

ULO Systems projects 28 per cent growth in 2019 through diversification

ULO Systems' Deputy General Manager, Colin Reilly, anticipates a 28 per cent increase in revenue in 2019 through diversification of markets and products.

DUBAI, UNITED ARAB EMIRATES, January 15, 2019 /EINPresswire.com/ -- [ULO Systems](#), part of the Bukhatir group and a leading provider of services within the offshore oil and gas industry, anticipates a 28 per cent growth in global revenue in 2019. Despite conservative projected market conditions in the global oil and gas space, the company is targeting increased revenues through diversification of business sectors, an increase in product lines and expansion into targeted markets as key drivers.



The effects of the crash in oil prices from 2014 to 2016 were still felt for the majority of 2018. However, optimism and project awards have unmistakably grown. Until early October 2018, the price of oil had been trending steadily upwards reaching US\$86 per barrel, putting oil and gas projects back on the investment table. Increased financial oversight and technological advances have also pushed extraction costs lower, making projects viable once again.

“

Companies must develop a resilient strategy to mitigate risks. Our strategy for 2019 growth is to diversify service lines by expanding into the renewables space and target growth across Europe.”

Colin Reilly, Deputy General Manager of ULO Systems

In the latter part of 2018, the market was forecasted to see stable oil prices between \$70 to \$80 per barrel in 2019, with companies such as Saudi Aramco recently awarding four new projects with values over \$20bn each. Firms will release around \$300bn over the next two years, more than in the three years from 2015 to 2017 combined, according to a recent report by Wood Mackenzie. However, following the Brent futures curve flattening significantly in Q4 2018 as oil prices slumped to mid-\$50s per barrel by the end of

the year, increased uncertainty is being felt in the market. 2019 predictions indicate a price range of \$60-65 rather than \$70-80 per barrel, the level at which ULO Systems' original growth targets were set. However, we are confident these targets are achievable due to our focus on alternative

markets and product lines.

Despite the increasing improvements of global markets, oil and gas producers are increasingly looking at diversification driven by climate change concerns. Behind these initiatives, some lenders, particularly those based in Europe, have announced limitations on their willingness to finance carbon-intensive projects and industries. Producers need to grapple with the pace and magnitude of the transition to energy from non-fossil fuel sources. Facing these uncertainties, oil and gas companies must develop a resilient strategy to mitigate these risks. Part of our strategy for 2019 growth is exactly that - diversify service lines by expanding into the renewables space and target growth across Europe.

Due to market instability, we as a business have spent most of 2018 investing in diversifying our product and service lines and personnel in anticipation of a steadier market in 2019. We are fully set up for growth now and couldn't have planned it better as the market looks set to reinvest. 2019 will see us rolling out the additional product lines, as well as targeting new markets and maintaining those we have a secure stronghold in.

2018 saw us launch our DNV-approved licensed applicator status with BASF, which took six years to complete. We now hold seven 100-tonne, DNV accredited, new silos for Europe which sit with our European office, also opened in 2018 in the Netherlands called ULO EU BV, offering the ability to increase trade locally.

Last year also saw us build a new generation RJM mixer, fully designed and built in-house with a delivery system with which, based on output capability recently verified by a trial in the Netherlands, no other providers in the market can compete. We are very much looking forward to capitalising on our efforts next year.

In 2019, ULO Systems will be adding a new core activity to its existing business line, which will see us adding a new activity, designing and manufacturing subsea air lift bags, which are used in many different industries, ranging from the salvage and recovery of vessels to offshore construction. These bags are designed to achieve a safety factor of 6:1 in accordance with international standards. We will also have a range of bags certified as water weight bags for load testing cranes and other lifting equipment. As the UAE saw an increase in construction cranes, reaching 1,100 in Q4 2018, we will be focusing our efforts in the UAE initially. With the cranes space and subsea market, in which every diving company requires lift bags, coupled with ULO Systems' reputation for being the global leader in the design and manufacture of grout bags, we



Colin Reilly, Deputy General
Manager of ULO Systems

are extremely confident this new business line will complement our existing offering and contribute to our growth in the coming year.

With £5.5bn invested into offshore renewables between 2017 and 2022 within the UK alone, coupled with a reduction in energy price by 50 per cent, also in the UK, due to renewables, ULO Systems has set itself a goal of 40 to 50 per cent market share in the oil and gas and wind space in 2019. The company provides specialist services to the renewable sector for the grouting of turbine and substation foundation structures and will be focusing on the UK, France, Germany, Belgium and the Netherlands to achieve its goal.

While we have a secure stronghold in the Middle East, we will be looking to maintain the execution of projects safely, efficiently and profitably through 2019 with some key projects already in the pipeline for us. In addition to the Middle East and Europe, we have set our sights on the sub-continent, especially India, where we have two sets of grouting equipment permanently placed, and Bangladesh, where we have completed a project for a nuclear power station on the \$2.2bn Roopur Nuclear Project. This is an area we are looking to build upon in terms of both location and service provision. The entire industry is looking to diversify to mitigate further potential risks and future proof their business, so we at ULO Systems are proud to say we have proactively stayed ahead of the curve in this regard and look forward to reporting on a successful 2019 this time next year.

Christina Bostock

iHC

+971 558873054

[email us here](#)

Visit us on social media:

[LinkedIn](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/473669615>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2021 IPD Group, Inc. All Right Reserved.