HAYNES BOONE

Chris Wolfe in Oil and Gas Investor: The Gory Times Ahead For Oilfield Services A&D

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A positive sign for oilfield service companies may be a bit of blood in the water, analysts said.

While analysts say upstream companies are poised to restore power to their A&D engines, service and supply companies will be looking for cover.The 12 months of 2015 have shown that the days of magical thinking—wishing in something to make it happen—are over ...

“The oilfield services sector is no exception to Darwinism—the weakest middle market companies did not survive in 2015 and it is likely that more will not survive in 2016,” said Chris Wolfe, oilfield services practice group lead at Haynes Boone in Houston.

Wolfe predicts:

- Middle market oilfield services companies will see significant contraction in business;
- The oilfield services industry may well bottom out in 2016 and start to recover in the second half of 2017; and
- As a result of M&A transactions and asset sales, many established relationships with E&P customers will be disrupted.

Excerpted from *Oil and Gas Investor*. Read the full article.