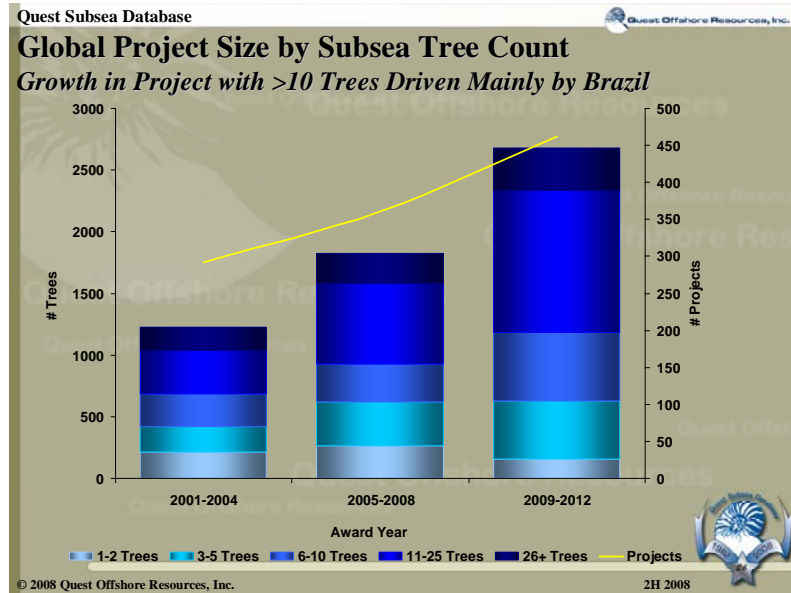


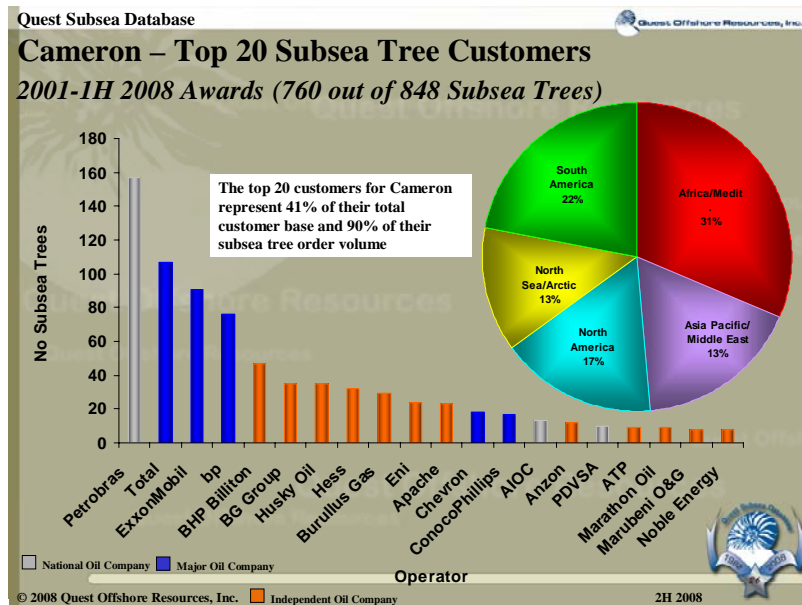


## Future Subsea Landscape Driven by High Subsea Tree Count

Historically the subsea landscape has been dominated by projects made up of between 1-10 subsea trees. As large, flat “pancake” reservoirs become increasingly more common off the west coast of Africa, Asia Pacific continues its accelerated demand for large-scope subsea projects and Petrobras continues to find massive fields off Brazil, a shift in the dominant subsea project profile is anticipated over the coming years.



West Africa, principally Angola, has recently been the center of eagerly anticipated subsea system awards due to the success of bp’s Bock 31 and Block 18 and Total’s Block 17.



Regardless of ever-present geopolitical issues in the region, the developments pose great opportunity for members of the subsea supply chain under the guise of highly experienced and well-funded major operating oil companies. FMC Technologies brought in a near US\$1Bn subsea system contract at the end of 2007 for Total’s Pazflor project in block 17. Cameron has reaped the rewards of a lucrative relationship with bp with the announced award of the first phase of Block 31,

PSVM. Aker Solutions has also made comments suggesting their interest in competing for some of the high value subsea systems contracts up for award in the coming years. Not only are we seeing a higher number of trees being awarded in this area, we’re seeing a larger number of projects executed between 2000-2012.

Asia Pacific is an aggressive up-and-comer in the subsea arena with areas of activity in India, Malaysia and Australia expected to set the pace for the region. Reliance Industries' multi-phase developments in D-6 have piqued the interest of many subsea suppliers with Aker Solutions already showing themselves as a successful "one stop shop" in the region. Aker Solutions is also paving the road to success with the recent announcement of a 5-year subsea system and service supply agreement with Shell in Malaysia. FMC Technologies has been awarded an extension of the frame agreement with Woodside for their global subsea projects. Woodside has many opportunities in Australia, with a high level of focus on LNG, including expansion of their currently under-development Pluto LNG project and future projects including Browse and Sunrise.

Petrobras is by far the largest opportunity for large-scale subsea systems in the coming years as

a result of mega finds over the last 12 months in their pre-salt plays. Petrobras has loosely defined their potential demand on the subsea supply chain over the coming years for projects including Tupi, Jupiter and Bem-Te-Vi. Petrobras will be requiring subsea systems for the 13 pilot and full field projects they have mentioned they plan on bringing on line within the next ~eight years. Petrobras is known for the frame agreement call-offs which, according to Quest award data, has favored Cameron and FMC Technologies in the recent past.



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