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Acergy S.A. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Ian McPherson - Simmons & Co.

Ian McPherson - Simmons & Co.

I guess if I could just ask for an update on maybe the specific of what you are seeing for West Africa prospects. I know that implicit in your expectations for this year with some development within hopefully first half of this year and just generally what you are seeing from customers and what triggers you are looking for to move some of those projects along this quarter and next quarter.

Jean Cahuzac

Thanks. Basically, the comments I am going to make are based on different things that I would say mainly on visits that I had around the world, basically for a month with IOCs and NOCs. I think we have heard a very consistent message from the IOCs and from the NOCs. The first thing is when you talk about access to reserves; they are telling us that they have to continue invest to fulfill their objectives on access to reserves and that will have as an impact that most of the major large projects not all of the major projects are likely to go ahead in running the day environment.

They take a long term view and forward oil price still well above threshold for most of the medium large project that I was referring to. What they are telling us also is that they are having to redo each medium-sized project that they have it in portfolio and this priority to the project we have highest return to optimize cash flow. This optimization of cash flow in near term is a thing which comes back from most of them.

As a result, I think a few new marginal field development projects may be postponed as I mentioned in my initial comments, but when we talk to operators about tieback activity in Norway but also in other places, it seems that this tieback activity will remain at a good level.

The other thing that they are mentioning in this discussion is that they have to deliver and probably even more true today at the price of oil in terms of guaranteeing the return and they need solid partners both technically and financially and we are one of the service companies which is more clearly recognized as one of their key partners. So, I think we are well positioned with the IOCs for their projects.

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