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EMC Technologies, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from the line of Bill Herbert with Simmons and Company.

Bill Herbert - Simmons and Company

Peter, I was wondering if you could give us an update with regard to the timing of the looming, I guess, Petrobras tender for the standard trees and manifolds?

Peter Kinnear

That's a good question, Bill. There has been numerous delays from Petrobras and the issues around the percent local content that they're going to require the local suppliers to provide on that contract.

There has been much debate around that within Petrobras and the government. The current outlook, I think, is the tenders are going to be submitted around May the 11th, but that slipped two or three times already. That's the current target.

Then we would anticipate probably some review period both to confirm the technical submissions of all the competitors and then commercial review. So, even if they're submitted May the 11th, there may be some lag before they're actually awarded.

Bill Herbert - Simmons and Company

Is it still your understanding that these anticipated composition of the tender is going to be anywhere from 200 to 300 trees, three tranches encompassing about three to four years of their needs?

Peter Kinnear

Yes, that's correct. There's also a tender for manifolds and there's two tranches for manifolds.

Bill Herbert - Simmons and Company

And there are 14 of those, right?

Peter Kinnear

Yes. I guess 10 to 14. There's a range on those also.

Bill Herbert - Simmons and Company

And secondly, you were self-effacing with regard to the key unknown as the timing and magnitude of subsea tree orders as the year unfolds. A couple which I guess have been talked about being on the front burner in terms of being awarded, projects such as Exxon, Kizomba satellite, Tullow, Jubilee, Chevron, Jack. Can you give us an update with regard to when you expect those to be ordered, I mean awarded?

Peter Kinnear

We would think some time a couple of them may go in the second quarter. I would say Jack/St. Malo is probably a little bit further out in terms of their review process and selection of vendors and all that sort of stuff.

Bill Herbert - Simmons and Company

Do you hazard a guess as to whether subsea tree awards this year will be lower or flat with last year?

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