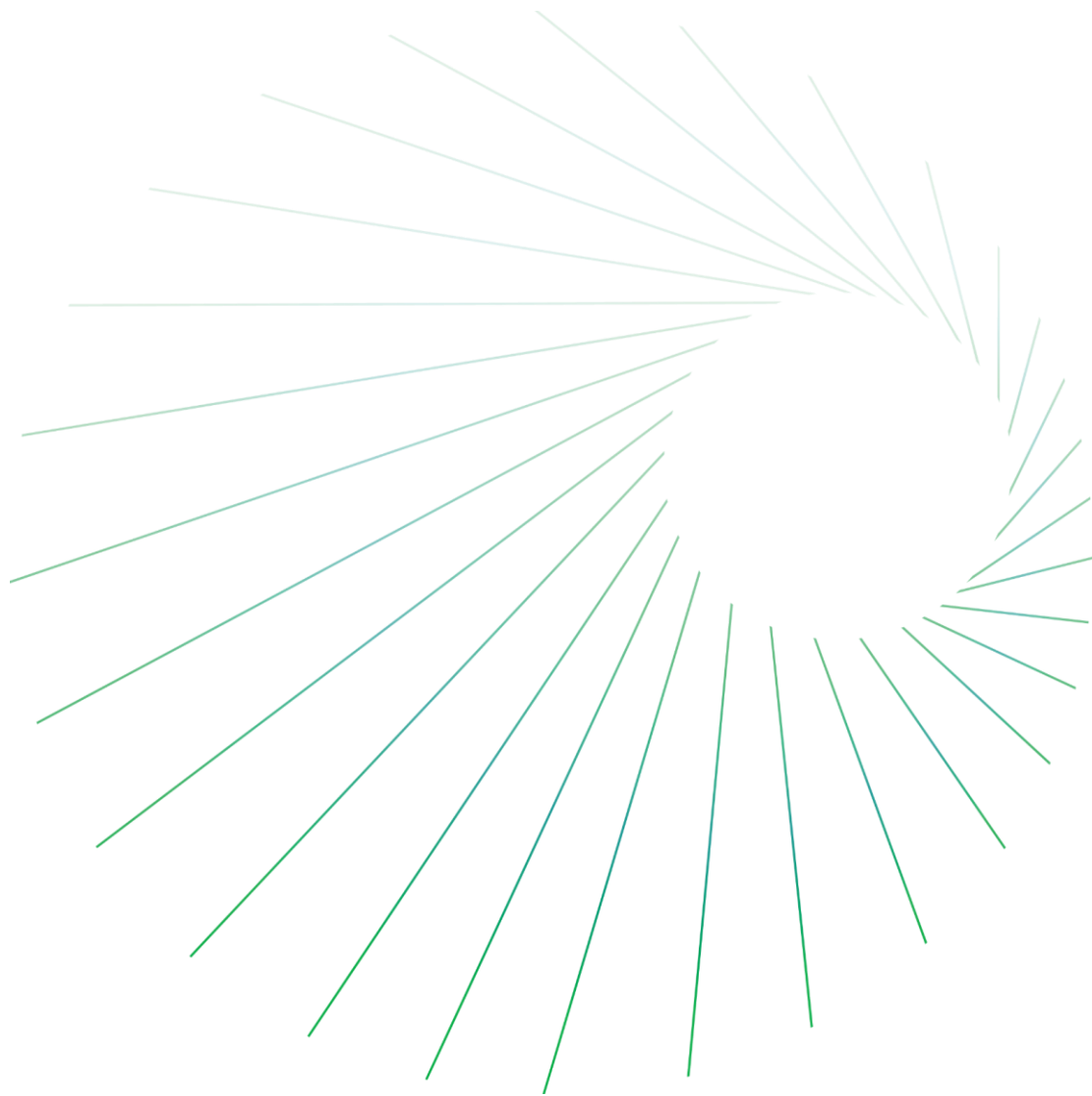


World Rig Forecast: Short Term Trends

Middle East operators embrace higher-specification jackups

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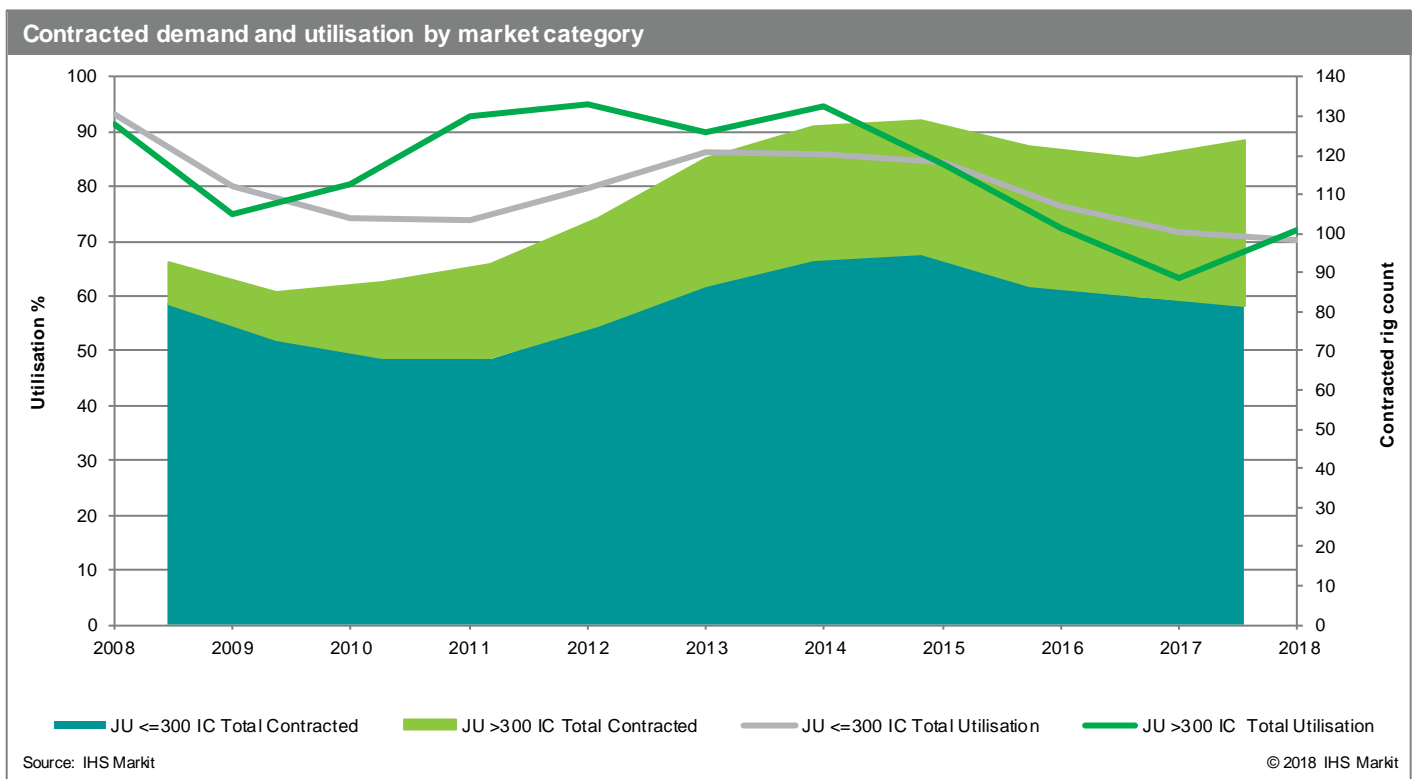
Middle East operators embrace higher-specification jackups

Pamela Cordova

The Middle East market, like India, has historically been considered a region where lower specification jackup categories dominate due to benign weather and shallow drilling depths. As a result, it is characterised by an older fleet compared to most other regions of the world. However, recent trends show this is starting to change, as fixtures and tenders indicate the region is seeking newer higher specification rigs, at competitive day rates.

For clarification purposes, throughout the article, low-specification jackups refers to jackups of the market category JU 300 IC or below; and high-specification jackups refers to the market categories of JU 301–361 IC and above. Premium jackups will be used to make some specific points about units of the JU 361–400 IC category. Approximately 64% of the jackups that are 30 years old or older and under contract are of the JU ≤300 IC market category. This article will also focus on independent leg cantilever (IC) jackups, since mat-supported and independent leg slot units have a very small representation in the market.

The Middle East is the region with the most jackups currently under contract – nearly 120 – and with most jackups contracted that are over 30 years old (57 units) followed by the Indian Ocean (14) and then China (8). The chart below illustrates contracted demand in the Middle East reached its peak in 2014, and only started to fall, slightly, in late 2015. Contracted demand for the JU >300 IC market category has been increasing compared to demand for JU ≤300 IC units. Utilisation for high-specification rigs is also starting to recover. Since early 2017 to the present, utilisation has increased about 10% to the current figure of 70%.



Visible demand favours high-specification jackups

A review of current tenders makes it clear that contracted demand in the high-specification jackup market is set to increase as operators favour these units. According to market sources, the recent tender by Saudi Aramco, understood to be against the renewal of eight jackups rolling off contract in 2018, requires mostly high-specification units, with the majority for drawworks of 3,000 HP; exceptions are two tender documents for 2,000 HP drilling jackups and 1,500 HP workover units, which would come from the low-specification market category. Of the eight units rolling off charter, three are more than 30 years old and of the market category ≤ 300 IC.

In Qatar's most recent tender for six jackups, rigs offered must not be older than six years and must have a minimum of 75 tons of crane capacity, among other specifications. This indicates the operator is limiting the search to mostly newbuilds, as there are few rigs in the global fleet that are available with those specifications, especially in the Middle East, and built between 2012 and 2018. In Kuwait, an ongoing rig sourcing exercise requires rigs with minimum drawworks of 3,000 HP, accommodations for 150 people, and a 15K BOP among other criteria. Market sources have also mentioned that most new rig requirements in the Middle East call for crane capacity of at least 75 tons. This is important, as only 91 jackups (including newbuilds) in the entire fleet have that capacity. As a consequence of these trends, there have been indications that contractors wish to acquire newbuild jackups to be offered in the region.

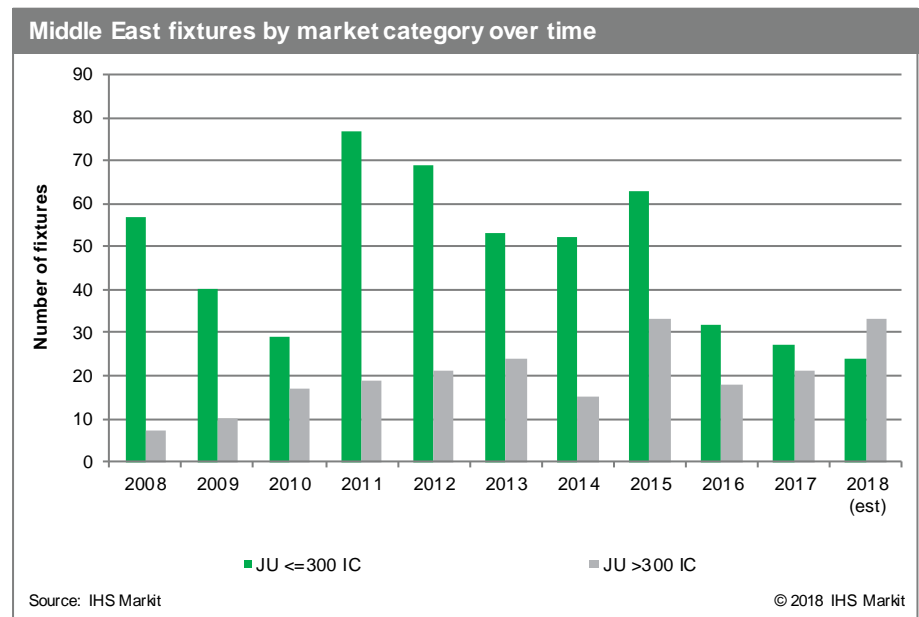
Trends in recent fixtures

Looking at recent fixtures, ADNOC Offshore's charters from its six-jackup tender are all of the JU 301–360 IC category. Three are newbuilds and the other three were built between 2006 and 2008. In addition, most of Saudi Aramco's fixtures this year (including contract extensions) have been for premium jackups.

As can be seen on the graph on the right, most fixtures in the Middle East historically have been for JU ≤ 300 IC units. The total number of fixtures in the past 10 years in the JU ≤ 300 IC market category was 523, while 218 contracts have been fixed for the JU >301 IC category. This helps to explain why currently 67% of rigs working in the Middle East are lower specification, as they are on contracts that were signed a few years back with average duration of three to five years.

Since 2016, the gap in the number of low-specification fixtures versus high-specification fixtures has begun to narrow and is expected to reverse by the end of this year, as illustrated in the fixture graph above. The number of fixtures in lower-specification categories is decreasing and those in the JU >300 IC categories have been on the rise. The low-specification fixtures now seem to be reserved for shallow-draft and workover projects, or campaigns in the Gulf of Suez. Thus, market predictions for the past year – that new rigs will replace old rigs – is becoming a reality.

Day rate trends in recent fixtures show that the JU 300 IC and JU 301–360 IC categories have been fairly close. For the JU 300 IC market category, rates range from USD 69,000 to USD 75,000, with some exceptions in Saudi Arabia, while the JU 301–360 IC category is now around USD 48,000–75,000.



For the market category JU ≤250 IC, rates decreased from about USD 70,000 in 2016 to the current reported rates in the low USD 30,000s–55,000. In the higher-specification categories, due to competitive tenders, day rates have faced greater pressure. For the JU 301–360 IC category, day rates decreased from a range of USD 69,000–130,000 in 2015, to USD 48,000–110,000 in 2016 and 2017, to USD 37,000–75,000 in 2018. The premium jackup day rates have been in the USD 50,000–85,000 this year, except for some gas projects and specific rigs in Saudi Arabia with rates in the middle to high USD 100,000s.

Greatest backlog for premium units

The new trend of high-specification rigs being preferred in the Middle East becomes clearer when we look at backlog. Backlog is defined as the future contract commitments, as of ‘today’ (in this case, mid-September), expressed in rig months. The largest backlog is for rigs of the premium category, and backlog for older rigs is falling away.

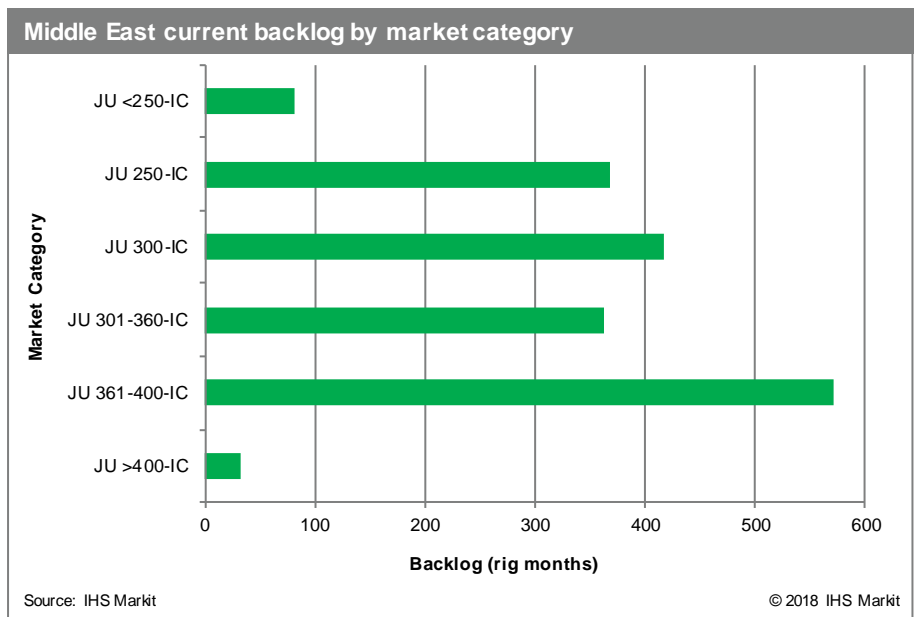
The countries with the largest high-specification backlog are Saudi Arabia and the United Arab Emirates (UAE). For premium units, the largest backlog is in Saudi Arabia, followed by Iran, Qatar, and UAE. Iran’s premium jackup backlog is a result of increased chartering of newbuilds from China over the last two years.

Once low-specification rigs roll off charter and become idle for an extended period, the reactivation and reclassification costs rise considerably compared with reactivating a newer unit. In a majority of cases it is not profitable to keep these rigs in the active fleet. Of the 31 jackups retired in 2018, 7 were in the Middle East, and all were over 30 years old. Five were low-specification jackups, and two were JU 301–360 IC units.

If, however, contractors that own lower-specification jackups maintain them at working standards, they may end up getting preferential treatment, as was seen by ADES’ newly acquired Nabors rigs in Saudi Arabia. The 1970s-built Admarine 655 and Admarine 656, with water depth capabilities of 48 m (160 ft) and 76 m (250 ft), respectively, have had their contracts extended for three years with Saudi Aramco, whereas other rigs had to retender for renewal.

In conclusion, the market trend in the Middle East is favouring higher specification and premium units, especially in Saudi Arabia, Qatar, and the UAE. Most oil companies are focusing on getting increased drilling efficiency, and more up-to-date technologies, especially when prices are so attractive, as shown in the recent day rate trends.

However, even though the market is favouring higher-specification units, a number of future programmes exist where operators need very shallow draft jackups, notably in the Middle East and Africa. There are not many active units able to drill in these water depths, so operators will need to pick from a handful of rigs or wait until new ones replenish this market segment. This means that there is still a niche market for lower-specification jackups for specific projects. As demand increases and most marketed rigs get contracted, we expect to see a bifurcation of rates between these two categories. As utilisation for higher-specification units is expected to keep increasing, so too will the rate they are able to command.



1. Analysis: Licensing News

Sarah McLean

Mozambique awards finalised after three-year wait

The summer months have been slow for new acreage awards; however, some significant activity has been made in the African sector. In East Africa, the government of Mozambique has finalised the contracts for several blocks awarded in 2015, following more than three years of negotiations. ExxonMobil (areas A5-B, Z5-C, and Z5-D), Sasol (PT5-C), and Eni (A5-A) can now proceed with exploration on their acreage. Equinor and Delonox withdrew from the process due to the extensive delays. Meanwhile, in West Africa, Shell has signed production sharing contracts for two blocks offshore Mauritania, marking the company's entry into the region. C-10 and C-19 cover a total of 23,675 sq km with the former licence composed of three previous blocks – C-10, C-28, and C-29. Former operator of C-19, Chariot Oil and Gas, has secured a back-in option for a 10–20% stake, following its exploration efforts on the block, including a 3,500 sq km 3D survey. Shell will initially reprocess and analyse existing data before the acquisition of new seismic.

Indian OAL bid round postponed

The Indian Directorate General of Hydrocarbons announced via social media that the contract signing ceremony for OAL Bid Round-1 has been postponed. The event was scheduled for 6 September and no explanation, nor an alternative date, has been provided. This was the first bidding round under the new Open Acreage Licensing programme. The majority of acreage included is onshore, but there is one deepwater and seven shallow-water blocks in the auction.

In the South American sector, the government of Argentina has reduced the number of offshore blocks to be offered in Round 1 from 48 to 38, covering 225,000 sq km. Fourteen blocks will be located in the northern part of the Argentina Basin, 18 blocks in the western part of the Malvinas Basin, and 6 blocks in the Austral Basin. The bid round was originally planned for July of this year, but has been put on hold due to changes within the country's Ministry of Energy. It is unclear what effect this delay will have on Round 2, slated to take place in 2019.

New blocks added to UK round

Kicking off the round up of new and upcoming rounds, the UK Oil and Gas Authority has added 13 new blocks and part-blocks to the 31st Licensing Round. The blocks were nominated by companies interested in accessing additional acreage. A total of 1,779 blocks are now to be offered during the round, covering the West of Scotland, the East Shetland Platform, the Mid North Sea High, South West Britain, and parts of the English Channel. Bids are due on 7 November, with awards expected in the first half of 2019.

In the eastern hemisphere, opportunities to bid on Australian acreage are imminent, with bidding on Round 1 of the 2018 Acreage Release closing on 18 October. The round contains a total of nine areas offshore Western Australia, Victoria, and the Ashmore and Cartier Islands. Furthermore, there are five areas available for cash bidding offshore Victoria and Western Australia; applications for pre-qualification are due by 4 October. Additionally, the Australian government's Department of Industry, Innovation and Science is now accepting offshore area nominations for the 2019 acreage release. Participants have until 15 November to register their nominations, and while expressing interest does not guarantee inclusion in the release, all suggestions will be considered.

State-owned Myanmar Oil & Gas Enterprise plans to offer 13 offshore blocks in a licensing round by the end of 2018. Some regulations are expected to be relaxed in this round to make investment and exploration more inviting to prospective bidders; foreign firms will be able to operate without a local partner, for example. Relinquished acreage is also understood to be up for grabs – Shell, Oil India, Reliance, and Tap have all handed back blocks.

Moving onto the Americas, beginning in South America, the Brazilian oil industry regulator, ANP, has approved six companies to bid for four pre-salt blocks in an auction to be held on 28 September. Shell, Total, BP, DEA, QTP, and

CNODC Brasil Petroleo e Gas Ltda have all qualified to bid for the offshore acreage, which lies in the Campos and Santos basins. This is the fifth pre-salt round, and the final offering of Brazilian acreage before presidential elections in October. The ANP Round 16 will be held in May 2019, having been granted approval by the Brazilian authorities, as long as modifications to the areas on offer are imposed. All sectors in the offshore Foz do Amazonas Basin have been removed, and a sector in the Pernambuco-Paraiba Basin has been added. Seven sectors in five offshore basins are now to be included in the round, from which the ANP will select blocks to offer. Along with Pernambuco-Paraiba, the Camamu Almada, Jacuipe, and Santos basins will each have one sector included in the round, while there will be three sectors from the Campos Basin.

Cuba's state oil firm La Union Cuba-Petroleo is preparing to launch a licensing round at the end of the year. The launch is scheduled to take place during the 2nd Cuba Energy Oil and Gas Conference, planned for 4–7 December. BGP will open a data room during the event, showcasing its 26,880-km multi-client 2D survey, conducted during 2016 and 2017.

Finally, the Canada-Newfoundland and Labrador Offshore Petroleum Board is issuing two calls for nominations to assist with the selection of parcels to be included in subsequent 2019 Calls for Bids, with the award of licences scheduled for 2020. The Call for Nominations (Parcels) NL18-CFN02 relates to the South Eastern Newfoundland Region, while the Call for Nominations (Parcels) NL18-CFN03 covers the Jeanne d'Arc Region. Both calls for nominations will close on 14 November 2018.

2. Contracted Utilisation

Contracted Utilisation of Marketed Rig Fleet

	September 2018			
	Sep-18	Aug-18	Sep-17	Change vs. year ago
Drillship	73.7	71.6	72	1.7
Semi	75.0	76.0	77.3	-2.3
Jackup	75.2	73.8	68.4	6.8
Total	75.0	73.8	70.4	4.6

Data as of 1st of the month

Source: IHS Markit

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Contracted Utilisation of Drillship Fleet

Region	September 2018							
	Total Supply	Total Contracted	Marketed Supply	Marketed Contracted	Total Util %	Marketed Util %	Total Newbuilds	Contracted Newbuilds
C. America	9	1	3	1	11	33	0	0
Far East	2	1	2	1	50	50	20	0
Indian Ocean	7	7	7	7	100	100	0	0
Med/Black Sea	10	5	5	5	50	100	0	0
Mexico	1	1	1	1	100	100	0	0
NW Europe	2	0	1	0	0	0	0	0
S America	16	15	16	15	93.8	93.8	2	0
SE Asia	9	2	7	2	22.2	28.6	6	0
US GoM	25	21	25	21	84	84	0	0
W Africa	31	19	28	19	61.3	67.9	0	0
Total	112	72	95	72	64.3	75.8	28	0

Source: IHS Markit

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Contracted Utilisation of Semisubmersible Fleet

September 2018								
Region	Total Supply	Total Contracted	Marketed Supply	Marketed Contracted	Total Util %	Marketed Util %	Total Newbuilds	Contracted Newbuilds
Aus/NZ	4	4	4	4	100	100	0	0
C America	2	0	2	0	0	0	0	0
Canada East	3	3	3	3	100	100	0	0
Caspian	8	5	5	5	62.5	100	0	0
Far East	11	9	11	9	81.8	81.8	9	2
Indian Ocean	6	6	6	6	100	100	0	0
Med/Black Sea	5	2	3	2	40	66.7	0	0
Mexico	3	2	3	2	66.7	66.7	0	0
NW Europe	44	30	36	30	68.2	83.3	0	0
Russian Arctic	1	1	1	1	100	100	0	0
S America	15	8	13	8	53.3	61.5	2	0
SE Asia	14	4	9	4	28.6	44.4	3	0
US GoM	13	4	5	4	30.8	80	0	0
W Africa	7	1	3	1	14.3	33.3	0	0
Total	136	79	104	79	58.1	76.0	14	2

Source: IHS Markit

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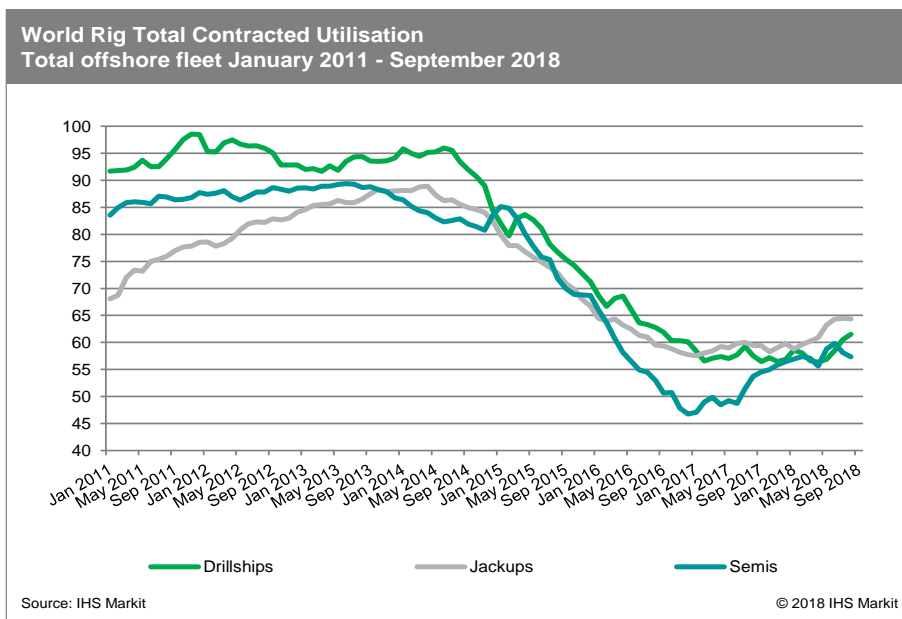
Contracted Utilisation of Jackup Fleet

September 2018								
Region	Total Supply	Total Contracted	Marketed Supply	Marketed Contracted	Total Util %	Marketed Util %	Total Newbuilds	Contracted Newbuilds
Aus/NZ	2	2	2	2	100	100	0	0
Baltic	1	1	1	1	100	100	0	0
C America	6	3	6	3	50	50	0	0
Canada	1	1	1	1	100	100	0	0
Caspian	11	6	9	6	54.5	66.7	0	0
Far East	42	31	42	31	73.8	73.8	62	0
Indian Ocean	39	30	38	30	76.9	78.9	2	0
Med/Black Sea	15	12	15	12	80	80	0	0
Mexico	42	19	39	19	45.2	48.7	0	0
Middle East	177	131	163	131	74	80.4	3	0
NW Europe	45	34	38	34	75.6	89.5	0	0
Russian Arctic	2	2	2	2	100	100	0	0
S America	7	2	3	2	28.6	66.7	0	0
SE Asia	63	37	55	37	58.7	67.3	22	0
US Alaska	2	2	2	2	100	100	0	0
US GoM	39	12	15	12	30.8	80	0	0
W Africa	22	13	14	13	59.1	92.9	0	0
Total	516	338	445	338	65.5	76.0	89	0

Source: IHS Markit

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The following graph represents all rigs that are under contract now, in addition to those that have a future contract in place but are not under contract at the present time. Total utilisation for drillships increased by 2% to 64.0%. Jackup utilisation also increased by 2% to 66.0%. Semi utilisation remained the same as August at 58%. There are currently 131 newbuild rigs on order, planned, and under construction worldwide: 89 jackups, 28 drillships, and 14 semis. Of this total, only 2% have future contracts in place, as just two semis currently under construction have a contract in place.



3. Worldwide Market Round-Up

Asia-Pacific

No awards were made in the standard water segment in the region, while semis Scarabeo 7 and HAIYANGSHIYOU 981 (HYSY 981) each bagged a charter in the deepwater segment. Supply overhangs are anticipated in the Far East and Southeast Asian regions in 2019, while the demand-supply gaps are expected to loosen slightly in the Indian Ocean and Australia/New Zealand markets. Jackup demand is forecast to improve across Asia-Pacific in 2019. Leading the charge is Southeast Asia, which is anticipated to see average demand increase from 31.7 units this year to 37.4 units in 2019. There was also one new fixture last month as Japan Drilling finally secured a contract for newbuild Hakuryu-14 with Pertamina Hulu Mahakam to work offshore Indonesia.

West Africa

As has been the case for much of 2018, West Africa remains quiet; however, industry sources remain positive that the fourth quarter will see a significant uptick in both requirement and fixturing activity. At present, the deepwater side of the market is centered on a waiting game around a number of highly anticipated tender awards. That said, there have also been some high profile fixtures in recent weeks, including a year-long option exercised for drillship Pacific Santa Ana with Petronas Carigali. On the shallow water side of the market, a number of fixtures have been made with Nigeria and Gabon continuing to have the most action.

Middle East, Mediterranean & Caspian

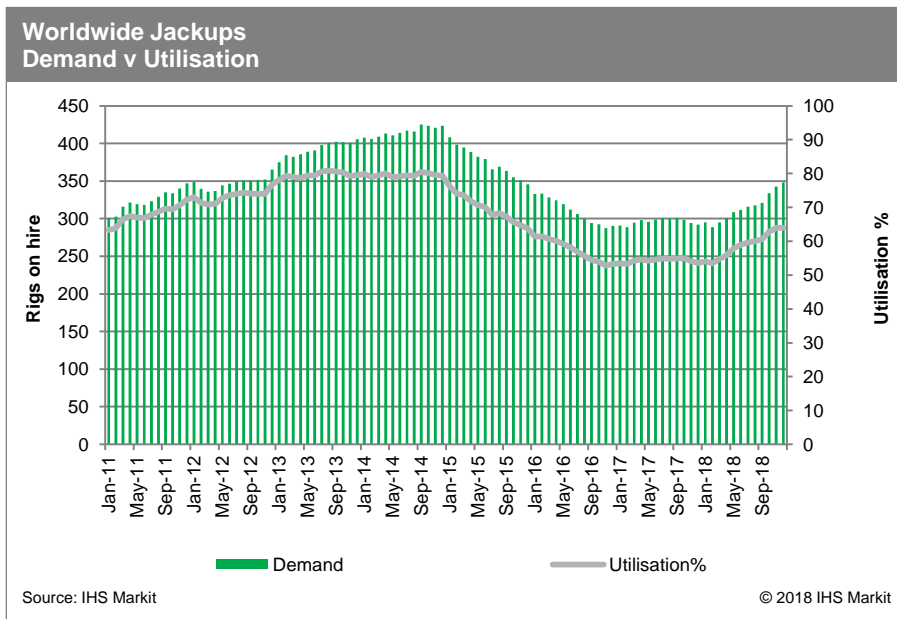
The Middle East had a relatively quiet month, with only three expected awards announced by ADNOC Drilling for three Aban Offshore units. However, additional award announcements are expected in the UAE, Qatar, Gulf of Suez, Neutral Zone, and Saudi Arabia. The current tenders and visible demand still forecasts substantial incremental demand in the region, making it an optimistic market in the near future. The Mediterranean deepwater market is experiencing the most activity in the east of the sector with tenders ongoing in Egypt and operators gearing up for 2019 work scopes in Lebanon, Cyprus and, potentially, Italy. The Black Sea remains focused on Bulgaria for now with operators keeping an eye on developments with ExxonMobil's tender for a longer-term programme in Romanian waters. Turkey has arisen with a strong focus of jackup activity on the Mediterranean side, while the Egyptian Mediterranean has also picked up some of the jackup market slack of recent months.

Latin America

Operators across Latin America are making plans for the future, including some going so far as to charter rigs. After its first floater tender fizzled out, PEMEX has successfully completed its second attempt, awarding a contract to Marinsa, which will use drillship OOS Tiger 1. In Brazil, Petrobras awarded an extension to semi-tender BassDrill Beta, which will last just over a year, plus the company issued a Request for Information (RFI) for the availability of deepwater rigs on top of its other ongoing tenders. Aside from those regional behemoths, QGEP is planning on drilling a third well on its Atlanta field in Brazil, while Fieldwood has initiated tenders for two jackups to work in Mexico. Additionally, Tullow is planning to drill a shallow-water, exploration well off Guyana in mid-2019, but Premier has pushed back its plans to drill development wells on the Sea Lion field in the Falklands from late 2019 to 2021.

North America

Rig contractors in North America, particularly the US Gulf, continue to struggle to build backlog for their marketed rigs. Shell has elected to idle Noble Don Taylor and might be subletting Deepwater Pontus. However, some operators are moving forward with development plans. LLOG has identified multiple fields for which it is progressing projects. In addition, three drillships are scheduled to depart the US Gulf by the end of this month. Jackup demand is expected to average 12.7 in 2019, which will keep essentially all of the currently available marketed supply working. As a result of this tightening market, Baywater Drilling has agreed to market Uxpanapa, a newbuild delivered in 2016 that was initially built to target the Mexican market, for term work in the US Gulf.



Worldwide jackup market supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
North America	14	14	13	14	14	13	13	12	10	10	12	14	13	13
Central America	23	24	22	23	23	21	21	21	21	22	22	22	25	22
South America	2	2	2	2	3	3	4	5	4	4	3	3	3	3
NW Europe	30	29	27	32	35	35	38	38	35	33	35	34	32	34
Baltic/Russian Arctic	1	1	1	1	2	2	4	4	4	4	4	2	2	3
Med/Black Sea	13	14	14	13	12	11	12	12	13	13	13	13	13	13
West Africa	14	17	16	16	16	16	15	15	16	16	15	15	15	16
Middle East	141	148	148	149	148	148	151	150	150	150	151	150	150	149
Caspian	6	6	6	6	5	4	4	4	4	4	4	4	4	5
Indian Ocean	37	38	37	37	37	37	37	37	39	39	39	38	36	38
Southeast Asia	37	35	36	38	38	40	39	40	37	38	36	36	36	37
Far East	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Australia/New Zealand	1	1	1	1	2	2	2	3	2	4	4	2	3	2
Demand	348	359	353	361	365	362	371	371	365	367	368	363	362	364
Total Supply	545	550	554	557	559	563	566	570	575	580	582	586	588	569
Marketed Supply	471	476	479	482	484	489	493	497	502	507	509	512	514	495
Marketed Surplus	122.2	116.2	125.8	120.4	118.1	126.3	121.8	125.9	136.8	139.8	140.5	148.7	151.8	131.0
Total utilisation %	64.0	65.4	63.7	64.9	65.4	64.4	65.6	65.1	63.5	63.3	63.3	62.0	61.6	64.0
Marketed utilisation %	74.0	75.6	73.7	75.0	75.6	74.2	75.3	74.7	72.7	72.4	72.4	70.9	70.4	73.6

Source: IHS Markit

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Worldwide semisubmersible market supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
North America	6	6	7	7	8	8	8	9	9	8	9	10	9	8
Central America	3	3	3	3	4	4	4	4	4	5	5	5	5	4
South America	7	7	7	6	7	6	6	6	6	6	7	7	7	7
NW Europe	23	22	20	24	31	32	33	34	32	29	31	30	29	29
Baltic/Russian Arctic	0	0	0	0	0	0	1	1	1	1	1	0	0	0
Med/Black Sea	3	5	5	5	4	3	3	3	2	3	4	3	3	4
West Africa	1	2	2	1	1	1	1	2	1	1	0	0	0	1
Mid East	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Caspian	5	5	5	5	4	4	4	4	4	4	4	4	4	4
Indian Ocean	5	5	6	7	7	6	5	5	4	4	5	7	7	6
Southeast Asia	4	4	5	4	4	2	4	4	4	4	4	4	4	4
Far East	6	5	5	4	3	6	7	8	8	9	7	6	6	6
Australia/New Zealand	4	3	3	4	4	4	4	5	5	5	5	7	7	5
Demand	66.9	67	68	70	78	77	81	84	80	79	81	83	81	77
Total Supply	147	149	150	150	151	152	152	152	152	152	152	152	153	151
Marketed Supply	108	111	113	113	114	118	118	119	119	119	117	117	118	116
Marketed Surplus	41	44.2	45.4	43.1	36.4	40.6	37.2	34.5	39.2	39.8	35.6	34.2	37.0	38.9
Total utilisation %	45	44.9	45.1	46.6	51.4	50.9	53.1	55.6	52.5	52.1	53.5	54.5	53.0	51.1
Marketed utilisation %	62	60.2	59.9	61.8	68.1	65.6	68.4	71.0	67.1	66.6	69.6	70.8	68.7	66.5

Source: IHS Markit

© 2018 IHS Markit

Worldwide drillship market supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
North America	18	17	18	19	19	20	21	21	21	20	22	22	22	20
Central America	2	2	2	2	1	1	1	0	0	0	0	0	0	1
South America	17	18	18	18	20	20	19	20	20	20	21	21	21	20
NW Europe	1	0	0	0	0	1	1	1	1	0	0	0	0	0
Med/Black Sea	2	3	4	4	5	4	4	5	5	5	5	4	3	4
West Africa	18	16	14	13	14	15	17	17	16	14	14	14	11	15
Indian Ocean	6	7	7	7	7	7	7	7	7	7	7	8	10	7
Southeast Asia	1	2	2	1	1	1	1	2	2	2	2	2	3	2
Far East	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Australia/New Zealand	0	0	0	0	1	1	0	0	0	0	0	0	0	0
Total	66	67	66	65	69	72	73	74	73	69	72	73	71	70
Total Supply	111	115	115	116	119	119	120	120	120	122	123	123	124	120
Marketed Supply	89	97	97	98	101	101	102	103	103	105	106	106	107	102
Marketed Surplus	23.1	30.2	31.0	33.0	32.5	29.2	28.8	29.5	29.7	36.1	34.4	33.4	36.1	32.0
Total utilisation %	59.3	58.1	57.4	56.1	57.6	60.3	61.0	61.3	61.1	56.5	58.2	59.0	57.2	58.6
Marketed utilisation %	74.0	68.9	68.1	66.4	67.9	71.1	71.8	71.4	71.2	65.6	67.5	68.5	66.3	68.7

Source: IHS Markit

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The table above, and the corresponding regional tables that follow throughout *World Rig Forecast*, represent ‘under contract utilisation’. The demand figures for each individual month include all rigs that are under contract at that particular time, in addition to outstanding demand that is under tender, or being planned, for that time.

4. Asia-Pacific

Asia-Pacific – Floaters

Market highlights

- PC Myanmar tender expected to be awarded soon.
- Scarabeo 7 mobilises to Eni’s East Sepinggan location.
- HYSY 981 bags Husky China campaign.

Supply-demand gap closes in some regions

Floater demand in the region is expected to pick up in 2019, with gaps closing between demand and marketed supply across the Indian Ocean as well as Australia/New Zealand. In the Indian Ocean, semi demand is expected to average 5.7 units in 2019 with a marketed supply of 6.0 units; while drillship demand is slightly higher at 7.3 units, with a marketed supply of 7.3 units. For Australia/New Zealand, semi demand is set to average 4.7 units, with an average marketed supply of 3.8 units. While drillship demand averages 0.2 units in 2019 for Australia/New Zealand, there are no units in the region to take on two months of work in New Zealand in mid-2019.

However, in Southeast Asia and the Indian Ocean, the demand forecast in 2019 falls well below the expected marketed supply of units in the region. In Southeast Asia, the average semi demand in 2019 is anticipated at 3.9 units but there is a substantial overhang of marketed supply at 16.1 units. Drillship demand in Southeast Asia will average 1.8 units, with an average marketed supply of 6.0 units. A similar situation is also occurring in the Far East. Semi demand in 2019 is expected to average 6.2 units, against a marketed supply of 15.0 units; while drillship demand is expected to average 1.0 unit, against a marketed supply of 6.3 units.

In the news this month, Transocean will acquire Ocean Rig in a cash and stock transaction valued at around USD 2.7 billion. Ocean Rig's fleet is composed of nine high-specification ultra-deepwater drillships and two harsh-environment semis. It also has two high-specification ultra-deepwater drillships under construction at Samsung Heavy Industries with delivery expected in the third quarter of 2019 and the third quarter of 2020, respectively. Including newbuilds and scheduled retirements, the acquisition will give Transocean a fleet of 57 floaters. The transaction is expected to be completed in first quarter 2019.

PC Myanmar tender expected to be awarded soon

In the standard water floater segment ($\leq 3,000$ ft), there have been no recent fixtures; however, some requirements to watch for include the charter of a semi for PC Myanmar's exploration drilling campaign in the Yetagun gas/condensate field in the Andaman Sea. The tender has reached an advanced stage and a commitment may be made before the end of the month. The work scope is thought to cover two wells plus one option, with commencement in early 2019. Well duration is anticipated at around 30 days. It is understood the operator has held discussions with bidders, including Japan Drilling regarding semi Hakuryu-5, following bid clarifications.

Meanwhile, commercial negotiations are in progress following the priced opening for Medco E&P Natuna's tender for a semi for work on the Natuna Sea's Block B. Pertamina Drilling Services Indonesia with partner Stena Drilling offering semi Stena Clyde has offered a priced bid that is slightly below the engineering estimate of the contract at around USD 22.57 million. It is understood commencement is likely around March 2019. The work scope will cover two firm wells plus two optional wells, with duration estimated at 45 days per well. Eni has issued a market survey into availability of a mid-water semi for a drilling campaign off Vietnam. The work scope covers one well plus one optional well commencing in April 2019. Water depths average 90 m (297 ft).

Offshore South Korea, KNOC and partner Daewoo E&P have decided to split the plug and abandonment (P&A) work scope in the Dong Hae field. The wells have been earmarked for P&A by KNOC, which operates the producing gas field. KNOC had earlier issued a market survey for a mid-water floater to undertake a workover and plug two wells in water depths averaging 140 m (495 ft). The operator did not secure a rig for the work. The new arrangement will leave KNOC and Daewoo each responsible for undertaking the P&A operation for one well. Market sources say Daewoo is understood to be preparing for it to take place in 2018, and has probably started the process of securing a rig, understood to be currently working in the North Asia region, for the operation. Meanwhile, KNOC has no immediate plan to perform P&A work on its one well.

Offshore Australia, Carnarvon Petroleum plans to spud the Buffalo-10 well, located in permit in WA-523-P in the Timor Sea, in third quarter 2019. Negotiations are progressing with the Australian and Timor-Leste government, and a production sharing contract (PSC) will need to be secured with the East Timor government. Buffalo-10 will likely be the first of three production wells to be drilled to target new oil within the field as well as deeper reservoirs. Buffalo-10 is expected to take 30 days to drill once spudded, with the target reservoir at 3,250 m (10,660 ft). The Buffalo field lies in a water depth of 255 m (836 ft).

Scarabeo 7 mobilised to Eni's East Sepinggan block

In the deepwater segment ($> 3,000$ ft), Saipem semi Scarabeo 7 has been mobilised to a location offshore Indonesia that is understood to be on Eni's Sepinggan block. The rig is expected to drill exploration well Merakes East-1 under a charter that is firm into fourth quarter 2018. Eni East Sepinggan had been conducting a tender for a deepwater semi in recent months, but there was no formal announcement on its rig selection.

In the Far East, Husky China awarded its tender for work on Liuhua 29/01 to COSL semi HYSY 981. The campaign, which will commence in December 2018, will cover three wells and seven completions over 325 days. The unit is currently hot stacked offshore Hainan since it completed work for CNOOC offshore China earlier this year. Market sources indicate that the rig will earn a day rate in the USD 180,000s.

Offshore Malaysia, Petronas Carigali is expected to open commercial offers shortly for its three deepwater wells plus two optional wells tender for an MPD-capable rig. The operator has had face-to-face meetings with at least three contractors that have bid. It is understood four contractors have participated. The campaign is expected to commence offshore Sabah before the end of 2018. It is likely the tender will be awarded this month. It is also understood that the third well in the campaign, due to commence before the end of the year, offshore Sabah, is contingent on the results of the first two wells. Contractors have offered bids in at least one of three ways: solely for the first two firm wells; solely for the third well that is contingent on the first two wells; or collectively for the first two firm wells, plus the contingent third well, as well as two optional wells thereafter.

Also offshore Malaysia, ExxonMobil has sent out a market survey into availability of a sixth-generation drillship or DP semi for a campaign off Sabah in fourth quarter 2019. The duration is three months and responses were due on 4 September. The operator is looking for a rig to operate in a minimum water depth of 3,000 m (9,900 ft). The rig should be MPD-capable, with a six-ram BOP. It was previously reported that ExxonMobil had a similar survey for a deepwater rig to drill two back-to-back exploration wells. Each exploration scope will likely take 45 days and include drilling, logging, and abandonment in water depths around 2,900 m (9,512 ft).

In Australia/New Zealand, ExxonMobil has plans to P&A its Blackback oil wells in permit VIC/PL20 offshore Victoria. It is proposed that three subsea wells (A-1A, A-2, and A-3) be permanently abandoned by installation of cement plugs as barriers followed by retrieval of wellheads. Upon approval, it is understood that semi Ocean Monarch, which is currently carrying out exploration drilling for ExxonMobil in the Bass Strait, will be used for the campaign. Activities are expected to commence in the fourth quarter of 2018 and are estimated to conclude within 71 days.

Meanwhile, there is still no award announcement for Japex's tender for a deepwater rig to drill one well offshore Japan around second quarter 2019, although there have been speculations that an Ensco rig has been selected. Also in the Far East, KNOC's planned deepwater exploration well programme off South Korea remains at the study stage. The proposed well lies in a water depth of around 1,000 m (3,280 ft). KNOC had earlier issued a market survey requesting information for a deepwater rig for budgetary and operational planning for the drilling campaign while it continues to evaluate the prospect. A decision to drill will hinge upon the results of the study. Until then, the operator is not able to provide an indicative spud date.

In the Indian Ocean, Eni Pakistan still has plans to drill an exploration well, understood to be Kekra-1, at the Indus-G 2265-1 EL block in first quarter 2019. It is understood the well will take place in a water depth of around 1,900 m (6,234 ft). In late December 2014, Eni Pakistan issued a market survey for a DP3-capable floater to drill one well. According to market sources, the operator is in the process of procuring a rig.

Australia/New Zealand jackup supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Australia	1.0	1.0	1.0	0.0	1.0	1.0	2.0	3.0	2.0	3.0	3.0	2.0	3.0	1.8
New Zealand	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.4
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	1.0	1.0	1.0	1.0	2.0	2.0	2.0	3.0	2.0	4.0	4.0	2.0	3.0	2.3
Total supply	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Marketed supply	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Marketed surplus	1.0	1.0	1.0	1.0	0.0	0.0	0.0	-1.0	0.0	-2.0	-2.0	0.0	-1.0	-0.3

Source: IHS Markit

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Australia/New Zealand semisubmersible supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Australia	4.0	3.0	3.0	4.0	4.0	4.0	4.0	5.0	4.0	4.0	4.0	6.0	6.0	4.3
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	0.4
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	4.0	3.0	3.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	7.0	7.0	4.7
Total supply	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.8
Marketed supply	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.8
Marketed surplus	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	-1.0	-1.0	-1.0	-3.0	-3.0	-0.8

Source: IHS Markit

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Australia/New Zealand drillship supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Australia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Zealand	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Total supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketed supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketed surplus	0.0	0.0	0.0	0.0	-1.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2

Source: IHS Markit

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Asia-Pacific – Jackups

Market highlights

- Demand set to increase across Asia-Pacific for 2019.
- Potential P&A campaign for PV Drilling I.
- Good response to requirements from PC Ketapang and Medco.

JDC secures shakedown contract for Hakuryu-14

The bulk of outstanding visible demand in Asia-Pacific is for short-term work. Even so, demand is still set to increase steadily across the Asia-Pacific region for 2019. In the Indian Ocean, average demand should rise from 34.4 units this year to around 37.6 next year. In Australia/New Zealand, demand is also expected to increase from 1.4 to 2.3 units. This will be mirrored as well in Southeast Asia, where demand is set to climb from 31.7 units this year to 37.4 units in 2019. Even in the Far East, contractors are reporting that their idle units are returning to work and average demand could near full capacity at about 30 units for 2019.

The Asia-Pacific fleet was cut by one permanent departure in the last month as Shelf Drilling announced its sale of Trident IX, understood to be for scrapping. This is, however, outweighed by China Petroleum Offshore Engineering's (CPOE) revelation that it is set to take on two newbuilds by the end of 2018. The rigs will come from sister CNPC company, China Petroleum Liaohe Equipment Company, which withdrew from the offshore construction sector in late 2017 due to the downturn for yards. The rigs will be called CPOE-11 (ex-Pasargad 200 or CP300-2) and CPOE-12.

Only one fixture was firmed up last month, with Pertamina Hulu Mahakam issuing a letter of award (LOA) for Japan Drilling's newbuild, Hakuryu-14, following the conclusion of its retender for 'Jackup Rig Services No. 2' to undertake operations in the Mahakam Delta offshore East Kalimantan in Indonesia. The duration is one year plus a one-year

option at a day rate that is understood to be under USD 60,000. The rig, which has been at PPL Shipyard since delivery earlier this year, will have to undergo a contract upgrade before commencing the charter in the fourth quarter of 2018.

Signs are that more newbuilds in Asia could be on the cusp of commencing shakedown contracts. In a recent update, Borr Drilling revealed it has secured an LOA for one undisclosed rig to drill four wells starting in fourth quarter 2018 plus three letters of intent (LOI) for three additional units – all covering at least two years – starting in the first half of 2019. The locations of these programmes are yet to be announced, but market sources indicate the LOA covers work in Asia. With Singapore currently home to a fleet of 11 – and counting – available Borr units, there is a good chance more than one of the rigs in the region will be able to pick up maiden contracts if the LOIs are finalised.

Thailand rig count poised to rise

Thailand is one country in Southeast Asia where the rig count could spike once the ongoing petroleum concession auction for the Erawan and Bongkot fields under the PSC format is completed. This is currently expected to take place by the first half of 2019. The four qualified bidders include incumbents Chevron and PTTEP, as well as Mubadala and Total. Due to the lengthy and long-delayed process, PTTEP and Chevron are known to have their potential plans already in place. Chevron approached the market earlier this year with a multi-year tender for a jackup or tender-assist rig (TAR) commencing in third quarter 2019. While the operator has suspended the process until late 2018 or early 2019, word is that its management may already have a preferred rig in mind.

PTTEP is also poised to start the procurement process once the auction results are in. The operator currently has only one drilling rig, TAR Edrill-1, working offshore Thailand, and it may be looking to add at least four more rigs in a staggered increment over the next few years. Before the downturn hit in 2014, there were up to 11 jackups working offshore Thailand. This has more than halved to the current five units. Apart from the two majors, KrisEnergy is another player that has four wells to drill on its Wassana field, and word is that the operator has secured a rig for the job.

Aside from Thailand proper, there are two tenders ongoing for rigs to work in the Gulf of Thailand JDA (joint development area with Malaysia). CPOC's exercise for a rig plus services covering one year plus six three-month options starting in fourth quarter 2018 remains in the commercial phase. Carigali Hess has received bid proposals for its multi-year tender for two 10K BOP rigs to work on its Block A-18, commencing in 2020. Bidders are understood to include Aban, Velesto, JDC, Seadrill, among others.

In Vietnam, PV Drilling (PVD) is in discussions with an unnamed operator regarding a charter of PVD I for a P&A scope off Vietnam covering three wells over a combined duration of 30 to 40 days. The charter is targeted to start after the rig's ongoing one-well campaign with Hoang Long JOC, currently expected to be completed in late September. Following the potential P&A work, PVD I has another well to drill for Vietsovpetro (VSP) which should keep it occupied until at least the end of the year. Separately, VSP has amended its contract for PV Drilling II and is set to keep the rig firmly committed until December 2018.

A notable rig requirement to emerge from Vietnam comes from Idemitsu, which has indicated it may need a unit with a minimum BOP rating of 15K to undertake the Phase II drilling campaign for the combined development of Sau Vang (SV) and Dan Nguyet (DN) on Blocks 05/1b/1c offshore south Vietnam. In July, the operator had requested expressions of interest – for which responses are in – for a 10K BOP unit to undertake the Phase I drilling campaign on the SV field commencing in September/October 2019. The Phase II development drilling will follow in 2021, and will be carried out from the new DN wellhead platform or WHP-DN. Both phases will have a work scope of five firm wells plus one option well and an estimated duration of 300 days.

Aside from VSP, Murphy has plans to drill an exploration well on Block 15-01/05 in the Cuu Long Basin in fourth quarter 2018, after assuming the operatorship at a 40% working interest. Previous operator PVEP had tendered for a rig but, for now, Murphy's strategy remains unclear.

Back to the drawing board for Premier and Petronas Carigali

There are also quite a few active outstanding requirements in Malaysia and Indonesia. Of note for Malaysia, CPOE updated IHS Markit that CPOE-17 will not undertake the campaign for Petronas Carigali's two-well charter in Malaysia even though it was the successful low bidder in the tender. The contractor said there was enough work offshore China to keep the rig busy, which means the operator would have to reconsider its options.

SEA Hibiscus Petroleum has sent out invitations for a pre-qualification (PQ) exercise prior to a tender for a rig campaign on the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract offshore Sabah. The work scope covers 10 wells with firm duration of approximately 300 days plus six option wells over 180 days or so, commencing between March and April 2019. Among other things, the operator requests a rig built no earlier than 2008.

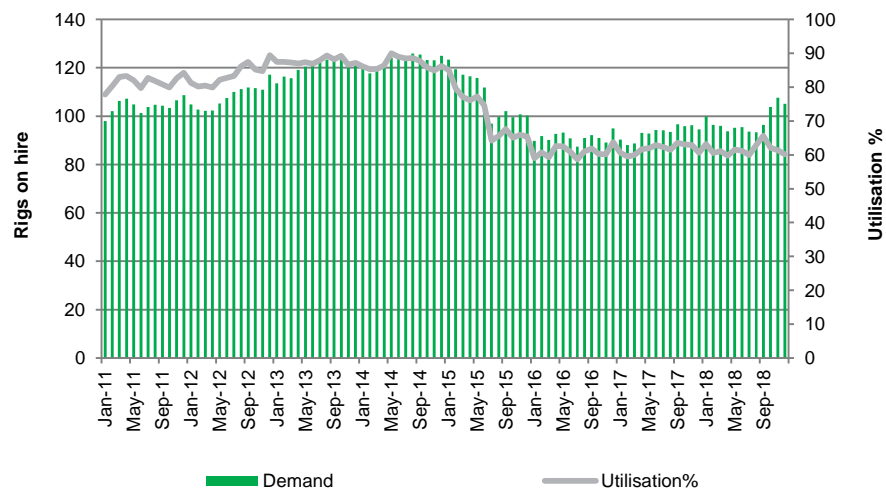
Other operators with work planned offshore Malaysia include IPC, which is looking to drill up to three infill wells on the Bertam field in 2019 and has sent Invitations to Bid to qualified contractors; Petrofac has issued a market survey on the price/availability of a rig for a campaign on PM 304 in 2019 covering seven wells plus one optional well; and Sapura E&P continues its process to secure a unit for its 2018–20 campaign off Malaysia, with the operator now needing a unit with a minimum of six mud-pits and looking to spud by the end of September 2018.

In Indonesia, PC Ketapang II has started a formal tender process for work in the Madura Sea covering three firm wells plus one option well starting before mid-2019. Meanwhile, Pertamina Hulu Energi Nunukan Company (PHENC) has closed the submissions for its PQ exercise on the Nunukan PSC, with seven contractors – Apexindo, Ensco, Japan Drilling, Shelf Drilling, Seadrill, Borr, and Atlantic Oilfield Services – registered to participate. For Medco Exploration and Production Natuna's PQ covering two wells plus an option to be drilled in March/April 2019, there were 12 registrants, although the number of contractors that submitted the documents by the due date remains unclear. Including the contractors who took part in PHENC's exercise, other respondents include Aban, Velesto, Vantage, COSL Indo, Ensco, and Saipem Indonesia.

However, Premier disqualified all participants in its PQ exercise as none of them – including Japan Drilling, Ensco, Seadrill, Shelf, and Velesto – proposed an Indonesian-flagged unit for its Bison Iguana Gajah-Puteri development project. It is unclear whether the operator will issue a retender or adopt a different approach to securing a rig.

Finally, in Australia/New Zealand, Sapura Energy indicated plans to drill two exploration wells between 2019 and 2020 on its newly acquired three Carnarvon Basin permits. Then, there is Jadestone Energy, which is scheduled to drill the Stag infield well 49H in November 2018, although rig assignment has not yet been confirmed. The operator has a further five wells planned for the development which it is looking to drill from mid-2019, plus an infill well each in 2019 on the Skua and Montara fields in the Timor Sea. Melbana Energy also reports that the authorities have approved its application to drill an exploration well on WA-488-P by December 2020, with Total and/or Santos having the option to acquire an 80% participating interest in return for continuing to fully fund all activities until completion of the first well.

Asia-Pacific Jackups Demand v Utilisation



Source: IHS Markit

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Southeast Asia jackup supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Brunei	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Indonesia	9.0	9.3	7.6	9.0	9.0	10.9	9.8	8.3	7.0	7.9	7.0	8.0	8.0	8.5
Malaysia	10.7	9.0	10.3	11.0	11.2	12.0	11.0	10.9	9.6	9.9	9.2	9.0	8.8	10.2
Philippines	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Thailand	4.2	5.0	6.0	6.0	5.0	5.0	5.9	8.0	8.0	8.0	8.0	7.0	7.0	6.6
Vietnam	11.3	10.0	10.0	10.0	11.0	10.3	10.6	10.3	10.0	9.9	10.0	10.0	10.0	10.2
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	37.2	35.3	35.8	38.0	38.2	40.2	39.3	39.5	36.6	37.8	36.2	36.0	35.8	37.4
Total supply	66.0	66.0	68.0	68.0	68.0	68.0	68.0	71.0	71.0	73.0	74.0	75.0	75.0	70.4
Marketed supply	61.0	61.0	63.0	63.0	63.0	63.0	63.0	66.0	66.0	68.0	69.0	70.0	70.0	65.4
Marketed surplus	23.8	25.7	27.2	25.0	24.8	22.8	23.7	26.5	29.4	30.2	32.8	34.0	34.2	28.0

Source: IHS Markit

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Southeast Asia semisubmersible supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Brunei	1.0	1.0	1.0	1.0	2.0	1.3	1.0	1.0	1.0	1.0	0.3	0.0	0.0	0.9
Indonesia	3.0	3.2	2.5	3.0	2.9	1.9	2.0	2.0	2.0	1.9	2.0	2.0	2.0	2.3
Malaysia	0.0	0.0	1.0	0.1	0.0	0.0	1.0	1.0	1.0	0.9	0.7	1.0	1.0	0.6
Philippines	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Thailand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vietnam	1.3	1.0	1.6	0.1	1.0	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9
Others	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Demand	4.3	4.2	5.1	4.1	3.9	2.4	4.0	3.9	4.0	3.9	3.7	4.0	4.0	3.9
Total supply	20.0	21.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.1
Marketed supply	16.0	17.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.1
Marketed surplus	11.7	12.8	10.9	11.9	12.1	13.6	12.0	12.1	12.0	12.1	12.3	12.0	12.0	12.1

Source: IHS Markit

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Southeast Asia drillship supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Brunei	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malaysia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.3
Philippines	1.1	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	1.4
Thailand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.1
Vietnam	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	1.1	2.0	2.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	3.0	1.8
Total supply	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Marketed supply	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Marketed surplus	3.9	4.0	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	3.0	4.3

Source: IHS Markit

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Indian Ocean jackup supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.3
India	36.0	37.1	36.0	37.0	37.0	37.0	37.0	36.0	37.0	37.0	37.0	37.0	35.0	36.7
Myanmar	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	1.0	0.4
Demand	37.0	38.1	37.0	37.0	37.0	37.0	37.0	37.0	39.0	39.0	39.0	38.0	36.0	37.6
Total supply	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0
Marketed supply	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0
Marketed surplus	6.0	4.9	6.0	6.0	6.0	6.0	6.0	6.0	4.0	4.0	4.0	5.0	7.0	5.4

Source: IHS Markit

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Indian Ocean semisubmersible supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
India	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	3.6
Myanmar	1.0	1.0	2.0	2.0	2.0	1.0	1.0	1.0	0.0	0.0	1.0	2.0	3.0	1.3
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.8
Demand	5.0	5.0	6.0	7.0	7.0	6.0	5.0	5.0	4.0	4.0	5.0	7.0	7.0	5.7
Total supply	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Marketed supply	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Marketed surplus	1.0	1.0	0.0	-1.0	-1.0	0.0	1.0	1.0	2.0	2.0	1.0	-1.0	-1.0	0.3

Source: IHS Markit

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Indian Ocean drillship supply and demand

	2018		2019										Avg	
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
India	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	5.2
Myanmar	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	1.1
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	1.1
Demand	6.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	10.0	7.3
Total supply	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	7.3
Marketed supply	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	7.3
Marketed surplus	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	-2.0	-0.1

Source: IHS Markit

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Far East jackup supply and demand

	2018		2019										Avg	
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
China	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Japan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Korea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Korea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Russia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Total supply	61.0	63.0	65.0	68.0	70.0	74.0	77.0	78.0	83.0	86.0	87.0	90.0	92.0	77.8
Marketed supply	56.0	58.0	60.0	63.0	65.0	69.0	72.0	73.0	78.0	81.0	82.0	85.0	87.0	72.8
Marketed surplus	26.0	28.0	30.0	33.0	35.0	39.0	42.0	43.0	48.0	51.0	52.0	55.0	57.0	42.8

Source: IHS Markit

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Far East semisubmersible supply and demand

	2018		2019										Avg	
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
China	5.0	4.0	4.0	4.0	3.0	3.0	4.0	5.0	5.0	6.0	6.0	5.0	5.0	4.5
Japan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Korea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Korea	1.0	1.0	1.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	1.0	1.0	1.0	0.4
Russia	0.0	0.0	0.0	0.0	0.0	3.0	3.0	3.0	3.0	3.0	0.1	0.0	0.0	1.3
Taiwan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	6.0	5.0	5.0	4.0	3.0	6.0	7.3	8.0	8.0	9.0	7.1	6.0	6.0	6.2
Total supply	15.0	16.0	17.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	17.0	16.2
Marketed supply	12.0	14.0	15.0	14.0	14.0	16.0	16.0	16.0	16.0	16.0	14.0	14.0	15.0	15.0
Marketed surplus	6.0	9.0	10.0	10.0	11.0	10.0	8.7	8.0	8.0	7.0	6.9	8.0	9.0	8.8

Source: IHS Markit

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Far East drillship supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
China	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Japan	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
North Korea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Korea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Russia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total supply	2.0	2.0	2.0	3.0	6.0	6.0	7.0	7.0	7.0	8.0	9.0	9.0	10.0	6.3
Marketed supply	2.0	2.0	2.0	3.0	6.0	6.0	7.0	7.0	7.0	8.0	9.0	9.0	10.0	6.3
Marketed surplus	1.0	1.0	1.0	2.0	5.0	5.0	6.0	6.0	6.0	7.0	8.0	8.0	9.0	5.3

Source: IHS Markit

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5. West Africa

West Africa – Floaters

Market highlights

- Noble Energy tenders for Equatorial Guinea programme.
- Petronas extends West African footprint.
- Ocean Rig Poseidon kicks off Tullow Oil Namibia exploration.

Noble Energy tenders for Equatorial Guinea programme

Of the 38 floaters in the West African market, 31 are drillships and 7 are semis. Of the drillships, 11 are working under contract. Of the remaining rigs, seven are classed as hot stacked, eight are warm stacked, and two are cold stacked. Ocean Rig Corcovado and Ocean Rig Mykonos are undergoing MPD installations, while Stena Forth has come out of its hot-stacked status and is mobilising to its next assignment. No semis are currently working off West Africa, but Development Driller III is en route to Equatorial Guinea where it will work for ExxonMobil. Two semis are warm stacked in the region, while another four are cold stacked. Looking at demand, drillships are expected to rise from the 2018 average of 12.1 to around 14.6 units in 2019. As for semis, demand is expected to remain low for the foreseeable future with an average of 1.0 rig required in 2019.

Following an extremely quiet summer in the West African sector, demand activity has begun to pick up with contractors expecting this activity to continue to build towards the end of the year. Noble Energy recently tendered for a drillship to undertake a one well plus one-well option programme off Equatorial Guinea in 2019. The work scope includes the drilling of one well plus a completion, and has a duration of approximately 70 days. The tender closed in late August with Noble Energy expecting to have a shortlist of rigs by mid-September. The company operates Block O and Block I, and last drilled off Equatorial Guinea using semi Atwood Hunter in late 2013.

Meanwhile, Petronas Carigali may release an official invitation to tender by the end of 2018 for a short-term work scope off Gabon. This follows a market survey issued earlier this year into floater availability for a one-well programme to begin in first quarter 2019. The work scope is understood to have a duration of approximately 90 days. Petronas Carigali operates Block F14 (Likuale), which lies offshore southern Gabon in a water depth of approximately 2,800 m (9,514 ft).

Finally, award announcements remain forthcoming from Total, which is expected to soon be in a position to declare the results of a number of tenders in the West African sector. Total has a one well firm exploration programme planned off Mauritania for late 2018. This work scope includes two one-well options, one of which is to be an exploration well

offshore Senegal. It is understood that the operator has a recently idled drillship in mind for this programme. The operator also has a number of work scopes in the pipeline offshore Angola. First, a floater is required to undertake one firm exploration well with two one-well options beginning in fourth quarter 2018. A sixth or seventh generation DP and MPD-capable drillship is required with the well water depth understood to be approximately 3,633 m (11,920 ft). Awards are also expected soon following a two-rig tender for longer-term, development drilling programmes. The programme for the first rig has a firm duration of around 600 days with a 270-day option, while the campaign for the second rig has a firm duration of 480 days, also with a 270-day option. Both programmes are set to commence in 2019 at Block 17.

Petronas extends West African footprint

FAR has announced that the Gambian government has approved a farm out of a 40% interest in Blocks A2 and A5 to Petronas. Under the terms of the farm-out agreement, which was executed in February 2018, Petronas will fund 80% of the costs of the upcoming Samo-1 exploration well up to a maximum total gross cost of USD 45 million. Terms also state that Petronas will pay a cash consideration of USD 6 million, plus 80% of non-well back costs. FAR will now hold a 40% interest in the acreage. Drillship Stena DrillMAX has been contracted to drill the Samo-1 well with a spud date in early fourth quarter 2018 in Block A2. The Samo prospect lies immediately to the south and along trend from the SNE oil field offshore Senegal – a trend that has, so far, seen nine successful exploration and appraisal wells. It lies around 112 km off the Gambian coast in a water depth of approximately 1,017 m (3,337 ft). The well will have two main targets; an upper reservoir interval which, at SNE, contains liquid-rich gas, and a lower reservoir interval which was oil-bearing at SNE. The two target reservoir intervals are assessed to have a combined prospective resource of 825 million barrels of oil. The well is expected to take around 40 days to drill.

In Nigeria, partner MX Oil recently confirmed that the Yinka Folawiyo-operated OML 113 has gained consent from the Minister of Petroleum Resources for a 20-year renewal. The renewal is subject to the satisfaction of certain conditions, including a commitment to develop the gas potential of the licence. MX Oil has previously announced that the partners are considering further development drilling at the Aje field within OML 113 in 2019. Drillship Pacific Bora undertook work at OML 113 in 2017 when it performed an intervention at the Aje-5 well, but plans to drill the Aje-6 development well were delayed. Water depth at Aje is approximately 914 m (3,000 ft).

Ocean Rig Poseidon kicks off Tullow Oil Namibia exploration

There has been a relative increase in activity among the incumbent fleet this month. Firstly, drillship Ocean Rig Poseidon has begun drilling under its one exploration well plus two optional wells charter with Tullow Oil offshore Namibia. The firm contract consists of a well at the Cormorant-1 prospect. The rig will remain in Namibia for its follow-on contract with Chariot Oil & Gas, which is planning an exploration well at Prospect S. After this, the rig has a two well firm charter with an undisclosed operator off West Africa. Meanwhile, Transocean drillship Discoverer India has commenced operations of the third well in its five-well charter with CNR International offshore Cote d'Ivoire. The 2010-built Enhanced Enterprise Class unit began the contract at the Baobab field in Block CI-40 in mid-May, and has two one-well options which could keep it busy with CNR into 2019. After this, the drillship is free and available for ongoing work.

Another rig will soon begin work as drillship Stena Forth has begun mobilisation from Las Palmas, Canary Islands to Ghana. In late second quarter, it was announced that Tullow Oil had contracted the rig to work alongside drillship Maersk Venturer at TEN/Jubilee. Stena Forth is contracted for an initial three-well campaign with flexible extension options, and is due to start drilling in October 2018. The rig has been hot stacked off Las Palmas since mid-2017 when it arrived from the US Gulf of Mexico.

Finally, Vantage Drilling drillship Tungsten Explorer is expected to conclude work with Total in late 2018. The rig has eight three-month options outstanding on its four-year contract, and is currently undertaking development drilling operations at the Moho Nord field offshore Republic of the Congo.

West Africa – Jackups

Market highlights

- VAALCO's Gabon tender remains forthcoming.
- New contract for Norve.
- Topaz Driller begins second Etinde well.

VAALCO's Gabon tender remains forthcoming

There are currently 22 units in the West African sector, 13 of which are drilling ahead under contract. Borr Drilling's Balder and ADES' Admarine 260 are understood to be the only warm-stacked rigs in the sector at present, with the remaining seven rigs in the region cold stacked. Demand is expected to rise to around 15.7 units on average in 2019 – a significant upswing following a very quiet 2018, which is set to have an average of 10.8 units.

A number of requirements are ongoing in the West African sector. First up, VAALCO has yet to issue tender documents following its initial approach to the market seeking availability for a 2019 drilling programme offshore Gabon. In early July, VAALCO issued an availability inquiry seeking a rig for a two-well programme to be drilled from a platform at the Etame field. This project has a commencement window between 1 March and 31 May 2019, with each well to take approximately 60 days. The contract has two options which will either take the form of further platform development wells or workovers. Water depth at the site is 85 m (279 ft).

First E&P has yet to announce the award of a two years plus one-year option charter for work in the Nigerian sector, but it is understood that a rig has been selected. The work scope is likely to include development drilling at the Anyala and Madu fields in OML 83 and OML 85, respectively. Those licences are in shallow waters 40 km offshore in the Niger Delta. First E&P holds a 40% interest in the licences and is the operator of the asset, while NNPC holds the remaining 60%.

Tower Resources is in the process of negotiating rig and service contracts for the upcoming Njonji well offshore Cameroon. The operator has selected a provisional well location and conducted initial preparatory work, including well engineering, ahead of this programme. In addition, the environmental and social impact assessment has been completed and is valid for drilling operations at multiple wells in the Thali licence over the next three years. The Thali acreage lies in water depths between 8 m and 48 m (26–157 ft). The rig contract is expected to be in place by mid-December, according to the conditions of a recently awarded, year-long extension of the Thali licence.

New contract for Norve

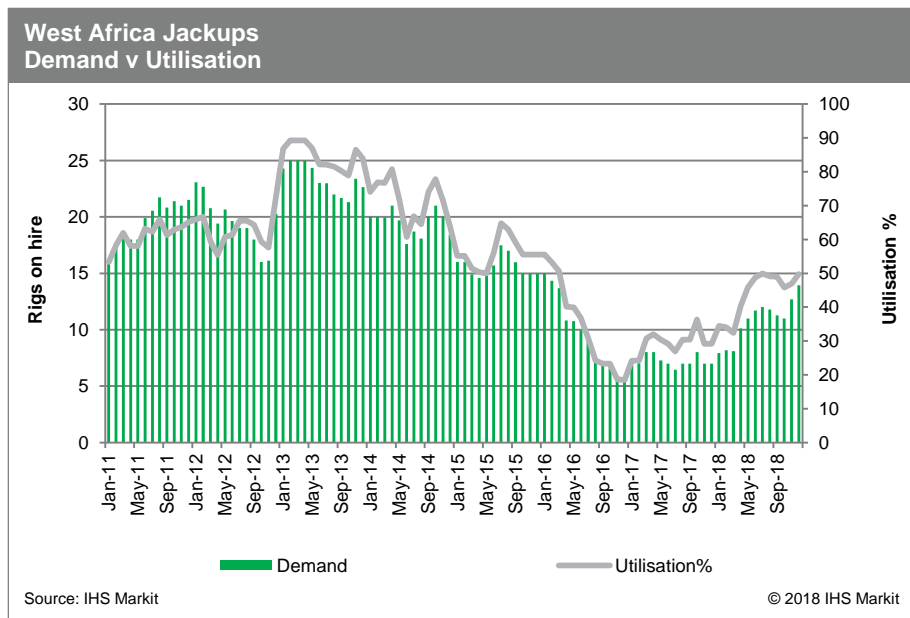
Borr Drilling's Norve has secured an LOI from an undisclosed operator for a 10-month programme in West Africa beginning in third quarter 2019. After the rig's current contract with BW Energy offshore Gabon concludes in late September, the unit has a 180-day charter in Gabon and Cameroon lined up with Perenco that will keep it busy until first quarter 2019. Norve currently has no work lined up to take place between the end of that job with Perenco and the start of this new charter with the unannounced company in the third quarter of next year.

Speaking of Norve, the rig has made an oil discovery at the BW Energy-operated Ruche North East Marin-1 (DRNEM-1) exploration well at the Dussafu Marin block offshore Gabon. The well reached a vertical depth of 3,400 m (11,155 ft), and evaluations have indicated that approximately 15 m (49 ft) of good quality oil pay were encountered in the Gamba formation and 25 m (82 ft) of oil pay in stacked reservoirs in the Dentale formation. Water depth at the site is approximately 115 m (377 ft). Additional technical evaluation is currently being undertaken to appraise this discovery and a sidetrack is planned.

Topaz Driller begins second Etinde well

Finally, Vantage Drilling's Topaz Driller has commenced drilling the second of two appraisal wells under its 2018 programme with operator New Age. The IE-4 well is now underway at the Etinde block off Cameroon and is expected to take around 90 days to drill. Positive results from this appraisal well could prove up or derisk a further 0.2–0.6 Tcf

of resources. Topaz Driller will remain with New Age until the middle of fourth quarter 2018 before commencing work with Total offshore Gabon, which will keep the rig busy into at least August 2019, although options could push that all the way to May 2021.



West Africa jackup supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Angola/Cabinda	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Benin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cameroon	2.9	3.0	3.0	2.5	2.0	2.0	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.7
Congo	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
DRC	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Equatorial Guinea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gabon	2.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5
Ghana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Guinea-Bissau	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ivory Coast	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nigeria	6.0	9.0	8.0	8.0	9.0	9.0	8.8	9.3	10.0	10.0	9.0	9.0	8.9	9.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	13.9	17.0	16.0	15.5	16.0	16.0	15.3	15.3	16.0	16.0	15.0	15.0	14.9	15.7
Total supply	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
Marketed supply	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Marketed surplus	6.1	3.0	4.0	4.5	4.0	4.0	4.7	4.7	4.0	4.0	5.0	5.0	5.1	4.3

Source: IHS Markit © 2018 IHS Markit

West Africa semisubmersible supply and demand

	2018	2019											Avg	
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
Angola/Cabinda	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Benin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cameroon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Congo	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DRC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equatorial Guinea	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.6
Gabon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ghana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Guinea Bissau	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ivory Coast	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Namibia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nigeria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Africa	0.7	1.0	1.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.4
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	0.7	2.0	2.0	1.0	1.0	1.0	1.0	2.0	1.0	1.0	0.0	0.0	0.0	1.0
Total supply	9.0	9.0	9.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.3
Marketed supply	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Marketed surplus	2.3	1.0	1.0	2.0	2.0	2.0	2.0	1.0	2.0	2.0	3.0	3.0	3.0	2.0

Source: IHS Markit

© 2018 IHS Markit

West Africa drillship supply and demand

	2018	2019											Avg	
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
Angola/Cabinda	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.9
Cameroon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Congo	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DRC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equatorial Guinea	0.0	1.0	1.0	1.0	2.0	2.0	2.3	2.0	2.0	2.0	2.0	1.9	1.0	1.7
Gabon	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.3
Ghana	4.0	4.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.3
Guinea-Bissau	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ivory Coast	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mauritania	1.0	1.0	0.5	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.7
Namibia	1.0	1.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.3
Nigeria	4.9	4.0	4.0	5.0	5.0	5.9	5.0	5.0	4.0	4.0	4.0	4.0	3.0	4.4
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.2
Others	0.0	0.0	0.0	0.0	1.0	1.0	2.0	2.0	2.0	0.0	0.0	1.0	1.0	0.8
Demand	17.9	16.0	13.9	13.0	14.0	14.9	17.3	17.0	16.0	14.0	14.0	13.9	11.0	14.6
Total supply	30.0	32.0	31.0	31.0	30.0	30.0	30.0	30.0	30.0	30.0	29.0	29.0	29.0	30.1
Marketed supply	24.0	30.0	29.0	29.0	28.0	28.0	28.0	28.0	28.0	28.0	27.0	27.0	27.0	28.1
Marketed surplus	6.1	14.0	15.1	16.0	14.0	13.1	10.7	11.0	12.0	14.0	13.0	13.1	16.0	13.5

Source: IHS Markit

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6. Middle East, Mediterranean & Caspian

Middle East, Mediterranean & Caspian – Floaters

Market highlights

- Egyptian tenders under evaluation.
- Portuguese exploration hits a roadblock.
- New arrivals to Aliaga.

Egyptian tenders under evaluation

No great shake ups are expected in the Mediterranean deepwater market in the near future with demand continuing at a steady pace. For semis, average demand of 2.4 in 2018 is expected to rise to an average of 3.6 units in 2019. As for drillships, the 2018 average demand of 3.1 units will rise to an average of 4.2 units in 2019. The Mediterranean sector currently has 5 semis and 10 drillships. Of the semis, ENSCO 5004 is working off Libya for Mellitah Oil & Gas, and Maersk Discoverer is working off Egypt for BP. Eirik Raude and GSF Development Driller II are classed as cold stacked but still marketed, while Scarabeo 9 is understood to be warm stacked. As for drillships, ENSCO DS-7, Noble Globetrotter I, and Saipem 10000 are all working. Noble Globetrotter II and Fatih are both warm stacked and expected to begin work soon, while Ocean Rig Apollo, Ocean Rig Athena, Ocean Rig Mylos, Ocean Rig Olympia, and Ocean Rig Paros are all cold stacked.

A couple of tenders remain underway for deepwater work off Egypt with awards expected in the near term. Dana Gas has begun to evaluate responses to its recent tender for a semi to undertake a drilling programme at Block 6 (North El Arish) in early 2019. The 77-day programme consists of a two well firm charter plus one optional well and is due to begin in a window between 15 January and 15 March 2019. Earlier this year, Dana Gas approached the market seeking availability of an operating or hot-stacked fifth- or sixth-generation semi for the work. The rig is required to have DP3 capability and a six-ram BOP. Water depths are between 700 m and 1,500 m (2,297–4,921 ft). Meanwhile, Burullus continues to undertake technical evaluations following its recent two-rig tender for floaters to undertake work in the Egyptian Mediterranean. The tender had initially been for one unit, but a clarification to add a second rig was made in late June. The 180-day firm charter has eight 60-day options with both rigs to work concurrently. Work is expected to begin in a window between fourth quarter 2018 and first quarter 2019.

Yet to officially come to market, Total continues to plan for an exploration campaign offshore Lebanon in 2019 with drilling most likely to kick off around late fourth quarter. Earlier this year, Lebanese authorities gave the Total-led consortium the go-ahead to begin drilling plans for Blocks 4 and 9. Block 4 lies in water depths between 686 m and 1,845 m (2,250–6,053 ft), while Block 9 has water depths between 1,211 m and 1,909 m (3,973–6,263 ft), making a drillship likely to be required for this work. The consortium consists of operator Total (40%), with partners Eni (40%), and Novatek (20%). Total also has tentative plans for a deepwater programme offshore Greece and is considering the potential of further exploration activity offshore Cyprus. Total operates Block 2 offshore Greece, which lies in water depths of 800–1,200 m (2,600–3,900 ft). In addition, it operates Block 11 offshore Cyprus where drillship West Capella undertook an unsuccessful exploration campaign in mid-2017.

Portuguese exploration hits a roadblock

The Loule Administrative Court has ruled in favour of the Algarve Fossil Free Platform (PALP) to suspend the Eni-operated TUPEM permit off Portugal, therefore casting doubt on when or if the upcoming drilling programme for drillship Saipem 12000 will go ahead. The court called on “the parties concerned not to proceed with any work, whether preparatory to the prospecting or its execution”. It is understood that Eni and consortium partner Galp Energia will appeal this decision. Saipem 12000 was expected to commence drilling at the Santola-1x exploration well in September 2018 with a programme duration of 46 days. The rig has been berthed at Las Palmas, Canary Islands, since May when it completed an exploration programme for Eni off Morocco.

Noble Globetrotter II to begin Bulgarian exploration in the fourth quarter

Industry sources have indicated that Total is expected to begin its upcoming exploration programme at Han Asparuh off Bulgaria in November. Drillship Noble Globetrotter II is understood to be under an LOI for this work. The scope consists of a 70-day firm well with the option of a 90-day well. Noble Globetrotter II has been idle off Varna, Bulgaria, since early January.

Meanwhile, the rig also has an LOI from ADX Energy for its Dougga Sud appraisal programme off Tunisia. The work has been deferred from early 2019 to April. ERC Equipoise Pte Ltd has evaluated the estimated resources of the Dougga project as 405 Bcf gas; 31 MMbbl condensate and 32 MMbbl LPG. The project has a 70% chance of being commercialised. ADX continues to undertake farm out and funding discussions with a number of potential partners.

New arrivals to Aliaga

Over the past month there were two new arrivals to the beach at Aliaga, Turkey for recycling and another is set to soon join them. Semi NSC 60 (ex-ENSCO 6001) arrived on 23 August 2018. The 1,707 m/5,600 ft-rated unit was released by Petrobras in late June 2018 after having been under contract with the Brazilian operator its entire working life since delivery in 2001. According to ABS, Ensco sold the rig for scrap in early July. Meanwhile, ex-Ensco semi ENSCO 7500 has beached at Aliaga ahead of being scrapped. The rig is understood to have been towed by AHTS Alp Centre from Tenerife, Canary Islands. ENSCO 7500 has not worked since late 2013, after which it was stacked in the Canary Islands.

Meanwhile, retired semi Transocean Marianas has left Coega, South Africa, under tow by AHTS Alp Striker. The rig is understood to be heading for Las Palmas, Canary Islands where it is expected to arrive around 10 October. The duration of the stay at Las Palmas is unclear with the rig then expected to continue its journey to Aliaga. Transocean Marianas became cold stacked in 2016 and last worked in 2015 when it finished a development drilling programme for PetroSA at South African Block 9. Transocean announced its retirement in September 2017.

Middle East, Mediterranean & Caspian – Jackups

Market highlights

- EODC rigs secure contracts with Petrobel and NOSPCO.
- Three awards for Aban Offshore by ADNOC.
- Saudi Aramco progresses tender evaluations.

EODC units secure contracts with Petrobel and NOSPCO

There are currently 15 rigs in the Mediterranean sector with just 4 currently operating: GSP Jupiter, Jawhara 05, Key Manhattan, and KS Medstar 1. Five more rigs – GSP Uranus, Nezaletznist, Petro Godovanets, Sivash, and Tavrida – are contracted but on standby, while GSP Saturn is in a shipyard and expected to return to work in November. Only two rigs in the region are cold stacked: ENSCO 111 and ENSCO 112. In terms of demand, the 2018 average of 11.1 rigs is set to rise to a 2019 average of 12.8 rigs.

Overall, late summer has been quiet in the Mediterranean market, but two idled rigs have secured contracts: Egyptian Offshore Drilling Company units El Qaher I and El Qaher II. Both rigs are expected to return to work by the end of 2018. El Qaher I secured a contract from NOSPCO for a three month firm charter to begin by December 2018. This contract has a three-month option which could keep the rig occupied well into second quarter 2019. As for El Qaher II, the rig has a five-month accommodation assignment lined up with Petrobel, also in the Egyptian Mediterranean. This work is expected to kick off by October 2018. Both rigs are currently berthed off Abu Qir, Egypt. El Qaher II has been idle since rolling off contract from Petrobel in mid-2017, while El Qaher I completed its most recent contract with Abu Qir Petroleum in June 2018.

Meanwhile, GSP Saturn is expected to begin mobilisation to Turkey from Constanta, Romania in late September. The rig is currently berthed at GSP's yard undergoing preparations for passage through the Bosphorus. On arrival in Turkey, it will begin preparations for its upcoming contract with TPAO. Drilling is scheduled to begin in November 2018 with the rig to be kept occupied for the next 24 months until fourth quarter 2020.

Incremental demand forecast for Middle East Gulf

The Middle East market remains a healthy sector in terms of incremental demand in the visible future. The forecast demand for 2019 is set to be an average of 149 jackups from the current 132 units, with most demand driven from Qatar and Saudi Arabia, as well as some countries in the Middle East Gulf which have no rigs now but demand is scheduled for 2019, such as Kuwait, Bahrain, and Oman.

In terms of fixtures, three of the six awards by ADNOC Drilling on behalf of ADNOC Offshore have been granted to Aban Offshore for work in the UAE. Aban received awards for Deep Driller 2, Deep Driller 3, and Deep Driller 6. Deep Driller 2 has been chartered for the Umm Lulu field for three firm years plus two optional years starting from December 2018. Deep Driller 6 and Deep Driller 3 will work on HPHT campaigns for four years, starting in December 2018 and January 2019, respectively.

Pending awards dominate Middle East market talks

Upcoming award announcements include North Oil Company in Qatar for a two-year campaign, and Agiba Petroleum in Egypt for workover and drilling operations in the Gulf of Suez. The work scope for Agiba is understood to be for a campaign comprising 6 to 10 workovers plus one well on the Ashrafi oil field over a period of 90 days.

In terms of demand, there are a handful of ongoing tenders which have been progressing for the past few months, including Saudi Aramco's five tenders for multiple drilling specifications against the renewal of units rolling off charter. It is understood two of the five tenders will conclude soon and awards will be announced. The other three tenders are understood to be in clarification stages. Market sources indicate all awards could be announced by the end of the year. The contracts will be awarded for three years plus two-year options, or five years plus a one-year option.

In the Neutral Zone between Saudi Arabia and Kuwait, Al-Khafji Joint Operations expects to award a contract soon following a tender for one or two units to undertake workover operations. The charter period will be three to five years, and project commencement is scheduled for six months after the contract is awarded. Three contractors in the region are understood to be in the running.

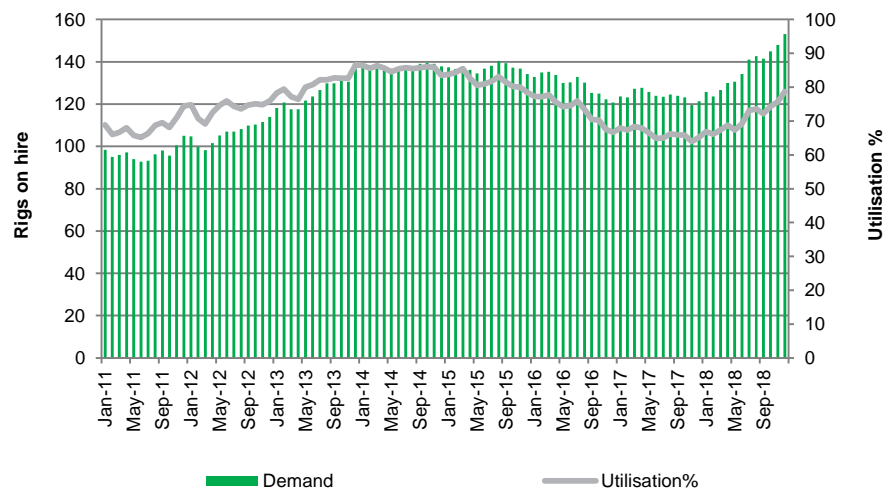
In Kuwait, the tender remains ongoing for two high-specification units for Kuwait Oil Company's first offshore drilling campaign. Evaluations are ongoing through integrated project management companies. Drilling commencement is not expected before second half 2019.

Meanwhile, Qatargas's tender for six rigs has yet to close as the operator is awaiting bid submissions. The specifications require high-specification units, which likely means additional premium jackups will be brought into the region in 2019.

Bahrain Petroleum Company is unlikely to commence the appraisal of its 2017 Khalij Al Bahrain 2 (KAB 2) unconventional oil and gas discovery until first quarter 2019, instead of fourth quarter 2018 as previously planned. It is understood the operator is looking at rig options through direct inquiries.

Finally, PetroTel has not announced the results of a tender for one exploration well to be drilled off Oman in fourth quarter 2018. It is understood the operator was looking for a 350-ft unit with 15K BOP.

Middle East and Mediterranean Jackups Demand v Utilisation



Source: IHS Markit

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Mediterranean/Black Sea jackup supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Egypt	2.5	3.0	3.0	2.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	1.8
Greece	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Italy	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.7
Romania	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.8
Tunisia	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	3.0	4.0	4.0	4.0	2.2
Ukraine	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Others	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.3
Demand	12.5	14.0	14.0	13.0	12.0	11.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	12.8
Total supply	16.5	16.5	16.5	16.5	16.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.8
Marketed supply	14.5	14.5	14.5	14.5	14.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.8
Marketed surplus	2.0	0.5	0.5	1.5	2.5	2.5	1.5	1.5	0.5	0.5	0.5	0.5	0.5	1.1

Source: IHS Markit

© 2018 IHS Markit

Mediterranean/Black Sea semisubmersible supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Egypt	3.0	4.0	4.0	3.9	3.0	2.0	2.0	1.9	0.0	0.0	0.0	0.0	0.0	1.7
Greece	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.3
Israel	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Italy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5
Libya	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.6
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tunisia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Med	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Black Sea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.3
Demand	3.0	5.0	5.0	4.9	4.0	3.0	3.0	2.9	2.0	3.0	4.0	3.0	3.0	3.6
Total supply	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Marketed supply	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Marketed surplus	1.0	-1.0	-1.0	-0.9	0.0	1.0	1.0	1.1	2.0	1.0	0.0	1.0	1.0	0.4

Source: IHS Markit

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Mediterranean/Black Sea drillship supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Egypt	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	2.9	2.0	2.2
Greece	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Israel	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.6	1.9	1.0	1.0	0.5	0.0	1.0
Italy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tunisia	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Other Med	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.3
Black Sea	0.0	0.2	1.0	1.0	0.5	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.5
Demand	2.0	3.2	4.0	4.0	4.5	4.0	4.0	4.6	4.9	5.0	5.0	4.4	3.0	4.2
Total supply	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Marketed supply	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	5.5
Marketed surplus	3.0	1.8	1.0	1.0	0.5	1.0	1.0	1.5	1.1	1.0	1.0	1.6	3.0	1.3

Source: IHS Markit

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Middle East jackup supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Bahrain	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.7
Egypt (Gulf of Suez)	15.0	16.0	16.0	16.0	15.0	14.0	14.0	15.0	15.0	14.0	14.0	14.0	14.0	14.8
Iran	19.8	23.0	23.0	23.0	23.0	23.0	21.0	20.0	20.0	21.0	21.0	21.0	21.0	21.7
Oman	1.0	1.0	1.0	1.0	1.0	2.0	2.0	1.0	1.0	1.0	1.0	0.9	0.0	1.1
Qatar	15.4	16.0	15.0	14.0	14.0	14.0	19.0	19.0	19.0	19.0	19.5	20.0	20.0	17.4
Saudi Arabia	52.0	54.0	55.0	57.0	57.0	57.0	58.0	58.0	58.0	59.0	59.0	58.0	58.0	57.3
UAE	36.4	36.0	36.0	36.0	36.0	36.0	35.0	34.0	34.0	34.0	34.0	34.0	35.0	35.0
Others	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5
Demand	140.5	148.0	148.0	149.0	148.0	148.0	151.0	150.0	150.0	150.0	150.5	149.9	150.0	149.4
Total Supply	178.0	179.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.1
Marketed supply	165.0	166.0	165.0	165.0	165.0	165.0	165.0	165.0	165.0	165.0	165.0	165.0	165.0	165.1
Marketed surplus	24.5	18.0	17.0	16.0	17.0	17.0	14.0	15.0	15.0	15.0	14.5	15.1	15.0	15.7

Source: IHS Markit

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Middle East semisubmersible supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Mid-East	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Marketed supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketed surplus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: IHS Markit

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Middle East drillship supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Mid-East	0.0	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Demand	0.0	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Total Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketed supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketed surplus	0.0	0.0	0.0	0.0	0.0	-1.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2

Source: IHS Markit

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Caspian jackup supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iran	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kazakhstan	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Russia	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Turkmenistan	4.0	4.0	4.0	4.0	3.3	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.6
Demand	6.0	6.0	6.0	6.0	5.3	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.6
Total Supply	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Marketed supply	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Marketed surplus	2.0	2.0	2.0	2.0	2.7	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.4

Source: IHS Markit

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Caspian semisubmersible supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Azerbaijan	4.0	4.0	4.0	3.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.2
Iran	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Kazakhstan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Russia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Turkmenistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	5.0	5.0	5.0	4.7	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.2
Total Supply	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Marketed supply	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Marketed surplus	0.0	0.0	0.0	0.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8

Source: IHS Markit

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Caspian drillship supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iran	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kazakhstan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Russia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Turkmenistan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketed supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketed surplus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: IHS Markit

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7. Latin America

Latin America – Floaters

Market highlights

- Marinsa wins PEMEX tender.
- Premier pushes Sea Lion drilling to 2021.
- Petrobras issues RFI for deepwater units.

PEMEX awards contract to Marinsa for drillship

During 2019, floating rig demand in Latin America should finally start to experience some overall improvement, with South America making up the majority of that increase. Regarding South America, the forecast holds that demand for semis will stay flat at seven units for most of the year, overcoming a one-rig dip in the middle of the period. Drillship demand in the continent will start 2019 at close to 18 units, but end the year up about 3 at around 21 units as foreign operators get to work in Brazil and Petrobras replaces rigs it has rolling off contract. However, demand for floaters in Central America will be effectively flat. For semis, demand will go from three units to five during the year, with Mexico accounting for all of the activity. As for drillship demand in the region, it will start at two units, but drop to one for a few months, and then drop to zero around the middle of the year.

One operator that has satisfied some of its demand is PEMEX, which has awarded Marinsa, in partnership with PEMEX Drilling Services, a contract for a drillship in Tender No. 55412-A021180532-18. The terms of the contract are for 420 days for a total amount of approximately USD 60.63 million. Following the finalisation of the charter on 7 September, Marinsa has 60 days to deliver the rig to PEMEX for inspection.

In connection with that job, Marinsa has awarded a contract to OOS Energy for drillship OOS Tiger 1 (formerly known as Opus Tiger 1), including vessel management and drilling support. The initial contract duration is for 15 months and is expected to begin the programme at the ASAB-1 well, which is located near the Zama discovery made by Talos Energy in 2017. The water depth in the area is around 165 m (541 ft).

Sea Lion development drilling slips to 2021

Over in the Falkland Islands, Premier Oil has indicated that the commencement of development drilling at the Sea Lion field now looks like it will take place in the first half of 2021. Previous indications were that this would commence in the second half of 2019.

In February 2018, partner Rockhopper Exploration reported an LOI had been entered into with Diamond Offshore for the provision of a suitable drilling unit for the Sea Lion Phase 1 development. The LOI grants a period of exclusivity until 31 December 2018, during which time the companies look to finalise a binding agreement for a drilling unit. Market sources have indicated that the operator asked for a request for pricing for a programme of 23 firm wells with options for six more development wells and two exploration or appraisal wells.

Petrobras tests deepwater market with RFI

Meanwhile in Brazil, Petrobras recently issued an RFI to drilling contractors ostensibly checking the market for the availability of deepwater units for work slated to start in the second half of 2019. In addition to asking about specifications and mobilisation times, the Brazilian operator is also using this RFI to inquire as to what kind of contract terms rig companies will need, according to market sources. This could be a sign that Petrobras is potentially about to launch another rig tender.

At the moment, Petrobras has three ongoing tenders with commencement dates in 2019, which have been in the works since May. One is for an ultra-deepwater rig to work for two years on Block BM-S-11 in the Santos Basin, which contains the Lula, Iara, and Iracema pre-salt fields. Another tender is looking for two rigs to work in the Libra pre-salt area of the Santos Basin, with the requirement that one of the rigs be MPD-equipped. The third tender is broader,

looking for one or more floating rigs to work across Brazil on Petrobras-operated acreage for a firm period of 12 months or 24 months.

Petrobras also had another tender earlier this year in which it was searching for two floaters, one moored and one both moored and with DP, but that tender was ultimately cancelled. It is possible that that cancellation is what led to the new RFI, as Petrobras could be attempting to gauge the market ahead of relaunching that tender.

At the same time, Petrobras has extended its commitment for Atlantica Tender Drilling unit BassDrill Beta. The operator has agreed to keep the semi-tender rig for an additional 386 days, but the extension also has options that have not been publicly defined. The firm portion of this new agreement will keep the rig working into September 2019. BassDrill Beta has been under charter with Petrobras under multiple commitments dating back to March 2014, spending that time either working on the Papa-Terra field in the Campos Basin or on standby.

QGEP to drill third production well at Atlanta field with Laguna Star

Also in Brazil, Quieroz Galvao E&P (QGEP) has awarded a contract to QGOG Constellation drillship Laguna Star to drill a third well at the Atlanta field. A part of the early production system for the field, the well will be drilled in the first quarter of 2019. The firm portion of the contract is for one well, which is expected to take 90 days to drill. Located in Block BS-4 in the Santos Basin, the Atlanta field is a post-salt oil field situated in a water depth of approximately 1,500 m (4,921 ft).

The charter also comes with two 45-day options, during which the rig will be used in intervention activities to replace damaged submersible pumps at the two existing, producing wells. The operator explained that seven contractors participated in the bidding of this contract, which has a value of USD 26 million, including the options. The 3,048 m/10,000 ft-rated Laguna Star is currently under charter with Petrobras working at the Buzios field in the Transfer of Rights area. The rig's current six-year contract is slated to expire in November.

Looking further down the line, the consortium said it will spend time in 2019 evaluating whether to go ahead with a full development of the Atlanta field. This programme would entail the drilling of up to nine additional wells and bring maximum production capacity to nearly 75,000 b/d by 2021.

South America jackup supply and demand

	2018		2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Argentina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brazil	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chile	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ecuador	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Venezuela	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Others	0.0	0.0	0.0	0.0	1.0	1.0	2.0	3.0	2.0	1.9	1.0	1.0	1.0	1.2
Demand	2.0	2.0	2.0	2.0	3.0	3.0	4.0	5.0	4.0	3.9	3.0	3.0	3.0	3.2
Total supply	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Marketed supply	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Marketed surplus	1.0	1.0	1.0	1.0	0.0	0.0	-1.0	-2.0	-1.0	-0.9	0.0	0.0	0.0	-0.2

Source: IHS Markit

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South America semisubmersible supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Argentina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brazil	6.0	6.0	5.5	5.2	7.0	6.4	6.0	6.0	6.0	6.0	7.0	7.0	7.0	6.3
Venezuela	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Demand	7.0	7.0	6.5	6.2	7.0	6.4	6.0	6.0	6.0	6.0	7.0	7.0	7.0	6.5
Total supply	16.0	16.0	16.0	16.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	16.8
Marketed supply	14.0	14.0	14.0	14.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	14.8
Marketed surplus	7.0	7.0	7.5	7.8	8.0	8.6	9.0	9.0	9.0	9.0	8.0	8.0	8.0	8.2

Source: IHS Markit

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South America drillship supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Brazil	14.0	15.3	15.0	15.0	17.0	17.0	17.0	18.0	18.0	17.9	19.0	19.4	18.9	17.3
Others	3.0	3.0	3.0	3.0	3.0	2.9	2.0	2.0	2.5	2.0	2.0	2.0	2.0	2.4
Demand	17.0	18.3	18.0	18.0	20.0	19.9	19.0	20.0	20.5	19.9	21.0	21.4	20.9	19.7
Total supply	18.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	20.0	20.0	20.0	20.0	19.3
Marketed supply	18.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	20.0	20.0	20.0	20.0	19.3
Marketed surplus	1.0	0.7	1.0	1.0	-1.0	-0.9	0.0	-1.0	-1.5	0.1	-1.0	-1.4	-0.9	-0.4

Source: IHS Markit

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Latin America – Jackups

Market highlights

- Fieldwood tenders for two rigs.
- Premier outlines Mexico plans.
- Tullow to drill off Guyana in Q3 2019.

Fieldwood needs two units for Mexico drilling plans

Demand in Latin America will likely experience modest gains in 2019. Central American demand will start the period at about 24 units, but soon fall by a rig or two and spend most of the year between 20 and 22 rigs, before ending the year closer to 25. In South America, demand is expected to start the year at two units in Venezuela, but short-term work in Guyana should give a boost of a couple of rigs around mid-year, plus a longer-term programme in Suriname should cap the year with a demand of three units.

Fieldwood Energy has requested proposals for two rigs for a programme at its Ichalkil and Pokoch fields off Mexico. The project will be conducted through a production sharing contract for Block 4 under contract CNH-R01-L02-A4/2015, which was awarded to partners Fieldwood and Petrobal during Round 1.2 held in 2015. A development plan has been submitted to the Mexican National Hydrocarbons Commission by Fieldwood as the designated operator.

The units must be able to work in water depths between 32 m and 44 m (105-145 ft). Interested parties were required to submit all bidding documents by 24 August. Participants then had to submit inquiries related to technical, commercial, or legal requirements by 14 September. Candidates must submit a technical and economic proposal by 21 September.

Day rates reduced for CP Latina rigs

In May, CP Latina signed an agreement with PEMEX regarding the early termination clause and reduced day rates for La Santa Maria and La Covadonga. The agreement will allow each rig to finish its current contract through its respective end date. La Santa Maria has a contract running until April 2023, while La Covadonga is chartered until March 2023.

The rigs will have their day rates reduced from USD 111,300 to USD 102,000, with an effective date of 1 April. The rates are based on a global index, with the next adjustment scheduled for October. Following this, assessments will be made in January and July of each of the following years to the end of the contracts.

Premier details Round 3.1 asset plans

Staying in Mexico, Premier has outlined its plans for the three blocks it was awarded during Round 3.1. The Block 30 campaign under contract CNH-R03-L01-AS-CS-14/2018 includes acquiring 3D seismic data. Premier expects drilling activities to start before the end of 2020 by joint venture partner and operator Deutsche Erdoel Mexico (DEA). Premier and Sapura Energy each own 30% interest, while DEA holds the remaining 40%.

Meanwhile, Premier will undertake an environmental baseline study across Block 11 CNH-R03-L01-AS-B-57/2018 and Block 13 CNH-R03-L01-AS-B-60/2018, which are both located directly inshore from the Perdido Fold Belt. Reprocessing of the existing 3D seismic data will take place during 2019.

However, Premier's option to participate and convert to a paying interest of up to 25% equity for Block 2 CNH-R01-L01-A2/2015 or to withdraw was triggered in May. Premier has decided to exit the block ahead of drilling, leaving Talos as the operator and Sierra Oil & Gas as the remaining partner.

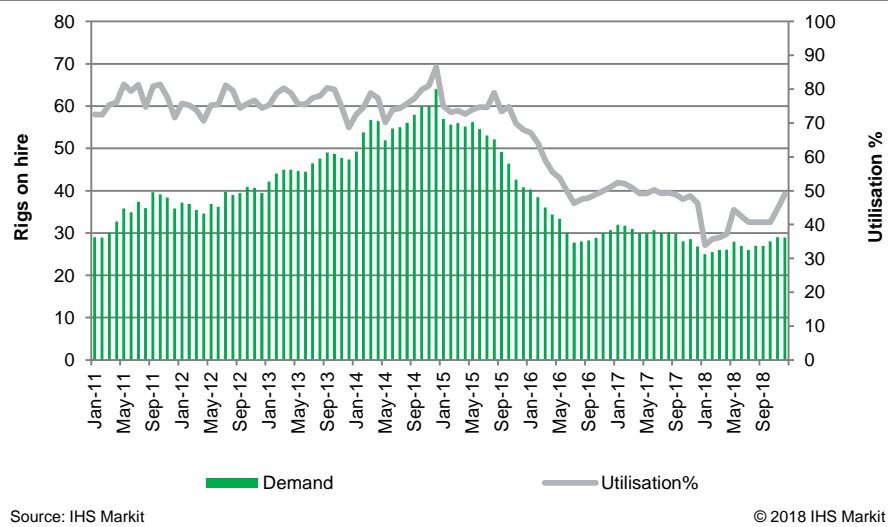
Tullow to drill exploration well off Guyana in mid-2019

Meanwhile in Guyana, Tullow Oil is on track to drill an exploration well in the Orinduik Block in the third quarter of 2019, close to the middle of the year. Partner Eco Atlantic explained that ExxonMobil's recent discovery at the Hammerhead-1 well in the adjacent Stabroek Area "has now materially de-risked one of the many similar channel systems in [the] Orinduik Block, positively mitigating both reservoir and migration principal risks".

The Hammerhead-1 well is approximately 7 km (4.3 miles) from the boundary of the Orinduik licence. The partners have studied 2D and 3D seismic data which shows these channel systems extend updip onto the Orinduik licence. According to Eco, the partners will soon be in a position to pick a location for their first well in the shallow-water block.

Meanwhile, Total has exercised its option with Eco Atlantic to acquire a 25% working interest in the Orinduik block for USD 12.5 million. Following the completion of this process, Tullow will continue to hold 60% of the interest in the block, followed by Total's 25%, and Eco will have the remaining 15%. Originally Total was expected to decide whether to exercise its option within 120 days of completion of processing of 3D seismic data, but Total made the decision before that step was actually completed.

Latin America Jackups Demand v Utilisation



Central America jackup supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Cuba	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	18.0	18.4	18.0	19.0	19.0	19.0	20.0	20.0	20.0	21.0	21.0	21.0	22.0	19.9
Trinidad	5.0	5.9	4.0	4.0	4.0	1.6	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.2
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.2
Demand	23.0	24.3	22.0	23.0	23.0	20.6	21.0	21.0	21.0	22.0	22.0	22.0	25.0	22.2
Total supply	44.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0
Marketed supply	42.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
Marketed surplus	19.0	20.7	23.0	22.0	22.0	24.4	24.0	24.0	24.0	23.0	23.0	23.0	20.0	22.8

Source: IHS Markit

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Central America semisubmersible supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Mexico	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	4.1
Trinidad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	4.1
Total supply	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Marketed supply	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Marketed surplus	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.9

Source: IHS Markit

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Central America drillship supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Cuba	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	2.0	1.9	2.0	2.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
Trinidad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	2.0	1.9	2.0	2.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
Total supply	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Marketed supply	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Marketed surplus	2.0	2.1	2.0	2.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.3

Source: IHS Markit

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8. North America

North America – Floaters

Market highlights

- Shell idles Noble Don Taylor for rest of charter term.
- LLOG planning multiple projects.
- Maersk Viking, Petrobras 10000 departures delayed.

Noble Don Taylor idled by Shell

Floater demand in North America is forecast to average 28.4 in 2019, which is a slight increase from demand of 24.5 units expected for 2018. Canada is set to maintain its average of around 3.0 semis over the course of the year, meaning the growth is attributed to the US Gulf, as there are no planned programmes off Alaska.

However, this growth could be negatively affected by sublet opportunities on already contracted rigs. In early September, Noble Drilling confirmed that Shell had exercised its right to idle drillship Noble Don Taylor for the remainder of its charter, which runs until 25 February 2019. Shell has the right to deploy the rig at any time over the remaining period, and Noble is also allowed to secure immediate contract opportunities for the rig. Shell will pay a daily rate of USD 420,000 during the idle period, instead of the operating rate of USD 487,000 per day.

Separately, market sources have indicated that Noble Don Taylor will soon begin work with Talos Energy for its Tornado and Boris projects. In addition, sources have suggested that Transocean drillship Deepwater Pontus, which is under contract to Shell until October 2027, will soon begin a sublet to EnVen for work at the Glider field. These projects have now been removed from potential backlog, putting additional pressure on rig contractors to find other work for their units.

LLOG identifies projects to be developed

One operator that might need additional rigs next year is LLOG. The operator recently outlined development plans for some of its fields. The Khaleesi and Mormont discoveries in the Green Canyon area are set to be codeveloped. At Buckskin in the Keathley Canyon area, first production is expected in mid-2019. Additional wells and subsea facilities are expected to be needed after the initial phase in order to fully develop the field. The Stonefly field in the Viosca Knoll area will be developed via tie-back to the Ram Powell platform with first production targeted for late 2019.

LLOG has Seadrill drillship West Neptune under contract until November 2019. The rig is on location at the Buckskin field. In addition, drillship Rowan Resolute is committed to LLOG until October 2018 with two one-well options still available.

Maersk Viking and Petrobras 10000 to depart later this month

Two rigs that had been expected to leave the US Gulf earlier this year have had their departures delayed. Drillship Maersk Viking is now scheduled to leave for Ghana in late September, while drillship Petrobras 10000 is due to leave for Brazil later this month. Drillship Noble Tom Madden also remains on schedule to leave for Guyana this month as well, but no other departures are expected this year. Should the LOAs for Pacific Khamsin and Pacific Meltem from an unnamed operator (believed to be Atlantia Resources) be executed, both units are expected to mobilise to the US Gulf in early 2019 from the Canary Islands.

North America jackup supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Canada	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.9
USA GOM	11.9	12.0	12.0	13.0	13.0	12.0	12.1	11.0	9.0	9.0	11.0	13.0	13.0	11.7
USA Alaska	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
USA Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	13.9	14.0	13.0	14.0	14.0	13.0	13.1	12.0	10.0	10.0	12.0	14.0	13.0	12.7
Total supply	41.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Marketed supply	17.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Marketed surplus	3.1	2.0	3.0	2.0	2.0	3.0	2.9	4.0	6.0	6.0	4.0	2.0	3.0	3.3

Source: IHS Markit

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North America semisubmersible supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Canada	2.0	2.0	2.0	2.0	3.1	3.4	3.0	2.9	3.0	3.0	4.0	4.0	4.0	3.0
USA GOM	4.0	4.1	5.0	4.9	5.3	5.0	5.0	6.0	5.9	5.0	5.0	6.0	5.0	5.2
USA Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	6.0	6.1	7.0	7.0	8.4	8.4	8.0	8.9	8.9	8.0	9.0	10.0	9.0	8.2
Total supply	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Marketed supply	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Marketed surplus	2.0	1.9	1.0	1.0	-0.4	-0.4	0.0	-0.9	-0.9	0.0	-1.0	-2.0	-1.0	-0.2

Source: IHS Markit

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North America drillship supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Canada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
USA GOM	17.9	17.4	18.1	19.0	19.0	20.0	21.0	21.0	21.0	20.0	21.6	22.0	22.0	20.2
USA Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	17.9	17.4	18.1	19.0	19.0	20.0	21.0	21.0	21.0	20.0	21.6	22.0	22.0	20.2
Total supply	22.0	23.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	23.9
Marketed supply	22.0	23.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	23.9
Marketed surplus	4.1	5.6	5.9	5.0	5.0	4.0	3.0	3.0	3.0	4.0	2.4	2.0	2.0	3.7

Source: IHS Markit

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North America – Jackups

Market highlights

- Availability tightens as operators extend commitments.
- Uxpanapa being marketed for work in US Gulf.
- Cantium locks in Rowan EXL III for six months.

Operators becoming concerned about lack of availability

As we approach the fourth quarter and operators begin to firm up plans and budgets for 2019, some concern is arising about the tightening market and what the available rig supply might look like. At present, 15 rigs are marketed in the US Gulf, along with one in Canada, and two in Alaska. However, the two Spartan units that are warm stacked are understood to need rather extensive maintenance before returning to work, therefore rather long contracts would be needed to justify the expense of reactivation. Average forecast demand in 2019 is 12.7 units, which does not leave much wiggle room for additional operators to add rig programmes. US Gulf rig contractors are cautiously considering their options to add rig capacity to the sector.

Uxpanapa available for term work

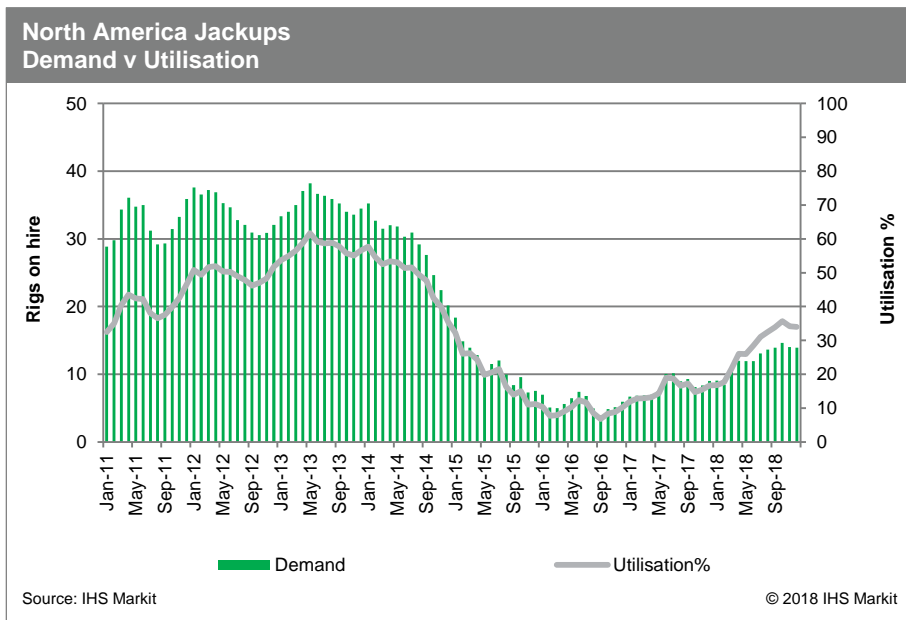
On that note, Perforadora Central-managed newbuild Uxpanapa, which was delivered from Keppel AmFELS in June 2016 yet remains at the shipyard, is now available for assignment in both the US Gulf and Mexico. Baywater Drilling has an agreement with Perforadora Central to assist with marketing the 122 m/400 ft IC unit in the US Gulf and Mexico. It is understood that at this time Baywater is only considering commitments of about one year.

Also along the lines of adding capacity, market sources indicate Enterprise Offshore Drilling has purchased or is close to finalising the purchase of a unit currently stacked in Southeast Asia. This rig could likely be added to Enterprise's US Gulf fleet by early next year.

Cantium awards six months of work to Rowan EXL III

One of the awards secured over the past few weeks was a six-month charter of Rowan EXL III by Cantium. This job is due to start in November. Cantium had been using this rig for a two-well assignment that finished in mid-August. Meanwhile, Rowan EXL III is available for charter until its next campaign with Cantium begins in November.

Off Canada, Noble Regina Allen continues to work under its charter with ExxonMobil and will next go to work for Encana, keeping it busy until May 2020. No additional programmes are expected to be awarded for next year. Off Alaska, Spartan 151 is working for Furie until the end of this drilling season. Additional work might be awarded to the rig for the 2019 drilling season, but has not yet been finalised. Meanwhile, Randolph Yost remains under charter to Furie until February 2019; however, Shelf Drilling has initiated a lawsuit over non-payment issues. Besides a potential extension of Spartan 151, no additional Alaskan drilling programmes are expected in 2019.



9. Northwest Europe

Northwest Europe – Floaters

Market Summary

- West of Shetland contracts fixed for three high-spec semis.

The past month has seen a feast of fixtures in the west of Shetland market with three semis securing work that will keep them occupied for a significant portion of 2019. This has not been followed up with further requirements as yet and Norway has been quieter this month as budgets are finalised. The UK standard semi market continues to see a number of requirements unfilled for 2019 as increased demand in the second and third quarters battles with constricted supply.

Looking closer at the demand numbers, the remainder of 2018 has an average of 24.0 units against a supply of 32.9. This is set to rise to an average annual demand of 28.9 units in 2019; however, supply will also rise – due to rigs joining the sector and rolling off contract – to approximately 35.7 units. Further ahead, 2020 is set to see yet another rise in demand with an annual average of 30.3 expected against an increased supply of 37.8 units. The market remains cyclical as operators avoid drilling over the winter, if possible, resulting in a rise in marketed surplus to as high as 14 units by February 2019.

Early September saw Transocean acquire Ocean Rig in a cash and stock transaction valued at around USD 2.7 billion, including Ocean Rig's net debt. This will have implications on the future of Ocean Rig's harsh-environment semis Eirik Raude and Leiv Eiriksson. At the same time, Transocean announced it would retire the long-term stacked Songa Delta.

Northwest Europe – Jackups

Market Summary

- Marketed surplus reduces significantly over mid-2019.

Contractor confidence in Northwest Europe's market is increasing as more step-out and infill drilling is approved, and P&A work provides significant backlog to the standard segment. More work is emerging in Norway, and given the limited numbers of rigs that can relocate to this sector, pressure on day rates may begin to grow quickly. The non-Norwegian HD market is seeing most activity in terms of potential programmes, but its prominence as one of the

globe's healthier high-specification markets means contractors are assessing which units can be relocated from elsewhere.

The reduction in fleet size caused by the removal of six jackups this year alone means marketed surplus over the next two years is expected to decline significantly. Combined with new work and a likelihood of options being exercised, the market is expected to tighten. Day rates for HD and Norwegian units are already beginning to edge upwards.

An increase in activity over the second and third quarters of 2019 will see demand across Northwest Europe rise from 28.6 units in January to potentially 38.1 by June as operators all aim to start new programmes around April. This means the marketed surplus could fall to as low as 0.9 by mid-year. However, demand will tail off as the year progresses allowing the marketed surplus to increase to 7.0 by year-end. Over the year, demand will average 33.6 units compared to projected marketed supply of 38.3, giving an average marketed surplus of 4.7. Over 2020, at this stage demand is expected to average 31.8, peaking at 34.1 in the second quarter. Marketed supply is expected to average 39.0 if no further units are scrapped, giving an average marketed surplus over the year of 7.2 units.

Northwest Europe jackup supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Denmark	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.7
Germany	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Netherlands	3.0	4.6	4.0	5.0	5.0	4.4	5.0	4.0	3.9	4.0	5.0	5.0	5.0	4.6
Norway	10.4	10.0	10.2	11.5	12.0	12.0	13.1	13.0	13.0	13.0	13.3	12.1	11.0	12.0
UK	16.0	13.0	11.7	14.2	17.0	17.0	18.0	18.8	16.3	14.0	15.0	14.9	14.0	15.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	30.3	28.6	26.9	31.6	35.0	35.4	38.1	37.8	35.1	33.0	35.3	34.0	32.0	33.6
Total supply	44.0	44.0	45.0	45.0	45.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	45.6
Marketed supply	37.0	37.0	37.0	37.0	37.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	38.3
Marketed surplus	6.7	8.4	10.1	5.4	2.0	3.6	0.9	1.2	3.9	6.0	3.7	5.0	7.0	4.7

Source: IHS Markit

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Northwest Europe semisubmersible supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Eire	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.6
Norway	11.9	12.0	11.0	11.4	14.9	14.6	16.5	17.3	17.9	17.0	16.5	16.8	16.5	15.2
UK	11.0	9.5	9.0	12.5	15.5	16.5	16.0	15.5	13.0	11.3	13.0	13.0	12.6	13.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	22.9	21.5	20.0	24.0	31.4	32.1	33.5	33.7	31.9	29.3	30.5	29.8	29.2	28.9
Total supply	43.0	43.0	44.0	44.0	44.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	45.3
Marketed supply	32.0	32.0	34.0	34.0	34.0	36.0	36.0	37.0	37.0	37.0	37.0	37.0	37.0	35.7
Marketed surplus	9.1	10.5	14.0	10.0	2.6	3.9	2.5	3.3	5.1	7.7	6.5	7.2	7.8	6.8

Source: IHS Markit

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Northwest Europe drillship supply and demand

	2018	2019												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Eire	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.3
Faroes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Norway	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UK	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	1.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.3
Total supply	3.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.8
Marketed supply	2.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.8
Marketed surplus	1.0	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	1.4

Source: IHS Markit

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10. Worldwide Tender Rig Market

Worldwide tender rig availability

Rig Name	Rig Type	Reg.	Country	Current Operator	Contract Description	Free Date
GP-18	Tender	S America	Venezuela	-	-	1-Oct-1999
GP-14	Tender	S America	Venezuela	-	-	1-Apr-2007
Sapura Menang	Tender	SE Asia	Malaysia	-	-	12-Jun-2015
SKD T-19	Tender	SE Asia	Singapore	-	-	9-Nov-2015
SKD T-20	Tender	SE Asia	Singapore	-	-	29-Apr-2016
SKD T-11	Tender	SE Asia	Singapore	-	-	19-May-2016
Sapura Setia	Tender	SE Asia	Malaysia	-	-	5-Jul-2016
PV Drilling V	Tender	SE Asia	Vietnam	-	-	4-Nov-2016
Sapura Jaya	Tender	C America	Trinidad and Tobago	-	-	7-Dec-2016
SKD T-10	Tender	SE Asia	Malaysia	-	-	2-Mar-2017
SKD T-12	Tender	SE Asia	Indonesia	-	-	22-Jun-2017
MTR-4	Tender	Far East	China	-	-	8-Dec-2017
MTR-3	Tender	Far East	China	-	-	28-Feb-2018
West Vencedor	Tender	SE Asia	Malaysia	-	-	4-Mar-2018
SKD T-17	Tender	SE Asia	Malaysia	-	-	5-Jul-2018
BassDrill Alpha	Tender	W Africa	Canary Islands	-	-	15-Jul-2018
Sapura Esperanza	Tender	SE Asia	Malaysia	Shell	3 wells + 3 option wells	15-Sep-2018
Sapura Berani	Tender	SE Asia	Malaysia	-	-	16-Dec-2018
Saipem TAD	Tender	W Africa	Congo	Total	5 wells + 5 x 1 well options	31-Dec-2018
EDrill-3	Tender	Far East	China	-	-	9-Jan-2019
Sapura Pelaut	Tender	SE Asia	Brunei Darussalam	Shell	2 years + 2 years option	31-Mar-2019
SKD T-18	Tender	SE Asia	Thailand	Chevron	5 years	16-Jun-2019
T-15	Tender	SE Asia	Thailand	Chevron	1-year extension	30-Jul-2019
T-16	Tender	SE Asia	Thailand	Chevron	1-year extension	30-Aug-2019
Atlantica Gamma	Tender	Far East	China	-	-	15-Sep-2019
BassDrill Beta	Tender	S America	Brazil	Petrobras	60-day extension	18-Sep-2019
EDrill-1	Tender	SE Asia	Thailand	PTTEP	Option	5-Oct-2019
EDrill-2	Tender	Indian Ocean	Myanmar	PTTEP	Option	9-Nov-2019
SKD T-9	Tender	SE Asia	Malaysia	JX Nippon Oil & Gas	3 wells	1-Mar-2020
Sapura Kinabalu	Tender	SE Asia	Singapore	-	-	8-Jul-2020
Atlantica Delta	Tender	W Africa	Congo	Total	44 months + 5 x 5 month options	30-Aug-2020
Sapura Raiqa	Tender	SE Asia	Singapore	-	-	8-Dec-2020
Compact TAD1	Tender	Far East	China	-	-	7-Jan-2021
Compact TAD2	Tender	Far East	China	-	-	7-Jan-2021
Energear Force	Tender	Med/Black Sea	Greece	Energear Oil & Gas	15 wells	31-Dec-2021
Sapura Alliance	Tender	SE Asia	Brunei Darussalam	Shell	5 years + 5 years option	31-Mar-2023

Source: IHS Markit

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Tender rigs – Current Formal Tenders by Region

Reg.	Country	Operator	Descriptor	Start Date	Location	Work Mode
PAC	Thailand	Chevron	5 years or 3 years + 2 x 1-year options	1-Jul-2019		Dev
PAC	Malaysia	Mubadala Petroleum	7 wells	1-Oct-2019	SK320, Sarawak	Dev
PAC	Vietnam	Phu Quoc POC	77 development wells + 3 water injectors	1-Jul-2020	Blks B, 48/95 and 52/97	Dev
PAC	Vietnam	Repsol	5 to 8 well completions	1-Jan-2019	Ca Rong Do Phase 2	Dev
WAF	Angola	Chevron	2 years + 2-year option	1-Nov-2018	Block 14	Dev

APP = Appraisal, DEV = Development, EXP = Exploration, PRO = Production, WKV = Workover, OTH = Other

Source: IHS Markit

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11. Worldwide Rig Availability

Rig Name	Rig Type	Reg.	Country	Current Operator	Contract Description	Free Date
Well Services Rig 152	JU	LAM	Trinidad & Tobago	(none)		31-Mar-2014
Well Services Rig 53	JU	LAM	Trinidad & Tobago	(none)		4-Oct-2015
Tonala	JU	LAM	Mexico	(none)		7-Nov-2015
Panuco	JU	LAM	Mexico	(none)		30-Nov-2015
GSP Atlas	JU	LAM	Mexico	(none)		1-Jan-2016
GSP Orizont	JU	LAM	Mexico	(none)		1-Feb-2016
Sandunga	JU	LAM	Mexico	(none)		12-Feb-2016
Tuxpan	JU	LAM	Mexico	(none)		15-Feb-2016
GSP Fortuna	JU	LAM	Mexico	(none)		17-Jul-2016
Zacatecas	JU	LAM	Mexico	(none)		16-Nov-2016
Alpha Star	SS	LAM	Brazil	(none)		23-Sep-2017
PetroSaudi Saturn	DS	LAM	Trinidad & Tobago	(none)		11-Nov-2017
Bicentenario	SS	LAM	Mexico	(none)		20-Nov-2017
Gold Star	SS	LAM	Brazil	(none)		17-Feb-2018
Lone Star	SS	LAM	Brazil	(none)		31-Mar-2018
Maersk Developer	SS	LAM	Trinidad & Tobago	(none)		18-Jul-2018
West Carina	DS	LAM	Brazil	(none)		20-Jul-2018
Norbe VI	SS	LAM	Brazil	(none)		8-Aug-2018
Brava Star	DS	LAM	Brazil	(none)		19-Aug-2018
Amaralina Star	DS	LAM	Brazil	Petrobras	6 years + 6 year option	19-Sep-2018
Aban V	JU	MME	UAE	(none)		30-Oct-2014
Labin	JU	MME	Croatia	(none)		10-May-2015
Arabdrill 70	JU	MME	Bahrain	(none)		18-Nov-2015
Foresight Driller IX	JU	MME	UAE	(none)		30-Nov-2015
Foresight Driller III	JU	MME	UAE	(none)		17-Feb-2016
Arabdrill 30	JU	MME	Bahrain	(none)		30-Apr-2016
Jindal Pioneer	JU	MME	UAE	(none)		1-May-2016
Comet	JU	MME	Egypt	(none)		16-May-2016
Compact Driller	JU	MME	Bahrain	(none)		17-Nov-2016
Bennevis	JU	MME	Egypt	(none)		16-Dec-2016
Scarabeo 9	SS	MME	Egypt	(none)		12-Jun-2018
ENSCO 5004	SS	MME	Libya	Mellitah Oil & Gas	18 months	20-Sep-2018
ENSCO DS-7	DS	MME	Israel	Noble Energy	2 wells + 4 completions + 2 x 2-well options	15-Oct-2018
Swift 10	JU	NWE	Netherlands	(none)		31-Aug-2016
Borgland Dolphin	SS	NWE	Norway	(none)		18-Sep-2016
Byford Dolphin	SS	NWE	Norway	(none)		25-Oct-2016
Rowan Norway	JU	NWE	UK	(none)		31-Oct-2017

Bideford Dolphin	SS	NWE	Norway	(none)		28-Dec-2017
COSLProspector	SS	NWE	Norway	(none)		17-Mar-2018
Maersk Gallant	JU	NWE	UK	(none)		15-May-2018
ENSCO 121	JU	NWE	UK	(none)		1-Aug-2018
Maersk Resolve	JU	NWE	Denmark	(none)		12-Aug-2018
PROSPECTOR 1	JU	NWE	Netherlands	(none)		12-Aug-2018
COSLInnovator	SS	NWE	Norway	(none)		26-Aug-2018
Stena Spey	SS	NWE	Norway	(none)		20-Sep-2018
Island Innovator	SS	NWE	Norway	DEA	1 well	26-Sep-2018
ENSCO 100	JU	NWE	UK	Premier	3 years	1-Oct-2018
ENSCO 72	JU	NWE	UK	Tullow Oil	7 P&As + 2 optional P&As	1-Oct-2018
Blackford Dolphin	SS	NWE	UK	BP	1-well option	8-Oct-2018
Maersk Resilient	JU	NWE	Denmark	Total	Maersk Oil contract novated to Total	11-Oct-2018
Ocean Guardian	SS	NWE	UK	Chevron	2 wells	23-Oct-2018
ENSCO 122	JU	NWE	UK	NAM	1-well option	27-Nov-2018
Paul B. Loyd, Jr.	SS	NWE	UK	Zennor Petroleum	2 wells + 3 x 1-well options	6-Dec-2018
Deepsea Treasure	JU	PAC	India	(none)		25-May-2014
ENSCO DS-9	DS	PAC	Singapore	(none)		21-Jul-2015
West Leda	JU	PAC	Malaysia	(none)		21-Jul-2015
KS Java Star	JU	PAC	Indonesia	(none)		30-Dec-2015
West Prospero	JU	PAC	Malaysia	(none)		27-May-2016
Yu Song	JU	PAC	China	(none)		23-Jul-2016
Trident 15	JU	PAC	Malaysia	(none)		4-Oct-2016
West Vigilant	JU	PAC	Malaysia	(none)		17-Oct-2016
Dalian Developer	DS	PAC	China	(none)		1-Nov-2016
Harmoni Victory	JU	PAC	China	(none)		16-Dec-2016
Well Target 3	JU	PAC	China	(none)		25-Apr-2017
Well Target 4	JU	PAC	China	(none)		27-Apr-2017
Kan Tan III	SS	PAC	China	(none)		1-Jun-2017
Norshore Atlantic	DS	PAC	Singapore	(none)		1-Jul-2017
Valentin Shashin	DS	PAC	Vietnam	(none)		20-Jul-2017
Bluewhale I	SS	PAC	China	(none)		10-Aug-2017
Deepsea Metro I	DS	PAC	Malaysia	(none)		30-Aug-2017
ENSCO 8504	SS	PAC	Singapore	(none)		15-Mar-2018
Maersk Deliverer	SS	PAC	Malaysia	(none)		22-Mar-2018
Ocean Apex	SS	PAC	Singapore	(none)		30-May-2018
Spartan 202	JU	UGM	USA	(none)		1-Aug-2014
Spartan 303	JU	UGM	USA	(none)		20-Oct-2014
Uxpanapa	JU	UGM	USA	(none)		7-Jul-2016
Noble Sam Croft	DS	UGM	USA	(none)		9-Oct-2017
Rowan Reliance	DS	UGM	USA	(none)		9-Oct-2017
Noble Paul Romano	SS	UGM	USA	(none)		20-May-2018
Rowan Renaissance	DS	UGM	USA	(none)		13-Jul-2018
Rowan EXL III	JU	UGM	USA	(none)		15-Aug-2018
Discoverer Clear Leader	DS	UGM	USA	(none)		9-Sep-2018
ENSCO 8503	SS	UGM	USA	(none)		10-Sep-2018
ENSCO 8505	SS	UGM	USA	Marubeni	2 wells	15-Sep-2018
WFD Rig 350	JU	UGM	USA	Energy XXI	6 months	16-Sep-2018
Enterprise 263	JU	UGM	USA	Energy XXI	1 well	28-Sep-2018
West Aquarius	SS	UGM	Canada	BP	1 well	30-Sep-2018
Maersk Valiant	DS	UGM	USA	(none)		3-Oct-2018

Rowan Resolute	DS	UGM	USA	LLOG	2 wells + options	15-Oct-2018
WFD Rig 300	JU	UGM	USA	Arena Offshore, LLC	Well-to-well	15-Oct-2018
Spartan 208	JU	UGM	USA	EnVen Energy Ventures	Multiple wells	18-Oct-2018
Enterprise 264	JU	UGM	USA	Walter Oil & Gas	1 well	25-Oct-2018
Spartan 151	JU	UGM	USA	Furie Operating	Multiple wells	29-Oct-2018
Titanium Explorer	DS	WAF	South Africa	(none)		15-Jan-2016
West Leo	SS	WAF	Canary Islands	(none)		1-Dec-2016
Pacific Mistral	DS	WAF	Canary Islands	(none)		24-Sep-2017
Pacific Meltem	DS	WAF	Canary Islands	(none)		20-Oct-2017
Stena IceMAX	DS	WAF	Canary Islands	(none)		11-Dec-2017
Pacific Khamsin	DS	WAF	Canary Islands	(none)		12-Dec-2017
Pacific Scirocco	DS	WAF	Canary Islands	(none)		21-Dec-2017
ENSCO DS-11	DS	WAF	Canary Islands	(none)		15-Jan-2018
West Polaris	DS	WAF	Canary Islands	(none)		28-Feb-2018
Admarine 260	JU	WAF	Cameroon	(none)		2-Mar-2018
ENSCO DS-6	DS	WAF	Canary Islands	(none)		20-Mar-2018
Baltic	JU	WAF	Nigeria	Total	Five-month extension	30-Sep-2018
COSLSeeker	JU	WAF	Cameroon	Addax	8 months + options	17-Dec-2018
Frigg	JU	WAF	Nigeria	Total	1 year	30-Dec-2018
Trident XIV	JU	WAF	Nigeria	ExxonMobil	1-year + 2 x 1-year options	6-Feb-2019

These tables only include rigs that are being actively marketed for work. Cold-stacked and out of service rigs are not included.

SS = Semi, DS = Drillship, JU = Jackup

Source: IHS Markit

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12. Requirements

Floaters – Current Formal Tenders by Region

Reg.	Country	Operator	Descriptor	Start Date	Location	Work Mode	Rig Type
WAF	Angola	Total	1 of 2 rigs	1-Jan-2019	Block 17	DEV	DS
WAF	Angola	Total	2 of 2 rigs	1-Jan-2019	Block 17	DEV	DS
MME	Bulgaria	Total	1 well + 1 well option	10-Oct-2018	Han Asparuh	EXP	DS
LAM	Brazil	Chevron	5 months	1-May-2019	Frade field, Campos Basin	DEV	DS
LAM	Brazil	Petrobras	24 months	1-Apr-2019	BM-S-11	DEV	DS
LAM	Brazil	Petrobras	550 days + 815-day option (MPD)	9-Dec-2019	Libra	DEV	DS
LAM	Brazil	Petrobras	629 days + 680-day option (non-MPD)	27-Dec-2019	Libra	DEV	DS
LAM	Brazil	Total	3 wells and 1 workover + 2 x 1-well options	1-Nov-2018	BM-S-9, Lapa field	DEV	DS
LAM	Brazil	Petrobras	12 or 24 months, 1 or more units	1-Sep-2019		EXP	DS
LAM	Brazil	Premier	7 wells + 4 x 1-well options	1-Jan-2019	Ceara and Potiguar Basins	EXP	DS
WAF	Cote d'Ivoire	Total	1 well	1-Jan-2021		EXP	DS
MME	Cyprus	ExxonMobil	2 wells	1-Oct-2018	Block 10	EXP	DS
WAF	Equatorial Guinea	Noble Energy	1 well + 1 well option	1-Jan-2019	Block 1	DEV	DS
PAC	India	Reliance	1 year + 2 x 3-month options (Rig 1)	1-Sep-2019		DEV	DS
PAC	India	Reliance	9 months + 3 months option (Rig 2)	1-Sep-2019		DEV	DS
PAC	Japan	Japex	1 well	1-Mar-2019	Offshore Hidaka, Hokkaido	EXP	DS
LAM	Mexico	Murphy	1 well	1-Dec-2018	CNH-R01-L04-A5.CS/2016, Block 5	EXP	DS
LAM	Mexico	Total	1 well + 1 well option	1-Dec-2018	CNH-R01-L04-A2.CPP/2016 Block 2	EXP	DS
WAF	Mauritania	Total	1 well + options	1-Oct-2018	Block C-9	EXP	DS
PAC	Malaysia	Petronas Carigali	3 firm wells (over 2 windows)	1-Nov-2018	Blk 2G-2J, Sabah	EXP	DS
WAF	Nigeria	Eni	Rig 1 of 2: 6 wells + options	1-Dec-2020	Zabazaba, OML 245	DEV	DS

WAF	Nigeria	Eni	Rig 2 of 2: 8 wells + options	1-Mar-2021	Zabazaba, OPL 245	DEV	DS
PAC	New Zealand	Shell	1 well	10-Jan-2019	PEP 50119, Great South Basin Block 12GS2	EXP	DS
WAF	Senegal	Woodside	Rig 1 of 2: 18 wells + 8 x 1 well options	1-Nov-2020	SNE Phase I	DEV	DS
WAF	Senegal	Woodside	Rig 2 of 2: 18 wells + 8 x 1 well options	1-Feb-2021	SNE Phase I	DEV	DS
WAF	Angola	ExxonMobil	Up to 18 months	1-Oct-2018		DEV	SS
PAC	Australia	ExxonMobil	2 wells + 6 option wells	1-May-2019	Bass Strait	DEV	SS
PAC	Australia	Inpex	3 years + 2 x 1 year options	1-Nov-2019	WA-505/51 Ichthys field (Phase 2)	DEV	SS
PAC	Australia	Eni	70 days + 80 days (P&A) + 40 days option well	1-Mar-2019	JPDA/NWS	EXP	SS
NAM	Canada	ExxonMobil	1 well + 2 x 1-well options	1-Apr-2019	Jeanne d'Arc, Flemish Pass basins	EXP	SS
MME	Egypt	Dana Gas	2 wells + 1 well option	15-Jan-2019	North El Arish (Block 6)	APP	SS
MME	Egypt	Burullus	180-days + 8 x 60-day options	1-Oct-2018	West Delta Deep Marine	DEV	SS
MME	Egypt	Burullus	180 days + 8 x 60-day options	1-Nov-2018	West Delta Deep Marine	DEV	SS
NWE	UK	BP	2 wells + 5 options	1-Apr-2019	Vorlich and others WOS/CNS	DEV	SS
NWE	UK	Chevron	120 days top hole drilling	1-May-2020	Rosebank	DEV	SS
NWE	UK	Chevron	17 wells + options	1-Apr-2022	Rosebank	DEV	SS
NWE	UK	Dana Petroleum	2 wells	1-Apr-2019	Western Isles/Guillemot N	DEV	SS
PAC	Indonesia	Medco	2 wells + 2 x 1 well options + 1 well option	1-Mar-2019	Natuna Sea Block B	DEV	SS
PAC	Indonesia	Pertamina	3 wells + 3x1 option wells (PHE NSO)	1-Oct-2018	Block NSO, off North Sumatra	EXP	SS
PAC	Indonesia	TAC Pertamina Blue Sky Langsa	6 workover wells	1-May-2019	Aceh, North Sumatra	WKV	SS
PAC	Myanmar	Daewoo Intl	8 subsea wells	1-Oct-2019	Shwe field + Shwe Phyu satellite field	DEV	SS
NWE	Norway	Eni	1 well	1-Jul-2019	Marulk, Haltenbanken	DEV	SS
NWE	Norway	Equinor	6 or 12 wells	1-Mar-2019		DEV	SS
NWE	Norway	Lundin Petroleum	4-14 wells	1-Apr-2019	Luno II and others	DEV	SS
NWE	Norway	Capricorn Energy	1 well + 1-well option	1-Jun-2019		EXP	SS
PAC	New Zealand	OMV	2 wells	1-Sep-2019	Tewhatu/Cloudy Bay/Toutouwai Lead	EXP	SS
MME	Romania	ExxonMobil	540 days firm, 180-540 days options	1-May-2020	Neptun Deep	DEV	SS

APP= Appraisal, DEV = Development, EXP = Exploration, OTH = Other, SS = Semi, DS = Drillship

Source: IHS Markit

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Jackups – Current Formal Tenders by Region

Reg.	Country	Operator	Descriptor	Start Date	Location	Work Mode
LAM	Mexico	Fieldwood Energy	1 to 1.5 years + options	1-Dec-2018	Ichalkil - CNH-R01-L02-A4/2015 Block 4	DEV
LAM	Mexico	Fieldwood Energy	1 to 1.5 years + options	1-Dec-2018	Pokoch - CNH-R01-L02-A4/2015 Block 4	DEV
MME	UAE	ADNOC Offshore	3 years + 2 x 1-year options	5-Oct-2018	Umm Shaif	DEV
MME	UAE	ADNOC Offshore	3 years + 2 x 1-year options	1-Jan-2019	Zakum (Lower)	DEV
MME	UAE	ADNOC Offshore	3 years + 2 x 1-year options	1-Nov-2018	Nasr	WKV
MME	Egypt	Agiba	6 - 10 workovers + 1 well	30-Sep-2018	Ashrafi	WKV
MME	Kuwait	KOC	3 years + 6 months option	1-Jun-2019	Near the Neutral Zone	EXP
MME	Kuwait	KOC	3 years + 6 months option	1-Dec-2019	Bay of Kuwait	EXP
MME	Neutral Zone	Al-Khafji Joint Operations	3 to 5 years (Rig 1 - workover)	1-Nov-2018	Al Khafji field	WKV
MME	Neutral Zone	Al-Khafji Joint Operations	3 to 5 years (Rig 2 - workover)	1-Jan-2019	Al Khafji field	WKV
MME	Oman	PetroTel	1 well plus 1 option well	1-Dec-2018	Blk 40, Musandam	EXP
MME	Qatar	North Oil Company	(Rig 1) 2 years + 3 x 1-year options	20-Dec-2018	Al-Shaheen	DEV
MME	Qatar	North Oil Company	(Rig 2- optional) 2 years + 2 x 1-year option	1-Jun-2019	Al-Shaheen	DEV
MME	Qatar	Qatargas	3 years (Rig 1 of 6)	1-Jun-2019		DEV
MME	Qatar	Qatargas	3 years (Rig 2 of 6)	1-Aug-2019		DEV
MME	Qatar	Qatargas	3 years (Rig 3 of 6)	1-Oct-2019		DEV
MME	Qatar	Qatargas	3 years (Rig 4 of 6)	30-Dec-2019		DEV
MME	Qatar	Qatargas	3 years (Rig 5 of 6)	1-Jan-2020		DEV
MME	Qatar	Qatargas	3 years (Rig 6 of 6)	1-Mar-2020		DEV
MME	Saudi Arabia	Saudi Aramco	(Multiple Drilling units- 3,000 hp) 3 years + 2 x 1-year options or 5 years	1-Jan-2019	Middle East Gulf	DEV
MME	Saudi Arabia	Saudi Aramco	(Multiple Drilling units- 2,000 hp) 3 years + 2 x 1-year options or 5 years	1-Jan-2019	Middle East Gulf	DEV
MME	Saudi Arabia	Saudi Aramco	(Exploration rig) 3,000 HP; 3 years + 2 x 1-year options or 5 years	1-Jan-2019	Red Sea	EXP
MME	Saudi Arabia	Saudi Aramco	(Exploration Rigs) 3,000 HP; 3 years + 2 x 1-year options or 5 years	1-Jan-2019	Middle East Gulf	EXP
MME	Saudi Arabia	Saudi Aramco	(Workover rigs- 2000hp) 3 years + 2 x 1-year options or 5 years	1-Jan-2019	Middle East Gulf	WKV
MME	Tunisia	Eni	8 months + 6 month options	15-Jan-2019		DEV
NWE	UK	Premier	3 wells	1-Apr-2020	Catcher VP1/Laverda/Catcher N	APP
NWE	UK	Marathon	2 wells + 1 optional well intervention or workover	1-Apr-2019	West Brae, Block 16/7a	DEV
NWE	UK	Perenco	150 days + 10 opts/300 days + 5 opts	20-Mar-2019	SNS	DEV
NWE	UK	Premier	4 wells + 2 x 1-well options	1-Jun-2020	Tolmount Main, 42/28d	DEV
NWE	UK	Premier	4 wells (2 appraisals + 2 P&As)	1-May-2019	Tolmount East, Cobra/Python and others	EXP
NWE	UK	Repsol Sinopec	5 P&As	1-Apr-2019	Fulmar AD, Block 30/16	OTH
NWE	Norway	Equinor	2 wells + 5 optional wells	1-Jun-2019	Gudrun	DEV
PAC	Australia	Quadrant Energy	4 wells + 2 option wells	1-Apr-2019	Western Australia	OTH
PAC	Bangladesh	ONGC	2 wells	30-Sep-2018	SS-04	EXP
PAC	Indonesia	Pertamina	Three wells PHENC	1-Oct-2018	Nunukan PSC, Keris, Parang fields	DEV
PAC	Indonesia	Santos	one well	1-Oct-2018	Sampang PSC, Paus Biru-1	EXP
PAC	India	Cairn India	4 to 7 wells	1-Mar-2019	Ravva field (East Coast)	DEV
PAC	India	Adani Welspun Exp.	3 wells	1-Mar-2019	MB-OSN-2005/2	EXP
PAC	Cambodia	KrisEnergy	20 development wells + 6 appraisal (3 sidetracks) through IPM	1-Jun-2019	Block A oil development	DEV
PAC	Malaysia	Sapura Energy	15 wells: 2018-2020 drilling campaign	1-Nov-2018		DEV
PAC	Malaysia	IPC (Intl Petroleum Corp)	75 days (Keruing-1 + Bertam-4)	15-Oct-2018	Bertam field, PM 307	EXP
PAC	Malaysia	Pexco Sarawak N.V.	3 wells + 1 well option	1-Feb-2019	SK 301B/302A/302B/303A, Sarawak	EXP

PAC	Malaysia	Petronas Carigali	2 wells + 2 option wells	30-Sep-2018	Sabah, Sarawak	EXP
PAC	New Zealand	Shell	5 well interventions	1-Dec-2018	Pohokura PPB Platform	DEV
PAC	Thailand	Chevron	5 years or 3 years + 1 year option + 1 year option	1-Jul-2019		DEV
PAC	Thailand	Carigali Hess	450 days + 3x6 mth options (1st of 2-JU tender)	1-Apr-2020	Block A-18 in the Gulf of Thailand JDA	EXP
PAC	Thailand	Carigali Hess	525 days + 3x6-mth options (2nd of 2-JU tender)	1-Oct-2020	Block A-18	EXP
PAC	Thailand	CPOC	Second Rig Package - 1 yr + 6 x 3-mth options	1-Nov-2018	Block B 17 & C-19 plus B-17-01	EXP
PAC	Vietnam	Vietsovetro	1 well/Short-term JU 2	1-Oct-2018	Ca Tam; Block 09-3-12	DEV
PAC	Vietnam	Eni	2 wells	1-Feb-2019	Blk 114 and Blk 116	EXP
PAC	Vietnam	PVEP	1 well	10-Nov-2018	Block 42	EXP
PAC	Vietnam	Thang Long JOC	1 well + 1 well option	1-Apr-2019	Block 15-2/01, Nam Con Son	EXP
PAC	Vietnam	Vietsovetro	One well	1-Oct-2018	Block 16-1/15; offshore South Vietnam	EXP
PAC	Vietnam	Murphy	1 exploration well	1-Oct-2018	15-1/05, Cuu Long Basin, South Vietnam	EXP
WAF	Nigeria	First E&P	2 years + 1-year option	1-Feb-2019	OML 83/85	EXP

APP = Appraisal, DEV = Development, EXP = Exploration, PRO = Production, WKV = Workover, OTH = Other

Source: IHS Markit

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13. Worldwide Mobile Drilling Rig Estimated Market Ranges (USD) as of September 2018

Region	Category	Low	High
US Gulf of Mexico	JU <350 MC	65,000	70,000
	JU =>350 IC	65,000	75,000
	Semi >7500	125,000	150,000
	Drillship >7500	130,000	170,000
Mexico	JU <350 IC	25,000	35,000
	JU =>350 IC	35,000	55,000
South America	Semi >7500	120,000	190,000
	Drillship >7500	110,000	210,000
West Africa	JU <350 IC	50,000	70,000
	JU =>350 IC	60,000	90,000
	Semi >7500	120,000	160,000
	Drillship >7500	128,000	280,000
Northwest Europe	GBR JU Harsh Standard	50,000	55,000
	GBR JU Harsh High Spec	85,000	150,000
	GBR Semi Harsh Standard	100,000	130,000
	NOR Semi Harsh Standard	140,000	180,000
	NOR Semi Harsh Deepwater	200,000	300,000
	GBR Semi Harsh High Spec	140,000	175,000
Middle East Gulf	JU <350 IC	45,000	75,000
	JU =>350 IC	50,000	95,000
Indian Ocean	JU <350 IC	32,000	45,000
	JU =>350 IC	37,000	60,000
	Semi <=3000	85,000	120,000
Southeast Asia	JU <350 IC	45,000	60,000
	JU =>350 IC	55,000	65,000
	Semi >7500	120,000	170,000
Australia/New Zealand	Semi <=3000	140,000	170,000

Source: IHS Markit

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Disclaimer: Estimates for current estimated market ranges are presented in good faith based on our best understanding of the market at the time.

14. Worldwide Mobile Drilling Rig Fixture Day Rates (USD) as of 31 Aug 2018

Region	Category	Aug 18		Jul 18	
		Low	High	Low	High
US Gulf of Mexico	JU >400 IC	---	---	---	---
	JU 361-400 IC	---	---	---	---
	JU 301-360 IC	---	---	---	---
	JU >300 IS	---	---	---	---
	JU 300 IC	---	---	---	---
	JU 300 IS	---	---	---	---
	JU 250 IC	---	---	---	---
	JU 250 IS	---	---	---	---
Dashes (---)	JU 250 MC	---	---	---	---
denote no	JU 250 MS	---	---	---	---
qualifying	JU 200 MC	---	---	---	---
fixtures in	JU <250 IC	---	---	---	---
the last six	JU <250 IS	---	---	---	---
months.	JU <200 MC	---	---	---	---
	JU Workover	---	---	---	---
	Semi >7500	130,000	130,000	---	---
	Semi 5001-7500	115,000	115,000	115,000	115,000
	Semi 3001-5000	---	---	---	---
	Semi <=3000	---	---	---	---
	Drillship >7500	160,000	160,000	160,000	160,000
	Drillship 5001-7500	---	---	---	---
	Drillship 3001-5000	---	---	---	---
	Submersibles	---	---	---	---
	Platform rigs	---	---	---	---
	Inland barges	---	---	---	---
Mexico	JU 361-400 IC	---	---	---	---
	JU 301-360 IC	---	---	---	---
	JU 300 IC	---	---	---	---
	JU 250 IC	---	---	---	---
	JU 200 MC	---	---	---	---
South America	JU 301-360 IC	---	---	---	---
	Semi >7500	---	---	---	---
	Semi 5001-7500	---	---	---	---
	Semi 3001-5000	---	---	---	---
	Semi <=3000	---	---	---	---
	Drillship >7500	---	---	---	---
	Drillship 5001-7500	---	---	---	---
	Drillship 3001-5000	---	---	---	---
West Africa	JU 361-400 IC	60,000	80,000	60,000	80,000
	JU 301-360 IC	70,000	70,000	70,000	70,000
	JU 300 IC	---	---	---	---

Source: IHS Markit

Region	Category	Aug 18		Jul 18	
		Low	High	Low	High
West Africa (cont)	JU 250 IC	---	---	---	---
	Semi >7500	---	---	---	---
	Semi 5001-7500	192,000	192,000	192,000	192,000
	Semi 3001-5000	---	---	---	---
	Semi <=3000	---	---	---	---
	Drillship >7500	145,000	150,000	145,000	150,000
	Drillship 5001-7500	150,000	150,000	150,000	150,000
Northwest Europe	GBR JU Harsh Standard	55,000	55,000	54,500	55,000
	GBR JU Harsh High Spec	72,500	85,000	72,500	85,000
	NOR JU Harsh High Spec	160,000	160,000	160,000	160,000
	NLD JU Harsh Standard	50,000	50,000	---	---
	GBR Semi Harsh Standard	116,200	130,000	116,200	130,000
	GBR Semi H. High Spec	170,000	175,000	---	---
	NOR Semi Harsh Standard	---	---	---	---
	NOR Semi H. High Spec	160,000	160,000	160,000	160,000
Med.	JU 361-400 IC	---	---	---	---
	JU 301-360 IC	---	---	---	---
	JU 300 IC	44,500	44,500	44,500	44,500
	Semi <=3000	---	---	---	---
	Drillship >7500	---	---	---	---
Gulf of Suez	JU 250 IC	---	---	---	---
Middle East Gulf	JU 301-360 IC	48,000	75,000	48,000	65,000
	JU 300 IC	69,000	75,000	75,000	75,000
	JU 250 IC	---	---	65,000	65,000
	JU <250 IC	---	---	---	---
Indian Ocean	JU =>301 IC	37,000	37,000	35,000	51,000
	JU 300 IC	---	---	---	---
Southeast Asia	JU 361-400 IC	48,000	72,000	48,000	72,000
	JU 301-360 IC	68,000	70,000	68,700	70,000
	JU 300 IC	55,000	55,000	---	---
	Semi 3001-5000	---	---	---	---
	Semi <=3000	---	---	---	---
	Drillship 3001-5000	---	---	---	---
	Drillship <=3000	---	---	---	---
	Tender rigs	---	---	---	---
	Inland barges	---	---	---	---
Australia / New Zealand	JU 361-400 IC	---	---	---	---
	JU 301-360 IC	---	---	---	---
	Semi <=3000	---	---	115,000	115,000
Worldwide	Semi >7500	130,000	130,000	118,000	145,000
	Drillship >7500	135,000	160,000	138,000	160,000

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Regional Day Rate Analyses

Asia-Pacific

There is a new entry this month for the JU 300 IC category in Southeast Asia of USD 55,000. The award marks the rate for a short-term charter secured by a PV Drilling unit in Vietnam. There were no changes to the other benchmark ranges in Asia-Pacific, as the JU 361–400 IC and JU 301–360 IC categories in Southeast Asia remain at USD 48,000–72,000 and USD 68,700–70,000, respectively. In the Indian Ocean, the range for JU =>301 IC is still a flat USD 37,000; while over in Australia/New Zealand, there is no longer a valid entry for Semi <=3000 due a lack of fixtures.

West Africa

The Drillship >7500 category benchmark remains around USD 145,000–150,000, while the Drillship 5001–7500 category benchmark is also in the USD 150,000 region. The most recent fixture in the Semi 5001–7500 category has a day rate of 192,000. The jackup sector has a reportable benchmark for the JU 361–400 IC category of USD 60,000–80,000, and USD 70,000 for the JU 301–360 IC segment.

Middle East and Mediterranean

The Middle East day rate benchmark for jackups of the JU 301–360 IC category stands at USD 48,000–75,000 driven by recent fixtures and extensions in the Middle East Gulf. For the market category of JU 300 IC, day rates range from USD 69,000–75,000. For the Mediterranean, the JU 300 IC category is USD 44,500.

Latin America

As has been the case since the start of the year, there are no active benchmarks for Latin America. All is not lost, though, as operators across the region have a number of ongoing tenders. Several of these have already led to new fixtures, but operators and contractors have not yet chosen to disclose the rates. While most of these planned programmes will not start until next year or beyond, many of these remaining jobs could still be fixed in the second half of 2018, including multiple tenders from Petrobras alone.

North America

Jackup rates continue to rise in the US Gulf in response to tight availability of marketed units, while drilling contractors struggle with building backlog for floaters, thus making it difficult to attempt to increase rates. Mat jackups are reportedly earning rates in the mid-USD 60,000s, while independent leg units should be pushing the mark USD 80,000 fairly soon. Ultra-deepwater drillships are being offered at rates ranging from USD 130,000–170,000.

Northwest Europe

It is understood bidding rates for high-specification semis that can work west of Shetland are in the USD 140,000–175,000 range. New fixtures for harsh-environment deepwater floaters can be expected at similar levels. UK Standard semi fixture rates for work in 2019 can be expected to increase from the current range of USD 116,200–130,000 – although rates for winter work can be expected around USD 100,000–115,000. In Norway, bidding levels for hot highest specification semis for work starting later in 2019 or in 2020 are still in the high USD 200,000s–300,000s bracket.

High-specification jackups outside Norway are now picking up work in the mid-USD 80,000s to mid-USD 90,000s. Rates in Norway are also increasing as availability reduces, and current bidding levels are thought to be around USD the high USD 100,000s to mid-USD 250,000s.

15. Rig Sales

Grupo R offers Cantarell rigs for sale

Grupo R has stated that strategic options are being reviewed for jackups Cantarell I and Cantarell II, including refinancing and disposition transactions. The units are both currently operating in Mexico with PEMEX under five-year contracts which are scheduled to last until the third quarter of 2021. Additionally, each rig has a two-year option available. These two Cantarell rigs were delivered in March 2016 and PEMEX has had both working since August 2016. In addition, Grupo R still owns Cantarell III and Cantarell IV, which have been technically accepted by the contractor, but are still on standby at the yard in Singapore until contracts can be secured.

Karon 1 to leave the UAE for India

Jackup Karon 1 is being prepared for mobilisation to India following its sale to ship brokers Sustainable Line General Trading. It is understood the unit will most likely be scrapped upon arrival in India. It had been stacked at Drydocks World – Dubai since 2014, and has been owned by the shipyard since. The 1986-built, 100 m/328 ft-rated unit was previously managed by Selective Marine Services (SMS), which is based in Dubai, but the management agreement ceased earlier this year.

Transocean retires two more floaters

Transocean will retire a further two floaters, namely ultra-deepwater drillship GSF C.R. Luigs and mid-water semi Songa Delta. The rigs will be classified as held for sale and will be recycled. Following the acquisition of Ocean Rig, Transocean anticipates re-ranking its fleet, which may result in additional units being recycled.

Songa Delta has been idle since November 2016 when it completed its final charter with Statoil (now Equinor). The 1980-delivered ODECO Ocean Ranger Modified design rig has been cold stacked at Skipavika Naeringspark since February 2017. The 2000-built Global Marine Glomar 456 design drillship GSF C.R. Luigs has been idle at Chaguaramas, Trinidad and Tobago, since June 2015 and last worked for BHP Billiton in 2014.

Transactions

Jackups

Date	Rig name	Design	Water depth	Year in service	Price (USDm)	Seller	Buyer	Notes
Sep-17	West Mischief	LeTourneau Super 116E Class	350'/400'	2010	75.4	Seadrill	Shelf Drilling	Shelf Drilling Mentor
Oct-17	Paragon L1111	Levingston Class 111-C	300'	1982		Paragon Offshore	(undisclosed)	Sold for scrap.
Oct-17	Vastus	Pacific Class 400	400'	2017		PPL Shipyard	Borr Drilling	Galar
Oct-17	Perisai Pacific 102	Pacific Class 400	400'	2018		PPL Shipyard	Borr Drilling	Gerd
Oct-17	Animus	Pacific Class 400	400'	2018		PPL Shipyard	Borr Drilling	Gersemi
Oct-17	Supremus	Pacific Class 400	400'	2018		PPL Shipyard	Borr Drilling	Grid
Oct-17	Perisai Pacific 103	Pacific Class 400	400'	2018		PPL Shipyard	Borr Drilling	Groa
Oct-17	P2053	Pacific Class 400	400'	2018		PPL Shipyard	Borr Drilling	Gunnlod
Oct-17	PPL JU Tbn5	Pacific Class 400	400'	2018		PPL Shipyard	Borr Drilling	Gyme
Oct-17	PPL JU Tbn6	Pacific Class 400	400'	2018		PPL Shipyard	Borr Drilling	Natt
Oct-17	PPL JU Tbn8	Pacific Class 400	400'	2019		PPL Shipyard	Borr Drilling	Njord
Oct-17	Bob Keller	LeTourneau 225-C Tarzan Class	300'	2005		Rowan	ARO Drilling	
Oct-17	Gilbert Rowe	LeTourneau Class 116-C	350'	1981		Rowan	ARO Drilling	

Date	Rig name	Design	Water depth	Year in service	Price (USDm)	Seller	Buyer	Notes
Oct-17	J.P. Bussell	LeTourneau 225-C Tarzan Class	300'	2008		Rowan	ARO Drilling	
Oct-17	SAR 202	KFELS Super B Class	300'/400'	2012		Saudi Aramco	ARO Drilling	
Oct-17	ENSCO 52	F&G L-780 MOD II	300'	1983		Ensco	(undisclosed)	Sold for scrap.
Oct-17	Adriatic IX	LeTourneau Class 116-C	350'	1981	4.3	Shelf Drilling	Perenco	Conversion to MOPU.
Dec-17	Nabors 657	Mitsui F-550	250'	1980		Nabors	ADES Energy	
Dec-17	Nabors 656	LeTourneau Class 80-C	250'	1974		Nabors	ADES Energy	
Dec-17	Nabors 655	Pool Energy 140	160'	1979		Nabors	ADES Energy	
Jan-18	Energy Enhancer	CFEM T-2005-C	300	1982		Northern Offshore	Dixstone Holdings	Conversion to service unit
Jan-18	Energy Endeavour	Gusto	300	1982		Northern Offshore	Dixstone Holdings	Conversion to service unit
Jan-18	Bess Brants	LeTourneau Super 116E	350	2013	38.5	Petrobras	Rowan	P-59
Jan-18	Earnest Dees	LeTourneau Super 116E	350	2013	38.5	Petrobras	Rowan	P-60
Jan-18	Paragon L1115	Levingston Class 111-C	300	1977		Paragon Offshore	Ocean Oilfield	Sold for scrap
Feb-18	Hakuryu-14	PPL Pacific Class 400	400	2018	256	BOT Lease	Japan Drilling	
Feb-18	Paragon M842	LeTourneau 84-C	390	1975		Paragon Offshore	Dixstone Holdings	
Feb-18	Paragon M821	LeTourneau 82-C	250	1976		Paragon Offshore	(undisclosed)	Sold for scrap.
Feb-18	Paragon L781	F&G L-780 MOD II	300	1982		Paragon Offshore	(undisclosed)	Sold for scrap.
Feb-18	Paragon L1116	Levingston 111-C	300	1977		Paragon Offshore	(undisclosed)	Sold for scrap.
Feb-18	Paragon L1114	Levingston 111-C	300	1982		Paragon Offshore	(undisclosed)	Sold for scrap.
Feb-18	Paragon L1113	Levingston 111-C	300	1975		Paragon Offshore	(undisclosed)	Sold for scrap.
Feb-18	Paragon B301	BMC 300-IC	300	1975		Paragon Offshore	(undisclosed)	Sold for scrap.
Feb-18	Vantage 260	LeTourneau Class 150-44-E	250'	1979	5.1	Vantage	Advanced Energy Systems	Admarine 260
Mar-18	Paragon C20052	CFEM T-2005-C	300	1982	5	Paragon Offshore	Dixstone Holdings	
Mar-18	Prospector 1	F&G JU2000E	400	2013		SinoEnergy	Paragon Offshore	Ownership passed to Paragon
Mar-18	Prospector 5	F&G JU2000E	400	2014		SinoEnergy	Paragon Offshore	Ownership passed to Paragon
Apr-18	Paragon L786	F&G L-780 MOD II	300	1982		Borr Drilling	(undisclosed)	Sold for scrap.
Apr-18	ENSCO 81	LeTourneau Class 116-C	350	1978		Ensco	(undisclosed)	Sold for scrap.
Apr-18	ENSCO 82	LeTourneau Class 116-C	300	1979		Ensco	(undisclosed)	Sold for scrap.
May-18	Paragon C462	MSC CJ-46	220	1981		Paragon Offshore	Perenco	
May-18	Cantarell V	KFELS B Class	400	2020	149	Keppel FELS	Borr Drilling	
May-18	Paraiso II	KFELS B Class	400	2020	149	Keppel FELS	Borr Drilling	
May-18	TS Topaz	KFELS Super B Class	400	2019	149	Keppel FELS	Borr Drilling	
May-18	Keppel FELS JU Tb1	KFELS B Class	350	2020	149	Keppel FELS	Borr Drilling	
May-18	Keppel FELS JU Tbn3	KFELS B Class	350	2020	149	Keppel FELS	Borr Drilling	
Jun-18	Tarfa	Mitsui 300C-38	300	1981		Noble	Dubai Petroleum	Noble David Tinsley
Jun-18	Admarine 657	Mitsui F-550	250	1980	28	Nabors	ADES Energy	
Jun-18	Admarine 656	LeTourneau Class 80-C	250	1974	28	Nabors	ADES Energy	
Jun-18	Admarine 655	Pool Energy 140 Series	160	1979	28	Nabors	ADES Energy	
Jul-18	Shelf Drilling Scepter	KFELS Super B Class	350	2008	68.5	Diamond Offshore	Shelf Drilling	Ocean Scepter
Jul-18	Soehanah	Pacific Class 375	375	2007	75	Ship Finance Intl Ltd.	Vantage Drilling	

Text in italics refers to new rig names

Source: IHS Markit

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Semisubmersibles

Date	Rig name	Design	Water depth	Year in service	Price (USDm)	Seller	Buyer	Notes
Sep-17	Paragon MSS3	Pentagone 85 Series	4,000'	1975		Paragon Offshore		Sold for scrap.
Oct-17	Naga-1	Mitsubishi MD25-SP	300'	1974		Japan Drilling	(undisclosed)	Sold for scrap.
Dec-17	Bollsta Dolphin	Moss Maritime CS-60E	7500'	2018	400	HHI	Northern Drilling	
Dec-17	West Rigel	Moss Maritime CS-60 MK	10,000'	2018	500	SembCorp Marine	(undisclosed)	
Jan-18	Songa Mercur	F&G Enhanced Pacesetter	1,800'	1989		Songa Opus	(undisclosed)	Sold for scrap
Jan-18	Songa Venus	F&G Enhanced Pacesetter	1,500'	1975		Songa Opus	(undisclosed)	Sold for scrap
Jan-18	Cajun Express	SFXpress 2000	8,500'	2001		Transocean	(undisclosed)	Sold for scrap
Jan-18	Sedco Express	SFXpress 2000	6,561'	2001		Transocean	(undisclosed)	Sold for scrap
Feb-18	Sedco Energy	SFXpress 2000	7,500'	2001		Transocean	(undisclosed)	Sold for scrap.
Apr-18	Doo Sung	F&G L-907 Enhanced Pacesetter	1,500'	1984		KNOC	(undisclosed)	Sold for scrap.
Apr-18	Deepsea Nordkapp	Moss Maritime CS-60E	7,500'	2018	505	Samsung	Odfjell Drilling	
Apr-18	ENSCO 7500	7500	8,000'	2000		Ensco	(undisclosed)	Sold for scrap.
May-18	Leiv Eiriksson	Bingo 9000	7,500'	2001		Ocean Rig	Valiant Offshore	
May-18	Eirik Raude	Bingo 9000	10,000'	2002		Ocean Rig	Valiant Offshore	
Jun-18	Transocean Searcher	Bingo 3000	1,500'	1983		Transocean	Rota Shipping Inc	Sold for scrap.
Jul-18	ENSCO 6001	Megathyst Class	5,600'	2001		Ensco	(undisclosed)	Sold for scrap.

Source: IHS Markit

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Drillships

Date	Rig name	Design	Water depth	Year in service	Price (USDm)	Seller	Buyer	Notes
Sep-17	Paragon MDS1	Converted tanker	1,500'	1975		Paragon Offshore	(undisclosed)	Sold for scrap.
Nov-17	Paragon DPDS1	Pelican Class	5,000/9,000'	1979		Paragon Offshore	(undisclosed)	Sold for scrap.
Nov-17	Deepwater Pathfinder	Deepwater Pathfinder	10,000'	1998		Transocean	Rota Shipping Inc	Sold for scrap.
Dec-17	Paragon DPDS2	Pelican Class	5,600'	1977		Paragon Offshore	(undisclosed)	Sold for scrap.
Dec-17	Paragon DPDS3	Converted bulk carrier	7,200'	1963/1977		Paragon Offshore	(undisclosed)	Sold for scrap.
Dec-17	Fatih	P10000	10,000	2011		Chalfont Shipping	TPAO	Deepsea Metro II
May-18	West Aquila	DSME 12000	12,000	2021	296	Seadrill	Northern Drilling	
May-18	West Libra	DSME 12000	12,000	2021	296	Seadrill	Northern Drilling	

Source: IHS Markit

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Barges, Tenders and Arctic Rigs

Date	Rig name	Design	Water depth	Year in service	Price (USDm)	Seller	Buyer	Notes
Dec-16	Independence	Inland barge	13'	2002		Axxis Drilling	Baywater Drilling	Bastian Bay
Dec-16	Integrity	Inland barge	14'			Axxis Drilling	Baywater Drilling	Pelto
Oct-17	Glen Tanar	Tender Rig	450'	1982		KCA Deutag	(undisclosed)	
May-18	MTR-2	Tender assist	330'	1981		Mermaid Maritime	Star Matrix	Sold for scrap.
Jun-18	BassDrill Alpha	Tender rig	656'	2010		Atlantica Tender	BassRig Invest	

Source: IHS Markit

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Changing values of offshore rigs 2013-2018 (USD x 1 million)

	Five years ago (Aug 2013)	Last year (Aug 2017)	Previous month (July 2018)	This month (Aug 2018)
Jackups built after 1980				
300 ft IC international	60	10	15	15
Modern 350 ft IC	210	75	90	90
Semisubmersibles				
*6 th gen 10,000 ft+	620	275	500	500
Drillships				
*6 th gen 10,000 ft+	610	210	210	210

IC = independent-leg, cantilever-type

*Denotes value for average, mild environment, single activity units

The values shown are levels at which we believe there is a reasonable chance of a unit selling. They are based on our dialogue with potential buyers and sellers, oil companies, shipyards, financial institutions etc. There is no guarantee that a particular rig will fetch precisely the amount shown.

Source: IHS Markit

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16. Newbuildings and Conversions

CMHI to use Huisman drilling system on semi newbuild collaboration

Huisman has been awarded a contract by China Merchant Heavy Industries (CMHI) for the engineering and fabrication of a drilling system that will be integrated and installed on a moored semi being built at CMHI Haimen in Jiangsu, China. The two parties have been in collaboration to build the semi, and Huisman reports that this latest contract is the result of a constructive co-operation between them during the unit's concept design. The drilling system comprises an 1800 kips static rated load Dual Multi Purpose Drilling Tower (DMPT), a single pipe setback drum, manipulator arms for pipe and tool handling, top drive, iron roughnecks, skid carts, catwalk machines, gantry and deck cranes, drillers' cabins and Huisman's fully-integrated control system. Fabrication and final commissioning of the completed DMPT will take place at Huisman's China facility. The DMPT is set to be delivered in the second quarter of 2020 to CMHI's Jiangsu Yard. It is understood that construction has been underway for some time on the semi, and some equipment like cranes have already been installed. Huisman currently lists two designs for drilling semis, the JBF Arctic and the Orion Class; and the latter design can be outfitted with a mooring system and/or thrusters.

CPOE set to add two newbuild jackups to fleet

China Petroleum Offshore Engineering (CPOE) is in the process of taking on two newbuild jackups that were built by sister company, China Petroleum Liaohe Equipment Company (CPLEC). Both firms are subsidiaries of state energy company CNPC. CPLEC quit the offshore fabrication sector in late 2017. Then, the yard still had five unsold jackup projects on its hands. The two units CPOE is set to manage and operate will be called CPOE-11 and CPOE-12, and they will probably be put to work offshore China. Both will be rated for work in water depths of up to 106 m (350 ft).

CPOE-11 is understood to be the unit formerly called Pasargad 200 (ex-CP300-2) – it was initially sold and set to work in the Middle East, but the agreement fell through as the customer did not take delivery of the rig in the end. The unit is now scheduled to commence work offshore China around September 2018.

Apart from this unit, CPLEC also built two DSJ-300 design jackups which were originally ordered by China Petroleum Technology and Development Corporation (CPTDC) in 2012 and are referred to as DSJ-300 L1 and DSJ-300 L2 in the IHS Markit database. The yard also started work on two speculative jackups – one of CP400 design and another of CP300 design. According to Chinese news reports, work was halted on the CP400 unit. It is uncertain which of the other units is being assigned as CPOE-12, but the contractor told IHS Markit that more work is pending on the unit and that it will be ready to start up only later in 2018.

NODL renames HHI newbuild West Bollsta

Northern Drilling (NODL) updates that it is involved in several tender processes for newbuild semi West Bollsta (ex-Bollsta Dolphin), some of which represent long-term drilling requirements with start-ups beyond 2021. In its recent quarterly update, NODL stated that it will not enter into contracts at close to operational cost just to secure utilisation and, given the duration and long-dated start-up of the opportunities for West Bollsta, that it will look to secure day rates significantly above the current market for the unit.

The contractor exercised its option to purchase the rig from Hyundai Heavy Industries (HHI) for USD 400 million in December 2017. The unit remains on track for delivery around January 2019. Meanwhile, NODL also has an option via an entity called Blue Sea to acquire drillship Cobalt Explorer from DSME shipyard. If the option is exercised, it will be at a price of USD 350 million, payable in two instalments with USD 105 million due upon the exercise of the option and the remaining balance upon delivery.

Newbuild Deliveries July 2018-December 2018

Manager	Rig Name	Rig Type	Design	Water Depth (ft)	Order Year	Build Yard	Build Country	Build Cost (USD m)	Est. Delivery Date	Operator
Borr Drilling	Groa	JU	PPL Shipyard Pacific Class 400	400	2013	PPL Shipyard	Singapore	211.5	23-Jul-2018	
Northern Offshore	Energy Engager	JU	LeTourneau Super 116E Class	350	2013	COSCO Dalian	China	180	30-Aug-2018	
Tai Zhong Binhai	TZ-400-1	JU		400	2013	Tai Zhong Bin Hai	China		30-Aug-2018	
Northern Offshore	Energy Encounter	JU	LeTourneau Super 116E Class	350	2013	COSCO Dalian	China	180	01-Sep-2018	
Vantage Drilling	Sonangol Libongos	DS	Daewoo (DSME) e-Smart	12,000	2013	Daewoo	S Korea	620	01-Sep-2018	
Vantage Drilling	Sonangol Quenguela	DS	Daewoo (DSME) e-Smart	12,000	2013	Daewoo	S Korea	620	01-Sep-2018	
Borr Drilling	Gyme	JU	PPL Shipyard Pacific Class 400	400	2013	PPL Shipyard	Singapore	211.5	15-Sep-2018	
Bluewhale Offshore Pte Ltd	Bluewhale II	SS	Frigstad Engineering D90	12,000	2013	CIMC Raffles Yantai	China	650	30-Sep-2018	
Dynamic Drilling Ltd.	Dynamic Momentum	JU	LeTourneau Super 116E Class	350	2013	COSCO Dalian	China	180	30-Sep-2018	
	Clearwater JU Tbn4	JU	Keppel FELS KFELS B Class	400	2013	Keppel FELS	Singapore	220	01-Oct-2018	
CPTDC	DSJ-300 JU Tbn4	JU	Dalian New Shipbuilding Heavy Industry DSJ-300	300	2012	Dalian Shipbuilding Industry Co.	China		01-Oct-2018	
Northern Offshore	Energy Embracer	JU	GustoMSC CJ46-X100D	375	2014	Shanghai Waigaoqiao Shipbuilding	China		01-Oct-2018	
Northern Offshore	Energy Enticer	JU	GustoMSC CJ50-X120G	400	2014	Shanghai Waigaoqiao Shipbuilding	China		01-Oct-2018	
Offshore Logistics	Explorer I	JU	LeTourneau Super 116E Class	350	2012	Yangzijiang Shipbuilding	China	170	01-Oct-2018	
Borr Drilling	Natt	JU	PPL Shipyard Pacific Class 400	400	2013	PPL Shipyard	Singapore		15-Oct-2018	
Hongmao Shipping	Haiheng 7	JU	GustoMSC CJ46-X100D	375	2014	China Merchants Heavy Industry	China		01-Nov-2018	
Lovanda Offshore	Lovanda JU Tbn1	JU	Friede & Goldman JU-2000E	400	2014	Shanghai Zhenhua Heavy Industries	China	200	01-Nov-2018	
Bluewhale Offshore Pte Ltd	Cerberus	JU	Friede & Goldman JU-2000E	400	2014	CIMC Raffles Yantai	China	240	01-Dec-2018	
ES Holding	ES Holding JU Tbn1	JU	GustoMSC CJ46-X100D	350	2012	Qingdao Wuchan Heavy Industry CO.	China		01-Dec-2018	
Tianjin Haiheng	HAIHENG CJ50-1	JU	GustoMSC CJ50-X120-G	375	2013	China Merchants Heavy Industry	China		01-Dec-2018	
Tianjin Haiheng	HAIHENG CJ50-2	JU	GustoMSC CJ50-X120-G	375	2013	China Merchants Heavy Industry	China		01-Dec-2018	
Bluewhale Offshore Pte Ltd	North Dragon	SS	Global Maritime GM-4D	1,650	2012	CIMC Raffles Yantai	China		02-Dec-2018	
Bluewhale Offshore Pte Ltd	Beacon Atlantic	SS	Global Maritime GM-4D	1,650	2014	CIMC Raffles Yantai	China		15-Dec-2018	
	Urca	SS	KFELS/MSC DSS 38E	10,000	2011	BrasFELS	Brazil	901	15-Dec-2018	
Keppel FELS	Keppel FELS Drsh Tbn1	DS	Keppel FELS CAN DO	12,000	2013	Keppel FELS	Singapore		31-Dec-2018	
KS Drilling	KS Java Star 3	JU	Friede & Goldman JU-2000E	350	2014	Shanghai Zhenhua Heavy Industries	China	199.2	31-Dec-2018	

Source: IHS Markit

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17. Rig Attrition

Beginning with the January 2016 issue, *World Rig Forecast: Short Term Trends* will include a table showing rig attrition since the beginning of 2014, which is the year in which the current down cycle began.

Rig Name	Contractor	Region	Market Category	Rig Water Depth (ft)	Year in Service	Attrition Date
Strategic Excellence	Union International Energy	Middle East	JU 300-IC	300	1982	Apr-14
Hercules 250	Hercules Offshore	US GOM	JU 250-MS	250	1974	Jun-14
Ocean Spartan	Diamond Offshore	US GOM	JU 300-IC	300	1980	Jul-14
Trident VI	AMAR Offshore	Middle East	JU <250-IC	220	1981	Aug-14
Ocean New Era	Diamond Offshore	US GOM	Semi <=3000	1,500	1974	Oct-14
Ocean Whittington	Diamond Offshore	US GOM	Semi <=3000	1,650	1974	Oct-14
Petrobaltic	LOTOS Petrobaltic	Baltic	JU 300-IS	300	1980	Oct-14
Ocean Yatzy	Diamond Offshore	S America	Semi 3001-5000	3,300	1989	Nov-14
Atwood Southern Cross	Atwood	Med/Black Sea	Semi <=3000	2,000	1976	Dec-14
Sedco 709	Transocean	SE Asia	Semi Harsh Deepwater	5,000	1977	Dec-14
C. Kirk Rhein, Jr.	Transocean	SE Asia	Semi <=3000	2,750	1976	Dec-14
Falcon 100	Transocean	W Africa	Semi <=3000	2,400	1974	Dec-14
GSF Arctic I	Transocean	W Africa	Semi 3001-5000	3,400	1983	Dec-14
J.W. McLean	Transocean	NW Europe	Semi Harsh Standard	1,250	1974	Dec-14
Sedco 601	Transocean	SE Asia	Semi <=3000	1,500	1983	Dec-14
Sedco 700	Transocean	SE Asia	Semi 3001-5000	3,600	1973	Dec-14
Sedco 703	Transocean	SE Asia	Semi <=3000	2,000	1974	Dec-14
Sedco 710	Transocean	W Africa	Semi Harsh Deepwater	4,500	1983	Dec-14
Sedneth 701	Transocean	W Africa	Semi <=3000	1,500	1973	Dec-14
Sovereign Explorer	Transocean	US GOM	Semi Harsh Deepwater	2,130	1984	Dec-14
Admarine I	Advanced Energy Systems	Middle East	JU <250-IC	150	1982	Jan-15
Atwood Hunter	Atwood	W Africa	Semi 3001-5000	5,000	1981	Feb-15
Noble Driller	Noble	US GOM	Semi Harsh Deepwater	5,000	1976	Feb-15
Noble Jim Thompson	Noble	US GOM	Semi 5001-7500	6,000	1999	Feb-15
Noble Paul Wolff	Noble	SE Asia	Semi >7500	9,200	1999	Feb-15
Transocean Rather	Transocean	SE Asia	Semi Harsh Deepwater	4,500	1988	Feb-15
Paragon B153	Paragon Offshore	W Africa	JU <250-IC	150	1982	Feb-15
Paragon DPDS4	Paragon Offshore	US GOM	Drillship 3001-5000	4,900	1982	Feb-15
Paragon MSS3	Paragon Offshore	US GOM	Semi 3001-5000	4,000	1975	Feb-15
Dolphin 106	Nabors	US GOM	JU Workover	100	1982	Mar-15
Dolphin 109	Nabors	US GOM	JU Workover	125	1967	Mar-15
Dolphin 110	Nabors	US GOM	JU Workover	115	1981	Mar-15
P-54	Nabors	US GOM	JU Workover	105	1982	Mar-15
Deepwater Expedition	Transocean	SE Asia	Drillship >7500	8,500	1999	Mar-15
GSF Arctic III	Transocean	NW Europe	Semi Harsh Standard	1,800	1984	Mar-15
Transocean Legend	Transocean	SE Asia	Semi 3001-5000	3,500	1983	Mar-15
Discoverer Seven Seas	Transocean	Far East	Drillship 5001-7500	6,500	1976	Mar-15
Ocean Winner	Diamond Offshore	S America	Semi 3001-5000	4,000	1976	Mar-15
Petrobras V	Petrobras	S America	JU <250-IC	230	1978	Mar-15
Ocean Concord	Not known	Med/Black Sea	Semi <=3000	2,300	1975	Mar-15
GSF Aleutian Key	Transocean	W Africa	Semi <=3000	2,300	1976	Apr-15
Sedco 707	Transocean	SE Asia	Semi 5001-7500	6,560	1976	Apr-15
GSF Explorer	Transocean	SE Asia	Drillship >7500	7,800	1998	Apr-15
Ocean Saratoga	Diamond Offshore	US GOM	Semi <=3000	2,200	1976	May-15
Ocean Worker	Diamond Offshore	US GOM	Semi 3001-5000	3,500	1982	May-15

Rig Name	Contractor	Region	Market Category	Rig Water Depth (ft)	Year in Service	Attrition Date
Ocean Yorktown	Diamond Offshore	US GOM	Semi <=3000	2,850	1976	May-15
Ocean Epoch	Diamond Offshore	Indian Ocean	Semi <=3000	1,640	1977	May-15
Transocean Amirante	Transocean	Med/Black Sea	Semi 3001-5000	3,500	1981	Jun-15
Rowan Alaska	Rowan	US GOM	JU >300-IS	350	1975	Jul-15
Rowan Juneau	Rowan	US GOM	JU 250-IS	250	1977	Jul-15
Maersk Endurer	Maersk Drilling	W Africa	JU Harsh High Spec	350	1984	Jul-15
ENSCO 5002	Ensco	SE Asia	Semi <=3000	1,000	1975	Jul-15
Scarabeo 4	Saipem	Med/Black Sea	Semi <=3000	1,788	1975	Jul-15
Peregrine I	Albatross Energy	Indian Ocean	Drillship 5001-7500	5,248	1983	Sep-15
Ocean Lexington	Diamond Offshore	Mexico	Semi <=3000	2,500	1976	Oct-15
GSF Rig 135	Transocean	W Africa	Semi Harsh Standard	2,800	1983	Oct-15
Ocean Clipper	Diamond Offshore	S America	Drillship >7500	7,875	1977	Nov-15
GSF Celtic Sea	Transocean	Med/Black Sea	Semi 5001-7500	5,750	1998	Nov-15
Maersk Guardian	Maersk Drilling	NW Europe	JU Harsh High Spec	350	1986	Dec-15
ENSCO 5001	Ensco	SE Asia	Semi 5001-7500	5,000	1975	Dec-15
Noble Discoverer	Noble	SE Asia	Drillship <=3000	1,000	1976	Dec-15
Noble Charles Copeland	Noble	Middle East	JU 250-IC	280	1979	Feb-16
GSF Grand Banks	Transocean	Canada East	Semi Harsh Standard	1,500	1984	Feb-16
ENSCO 6000	Ensco	W Africa	Semi 3001-5000	3,400	1986	Feb-16
ENSCO 7500	Ensco	W Africa	Semi >7500	8,000	2000	Feb-16
ENSCO DS-2	Ensco	W Africa	Drillship 5001-7500	6,000	2000	Feb-16
ENSCO 90	Ensco	US GOM	JU 250-IC	250	1982	Feb-16
ENSCO 91	Ensco	Middle East	JU 250-IC	270	1980	Feb-16
ENSCO 56	Ensco	SE Asia	JU 300-IC	300	1983	Feb-16
ENSCO 99	Ensco	US GOM	JU 250-IC	250	1985	Feb-16
ENSCO DS-1	Ensco	W Africa	Drillship 5001-7500	6,000	1999	Feb-16
Deepwater Navigator	Transocean	Med/Black Sea	Drillship 5001-7500	7,218	1971	Mar-16
Atwood Falcon	Atwood	SE Asia	Semi 3001-5000	5,000	1983	Apr-16
Transocean John Shaw	Transocean	NW Europe	Semi Harsh Standard	1,800	1982	Apr-16
Adriatic VI	Shelf Drilling	SE Asia	JU 300-IC	260	1981	Apr-16
Scarabeo 3	Saipem	Med/Black Sea	Semi <=3000	1,500	1975	Apr-16
ENSCO 6003	Ensco	S America	Semi 5001-7500	5,600	2004	May-16
ENSCO 6004	Ensco	S America	Semi 5001-7500	5,600	2004	May-16
ENSCO 58	Ensco	Middle East	JU 250-IC	250	1981	May-16
Ocean Ambassador	Diamond Offshore	US GOM	Semi <=3000	1,100	1975	May-16
Ocean General	Not known	SE Asia	Semi <=3000	1,640	1976	May-16
Adriatic V	Shelf Drilling	Middle East	JU 300-IC	300	1979	May-16
Hercules 207	Lexanda International Ltd	US GOM	JU 200-MC	200	1981	May-16
Hercules 211	Lexanda International Ltd	US GOM	JU Workover	200	1980	May-16
Hercules 2002	Lexanda International Ltd	US GOM	JU 200-MC	200	1982	May-16
Sedco 702	Transocean	Med/Black Sea	Semi 5001-7500	6,562	1973	Jun-16
Ocean Quest	Diamond Offshore	SE Asia	Semi 3001-5000	3,500	1973	Aug-16
Ocean Star	Diamond Offshore	US GOM	Semi 5001-7500	5,500	1973	Aug-16
Hercules 252	Addax	US GOM	JU 250-MS	250	1978	Aug-16
Zagreb 1	Crosco	Med/Black Sea	Semi <=3000	1,476	1977	Sep-16
Rowan Gorilla II	Rowan	SE Asia	JU Harsh High Spec	350	1984	Sep-16
Sedco 704	Transocean	Med/Black Sea	Semi Harsh Standard	1,000	1974	Oct-16
Transocean Driller	Transocean	Med/Black Sea	Semi <=3000	3,000	1991	Oct-16
Transocean Winner	Transocean	Med/Black Sea	Semi Harsh Standard	1,500	1983	Oct-16
Borgny Dolphin	Dolphin	Med/Black Sea	Semi Harsh Standard	1,750	1977	Oct-16

Rig Name	Contractor	Region	Market Category	Rig Water Depth (ft)	Year in Service	Attrition Date
Jindal Discoverer	Jindal Drilling	Indian Ocean	Drillship <=3000	1,500	1977	Nov-16
Energy Searcher	Northern Offshore	Indian Ocean	Drillship <=3000	1,200	1982	Nov-16
ENSCO 53	Not known	Middle East	JU 300-IC	300	1982	Dec-16
M.G. Hulme, Jr.	Transocean	Far East	Semi 3001-5000	5,000	1983	Dec-16
Rowan Gorilla III	Rowan	US GOM	JU Harsh High Spec	375	1984	Dec-16
Noble Max Smith	Noble	Far East	Semi 5001-7500	7,000	1999	Jan-17
Alaskan Star	QGOG Constellation	Med/Black Sea	Semi <=3000	1,673	1976	Feb-17
Ocean King	Diamond Offshore	US GOM	JU 300-IC	300	1973	Feb-17
Ocean Nugget	Diamond Offshore	US GOM	JU 300-IC	300	1976	Feb-17
Ocean Summit	Diamond Offshore	US GOM	JU 300-IC	300	1972	Feb-17
GSF Rig 140	Transocean	SE Asia	Semi Harsh Standard	2,800	1983	Feb-17
Noble Homer Ferrington	Noble	Med/Black Sea	Semi 5001-7500	7,200	1985	Feb-17
Paragon MSS2	Paragon Offshore	C America	Semi 3001-5000	4,000	1977	Feb-17
ENSCO 94	Ensco	Middle East	JU 250-IC	250	1981	Feb-17
Ocean Spur	Diamond Offshore	SE Asia	JU 300-IC	300	1981	Apr-17
Atwood Eagle	Atwood	SE Asia	Semi 3001-5000	5,000	1982	May-17
Paragon L783	Paragon Offshore	W Africa	JU 300-IC	300	1982	May-17
Paragon L782	Paragon Offshore	W Africa	JU 300-IC	300	1981	May-17
Hercules 120	Forward Marine	US GOM	JU <200-MC	120	1958	Jul-17
Perro Negro 3	Saipem	Middle East	JU 300-IC	300	1983	Jul-17
Scarabeo 6	Saipem	Med/Black Sea	Semi Harsh Standard	4,000	1984	Jul-17
Transocean Prospect	Transocean	NW Europe	Semi Harsh Standard	1,476	1983	Jul-17
Transocean Searcher	Transocean	NW Europe	Semi Harsh Standard	1,500	1983	Jul-17
Ocean Alliance	Diamond Offshore	US GOM	Semi Harsh Deepwater	5,250	1988	Jul-17
Ocean Baroness	Diamond Offshore	US GOM	Semi 5001-7500	6,500	1973	Jul-17
Ocean Nomad	Diamond Offshore	NW Europe	Semi Harsh Standard	1,200	1975	Jul-17
Ocean Princess	Diamond Offshore	NW Europe	Semi Harsh Standard	1,500	1975	Jul-17
Ocean Vanguard	Diamond Offshore	NW Europe	Semi Harsh Standard	1,500	1982	Jul-17
Rig 105	Shelf Drilling	Middle East	JU 250-IC	250	1975	Aug-17
ODN Tay IV	Not known	Med/Black Sea	Semi Harsh Deepwater	8,100	1999	Sep-17
Cajun Express	Transocean	W Africa	Semi >7500	8,500	2001	Sep-17
Deepwater Pathfinder	Transocean	C America	Drillship >7500	10,000	1998	Sep-17
GSF Jack Ryan	Transocean	C America	Drillship >7500	10,000	2000	Sep-17
Sedco Energy	Transocean	W Africa	Semi 5001-7500	7,500	2001	Sep-17
Sedco Express	Transocean	W Africa	Semi 5001-7500	6,561	2001	Sep-17
Transocean Marianas	Transocean	W Africa	Semi 5001-7500	5,300	1998	Sep-17
Paragon MDS1	Paragon Offshore	Middle East	Drillship <=3000	1,500	1975	Sep-17
Paragon DPDS1	Paragon Offshore	US GOM	Drillship 3001-5000	5,000	1979	Oct-17
Paragon L1111	Paragon Offshore	Middle East	JU 300-IC	300	1982	Oct-17
ENSCO 52	Ensco	SE Asia	JU 300-IC	300	1983	Oct-17
Naga-1	Japan Drilling	SE Asia	Semi <=3000	984	1974	Oct-17
Adriatic IX	Shelf Drilling	W Africa	JU 301-360-IC	350	1981	Oct-17
Paragon DPDS2	Paragon Offshore	US GOM	Drillship 5001-7500	5,600	1981	Nov-17
Petrobras X	Petrobras	Med/Black Sea	Semi 3001-5000	4,500	1982	Nov-17
Paragon DPDS3	Paragon Offshore	US GOM	Drillship 5001-7500	7,200	1977	Nov-17
Petrobras XVI	Petrobras	Med/Black Sea	Semi <=3000	1,500	1984	Nov-17
Petrobras XVII	Petrobras	Med/Black Sea	Semi <=3000	2,300	1984	Nov-17
Cecil Provine	Rowan	US GOM	JU 300-IC	300	1982	Nov-17
Energy Endeavour	Northern Offshore	NW Europe	JU Harsh Standard	300	1982	Dec-17
Songa Mercur	Songa Opus Offshore Drilling	SE Asia	Semi <=3000	1,800	1989	Dec-17

Rig Name	Contractor	Region	Market Category	Rig Water Depth (ft)	Year in Service	Attrition Date
Energy Enhancer	Northern Offshore	NW Europe	JU Harsh Standard	300	1982	Dec-17
Ocean Victory	Diamond Offshore	US GOM	Semi 5001-7500	5,500	1972	Jan-18
Songa Venus	Songa Opus Offshore Drilling	SE Asia	Semi <=3000	1,500	1975	Jan-18
Paragon L1115	Paragon Offshore	Middle East	JU 300-IC	300	1977	Jan-18
Paragon B301	Paragon Offshore	US GOM	JU 300-IC	300	1976	Feb-18
Paragon L781	Paragon Offshore	US GOM	JU 300-IC	300	1982	Feb-18
Paragon L1113	Paragon Offshore	US GOM	JU 300-IC	300	1975	Feb-18
Paragon L1114	Paragon Offshore	US GOM	JU 300-IC	300	1982	Feb-18
Paragon L1116	Paragon Offshore	US GOM	JU 300-IC	300	1977	Feb-18
Paragon M821	Paragon Offshore	US GOM	JU 250-IC	250	1976	Feb-18
Paragon M842	Paragon Offshore	US GOM	JU 361-400-IC	390	1975	Feb-18
Energy Driller	Northern Offshore	Middle East	Semi <=3000	1,000	1977	Feb-18
ENSCO 5005	Ensco	SE Asia	Semi <=3000	1,500	1982	Feb-18
Paragon C20052	Paragon Offshore	NW Europe	JU Harsh Standard	300	1982	Mar-18
GSP Prometeu	GSP	Med/Black Sea	JU 300-IS	300	1983	Mar-18
Doo Sung	KNOC	SE Asia	Semi <=3000	1,500	1984	Apr-18
ENSCO 81	Ensco	US GOM	JU 301-360-IC	350	1979	Apr-18
ENSCO 82	Ensco	US GOM	JU 300-IC	300	1979	Apr-18
Paragon L786	Borr Drilling	Indian Ocean	JU 300-IC	300	1982	Apr-18
Paragon C462	Borr Drilling	NW Europe	JU Harsh Standard	220	1981	May-18
Pentagon 5000	Norscot Oil & Gas	Indian Ocean	Semi <=3000	2,300	1973	May-18
Fonn	Borr Drilling	NW Europe	JU Harsh Standard	361	1986	May-18
Paragon C461	Borr Drilling	NW Europe	JU Harsh Standard	220	1982	May-18
Paragon C463	Borr Drilling	NW Europe	JU Harsh Standard	220	1982	May-18
Paragon HZ1	Borr Drilling	NW Europe	JU Harsh Standard	250	1981	May-18
Paragon L784	Borr Drilling	Middle East	JU 300-IC	300	1982	May-18
Paragon L785	Borr Drilling	SE Asia	JU 300-IC	300	1981	May-18
Paragon M531	Borr Drilling	US GOM	JU 361-400-IC	390	1972	May-18
Paragon M823	Borr Drilling	US GOM	JU 250-IC	250	1979	May-18
Paragon M824	Borr Drilling	US GOM	JU 250-IC	250	1982	May-18
Paragon M825	Borr Drilling	Middle East	JU 250-IC	250	1984	May-18
Paragon M826	Borr Drilling	Middle East	JU 250-IC	250	1983	May-18
Paragon M841	Borr Drilling	US GOM	JU 361-400-IC	390	1975	May-18
Paragon M1162	Borr Drilling	Middle East	JU 301-360-IC	328	1979	May-18
Deepwater Discovery	Transocean	C America	Drillship >7500	10,000	2000	Jun-18
Deepwater Frontier	Transocean	SE Asia	Drillship >7500	7,500	1999	Jun-18
Deepwater Millennium	Transocean	SE Asia	Drillship >7500	10,000	1999	Jun-18
Songa Trym	Transocean	NW Europe	Semi Harsh Standard	1,200	1976	Jun-18
Brage	Borr Drilling	NW Europe	JU Harsh High Spec	394	1998	Jun-18
ENSCO 6001	Ensco	Med/Black Sea	Semi 5001-7500	5,600	2001	Jul-18
Noble Alan Hay	Noble	Middle East	JU 300-IC	300	1980	Aug-18
Noble Amos Runner	Noble	US GOM	Semi >7500	8,000	1999	Aug-18
Noble Dave Beard	Noble	SE Asia	Semi >7500	10,000	1986	Aug-18
GSF C.R. Luigs	Transocean	C America	Drillship >7500	10,000	2000	Sep-18
Karon 1	Not known	Middle East	JU 301-360-IC	328	1986	Sep-18
Songa Delta	Transocean	NW Europe	Semi Harsh Standard	1,500	1980	Sep-18

Source: IHS Markit

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18. Industry at a Glance

Drilling contractor market share

Drilling contractor	Jackup	Semisubmersible	Drillship	Total
Ensco	35	12	10	57
COSL	34	12	0	46
Transocean	0	22	19	41
Shelf Drilling	39	0	0	39
Seadrill	13	10	10	33
Rowan	23	0	4	27
Borr Drilling	25	1	0	26
Noble	12	4	8	24
Maersk Drilling	15	4	4	23
ADNOC Drilling	20	0	0	20

Companies (top 10 only) owning 10 or more rigs, excluding rigs under construction

Source: IHS Markit

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Operators with more than 10 rigs under contract

Operator	JU	SS	DS	Total	Operator	JU	SS	DS	Total
Saudi Aramco*	47	0	0	47	Petrobras*	0	7	11	18
ONGC*	27	5	5	37	Shell	7	2	9	18
ADNOC Offshore*	24	0	0	24	Total	7	4	4	15
CNOOC	20	4	0	24	BP	3	8	2	13
PEMEX	17	2	0	19	Equinor	4	8	1	13

* Includes one or more owner-operated rigs

Source: IHS Markit

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Rigs under construction and on order

	Jackup	Semisubmersible	Drillship	Tender Assist	Total
Competitive	88	14	28	6	136
Non-competitive	1	0	0	0	1
Total	89	14	28	6	137

Source: IHS Markit

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