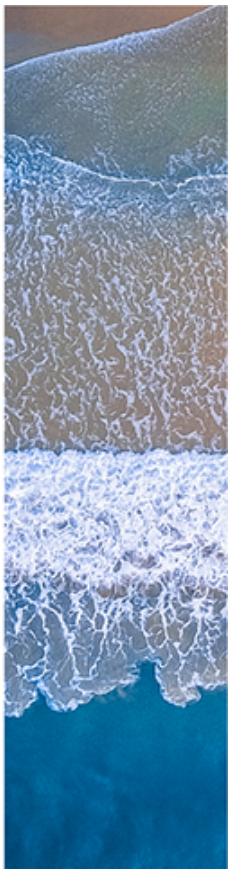
S&P Global
Commodity Insights

QUE$TOR



Release Notes
QUE$TOR

2025 Q3 Release

November 2025

Contents

Introduction

We are pleased to provide the 2025 Q3 release of the QUE$TOR cost estimating software. The install files and supporting documentation for the QUE$TOR 2025 Q3 release are available for download here.

All cost databases have been reviewed and updated to incorporate current unit rates, exchange rates and man hour costs for all regions to reflect third quarter (Q3) 2025 prices.

The technical enhancements made to QUE$TOR 2025 Q3 are outlined below. These changes have been made at the request of users and through internal review. We strongly encourage user feedback to enhance the program's functionality, accuracy, and ease of use.

If you are new to QUE$TOR, please read the installation procedure and licensing section in this document prior to installation of the program.

General upgrades in QUE$TOR 2025 Q3

In response to user feedback, the following features have been implemented in QUE$TOR 2025 Q3.

- Editable cooling trains in Gas processing
- New offshore rig recategorization
- Offshore drilling support vessel alignment
- Onshore user defined component OPEX updates

Editable cooling trains in Gas processing

Cooling in Gas processing now includes the option to edit both the number of trains and the design capacity per train for shell and tube and fin fan exchangers, as shown in Figure 1. This is available in Gas processing in both Topsides and Production facilities components.

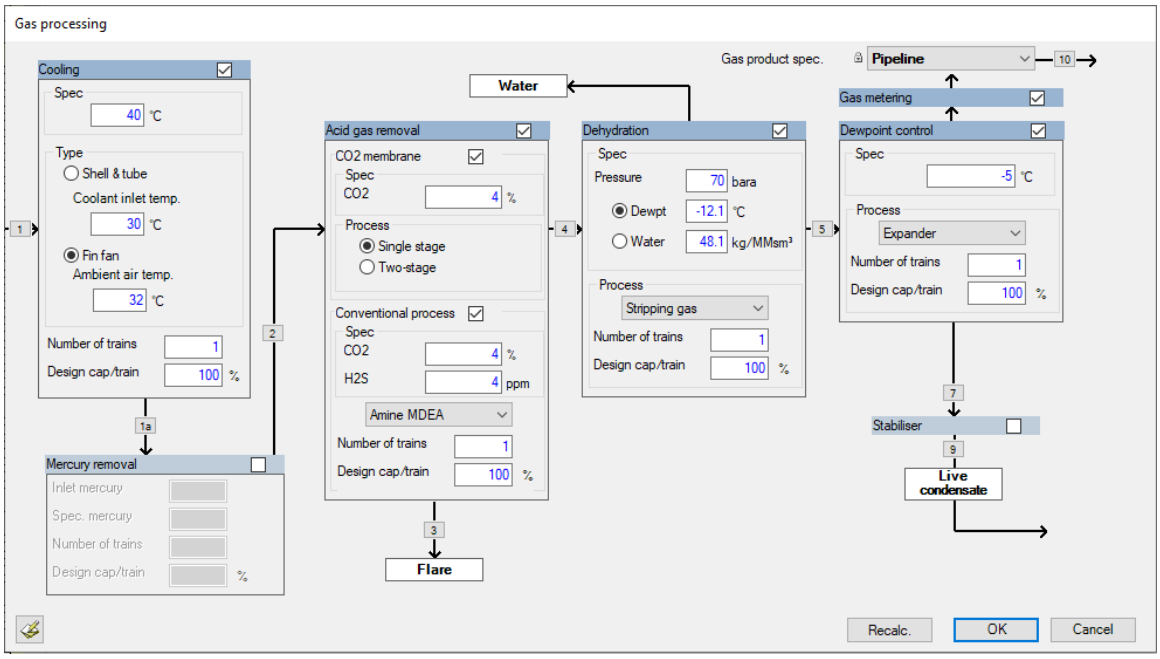


Figure 1 - Cooling trains in Topsides Gas processing

The number of trains allows users to define how many parallel trains are installed. If needed, multiple equipment items may be included within each train; total equipment items are displayed in the equipment list. The number of trains is calculated by assuming a maximum flow per train, based on typical commercial transport size limits and installation conditions. By default, this is set to 400 MMscf/day for the shell & tube coolers and 300 MMscf/day for the fin fan coolers. These values can be edited and adjusted by the user in the regional technical database.

The Design cap/train sets the basis for sizing each train. The percentage entered is applied to the flow of the inlet stream. The design capacity per train is calculated as 100% divided by the number of trains.

New offshore rig recategorization

The floater categories in the Offshore drilling component have been updated. With the new categorization, the selection of the default floater category is based on the following parameters:

- Water depth: this is the main factor used to select the default category. Typical water depths for each floater category are provided in each regional technical database.
- Environmental conditions: regions are categorized based on their environmental conditions as either harsh or benign. This classification determines the sub-selection of default floater types from the list of available options.
- Reservoir conditions: understanding the specific characteristics of the reservoir is essential for efficient drilling operations. High-pressure and high-temperature conditions necessitate rigs with higher specification to ensure safety and operational efficiency.
- Reservoir depth: this factor is crucial for addressing high drilling depths that demand greater derrick capacities than those provided by standard drilling rig units.

This categorization approach enables users to select the most appropriate rig for their specific operational needs, enhancing overall drilling performance.

We encourage all users to familiarize themselves with the new floater categories available in the user interface shown in Figure 2 to optimize their rig selection process.

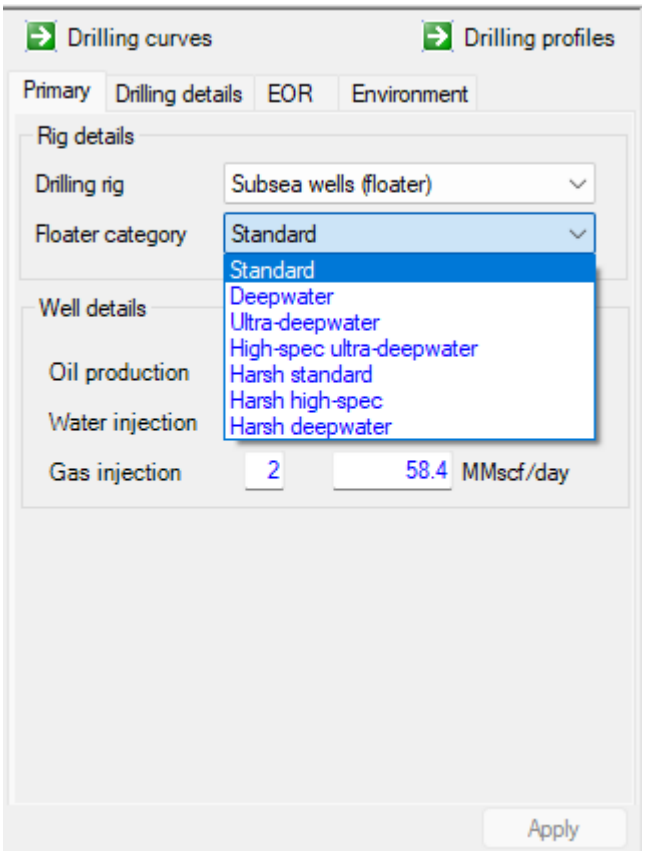


Figure 2 - New rig categories available for selection

Backward compatibility has been implemented to ensure that drilling rig categories locked in projects created in previous versions of QUE$TOR match a suitable new category in the latest release.

This enhancement aligns our rig classification with the latest rigs market categories recently introduced by S&P Global Petrodata. Their definitions are summarized in Figure 3.

Petrodata Rigs market categories

New market category	Legacy market category	Common design	Features
Standard	Semi <3,000; drillship <3,000	Enhanced Pacesetter, Aker H-3, Pelican-class drillship	Generally derrick capacity of less than 1.5 million pounds; standard water depth capability; single activity; moored
Deepwater	Semi 3,001-5,000; semi 5,001-7,500; drillship 3,001-5,000; drillship 5,001-7,500	Enhanced Pacesetter, Aker H-3, ExD, Ocean Victory class, EVA 4000	Generally older upgraded deepwater units and lower-spec newer deepwater; mixture of single and dual activity; moored DP
Ultra-deepwater	Semi >7,500; drillship >7,500	Samsung 10000/12000, Gusto 10000, Daewoo 12000, etc.	Generally less advanced single activity ultra-deepwater rigs with derrick capacity of less than 2.5 million pounds
High-spec ultra-deepwater	Semi >7,500; drillship >7,500	Samsung 10000/12000, Gusto 10000, Daewoo 12000, etc.	Generally dual activity with derrick capacity of more than 2.5 million pounds; a large number dual BOP stack equipped and MPD installed
Harsh standard	Semi <3,000	Enhanced Pacesetter, Aker H-3 etc	Third-generation NS class with lower VDL, derrick capacity
Harsh high-spec	Semi harsh high-spec	CS 50, GM-4D, GM4000, GVA4000, Aker H-4.2	Newer NS class "second tier" units with derrick capacity of less than 2 million pounds; mostly single activity; mixture of fourth generation and newer rigs
Harsh deepwater	Semi harsh deepwater; drillship harsh deepwater	CS50 MKII, CS60E, GVA7500, Aker H-6e, some older upgraded harsh deepwater units	Mostly sixth-generation harsh deepwater; large VDL; some dual activity; most built post-2000; generally more than 2 million pounds of derrick capacity

Figure 3 - Petrodata rigs market categories

Offshore drilling support vessel alignment

Alongside the rig categorization we have made significant updates to enhance the accuracy of installation costs for the Offshore drilling component. The typical vessel spreads, composed by a mix of anchor handling tug vessels (AHTS), platform support vessels (PSV) and standby vessels, and their durations have been reviewed to better match the standard vessel deployment for the new rig categories. The costs for offshore drilling support vessels have been updated to more accurately reflect the types, number and durations of vessels needed during the drilling and completion phases. The new calculation method does account for the shorter use of some vessels compared to the rig charter time. Vessel type, quantity, and duration have been tailored for each specific drilling rig category. However, representative day rates for the support vessels, shown in the Installation section of the Offshore drilling component cost sheet, are based on the average vessel spread rate applied over the entire drilling duration of the rig.

Projects created with older versions of QUE$TOR will keep their locked support vessels unit rate unchanged when uploaded to the latest

version. Lower unit rates may be seen for most of the drilling rigs, especially for lower-end capability floaters, and for TLP/Spar and platform rigs.

Onshore user defined component OPEX updates

The onshore User Defined Component now includes the ability to add operating costs. A new OPEX input form is accessible through the component's main interface; it is available whenever the "Include OPEX" option is selected, as shown below in Figure 4. The OPEX data is saved with the CAPEX data for any new user defined component added to the library. Any existing library item will have to be re-added to save the OPEX data.

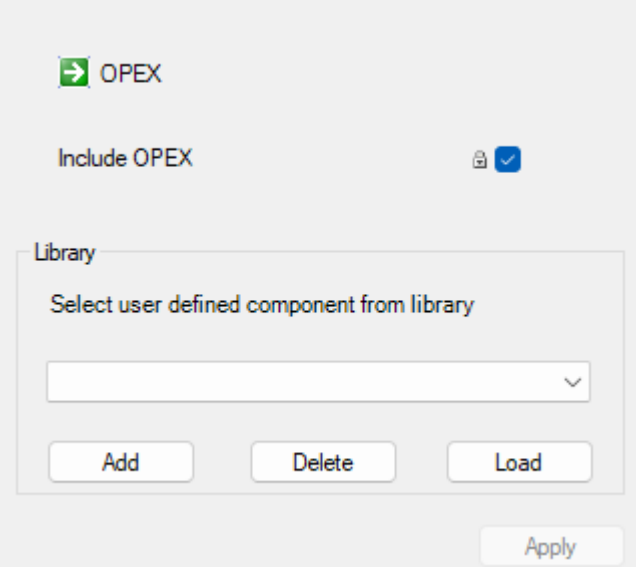


Figure 4 - Updated onshore user defined component interface

Clicking on the OPEX link will take you to the new OPEX form (Figure 5 below), which includes several predefined OPEX categories matching the existing categories for other components in QUE$TOR. All costs default to zero, allowing the user to enter any costs they find appropriate for each of the categories. The well/workover interval can be specified and defaults to one year; insurance costs can also be selected, and land area for field/projects costs can be added.

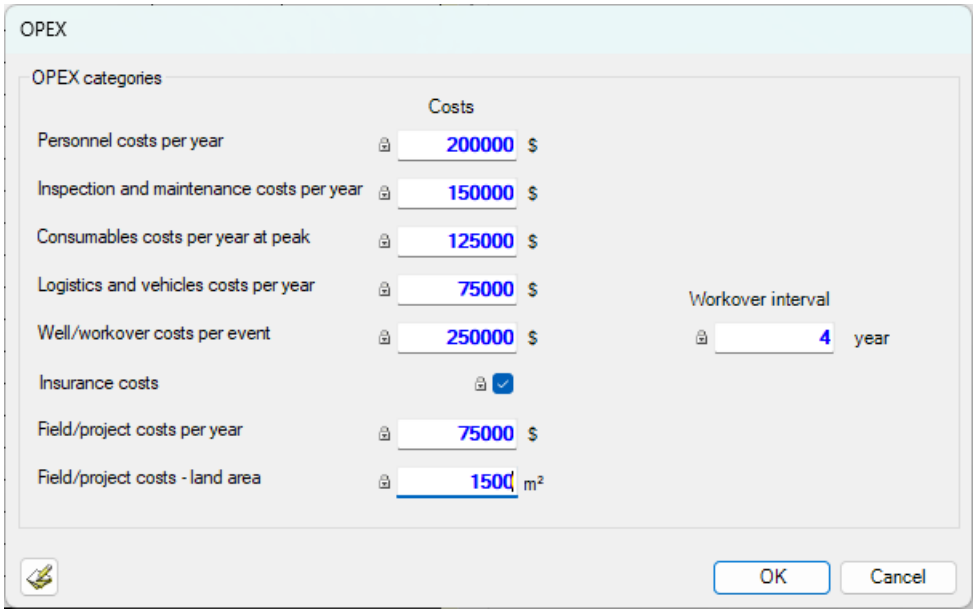


Figure 5 - New OPEX form on the onshore user defined component

Once the OPEX costs are defined on the input form, they will be displayed in the relevant OPEX category. Like other OPEX costs, these can be edited annually; however, any changes in OPEX will only be saved within the project and not in the user defined component library. Figure 6 below shows an example of the Operating personnel costs section with three user defined components added.

Operating personnel - user defined components

		Totals	Year 1	Year 2	Year 3	Year 4
Onshore user defined 1						
Annual unit cost	$/yr	200,000				
Total	$	3,400,000	200,000	200,000	200,000	200,000
Onshore user defined 2						
Annual unit cost	$/yr	150,000				
Total	$	2,550,000	150,000	150,000	150,000	150,000
Onshore user defined 3						
Annual unit cost	$/yr	100,000				
Total	$	1,700,000	100,000	100,000	100,000	100,000
Total user defined components cost	$	7,650,000	450,000	450,000	450,000	450,000

Figure 6 - Operating personnel costs section in OPEX with user defined components

Selected other technical revisions

A number of other technical revisions have been made to the application.

- The installation costs for the Spar component have been detailed to clearly differentiate the duration associated with mobilization/demobilization from the vessel activity duration, aligning with the approach used for other offshore substructures in the Offshore module.
- The mob/demob duration of certain installation vessels (i.e., Large AHTS vessel and Multipurpose Support Vessel) has been revised in several offshore components (such as Cylindrical Hull, Semi-Submersible, Tanker, and GBS) to reflect a zero duration when the corresponding installation vessel is set to zero. This adjustment also applies to the Transportation from the fabrication yard for Spar Buoy and TLP components. In previous versions, the mob/demob duration did not automatically change to zero when the associated vessel or transportation was assigned zero activity duration.
- The OPEX tariffs for transportation, storage and processing of oil, gas and other derived products have been enhanced. This improvement includes refined definitions and methods for pipeline transportation, processing, and storage charges as well as for road, marine and rail transport tariffs. This ensures more accurate and reliable cost assessments. The assumed scope of each tariff has been clarified in the Help File to better reflect real-world scenarios, including typical distances for transport by rail and road. These improvements will allow users to make more informed decisions and optimize their operating cost estimation.

Cost data sources and accuracy

The QUE$TOR cost databases available within the program are regional, and together, in total, provide worldwide coverage. Each regional cost database contains a full set of cost data for that region, from equipment costs to labor rates and operating assumptions. When a new procurement strategy is created, the most appropriate regional database for each cost centre can be selected from the available list.

The costs within each cost database are updated on a six-month basis, with the Spring release representing costs from the first quarter (Q1) and the Autumn release representing costs from the third quarter (Q3) of the year.

Cost data sources

A dedicated team of costs analysts research cost data throughout the year from a large variety of sources.

- A main source of information is regular interaction with vendors, suppliers, manufacturers and contractors. A solid network of equipment manufacturers and service providers has been established to constantly gather Free on Board (FOB) quotations and market trends.
- Up-to-date information and data are provided quarterly by the S&P Global Economics and Country Risk Research and Analysis, S&P Global Petrodata Product Suite and S&P Global Cost & Technology teams. These teams are responsible for quarterly reports and indices of the main oil and gas market sectors – such as Offshore Rigs, Offshore Installation Vessels, Land Rigs, Engineering and Project Management, Steel, Yards and Fabrication, Equipment, Bulk Materials, and Labor.
- Information exchange with current users is also crucial to the completeness and accuracy of QUE$TOR cost data. The number of cost estimators and field development engineers who are willing to share cost data and industry insights with the QUE$TOR team is increasing every year. Sharing information ultimately means making QUE$TOR a better tool for project estimates.

- Publications and technical literature are used alongside other information as a guide to understand the latest trends of the different upstream market segments.
- Government statistics.
- Cost indices, e.g. the S&P Global Upstream Capital Costs Service Index (UCCI) and the S&P Global Economics and Country Risk Price Index. These are more aggregate and so are not used directly but can provide valuable insights into the general market direction as perceived by other industry analysts.
- In-house cost models for more QUE$TOR specific items, e.g. secondary steel and tanker turrets. Models are also used to track the cost movements of the market demand for other items, e.g. pressure vessels and heat exchangers.

QUE$TOR cost databases currently have more than 100,000 data points, an amount that is always increasing as new technologies are continuously added to the software. Given the significant number of inputs to be updated every release, budgetary quotations on specific equipment and services are usually gathered periodically and as needed, but then cost data are adjusted on a six-month basis based on market analysis.

Accuracy

QUE$TOR provides an estimate based on the costs within the markets today. No allowance for inflation or deflation of costs is made over the project life.

All costs within QUE$TOR are specific to a particular point in time (depending on the version). No tax, inflation or discounting is applied to the estimate to costs incurred over the project life.

QUE$TOR is designed for use early in the project cycle. Therefore, the accuracy level that can be attained by using the program is typically within the range of +/- 25% to 40%. This corresponds to AACE International Class 5/4.

Cost database update

Substantial effort has gone into reviewing all cost databases to bring them in line with third quarter 2025 costs. The following sections, outlining the market trends seen over the past six months, are the result of S&P Global research, analysis, and insight. QUE$TOR cost databases aim to provide accurate and reliable data that is representative of current market conditions.

Note: When saving a project, the QUE$TOR 2025 Q3 cost estimates will overwrite earlier costs except where those costs are 'locked' on the cost sheet or in the database. Therefore, if you wish to retain a copy of your original estimate you should first create a duplicate of the project before opening and saving it in QUE$TOR 2025 Q3.

QUE$TOR takes a considered view and tries to avoid any transient cost variations with the aim of providing accurate cost data to be used for cost estimation purposes. Therefore, you may see some differences in trends, especially for commodity prices as compared with the latest available data. Further detail relating to the impacts on the cost database are provided in the Benchmarking Report, available via the download site.

General

The upstream oil and gas industry has undergone significant changes over the past two years, characterized by a notable surge in activity. However, recent developments have introduced considerable uncertainty into both the global economy and the upstream business landscape.

In early April 2025, the OPEC+ announcement to increase production starting in May resulted in a decline in oil prices to the low 60s USD per barrel, a notable decline from the first quarter's high of 80 USD per barrel. At the same time, the US government imposed worldwide tariffs, further exerting downward pressure on oil prices and adversely affecting stock market values across the globe. Although these tariffs were lifted for a period of 90 days, excluding those on Chinese imports to the US, this sequence of events has injected considerable uncertainty into the upstream oil and gas industry and the broader global economy.

While offshore drilling projects are typically characterized by long cycles and may not react immediately to moderate fluctuations in oil and gas prices, a sustained Brent oil price in the low 60s USD per barrel could delay the initiation of drilling projects scheduled for late 2025 and early 2026.

As we move into the fourth quarter of 2025, it is crucial for the oil and gas industry players to navigate these challenges and assess the evolving trends that will shape the upstream oil and gas sector.

Oil and gas price trend

Figure 7 - WTI and Brent crude oil prices

Since the beginning of 2025, crude oil prices have experienced a downward trend as shown in Figure 7, with West Texas Intermediate (WTI) and Brent crude dipping to lows of 59 USD and 61 USD per barrel, respectively, in May 2025. In mid-June, there was a brief surge that pushed Brent back up to 80 USD and WTI to 75 USD. The peak in oil prices coincided with the onset of the Israel-Iran conflict, but prices quickly fell again once a ceasefire was reached in late June 2025.

In March 2025, OPEC+ announced a rollback of production cuts, which the market interpreted as a sign that the cuts would not be overly aggressive and not indicative of an oversupply. That explains the dip in March 2025. The US Energy Information Administration (EIA) has increased its forecast for US oil production in 2025 to a record 13.5 million barrels per day. Coupled with the rising production from OPEC+ countries, this suggests a potential oil supply surplus in 2026. From July to September 2025, the market displayed a cautious stance, indicating a "wait-and-see" approach as participants awaited clearer signals regarding supply and demand fundamentals, leading to sluggish price movements.

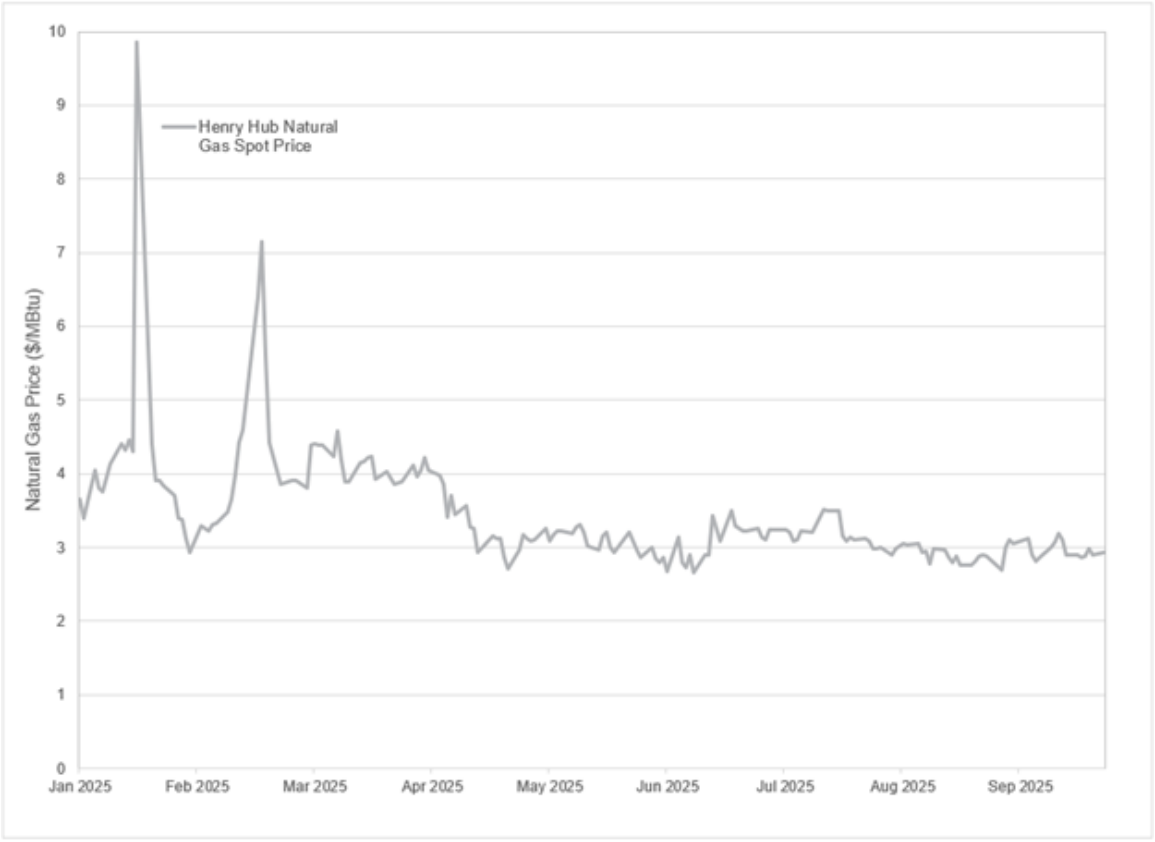


Figure 8 - Henry Hub natural gas price

Contrary to the previous six months, which were marked by significant spikes and declines, the Henry Hub natural gas price fell from an average of 4 USD/MBtu to 3 USD/MBtu in April and has remained stable at that level since, as shown in Figure 8, this is due in part to the seasonally reduced demand during the summer months. US natural gas production reached record highs in 2025 and is expected to

increase further in 2026. This is supported by new natural gas infrastructures coming online, mainly to serve the LNG export terminals.

Currency market

In the third quarter (Q3) of 2025, the US dollar (USD) has demonstrated a notable weakening trend against most foreign currencies, as indicated by the negative percentage variations in their exchange rates presented in Table 1. This appreciation of foreign currencies against the USD is influenced by a range of factors, including shifts in monetary policy, improving economic indicators in several regions, and evolving geopolitical dynamics.

In Canada, the Canadian dollar (CAD) has shown resilience and has appreciated against the USD. This strengthening is due to limited impact of tariffs on Canadian exports, and the Bank of Canada's proactive monetary policy adjustments, which have aimed to support economic growth amid a backdrop of rising oil prices.

In Europe, both the euro (EUR) and the British pound (GBP) have significantly strengthened against the USD. The eurozone has benefited from a decline in inflation rates and signs of economic recovery, which have fostered confidence in the EUR. Similarly, the GBP's appreciation can be attributed to the resilient UK economic data and the Bank of England's cautious approach to interest rate adjustments, which has provided a stabilizing effect on the currency amid economic uncertainties.

In the Asia-Pacific region, currencies have mostly strengthened against the USD. Countries such as Taiwan and Thailand have witnessed notable increases in their respective currencies, driven by robust export performance and improving economic conditions. The Thai baht (THB) has improved due to strong economic fundamentals, including a rebound in exports and a recovery in consumer confidence.

In Australia, the Australian dollar (AUD) has also appreciated against the USD. This appreciation is driven by higher commodity prices and positive economic indicators, which have attracted foreign investment. The Reserve Bank of Australia's recent decisions to maintain a supportive monetary policy have further contributed to the AUD's strength.

In Africa, currency movements have been mixed, but several currencies have appreciated against the USD. The South African rand (ZAR) has strengthened significantly. The Nigerian naira (NGN) has shown a modest appreciation, as inflation rates remains elevated. This slight gain reflects the government's ongoing efforts to stabilize the currency amid broader economic reforms.

In Latin America, the Argentine peso (ARS) has experienced significant depreciation against the USD, driven by soaring inflation and persistent economic instability. With inflation expected to remain extremely high, the ARS is further weakened by political uncertainty and insufficient monetary policy measures. Additionally, Argentina's reliance on commodity exports makes the currency vulnerable to fluctuations in global commodity prices. In contrast, the Mexican peso (MXN) and Brazilian real (BRL) have shown resilience, appreciating against the USD.

In Russia, the Russian ruble (RUB) has demonstrated strength against the USD, primarily due to tight monetary policy and resilient economy. The RUB's appreciation is a testament to Russia's ability to maintain economic stability amid geopolitical tensions, supported by effective fiscal management and cautious optimism regarding diplomatic relations with the United States.

In summary, the currency market in Q3 2025 reveals a clear trend of various foreign currencies appreciating against the USD. The interplay of economic fundamentals, central bank policies, and geopolitical factors will continue to shape the dynamics of the global currency landscape.

Table 1 shows the exchange rates of the major local currencies, expressed as equivalent to 1 USD, and the percentage change between Q3 2025 and Q1 2025. The exchange rates have been averaged over the last full month of the quarter to mitigate the volatility caused by the significant uncertainty present in the international financial markets.

Region	Country	Local Currency	Q1 2025	Q3 2025	Percentage change
North America	Canada	CAD	1.436	1.383	-3.7%
South & Central America	Argentina	ARS	1,067	1,402	31.4%
	Brazil	BRL	5.779	5.366	-7.1%
	Chile	CLP	935.0	959.3	2.6%
	Colombia	COP	4,136	3,918	-5.3%
	Mexico	MXN	20.24	18.49	-8.6%
	Peru	PEN	3.634	3.483	-4.2%
West Europe	Eurozone	EUR	0.927	0.852	-8.1%
	Norway	NOK	10.71	9.945	-7.1%
	UK	GBP	0.776	0.741	-4.5%
East Europe	Czech Republic	CZK	23.17	20.74	-10.5%
	Kazakhstan	KZT	497.0	539.4	8.5%
	Poland	PLN	3.875	3.629	-6.3%
	Russia	RUB	86.17	82.86	-3.8%
	Turkey	TRY	37.10	41.34	11.4%
	Ukraine	UAH	41.23	41.12	-0.3%
Asia	Australia	AUD	1.589	1.517	-4.5%
	China	CNY	7.250	7.125	-1.7%
	India	INR	86.60	88.29	2.0%
	Indonesia	IDR	16,450	16,510	0.4%
	Japan	JPY	149.0	147.9	-0.7%
	South Korea	KRW	1,458	1,393	-4.5%
	Malaysia	MYR	4.432	4.211	-5.0%
	Singapore	SGD	1.336	1.285	-3.8%
	Taiwan	TWD	32.97	30.37	-7.9%
	Thailand	THB	33.81	31.97	-5.4%
	Vietnam	VND	25,530	26,380	3.3%
Africa	Algeria	DZD	133.2	128.9	-3.2%
	Nigeria	NGN	1,526	1,503	-1.5%
	Angola	AOA	912.4	911.9	-0.1%
	South Africa	ZAR	18.29	17.43	-4.7%
Middle East	Saudi Arabia	SAR	3.748	3.748	0.0%
	UAE	AED	3.672	3.672	0.0%

Table 1 - Exchange rates and fluctuations of major local currencies since Q1 2025

Steel

Following the price decreases that marked the steel market in the first quarter of 2025, global steel prices have experienced a slight increase in the third quarter of 2025. The ongoing geopolitical tensions, coupled

with tariff implementations, have added further complexity to the market environment, leading to a cautious outlook for the remainder of the year.

In North America, steel prices have risen significantly due to the tariffs imposed by the US government. Domestic US suppliers are facing challenges from supply chain disruptions caused by varying tariff rates imposed on countries that provide essential raw materials. Suppliers are currently operating below capacity, which typically leads to higher prices, but also indicates a sign of weaker domestic market. Production growth remains slow due to subdued demand and the possibility of lower tariffs or exemptions in the near term. Steel rebar has been an exception, as supply remained tight compared to other steel products. In the oil and gas sector, steady demand has supported moderate upward pricing for Oil Country Tubular Goods (OCTG) and linepipe prices. President Trump has indicated that steel tariffs are likely to remain in place for a long time. While most suppliers generally support the tariff measures, buyers have expressed strong opposition to the high rates.

In Europe, steel demand remained weak throughout 2025, resulting in only a slight increase in steel prices. In local currency terms, steel prices have declined, mainly due to a weak demand and high inventory levels. In the domestic market, prices for steel hot-rolled coil and plate were close to their lowest levels as demand continued to fall. The ongoing geopolitical tensions, particularly the conflict in Ukraine, have had a significant impact on supply, as imports from affected regions declined. Local suppliers have continued to struggle with lower price imports entering the market. Although some mills are attempting to increase the prices for certain steel products, buyers are resisting, arguing that the current level of demand does not justify higher costs.

In Asia, steel prices fell in the third quarter of 2025, primarily driven by weak demand in construction- related steels. Structural steel experienced the largest decline, reflecting subdued construction activity across the region. Steel used in the oil and gas sector, such as linepipe and OCTG, experienced only minor decreases, resulting in an overall flat trend for the quarter. Chinese steel continued to face significant challenges due to oversupply and weak domestic demand. Steel production remained under strain as mills faced reduced capacity utilization and ongoing export pressures. Despite government efforts to stimulate economic growth, these measures have not led to a meaningful recovery in steel demand. India is also an important player

in the Asian steel market. Prices for structural steel and rebar in India declined in the third quarter as demand softened compared to earlier in the year.

In general, the global steel market is navigating through a period of uncertainty characterized by weak demand, regional price disparities, and the impacts of geopolitical tensions and tariffs. Monitoring these elements will be essential in assessing the future direction and stability of steel prices.

Equipment

In the third quarter of 2025, equipment costs have continued their upward trend, driven by elevated demand, rising labor costs, and fluctuating material costs, particularly for steel. Suppliers are maintaining high prices due to ongoing trade conflicts and tariff uncertainties, which have created a complex market environment affecting all segments. These unpredictable tariffs are disrupting global supply chains, particularly the electronics sector and the timely delivery of critical components.

The evolving regulatory landscape and geopolitical tensions, including the war in Ukraine and conflicts in the Middle East, are further contributing to price volatility and reshaping trade rules. As a result, the equipment market is facing significant challenges characterized by rising costs and persistent uncertainty.

The prices of heat exchangers have surged significantly in the third quarter of 2025. High demand and anticipated tariff impacts are expected to keep prices on an upward trajectory, although the extent of this increase may vary by region. The highest costs are seen in advanced heat exchanger segments, where sourcing specialized parts can be particularly challenging. For this reason, companies are shifting towards simpler and more standardized equipment, which tend to be less expensive and easier to procure.

Similarly, the costs of tanks and pressure vessels have seen a notable increase, primarily due to escalating input material costs, particularly in North America. The impact of tariffs and rising steel prices is evident, and prices are expected to continue their upward trend in the short term. However, future demand may decline as many LNG construction projects come to completion.

Turbine costs have experienced a modest upward movement in the third quarter of 2025. Despite adequate supply, demand is tightening, particularly in the power generation and data center sectors. Ongoing uncertainties surrounding tariffs and supply chain disruptions continue to exert upward pressure on prices. While forecasts for new clean energy projects have been moderated in the US due to policy changes, several renewable initiatives continue to progress in Asia and the Middle East.

The costs of pumps and compressors have also increased, driven by high demand and rising input costs. Manufacturers are focusing on producing standard-sized compressors to help mitigate inflation and reduce lead times. While major LNG projects in the Middle East and North America are boosting demand, some projects are approaching completion. In the US, the momentum for energy transition initiatives has slowed down due to lower profitability and shifting policies, leading to project deferrals or cancellations. Nonetheless, suppliers are investing in research and development to create more efficient technologies and solutions.

Overall, the equipment market is marked by persistent uncertainty, leading to increased lead times and elevated costs. Although the immediate outlook suggests continued price growth, this trend may slow as markets adjust to new conditions and demand stabilizes. The shift towards simpler, more efficient solutions, and the potential relocation of production to lower-cost regions may help to mitigate price increases. However, risks remain from ongoing trade disputes, geopolitical tensions, and unpredictable tariff policies, which could further influence market dynamics in the short term.

Bulks

The global bulk materials market has been significantly affected by trade policies, supply chain issues and fluctuations in demand. Since Q1 2025, bulk material costs have shown an increase in both US dollar and local currency terms, and a further moderate rise is expected by the end of the year.

Across international markets, demand for electrical materials is strong, particularly for transformers and switchgear, driven by utilities investing in new grids and data center expansions. Tariffs in major economies, especially the US, have kept prices for these materials elevated compared to other regions. On the other hand, falling oil prices are reducing costs for asphalt, insulation, and paint worldwide.

Transformer prices have risen in many regions due to higher input costs and limited production of grain- oriented electrical steel. Switchgear prices have also increased globally due to trade restrictions and supply chain challenges, coupled with a high demand for copper.

Cement and concrete prices have increased slightly in most countries, supported by seasonal buying and infrastructure projects. However, price growth is expected to slow down as global economic growth weakens and construction activity decreases. In some regions, tariffs and limited domestic production are keeping prices high, while others are facing softer market conditions.

Wire and cable prices have generally increased, particularly following the US government's imposition of a substantial tariff on copper imports. Control valves have experienced subdued prices in some markets, but tariffs on steel have maintained upward pressure in certain economies. In Asia and Europe, valve prices are expected to remain stable or potentially decrease due to abundant steel supply and weaker demand.

The global economy faces renewed uncertainty, with inflation declining and interest rates easing in many major economies, supporting construction activity in several regions. However, significant tariffs and trade restrictions imposed by leading economies in early 2025 have disrupted global supply chains, heightened trade risks and led businesses worldwide to delay investment decisions. These disruptions have created inflationary pressures in sectors such as advanced manufacturing and automotive, directly impacting bulk material costs and availability on a global scale.

As we move into 2026, the bulk materials market is expected to see some moderate increases with electrical bulks leading the way due to ongoing global demand and supply issues.

Offshore rigs

Since Q1 2025, the offshore rig market has been grappling with significant challenges, including a slowdown in contracting activities and increasing rig attrition rates. The sector remains subdued, with scarce new build orders across all rig categories, further emphasizing the difficulties in attracting investment and fostering growth. Operators continue to focus on maximizing existing resources while managing surplus capacity and navigating fluctuating demand.

In Southeast Asia, the demand for jackups is projected to rise in the coming year, alongside significant increases in semisubmersible and drillship demand. Despite these positive forecasts, the region continues to operate with a surplus of rigs, maintaining a balanced environment and preventing market overheating. This equilibrium is expected to persist over the next few months, as operators manage surplus capacity while addressing growing demand.

Australia's offshore rig market remains quiet, with no new campaigns anticipated until the second half of 2026. Both semisubmersible and jackup demand are expected to decline next year. However, New Zealand’s decision to remove the ban on oil and gas exploration activities signals potential growth, with a new bidding round anticipated for late 2025, which may stimulate demand. Additionally, some semisubmersibles and jackups are expected to relocate to Southeast Asia and the UAE by the end of 2025, helping to balance supply and demand within the region.

In Africa, floater demand is on the rise, driven by anticipated tenders in Nigeria and Namibia. This trend is expected to last until 2027, providing opportunities for operators in the region. However, jackup activity remains limited, with minimal new developments reported. Nigeria’s shallow water is expected to see some work in the coming months, offering some optimism for the jackup segment.

The Middle East jackup market continues to face challenges, particularly following Saudi Aramco’s suspension or elimination of 37 jackups from Arabian Drilling. While Saudi Aramco’s inquiries into suspended drillships initially raised optimism, no significant follow-up has occurred. A few tenders are ongoing, but confirmations remain pending, maintaining uncertainty in the market.

Latin America’s floater market has shown consistent full utilization over the past months, driven by ongoing and upcoming projects from Petrobras and Petronas Carigali. The floater segment remains a key driver of activity in the region, while the jackup market has seen limited updates or new developments.

In North America, the floater market, particularly ultra-deepwater high-specification rigs, has experienced increased day rates. The Gulf of Mexico region reflects a cautiously optimistic sentiment, balancing high floater demand with maturing fields. Operators are focusing on infrastructure-led exploration and efficient subsea tiebacks, signaling a strategic shift toward maximizing existing resources rather than

pursuing large-scale new discoveries. The jackup market is expected to remain stable over the next two years, while Canada's jackup market is projected to remain inactive until new work begins in 2027.

In the North Sea region, contrasting trends are evident between Norway and the UK. The UK market remains subdued due to the increasing number of plug- and- abandonment projects, posing challenges for rig contractors with upcoming rig availability. Norway's market is expected to remain stable until 2027. The jackup segment across the region remains quiet, with no long- term contracts anticipated in 2026, further challenging rig contractors.

The spider diagram in Figure 9 shows the percent changes for the offshore rig day rates implemented in QUE$TOR 2025 Q3. Day rates in QUE$TOR are based on our best understanding of the market at the time, and it is often hard to identify the most representative day rate for every offshore rig class in the current commercial market.

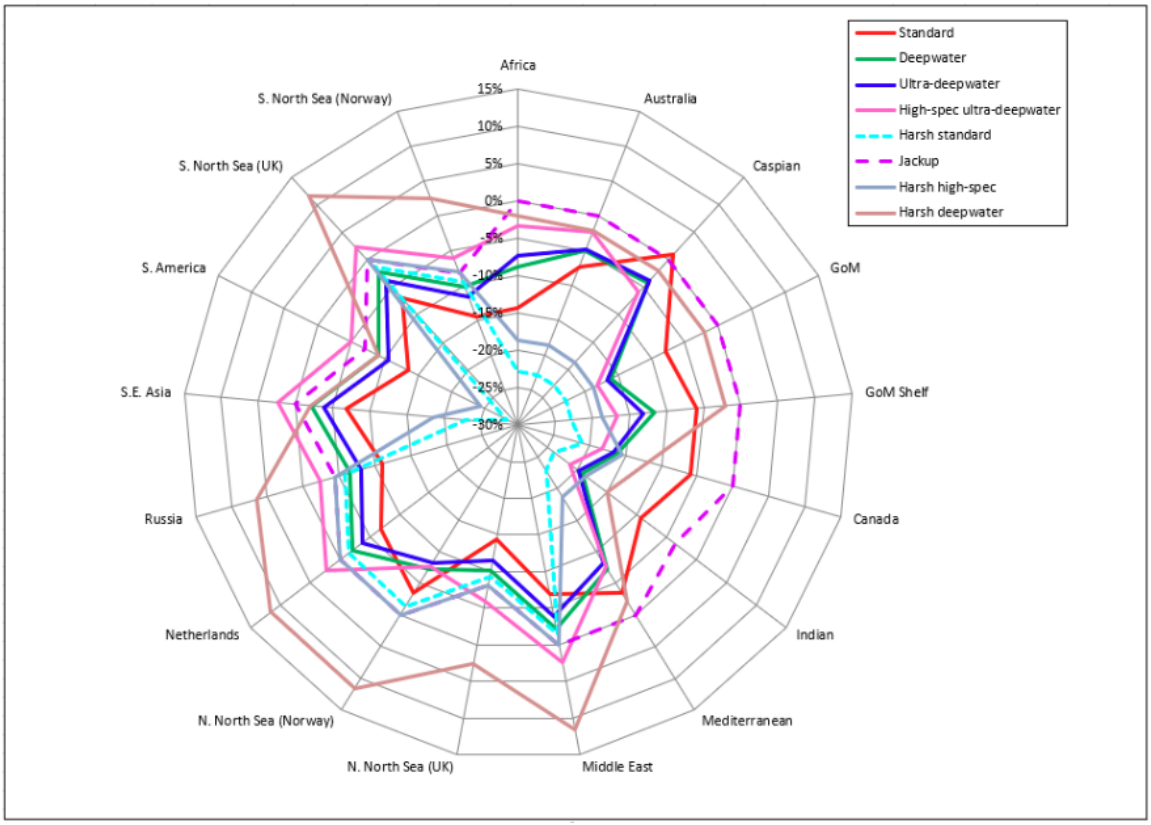


Figure 9 - Regional offshore rig day rate changes since Q1 2025

Offshore vessels

The offshore vessel market is heavily influenced by supply and demand dynamics, alongside seasonal factors, geopolitical events and weather conditions.

The North Sea typically sees elevated day rates during the summer months, as favorable weather conditions enhance offshore operations. However, this market has faced a notable lack of new term fixture activity throughout summer 2025, with most agreements concluded earlier in the year. Instead, the spot market was dominant, revealing some unusual trends. The lowest rates in recent years were recorded for both large Platform Supply Vessels (PSVs) and Anchor Handling Tug Supply (AHTS) vessels. This downturn during the traditionally bustling summer season has sparked considerable alarm among vessel operators.

In contrast, the Asia-Pacific region has witnessed positive trends, primarily driven by ongoing oil and gas exploration and production activities. The AHTS segment has shown strong performance with high utilization rates. Operators have deployed these vessels for anchor

handling, towing and various support services. However, the PSV market has shown a mixed picture with larger PSVs enjoying strong utilization, while smaller PSVs struggled due to a surplus of inactive vessels.

Latin America is facing ongoing challenges, particularly in Mexico, where demand has remained weak, and the number of operational offshore vessels has declined. On the other hand, the Guyana-Suriname Basin has seen a notable rise in vessel term utilization, driven by promising upcoming projects that are expected to sustain demand for offshore support vessels.

Brazil continued to be a key player in the global offshore vessel market, with a robust market sustained by a steady influx of vessels and an anticipated increase in term utilization due to new contract awards.

In the US Gulf of Mexico, demand has remained flat, exacerbated by a shortage of new US-built PSVs and high newbuild costs. While the market is currently tight, idle vessels may find opportunities in other parts of the Americas, sustaining a competitive landscape for offshore vessels.

The Mediterranean and Black Sea regions have experienced accelerated activity, with important gas developments being approved. These projects indicate a tightening market for offshore vessels, particularly as deepwater construction programs and pipeline projects are set to absorb high-specification PSVs and AHTS vessels over the next decade.

In the Middle East, offshore vessel term activity has grown, driven by strong demand across the Gulf. National Oil Companies (NOCs) and engineering, procurement, construction, and installation (EPCI) clients are committing vessels to multi-year charters, particularly in the AHTS segment.

Africa has seen a decisive shift toward deep and ultra-deepwater developments, with recent announcements from Angola, Gabon, Namibia, Ghana and South Africa. This collective activity signals broadening demand and rising operational expectations for vessel owners.

Subsea equipment

The subsea equipment segment has experienced notable developments since Q1 2025, driven by increased activity in offshore projects and advancements in technology. The subsea sector has been

sustained by a robust pipeline of projects, particularly in regions such as the North Sea, Gulf of Mexico, and offshore Brazil. Major companies in the subsea industry reported strong order intakes, reflecting vigorous demand for subsea equipment and services. Quarterly reports of these companies indicated a healthy market environment and growth within the sector.

The costs associated with subsea equipment have been influenced by both market demand and technological innovations. The introduction of integrated engineering, procurement, construction, and installation solutions by companies such as TechnipFMC has streamlined operations, reducing material costs and installation times. This approach has been particularly effective in optimizing the costs of Xmas trees and manifolding, as it minimizes the complexity and number of interfaces required in subsea systems.

Umbilicals and flexible flowlines have also seen improved cost efficiencies due to advancements in materials and manufacturing processes. The use of lighter, more durable materials has led to a drop in installation costs and improved the overall reliability of these components.

Flexible risers and subsea control systems have benefited from increased digital integration, allowing for more precise monitoring and control of subsea operations. This digital transformation has not only enhanced operational efficiency but also reduced the long- term maintenance costs associated with these systems. The adoption of digital twin technology and remote monitoring capabilities has further contributed to cost savings and improved asset management.

The surge in subsea installation projects has driven demand for these components, leading to economies of scale that have helped stabilize or even reduce costs. The backlog of subsea projects, as reported by major players like TechnipFMC and Subsea7, indicates a sustained level of activity that is expected to continue supporting the subsea equipment market.

The combination of increased project activity, technological advancements, and strategic cost management has positioned the industry for continued success. As the demand for offshore oil and gas resources persists, the subsea equipment market is likely to remain a critical component of the upstream sector's future.

Labor

The global labor market has remained resilient despite facing a continued slowdown in employment growth resulting from weakened global demand. The rate of the wage growth has been on a downward trajectory, driven by reduced labor demand and easing inflationary pressure. Tariffs have continued to be the major barrier to employment and wage gains, especially as ongoing uncertainty delays investment plans.

In North America, the labor market remained robust, with strong hiring activity despite signs of economic moderation. Tariff and trade policy uncertainty is weighing on manufacturing sector wages both in Canada and the US. Canada is experiencing some economic slowdown, which is reflected in a softer job market and more moderate wage increases compared to its southern neighbor. Construction and service jobs in the US have shown some positive trends as stricter immigration policies have led to a local shortage of unskilled workers.

Across Europe, labor markets have stabilized as inflation eased. Total wage growth has been trending upward because of strong minimum wage increases. The UK sustained high demand for skilled professionals during its energy transition, while Germany and the Scandinavian countries faced increasing pressure from demographic ageing. The Netherlands experienced notable workforce growth driven by immigration, helping offset demographic decline and labor shortages. Immigration now plays a growing role in sustaining labor force growth in Europe.

In the Asia-Pacific region, economic recovery efforts are supporting labor market stability. Momentum for wage growth in the region is beginning to moderate as inflation and economic growth slow. China’s industrial and green technology investments offset slower exports, while India showed sustained gains in digital and logistics sectors. Trade tensions will continue to be a major headwind, but some wage increases are expected because of delayed economic recovery or inflationary pressure.

Labor market conditions remained challenging in Latin America. Minimum-wage policy will help bolster wage growth in Mexico and Chile despite increases in unemployment and a stagnation in labor demand. Brazil and Mexico continued to experience labor shortages in industrial and infrastructure segments, driving up nominal wage growth, yet real gains were constrained by inflation volatility and currency depreciation.

In the CIS region, labor markets remained subdued under geopolitical and economic pressures. Wage rates in Russia’s energy sector have risen slightly due to labor shortages caused by the armed conflict and sanctions. Major industrial firms are furloughing workers, while mass emigration and reduced foreign worker inflows strain the labor market, leading companies to increase wages to attract staff.

In general, the third quarter of 2025 showed cautious stabilization of global labor markets. Inflation moderation provided temporary relief, although skill shortages, structural inequalities, and demographic challenges continued to define wage dynamics. The interplay between technology, policy, and population trends will remain critical to global labor resilience heading into 2026.

Land rigs

Since the first quarter of 2025, global land rig rates have seen a modest increase, supported by sustained activity in international markets that has helped to mitigate losses observed in North America.

North America's land rig market had reached its lowest point by the end of the second quarter of 2025. Demand for onshore drilling rigs was significantly impacted by lower oil prices, with unconventional drilling especially sensitive to these fluctuations. Market expectations are now centered on gas basins, where increased activity is anticipated during the winter months, driven by higher demand and the opening of LNG terminals. While the Canadian rig count has been increasing, the US rig count has slowed its rate of decline.

Rig demand in Central and South America has continued to rise, primarily driven by increased activity in Argentina, despite declines in Colombia. Argentina's Vaca Muerta region offers significant growth potential for onshore activity, supported by recent investments in infrastructure aimed to enhance takeaway capacity, which is boosting drilling and production.

Mexico is the only country contracting onshore drilling rigs, although a projected decline in demand for 2025. Pemex, the national oil company, continues to expand new field developments, although production has decreased from previous highs, and the company faces significant financial challenges. Central and South America’s rig rates have seen a notable increase, largely driven by high regional inflation.

Europe is primarily driven by offshore operations, especially in the North Sea. Fracking bans and stringent environmental regulations that limit drilling activities in Western Europe have led to most onshore activities being concentrated in a few Eastern European countries. Ukraine leads regional land rig activity, showing resilience and growth during the Russia-Ukraine war. In early 2025, Ukrainian companies expanded drilling, and the country's onshore potential remains high.

Russia and the Caspian region face a moderate decline in rig demand, but drilling activity remains stable due to the region's economic dependence on oil production. The effectiveness of the crude price cap is diminishing as countries like China and India continue to purchase discounted oil, particularly as global prices approach the 60 USD per barrel mark. Despite Gazprom's revenue growth in 2024, challenges such as budget deficits and the aging of fields and equipment, pose significant obstacles to Russia's ability to maintain its production levels.

In Asia, declining activity rates are influenced by maturing oil fields in China. Major operators are successfully exploring unconventional and ultra-deep onshore wells, utilizing advanced technologies. However, strong activity in the unconventional sector does not necessarily lead to increased rig demand, as fewer rigs may be required to drill more wells mirroring trends observed in the US.

Africa's onshore rig demand is expected to decline throughout 2025, primarily due to reduced drilling activity in North Africa. Algeria and Egypt are projected to maintain stable demand levels, collectively accounting for a significant portion of the region's overall onshore rig requirements. In Libya, ongoing political unrest continues to disrupt operations, posing challenges to the industry. However, recent tenders for exploration blocks indicate a commitment to investment in the region, suggesting that there may be opportunities for future growth despite the current instability.

Globally, onshore drilling rig demand is expected to decline through 2025, continuing the trend seen in 2024. The market is currently balanced between buyers and suppliers, with suppliers retaining some influence thanks to technological advancements and high-specification rig capabilities.

Version compatibility

Projects created in QUE$TOR v8.0 and later are compatible with QUE$TOR 2025 Q3. However, projects created or saved in QUE$TOR 2025 Q3 cannot be opened in earlier versions.

Opening a project created in an earlier version of QUE$TOR will result in the costs and technical calculations automatically being updated, except where unit rates or results have been 'locked' when creating the original project. Changes will be made permanent when the project is saved and the case will no longer open in the earlier version. It is therefore advisable to make a copy of your project file before opening it in the new version.

QUE$TOR allows multiple versions of the program to be installed side by side in order to view projects created using earlier databases.

In order to run the latest version of QUE$TOR alongside older versions that use the previous licensing system, both the new and previous licensing systems will have to be setup on the machine running QUE$TOR.

System requirements

QUE$TOR 2025 Q3	
Operating system	Windows 10 [v1607] / Windows 11[1]
Application disk space	375 MB
Disk space / project	~1 MB
Disk space / procurement strategy	~4 MB
Minimum monitor resolution	1024 x 768

[1] The 32-bit (x86) and 64-bit (x64) versions of these operating systems are supported.

Installation procedure

Note: You need administrator privileges to install the QUE$TOR software.

1. Download the install files from the QUE$TOR download site (https://www.spglobal.com/commodityinsights/en/ci/Info/0316/questor-software-resources.html).
2. The setup program automatically detects if you have the required Microsoft .NET Framework version already installed and provides a warning if you do not. You can download the correct version from Microsoft's website by selecting **Yes**. You can also download the required .NET Framework files from the QUE$TOR download site.
3. If not already installed, run the VC_redist.x86.exe file, which is also available on the download site. This installs the elements of MS Visual C++ required for QUE$TOR to run.
4. To install QUE$TOR 2025 Q3, first unzip the downloaded QUE$TOR install files and then run the setup.exe file.
5. The installer places an icon for QUE$TOR 2025 Q3 on your desktop and creates a group on the start menu under All Programs\S&P Global\ containing QUE$TOR 2025 Q3 shortcuts for the Database editor, the Project editor, the Project viewer, the main QUE$TOR application, and the Unit editor.
6. If you get any warnings during the installation, please contact the QUE$TOR support desk, ci.support@spglobal.com.

Note: A valid license is not required to install the software but is required to run the software. You or someone in your organization will receive an email from S&P Global Customer Care containing an Entitlement ID for activating your QUE$TOR licenses.

Application execution

- Windows 10

  To run the software click the **Start** menu and browse the program list to find **S&P Global > QUE$TOR 2025 Q3** or double-click the **QUE$TOR 2025 Q3** icon created on your desktop.

- Windows 11

- To run the software click the **Start** menu and follow **All Apps > S&P Global > QUE$TOR 2025 Q3 > QUE$TOR 2025 Q3** or double- click the **QUE$TOR 2025 Q3** icon created on your desktop.

Licensing system

In order to run QUE$TOR a valid license will be required. Depending upon the license type that has been purchased this can either be in a standalone or a network configuration. For standalone configurations users will have to obtain a license by using the standalone online activation tool, whilst for a network configuration locate the license server within their own network. Obtaining the license is described in the following sections. For more information about setting up the network server please refer to the licensing guide that is available from the download site as well as in the help file.

Activating standalone licenses

To activate a standalone license you will need to have QUE$TOR installed and you will need to have your Entitlement Id (EID). This EID will be emailed to the primary license contact at each company.

When QUE$TOR is run and a feature is selected, without access to a valid license, as would typically be the case when QUE$TOR is first installed, an error will be shown that is similar to the one shown below (Figure 10).

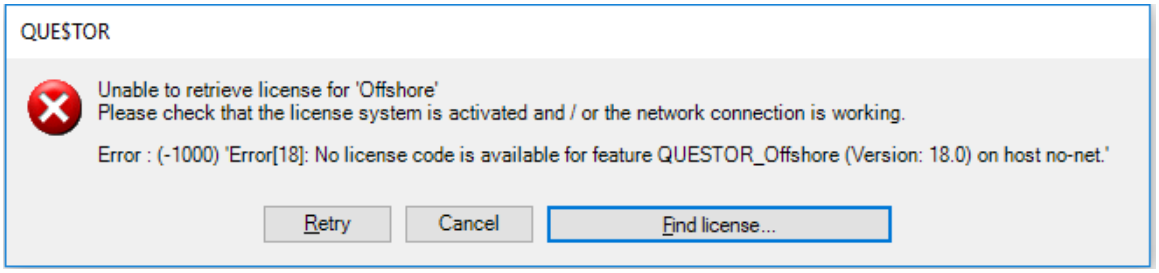


Figure 10 - Unable to retrieve license

To activate a standalone license click on the Find license… button.

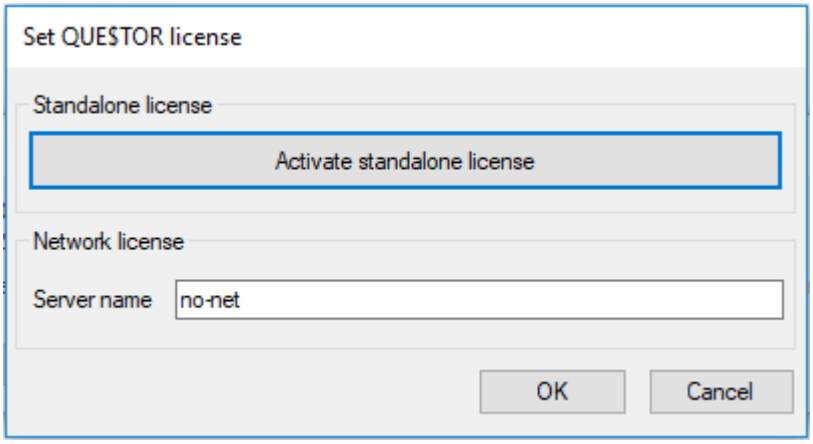


Figure 11 - Set QUE$TOR license

When the Set QUE$TOR license form (Figure 11) appears click on the Activate standalone license button. This will open the Standalone Online Activation tool.

First, you will need to copy / paste or type your EID into the Entitlement Id input at the top of the form (Figure 12) and click Connect.

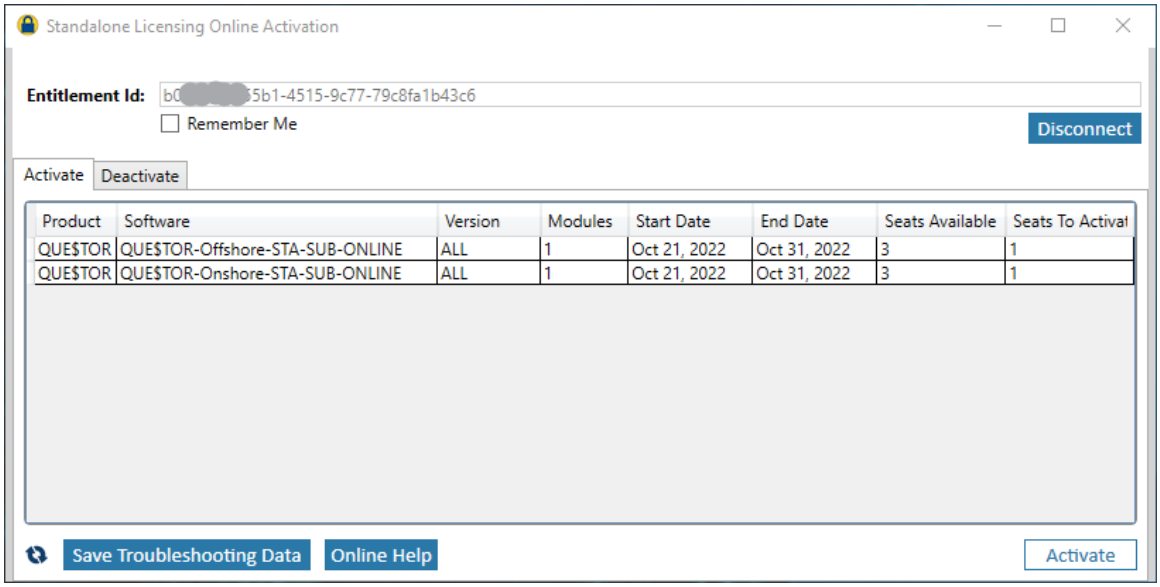


Figure 12 - Standalone Online Activation

Next select the product(s) you would like to activate. Holding the Ctrl key while selecting will allow selection of multiple products. Then click on the Activate button.

Once complete the Standalone Online Activation tool can be closed and OK can be clicked on the Set QUE$TOR license form. QUE$TOR will now run the feature licensed.

Standalone licenses will not allow QUE$TOR to work in a shared use environment such as Remote desktop or Citrix. Shared use environments require network licenses.

Setting network license location

To connect a client machine to a network license service you will need to have QUE$TOR installed, you will also need to have the location of the QUE$TOR license service on your internal network.

When QUE$TOR is run and a feature is selected, without access to a valid license, as would typically be the case when QUE$TOR is first installed, an error will be shown similar to the one shown below (Figure 13).

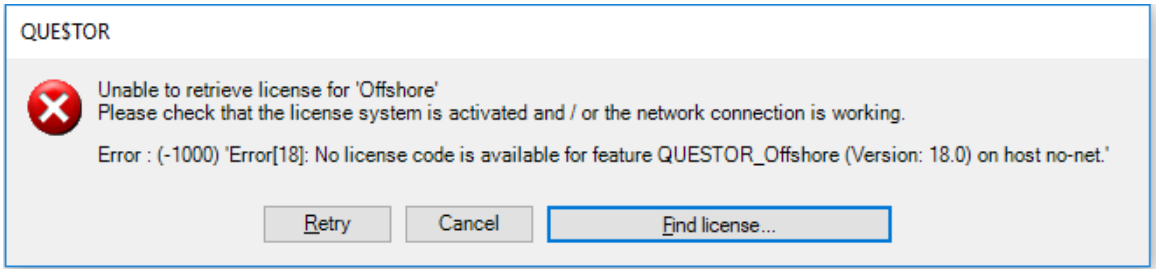


Figure 13 - Unable to retrieve license

To connect to a License Service click on the Find license… button.

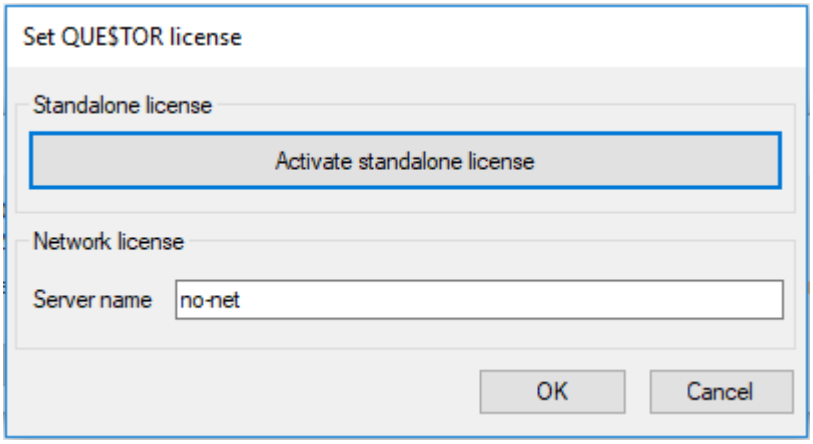


Figure 14 - Set QUE$TOR license

When the Set QUE$TOR license form appears (Figure 14), type the license server name in the Server name input box, then click the OK button.

Once complete, QUE$TOR will be able to run the feature(s) available on the license server if a valid license is available.

Contacting customer support

Requests for support related to the QUE$TOR application should be directed to ci.support@spglobal.com.

Requests can also be submitted through our website.

Or by phone
Americas: +1 800 447 2273
Europe, Middle East and Africa: +44 (0) 1344 328 300
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