COST EFFECTIVE SOLUTIONS

Roadshow meetings
Benedikt Henriksen
Director Shipyards China and Singapore

Bergen | 12th of September, 2017
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.
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