

Ezra: Deepwater To Drive Growth

FROM the early stages of geological surveys and exploration drilling, to development and commercial production, and finally to decommissioning and closure, the life cycle of an offshore oilfield can span 30–40 years. Recognising the stable global demand for this energy resource, Ezra has established integrated solutions across a wide spectrum of the support supply chain in this specialised area with its global offshore support and marine services.

“Globally, more than half of the spending in the offshore oil & gas (O&G) sector over the medium term will be in the deepwater subsea segment. We spotted the signs early on and have been among the first to strategically focus on this segment as we are convinced that it will provide another strong and stable revenue stream for the Group. In fact, it is the only segment in the offshore O&G sector that is projected to continue enjoying substantial growth beyond 2012,” says the Managing Director of Ezra Holdings Limited, Mr Lionel Lee.

Ezra’s strategic move to enter the deepwater subsea sector underpins its “Next Lap Growth Strategy”, which forms a key part of its long-term plans to provide shallow to ultra deepwater offshore services.

In line with this strategy, the Group is expanding its existing fleet and integrating its energy services division into its deepwater subsea services division. From 2010,

three new vessels equipped to operate in the ultra deepwater segment will be joining the Group’s fleet. This fleet enhancement, together with the acquisition in 2009 of a shipset for the building of an ice-class subsea construction vessel, will allow the Group to tap opportunities in the deepwater subsea arena, augmenting the Group’s deepwater subsea capabilities in harsh and demanding environments, including glacier-filled areas.

Mr Lee added: “Demand for Ezra’s medium-to-large offshore support vessels is expected to remain strong as more production activities are being carried out in deeper waters. We are also strengthening alliances with partners in target markets in the Gulf of Mexico, North and South America, Africa, the North Sea and China.”

Meanwhile, the Group’s three other business divisions – offshore support services, marine services and the construction and production arm (EOC Limited) – continue to enjoy robust demand for offshore O&G support services, boosted by renewed capital expenditure on exploration and production.

In January 2010, Ezra first gained a foothold in the fast-growing African offshore O&G market through the deployment of its maiden self-propelled jack-up to support an oil supermajor. Its foothold in the African market was further strengthened when it bagged another major contract in June, worth up to US\$80 million.

Despite the tough economic climate, Ezra’s business model of securing long-term charters and its swift response to changing conditions have allowed the Group to emerge from the global crisis with a strengthened balance sheet, backed by additional capital raised and reduced capital expenditure.

Mr Lee concluded: “We will continue to focus on extracting greater value from our assets and expanding our capabilities, especially in the deepwater segment. With a strong balance sheet and our continued commitment to operational excellence, we aim to maintain our competitive position as the leading provider of integrated offshore support and marine solutions in the industry.”

