

Introduction

Welcome to the 2nd edition of the Group Newsletter, incorporating all the activities undertaken in the first half of 2005



IN THIS ISSUE

- Overview
- Projects
- New Equipment
- Americas
- SC & RA Award
- Crane Safety Seminar
- Exhibitions
- Employees News

Overview - First 6 Months

I am very pleased to be involved with the second issue of our Corporate News Letter and would like to say that as a Group we can be very proud of the results obtained during the first half of 2005. As you will see below we have achieved very important results in various sectors of our business and continue our expansion in our nontraditional geographical areas.

The New Year began with recognition for the Snovhit Project by receiving the 2004 HSE Statoil Award. This prize is the result of the Groups ongoing commitment to Health, Safety and Environmental issues. More recently Fagioli PSC received the SC&RA award for Hauling Job of the Year (see article on page 10).

Another accomplishment over the last few months has been the issue of the "Ethical Principles and Values" booklet. This provides our employees with important guidelines when dealing with colleagues, clients, suppliers and others. As well as the rules imposed by Law, the booklet also reflects values and principles set by the management of the Company.

Fagioli has increased its presence in Northern Europe, having been awarded some important heavy haulage projects as well as the installation of several items in Norway for the Snovhit Project known as 'Hammerfest'. One of the two major pieces, the 2,635 tonne Cold Box assembly has already been successfully transported and placed onto foundations. (see picture left)

Other projects involving the door to door delivery of big petrochemical vessels up to 2,200 tonnes have been successfully completed in Japan, Qatar, Oman, France, and USA. The involvement in such projects can only emphasise Fagioli as one of the most important players for such challenging and complex operations.

The Project Logistics Division successfully completed, after two years, the OMIFCO Project in Oman which involved more than 200,000 FRT of materials and our Nuclear Division have also obtained great results over the last 6 months in terms of performance during project execution and in the acquisition of new jobs for the future.

By the end of February Fagioli PSC completed the lift of the final roof section of the new Terminal Five building at Heathrow Airport. A month later the VCR tower was also erected but the guy wires remained until May when the permanent supports were finally in place. This completes a very successful period of operations at UK airports for the Fagioli Group.

The recent success and our market prospects have allowed us to continue investing in equipment including a further 128 axles of self propelled modular transporters and four 600 tonne hydraulic gantry cranes as well as the new tower system (see page 9 for more information). These investments into the Group will hopefully bring added benefits for the future!

Fabio Belli, Executive Director



Lift of the VCR at Heathrow



In the First issue of Fagioli News we covered the movement of the Visual Control Room (VCR) at Heathrow Airport which took place in December 2004.

It was then mentioned that Fagioli PSC would be carrying out the erection of the tower during the early months of 2005.

In February 2005 we did just that using Fagioli PSC's Towerlift system, which comprised of three triangular 16 metre towers and three L600 Strand Jacks. The top section of the VCR was lifted 12 metres at a time to install four 12 metre steel sections underneath. The final height of the VCR tower stands at 87 metres.

To stabilise the VCR tower fagioli PSC also supplied six L180 Strand Jacks in tension frames, 3 of which were simultaneously tensioned through the lifting jack control system software and the other three L180 jacks were used as storm guys and remained under low load. These were operated by a stand alone system simultaneously to the lifting jack control system.

Fagioli PSC provided the equipment and personnel to operate the lifting system which had been developed by Seward Wyon to increase the height of five Morris ship to shore container cranes at Southampton.

This new 1,000 tonne capacity jacking system had been designed and engineered in Seward Wyon's Bristol workshops. It was built to withstand wind speeds of 80-mph, utilising eight-185te computer controlled strand jacks.

The system was designed so that, if required, each strand jack can be removed or replaced with ease - even during the lifting cycle.

All five cranes are on schedule for completion this summer.



Gonfreville Hydro Cracker Reactor



Fagioli and its French partner Someport Walon were awarded the 'door to door' transport of Europe's largest distillate Hydro Cracker Reactor. The reactor was built in GE Energy's, Nuovo Pignone plant in Massa, Italy. It was then transported to one the largest oil refineries in France, the Gonfreville l'Orcher facility owned by Total.

The reactor was 42m long weighed approximately 1,450 tonnes and had a diameter of 5.5m. Fagioli lifted it to 1.5m height by using climbing jacks and placed it onto 64 axle lines of self propelled modular transporters (SPMTs). The reactor was then transported to the port of Marina di Carrara where it was rolled-onto a heavy lift ship.

Fagioli also carried out load bearing checks of the bridges and organised the necessary permits from the Road Authority. For the rolloff in Gonfreville a jetty was specially built and transportation to Gonfreville refinery was performed at night time.



Transport of Two Reactors



Fagioli SpA performed the transportation of two reactors from Massa to Marina di Carrara port (6km) as well as ro-ro load-out operations on to a ship destined for Finland.

The largest of the reactors was transported using two 28 SPMT axles. It weighed 1,160 tonnes, 45 metres long, 6 metres high and 8 metres wide (including saddles).

The second reactor was transported using one 24 SPMT axles. It weighed 390 tonnes, 41 metres long , 4.7 metres high and 5 meters wide (including saddles).



Kiewit Offshore Services

Fagioli PSC USA was contracted by Kiewit Offshore Services to loadout the Benguela Belize Compliant Tower in Ingleside, Texas. The structure weighed 28,000 tonnes, was 1,000 feet long, and was moved 1,200 feet from the fabrication yard onto a barge with L600 Strand Jacks. A crew of US and UK technicians worked together to loadout the structure on schedule.

Installation of Generator for Alstom

Within the various activities performed by the Group, the erection with hydraulic gantry cranes is the suitable solution for indoor operations where the lack of space prevents the use of the traditional cranes.

The picture shows the erection of a 180 ton generator by means of EZ600 hydraulic gantry crane performed in Kutahya, Seytomer, Turkey.



Sakhalin LUN/A



Samsung Heavy Industries contracted Fagioli PSC to lift the LUN/A and PA/B topside decks for the Sakhalin Energy Development. The project consists of four separate operations. Each deck has to be taken from a multi point support to a four point support in readiness for lifting and at the same time an intermediate weighing is performed.

When the intermediate weighing took place of the LUN/A deck on 30 April 2005, the deck weighed in at 16,900 tonnes. Two weighings took place, the results being within 90 tonnes of each other.

The PA/B deck is planned to be taken to a four point support in August 2005. Both decks are planned to be lifted 24 metres in the early part of next year to allow the insertion of the loadout support frames. The weights of the decks are expected to be 23,500 tonnes and 31,000 tonnes respectively.

The LUN/A deck required 50 x L600 jacks for the weighing and the same will be used for the lifting of the deck. 66 x L600 jacks will be used on the PA/B deck. The whole system is computer controlled remotely from a central control cabin.

We are due to loadout the completed decks in May and July of 2006 using L600 Strand Jacks.



Boiler Drum Mania

This year has been a good year for Fagioli PSC India Pvt Limited. In the last five months, five Boiler Drums were lifted in India. The details of the Boiler drum as follows:



- Lifting of 230 MT Boiler Drum to a height of 70 metres at Bellary
- 2. Lifting of 245 MT Boiler Drum to a height of 78 metres at Birsingpur
- Lifting of 245 MT Boiler Drum to a height of 79 metres at Kahalgaon Unit VII
- Lifting of 129 MT Boiler Drum to a height of 55 metres at Rayalseema
- Lifting of 228 MT Boiler Drum to a height of 78 metres at Sipat

Salem Nuclear Power Plant



Fagioli PSC USA was contracted by Fagioli SpA to offload and transport a Reactor Vessel Closure Head for Framatome ANP from Atlantic City Airport in New Jersey to Salem Nuclear Power Plant, a distance of 80 miles. Fagioli PSC offloaded an Antonov 124 via crane from the arriving airplane and transported the RVCH which weighed 80 tons and measured 15'X17'x14'6".

Ras Laffan Project



Two LTFT reactors, 60m long x 9.7m diameter and each weighing 2,200 tonnes, were manufactured by IHI at their factory in Yokohama, Japan.

Fagioli were contracted to deliver the reactors to Qatar from the IHI jetty where they were rolled onto the ocean going vessel 'Sea Baron' using an intermediary dummy barge alongside the jetty and the Sea Baron due to the limited draft conditions of the jetty. The roll-on was carried out using 2 x 34 SPMT axle lines.

The ocean going vessel 'Sea Baron' performed the sea transport of 6,500 miles across the Indian Ocean to the Port of Ras Laffan Industrial City in Qatar. During the voyage the reactors were securely restrained using a carefully designed and installed system of push/pull bars and welded supports.

The roll-off and inland transport from Ras Laffan Industrial City port to ORYX GTL site was sub-contracted by Fagioli to its Middle East Joint Venture Partner, Almajdouie PSC (MPSC), who carried out the offloading and transport operations using 3 x 36 axles of their locally based SPMTs with a capacity of over 3,000 tonnes. The large number of axles used by MPSC in Ras Laffan were required to satisfy the ground bearing limitations imposed by the Ras Laffan Port authorities during the roll-off and inland transportation. The inland transport of each Reactor from the port to the site (8 km) was completed in a single day operation and the reactors were offloaded at site onto temporary steel supports by use of the trailer hydraulic suspensions.



Lifting and Skidding of Buzzard Deck

Fagioli PSC have been working at the facilities of Heerema Hartlepool for a number of years and have successfully performed Strand Jacking operations for a number of North Sea offshore fabrications including the Jade, Juno, Clair and now the Buzzard.



The operations performed for during the construction of the Buzzard Utilities Deck were carried out in 5 phases, details as follows:

Phase 1 Lifting of upper deck assemblies weighing up to 330 tonnes and skidding of the 1,400te lower deck underneath.

Phase 2 Lifting of upper deck assemblies and skidding of the lower deck (now weighing 6,500te) underneath.

Phase 3 Skidding of the part completed deck, now weighing approximately 7,000 tonne, out of the fabrication hall to allow crane installation of additional modules onto the deck. The assembly was subsequently pulled back into the fabrication hall.

Phases 4 & 5 Lifting of three 190 tonne generators and placing them onto the deck assembly.

Door to Door Transport of 2 Cold Boxes

Fagioli carried out both the door to door operation (executing the FOB activities) for Linde Germany and the maritime and local transport for Bechtel USA.

The scope of work included the loadout operation in Sagunto Spain using 36 axle SPMTs, mobilisation of the barge, design and fabrication of the sea fastenings for the marine transport and the load in operation and lowering onto final foundation at Idku, Egypt.

The operations included the lifting and freeing of the boxes from their fabrication blocks, weighing, transport onto the barge, ballasting and the precision positioning of both boxes onto the steel beams welded onto the barge deck. All equipment used was owned by the Fagioli Group.



Military Ship Launch



Fincantieri contracted Fagioli S.p.A. to perform the transportation of a military Ships bow using Fagioli's SPMTs and barge. The load out of

the 3,000 tonne item was carried out in Fincantieri's premises using 144 SPMT axles (4x36 convoy). The bow was positioned onto SPMTs and rolled-on to a barge, before transferring the bow onto a floating dock where the other half of the military ship was waiting. A roll-off operatio



waiting. A roll-off operation was performed in order to join the 2 sections together.



Swale Crossing



The new bridge crossing the River Swale in Southern England is of multiple plate girder design. Steelwork contractor, Fairfield Mabey, has elected to assemble the bridge into sections in two areas, one either side of the river. Once each section is complete it is launched (pulled) to allow the next section to be built in the same area. One side of the bridge will be launched in 7 stages of up to 90m and the other side in 6 stages. The maximum weight to be pulled is only 4,200te but when you consider that this is up a 7% gradient the required pulling forces soon mount up. Both sides are being launched using two L180 jacks.

An interesting note is that the original contact by Fairfield Mabey was via our Website. We have since worked for them on the Newport Road Bridge in South Wales, the Relley Bridge in the North of England and now the Swale crossing.

ATB Reactor



Transportation of a 720 tonnes reactor from Marghera port to Taranto. The item was transported from site to the jetty by two Fagioli SPMTs (16 axles) and rolled-on to Fagioli's ship `Storman Asia`. Once the ship had reached Taranto the reactor was then rolled-off and transported to it's final destination.

Eiffel: Fos sur Mer, France



The Transport of a floating door weighing 450 tonnes, 31 metres long and 13 metres high was performed using Fagioli's ship 'Storman Asia'.

The floating door and saddles were lifted by the ship's cranes and positioned onto grillage beams, then shipped approximately 300 metres to the offloading area to allow a draft level of 10.5 metres. The floating door was then released into the water .

Batang Mukah Steel Arch Bridge



Fagioli PSC Asia were subcontracted by Torsco Berhad to lift the bridgearches and bridge-decks of a new steel

arch bridge in Malaysia. The steel arch was built in 3 segments, 2 half arches which you see above and one central piece joining them together. Each of the half arches were lifted by 2 x L300 and 2 x L180 jacks, counterbalanced horizontally by a duplicate set of jacks used as tie backs (see arrangement below).

The central piece was lifted using 4 x L50 jacks.





Hammerfest Project





In April 2005 Fagioli successfully completed the loadout of a 2,635 tonne cold box assembly pictured left (3,260 tonne gross including 144 rows of SPMTs) at the fabrication yard in Antwerp, Belgium.

The 68m high structure was first weighed utilising hydraulics fitted with calibrated manometer pressure gauges and the centre of gravity calculated from the reactions to an accuracy within +/-3%.

The cold box was transported 0.5km along a specially constructed roadway to the loadout jetty where it was transferred to the ocean barge BOA 21.

After sea fastening of the structure, the barge and cold box was floated onto a submersible heavy lift ship for a 1,700 mile voyage to Melkoya Island off the Northern tip of Norway.

The barge was then re-floated and positioned alongside the foundations at Melkoya.

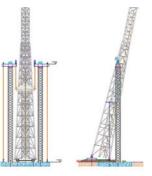
Fagioli then perform the load in operations at site and placed the structure directly onto its foundation.



The 635 tonne flare tower to be erected at the Hammerfest project in Norway may not be the heaviest lift ever but at 132m it will certainly be the highest. Although the actual erection has not yet taken place (it is

scheduled for the end of June) the towers are fully erected and ready to lift. This is the first use of the new Towerlift system having been designed in the U.K. and fabricated in Italy under the watchful eyes of Andrea Massera and his team.

You'll have to wait until the next issue of the News Letter for a full report on this spectacular lifting and tailing operation.





Transportation by Rail

The Fasan-Qeshm Service company, a joint venture between Iranian SATI Group and Fagioli were contracted to transport a turbine and generator from Bandar Abbas to Parand plant by rail. The turbine weighed 180 tons, 9.1 metres long, 3.75 metres wide and 3.95 metres high. The generator weighed 228 tons, 11 metres long, 3.65 metres wide and 3.8 metres high.

The axles lines already present on Iranian territory are able to cater for extremely heavy or over-dimensional equipment such as gas turbines, generators, transformers etc..





Fagioli PSC Asia completed the lifting of two 32m long steam drums each weighing 320 tonnes to a height of 65 metres. The lift required four L100 jacks controlled by a L12/8E power pack.



DanFG Field Development



Fagioli PSC Asia were subcontracted by Sembawang Marine & Offshore Engineering to carry out the loadout of a 7,360 tonne module. The module was pulled over 128 metres by four L450 jacks, (2 on each

skid track) mounted on the module with the fixed anchors at the end of the barge. Two L2/70E power packs were used to control the pulling at 17 metres an hour,



Fagioli performed the transportation of a 250 ton yacht from Tuzsla (Turkey) to La Spezia (Italy) by Fagioli's own ship `Storman Asia` using the vessel's cranes to load and unload the yacht.

Termoli

Fagioli SpA were employed by VaTech to transport two gas turbines weighing 282 tonnes each and two gas generators and one steam generator weighing 219 tonnes each from Vasto to Termoli plant (Italy).





New L750 Strand Jack

We are pleased to announce the addition to our Strand Jack range of the L750. This jack is intended to be used in

conjunction with the 2nd Generation Towerlift System (see article right) which has a rated capacity of 3,000te. These jacks operate on 50 strands, each with a nominal capacity of 15 tonnes, to give an overall lifting capacity of 750 tonnes. This jack is the first to depart from the concentric circle pattern of strands used in all other jacks throughout our range - this is to make the changing of grips more user friendly.

The jack specification is as follows:

Safe working load Working pressure Closed height Maximum stroke Open height Plan dimensions Cable diameter



Although we have no plans to extend the range beyond this model I seem to remember that a few years ago it did not seem necessary to go beyond the old L600 limit - so watch this space.

900 mm x 1065 mm

New Towerlift System

750 tonnes

308 bars

2458 mm

450 mm

2908 mm

368 mm

The original Towerlift system was originally conceived in the late 1970s and first used in 1981. The original design has stood the test of time in that new sections have been fabricated until last year with very few changes since the original design. However, several major factors have led to the requirement for the design of the 2nd Generation System:

- **1.** The existing Towerlift system has now been kept busy for several years on projects as diverse as:
 - Bridge construction (Newport Arch in the U.K.).
 - Bridge construction (Gatwick Footbridge in the U.K.).
 - Vessel lifting (a splitter column erection in Al-Jubail, K.S.A.).
 - Vessel lifting (a 1,400te C3 splitter column erection in India)
 - Offshore platform lifting (Yoho deck lift in Malaysia).
 - Control tower lifting (Heathrow Airport, U.K.).
 - Goliath crane lifting (Cochin Shipyard, India)

This level of usage has meant that additional equipment was required.

- 2. The size of petrochemical vessels keeps increasing and enquiries for 2,000te vessels in excess of 100m high are no longer uncommon. This particularly applies to the large vessels required for the Gas to Liquids (GTL) projects.
- **3.**The size of the tower top equipment (crosshead beams in particular) means that the original system is very dependant on large capacity cranes for erection and dismantling. Frequently these cranes belong to our direct competitors.
- **4.** The fact that clients dislike the use of guy wires as they consider that they may cause some site sterilisation (particularly in a live refinery).

The above factors have led us to the conclusion that:

- We need more equipment.
- The system must be of very high capacity.
- The system must be capable of self-erecting.
- The system must be unguyed.

All of the above features have been designed into the 2nd Generation Towerlift System.

Fagioli SpA are currently using the 2nd Generation System for the lifting of a 635 tonne Flare Tower at the Hammerfest Project in Norway.

The configuration being used is a twin tower arrangement almost 80m high and each tower supports a cantilever beam arrangement on the top. The fact that these towers are fully free standing without guy wires in either an operational or storm condition is testament to the strength and stability of the new system.

Further news on the system will be distributed as the developments (e.g.self-erection) take place. Currently if you think that you have any potential use for either the original or the 2nd Generation System then contact Martin Haynes in the lver office.



SPMTs and Gantry Cranes

The latest consignment of 128 axle-lines of Self-propelled Modular Transporters and 6 new Power Pack Units will increase Fagioli's fleet to 516 lines and 33 PPUs.

Fagioli have also invested in four new 600 tonne gantry cranes. This is part of Fagioli's ongoing quest to provide Clients with the best possible technical service in terms of quality and costsaving.



Americas

Its been a very busy 2005 so far with several projects completed, and several more awarded for completion during 2005/2006. The Americas has seen a surge of activity, particularly in the downstream facility and offshore fabrication markets in the last 6 months. Fagioli PSC USA is well placed to service these markets, and other more specialist markets which remain buoyant. We will be involved in four Replacement Steam Generator projects in 2005 with Fagioli SpA requiring barge and SPMTs to nuclear plants in the USA located in Mississippi, Arkansas, Pennsylvania, and Arizona.

We've settled in to our new south Houston location and are continuing to make it feel like home.

Steve Price, General Manager of Fagioli PSC USA



Crane Safety Seminar

Les Brown, Managing Director of Fagioli PSC was a guest speaker at the Crane Safety Seminar in Amsterdam, 20th - 21st June 2005. The presentation focused on the safety aspects of major roof raising projects.

Exhibitions

Fagioli PSC India Pvt Limited participated in the 6th PETROTECH-2005 held at New Delhi from 16th - 19th January 2005. This was organised by the Oil and Natural Gas Corporation Limited (ONGC), which focused on the Petroleum Industry.



Above: Rajiv Sethi in front of our display panels, if you would like to use these then contact Nicola.

SC&RA Award

Fagioli PSC USA attended the Specialised Carriers and Rigger Associations (SC&RA) 2005 Annual Conference in Phoenix,

Arizona. Steve Price delivered a presentation on the Gatwick Air Bridge project for which Fagioli PSC won the 2005 Hauling Job of the Year.

This was truly a company effort with the real credit going to the Italian and U.K. based crews.



Above: Photo of Steve Price receiving the award on behalf of the Group.

Left: Steve Price and Richard Miller fighting over the award.



Employee News

New Starters

Chad Whitten joined Fagioli PSC USA in April 2005, He has extensive experience in the transportation and lifting industry and we welcome him into the team.

Promotions

Martin Haynes and **Kingsley Woodland** were appointed Directors of Fagioli PSC on 8th March 2005. I am sure you would like to join me in wishing them every success in their new roles.

Retirements

We would like to take this opportunity to wish **Alan Brooker** all the best in his retirement.

Alan retired on 24th March this year.

He started with the company way back in September 1975.



Mr Marcello Bonomelli decided to retire (having reached the pension age) after having strategically and charismatically managed Fagioli SpA Group for more than 20 years. His way of working has established good communication and a friendly working environment throughout Fagioli SpA. Mr Bonomelli passes the sceptre to Mr Rodolfo Annovazzi who will be the new General Manager. Mr Annovazzi (Rudy) has worked closely with Marcello over the last couple of years. However Marcello will remain in Fagioli supporting both the owners and Rudy.

Please join me in wishing both Marcello and Rudy all the best for the future!

Best Wishes

Jerry Miles, otherwise known as `Smokey` was hurt in a automobile accident which required neck surgery. We send him our "get well soon" wishes and look forward to his return.

After four years, working for Fagioli USA **Wyndee Walker** has left to join her family's construction company.

We wish her well in her new role.

Weddings

Our congratulations go to **Delle Fave Riccardo**, who was married on 23/04/2005 to Maria, they had a very traditional Italian wedding, where the groom serenaded the bride the night before.



Contributions & Comments

I would like to express my appreciation for all your kind comments regarding the first issue and to those who contributed to the second edition of our News Letter.

I hope you enjoy this issue as much as the first.

Please continue to send your comments and contributions for future issues to:

Nicola Mowatt Publicity Officer Fagioli PSC Limited The Ridgeway, Iver, Bucks, SL0 9JE

Tel: + 44 (0)1753 659000 Fax: + 44 (0)1753 655998

E-mail: n.mowatt@fagiolipsc.co.uk



GROUP HEADQUARTERS

Fagioli SpA Via Ferraris, 13 42049 S.Ilario d'Enza (RE) Italy Tel: +39 0522 6751 Fax: +39 0522 675202 E-mail: info@fagioli.it Fagioli SpA Via Montalbino, 3/5 20159 Milano Italy Tel: +39 02 695551 Fax: +39 02 69555404 E-mail: info@fagioli.it

www.fagioligroup.com

WORLDWIDE OFFICES

Fagioli PSC Limited The Ridgeway, Iver Bucks, SL0 9JE, UK Tel: +44 1753 659000 Fax: +44 1753 655998 E-mail: info@fagiolipsc.co.uk

Fagioli PSC USA Inc. 8434 Brookside Road Pearland, Texas 77581, USA Tel: +1 281 997 3434 Fax: +1 281 997 9848 E-mail: info@fagioliusa.com

Fagioli PSC India Pvt. Limited 203 Krishna Bhavan Govandi Station Road, Deonar Mumbai 400 088, India Tel: +91 22 2556 4388 Fax: +91 22 25562565 E-mail: info@geminiindia.com

Almajdouie PSC Heavy Lift P.O.Box 336 Dammam 31411 Kingdom of Saudi Arabia Tel : +966 3 842 4814 Fax: +966 3 842 7196 E-mail: mail@almajdouie.com Fagioli PSC (Asia) Pte. Limited 13, Pandan Crescent 128469 Singapore Tel: +65 6778 8971 Fax: +65 6778 5530 E-mail: enquiry@fagioliasia.com.sg

Fagioli PSC Korea Limited J501, No. 636-62 Kuro Dong Kuro Gu, Seoul, Korea Tel: +82 2 783 0300 Fax: +82 2 638 0755 E-mail: info@fagiolipsc.co.kr

MPSC Heavy Lift Co. P.O.Box 33840 Tubli Bahrain Tel: +973 1 787 7404 Fax: +973 1 778 5678 E-mail: info@almajdouie-psc.com

> Fagioli Middle East LLC P.O.Box 33211 Abu Dhabi, UAE Tel: +971 2 446 3700 Fax: +971 2 445 6808 E-mail: info@fagioli.ae

www.fagiolipsc.com

