

Business opportunities  
in the oil and gas industry  
**In-Country Value**

18 December 2013, Sultanate of Oman



الفرص الاستثمارية في  
قطاع النفط و الغاز  
**القيمة المحلية المضافة**  
١٨ ديسمبر ٢٠١٣، سلطنة عمان



Manufacture of casing equipment and casing spares

Presented by:

18<sup>th</sup> of December 2013



شركة تنمية نفط عمان  
Petroleum Development Oman



دليل النفط وشؤون  
DALEEL PETROLEUM LLC



أوريك  
Orpic



النفط والغاز  
PETROGAS  
E & P

# Safety briefing and lodging



## Emergency contacts

Mr. Kashif - loss prevention manager - Mob : 98089044

## Emergency alarm / fire drills

Fire drills, emergency alarms (if any), assembly points to be announced by then hotel loss prevention staff

## Prayer rooms

ladies prayer room & gents Prayer room are located in the Third floor

## Toilets

available in Oman Auditorium & Boshar area

## Coffee / tea

Provided outside the workshop room

## Arrangements for smokers

allowed only outside the hotel Promises

# Meeting agenda

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1. Purpose of this workshop
2. Context and background
3. Scope of the opportunity
4. Industry Data
5. ICV creation through the opportunity
6. Specifications
7. Targeted parties
8. Contact details
9. FAQ
10. Q&A session

# Purpose of this workshop

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## Purpose of the workshop

- To share the scope of one of the priority opportunities with the business community
- To register interest of the business community
- To set an initial dialogue between the oil and gas industry and business community
- To exchange ICV development best practices
- This workshop is NOT a contractual commitment with any business entity

*More information on the ICV blueprint or on other opportunities could be found in the brochure and catalogue distributed today or by visiting [www.incountryvalueoman.net](http://www.incountryvalueoman.net)*

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# Context and background

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## Casing accessories/spare manufacturing.

- Drilling wells (gas and oil) is a mainstay of the oil and gas industry in Oman.
- 450 new wells are drilled every year in PDO. All these new wells require float equipments and casing centralizers.
- There is no float equipments manufacturer in Oman.
- There is no casing centralizers manufacturer in Oman.
- There is no casing cement plugs manufacturer in Oman

# Scope of the opportunity

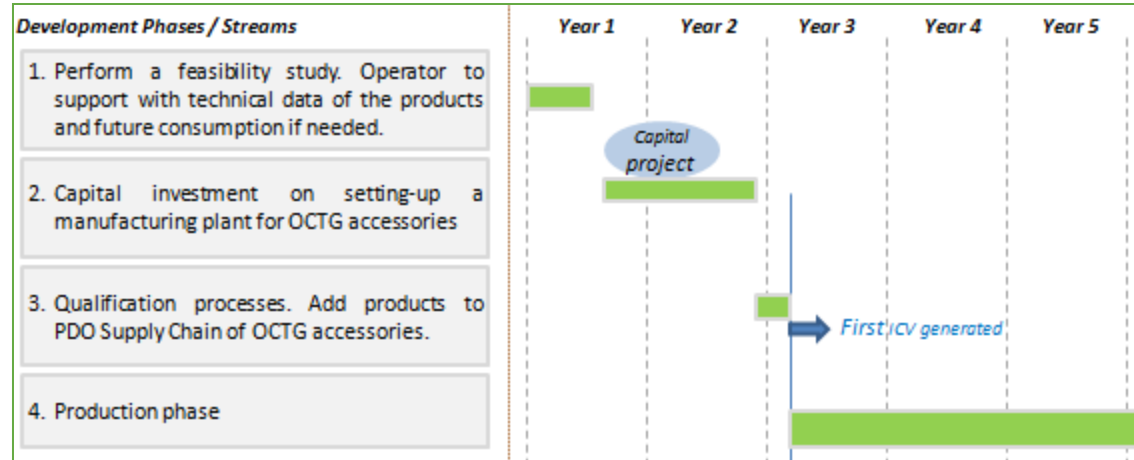
**Category:** Manufacturing of casing accessories.

• The opportunity covers the following, partially or fully

- Float equipment
- Cement Plugs.
- Casing centralizers

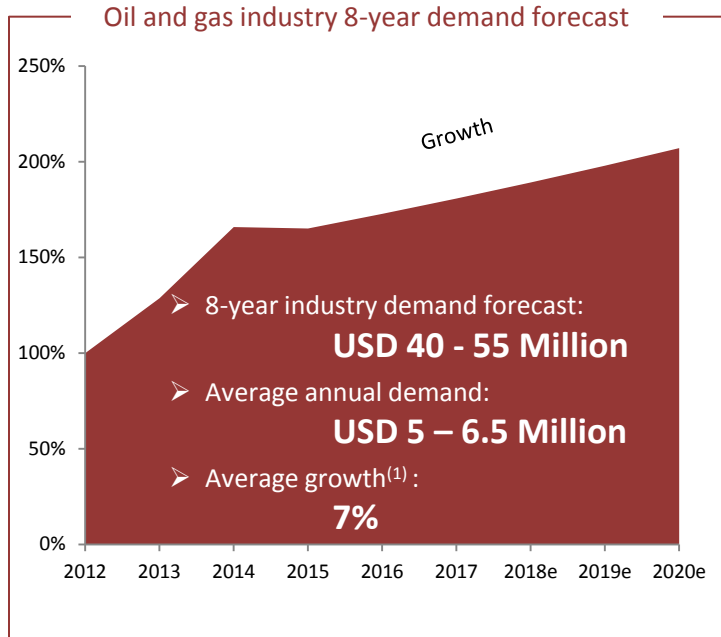
• Out of scope

- Running equipments of OCTG.
- Liner hanger plugs.
- Bridge plugs.



# Industry demand data

## PDO demand of casing float equipments and casing centralizers.



### Category Overview – Manufacturing float equipments. Plugs, and centralizers

- PDO demand for float equipments and centralizers is increasing due to the increase of number well per annum.
- Demands
  - 2,500 to 3,000 floats are demanded every year.
  - 2,500– 3,000 of plugs are demanded every year.
  - 55,000 to 75,000 of Centralizers are demanded/year
- Market Spend
  - Spend on floats and plugs 3 – 4 ml USD.
  - Spend on centralizers is 2.2 – 2.8 mln USD.
- Currently all casing accessories are imported from outside.

(1) CAGR: compound annual growth rate



# ICV creation through the opportunity

We are expecting that this opportunity would increase ICV by:

Potential job creation related to the opportunity

**20 - 60 Jobs**

Potential ICV related to the opportunity\*

**USD 3 – 3.5Mln/yr**

Feasibility of implementation

**High for manufacturing**

ICV value is decreased from opportunity size due to importation of raw material / components and need for employment of expatriates

**Impact**

- Manufacturing of casing equipments/accessories will increase the demand for steel which offers great potential for ICV development opportunities.
- The manufacturing of floats will also increase the demand for cement.
- Manufacturing casing accessories requires skilled human resources.
- Set portion of the supply chain such as storage, transportation, packaging, and manufacturing of some components

**Feasibility**

- There is high demand for casing accessories in Oman, and also in the region.
- Local manufacturing of centralizers doesn't require huge investments, nor advanced technology.
- The plugs and floats require more technology and skills compare with centralizers.
- Local manufacturing can be done through forming a JV with international company.
- Some raw material at the moment will need to be sourced from outside. Some raw materials (cement) can be sourced locally.



# Specifications



## Float equipment types and specifications

Float Shoes / Collars	Grade					Thread			
	K-55	L80	SM95S	P110	SM13CR110	BTC	LTC	VAMTOP	VAM SM SW
Sizes									
20"	Y					Y			
18.5/8"	Y					Y			
14"		Y						Y	
13.3/8"	Y	Y				Y		Y	
9 7/8"		Y	Y					Y	
9.5/8"	Y	Y	Y	Y	Y	Y	Y	Y	Y
7"	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.5"	Y	Y					Y	Y	
4.5"	Y	Y	Y		Y		Y	Y	



Source: <http://img.diytrade.com>



Source: <http://www.oildrillingcn.com>

# Specifications



## Plugs types and specifications

Plugs	Types of plugs		
Sizes	Stab in dart	Non rotating	Latch in
20"	Y		
18.5/8"	Y	Y	
14"	Y	Y	
13.3/8"	Y	Y	
9 7/8"		Y	
9.5/8"		Y	
7"		Y	
5.5"		Y	Y
4.5"			Y



Source: [www.alibaba.com](http://www.alibaba.com)

# Specifications



## Centralizer types and specifications

Centralizers	Type		
	Rigid	Spring	Metal betal basket
Sizes			
20"		Y	Y
18.5/8"	Y	Y	Y
14"	Y	Y	Y
13.3/8"	Y	Y	Y
9 7/8"	Y	Y	Y
9.5/8"	Y	Y	Y
7"	Y	Y	
5.5"	Y	Y	
4.5"	Y	Y	



Source: <http://www.eneroiloffshore.com>

# Target parties

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- SMEs
- International investors
- International EPC contractors
- Local EPC contractors
- GCC investors
- GCC manufacturers
- Local manufacturers
- Local fabrication workshops
- Local Stockiest
- Local assembler
- Local agents
- Local suppliers
- Local entrepreneurs
- Omani Banks

# Contact details and support

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## Lead operator(s) contact details:

- PDO, Saif Al-Harthy

## Other stakeholders:

1. Petrogas
2. OGC
3. Oxy
4. Daleel
5. OLNG
6. Orpic
7. OOCEP
8. OPAL
9. MOG

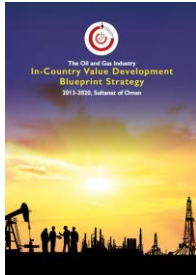
## ICV PMO contact details

Website: [www.incountryvalueoman.net](http://www.incountryvalueoman.net)

# Materials and follow-up



*For more information:*



*Brochure*



*Catalogue of opportunities*



*Website*

*For follow-up:*

Register interest by contacting the PMO on: [www.incountryvalueoman.net](http://www.incountryvalueoman.net)

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in the oil and gas industry

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***Thank you for your contribution!***

*Our mission:*

***Developing a competitive and sustainable local supply  
market... Together!***