

Fixed Platforms Market Update Report 2008/12

This report is unique to the industry as it provides an in-depth independent analysis of the worldwide fixed platform market. The Second Edition of the Global Perspectives Fixed Platform Market Update, published by Infield Energy Analysts, has been completely updated and provides a global five year forecast from 2008.

Report Overview:

Infield forecasts that Capex spend over the next five years for the fixed platform market is expected to be \$60bn. This is an increase of over 30% over the previous five years. In terms of numbers of platform units, globally the increase is only 8%, however this masks some of the dramatic increase in activity in Africa and Asia. In these two regions alone the increase is expected a staggering 245 units or 60% over the previous five years. In percentage terms Australasia will see its forecast spend increase from \$800m to \$2bn. In Europe, with the UK needing to sure up its gas supplies, it is expected to account for 36% of the European forecast, with the Netherlands following with 23%.

It is North America that will see a dramatic fall in the number of new platform installations in the Gulf of Mexico. Despite this it is in terms of the regional dispersion of forecast fixed platform installations, it holds the largest share at thirty per cent of the total platforms installed between 2008 and 2012.

The global forecast is expected to peak in 2008, with the expected spend of \$13.8bn falling to \$9.2bn in 2012. The majority of this decline is due to Asia where in 2009 we expect an increase in annual spend of 90% compared to 2006, but by 2012 this annual spend will fall back to the 2006 level. Beyond 2009 we also expect to see declines in spend in Europe, Latin America and of course North America.

The decline in fixed platforms is partly driven by the growth of the floating production market. The growth of the floating production market has mainly been driven by a decline of new, viable discoveries in mature shallow regions and the above mentioned demand, which has aided oil prices to increase and deepwater production to become an economically realistic option.

Who should buy this report?

Infield has provided reports to a wide cross section of the offshore oil and gas industry, including E&P companies, contractors, manufacturers, government agencies and the financial community. Within these organisations the reports have been purchased by senior managers and engineers, analysts, consultants and government executives.

Why you should buy this report:

- The Fixed Platforms Market Update is an independent and up-to-the minute analysis of the fixed platform sector utilising Infield's unique database of 10,500 operational and future fixed platforms
- The five year forecasts can be utilised in strategic decision making
- Quickly evaluate the region by region, country by country, sector by sector the unit, spend and award forecasts to identify key business areas
- Easily compare and contrast this 2008 forecast with the previous edition to establish the key market drivers and issues affecting the global subsea market

Report Contents

- **Summary & Conclusions** provides an executive overview of the global fixed platform forecast in terms of units and value
- **Global Market Context** looks at the supply and demand issues within the industry, offshore market overview, comparative analysis of the conventional and surf markets with forecast development costs of major projects. Analysis of commodity pricing, price versus activity levels analysis, geopolitical overview including discussions on operator types, including National Oil Companies
- **Regional Analysis & Forecasts** provides for each region (Africa, Asia, Australasia, Europe, Latin America, and North America) an overall forecast with analysis by type of platform, including Caisson, CPT, Gravity, Jack-up, by water depth and by total weight for both units and spend.
- **Component Analysis & Forecasts** provides forecasts for each element of the fixed platform sector.
- **Global Forecasts** provides a comparative analysis of this reports forecast to the 2007 forecast in the previous edition, along with review and analysis of variance in terms of activity and expenditure. All of the regional and sector forecasts are brought together to complete the global fixed platform market using conventional and alternative model profiles.

GLOBAL PERSPECTIVES

Fixed Platform Market Update 2008/12

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THE ENERGY ANALYSTS

Global Perspectives Fixed Platforms Market Update 2008/12

1 SUMMARY & CONCLUSIONS

Fixed platform installation units have historically been the first method employed in the production of offshore oil and gas fields. The report in this section provides an overview of the market for the fixed platform for the next five year period 2008-2012, relative to the last five year period in 2002-2007.

In numerical terms the fixed platform market is expected to grow globally with regional variations. The number of new platforms is expected to grow from one thousand five hundred and fourteen units in the 2002-2007 period to a higher one thousand six hundred and thirty-one units in the five year period ahead (Table 1.1 and 1.2).

However, the tables are also indicative of the variations in the regional markets. On inspection of the installation numbers in these regions across the two periods of this report focus, we are expecting to see the highest degree of activity in Asia, with an additional one hundred and thirty-one units compared with the previous five year period. The largest percentage growth is forecast for the Australasia region of one hundred and seventy units over the five year period ahead.

The only region forecast to see a decline in North America, with a thirty-one unit decline in the number of units installed. This equates to two hundred and fourteen units forecast compared with the previous five year period.

Although the North American region is expected to see the greatest decline over the five year period, in terms of the overall percentage of installed fixed platform installations, it holds the largest and 20% of the total. Other significant regions for fixed platforms include Asia (20%) and Africa (14%).

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Region	2002	2003	2004	2005	2006	2007
Asia	116	116	116	116	116	116
Africa	50	40	50	50	50	50
Australasia	10	10	10	10	10	10
Europe	10	10	10	10	10	10
Latin America	10	10	10	10	10	10
North America	10	10	10	10	10	10
Grand Total	206	206	206	206	206	206

Region	2008	2009	2010	2011	2012
Asia	116	116	116	116	116
Africa	50	40	50	50	50
Australasia	10	10	10	10	10
Europe	10	10	10	10	10
Latin America	10	10	10	10	10
North America	10	10	10	10	10
Grand Total	206	206	206	206	206

Figure 1.1 shows the expected peak in fixed platform installations in 2008, with a decline to continue until 2012. The number of units is expected to decline to two hundred and thirty-one units.

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2 GLOBAL OFFSHORE WELLS ON-STREAM 2008-2012

In terms of the offshore wells forecast to come on-stream between 2008-2012 (Figure 2.1), we are expecting to see an increase globally. The number of new wells is expected to grow from 10,000 wells in 2008 to 12,000 wells in 2012. This is a significant increase in the number of wells on-stream, particularly in the Middle East and Caspian region. The total number of wells on-stream is expected to reach three hundred and twenty-five wells by the end of 2012.

Analysis by region shows that we are expecting strong growth in Europe, Africa and Asia, with some growth in Australasia and Latin America. In terms of new field discoveries, North America is forecast to see a significant decline in the number of new fields coming on-stream across the period.

The number of wells coming on-stream globally has grown steadily since 2003 and is forecast to continue to grow steadily through to 2012. The number of wells coming on-stream is expected to reach 12,000 wells by the end of 2012. This is a significant increase in the number of wells on-stream, particularly in the Middle East and Caspian region. The total number of wells on-stream is expected to reach three hundred and twenty-five wells by the end of 2012.

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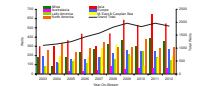


Figure 2.1: Global Offshore Wells On-Stream 2008-2012. The offshore industry has seen significant increases in the total reserves coming on-stream in recent years, from 10,000 wells in 2008 to 12,000 wells in 2012. This is a significant increase in the number of wells on-stream, particularly in the Middle East and Caspian region. The total number of wells on-stream is expected to reach three hundred and twenty-five wells by the end of 2012.

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3.1 Africa

Figure 3.1: Africa Regional Growth

A total of two hundred and twenty-eight fixed platforms are forecast to be installed in the offshore waters of Africa during the period 2008 to 2012. As can be observed by comparing Tables 1.1 and 1.2, this is a significant increase in the number of platforms installed in the five year period ahead.

Within the region, the forecast number of fixed platform installations are distributed amongst a wide variety of countries. Most of the countries within the region are forecast to witness a rise in the number of units installed. This is particularly true for the Middle East and Caspian region. The total number of units installed in the region is expected to reach 245 units by the end of 2012.

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Table 3.1: Africa Fixed Platform Units (by Country) 2008-2012

Country	2008	2009	2010	2011	2012
Algeria	2	2	2	2	2
Equatorial Guinea	2	2	2	2	2
Libya	2	2	2	2	2
Chad	2	2	2	2	2
Other	18	18	18	18	18
Grand Total	10	10	10	10	10

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5 GLOBAL FORECASTS

5.1 Comparison with 2007 Report

The OFFICE forecasting and modeling system is an evolving model of the offshore industry. As such the reports and forecasts that make up our analyses are continually changing. The models used internally within our system of forecasting are constantly updated and refined. At times this may mean that historic values will change when we first publish the report, or when we first present the report to our clients. The major difference in the cost elements in this report is that installation costs, when again reviewed and brought in line with our current pricing. An OFFICE forecast is a forecast of the future, not a forecast of the past. It is a forecast of the future, not a forecast of the past. It is a forecast of the future, not a forecast of the past.

As the number of projects and prospects has grown, the forecasting community has added awareness of the need to be more aware of the current market conditions. This is particularly true for the Middle East and Caspian region. The total number of units installed in the region is expected to reach 245 units by the end of 2012.

This section will look at the changes that have taken place in the model from last year, and the reasons behind these changes. Project specific information is not discussed in this section, the reason being that the changes are global in nature.

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5.2 Key Changes

Key aspects of the offshore industry are expected to face major changes, that being a knock on effect in terms of price and scheduling.

High oil prices are not necessarily leading to an increase in development, issues such as licensing equipment and the associated equipment costs are expected to be a major barrier to development in the region. This is expected to be particularly true for the Middle East and Caspian region.

Re-scheduling of projects in Africa and Latin America.

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Searchable Online Projects Database

Purchasers will receive 12 months' free access to the European sector for Fixed Platforms Online Database. Access provides a facilities listing of all projects being planned or considered for the period 2008/12, detailing;

- Operator / Owners / Yards
- Facility Name
- Facility Type
- Water Depth
- Location
- Topside / Jacket / Total Weights
- Project Status
- Topside Function
- Install & Decommissioning Year
- Manned / Unmanned / Access Means
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- Numbers of Piles

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The Infield Energy Data Analysts

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Offshore Energy Database

The Infield Worldwide Offshore Database provides detailed and up to date information about all offshore fields, worldwide. The earliest project on Infield is Bibi Eibat which came on stream in 1923 in Azerbaijan. The furthest ahead are decommissioning projects not expected to proceed for several decades. Infield comprises 8,200 offshore fields in 127 countries, involving over 700 operators and more than 1,100 participant companies. Infield is updated daily so clients can expect to be kept informed of new information as and when it happens.

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