

US Oilfield Services Chart of the Week

Qatar LNG boost for OFS

Industry Overview

Qatar FIDs 16 MTPA North Field West; 142 MTPA by 2030

Following Reuters report on Friday, Qatar yesterday announced its plan to further expand its giant North Field to help increase the nation's LNG production capacity by 16 MTPA to a total of 142 MTPA by the start of 2030 (+84% from current 77 MTPA). This expansion is to be called "North Field West" & follows prior FID of 32 MTPA North Field East in 2021 & 16 MTPA North Field South in 2023. This helps strengthen Qatar's position as a long-term reliable source of gas for Asia, as well as Europe, coming on the heels of the recent U.S. decision to temporarily "pause" new LNG export approvals for non-FTA countries.

240 tcf more gas, 10bn bbls condensate from North Field

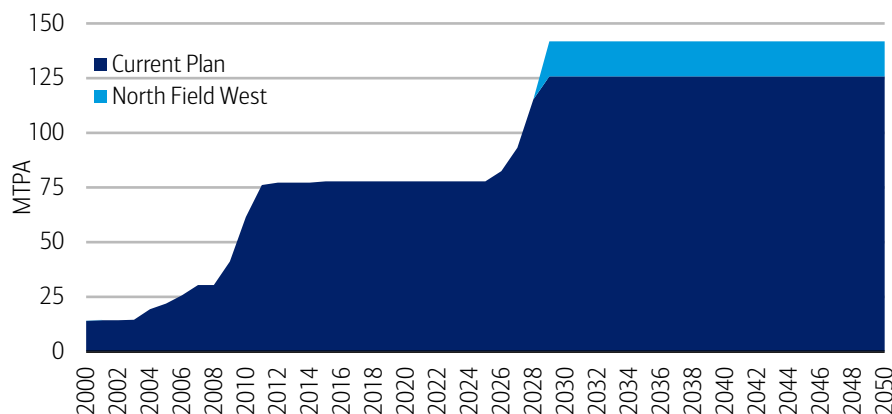
Qatar announced that continued geological & engineering studies & extensive appraisal drilling in the western part of its giant North Field gas field has confirmed additional gas resources of 240 tcf, lifting its gas reserves from 1,760 to >2,000 tcf, and condensate reserves from 70 to >80bn bbls, in addition to large quantities of LPG, ethane, & helium.

More D&C activity for OFS, plus LNG equipment for BKR

We think BKR's 90%+ share in global LNG liquefaction makes it the main beneficiary of Qatar's LNG expansion. Of note, BKR has provided all LNG trains to Qatar to date & could potentially win LNG equipment award for North Field West. More broadly, however, higher Drilling & Completion (D&C) activity in Qatar is likely to benefit all of OFS, particularly SLB, which we believe has won a very large portion of D&C work related to North Field South and East. Recall SLB highlighted its fit for basin strategy in Qatar at its Nov 2022 Investor Conference, including its custom logging-while-drilling tool, called "North Field microscopic HD tool," which saves QatarEnergy several days of rig time per well.

Exhibit 1: Qatar nominal LNG Liquefaction Capacity pre/post-North Field West expansion

Qatar's LNG capacity is set to go from 77 MTPA currently to 142 MTPA by 2030



Source: Wood Mackenzie, QatarEnergy

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Equity
United States
Oilfield Services

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FID = Final Investment Decision

MTPA = Million Tonnes per Annum

U.S. / FTA = United States / Free Trade Agreement

Tcf /bbls = trillion cubic feet /barrels

LNG = Liquefied Natural Gas

LPG = Liquefied Petroleum Gas

HD = High Definition

OFS = Oil Field Services

BKR / SLB = Baker Hughes / SLB

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