

Floating Production – What’s New

(Status as of November 2013)

Current Inventory – 319 oil/gas floating production units are now in service, on order or being remarketed for reuse. FPSOs account for 66% 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 16%, regasification floaters 84%. No liquefaction units are yet in service – all 4 are on order.

In addition, 102 floating storage units are in service, on order or available.

Number of Floating Production and Storage Units In Service, On Order and Off Field/Being Remarketed (as of 1 November 2013)

	<u>Total</u>	<u>Active</u>	<u>On Order</u>	<u>Off Field</u>
<u>Oil/Gas Processing</u>				
FPSO	211	158	40	13
Production Barge	9	8	1	0
Production Semi	48	40	5	3
Production Spar	23	19	4	0
TLP	28	23	5	0
Total	319	248	55	16
<u>LNG Processing</u>				
FLNG	4	0	4	0
FSRU	21	8	13	0
<u>Storage Systems</u>				
FSO	102	94	7	1

Growing Number of Available units – 16 production floaters (13 FPSOs, 3 Semis) are off field and being remarketed for redeployment. Another FPSO and an FSRU on order do not yet have a field contract – and a new FPSO just delivered to Brazil (OSX3) could come on the re-sale market as the field operator (OSG) has financially collapsed.

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 – but excludes LNG processing units. If the latter are included, the growth is 21% and 79% respectively.

Orders to date in 2013 – Since the beginning of the year there have been orders for 24 production floaters with a total contract value of ~\$19 billion. The orders include 11 FPSOs, 2 TLPs, 1 Spar, 2 Barges (1 oil/gas, 1 LNG), 7 FSRUs and 1 MOPU. Details for orders to date in 2013 are available [here](#).

The pace of production floater orders thus far this year has been running above the long term average. Over the past 15 years orders have averaged 1.2 units per month. The order intake pace this year has been averaging 2.4 units per month.

But the market could be hitting resistance. FPSO orders in particular have been relatively weak. Over the past five years an average of 15 FPSOs have been ordered annually. At the moment it looks like this year will not reach this level of orders.

Backlog of planned floater projects – 218 floating production projects are in various stages of planning as of beginning November. As shown below, close to 60% entail use of an FPSO.

**Breakdown of Planned Projects by
Type Production System Required**
(as of 1 November 2013)

<u>Type System Required</u>	<u>Number of Projects</u>
FPSO	125
OTHER FPS	35
FLNG	21
FSRU	25
FSO	<u>12</u>
Total	218

Where Planned Projects are Located – Brazil is the major location where future floating production projects are in the planning stage. 22% of visible planned projects are located in Brazil.

Several Brazilian projects will require multiple production units. Libra could require 12 production units, Jupiter 6 units, Lula 2+ units. When these large projects are taken into account, Brazil represents almost 30% of visible floating production system orders in the planning stage.

A breakdown of planned floating production projects by location is below.

**Location of Floating Production
Projects in the Planning Stage
(as of 1 November 2013)**

<u>Project Location</u>	<u>Number of Projects</u>
Brazil	49
Africa	48
SE Asia	34
No. Europe	20
GOM	18
Aust/NZ	15
Medit	11
SW Asia	12
Other	<u>11</u>
Total	218

*Please reference www.imastudies.com as the source of
“Floating Production - What’s New in November”*

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