Presentation Summary

- Quest Offshore
- Recent activity and trends
- Forecast activity
- Contractor’s perspective
Data Contained Herein (Unless Otherwise Noted)
Is Based on On-stream Year

Forward-Looking Statements
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**The Mission**
To provide market expertise, strategic analysis, marketing communication and consultancy services to the deepwater oil and gas markets globally

**Capabilities**
A dedicated team of sector specialists that focus on qualitative and quantitative data to identify global market opportunities for deepwater technologies

**Coverage**
Worldwide deepwater basins - Exploration through SURF and Marine installation segments
Product Portfolio

Overall Scope:
• Tracking 800 exploration prospects – 150 currently active
• Following over 2,500 deepwater projects – almost half are forecast projects

- Drilling
- Subsea Production Equipment
- Umbilicals
- Risers
- Flowlines
- Subsea Processing & Power
- Marine Construction Vessels
- Floating Production Systems
- Global Shipyards Capacity
- Regional Reports
  - GoM
  - Brazil
  - Asia Pacific
- Weekly and Monthly Journals
- Conferences
- Promotion opportunities
  - Exhibitions, wall maps, atlases
Our Clients

- Contractors
  - Drilling
    - Down-hole services, completions, chemicals, ROV
  - Engineering
    - Conceptual design, FEED, detailed engineering
    - Flow assurance
    - Operations and Maintenance
    - Life-of-field extension
  - Installation contractors
    - Pipelay & SURF, heavy lift,
  - Services contractors
    - Diving, ROV
    - Survey
- FPSO Operators
- Manufacturers
  - Subsea trees
  - Controls
  - Pumps
  - Pipelines and coatings
  - Umbilicals
  - Cables
- Operators
- Financial services, banking and insurance
- Classification bodies
Why focus on subsea?

Maturing: Subsea Widely Accepted Application; Has Become More Reliable

Enabler: Subsea Technology Can Unlock Reserve Potential & Max. Production

Economics: Subsea is Often Efficient, Faster & Cheaper Alternative, Improving NPV

Future: Long-distance Tie-backs, Compression, Boosting, Pumping, Separation

Opportunity: For Increased Utilization and Continued Technological Innovation
Recent Activity

Oil Price vs Expenditure on Subsea Developments
Recent Activity

Expenditure by Region

US$ MM

- Africa/Medit.
- North America
- NWECs/Arctic
- Asia Pacific/Middle East
- South America

2004 2005 2006 2007 2008 2009 2010
Recent Activity

Oil Price vs Development Type

- Oil Price
- Subsea Tiebacks
- Standalone Developments
Energy Consumption (mboe/d)

Source: IEA World Energy Outlook 2009
Operator Activity

Exploration by Operator Category (2004 ~ 2013+)

- **IOCs / Majors**: 7 Operators, 714 Exploration Targets
- **NOCs**: 27 Operators, 721 Exploration Targets
- **Independents**: 1639 Operators, 182 Exploration Targets
Operator Activity

20 Most Active Operators

- Petrobras
- Statoil
- Anadarko
- Shell
- Chevron
- bp
- ENI
- Murphy
- Total
- ExxonMobil
- Woodside
- Apache
- BHP Billiton
- Hess
- Nexen
- ConocoPhillips
- Marathon
- BG
- Newfield
- Noble Energy

Undrilled (322)
Drilled (1164)
Discoveries by Region

Operator Activity

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<tr>
<th>Region</th>
<th>2004</th>
<th>2005</th>
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Forecast Activity

Forecast Oil Price vs Subsea Capex
Forecast Activity

Forecast Subsea Capex by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>2011e</th>
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Forecast Activity
Forecast projects by tree count
Forecast Activity

Average Number of Years Between Discovery and Sanction

- **Asia Pacific & Middle East**
- **South America**
- **North America**
- **Africa & Mediterranean**
- **NWECS/Arctic**

<table>
<thead>
<tr>
<th>Region</th>
<th>Subsea Tieback</th>
<th>Stand-alone Project</th>
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Years

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Contractors’ Perspective

Capabilities and limitations

- Pipelay
  - Method
    - Line-pipe or reeled
  - Max. Pipe diameter
  - Water depth
  - Location of assets and support
- Geotechnical investigations
  - Sampling
  - Drilling
  - Water depth
  - Location of assets and support

- Survey
  - Sensors
  - Towed, autonomous, ROV-deployed
  - Combined with geotechnical
  - Water depth
  - Location of assets and support

- Diving
  - Mechanical tie-ins
  - IRM
  - Water depth
  - Location of assets and support
Contractors' Perspective

At which stage of the development can I participate?

Typical Operators’ Field Development Process

- Appraise / Define
- Concept Select
- FEED
- Execute & Construct
- Operate
- COP

Quest Project Status

- Prospect
- Discovery
- Appraisal
- Conceptual
- FEED
- Construction
- Flowing
- Suspended
- Decommissioned
**Contractors’ Perspective**

Prospects, Discoveries and Appraisals

- Filter data
- Search Criteria
  - Water depth
  - Geographic Location

**Opportunities**
- Rig site surveys
- Geotechnical investigation
- Drilling services
- Rig positioning
- ROV support
- Engineering (Conceptual)

**Look-ahead Engineering (FEED)**

- Long look-ahead
- 1/3rd of prospects expected to be developed after 2016
**Contractors’ Perspective**

**Concept, FEED**

- Filter data
- Search Criteria
  - Water depth
  - Geographic Location

**Opportunities**
- Engineering (FEED)
- Survey
- Geotech
- SPU
- FPSO
- Construction

**Look-ahead**
- Diver tie-ins
- Survey
- Pre-commissioning

- Time-line shortening as projects firm up
- Less than 10% will be developed after 2016
Contractors’ Perspective

Pending / Construction

- Filter data
- Search Criteria
  - Water depth
  - Geographic Location

No of Prospects

- 1501m +
- 151 - 1500m
- <150m

- These projects almost certain to go ahead
- Only one is scheduled for post 2016
Other indicators

- Subsea trees
  - Leading industry indicator
  - Long-lead item
  - Size of the development

- Same can apply to:
  - FPSOs
  - Pipe
  - Umbilicals
  - Other SPU components
Contractors’ Perspective

All prospects

- Filter data
- Search Criteria
  - No of Projects
  - No of Subsea Trees
  - Type & no of Tiebacks

Opportunities
Survey & Positioning
SPS
Subsea installation
Trees-on-wire
ROV intervention
Diver tie-ins
Diverless tie-ins

![Graph showing distribution of projects and subsea trees across different regions.](image-url)
Contractors’ Perspective

Operating Developments

- Filter data
- Search Criteria
  - Operating fields
  - Water depth and geographic location
  - Pipeline length, no of SS trees and FPSOs

Opportunities
IRM
Well maintenance

Number of SS Trees & FPSOs

SS Developments

Pipeline (km)

0 10,000 20,000 30,000 40,000 50,000

NWECS/Arc. AfricaMed NAM SAM AsiaPacME

0 2,000 4,000 6,000 8,000 10,000

SS Trees FPSOs
**Contractors’ Perspective**

Market Study – Light installation / diving contactor, Asia-Pacific region

- **Target**
  - Short, small diameter subsea tiebacks

- **Search Criteria**
  - Water depth (120m), Reeled pipe (max 8” od, 20km length)

- **Outputs**
  - 9 prospects in Australia, Cambodia, China, Indonesia and Vietnam
  - Installation dates range from 2012 to 2016
  - 3 tie-backs to platforms
  - 6 tie-backs to FPSOs including one new build
  - Prospective clients:
    - Apache, Chevron, CNOOC, Husky Oil, Premier Oil (2), PTTEP, Santos (2) and Woodside Petroleum

- **Widen the search**
  - 250m wd
  - Two more prospects in Australia
Contractors’ Perspective

Market Study – ROV / ROVSV contractor, Nigeria

- **Target**
  - Subsea inspection

- **Criteria**
  - Operating fields, subsea production

- **Outputs**
  - Operators of subsea fields
    - 7 (Addax, Afren, Chevron, Eni, ExxonMobil, Shell, Total)
  - **Water Depth Range**
    - Operating fields -1460m (Chevron, Agbami)
    - Prospects – 2,479 (Shell, Bobo)
  - **Pipelines**
    - Export lines – 1,980km (including 6 landfalls)
    - Infield Lines – 361km
  - Subsea Equipment
    - Subsea Trees – 174
    - Manifolds – 30
  - Floating Production & Storage
    - Offshore/deepwater – 9
    - Inshore/terminals - 9

Shell, Bonga
- Water Depth - 1200m
- Export lines – 94km
- Infield Lines – 71km
- Umbilicals -71km
- Subsea Trees – 46
- Manifolds – 5
- FPSO – 1
- Risers - 15
Contractors’ Perspective

Demand for light construction vessels

- Vessels for umbilical, module, spool and jumper installation
- Potential short-fall based on current fleet size
- Expected to be made up by new-builds being delivered to global fleet
Supply & Demand

Demand for heavy construction vessels

- Vessels for flow-line, export line and riser installation
- Potential short-fall based on current fleet size
- Expected to be made up by new-builds being delivered to global fleet
Contractors’ Perspective

Demand for subsea trees

- Mean case indicates production capacity will be fully utilised by 2014
- High case indicates that production capacity will be exceeded
- Possible scenario: Supply of subsea trees cannot meet future demand
Summary

Market Assessment

- Segment
  - Geographic location, water depth, etc
  - Scope of work - Survey, construction support, IRM etc.
  - Capabilities and limitations – e.g. water depth limits

- Identify prospects
  - Client
  - Size and value
  - Schedule
  - Specific location
  - Forecast, Prioritise and Target

- Become informed and able to approach customer with a solution for his requirements

- Analyse capacity to meet future demand
Thank You

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Save the date...

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