

STENA DRILLING

Stena Drilling is one of the world's leading independent drilling contractors with four ultra-deepwater drillships and two semi-submersible drilling rigs operating in a global market. With several successful newbuildings and innovative rig upgrade projects, Stena Drilling is a pioneer in several areas of technological development and innovation within the offshore industry.

2018 was a turbulent year for the offshore market, and a challenging year for the Stena Drilling Group, with some of the rigs being temporarily taken out of service during the year. In preparation for an upswing in the market, significant investments were made to maintain the high standard of the fleet and crew, and their availability to resume operations at short notice, when market demand begins to return. A lot of work was tendered out in 2018 and Stena Drilling very successfully converted these tenders into contracts. The rigs' safety and operational performance were sound, and this was a key factor in achieving new contracts. At the end of 2018, the *Stena Clyde* drilling rig was sold to a Chinese operator, leaving the fleet with four drillships and two semi-submersible drilling rigs.

FOCUS ON SAFETY AND TEAMWORK

The oil drilling industry can be hazardous, which makes safety extremely important. Before any work commences on a vessel or rig, it must be assessed to be absolutely safe; otherwise no work will take place. This requires a risk assess-



ment to be performed, followed up as required by a work permit and safety meeting, to ensure that everyone involved understands the work to be performed. Personnel are encouraged to stop the work if they do not understand it, or if they believe there is a security risk, or environmental risk. Stop cards, part of Stena Drilling's safety observation programme, must be submitted if personnel either witness risks or safe working methods need to be supplemented. Every month, the best stop card is nominated, and the person concerned receives a prize. This creates an importance basis for spreading knowledge within the fleet and to Stena Drilling's clients, who are also encouraged to take part. Stena Drilling's LTIF (lost time injury frequency) was held at zero in both 2017 and 2018, with *Stena Carron* in particular being LTI (lost time injury) free for eight years.

INNOVATION IS THE KEY TO SUCCESS

During the year, the Stena Drilling Group introduced a project to design a new drilling rig – now called the "rig of the future". This led to the Stena HarshMAX concept, and a study took place together with several equipment suppliers and one yard. Stena also initiated cooperation with several oil and service companies in order to encourage closer ties and create strategic partnerships to improve the rigs' safety, operative performance and cost effectiveness. This partnership is ongoing in Ghana, where third-party companies are working directly with Stena Drilling on the *Stena Forth* drillship, which is yielding positive results.

TO ALWAYS BE THE CUSTOMER'S FIRST CHOICE AND QUALITY-ASSURED PARTNER

STENA DRILLING FACTS

4%
Share of Group revenue

950
Employees

1,300
MSEK income

25,300
MSEK capital employed

4 
Drillships

2 
Drilling rigs

TRAINING FOR SAFER DRILLING

During the year, drilling crews from the entire Stena fleet took part in a simulator course for well control at Westhill Aberdeen. Participants were trained in resolving normal and more complicated oil drilling situations by applying relevant technical knowledge and competence, with due observance of regulations, recommended industry instructions and Stena's oil drilling handbook. Non-technical topics such as communication, decision-making, situational awareness, leadership, teamwork and performance-based factors were also considered. The course was a success, with an average rating of 95 per cent from all participants. "This was definitely the best training I've experienced during my drilling career," said one of the course participants.



DRILLING CONTRACTS¹

Rigs	Customers	Contract term ²
Stena Don	Total E&P UK	Q2 2019 – Q4 2019
Stena Spey	Undisclosed	Q1 2019 – Q4 2020
Stena DrillMAX	Energean	Q2 2019 – Q4 2019
Stena Carron	ExxonMobil	Q1 2019 – Q1 2021
Stena Forth	Tullow Ghana	Q1 2019 – Q4 2020
Stena IceMAX	ExxonMobil	Q1 2019; CNOOC, Q2 2019 – Q4 2019
Stena Clyde		Sold in Q4 2018

1) As of March 2019. 2) Including options.

REDUCED ENVIRONMENTAL IMPACTS AND A SAFER WORKPLACE

The most important sustainability issues for Stena Drilling are health and safety, as well as environmental issues primarily related to energy use, greenhouse gas emissions, and spills. Stena Drilling holds environmental certification in accordance with ISO 14001 and is working continuously to improve procedures and compliance in order to minimise the risk of occupational accidents.

Focus areas	2018	2017	2016
Reduction of emissions			
CO ₂ tonnes	150,355	178,465	189,362
NOx tonnes	2,779	3,322	3,457
Discharge to sea (litres)	1,921	3,821	5,900
LTIF ¹	0.00	0.00	0.15

1) Lost Time Injury Frequency (LTIF) is a way for measuring workplace safety for crew onboard. LTIF is measured as number of Lost Time Injuries (LTI) – injuries that leave the employee unable to work the following day/per million exposure hours worked.



In 2018 Stena Drilling was very successful converting tenders into contracts. The rig's safety and operational performance were sound, and this was a key factor in achieving new contracts.

Erik Ronsberg
MD



BUILDING UP OFFSHORE DRILLING KNOW-HOW IN GUYANA

Stena Carron has been active in Guyana since 2016, working for ExxonMobil. As part of an agreement with the Guyanan state, certain crew positions at Stena Carron are filled up by local crew. Since there is no local industry expertise in Guyana, and knowledge of the industry is thereby limited, these crews have been trained from scratch. So far, Stena Drilling has trained 80 local crew members in offshore drilling disciplines, contributing to building up local expertise within this area.

