

THAILAND

energy services Market Analysis

Deep Research Report

December 2025

Thailand - Energy Foundational Acts

50% local content mandate enforced; 49% foreign ownership cap strictly applied

Act Name	Year	Requirements	Enforcement
Foreign Business Act B.E.	1999	Foreign-owned oilfield service companies subject	Enforced for market access (Source:)
Local Content	2024	50% local content for oilfield services	Enforced through periodic audits
Personal Data Protection	2019	Governs data sovereignty for cloud-based oilfield	Enforcement ongoing (Source: Depth 2)

Thailand - National Energy Policy

Government is actively enforcing decarbonization (fines issued in 2023 for non-compliance)

Metric	Target	Deadline	Status
Methane Emissions Reduction	50% by 2025 vs 2015		Announced, part of Global Methane Pledge (Source: Policy 3)
Renewable Energy Share	30% by 2037		Legislated (Source: Policy 0)
Flaring Reduction	80% reduction by 2025		Regulated by DMF (Source: Policy 3)
Net Zero Emissions	2050		Legislated (Source: Policy 3)

Key Initiatives

- Carbon Tax introduction: 30 baht/ton CO2e in 2025, rising to 120 baht by 2030 (Source: Policy 3)
- Thailand 4.0 Initiative: Digital transformation of energy sector (Source: Policy 1)
- BCG Model (Bio-Circular-Green): Promotes sustainable economic development (Source: Competitors 0)

Thailand - Foreign Investment Rules

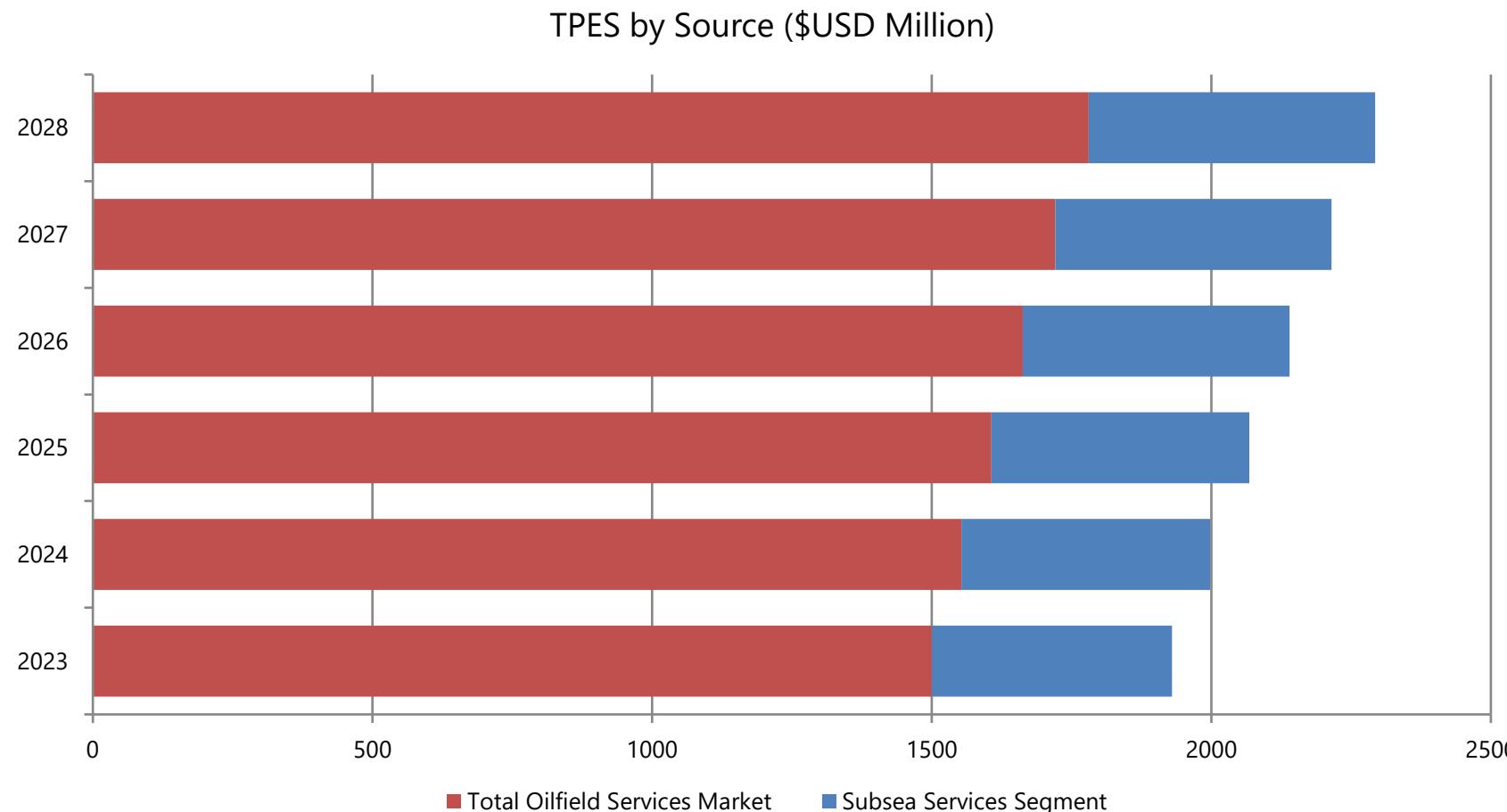
Ownership restrictions are strictly enforced, but BOI incentives and tax benefits provide

Category	Limit	Details
General Sectors	49% foreign, 51% Thai (Foreign Business Act)	BOI-promoted renewable energy and high-tech projects may
BOI Promoted	100% foreign allowed for BOI-	Tax incentives apply
Incentive	Benefit	Eligibility
BOI Tax Incentive for Offshore Drilling	50% reduction in corporate income tax for first 5 years	Offshore drilling service providers (Source:
CCUS Tax Credit	Tax credit up to 50% of investment, max 500 million baht (~\$15M) per project	CCUS service providers (Source: Policy 3)
VAT & Customs Exemptions	VAT exemption on imported oilfield equipment; 0% customs duty for subsea equipment	Oilfield service companies (Source: Policy 2)

Regulatory Risk: MEDIUM

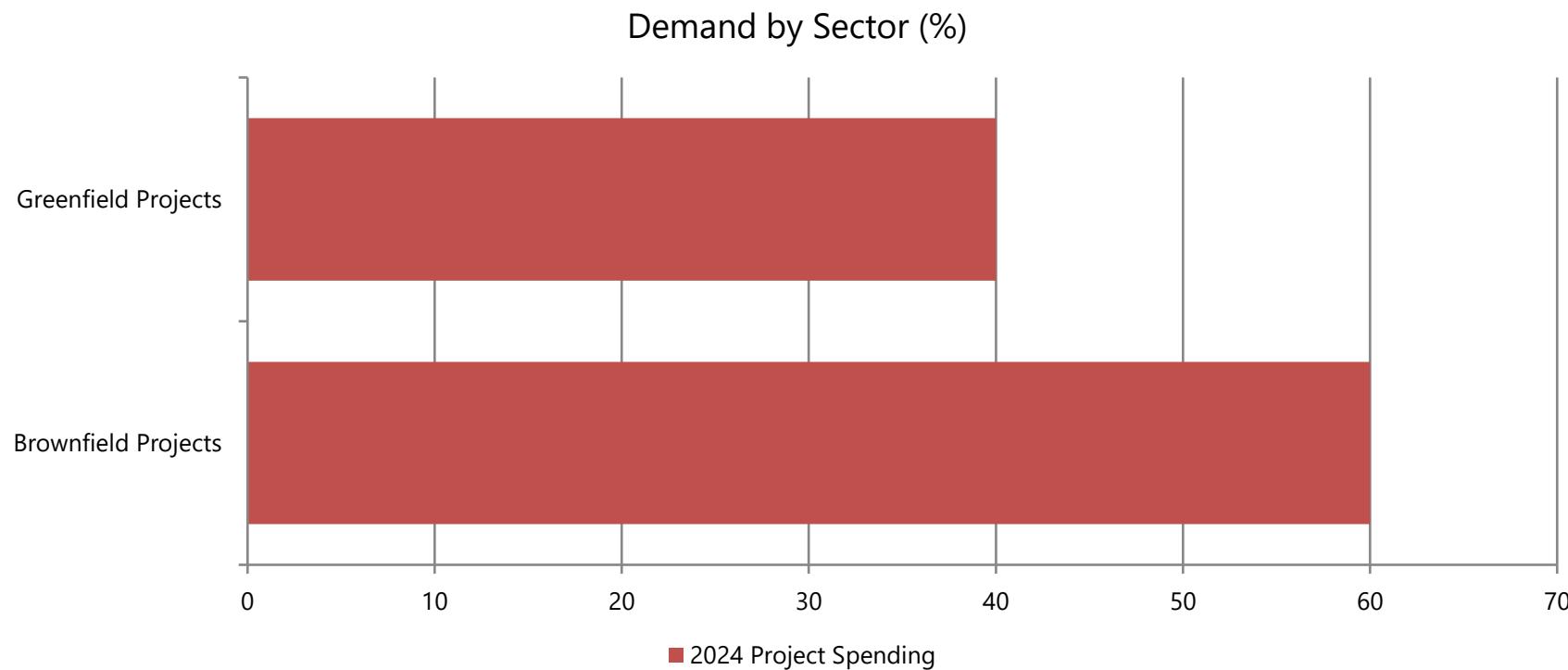
Thailand - Oilfield Services Market Size

Market growing at ~3.5% CAGR; subsea services forecast to reach \$0.5B by 2028.



Thailand - Customer Demand Drivers

Brownfield focus indicates steady, low-risk demand for maintenance and optimization services.

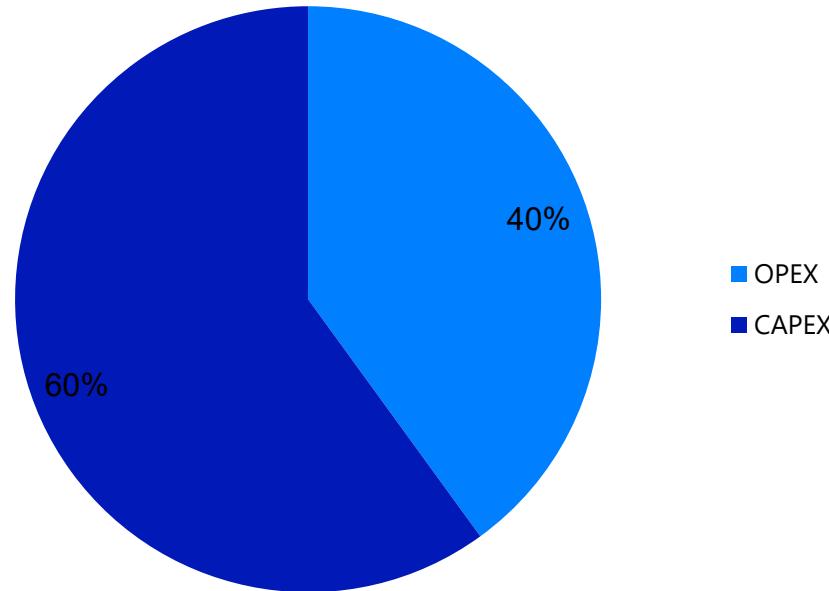


- Aging Infrastructure: 350 wells require workover in 2024 (Source: Market 2)
- NOC Investment: PTTEP announced \$1.2B in new offshore projects in 2023 (Source: Market 0)
- Deepwater Exploration: Gulf of Thailand focus requiring HPHT capabilities (Source: Market 2)

Thailand - Industry Operational Trends

20 active drilling rigs in 2023, forecast to grow to 25 by 2026.

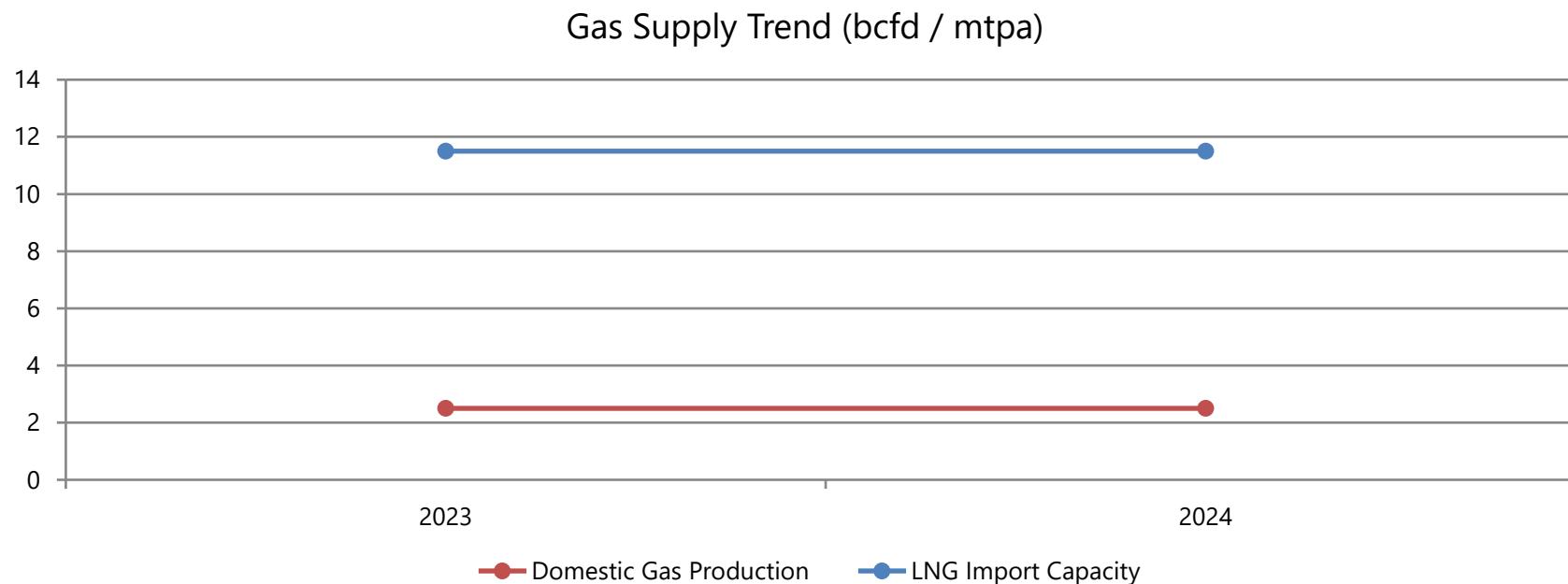
Power Generation Mix (% of Oilfield Services Spend)



- Demand Growth: Rig count forecast to grow 25% by 2026 (from 20 to 25).
- Key Trend: Market shifting from operational expenditures to capital investments

Thailand - Gas & Offshore Project Economics

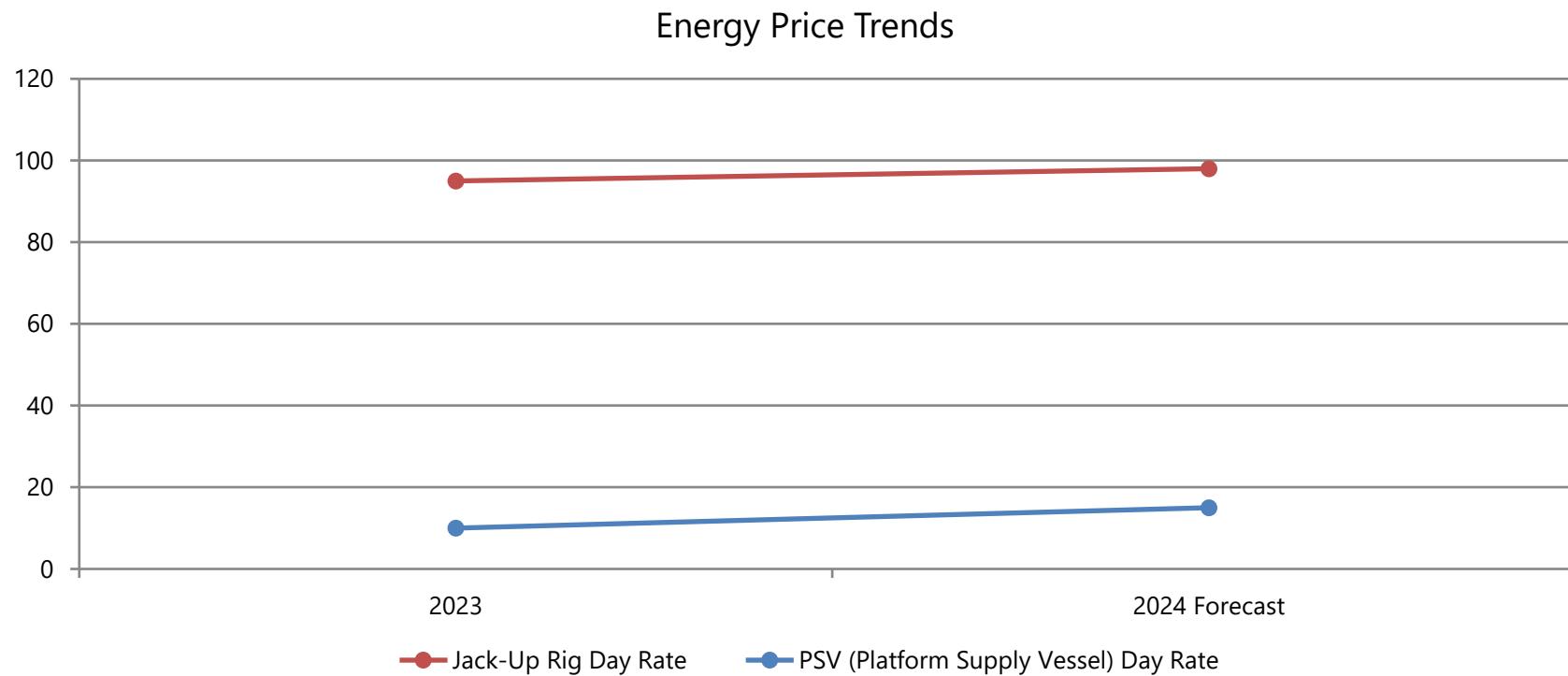
Extensive pipeline network in Gulf of Thailand, but aging infrastructure requires investment.



Terminal	Capacity	Utilization
Map Ta Phut LNG Terminal	11.5 mtpa	High, supporting import needs

Thailand - Service Pricing & Costs

Modest upward pressure on day rates due to increased offshore activity and limited fleet.

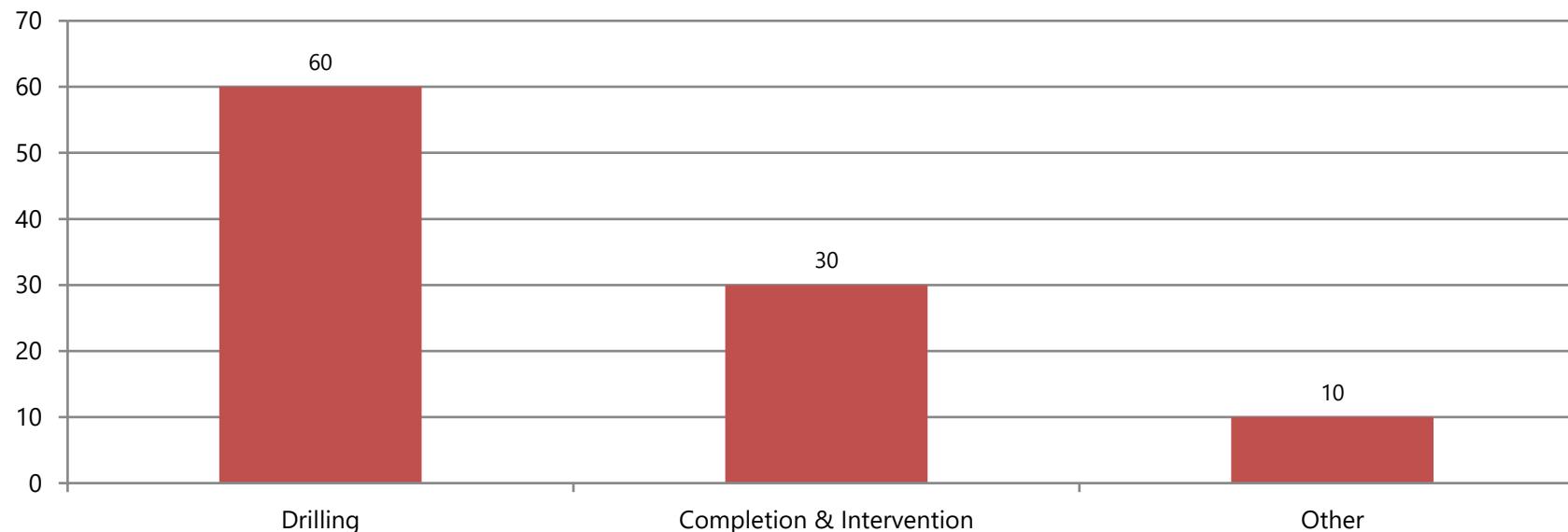


Regional Comparison: Rig rates are competitive regionally; vessel rates vary based on specification.

Thailand - Energy Services Competitive Landscape

\$1.5 billion in 2023 (Oilfield Services) | ~3.5% CAGR

Market Segments (% of Oilfield Services Market)



Segment	Size	Share
Drilling Services	\$900M (estimated 60% share)	60%
Completion & Well Intervention	\$450M (estimated 30% share)	30%
Other Services	\$150M (estimated 10% share)	10%

Thailand - Japanese Energy Companies

Japanese majors are present in commodities and infrastructure

Company	Presence	Projects	Assessment
Mitsubishi Corporation	JV with Local Partner	Investments in LNG and power	Strong in LNG/value chain, weak in upstream services
Tokyo Gas / Osaka Gas	Likely trading and investment	Potential LNG offtake agreements	Strong in gas marketing, no upstream service footprint

Thailand - Major Local Players

Market is highly concentrated around PTTEP, making it the essential partner or customer

Company	Type	Revenue	Market Share	Strengths
PTT Exploration & Production (PTTEP)	State-owned (subsidiary of PTT)	\$4.4 billion (2021)	~70% of Thailand's oil production	Dominant NOC, control of acreage
Banpu Public Company Limited	Private Conglomerate	Data not available	Significant in power generation and mining	Diversified energy player

Thailand - Foreign Service Companies

Global players are entrenched but rely on JVs for market access;

Company	Origin	Entry Year	Mode	Success
Schlumberger (now SLB)	USA	Long-established	JV & Direct	High
Halliburton	USA	Long-established	JV (e.g., Halliburton PTTEP Energy Services JV, Jan 2024)	High
Baker Hughes	USA	Long-established	Direct & Partnerships	High
Weatherford	USA	Long-established	Direct (asset sale in 2023)	Medium (exited drilling services segment)

Thailand - Market Entry Case Study: Halliburton-PTTEP JV

Client should pursue a similar JV model with PTTEP or a major local contractor to gain

- Company: Halliburton
- Entry Year: 2024 (JV formation)
- Entry Mode: Joint Venture (Halliburton PTTEP Energy Services Co., Ltd.)
- Investment: Specific amount not disclosed
- Outcome: Aimed at providing drilling/completion services for PTTEP's offshore projects.

Key Lessons

- JV with the NOC provides direct access to its project pipeline.
- Focus on a specific service line (drilling/completion) aligns with PTTEP's offshore plans.
- Structure meets local content and partnership requirements.

Thailand - M&A & Strategic Activity

EBITDA multiples for oilfield services acquisitions averaged ~7.5x in 2023 regionally.

Year	Buyer	Target	Value	Rationale
2023	Schlumberger	Weatherford's drilling services business in Thailand	Not disclosed	Acquire local footprint
2024	Halliburton & PTTEP	N/A - Formed JV	Not disclosed	Combine technology with local

Potential Acquisition Targets

Company	Est. Value	Rationale	Timing
Local specialized service companies	\$10-50M (estimated)	Acquire local staff, certifications	Ongoing

Thailand - Service Contract Economics

Economics are opaque but driven by operational performance;

Metric	Value	Notes
Typical Deal Size	\$1 million - \$300 million (NOC tender batch value)	Avg: \$10-50 million for major service packages
Contract Duration	Increasing to 5-7 years for integrated packages (Source: Insights 3)	
Savings Split	Not applicable for traditional oilfield services	Performance bonuses and penalties included in drilling contracts
Payback Period	Data not available	
Expected IRR	Data not available	
Gross Margin	Margin structures for services like wireline are not publicly disclosed (Source: Depth 0)	

Financing Options

- BOI tax holidays
- Local bank financing via Thai JV partner

Thailand - Partner Assessment

Pursue a JV with PTTEP as the primary goal, but simultaneously evaluate acquisition of

Company	Type	Revenue	Partnership Fit	Acquisition Fit	Est. Value
PTT Exploration &	National Oil	\$4.4 billion (2021)	5/5	1 (not acquirable)/5	N/A
Major Local	Local Contracto	\$100-500M (estimated)	4/5	3/5	\$10-50M (estimated)

Thailand - Entry Strategy Options

Joint Venture is the mandatory and recommended path.

Option	Timeline	Investment	Control	Risk	Key Pros
Joint Venture	6-12 months (incl. negotiation & licensing)	\$10-50M+ (capital + technology contribution)	Minority (max 49%)	Medium	Meets legal requirement;
Acquisition	9-18 months	\$10-50M+ (acquisition cost)	Full (but may need to restructure ownership to comply with 49% cap)	High	Instant capabilities and staff;
Greenfield (100% owned)	12-24 months (including 6-9 month due diligence)	\$10M+ (minimum capital requirement)	Full (if BOI-promoted project, otherwise needs more)	High	Full control; Build desired culture
Comparison Matrix (1-5 scale)		Joint Venture	Acquisition	Greenfield	
Speed to Market	(needs more)	●●●○○	●●●○○	●○○○○	
Investment Required		●●●○○	●●○○○	●●●○○	
Risk Level		●●●○○	●●●●○	●●●●●	
Control		●●○○○	●●●○○	●●●●●	
Local Knowledge		●●●●●	●●●●○	●○○○○	

Thailand - Implementation Roadmap

Total: \$15-30 million over 3 years | Breakeven:

Phase 1: Partnering & Setup (Months 0-9)

- Identify & negotiate with JV
- Establish JV entity
- Apply for DMF license and BOI

Phase 2: Mobilization & First Contracts (Months 9-18)

- Hire key technical staff (meet 70%)
- Import initial equipment (leverage)
- Bid on NOC tenders (15 tenders)

Phase 3: Scale & Differentiation (Months 18-36)

- Establish local training center
- Deploy proprietary
- Pursue integrated service contracts

Milestones: JV Agreement signed, License application

Milestones: First equipment mobilized, First contract award

Milestones: Training center, Award of multi-year

Investment: \$1-2M (legal, setup costs)

Investment: \$5-10M (equipment, working capital)

Investment: \$5-15M (technology deployment, capacity expansion)

Thailand - Target Service Segments

Leverage JV partner's existing relationships to pitch bundled technology solutions (digital +

Segment	Size	Energy Intensity	Decision Maker	Priority
Digital & Advanced Well Services	Growing segment (60%)	High (technology-driven)	NOC & IOC Engineers	5/5
CCUS & Decarbonization Services	Incentivized (50% tax)	Medium	NOC Sustainability/E	5/5
Deepwater/HPHT Well Support	Tied to \$1.2B+ PTTEP	High	NOC & Major IOC	4/5
Brownfield Well Workover	350 wells require service	Medium	Asset Managers	3/5

Priority Target Companies

Company	Industry	Energy Spend	Location
PTTEP	NOC	\$150M+ annual service contracts (est. from IOC values)	Gulf of Thailand / Onshore Basins
Chevron Thailand	Major IOC	\$150M annual service contract value (2023)	Gulf of Thailand

Thailand - Why Now?

2024-2025 is optimal for entry to align with regulatory deadlines and NOC investment cycles

Trigger	Impact	Action Required
Carbon Tax effective 2025	Incentivizes operators	Position CCUS and methane
Methane (50%) & Flaring (80%)	Creates immediate CAPEX	Engage NOC on integrated
PTTEP's \$1.2B offshore investment	Major tender pipeline	Secure JV to qualify

WINDOW OF OPPORTUNITY

2024-2025 is optimal for entry to align with regulatory deadlines and NOC investment cycles before global competitors deepen their decarbonization offerings.

Thailand - Lessons from Market

Failed JVs stem from unclear terms; success requires tech transfer and local trust

FAILURES TO AVOID

Company	Reason	Lesson
PTT-Chevron JV (Bongkot field) (2021)	Disagreements over operational	Define clear operational

SUCCESS FACTORS

- Clear JV terms and cultural alignment
- Technology transfer and local training
- Strong relationship with NOC decision-makers

WARNING SIGNS

- Partner lacking technical capability
- Unclear path to meeting local content quotas
- History of contract disputes with operators

Thailand - Go/No-Go Assessment

CONDITIONAL GO

Criterion	Status	Evidence
Market size >\$1B	✓	Market is \$1.5B in 2023 (Source: Market 0)
Regulatory pathway exists	✓	JV model is proven (Halliburton-PTTEP 2024);
Viable partners available	✓	PTTEP is active in JVs;
Differentiated entry angle	✓	Decarbonization (CCUS) and digital services
Acceptable risk level	✓	Risks (partner, regulatory)

VERDICT: CONDITIONAL GO

Conditions to proceed:

- Secure a JV agreement with a credible local partner (PTTEP)
- Obtain BOI promotion for tax incentives.
- Focus initial investment on differentiated technology

Thailand - Opportunities & Obstacles

CONDITIONAL GO. Proceed with market entry via a Joint Venture

OPPORTUNITIES

- CCUS Service Provision (\$100M+ potential (incentivized by 50% tax)
- Digital Well Integrity & Twins (Part of \$1.5B market where 60%
- Acquisition of Local Specialist (\$10-50M acquisition cost)

OBSTACLES

- 51% Local Ownership Requirement [High]
- 6-9 Month Licensing Timeline [Medium]
- Shortage of Skilled Petroleum Engineers (1,200 shortage by 2024)

Attractiveness: 7/10 | Feasibility: 6/10

Thailand - Key Insights

Strategic implications for market entry

Decarbonization deadlines create a 24-month service window

Methane (50% by 2025) and flaring (80% by 2025) reduction targets are legislated. Operators have delayed CAPEX but must now invest in compliance, favoring providers with ready solutions.

PTTEP's JV with Halliburton signals openness to tech partnerships

Halliburton PTTEP Energy Services JV formed January 2024 for offshore drilling/completion. NOC seeks advanced technology and operational efficiency from partners, not just capital.

The real barrier isn't the law, but finding the right local partner

Local content (50%) and ownership (51%) rules are strictly enforced. Success hinges on partner's technical capability, relationships, and alignment—not just their legal status.

RECOMMENDATION

CONDITIONAL GO. Proceed with market entry via a Joint Venture, contingent on securing a credible local partner with strong NOC relationships.

Thailand - Research Summary

Analysis completed Dec 2025

Metric	Value	Confidence
Typical Deal Size	\$10-50 million for major service packages	
Attractiveness	7/10	Market is sizable (\$1.5B+)
Feasibility	6/10	JV pathway is clear

VERDICT: CONDITIONAL GO

Secure a JV agreement with a credible local partner (PTTEP or equivalent) within 6 months.; Obtain BOI promotion for tax incentives.