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A&D | Siem Offshore founder to take 9 vessels and exit company

More rigs shelved amid Saudi pullback, from Borr, Valaris & COSL

Six drilling rigs owned by Borr Drilling Ltd., Valaris Ltd. and China Oilfield Services Ltd. saw their contracts suspended for up to 12 months as Saudi Aramco continued cutting back on offshore activity. The suspensions follow Shelf Drilling's announcement that a client of four jackups in the Middle East suspended their contracts.

Bermuda-based Borr said it received a notice of temporary suspension of operations April 4 for the Arabia 1, which is amid a three-year firm contract with Aramco off Saudi Arabia that runs until October 2025 with options. Borr intends to seek alternative work for the rig while on suspension, which is expected to start in Q2.

The company has two other jackups working off Saudi Arabia for Saudi Aramco that are unaffected. The Arabia II is also on a three-year contract, set to end in October 2025, while the Arabia III is on a five-year contract that runs until September 2028. Saudi Aramco also issued a notice of suspension for the Valaris 143, one of 10 rigs that Valaris leases to ARO Drilling, its 50:50 JV with Aramco. Valaris receives revenue for the leased rigs from the bareboat charter fee in addition to its 50% share of the JV's net income. [Read more...](#)

Suspensions include one rig leased to ARO Drilling, a JV of Valaris and Aramco.

Latest Guyana FID brings awards to SBM, Saipem & TechnipFMC

Oilfield services companies raked in several large contracts in conjunction with ExxonMobil's April 12 FID on Whiptail, which will be the supermajor's sixth development on the Stabroek block, roughly 200 km offshore Guyana. SBM Offshore confirmed the award of contracts to build the 250,000 bo/d Jaguar FPSO for Whiptail. TechnipFMC and Saipem also reported securing contracts for Whiptail that could be worth \$1 billion.

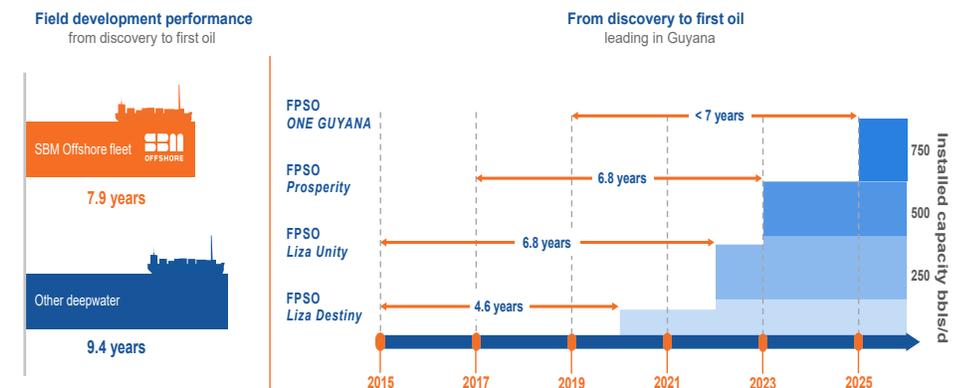
Three FPSOs are already operating on the block—at the Liza Phases 1 and 2 and Payara developments—with combined production capacity of 620,000 bo/d. The fourth and fifth projects, Yellowtail and Uaru, will each utilize 250,000 bo/d FPSOs and are expected online in 2025 and 2026, respectively. SBM built the first three FPSOs and is more than halfway done with construction on a fourth, the FPSO One Guyana for Yellowtail. MODEC holds the FPSO contract for Uaru.

For Whiptail, SBM will build and install the Jaguar FPSO and transfer ownership to Exxon prior to installation in Guyana. It expects to manage the FPSO for 10 years under an operations and maintenance enabling agreement signed in 2023. The award and FID follow completion of FEED studies and the receipt of government approvals. [Read more...](#)

SBM has delivered three FPSOs to Exxon Guyana and is working on two more.

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SBM Offshore Has Track Record of Speedy Stabroek FPSOs



Source | SBM Offshore 02/29/24 presentation via Enverus docFinder

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Contracts & Projects

SLB to help Petrobras go electric with Buzios completion awards

SLB received three contracts for completion hardware and services for up to 35 subsea wells at Buzios field, Brazil’s largest field in the pre-salt Santos Basin, as operator Petrobras moves toward full production system electrification to improve availability, reliability and control. The scope of the contracts includes SLB’s full-bore electric interval control valves and electric subsurface safety valves. Financial terms were not disclosed.

“By leveraging the electrification and digitalization of completions from SLB, Petrobras will increase its field recovery efficiency in complex and challenging pre-salt reservoirs,” said Steve Gassen, SLB president of production systems. “This contract award represents a critical milestone on Petrobras’ journey to digitally integrated offshore electric production systems.”

Converting to electric completions will provide Petrobras the ability to reliably control a more sophisticated system in the subsurface, SLB said. Full electrification of completions maximizes production control across multiple reservoir drains, potentially requiring fewer wells and limiting heavy workovers during the productive life of Buzios wells, SLB said.

The contract will also “deploy innovative technologies in Brazil,” Gassen said. Much of the technology to be deployed at Buzios, and available for other operators of Brazilian pre-salt fields, was developed at SLB’s Taubaté Engineering Center in Brazil, in collaboration with Petrobras’ CENPES research center and TotalEnergies.

Borr adds \$159MM of backlog for three premium jackups

Offshore service provider Borr Drilling Ltd. received new contracts for three of its premium jackup rigs: the Prospector 1, the Gunnlod and one rig yet to be determined. Combined, the commitments total 820 days with a contract value of \$158.6 million, inclusive of mobilization and demobilization compensation.

The Prospector 1 is a Friede & Goldman JU2000E that can operate in 400 ft of water and drill to 35,000 ft. It was under contract with Neptune Energy in the Netherlands until March. Neptune was acquired by Eni in January.

The Gunnlod is a PPL Pacific Class 400 suitable for 400 ft of water and can drill to a maximum depth of 30,000 ft. It is under contract with ROC Oil in Malaysia until May.

Additionally, multiple contracts have been secured in the North Sea, adding 250 days of backlog with work having commenced in March. In Southeast Asia, Borr secured a one-well commitment covering 90 days that will commence in May. Lastly, an undisclosed customer issued a firm and binding letter of award for a 480-day campaign that will commence between 4Q24 and 1Q25.

Borr’s backlog stood at \$1.75 billion at YE23, and the company said in late February that it had been awarded commitments totaling \$82.2 million so far in 2024. The Arabia 1 in Saudi Arabia suspended operations on April 4 for at least 12 months amid Saudi Aramco’s pullback on drilling.

Utilization is High & Reaching Prior Cycle Peak Levels



Source | Borr Drilling 02/22/24 presentation via Enverus docFinder

Seatrium & Shell collaborate to standardize FPU building

Seatrium Ltd. and Shell will collaborate to create better ways to design and build floating production systems. Under a newly signed nonbinding MOU, the Singapore-based EPC provider and Shell Global Solutions International BV, which manages the supermajor’s technology business, will tap their engineering capabilities to standardize FPSs to make them easier to replicate.

Both companies intend to leverage their experience and know-how from previous projects to mature the benefits of replication. This January, Shell awarded to Seatrium the contract to construct and integrate the hull, topsides and living quarters of the 100,000 boe/d Sparta FPU, which will be stationed roughly 170 miles off the Louisiana coast. Sparta is expected to begin production in 2028.

EPC provider building FPU for Shell in GOM after predecessor built two others.

Sembcorp Marine, which merged with Keppel Offshore & Marine in 2023 to create Seatrium, was previously hired by Shell for two newbuild FPUs, both of which are now in the GOM at Vito and Whale fields. The Vito FPU, ordered by Shell in May 2018 and delivered in the final days of 2021, was Sembcorp Marine’s first newbuild FPU.

The Whale FPU took nearly a year longer to execute. It was installed this February, just over four years after Shell awarded the contract.

“We are pleased to deepen our collaboration with Shell, leveraging both parties’ competencies and technologies in past floating production systems projects,” Seatrium Oil & Gas International EVP William Gu said. “We look forward to continue working with Shell to mutually learn and develop best-in-class project management practices to achieve operational efficiency in future floater projects, benefitting both parties.”

Summary & Highlights

Q1 2023 Global Oil & Gas Investment, Capex, and Production

Global oil & gas investment, capex, and production in Q1 2023. Investment in oil & gas projects globally was \$100.5 billion, up from \$95.5 billion in Q4 2022. Investment in oil & gas projects globally was \$100.5 billion, up from \$95.5 billion in Q4 2022. Investment in oil & gas projects globally was \$100.5 billion, up from \$95.5 billion in Q4 2022.

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U.S. Oil Investment by Basin & Top Oilfield

| Basin | Investment (\$B) |
|------------|------------------|
| Permian | 45.2 |
| Eagle Ford | 32.1 |
| Denver | 18.7 |
| Utah | 12.3 |
| Other | 12.2 |

Investment in Energy & Infrastructure

Investment in energy & infrastructure projects globally was \$100.5 billion, up from \$95.5 billion in Q4 2022. Investment in energy & infrastructure projects globally was \$100.5 billion, up from \$95.5 billion in Q4 2022. Investment in energy & infrastructure projects globally was \$100.5 billion, up from \$95.5 billion in Q4 2022.

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