



## Supporting competition

The Flotech team's dedication to heavy industry goes hand in hand with a love of sport, and the company supports several activities...

Andy Kemp (Factory Manager) can be seen sailing his yacht 'Hot Gossip' along with his team in regattas around the Auckland



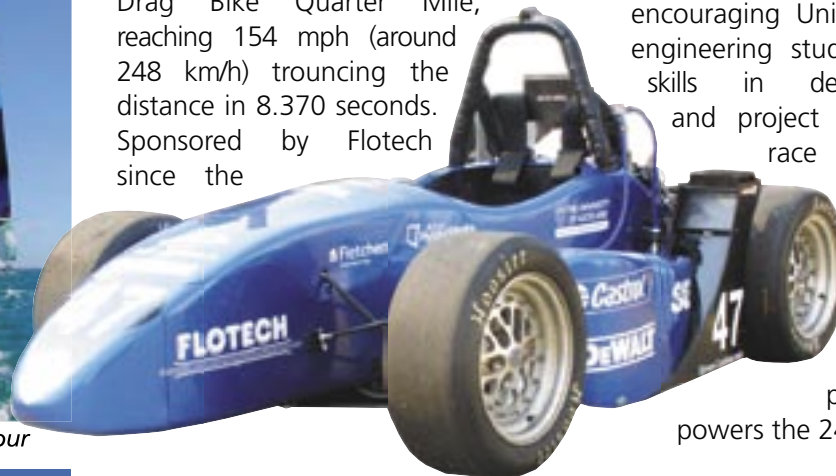
'Hot Gossip' on the Auckland Harbour

harbour and Hauraki Gulf, on weekends and evenings. Hot Gossip, with its' main sail emblazoned with the Flotech logo has had a great season, coming 1<sup>st</sup> in the Richmond Yacht club's end of season regatta in April 2008.

Drag racing - ever since Ian Hilder's first drag racing season in 1981 at age 19, many a weekend has been spent in the workshop, adjusting and tuning 'The Rice Rocket.' He is currently the NZ national record holder for A Class Drag Bike Quarter Mile, reaching 154 mph (around 248 km/h) trouncing the distance in 8.370 seconds. Sponsored by Flotech since the



Ian Hilder at Masterton



And last but not least, Auckland Formula SAE. Since 2007, Flotech has been the major sponsor, encouraging University of Auckland engineering students building their skills in design, manufacture and project management of a race car competing at an international inter-university competition. A supercharged Yamaha YZF 600 motorcycle engine producing 65kW powers the 240kg car.

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2002/2003 season, Ian won the Christmas Drag Wars at Masterton in December 2007, and the NZ Nationals this summer, so he is looking forward to many more successful seasons.



Auckland SAE Formula team

# Reshaping to meet changing markets

Back as early as 2002 we recognised that changing market forces would eventually cause the Flotech Group to position into vertical units, to enhance product focus. A recent catalyst has been the rapidly increasing interest in Greenlane for its biogas renewable fuels technology, which is sometimes at odds image-wise with our presence in the traditional oil & gas business. Hence the group is now organised under the following brands:

- **AfterCare** - exceeding customers' expectation in service, parts and technical support
- **Compression** - for the oil & gas, power and process industries, in association with GE
- **Kallt** - high performance industrial heat exchange equipment
- **Greenlane** - systems for delivering biomethane; a truly renewable fuel

From the customers' perspective, nothing much changes in terms of our everyday interaction with you - we are still the same people and there will always be crossover of skills and experience between the brands. This exchange of know-how has always been Flotech's trump card - expertise in fluid flow and dynamics

gained from heat exchange migrates seamlessly to design of compression packages, and these principles are not greatly different from mass transfer skills, which we use to optimise Greenlane. Then there is crossover in scale - once we have designed a compressor system that pumps millions of cubic metres of gas per day, it is not difficult to deliver a very large Greenlane system, or heat exchangers for the toughest duties and largest challenges that are posed by modern industry.

The main thing that you, our customer, will see is the prominence of our brands, each operating under their respective vertical units. Greenlane is already marketed via its own corporate entity and this is following soon for the other units. However the combined experience, knowledge base and technical capabilities of the Flotech Group are there to support all of our products and this is where AfterCare comes into the picture!

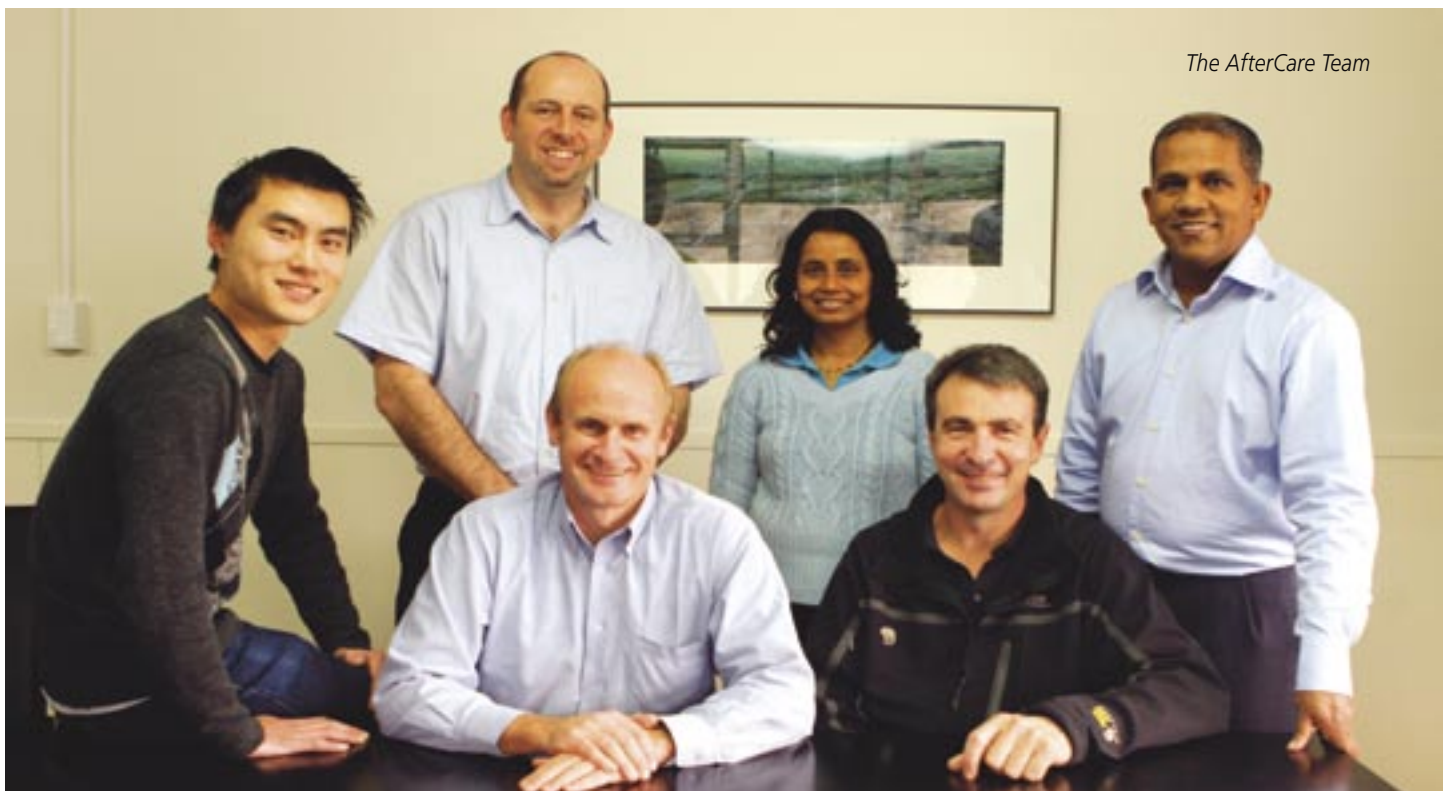
In early 2007 management of the service, spares and technical support functions was taken over by Ian Hilder - a Flotech veteran of 20+ years and an experienced General Manager. This business has been collectively

re-branded as AfterCare, with the objective of exceeding expectations for customer ownership experience of equipment and systems delivered by the Flotech Group. A crossover of experience also comes into play here - our field service technicians gain expertise from know-how of compressors, heat exchange and gas treatment systems - and most of them have been involved in the hands-on building and testing of equipment in the factory, at an earlier stage of their careers.

As well as the international field service team, Ian is supported by; George Arulanantham, Global Manager Service (previously Chief Engineer); Martin Bowler, Sales Manager AfterCare and Stacey Hoggard, one of Flotech's founders and also responsible for the Flotech Technical Training School.

'Flotech - driving energy technology' is the brand that we are best known by today, and it will remain the umbrella for this diverse group, that continues to gain its strength by focussing on interconnected technologies.

**Steve Broadbent,**  
Group Managing Director



*The AfterCare Team*

# Olowi FPSO and Compression update

In the past year Flotech have continued to demonstrate their expertise as a world leader in multiple compressor & turbine fuel gas boosting applications with the award of major contracts internationally. Flotech recently delivered 4 x 280 ton HP gas compression modules for gas lift and reinjection onboard the FPSO Knock Allan. The vessel is currently in Dubai for conversion and topside assembly, and will be operating on the Olowi field offshore Gabon in West Africa, once completed.



4 HP Modules on barge at Jurong Port, Singapore

The compressor modules, with a total capacity of 75MMSCFD, will operate as 4 x 33% with one unit in stand-by. The gas is compressed in four stages from 5 bar inlet to 185 bar discharge, with an interstage take off to the glycol contactor after the 3rd stage. Each module is individually leg mounted to ship's deck, equipped with a 6 cylinder GE FS606 reciprocating compressor and driven by a 6.6 kV 5.0 MW electric drive.

The second Fuel Gas Compressor unit ordered for Kuwait in December 2007 is ready for delivery. Manufactured at Flotech Singapore, scope includes a fuel gas compression package together with remote located control panel and HV switchgear. The compressor is a two cylinder GE FS602 reciprocating compressor with 1150kW 11 kV electrical drive - designed to supply 29,000 Nm<sup>3</sup>/h of fuel gas to GE LM6000 gas turbines. Gas inlet to the package is 16-32 bar(g) with discharge (adjustable) at 47 bar(g).

**The largest fuel gas booster units Flotech have produced to date** have been commissioned at the Korangi Power Station, Karachi, Pakistan: an installation of 3 x 3200kW compressor units to supply fuel gas to 4 x GE LM6000 gas turbine generators. These units compress gas from as low as 3 bar(g) to the 47bar(g) supply required by the



Kuwait Development Booster Compressor Package

turbines, with each compressor supplying 26,000 Nm<sup>3</sup>/h. Full load operation in Pakistan has shown excellent results, with vibrations measuring a maximum of 4-5 mm/s - well below industry guidelines.

In late 2007 Flotech was awarded the contract to supply

fuel gas booster compressors for the Condamine Power Station, Queensland, Australia.

In August 2008, Flotech will deliver

3 x 650kW compressors to supply gas to 2 x Siemens SGT-800 turbines. From a supply of coal seam methane gas at 11.5 bar (g), each compressor delivers 14,000 Nm<sup>3</sup>/h of gas at 30 bar (g).

Flotech is also in the final stages of supply of 2 x De-ethaniser Overhead Compressors and 2 x Flash Gas Compressors (both with off skid air coolers) for the Kupe Gas Project in Taranaki.

'The Flotech Project Team has worked extremely hard and it is pretty exciting seeing this project come to fruition' says Jan Ng, Project Manager.



Flash Gas Compressor for the Kupe Gas Project in Taranaki

## Challenges hand in hand with growth

The past year has seen dramatic changes in the organisation. Spurred by an increase in projects, staff numbers have grown by over 30% during the past year and a new workshop was opened in Auckland in March to keep up with the need for more production space. We realise that with our recent growth, new challenges have arisen.

To enhance the performance of our growing team, a Professional Development Programme was started in April, which involves training a young and motivated workforce in key areas of operations. As well as the Professional Development Programme, a training plan has been adopted which has all project management staff regularly updating and refreshing key skills.

Flotech's commitment to Health, Safety and the Environment was reinforced by implementation of an Environmental Management Program for our Auckland operations at the start of 2008. This is a major step towards getting ISO 14001 certification for all operations, and reflects the drive by Greenlane technology, to improve environmental conditions.

With competent and committed Human Resources, the company is better positioned to supply customers and projects worldwide than it has ever been.

### Ulf Jonsson running Sales in Europe

Ulf Jonsson joined the Flotech Greenlane team in January 2008. Previously in charge of sales and project management at YIT, Ulf joined the Swedish team as Sales Manager, bringing decades of international industry experience in both gas upgrading and compressors. Ulf coming onboard provides a major boost to our renewed effort to foresee market needs, continue developing innovative concepts and establish strong partnerships in Sweden and Europe.

### General advice for German market

Following 41 years of service in the German army, Werner Widder concluded his military career as Major General. He joined Flotech as Senior Advisor in July 2007. Since his arrival Werner has been a key player in facilitating the Güstrow biogas upgrading project in Germany. Werner's outstanding command of the German market and involvement in Central European Affairs are a huge windfall that helps strengthen Flotech's position in Europe.

### Sin Karanikolaou - Making it happen!

Sinados Karanikolaou, known to all as Sin, will have been working with Flotech as a Fitter/Turner for 14 years at the end of this month. He is a great asset to the Auckland production team, with his positive and hard working attitude, calling Flotech a 'great place to work for'. He has seen a lot change, particularly in the past three years, from a team of about 15 in the factory in the early days, to 46 at last count.



Ulf Jonsson



General Werner Widder



Sin Karanikolaou

**A Special Note:** The Flotech Group extends its sympathy to the whanau (family) and friends of Willie Pare who passed away in late 2007- our thoughts are with you.

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