Saxon Energy Services

Unconventional Gas
A Drilling Contractor’s Perspective
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March 2013
Who is Saxon?

- Saxon Is A Growth Oriented Company Providing Land Based Drilling And Workover Service To Oil And Gas Exploration And Production Companies
  - Specialized ‘Fit For Project’ Rigs
  - Worldwide Fleet Of Drilling And Workover Rigs
- Drilling Rigs
  - Emphasis On Modular And Highly Mobile Drilling Equipment
  - Focus On Drilling Intensive, Large Scale Development Projects
- Workover Rigs
  - Small But Growing Fleet
  - Focus On Large Scale Development Projects
• Saxon was Taken Private in August 2008
  – Financially Strong Shareholders Supporting Strategic Growth Plan
  – Technology Synergies With Schlumberger Downhole Expertise
Saxon’s Worldwide Rig Fleet

- **Canada**: 6 x 750 Hp Rigs, 2 x 450 Hp Rigs
- **USA**: 5 x 1000 Hp Rigs, 8 x 750 Hp Rigs, 5 x ATS 300 Rigs
- **Mexico**: 4 x 750 Hp Rigs, 3 x R&P 150 Rigs, 2 x Workover Rigs
- **Colombia**: 4 x 1500 Hp Rigs, 8 x 750 Hp Rigs
- **Iran**: SLB Rigs Under TSA
- **Saudi Arabia**: TSA with ADC
- **Ecuador**: 7 x Workover Rigs
- **Peru**: 2 x 2000 Hp Heli Rigs
- **Venezuela**: 1 x 3000 Hp Rig, 2 x 2000 Hp Rig, 1 x 1500 Hp Rig, 1 x 1000 Rig, 3 x Workover Rigs
- **Oman**: 5 x 2000 Hp Rig, 2 x 1200 Hp Rig
- **Pakistan**: 3 x 2000 Hp Rig, 1 x 1200 Hp Rig
- **Australia**: 3 x ATD 490 Rigs, 4 x ATS 320 Rigs, 4 x ATS 150 Rigs, 5 x Workover Rigs
Saxon Core Rig Designs

• Advanced Technology Rigs

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<th>Rig Size (Kips)</th>
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- **ATS®**
  - ATS 150 Lite Rig
  - ATS 300 Rig
  - ATS 320 Rig
  - ATD 400 Rig

- **ATD®**
  - ATD 500 Rig

- **ATT**
  - ATD 750 Rig
  - ATT 750 Rig
Advanced Technology Rig Features

- AC/VFD Electric rig with “state-of-the-art” drilling control (auto driller, crown/floor saver, power limit, etc)

- Remote monitoring & diagnostics capabilities

- Enclosed, climate controlled drillers cabin with console style integrated controls
Advanced Technology Rig Features

- Mechanized horizontal tripping with use a hydraulic pipe arm, or dual make-up power catwalk, hydraulic pipe tubs, power slips, floor wrench, and hydraulic elevators.
- High mobility of rig loads into compact footprint without the requirement of cranes. All loads are moved and rigged up using standard oilfield trucks/trailers
- Integrated skidding system (bi-directional movement)
- Sound attenuation
Saxon in Australia

- Started operations in April 2011 with 3 rigs in the Cooper Basin
- As of Dec 2012 we operate 11 drilling rigs and 5 workover (completion) rigs.
  - 3 x ATD 400 (SA)
  - 4 x ATS 320 (QLD)
  - 4 x ATS 150 (QLD)
- Working in conventional oil and gas and CSG.
- Head offices in Brisbane and Adelaide
Key Success Factors & Challenges

**Equipment**

**Fit for purpose rigs:**
- Provide a good platform for performance optimization
- Minimize footprint and logistic requirements
- Reduce HSSE exposure
- Better use of available resources.

**Challenges:**
- Determining the right rig type with enough time in advance
- Allowing enough time for manufacturing/upgrading and mobilization
- Having the right scope to justify the investment.
Key Success Factors & Challenges

**People**

The Unconventional Gas projects will cause a sharp increase in the demand for skilled rig workers. The supply today is not ready to meet this demand.

Drilling Contractor has 3 options:
- Attract skilled/competent people from other companies
- Bring resources from abroad
- Train and promote internally

![Bar chart showing years of training for different roles](chart.png)
People
Local vs. Expats

- There is limited financial incentive to bring expatriate resources
- Having high local content is good business from every point of view
- We do it to have the right knowledge and expertise at the right time, and to develop local resources.
**But...**

- The number of skilled personnel, particularly at supervisor level is extremely limited.
- We are forced to increase our international content.
- Dealing with Visa issues.
What could help?

**Funding Opportunities:**
- More funding / Incentives for short compliance courses....OH&S plus on job advanced skills etc
- Funding for online resource development
- Funding for training facilities
- Skills transfer funding, and incentives when looking at investing in new projects
- Literacy / numeracy support

**Rig Crew Training and Development Initiative:**
- A program to train and develop rig crews that is sponsored by government, but with the active participation from Operators and Contractors.
  ➢ Increase the supply!

**Area of Concern:**
- Pending changes to 457 visa holders.
- Finding competent/skilled workers is difficult so we rely on skilled international assignees to train and develop nationals.
Questions

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