

# Asia Pacific Decommissioning and Abandonment Market Survey

The current climate raises uncertainty for the decommissioning industry in the Asia Pacific. Critical questions are being asked, including:

- *Are there opportunities for vendors in the decommissioning market in the next 5 years?*
- *What parts of the region present the best opportunities?*
- *What is seen as the greatest challenge for the Asia Pacific decommissioning industry?*

We conducted a regional market survey to help ask some of these questions. We compared the answers received to those in a similar study in 2012. Some of the answers were surprising.



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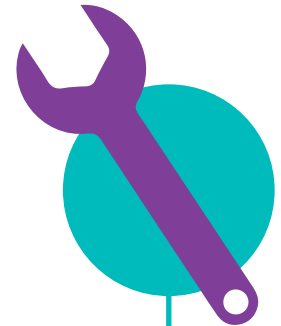
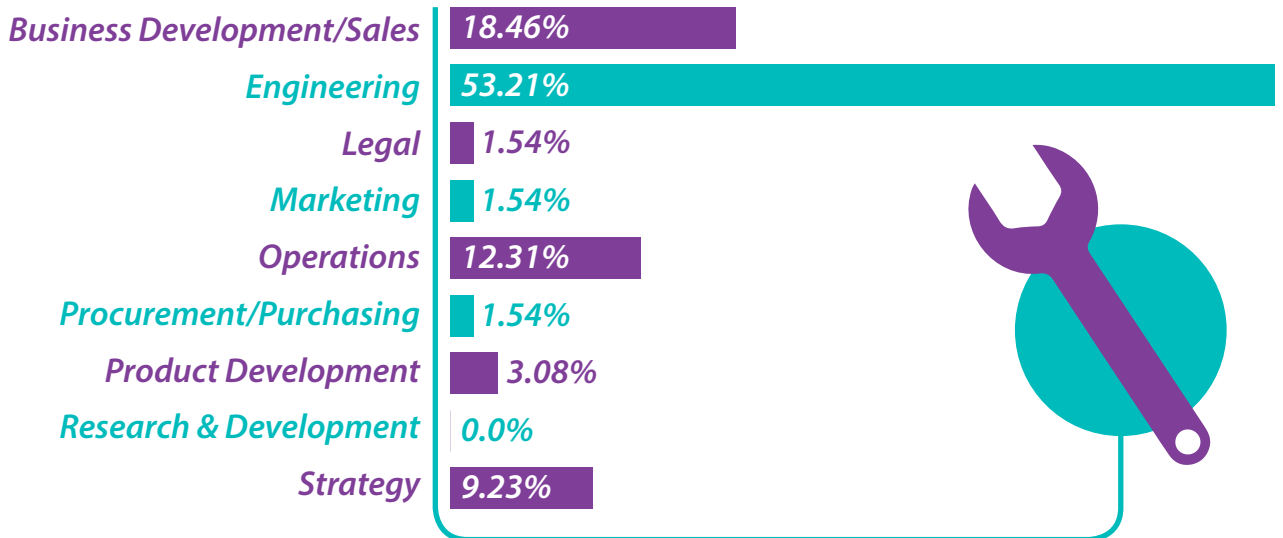
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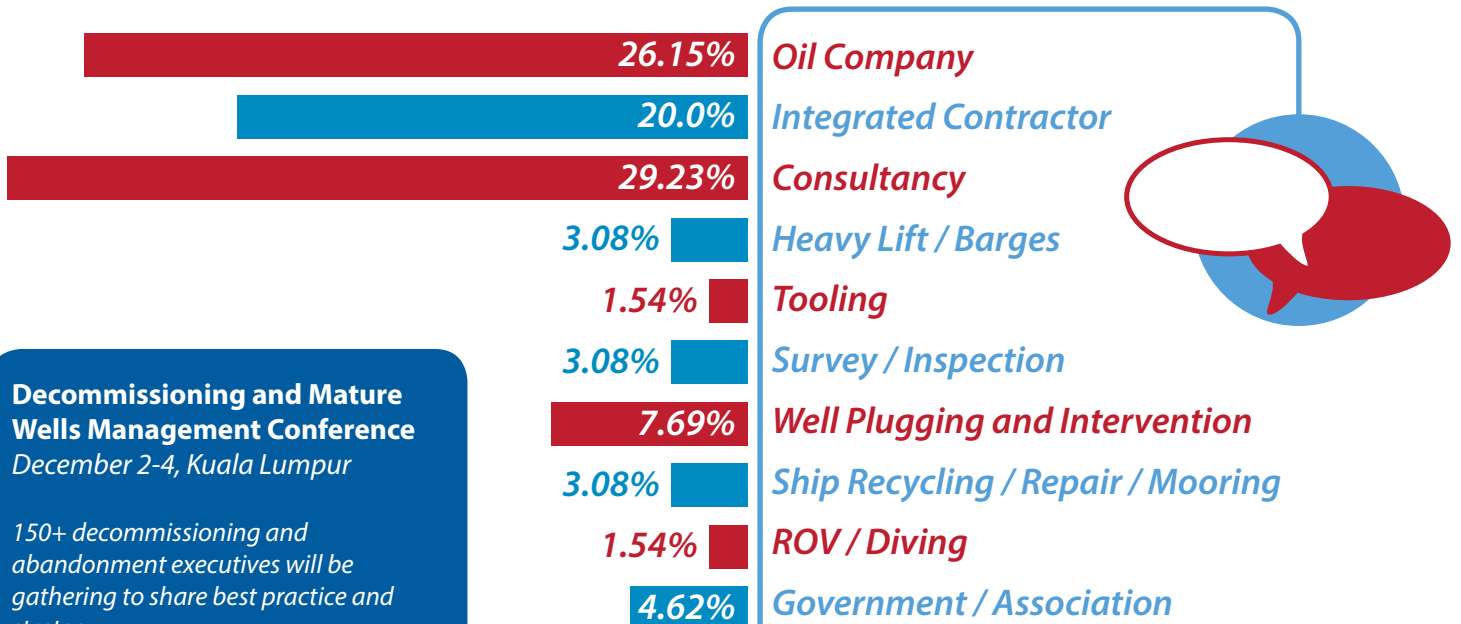
SECTION 1

# Survey Respondants

## Q1. What is your primary role within the company?



## Q2. What best describes what your company does?

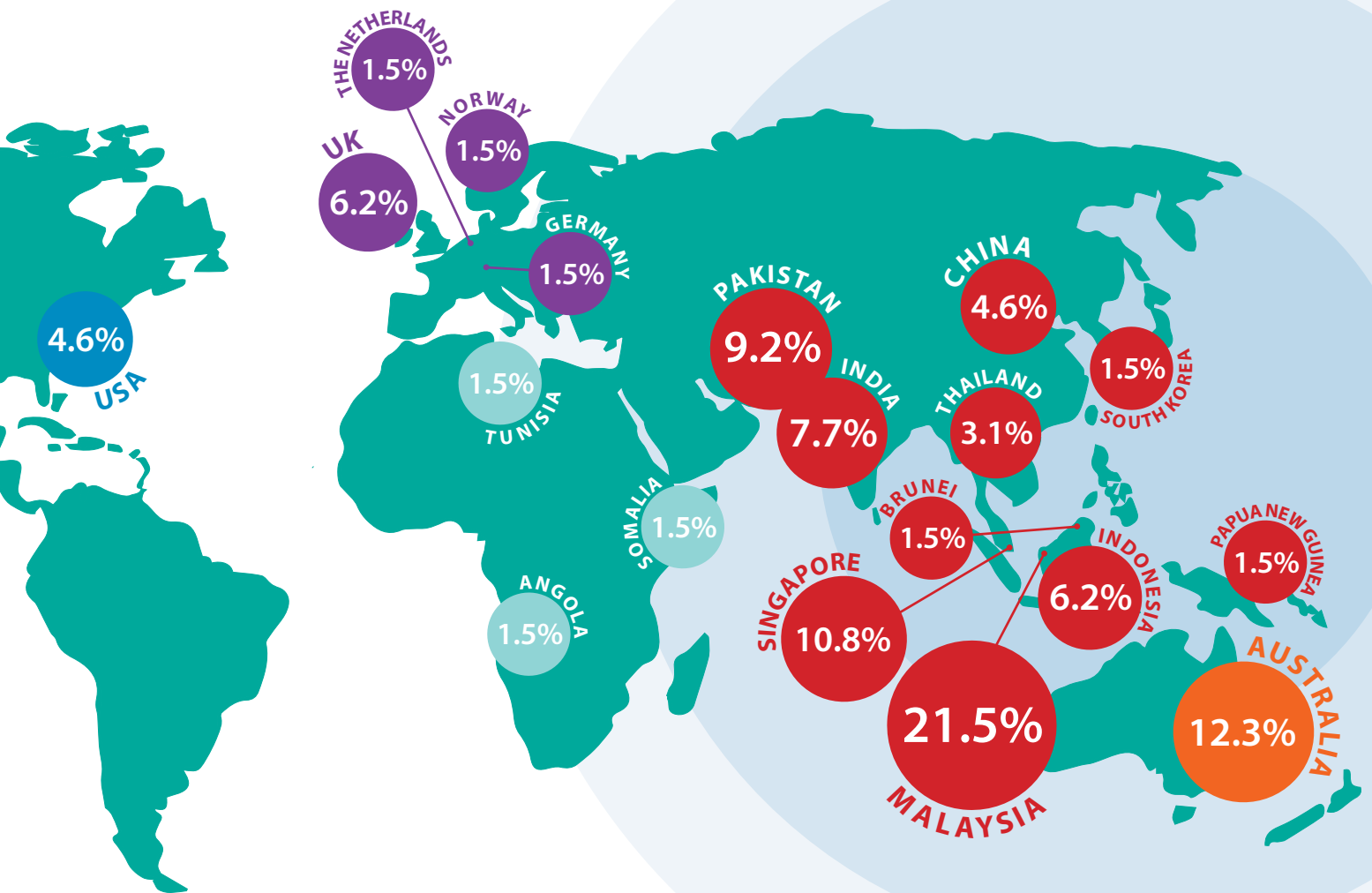


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December 2-4, Kuala Lumpur

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# Q3. In what country are you based?



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## SECTION 2

# The Decommissioning Market

**Q4.** Agree or Disagree: Decommissioning in the Asia Pacific is a large part of my company's business



STRONGLY AGREE



AGREE



DISAGREE



STRONGLY DISAGREE



*In 2012, we asked the same question and only 24% agreed or strongly agreed with this*

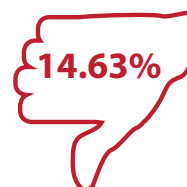
**Q5.** Agree or Disagree: I foresee decommissioning being a large part of my companies business in 5 years time



STRONGLY AGREE



AGREE



DISAGREE



STRONGLY DISAGREE



*In 2012, 72% agreed or strongly agreed with this statement compared to 83% this year. Clearly decommissioning is still seen as a growing business opportunity, even in the current climate*

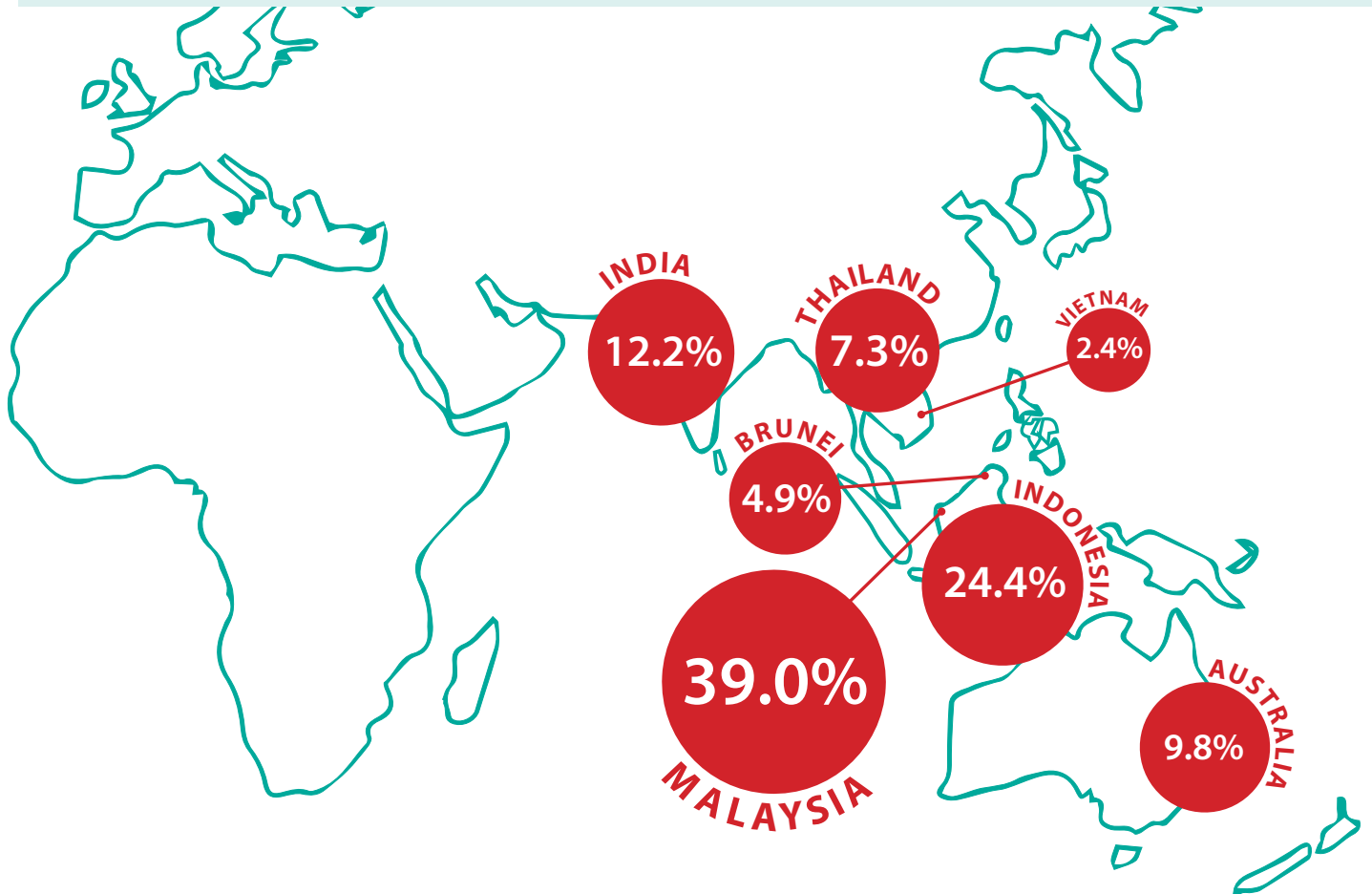
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# Q6.

Which of the following countries do you see as the biggest growth region within the Asia Pacific for decommissioning in the next few years?



“ ”

In 2012, **Indonesia** was seen as being the biggest growth region for decommissioning. Now Malaysia has pulled ahead with 39% compared with 23% in 2012

“ ”

**India** is also now viewed as a growth region for decom. Only 4% saw it as the country with most opportunities in 2012. This could be due to the commencing of the decommissioning of the Tapti field. India's first ever offshore field to be decommissioned!

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SECTION 3

# What did the operators say?

**Q7.** How well prepared would you say your company is for decommissioning and abandonment?



VERY WELL PREPARED – 25%

FAIRLY WELL PREPARED  
56.25%

UNPREPARED – 18.75%

**Q8.** Do you have a team dedicated to decommissioning and abandonment?



**YES**

56.25%

**NO**

43.75%

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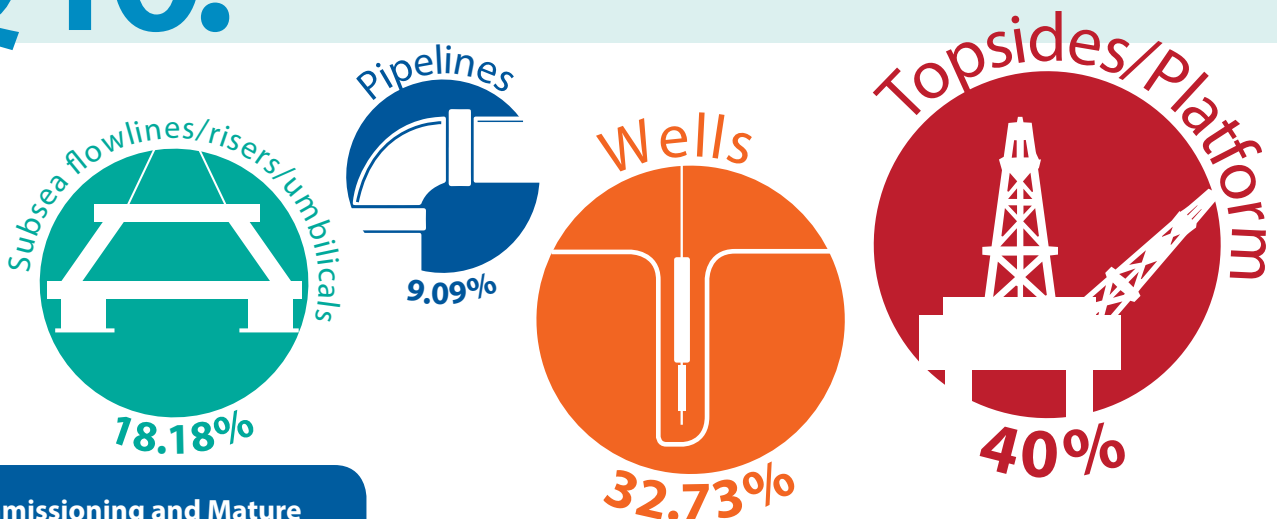
SECTION 4

# Challenges for the industry

**Q9.** Agree or Disagree: Decommissioning is going to be a big challenge for the industry within the Asia Pacific



**Q10.** What is the most challenging asset to abandon?



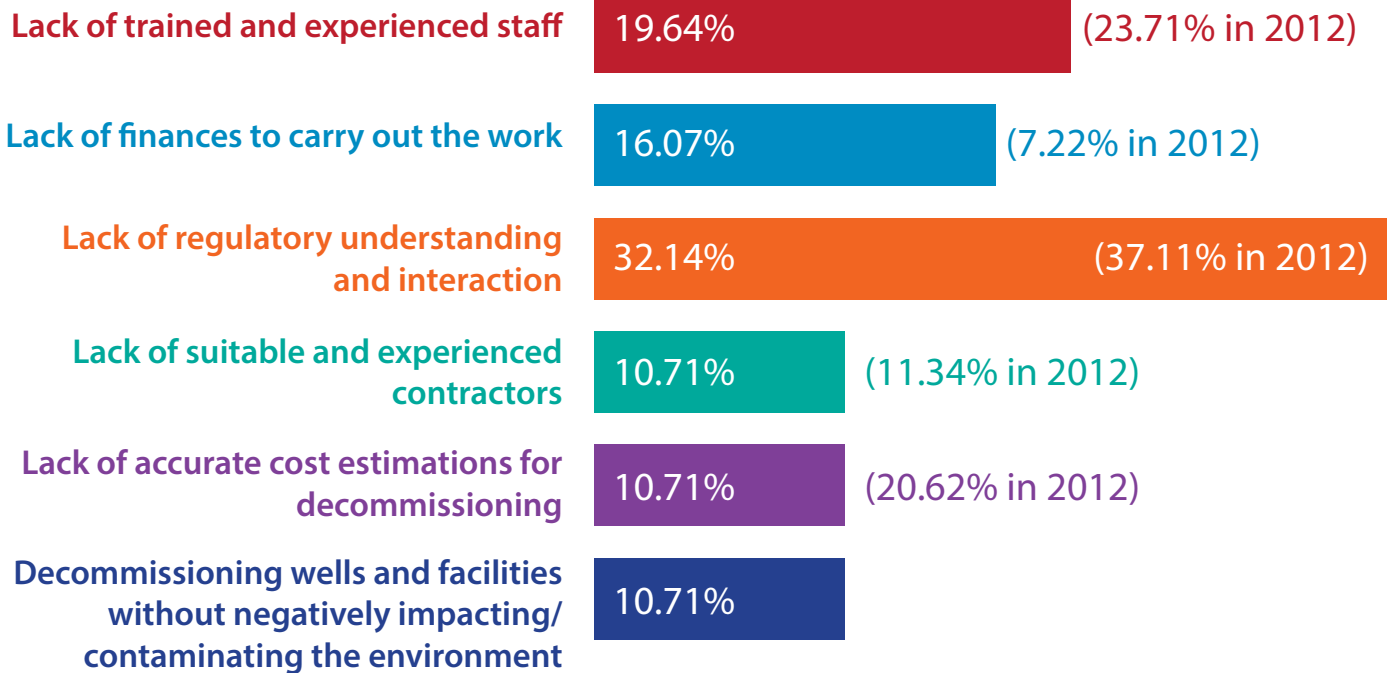
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*“ ” It might come as a surprise that almost as many saw wells as being the most challenging asset to abandon! In fact, wells can comprise anywhere from 30-60% of the decommissioning cost*

# Q11. What do you see as being the biggest challenge when moving forward with decommissioning for the Asia Pacific region?



“ ” *Unsurprisingly- in the current climate- financing decom is seen as a greater challenge than previously*

“ ” *As in 2012, this year the lack of decommissioning regulation is still seen as the greatest challenge. With the Department of Mineral Fuels in Thailand bringing out new regulation this year- could this be about to change?*

“ ” *Accurate cost estimations are seen as less of a challenge than before- have operators and contractors become better at this?*

## Decommissioning and Mature Wells Management Conference

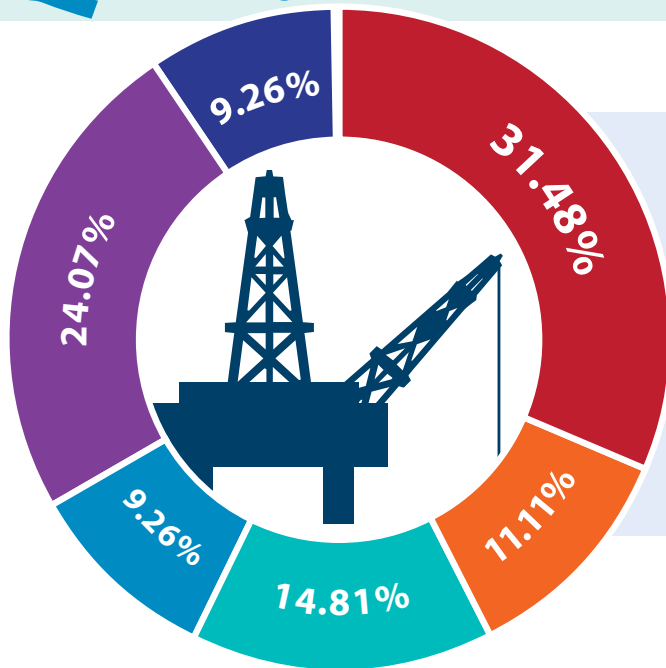
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# Q12. Well Abandonment- How Can We Reduce Cost?



- Rigless technology**
- New downhole technology**
- Negotiating better deals with service providers**
- Purchasing integrated packages**
- Collaborative operator campaigns**
- Human factors - finding efficiencies**

## Conclusion

In all the results of the survey were surprising. Despite the current climate, decommissioning and abandonment service companies still see opportunities for growth in the Asia-Pacific, more so than in 2012.

Malaysia is now seen as the biggest growth area, ahead of Indonesia and Thailand, with a new area, India also coming into prominence recently.

More companies view decommissioning and abandonment as an important part of their business than in 2012, suggesting that despite the challenges, the industry has still managed to grow, with a number of small projects occurring.

Financing decommissioning continues to be a major challenge along with developing decommissioning regulations for the region. These challenges will need to be overcome before the industry can really move forward.

# Decommissioning and Mature Wells Management Conference

2-4 December | Sheraton Imperial Hotel, Kuala Lumpur

Develop your decommissioning and mature wells knowledge further and network with over 150 decommissioning and abandonment experts from across South East Asia

At the Decommissioning and Mature Wells Management Conference you will understand the latest intervention and abandonment technologies available to manage your late life wells and plan a cost-effective decommissioning strategy which marries local techniques, with international expertise

- ✓ Understand how to effectively plan for decommissioning in a low oil price environment, including accurate cost estimation while ensuring environmental impact is minimized
- ✓ Receive a regulatory update from each locality in the region, to understand how this will affect decommissioning cost, technique and how to ensure you comply
- ✓ Discuss how local businesses and local expertise can be trained to allow the region to benefit economically from the decommissioning market and develop a decommissioning infrastructure
- ✓ Weigh up the choice between intervention and abandonment in late life or suspended wells, then understand the latest technology available for safe and effective well services
- ✓ Draw from international case studies and apply their expertise and technical engineering best practice to local situations

## Attendees at last year's conference



Mubadala  
Petroleum



## Expert speakers at this years' conference



**Zahari Razak**  
Senior Structural Engineer  
PETRONAS



**Brian Twomey**  
Managing Director  
Reverse Engineering Services Ltd



**Karayadi Junedi**  
Senior Structural Engineer  
Pertamina



**Amila Zawawi**  
Senior Lecturer  
Universiti Teknologi PETRONAS



**Jeff Haworth**  
Executive Director, Petroleum  
Department of Mines and Petroleum,  
Government of Western Australia



**Paul Acorda**  
Technical Manager,  
Pressure Pumping  
Baker Hughes

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