

# Rigs departing North Sea despite increase in drilling day rates

LONDON, UK, November 29, 2022 /EINPresswire.com/ -- Takeup of semisubmersibles for drilling in the North Sea is on the rise in 2022, but Westwood Global Energy Group's RigLogix is maintaining its negative outlook for next year.

Demand for semisubs has experienced a prolonged decline, falling by 36% in the period from January 2015 to November 2022. This represents a loss of 17 rigs in the UK which, as a mature semisub market, is feeling the impact more than other areas. Semisub takeups continue to be higher during spring and summer.

Nevertheless, committed utilization in the region was recorded at 90%, the highest figure June 2015. There are currently nine idle semisubs in the North Sea with two cold-stacked, bringing the figure back down to 78%.

According to Research Director at RigLogix Teresa Wilkie, the utilization number seen during the summer peak is standard in many other locations, and the knock-on effect of this has been a consolidation of rigs outside Northwest Europe as they seek out new, longer-term contracts with higher day rates. The jackup rig market in the North Sea is experiencing the same phenomenon.

Two semisubmersible platforms – the Island Innovator and Deepsea Bollsta – have sought out operations in Africa at the expense of the North Sea, with two further rumoured departures on the way next year, to Africa and Australia respectively.

Availability issues could arise if semisubmersible demand recovers in Northwest Europe, and this is what RigLogix predicts could happen by early 2024. This year has so far seen the highest number of rig days secured in new contracts since 2018, with a figure of 7,399 achieved largely through Norwegian contracts accounting for 5,661 rig days and UK contracts amounting to 1,738 days. By contrast, 7,592 rig days were signed off on in 2018. The North Sea semisub market fixed 3,899 days of contract backlog in Q3 2022 – the highest quarterly figure since 2012.

Contracts lengths are also on the rise again, averaging 264 days in agreements made in 2022, while recent fixtures are seeing higher day rates. Wilkie named a new deal between Wintershall Dea and OMV in Norway that could see Transocean Norge net USD 408,000, while the Transocean Barents could generate a daily figure of USD 300,000 in the UK.

German group BASF owns 72.7% of Wintershall Dea with remainder is held by Russian investors Mikhail Fridman, Pyotr Aven and German Khan.

<https://www.offshore-mag.com/rigs-vessels/article/14286258/north-sea-drilling-day-rates-up-but-some-rigs-leaving-for-other-regions>

Shamir Atif

DI PR

+44 20 7454 5111

[email us here](#)

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