

# Fixed Platforms Market Update Report 2009/13

**The Fourth 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 2009. This report is unique to the industry as it provides an in-depth independent analysis of the worldwide fixed platform market.**

## The Fixed Platforms Market:

Over the last 12 months the modern myth that the days of boom and bust had come to an end has been well and truly dispelled. In times of uncertainty and petroleum price volatility, those active in the offshore industry tend to 'go back to basics', project price scheduling gates are often reviewed downwards, or at least scaled back, and investments with tangible and immediate returns are prioritised. To this end the fixed platform market has, due to its comparably low Capex requirements, established engineered designs, and focus on operationally simpler shallow waters, remained historically more insulated than other sectors to changing economic fortunes.

Infield retain a positive forecast for the period 2009 to 2013, seeing capital expenditure relating to the global fixed platform market in excess of US\$80bn. This represents an increase of over fifty percent in expenditure levels as compared with the preceding period 2004 to 2008, which witnessed investment of US\$54bn. This rise is driven by both sustained growth in an industry which has increased its regional diversity profile, and recent project cost escalation, all in the context of the rapid ascent, and subsequent collapse of crude prices, which peaked at \$147 a barrel in July 2008 and haven't moved above \$50 since November 2008. All in all we expect over one-thousand eight hundred fixed platform installations in water depths up to a maximum of three hundred and seventy meters.

Whilst traditionally the most prolific fixed platform market has been that of the Gulf of Mexico, as the global economy has moved away from its established US – European axis, demand for energy has done likewise, and this has encouraged positive growth in many frontier hydrocarbon regions. It is no surprise then that Asia is forecast to see both the largest number of fixed platforms installed, and the largest amount of financial investment. On a country level, within Asia the performance of Vietnam, where a four-fold increase in installed fixed platform structures is forecast over the next five years, is particularly notable. Globally in absolute installations we expect fixed platforms to have a constant annual growth rate of over two percent.

Growth in Asia is coupled with slight stagnation in North American, a market now well established, and considered as mature. In the US those wishing to take advantage of the large installed base of export lines, onshore refining facilities, and an energy hungry local populous, are being forced to move into deeper waters, and as a result fixed projects are no longer suitable solutions. Subsequently North America is the only region that shows a fall in our five year forecast, however it must be noted that on average North American fixed platform installations are deployed in typically deeper waters, and therefore on a per unit basis they are likely to command more capital investment.

In terms of the type of platform solution being chosen, Piled platforms remain the most dominant type of installation. These types of platform represented close to seventy percent of installations from 2004 to 2008, we expect their popularity to increase between 2009 and 2013, where they will grow to represent over eighty percent of the market.

## Who is buying the Market Update Reports?

Organisations range from fully integrated oil companies, national oil companies, contractors, service and supply companies, manufacturers and industry consultants located in over 40 countries worldwide. The market forecast reports are used by senior management, industry and financial analysts and consultants for strategic decision making

## Why you should buy this report:

- Infield's modelling process, OFFPEX, is based upon a unique "bottom up approach". The component by component, project by project process is robust and has a proven track record
- The report contains the latest information on the probable impact of the current economic circumstances on the offshore oil and gas sector
- Utilise the Infield five year forecast for strategic decision making
- It is an independent and up-to-the minute analysis of floating production systems sector
- Appraise the report's region by region, country by country, sector by sector capital expenditure and project numbers analysis for each of the elements within the market

## Report Contents

- **Summary & Conclusions** provides an executive overview of the global fixed platform forecast in terms of units and value taking into consideration the condition of the offshore industry and its current challenges.
- **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, Piled by country, water depth and by total weight for both units and spend in Capital Investment terms.
- **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

**1 SUMMARY & CONCLUSIONS**

Fixed platform installations will see moderate rates of growth over the five-year period in the production of offshore oil and gas fields across the world. The report includes a detailed analysis of the fixed platform market for the next five years (2009-2013), relative to the last five-year period (2004-2008).

In nominal terms the fixed platform market is expected to grow globally, albeit with regional variations. Globally the number of fixed platforms is expected to grow from one thousand five hundred and fourteen units in the 2008-2009 period to a higher one thousand six hundred and thirty-one units in the five-year period ahead (Tables 1.1 and 1.2).

However, the table also illustrates the variations in the regional markets. On inspection of the installation numbers in these regions across the five periods of the report, Asia, we are expected to see the highest change in units of Asia with an additional one hundred and thirteen units compared with the previous five-year period. The largest percentage growth is forecast for the Australian region of one hundred and twenty-eight units, with growth over the five-year period of a fifty per cent decline in terms of unit numbers. This equates to two hundred and fourteen less fixed platform installations compared with the previous five-year period.

Although the North American region is expected to see the greatest decline over the last five-year period, in terms of the regional composition of fixed platform installations, it holds the largest number of units at any one time of the total platforms installed between 2008 and 2013 (Table 1.2). Other regional regions for fixed platforms include Asia (20%), Africa (14%).

Region	2004	2005	2006	2007	2008
Asia	28	40	60	65	64
Australia	10	10	10	10	10
Europe	10	10	10	10	10
Latin America	10	10	10	10	10
North America	100	100	100	100	100
Other	20	20	20	20	20

Region	2009	2010	2011	2012	2013
Asia	7	9	15	15	14
Australia	10	10	10	10	10
Europe	10	10	10	10	10
Latin America	10	10	10	10	10
North America	100	100	100	100	100
Other	20	20	20	20	20

Figure 1.1 shows the expected peak in fixed platform installations in 2009, and is likely to continue steadily until the number of units is expected to decline in two-hundred and twenty-two units.

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**2 Global Offshore Fields Onstream 2000-2012**

In terms of the offshore fields forecast to come onstream between 2009-2013 (Figure 2.1), we are expecting to see an increase globally, with 16,200 units in 2009 and 16,200 units in 2013. This represents a growth of 16,200 units in 2013, which is 16,200 units more than the 16,200 units in 2009. This represents a growth of 16,200 units in 2013, which is 16,200 units more than the 16,200 units in 2009. This represents a growth of 16,200 units in 2013, which is 16,200 units more than the 16,200 units in 2009.

Figure 2.1: Global Offshore Fields Onstream 2000-2012

The number of wells coming onstream globally has grown steadily since 2000 and is forecast to continue to grow steadily through to 2012. Beyond which we are forecasting a constant falling rate of growth. The number of wells coming onstream globally is forecast to be 16,200 units in 2013, which is 16,200 units more than the 16,200 units in 2009. This represents a growth of 16,200 units in 2013, which is 16,200 units more than the 16,200 units in 2009.

Figure 2.2: Global Offshore Fields Onstream 2000-2012

The offshore industry has seen significant increases in the total number of wells coming onstream globally. The number of wells coming onstream globally is forecast to be 16,200 units in 2013, which is 16,200 units more than the 16,200 units in 2009. This represents a growth of 16,200 units in 2013, which is 16,200 units more than the 16,200 units in 2009.

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**3.2 Africa**

Figure 3.2: Africa - Regional Growth

A total of two hundred and eighty-eight fixed platforms are forecast to be installed in the African region (2009-2013) relative to the 2004-2008 period. An increase in the number of units is expected to be 200 units in 2013, which is 200 units more than the 200 units in 2009. This represents a growth of 200 units in 2013, which is 200 units more than the 200 units in 2009.

Country	2009	2010	2011	2012	2013
Algeria	2	2	2	2	2
Libya	2	2	2	2	2
Nigeria	2	2	2	2	2
Other	14	14	14	14	14

Country	2004	2005	2006	2007	2008
Algeria	2	2	2	2	2
Libya	2	2	2	2	2
Nigeria	2	2	2	2	2
Other	14	14	14	14	14

Algeria witnessed the highest rate of growth in terms of unit numbers over the last five-year period at both hundred and eleven per cent. At one hundred and thirty seven per cent, Algeria has the second highest rate of increase, when comparing the number of fixed platform installations in 2009, with the number of fixed platform installations in 2004. The highest rate of increase in the number of fixed platform installations in 2009, with the number of fixed platform installations in 2004. The highest rate of increase in the number of fixed platform installations in 2009, with the number of fixed platform installations in 2004.

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**5 GLOBAL FORECASTS**

**5.1 Comparison with 2007 Report**

The OFFPEX forecasting and modelling system is an evolving model of the offshore industry, as each the global and regional fixed platform forecasts are continually changing. The model uses reported data where known or extrapolated data where they are not known. The historic data are better represented by the changes. The model uses reported data where known or extrapolated data where they are not known. The historic data are better represented by the changes. The model uses reported data where known or extrapolated data where they are not known. The historic data are better represented by the changes.

As the number of projects and prospects has grown, the contracting and construction activity has increased. However, our research would suggest that there may be some areas of concern in the offshore industry that may need to be noted. Our research would suggest that there may be some areas of concern in the offshore industry that may need to be noted. Our research would suggest that there may be some areas of concern in the offshore industry that may need to be noted.

The sector will note the changes that were made to the model from last year, and the rationale behind these changes. Please refer to the introduction for full discussion in this section, note the major changes behind the changes.

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## Searchable Online Projects Database

Purchasers will receive 12 months' free access to either the European or Asia Pacific region for Fixed Platforms Online Database. Access provides a facilities listing of all projects being planned or considered for the period 2009 to 2013, detailing;

- Operator
- Owners & Yards
- Facility Name
- Facility Type
- Water Depth
- Location
- Total Weight
- Jacket Weight
- Topside Weight
- Project Status
- Topside Function
- Installation Date
- Decommissioning Year
- Manned / Unmanned
- Access Means
- Production / Injection Wells
- Numbers of Piles

Subscriptions can be upgraded to include all platforms worldwide, both operational and planned and data sets from the Offshore Energy Database.

## 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 8,450 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.

- Shallow Water Fields
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- Subsea Equipment; Trees, Manifolds, Templates & Subsea Processing
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- Control Lines & Umbilicals
- Single Point Moorings
- Specialist Vessels
- Field Operators & Ownership
- FPSO Owners
- Manufacturers

## The Infield Energy Analysts

Infield is an independent energy research and analysis organisation that is dedicated to the provision of accurate and up-to-date data, market sector reports, mapping, analysis and forecasts to the offshore oil and gas and associated marine industries. Infield services clients in over 40 countries from a wide range of organisations including E&P companies, contractors, manufacturers, government agencies and the financial community. Infield is widely acknowledged as the definitive independent information resource and has been involved in many US\$bn of merger, acquisition and transaction market due diligence.

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