ENVERUS

Oilfield Pulse

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Select Stories in This Issue:

USWS lands contract for last of its 4 newbuild e-frac fleets

U.S. Well Services found a customer for the last of four newbuild Nyx Clean Fleets it ordered this time last year in conjunction with its transformation into an all-electric pressure pumper. Under terms of the agreement, USWS will dedicate a newbuild Nyx Clean Fleet to support the customer's development program in Texas for an initial term of 18 months beginning in early Q3. USWS described the client as one of the largest E&P firms in the U.S.

Two Nyx Clean Fleets headed to Appalachia, one to Utah's Unita Basin and one to Texas.

"With the execution of this agreement, all four of U.S. Well Services' newbuild Nyx Clean Fleets are contracted to high-quality E&P customers," CEO Kyle O'Neill said. "This latest agreement is further evidence of the strength of demand for electric pressure pumping fleets."

USWS previously said that one fleet would support Range Resources in Appalachia starting this November and running through YE24, and one would be used by XCL Resources in Utah's Uinta Basin for up to three years. *Read more...*

Prosafe among beneficiaries of Petrobras' development surge

Petrobras' expanded development drive continued to spin off a wide array of work across the offshore oilfield services sector. One of the latest winners is accommodation vessel provider Prosafe, which hopes high utilization in Brazil will allow it to find work for two newbuilds that it bought in 2016.

Two 500-person Prosafe flotels won four-year Petrobras contracts totaling $236MM in May.

Petrobras plans to install 20 new FPSOs over the next few years. In addition to shipbuilders and infrastructure installers, flotels that can house maintenance workers will be needed. The new FPSOs will have less space to carry out maintenance, but increased scrutiny by Brazilian regulators and the corrosive environment will require continuous upkeep, according to Prosafe.

The company announced a pair of four-year contracts from Petrobras in May for the provision of semisubmersible accommodation vessels for safety and maintenance support off Brazil. *Read more...*

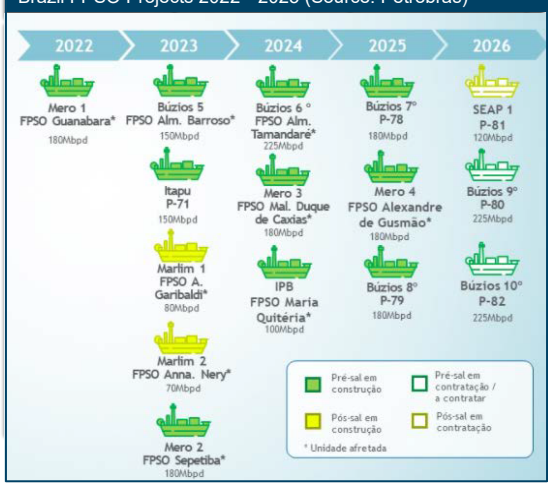
Brazil in Process of Adding 20 New FPSOs

Brazil: Increasing activity and focus on high end vessels

Brazil

- 20 new FPSOs announced & planned to be installed over the next years
- Some of existing fleet to be phased out but large potential in life - extension projects
- New FPSOs have additional topside weight & equipment (up to 60% to current FPSOs) and less space to carry out maintenance
- Brazilian authorities are increasingly auditing asset integrity management of all FPSO operators in Brazil
- Corrosive environment requiring continuous maintenance

Brazil FPSO Projects 2022—2025 (Source: Petrobras)



Source: Prosafe 04/06/22 presentation via **Enverus docFinder**

Activity Index

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Contracts & Projects

Equinor & Aibel solidify relationship with strategic pact

After years of collaboration on the Norwegian Continental Shelf, Equinor and Stavanger, Norway-based EPC firm Aibel entered a strategic collaboration agreement that Aibel CEO Mads Andersen said "forms the basis for a long-term continuation of this relationship." Aibel is Equinor's key supplier of maintenance and modification services on offshore and onshore installations, and in February, their framework agreement on these services was extended to March 2026. Equinor has contributed a major share of Aibel's earnings for several years.

"The agreement offers Aibel predictability and a better foundation for long-term planning and competence development with less vulnerability to market fluctuations," Andersen said.

The companies also will continue pursuing opportunities for electrification of oil and gas installations and standardization and simplification in offshore wind. Aibel has been assigned to perform hook-up of high-voltage systems offshore, such as electrification of oil fields including Equinor-operated Wisting and Johan Sverdrup. It also supplies offshore converter platforms, delivering to the Dogger Bank A, B and C wind farms off the U.K., which are 40% owned by Equinor.

Keppel O&M finds work for four jackups orphaned at shipyard

Keppel Offshore & Marine Ltd. signed contracts for the bareboat charter of two more KFELS B Class jackups on May 24, its third and fourth jackup charters in May. All four rigs are destined to be deployed in the Middle East for contracts valued at up to a combined S$255 million ($186 million). They also mean work for four jackups that had been left behind by the clients who ordered them, according to Keppel O&M.

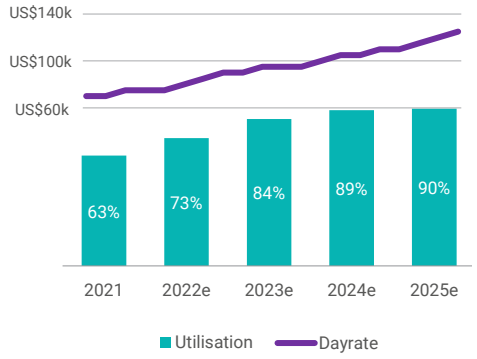
The latest rigs will be chartered to an established drilling company in the Middle East for deployment in Q4 for three years, with one-year extension options. Total revenue from the third and fourth charters, including the options and modification works by Keppel O&M to prepare the rigs for on-site operations, is expected to be up to S$120 million.

These contracts come on the backs of two bareboat charters Keppel O&M announced May 9, to the Saudi Arabian subsidiary of ADES International Holding for five years commencing in Q4. These bareboat contracts are expected to generate revenue of about S$135 million for Keppel O&M, including modification works to prepare them for deployment.

The chartered rigs were built for other clients that did not take delivery. Keppel O&M canceled the contracts April 13, citing "the failure of the respective clients without reasonable or legal justification to take delivery of the respective rigs (despite Keppel FELS' readiness to deliver) and concurrently pay the outstanding instalments." According to Keppel O&M, three rigs had been ordered by Fecon International in 2014 and the other one by Clearwater Capital Partners in 2013.

Under terms of the proposed merger of Keppel O&M and Sembcorp Marine, these four rigs and their bareboat charter agreements are part of Keppel O&M's legacy rig business and will be transferred at closing to a separate asset company that will be majority owned by external investors. The merged companies want to focus on offshore wind and new energy while maintaining an FPSO business and exiting drilling rigs.

Utilization & Dayrates for Modern Jackups Expected to Improve



Source: Pareto Securities

Source: Keppel O&M 04/27/22 presentation via **Enverus docFinder**

Equinor awards $300MM to TechnipFMC & Aker Solutions

TechnipFMC and Aker Solutions each received contracts valued at NOK 1.3-1.5 billion ($140-160 million) from Equinor (57.7%) for the Halten East development on the Norwegian Continental Shelf. Together with its Halten East partners Vår Energi (24.6%), Spirit Energy (11.8%) and Petoro (5.9%), Equinor will invest about NOK 9 billion ($950 million) to develop the area neighboring Åsgard field, the Stavanger-based producer said.

Halten East consists of the Gamma, Harepus, Flyndretind, Nona, Sigrid and Natalia discoveries, each of which was deemed too small to economically develop independently. Therefore, the four license holders agreed to develop the area as a unit. Recoverable reserves are estimated at around 100 MMboe (60% gas). The development will tied back to existing Åsgard infrastructure.

Halten East brings together several discoveries too small to develop independently on NCS.

TechnipFMC subsea president Jonathan Landes said the company would help the Halten East partners "transform the economics of this project by optimizing design, engineering, manufacturing and installation." Its EPCI contract covers the manufacture and installation of flowlines and the installation of umbilicals and subsea structures. The award is the latest call-off on a subsea umbilicals, risers and flowlines framework agreement between TechnipFMC and Equinor. It remains subject to government approval of the plan for development and operation.

Aker Solutions won the contract to deliver the subsea production system for Halten East. The system will include seven standardized vertical subsea trees, five dual-slot satellite structures with manifolds, a metering station, control systems, wellheads and tie-in equipment. Work will start immediately with final deliveries scheduled for 3Q24.

In addition, Aker Solutions has been awarded a separate LOI for the delivery of about 90 km of static subsea umbilicals for Halten East. The company expects to book an order intake of NOK 300-400 million related to the umbilicals contract.

Contracts & Projects

Maersk Drilling backlog reaches highest level since 2019

Maersk Drilling's revenue backlog ended Q1 at $2.1 billion, its highest since 2019. The offshore driller added $357 million in contracts in Q1, highlighted by a one-year, multi-country contract for the ultra-deepwater drillship Maersk Voyager with Shell, which started in April and contributed $108 million to the Q1 backlog.

Roughly $100 million of additional contracts were added in the first 40 days of Q2. The Q1 additions were down from 4Q21's $1.11 billion, which was inflated by the December renewal of a five-year framework agreement with Aker BP.

Oversupply in Norwegian jackup market to make 2022 a 'transition year,' CEO says.

Overall, 2022 will be a "transition year," Maersk Drilling CEO Jorn Madsen said, owing to an oversupply of Norwegian jackups in relation to demand. The company expects demand to normalize in 2023, Madsen said.

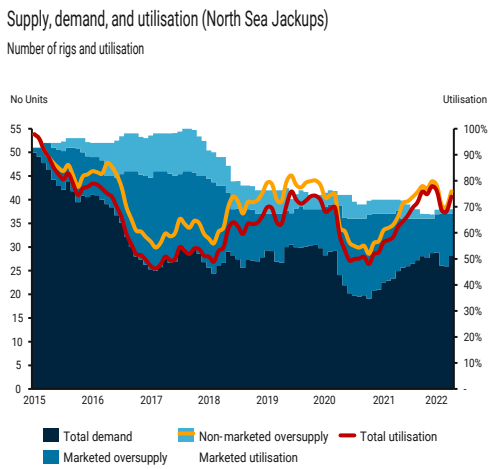
Another reason 2022 will be a time of transition is that Maersk is attempting to merge with fellow offshore driller Noble Corp. In the coming weeks, Maersk will launch a tender offering Noble shares and warrants for Maersk shares that will last at least four weeks. For the $2.49 billion transaction to go through, 80% of Maersk shares need to be tendered. So far, Maersk has irrevocable support from 54%.

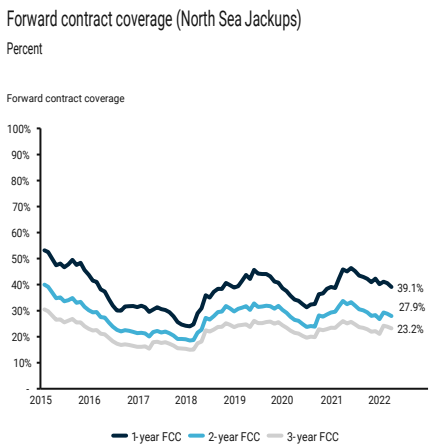
The tender process replaced the need for a Maersk shareholder vote. Also, U.K. antitrust authorities will require Noble to sell five jackups working in the North Sea to approve the deal.

Maersk Drilling's revenue of $248 million in Q1 was a decline from 4Q21's $320 million, the result of a 10-percentage-point drop in utilization to 68%. Maersk only reports net income in H1 and full-year reports.

Click for more!
U.K. says Noble must sell five jackups to merge with Maersk

More Activity in North Sea Jackups But Less Forward Coverage





Source: Maersk Drilling 05/12/22 presentation via **Enverus docFinder**

- Woodside Energy appointed ABL Group to provide marine warranty services for construction, transportation and installation work on the Scarborough project off Western Australia. The development consists of up to 13 subsea wells drilled over the life of Scarborough field and the installation of a semisubmersible floating production unit. A 430-km pipeline will transport gas from the FPU to the onshore Pluto LNG facility. Under the contract, ABL's Australian operation will provide MWS support across the project, with work starting in Q2 and ending around 1Q25. Financial terms were not disclosed.
- Baker Hughes will provide well services for Invictus Energy's basin-opening two-well drilling campaign in the Muzarabani-Mbire area of Zimbabwe. Invictus executed the contract in May following a February LOI between the companies. Financial terms were not disclosed. The Baker Hughes contract includes project management and wellhead equipment, while Exalo Drilling's Rig 202 will perform the drilling work. The rig is expected to mobilize to Zimbabwe in early June from Tanzania. Drilling of the first well is slated for July.
- BW Offshore received a one-year contract extension for the lease and operation of the FPSO Espoir Ivoirien. The firm period has been extended through 1Q23. The 40,000 bo/d FPSO is operating at Espoir field off the Ivory Coast for CNR International SARL, a subsidiary of Canadian Natural Resources Ltd. The operator holds options on the FPSO running into 2Q36.
- CGG started a multi-year contract with Equinor in May for 4D seismic imaging of multiple towed-streamer and ocean-bottom cable datasets from the Gullfaks field area in the Norwegian North Sea. The 4D imaging contract covers the reimaging of nine vintages of towed-streamer data and eight vintages of OBC data followed by repeat imaging of up to three subsequent monitoring surveys. Equinor's Gullfaks asset team will analyze the resulting 4D seismic images to optimize recovery and value from the field. Financial terms were not disclosed.

Contracts & Projects

Technip-Samsung JV secures pre-FID contract for Texas LNG

A JV of Technip Energies and Samsung Engineering received the pre-FID engineering contract for Texas LNG Brownsville, a proposed 4 mtpa LNG export facility in South Texas. The award is a boost for Technip Energies' SnapLNG solution, which could see increased demand amid sanctions on Russian gas exports. The contract from Texas LNG developer Glenfarne Group covers all facets of the liquefaction facility's delivery, including construction coordination, startup and commissioning. Technip Energies has been appointed lead project contractor charged with project design and delivery. Samsung Engineering also holds a minority equity interest in Texas LNG.

SnapLNG modular design could help meet European gas demand by speeding construction.

SnapLNG uses a compact modular design concept for mid-scale trains with standardized components and technology. Technip Energies aims to leverage the system in the wake of multinational sanctions on Russia, which had been sending the equivalent of 130 mtpa of gas by pipeline. The lack of Russian supply could spur demand for small- or mid-size liquefaction export facilities that can be built quicker than larger facilities.

Developed in collaboration with Air Products, the system benefits from speed to market, with greater certainty around both costs and schedule, and best-available process technology, refrigerant compression and digitalization, Technip Energies said. SnapLNG offers methane-free emissions and is particularly suited for low- to zero-carbon footprint LNG and phased developments, the company said.

Located on the Port of Brownsville's deepwater ship channel, Texas LNG will feature a pair of 2 mtpa trains. In the works since 2013, the project is expected to reach FID this year, and commercial operations are targeted in 2026.

McDermott gets back into LNG FEED with ADNOC award

McDermott International secured a contract to provide FEED services for ADNOC's proposed 9.6 mtpa Fujairah LNG facility, a return to an industry that sent the engineering and construction company into bankruptcy. Houston-based McDermott will "execute this FEED on a fast-track basis incorporating all of the characteristics required to support the award of EPC contracts, which are expected in 2023," onshore SVP Tareq Kawash said. Located on Das Island, 155 miles from Abu Dhabi, the facility is expected to start commercial operations in 2027.

Underbid CB&I contracts on two LNG projects a factor in McDermott's 2020 bankruptcy.

The plant will be designed with electric drives for the liquefaction compressors and will incorporate several features that significantly reduce greenhouse gas emissions, McDermott said. FEED will be performed by teams in McDermott's offices in London and the UAE.

McDermott was involved in initial phases of ADNOC's LNG development in the late 1980s, having built storage facilities for both LNG and LPG on Das Island under EPC contracts. The UAE currently has total liquefaction capacity of 5.8 mtpa.

While McDermott has delivered more than 30 LNG pre-FEED and FEED projects over the past 10 years, the Fujairah LNG contract appears to be the first major LNG FEED project it has taken on since it entered bankruptcy in January 2020 with $9.92 billion in debt. When McDermott acquired Chicago Bridge & Iron via a $3.75 billion transaction in 2017, it took on CB&I's contracts to build Freeport LNG and Sempra Energy's Cameron LNG even though the projects were already running behind schedule and losing money.

McDermott saw CB&I's woes as an opportunity to buy the company at a discount and expressed confidence that, under its management, Cameron and Freeport would get back on track. However, the overruns continued, and McDermott officials said the original CB&I contracts were unrealistic. McDermott completed restructuring in June 2020, and all six trains covered in the Cameron and Freeport contracts began commercial operations by that August.

BW Offshore to begin work ahead of Shell FPSO contract

Shell and its partners at Brazil's offshore Gato do Mato field issued a limited notice to proceed May 26 to BW Offshore for early-stage engineering and supplier reservations for the supply of an FPSO for the pre-salt Santos Basin development. Valued at $50 million, the notice is a step toward an EPCI deal and an operation contract that could stretch out a quarter of a century.

Upon completion of the limited notice to proceed, Shell and its partners aim to award a lease and operate contract to a JV of BW Offshore and Saipem, which will be jointly responsible for the EPCI of the FPSO with expected delivery in 2026. The FPSO lease and operate contract will have a firm period of 18 years with seven years of options.

Shell, which operates Brazil's Gato do Mato pre-salt field with 50%, has yet to issue an FID.

The award is subject to the parties finalizing the commercial and pricing terms of the contract, which needs to consider inflation across the supply chain, and an FID by Shell and its partners. Shell holds 50% of Gato do Mato, which was discovered in 2010, with Ecopetrol (30%) and TotalEnergies (20%).

BW Offshore exited Q1 with a firm contract backlog of $6.3 billion. With probable options, its backlog totaled $7.5 billion.

As a sign of confidence in its prospects, BW Offshore announced May 27 that it had added an annual $20 million dividend-in-kind of BW Energy shares paid on a quarterly basis to go with its existing $25 million annual cash dividend. BW Offshore reported net income of $46.3 million on revenue of $194 million in Q1 after posting a net loss of $46.1 million on revenue of $102.3 million in 4Q21.

Contracts & Projects

DOF Group's backlog gets a multi-year boost from Petrobras

Petrobras awarded new long-term charter and service extensions to DOF Group companies Norskan Offshore Ltda. and DOF Subsea Servicos Brasil Ltda. for four another handling tug supply vessels and associated ROVs. The new contracts are valued at $260 million in aggregate and are expected to commence in Q4.

The extensions each have three years' firm commitment plus a pair of one-year options with Petrobras. The vessels, Shandi Angra, Shandi Paraty, Shandi Vitoria and Shandi Plymouth, are all equipped with DOF Subsea's work-class ROVs and are already operating for Petrobras.

DOF Subsea CEO Mons Aase said the contracts are an "important" addition to the group's backlog, which stood at NOK 12.4 billion ($1.07 billion) at 1Q21. "It further strengthens our leading position in Brazil and confirms our long relationship with Petrobras," he said.

Prosafe among beneficiaries of Petrobras surge

The first was for the Safe Notos on May 4 and the second for the Safe Eurus on May 23. Both vessels are capable of operating in harsh environments and can accommodate up to 500 people.

The $112 million Safe Notos contract will start in Q3 or Q4 after the expiry of its current contract, which commenced in 4Q19 with an initial three-year term and was extended by the parties. The $126 million Safe Eurus contract will start at the end of March 2023 after expiry of its current contract, which commenced in October 2019.

Prosafe said its Safe Boreas vessel, which started a 90-day contract off Norway on May 1, will get the chance to become the sixth fixed operating off Brazil next year when Petrobras launches another accommodation vessel tender for a 930-day contract. It said the oil company's technical requirements effectively limit the potential supply to the newer and traditional DP3 semisubmersibles. Only one such vessel will be available off Brazil next year, the rest being either working, stacked or less competitive units, it said.

Prosafe paid Aziz Offshore $70MM for two newbuilds in 2016 but has yet to take delivery.

"Ensuring high vessel utilization for Prosafe in Brazil creates a robust platform to expand the regional fleet when opportunities materialize through the global agreement reached with Cosco Shipping for the Safe Nova and Safe Vega," Prosafe CEO Jesper Engh Andersen said.

Subsea 7 picked by Petrobras for Búzios 8 infrastructure EPCI

In its largest award of 2022 so far, Subsea 7 secured an EPCI contract worth more than $700 million from Petrobras for the Búzios 8 development in Brazil's pre-salt Santos Basin. The contract scope includes EPCI plus fabrication and pre-commissioning of 126 km of rigid risers and flowlines, 98 km of flexible lines and 88 km of umbilicals and associated infrastructure, as well as installation of FPSO mooring lines and tieback. Búzios field lies 180 km off Rio de Janeiro in water 1,800-2,100 meters deep.

Saipem & SOMC last year received a $2.3B contract to build the FPSO for Búzios 8.

Project management and engineering will commence immediately at Subsea 7's offices in Rio de Janeiro and Paris. Fabrication of the pipelines will take place at Subsea 7's spoolbase in Ubu, Brazil, and offshore operations are scheduled to be executed in 2024 and 2025 using one of Subsea 7's fleet of rigid-reeled pipelay vessels.

Petrobras awarded Saipem and South Korean Daewoo Shipbuilding & Marine Engineering Co. the $2.3 billion FPSO construction contract for Búzios 8 in June 2021. The P-78 will have a capacity of 180,000 bbl/d and 250 MMscf/d. Saipem and SOMC will operate the vessel. [illegible]

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Finance

ProFrac IPO expected to raise $273-$314MM, below price targets

The Mike Sanders multibasin fracking services provider ProFrac Holdings Corp announced the pricing of its IPO of 16 million Class A common shares at $18 apiece. ProFrac granted the underwriters a 30-day option to purchase up to an additional 2.4 million shares. The offering was expected to close May 17. The shares began trading on the Nasdaq under the ticker symbol PFHC shortly after 10:30 CDT May 13, opening at $17.60. The company intends to use about $273.4 million of net proceeds, or $313.8 million if the underwriters exercise their option in full, to repay a term loan and other forms of debt and for general corporate purposes.

According to an earlier SEC filing, ProFrac was initially targeting an offering price of $21-$24 per share. Along with the overallotment option, the high end of that range could have grossed $497.6 million.

In March, ProFrac completed the purchase of YTO International for $467.5 million. The company's operations are primarily focused in West, South and East Texas, Louisiana, Oklahoma, and the Uinta and Appalachian basins. It believes it is the largest provider of fracking services in North America by hydraulic horsepower, with installed capacity exceeding 1.7 million hhp across 34 conventional fleets as of March 31. It operates in three business segments: stimulation services, manufacturing and proppant production.

PHLX Oil Service Sector Index vs. S&P 500

Source: Bloomberg

Sasol aims to sustainable funding with $500MM notes

Sasol Corp. announced a private placement of $500 million aggregate principal amount of fixed-rate sustainability-linked senior secured notes with 12 institutional investors within the insurance industry. The Mike Corp. ship leasing subsidiary said it will use proceeds to pay down existing debt with remaining tenors of four to five years, as well as to fund capex and other general corporate purposes.

Financing expanded SL capital base and aligns sustainability targets with financial performance

The company issued three series of notes in the placement: $240 million of 5.3% notes due 2032, $140 million of 5.39% notes due 2034, and $120 million of 5.49% notes due 2037. Though no details about the sustainability-linked terms were provided, the company said the new financing expanded its SL capital base and aligns sustainability targets with financial performance. Citi, BofA and Wells Fargo were lead arrangers of the placement with co-managers BC Americas, CIBC and TD Securities.

In January, Sasol finalized the last piece of nearly $4.4 billion in aggregate financing to fund TX residuals, and in May it announced an agreement for four residual dual-fuel LNG conversions with capacity to carry 2.775 million-foot

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Finance

Restructuring ION Geophysical suffering NYSE for noncompliance

ION Geophysical Corp. announced that the NYSE has suspended trading of the company's stock on May 18 and is applying to the SEC to delist the security because of noncompliance with listing standards. The company has not maintained an average global market capitalization of at least $15 million over 30 consecutive days, as required by Section 802.01B of the NYSE's listed company manual. ION expects its stock to be quoted on the OTC Expert Market.

The company had received an April 22 noncompliance notice from the exchange for failure to file its Form 10-K for 2021 in a timely manner. ION filed for Chapter 11 bankruptcy protection April 12 and entered a restructuring agreement with its credit facility lenders and senior debt holders to exchange its $116 million of debt for equity.

Earnings

Borr plans to go 23 for 23 by 1Q22 as jackup supply gets squeeze

Borr Drilling expects the last three inactive rigs in its 23-rig delivered fleet to find work this year as the supply of modern jackups gets scarce. Increased demand from NOCs has caused modern jackups to reach 90% utilization industywide in Q1, Borr said, adding that utilization should reach 95% before the end of Q2.

"With the current demand for jackup rigs rising, we expect to see the contracted rigs exceed the 400-unit levels soon. ... Demand is about to currently supply," CEO Patrick Schorn said May 3. While 23 modern jackups and 10 newbuilds remain available, Borr considers about 27 jackups uncompetitive because of sanctions, location or design. That leaves 24 modern jackups to meet visible demand exceeding 30 rigs, Schorn said.

Borr currently has 20 jackups active or committed rate in Southeast Asia, five in Mexico and three each in West Africa, the North Sea and the Middle East and the three ongoing tenders. Borr also has five jackups under construction, but delivery isn't until 2023.

Recent awards in the jackup market have captured day rates around $140,000, up from the $80,000 seen three months earlier, CFO Magnus Vaaler said. Borr expects 2022 revenue of $275-400 million and double that in 2023. In the first five months of 2022, Borr has been awarded 11.5 years of new contracts, extensions, exercised options and letters of agreement, a pace that exceeds the 25-4-year total for all of 2021.

Total operating revenue for Q1 was $62 million, a sequential increase of 19%. The company recorded a quarterly net loss of $91.2 million, an increase of $5.2 million compared with 4Q21.

Earnings

- CSI Compressco posted a Q1 net loss of $6.6 million, its smallest quarterly net loss since 4Q19, as it benefited from higher activity among its customers. Revenue was $90 million, up $10.3 million YOY but virtually identical to 4Q21. While CSI increased pricing in Q1 and 4Q21, many of its compression units are under term contracts, some running multiple years. Utilization is at 81.4%, up 5.1 percentage points YOY, and CSI has contracted a number of idle units for redeployment over the remainder of 2022 and into early 2023.
- Electromagnetic Geoservices' Q1 revenue of $6.2 million and net income of $1.6 million both were up sequentially and YOY despite vessel utilization of 0%. EMGS reported $6.9 million in multiclient revenue for the quarter, driven by prefunding of a North Sea campaign that the Atlantic Guardian commenced at the end of April. Also in Q1, the maturity of EMGS's $26.4 million convertible bond was extended two years to May 2025, with the interest rate rising to 6.0% from 5.0%.
- West Virginia-based Energy Services of America Corp. posted its first positive net income for a fiscal H1 since 2017, finishing $961,000 in the positive. However, the most recent quarter, its fiscal Q2, saw a net loss of $396,000. President Douglas Reynolds said fiscal H1 typically represents the company's slowest months. Growth initiatives he highlighted included [illegible]

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Energy Transition

Shearwater to process geophysical data for CCS project in U.K.

Shearwater GeoServices Holding received a contract from BP on behalf of the Northern Endeavour Partnership, for geophysical data processing and imaging to advance the East Coast Cluster CCS project. The seismic data processing and imaging activity will be executed by Shearwater's U.K. processing and imaging center over eight months as the NEP awaits government approval for the project. Financial terms of the contract were not disclosed.

East Coast Cluster project would store CO2 in a reservoir in the North Sea.

Multi-sensor geophysical data will be passed through advanced algorithms, tools and analyses to provide a dataset that will enable NEP to characterize subsurface structures with potential for carbon storage. Geophysical surveys are used in carbon storage projects to survey and monitor the subsurface geology to ensure secure storage over time.

The NEP will provide the common infrastructure needed to transport CO2 from emitters in England's Humber and Teesside industrial areas to the East Coast Cluster. The CO2 will then be securely sequestered in the Endeavour carbon store in the North Sea. NEP is a partnership of BP, National Grid Ventures, Equinor, Shell and TotalEnergies.

"The southern North Sea has some of the most ideal carbon storage sites anywhere in the world, and the East Coast Cluster has the capacity to store up to 1 billion tonnes of CO2," NEP managing director Andy Lane said. "We are aiming for first injection from 2026, and by 2030 will be capturing and storing up to 23 million tonnes of CO2 per year from a wide range of industrial and power projects on Teesside and the Humber."

U.S. Rig Count by Basin & Top Drillers

	Current (8/26/2022)	Week Ago (8/19/2022)	Month Ago (8/26/2021)	Year Ago (8/27/2021)	% Chg YoY
Total	742	739	730	509	45%
Top Drillers					
Halliburton Co Figure	114	111	110	100	14%
Halliburton KPI	107	106	110	63	70%
Nabors Industries	60	58	60	32	87%
Precision Drilling	50	50	50	30	66%
Patterson-UTI Energy	43	43	43	26	65%

Technology

Halliburton & Aker BP team up on field planning software

Aker BP will help develop a new cloud application, Field Development Planning from Halliburton, to advance its goal to become fully digital this decade. Built on the DIGIO Data Platform, FDP converts the manual process of collating field development data to make the decision gate process more efficient and auditable and provides a common audit trail across the subsurface community. FDP helps organizations better understand uncertainty and risks associated with field development concepts, the companies said. It is part of Halliburton's Digital Well Program, a DecisionSpace 365 cloud application built on an open architecture to provide integrated well planning and design to increase collaboration and connectivity across drilling activities.

"Aker BP aims to be fully digital and nearly fully automated towards the end of this decade. We are creating an ecosystem where work processes are seamlessly integrated, and data is flowing without friction," CEO Karl Johnny Hersvik said adding that FDP will "increase efficiency, maximize value ... and mitigate risk and uncertainty on a whole new level."

PETROLEUM

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MID-CONTINENT

People & Companies

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Monthly Day Rates

- The U.S. average day rate rose $429 in April to $17,126, its first time over $17,000 since April 2020 and the 13th consecutive increase. The South Texas average day rate rose the most of any region, climbing $527 or 3.13% to $17,277. Appalachia rose the least for the second straight month, gaining $205 or 1.42% to $14,314.
- The Permian Basin Class I's average rose 5.08% or $1,102, the largest regional rig class increase in April. Permian Class C accounted for 39.0% of all active rigs in the U.S. in late April. Only two regional class rose less than 1.0% in April: the Rockies Class B (up 0.79%) and the Mid/Continent Class C (up 0.04%).
- The Enverus Day Rate Survey found 55% of respondents expect work volumes will be flat over the next six months because of the challenge of trying to find workers to staff rigs. "Companies are exercising caution because the labor force is not quite in place" a Rockies driller told the survey team. In addition, higher prices for fuel, wages, steel products and other well site material and services is evident.
- Spot work accounts for about 55% of all work, but term and multi-well contracts are gaining. Several surveyed drillers reported attending auctions to buy used rigs for parts and components.

Average Superspec Rig Rates	
Region	Rate

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