

OFFSHORE ACCOMMODATION OPPORTUNITIES SEEN INCREASING

Duncan MacPherson, chief operating officer at Telford Offshore speaks to *Pipeline Magazine* about the offshore accommodations industry and the company's business

How is your company involved in offshore accommodations? What new products are you looking to bring to the market?

The basic function of an offshore accommodation vessel is pretty much what it sounds like: our vessels provide living quarters for personnel working on commissioning, maintaining or upgrading existing or new offshore oil and gas facilities. You could look upon them as like a floating hotel – but a hotel where you have to book all the rooms and pay for the entire use whether you stay in all of them or not, so it may not seem very cost-effective.

At Telford, we aim to give our clients more value for their money and we provide vessels that can offer more than just temporary accommodation. Clients can also use them for other services, including lifting, diving, and even pipe-lay services, while at the same time their offshore personnel still have safe and comfortable accommodation provided for them.

Where are you seeing the most growth and activity in terms of supplying solutions for the oil and gas industry?

As the market gradually improves, we are seeing differing rates of recovery in different regions and as such we try to position ourselves accordingly. Presently, there are good activity levels in Latin America, and in Mexico in particular, where we were recently awarded multiple pipe-laying and construction charter contracts by local company Protexa. We also see strong opportunities for growth in Asia and in the Middle East and Africa markets. For example, we see accommodation opportunities increasing for both the Asia and West Africa markets, while in the Middle East we are looking at exploring the opportunities within the shallow-water rigid pipe-lay segment.



What industry trend do you think will present a challenge/opportunity for the offshore accommodation providers?

The lower-for-longer oil price environment of the past few years, crimped capital spending in the industry – according to Deloitte, the oil and gas sector cut CAPEX by 50 per cent in 2015 and 2016 alone.

Accordingly, this underinvestment has created potential backlog for modification and maintenance works offshore, and as the oil price recovers, offshore accommodation needs will rise alongside the catch-up in expenditure. Similarly, we see good opportunities in our other services, such as pipe-lay and construction, when brownfield and greenfield projects start being sanctioned again.



In providing solutions for accommodation in oil and gas industry, what are your main market differentiators?

The versatility we provide to clients is a key differentiator for Telford, and this is crucial in many projects. We often have instances where a simple initial requirement from a client ends up becoming a much more complex scope of work. Because our offshore accommodation vessels are capable of being used for so many functions, and because of the capabilities of our teams, we are able to offer additional value-added services, such as construction support or pipe-lay.

Clients appreciate this flexible, cost-saving approach, which gives them benefits on top of the accommodation support that they already get from those same assets.

What achievements are you most proud in serving the segment in the oil and gas industry?

We take great pride in understanding what our clients truly value and in providing them with solutions that can meet their particular challenges. To give just one example, we recently completed a project in one of the most remote oil and gas regions in the world, on the southern tip of South America, which involved pipe-lay, diving, lifting and accommodation support.

While this would normally involve two or three vessels – with consequently huge mobilisation costs and multiple interface issues – we were able to provide all of these services from a single asset. This meant that we were able to help the client to minimise costs and scheduling conflicts, which was obviously of enormous benefit to them.

Where are your strongest geographical markets in the oil and gas industry?

Our assets can be utilised in almost any environment around the world and we have been active in conditions ranging from tidal currents off Argentina, through the high

winds and waves of the Bass Straits in Australia, to the extreme low temperatures and icy conditions found at Sakhalin – Russia's largest island.

However, while our vessels can operate in just about any weather conditions, business-wise our strongest regions are those where production upgrades and maintenance of existing assets require a combination of services. These areas are typically Central America, West Africa, and Asia. We also see huge potential in the Middle East market, with of course more than half of the world's proven oil and gas reserves being found in the MENA region, so accordingly we are looking at expanding activities there in the near future.

