

NEW DIRECTIONS, COMPLEX CHOICES – INDUSTRY OUTLOOK 2020 (NORWAY SURVEY DATA)

DNV GL has published *New Directions, Complex Choices: The outlook for the oil and gas industry in 2020*. This research is based on a survey of more than 1,030 senior oil and gas professionals and in-depth interviews with industry executives.

As with the global nature of the oil and gas industry, the story for 2020 connects all regions. We tell this in our global press release.

Yet, our survey also offers regional insights. We provide the following factsheet with survey data from 129 senior oil and gas professionals based in Norway, with comparisons to the global picture and to our data from previous years.

Please contact DNV GL using the details below for further analysis on the outlook for Norway.

Norway confidence for growth falls to lower than two thirds, below the global average.

| | Norway | | Global | |
|-------------------------------|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Confident for industry growth | 60% | 77% | 66% | 76% |

Investment expectations on decarbonization and renewable energy projects rise, outstripping global figures.

| | Norway | | Global | |
|-------------------------------------|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Decarbonization increase investment | 46% | 31% | 40% | 27% |
| Decarbonization maintain investment | 32% | 15% | 31% | 28% |
| Renewables increase investment | 51% | 40% | 44% | 34% |
| Renewables maintain investment | 26% | 12% | 27% | 20% |

The energy transition and decarbonization are driving investment decisions, as more companies push for a lower-carbon energy mix. New business expectations in Norway are well above global levels.

| | Norway | | Global | |
|--|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| See energy transition as major factor in renewable and clean energy investment | 33% | N/A | 34% | N/A |

| | | | | |
|--|-----|-----|-----|-----|
| Business opportunities forecast as the transition progresses | 46% | N/A | 34% | N/A |
| Organization working towards lower-carbon energy mix | 57% | 50% | 60% | 51% |

Offshore wind investment expectations surge by 40 percentage points, 33% more than the global average.

| | Norway | | Global | |
|--|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Highly likely or likely to invest in or develop their offshore wind portfolios | 95% | 55% | 62% | 40% |

Subsea and carbon capture and storage (CCS) chase digitalization as highest priorities for R&D and technology investment.

| | Norway | | Global | |
|---------------------------|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Digitalization a priority | 64% | 50% | 56% | 45% |
| Subsea a priority | 39% | 27% | 22% | 21% |
| CCS a priority | 25% | 14% | 18% | 7% |

Oil price concerns rise beyond global average as the most significant barrier to growth

| | Norway | | Global | |
|---|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Oil price is greatest barrier to growth | 38% | 24% | 26% | 21% |

Expectations to increase capex fall and are at nearly half of global expectations, as nearly a fifth of organizations forecast a reduction in spend

| | Norway | | Global | |
|--------------------------|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Expect to increase capex | 16% | 24% | 29% | 30% |
| Expect to maintain capex | 47% | 40% | 43% | 40% |
| Expect to reduce capex | 19% | 10% | 15% | 13% |

Respondents expect fewer large, capital-intensive oil and gas projects than the global average

| | Norway | | Global | |
|---|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Expect more large projects than the previous year | 31% | N/A | 46% | N/A |

Supplier-driven inflation forecasts rise beyond global averages, with a significant increase in companies reporting impacts in the past year

| | Norway | | Global' | |
|---|--------|------|---------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Expect notable supplier-driven inflation in the next year | 46% | 43% | 40% | 40% |
| Experienced supply chain inflation in the past year | 51% | 37% | 47% | 41% |

Cost efficiency focus doubles in Norway, rising above the global surge after falling in 2019

| | Norway | | Global | |
|--|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Organization expects to focus on cost efficiency as top priority | 37% | 18% | 32% | 21% |

Industry is less concerned about skills shortages and the ageing workforce, but more than half say oil & gas industry struggles to attract younger employees

| | Norway | | Global | |
|---|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Skills shortages or ageing workforce is barrier to growth | 13% | 19% | 15% | 21% |
| Industry struggles to attract 21-35-year-olds | 52% | N/A | 54% | N/A |

Headcount reductions expected to hit as recruitment increases fall

| | Norway | | Global | |
|--|--------|------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Expect further contractions in the workforce | 19% | 13% | 23% | 17% |
| Expect workforce numbers to remain the same | 43% | 38% | 40% | 37% |
| Expect to increase headcount | 26% | 39% | 28% | 34% |

Download a complimentary copy of *New Directions, Complex Choices* from: dnvgl.com/industryoutlook2020

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New Directions, Complex Choices is an industry benchmark study on the outlook for the oil and gas industry in 2020. It was launched in 2011 and is now in its 10th year. The report is based on a global survey that incorporates the views of 1,031 senior industry professionals, along with in-depth interviews with a range of experts, business leaders, and analysts. The survey was conducted during late October and early November 2019. The research was carried out by teams from DNV GL, Longitude and Kantar TNS.

The organizations surveyed vary in size: 38% had annual revenue of USD500 million (m) or less, while 24% had annual revenue in excess of USD5 billion (bn). Respondents were drawn from across the oil and gas value chain, including publicly listed companies and privately held firms. They represent a range of functions within the industry, from board-level executives to senior engineers.

The findings and views expressed in the report do not necessarily reflect the views of DNV GL.

About DNV GL

DNV GL is a global quality assurance and risk management company. Driven by our purpose of safeguarding life, property and the environment, we enable our customers to advance the safety and sustainability of their business. We provide classification, technical assurance, software and independent expert advisory services to the maritime, oil & gas, power and renewables industries. We also provide certification, supply chain and data management services to customers across a wide range of industries. Operating in more than 100 countries, our experts are dedicated to helping customers make the world safer, smarter and greener.

DNV GL is the technical advisor to the oil and gas industry. We bring a broader view to complex business and technology risks in global and local markets. Providing a neutral ground for industry cooperation, we create and share knowledge with our customers, setting standards for technology development and implementation. From project initiation to decommissioning, our independent experts enable companies to make the right choices for a safer, smarter and greener future.