

Face To Face: Faisal Al Shoaibi

by Kevin Baxter on Jul 21, 2009

Shoaibi Group have hit the headlines lately, can you shed some light on its background?

The group was founded in the 1970s, predominantly involved in construction during a boom in civil infrastructure building in Saudi Arabia. In the mid 1980s the company switched its emphasis towards oilfield services. In the mid-1990s there was a stronger push on oilfield technologies, which is where we are now. We are concentrating on the upstream side of new technologies. I think this is where the most value is in optimising production and reservoirs. Lowering costs and maximising production is the name of the game to oilfield services today.



Do you work with the NOCs and supermajors?

We have relationships with blue-chip companies, like Halliburton, Technip, J. Ray McDermott to name a few, but we have decided to focus on bringing new oilfield technologies to companies like Saudi Aramco and Sonatrach in partnership with smaller technology providers. We can provide a lot of value to all of the NOCs in the MENA region and we decided to hire a very technical team, a lot of ex-Schlumberger, Baker Hughes, Weatherford, and Halliburton employees have joined our group and this really differentiates us.

Is the technical strategy paying off?

We have been very lucky in that Saudi Aramco has adopted a lot of new technologies and that has fitted in very well with our own strategy. Now Algeria's Sonatrach wants to become an adopter of new technologies as well, so we approached them at the right time too. We've won four new contracts with Sonatrach including the installation of rigless electrical submersible pumps (ESP) on several wells and another was with Flotech for installation of intelligent completions. Relationships here in the KSA are doing very well, but if we want to expand our footprint outside of Saudi Arabia we have to do it in such a way that when we approach companies we have to bring differentiated value. We know large oilfield services companies would not really be interested in working with us outside of KSA, why would they? And why would NOCs give us the time of day if we are not bringing anything new?

What do you think attracts NOCs in the current climate?

We are a young management team which is very proactive and very hands on, and that is what big companies are looking for in partners. We also like to think that we provide a lot of value

through innovative ideas generated by our team. Whatever relationship we get involved in we try as much as possible to align our interests with those of our partners. Both Saudi Aramco and Sonatrach have very progressive attitudes in regards to developing new technologies, and they share the same philosophy about this as we do.

How did the slowdown impact business?

The current climate has of course affected us as we are very dependent on expenditures by the major oil companies. We have taken the opportunity however to expand our geographical scope outside of Saudi Arabia into Egypt and Algeria. We have also concentrated our efforts on providing oil companies with new technologies in the oilfield services sector that optimise their reservoirs and save them money in the long term. However, the benefit of working with NOCs is that they tend to look at the bigger picture and plan for the future. NOCs are very comfortable looking at the long term while IOCs are sometimes constrained by the fact that they are publicly held companies.

It seems like the joint venture idea is a win-win.

When we approach a company like Sonatrach with a new technology we really catch their attention. At the same time a small new technology company doesn't have the resources or wherewithal to really have marketing all across the MENA countries. So working hand in hand with the smaller companies is mutually beneficial.

Where do you see the Shoaibi Group in 10 years?

The contracts we have in both Algeria and Egypt are progressing well and we are hoping that this is the start of the company's expansion across the region. If we continue working hard then I see no reason why the Shoaibi Group cannot become the number one oilfield technologies provider in the MENA region.