

Making the leap

Now is the time for the oil and gas giants to put their faith in new technologies says WALID S. AL SHOAIBI.

In the past, the oil and gas industry has been notoriously slow in accepting and embracing new technology to find and extract reserves, and has instead relied upon 'tried and tested' methods that have been in use for more than 30 years. The traditionally accepted adoption cycle of new technology into industry wide use has often been regarded as a 15-year process. There are however significant strides being taken in the MENA region, led by Saudi Aramco and Algeria's Sonatrach for the relatively rapid testing and deployment of new technologies to enhance discovery and recovery of reserves. This development has been accelerated through:

- The need to control costs by becoming more efficient in the discovery and recovery processes
- The need to improve the recovery rates of existing and new fields as reserves usage continues to outstrip new discoveries and world reserves fall
- The need to focus technology to the specific geophysical characteristics of the MENA region, when historically development of new technologies by innovative companies has been tailored to the North American and North Sea markets

The Shoaibi Group, in recognising these developments, has over the last five years become a developer of, partner to and investor in many innovative oil and gas technology companies with the objective of addressing the needs of the region's reservoirs. This strategy has been further extended by the creation of Shoaibi Group's own 'Incubator'. The incubator project is a R&D hub, located in Dhahran Techno

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Valley ('DTV'), Al-Khobar, to assist in bringing new technologies to Saudi Aramco and the wider region through sponsorship and involvement of local and international universities such as King Fahd University of Petroleum & Minerals (KFUPM) in Dhahran, and other R&D centres. The purpose of this project is to incubate ideas either in-house or take existing technology and modify it towards an oilfield application. By understanding the current and future technology needs of Saudi Aramco, the 'incubator' serves to take these challenges to universities and other R&D centres to validate whether these challenges can be met. There is no better way to gain this understanding than by working alongside Saudi



Aramco. If the technology fits and/or exists, either as a concept or prototype, then the incubator team will secure funding to take the technology to the 'Technical and Commercial Feasibility' stage.



Walid S. Al Shoaibi is Shoaibi Group Managing Director and First Vice President of the Saudi Italian Business Council, as well as a member of the Industrial Committee Eastern Province Chamber of Commerce & Industry. Al Shoaibi received a BS in Civil Engineering from Rice University, Houston, in 1984 and an MBA from the University of Houston in 1987.

The Shoaibi Group has experience of working with and investing alongside many of the world's leading venture capital companies that have a focus on the oil and gas sector, including Limerock Partners, Energy Ventures and Scottish Equity Partners amongst others, in addition to leading investments in its own right. The partnering by Shoaibi Group in such investments brings an added understanding of the specific needs of the MENA region, and a direction of funding to address these needs.

Finally, once the technology/prototype has been developed and thoroughly tested it will be passed on to a company with sufficient funding from local and international investors with the objective to commercialise the product, delivering new value to NOC's and international oil companies (IOCs) in the region and globally. The Shoaibi Group, in working with Saudi Aramco and its various partners very much aims to be a part of developing the next big thing. ■