

FORGING AHEAD

Mike Sutherland talks about the company's 50+ years of relationship with the UAE, and his strategic priorities as the newly appointed senior vice president for Offshore Middle East at McDermott International

Words: Angitha Pradeep | Images: Supplied



Less than a month ago, Mike Sutherland took charge as the senior vice president for Offshore Middle East at McDermott International. With more than 30 years of combined experience in the oil and gas industry, Sutherland has a diverse understanding of all types of projects, having begun his career in the KBR and McDermott fabrication yards in Scotland. Following this, he worked on various offshore projects worldwide with KBR.

Sutherland joined McDermott in 2006 as a construction manager in Jebel Ali and worked his way up to being the vice president of offshore operations in 2018. When asked about the promotion and what his personal goals are, he notes that his background working with multiple projects in different countries and cultures has led him to this position, and counts an offshore project in Canada, an EPCI project for ONGC in India, and McDermott's biggest award from Aramco, as personal wins.

“I believe this will assist me in being successful in this role and will allow me to build a more dynamic team, and spend more time managing and mentoring people,” says Sutherland, stating that the company's current primary focus is their employees. “Our people power our future, and that's why advancing a dynamic, inclusive environment where employees can thrive is critically important to us.”

He is quick to add that over the years, McDermott has invested significantly in recruiting graduates through their Graduate Development Program, and mentoring and placing them on projects. He notes that McDermott's ability to retain this talent has been key to the company's continued success.

Elaborating on his strategic

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McDermott's Jebel Ali Fabrication Yard.

objectives, Sutherland says he is very excited about the task at hand, which is to refocus the organisation, and concentrate on project execution and delivery. “Despite a tough couple of years, especially with the Covid-19 pandemic, commodity price volatility, and a competitive market, we now have a very healthy backlog of projects, which is my priority,” he adds.

VALUING THE RELATIONSHIP

McDermott has been operating for decades in the Middle East region, and 2022 marks 52 years since the international EPC contractor has been an employer in the UAE – which makes its business relationship in the UAE one year older than the country.

“Our first fabrication yard in Dubai was on Deira Creek, about 100 acres in size,” says Sutherland. “Our association with the Creek goes back to the 1970s with the installation of Dubai Petroleum offshore oil facilities and the Khazzan oil storage tanks in 1972.”

McDermott's first yard in the UAE was located on Maktoum Street, which was then the main artery of Deira and close



McDermott has been in the UAE since 1970.

to the landmark Clock Tower. Its current fabrication yard in Jebel Ali Port was established much later, and the company was incentivised to move to the newly established port.

Sutherland reveals that the rent for the first two years while setting up the new facility at the Jebel Ali Port was only one dirham annually. He adds that McDermott opened the yard in 1987, and later that year, His Highness Sheikh Mohammed bin Rashid al Maktoum, the current Vice President and Prime Minister of the UAE and Ruler of Dubai, launched the very first jacket built at McDermott's yard for Dubai Petroleum.

“This move provided McDermott the opportunity to set up a larger facility with a world-class design,” says Sutherland,

adding that, since then, the firm has continued to grow its capacity in the region, and today has a very healthy track record of EPCI and FEED projects.

He also recently spoke at the ‘Rings of Friendship’ event, which symbolises the strong bond of friendship between the UAE and the American community. The Rings of Friendship is a monument presented by the American business society as a symbol of the inspiring vision and the welcoming environment created by the UAE leadership for American businesses.

Sutherland says the ‘Rings of Friendship’ is very significant to McDermott: “The monument was fabricated in our Jebel Ali yard 25 years ago and flown by helicopter down Jumeirah Beach to Creekside Park, where it stands today.”

He adds: “The Rings symbolise friendship and interaction, and as an American company operating in the UAE, we certainly feel immense gratitude to our host country for the opportunity to have operated here for so long.”

In October 2022, McDermott and Saudi Aramco gathered in Ras Al-Khair, Saudi Arabia, to mark the construction contract award for the Saudi Arabia Fabrication In-Kingdom Ras Al-Khair (SAFIRA) fabrication yard. The firm has also opened its Qatar fabrication yard (QFAB), and is continuing to grow its engineering and fabrication capacity in the region.

“We have already started the fabrication of the North Field South (NFS) project jackets at QFAB, and celebrating another



The newly completed Jebel Ali yard facility in 1987.



Jacket towed in Dubai Creek, 1980s.

first, have cut the first steel for the North Field Expansion (NFXP) project in November 2022,” reveals Sutherland.

CHAMPIONING SUSTAINABILITY

Sutherland notes that McDermott is committed to identifying pathways that can deliver projects with the lowest carbon footprint possible, while acknowledging the challenges present in achieving net-zero commitments in EPCI execution and the decarbonisation of its marine fleet.

He elaborates that offshore assignments come with a high-risk profile, and it is critical that potential solutions are tried and tested prior to implementation.

“Our marine decarbonisation strategy is focused on two things: reducing fuel consumption and

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evaluating alternate low-carbon energy sources. This includes digital platforms to support better utilisation of our vessels, improved route planning, and monitoring of emissions. In terms of identifying suitable sustainability initiatives, we look at availability and accessibility, and evaluate the maturity of the technology to see if it can support implementation.”

He adds that the company is also focused on accessing renewable power for its operations wherever possible, and sees

this as a potential pathway to significantly reducing emissions.

“For example, some of our marine vessels, such as the DLV2000, are fitted with shore power connect technology, which allows them to run off onshore grid power rather than diesel generators when quayside,” he notes.

Sutherland also points out that several of McDermott’s major fabrication facilities are powered by renewable power, which creates opportunities for these vessels to run at zero emissions when in idle mode at their fabrication yards.

Sometimes, he says there is an overlap in the technical know-how and expertise between their hydrocarbon and energy transition business. “Whilst the type of work we execute in our fabrication yards are quite specialised, there are some similarities to the design, fabrication and installation of modules for the offshore wind industry.

“We have recently been awarded a high voltage direct current converter platform and jacket for the offshore wind market. The high voltage converter



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Dubai Creek in the 1980s.

equipment is specialised and will be designed and installed by our partner GEIRI/C-EPRI. However, the main structure and all the utility systems are very similar to an oil or gas offshore platform,” he says.

When asked about opportunities in the region, Sutherland states that McDermott has reasonable visibility of the potential projects in the region for the next four to five years and affirms that the market is buoyant, with oil companies posting profits in 2022 and looking to do the same in 2023.

“This provides ample funds for financing strategies for the next few years, and companies have clear mandates to secure supply in the short term while transitioning to cleaner energy in the longer term. So even with the rapid surge in renewable energy, I expect the Middle East oil and gas market to be robust for the near and mid-term future,” he concludes. ○

WHAT ARE YOUR THREE CAREER HIGHLIGHTS?

- One of my top three career highlights was the successful completion and installation of the TerraNova FPSO (Floating Production Storage and Offloading) vessel in the Grand Banks offshore Canada. This was a highly complex, fully flagged vessel operating in some of the world’s most inhospitable waters. The project had many firsts as the vessel had to withstand sea ice, icebergs, and extreme sea conditions. It was a very challenging project, but I learned a lot, which helped launch my career on the right path.

- The second career highlight was the award and successful completion of the EPCI for the ONGC Cluster 7 project, which consisted of fabricating five jacket and wellhead platforms to be installed in 70m deep water, 210km west of Mumbai. This had to be completed within a very aggressive schedule, where a delay was not an option due to the upcoming monsoon season. The engineering was completed in our office in

Chennai, and procurement and fabrication were carried out in Jebel Ali. This aggressive approach from our supply chain gave the fabrication team all the tools they needed for the project to be successful and delivered on time.

- The third highlight was the award of the Marjan Increment Program – Packages 1 and 4 from Saudi Aramco. The Marjan Increment Program will boost production by 300 million barrels of crude oil daily and 2.5 billion standard cubic feet of gas. The proposal team in Jebel Ali put together a very well-thought-out proposal with an execution strategy that considered the multiple engineering and fabrication locations. The Package 1 head office for both McDermott and Aramco is in Kuala Lumpur, while Package 4 is in Jebel Ali. This execution strategy, combined with a very competitive commercial offer, resulted in the biggest award from Aramco to McDermott in our history.