

FOR IMMEDIATE RELEASE

April 21, 2021

Contact: Yun Xu | Senior Analyst
Energy Maritime Associates
(86) 137 7442 5032
yun.xu@energymaritimeassociates.com

Energy Maritime Associates Releases Q2 2021 Floating Production Report

Pace of New Awards Expected to Increase Through End of 2021

SINGAPORE – In its latest quarterly *Floating Production Systems Report*, Energy Maritime Associates (EMA) reviews the market for Floating Production Systems. In the first quarter of 2021 there have been three FPSO awards, which is the same as there were for all of 2020. We expect the pace of awards to increase toward the end of 2021 and have identified 29 projects (including 14 FPSOs and 5 Production Semis) that are most likely to be sanctioned in the next 12 months. This assumes continued management of the global pandemic and oil prices remaining in the \$60s.

This comprehensive 270-page report contains details of recent developments including:

- 297 Production Units and 103 FSOs in Operation
- 201 Projects in the Planning Pipeline
- 29 Most Likely Contracts to be awarded in the next 12 months
- 41 Production Units, 8 FSOs and 2 MOPUs on Order
- 50 Available Units (31 FPSOs, 6 Semis, 4 MOPUs, 4 FSOs, 1 FLNG, 1 FSRU, 1 Barge, 1 Spar, and 1 TLP)

Industry updates and analysis

There has been limited competition for recent Petrobras FPSOs.

- **Parque Das Belais:** Petrobras received two bids for a 2019 tender (from Yinson and Bluewater / Saipem) with no award. A new tender was issued in October 2020 with bids due in May 2021.
- **Buzios 6:** In September 2020, Petrobras stated that there was only one available contractor and entered direct negotiation with SBM.
- **Mero 4:** A single bid was submitted in Feb 2021- by SBM

Revisions in contracting strategy

We are tracking revisions in Petrobras' contracting strategy including a move back to more EPC contracts and alternatives to a leased FPSO. The EPC model was recently approved for Buzios 7 and 8, and the BOT (build, operate, transfer) model is under consideration for future projects. It is likely that Deepwater Sergipe could be the first BOT.

Petrobras suspends Modec from bidding on new projects

Petrobras announced that Modec will not be able to bid for 13 months as a sanction for: "failure to meet operational performance expectations on the charter and service contracts of the *Cidade de Niteroi*, *Cidade de Santos* and *Cidade do Rio de Janeiro* FPSOs." These are leased units that began operation in 2007-2009.

What is the impact of these sanctions?

Modec is restricted from bidding through April 2022. However, it is unlikely that Modec would have participated in these tenders in any case. Modec does not expect any financial impact from these sanctions as they do not involve operating units. Their last tender submission was for the Marlim FPSOs awarded in October 2019. Modec currently has a backlog of 7 FPSOs (including 4 for Petrobras) with deliveries through 2024.

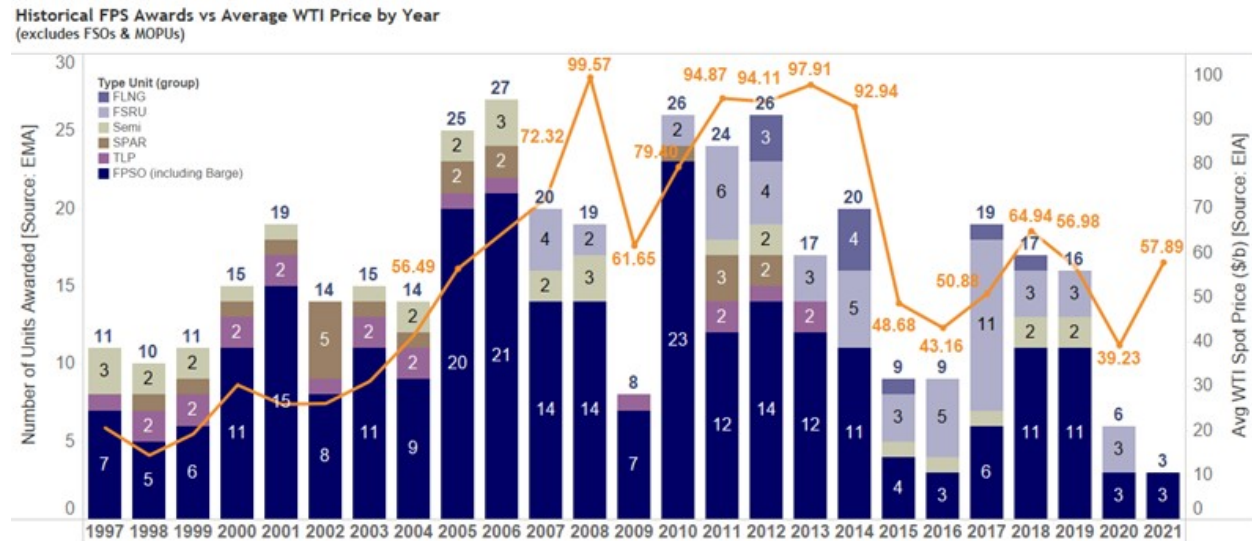


Figure 1. Graph showing historical FPS awards vs. average WTI price by year. Increasing oil prices are a bright indicator for future project awards.

About Energy Maritime Associates

The Floating Production Systems Report is a must read for anyone requiring trustworthy analysis of the FPSO sector to effect better decision making, assess business risk, and provide insight into project alternatives.

EMA provides independent, expert analysis of the FPSO market with an unbiased view. We pride ourselves on the accuracy of information provided built through an extensive network of industry contacts, and our depth of knowledge in floating production. Trusted by more than 200 clients worldwide, EMA serves the entire FPSO market including E&P companies, service providers, capital investment firms, and asset and facility owners.

[Contact EMA](#)

###