

Appetite for growth

BW Offshore has become a substantial owner in oil service companies APL and Prosafe, and is looking to participate in sector consolidation.

“We have previously declared our interest in being an active participant in consolidation in the FPSO industry. With the trend towards producing oil and gas in deeper waters offshore, this sector is experiencing rapid and strong growth,” says BW Offshore CEO Svein Moxnes Harfjeld.

A WINNING TEAM

BW Offshore currently holds 24.9 per cent of the shares and votes in APL (as of March 1). APL (Advanced Production and Loading AS) is a market leader in the development, fabrication and sale of turret mooring systems and related technologies for the oil and gas industry. The company is based in Arendal, Norway. The boards of APL and BW Offshore have agreed to recommend to their shareholders a combination of the two companies. If the merger is completed, APL will keep its name and brand and be run as a separate entity in the BW Offshore Group.

“We have had a close relationship with APL for more than ten years, and they have been a very important subcontractor to us. What we see in this space is an opportunity to expand our offerings to the clients. This means not only offering the producing assets to the oil companies, but also moving into mooring systems, risers, pipeline and manifolds, and so on,” says Harfjeld.

“The new company will have a strong market position, bringing together leading track records and project execution capabilities with a strong technological edge. The joint resources in engineering, operations, business development and client relationships will create a highly effective combination. As an example, in the promising growth area of the Gulf of Mexico, APL’s turret technology and our recent track record in developing the first FPSO for the region will create a winning team for future projects there,” Harfjeld says.

SECOND LARGEST FPSO CONTRACTOR

In addition to being an owner and operator of semi-submersible service rigs, Prosafe is an owner and operator

of FPSOs. The company has its headquarter in Stavanger, Norway but has a major presence in Singapore. BW Offshore controls 22.6 per cent of the shares and votes in the company.

“On a general note, we believe that a transaction with Prosafe would represent a solid and obvious combination, creating the second largest FPSO contractor and a company well positioned to take advantage of the strong growth opportunities,” says Harfjeld. ●

BACKGROUND APL is an important subcontractor to BW Offshore. Pictured here is the Berge Helene with an APL turret.





APL 

