Westwood Global Energy Group

Westwood Global Energy
RigLogix

US Gulf of Mexico Report
Crosby Tugs & Greater Lafourche Port Commission
January 2025

Disclaimer

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Published September 2022

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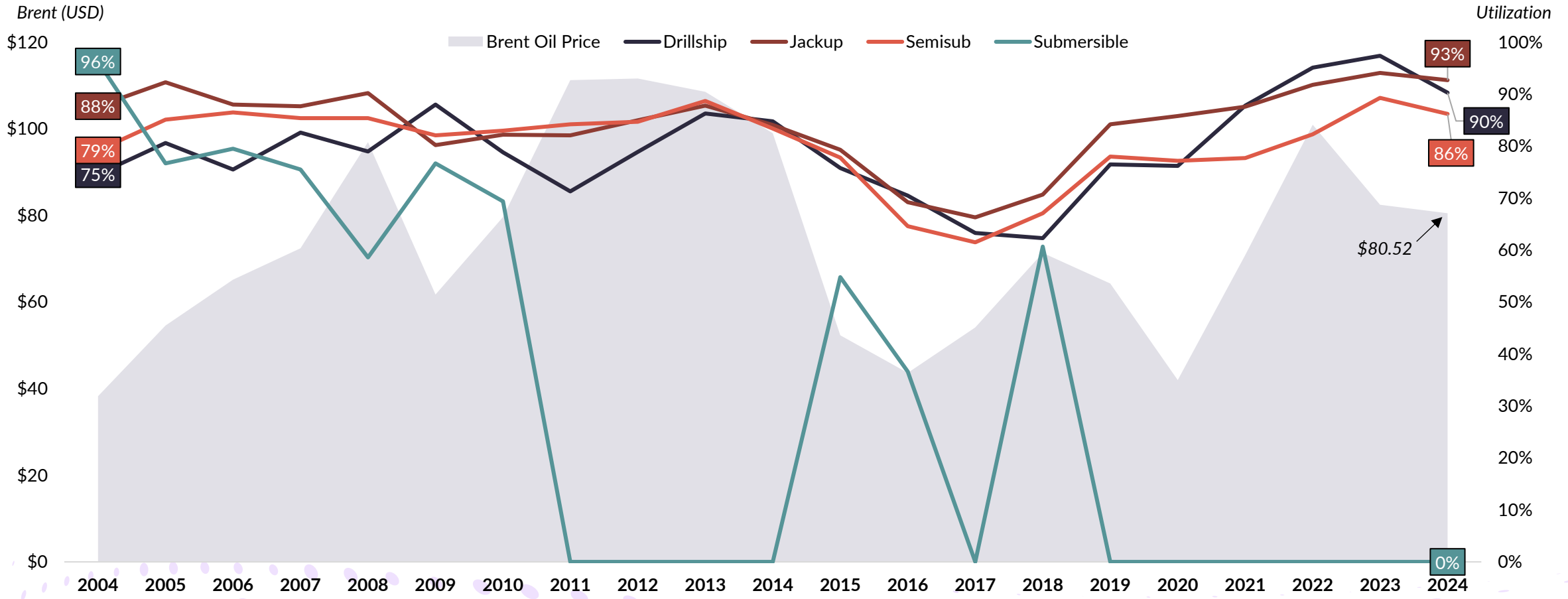
Global Rig Utilization & Oil Price

Drillships, jackups, semisubs all averaged above 85% utilization in 2024, which generally indicates tight market conditions. No submersibles have been used for drilling since 2018.

Global Offshore Rig Marketed Committed Utilization Vs. Brent Oil Price (2004-2024)



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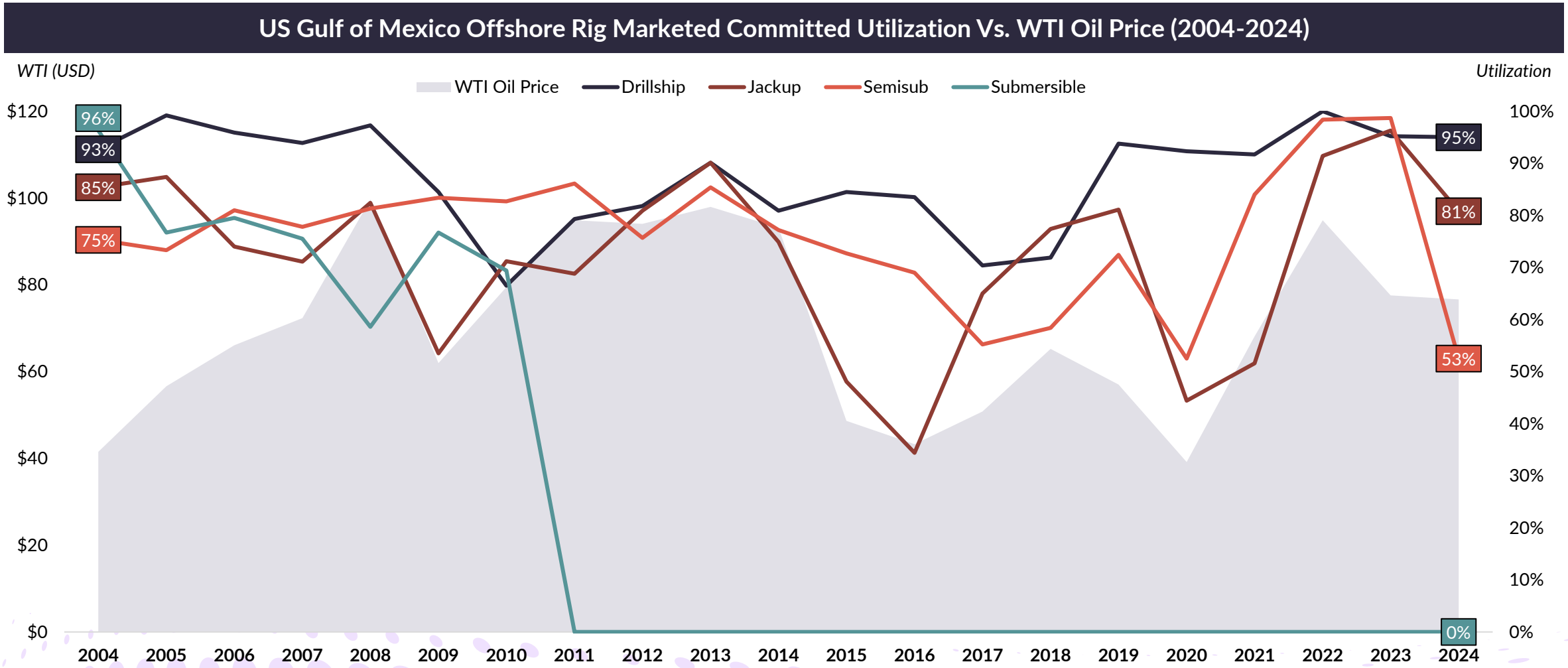
Source: Westwood RigLogix, US EIA (oil price)

USGOM Rig Utilization & Oil Price

Shrinking marketed supply has helped buoy utilization rates for drillships and jackups. The marketed semisub fleet has dropped to 1-2 units. No submersibles have been used for drilling in the region since 2010.

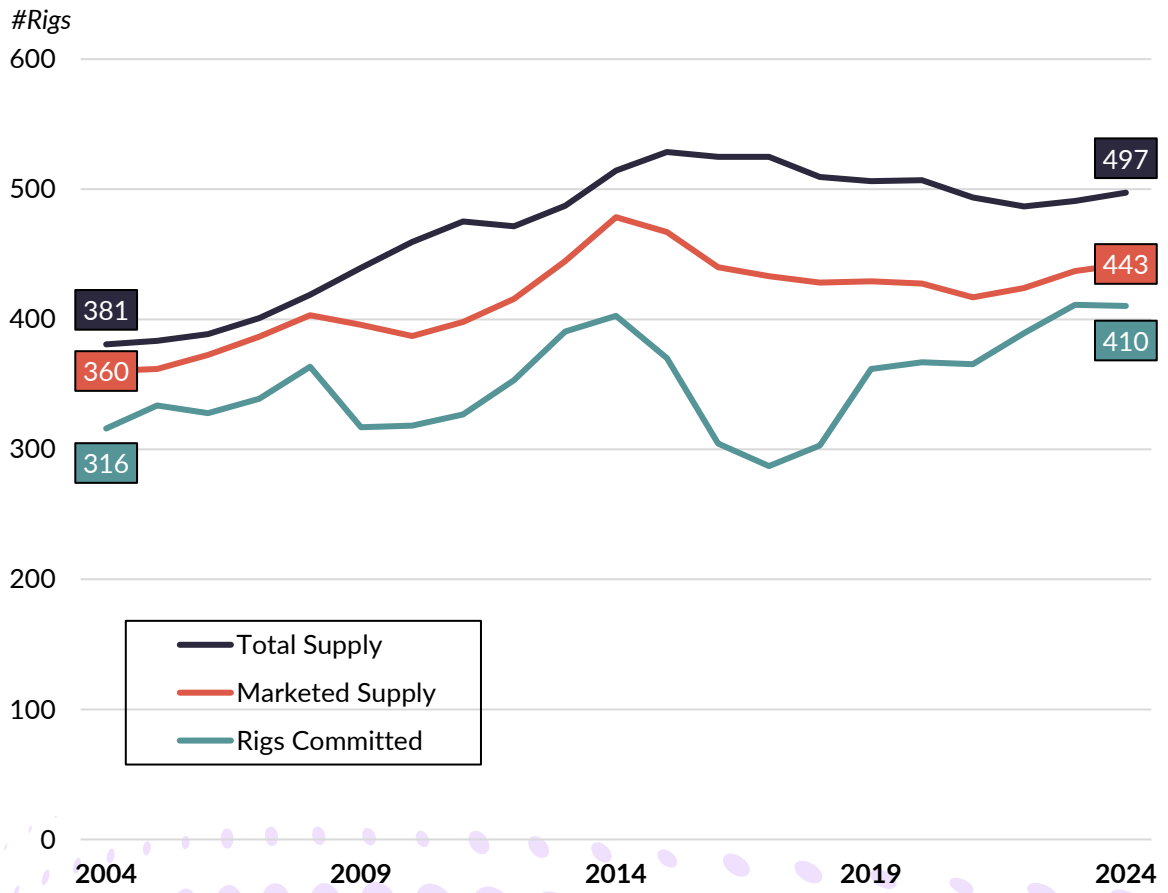


Source: *Westwood RigLogix, US EIA (oil price)*

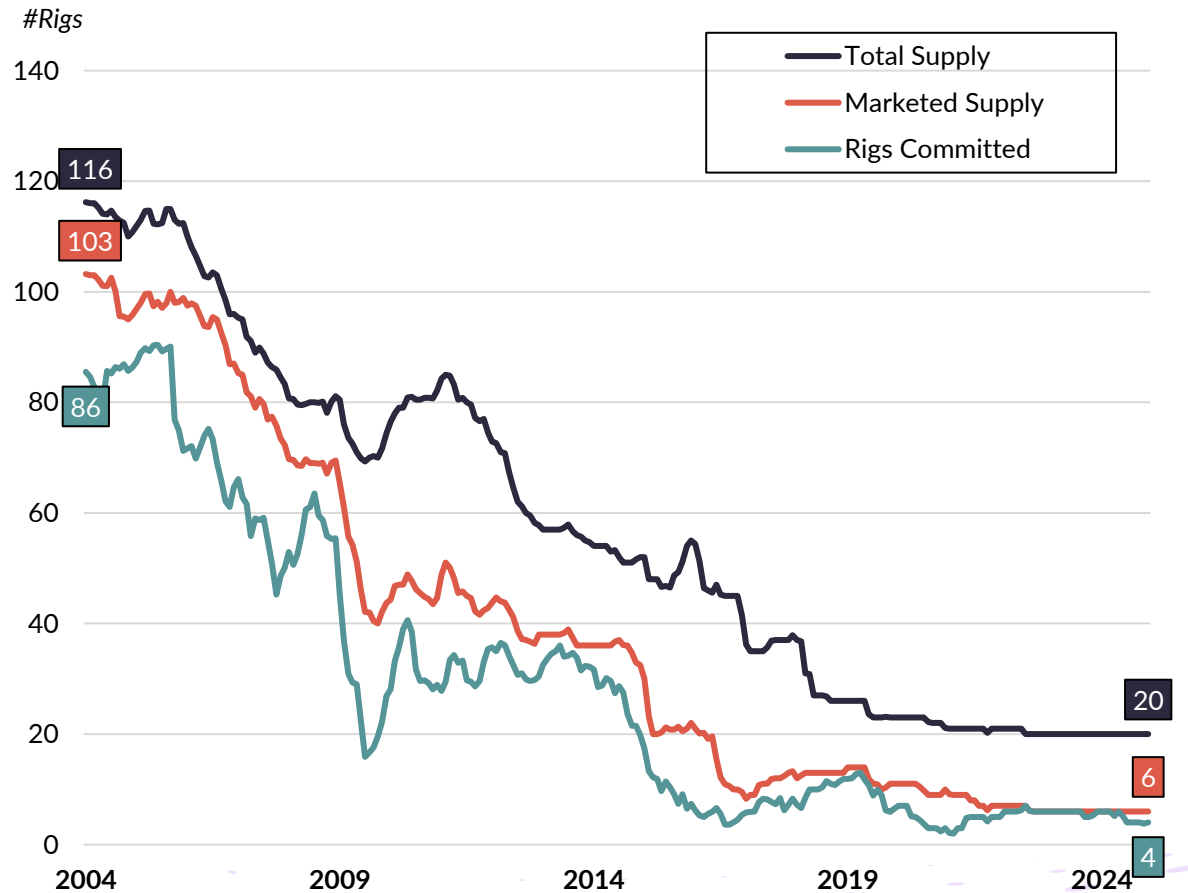
Supply Changes - Jackups

Global jackup total supply has increased 30% since 2004. However, the US Gulf jackup supply has decreased by 83% over the same period. Only 4 jackups are working in the region.

Global Jackup Delivered Supply (2004-2024)



US Gulf Jackup Delivered Supply (2004-2024)



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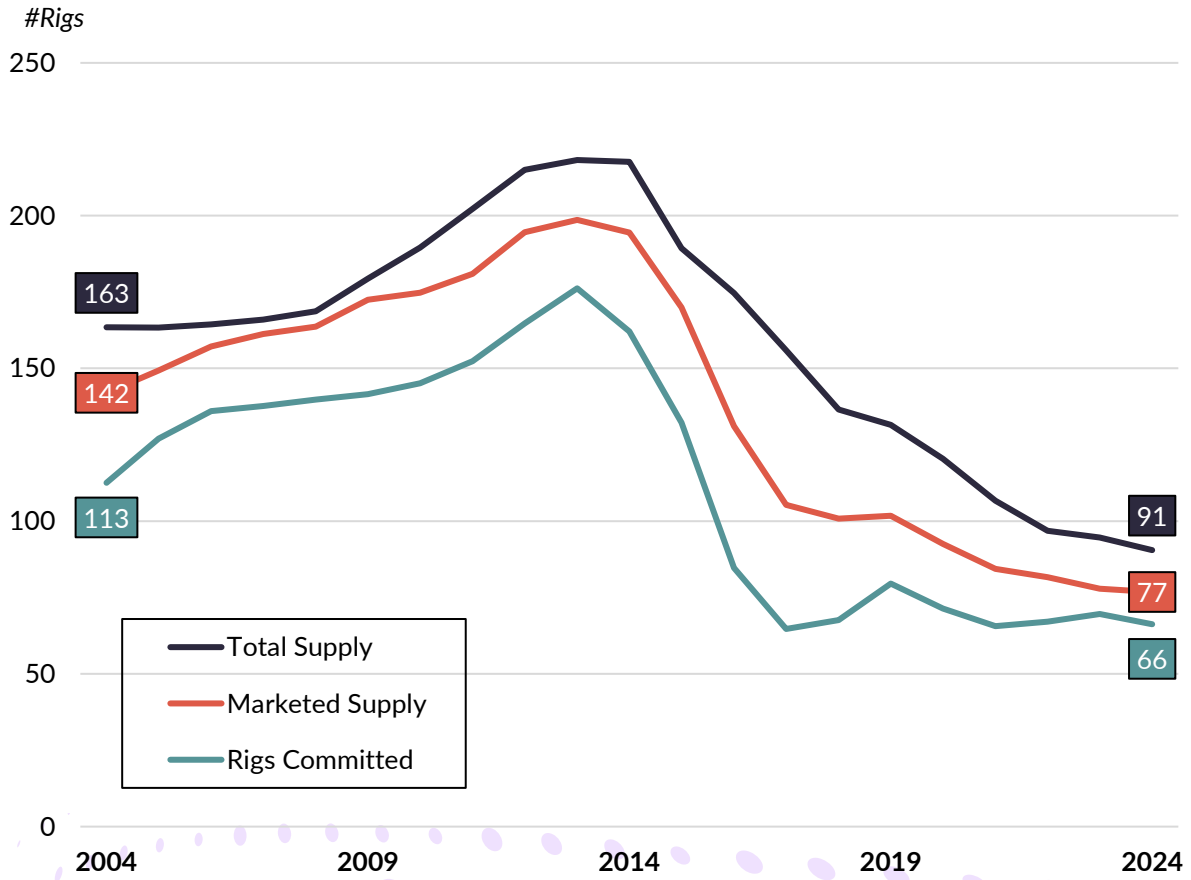
Source: Westwood RigLogix

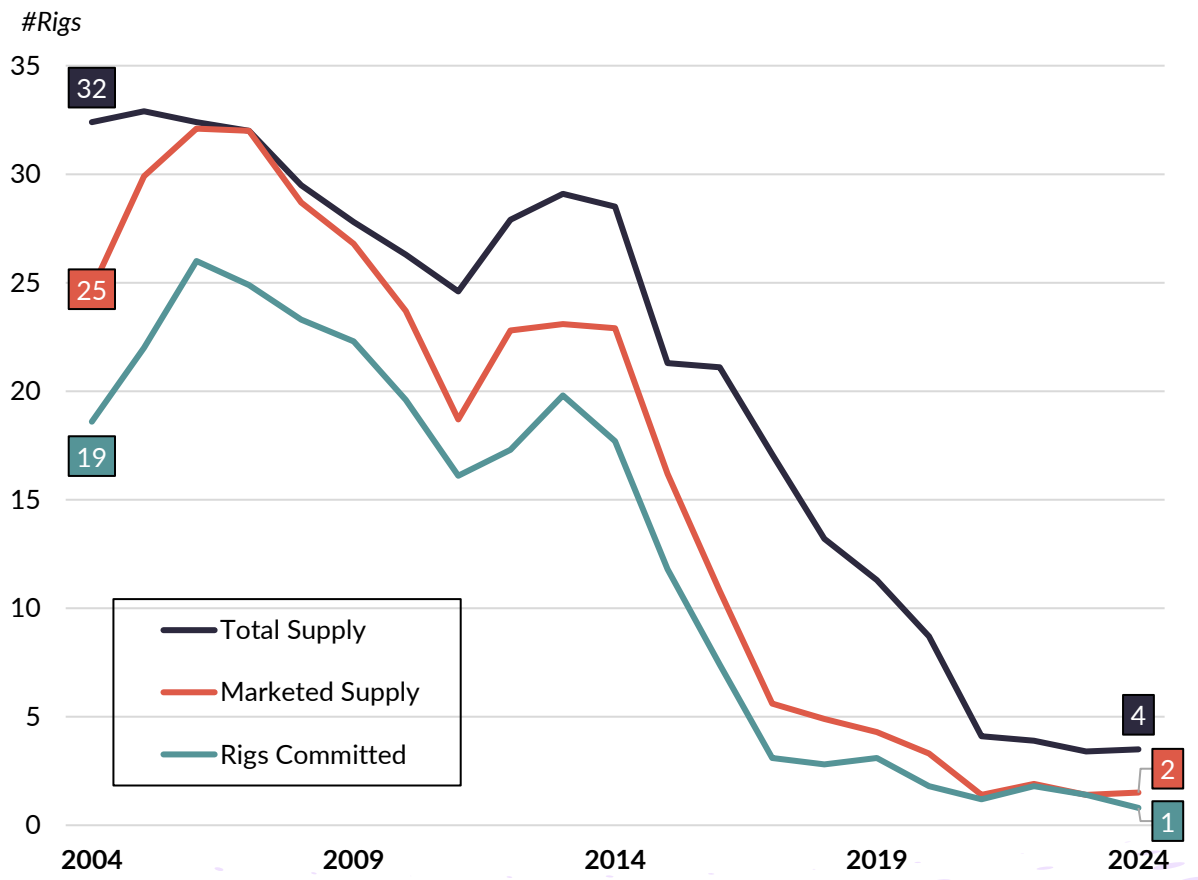
Supply Changes - Semisubs

Global semisub total supply has fallen by 44% since 2004. Meanwhile, the US Gulf semisub supply has dropped by 88% over the same period.

Global Semisub Delivered Supply (2004-2024)



US Gulf Semisub Delivered Supply (2004-2024)



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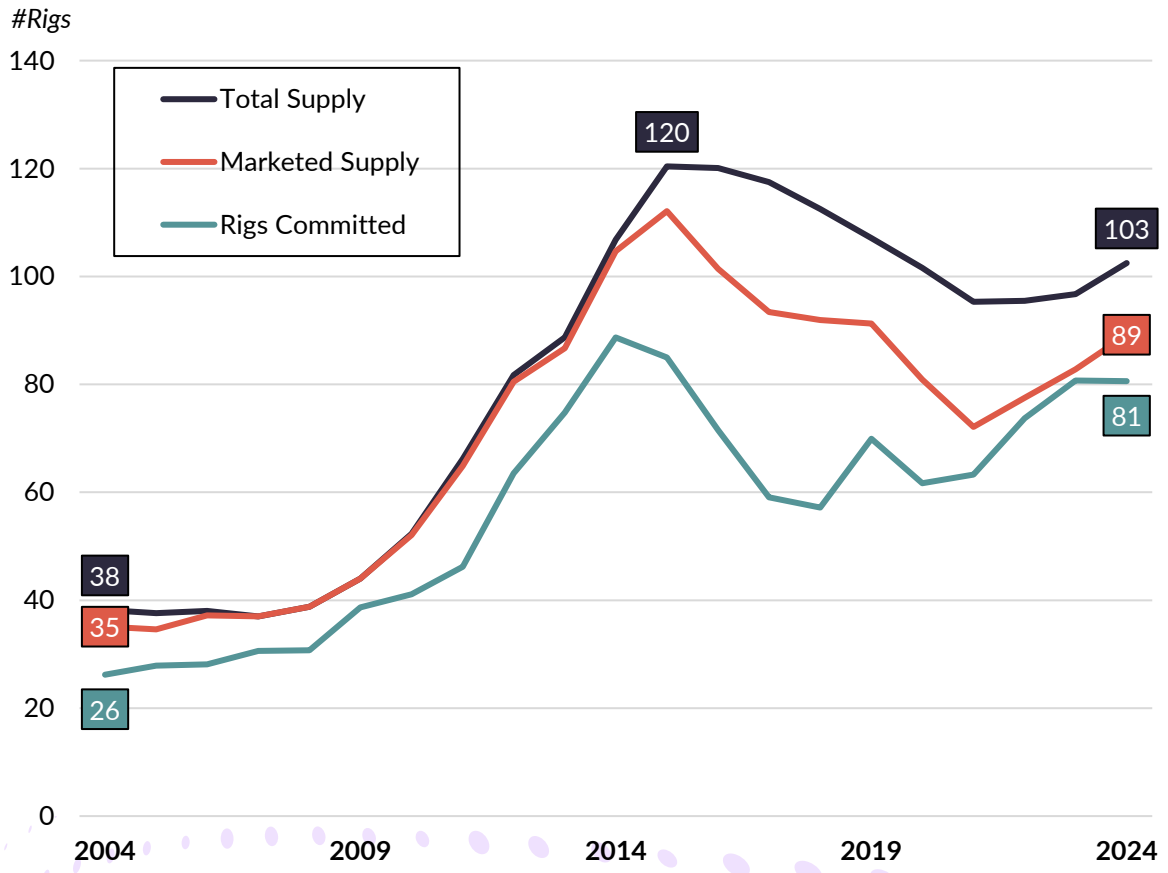
Source: Westwood RigLogix

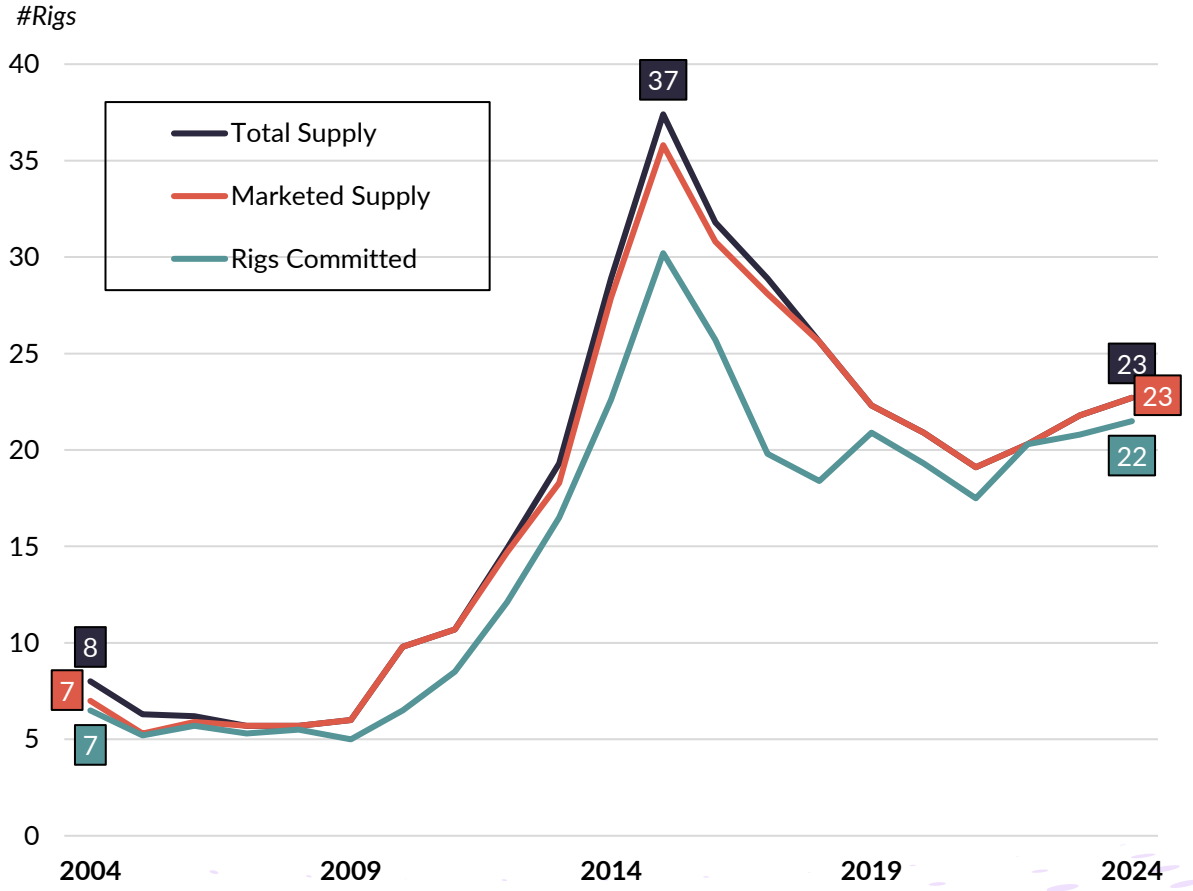
Supply Changes - Drillships

Global drillship total supply has declined by about 15% since the peak in 2015. The US Gulf supply has fallen by about 39% since 2015.

Global Drillship Delivered Supply (2004-2024)



US Gulf Drillship Delivered Supply (2004-2024)



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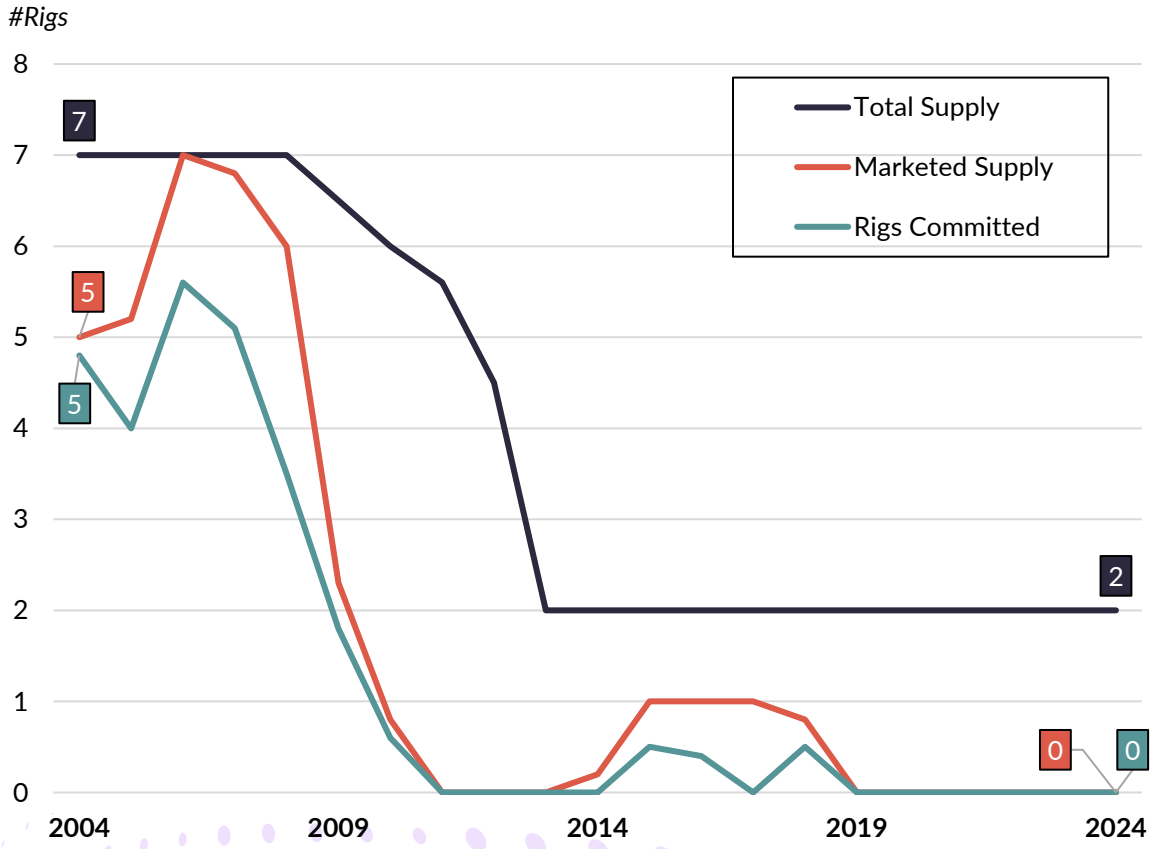
Source: Westwood RigLogix

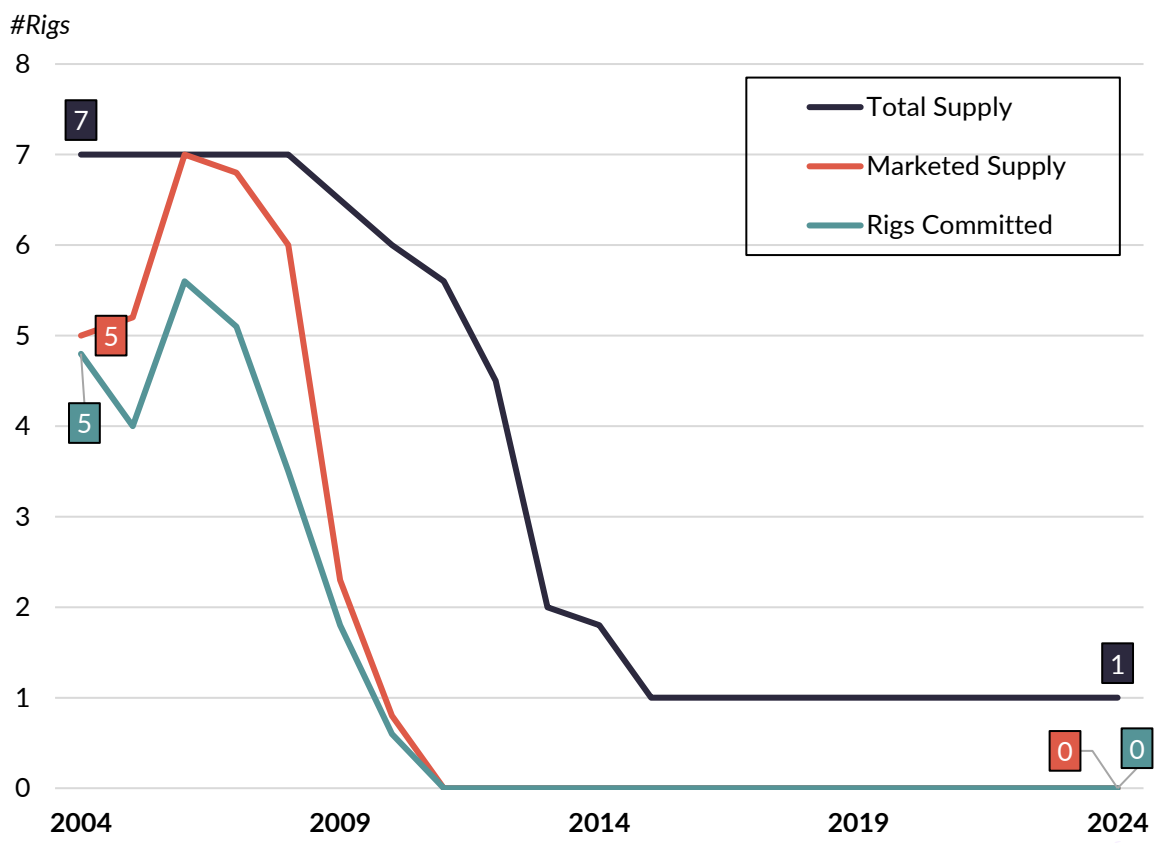
Supply Changes - Submersibles

Submersibles have gone out of use as drilling rigs. The last submersible drilling campaign in the US Gulf took place in 2010.

Global Submersible Delivered Supply (2004-2024)



US Gulf Submersible Delivered Supply (2004-2024)



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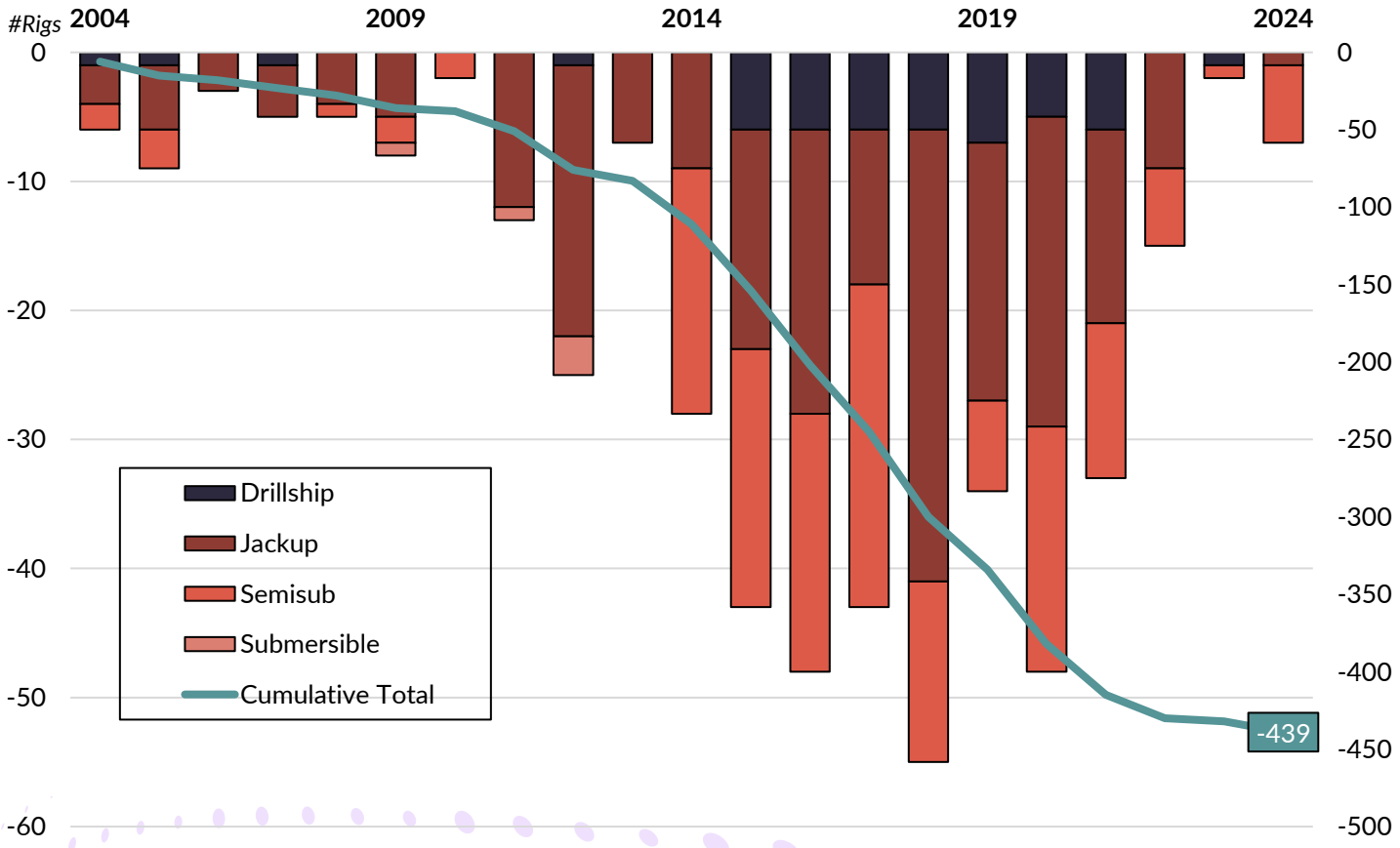
Source: Westwood RigLogix

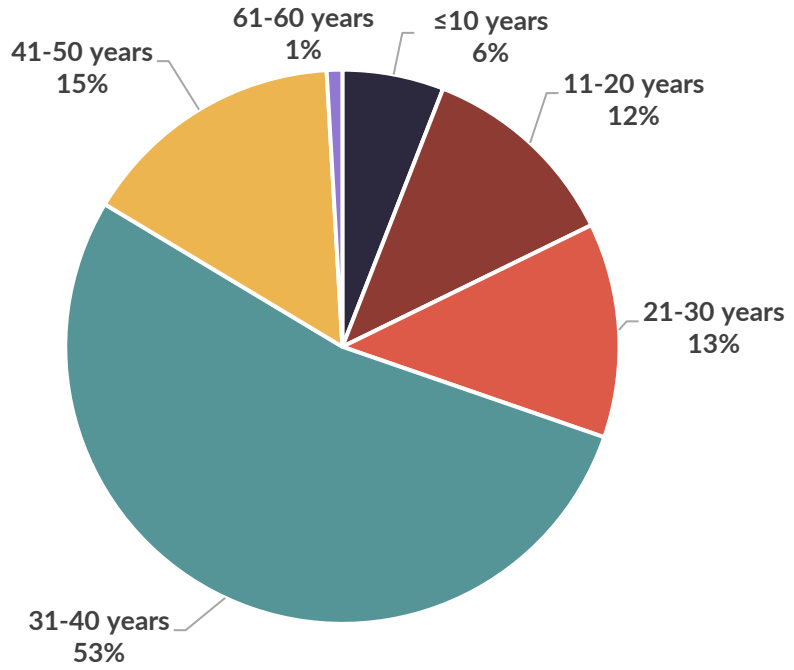
Global Attrition Trends

Attrition rates declined from 2020-23 as demand picked up. When demand began slowing in 2024, attrition picked up again. Jackups have lost the most, with over 200 retired since 2004.

Global Attrition by Rig Type (2004-2024)



Age Group at Time of Attrition (2004-2024)



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Source: Westwood RigLogix

US Gulf of Mexico Cold-Stacked Rig Trends

Most have exceeded the generally expected lifecycle of ~30 years. Extended stacking periods, age escalate cost, time to reactivate, leaving few candidates for future reactivation.

US Gulf of Mexico Cold-Stacked Rigs by Count and Duration

Jackups

14
Cold-stacked

Duration:
2 → **≤ 5 years**
9 → **5-10 years**
3 → **11-15 years**

Semisubs

2
Cold-stacked

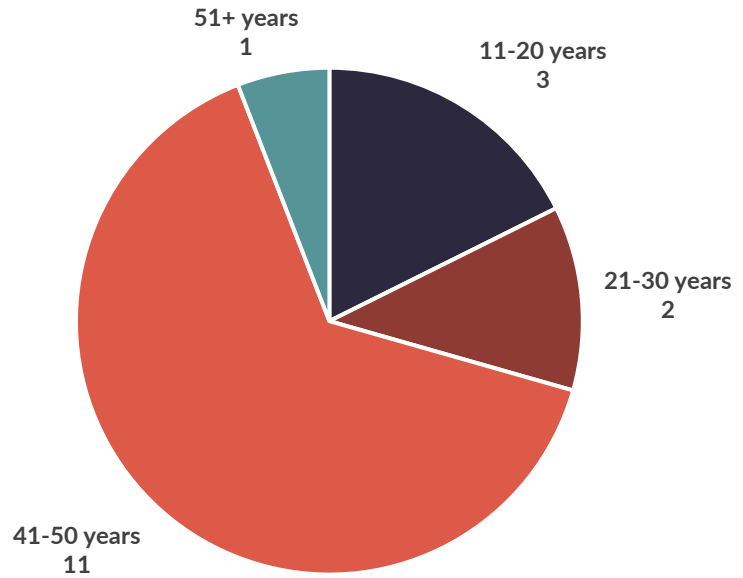
Duration:
1 → **5 years**
1 → **9 years**

Submersibles

1
Cold-stacked

Duration:
15 years

Current Age Group of Cold-Stacked Rigs



Notes: Total = 17
No rigs in the following groups: ≤ 10 years, 31-40 years

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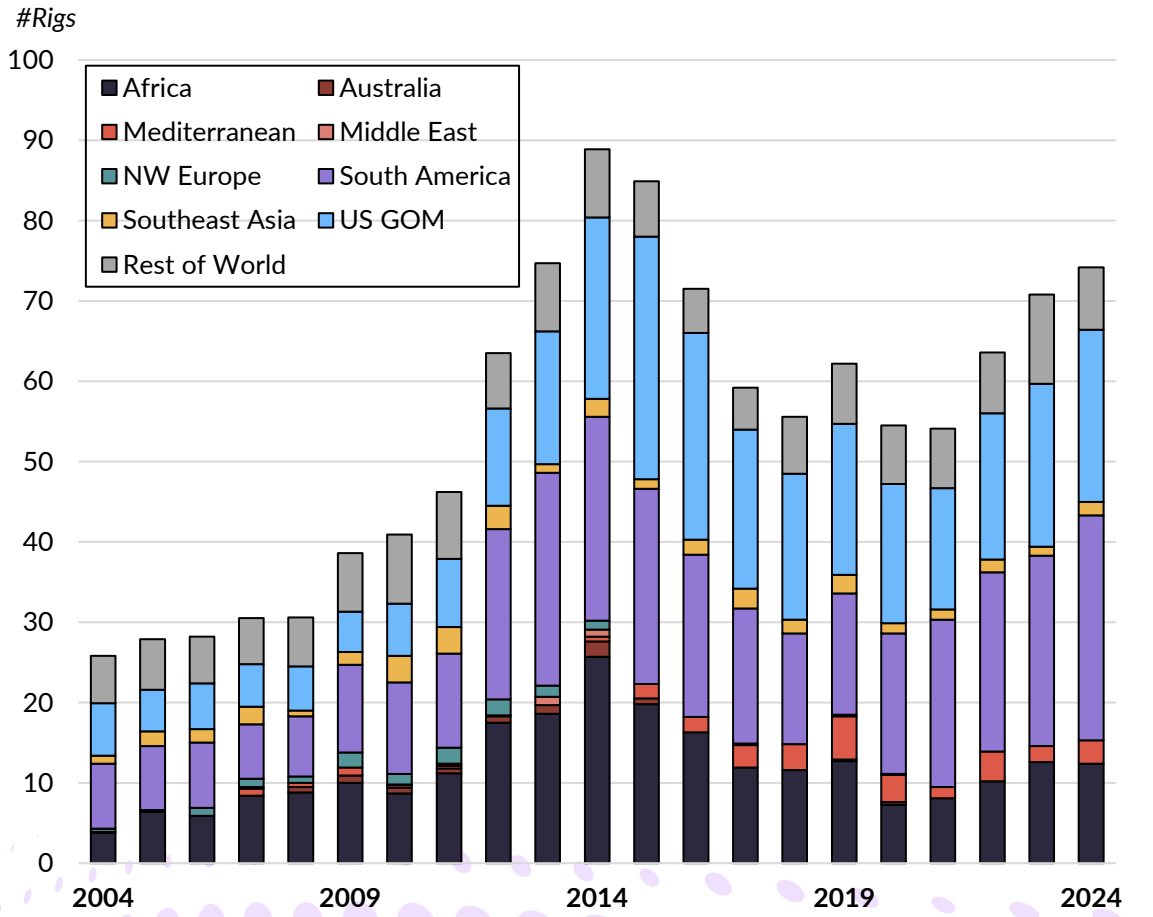
Source: Westwood RigLogix

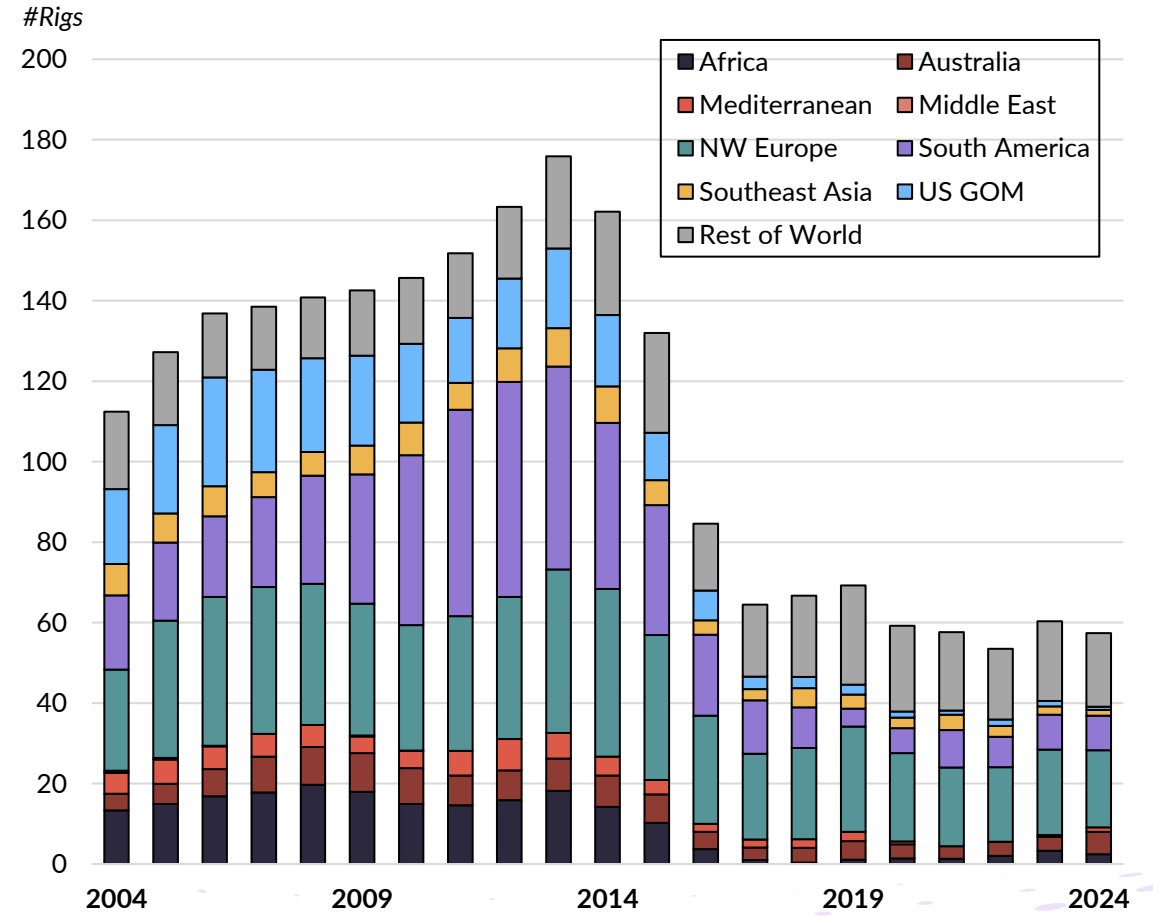
Historical Rig Counts by Region (Part 1)

Global drillship demand is currently dominated by South America, and global semisubs are currently most active in Northwest Europe.

Drillship Rig Count by Region (2004-2024)



Semisub Rig Count by Region (2004-2024)



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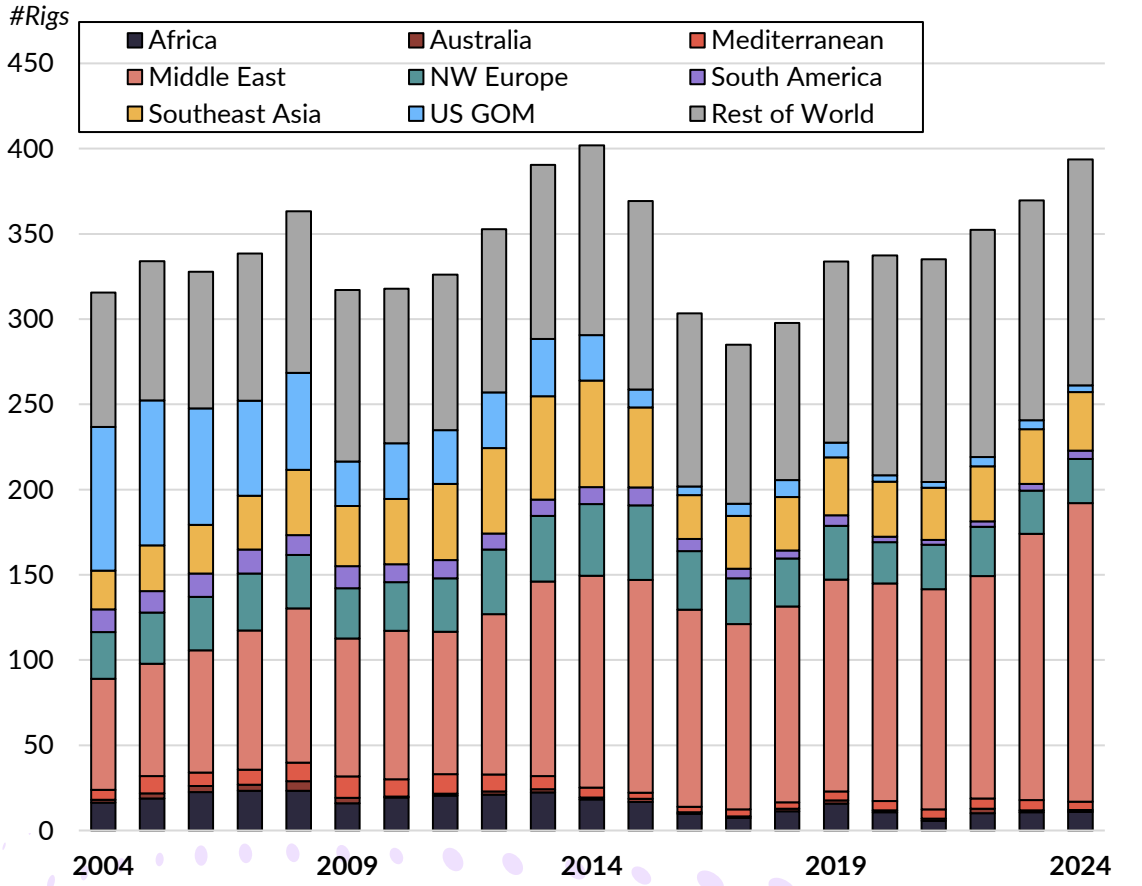
Source: Westwood RigLogix

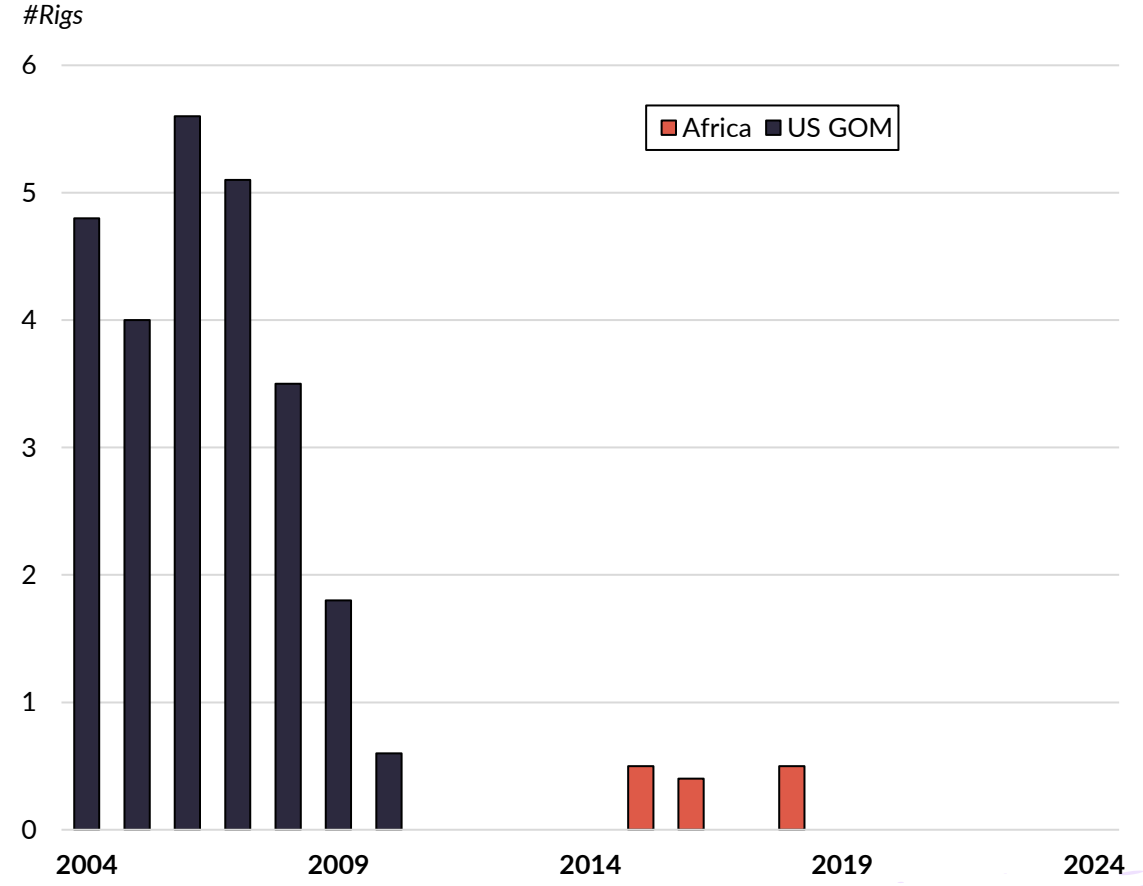
Historical Rig Counts by Region (Part 2)

The Middle East is the biggest region for working jackups. Meanwhile, submersibles have not worked as drilling units in several years and are not expected to ever drill again.

Jackup Rig Count by Region (2004-2024)



Submersible Rig Count by Region (2004-2024)



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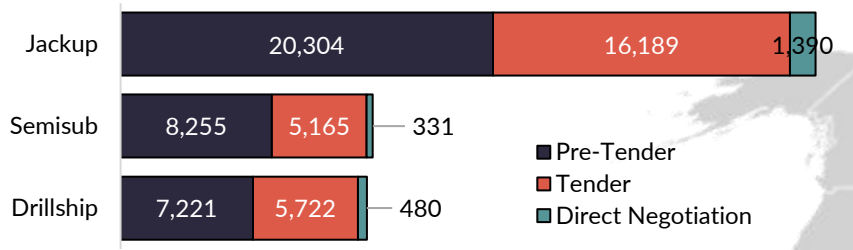
Source: Westwood RigLogix

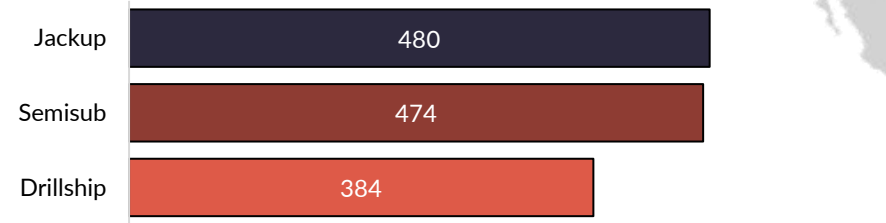
Outstanding Offshore Rig Demand Through 2027

Southeast Asia has the most potential demand, but much of this is subject to slipping. Expect more requirements to come out of Brazil, as Petrobras looks to renew its fleet.

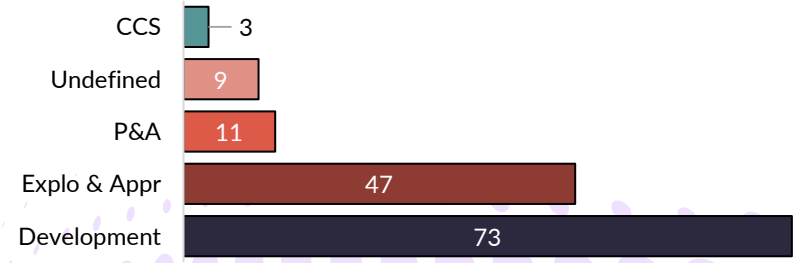
Rig requirements by minimum duration (#days)



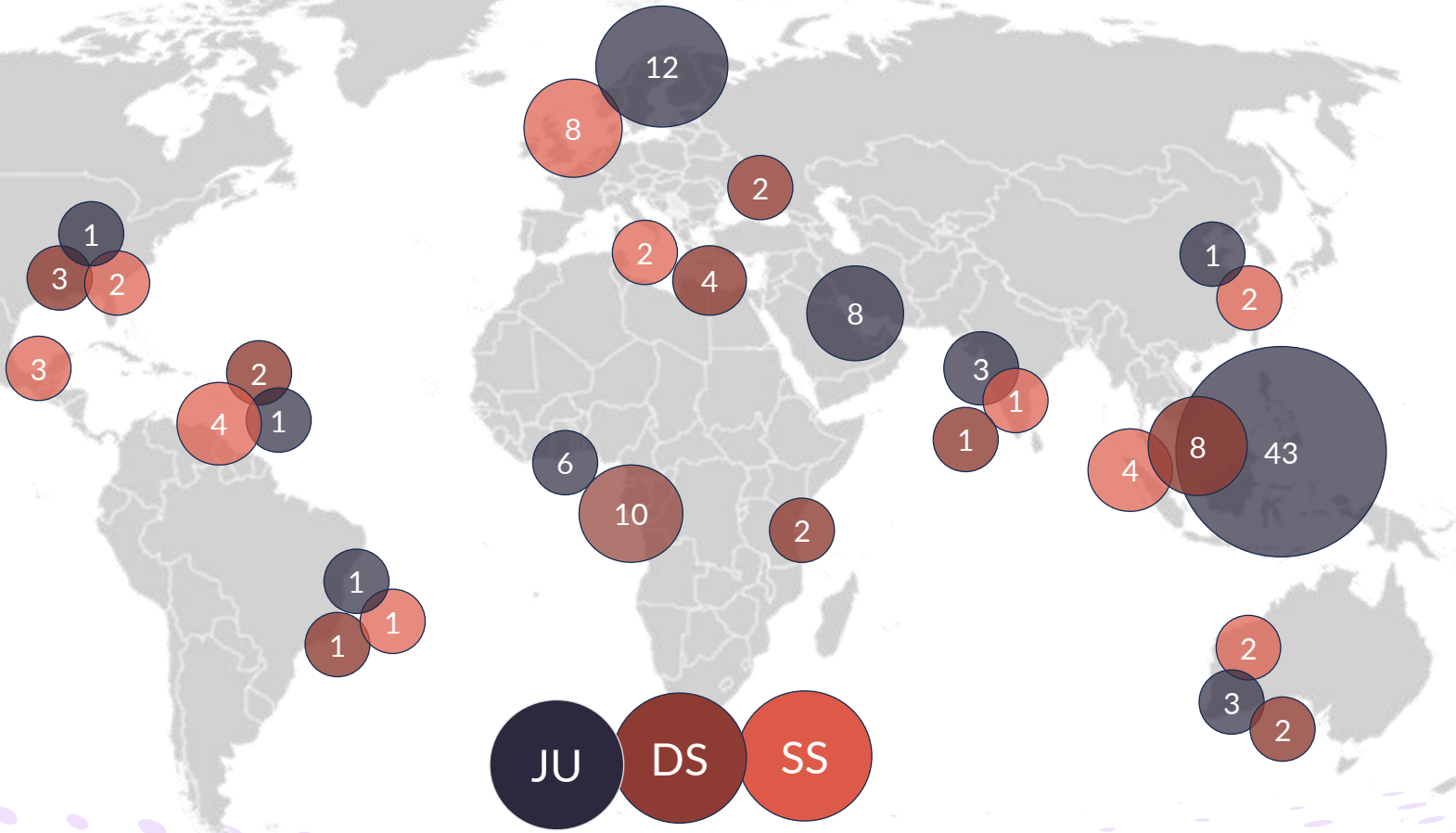
Rig requirements by average minimum duration (#days)



Rig requirements by well type (# requirements)



of Direct Negotiations, Pre-Tenders, Tenders by Region & Rig Type



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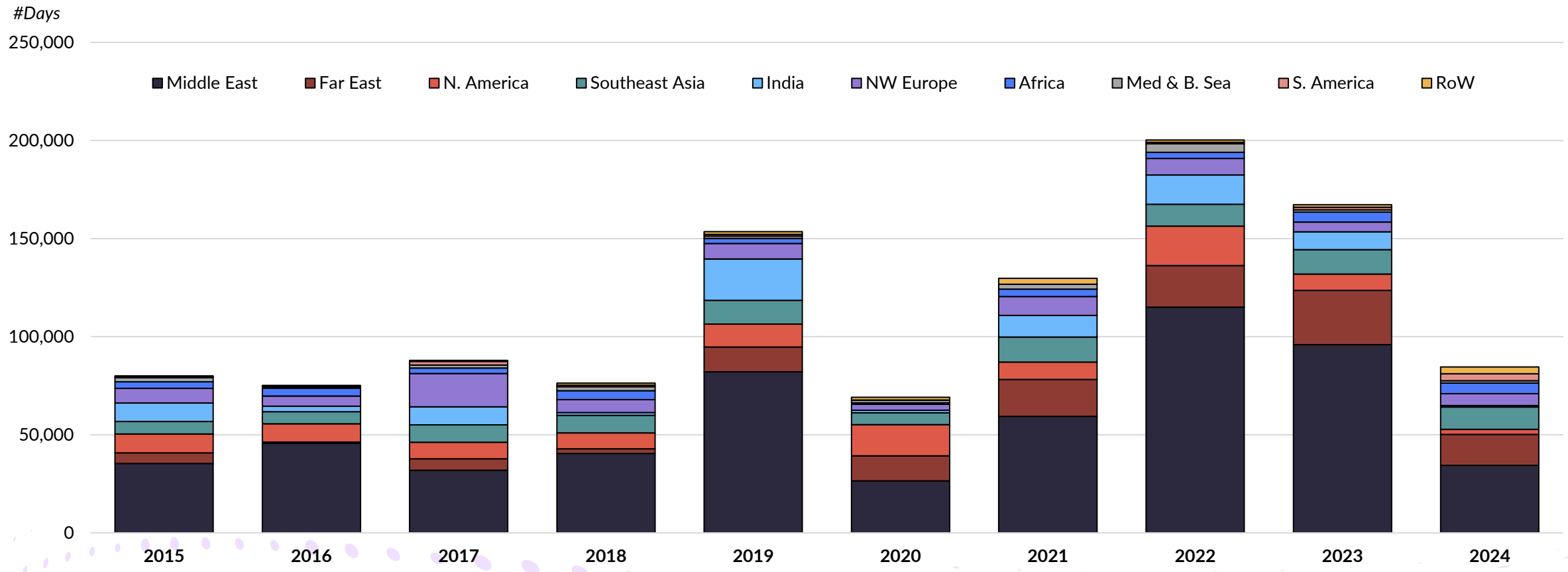
Source: Westwood RigLogix

Jackup Award Activity

Global 2024 awarded days were down 49% from 2023. Despite a drastic drop in Middle East contracting from 2022 & 2023, the region still awarded the most days in 2024.

Awarded Jackup Demand by Region
(2015-2024)



Note: RoW = Rest of World

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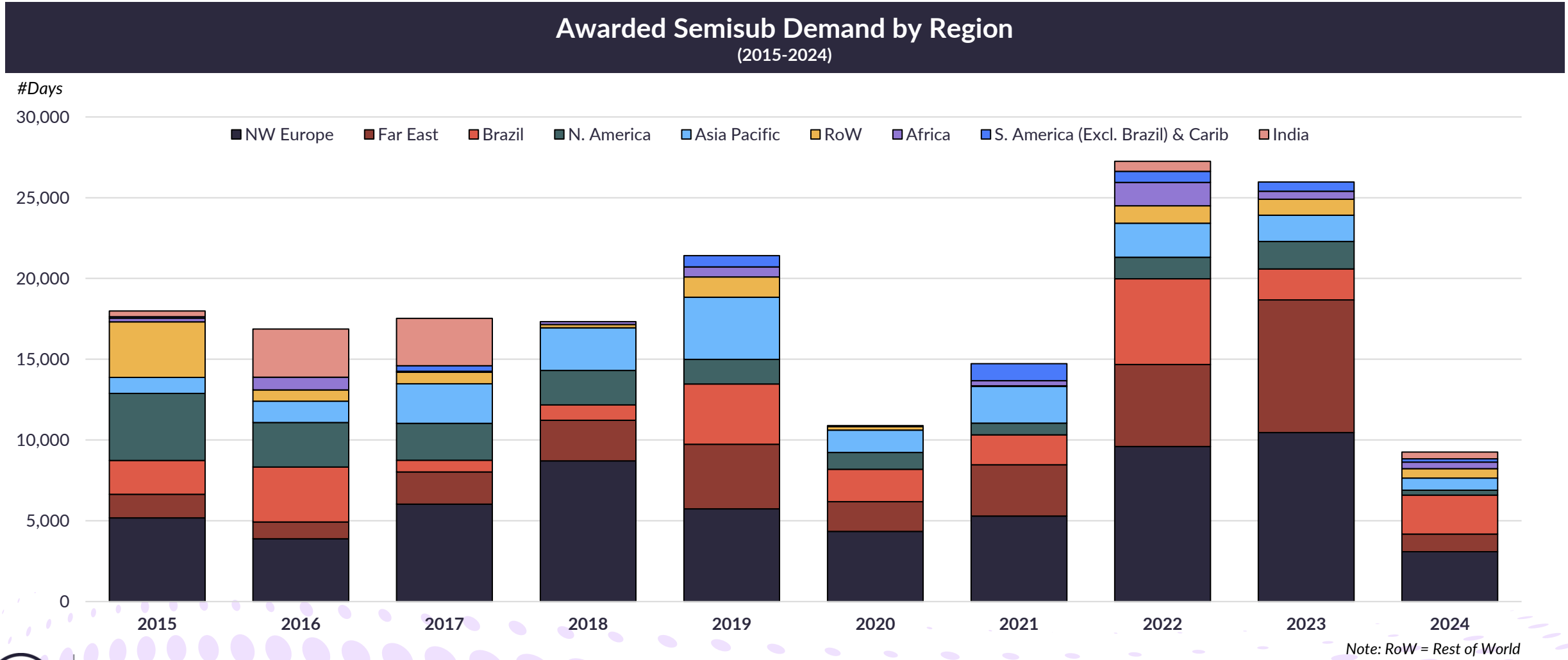
Source: Westwood RigLogix

Semisub Award Activity

2024 awarded days were down 64% from 2023. Last year was the first time in over two decades that total awarded days fell below 10,000. Hardest hit regions: NW Europe (-71%), Far East (-87%), Aus. (-85%), Mexico (-100%).



Note: RoW = Rest of World

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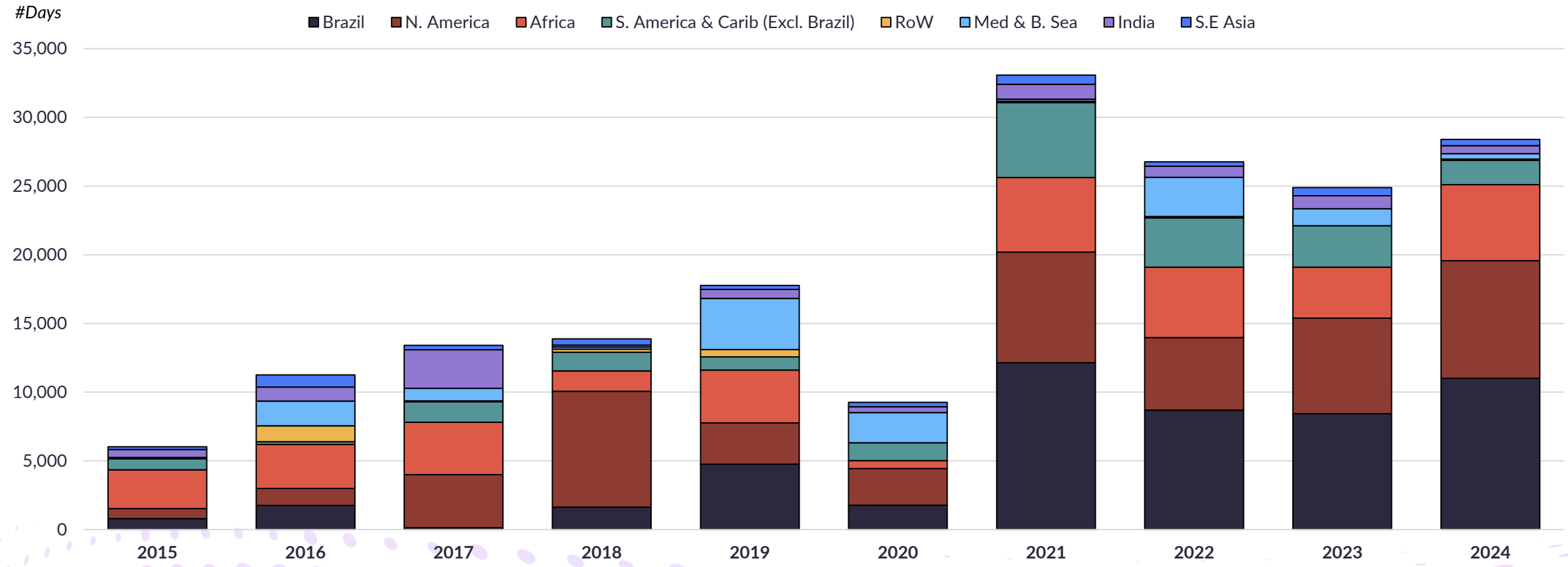
Source: Westwood RigLogix

Drillship Award Activity

Total days awarded in 2024 were up 14% over 2023. However, when excluding an outlier 10-year charter, 2024 finished 0.5% below 2023. Brazil accounted for the most days, followed by North America.

Awarded Drillship Demand by Region
(2015-2024)



Note: RoW = Rest of World

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Source: Westwood RigLogix

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In a sector known for over-supply, our consultants provide essential and detailed insight into the offshore marine sector to help vessel operators optimise their fleets and develop effective strategies to overcome market challenges.

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We collate data on floating and fixed production facilities' contracts worldwide, including floating LNG platforms. We cover shipyards, orders and contracting activity, to help offshore EPC firms build viable opportunity pipelines.

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Glossary of select terms

- ***Cold Stacked*** *- A status that indicates the rig is being "stored" or "shuttered" in a harbor, shipyard or other offshore area and the crew is released. Rigs that are cold stacked are usually done so for indefinite periods of time and not considered part of the marketable fleet.*
- ***Committed*** *- Any contracted rig or any non-working rig that has a future contract in place. These rigs are not by definition, "on payroll", but they are generally not available for hire by another operator.*
- ***Drillship*** *- A ship-shaped vessel equipped with a drilling package. Modern drillships are typically dynamically positioned.*
- ***Jackup*** *- A mobile, bottom-supported, offshore drilling structure with columnar or open-truss legs that support the deck and hull. When positioned over the drilling site, the bottoms of the legs rest on the seafloor. A jackup rig is towed or propelled to a location with its legs up. Once the legs are firmly positioned on the bottom, the deck and the hull height are adjusted and leveled. Also called self-elevating drilling unit.*
- ***Marketed*** *- Indicates a rig that is actively marketed for work as designated by the rig owner. Cold-stacked units are generally not marketed for work.*
- ***Semisub*** *- A floating offshore drilling unit that has pontoons and columns that, when flooded, cause the unit to submerge to a predetermined depth. Semisubmersibles are more stable than drillships and are used extensively to drill wildcat wells in rough waters such as the North Sea.*
- ***Submersible*** *- A mobile, offshore drilling unit (MODU) that floats on the water's surface when moved from one drilling site to another. When it reaches the site, crewmembers flood compartments that submerge the lower part of the rig to the seafloor.*
- ***Utilization Rate*** *- The number of rigs contracted divided by the number of rigs available. Applicable to rig type or region.*