

## Exploration-production activities and markets

After four years of heavy activity, growth on the upstream service and supply markets is slowing. At the end of 2008, the oil and gas price fell subsequent to the decline in demand for petroleum products. This is an indication that exploration-production activity will slow in 2009 and that the price of services—hence sales at service and supply companies—will drop.

### The oil market at a turning point

In 2008, the oil service and supply markets operated in an extremely volatile business environment. In July, the price of a barrel of Brent reached an all-time high of US\$142, only to take a sudden nosedive. By December, it had fallen below the US\$40 mark.

Demand has been inhibited by the aggravation of the world economic situation. It is thought that the crisis will continue and oil prices will stay below US\$60.

Under these new circumstances, the revenue of the top producing countries, which are also big investors in the exploration-production sector, will fall. The oil companies are reviewing their plans for high-cost projects or putting them off.

Yet oil companies, especially international oil companies, need to renew declining reserves in the medium and long term. To do so, they need to ensure at least a minimum level of investment in the upstream sector.

### World capital expenditure in exploration-production

In 2007, world E&P investment continued to climb, reaching US\$330 billion (+18% year on year).

As in previous periods, favorable business conditions prevailed in 2007 with sustained oil demand, a shortage of industry capacity and high prices.

On the investment front, Russia and China, where spending rose by 24% and 38% respectively, and Latin America registered the largest increases and the North Sea the smallest.

In 2008, E&P capex grew at a rate of 19%, continuing the upswing of previous years. The world total came to an estimated US\$400 billion. All service and supply markets with the exception of drilling (-5%), rose by between 10 and 25%.

Looking at the entire year 2008, the crisis will have little impact on E&P investment. It takes about six months for a slump in demand for petroleum products to have an effect on drilling activity, although the impact hits more quickly in North America. For offshore construction, the time lag is one year.

A number of the elements that fuel investment growth persisted in 2008:

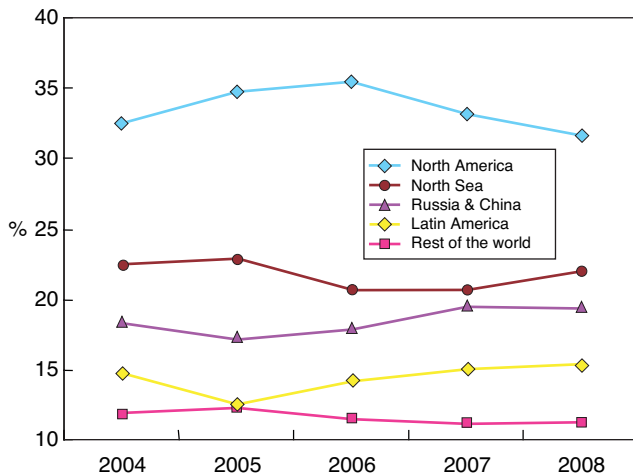
- when the oil price remains higher than US\$50/bbl, many projects can still be carried out, even if certain types of investment are disturbed when the price drops below US\$70/bbl,
- the prices of raw materials, services and equipment rental rates were still high, although they had recently declined,
- a shortage of qualified labor persisted,
- international companies still had trouble gaining access to resources despite their imperative need to maintain or boost their reserve renewal rate.

In North America, capital spending is expected to show a 14% increase. The proportion represented by North America in total world investment shrank again in 2008.

In the United States, investment continued to grow and reached US\$97 billion by year-end 2008. Canada saw a net advance. After falling in 2007, capex recovered in 2008, up 11% for the year. However, Alberta's new royalty framework, effective January 1, 2009, may have negative repercussions on the oil and gas industry, and particularly on tar sands projects.

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Fig. 1 - World E&P investment – Breakdown by region as a % of the total



Source: IFP Economic Studies Division/2008

In the North Sea, investment stood at US\$44 billion, up by 19% year-on-year. Norway was largely responsible for the increase. As in previous years, it is not thought that Great Britain will report any increase in its North Sea expenditure.

Russia and China invested US\$77 billion in 2008, up by 18%, which is slightly less than in 2007. Many national companies have drawn up provisional budgets showing large increases, among them Gazprom (68%) Gazpromneft (61%) and Rosneft (41%) in Russia as well as CNOOC (40%) and Sinopec (19%) in China.

In Latin America, regional investment for 2008 is expected to grow by 23% to US\$61 billion. Petrobras was the main driver behind this increase, reporting upstream expenditure of nearly US\$16 billion, up 24% over 2007.

In Colombia, an ambitious investment plan aims to boost output to 1 Mbbl/d by 2015, which would make the country a net exporter. Like Petrobras, the Colombian company Ecopetrol is expanding the scope of its operations outside national borders; it has invested directly in Peru and the Gulf of Mexico (United States).

In 2008, Mexico increased E&P capex by nearly 20% with the objective of stopping the decline in its production.

In Venezuela, after very high growth in 2007, PDVSA expects a lower rate of increase for 2008: 16%.

If we look at the breakdown between large international companies and national companies, the former saw capex rise by 16% for the year and the latter by 24%.

The big national companies like Gazprom, CNOOC, Saudi Aramco, Sonatrach and Petrobras remained very

active. Among the European oil companies, Total (French) and ENI (Italian) boosted annual capital spending by more than 20%.

2009 will be a turning point for capital expenditure. The slump in demand for petroleum products is affecting the volume of E&P investment.

Given the magnitude of the economic crisis, sluggish demand is quickly producing effects that will impact the earnings of service companies in the first half of 2009.

If the price per barrel stays below US\$60 for a substantial length of time, the oil companies will prefer to postpone or suspend some of their investment decisions, especially for the projects that cost the most to develop. Investment, which is key to the recovery of demand, is likely to suffer as a result.

The credit crunch also works against maintaining the level of investment, especially for small companies. Finally, the reduction in the revenue of exporting countries will slow down construction of their industrial projects.

Under these circumstances, it is expected that the cost of services and equipment will fall as a result of the decrease in demand and the price of some industrial raw materials. Some market segments are already seeing surplus capacity. Tougher client-supplier negotiations have led to price reductions of about 10%, especially in the area of seismic data acquisition and processing.

Given this business environment, it would be very optimistic to expect investment to stabilize in 2009, although this scenario still appeared to be feasible in November 2008 (cf. The Oil and Oil Services Industry, International Context, IFP, November 2008). Today, one should more likely anticipate a moderate decrease of between zero and 5% that will vary substantially from region to region.

### The seismic sector

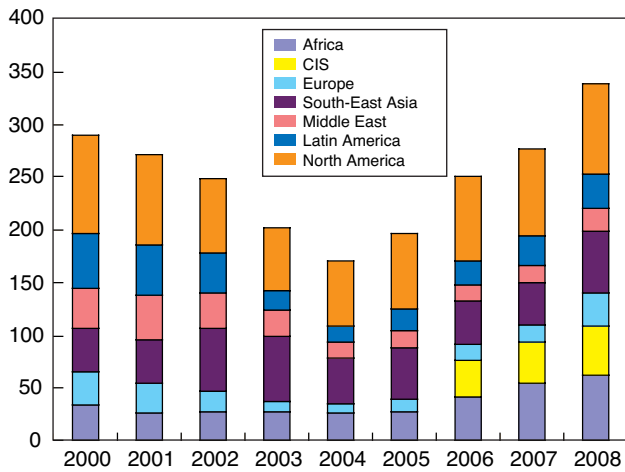
#### Worldwide activity

At year-end 2007, nearly 300 seismic crews were active worldwide. Not since 2000 had activity been so heavy (+14% in 2007). Based on the first nine months of 2008, growth for the year is expected to reach 19%, driven primarily by the marine seismic sector (+45%).

Between 2004 and 2008, the total number of active seismic crews doubled. In 2008, 73% of all active crews worldwide were working onshore. The market share of 3D seismic acquisition has steadily grown, from 53% in

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Fig. 2 - Seismic activity, annual average 2000-2008



Source: IHS Energy, partial seismic crew counts for India, China and Russia

2004 to 59% in 2008. Used to monitor field production, 4D technology is still only used for a few dozen surveys a year and requires technical expertise that only a few large oil companies possess.

As for marine seismic, world growth stood at 25% in 2005, but came to a halt in 2006 due to a lack of available acquisition vessels. Not until 2007, when new vessels reached the market, did the segment start an upswing (+20%) that continued during the first nine months of 2008, with active crew counts up by a record 45%. PGS and CGGVeritas expect 2008 utilization rates for marine seismic acquisition fleets to be very high.

Growth in the marine seismic sector benefited contractors that had expanded their acquisition fleet and could offer 3D multi-streamer seismic acquisition as well as wide and multi azimuth acquisition and processing. These technologies reveal more about geological structures and improve deepwater imaging. They give better results in the exploration of deep, complex formations, particularly along the edges of salt dome flanks or below subsalt formations.

In the first nine months of 2008, all geographical regions saw growth. Europe continued along the upward curve started in 2007 (+50%), South-East Asia rebounded (+45%) after stagnating in 2007 and the Middle East continued to build up its exploration (+42%). Canada had fallen behind in 2007 but partially made up for this lag in 2008 (+10%). The United States reported the smallest growth with only 5% for the first nine months of 2008. The fact that onshore activity remained flat was offset in part by a 30% increase in offshore activity in the Gulf of Mexico. In the US, the Mineral Management Service

(Department of the Interior) opened up new offshore blocks in the Gulf of Mexico for leasing, which enabled new exploration programs.

### The geophysics market (acquisition, processing and equipment)

World seismic sales rose by 25% in 2007 to US\$11.5 billion, of which 86% was generated by data acquisition and processing and 14% by the equipment sector (acquisition systems, seismic sources and sensors).

Sales in the first two quarters 2008 indicated that growth would continue at a lower rate (about 10%).

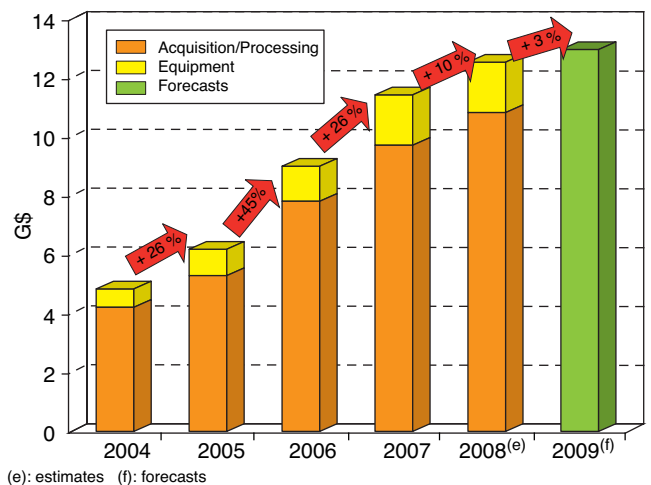
For 2009, the market may see surplus acquisition capacity (seismic crews and vessels). At best, low growth can be expected: 3%. Under pressure from clients, contract prices have apparently already been reduced by about 10%. In addition, some exploration surveys may be postponed or cancelled.

It is difficult for international oil companies to gain access to new prospects. Yet, in the medium and long term, they must continue to rely on exploration surveys to replenish their reserves and maintain production. The national oil companies (especially those in OPEC countries), which do not share the same rationale, are expected to cut back substantially on exploration.

### Key market players

Six companies accounted for 80% of the world seismic market. The 2007 merger of CGG and Veritas DGC gave rise to the Number One worldwide: CGGVeritas, which represented 28% of the market (acquisition/ processing and equipment). Ranked second with 26%, WesternGeco

Fig. 3 - Sales on the seismic market



(e): estimates (f): forecasts

Source: IFP

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is a Schlumberger subsidiary specialized in marine seismic. For the other players, market share was two to four times lower. The Number Three, PGS, whose business consists mainly of marine acquisition and processing, took 13% of the market. Fugro held 6% of the acquisition and processing market, and TGS Nopec 4%. Marine seismic acquisition and processing represent 30% of Fugro's business operations.

On the equipment segment, three companies held 90% of the market. Sercel, a CGGVeritas subsidiary, was still far ahead of the competition with market share of 54%. The second and third players, ION and Oyo Geospace accounted for 28% and 8% of the market, respectively. A specialist in seismic acquisition systems, ION saw sales drop by 10% during the first two quarters of 2008. As for Oyo Geospace, 2008 sales are expected to remain flat. Only the market leader, Sercel, posted sales that were up (+8%). One reason: higher sales for its land-based 428 XL acquisition system.

Sector consolidation continued, as in previous years:

- in November 2008, CGGVeritas issued a stock-swap exchange offer targeting its competitor Wavefield Inseis, whose initial arrangements to combine with TGS Nopec did not work out. CGGVeritas added 8 vessels to a fleet of 21, the largest in the sector, and gained access to the fiber optic technology developed by Wavefield Inseis,
- Schlumberger took over Staag Imaging in July 2008. The latter specializes in deepwater imaging using the two-way wave equation method. This acquisition completed Schlumberger's chain of software for building geological models of the subsurface, technology, which manufactures marine seismic air guns, bought the company Real Time System (RTS), specialized in the synchronization of sources, for US\$3.5 million.

## The drilling sector

### World activity

The number of wells drilled worldwide totaled 105,000 in 2007, down 3.5% over 2006. This decline was essentially due to the slump on the North American gas market, which reduced the number of wells drilled in the United States and Canada. All other areas of the globe reported growth in 2007, except Western Europe (-1.2%). The highest growth was registered in Africa, the Middle East and Asia: +18%, +11% and +9%, respectively.

Looking at 2008, drilling in North America seems to have rallied early in the second half of the year. This recovery is now jeopardized by the fall of oil and gas prices in synch with the downtrend in demand. 2009 should see a significant decrease for this zone.

### Onshore drilling

North America (71%) and China (16%) usually account for the bulk of onshore drilling operations (see Figure 4). The decline (-4%) in global onshore activity in 2007 can be attributed to that seen in Canada and the United States (-13% and -7%). The main reasons were the slump on the North American gas market and the fact that Canadian weather conditions in 2007 were especially unfavorable to drilling.

The number of rigs drilling for natural gas in the United States stagnated in 2007. Clear signs of recovery did not appear until mid 2008. Thanks to this rebound, Canada and the US expect to post onshore growth rates of about 20% and 15% for 2008.

In North America, day rates for onshore drilling rigs peaked at US\$21,000 a day in the second half of 2006, then dropped by 2% in 2007 and 2008 and stabilized at about US\$20,400 a day.

Table 1

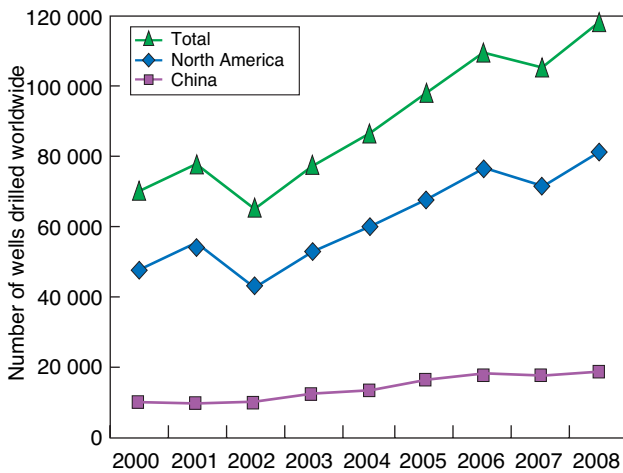
The market share held by different acquisition/processing and equipment suppliers

Total seismic / (%) market in 2007		Acquisition & processing / (%) market in 2007		Equipment / (%) market in 2007	
CGGVeritas	28%	WesternGeco	30%	Sercel	54%
WesternGeco	26%	CGGVeritas	24%	ION	28%
PGS	13%	PGS	15.5%	Oyo Geospace	8%
BGP	5-8%	BGP	5-8%		
ION	6%	Fugro	7%		
Fugro	6%	TGS Nopec	4.5%		
TGS Nopec	4%	Dawson Geophys.	2.5%		

Source: IFP

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Fig. 4 - Number of wells drilled worldwide



Source : IHS Energy, Spears & Associates, AEUB

The cost of well equipment, including the casing and tubing followed the exponential rise in the price of steel until the autumn.

Coming after the United States and Canada, the Number Three in the onshore drilling sector is China: activity was up by 2% in 2007 and 5% in 2008.

In the rest of the world, growth in this sector reached 9% in 2007 and 7% in 2008. Africa and Asia (not including China) reported the highest growth rates for 2008: 17% and 12%, respectively.

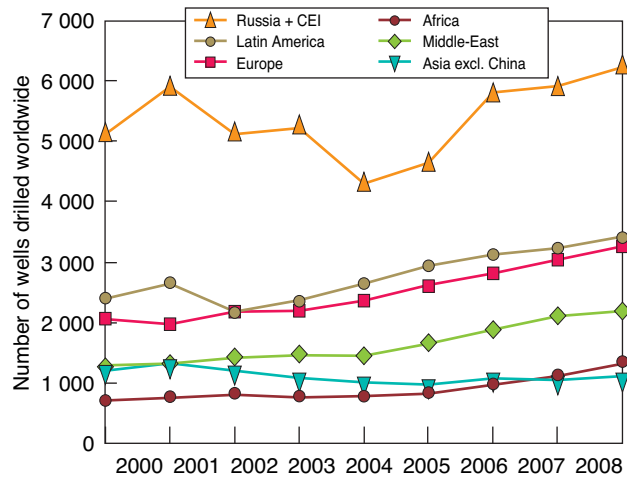
Onshore drilling in the Middle East, which had boomed in 2005 and 2006 (19% and 12%) further to Saudi Arabia's large-scale exploration and development programs, only rose by 4% in 2007 and 5% in 2008.

### Offshore drilling

Not as geographically concentrated as onshore drilling, offshore drilling represents 3.5% of all wells drilled. This proportion has remained relatively constant.

The Asia Pacific region (not including China) saw the highest activity in the world, with 36% of all wells drilled offshore. In this part of the globe, Australia, Indonesia and Malaysia were the most active. High activity was also to be found in the United States (17%), Europe (15%), Africa (9%) China (8%) and Latin America (7%).

In 2007, offshore drilling slowed, with growth standing at only 1% compared to 8% in 2006. Activity was sustained by growth in Latin America, Africa and China (20%, 18% and 12%, respectively). This helped compensate for the fact that offshore drilling was down by 15% in the United States and by 2.5% in Europe.



Growth in 2008 is expected to reach 3 or 4%. Africa, Latin America and the Middle East, where offshore drilling is rallying, should continue to see growth.

In the United States, the number of offshore wells drilled started to fall in 2006 (-4%), then slid further in 2007 (-15%). The first six months of 2008 (-9%) indicated that offshore drilling was still on a downswing. Operators decided not to explore mature zones at shallow depths, but to search for larger deepwater fields, which implies drilling fewer but more complex wells at higher cost.

In Europe, the United Kingdom and the Netherlands, which represented half of the wells drilled in Europe, saw North Sea development decline again: offshore drilling dropped by 2.5% in 2007 and 2008.

In Africa, Egypt, which had previously had little involvement in offshore drilling, recorded 40% growth. Following the ratification of exploration permits by the Egyptian parliament, drilling activity has started up again in the Mediterranean and the Gulf of Suez.

In Latin America, offshore drilling in Brazil rose by 20% in 2007 and 16% in 2008. This boom led to the discovery of several giant fields in the Santos Basin in early 2008. Brazil now accounts for 60% of offshore activity in Latin America.

In Central America, offshore drilling increased by 17% in Mexico as well as Trinidad and Tobago in 2008. Mexico would like to postpone the decline of national production, while Trinidad and Tobago is developing its tremendous gas reserves, discovered a few years ago.

### Drill rig utilization and day rates

Since 2007, the utilization rate for offshore North Sea drilling platforms has been nearly 100%. Compared to

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2004, the North Sea day rates were five times higher for jack-ups and eight times higher for semi-subs.

In the Gulf of Mexico, platform utilization rates for 2007 and 2008 varied from 70% to 85%. The lowest figure, 70%, occurred during the second half of 2007.

In the Gulf of Mexico, offshore activity since 2006 has focused on deepwater operations, giving preference to semi-subs over jack-ups. This no longer seems to be the case. The day rates for jack-ups, which had bottomed out at year-end 2007 at US\$86,000, climbed back up to US\$100,000 a day by the end of the first half of 2008. Conversely, the day rates for semi-subs fell to US\$400,000 in 2008 from an all-time high of US\$500,000 a day in 2007.

In South-East Asia, the day rates for semi-subs have increased fourfold since the end of 2005. They hit a record US\$400,000 a day in 2007, then slipped by 25% in 2008. The day rates for jack-ups increased by a factor of three over a two-year period starting in 2005, then remained unchanged in 2007 and the first part of 2008 at US\$175,000 a day.

### Drilling sales

Since 2004, sustained high oil and gas prices have pushed the oil services and supply markets upward, especially the drilling market, which doubled in four years to reach a record US\$50 billion in 2007. But the onshore and offshore segments showed different trends in 2007:

- the offshore segment saw continued strong growth in sales,
- the onshore segment was down as a result of lower activity in North America.

Two-thirds of world drilling sales were generated by the offshore segment. For all drilling segments taken together, growth came to 22%.

In 2007, the onshore drilling market was estimated at US\$16 billion, down by 3% over 2006, a record year. Since 2004, onshore drilling has grown by 70%. The bulk of the market is in North America, where it depends heavily on gas demand; the latter has been low since early 2007. What curbed the decrease in the onshore market in 2007 was strong drilling activity in Africa and Asia.

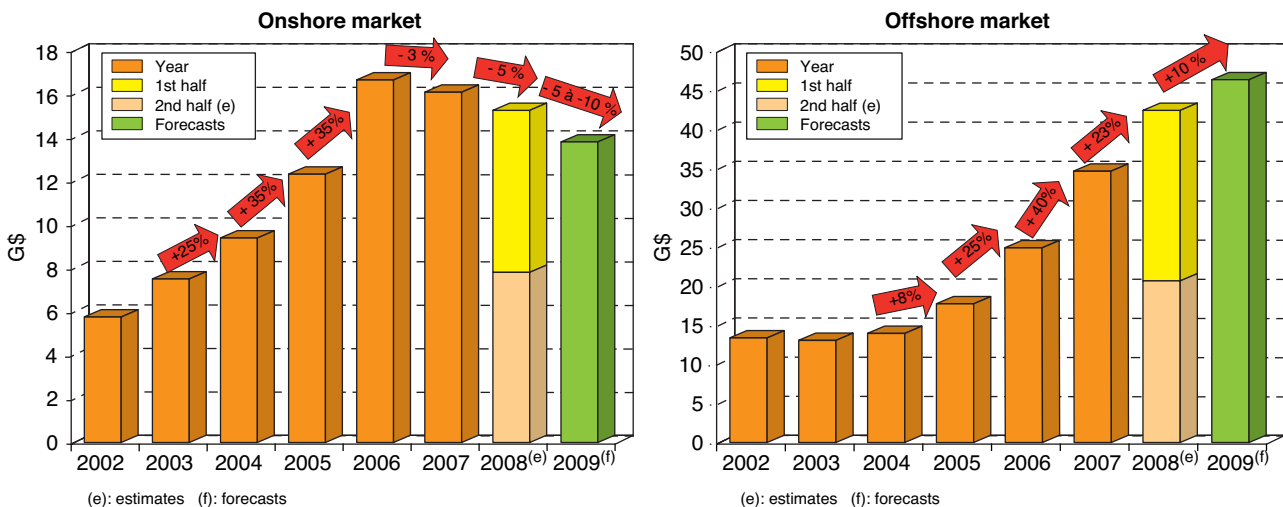
The offshore drilling saw record growth (+40%) in 2007. The market was worth US\$35 billion, up 150% over four years. It grew twice as fast as the onshore segment, because deepwater fields represented a larger proportion of E&P operations and the price of services was higher. We might recall that the number of offshore wells drilled was only up 1% in 2007

In the second half of 2008, onshore drilling rallied in North America. The market performance of 2008 should correct its weak showing in 2007. This recovery will only be temporary, however: the prices of the barrel and natural gas have fallen sharply since September 2008. The onshore market is expected to remain stable or decrease by 5% while growth on the offshore market should slow to 25%.

For 2009, Spears & Associates is revising its autumn 2008 estimates downwards due to the gloomy economic outlook, predicting that:

- the number of active rigs in North America may decrease by 7% in 2009 and by as much as 15% in the second half-year. Gas drilling should be harder hit than oil drilling, expected to show a slight increase,

Fig. 5 - The drilling market (onshore and offshore), estimates for 2008 and forecasts for 2009



Source: IFP

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- the rest of the world should see moderate growth (+5%). In relative terms, it should be spared by the decline in drilling activity.

The market for offshore drilling may not grow by more than 10% while onshore drilling may drop by between 5 and 10%. These forecasts are based on an optimistic scenario in which the deep offshore segment remains relatively unaffected by the crisis and the price per barrel does not stay below US\$70 for any great length of time.

In 2010, the effect of project cancellations and postponements should be felt to a greater extent and both markets should see a decline.

### Key players

Most of the key players on the offshore drilling market saw sales go up in 2007, as they did in 2006. Contrasting results were obtained by onshore drilling companies, especially on the depressed North American market. Many mergers and acquisitions were carried out on both segments of the drilling market in 2007 and 2008.

In 2007, Nabors Industries stayed out front in onshore drilling, with 20% of the market. The Canadian company Precision Drilling (then Number Six on the market) acquired the US company Grey Wolf (Number Five). The new company moved into second place with 13% of the market. As a result, Patterson UTI Energy and Ensign Resources dropped back to the third and fourth spots.

On the offshore drilling scene, Transocean strengthened its leading position with the November 2007 acquisition of the Number Two on the market, GlobalSantaFe. The new company represented 28% of the world market. The two companies complement each other: GlobalSantaFe

specializes in shallow offshore projects, whereas Transocean leads the very deep offshore sector. This offers opportunities to diversify the client portfolio, since national oil companies and independents tend to concentrate on shallow offshore drilling while the bulk of deepwater drilling is executed on behalf of large international oil companies.

The Number Two in offshore drilling, Diamond Offshore, which owns a specialized deep offshore drilling business, continues to benefit from the high day rates commanded by its platforms. In August 2007, Pride International sold its onshore drilling operations in Latin America to focus on its core offshore business. The company had been hard hit by difficult market conditions in Venezuela as well as strikes in Argentina that had weighed on its sales.

China Oilfield Services, a subsidiary of CNOOC oil company, showed once again that it aims to become a major international player in offshore drilling by trying to acquire the Norwegian company Awilco Offshore, which owns 7 giant mobile offshore drilling units in the North Sea and in South-East Asia.

## Construction of offshore production infrastructure

### Offshore construction

In 2007, there were 280 units under construction worldwide. Activity continued at a high level despite a 12% drop in the number of units for the year. The newbuilds broke down as follows: fixed platforms (50%), floating support systems (25%) and subsea installations (25%).

Table 2

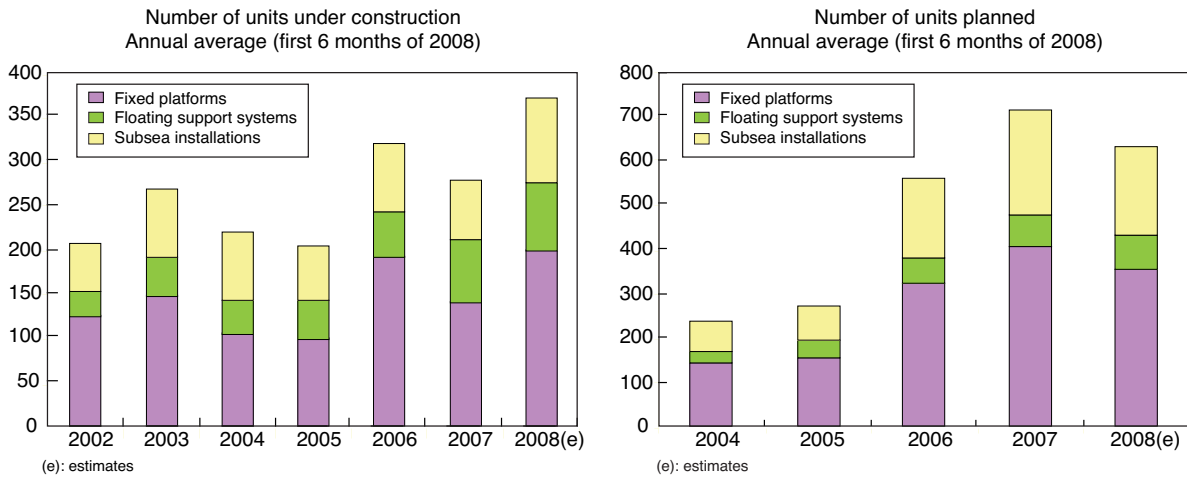
Key players on the drilling market

Onshore drilling	Market share 2007	Offshore drilling	Market share 2007
Nabors Industries	20%	Transocean + GlobalSantaFe	28%
Precision Drilling	13%	Noble Drilling	8%
Patterson UTI Energy	11%	Diamond Offshore	7%
Ensign Resources	10%	ENSCO International	6%
Helmerich & Payne	9%	Pride International	5.5%
Unit Corp	4%	Seadrill	5%
KCA/Deutag Drilling	3%	Nabors Industries	4%
SAIPEM SPA	2.5%	Rowan Companies	3.5%
Parker Drilling	1.6%	KCA/Deutag Drilling	2%

Source : IFP

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Fig. 6 - Offshore construction



Source: ODS Petrodata

The first six months of 2008 seemed to indicate that offshore construction activity would increase by 30% for the year:

- +40% for fixed platforms and subsea installations,
- +10% for floating semi-sub platforms.

One-third of all of the offshore units under construction in the world were located in the Asia-Pacific region, followed by the Middle East, West Africa and Western Europe with 15%, 12% and 10%, respectively.

Apart from Canada, all geographic areas posted growth. Latin America, India, Australia and North Africa should record the largest figures.

However, 2008 brought a 10% decrease in the number of planned offshore construction projects, *i.e.* 700 units.

This entailed a 10% decrease for fixed platforms and subsea installations. Only projects to build semi-subs continued to grow (+10%).

Two geographic areas still saw growth: the Caspian Sea and North Africa. All others declined, especially the Gulf of Mexico and the Asia-Pacific region where planned projects decreased by 60%.

### Offshore construction sales

Aggregate sales for offshore construction grew by 22% year-on-year to reach US\$43 billion in 2007. Key market players reported higher sales.

For 2008, sales for the first six months of the year indicated that the market would continue to grow at a rate of 22%. This figure is consistent with the observed increase in offshore construction activity.

As for 2009 forecasts, the order books of leading companies were full at the end of June 2008. But 2008 saw the number of planned offshore installations fall by 11% year on year, especially for fixed platforms and subsea installations. Moreover, the global context will probably encourage operators to postpone some of their projects.

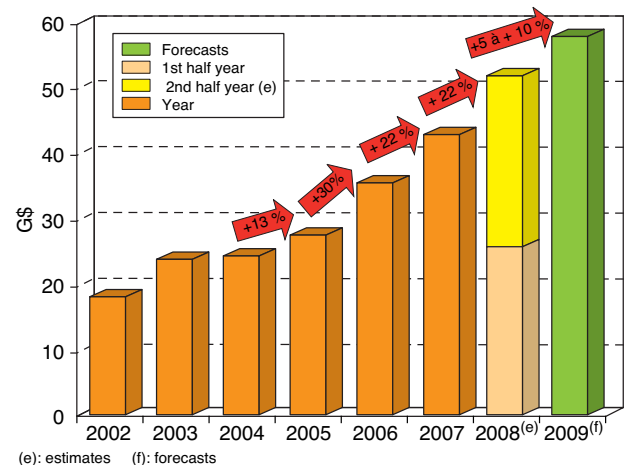
A market slowdown is anticipated for 2009. Growth may subside to +10% or even +5% and the market may not exceed US\$60 billion.

The probability is high that the impact will be more pronounced in 2010 with an overall decrease in sales.

### Key players

AkerKvaerner, Technip and Saipem were still the front runners, with respective market shares of 14%, 10% and 9% in 2007.

Fig. 7 - Market for offshore engineering, equipment and construction



Source IFP

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Table 3  
Key players and their market share

Companies	Market share 2007
AkerKvaerner	14%
Technip	9.5%
Saipem	9%
FMC Technologies	8%
SBM Offshore	6%
Aceryg	5.7%
McDermott	5.2%
KBR	4.7%
Subsea7	4.5%
Global Industries	2%
Helix – Cal Dive	1.5%
Gulf Island Fabrication	1%

Source: IFP

Table 4  
Change in the level of investment on key service/supply markets

	2005	2006	2007	2008	2009
E&P Invest.	+25%	+29%	+18%	+19%	-5 to 0%
Geophysics	+25%	+ 40 %	+ 20 %	+ 10%	0 to 5%
Onshore drilling	+35%	+ 35 %	- 3 %	- 5%	-5 to -10%
Offshore drilling	+8%	+ 25 %	+ 40 %	+ 23%	+10%
Offshore construction	+13%	+ 30%	+ 18%	+ 25%	+5 to +10%

### Conclusion

2008 was another very good year for the oil service and supply sector. Apart from onshore drilling, which posted sales down by 5%, all other sectors of exploration-production grew at a rate of between 10 and 25%.

Activity and prices were up, the market expanded and activity continued to grow. Seismic crew counts reached their highest level since 2000. Offshore construction is still expanding, especially for semi-sub. Onshore drilling, which stagnated in 2007, started up again in 2008. The number of offshore wells drilled showed only a very small increase yet remained high.

2008 corresponds to the end of a cycle. A market turnaround is underway: the number of offshore construction projects planned in 2008 marked the beginning of a decline and the sales of small geophysics suppliers stagnated or fell.

The fall of the barrel price and the financial crisis— which has precipitated a credit crunch—have already caused companies to postpone, reconfigure or cancel projects.

Although order books are still full in many sectors, activity on the oil service and supply markets will slow in 2009. Lower prices for raw materials, services and equipment should translate into lower project costs. Mechanically, this would reduce sales and profits for service and equipment suppliers. By mid-December 2008, a decrease in the specified costs had been renegotiated for many contracts.

As for global E&P capex in 2009, our forecast of early November 2008 said that it would probably remain unchanged or increase slightly, but recent developments in the sector prompt us to be more cautious and expect a decrease of 0 to 5% instead. For 2010, the impact should be greater.

More vulnerable as a result of the crisis, small- and medium-sized business enterprises find themselves more exposed, potential targets for large companies. The market can expect to see a new wave of mergers and acquisitions among the international oil companies as well as oil service and supply companies.

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