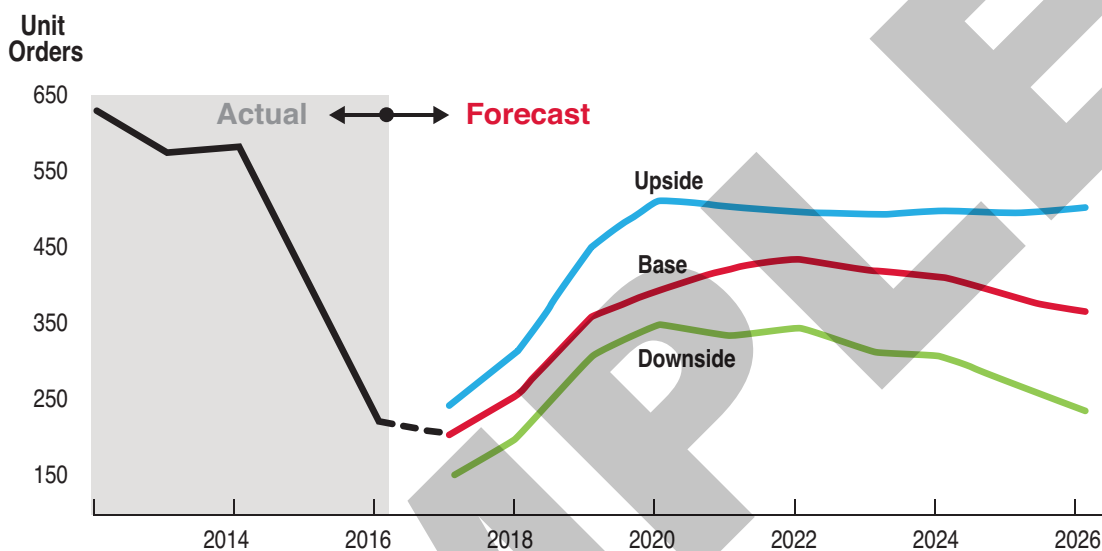


3.6 Oil & Gas Sector 2017-2026 Forecast

Segment forecast covering the Oil & Gas sector of the market is built around a “bottom up” analysis of Unit orders considering over 80 OEM gas turbine models.

O&G forecast combines a 5-year analysis with a second 5-year projection based on likely trends and developments. In keeping with industry practice, the “Base” forecast represents “business as usual” under predictable regulatory, economic and political environments around the globe.



Contingency “Upside” and “Downside” scenarios for the O&G sector forecast are based on uncertain variations in primary market driver – namely global oil price – with direct positive or negative impact on regional markets such as:

- Appetite for new plant investment depends highly on oil prices rising above \$50 per barrel
- Downturn in new upstream projects on top of current reductions in midstream and downstream activity will further depress unit order levels
- Possibility of a moderate “buying spree” in 2018 and 2019 provided that oil prices recover and stay above \$50 per barrel

O&G Upturn

- Oil price climbs over \$65/bbl
- Middle-East production boost

O&G Downturn

- Oil price plunges below \$35/bbl
- Surge in demand for electric cars