

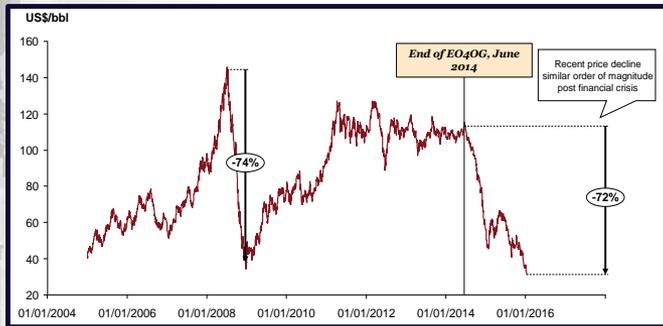


### Case study

## The EO40G project helps understanding and structuring the Oil & Gas EO downstream market

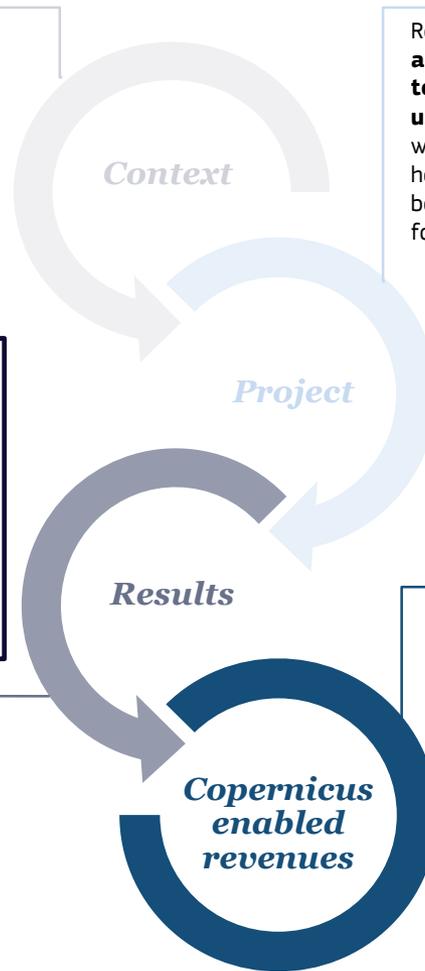
The oil price has been falling drastically over the past couple of years. This has very negatively impacted the penetration rate of EO products in the O&G industry, including those using Copernicus data. However, all O&G players are very interested in EO products produced internally or bought to EO downstream players. The main issue comes from O&G companies not willing to invest in new products with such a low price of oil.

**Brent crude daily price, January 2005 - January 2016**  
(Sources: Bloomberg; PwC-Strategy& analysis)



EO40G is made of 4 two-year projects, which have led to very interesting results. They have identified **needs, requirements and challenges faced by the O&G industry**. They also suggested a **list of products** the EO downstream market should develop to fix these challenges, covering:

- ✓ Exploration & Drilling activities
- ✓ Transports & Logistics
- ✓ Risk of Disasters
- ✓ Infrastructure Construction and Safety
- ✓ Environmental monitoring



Recently **ESA, EARSC and the International Association of Oil and Gas Producers (IOGP) have developed new collaborations to bring together EO and O&G communities and stimulate the use of Copernicus**. The Oil and Gas Earth Observation group (OGEO) was founded in 2010 and led to the building of an OGEO web-portal hosted by EARSC, where members of both communities can exchange best practices and issues to be solved.<sup>1</sup> The EO40G project is born following this initiative and ESA has decided to fund 4 projects.

**4 projects, 2 onshore & 2 offshore**

**Off-shore project led by CLS**

**Off-shore project led by C-Core**

**On-shore project led by Hatfield Group**

**On-shore project led by OTM Group**

The quantification of Copernicus data contribution was based on a sample of 12 European and Canadian firms, including integrated players, oilfield services companies and EO downstream players.

	Enabled revenues (M€)	Proportion of total enabled revenues
Total market effect	7.98	91.20%
Total commercial effect	0.70	8.00%
Total organisational effect	0.07	0.80%
<b>Total enabled revenues</b>	<b>8.75</b>	<b>100.00%</b>

**EUR 8.75 million** value of Copernicus data for this O&G upstream industry sample (12 companies)

<sup>1</sup>Source: OGEO platform website, consulted November, 12 2015.- Link: <http://www.ogeo-portal.eu/>

