

Swiber Holdings Limited 3Q FY08 Results Briefing



*A world class service provider
in the offshore industry*

17 November 2008

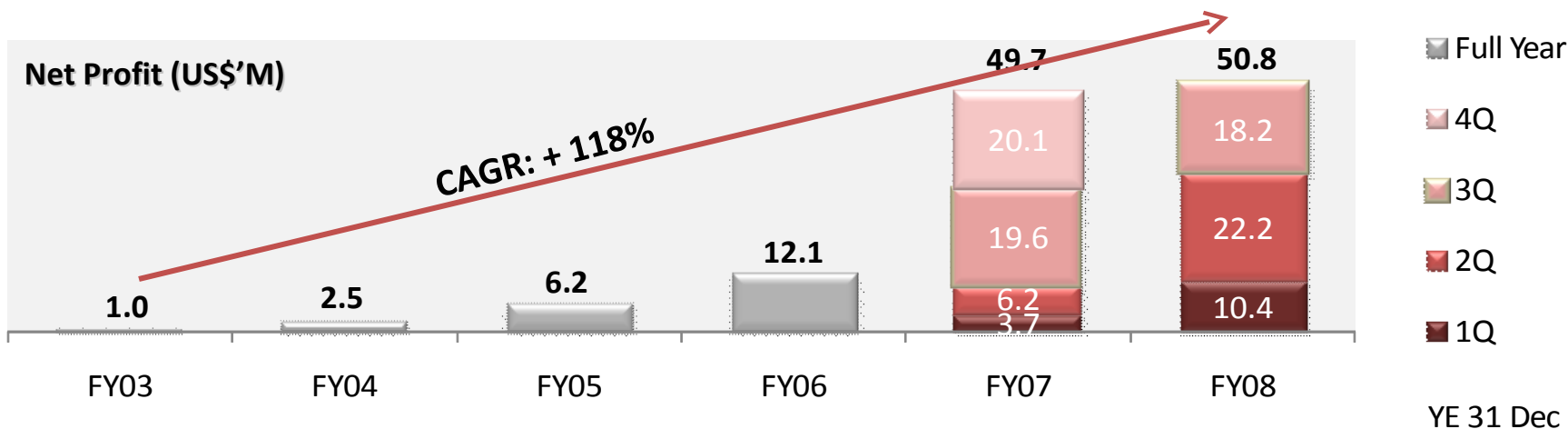
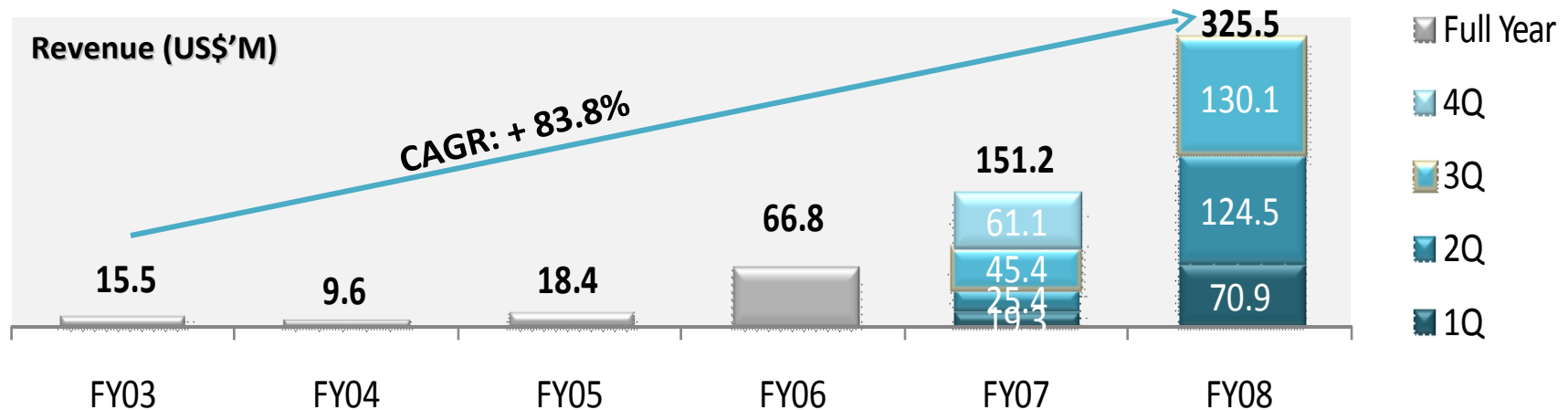
Financial Highlights

3Q 2008



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Key growth trends



3Q financial highlights



US\$'m	3QFY08 (3M)	3QFY07 (3M)	Chg (%)	YTDFY08 (9M)	YTDFY07 (9M)	Chg (%)
Revenue	130.1	45.4	186.5	325.5	90.1	261.3
Gross profit	26.0	15.5	68.4	76.7	28.2	171.7
Profit before tax	19.8	20.8	(5.2)	55.2	31.5	74.9
Net profit	18.2	19.6	(7.4)	50.7	29.5	72.1
EPS Weighted average (US cts)*	-	-	-	11.12	7.69	44.6

* 9MFY08: 424,236,697 shares vs 9MFY07: 385,828,022 shares

- ▶ Revenue growth in 3QFY08 from increased number offshore construction projects in Malaysia, Brunei, Indonesia and India
- ▶ Other operating income ↓38.8% - reduction in vessel disposal gains and negative goodwill written off from the acquisition of Kreuz in August 2007
- ▶ Administrative expenses ↑ 85.9% - in line with business expansion and increase in headcount
- ▶ Finance costs ↑ 215.1% - increase in bond and bank loans

US\$'m	3Q FY08	3Q FY07	FY07
Operating cashflow before movement in working capital	17.3	11.3	29.3
Net cash from operating activities	19.0	14.5	(16.8)
Net cash used in investing activities	(29.7)	(30.4)	(58.8)
Net cash from financing activities	44.8	141.6	148.5
Cash & cash equivalents at end of period	58.0	132.9	82.7

- ▶ Proceeds from disposal of vessels of US\$26.3 million and US\$44.8 million from financing activities used to finance purchase of vessels

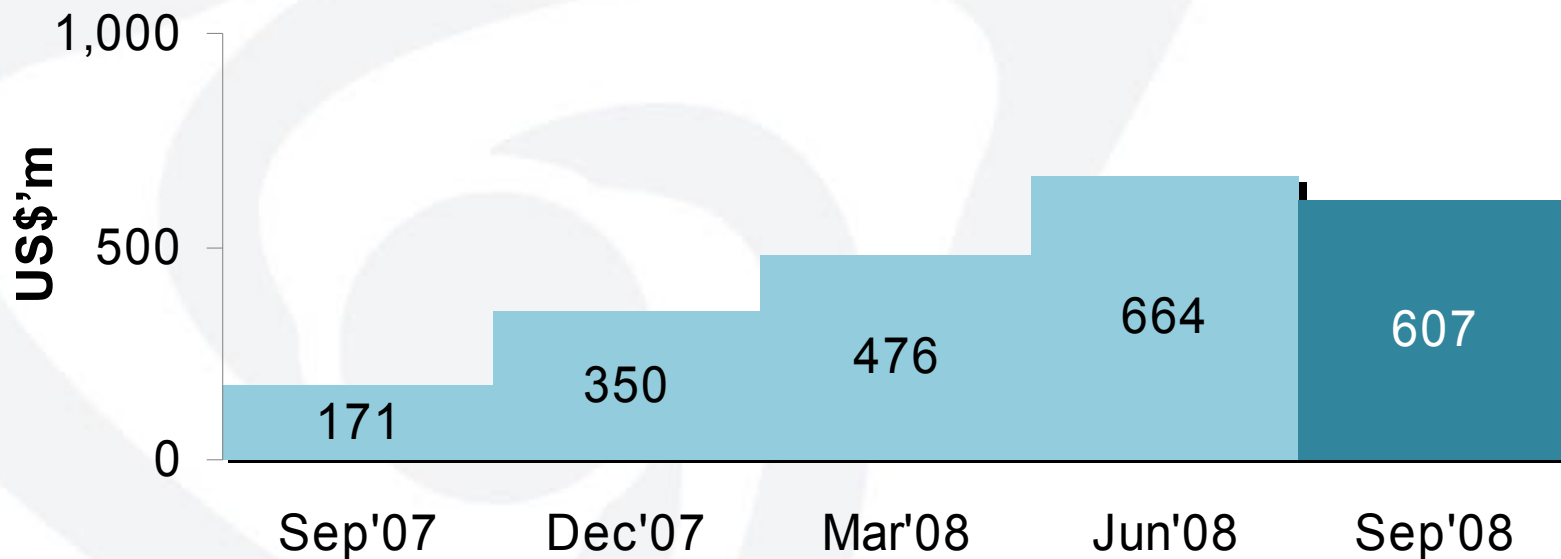
Key financial ratios



US\$'m	30 Sep FY08	31 Dec FY07
Net Debt / Equity (times)	1.04	0.53
Return on Equity (%) <i>(Annualised)</i>	28.5	28.0
Return on Asset (%) <i>(Annualised)</i>	8.4	13.3
NAV per share (US cents)	52.3	13.13

- ▶ Higher net debt to equity from increase in bank borrowings and funds raised from bond issue

Order book (US\$'m)



- ▶ The estimated total bids submitted / to be submitted as at November 2008 is approximately US\$4.2 billion for jobs targeted for the next 5 years

Corporate Highlights



*A world class service provider
in the offshore industry*

On Forbes Asia's Best Under A Billion List



POWER-HUNGRY CISCO
GOING FOR BROKE: THE U.S. MESS
MICROSOFT IN INDIA

SEPTEMBER 29, 2008 | WWW.FORBES.COM

Forbes Asia

Best Under A Billion

Greater China Leads With A Lucky 88 Companies

Traveler's Aide

CTRP'S MIN FAN STEPS UP TO BATTLE AMEX FOR CORPORATE BOOKINGS IN CHINA

Li Ning
CHINA / HONG KONG

His eponymous sports apparel company has made Li Ning a billionaire. Twenty-four years after winning three gold medals at the 1984 Olympics in Los Angeles, the former gymnast is the flame in Beijing's opening ceremony.

46 FORBES ASIA SEPTEMBER 29, 2008

Best Under A Billion

John Keells

SRI LANKA
Sri Lanka's largest conglomerate provides shipping and logistics, airline tickets, operates supermarkets, hotels and tourism services.

Jumbuck Entertainment

AUSTRALIA
To go from mobile gaming to challenging eBay? Jumbuck hopes to steal market share from the auction giant by marketing the newly acquired Oton Web auctioneer to its 15 million mobile users.

Li Ning

CHINA / HONG KONG

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	US \$ MIL. SALES	NET INCOME	MARKET VALUE
ETH Tech / developing rechargeable energy storage solutions	22	6	128
Grand-Flu Solution / information technology solutions	19	2	15
Hal-O Enterprise / multilevel direct marketing of health care and beauty products	118	15	91
I-Power / e-business software applications	17	3	24
JobStreet / online recruitment and human resources services	25	9	151
Notion Vtec / industrial tools	31	8	61
Pintaras Jaya / civil engineering and construction	51	7	30
Plant Offshore / construction services to the oil and gas industry	29	4	15
Sarawak Oil Palm / operating palm oil mills in Malaysia	132	33	341
Success Transformer / industrial machinery manufacturing	44	5	31
NEW ZEALAND			
Endace / computer network measurement and surveillance (see story p. 34)	25	4	118
New Zealand Exchange / primary stock exchange in New Zealand	24	7	114
PAKISTAN			
Dawood Hercules Chemicals / Rubber Shear brand fertilizer	81	165	339
Indus Motor / distributes Toyota and Daihatsu vehicles in Pakistan	664	45	187
PHILIPPINES			
Ancher Land / high-end condominium projects in Manila	10	2	47
International Container Terminal Services / operates shipping container terminals	364	68	1,370
SINGAPORE			
Armstrong Industrial / die-cut foam and rubber components for consumer electronics	127	12	68
Asia Environment / integrated water and wastewater treatment	64	11	76
Best World / distributes nutritional supplements and personal care products	71	9	53
BH Global Marine / marine electrical products	57	12	60
Bosload / geospatial engineering software and services	318	37	367
CSC / heavy machinery, rental and property management	351	31	125
CSE Global / industrial automation, information technology and logistics	281	29	316
Emporis Greens / high-precision metal components and tools	195	18	13
Eara / ship-chartering services for offshore oil and gas industry	144	66	560
Food Empire / manufactures instant beverages and frozen food (see p. 36)	193	22	181
Widas / aluminum alloy products used in high-speed trains	96	22	251
Raffles Education / operates 16 design institutes throughout Southeast Asia	81	32	1,280
Steels Trading / the mining and property investments like the Steels Trading Building	242	113	301
Swiber / offshore engineering, marine support and shipbuilding	158	52	390
SOUTH KOREA			
Com2US / mobile phone and online gaming	24	7	63
DCM / metalworking	85	14	60
Esang Networks / business-to-business and e-commerce	42	4	99
Hankook Carbon / electronic components	44	23	118
Hyunjin Materials / metal and stainless steel	44	26	485
Infopia / medical devices, such as ultrasound	40	1	86
Megastudy / educational services	49	1,157	
Sung Kyeong Bond / pipe fittings for power plants	29	9	83
Standard Diagnostics / in-vitro diagnostic tests for	19	52	1,291
Taewoong / shipbuilding of propeller shafts, rotters	19	19	93
Telechips / digital processors for home theaters, car DVD, TV-car as	172	18	93
Thinkware Systems / electronic navigation devices and location-based services	172	18	93
TK / steel fittings and other fabricated metal products	304	48	358
SRI LANKA			
Distilleries Co. of Sri Lanka / liquor distilling and distributing	257	33	223
John Keells / airline and integrated logistics	388	47	574

1 out of only 14 S'pore companies on the list



- ▶ Part of the Singapore International 100 Ranking 2008, organised by IE Singapore, which identifies Singapore's top 100 companies ranked by the highest overseas revenue
- ▶ Ranked 5th in Top 10 Fastest Growing Internationalising Company with a 3-year CAGR for overseas revenue of 178.88%

TOP 10 FASTEST GROWING INTERNATIONALISING COMPANIES

- 1 WING TAI HOLDINGS LIMITED
- 2 SYNERGIC INDUSTRIAL MATERIALS &
SERVICES PTE LTD
- 3 NOBEL DESIGN HOLDINGS LTD
- 4 APEX-PAL INTERNATIONAL LTD
- 5 SWIBER HOLDINGS LIMITED
- 6 ASIATIC GROUP (HOLDINGS) LIMITED
- 7 MILNE INTERNATIONAL PTE LTD
- 8 MOOREAST PTE LTD
- 9 SINO-ENVIRONMENT TECHNOLOGY
GROUP LIMITED
- 10 SONG SENG ASSOCIATES PTE LTD

**Ranked
5th**

Milestone achieved by Swiber Conquest



- ▶ 150 km of pipelay work in 6 mths across 3 major projects in Indonesia, Brunei and Malaysia.
- ▶ Comprised 11 pipelines ranging from 6 inches to 16 inches in diameter in water depth varying from 5 meters to 55 meters and has achieved a lay rate of as high as 3.5 km in a single day.

Completion of Mampak platform installation



- ▶ Swiber completed installation of facilities to enable BSP to mobilise drilling rig and to achieve first oil target of Dec 2008 at its Mampak field
 - Dalihao Installed 900T jacket and 1,300T topside
 - Installed the 650T Magpie module and the 4th loading arm at its Brunei LNG terminal
 - Installed 3 new pipelines and a subsea cable including system pre-commissioning
 - Removed the old Living Quarters from the Ampa-6 platform
- ▶ Project was completed 9 months ahead of schedule compared to a similar sized project in Brunei
- ▶ Executed with very good safety performance and without any lost time incident

- ▶ Awarded a contract from CUEL to provide offshore installation services in the Gulf of Thailand.
- ▶ Part of a major long-term agreement that was previously announced in March 2008, comprising offshore installation services in the Gulf of Thailand for various clients of CUEL
- ▶ Estimated annual value of approximately USD\$50 million/year.
 - Period of up to five years beginning 2009.
- ▶ Scope of work includes:
 - Installation engineering;
 - Installation of jackets, piles, topsides and pipelines for offshore facilities in Thailand; and,
 - Supply all personnel, equipment and services for the execution of project work.
- ▶ Commences in March 2009



- ▶ Formed 50:50 JV with a leading Saudi Arabian company, Rawabi Holding Company Limited.
- ▶ Will cooperate to provide services in offshore construction and bid for EPCIC projects in Gulf Cooperation Countries (GCC).
 - GCC countries include Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates and Oman.
- ▶ Saudi Arabia: the most important oil producer in the world with the greatest production capacity and largest reserves volumes.
- ▶ 2009 to 2010 forecast offshore capital expenditure for Middle East: estimated to be approximately US\$20 billion. *(Source: Global Regional Summary, Energyfiles Ltd.)*
- ▶ Saudi Arabia has pledged to spend some US\$250 bil on energy by 2012 including raising oil output to 12.5 mil bpd by 2009 and increasing refining capacity by 50% *(Source: Bloomberg, 8 November 2008: "Saudi Aramco says oil price falls may curb investment")*

- ▶ Signed MOU with Petrovietnam Construction Joint Stock Corporation, a premier offshore service provider in the oil and gas industry specializing in onshore & offshore construction services, to set up a Joint Stock Company (JSC) in Vietnam.
- ▶ JSC will own and charter pipelay/derrick barge (DLB) for offshore installation construction activities primarily in Vietnam, using the underlying assets, related service and associated equipment of the two companies.
- ▶ JSC will undertake to:-
 - Purchase, own, charter, operate and contract a derrick crane pipelay barge for offshore installation construction services primarily in Vietnam.
 - Be the only entity to perform offshore construction services in Vietnam.
 - Operate exclusively through the JSC for Vietnam projects.
 - Be the appointed chartering company should either party operate vessels in Vietnam.
- ▶ Swiber will hire, train and develop PVC's personnel to handle offshore construction works for the duration of the agreement.

Latest sale & leasebacks - 5 vessels



- ▶ Entered into agreements for the sale and leaseback of 5 more vessels for a consideration of approx. US \$225 million, comprising three Anchor Handling Towing and Supply vessels and two Diving Support Vessels.
- ▶ Agreement was sealed amidst the ongoing global financial crisis.

Vessel	Buyer	Payment terms	Estimated delivery
Swiber AHTS I (10,800 bhp)	Bukit Timah Offshore A/S	25% cash downpayment with balance payable in cash on delivery	End July 2009
Swiber AHTS II (10,800 bhp)	Bukit Timah Offshore A/S	25% cash downpayment with balance payable in cash on delivery	End July 2010
Swiber AHTS III (10,800 bhp)	Bukit Timah Offshore A/S	25% cash downpayment with balance payable in cash on delivery	End September 2010
Swiber DSV I (78m subsea support vessel)	Mountbatten Offshore A.S.	25% cash downpayment with balance payable in cash on delivery	End July 2009
Swiber DSV II (78m subsea support vessel)	Mountbatten Offshore A.S.	25% cash downpayment with balance payable in cash on delivery	End January 2010

Bukit Timah Offshore A/S: established by R.S. Platou Finans Shipping A.S., one of the major ship leasing arrangers in Norway.
Mountbatten Offshore AS: a wholly owned subsidiary of Atlantis Navigation AS a Norwegian ship lease company.

Total sale & leasebacks to date - 15 vessels



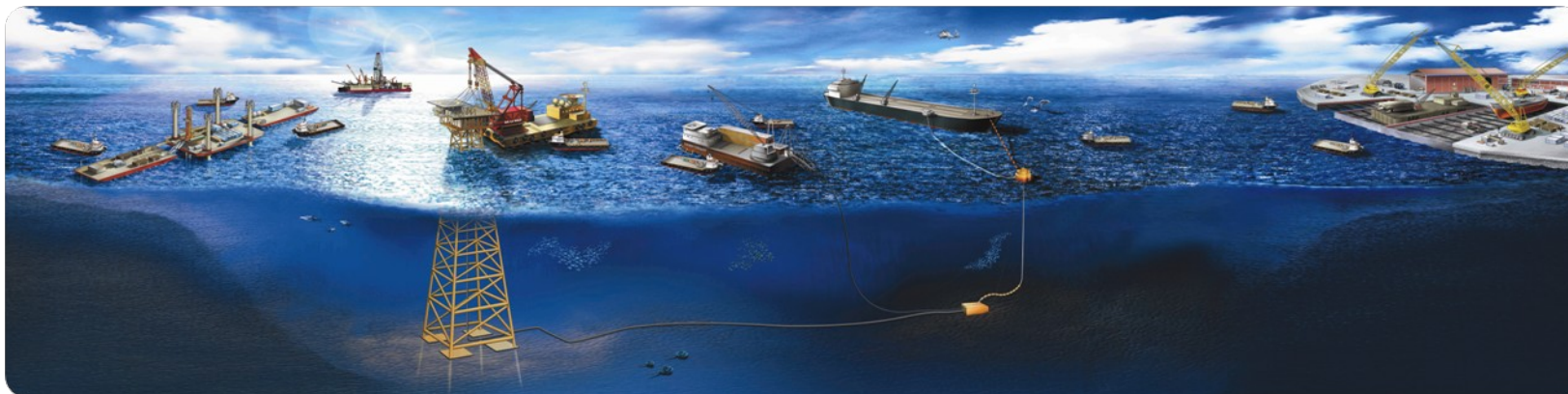
- ▶ Benefits of S&L: Lighten balance sheet and maintain reasonable gearing

Date	Vessel	Capacity	Delivered	Consideration
2 Sep 2008	Swiber AHTS I	10,800 bhp	No	
	Swiber AHTS II	10,800 bhp	No	
	Swiber AHTS III	10,800 bhp	No	
	Swiber DSV I	78m subsea	No	
	Swiber DSV I	78m subsea	No	US\$225M
1 Oct 2007	Swiber Concorde pipelay barge	-	No	
	Swiber Valiant AHTS	5,000 bhp	Yes	
	Swiber Gallant AHTS	5,000 bhp	Yes	
	Swiber Sandefjord AHT	5,000 bhp	No	
	Swiber Oslo AHT	5,000 bhp	No	US\$95M
10 May 2007	Swiber Conquest pipelay barge	-	Yes	
	Swiber Navigator AHTS	4,000 bhp	Yes	
	Swiber Explorer AHTS	4,000 bhp	Yes	
	Swiber Ada	5,000 bhp	Yes	
	Swiber Torunn	5,000 bhp	No	US\$87.5M
Grand Total				US\$407.5

Our Strategy



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1. Fleet

- Fulfilling ongoing fleet plan to support EPCIC projects; no further expansion planned
- The Equatorial Driller deferred

2. Funding

- Fleet financing fully covered via various arrangements
 - ▶ S&L
 - ▶ Bank loans
 - ▶ Internal funds
 - ▶ Joint ownerships with JVs partners

3. Markets

- Expanding through JVs and other alliances
- Shallow water: still primary focus
- Wind energy: An extension of current services and fleet
- Deep water: Evaluating for future growth

Fleet fulfillment plan up to 2010



- ▶ Fleet size of **29** vessels comprising **23** offshore and **6** construction vessels as at November 2008
- ▶ The Equatorial Driller project is deferred
- ▶ No planned additions

Offshore Vessels	FY07	FY08F	FY09F	FY10F
Cargo/ flat Top Barge	10	11	15	15
Utility/ Towing Boat	4	4	4	4
AHTS/ AHT	9	12	16	18
Subsea Support Vessels			2	2
TOTAL	23	27	37	39
Construction Vessels	FY07	FY08F	FY09F	FY10F
Jack Up Barge	1	1	1	1
Pipelay Barge	1	2	3	3
Derrick Pipelay Barge			1	1
Accommodation Barge		3	3	3
Submersible Barge	2	1	1	1
Derrick Crane Barge	1	1	1	2
TOTAL	5	8	10	11
GRAND TOTAL	28	35	47	50

Vessels delivery schedule



Offshore Vessels	4Q 2008	2009	2010
Cargo/ flat Top Barge	Swiber 284 Swiber 285	Swiber 286 Swiber 287 Kreuz 331 Kreuz 332	
AHTS/ AHT	Swiber Torunn (5000 BHP AHT) Swiwar Victor	Swiber Sanderfjord Swiber Oslo Kreuz TBN 1 Swiwar TBN	Kreuz TBN 3 Kreuz TBN 2
Subsea Support Vessels		Kreuz DSV 1 Kreuz DSV 2	
TOTAL	4	10	2
Construction Vessels			
Pipelay Barge	Swiber Concorde	Swiber Enterprise	
Derrick Pipelay Barge		Swiber Chai	
Accommodation Barge	Swiber Victorious		
Derrick Crane Barge			Swiber TBN
TOTAL	2	2	1
GRAND TOTAL	6	12	3

Capex for vessel purchases fully matched by funding



Total committed outstanding capex: **US\$336 million**

Sources of funding	Amount (approx. in US\$'m)
Sale and leaseback arrangements	244
Secured bank loans	37.8
Vessels disposals	131
Total	412.8

Transfer of assets to joint venture partners where the assets are localised and jointly owned by JV partners and Swiber

- ▶ Significant net gains to Swiber
 - Lighten balance sheet
 - Support offshore projects
 - Gain in market share by tapping on strengths / network of JV partners, who are usually leading players in the local market,
 - Further strengthen business relationships with JV partners
 - Transfer of technology

Ongoing efforts for market expansion

Strategic alliances with local partners in key markets to further develop shallow water business

- ▶ Recent successful alliances such as CUEL and Rawabi



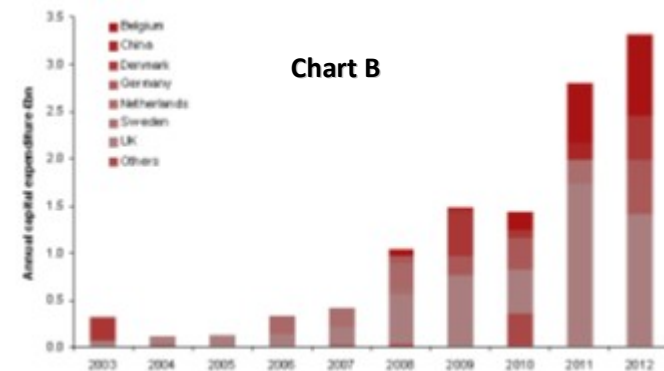
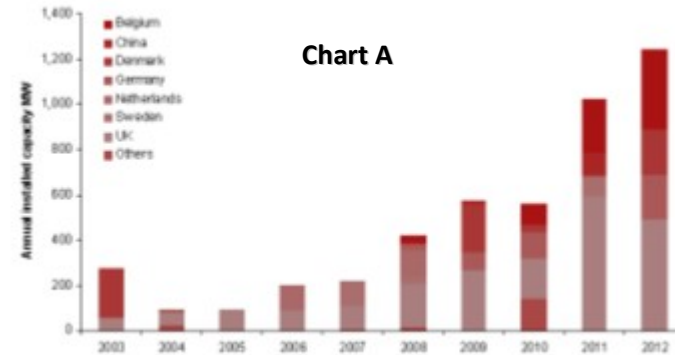
Offshore windpower opportunities

Explore extending existing fleet, services and expertise in the offshore industry from oil & gas companies to wind energy companies

- ▶ No additional capex
- ▶ Currently in exploration stage

Industry prospects 2008-2012

- ▶ Over \$16b of capex forecasted to be spent due to high industry growth & project price increases
- ▶ Annual expenditure will increase ten-fold: \$572m in 2007 to \$5.25b in 2012
- ▶ UK will see the greatest level of expenditure; other major markets include Germany, Denmark and Belgium
- ▶ Annual installation capacity forecast at 3.8 GW (Chart A)
- ▶ Annual capex forecast at £10.1b (Chart B)



Outlook



*A world class service provider
in the offshore industry*



\$26.3 trillion investments needed by 2030 to ensure the world has enough energy



IEA warns of impending energy crunch

Risk of new energy crisis if investment pullback continues

[HOUSTON] It will require more than a trillion dollars in annual investments to find new fossil fuels for the next two decades to avoid an energy crisis, the International Energy Agency warned on Wednesday.

The warning from the Paris-based agency comes at a time when major oil companies are pulling back investments during one of the most severe economic downturns in a generation.

The IEA stressed that it's vital for the world's energy companies to continue investing in new projects despite the current economic malaise. The total potential tab through 2030: US\$26.3 trillion.

"While the situation facing the world is critical, it is vital we keep our eye on the medium- to long-term target of a sustainable energy future," IEA executive director Nobuo Tanaka said at the release of its annual World Energy Outlook report in London.

There are growing fears the simultaneous plunge in oil prices and a pullback in spending on exploration and production will result in another massive energy price spike.

"While macroeconomic conditions have lowered oil prices for the moment, there is nothing in the underlying economic picture that suggests this slowdown will be long-lived, maybe a year or more out," said former secretary of energy Spencer Abraham.

"There was not enough production even when we were in triple-digit oil markets over the summer, and there's going to be a lot of pressure on the system when economies recover."

Mr Tanaka said that state-run national oil companies – like those in Venezuela and Saudi Arabia – are projected to account for about 80 per cent of the increase of both oil and natural gas production to 2030.

But he acknowledged it was "far from certain" those companies would be willing to make the necessary investment themselves or to attract sufficient capital to keep up the necessary pace of investment.

Future sources of oil, the cost of producing it and the price consumers will have to pay for it are extremely uncertain, the IEA said.

That type of uncertainty already is prompting companies to withhold billions of dollars of investment in new oilfield and refining projects, even though ma-

for oil companies have posted record profits this year thanks to triple-digit crude prices.

Producers and refiners, large and small, are delaying and even cancelling some work as they adjust to oil prices that have fallen more than 60 per cent since peaking in July above US\$147.

The IEA expects demand for oil to rise from 85 million barrels per day currently to 106 million barrels per day in 2030 – 10 million barrels per day less than projected last year. The IEA is a policy adviser to 28 member countries, mostly industrialised oil consumers.

China and India continue to be the main drivers, accounting for more than half of incremental energy demand to 2030, but the Middle East, a longtime supplier, also emerges as a major new demand centre.

The agency said that these trends call for energy supply investment of US\$26.3 trillion to 2030, or more than US\$1 trillion a year, but it noted that tight credit conditions could delay spending. Opec has warned that crucial downstream investment – in refining and distribution –

will be curtailed if the oil price is not maintained at a reasonable level.

The IEA has nearly doubled its forecast for the price of oil over the next 20 years, because of rising demand in the developing world as well as surging costs of production as oil needs to be sourced from more expensive offshore fields and state-run companies.

It hiked its forecast for the price of a barrel of oil in 2030 to just over US\$200 in nominal terms, compared

to its forecast last year of US\$108 a barrel. Measured in constant dollars, it pegs oil at US\$120 a barrel in 2030, up from last year's forecast of US\$62. Over 2008 to 2015, it predicts the price to average US\$100.

The report also predicts that world renewables-based electricity generation – mostly hydro and wind power – will overtake gas to become the second-largest source of electricity, behind coal, before 2015. – AP

“The IEA stressed that it’s vital for the world’s energy companies to continue investing in new projects despite the current economic malaise. The total potential tab through 2030: US\$ 26.3 trillion.”

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- ▶ Massive investment of more than \$26-trillion will be needed over the next 20 years to ensure the world has enough energy, the International Energy Agency said in its latest World Energy Outlook (WEO).
- ▶ Of this, the power sector accounts for \$13,6-trillion, or 52% of the total, with most of the rest for oil and gas.
- ▶ Total world oil production is not expected to peak before 2030.
- ▶ Conventional oil production has reached a plateau; will increase by only 5-million barrels per day (bpd) over 2007 to 2030.
- ▶ Non-OPEC conventional oil production projected to start to decline by around the middle of next decade.
- ▶ Crude prices will average \$100 a barrel from 2008 to 2015 in real 2007 dollars and to rise beyond \$120 to possibly \$200 a barrel in 2030.
- ▶ World energy demand in general is expected to grow by 1.6% per year on average or 45% in total.
 - China, the world's second biggest consumer, together with India, accounting for just over half the increase.
- ▶ Oil demand will rise by 1% per year on average, from 85-million bpd in 2007 to 106-million bpd in 2030.
- ▶ Oil supply is expected to rise from 84-million bpd in 2007 to 106-million bpd in 2030.

Source: IEA World Energy Outlook 2008

Demand for oil services to surge as oil supplies continue to fall



“Oil service companies offer long term potential for investors”

(Source: ChannelNewsAsia, 11 November 2008)

- ▶ Companies that provide **services for the oil industry are likely to benefit from a shortage of oil in the future.**
- ▶ Emerging economies such as **China and India are expected to continue to demand large quantities of oil to fuel their growth.** So firms which build drilling equipment and develop technologies to extract oil more efficiently are expected to be hot picks for investors.
- ▶ Oil price is now hovering around US\$60 per barrel, but analysts expect prices to rise in the long term. They said prices will not reach the US\$150 level, but stay around the US\$60 mark going into 2009.
- ▶ Such companies are expected to see demand for their services surge as oil supplies continue to fall. They will be expected to **provide technologies that will make the most of current oil reservoirs by extracting as much oil as possible.**

Saudi Arabia to spend some \$250 billion on energy by 2012



“Saudi Aramco Says Oil Price Falls May Curb Investment”

(Source: Bloomberg, 8 Nov 2008)

- ▶ Saudi Aramco, the world’s biggest state-owned oil company, said a further drop in crude oil prices may curtail investments needed to offset declining output in aging fields.
- ▶ Collapsing oil prices are not only detrimental to the economies of oil-producing states, but also to future upstream investments to sustain future oil demand consumption.
- ▶ Saudi Arabia, which has the world’s largest proved reserves of oil, **is implementing large-scale energy projects** to boost production and refining capacity.
- ▶ The country has pledged to spend **some \$250 billion on energy by 2012**, including raising oil output to 12.5 million barrels a day by next year, and increasing refining capacity by 50%.
- ▶ There remains a real risk that **underinvestment will cause an oil supply crunch by 2015** as the decline in output from mature oilfields speeds up.
- ▶ The current financial crisis is **not expected to affect long-term investment**, but could lead to delays in bringing current projects to completion.

“Financial crisis hits global oil investment”

(Source: Reuters, 30 Oct 2008)

- ▶ The growing financial crisis and plunging energy prices have forced oil companies to scale back spending and delay projects, with **expensive ventures in the Canadian oil sands hardest hit**.
 - **Royal Dutch Shell:** Delays 100,000 bpd expansion at Athabasca oil sands project in Alberta
 - **IRPC:** Delayed refinery expansion to 260,000 bpd and cut run rate by 10,000 bpd to 160,000-170,000
 - **Suncor Energy:** Delays construction of oil sands upgrader near Fort McMurray in Alberta by 1 year to 2013, Upgrader would have raised production to 550,000 bpd from 350,000 bpd
 - **Petro-Canada:** Deferring upgrader for Fort Hills oil sands project which would have supplied 160,000 bpd of raw bitumen into open market
 - **Nexen and Opti Canada:** Delays 2nd phase expansion for Long Lake oil sands project to 2009. Expansion would have doubled production of synthetic crude to 120,000 bpd
 - **Value Creation Group:** Halted construction of Heartland upgrader near Edmonton, Alberta, which would have processed 77,500 bpd of bitumen into synthetic crude

“Crisis will not impede Asian projects”

(Source: Upstream, Singapore, 5 Nov 2008)

- ▶ The financial crisis is **unlikely to derail project developments in South East Asia** as the fundamentals have not changed and risks have not increased dramatically, while ample funding is still available in the region.
- ▶ In terms of the **long term outlook** for oil and gas in South East Asia very little has changed, now is the time to drive down costs.
- ▶ The **need for energy has not changed**: Japan, Korea and China are still very focused on securing stable energy supplies and are willing to provide energy finance regardless of the crisis.
- ▶ Despite the recent slowdown, the ASEAN region gross domestic product will continue to perform well at over 5% per year

“Financial crisis not to affect oil, gas investment

(Source: Antara News, Jakarta, 10 Nov 2008)

- ▶ The Upstream Oil and Gas Regulating Body said the global economic turbulence **would not affect investment in oil and gas exploration and production in the country.**
- ▶ Most of gas and oil investment activities in Indonesia were made by big companies which had their own capital.
- ▶ The US financial crisis would not disturb Indonesia’s exports of products from the energy & mining sector.

- ▶ Global offshore O&G production & spend *
 - To grow from US\$254b to \$361b (2007-2012)
 - Continued growth in production & spend, particularly in deepwater
- ▶ Offshore drilling ✖
 - 2007 spend of \$68 bln to reach \$82 bln in 2012
- ▶ Floating production ✧
 - \$34 billion to be spent
 - Deepwater regions total 64% of Capex
- ▶ Deepwater capex to double from previous 5 years △
 - Golden Triangle & SEA
- ▶ Subsea market
 - 25% growth from 2007 – 2011, reaching about \$41 bln
 - Africa to surpass other regions
 - West African deepwater subsea capex to double to \$11.8 bln
- ▶ Aging offshore infrastructure
 - Growing maintenance, major modifications, technical complexity
 - Decommissioning demand
- ▶ Offshore windpower
 - Over \$16b of capex forecasted to be spent and annual expenditure will increase ten-fold: \$572m in 2007 to \$5.25b in 2012

Thank You



*A world class service provider
in the offshore industry*