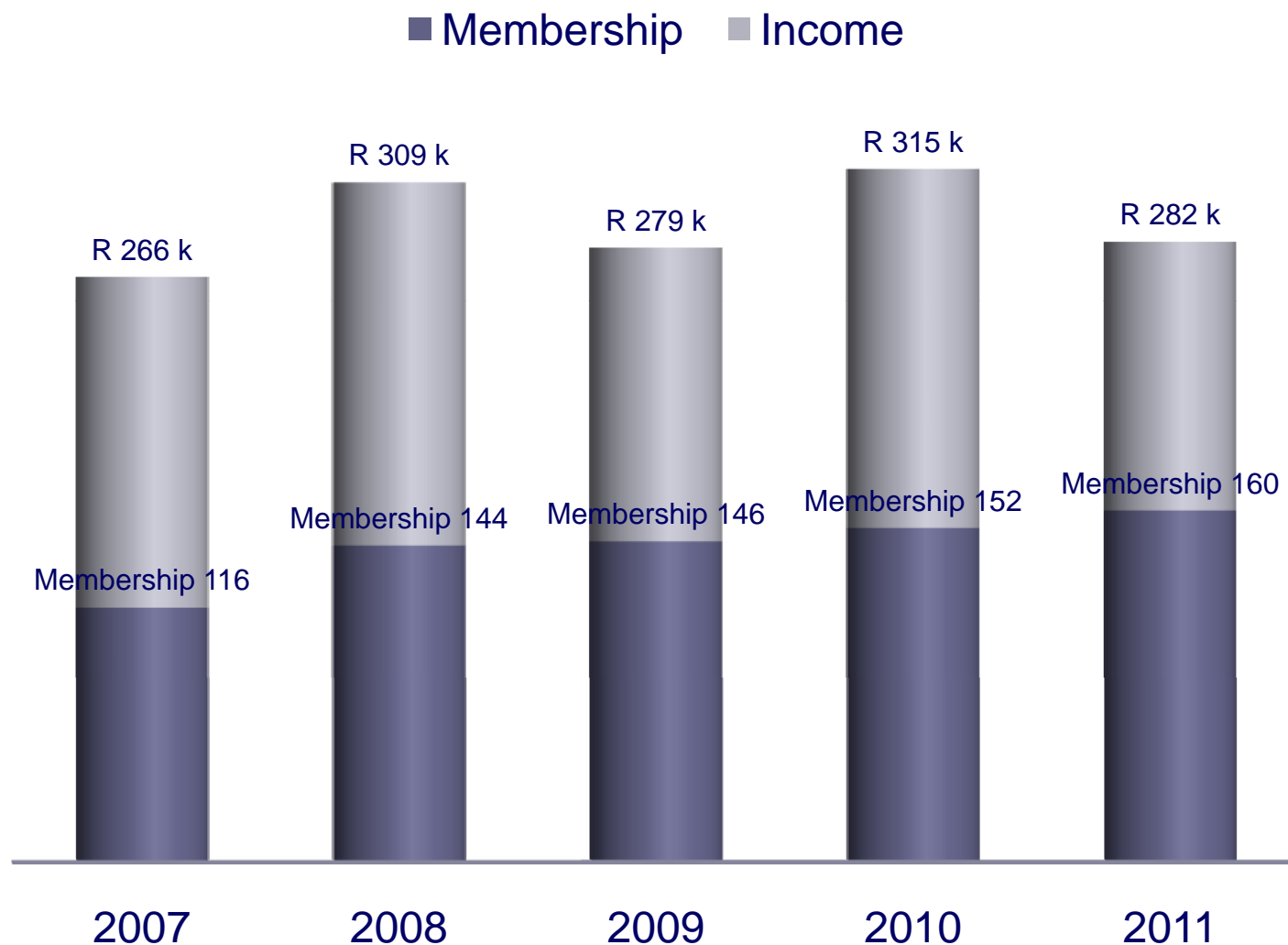
Q3 Oct-  
Dec

- Company visit programme
- DTI approaches SAOGA on creating sector plan for IPAP
- SAOGA skills trip to UK/Norway
- A-Berth upgrade completed and opens
- 2 Saipem projects in harbour
- SHEQ workshop with TNPA
- BBBEE workshop at hotel school

Q4 Jan-  
Mar

- SAOGA moves to new offices at 4 Loop Street
- New strategy finalised
- Upstream sector strategy accepted into IPAP
- Transocean Celtic Sea to SB
- FO field project approved; NIPP implications and discussions
- SAOGA hosts Iranian delegation for presentation and discussion
- Skills programme lands Chevron placement contract
- 7Seas/Belmet jackup survey barge completed

# Membership and fee income trend over 5 years



# The 2010/11 Business Plan focused on 4 areas

**Our Mission**  
(Where are we going)



To promote the development of South African-based industry serving the global oil & gas market

**Our Strategic Imperatives**  
(What do we need to do)

Cluster & Industry Development	Marketing & Business Development	Industry Skills Development	Management & Operational Effectiveness
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**Our Strategic Initiatives**  
(How)

<ul style="list-style-type: none"> <li>• Cluster Definition &amp; Tracking</li> <li>• Cluster Linking &amp; Networking</li> <li>• Supplier Development</li> <li>• Infrastructure &amp; Environment Development</li> </ul>	<ul style="list-style-type: none"> <li>• Develop &amp; Promote SA O&amp;G Directory</li> <li>• Conferences &amp; Exhibitions</li> <li>• Investment Promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Upskilling Programme</li> <li>• Employer-based Trade Skills Programme</li> <li>• Strategic Skills Planning</li> <li>• Oil &amp; Gas Skills Academy</li> </ul>	<ul style="list-style-type: none"> <li>• Improve Board effectiveness</li> <li>• Complete website/CRM infrastructure</li> <li>• Relocate office</li> <li>• Improve reporting</li> <li>• Reform procurement process</li> </ul>
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# Company visits and cluster analysis

- **Key Stats**

- 72 Company visits
- Industry Survey with 170 responses
- 68 Member companies completed our membership questionnaire

- **Insights**

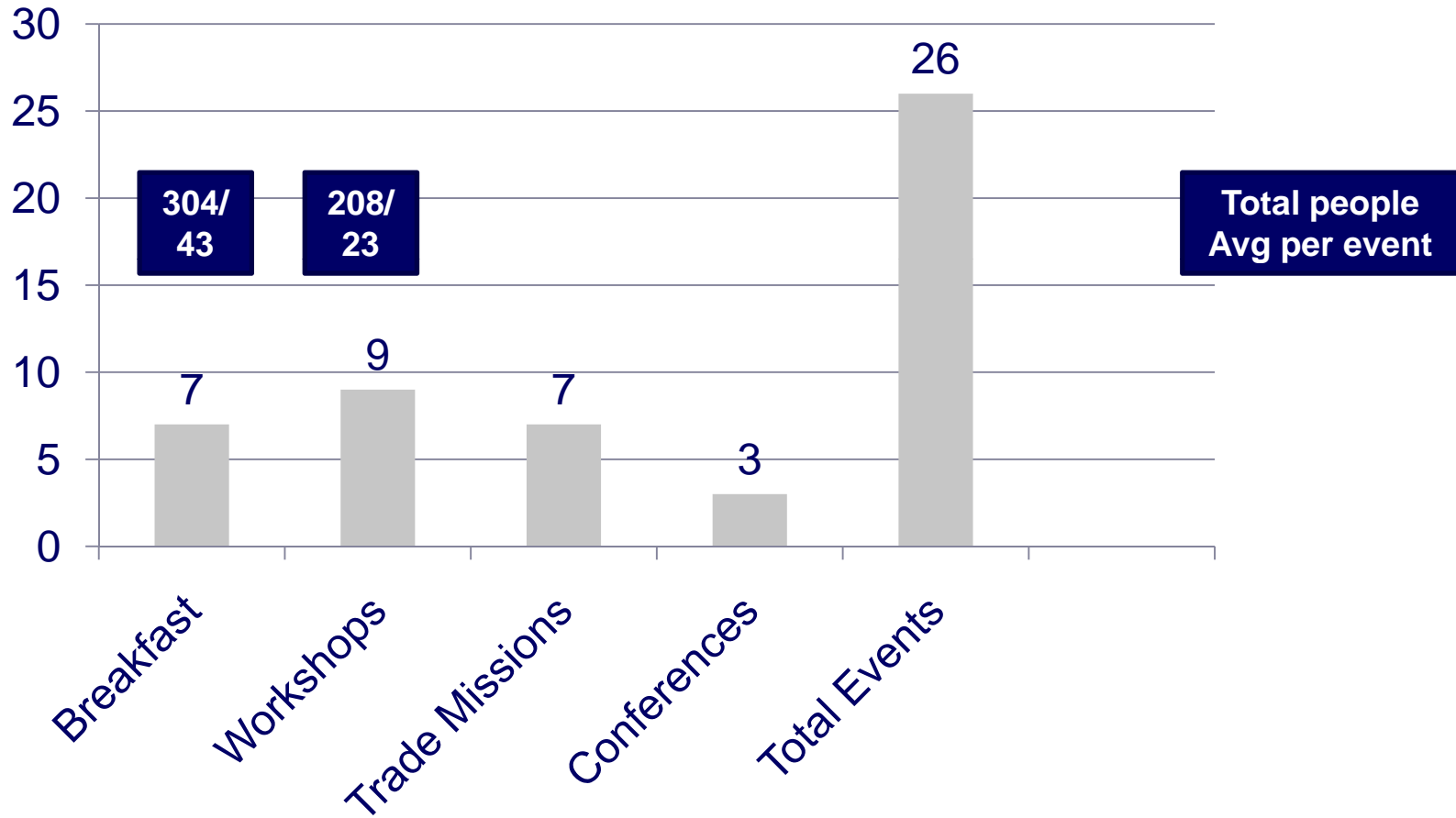
- Extremely diverse sector because it is market not industry related and hence quite difficult to capture
- 65% of companies are South African originated , 35% result from foreign activity
- Only 25% of companies draw more than half their revenues from Upstream oil and gas, and if then mostly from foreign sources
- Very optimistic about future revenue growth (85%)
- Only 50% of surveyed companies have a BBBEE level of 4 and above
- Many companies involved in delivering equipment / materials / services outside South Africa
- Sub-Saharan Market is recognised as the key opportunity for growth

## Company visits and cluster analysis

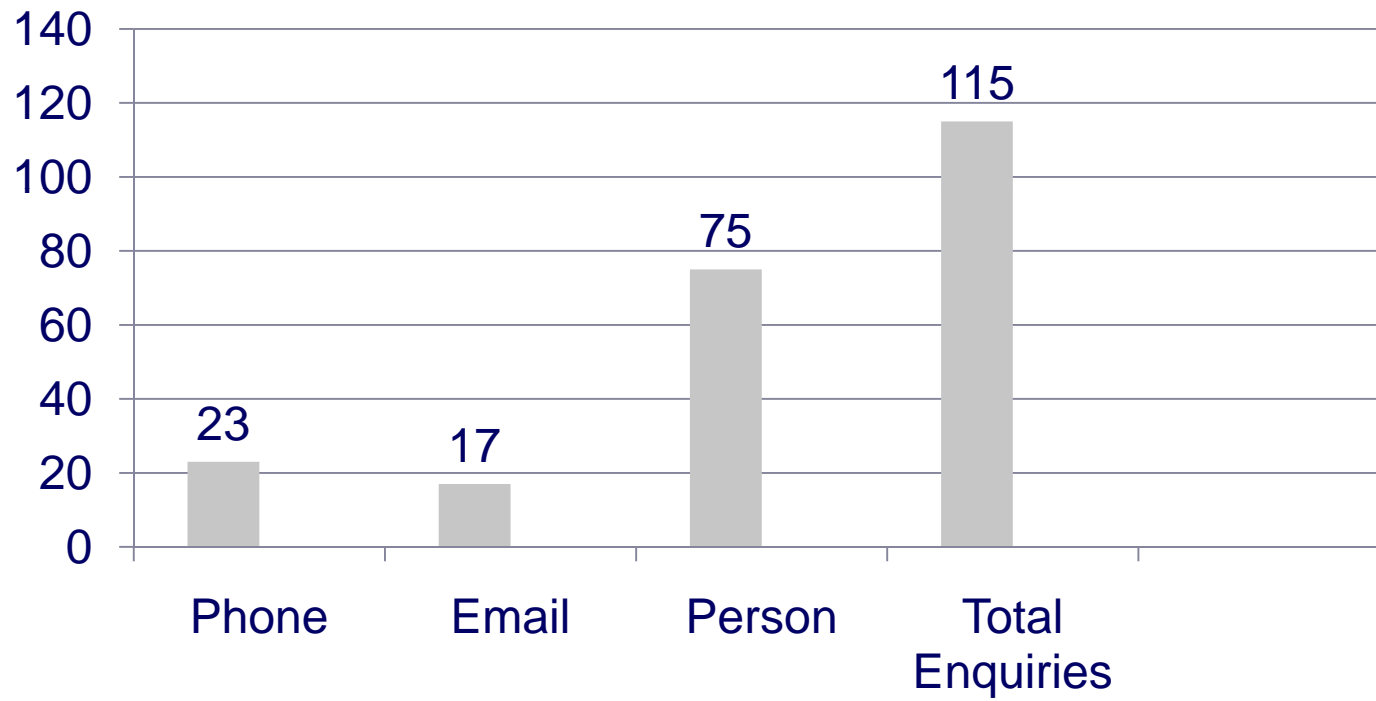
- **UNIDO – Competitive Supplier Development Programme**
  - Opportunity for SAOGA member to take part in an international profiling and benchmarking process
    - Consideration for opportunities presented by SOE and their first tier suppliers
    - Currently mostly limited to ESKOM and Transnet Rail
  - 30 companies were profiled
  - 5 companies were benchmarked
  - Opportunity still available
  - Integration of ship repair cluster in the programme
  
- **Support and Intervention Companies are asking for**
  - Marketing and Export Support
  - Visa access particularly Angola & Nigeria
  - Expansion of oil & gas rig / ship repair sector
  - Supply Hub and Free zone in Saldanha Bay
  - Incentivising further growth and development of Western Cape as an upstream logistics and distribution hub for Sub-Saharan Africa.



# SAOGA Events 2010 - 2011



# SAOGA Enquiries 2010 - 2011



# OTC10 - Houston, Texas

9 SAOGA Members  
exhibited in May 2010



# Work and Skills Placement Programme

## Purpose

- To develop workplace based artisan skills (Welding, Fitting, Electrical, Boilermaking, Lifting machinery Inspection)

## Progress

- 20 Trainees placed at Chevron (Chieta Funding)
- 50 Trainees (PGWC/CASIDRA funded) placed in industry
- 37 Chevron funded N course trainees (Welding, Fitting, Boilermaking - Northlink College)

## Strategic Skills Initiatives

- **Skills Working Groups**
  - HSE, Coating, Trainer, Artisan
- **Skills Task Team**
- **Recognition of Prior Learning guidelines developed**
- **Train the Trainer project and proposed Skills Factory (W Coast)**
- **Engage with SETA's and FET Colleges**
- **International (Ongoing)**
  - OPITO, SOTS Norway, ECITB, EI, IESTA, OIL and Gas UK, BKSB
- **Local (Ongoing)**
  - QCTO, Artisan Moderating Body, SAQA professional Designation

# Upskilling Courses

Course	Total 225
Life Skills	30
Offshore Survival	76
On the Job Training	14
Project Management	17
Supervisory Skills	17
Rigging (Basic)	11
Rope Access	18
Train the Trainer	12
Visual Inspection level 1	13
Welding Inspection Level 2	17
Roll-out of new demand-lead Upskilling Programme soon!	

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# We are currently executing plans in four broad areas defined in the 2010/11 Business Plan

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(Where are we going)



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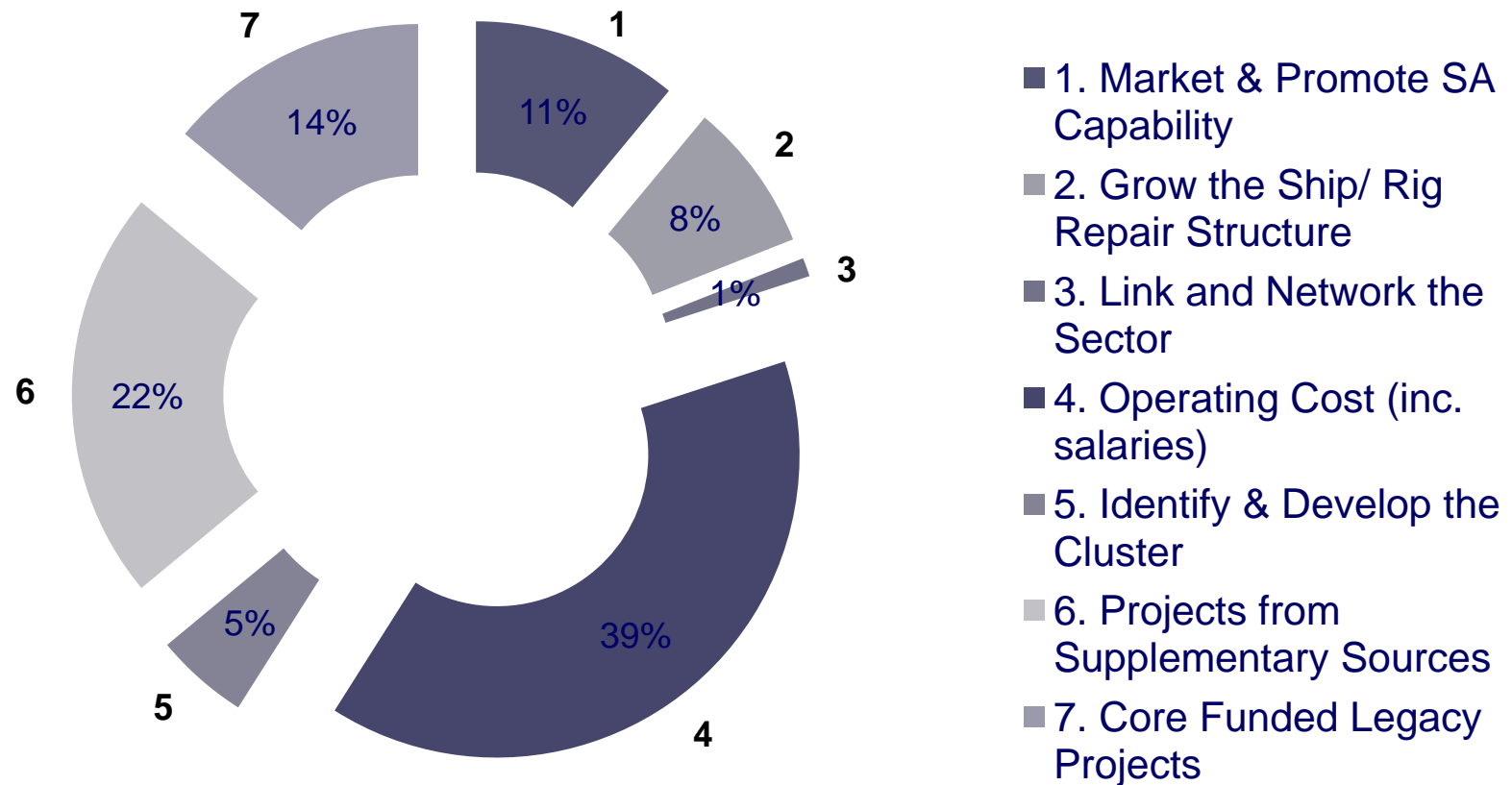
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## Budgeted expenditure for 2011/12 is R13 million



# Thank you

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# SAOGA Medium Term Strategic Roadmap

