
STRATEGIC OFFSHORE RESEARCH

» **Subsea Contracting**

1. **USA-GoM:** TechnipFMC has integrated Shell award for subsea production system and subsea construction on Kaikias phase-one deepwater development in 1,395 msw as tie-back to Ursa. 2019 is due to see field on stream. Workslope includes compact pipeline end manifold.

2. **MALAYSIA:** Alam reports new \$22.4 million award for IRM off Malaysia. Further details are to be confirmed, but duration is two years plus one-year option. Repsol Sinopec is understood to be end client with workslopes on short-term call-off basis. Crest Odyssey-2 is likely support vessel though alternatives may be under consideration.

3. **FRANCE:** James Fisher is in marketplace for hire of support vessel for installation of tidal turbines off Brest. May 15 is start date with duration five days plus five-days options. Vessel is required with 250 tonne crane.

4. **UK:** Babcock is understood checking market for potential long-term walk-to-work support vessel. As much as two to five years could be duration if requirement goes ahead which would be aimed at reducing helicopter use to oil and gas installations.

» **Vessel Activity**

5. **SOUTH EAST ASIA/MIDDLE EAST:** Fortress-controlled Pioneer (ex IES Pioneer) has six-month fixture in Middle East. Vessel will provide subsea and construction support on Nasir, Umm Shaif and Zakum fields off Abu Dhabi. Vessel is already in Abu Dhabi

6. **UK:** April 1 Shell expects to have Seven Borealis on location for pipelay and subsea structure installation for bypass on Brent field. Borealis will be supported by Smit Barge-2 and Siem Opal. Later in April for six days Subsea Viking is due on field for pipe testing.

7. **NORWAY:** In April, Statoil expects offshore work underway for number of Oseberg satellite developments: Tune/Delta-1; Vestflanken G4; Delta-0; Delta-P; plus new Oseberg-H wellhead platform 8km from field centre. From early April for 35 days Ocean Installer is due to have Normand Mermaid on field for preparatory work. Mid-May for one month Normand Vision installs Oseberg-H umbilical and wet stores spoolpieces. Technip's Deep Energy for a month from end May installs flowlines with Olympic Challenger as support vessel. Later in season Normand Mermaid and Normand Vision conduct further short work phases while early July Hermod will install Oseberg-H platform.

8. **SINGAPORE:** Auction sale of Swiber Atlantis DSV does not appear to have met reserve price set by UOB bank in Singapore. All bids are thought to have been below \$10 million. Further details remain to be confirmed.

9. **NORTH SEA/INTERNATIONAL:** Broker is offering Topaz Installer (ex Team Oman) cable-lay ship available for sale. Some specific cable lay equipment would not be included in sale but main 3,600 tonne capacity turntable and cranes are. From third/fourth quarter this year vessel is expected available from northern continental Europe.

» **Corporate**

10. **UK/INTERNATIONAL:** Fourth quarter Bibby Offshore result is £24.9 million loss on £44.1 million revenues though period included £17.1 million write-offs with £9 million of that unpaid EMAS-Chiyoda invoices. Year earlier had seen £6.1 million loss on £44.5 million revenues. Parent company Bibby Line "within next few weeks" is providing additional £10 million credit facility. Although contractor does not expect to use new facility, availability is seen as "prudent" to allow for provision of performance guarantees. Bibby already has £20 million revolver with Credit Suisse and Barclays, but currently only £5 million of that can be accessed due to leverage position. Contractor is "confident we will be able to meet all financial obligations and is well placed to

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capitalise on any upturn". Year end cash balance was £36.8 million compared to year earlier £97.2 million. In December, £15.2 million of bond interest was also paid. Through 2017, Bibby expects market to remain "challenging" though contractor hopes to add to cash balances from 2017 work programme.

11. NORWAY/INTERNATIONAL: Merger of Solstad, Farstad and Deep Sea Supply has been approved and signed by boards. Aker will hold 20.1% of merged operation, and Aker-related Ocean Yield 3%.

12. NIGERIA/INTERNATIONAL: For fourth quarter Seatrucks reports \$35 million net loss on \$88.5 million revenues. Year earlier saw \$70.5 million EBITDA loss with \$47 million of write-offs on \$86.3 million revenues. Contractor has \$50.7 million liquidity and \$191 million backlog mainly for 2017 execution. By May, Seatrucks expects to have "thoroughly explored strategic alternatives for company's stakeholders".

13. UK/USA-GoM: Bibby confirms later this week COO Fraser Moonie will relocate from Aberdeen to Houston to head North American operations. Bibby sees "significant opportunity for further growth" in region. Moonie will not be replaced in Aberdeen with "simplified management structure" seeing "all business units reporting directly to CEO". Howard Woodcock is CEO.

14. ITALY/INTERNATIONAL: Saipem and Siemens have technology Joint Development agreement for open standard Subsea Control Systems. Saipem is developing Subsea Bus open framework platform/control system for software and hardware components. Saipem notes controls will be part of own subsea processing system.

15. ITALY/SINGAPORE/NORWAY: With mandatory offer for remaining Vard shares closed, Fincantieri now holds 74.45% interest in Vard. Fincantieri will still fully consolidate Vard.



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