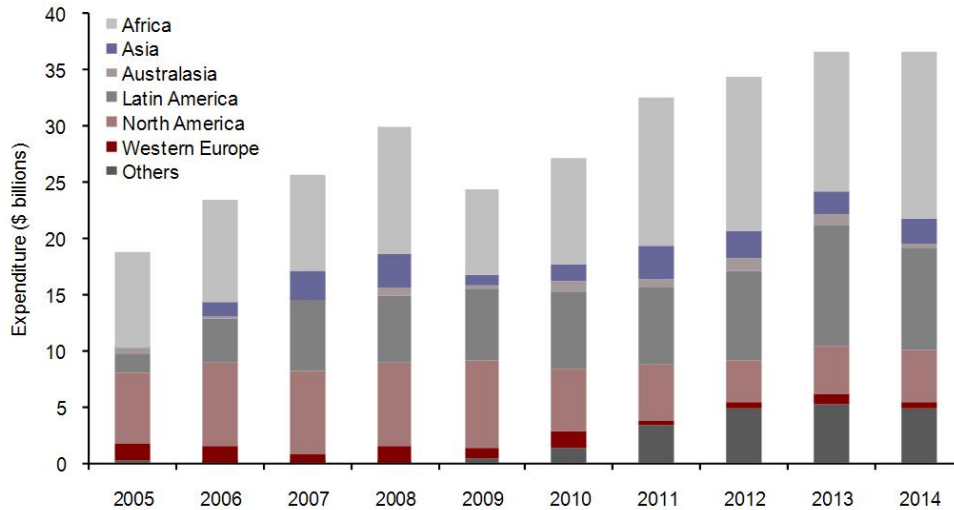


New Douglas-Westwood Research Predicts Global Deepwater Expenditure of \$167 Billion between 2010 and 2014 – up 37% on Preceding Five Years

Operator purchasing power returns & influence grows to stem potential industry inflation



Deepwater Capex by Region

Source: "The World Deepwater Report 2010-2014," – Douglas-Westwood

Worldwide expenditure within the deepwater sector will total \$167 billion between 2010 and 2014 – equating to a 37% increase on the five preceding years. These and other key industry-defining insights are unveiled today in new research by energy business analysts, Douglas-Westwood.

The World Deepwater Market Report 2010-2014 reveals that sector activity will largely remain within the, 'golden triangle' of Africa, the Gulf of Mexico and Brazil – with regional investment representing over three-quarters of the predicted global Capex expenditure. The majority of 'golden triangle' investment, however, will take place in Latin America – driven largely by Capex-intensive development plans laid out by Petrobras over the next decade. The report also highlights that Asian deepwater markets will continue to grow during the forecast period – receiving around 10% of the total predicted global Capex investment.

Steve Robertson, Director at Douglas-Westwood, explains: "The lack of new opportunities onshore or in shallow waters, together with the need to offset decline from existing reservoirs, is driving deepwater investment at a much higher rate than in previous years. In addition, technological advances have improved the economic viability of developments much further offshore."

The World Deepwater Market Report 2010-2014 also reveals that operators have exerted substantial pressure on their supply chains during 2009 – achieving reductions of up to 15%. This confirms operator purchasing power has returned but that renewed sector growth could encourage cost inflation in some equipment and service markets. "We, therefore, expect the operator community to exert even more influence over the next five years to prevent a repeat of the unchecked inflation experienced between 2003 and 2008," concludes Thom Payne, Lead Analyst at Douglas-Westwood.

For more information on The World Deepwater Market Report, please visit: <http://www.dw-1.com/shop/shop-infopage.php?longref=502~0>

The World Deepwater Market Report 2010-2014 is the latest in the acclaimed series of Douglas-Westwood business studies – and is built on the company's unique knowledge of the sector. Douglas-Westwood Limited carries out commercial due diligence work for the financial community and business research, market analysis and strategy work. Douglas-Westwood has clients in more than 60 countries and to date over 600 projects have been completed. Clients range from the oil majors and military contractors to equipment manufacturers, financial institutions, research organisations and departments of government in several countries.

Interviews with Douglas-Westwood analysts are available on request. Additional material, including regional charts and tables – as well as selected raw data 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