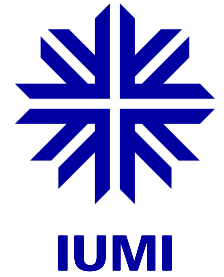


Clarksons Research: Impact Assessment of COVID-19 on the Offshore Market



13th May 2020

Clarksons Research have produced another research briefing focussed on the impact of COVID-19 on the offshore and energy markets. Summarising the briefing, Steve Gordon, Managing Director of [Clarksons Research](#), commented:

“Since our last offshore impact assessment, unprecedented developments in the energy markets have continued: a rapidly developing surplus; a 20m (!) bpd drop in oil demand expected over Q2; OPEC supply cuts / G20 policies; implied 1.4bn bbl stock build in Q2; generational lows in oil prices; storage needs onshore and afloat. In response operators are aggressively cutting offshore related OPEX and CAPEX. From initially expecting USD 116bn of offshore project sanctioning in 2020, our latest scenario now envisages just USD 44bn of FIDs, 25% below the previous low of the last downturn recorded in 2016. In the rig sector we have already tracked contract cancellation, curtailment or rate adjustments involving over 55 rigs and expect utilisation and day rates to trend downwards sharply while demolition and stacking increases. Our assessment also reviews developments in individual vessel segments and regions: across OSV we are starting to contract adjustments and cancellations and recorded a 7 point percentage drop in North Sea PSV utilisation during April; we have updated our MOPU award forecast following postponements including Nam Du, Bay du Nord, Limbayong, Scarborough, Cambo EPS, Madura MDA/MDH, Kelidang and Pecan (indefinitely); the offshore wind market seems relatively insulated for the moment; we have tracked a range of COVID-19 related operational disruption across regions, fields, platforms and vessels.”



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Selected pages of the briefing are available [HERE](#).