

Chew shows tender care with Energy Drilling

Chief executive of Singapore-based **player** finds that move to focus on **tender-assisted drilling units** is paying **dividends**

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MARCUS Chew is softly spoken and may not seem adventurous, but in 2012 he made an audacious move to start up his own rig contracting company in Singapore, Energy Drilling.

The company focused solely on developing and chartering tender-assisted drilling rigs.

In less than four years, the Energy Drilling chief executive surprised the rig industry when he took delivery of and chartered two of three tender rigs built at Chinese yard Cosco Guangzhou.

The units — for operation off Myanmar and Thailand — were delivered at a time when the industry was reeling in the wake of the crude price slump.

In his office in downtown Singapore, Chew is now working on the charter of his third tender rig, Edrill 3, ready to offer it to Thailand's PTTEP in an upcoming tender for operation at the Zawtika phase 1B development drilling campaign at Block M-9 off Myanmar.

Oversupply The 56-year-old acknowledges that drilling companies are under pressure due to the vast oversupply of rigs.

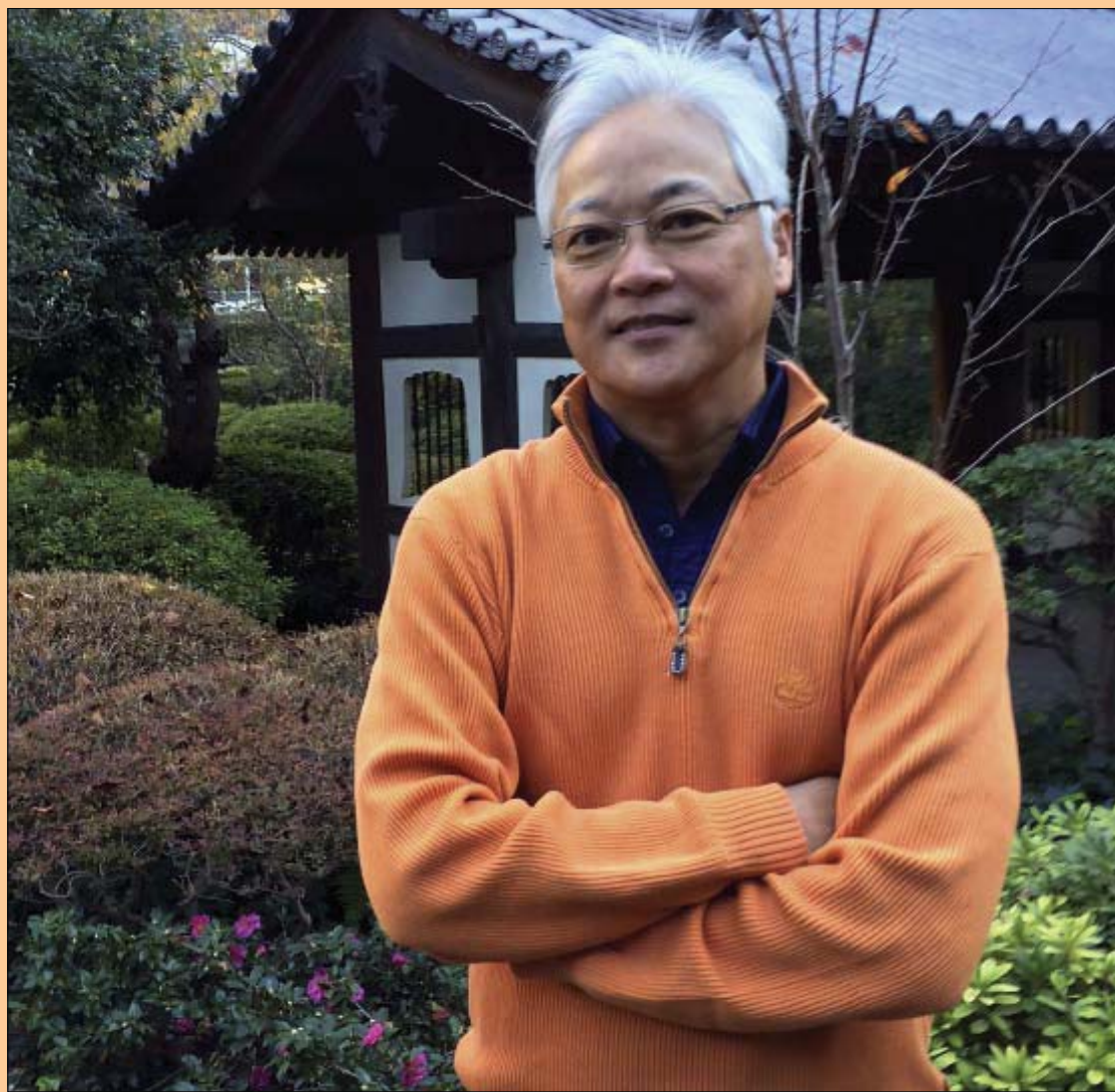
"There are just too many of them, with 150 jack-ups off contract," Chew says, adding that he believes the market will not see an upturn before 2017.

However, while he admits oversupply has hit his business, Chew says he is well placed until at least 2017 with firm charters of his two tender rigs, — Edrill 1 and Edrill 2, by which time he expects the market to recover. The two rigs have options to extend the contracts for as long as 30 months.

Chew is confident that tender rigs — with their lower fabrication and operating costs — are more competitive than other offshore units when it comes to production drilling in both shallow and deep water.

In 2014, only two years after Energy Drilling was incorporated, Chew chartered his first tender rig, Edrill 1, and a year later the second, Edrill 2. Now in its fourth year, Energy Drilling is making a profit.

However, Chew says the returns have not been as high as he would have liked, because



Long-term plans: Energy Drilling chief executive Marcus Chew

Photo: ENERGY DRILLING

dayrates and expectations were both riding high when he set his targets in 2012.

Chew started from scratch, with no shipyard, no crew and no bank.

"All in all, this is quite an achievement, as we started from nothing four years ago," he says.

Pioneer Chew ranks as one of the pioneering group of drillers to have convinced oil companies that tender rigs can work safely in deep-water coupled to tension-leg platforms and spars.

He and his team at Smedvig, where he worked in 1997, managed to convince Unocal, now part of Chevron, to put a semi-tender to work with a TLP on Indonesia's West Seno field in 2001.

Subsequently, the semi-tender concept was used by Murphy for a spar at the Kikeh field off Malaysia and by Chevron on a compliant tower at the Tombua-Landana field off Angola.

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developed with tender rigs in the future," Chew says.

Chew started his rig building career as a naval architect with Singapore's KeppelFels about 30 years ago, after graduating from Ecole Centrale in France on a scholarship from the Singapore Public Service Commission.

In 1995, KeppelFels sent him to Harvard Business School in the US on a post-graduate programme.

In 10 years with KeppelFels,

Chew gained a lot of experience, including two overseas stints in New Orleans and Paranagua in Brazil.

In Brazil, he was the consortium project manager for the Petrobras 18 semi-submersible production unit.

Specialist Chew was offered a job with Smedvig's nascent Singapore office in 1997, when the Norwegian rig owner had just bought Robray, a local drilling contractor specialising in tender rigs.

Smedvig later became the largest player in the tender rig market and controlled more than 60% of the worldwide fleet.

In 2006, Seadrill acquired Smedvig for about US\$900 million.

The tender rig business was subsequently sold by Seadrill to SapuraKencana in 2012 for about US\$3 billion.

Chew left Seadrill at the end of 2011 and shortly after started Energy Drilling in early 2012, with

the simple philosophy of creating a company that employees are happy to work for and proud to be associated with.

"I believe if we are able to do just that, then the rest will take care of itself," he says.

Chew is gifted in foreign languages — he is fluent in English, French, Spanish, Italian, Portuguese and above all Mandarin, having been born into a Chinese family with roots in Fujian province in mainland China.

He is a member of Mensa International and a humanist. In his spare time, Chew plays chess on the internet with players from around the world.

"The good thing about playing on the internet is that you can always find someone to play with, no matter what time of the day it is, and you can always find someone of approximately the same skill level."

Chew is also a keen golfer and plays whenever his schedule permits, in Singapore or on his travels. **U**