Overview of Global Offshore Accommodation Markets

Outlook in the wake of the oil price slump

Offshore Vessel & Rig Connect Asia

Offshore Accommodation & Access

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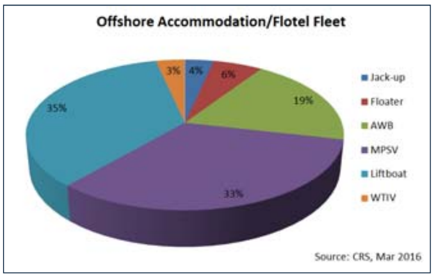
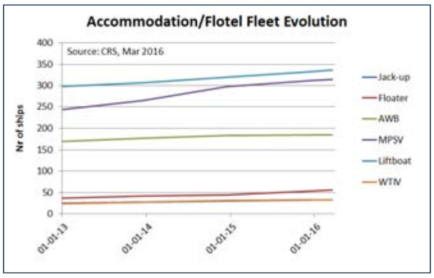
BUREAU VERITAS

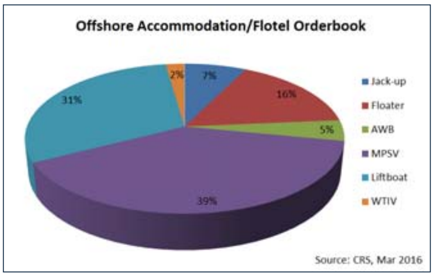
Offshore accommodation fleet / orderbook

Global accommodation/flotel fleet and orderbook (Source: CRS, March 2016)					
Asset type	Fleet		Orderbook		
	Nr	k GT	Nr	k GT	% fleet
Jack-up	33	191.8	13	190.1	39.4%
Floater (semi/vessel)	54	1 081.4	29	580.6	51.8%
Accommodation barge (AWB)	184	1 231.8	8	89.0	4.3%
Multi-Purpose Support (MPSV)	314	1 952.9	70	470.8	22.3%
Self-elevating platform/Liftboat	336	495.8	54	314.5	16.1%
Wind Turbine Installation (WTIV)	33	443.5	4	50.1	12.1%
Total	956	5397.2	178	1614.1	18.6%

Offshore accommodation fleet / orderbook

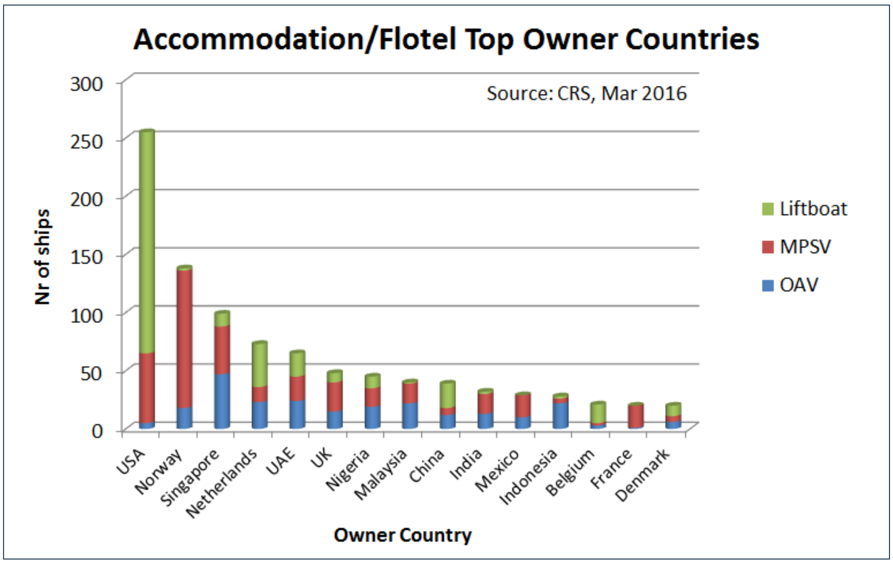




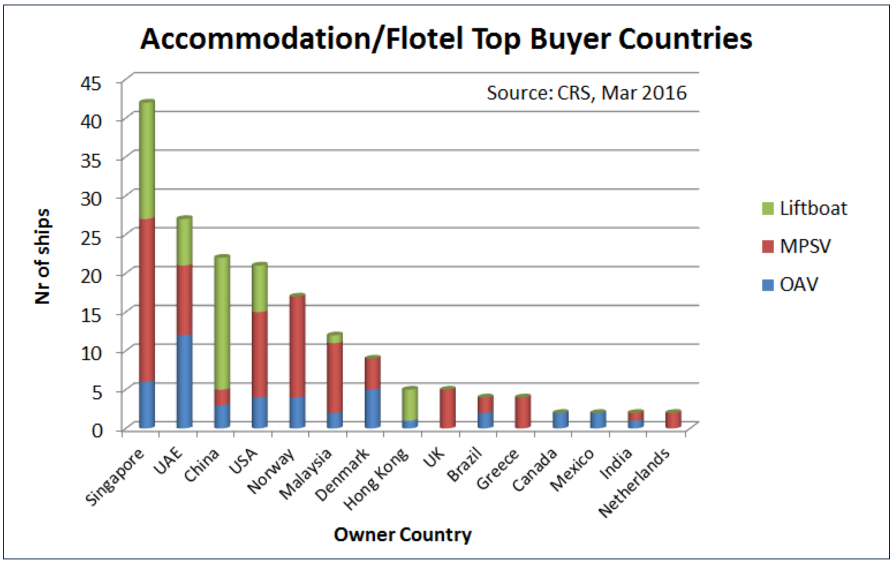


- Fast growth of Liftboat, MPSV and Accommodation Floater fleets
- High orderbook to fleet ratio's for Jack-up Accommodation and Accommodation Floaters, while Accommodation Barges flat
- Shift to operation in deeper water
- Offshore wind still niche market

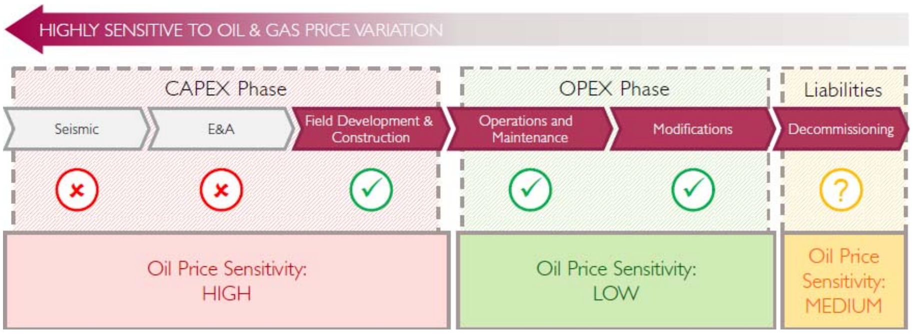
Offshore accommodation fleet



Offshore accommodation orderbook

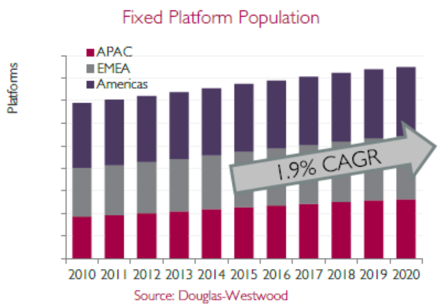


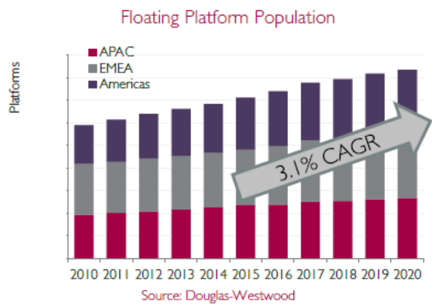
Market drivers & oil price impact



Source: Douglas-Westwood

Market drivers – Production platforms/units





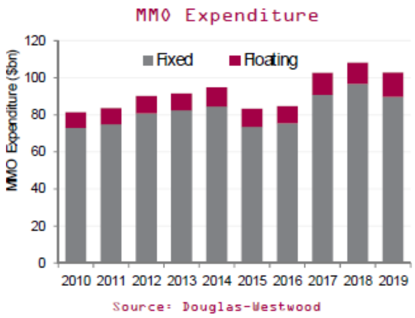
- Platform population drives M&O
- Less than 5% of platforms in water depth > 300m
- Strongest growth in APAC at 2.9%
- North Sea platform remains flat (low exploration investment)

Source: Douglas-Westwood

- FPU fleet growth (deep water)
- Golden triangle key demand driver for accommodation
- Fewer orders than expected
- FPU tonnage drives regional PoB requirements

Source: *Douglas-Westwood*

Market drivers – Offshore MMO



- Decline in offshore MMO less sever than drilling
- Opex markets less susceptible to oil price, while representing 70% of spending
- Decline 2015/16 driven by pricing pressure and delay of major and "non-essential" work
- Fundamentals strong until end of decade

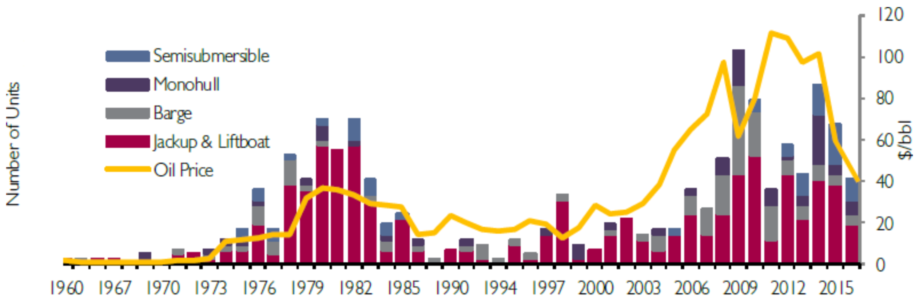
Source: *Douglas-Westwood*

Accommodation unit types and suitability

				
Jackup Barges	Lift Boats	Barges	Monohull Vessels	Semisubmersibles
70 – 475 POB	30 – 150 POB	40 – 900 POB	200 – 800 POB	230-812 POB
Shallow	Shallow	Shallow / Mid	ALL	ALL
Harsh	Harsh	Benign	Intermediate	Harsh
Africa		Africa	Africa	Africa
Asia		Asia	Asia	Asia
Australasia		Australasia	Australasia	Australasia
Eastern Europe		Eastern Europe	Eastern Europe	Eastern Europe
Latin America		Latin America	Latin America	Latin America
Middle East		Middle East	Middle East	Middle East
North America		North America	North America	North America
Western Europe		Western Europe	Western Europe	Western Europe

Source: Douglas-Westwood

Global accommodation supply

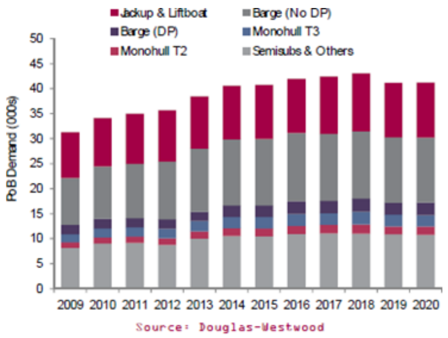


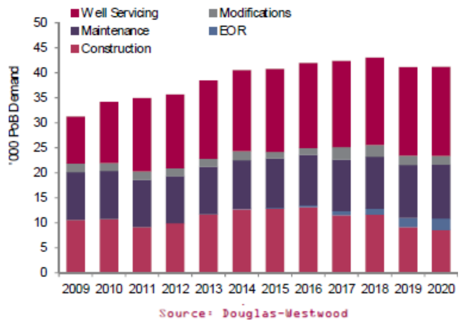
Source: Douglas-Westwood

Major trends
- Average PoB increased from ~100 (1970s) to ~300 (post-2000)
- Average deck space increased > 200%
- Crane capacity increased to ~300 mt
- Approx 1/3 annual increase of DP3 units since 2006

Source: Douglas-Westwood

Global accommodation demand

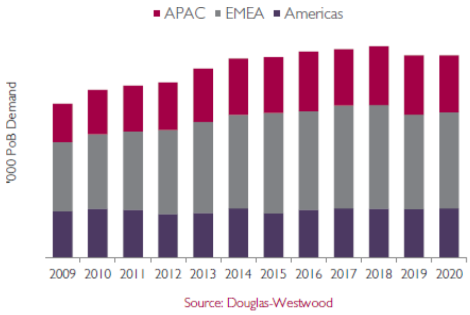


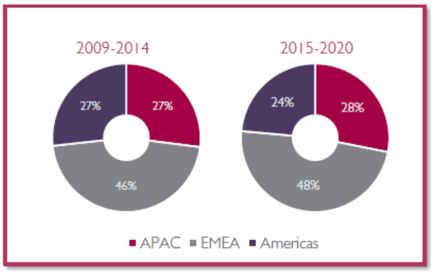


- Market to remain steady, peaking 2016-2018 before reaching plateau
- Shallow water units dominate PoB demand (DP units negatively affected)
- LoF support to dominate activity (>70% of PoB demand over 2015-2020)
- Decline in construction support (-7.7% CAGR 2015-2020)

Source: Douglas-Westwood

Regional accommodation demand





- Asia, Western Europe and North America dominate demand
- North Sea PoB demand for construction support set to drop (-18% CAGR)
- Australasia important for LNG construction projects, but region remains small
- Latin America second largest growth market with demand for semi-subs and large monohulls

Source: Douglas-Westwood

New opportunities?

Decommissioning

- North Sea decommissioning growing at a steady pace to $24bn 2015-2024
- North Sea: ~10 times fewer platforms than North America, but large assets
- Life extension remains primary focus and delays decommissioning activity
- Low oil price could speed up decommissioning projects
- Accommodation support could be limited by purpose built vessels

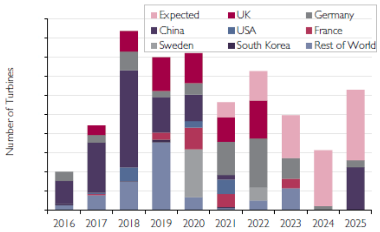
Source: Douglas-Westwood

New opportunities?

Offshore wind

- About 11,600 turbines to be be installed over next 10 years
- China, UK and Germany will account for 54% of installations (over 1,600 turbines will be installed offshore UK by 2025)
- Installation costs for turbines and offshore infrastructure (expected to peak at nearly $10bn in 2018
- Ongoing maintenance of wind farms will see an annualised growth rate of 13% to 2025, reaching levels over $9.5bn

Source: Douglas-Westwood



Global Offshore Wind Turbine Installations by Country.
Source: Douglas-Westwood

BUREAU VERITAS

Move Forward with Confidence