SGS INVESTOR DAYS
23 - 24 SEPTEMBER 2010, ROUEN



UPSTREAM@SGS

Alim Saidov - EVP, Oil, Gas & Chemicals & Environmental Services

September 2010

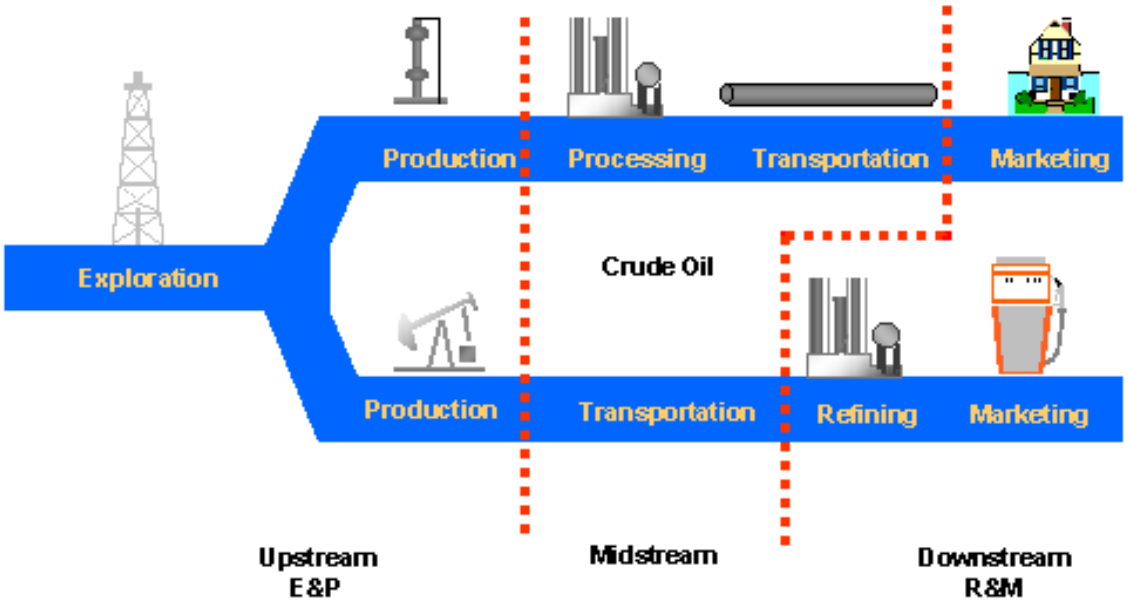
WHEN YOU NEED TO BE SURE

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SGS INVESTOR DAYS 23-24 SEPTEMBER 2010. ROUEN

INTRODUCTION

OIL AND GAS VALUE CHAIN



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EXPLORATION & PRODUCTION LIFE-CYCLE

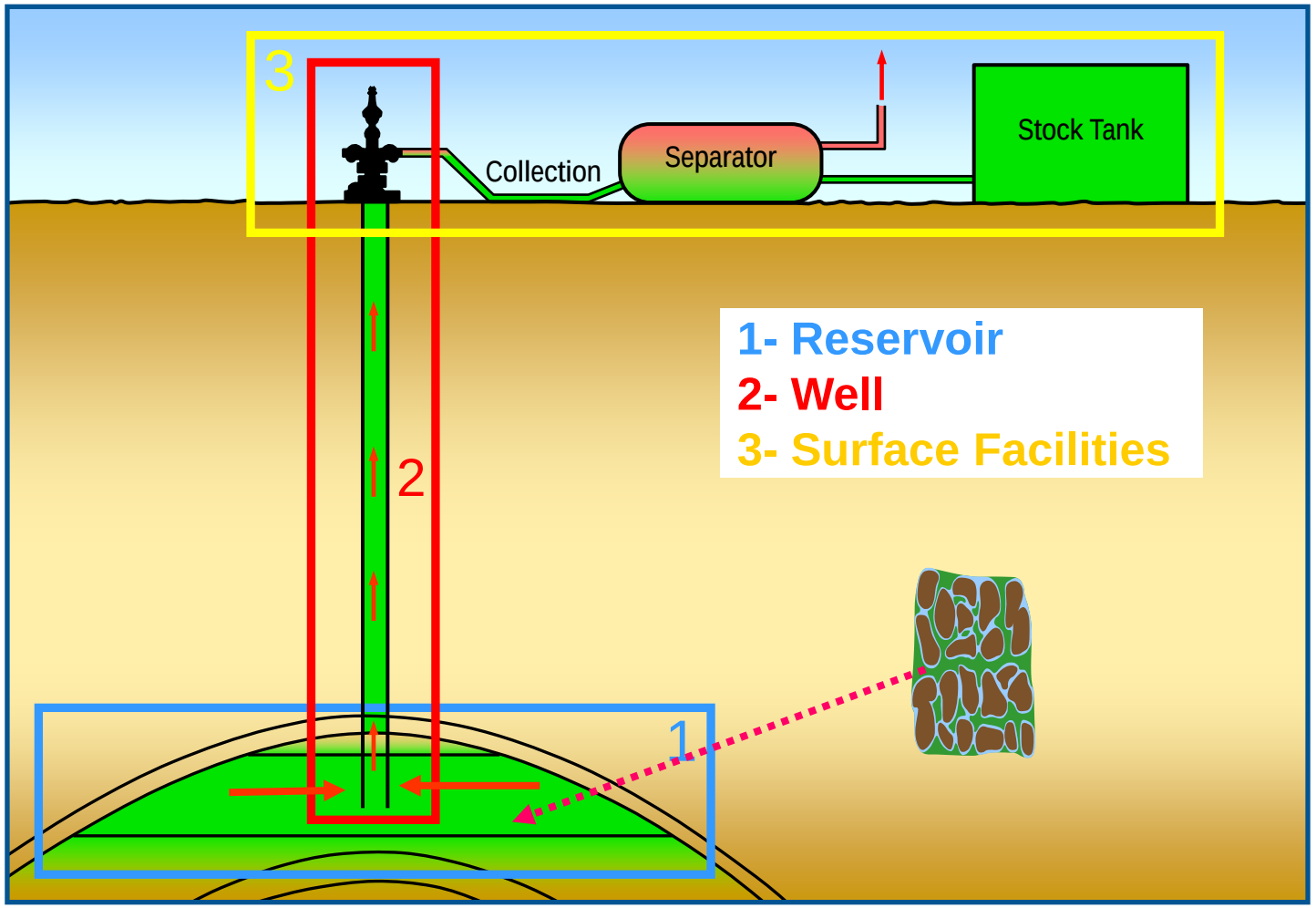


EXPLORATION → DEVELOPMENT → PRODUCTION → ABANDONMENT (OR STORAGE)

- Exploration phase
  - Based on seismic and geological data and/or analogues
  - Results in Prospect Identification, Wild-Cat Drilling, Discovery, Appraisal
- Development phase
  - Based on above plus well data
  - Results in Field Development Plan, Investment Decision, Front End Engineering and Design resulting in Project
- Production phase
  - From 1st oil (or gas) to Abandonment
  - Often accompanied by additional developments (reality is always different from forecast…)
- Abandonment (or conversion to storage)
  - Plugging of wells, dismantlement of facilities
  - Or use of depleted field for CO2 sequestration or gas storage

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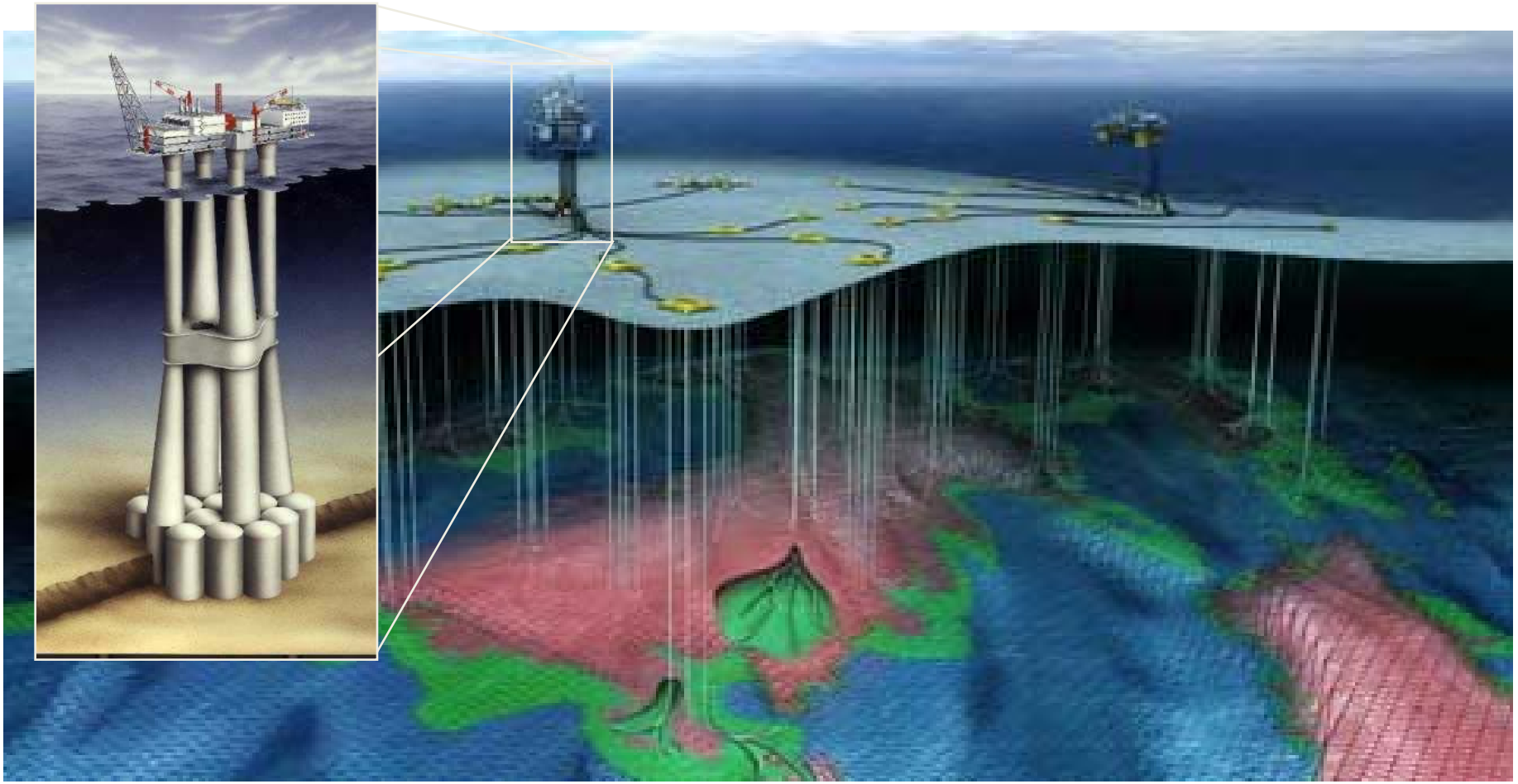
WHAT IS A “FIELD”



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OIL & GAS DEVELOPMENT



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PRODUCTION FACILITY (OFFSHORE - FPSO)



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PRODUCTION FACILITY (ONSHORE)



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SGS UPSTREAM SERVICES

WHEN YOU NEED TO BE SURE

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INSPIRATION

- Global Needs, Global Opportunities
  - Existing sources of oil and gas production are in decline – the demand for oil & gas will remain strong
  - New oil production comes from:
    - IOC projects
    - NOCs reaching into new geographies for new production
    - Smaller players conglomerates (usually dealing with ‘difficult’ oil discoveries)
    - Redevelopment of existing fields
- Servicing the development
  - Giants in Oil Services
  - Smaller (regional and country level) players
  - Independent engineers and consultants
- **SGS sees an opportunity to enter Oil and Gas Upstream segment**

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SGS OIL, GAS & CHEMICALS GOING UPSTREAM

- **Role**
  - Establish integrated service portfolio in the Upstream Industry within the framework of SGS core competencies and values – Testing, Inspection, Certification
  - Emphasis on need for independent verification - huge value to all players in the industry
  - Redefine the industry practices and add value to our customers
- **Through**
  - Innovation and cutting edge robust technology
  - Reliability and accuracy
  - Efficiency
  - Geographical coverage, farther reach
- **In order**
  - To help our customers gather value and make better decisions based on independent and reliable opinions
  - To allow our customers to utilise their assets more efficiently
  - To contribute to the environment protection

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SGS OGC UPSTREAM SERVICES



EXPLORATION | DEVELOPMENT | PRODUCTION | ABANDONMENT (OR STORAGE)

- **Common features**
  - Every service item to cover as many segments of the Upstream segment life cycle as possible
  - Balanced combination of cyclical and routine business participation
  - Synergistic in nature – ‘common border’ principle both between the service items within Upstream portfolio and other SGS business lines, e.g. Minerals, Industry and Environmental Services
- **Focus**
  - Data Acquisition
  - Data Interpretation and Planning

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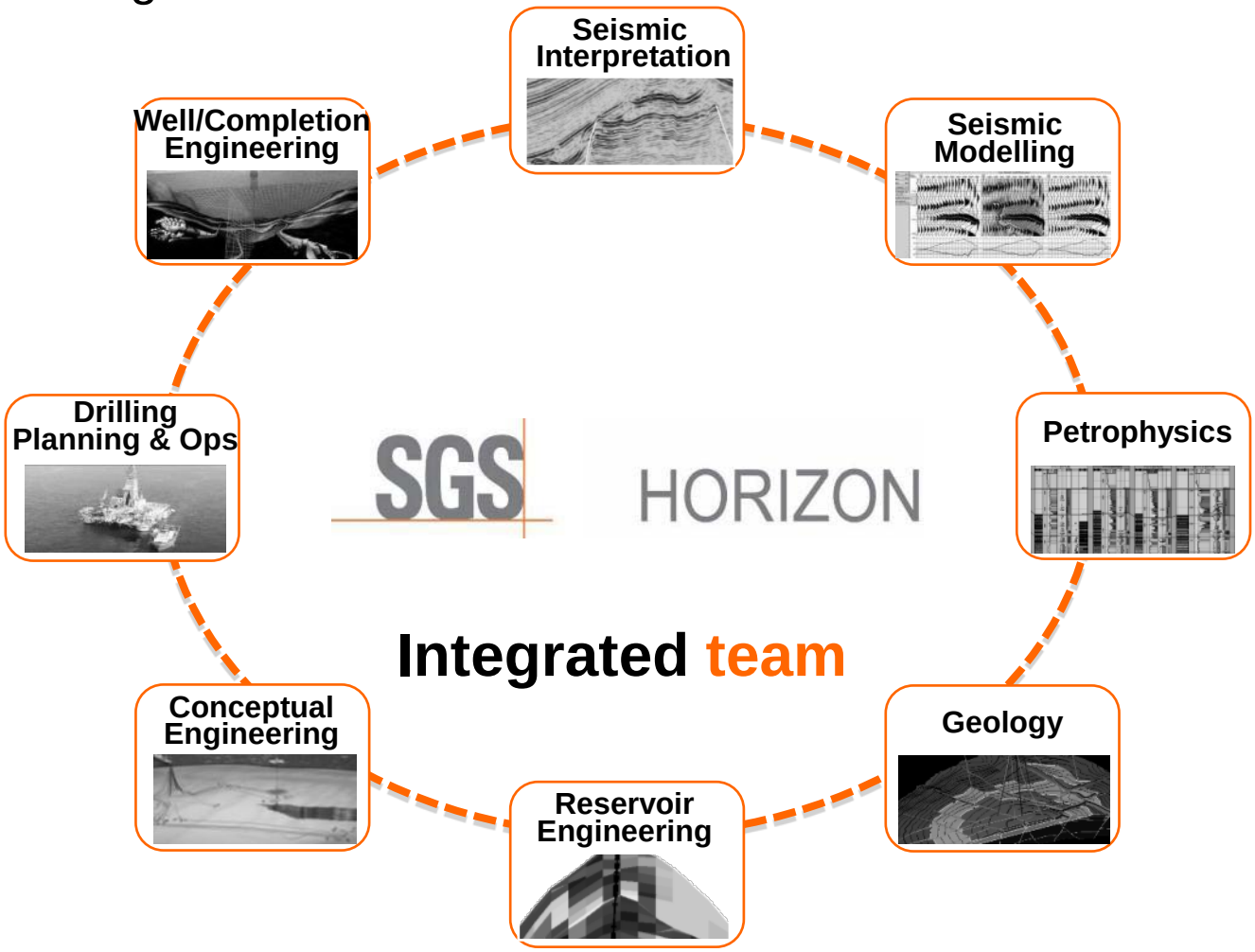
UPSTREAM SERVICES ESTABLISHED

- Integrated reservoir and field studies
- Production Fluids Testing
  - Fixed land base labs
  - SGS FluidPro™ Portable Analytical labs
- Well Testing
  - Conventional – separator based
  - Multi-Phase Flow Meter based
  - Heliportable packages
- Wellside Services
  - Wireline
  - Slickline
  - e-line
- Advanced Reservoir Quality / Advanced Rock Typing Services
- Upstream Measurement and Instrumentation Services
  - Consultancy
  - Meter proving and prover calibration

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WHAT HAVE WE DONE?

- Integrated Field and Reservoir Studies – SGS Horizon



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WHAT HAVE WE DONE?

- Network of fixed landbase Production Fluids Testing Laboratories
  - Global Competence Center in Labuan, Malaysia



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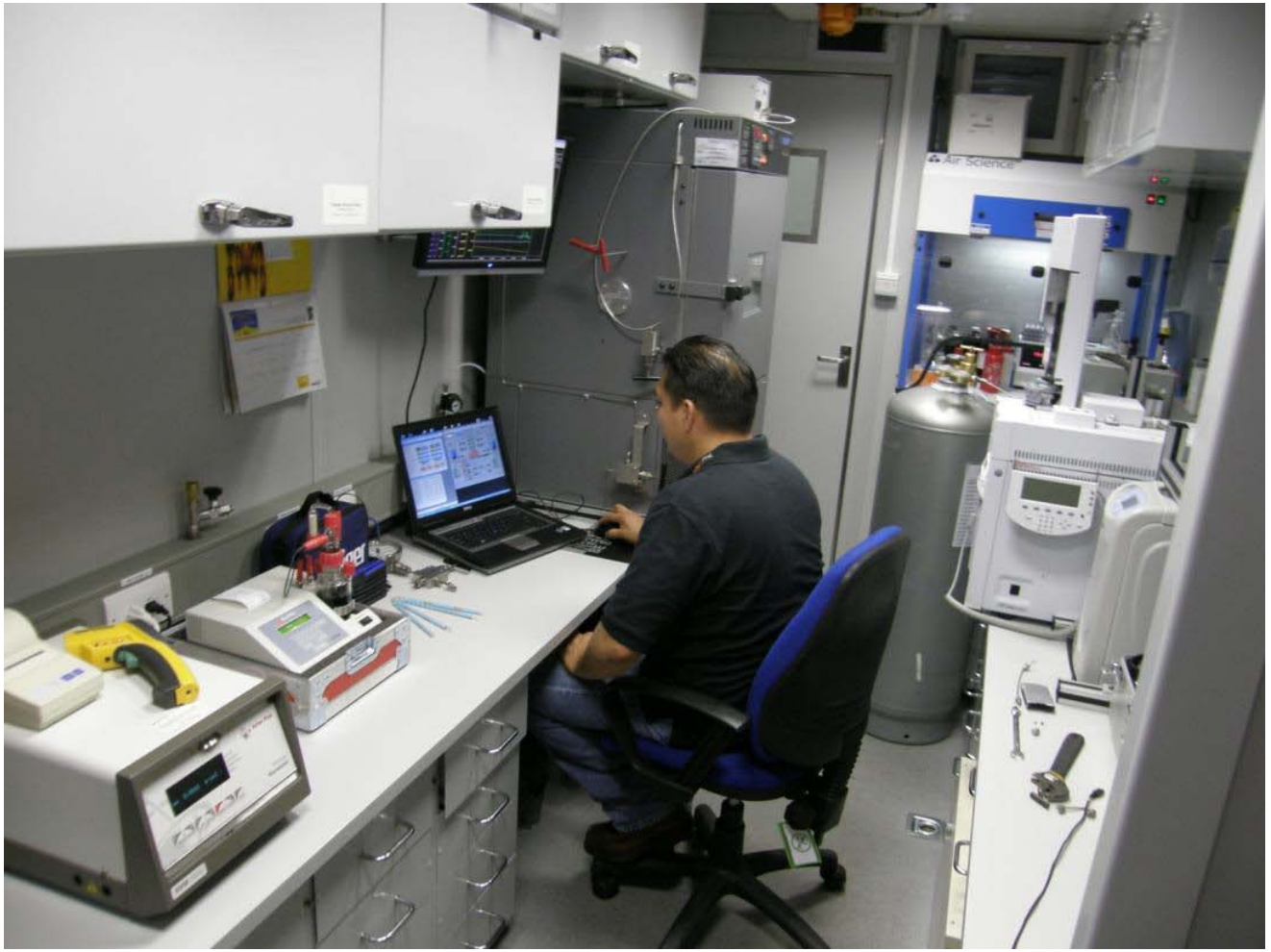
WHAT HAVE WE DONE?

- FluidPro™ Portable Analytical Laboratories



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FLUIDPRO™ PORTABLE ANALYTICAL LABORATORY



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WHAT HAVE WE DONE?

- SGS TestPro™ well test package
  - Production Monitoring
  - Production Allocation (incl. fiscal allocation)
  - Production Optimisation
  - Reservoir Surveillance
  - Flow Assurance
  - Process Optimisation
  - Nomination of Sales





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SGS TESTPRO WELL TEST PACKAGE





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MAJOR ACHIEVEMENTS

- Wide customer base acceptance
  - Shell, BP, Chevron, ENI, Statoil, Santos, BHP Billiton,
  - Saudi Aramco, ADNOC, Zadco, PetroBras, PEMEX, Repsol, SonAngol, Petronas, PDO, SOCAR, LukOil, SOC…
  - Interoil, Anadarko, Murphy Oil…
- Strategic alliance with Halliburton
  - Real cooperation capitalising on fully complimentary service lines and extracting significant value from independence and cutting edge technology allowing faster turnaround times and more efficient utilisation of assets
  - Contact yields in Brazil, Angola, prospects in Iraq, Indonesia, Vietnam
- Success of early entry to the market in Malaysia and establishment of Global Competence Center on the basis of Production Fluids Testing Laboratory in Labuan – Charigali Project
- SGS Horizon achieved Long term agreement with ENI for Global support in Subsurface Studies and Field Development Plans
- Successful extension of SGS mission in Al Basrah Off-shore Terminal (SOC, Irak) for implementation of new metering system

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EXPLORATION
PRODUCTION
TRANSPORTATION
OPTIMISATION
DEDICATION
VISION

SERVICES FOR EVERY PART OF THE OIL, GAS AND CHEMICALS INDUSTRY

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2014 FOR THE COMPLETE PICTURE

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