



KONGSBERG

# KONGSBERG OIL & GAS TECHNOLOGIES

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Egil Haugsdal, President

CMD<sup>20</sup><sub>15</sub>  
CAPITAL MARKETS DAY



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# AGENDA



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## THIS IS KONGSBERG OIL & GAS TECHNOLOGIES

THE OIL & GAS MARKET

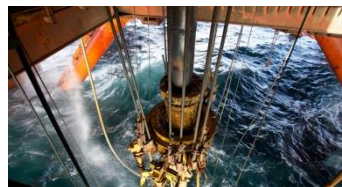
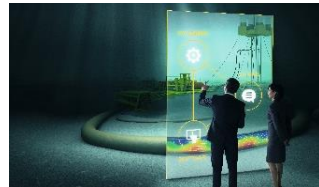
CORE TECHNOLOGY & INNOVATION

OPPORTUNITIES AHEAD



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## KONGSBERG OIL & GAS TECHNOLOGIES



*Challenging markets*

Offices in 6 countries

452 employees

Revenues LTM 0,9 BNOK

Order backlog 0,3 BNOK

Attractive technology in selected niches

Engineering and operational support

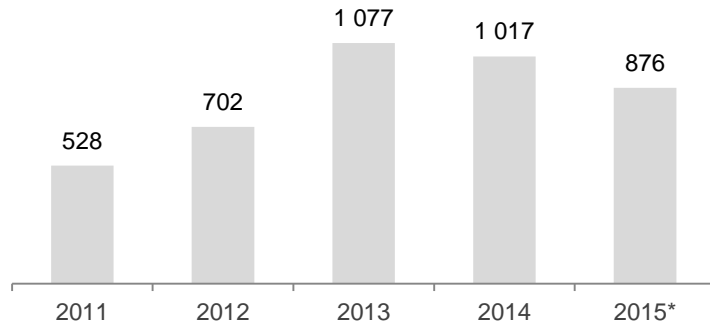
Software and related services

Subsea products and solutions

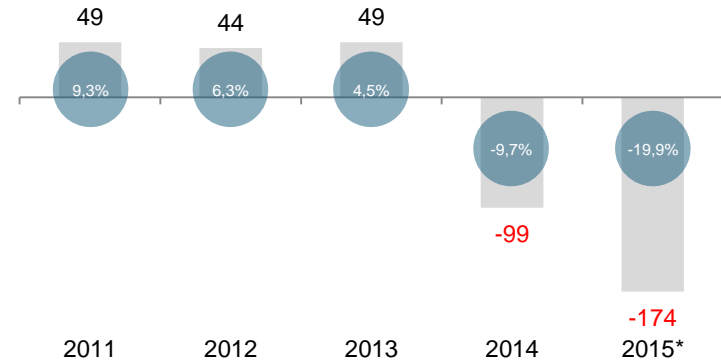


# WEAK RESULTS IN A DETERIORATING MARKET

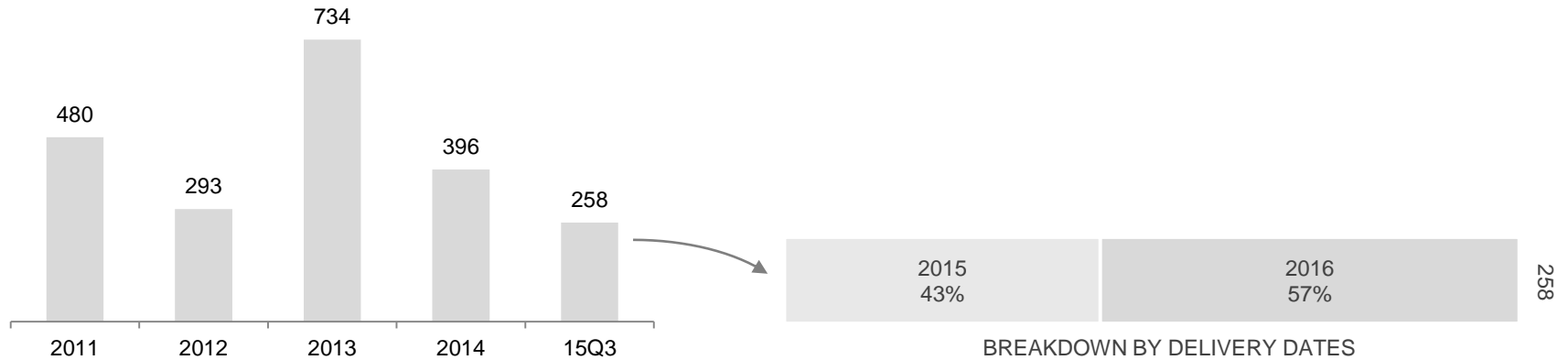
REVENUES



EBITDA



# SHORT BACKLOG HORIZON



Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog.



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## SOLUTIONS FOR FIELD EXTENSIONS AND MODIFICATIONS

- Innovative subsea solutions
- Connecting pipeline and riser systems from well-head to topside
- EPC projects
- Specialised subsea products:
  - Subsea Storage Unit
  - Pig Launchers & Receivers
  - Active Subsea Cooler





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## STATOIL IS SAVING 3,6 BILLION ON POLARLED

FROM 11,1 TO 7,5 BILLION

" This is due to good planning, good market knowledge and good execution - and the fact that we could combine several large projects when we went to the market and negotiated for pipes and vessels. Based on this, we were able to achieve favourable conditions in the market with regard to capacity and price," says Torger Rød, head of projects in Statoil.

*Press release, Statoil, 2015-09-29*







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## SOLUTIONS FOR REDUCED DRILLING AND WELL COST

- Improved performance
- Reduced non-productive time
- Ensuring optimal well construction
- Covering the full life cycle of the well
  - SiteCom®
  - SiteCom Well Advisor
  - Riser Management System
  - Rig Manager®

### SiteCom®

- Delivered to half of top 50 international operators
- Supports hundreds of live drilling operations
- Hosting thousands of wells
- Making operational information available to tens of thousands of users globally – every day



**PETRONAS**



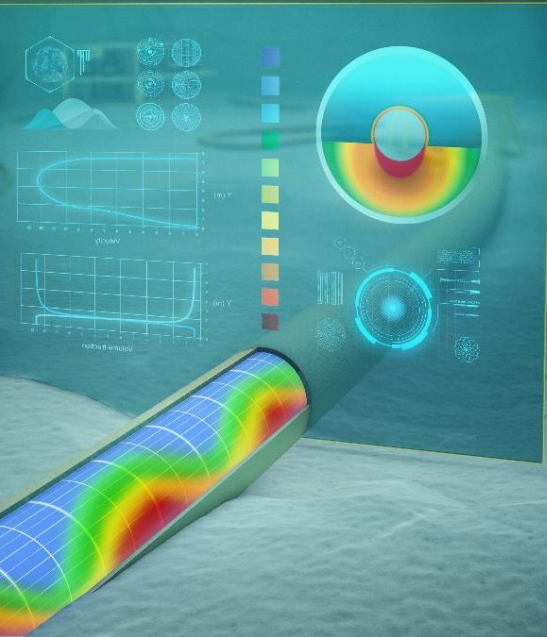
Photo: Alligator film BUG / Statoil



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## PRODUCTION OPTIMIZATION

- Lifecycle simulators for design, verification, operator training and real-time decision support throughout the well-to-export process
- Ensuring effective production and enhanced safety
  - LedaFlow®
  - K-Spice®



# OUR GLOBAL BUSINESS SYSTEM

Local offices in 6 countries



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REVENUE DISTRIBUTION 2014



EMPLOYEE DISTRIBUTION 2014



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# THE OIL & GAS MARKET



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## TODAY AND SHORT TERM – CHALLENGES:

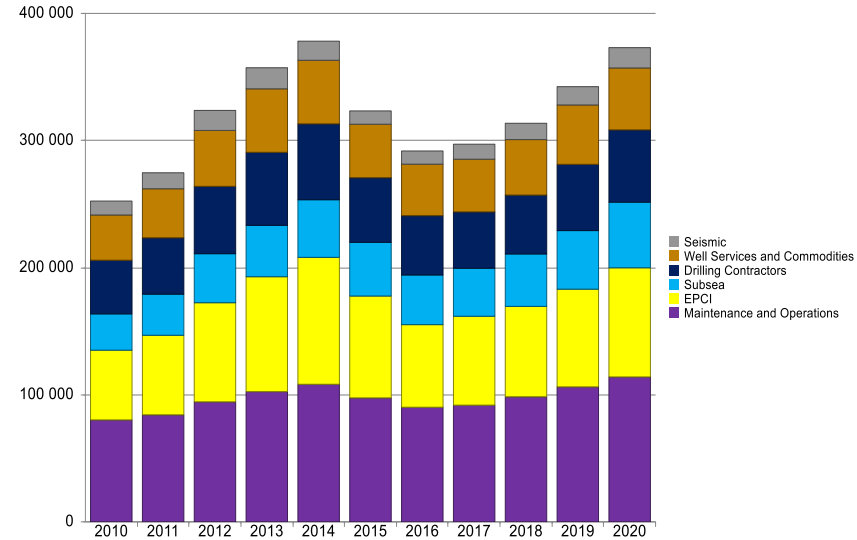
- Very low investment level in the industry caused by the falling oil prices

## MEDIUM AND LONG TERM – OPPORTUNITIES:

- A change in oil companies' behavior
- A new industry mentality with focus on costs
- Cost reductions through price pressure, and:



Global offshore operator spend by service type



Source: Rystad Energy DCube, version 2015-10-16

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# TODAY'S DRILLING OPERATIONS



Photos: Ingvar Tjostheim

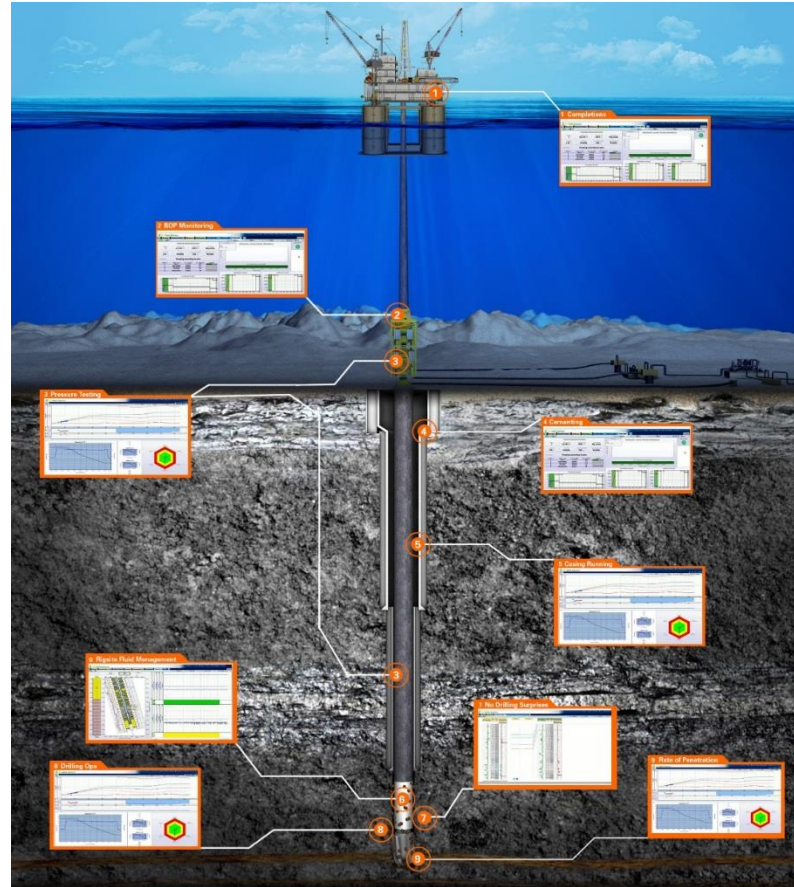
# BP WELL ADVISOR

SiteCom®

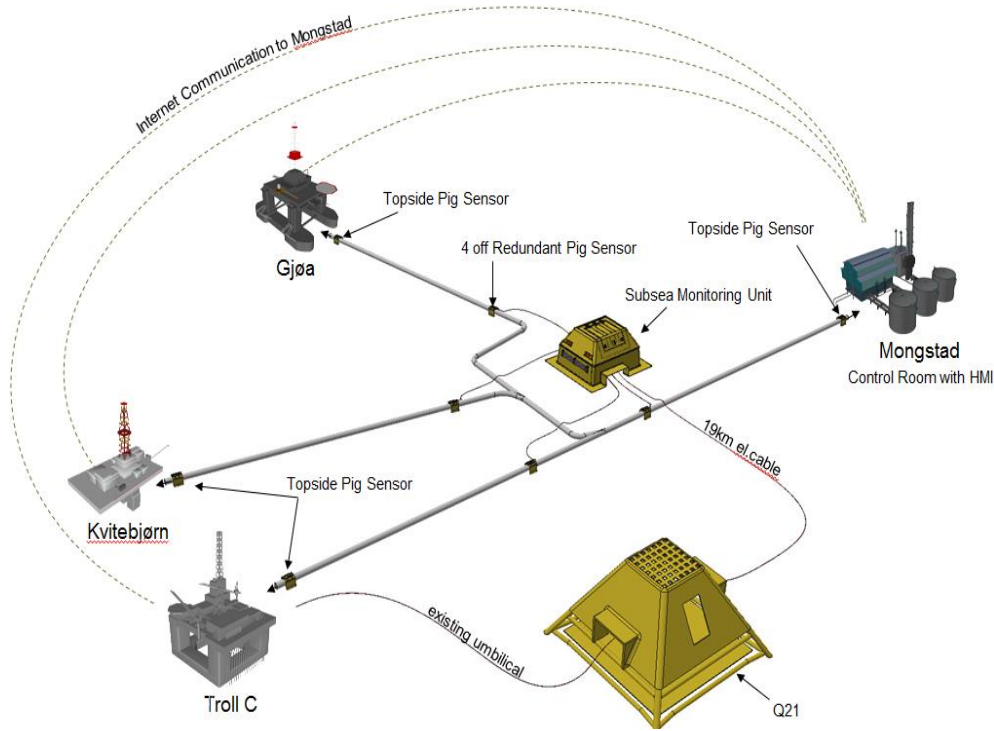


## CASING RUNNING – FIRST CONSOLE DEVELOPED:

- Installed on 32 offshore platforms
- No stuck casing incidents to date whenever the console is utilized
- Estimated value of reduced Non Productive Time: More than \$200m/year







# SUBSEA AUTOMATED PIG LAUNCHER

Project scope:

- To build and test a prototype for qualifying the system to subsea standards
- Lower OPEX and CAPEX
- Improving safety

# AGENDA

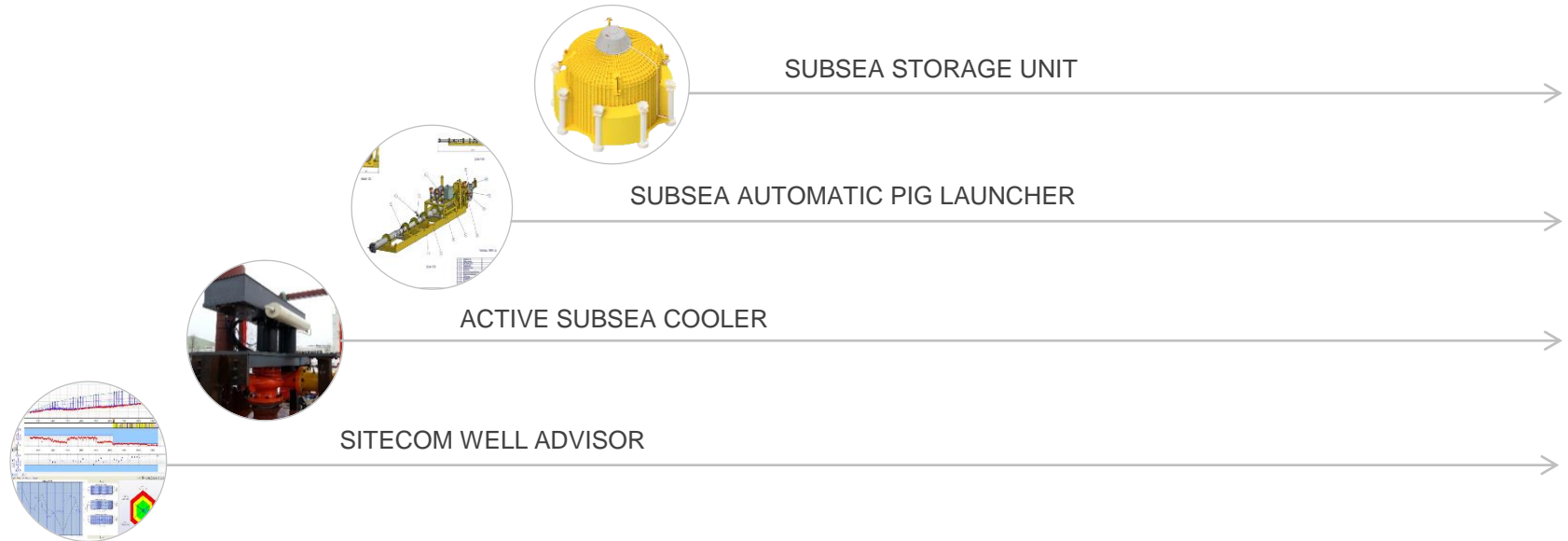


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# OPPORTUNITIES AHEAD





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# KEY TAKE-AWAYS

- A challenging market, expected to continue for some time
- We believe in increased focus on cost
- We adapt to the market situation by:
  - Aligning capacity and cost level with expected activity
  - Focusing on new and existing technology



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