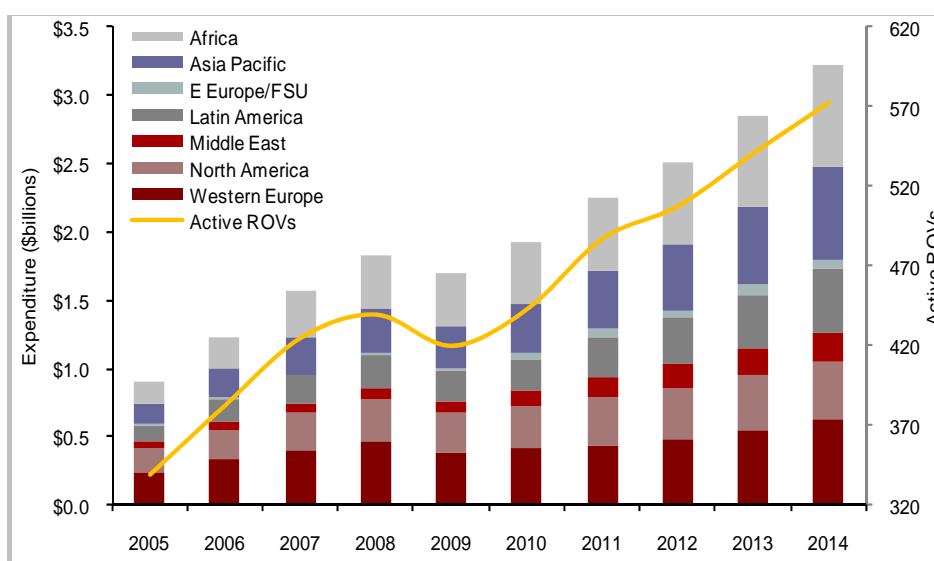


Douglas Westwood Predicts Annual Remotely Operated Underwater Vehicle (ROV) Operations Spend to Top \$3.2 Billion by 2014



Work-class ROV Operations Market

Source: *'The World ROV Market Report 2010-2014'*, Douglas-Westwood

Annual oil & gas industry expenditure on work-class ROV (remotely operated underwater vehicle) operations is likely to reach \$3.2 billion by 2014 – with African and Asia Pacific expenditure overtaking that of Western Europe in the coming years. These are amongst the findings in the new edition of *"The World ROV Market Report 2010-14,"* a market study published today by energy business analysts Douglas-Westwood.

The study reveals that the worldwide ROV business has been impacted by the economic downturn, but to a far lesser extent than many other oil & gas services sectors. It suggests that growth prospects for the market are considerable, predicting that an additional 547 additional work-class ROV units will be needed between 2010 and 2014 to meet increased demand for operations and counter the effects of attrition on the current fleet.

"The future of the offshore oil & gas industry lies in the deepwater subsea developments and major discoveries such as those recently announced off Brazil, in the Gulf of Mexico and West Africa," explained Rod Westwood, lead market analyst at Douglas-Westwood. "Work-class ROVs are a key enabling technology for producing from deepwater fields and considerable numbers will be needed to access these major new oil & gas reserves."

Commenting on the technology, Douglas-Westwood analyst, Paul Newman, said: "ROVs used in the oil and gas sector have been developing for more than 30 years and are now considered a mature technology, especially in terms of vehicle hardware. However, on the software side, current research and development is primarily aimed at increasing the levels of autonomy and 'intelligence' needed to reduce pilot workload. Increasing the number of tasks that can be automated will allow for a reduction in manpower and may eventually lead to AUV/ROV hybrid vehicles capable of performing inspection and light intervention tasks without constant control."

ENDS

Information for editors

"The World ROV Market Report 2010-2014" is the latest in the acclaimed series of Douglas-Westwood business studies. This new report is built on DWL's unique knowledge of the offshore ROV business where it was the first firm to publish independent analysis of the commercial prospects. It has also acted as advisors to the major players and investors and has conducted commercial due diligence on many of the companies that have bought and sold since 1990. These include Perry Slingsby's acquisition by Triton Group, Rovtech's acquisition by Fugro and SMD's acquisition by Inflection Private Equity.

Douglas-Westwood Limited carries out commercial due diligence work for the financial community and business research, market analysis and strategy work for the international energy industry in both the upstream and downstream sectors. Douglas-Westwood has clients in over 60 countries and to date over 590 projects have been completed. Clients range from the oil majors and contractors to equipment manufacturers, financial institutions and departments of government in several countries.

Interviews with Douglas-Westwood analysts are available on request. Additional material, including charts and tables is available from:

Richard Wolfe
Douglas-Westwood Limited
St Andrew's House
Station Road East
Canterbury CT1 2WD
United Kingdom

t: +44 (0)1227 780999
f: +44 (0)1227 780880
e: publications@dw-1.com

douglas-westwood.com