

## James Brown in Pratt's Energy Law Report: Making the Most of Leaner Times - Parts I and II

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**PRACTICES** Energy, Power and Natural Resources, Offshore Oil and Gas, Offshore Oil and Gas Dispute Resolution, Oil and Gas, Oil and Gas Litigation, Oilfield Services

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From a high of around \$115 a barrel in June 2014, to a low of around \$35 in January 2016, the sudden and sustained crash in the oil market, despite recent increases, continues to cause pain for those operating in the offshore sector. For many participants in the market, survival remains the name of the game.

Whilst contractors who are managing to continue to operate in the offshore sector have had some time to adjust their business models and modes of operation to the new commercial realities, the radically different economic circumstances of recent years continue to manifest themselves in commercial scenarios quite unlike those experienced in the better times when the oil price was significantly higher. In those benign conditions, contractors had the upper hand on pricing and could be relatively assured that their contractual counterparts would adhere to their commercial bargains. The concern rather was to avoid committing for too long, or on such terms as did not allow a contractor to benefit from further upward movements in the market.

In this new era, however, contractors will commonly face quite different challenges. These can range from clients and other commercial counterparties facing financial difficulties which impact on their ability to meet their contractual obligations owed to contractors, to contractors' own internal issues which are also the result (albeit indirectly) of the economic difficulties of their clients.

**Excerpted from *Pratt's Energy Law Report*. To read the full article, click on the PDFs linked below.**

[Making-the-Most-of-Leaner-Times-Part-1.PDF](#)

[Making-the-Most-of-Leaner-Times-Part-2.PDF](#)