

## CORPORATE OUTLOOK

# EPConsult sets sights on recovery for growth

Upturn in **oil, gas and renewables** sectors a boon for UK-based **engineering services specialist**

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LONDON-BASED EPConsult Energies, like many firms offering specialist engineering services, has been hit hard by the industry downturn, but sees signs of recovery.

"I am hesitant to be overly optimistic, but we do see a fair amount of work coming through," founder and managing director Martin Larsen told Upstream.

"Over the last year we have felt things have started moving again, albeit slowly, and we are getting more enquiries, most from existing clients.

"It's a good feeling because everybody sacrificed in the downturn."

Larsen described how when the crash came, the company had two choices: "To survive, or close up shop and throw the key in the toilet."

EPConsult "decided to sail through the storm", with jobs lost and salaries cut in order to keep the company going.

Currently, the company has 10 full-time staff and 20 contractors.

"But the feeling is that over the (coming) years we could grow by 30% per year" in terms of personnel, said Larsen, on the back of activity in the oil, gas and renewables sectors. In five years' time, he predicts the company could have 30 full-time personnel.

He explained that the company — which he describes as a mini-Genesis or mini-Xodus — is looking to establish a new business, EPConsult Nord, in Denmark this year.

The Danish office would focus on renewables and "get us closer to Eastern Europe and Russia where we have a reasonable work portfolio and could help serve the decommissioning market", said Larsen.

He pointed out that Copenhagen has good connections to northern Europe, is developing into a regional hub for business and trade and offers a stepping stone into the Arctic through Denmark's strong political ties with Greenland.

"We predict the Arctic will be very important in the future for energy and mining," said Larsen, adding that projects in this area call for specialist ice and climate

engineering skills. The company is eyeing expansion beyond Europe but needs "the market to stabilise a little more", he added.

From 2000 until 2015, the company's key clients were in the oil and gas business, but since that time the fast-growing renewables sector has offered new business — Dong and Centrica have been clients — so a senior wind energy consultant was recently hired.

"We have been surprised at how fast renewables have penetrated the energy market over the last few years," said Larsen, particularly in terms of cost and how much energy it supplies.

"Renewables is the future," he said, highlighting recent non-fossil fuel investments made by oil majors Total, Equinor and Shell.

Larsen sees oil and gas as declining in importance over the next 20 years, adding that, after the oil price crash, it is "finding a new equilibrium" with a focus on optimisation, efficiency, costs and an awareness of how to make the right choices.

"There's no room for burning engineering hours now," he said, pointing out that the impact on the bottom line is crucial when making decisions and benefits from artificial intelligence and machine learning.

EPConsult was launched as a technical consultancy 18 years ago and became something of a "study factory," said Larsen, skilled in analysis, mathematical and statistical modelling, quantitative risk assessments (QRAs), production efficiency and operations and maintenance.

The studies aimed to strike the right level of risk related to assets, people, the environment and reputation.

Larsen said there "is a lack of understanding in the industry about how risk and opportunity management can work for you rather than being a burden", arguing that companies "can confuse issues and actions with risk — we see it again and again".

He cites the case of a risk register of 200 actions, only 20% of which are real risks to be focused, while the rest are simply actions that need to be executed. Larsen said many companies just "don't



Moving ahead: EPConsult Energies managing director Martin Larsen

Photo: EPCONSULT

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embrace the benefits" of proper risk assessment, recalling a job EPConsult did in Saudi Arabia that, within two months, came up with a strategy to reduce the oil company's risk exposure by about \$300 million.

"Now it's getting exciting and it's what we're good at," he said.

Technically challenging projects the company worked on included the Kristin high-pressure, high-temperature field off Norway, the Mardi Gras Transpor-

tation system in the US Gulf of Mexico and hydrate prevention studies for Shell on former Enterprise Oil assets.

From around 2007, the company began to do a lot more field development planning work on projects in UK, Poland, Uganda, Iraqi Kurdistan and India.

Suitably experienced personnel were added to the roster, while EPConsult also grew its production efficiency capability, developing its own cost estimation soft-

ware. "We've done a lot of things. It's been pretty crazy," said Larsen.

Between 2012 and 2015, the company became more focused on asset integrity performance, developing an in-house digital tool — called EPAIP — with a life-extension work practice that has been used on four projects.

Digital solutions for asset integrity and production optimisation "are going to be absolutely key" to cutting operations and maintenance costs and to improving production uptime, said Larsen.

He remarked that as the penetration of digital systems into the oil, gas and renewable industries increases, the focus on cyber security needs to increase.

However, Larsen said it will most likely take a huge incident due to a cyber-attack to really shake up the industry's approach to the cyber security issue.