

Infield Systems Oil and Gas Industry Forecast



Evening Meeting, London

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By Michael O'Neill

A thinner than usual crowd gathered at Imperial College London's Skempton building to hear the latest industry forecast from energy analysts Infield Systems. The low attendance was blamed by long-time London meeting chairman and SUT chief executive Bob Allwood on the earlier England match in the Euro 2016 championships. A suggestion by a more pessimistic attendee, over the post-talk wine and cheese, that most of the remaining subsea oil and gas industry had been present in that lecture hall was surely hyperbole.

Here to forecast the future of the Oil and Gas industry was veteran energy analyst Kieran O'Brien. Having joined Infield Systems (recently acquired by global energy, metals and mining research and consultancy group Wood MacKenzie) as an Energy Researcher in 2012, Kieran has worked on a selection of bespoke and in-house projects with a wide ranging remit. He developed the InfieldROV market modelling tool and now focusses primarily on the vessel and ROV markets.

Dark clouds were gathering in the sky over South Kensington, threatening one of this summer's regular London thunderstorms. The attendees perhaps dared to hope that Infield Systems' updated macroeconomic overview and market forecasts for the Oil and Gas industry and various other sectors within the industry would give a glimpse of blue skies on the horizon.

With a disclaimer advising that none of the following should be taken as investment advice (optimistically assuming that we temporarily down at heel underwater technologists would be in a position to do anything about it anyway), Kieran embarked upon a comprehensive industry forecast. The industry audience was soothed by a potential "new hope": a prediction of an upward trend in the oil price with short spikes caused by market reaction to shocks in supply or demand (such as forest fires in Canada or belligerence in Nigeria). This rise could be enabled in the by such events as international conflicts in oil producing regions and massive geopolitical shifts, or more prosaically by a return to economic growth in Europe and an increase in demand from China. Conversely if these don't come to pass, combined with a comeback for shale technology, continued high output from OPEC and new supply from Iran, the oil price could remain lower for much longer.

Beginning to answer a question regarding bankruptcies in the offshore industry, our speaker's voice was drowned out by a peal of thunder from the breaking storm. "Appropriate conditions," commented one wag in the audience, but Kieran's summary suggested that the ultra-Deepwater sector could have a bright future ahead. Closing the proceedings, Bob Allwood thanked Kieran for the presentation and valiant efforts in talking over the thunder and invited all present to stay for the traditional cheese and wine.