

Resume of Francisco J. San Miguel
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Education

Grammar School: Champagnat College, Havana, Cuba, 1949

High School: Senior Matriculation diploma, Regiopolis College, Kingston, Ontario, Canada, 1954

College; Bachelor of Science Naval Architecture and Marine Engineering, Massachusetts Institute of Technology, 1958

Postgraduate: courses in Business Administration at Johns Hopkins University and the Louisiana State University System (Nicholls State University) leading to Master Business Administration degree, 1972

Numerous in-house management courses in public speaking, media relations, communication skills, quality management, negotiating techniques, etc.

Attended seminars and summer courses in assignment related subjects such "MRP II for Top Management (resource planning) in Boston, Mass., the IBM Executive Management School in San Jose, CA, Shipbuilding Productivity courses at M.I.T., Russian studies at the Arden House conferences sponsored by Harvard and Columbia Universities.

Professional

Member of the Society of Naval Architects and Marine Engineers (S.N.A.M.E.) since 1958

Former member of the Hull Structure Committee of S.N.A.M.E

Former member of the Board of Directors of the REAPS (Research for Engineering and Production in Shipbuilding) group in Washington D.C.

Personal

Family: married to Frances McCammon since 1958, four children all independently employed and living in the U.S.A.

Health: excellent

Birth date: January 18, 1936

Birth Place: Havana, Cuba

Citizenship: U.S.A. since 1963

Employment: 35 years of uninterrupted service with McDermott International and six years with Maryland Shipbuilding and Dry Dock Company, all in shipbuilding or offshore marine construction industries. I joined McDermott as Naval Architect and Chief Engineer in 1964 and advanced through the next 35 years to Shipyard Division Manager, Shipyard Vice President, Systems and Automation Vice President, General Manager and Vice President of Marketing and Business Development in the Former Soviet Union, Eastern Europe, Mexico and the Caspian Basin. I retired in 1999 and have been active in the consulting field advising shipyards and offshore construction companies in the marketing of their products and performing feasibility studies.

References

Excellent references, both U.S. and international, can be provided upon request and determination of mutual interest.

Experience

Technical

Started career in the shipbuilding industry as Assistant Naval Architect in a major U.S. East Coast shipyard, Maryland Shipbuilding and Dry Dock Company (1958-62) in Baltimore, Maryland, performing Naval Architectural and Structural Calculations for both commercial and naval combatant vessels. During the first two years, I also estimated both repair and new construction work. A foreign assignment followed during which I assisted in the creation of the first ever Mexican-American Shipbuilding Joint Venture in Veracruz, Mexico as Assistant to the Technical Director, 1962-64. In this capacity, I was solely responsible for the staffing, organizing and management of the Purchasing, Engineering and Estimating Department. This included the implementation of the chart of accounts, cost controls, cost analysis, labor/material planning and scheduling in what was then a primitive business environment. Also negotiated labor contracts and taught native personnel the elements of new construction contract negotiation. Yard grew from a group of 30 to 2000 workers in two years, repaired a variety of ocean going ships, designed and built several barges and supply vessels.

Shipyard Management

Returning to the USA, accepted a position in the newly established shipyard division of one of the foremost pioneers of the offshore marine construction industry, J. Ray McDermott & Co where I played a major role in the growth of that business over a period of twenty years. Starting as Chief Engineer and Naval Architect responsible for New Construction, two vessels per year and 200 employees, rose through several management levels to the position of Vice President and General Manager of a three yard shipyard group (1200 workers and 20 vessels per year) specializing in the construction of medium size vessels engaged in sea going and coastal

trades as well as offshore oil and gas exploration and production (1964-84). During those years the shipyard group established an unblemished reputation for quality construction and on time delivery while at the same time consistently outperforming its sister divisions in profitability, innovation, and productivity enhancing management techniques - specifically, largely due to my efforts, we were the second shipyard in the U.S. to introduce in 1972 computer controlled cutting of steel ship parts in the production of medium size vessels.

Software Systems Development

In 1984, I transferred to headquarters and directed a company wide effort to develop and integrate the technical and business software systems of the entire offshore marine construction group of McDermott International. Concurrently, I directed the automation of its fabrication facilities (1984-85) and oversaw the first implementation of the CAD/CAM software systems as well as supervised the selection of the hardware platform configuration to deliver the products in-house. These software systems and automation tools contributed strongly to the survival of the company's engineering and fabrication entities through the very tough competitive environment of the eighties and nineties.

Between 1985 and 1988, I initiated a worldwide marketing effort of the in-house developed CAD/CAM systems and establishing McDermott's first efforts to penetrate the deepwater floating production/extended well test systems. I performed extensive global market survey of the economic feasibility of commercializing these two segments of the offshore business and recommended a business plan that resulted in significant profit contribution from two major projects. Simultaneously, I carried out preliminary business development efforts in the Soviet Union for on-shore petrochemical/offshore marine construction market.

Marketing and Business Development

As a result of these marketing efforts, I was asked to establish McDermott's first business office in Moscow and accelerate the company's business development efforts in the USSR. During those years I was responsible for the initial development phases of the Sakhalin II project, the first of that country's offshore marine construction projects to reach field production. McDermott's equity interest in this project was sold in 1997 to Marathon Oil Company and Shell Oil Company, the present day operator. The project is now in its full development phase.

During the course of my residence in the USSR, I established excellent working relations with the various energy ministries and participated in the joint venture negotiations that led to the successful completion of several major projects. In particular, I was primarily responsible for establishing the company's presence in Azerbaijan where, with Amoco as partners, we obtained the exclusive negotiating rights to the development of the Azeri Field offshore project in an open international competition in 1991. During that year and the following year, I negotiated the first protocols of intent and joint ventures with Shelfproektstroj and Kasmorneftegas for the joint operation of its fabrication and shipyard facilities. The Azeri field was consolidated during its negotiating phase into the Azeri Chirag Guneshli (ACG) Field, presently in its full development phase by Azerbaijan International Operating Company (AIOC). The sale of McDermott's equity

in the ACG and Sakhalin II oil fields in 1997 made a significant contribution to the bottom line of the company.

After the break up of the Soviet Union, we expanded our offices in Moscow delegated in country responsibilities to my Russian staff and moved to London, England where I created a marketing and business development team that continued to expand our presence in Russia and Azerbaijan while, at the same time, opening offices in Poland, Czech Republic, Romania and Bulgaria. In addition, between 1991 and 1995, concurrently with the marketing efforts in the FSU and Eastern Europe, I coordinated from my London base, the marketing efforts of McDermott's Middle East Operating Unit in Europe, North Africa, and the Mediterranean. During this period, our Azerbaijan activities entered the production stage. Our joint ventures in that country carried out the first major offshore construction projects there after the break up of the Soviet Union. During this time we were asked by the Russian Government to help commercialize some of their shipyards that, until that time, had been building submarines. I was one of the first westerners to visit and tour the facilities of Sevmash and Amur Shipyards. After the Russian government had designated Amur Shipyard to be the builder of the platforms needed for the Sakhalin II field, I supervised the feasibility study for the partial conversion of the facilities of this yard for this purpose. Shortly after this study was completed, Sakhalin Energy awarded Amur the contract, the first of its nature in Russia, to build the base structure (about \$25 million U.S. cy.) for the Mollypak drilling rig which did the early oil phase of this field development. This study was financed by the Trade Development Office of the U.S. Government and McDermott International but was performed by joint teams of American and Russian experts. Amur Shipyard subsequently has been privatized and is taking a very active part in the construction of structures for the Sakhalin oil and gas fields.

In 1995, after the Sakhalin II project and the Azeri projects were well underway, I transferred to Mexico to market the services of McDermott's latest shipyard acquisition in Veracruz, establish an engineering joint venture as well as oversee and liaise with our Joint Venture partner, one of the largest Mexican offshore contractors, working in the development of offshore projects in the Mexican continental shelf.

In 1996 our company performed for Kazakhstan Caspi Shelf (KCS) a feasibility study again under the auspices of the Trade Development Office joined this time by the U.K. Department of Trade and Industry. This feasibility study determined the necessary infrastructure for the development of the Kashagan Field offshore Kazakhstan. This field, at the time, had not been delineated, i.e. its borders had not been yet determined but the consortium of western oil companies, OKIOC, was engaged in negotiations with KCS on the terms and conditions for field development and urgently needed an independent opinion of how the field should be developed, the required infrastructure in terms of oil terminals, offshore supply bases and living facilities, the schedule of construction and the costs associated with each phase. Given the ecological sensitivities of the area, a thorough environmental base line study was an integral and important part of the study. The study was successfully completed and presented to KCS in 1996. It has been the basis for the subsequent development of the area around Karagansky Bay, more often known as Bautino, formerly a small fishing village, near Aktau, Kazakhstan.

During that same period of time, I initiated and carried through to completion the marketing effort leading to the company's first project offshore Kazakhstan. In 1999 OKIOC, the consortium of international operating companies developing the Kashagan field awarded our company its first offshore construction project, the installation of a system of piles at its first two drilling locations in that field. This project was carried out as a joint venture project between various operating entities of SOCAR, the State Oil Company of Azerbaijan Republic, and McDermott Middle East.

Concurrently, I also led a study to establish the feasibility of establishing a gas import port facility in the Sonmiani Bay of southern Pakistan, an area completely undeveloped, for a major oil company operating in that country. Upon my recommendation, we decided to exit that project at an early stage. The uncertainty of supply and demand, the level of investment in resources required and the political climate made this project unattractive.

Upon retirement in 1999, I have consulted part time, mostly in the former Soviet Union, Spain and Mexico assisting shipyards and offshore construction companies in the marketing, estimating, proposal preparation and negotiating for the construction of marine equipment. I have also prepared feasibility studies to determine the profitability of ship repair and offshore platform construction activity in the United States and Mexico.

In Russia, I participated for about two years in a project to help Vyborg Shipyard, Vyborg, Russia enter the international shipbuilding market. While working with their marketing department I advised them in the restructuring of their ship construction estimating system. In Spain, I advised Dragados, a major Spanish fabricator of offshore structures, on the preparation of a proposal for the construction of offshore jack up rigs. In 2007 and 2008, in Mexico, I assisted Talleres Navales del Golfo, (TNG) Veracruz, Mexico in their efforts to re enter the ship building field after ten years of specializing solely in offshore fabrication under their former owners, J. Ray McDermott & Co., TNG. Is a wholly owned subsidiary of Hutchinson Port Holdings, one of the largest ports operating companies in the world. More recently I performed a feasibility study to determine the profitability of building a floating dry dock in Alvarado, Mexico, for the repairs of ships engaged in supporting the offshore oil fields in the Mexican sector of the Gulf of Mexico.

Qualifications

Knowledge of the International Marine Construction, Shipbuilding, and Oil and Gas Industry

- Worked with world leader in this field, McDermott International, for thirty five years.
- MIT B.Sc. degree in Naval Architecture & Marine Engineering
- Master of Business Administration from the L.S.U system.

Ability to Maximize Stockholder's Return on Investment

- Consistently achieved best Return on Investment in the entire company while in the Shipyard Group
- Major projects developed and new markets opened under my direction added significantly to shareholder value and will assure future continued high performance.

Multinational Background

- Multinational education in Cuba, Canada and the USA
- Working exposure to many cultures through various assignments in the USA, Mexico, Europe, Russia, Middle East and Eurasia

Technical, Production and Management Skills

- Company leader in the implementation of technological innovations that resulted in significant increases in shipbuilding and offshore marine construction productivity.
- Pioneered and developed markets in the former Soviet Union, Middle East, Central and Eastern Europe.
- Played significant role in structuring and negotiating equity participation in multi million dollar oil and gas upstream projects in the Former Soviet Union
- Negotiated major contracts, joint ventures and strategic alliances worldwide.

Language And Communication Skills

- Fluent in Spanish and English
- Conversational in French and, at one time, in Russian
- Ability to communicate with and relate to labor, customers, peer management and high level government officials
- Excellent presentation skills