General information
Profile - 1
Subsidiaries and affiliates - 2
Message from the Chairman - 3
Board of directors - 4
Company management - 4

Activity report
The company’s activity during the period - 6
Subsidiaries, participations, consortium, branch - 13
Prospects - 17
Events that occurred after the closure of the financial year - 20
Renowned at international level since 1965, DORIS is one of the world’s leaders and the recognised expert in engineering services for the oil & gas industry. Its long history in offshore and onshore markets makes it a reliable partner providing complete engineering services from conceptual studies to detailed engineering and procurement services, as well as project management services, technical assistance and asset management. DORIS expertise covers all aspects of oil & gas projects: greenfield or brownfield; any phase of the life of an asset from early production to abandonment; offshore from wellhead to export, including subsea systems and onshore. The skills and best practices that DORIS has developed over 50 years of working in the oil & gas industry are directly transferable to other marine sectors such as marine renewable energies, coastal engineering and advanced technology for hi-tech industry (space, defense). Its mission is to work collaboratively with its clients to find the best solutions in order to enable the faster development and lower cost production for oil and gas fields.

**CAPITAL SHARE**

- **24.6%**  ■ CM-CIC Investissement SCR
- **20%**  ■ DORIS Personnel
- **20%**  ■ VINCI Construction
- **20%**  ■ GRAAVEN Holding
- **15.4%**  ■ PONTICELLI Frères
ANGOLA
DORIS Engenharia Angola Lda
Rua Centro de Convenções – Via 58,
Complexo Sigma, Edifício 0, 2º andar.
Talatona, Luanda
Tel.: +244 222 33 47 16

ARGENTINA
DORIS Argentina
Talcahuano 758 Piso 2e B
1013 Buenos Aires
Tel.: +54 (11) 4 373 83 65
Fax: +54 (11) 4 373 03 29

AUSTRALIA
DORIS Engineering Australia Pty
Level 10, 191 St Georges Terrace,
Perth, WA, 6000,
Tel: +61 (0) 4 815 10 779

BRAZIL
DORIS Engenharia Ltda
Av. Almirante Barroso, nº139
Sala 803 - Centro -
Rio de Janeiro - RJ
CEP: 20031-005 -
Tel.: +55 (21) 3031 1500
Fax: +55 (21) 3031 1555

CANADA
DORIS Development Canada
P.O. Box 29119 - St John’s
NL A1E 3T9 Tel.: +1 (709) 570 5244

DORIS ConPro Ltd
16 Waterford Heights South
St John’s - NL A1E 1G4
Tel.: +1 (709) 747 1193

EGYPT
ODENA (ODE North Africa)
Building 24, Road 270
New Maadi, Cairo
Tel: +20 225 172 630/1
Fax: +20 225 172 632

UNITED ARAB EMIRATES
DORIS Abu Dhabi
Gulf Business Center, 3rd floor
Abdulla Bin Darwish building
Salam/Sheikh Zayed Bin Sultan (8th) street - Plot C1, Sector 15 East
P.O. Box 46771 – Abu Dhabi
Tel. : +971 (0) 2 67 60 270

UNITED STATES
DORIS Inc.
Three Memorial City Plaza
840 Gessner, Suite 400
Houston, TX 77024
Tel.: +1 (713) 973 2520
Fax: +1 (713) 973 2578

STAT Marine LLC
11111 Richmond Ave. # 101
Houston, TX 77082 - 6705
Tel.: +1 (713) 782 0122
Fax: +1 (713) 782 0312

FRANCE
GÉODYNAMIQUE & STRUCTURE
106, avenue Marx Dormoy
92120 Montrouge
Tel.: +33 (0) 1 46 65 00 11
Fax: +33 (0) 1 46 65 58 54

OCEANIDE
Port de Brégaillon
B.P. n° 63
83502 La Seyne-sur-Mer cedex
Tel.: +33 (0) 4 94 10 97 40
Fax: +33 (0) 4 94 94 22 27

SEA TANK Co
58A, rue du Dessous des Berges
75013 Paris
Tel.: +33 (0) 1 44 06 10 00
Fax: +33 (0) 1 45 70 87 38

STAT Marine SAS
Centre Atria -
5, Boulevard de Prague
30000 Nîmes
Tel.: +33 (0) 4 66 36 65 66
Fax: +33 (0) 4 66 36 65 65

STAT Services SAS
Bât. First
Z.I. du Port de Brégailon
83511 La Seyne-sur-Mer cedex
Tel.: +33 (0) 4 94 10 80 04
Fax: +33 (0) 4 94 10 80 05

GHANA
DORIS Engineering Ghana
Vanguard House, 21
Independence Avenue,
Ridge, Accra, Accra Metropolitan
Greater Accra

UNITED KINGDOM
ODE (Offshore Design Engineering)
St. George’s House, 5 St. George’s Road
Wimbledon, London, SW19 4DR
Tel.: +44 (0) 20 8481 1190
Fax: +44 (0) 20 8546 4346

STAT Marine Ltd
Innovation House, Innovation Way,
Sandwich, Kent, CT13 9FF
Tel.: +44 (0) 122 776 4300
Fax: +44 (0) 122 776 4301

INDONESIA
PT. SINGGAR DORIS
Po. Box 13
Wisma GKBI – Jl. Jendral Sudirman
No 28 - Jakarta 10210

NIGERIA
IESL DORIS Ltd
Plot 1661, Oyin Jolayemi Street
Victoria Island – Lagos

STAT Marine Nigeria Ltd
94 Awolowo Road, Ikoyi, Lagos
Tel.: +234 1 4615636 - 4630183 -
+234 803 4695621
After a difficult year in 2016, the DORIS Group shows a clear improvement in its activity despite the continuing tense market conditions. We have adapted our offer to the crisis in the oil sector by launching a new approach, Fit For Purpose, which intends to rethink completely how to develop an engineering project in a context of structurally low oil prices.

This innovative methodology was successfully applied in 2017 for SHELL as part of the Bonga South West project in Nigeria after this floating production unit project was initially suspended as it was deemed too costly. Also, in the field of engineering, DORIS has achieved its first significant commercial success in Qatar, where we are working for the North Oil Company, along with RAMBOLL, on the extension project of the Al Shaheen oil field. These two major operations are complemented by the good resilience of our technical assistance activity, the ramp-up of the maintenance activity on platforms in the North Sea and the continued diversification of the Group in the renewable energy sector.

In order to take advantage of the emerging recovery, we have redefined our strategy in 2018.

After a difficult year in 2016, the DORIS Group shows a clear improvement in its activity despite the continuing tense market conditions. We have adapted our offer to the crisis in the oil sector by launching a new approach, Fit For Purpose, which intends to rethink completely how to develop an engineering project in a context of structurally low oil prices.

This innovative methodology was successfully applied in 2017 for SHELL as part of the Bonga South West project in Nigeria after this floating production unit project was initially suspended as it was deemed too costly. Also, in the field of engineering, DORIS has achieved its first significant commercial success in Qatar, where we are working for the North Oil Company, along with RAMBOLL, on the extension project of the Al Shaheen oil field. These two major operations are complemented by the good resilience of our technical assistance activity, the ramp-up of the maintenance activity on platforms in the North Sea and the continued diversification of the Group in the renewable energy sector.

In order to take advantage of the emerging recovery, we have redefined our ambitions for the coming years. The Group will now be structured in five sectors of activity – conceptual/FEED engineering, detailed engineering, technical assistance, project management, asset management - each with its own strategy. This new organization will enable us to seize the opportunities available in the oil and gas sector as well as in the renewable energies sector and to better meet the needs of our customers who are looking more and more for cost-effective solutions.

We are committed to staying faithful to what makes the DORIS Group unique: our ability to build multidisciplinary teams of experts dedicated to each project, our flexibility and closeness to our Clients.
BOARD OF DIRECTORS

Mr Nicolas PARSLOE
Chairman

Mrs Magalie CASILE
(FCPE DORIS Actionnariat)

Mr Jean-Baptiste CHAMPEAU
(FCPE DORIS Actionnariat)

Mr Richard FRANCIOLI
(Permanent Representative VINCI Construction)

Mr Jean-Michel LANG
(Groupe VINCI)

Mr Benoît LECINQ
(Permanent Representative GRAVEN Holding)

Mr Alain BÉNISTY
(Permanent Representative CM-CIC Investissement SCR)

Mr Thierry MARTIN
(Permanent Representative CM-CIC Capital et Participations)

Mr Patrick LACQUEMENT
(Permanent Representative PONTICELLI Frères)

Mr François LEFEBVRE
(PONTICELLI Frères, Censor)

COMPANY MANAGEMENT

1 • Mr Nicolas PARSLOE
Chairman & Chief Executive Officer

2 • Mr Pierre-Yves BURBAN
Vice-President Sales & Marketing

3 • Mr Michel CAPLAIN
Administration & Finance Manager

4 • Mr Francis CARMIGNIANI
Vice-President Engineering

5 • Mr Cyrille SAILLY
Company Secretary

6 • Mr François THIÉBAUD
Vice-President Operations
GENERAL OVERVIEW

After a very sharp drop in 2016 (-43.4%), the DORIS Group’s activity contracted further in 2017 by -9.5% with a consolidated turnover of €138.3M (compared to €152.8M in 2016). The Group’s consolidated operating income has become positive. This positive operating income demonstrates the ability of the Group to adapt its structure and prove its resilience in a sector still in crisis and in which the company operates.

Over the period, the Group has generated positive cash flow on the year thanks in particular to the improvement in its working capital needs.

The activity of DORIS Engineering, the parent company that plays both the role of operating company and holding company, grew strongly in 2017 reaching €33.5M (+61% compared to 2016, a year when activity reduced by more than 66% with the sudden end of the Dalia contract for TOTAL E&P Angola). Operating income has become positive, showing that the measures taken in 2016 have allowed DORIS Engineering to rapidly stem any additional losses.

Net income for the umbrella structure has gone back into positive.

DORIS Engineering’s cash flow improved over the period owing to the improvement in activity, the receipt of receivables related to holdings and in part to dividends from the aforementioned subsidiaries being paid.

Overall, even if the results for 2017 are encouraging, the signs of a market recovery are not yet sufficient to mean an exit from the crisis.

After the collapse in the average oil price per barrel in 2015 to USD 52.3¹, then 2016 at USD 43.5 (-47.2%) then -6.8% compared to the annual averages for the previous years, with a low point at USD 30 in January 2016) the oil price per barrel recovered in 2017 to reach an average price of USD 51.7 (+18.6%).

---

¹ Barrel of Brent (Source EIA www.eia.gov)
Despite this positive turnaround, investment in the oil and gas industry has not seen a significant recovery. The number of final investment decisions (FIDs) remains limited and numerous projects have been deferred. Oil and gas operators are preferring to concentrate their resources on immediately productive projects. This new situation seems like it should last a long time.

This growth is essentially driven by the growth in American investment in shale oil and gas (+30%). Small independent companies, which can start producing from wells that can be drilled very quickly, are the vectors of this growth. Investments in the rest of the world have decreased further by about 3%, despite an increase in Chinese consumption.

Even if global economic growth showed encouraging signs in 2017, the major investment in oil and gas experienced over the last ten years has not been resumed. The majors remain focussed on budgetary austerity with tightly-controlled investment. The objective is to ensure the profitability of projects based on a sustained lower oil price: between USD 30 and USD 40 per barrel depending on the operators.

This situation is naturally having an impact on the entire DORIS Group which is operating in this sector and which has drawn much of its growth from major conventional projects, essentially with oil and gas majors. Even though the parent company and its subsidiaries have tried to expand their client base over recent years, the low point does not seem to have been reached as the market has shown no signs of significant recovery.

Growth in the DORIS Group’s activity is illustrated in the graph above, with a comparison with the annual average price per barrel of oil, showing a definite correlation.

DORIS immediately took the decision to adapt its capacities to this new market conditions. The Group reduced the number of employees by a third between 2014 and 2017 and reduced to a strict minimum the use of outsourced services which traditionally supplement the teams. In addition to staff costs, all costs have been scrutinised to reduce the break-even point of each of the Group’s entities.

---

2 Source IFPEN
DORIS Engineering has continued to assist its oil industry customers in developing offshore oil and gas fields. The company has been working on studies having started in the Q4 of 2016:

The Aquarius FEED for BP since September 2016. BP owns and operates an oil and gas storage centre in Frontignan, near Sète in the South of France. It is looking to improve the usage capacity and eventually the value of its maritime terminal, by constructing a jetty. This project has mobilised a full team for the entire first half of 2017.

New projects were carried out during the financial year 2017. DORIS won a contract with AXENS, which is a new customer. AXENS, a subsidiary of IFP Energies Nouvelles, is an international provider of technologies (licensing), catalysts, absorbents and services, (technical assistance, consulting) for the refining, petrochemicals and gas processing and alternative fuels industries. After a pre-feasibility study conducted in 2016, AXENS asked DORIS to carry out a Pre-FEED study into an export pipeline system from Venezuela to the island of Curaçao. The objective is to help prepare the tender documents. A leader in the world of refining, AXENS could have other projects to entrust to us on other complex projects.
DORIS also had several noticeable commercial successes during the financial year 2017. Firstly, with the Bonga South West project, operated by SHELL’s Nigerian subsidiary (SNEPCO). This oilfield is located 130km from the Nigerian coast at a depth of between 1150m and 1400m. The project consists in redefining the FPSO (Floating, Production, Storage, Offloading) for Bonga South West. To do this, DORIS has successfully convinced SHELL to use its Fit For Purpose (FFP) method with the aim of drastically reducing the cost of developing this new offshore structure. This project marks a turning point for DORIS, in several respects: firstly, a technical success: the FFP methodology perfected by DORIS’ teams during the year 2016 has proven its effectiveness in terms of cost. Next, a commercial success, by having succeeded in convincing a new client of the effectiveness of this methodology: SHELL hasn’t used DORIS’s services for a number of years. Finally, this project has been a particular challenge for the company in terms of project management: we have had to supervise the work carried out by NETCO, a national engineering company in Nigeria, the project having been carried in both Paris and Lagos.

During the financial year 2017, DORIS carried out the FEED for the Fenix field. Operated by TOTAL Austral 70km off the coast of Tierra del Fuego in Argentina, at a depth of 70m and 80m, this neighbours the Vega Pleyade project carried out by DORIS in 2010. This project consists in building a new platform (jacket), subsea tie back studies to what already exists and the possible addition of an optional compression platform. This project mobilised a team over several months during 2017.

By the end of 2017, the company won the Ikike FEED project, which is a satellite of the Amenam field on the OML 99 block in Nigeria. This field, operated by TOTAL E&P Nigeria, is located 20km from the coast, with a depth of 20m. The project consists in defining the construction of the new Ikike platform, according to the same contractual and delivery model as for the Bonga South West project mentioned above. DORIS is required to manage the project, firstly in Paris with the NETCO teams, and then in Lagos on the premises of the local engineering company. This project is expected to last 18 months and will continue throughout the financial year 2018.
At the same time, DORIS has had its first significant commercial success in Qatar. DORIS is carrying out part of the FEED for Al Shaheen, sub-contracted by the Danish company RAMBOLL, via its Qatar branch. This contract is being carried out on behalf of the local operator North Oil Company (NOC), one of the main shareholders of which is TOTAL (30%), the balance being owned by QATAR Petroleum (70%). The aim of the FEED is to make a new development of this field in order to maintain plateau production. Discovered in 1982, this is the country’s main oil field: a conventional field at a depth of 60m and 70km from the coast, it has been in production since 1994.

DORIS also participated in numerous projects at conceptual design phase, pre-FEED or FEED for a number of projects operated by TOTAL: the Lapa project in Brazil (in partnership with DORIS Engenharia Ltda (DEL), a local subsidiary); the Absheron project in Azerbaijan, the L7 project in Holland or even several studies for the Elk-Antelope project in Papua New Guinea; and finally, a flow-assurance study for TOTAL East Africa Midstream within the scope of the EACOP project in Uganda.

In 2017, for lack of renewed budget by the operators (TOTAL, BP, EXXONMOBIL, CHEVRON, ENI and PETROBRAS) no new study has been launched within the ADC consortium bringing together these operators as well as SONANGOL and DORIS.

---

**2. Detailed Engineering**

No detailed engineering studies of any significant size were carried out in 2017.

**3. Project Management / Turnkey contracts**

As part of the IPMS (Integrated Project Management Services) contract for the Ichthys project, which has been run by the Australian subsidiary DORIS Engineering Australia Proprietary Ltd (DEAP, described below), since August 2011, DORIS has continued to deploy a complete project management team. The team is overseeing the engineering and construction of two vessels: a CPF (Central Processing Facility) to produce the gas and condensate, and an FPSO to further treat and store the liquid hydrocarbons. Operated by the Japanese company INPEX, this gas field is located to the North West of the Australian coast, over 800km from Darwin. In addition to the construction of the two vessels, this giant project, estimated at over 30-35 billion dollars in initial investment, includes a 42-inch pipeline over 885 km long to export the gas to a liquefaction plant (LNG) on land in Darwin, with a capacity of 8.4 million tons per year. The teams are overseeing each phase in the construction of the two vessels (end of the FEED in London, detailed engineering in Houston for one, and in Kuala Lumpur for the other, then construction in the shipyards in Korea). In 2017, the teams were mainly based in Korea.
The contract is a JV (50%) between the Australian subsidiary DEAP, and a local partner (CLOUGH) with a total initial value of AUD 250M (€170M) and is set to last six years. This total has largely been exceeded and the contract is expected to end during 2018.

DORIS did not carry out any turnkey contracts in 2017.

Technical assistance

Due to its employees’ high level of technical expertise in a wide range of specialities, DORIS has assigned a certain number of engineers to specific tasks among its clients. The specialities concerned are process, rotating machines, structure, purchasing and project management.

The number of assignments was considerably reduced in 2016 and our main clients were: TOTAL in France and abroad, ENI in Angola (via the contract with STAT) and, of course, INPEX as party of the Ichthys contract, a joint venture between the Australian subsidiary DEAP and its local partner CLOUGH.

DORIS has promoted its knowledge of “complex systems in difficult environments” in other areas.
5 Research & Development

DORIS continues to dedicate a significant proportion of its activity to research-development projects. Since it was founded, this has been the key to its profitability and development.

This research may take on different forms:

- **Research and finalisation work for oil industry operators**, e.g. work on a subsea station;

- **Works co-financed by CITEPH** ("Concertation pour l’Innovation Technologique dans l’Exploration Production des Hydrocarbures" – Dialogue for Technological Innovation in Hydrocarbon Exploration-Production). As part of this programme, DORIS agreed to take part in these works and/or co-finance them. New research topics were developed in 2017: "Blowout 2" study, experimentation and digital modelling of a “slug” regime in a vertical conduit, controlling the geo-mechanical behaviour of salt to optimise the storage of gas in saline cavities, simulation and optimal design of spools and jumpers in subsea engineering, swell effort at low frequency etc. DORIS has taken an active part in implementing the CITEPH, acting as both partner and financer;

- **Works on offshore wind turbines** for a water depth of over 50 m;

Wherever possible, these innovative concepts are protected by patents, sometimes on a joint-ownership basis with customers or partners.

6 Coastal Engineering

DORIS did not carry out any coastal engineering studies in 2017.

7 Other sectors of activity

Although its activity is mainly linked to offshore oil and gas development projects, DORIS has promoted its knowledge of “complex systems in difficult environments” in other areas. This is the case with renewable energies (wind turbines at sea for a variety of customers), specific marine operations or equipment and any other subject (such as, for example, studies for the CNES – Centre National des Etudes Spatiales – National Space Studies Centre) as opportunities arise linked to the company’s reputation.

As such, during the financial year 2017, DORIS worked on various subjects outside its core oil and gas business. Two studies for KLEINDIENST, three studies for CNES and two studies on renewable energies (EOLFI and LES EOLIENNES en MER (LEM). Also, of note was a study on behalf of SITES concerning expertise in the structure of the floating dock of the Marine Nationale in Papeete, in French Polynesia.
DORIS Engineering
SUBSIDIARIES, PARTICIPATIONS, CONSORTIUM, BRANCH
ODE (100%)

ODE, the oldest subsidiary of the DORIS Group, is based in London, Great Yarmouth, Cairo (ODENA, Egypt) and recently in Taipei (Taiwan). The company is present in three lines of business: conceptual and basic engineering, operations and maintenance as well as renewable energies.

Engineering, led from the London office, has suffered greatly in recent years and seems to be showing positive signs of recovery with new clients [SHELL and PERENCO, for example]. The operations and maintenance activity led from the Great Yarmouth office has had long-term contracts for several years [PREMIER OIL and INEOS, in particular]. This activity is growing strongly, particularly in the British North Sea thanks to Duty Holder contracts for medium-sized operators [IOG]. Furthermore, ODE has developed a significant level of activity in new energies, particularly with several large offshore wind turbine projects [IBERDROLA and LEM, for example], which now represents nearly 20% of its turnover. The opening of its branch in Taipei confirms the international influence achieved by this activity in ODE's portfolio (contract with NORTHLAND Power Inc.).

Finally, the subsidiary based in Cairo - ODENA - has recorded its sixth consecutive positive year. DORIS is studying how ODENA could become the High Value Centre for the DORIS Group for detailed engineering projects.

DORIS Inc. (100%)

DORIS Inc. is a 100%-owned subsidiary of DORIS Engineering, based in Houston to accompany the projects of operators established in the United States. Founded in 2000, DORIS Inc. is now an engineering company well-known to the main American customers, particularly CHEVRON, MAERSK, ADDAX, CONOCOPHILLIPS, COBALT, EXXONMOBIL with which it has signed framework agreements. It also has a framework agreement with PEMEX, the Mexican operator. For this contract, in 2017 the subsidiary also created a branch in Mexico.

After a very difficult year 2016, the year 2017 has not seen a recovery for DORIS Inc., with conventional projects still not attracting as much investment as shale oil and gas.

The engineering activity has continued to suffer despite the numerous framework agreements signed with marketplace operators. A certain level of activity has continued within the scope of the framework agreement with PEMEX to deliver service-provider supervision and management contracts, which contributed significant turnover during the last quarter.

Drastic cuts to fixed costs were also implemented at the end of 2017 to stem the losses which are still very high.

STAT MARINE (100%)

Since 2008, DORIS Engineering has had at 70% stake in the STATMarine Group, the rest of the shares being held by the employees. In 2017, DORIS purchased the balance of minority holdings [SEICO] to hold, directly and indirectly, 100% of the STAT Group.
The group, based in Nîmes, Sandwich, Houston, Lagos and Pointe Noire, specialises in technical assistance (90% of turnover). The rest of the activity consists of engineering and takes place mainly in Nîmes.

In 2017, in an unfavourable context for technical assistance, the company significantly reduced its activity. This is mainly due to the completion of a major contract with the Italian operator ENI. On the other hand, engineering activities (operational engineering - MIEC - and installation engineering) demonstrated strong performance throughout the year.

**DORIS Engenharia Limitada (100%)**

Brazil has been in an extremely difficult situation for over three years now, even though we saw encouraging signs for the economy at the end of 2017.

The USD 212M contract over seven years with PETROBRAS, signed in 2010 for the engineering and construction supervision of 8 FPSOs for “Pré-Sal”, which had come to a partial halt during the 2016 financial year, has resumed. It has even been officially extended until the end of 2019 and could continue further [2021]. In addition, in 2017, DEL won two new projects: the P76 contract with PETROBRAS and the Libra Subsea project with TOTAL E&P do Brasil which became an operator in Brazil. Thanks to these two projects and the resumption of the first, the subsidiary improved its turnover in 2017.

**DORIS Engineering Australia Pty Limited (100%)**

DORIS Engineering Australia Pty Ltd (DEAP) was set up in 2011 to run the IPMS contract (mentioned above) for the Ichthys project on behalf of INPEX in Australia. DEAP is the joint owner (a 50% JV), alongside the Australian CLOUGH, of the IPMS contract, worth an initial total of AUD 250M over six years. This amount has largely been exceeded.

**SEA TANK Co (100%)**

This 100%-owned company is reactivated from time to time, mainly to work on one-off service provision contracts.

**DORIS Development Canada (100%)**

DORIS Development Canada (DDC) was set up in St John’s (Newfoundland) for the purposes of the Hibernia contract. DDC then acted as a vehicle for DORIS’ participation, via DORIS ConPro, in the Terra Nova contract. The subsidiary is now dormant but may be reactivated if projects are relaunched in Canada.

**DORIS ConPro (100%)**

DORIS will use this structure, in liaison with DDC, to develop its activities in Newfoundland. The company is now dormant but may be reactivated if new local developments occur.

**DORIS Engineering Ghana Limited (89%)**

DORIS registered a subsidiary in Ghana in 2015 in the light of the business opportunities in the country, which is beginning to develop its offshore oil industry. TULLOW, ENI and HESS are the main targeted operators for technical assistance and engineering. There also appear to be engineering activity opportunities with the local company, GNPC.

**DORISAR (75%)**

This Argentinian subsidiary carried out certain works for TOTAL Austral in the past. It is now dormant.

**PT SINGGAR DORIS (50%)**

PT SINGGAR DORIS (PTSD), jointly owned with the Indonesian partner PT Singgar Mulia (PTSM), was made dormant on 31 December 2009. This is due to a lack of prospects offered by customers based in Jakarta.
PARTICIPATIONS

DORIS Engenharia Angola Limitada (49%)

Acquired at the end of 2008, DORIS Engenharia Angola Lda (DEAL) acts as a vehicle for various group entities (DORIS Engineering, DORIS Inc. and STAT) for carrying out works in Angola.

Historically involved in technical assistance, DEAL develops its own engineering activities. Since then, the engineering activity has grown strongly as DEAL represents the local part (Local Content) of several important projects, developed in coordination with various Group entities. The locally-recruited Angolan engineers are sent to the mother company (Paris) or to other subsidiaries (Houston) to be given appropriate training. Once trained, they carry out engineering works in the Luanda offices under the supervision of the Group’s expatriates.

In 2017, DEAL’s activity was very heavily impacted by the oil industry situation in Angola. This was notably the case for engineering, which was significantly impacted with little or no contracts for the entire year. Technical assistance was also gradually reduced throughout the year with the end of the PMS contract (Project Management Services) signed with ENI on Block 15/06 in coordination with STAT.

To handle this difficult situation, the management team of the subsidiary has continued to reduce structural costs (30% in 2017): relocation of the offices to Talatona, reorganisation of logistics, the transition to part-time work for engineering employees. Despite these difficulties linked to a sluggish market, DEAL managed to retain its Angolan workforce. This gives the subsidiary an advantage, enabling it to position itself on new projects that were launched at the end of the year.

GÉODYNAMIQUE ET STRUCTURE (48.76%)

DORIS has a 48.76% stake in this engineering company which specialises in soil mechanics, and particularly problems linked to seismic phenomena and the nuclear industry.

This engineering office has been a partner to DORIS for a long time, providing an interface between these phenomena and the structures that we are studying, such as concrete structures, LNG projects, offshore wind farms and port facilities.

OCÉANIDE (24.98%)

This company was originally set up to deal mainly with coastal engineering studies and is also the operator of the “BGO First” model test Basin. As such, OCÉANIDE takes part in trials for a wide range of prototypes intended for deep offshore projects.

DORIS has a 24.98% stake in OCÉANIDE’s shares, on the same level as TECHNIP and DAHER. The Principality of MONACO owns 16% and the rest of the shares (9%) are owned by the employees, who have joined together to form a holding company (UNICEAN).

VIA MARINA (16.7%)

Like its partners, VINCI Construction Grands Projects (VCGP) and GEOCEAN, DORIS had a 16.7% stake in this company. The rest of the shares (49.9%) were held by four individual shareholders via the company BBLM.

This company was set up to carry out engineering for the transport of fresh water via a flexible subsea pipeline.

In 2017, the shares held by industrial shareholders were entirely transferred to a company owned by one of the individual shareholders.

CONSORTIUM

ADC (Angolan Deepwater Consortium)

The role of this consortium, which is made up of the Angolan national oil company (SONANGOL) and DORIS, is to develop concepts adapted to Angolan conditions, with a view towards long-term developments to accompany the rise of the national industry.

These studies are being carried out on behalf of the operators established in Angola: BP, CHEVRON, ENI, EXXONMOBIL, PETROBRAS, TOTAL and, of course, SONANGOL, since 2001.

As the operators’ and SONANGOL’s budgets have been drastically revised downwards, no new studies were voted in 2017.

BRANCH

DORIS Engineering Abu Dhabi (100%)

DORIS has decided to set up a structure in the Middle East, where it is essential to take up a position.

This entity has been set up as a branch with the aim of developing an engineering business with local companies for which DORIS is already pre-qualified (ADMA OPCO, ZADCO etc.) or international companies.
3D physical modelling of a waterway protection for Le Havre performed by OCÉANIDE (GPMH, France)
Changes in the price of oil are difficult to anticipate as they depend on various parameters influencing supply and demand, this depending on global economic growth, the role of OPEC countries which have reduced their quotas in recent years, and shale oil production in the United States. Added to this are changes in the "energy mix" in production for the years to come where fossil fuels are gradually being replaced by renewable energy or electricity.

The balance between supply and demand: After three years where supply has been higher than demand (by nearly 2 million barrels per day) this has tended to reduce in 2017. A balance has appeared, particularly with a drop in production by OPEC, which helped to stabilise the price of oil at above USD 50 in 2017.

A certain recovery in global economic growth led by consumption in China, but also in India and Europe, should increase demand. Even if the United States is capable of putting its additional capacity into production and exporting quickly, it is not certain that they are able to cope with short-term demand while certain countries are struggling to produce (Venezuela, Iran, Northern Iraq and even Libya).

Forecasters are relying on a price per barrel of around USD 55 for 20181. This price is not announcing a massive resumption in investment - particularly from majors, still focussed on short-term profitability - but does ensure minimum working capital for decision-making in relation to investments in upstream oil. IFPEN anticipates an increase in upstream oil investment of between +2% and +6% for 2018.

Following the stopping of projects in 2016, DORIS had anticipated a year 2017 still in decline in terms of its level of activity, with a low point in the first half of the year and a gradual recovery in the second half of the year. The year 2017 should be the low point for the DORIS group. In reality, the resumption of investment has not been proven and 2018 presents uncertainties in terms of prospects and should mark a new low point.

Furthermore, favourable to its development, the United States will not slow any increase in production of shale oil and gas while these projects have significantly reduced their break-even point (often between USD 30 and USD 40) and while they are able to put these into production extremely quickly.

1 Source Price of oil / IEA – International Energy Agency
In 2018, the Group should maintain operational income close to break-even, demonstrating the resilience of the Group.

All these elements, in addition to geopolitical instability across the world and the complex relationships between IOCs (International Oil Companies) and NOC (National Oil Companies), the balance of power of which continue to evolve, do not help to provide a clear view for the oil and gas activities in which our Company mainly operates.

Overall, the Group’s engineering activities should continue to suffer throughout the year, even through several positive signals have been noted since the start of the year. In terms of the parent company, several significant contracts have begun, and certain prospects should begin within the coming weeks (see Events that occurred after the closure of the financial year).

The technical assistance activities are expected to be in difficulty as the major contracts are coming to an end.

Faced with the difficulties encountered in the DORIS Group’s core business, strategic discussions have been led by the DORIS Group Directors to (i) accurately identify its key factors for success in the market, (ii) to analyse its competitors and its market in order to (iii) propose to the Board of Directors a strategy for the coming years.

In conclusion, even though we can be optimistic about a significant recovery for the parent company, the Group’s activity in general is still expected to be in decline in 2018. Consolidated turnover should find the level experienced at the start of 2010, before the four record years for the Group between 2012 and 2015. It will no doubt be necessary to wait until 2020 to expect signs of a more marked recovery in the company’s core business.

Despite this, the Group should maintain operational income close to break-even, demonstrating the resilience of all the entities in the group, which have all significantly reduced their break-even point to adapt to the current market.
A. DORIS Engineering is pursuing contracts that began at the end of 2017: the Ikike project sub-contracted by NETCO for TOTAL E&P Nigeria (Nigeria) and Al Shaheen sub-contracted by RAMBOLL for NOC (Qatar).

B. As a consequence of these projects in new areas, the need is for DORIS to plan for developments in new countries: Nigeria and Qatar. In Nigeria, a new subsidiary with the local partner IESL is currently in formation. Furthermore, it will probably be necessary to create, in the coming months, a suitable structure in Qatar, the form of which is still being considered.

C. The American subsidiary (DORIS Inc.) has been suffering from difficult market conditions for nearly three years. The subsidiary is retaining a flow of activity with PEMEX, state operator in Mexico, with which it signed a framework agreement of USD 43M. DORIS Inc. retains USD 23M of possible uses on this contract until mid 2019 which it is expected to consume. The subsidiary has signed various other framework agreements with new mid-sized clients (SOFEC, WILLIAMS and also MURPHY and NOBLE Energy). The first quarter will break even thanks to all of these current projects.

The restructuring plan that was decided upon by the DORIS Inc. Board, implemented since Q4 2017, provides for a drastic reduction in staff to halt the losses. To carry out this plan successfully, the subsidiary is under continuous monitoring by the parent company.

D. The Angolan subsidiary (DEAL) is waiting to resume activity in Angola. Engineering activities are by and large supported in the short term [after signing a contract with TOTAL E&P Angola on Block 32]. DEAL is positioning itself for projects with TOTAL E&P Angola on Blocks 17 and 32, CHEVRON (Block 0) as well as SONANGOL. Local management are continuously adapting the Angolan structure while seeking to retain the teams that have been trained since the first engineering contracts concluded in Luanda in 2011. This subsidiary’s second activity, technical assistance, will be at its lowest for a number of years, before a possible recover in the coming years.

In addition to the operational part, DEAL must continue to adapt to the local political situation, particularly the challenge of exchange controls which is penalising local activity and the payment of suppliers abroad.

E. The Brazilian subsidiary, DEL, will continue its current contracts (the “Pré-Sal” and P76 contracts for PETROBRAS and Libra for TOTAL E&P do Brasil) by seeking to extend the services beyond the financial year 2018, the budget of which has already been secured at 100% [without interruption or unexpected stoppage]. Beyond these contracts, DEL has positioned itself in
conversion market as a sub-contractor of EXMAR for the Buzios contract. In the event of success, this would confer a place among the three main Brazilian engineering companies at this subsidiary that has just celebrated its tenth anniversary.

In England, the subsidiary ODE has seen a certain improvement in the market. The company is seeking opportunities for growth in renewable energies with larger international projects in Southeast Asia, through the Taiwan branch. In Engineering, the Egyptian structure (ODENA) could become the Group’s High Value Center, requested by our clients. Finally, the operations and maintenance activity presents the most positive prospects for ODE which could become a market leader, particularly with the role of Duty Holder in the North Sea.

DEAP in Australia: the IPMS Ichthys contract for INPEX in Australia is expected to end mid-2018, ending a contract that began mid-2011 and conducted in partnership with Australian CLOUGH. The new Manager of DEAP has drawn up a business plan which anticipates developing engineering activities among local operators (TANAMI Energy, WOODSIDE Energy, WESTERN Gas, QUADRANT Energy and even INPEX etc.). This business plan was adopted in Q1 2018 and will be implemented immediately.

The technical assistance subsidiary, the STAT Group, has an uncertain outlook for the year 2018 with significantly reduced activity. Nevertheless, the structure should continue to be positive thanks to great adaptability. Within the scope of strategic discussions, its positioning within the DORIS Group will no doubt be clarified to make it an essential technical assistance-services tool for the Group.

There have been no particular developments in the Abu Dhabi branch since the start of 2018. Its license has been renewed. For now, commercial activity in Qatar is being managed from Abu Dhabi in close collaboration with Paris.

The Ghanaian subsidiary’s operating licence was also renewed, with few prospects, however.