



CANDOUR
ENERGY

Market Sentiment Survey

Q4 2018



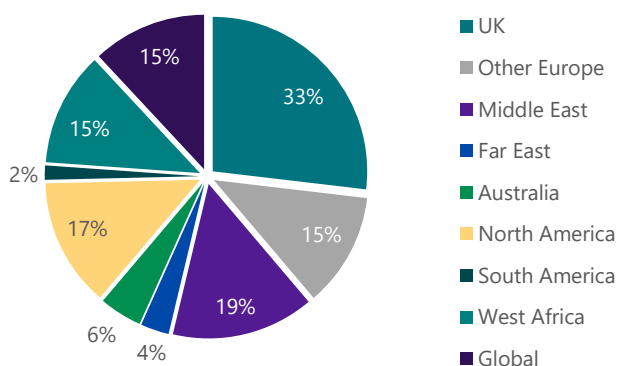
Candour's New Market Sentiment Survey

- Candour has launched a quarterly survey to help those interested in the industry better understand the market sentiment from the perspective of those working in the field.
- The respondents are advisors within Candour's expert network, they are all oil and gas professionals, sitting across various levels of seniority in upstream and midstream, as well as oilfield services.
- **Please note that future results will be benchmarked against previous quarters to provide a clear idea of how sentiment is**

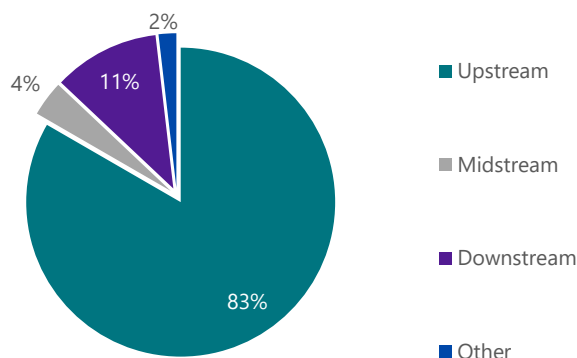
evolving and reacting to macro factors.

- A breakdown of this quarter's responses is shown below, with key survey results and selected comments overleaf.
- These preliminary results reveal that the majority of respondents feel that market activity across all sectors is likely to increase in 2019, with the biggest growth expected in the Middle East, North America and the UK.

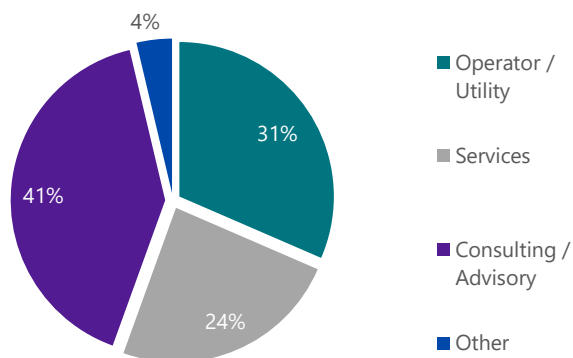
What is your Current Primary Region of Operations?



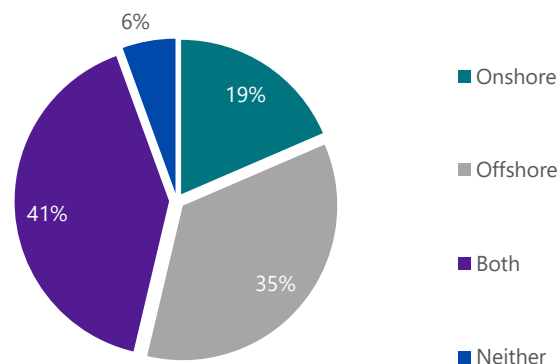
What Sector is Most Applicable to You?



What does your Company do?

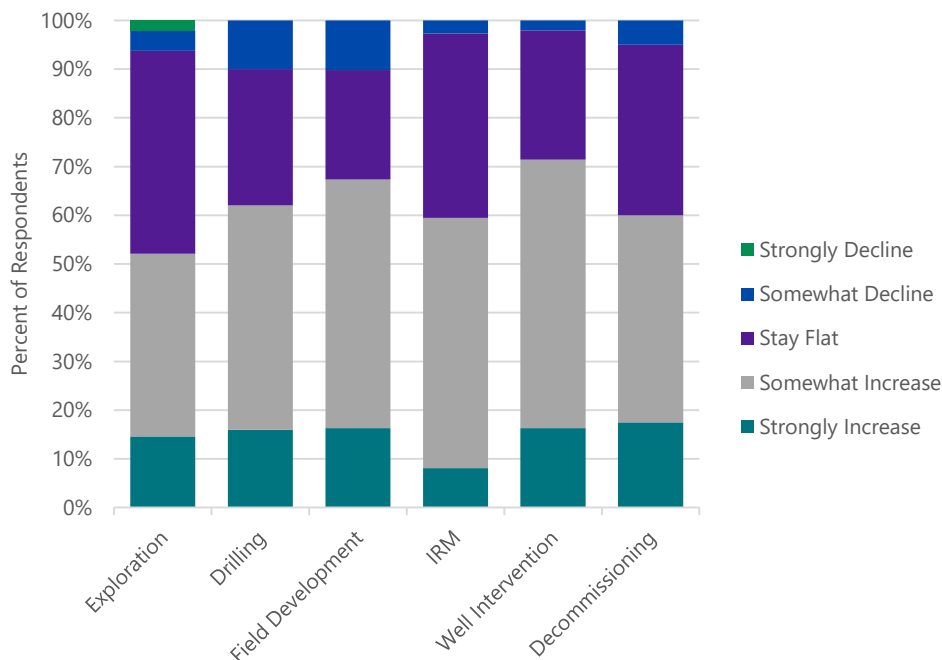


Does your Role Focus on Onshore or Offshore Developments?

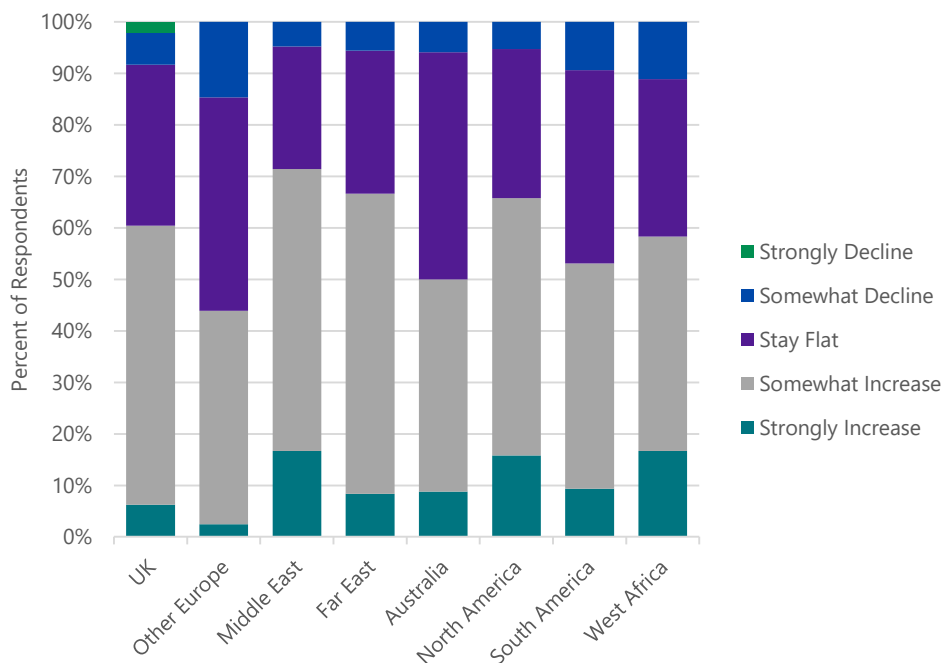


How do you see activity changing in the coming 6-12 months?

How Do You Foresee Activity in the Following Areas to Change in the Coming 6-12 Months?



How Do You Foresee Activity in the Following Regions to Change in the Coming 6-12 Months?



Choice Survey Comments

"As usual, industry activity will be oil price dependent. Current volatility in oil price and potential threats to the global economy, including possible trade wars could negatively impact the pace of exploration / development upturn in the oil & gas sector. The incremental increase in activity I have observed is therefore at risk from such volatility."

"Activity will largely remain flat, but if oil prices are sustained at the current levels for the next twelve months, we will see a massive rebound in activities in the year 2020."

"It depends highly on political events. There is prevalent under investment that will eventually start catching up with the supply and demand."

"Oil price could remain volatile and this may affect marginal field developments. Good projects may get risked out of activity plans and bad projects may get sanctioned depending upon forward oil price assumptions."

"The key is stability so there is some degree of confidence in dollars per barrel and therefore investment can be assessed. Without that forecasts are pessimistic making UK investment unappetising without further tax breaks (though as many companies don't pay tax due to losses, the impact of tax breaks is less than it used to be)."

"North America will continue to increase due to efficiencies and lower costs. Other regions will decrease due to constant political headwinds and higher fixed costs."



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