



Burntisland Fabrications Business Plan



BUSINESS PLAN

BURNTISLAND FABRICATIONS LTD

Prepared by:



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Table of Contents

- Overview..... 4
- Corporate Background 5
 - JV Driver Group of Companies..... 5
 - DF Barnes 7
 - DFB Driver..... 8
- Health, Safety & Environment..... 10
 - Innovative Safety Practices 10
- A New Approach to Project Execution 12
 - Project Organization 13
 - Construction Planning..... 13
 - Constructability 13
 - Pre-Mobilization..... 13
 - Project Mobilization Plan..... 14
 - Workface Planning..... 14
 - Project Controls 15
 - Cost Management 15
 - Primavera P6 Planning Schedule..... 15
 - Summary 16
- Market Diversification Strategy 18
 - Overview 18
 - Energy-Based Fabrication..... 19
 - Europe..... 19
 - North America..... 20
 - Fabrication for Export..... 21
 - Marine Exhaust Gas Cleaning Systems 22
 - Maintenance 23
- Management Organization 25
- Globally Competitive Infrastructure..... 26

Implementation Plan 29

- Stage 1 - Revitalization of BiFab in Existing Markets 29
- Stage 2 . Diversification and Growth..... 30
- Stage 3 . European Expansion..... 31

Financial Outlook 32

Keys to Success 33

Our Ask from Government 34

- Financial Insulation from Beatrice Contracts..... 34
- Equity Conversion of Government to Beatrice Financing 34
- Government Supported Working Capital and Project Financing Facilities 35
- Capital Works and Site Development..... 37
- Other Government Support..... 37

Legal Structure of Proposed Transaction..... 37

Summary 38

Benefits for Scotland 39

Overview

JV Driver Group, through its subsidiary DF Barnes, began efforts to identify a business acquisition in Scotland late in 2016. Our goal was to find a business that was actively engaged in energy infrastructure projects, and importantly, one that would fit well with our company's culture and core values. After reviewing several candidates that didn't meet our criteria, we were presented a business profile on Burntisland Fabrications Ltd. (BiFab). We were immediately interested in the company and started the process to learn more about it. We traveled to Scotland in March of 2017 to tour the Methil and Burntisland facilities and meet the management team. This further solidified our interest in the company and its people. Ultimately, we agreed to Heads of Terms for the acquisition of BiFab in May with a view to close the transaction within 3 months.

Unfortunately, since that time there have been many unexpectedly obstacles to closing the deal, not the least of which were the sudden passing of John Robertson and execution and commercial issues with the Beatrice project. Both of these events had catastrophic impacts to BiFab, leading to solvency concerns and the requirement for Government financial support.

These events have given us reason to re-consider our intentions to acquire BiFab. The company has gone from a state of financial strength to one with significant challenges. We initially viewed the management team as highly competent with the ability to manage the company with minimal input and oversight from Canada. We now know the management team has gaps in its ability and JV Driver will need to support it with capable leaders, some of which to be resident in Scotland on a full time basis.

But looking beyond those near-term challenges, we see:

1. A renewables sector that holds massive opportunities for BiFab
2. An oil and gas industry that still has life, especially at current commodity prices
3. An incredible opportunity to expand BiFab's presence into North America through the channels we have established with DF Barnes and JV Driver
4. Growth in complimentary lines of business to smooth out the cyclical nature of construction work, including maintenance, ship repairs, exhaust gas scrubbing fabrication and installs, and fabrication for export.
5. A Government that sees the value in executing projects at home in Scotland

So for these reasons, we remain committed to our goal of acquiring BiFab and re-establishing the company as a European leader in energy infrastructure fabrication. This document summarizes our plan to do just that. With the necessary support from the Scottish Government, we remain confident that our modernization and growth plans for BiFab will soon become a reality.

Corporate Background

JV Driver Group of Companies

JV Driver was founded in 1989 in British Columbia, Canada, as an industrial contractor specializing in construction and turnaround projects. Today, JV Driver provides a wide range of construction and fabrication services in the industrial, commercial, buildings, marine, environmental and public infrastructure sectors. Our flexibility, diversity, and history, gives us a unique offering in the market.



Image - JV Driver's Nisku, Alberta Steel Fabrication Facility

Industry-Leading Technology at Work

JV Driver has successfully executed major projects across all sectors, in locations throughout North America, the Caribbean, and Africa. These projects span all sizes and scopes of industrial, institutional and commercial construction. From small brownfield projects, to the construction of high-rise apartments and large industrial processing facilities, JV Driver has the capability to self-perform projects of all sizes through its highly productive labour models and execution strategies.

In the industrial sector, JV Driver provides all facets of fabrication, civil, construction, and plant maintenance capability in the energy, chemical, mining, forestry, and marine sectors. We provide these capabilities through our subsidiaries JV Driver Projects, JV Driver Fabricators, IDL Projects, DF Barnes and DFB Driver.



JACOS SAGD Oil Sands Project
General Contractor – JV Driver Projects

In addition to our industrial base, JV Driver has an extensive background in constructing commercial, multi-unit residential and industrial buildings. We also have extensive public infrastructure experience including the construction of roads, bridges, port facilities and airports. JV Driver executes these projects through our subsidiaries IDL Projects, Metrocan Construction, Metrocan Projects and Scott Construction.

We have been offering services and manufacturing in the marine and offshore sectors for over 80 years through DF Barnes and see heavy fabrication for Eastern Canada's Oil & Gas Industry as a major opportunity, especially subsea fabrications. In addition, JV Driver has recently developed proprietary technology for the Environmental Sector through Marine Exhaust Solutions (MES), which includes the fabrication and install of exhaust gas cleaning systems for ships.



In each of these sectors JV Driver has the capability, capacity, geographic reach and track record to provide high value solutions to our clients' most complex and challenging needs. Our company presents a tremendous base from which to build opportunities for BiFab.

DF Barnes

DF Barnes has been in the business of steel fabrication and marine maintenance since 1932. The DF Barnes Make and Brake engines were heavily relied upon by fishermen from all over Newfoundland and Labrador, and the company built the first steel hulled fishing vessels in the province, enabling fishers to venture to and through the spring ice flows.

We have adapted that marine expertise to become leaders in maintenance and repair on offshore oil drilling and production platforms. DF Barnes crews regularly perform maintenance on vessels, production platforms, and drill rigs, both offshore Newfoundland and other jurisdictions including the North Sea, Africa and Gulf of Mexico. We have executed mini refits of drill rigs while under tow and extensive, complete rig refits at various locations in Eastern Canada.



**The Transocean Henry Goodrich Drilling Vessel
Mechanical Refit – DF Barnes Services**

In addition to our offshore expertise, DF Barnes is one of the largest fabricators in Newfoundland and Labrador. With 100,000 sq. ft. of indoor fabrication space, DF Barnes specializes in subsea fabrication while carrying out a range of general steel and pipe fabrication across all industries. We hold over 400 welding procedures and certifications in-house from DNV and Lloyds, including specialty procedures for clients such as Cameron, Technip, FMC, Aker and MH Wirth. Most recently DF Barnes became certified to inspect and repair offshore drilling risers, the first Canadian company to achieve this certification. DF Barnes continues to fabricate and export Launch and Recovery Systems (LARS) that deploy ROV systems on ships and drilling rigs all over the world.

We recently completed fabrication of the Hebron Offshore Loading System. These two 150 ton modules will pump all of the oil that comes from the Hebron oil field . currently estimated at over 700 Million BOE.



**Hebron Offshore Loading Systems
DF Barnes Fabrication**

DFB Driver

DFB Driver, a division of DF Barnes, is primarily focused on industrial construction work throughout Eastern Canada. Drawing on the support and expertise of JV Driver, the company has grown into one of Eastern Canada's largest industrial construction companies. Since 2011, DFB Driver has safely executed 4 million person hours of civil, mechanical, electrical, and commissioning work. More recently, DFB Driver has been the lead commissioning, start-up and modifications contractor at Vale's Long Harbour Nickel Processing Plant.



**Vale Long Harbour Nickel Processing Plant
Civil, Mechanical, Commissioning, and Start-up Contractor – DFB Driver**

DFB Driver is renowned in Eastern Canada for its leadership in innovative and productive labour models. We were the first company to have a non-jurisdictional construction agreement in Newfoundland and Labrador. We also employ flexible, non-union crews on many work sites. These innovative labour models, combined with industry-leading execution strategies, have resulted in highly successful and cost effective projects. In many cases, DFB Driver has received client feedback that we are the most productive and safest contractor on their sites. The company has focused heavily on safety and productivity, which ultimately have been its keys to success.

Building Great Things
Since 1932



Health, Safety & Environment

At JV Driver we are relentless about safety. Our never-ending pursuit is to ensure no one gets hurt . ever. Our constant innovation and investment in safety has resulted in world-class results and injury prevention. An example of these results is our group TRIR which was 0.23 in 2016. Others have recognized our expertise in safety with recognition and awards, with our most recent being the Shell Global CEO HSSE and SP award. This award is only given to the best safety performers around the globe. JV Driver has not had a lost time incident since 1994. This includes all sectors of construction with tens of millions of safe work hours completed.

Historical Safety Performance – JV Driver Group

Year	Hours	Medical Aids	TRIR	LTIR
2012	4,370,389	8	0.37	0.0
2013	7,782,336	24	0.62	0.0
2014	8,032,342	8	0.20	0.0
2015	6,377,273	7	0.22	0.0
2016	6,924,366	8	0.23	0.0

Innovative Safety Practices

At JV Driver our innovation-driven Core Purpose is to %think Different, Build Better+ and this is nowhere more evident than in our approach to safety. At its heart, our safety effectiveness is based on investment in, and use of, industry leading programs and tools. These approaches are created both internally and through the adoption of industry best practices. In fact, many our best ideas come from our people at the work sites. To support this grass roots approach we have dedicated on and off-site working sessions, like our annual 3 day Safety Conference, to develop and implement new ideas and refine existing ones. We have a systematic innovation program as part of living to our %think Different, Build Better+ Core Purpose where we nurture, implement and recognize the amazing ideas of our people. Our %Acts of Vigilance+Program is a great example of innovation in safety, with all employees required to intervene on an unsafe act or condition, or reinforce a safe act or condition, every day. These interventions are collected electronically and action items logged daily.



**Site Safety Meeting
JV Driver Fabricators**

To be successful at JV Driver you must believe that no reason exists to put people at risk. We have lived this commitment as we go into our 24th year without a Lost Time Incident.

The policies and programs that form part of our world-class safety culture and performance would be implemented quickly at BiFab after an acquisition. This will achieve 2 short term goals:

1. A significant reduction in safety incidents and employee injuries
2. Integration of JV Driver culture and core values at BiFab

A New Approach to Project Execution

JV Driver's success lies in its ability to safely and productively execute projects through planning, project controls, and effective day-to-day management. JV Driver employs an effective standardized, project management approach that is critical to the success of any project. A well thought out and executed strategy plays a large part in the effectiveness of the construction management function and the ultimate success of a project. The objective of the project management strategy is to establish an organizational framework to efficiently address all of the elements required for a planned outcome.

For an execution team to be successful, it needs to be effective at a number of related functions. The key functions of an execution team include, but are not limited to:

- Integrated involvement at the preconstruction planning phases, to ensure scope clarity and provide input to constructability.
- Specification of project objectives and plans including delineation of scope, budgeting, scheduling, performance requirements, and selecting project participants.
- Maximization of resource utilization through procurement of labour, materials and equipment according to a prescribed schedule and plan.
- Integration of various operations through proper coordination and control of planning, design, estimating, contracting and construction through the entire process.
- Development of effective mechanisms for resolving conflicts among various participants.



**Phoenix, AZ Fabrication Facility – People, Planning, and Tools
JV Driver Fabricators**

Project Organization

The success of a project is tied to the ability of the Project Team to work together towards the goal of execution excellence. At JV Driver, each major project is led by a Project Manager who is the project's primary point of contact and has complete responsibility for its execution. A Project Manager's foremost responsibility is ensuring compliance with the project Health, Safety and Environmental plan. He or she also reviews and approves design documents, major vendor agreements, equipment requisitions, and trade contracts. A Project Manager oversees the development of the project schedule and staffing plan(s), and ensures alignment between all major functions of the team. Finally, a Project Manager is responsible for developing and implementing the project specific execution plan, managing owner expectations, and overseeing the change management process.

A Project Manager is typically supported by senior personnel in each of the following areas:

- Health, Safety, and Environment
- Engineering
- Construction
- Project Controls
- Quality
- Finance & Costing
- Contract Administration

Construction Planning

No construction project can be successful without the development and implementation of an execution plan. At JV Driver, we are proud of our ability to plan and implement innovative construction approaches that serve our Core Purpose to "Think Different, Build Better".

Constructability

When awarded a project, we encourage the Project Team to engage early with the client. This helps to influence and improve overall engineering and project execution before work in the field starts. JV Driver's experience demonstrates that early constructability involvement leads to higher safety, productivity and quality standards. This one-team approach with the client, leads to substantive gains throughout the project.

Pre-Mobilization

The Project Team reviews all project deliverables prior to starting any work in the field. This practice assesses the status of key deliverables critical to the early success of field construction activities. Key areas of review prior to construction mobilization include:

- Contractual Terms
- Engineering Drawings
- Health, Safety, and Environmental Plans
- Project Controls
- Owner Supplied Materials
- Procurement
- Construction Management
- Subcontracts
- Quality Requirements
- Schedule Milestones

Project Mobilization Plan

A Project Mobilization Plan details the pre-construction activities necessary to ensure the timely arrival of personnel, construction equipment, and temporary facilities to the project site. It includes scheduled onboarding dates for:

- Key Personnel
- Infrastructure
- Temporary Facilities
- Equipment
- Owned and Supplied Materials

It also considers lay-down, local logistics, security, lodging, and other areas as required. Led by the Construction Manager, members of the Project Team develop the following:

- A detailed schedule to include construction delivery dates and long-lead procurement items
- The construction portion of the Project Execution Plan
- Rigging and heavy lift plans and procedures
- Health, Safety and Environmental plans
- A Responsibility Matrix for all participants of the Construction Team
- Project specific construction procedures

Workface Planning

JV Driver uses a workface planning system which utilizes Field Installation Work Plans (FIWP) to maximize productivity. An FIWP details the breakdown of tasks in advance of actual work taking place. It outlines the specific labour, materials, permits, equipment, preceding work, special safety considerations, and quality requirements for a scope of work. The intent of a FIWP is to ensure, once issued, that workers have everything needed to complete a task. The removal of %waiting waste+ and rework significantly improves productivity, safety, quality and employee morale.

Project Controls

Project Controls, in its purest form, is the integration of cost with schedule and progress. Understanding, in real time, where a project is with respect to these three areas is the true indication of %Project Health+ and provides the necessary visibility to manage a project to successful completion. For Project Controls to be effective, the information produced has to be timely, accurate, reliable and integrated. JV Driver uses 3 integrated software platforms in its Project Controls System:

- CMiC (financial ERP) for Project Costing
- Primavera P6 for Scheduling
- Prevail (proprietary software) for Progressing

All 3 softwareϕ have been integrated electronically to accurately measure project health. Performance data is shared amongst the entire Project Team so areas of success or concern can be identified, leveraged, and/or mitigated. This integrated approach to Project Controls is a key tool used by a Project Team to effectively execute work.

Cost Management

Project costs are managed by JV Driverϕ CMiC ERP software. CMiC is used to track and report budgets, actual results, and forecasts for labour, materials, subcontracts and equipment. Progressing data is derived from Prevail to accurately manage productivity factors and forecasts. These 2 softwareϕ work in tandem to manage:

- Financial Statements and Reporting
- Recruitment, HR, and Payroll
- Job Forecasting and Billing
- Subcontracts
- Contract Management
- Cost Forecasting
- Productivity Reporting

CMiC is a fully integrated cost tracking and accounting system, configured specifically for construction and maintenance work. The system is configured for easy deployment and use in remote locations.

Primavera P6 Planning Schedule

JV Driver utilizes Primavera P6 as its primary scheduling tool. After contract award, we work with clients to develop an appropriate Level 5 planning schedule. The schedule is updated continuously using data derived from daily field progress reports. The team, led by the Construction Manager, identifies opportunities to advance the schedule and mitigate issues negatively impacting it. The Project Scheduler maintains an updated work plan and three week look-ahead schedule. This schedule becomes a key tool in planning work activities, developing manpower / equipment /

infrastructure plans; identifying available work-fronts; managing bottlenecks; and developing strategies to advance the schedule.

Key aspects of an effective construction schedule include:

- Alignment with various milestone and critical delivery dates
- Focusing on priorities identified by the planning team
- Resource Loading of discipline, key equipment and infrastructure
- Manpower and equipment levelling
- Identification of early start opportunities and available work fronts
- Maintenance and management of float
- Schedule performance index analysis and reporting

Summary

JV Driver believes heavily in a systematic approach to Project Management. Developing an Integrated Project Team, with a focus on safety and planning, is the core foundation. The goal is to make the health of the project continuously visible to the Project Team, the Client and JV Driver management. Intertwined with this approach is a culture of innovation, with a goal of continuous project execution improvement.

It is our intention to implement this Project Management approach on BiFab's next major project. We will involve Project Management and Project Control professionals from Canada to ensure the implementation of the system is timely and effective. We will likely have insufficient time to implement all of the software and other integrated parts of the system in advance of BiFab's next project. But most importantly, we will start engraining the JV Driver Project Management Philosophy at BiFab to help the company avoid many of the issues encountered during the Beatrice project..



Through Planning and
Innovation... We Build Great
Things



Market Diversification Strategy

Overview

In recent years, BiFab has been focused exclusively on fabrication works for the Energy sector . both in the renewable and oil and gas segments. In Canada, we have found Energy-based fabrication to be highly cyclical with significant dependence on the sanctioning of large Energy projects. As a result, it is critical to have a diversified portfolio of clients and markets to mitigate the large swings associated project based fabrication work.

In Canada, JV Driver has employed this strategy effectively. [REDACTED]

Instead, we recognized the value of portfolio diversification early in our growth cycle and now we have a broad-based book of clients and projects in the following sectors:

- Industrial Construction & Fabrication
 - Energy
 - Mining and metals
 - Public infrastructure
- Civil Works and Infrastructure
 - Greenfield site preparation
 - Excavation and backfill
 - Roads and bridges
 - Water and sewer
- Buildings
 - Commercial
 - Residential
 - Institutional
- Marine
 - Offshore and marine maintenance
 - Fabrication & specialty coatings
 - Rigging
- Industrial Maintenance
 - Oil and gas
 - Power
- Environmental
 - Exhaust gas scrubbing
- Specialty & Technology
 - Leak testing
 - Hot tapping
 - Bolting and torqueing
 - Materials management

JV Driver plans to leverage the client base and projects in these divisions to diversify BiFab's market portfolio over the next 3-5 years. The following sections summarize market segments with the most significant near term value for BiFab.

Energy-Based Fabrication

This market segment has been BiFab's main source of business since the company's inception over 15 years ago, and for good reason. Scotland has been at the forefront of energy development since the 1970s with over 40 Billion BOE extracted from UK interests in the North Sea. More recently, Scotland has turned its focus toward renewable energy projects, especially in the areas of onshore and offshore wind. The current pipeline of offshore wind projects includes significant fabrication opportunities for BiFab, if the company can be productive and cost-effective.

Europe

However, we feel its performance on the next project can improve dramatically with the following:

- Enhanced Project Management and Project Control systems
- An experienced Project Team, supported by JV Driver
- Access to sufficient capital to execute major project work



**Beatrice Project – 26 Jackets at over 1000 mt Each
Burntisland Fabrications Ltd**

In addition, BiFab must continue to look for fabrication opportunities in the Oil and Gas sector. With Brent oil prices recently closing above 70 USD per BOE, new projects can be sanctioned in the North Sea. [REDACTED] These projects hold many fabrication opportunities for BiFab in the 5-20MM GBP range. They are lower risk and offer high margin opportunities to supplement renewables contracts. [REDACTED]



Typical Subsea Tieback Fabrication Opportunities

North America



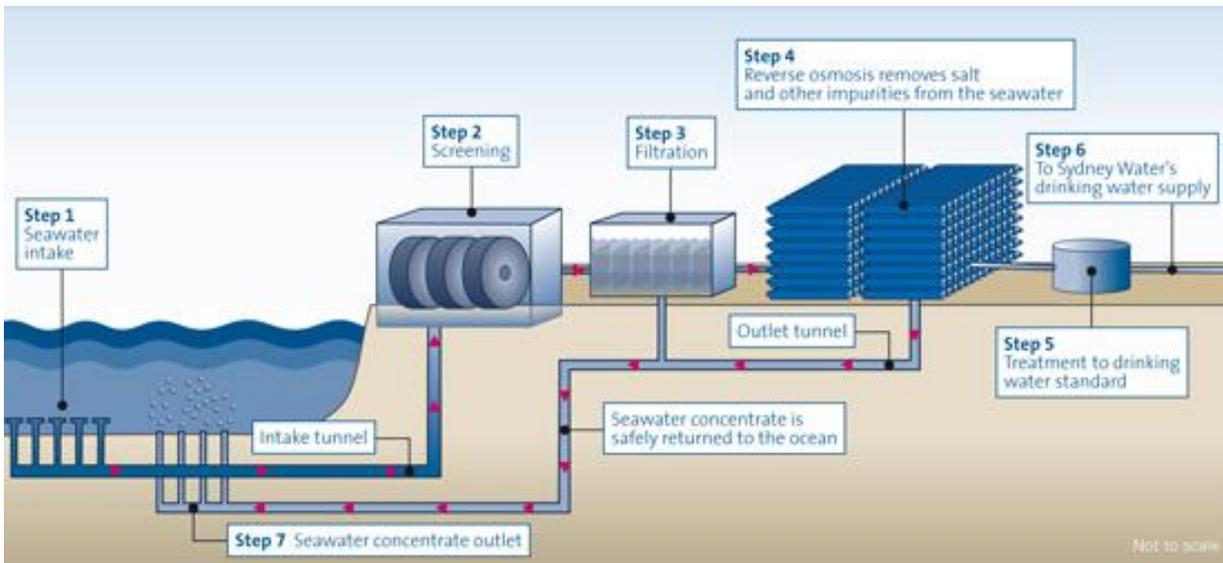
We intend to leverage the capability and experience of BiFab to secure work for this yard, some of which will be executed at BiFab. In May 2017, the Engineering News Record (ENR) reported that in the Northeast United States more than 23 offshore wind projects, collectively expected to produce 16,000 MW of power, are being planned. Based on an average of 10 MW per turbine, these projects will require up to 1,600 jackets or other foundation structures for that region alone.

Fabrication for Export

JV Driver, through our relationship as a preferred supplier with the Canadian Commercial Corporation (a Crown Corporation of the Government of Canada), are leaders in pursuit and execution of international infrastructure projects throughout the Caribbean, Africa and parts of the Middle East. These varied projects encompass marine infrastructure, water treatment and desalination facilities as well as renewable energy projects.

Globally, water treatment and desalination has been identified as an area of infrastructure deficit in many countries. Demand is growing for solutions which deal with waste water in an environmentally responsible manner, and provide clean reliable drinking water to many areas of the world. Through partnership with [REDACTED] the ability to execute fabrication and field construction of these facilities using innovative water technology and construction / fabrication methods.

Access to productive fabrication and loadout facilities is a key advantage for this work. [REDACTED] during the execution of these projects and we are confident we could compete globally from Scotland with enhanced infrastructure. [REDACTED]. some of which will be fabricated in modules outside the country. The opportunity to pursue this work is available to productive and capable fabrication companies with large scale quayside access.



Marine Exhaust Gas Cleaning Systems

Exhaust gas from ships represents one of the largest contributors to greenhouse gas emissions in the world. Annual greenhouse gas emissions from one super tanker are equivalent to that produced by over 50 million automobiles! Marine Exhaust Solutions (MES), [REDACTED]

"...just 15 of the world's biggest ships may now emit as much pollution as all the world's 760m cars. Low-grade ship bunker fuel (or fuel oil) has up to 2,000 times the sulphur content of diesel fuel used in US and European automobiles."

Guardian Newspaper

The market for scrubbers is poised to grow substantially as the International Maritime Organization (IMO) set January 1, 2020 as the date for ships to comply with low Sulphur fuel oil requirements. The decision to implement a global sulphur cap of 0.50% m/m (mass/mass) was taken by the IMO during its 70th Marine Environment Protection Committee (MEPC) sessions in London.

This decision impacts over 80,000 ships in the world which will eventually need to be retrofitted. Ship owners have 3 options to adhere to the 0.5% cap: 1) Burn clean fuel; 2) Convert to LNG; or 3) Install a scrubber. Scrubbing technology has certain commercial advantages over other options, especially for vessels that have high utilization rates (over 200 charter days per year). [REDACTED]

[REDACTED] This represents strong financial returns for an industry that has been hit hard in recent years.

BiFab's Arnish facility is well suited for the fabrication and installation of exhaust gas scrubbers. These projects will also provide additional opportunities for ship repair works that can be executed concurrently with scrubber installs.



Maintenance

Maintenance capability has been a key component of our diversification strategy in North America over the last 10 years. JV Driver currently operates in multiple maintenance segments through the following subsidiaries:

Fluor Driver . Industrial Maintenance and Small Capital Projects - Canada

JV Driver Industrial Services . Industrial Maintenance and Small Capital Projects - US

DF Barnes / DFB Driver . Marine and Offshore; Ship Repairs; Industrial Maintenance . Canada / US

[REDACTED] It's important for a diversified construction company to have a solid base of maintenance work in its portfolio to lower risk and provide a steady state baseline of activity. Near term maintenance opportunities for BiFab include:

1. Ship repairs
2. Oil and Gas drill rig maintenance (especially during warm stacking and re-deployment)
3. Plant maintenance
4. Small capital projects

We intend to develop BiFab's maintenance capabilities and client base once the existing fabrication business is running productively with a solid backlog of business.

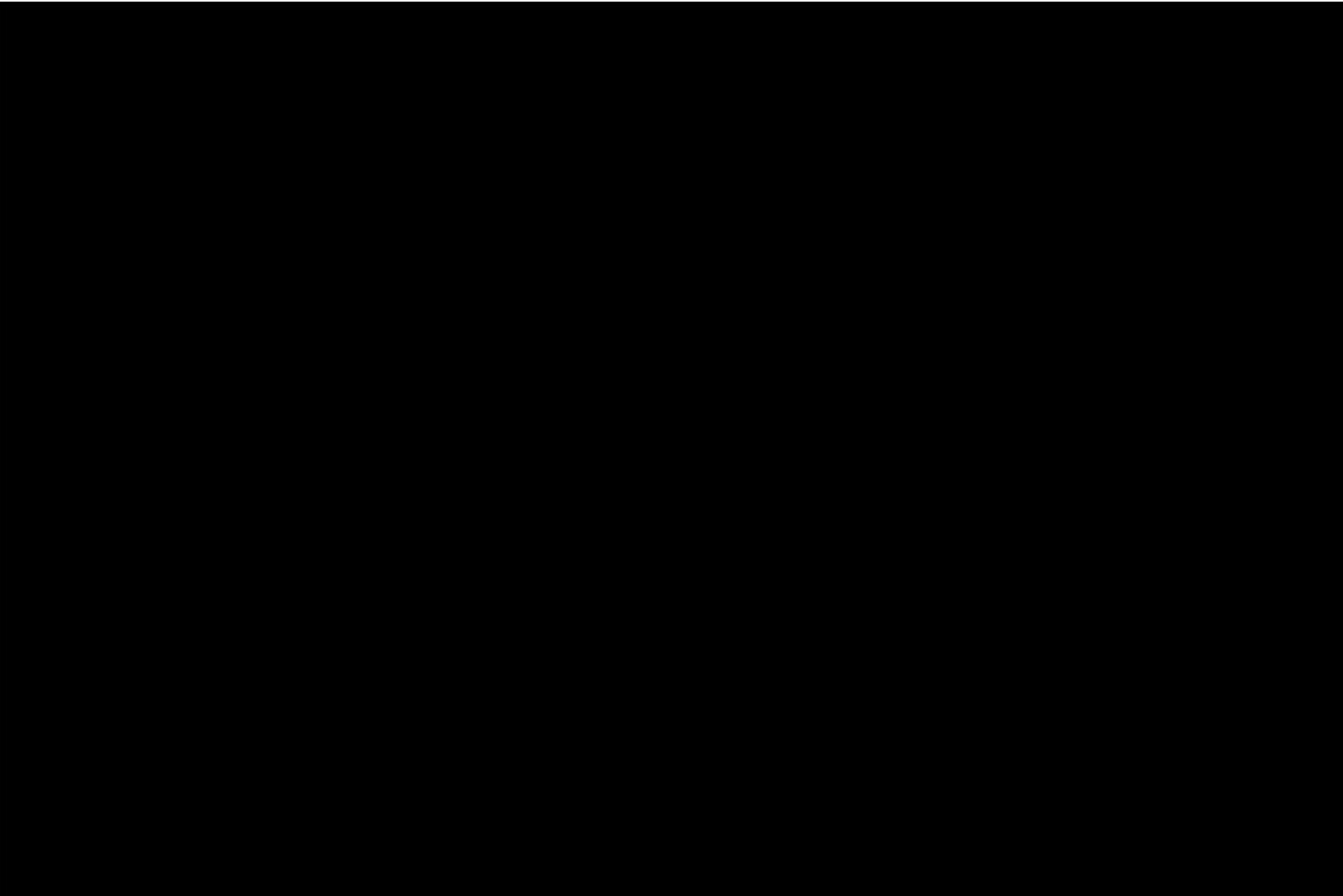


Management Organization

With the passing of John Robertson and subsequent financial and operational difficulties on the Beatrice Project, [REDACTED]

[REDACTED] Driver is prepared to augment the BiFab management team with key staff from its North American operations, specifically in the areas of Executive Management, Operations, Project Management, and Business Development.

We envision our post-implementation organization chart to be as follows:

- 
1. Project Management / Project Controls
 2. Health and Safety
 3. Contractual and Change Management

Globally Competitive Infrastructure

BiFab currently operates out of 3 facilities . Methil, Burntisland, and Arnish. We have toured all 3 plants and left satisfied with their size and layout. There are opportunities to enhance the yards so that projects can be executed more efficiently and safely. Some near term opportunities include:

- Yard concreting
- Painting facilities
- Upgraded mobile cranes
- Quayside / loadout infrastructure



Globally Competitive Fabrication Facilities

Sungjin Geotec Co. Ltd, South Korea

In recent years, JV Driver has partnered with companies from Korea to execute work for large industrial projects in Western Canada. [REDACTED]

[REDACTED] These companies represent some of the largest fabricators in the world. They routinely export large modules for clients in Europe and North America. The Korean Government has invested heavily in these yards to develop a leading market position in export fabrication. We are hoping to do the same in Scotland, understanding that Government investments in infrastructure must remain on side with Scottish trade agreements.

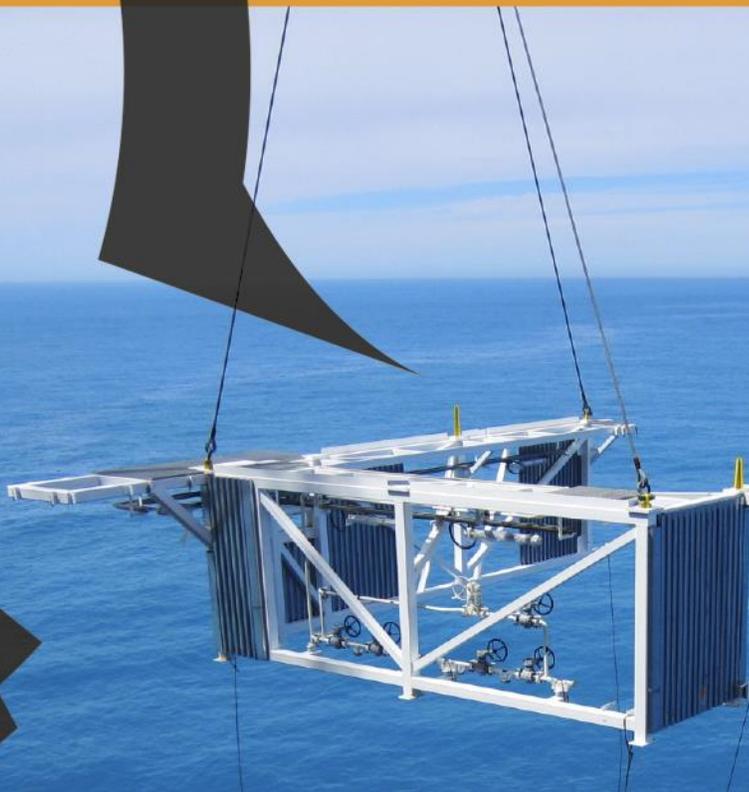
It takes a significant amount of capital to develop infrastructure that can compete with large Korean yards. It is not something that can be implemented at BiFab overnight. But there are key learning opportunities we can draw upon to prioritize infrastructure improvements at BiFab facilities. Those include:

- Efficient lifting equipment, including large gantry cranes
- Clean, spacious, concrete paved work areas
- Indoor and outdoor fabrication areas developed for maximum flow
- Large loadout capabilities

It is the intension of JV Driver to establish a joint committee of all stakeholders . Government, BiFab, and JV Driver . to develop a long-term infrastructure plan for both Methil and Arnish. We envision these facilities becoming world class fabrication and service hubs within the next 10 years.



Exceeding Expectations



Implementation Plan

JV Driver has presented a number of concepts that we consider integral toward achieving the goal of stabilizing and growing BiFab. These strategies and concepts must be implemented in a structured way to achieve success. We envision the implementation of our plan taking 10 years, and deployed in 3 distinct stages:

Stage 1: Revitalization of BiFab in Existing Markets

Stage 2: Diversification and Growth

Stage 3: European Expansion

Stage 1 - Revitalization of BiFab in Existing Markets

Our first priority after acquiring BiFab would be to stabilize the company in its existing market. This will involve:

1. Securing the necessary capital BiFab needs to operate effectively and secure work
2. Meeting with key clients to provide assurance that BiFab remains a going concern under new management and with a new approach to executing work
3. Supplementing the existing management team with key staff from JV Driver
 - a. CEO
 - b. Operations
 - c. Business Development
4. Securing 18-24 months of backlog from near term projects:
 - a. Kincardine
 - b. Moray East
 - c. Neart na Gaoithe
5. Implementing JV Driver's approach to project management and execution
6. Assessing infrastructure needs and developing a long term improvement plan with Government
7. Successful commercial and operational completion of 1-2 large fabrication projects

We expect Stage 1 to be fully accomplished within 2 years. The successful implementation of these near term priorities will stabilize BiFab's market reputation and financial capacity, giving it a solid base from which to grow.

Stage 2 – Diversification and Growth

Once BiFab has re-established a track record for success and improved its financial capacity, JV Driver will begin to diversify the company's service offerings to include:

1. Maintenance
 - a. Offshore Oil and Gas
 - b. Marine
 - c. Power
 - d. Petrochemical
2. Fabrication for Export
 - a. North American Renewables
 - b. Infrastructure for Developing Nations
3. Environmental
 - a. Exhaust Gas Cleaning Systems
4. Oil and Gas Decommissioning

A diversified portfolio of business will smooth out the ups and downs of project based fabrication. It will also lower the overall risk of operations by increasing the number of active projects and clients.

JV Driver will focus intensively on diversification efforts in years 3-5 of this plan.



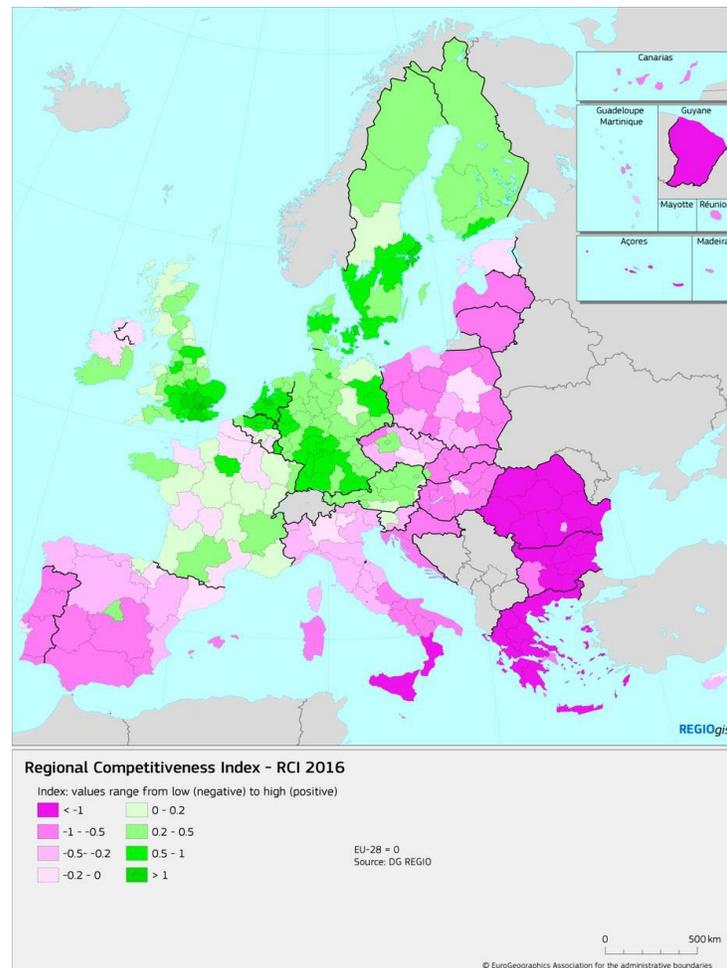
**Broadly Diversified Book of Business – BiFab
5 Year Plan**

Stage 3 – European Expansion

Once BiFab is established as a productive, profitable, and diversified company in Scotland, JV Driver will begin to expand its base across Europe. Specific entry points and markets will be decided as we move closer to implementation. We intend to migrate both BiFab's main lines of business and other JV Driver Group lines including:

- Buildings
- Infrastructure
- Industrial

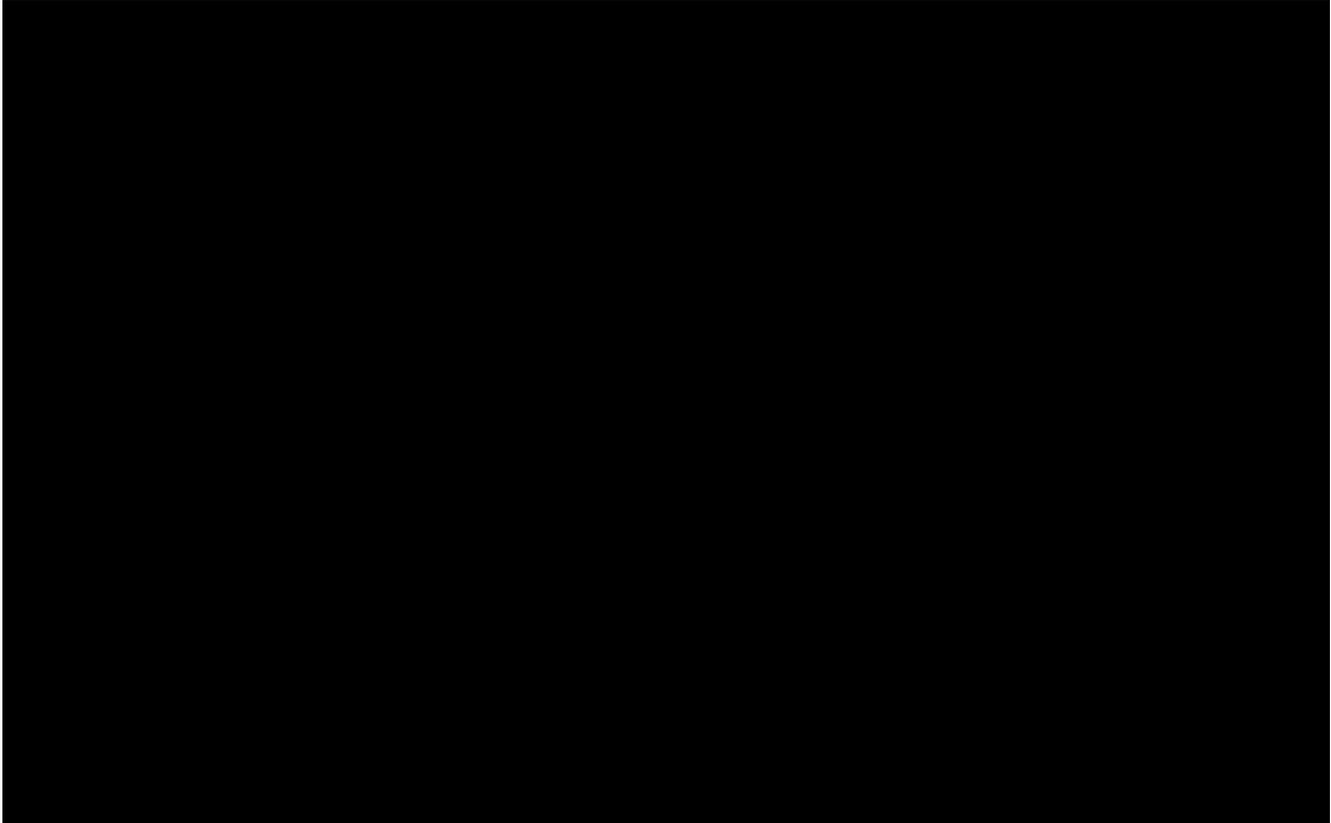
We will focus on entry points that have business values and cultures similar to that of Scotland and Canada, combined with high rates of global competitiveness. We envision BiFab having multiple sites across the UK and Northern Europe within 10 years of acquisition.



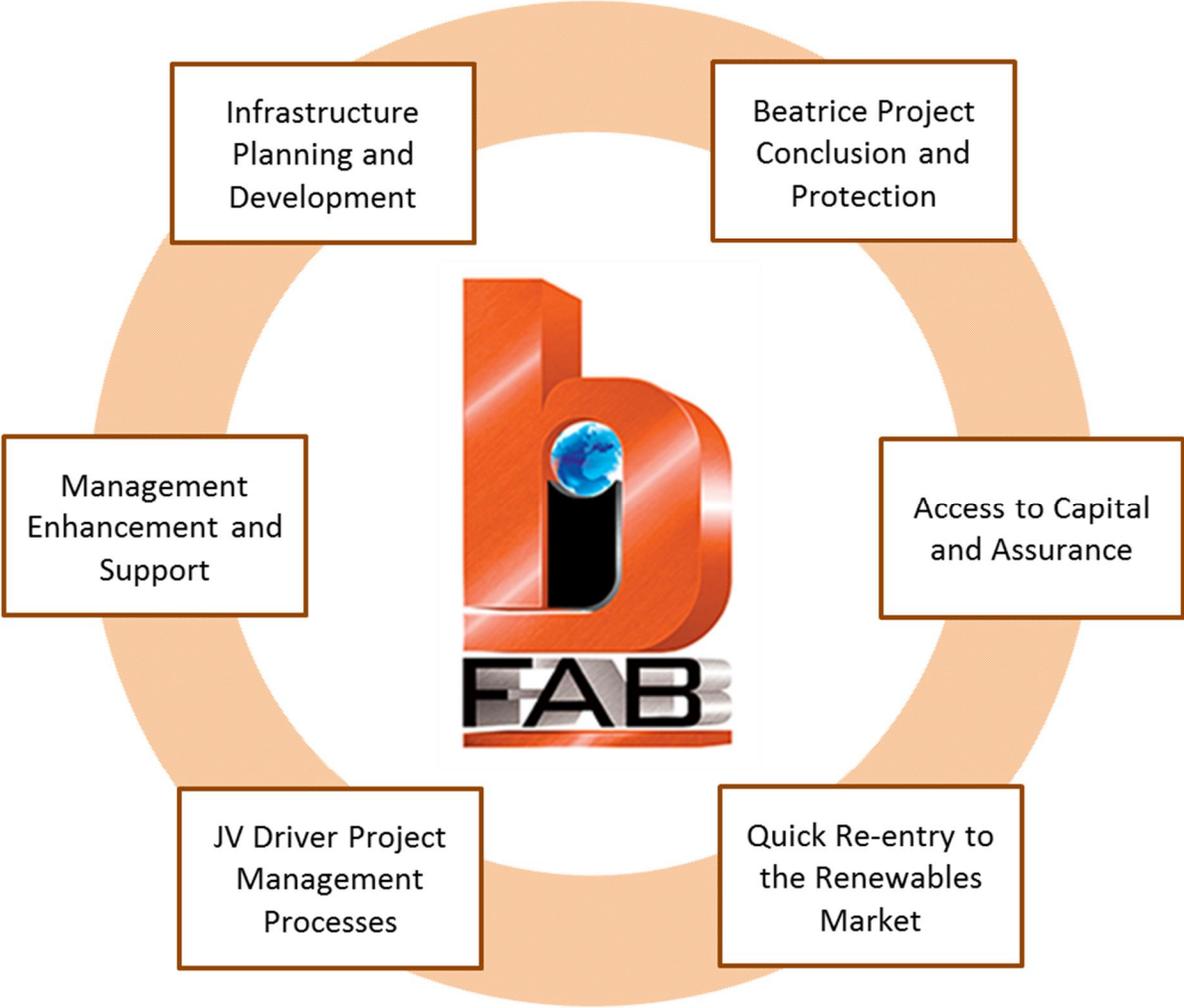
European Competitiveness Index 2016

Financial Outlook

Upon completion of the Beatrice project, we are optimistic BiFab can commence additional project work within 3 months. There are near term opportunities for Kincardine and Moray East that have the ability to generate significant revenues for BiFab in the 2nd half of 2018, onward into 2019. Assuming BiFab is successful in securing this near term work, we foresee a clear path toward stabilizing the company's financial performance over the next 5 years.



Keys to Success



Our Ask from Government

During our discussions with Government, JV Driver proposed a path forward to an acquisition if Government can provide certain short term capital measures to allow the company to re-establish itself in the market. The following sections detail our recent ask of Government in this regard.

Financial Insulation from Beatrice Contracts

BiFab has incurred significant financial loss from the Beatrice contracts. In order to proceed with an acquisition of the company, JV Driver must be insulated from any further financial impacts resulting from that work. To achieve this, we recommend an Indemnification Agreement (or equivalent under Scottish Law) between JV Driver and Government, which details the level to which Government will insulate JV Driver from any further negative financial impacts from Beatrice.

We understand the potential exists for further cost overruns on the Beatrice work, which may necessitate financial support from Government beyond the initial estimate of 15 Million GBP. JV Driver has not been involved in the ongoing execution of the Beatrice project works and consequently does not have access to actual and forecasted cost data. Scottish Enterprise has been involved with cost reporting on the project in recent months and is well positioned to take the lead in sharing this information with both the Scottish Government and JV Driver. From there, all parties can agree on the appropriate structure and values of an Indemnification Agreement.

With respect to warranty liabilities, we are aware that a warranty bond exists for the Beatrice work. We also acknowledge the potential for warranty claims is low based on our past experience with structural fabrication. However, since JV Driver was not directly involved in the execution and quality management process associated with the work, there is uncertainty regarding the potential for future warranty obligations. We also feel strongly that if a warranty claim did materialize, utilization of the bonding facility would further erode BiFab's industry reputation and access to project assurance, both of which are critical to the long term success of the company. As a result, we request that consideration for warranty liabilities be included in an Indemnification Agreement with Government.

Equity Conversion of Government's Beatrice Financing

For BiFab to be successful in the long term, it needs a balance sheet that can support project financing, investment, and growth. To that end, Government financing provided to complete the Beatrice project (estimated at 15 Million GBP) should be converted to equity upon completion of the work. JV Driver proposes the entire Government loan, including accrued interest, be converted to a 10% non-voting equity stake in BiFab. The equity stake would be entitled to 10% of the after-tax profits of BiFab and we support Government participation on BiFab's Board of Directors. Government would retain its equity stake in BiFab until at least December 31, 2024, after which Government can, at its option, redeem the equity position for 10% of the Book Value of BiFab.

Government Supported Working Capital and Project Financing Facilities

[REDACTED]

This acquisition was fully supported by JV Driver's Board of Directors, our North American banking syndicate, and a large Canadian pension fund.

Based on our understanding of the Beatrice settlement, the company has incurred a financial loss of approximately 35 Million GBP in 2017 which eroded all of its working capital, and set the stage for [REDACTED]

[REDACTED] The board of JV Driver is still prepared to proceed, but only under a framework that mitigates risk to the rest of our business units and includes access to the capital necessary to restructure the company, win new work, and execute it effectively.

We have not yet explored financing options in Scotland, however, we are prepared to do so if needed to progress this proposal. We understand Government must demonstrate that all avenues for financing have been exhausted prior to making a commitment of public funds. In our experience, considering the financial status of BiFab and the fact that JV Driver will only partially guarantee any facility, the likelihood of financing options through standard Scottish banking channels is low.

If the above holds true, JV Driver will require Government support for interim working capital and future project financing requirements in order to proceed with an acquisition. We recommend this facility be structured on commercial terms, including appropriate interest rates and security over project receivables and other assets as required. For greater clarity, we envision this facility will be deployed in two phases:

1. **Restructuring Loan** . a 10 Million GBP facility on normal commercial terms to support near-term operations and restructuring. This facility will be required immediately upon completion of the Beatrice project. The uses for these funds will include:
 - a. Implementation of new processes, procedures, and controls
 - b. Business development initiatives and contract negotiations
 - c. Restructuring and cost saving initiatives
 - d. Interim operating expenses and overheads during the transition

The intent of this facility is to fund operations until such time that BiFab is generating cash flows from operations sufficient to cover its overhead. A shorter timeframe between the completion of Beatrice and the start of the next project will likely reduce the restructuring loan requirements. Overhead burn is currently in the range of 600 Thousand GBP per month at

BiFab. If we can begin executing on a sufficiently large contract within 3-6 months, the Restructuring Loan requirement reduces significantly.

2. **Project Financing** . a [REDACTED] facility that is available after award of a project. It is advanced on normal commercial terms (i.e. % of Eligible Project Receivables) to provide the capital necessary to execute project works. This loan is best described as a revolving line of credit for the purpose of funding project execution and the working capital gap between incurred costs, cash outflows and payments from the client. In our experience, 20% of annual company revenues represents a reasonable project financing facility. We view BiFab's baseline capacity to be in the range of 100 Million GBP, hence the recommendation for a [REDACTED] facility.

The structure of the entire financing package can be tailored to meet the needs of Government, BiFab, and JV Driver. We recommend the facilities be provided through standard Scottish banking channels, supported by a guarantee from the Scottish Government. JV Driver will support the facilities with a corporate guarantee totaling not more than [REDACTED] of the total recommended available capital. In addition, JV Driver will provide BiFab with access to its corporate bonding facilities and, in appropriate circumstances, parent company guarantees to secure new contracts for BiFab.

Scottish Enterprise, Scottish Investment Bank, and related Government agencies presented a broad overview of standard Government financial assistance programs during recent meetings in Scotland. Although we are very interested in pursuing these financing avenues, the timeline to making a decision on acquiring BiFab is too short for us to formally apply for each program now. JV Driver recommends that Scottish Enterprise take the lead in summarizing standard Government financing options available to BiFab, including an assessment for the likelihood of success and funding maximums of same, considering our revitalization and growth plans for the company. From there, we can agree on an indicative funding model from standard public programs that we can use as the basis to determine what additional funds may be needed from Government.

Based on our recent meetings in Scotland, JV Driver took a view that funds available from standard Government programs would be substantially less than the level needed to move forward with an acquisition. If this is correct, there will be a need for non-standard Government funding to progress this proposal under any scenario.

JV Driver has invested heavily into due diligence, legal, and other costs associated with the pursuit of BiFab. We are taking on significant reputational risk by moving forward with this acquisition. We plan to deploy some of our best staff to revitalize the company, which precludes us from pursuing certain business opportunities in the near term. However, JV Driver remains committed to finding a win-win solution with Government for the revitalization of BiFab, but only under financial terms that make sense for our business.

Capital Works and Site Development

It has become apparent during the execution of Beatrice project work that BiFab's facilities, especially at Methil, require infrastructure enhancements to become internationally competitive. We propose the establishment of a joint committee of BiFab / JV Driver / Scottish Enterprise to study the company's current facilities, as well as competing facilities in Europe and Asia, with a mandate to issue a 10-year development plan for BiFab's infrastructure. Recommendations may include additional on-site material handling equipment, yard concreting, improved paint facilities, quayside upgrades, and mobile fabrication sheds. We request that Government financial support toward implementation of the plan be provided in a similar manner to previous capital upgrade programs (i.e. leaseback arrangements).

JV Driver is prepared to move forward with the acquisition of BiFab without a detailed commitment from Government on infrastructure improvements at Methil and Arnish. However, we need assurance that JV Driver and Government are aligned on the process to develop the infrastructure improvement plans, including an indicative level of funding available to invest in the facilities.

Other Government Support

Given the limited financial capacity of BiFab after completion of the Beatrice Project, we request Government support to reduce operating expenses and provide surety for future contracts. We request a waiver of rents until such time as BiFab is in a more secure financial position. In addition, access to appropriate bonding facilities is necessary to secure new work. The Government has previously guaranteed bonding facilities for BiFab, most recently on the work for Beatrice. At this stage, the terms for future bonding arrangements are largely unknown. JV Driver is requesting an acknowledgement from Government that access to Government supported bonding arrangements in the normal course of business will remain an option for BiFab.

If more detailed information on near term bonding requirements becomes known during the course of our discussions, most importantly on the Kincardine or Moray East projects, we will discuss the specific details of Scottish Government support at that time.

Legal Structure of Proposed Transaction

It is our plan that 100% of the outstanding shares of Burntisland Fabrications Ltd. will be purchased by D.F. Barnes Services Limited, a Canadian registered company based in St. John's, NL Canada. D.F. Barnes Services is a 100% owned subsidiary of J.V. Driver Corporation.

Concurrent with the acquisition of the outstanding shares of BiFab from its existing shareholders, we envision Government will convert its loan facility into a 10% common share interest in BiFab. From there, the company would be owned 90% by D.F. Barnes Services and 10% by the Government of Scotland until such time that Government deems appropriate to exit the investment.

It is envisioned that all financial support requested in this proposal will be provided directly to BiFab.

Summary

JV Driver feels strongly that the financial platform outlined above, along with our management, operational, and business development support, will allow BiFab to re-establish itself as a leader of Energy infrastructure fabrication in Europe. Based on our diversified market portfolio and depth of industry experience, JV Driver is ideally positioned to return BiFab to profitability and establish its long-term success.

The Energy sector is strategically important to the Government and citizens of Scotland. Our mutual goal is to maintain a strong and vibrant Scottish fabrication industry to ensure the benefits of the Energy sector are retained and maximized at home.

Benefits for Scotland

Scotland has clearly established itself as the global leader in offshore wind power generation, and JV Driver believes the maximum economic benefit of this industry should remain in Scotland. This includes a robust fabrication sector that builds and maintains the infrastructure needed for offshore wind. We feel strongly that Government led financial support for BiFab will be instrumental toward the near term preservation, and long term growth, of the entire Energy sector in Scotland.

In the recently published *Scottish Energy Strategy: The Future of Renewables in Scotland*, Paul Wheelhouse, Scottish Minister for Business, Innovation, and Energy, set out a bold vision for Scotland's renewables sector in his Ministerial Foreword:



**Offshore Wind Jacket Fabrication
Burntisland Fabrications**

“Choices affecting our energy future are among the most important we face. Scotland’s social and economic well-being, and the sustainable productivity and competitiveness of our economy, depend on a secure, affordable, and reliable energy supply. Our energy sector also provides high quality jobs, and a vibrant climate and opportunity for innovation.

The decisions and action which we take now will shape the Scotland that future generations will live in, visit and enjoy....

Low carbon and renewable energy already supports thousands of jobs across Scotland, generating billions of pounds in turnover. Scottish yards and workers are fabricating and manufacturing some of the components that will power our energy future; our supply chains are growing, and the opportunities for innovation are immense. In the future, demand for low carbon skills, goods, and services will grow both here in Scotland, and overseas, offering ever greater export opportunities.”

Minister Wheelhouse's bold vision aligns seamlessly with JV Driver's vision for BiFab. We see a company that employs Scottish workers and builds energy infrastructure right here at home. We see a company that has the potential to become globally competitive through innovation, training and infrastructure enhancements. And we see a company that, in the near future, can export its services to developing economies and energy sectors around the globe.

That is exactly the strategy we have set out in this plan. Now, Government and JV Driver must work together to make it a reality.

DFBARNES

