

COST EFFECTIVE SOLUTIONS

Roadshow meetings

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Introduction and background

- After years of high activity and great optimism, the oil and gas industry is now in a radical change mode
- Significant price fall of oil, which started 2014/2015, has led to insecurity and is characterized by big challenges
- The total oil and gas industry realized that they needed to think differently and that the business needed to improve in many areas at the same time
- The supplier industry has responded to the challenge, often in cooperation with the operators, to contribute to cost efficiency and to do the supplier industry more competitive and sustainable in order to stay in business
- The cost picture is now completely different from what it was 3 years ago



Oljeprisen

Utviklingen siden januar 2014

Dollar per fat. Brent Blend



2015 DN grafikk/Kilde: Infront

Important initiatives taken by the supplier industry

- The supplier industry account for a significant part of the operators yearly spend, in many cases up to 80% and you, our partner, play an important role in implementing cost effective solutions
- The cost efficiency focus in the industry has led to many initiatives
- Impressive results have been made as the average break-even price for project portfolio has been reduced significantly
- Norwegian Energy Partners believe it is time to tell this exciting and important story using the **COST** effective solutions as a marketing tool on the international market

Cost effective solutions – more about the project

- What has actually happened and how is it possible to respond to such a challenge so quickly and effective
- Norwegian Energy Partners is planning an initiative to interview our partners to identify and understand more in detail what has been achieved on cost efficiency and how it has been achieved
- We suggest that the areas of interest could be:

Technical specifications
Use of new technology
Standardization
Working methodology

Ways of cooperation
Organization
HSE standard and environmentally friendly
production
Digitalization

- We believe that information on how the processes was structured and planned timewise also can be of interest including the implementation of the different cost effective solutions

Further process and timing of the project

- Norwegian Energy Partners is inviting our partners to take part in this project
- We will contact our partners, but if any of you have experiences to share with us, please do not hesitate to contact us
- The interviews will normally be done by phone conference or in some cases by visiting your offices
 - Time spent for each interview will vary to some extent, but in most cases it should not take more than about 30 minutes
- In order to make the interview process as structured and effective as possible, we will prepare a questionnaire which will be distributed before the interviews will take place
- Planned finalization of the project is December 2017

The outcome of the project

- The collected information will be made available in a report and also as an informative presentation
 - Highlight our partners contribution to sustainable cost efficient solutions and that customers will see the advantage of using Norwegian suppliers
 - Marketing of our partners on the international market such as oil and gas producers, EPC contractors, main suppliers, governmental institutions and our broad network abroad also as a basis for workshops
 - We do also believe that the outcome of the project will be important to the industry as a whole

The outcome of the project

- We do not expect our partners to disclose confidential information
- We do appreciate your feedback on this initiative both on the purpose, form and content of the project

