

# Floating Production – What’s New

(Status as of October 2013)

**Current Inventory** – 318 oil/gas floating production units are now in service, on order or being remarketed for reuse. FPSOs account for 65% of the existing systems, 73% of systems on order.

Another 25 floating LNG processing systems are in service or on order. Liquefaction floaters account for 20%, regasification floaters 80%. No liquefaction units are yet in service – all 5 are on order.

In addition, 103 floating storage units are in service or on order

## Number of Floating Production and Storage Units In Service, On Order and Off Field/Being Remarketed

(as of 1 October 2013)

	<u>Total</u>	<u>Active</u>	<u>On Order</u>	<u>Off Field</u>
<b><u>Oil/Gas Processing</u></b>				
<b>FPSO</b>	<b>210</b>	<b>158</b>	<b>40</b>	<b>12</b>
<b>Production Barge</b>	<b>9</b>	<b>8</b>	<b>1</b>	<b>0</b>
<b>Production Semi</b>	<b>48</b>	<b>42</b>	<b>5</b>	<b>1</b>
<b>Production Spar</b>	<b>23</b>	<b>19</b>	<b>4</b>	<b>0</b>
<b>TLP</b>	<b>28</b>	<b>23</b>	<b>5</b>	<b>0</b>
<b>Total</b>	<b>318</b>	<b>250</b>	<b>55</b>	<b>13</b>
<b><u>LNG Processing</u></b>				
<b>FLNG</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>
<b>FSRU</b>	<b>20</b>	<b>8</b>	<b>12</b>	<b>0</b>
<b><u>Storage Systems</u></b>				
<b>FSO</b>	<b>103</b>	<b>93</b>	<b>9</b>	<b>1</b>

**Available units** – 13 existing units (12 FPSOs, 1 Semi) are off field and being remarketed for redeployment. Another FPSO, 3 FSRUs and 1 FLNG on order do not yet have a field contract.

**Trend in inventory** – The inventory of oil/gas floating production units is 15% greater than five years ago and 66% higher than ten years back. This comparison includes all units in service, on order and off field.

Five years ago 7 FSRUs were in service or on order, around one-third the current figure of 20 units. No FSRUs were in service or on order ten years ago.

**Deliveries in September**– Two production units, a production semi and an FPSO, were delivered last month:

- Quip completed the **P-55** production semi for Petrobras in mid-September. The hull was fabricated in Atlântico Sul Shipyard. Integration of hull and topsides was performed in Rio Grande Shipyard. Construction started in late 2007 and took 48 months to complete. The \$1.3 billion production unit will operate on module 3 of the Roncador field.
- Keppel completed the FPSO **OSX-2** in early September. The \$850 million production unit was to be used by OGX to produce the Waimea field offshore Brazil. But in July OGX decided to suspend development of Waimea and OGX's financial condition continues to deteriorate. Bondholders have been lining up their options for seizing OSX and OGX assets. OSX-2 remains in Singapore and is being remarketed for a new project.

**Orders to date in 2013** – Since the beginning of the year there have been orders for 22 production floaters with a total contract value of ~\$17 billion. The orders include 10 FPSOs, 2 TLPs, 1 Spar, 2 Barges (1 oil/gas, 1 LNG), 6 FSRUs and 1 MOPU. Details for orders to date in 2013 are available [here](#).

**New Potential Floater Projects in September** – Two new discoveries were announced that potentially require a production floater.

- BP made a gas discovery in the eastern Mediterranean offshore Egypt. The Salamat discovery is 75 km offshore Damietta in water depth of 649 meters. BP says a standalone production floater or tieback to the Temsah field are being considered as production options. If a standalone unit, a gas production FPSO would likely be required in the 2020-25 time frame.
- CNOOC made an oil discovery offshore the Congo in water depth of 550 meters. The Elephant discovery is on the Haute Mer A license around 80 km offshore. According to field partner, Oryx, the discovery contains good quality heavy crude (18° API) but reservoir size is less than anticipated. This could be an FPSO requirement in the 2020-25 time period.

**Backlog of planned floater projects** – 227 floating production projects are in various stages of planning as of beginning October. The type production system required in the visible projects is shown below.

### Breakdown of Planned Projects by Type Production System Required

<u>Type System Required</u>	<u>Number of Projects</u>
FPSO	120
Semi/Spar/TLP/Barge	45
FLNG	23
FSRU	25
FSO	<u>14</u>
<b>Total</b>	<b>227</b>

**Where Planned Projects are Located** – Brazil is the major location for future floating production projects. Almost 25% of visible planned projects are located in Brazil. Africa is in second place, followed by SE Asia, No. Europe and the GOM. The number of projects in each region is shown below.

### Location of Floating Production Projects in the Planning Stage

<u>Project Location</u>	<u>Number of Projects</u>
Brazil	54
Africa	45
SE Asia	37
No. Europe	17
GOM	21
Aust/NZ	15
Medit	11
SW Asia	13
Other	<u>14</u>
<b>Total</b>	<b>227</b>

Please reference [www.imastudies.com](http://www.imastudies.com) as the source of  
*“Floating Production - What’s New”*

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