



Special Table: Top Footage Drillers & Fluid Pumps - PG. 4 & 5

Select Stories

Contracts & Projects | Valaris to unstack a drillship for 12 wells off West Africa

Contracts & Projects | Wood bags contract for Northern Territory LNG design

Earnings | RPC revenue reveals turbulent Q2 as fracking hits 'air pocket'

Earnings | SLB counting on years of healthy international activity

Earnings | Weatherford bolsters 2023 outlook even as North America slips

Earnings | U.S. Silica proppant volumes slip 13% but pricing steady

Finance | TechnipFMC to mollify investors with buybacks and new dividend

Energy Transition | McDermott to help Gevo map out sustainable aviation fuel plants

Section Index	PG.
Contracts & Projects	3
Earnings	7
Finance	10
Energy Transition	10
Recurring Tables & Graphs	PG.
Rig Count by Basin & Top Drillers	7
PHLX Oil Service Sector Index vs. S&P 500	9
Oilfield Services Stock Movers	9
Monthly Day Rates	11

H&P sees more rig darkness, but dawn should break before 2024

Helmerich & Payne is confident the U.S. rig count will start to recover during the last three months of 2023 after a few more months of softness. Even though the decline in activity in H&P's fiscal Q3, which ended June 30, was somewhat deeper than expected, its North American Solutions direct margin of \$276.9 million was near the midpoint of its forecast range.

H&P said it averaged 166 contracted rigs in North America during fiscal Q3 and exited with 153. In April, H&P forecast that fiscal Q3 would average 163-167 rigs and exit at 155-160. The count continued to drop in July to reach 149 rigs as of July 27. By comparison, H&P's fiscal Q2 average was 183 rigs with a March exit at 179.

The July rig releases are "related to more customer budget exhaustion, customers not wanting to outgrow their production levels and some recent customer M&A activity," CFO Mark Smith said during a July 27 earnings call. "This led to more releases than we had line of sight to just a couple of months ago." [Read more...](#)

Transocean snags \$500,000+ day rate on heavy semisub demand

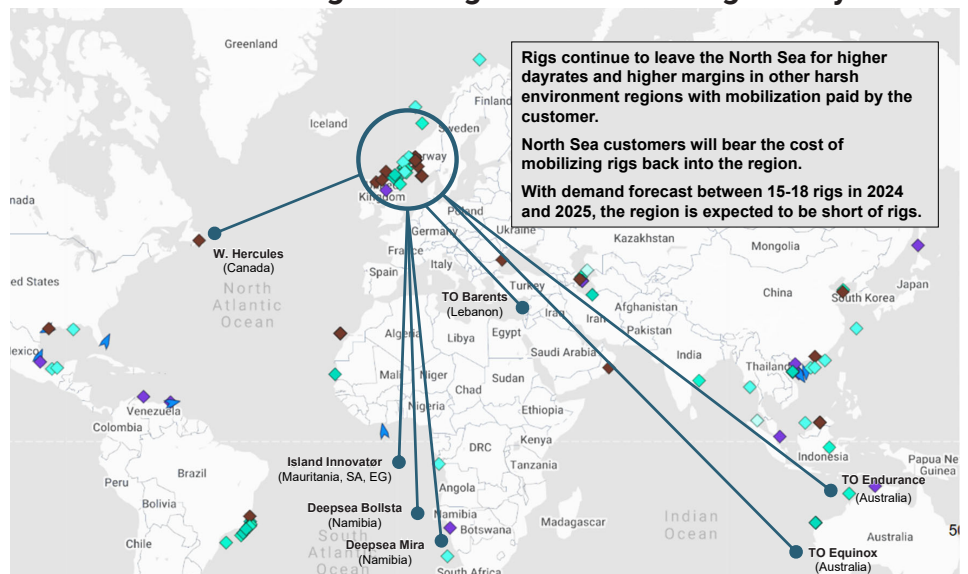
Growing rig demand has caused day rates to reach levels not seen in several years for Transocean. Recently, the offshore driller signed a contract in Australia that includes options for a day rate exceeding \$500,000, the industry's first such announcement in this upcycle. The rig is a harsh-environment semisubmersible, part of a market segment that has seen demand skyrocket as operators pursue a wider opportunity set beyond the North Sea.

Transocean's Q2 adjusted contract drilling revenue of \$748 million came to an average day rate of \$357,000, but \$456,000 is the weighted average of new contract day rates announced in the company's July 19 fleet status report. Contracts are also getting longer, with the average contract length of a drillship award rising to 495 days in 2023 versus 310 days in 2022, CEO Jeremy Thigpen said.

"A number of operators are evaluating and increasingly pursuing long-term rig contracts that are not yet tied to specific projects or may not yet have the approval of all project partners," Thigpen said during an Aug. 1 earnings call. "We have not seen this type of market behavior in some time." [Read more...](#)

Operators pursuing long-term rig deals not yet tied to specific projects, CEO says.

Harsh-Environment Rigs Leaving North Sea for Higher Day Rates



Source | Transocean 06/21/23 presentation via Enverus docFinder

Activity Index

Company	Headline	Category	PG.
Addax Petroleum	Borr adds \$73MM to backlog with contracts for 2 premium jackups	Contracts & Projects	3
Amni International Petroleum	Valaris to unstack a drillship for 12 wells off West Africa	Contracts & Projects	3
Borr Drilling	Borr adds \$73MM to backlog with contracts for 2 premium jackups	Contracts & Projects	3
BP	Valaris to unstack a drillship for 12 wells off West Africa	Contracts & Projects	3
Burullus Gas	Valaris to unstack a drillship for 12 wells off West Africa	Contracts & Projects	3
Dolphin Drilling	Transocean snags \$500,000+ day rate on heavy semisub demand	Contracts & Projects	6
Equinor	TechnipFMC to mollify investors with buybacks and new dividend	Finance	10
Flowserve	Flowserve improves 2023 forecast following successful Q2	Earnings	6
Helmerich & Payne	H&P sees more rig darkness, but dawn should break before 2024	Earnings	1
Indian Oil	McDermott wins another petrochem expansion job with Indian Oil	Contracts & Projects	3
John Wood Group	Wood bags contract for Northern Territory LNG design	Contracts & Projects	3
Liberty Energy	Liberty anticipates cutting up to three frac fleets during H2	Earnings	8
McDermott International	McDermott wins another petrochem expansion job with Indian Oil	Contracts & Projects	3
McDermott International	McDermott to help Gevo plan sustainable aviation fuel plants	Energy Transition	10
NOV	NOV to cut \$75MM in annual costs despite strong Q2 results	Earnings	7
Petrobras	Valaris to unstack a drillship for 12 wells off West Africa	Contracts & Projects	3
RPC	RPC revenue reveals turbulent Q2 as fracking hits 'air pocket'	Earnings	6
SLB	SLB counting on years of healthy international activity	Earnings	7
Tamboran Resources	Wood bags contract for Northern Territory LNG design	Contracts & Projects	3
TechnipFMC	TechnipFMC to mollify investors with buybacks and new dividend	Finance	10
Transocean	Transocean snags \$500,000+ day rate on heavy semisub demand	Contracts & Projects	1
U.S. Silica Holdings	U.S. Silica proppant volumes slip 13% but pricing steady	Earnings	8
Valaris	Valaris to unstack a drillship for 12 wells off West Africa	Contracts & Projects	3
Weatherford Interational	Weatherford bolsters 2023 outlook even as North America slips	Earnings	8

Contracts & Projects

Valaris to unstack a drillship for 12 wells off West Africa

Valaris Ltd. will reactivate a drillship after more than two years in stack in Spain for a 12-well contract off West Africa with an estimated value of \$364 million. The Valaris DS-7 will return to work in 2Q24 for an estimated 850 days. The resulting day rate of roughly \$428,000 matches the highest announced day rate on Valaris' most recent fleet status report, a three-year contract from Petrobras off Brazil signed in March that reactivated the drillship Valaris DS-8.

"This most recent award represents the seventh contract awarded to one of our high-quality floaters requiring reactivation since mid-2021 and speaks volumes about our demonstrated track record of project execution when reactivating rigs and delivering operational excellence for our customers," CEO Anton Dibowitz said. "We continue to take a disciplined approach to rig reactivations, and we expect this contract to generate a meaningful return over the initial firm term."

The DS-7 last worked off Egypt for Burullus Gas in March 2020. Two ensuing contracts, one for Amni International Petroleum Development off Ghana and one for BP off Senegal and Mauritania, were canceled after crude prices collapsed amid the coronavirus pandemic.

The DS-7's "attractive" contract award, said Dibowitz, led to Valaris announcing that it has increased its YE23 share repurchase target to \$200 million from \$150 million. The new target is part of a \$300 million share repurchase authorization announced in May. To date, Valaris has repurchased \$91 million in shares. In its Aug. 1 earnings report, Valaris said the DS-7 award increased its total contract backlog to \$3 billion.

**Award led to increase in
YE23 stock buyback target
to \$200MM from \$150MM.**

McDermott wins another petrochem expansion job with Indian Oil

Indian Oil Corp. Ltd. has awarded McDermott a project management consultancy and EPC management contract for an expansion of its Panipat petrochemical complex, which is co-located with an IOCL refinery 62 miles from New Delhi. The project will expand the naphtha cracker at Panipat and add a new ethylene derivative unit to increase ethylene production capacity by 20%.

McDermott will execute the project from its facility in Gurugram, India. The company is already working on four other projects for IOCL, including the maleic anhydride unit at Panipat, awarded in May. Working on an additional project at the same site will allow McDermott to realize synergies by leveraging local resources, the company said.

The naphtha cracker at Panipat currently has design capacity of 857 kilotons of ethylene per year and 650,000 kilotons of propylene per year. The additional production of ethylene and propylene will be used as feedstock for downstream polymer units to manufacture household and industrial items, including containers, auto parts, furniture and heavy-duty films.

**Expanded naphtha cracker,
new ethylene derivative unit
will boost capacity by 20%.**

Borr adds \$73MM to backlog with contracts for 2 premium jackups

Gerd and Thor have found additional work as Borr Drilling Ltd. received two binding letters of awards for the premium jackup rigs. The awards expand Borr's backlog by \$73 million and 421 days, excluding optional periods.

The Gerd will work for an undisclosed customer in the Middle East for 270 days, with the option to add an unpriced 60-day extension. The firm contract is valued at \$47.7 million, including mobilization and demobilization. Before reporting to the location in December, the Gerd will conclude its current contract in Cameroon with Addax Petroleum in Q3 and undergo mobilization, statutory surveys and recertification. Addax had an option to extend its contract with the Gerd for additional wells but declined the opportunity.

The Thor will start a contract in December with an undisclosed customer in Southeast Asia. The contract, which is a direct continuation of its current contract, covers two wells for an estimated 161 days at a value of \$25.1 million.

Wood bags design contract for Northern Territory LNG

Tamboran Resources Ltd. has awarded John Wood Group plc a contract to undertake the concept-select engineering phase for its proposed Northern Territory LNG project in Australia. This initial engineering phase will evaluate the technical and commercial opportunity to construct a 6.6 mtpa LNG development, once Tamboran establishes commercial flow rates from its 1.9 million net prospective acres in the Northern Territory's Beetaloo Basin.

Tamboran CEO Joel Riddle touted the Wood contract as proof of its "commitment to working with top-tier companies." The New South Wales-based natural gas company has a contract for Helmerich & Payne to drill with a FlexRig, an agreement for APA Group to build a 500 MMcf/d pipeline, and MOUs for LNG offtake of 2.2 mtpa each with BP and Shell.

In June, Tamboran secured exclusivity over 420 acres in the Middle Arm sustainable development precinct from the Northern Territory government. NTLNG would be located on a peninsula south of Darwin that already hosts Inpex's Ichthys LNG and Santos' Darwin LNG.

While NTLNG is envisioned to have three 2.2 mtpa trains, Tamboran expects to select a final design during 1H24, ahead of entering pre-FEED during 2024. Finalization of sales and purchase agreements is expected in 2025 with an FID in 2026 and first LNG by 2030.

"As we continue to balance the need for secure, affordable and sustainable energy, LNG plays a crucial role as an enabler in helping the world transition to fuel sources with lower carbon intensity," John Wood Group's consulting executive president Azad Hessamodini said. "Working together with Tamboran, we are bringing our global LNG expertise and experience to help realize this important project for Australia and the wider region."



Click for More! 

Supermajors consider offtake from proposed Tamboran LNG plant

