



Aberdeen Branch Global Market Outlook Business Breakfast

What does this new decade offer? Thursday 30 January 2020

The Marcliffe Hotel and Spa, North Deeside Road, Pitfodels, Aberdeen AB15 9YA
Breakfast 07:00, Presentations 07:30, end 09:30

Registration Fees

SUT Member £36+VAT; Non-Member £43+VAT

Register online at www.sut.org/events

A Certificate of Attendance to contribute towards your CPD is available, please select this option during booking.

Chair – Neil Gordon, Chief Executive, Subsea UK

Against a background of energy transition, climate change and geopolitics, what sort of foreground can we see, in terms of oil price and subsea activity? There remain some indicators to assist business decisions which our speakers will assess, giving clues on the subsea market outlook for 2020 and the medium-term.

This event offers an opportunity for the business community to hear about the market from senior people within the industry.

Presentations from:

Henning Bjorvik, Senior Analyst, Rystad Energy

The energy transition creates new opportunities for subsea players

The energy transition has primarily been driven by climate change, but now a clear shift is happening with green technologies catching up and costs coming down. Major steps have been taken over the last years when it comes to for example passenger vehicles, now expected to reach cost parity with internal combustion engines in early 2020's. With other sectors following, Rystad Energy expects oil demand to peak as soon as 2028. But even with oil demand peaking in 2028 there is still room for exploration worldwide in the years to come in order to meet the demand.

The E&P's have been piling up cash since 2017, with free cash flow now at record high levels. Offshore sanctioning has picked up significantly since the bottom year 2016, largely driven by deepwater sanctioning. This is good news for the subsea players. Rystad Energy expects record high numbers both in terms of subsea tree installations and SURF line installations in 2022, making the subsea market one of the fastest growing markets within the oilfield service space. On top of this, the energy transition can create massive opportunities for the subsea players.

Mike Beveridge, Managing Director, Simmons & Co

For many in the sector, 2019 was a year of slow recovery and the rebuilding of some optimism. We go into 2020 with some ambition that the subsea industry will experience a long overdue uptick in activity and return to growth. However the macro picture continues to be turbulent in terms of oil price dynamics and overall sentiment. 2019 is perhaps best characterised by the emergence into mainstream thinking of the Climate Change agenda. This has weakened investor interest in our sector, potentially for good, and is impacting day to day thinking and strategic priorities for everyone in the energy services industry.

Mike Beveridge from Simmons Energy will take a look at 2019 from an activity and deal making perspective and will share his views on the outlook for 2020.

Peter Blake, Chairman of NSRI and Technology Leadership Board

Oil and Gas industry offers huge potential to the Blue Economy

The wider subsea industry is projected to be worth £100 billion by 2035, which is only achievable if we within the technology and innovation space can share experience and knowledge across the blue economy (Defence, renewables to aquaculture). The oil and gas industry over the next decade will play a key part to achieving these targets over the next 10 years, drawing upon expertise that will not only address the immediate transition needs, but also the long-term needs, where technology and innovation play a key part across the wider subsea industrial community. The oil and gas industry has a great track record of rising to challenges, which continues as we target longer-distance, deeper water (now greater than 300m) and HS & E, however, these are also critical to other industries to de-risk the opportunities; subsea is going to be exciting for all.