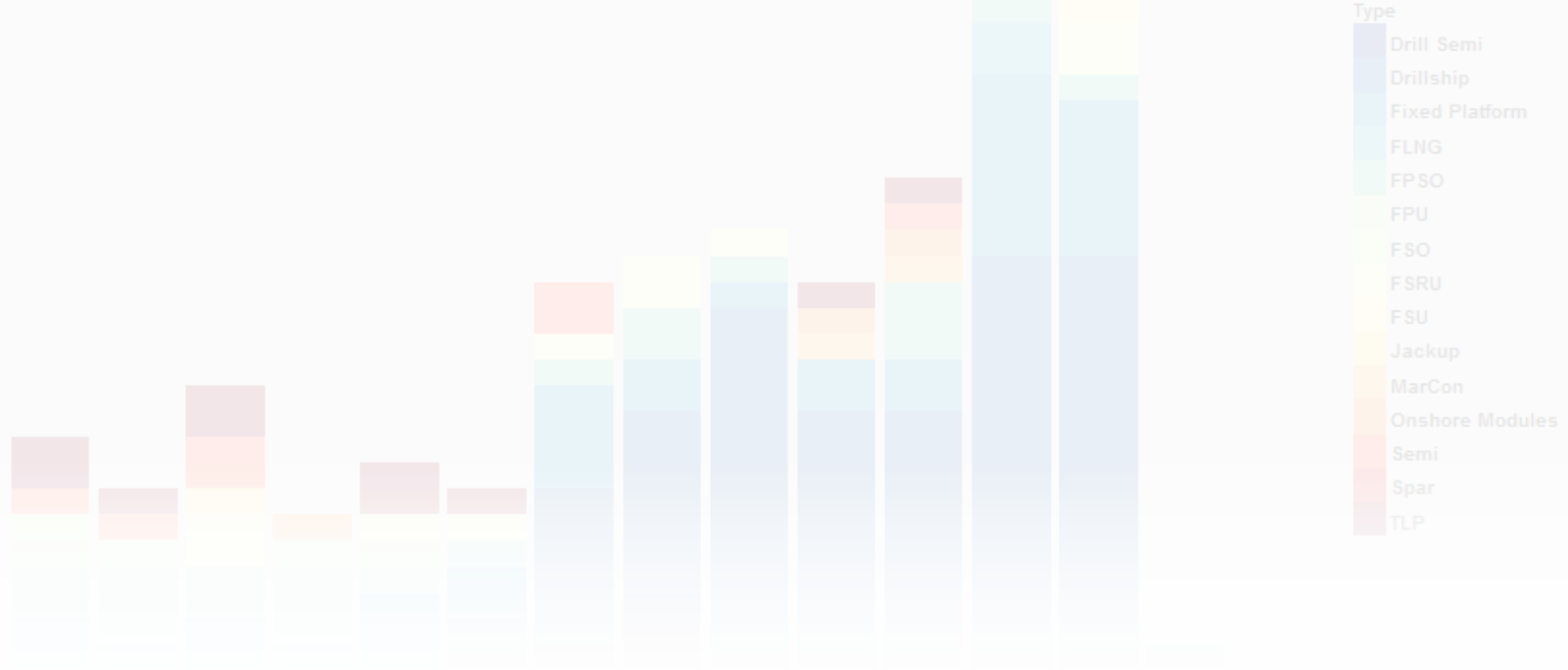




# Quest Offshore

*Clarity. Insight. Vision.*



QUEST OFFSHORE CONSULTANCY PRACTICE

**Your Leading Source for Strategic  
Offshore Oil & Gas Market Intelligence**

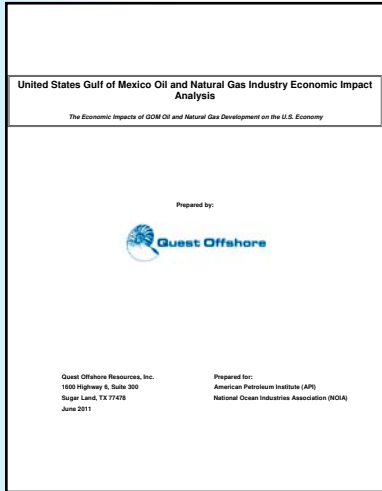
# Quest Consulting Services

Qualitative and Quantitative Support

## QUEST CONSULTING SERVICES

Quest is a leading source for valuable, client-directed consulting products and expertise that enables companies to make well-informed decisions across the offshore oil and gas industry. Quest Offshore's Consultancy Practice has grown considerably as an extension of our comprehensive market analysis, accurate forecasting and industry expertise honed through our leading database subscription products. Utilizing the Quest Enhanced Deepwater Development Database, in combination with our global network of key industry contacts, Quest maintains the flexibility to speak to a wide variety of questions and requirements through a client-driven consulting process aimed at providing accurate and concise results in a format best fitting the customer's needs.

Clients engage Quest's Consultancy Practice from all business areas involved in deepwater oil and gas including oil companies, financial firms, engineering firms, key manufacturers and industrial conglomerates, trade groups, and law firms. Our clients contact Quest as they: branch-out into new areas of the market; further analyze the competitive landscape; pursue strategic acquisitions; gain knowledge of the current and future pricing environment; expand upon a market trend illustrated in a current subscription product, or otherwise utilize the data and expertise of Quest.



## CONSULTING SERVICES FOCUS AREAS

### DUE DILIGENCE

Quest Offshore provides transaction related due diligence services to buy and sell side clients in and around the energy industry. Quest provides market due diligence for mergers, acquisitions, initial public offering, debt transactions and other related transactions. Quest specializes in preparing custom market forecasts, analyzing company forecasts, analyzing competitive landscapes, valuing companies and assets, and general business planning.

### STRATEGIC ADVISORY

Quest frequently provides strategic advisory services both to established oil and gas service contractors and operators as well as new entrants into the space. Quest can provide business planning assistance combining Quest's forecasting expertise with direct feedback from the market utilizing the company's large network of leading experts within oil and gas and related technologies. Whether a company is looking to enter the market, expand its operations or refocus and restructure its current operations

### REGULATORY / ECONOMIC IMPACT REPORTS

Quest produces ongoing and select reports for industry organizations on the effects of government regulations on the oil and gas industry as well as the economic impacts of the industry.

Quest's ability to build comprehensive models based on industry leading data enables Quest to produce in depth and accurate economic reports on the effects of regulations, projects, and the general oil and gas industry with a key focus on job creation, GDP impacts and government revenues.

### SUPPLY CHAIN

Using Quest's industry leading data, Quest assists clients project development efforts by analyzing the complex oil and gas supply chain with a focus on lead times, capacities, supply and demand profiles, and pricing. Quest focuses on critical path items, integrated projects and operator's portfolios to enable operators to execute projects on time and within budget.

### REORGANIZATION

Quest's consulting practice can provide comprehensive data driven advice, expertise and analytics to assist companies reorganizing and restructuring their organizations. Quest works with their clients to identify profitable opportunities within a company's current structure and outside of its current offerings. Quest also works with clients to identify and restructure underperforming product lines and segments, and recommending courses of action. Quest work with its clients to divest, or improve its Quest provides the data and expertise required to transform organizations into leaner more profitable operations better positioned to grow sales, revenues, and profits.

### Key Findings

This report has documented the decline in capital expenditures and operational spending of the GoM offshore oil and natural gas industry that occurred over the 2008 to 2010 period. The principal reasons for this decline include the economic recession in 2008-09 and the establishment of a moratorium on deepwater drilling and subsequent slowdown of permit issuance in both GoM deep and shallow waters in 2010 and into 2011. We estimate that tens of thousands of jobs have been lost in response to the decline in capital expenditures and operational spending of the offshore GoM oil and natural gas industry over this period.

We also demonstrate the near term potential of the offshore GoM oil and natural gas industry to create jobs, boost GDP and generate tax revenues at all levels of government – if the government pursues a balanced regulatory approach that allows for the timely development of the backlog of GoM projects in an environmentally responsible manner. Under such government policy, we estimate total spending by the GoM offshore oil and natural gas industry to increase by over 70 percent by 2013 from 2010 levels, and capital expenditures to increase by over 140 percent. If potential spending levels are reached, total employment supported by the Gulf of Mexico oil and natural gas industry in 2013 could exceed 430 thousand jobs or a 77 percent increase from 2010.

Table 1: Estimated Historical and Projected Capital and Operational Spending, GDP Impacts, and Employment\* Supported by the Offshore Gulf of Mexico Oil and Natural Gas Industry (2008-2013)\*

	Historical			Projected		
	2008	2009	2010	2011	2012	2013
Operating Expenditures	\$15.7	\$17.2	\$17.7	\$21.6	\$25.0	\$25.7
Capital Expenditures	\$11.9	\$9.7	\$6.5	\$8.9	\$10.4	\$15.7
GDP Impacts	\$30.8	\$29.1	\$26.1	\$32.9	\$38.2	\$44.5
Total Employment	306,870	285,042	242,517	311,023	356,174	429,208

\*Projected spending, GDP, and employment contingent on returning to pre-Macondo permitting rates. Source: Quest Offshore Resources, Inc.

\*Total employment includes direct, indirect, and income induced employment.

### Table 8: Estimated Historical and Projected Gulf of Mexico Oil and Natural Gas Industry Domestic Spending Trends by Detailed Spending Type\*

	Capital Expenditures (Billions)					
	Historical			Projected		
	2008	2009	2010	2011	2012	2013
<b>Deepwater</b>						
G&G	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Drilling	\$2.6	\$3.5	\$1.8	\$2.6	\$3.5	\$4.8
Facilities	\$0.0	\$0.0	\$1.0	\$1.9	\$0.8	\$1.9
SURF	\$3.0	\$2.9	\$1.3	\$1.3	\$1.9	\$2.9
<b>Total Deepwater</b>	<b>\$5.8</b>	<b>\$6.5</b>	<b>\$4.3</b>	<b>\$5.9</b>	<b>\$6.3</b>	<b>\$9.8</b>
<b>Shallow Water</b>						
G&G	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Drilling	\$4.0	\$2.4	\$1.6	\$1.3	\$2.5	\$4.3
Facilities	\$1.1	\$0.4	\$0.4	\$1.4	\$1.3	\$1.3
SURF	\$0.8	\$0.2	\$0.1	\$0.4	\$0.3	\$0.3
<b>Total Shallow Water</b>	<b>\$6.1</b>	<b>\$3.2</b>	<b>\$2.2</b>	<b>\$3.1</b>	<b>\$4.1</b>	<b>\$5.9</b>
<b>Total CAPEX</b>	<b>\$11.9</b>	<b>\$9.7</b>	<b>\$6.5</b>	<b>\$9.0</b>	<b>\$10.4</b>	<b>\$15.7</b>
<b>Operating Expenditures (Billions)</b>						
<b>Deepwater</b>						
2008	2009	2010	2011	2012	2013	
<b>Total Deepwater</b>	<b>\$5.8</b>	<b>\$6.2</b>	<b>\$6.7</b>	<b>\$8.5</b>	<b>\$10.3</b>	
<b>Shallow Water</b>						
2008	2009	2010	2011	2012	2013	
<b>Total Shallow Water</b>	<b>\$10.9</b>	<b>\$11.0</b>	<b>\$11.1</b>	<b>\$13.1</b>	<b>\$15.1</b>	
<b>Total OPEX</b>	<b>\$16.7</b>	<b>\$17.2</b>	<b>\$17.7</b>	<b>\$21.6</b>	<b>\$25.0</b>	<b>\$25.8</b>
<b>Total Spend</b>	<b>\$28.5</b>	<b>\$26.9</b>	<b>\$24.2</b>	<b>\$30.5</b>	<b>\$35.4</b>	<b>\$41.5</b>

\* Projected spending contingent on returning to pre-Macondo permitting rates. Source: Quest Offshore Resources, Inc.

From 2009-2010, overall spending (both deep and shallow water) fell by 10 percent. The most affected sector was the drilling sector, which saw a 41 percent decrease in spending during the period as deepwater drilling all but halted for two quarters of the year due to the moratorium and shallow water drilling significantly declined due to the extreme slowing of drilling permit issuances. The drilling sector is also expected to see the most significant growth in spending if a return to historical conditions occurs, with drilling spending in 2013 expected to rise 165 percent from 2010 levels to \$9.1 billion. Facilities spending is also expected to see significant growth from 2010 to 2013, with spending expected to be up by 113 percent over 2009 levels reaching \$3.2 billion. For this particular category, 2010 spending was

# Quest Consulting Capabilities

Supply Chain Analytics via Client-Driven Interface

## CUSTOM DATA ANALYSIS

In addition to Quest's database subscriptions on the offshore market, Quest's consulting division also completes custom queries and analysis based on data from the Quest Enhanced Deepwater Development Database to answer specific client questions and provide detailed project information on an ad-hoc basis. Data analysis queries range from identifying specific projects based on client-supplied parameters to enhance business development efforts to extrapolating Quest's forecasts to develop an opportunity forecast for specific equipment, services, regions or optimal timeframes.

## INDUSTRY EXPERT SERVICES

Quest Offshore's expert analysts are available to provide consultations, testimony and presentations to interested parties on both an hourly and contract basis. Services can range from providing a general market overview presentation at your next board meeting, to discussing a business opportunity or transaction with a team of analysts on an hourly basis over the phone, to providing research, depositions, and in court testimony to support litigation. Quest's team of executives, managers, and experienced industry analysts are available to provide their expertise for a variety of client needs.

## CLIENT DIRECTED MARKET REPORTS

For clients searching for in-depth information and analysis on specific markets segments, Quest can provide customized market studies addressing supply and demand dynamics, the markets' competitive landscape as well as project and technology trends. Companies entering new markets, refocusing business development initiatives, and other strategic initiatives led by the C-Suite, utilize Quest's detailed market analysis reports and white papers to make informed, data-driven decisions. As independent experts, Quest can provide their views on a specific market or project based on Quest's proprietary data and expertise to supplement clients' internal data and analysis. Quest's delivers reports that are concise, accurate, and informative, with a focus on excellent visual representations of market trends and data.

## SPECIALTY STUDIES

Using Quest's data and expertise as well as advanced statistical methods, Quest is able to complete comprehensive reports on a variety of subjects. Quest has completed a number of studies on regulatory effects on the offshore oil and natural gas industry as well as the economic impacts. Quest also provides project specific reports to assist operators and contractors in understanding the implications of project developments and facilities expansions both for public and government agency consumption.

**Data Selection:**

Tier  
 Company  
 Location

**Choose a Location:**

Singapore

Select Start Year (min. 2002): 2002

Select End Year (max. 2017): 2018

Line Thickness: 1

Click to Download Tonnes Table:

Click to Download Individual Projects:

\*Downloads are within selected years.

**Singapore**

Individual Tonnes Plot | **Stacked Tonnes Plot** | Tonnes Table

Company	2002	2002.25	2002.5	2002.75	2003	2003.25	2003.5	2003.75	2004	2004.25	2004.5
1 Dyna-Mac	0	0	0	0	0	0	0	0	0	0	0
2 Jurong	14179	15994	15586	17111	19231	15442	17745	23958	20853	17231	17633
3 Keppel	10827	15592	18544	16544	12396	8840	9645	14828	17463	15780	15345
4 Sembawang	1136	684	287	0	0	0	0	0	1654	1502	4010
5 Sembcorp PPL	0	0	0	0	0	0	0	0	0	0	1481
6 SMOE	5950	5971	5610	7179	6728	5997	4976	5170	5218	5218	5066
7 St Marine	0	0	0	0	0	0	0	0	0	0	0

Under construction | Under construction Table

*Web-enabled client-directed interaction with shipyard fabrication data to produce and save custom data tables and graphs.*

The Subsea Production Umbilical and Steel Tube Market

Prepared for

Major Steel-tube Supplier

by

Quest Offshore Resources, Inc.

**Global Steel Tube Deliveries by Diameter 2000-2017 (KM)**

**Top Operator Steel-tube SPU Demand by Mfg 2002-2012 Awards (KM)**

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# Quest Offshore

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## SAMPLING OF QUEST CONSULTANCY DELIVERABLES

<b>Major International Oil Companies</b>	Gulf of Mexico Field Development Study FPS Fabrication Yard Report Subsea Equipment Pricing Study Deepwater Equipment Cost Indices Analysis of Current and Future Subsea Processing Applications Forecast Marine Construction Asset Day Rate Model FPS Hull and Topside Cost Analysis Analytics and Forecast of Deepwater Supply Chain
<b>Independent Oil Companies</b>	Multi-Project Component and Total Cost / Reserve Analysis Production Assets Acquisition Analysis FPS Replacement Cost Valuation Analysis Comprehensive Project Development Strategy Review
<b>OEM and Equipment Suppliers</b>	Targeted Drilling Rig Equipment Market Sizing Analysis of Industry Decision Centers Related to Forecast Demand Global Competitive Analysis Report on the Market for Steel Tubes in Umbilicals Strategic Acquisition Target Identification
<b>Marine Construction Contractors</b>	Global SURF Installation Spending Report Subsea Equipment Trends Study / Business Plan Support Newbuild Vessel Cost Analysis Marine Construction Vessel Valuation
<b>FPS Contractors</b>	Global FPS Market Study with an Emphasis on FPSOs Report on the Market for FPS Moorings Global Market Study for Novel FPS Design
<b>Major Fabricators</b>	Government Required Cost Benefit Analysis Due Diligence Support for New Fabrication Yard
<b>Financial Clients</b>	Comprehensive Investor Briefing & Market Report for Buy Side Investment Firm Newbuild Pipelay/Construction Valuation and Market Study for Private Equity Investor Detailed Supply & Demand Analysis for SURF Components for Private Equity Investor Comprehensive Analysis of Market Opportunities for Niche Player for Private Equity Investor Market Due Diligence for IPO of Marine Construction Company Market Due Diligence for Debt Financing Company Market Due Diligence for Private Equity Investment in Spin Off of Oil & Gas Contractor Division
<b>Industry Lobby Groups</b>	Analysis of Economic Impact of Offshore Industry Regulatory Impact Analysis Regulatory Expert Testimony
<b>Large Steel Suppliers</b>	Large Diameter Pipeline Competitor Analysis Region-specific Analysis of Deep and Ultra Deepwater Steel Demand Detailed Global SURF Project CAPEX Analysis GoM OCTG Market Analysis and Strategy

\*Not a Comprehensive List - Select Samples Shown

*Quest Offshore is a leading provider of industry analysis, tactical data, news, influential market intelligence reports, consulting and technical conferences to the offshore oil and gas industry. Our niche canvasses deepwater technologies, subsea technology, FPS fabrication, umbilicals, riser & flowlines, and marine construction segments globally.*

**Corporate Headquarters**  
Quest Offshore Resources Inc.  
77 Sugar Creek Blvd, Suite 500  
Sugar Land, TX 77478 USA  
Main: (281) 491-5900  
Fax: (281) 491-5902  
Contact Sean Shafer  
sean.shafer@questoffshore.com