



Future North Sea

An M&A Perspective

Mike Beveridge – Vice Chairman

Monday 6th September 2021

PIPER | SANDLER

Piper Sandler: Who We Are

PIPER | SANDLER

One of the largest and fastest growing investment banks aligned to serve middle-market growth companies

Reputation for client-first approach and straightforward advice

Deep expertise and market leadership in focus industry sectors

Strategic advisory relationships and expert execution

125-year track record of delivering results



Founded in
1895

60+ 
Global Offices

\$2.6B
Market
Capitalization

Headquartered in 
Minneapolis

1,350¹
Advisory
Transactions

\$25B+¹
Private Capital
Raised


PIPR

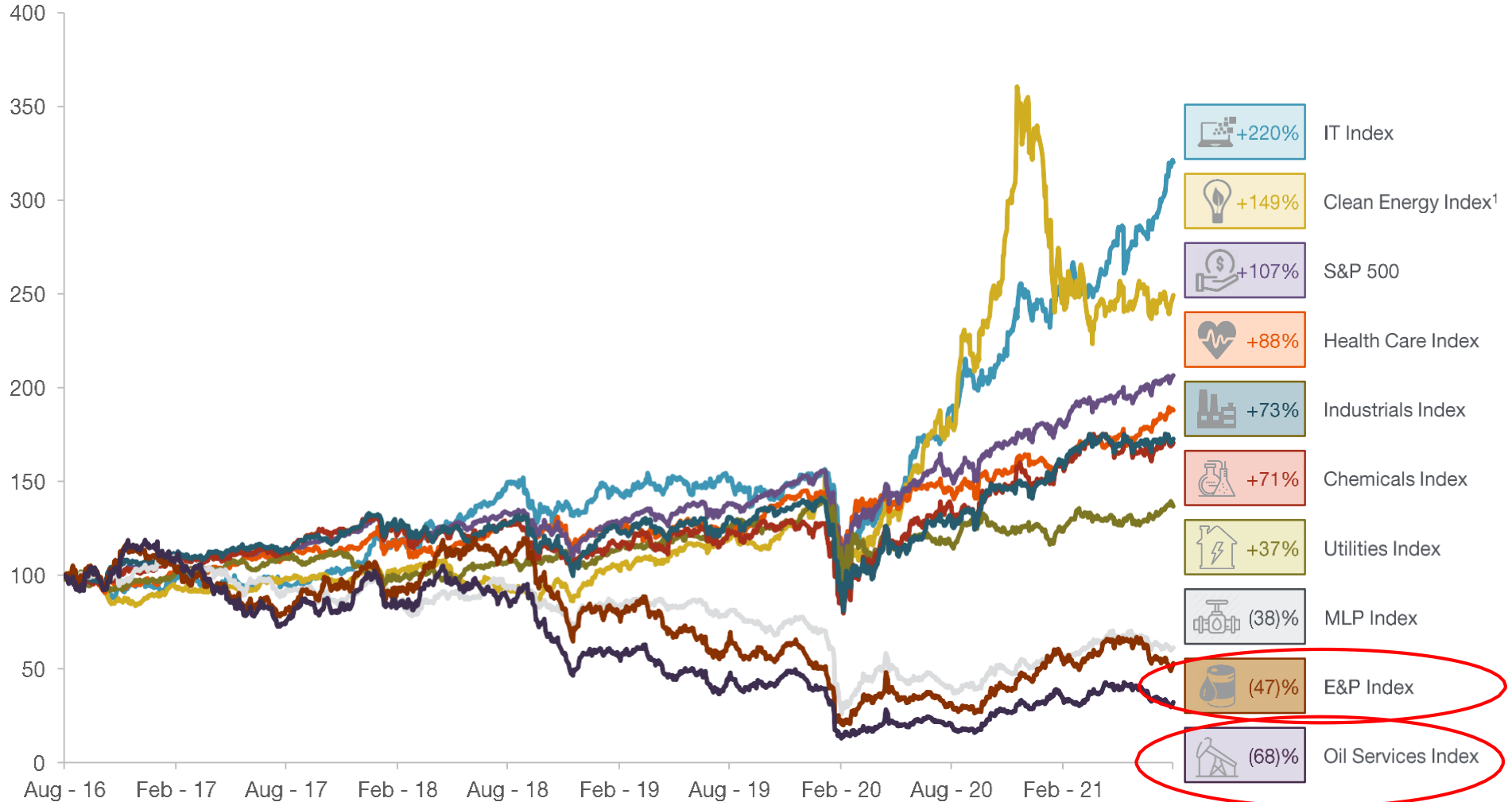
Publicly
Traded on
the NYSE

1,500+ Employees



Energy Has Underperformed Relative To The Broader Market.....

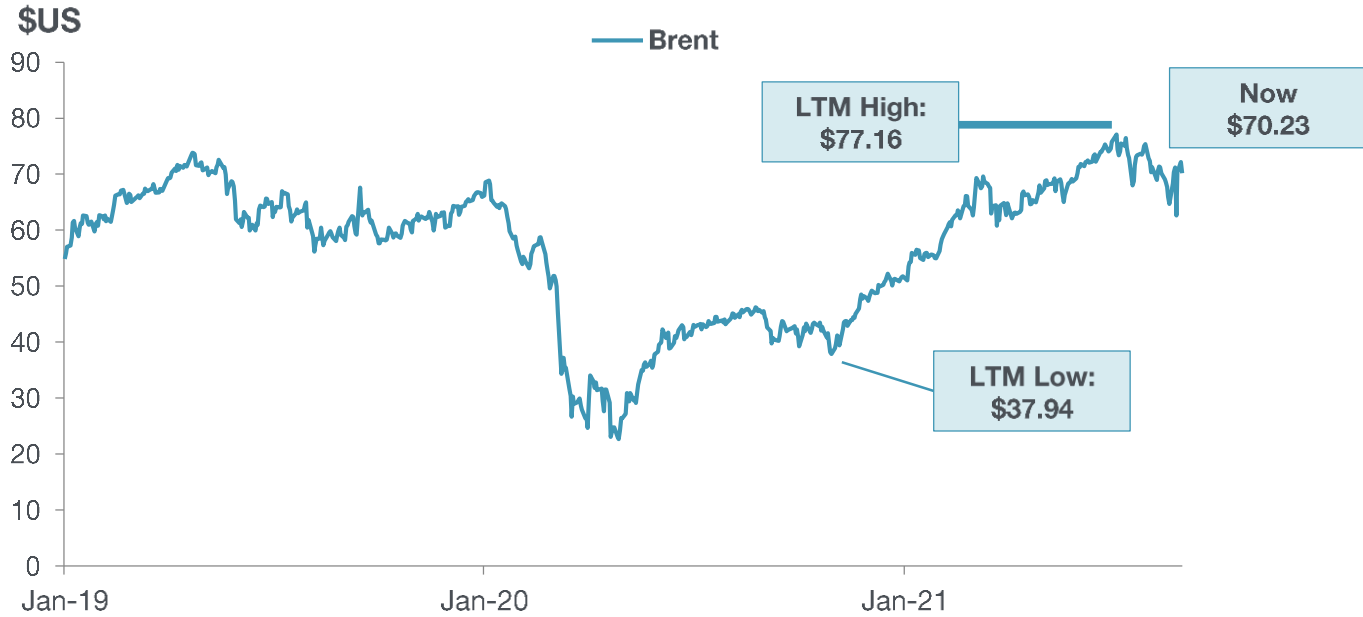
Indexed To 100 At 25th August 2016



1) Source: Capital IQ as of 25/08/21. ¹ Clean Energy Index reflects the performance of the iShares Global Clean Energy ETF which seeks to track the performance of the S&P Global Clean Energy Index.

Oil Price Collapse and Recovery

-  OPEC+
-  Supply & Demand
-  Geopolitics



-  GDP Growth
-  World Population
-  Electric Vehicles
-  Air Travel

-  Energy Transition
-  Fossil Fuels Sentiment
-  COP 26
GLASGOW
-  Covid-19

1) Source: Capital IQ as of 01/09/2021

Changing Face of UKCS

Sturgeon urges UK government to reassess Cambo oil field plan

North Sea oil was battered by Covid, but now faces much deadlier waves

SNP branded 'opponents' of North Sea oil industry after signing deal with Greens

Historic SNP-Green power sharing deal in Scotland raises questions over future of oil and gas sector



UK Government unveils £4bn investment vision for a hydrogen economy



Scot Gov opens survey into plans for offshore wind to power oil platforms

The Scottish Government has opened a survey into plans for electricity from offshore wind to power oil and gas platforms.

Emerging Operators



Industry Bodies



Regulators And Government Bodies



Distinct Subsectors Within O&G Transaction Universe

Upstream



Sentiment

- Recent positive momentum potentially derailed by Cambo
- Next generation operators active and committed
- Mid term mind set driven by strong underlying economics
- Capital available but changing landscape
- Production bias vs exploration and development
- Gas vs oil dynamic

Midstream / Infrastructure



Sentiment

- Further consolidation likely
- Energy transition infra is emerging market
- Seen as lowest ESG risk within sector
- Long term investment horizons challenged by future FID risk
- Capital gap emerging in early stage transition projects

Oilfield Services































Sentiment


- Challenging but active deal market
- Poor PE returns from previous investment cycles
- Few new entrants
- Opportunity rich for those with conviction

Active Upstream M&A in 2021

UK¹

Coming Soon¹




JX Nippon Oil & Gas Exploration

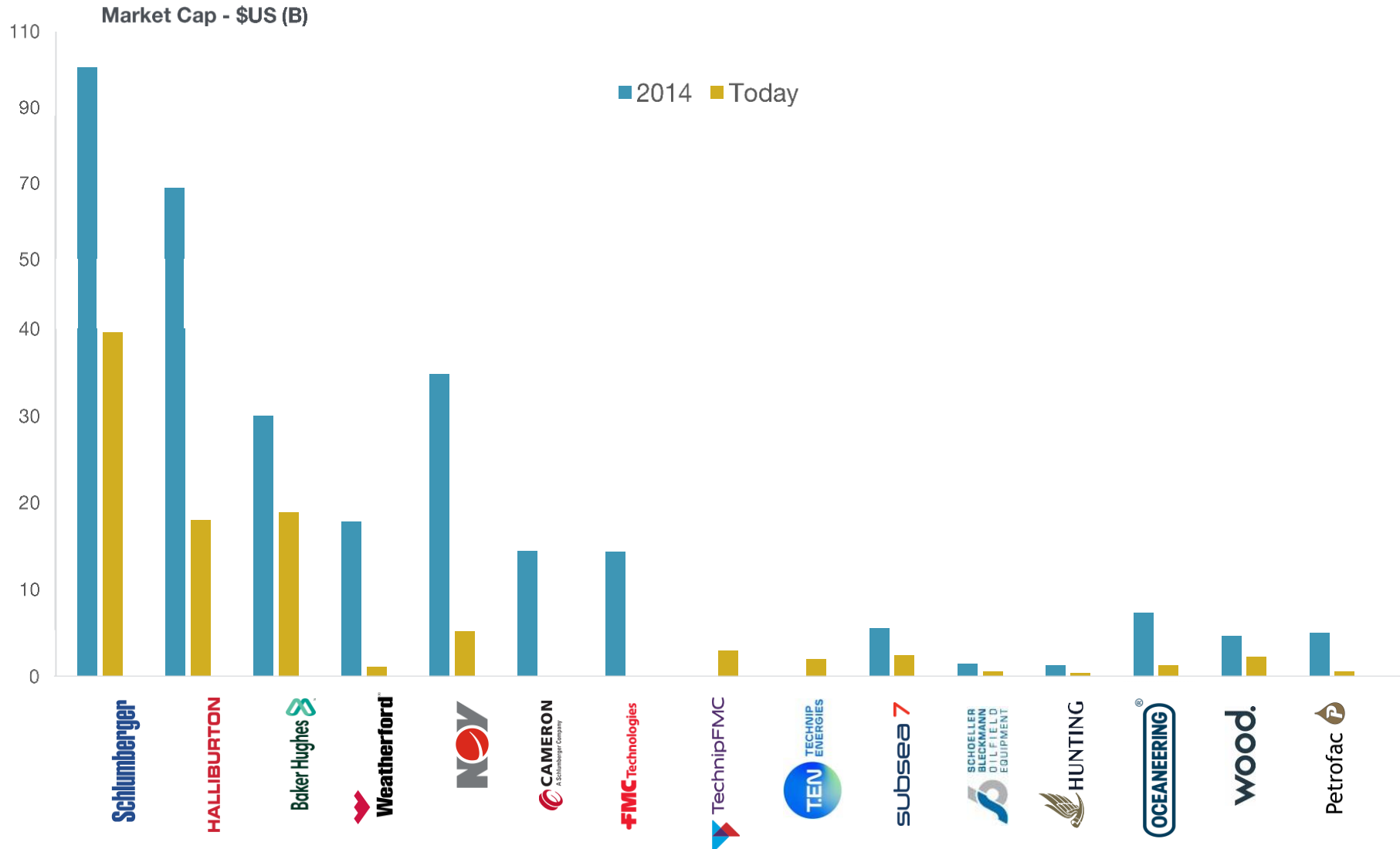


1) NOTE: All Deals Publicly Announced. Source: Rystad Energy

OFS Deal Dynamics

-
- 1 Cash Preservation Mode
 - 2 High Grading / Non-Core Spin Offs
 - 3 ESG Agendas Dominate
 - 4 Valuations Suppressed
 - 5 Limited Buyer Pool
 - 6 Consolidation Of Markets And Competitors
 - 7 Industrial Exits From The Sector
 - 8 More Creative Deal Structures
 - 9 Diminished Private Equity Interest

OFS Market Cap 2014 vs 2021

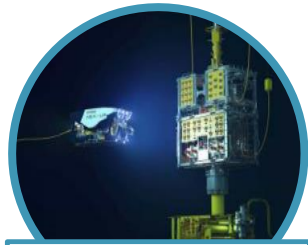


1) Source: Capital IQ as of 01/09/2021

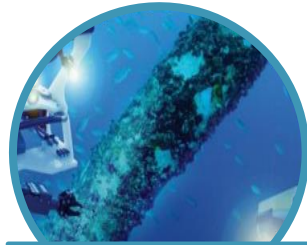
OFS Investment Themes



**Well
Decommissioning**



**Well
Intervention**



Brownfield



**Emissions
Analysis**



Inspection



**Drilling
Automation**



**AI /
Robotics**



Software



Pipeline Services / ILI



Data Analytics

Sustained M&A Appetite Within OFS

Wellbore Products and Services










Drilling Services







Multi Segment Operations















EPCI













Maintenance and Operations
















Subsea

















Seismic / Software

1) NOTE: All Deals Publicly Announced. Source: Rystad Energy

Strategic Moves and Energy Transition

"We are seeing powerful social, political and economic momentum driving the growth of renewable energy, which will one day enable the world to transition to a net-zero carbon future... I believe that this is perhaps the greatest economic opportunity of this century. Capitalism will lead to the innovation required to reveal the most efficient solutions, and NOV intends to play a role". Clay Williams - Chairman, President, and Chief Executive Officer of National Oilwell Varco (NOV)

Spin-off complete: TechnipFMC and Technip Energies become two separate entities

Technip Energies begins trading on compartment A of Euronext's regulated market in Paris



Schlumberger New Energy and Thermal Energy Partners Enter into Agreement to Create GeoFrame Energy, a Geothermal Project Development Company

Subsea 7, OHT to form offshore wind powerhouse

Subsea 7 to buy floating wind foundation developer Nautilus

BW Offshore invests in Ideol creating floating offshore wind champion

17.02.2021



Aker Solutions to spin-off offshore wind business amid Kvaerner merger

Norwegian contractors to merge as combined Norwegian entity plans big energy transition push



TechnipFMC and Magnora partner for floating offshore wind projects



Baker Hughes Signs Agreement to Acquire Compact Carbon Capture Technology to Advance Industrial Decarbonization

AKER SOLUTIONS TO SPIN OFF CARBON-CAPTURE BUSINESS

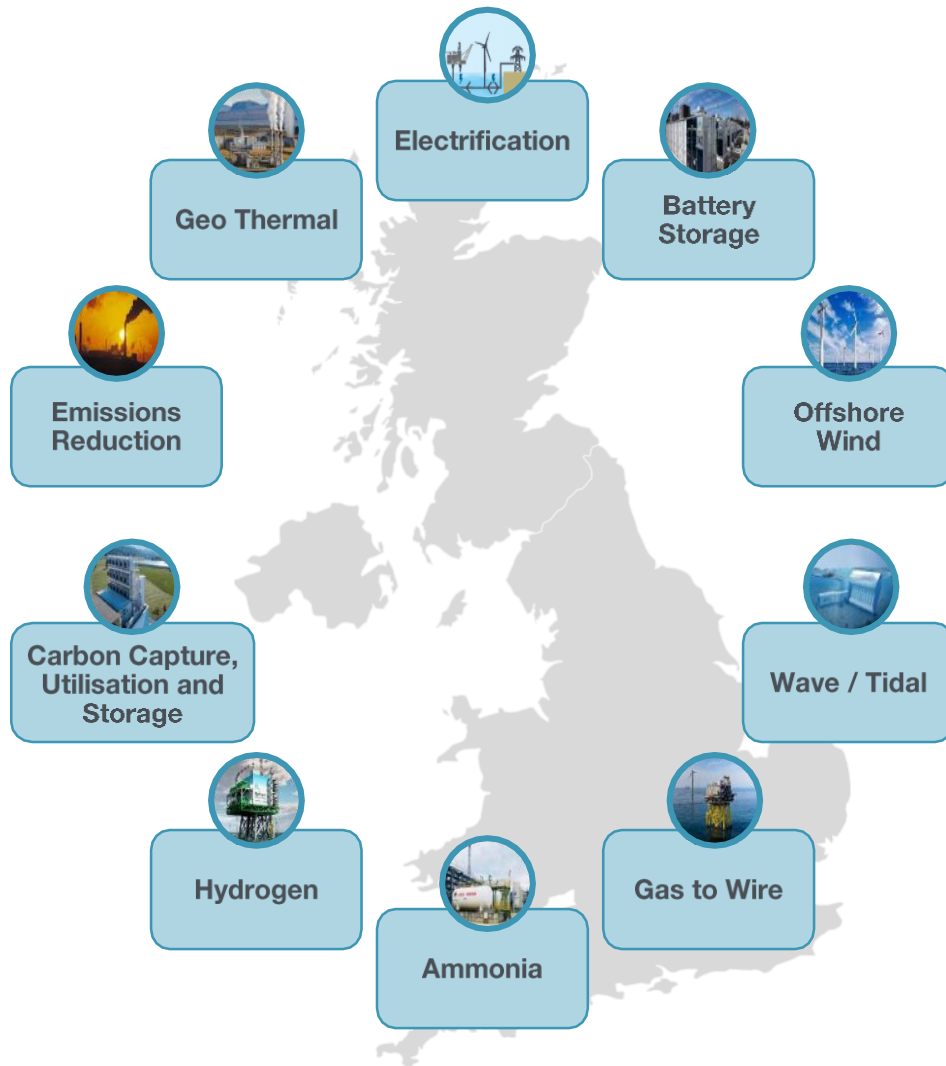


Halliburton launches innovation lab to accelerate clean energy development

TGS buys offshore wind consultancy



“UKCS – The Basin of the Future”



For information on Piper Sandler locations, visit PiperSandler.com.

PIPER | SANDLER

Piper Sandler Companies (NYSE: PIPR) is a leading investment bank and institutional securities firm driven to help clients Realize the Power of Partnership®. Securities brokerage and investment banking services are offered in the U.S. through Piper Sandler & Co., member SIPC and NYSE; in Europe through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority; and in Hong Kong through Piper Sandler Hong Kong Limited, authorized and regulated by the Securities and Futures Commission. Private equity strategies and fixed income advisory services are offered through separately registered advisory affiliates.

© 2021. Since 1895. Piper Sandler Companies. 800 Nicollet Mall, Minneapolis, Minnesota 55402-7036