



مجموعة الشعيبي
SHOAIBI GROUP



360°

The Quarterly Newsletter of Shoabi Group

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Shoabi Benefits from Saudi Energy Strategy

Tenaris/Gentas Inaugurate Premium Pipes Manufacturing Facility in Dammam

Shoabi Group form **CNS Arabia** JV to offer Nitrogen Services to oil and gas industry across the region

Galperti appoint **Shoabi Group** as exclusive distributors in KSA

Gentas in key venture to provide diving marine services to offshore industry in KSA

Shoabi Group Runs for a Cause

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Shoaibi Benefits from Saudi Energy Strategy

MEED Magazine conducts an exclusive interview with Group Director, Khalid Al Shoaibi.

Sept 10-18, 2010 *Business Close-Up feature, Volume 54 N° 37*



“Our ability to build local businesses ... [and maintain] international standards is attractive”

Khalid Al-Shoaibi

Shoaibi Group’s core business is oilfield technology. How is that sector performing in Saudi Arabia in 2010?

The oil and gas industry is facing incredible challenges. In 2000, global demand for oil was approximately 75 million barrels a day (b/d). Despite a major global recession the demand for oil has increased by an additional 10 million b/d. These production increases have come from oilfields that are older, in more remote locations and in more complex geologies. It would have been impossible to achieve this growth without major advances in drilling and production technologies. Saudi Arabia has been blessed with prolific oil and gas reservoirs that have, until recently, been mostly immune to many of the challenges that have impacted other regions of the world. But, this is no longer the case – Saudi Arabian fields are ageing rapidly and require the application of new technology to maintain and increase production. Much of our business is related to the identification and development of this technology. This year and beyond promises to be a very lucrative domain for the industry and Saudi Arabia in particular.

You are the in-kingdom partner for many international companies. What reasons would you give as to why so many companies from around the world want to team up with you?

Our ability to build local businesses with our strong market expertise, while maintaining international standards is attractive. Our multinational team consists of quality people who are experts in their respective fields. I think our innovative approach to the business and the reputation we have built over the past four decades is based on trust, integrity, professionalism and loyalty to our partners.

Has Shoaibi Group had any offers regarding a takeover or is it considering an initial public offering?

The core family holding company of the Shoaibi Group is expected to remain a wholly owned family business for at least the medium term – 15 to 20 years. In the last three years, the group has divested, after a period of successful development its interests in Saudi Bea [fastener business], Expro Saudi Arabia [well testing] and FloTech [downhole equipment]. We actively manage our portfolio, much in the way a private equity firm does, ensuring we are consistently and actively pursuing value.

Is Shoaibi Group planning any major acquisitions?

Because we are looking at expanding our operations into the GCC and Middle East, our approach would be to acquire or merge with a local business that already has a stronghold in the market we wish to penetrate. There are plans to merge some of our operations to achieve greater scale and access to capital for growth, but this will be announced in due course.

What are Shoaibi Group’s expansion plans for the region?

In the first instance, we have recently established a local presence in Bahrain, where the country has ambitious upstream development plans for its reservoirs and, in time, the further expansion of its downstream activities. These developments closely match the range of products and services the group offers with its partners. The group has been in regular dialogue with its partners, regarding expansion into the southern oil fields of Iraq, and we are considering carefully our potential steps in this important regional oil and gas market.

Tenaris/Gentas Inaugurate Premium Pipes Manufacturing Facility in Dammam

Sept 28, 2010, Dammam, Saudi Arabia

Tenaris S.A., has officially inaugurated its first plant in Dammam 2nd Industrial City, Saudi Arabia, in the presence of Saudi Aramco executives and Diplomats.

Invited Guest Speaker Mr. Munir Rafie, Vice President of Material Supplies, Saudi Aramco in his address to the ceremony, said **“Both Al Shoabi Group and Tenaris have a very long and distinguished commitment as strong business partners with Saudi Aramco. And Saudi Aramco has always had a strong commitment to develop the manufacturing capability of the Kingdom. Today we celebrate the merging of these two commitments, as we inaugurate this new Al Shoabi / Tenaris joint venture, here in Saudi Arabia, providing products for Saudi Aramco and the regional market.”**

Khalid Al Shoabi, Chairman of Tenaris Saudi Arabia Ltd and of General Technologies & Systems Co. Ltd. (Gentas), in his address to the ceremony said, **“This new, world-class plant will enhance our partnership with Saudi Aramco and continue our investment in the Kingdom.”**

Paolo Rocca, Chairman and CEO of Tenaris, in his address to the ceremony, said, **“From our location in Dammam, we are better prepared to provide quality, state-of-the-art products while reducing response times. We have an excellent team and are ready to support continuous growth throughout the country.”**

Tenaris has served the Saudi Arabian oil and gas industry since the 1990s, supplying high quality OCTG and line pipe products. With this new investment, Tenaris has strengthened its commitment to serving the needs of Saudi Aramco and other local customers in their increasingly complex onshore and offshore oil and gas operations. Tenaris Saudi Arabia Ltd. is a joint venture between General Technology and Systems Co. Ltd. (GENTAS) and Tenaris Global Services Ltd.



From left to right: Mr. Ricardo Capria, Tenaris Middle East Area Director, Mr. Nidal Bargawi GENTAS General Manager, and Yves Walid, Tenaris S.A. Regional Manager



From left to right: H.E. Mr. Enrico Padula, Italian Ambassador to the Kingdom of Bahrain, H.E., MR. Valentino Simonetti, Italian Ambassador to the Kingdom of Saudi Arabia, Mr. Walid Al Shoabi, Shoabi Group Managing Director



Threading Facility Tour



From Left To right: Mr Tarek Nazir, Mr. Ahmed Nazir, GENTAS Group Directors and Mr. Mario Galli, Tenaris Corporate Communications Director



Opening Ceremony



Mr. Munir Rafie
VP Material Supplies - Saudi Aramco



Mr Khalid Al Shoabi
Chairman - Tenaris S.A.



Mr. Paolo Rocca
Chairman and CEO - Tenaris

تقديمات من قبل رؤساء الشركات المشاركة في حفل الافتتاح

الرئيس نيهله 23 ايمتساب لمعال بييلنا ونهم نيشة

بمبادرة من شركة تيناريس العالمية، تم افتتاح مصنع تصنيع أنابيب خط النقل في مدينة الدمام، في إطار استثمار مشترك بين شركة تيناريس العالمية وشركة جنطاس السعودية. هذا المشروع الهام يهدف إلى تعزيز قدرات الإنتاج المحلي وأنواع منتجاتنا، مما يتيح لنا تقديم منتجات عالية الجودة بوقت تسليم أسرع لعملائنا في المملكة العربية السعودية والمنطقة المحيطة.

يتميز هذا المصنع بتصميمه المتطور، الذي يضمن أعلى مستويات السلامة والجودة في تصنيع الأنابيب. نحن ملتزمون بتقديم حلول متكاملة تلبي احتياجات قطاع النفط والغاز في المملكة، مع التركيز على الابتكار والتطوير المستمر.



يأتي افتتاح هذا المصنع في إطار سلسلة من الاستثمارات التي ننفذها في المنطقة، بهدف تعزيز قدراتنا الإنتاجية وخدمة عملائنا بشكل أفضل. نأمل أن يساهم هذا المشروع في دفع عجلة التنمية الصناعية في المملكة.



Paid training for Saudis in oil & gas industry

23 million Saudi Riyals allocated for training in the oil and gas industry. The training program is designed to enhance the skills and knowledge of Saudi professionals in various sectors of the industry, including production, operations, and maintenance. This initiative is a key part of the company's commitment to local talent development and workforce enhancement.

The training will cover a wide range of topics, from technical skills to leadership and management. Participants will benefit from hands-on experience and expert instruction from industry leaders. This program is expected to create a more skilled and competitive workforce, contributing to the growth and success of the Saudi oil and gas sector.

المصنع، الذي تبلغ تكاليفه 23 مليون ريال سعودي، يهدف إلى تعزيز قدرات الإنتاج المحلي وأنواع منتجاتنا، مما يتيح لنا تقديم منتجات عالية الجودة بوقت تسليم أسرع لعملائنا في المملكة العربية السعودية والمنطقة المحيطة.

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Shoaibi Group to offer Nitrogen Services to oil and gas industry across the region



Oct 27, 2010; Al Khobar, Saudi Arabia,

Leading oil, gas and petrochemical group, Shoaibi Group, have signed a joint-venture agreement with Canadian Nitrogen Services Ltd, to form Continuous Nitrogen Services Arabia Ltd (“CNS Arabia”). CNS Arabia will provide nitrogen pumping services utilizing state of the art membrane nitrogen generating technology.

CNS Arabia nitrogen generation / pumping service will offer a cost effective option for well service operations,

Timothy Pirie, CEO of Canadian Nitrogen Services said:

“We are looking forward to the opportunity of bringing this service to the region. We along with our partners, the Shoaibi Group are confident our customers will soon see the benefits of using this unique technology, which effectively simplifies the logistical supply chain.”

pipeline / process facility testing and commissioning and under balanced drilling operations initially in KSA and Bahrain with plans to expand throughout the MENA region (excluding Iraq). Under the agreement Shoaibi Group will own a 40 percent stake in the new joint venture company.

CNS Arabia will provide fully integrated mobile nitrogen generators that can make nitrogen available when and where it's needed, continuously without having to schedule and coordinate the delivery of liquid nitrogen. The fully integrated and standalone generators are specifically designed for rapid deployment in remote locations. While other membrane systems or inert gas generators require multiple transports and long setup / breakdown times, this system is mounted on a single trailer and already interconnected and calibrated.

The systems are designed to deliver Nitrogen at remote locations where the cost of delivered liquid nitrogen (LN) is high, when the scheduling and delivery of nitrogen takes a long time, or when the

Khalid Al Shoaibi, Shoaibi Group Director, and appointed CNS Arabia Chairman said:

“We are extremely pleased to enter into this joint venture to offer state of the art nitrogen services to the region and to compliment our existing portfolio. The unique advantages of being able to supply a continuous and inexhaustible supply of nitrogen will deliver tremendous value in a host of applications to both onshore and offshore oil, gas and petrochemical industries.”

requirement calls for continuous service. This allows the end user not to run out of nitrogen or have to terminate a job prematurely while waiting on a nitrogen bulk transport for supplemental LN. CNS Arabia nitrogen generators greatly simplify the troublesome logistics and timing of LN supply while delivering nitrogen at a cost that reflects the elimination of transport costs.

About Canadian Nitrogen Services Ltd.

Canadian Nitrogen Services (CNS) is a privately owned Canadian oilfield service company.

CNS is headquartered in Calgary Alberta and with a dedicated team of professionals has provided best in class nitrogen services to the Oil, Gas and petrochemical industries since 2005. CNS has operations in Canada, USA and Peru.

www.canadiannitrogen.com



Gentas in key venture to provide diving marine services to offshore industry in Saudi Arabia

Nov 11, 2010; Al Khobar, Saudi Arabia,

General Technologies & Systems Co. Ltd. (GENTAS) a subsidiary of Shoabi Group and Saudi Trading & Research Co., Ltd. (STARC) has signed a joint venture agreement with Subtech Ltd., a subsidiary of Mermaid Maritime Public Co. Ltd. based in Thailand., to form Subtech Saudi Arabia Ltd. (Subtech S.A.).

Subtech S.A. which will be based in Al Khobar, intends to provide diving and offshore marine services to the oil and gas industry in the Kingdom of Saudi Arabia and its territories. The deal marks another major milestone for GENTAS and brings it closer to achieving its strategic vision of becoming the leader in providing innovative products and services to KSA's oil and gas industry. Subtech Ltd. is IMCA approved and certified by all the major classification societies and will provide a range of diving and sub sea offshore services including dive intervention (air & saturation) for both inshore and offshore operations, salvage operations, subsea installations, repairs, inspection and maintenance. The joint venture will also offer, through its partners, saturation diving systems, ROVs and DP Dive support vessels.

About Mermaid

Mermaid Maritime Public Company Limited ("Mermaid") is a leading provider of drilling and sub-sea engineering services for the offshore oil and gas industry.

Over the last six years Mermaid has grown significantly in these areas. Mermaid has established itself as a company recognized by the industry for high quality services, delivered safely and efficiently.

The group has developed a strong blue chip client base that includes some of the world's largest oil and gas-related companies. Its sub-sea engineering division is represented by Mermaid Offshore Services Ltd. ("MOS"). MOS is a leading provider of sub-sea engineering services to the offshore oil and gas industry in the region. MOS's existing fleet consists of eight (8) sub-sea vessels which it owns. Half of this fleet are specialized dive support vessels ("DSV").

Subtech Ltd. is a direct subsidiary of MOS and operates as MOS's representation in the Middle East and Persian Gulf.

www.mermaid-maritime.com



Khalid Al Shoabi, Chairman of GENTAS and appointed Chairman of Subtech S.A., said: "We are pleased to enter into this joint venture with Subtech and expand GENTAS' range of marine offshore services to the offshore oil and gas industry of Saudi Arabia. The venture will enable us to seek successful business opportunities by capitalizing on GENTAS' strong local presence and Subtech extensive international expertise.

Paul Whiley, Managing Director of Subtech said: "We are confident that this joint venture will accelerate our expansion into the Kingdom. Subtech's intention was to partner with an existing local entity that has an established stronghold in the market, and GENTAS fits the role perfectly"

About Subtech Ltd.

Subtech Ltd., through itself and its associated companies, has experience in the provision of quality turnkey sub-sea engineering services to local and international clients in the Middle East and Persian Gulf region.

Through many years of operations, Subtech Ltd. has built up access to a large database of personnel, and has name recognition and co-operation in the industry.

Earlier this year, Subtech Ltd. was acquired by Mermaid to expand Mermaid's market presence in the Middle East and Persian Gulf region and allowing the opportunity to mobilize quality vessels and remotely operated vehicles ("ROVs") to serve the region as opportunities arise.

Mermaid believes that being a local contractor in the region will give Mermaid a natural advantage due to local knowledge, convenient base-support and lower cost of mobilization.

About STARC

STARC is a limited liability company established in 1992. The Company offers services, sells equipment and invests in the oil, gas and petrochemical sectors in Saudi Arabia. It achieves this by means of establishing joint ventures and partnerships with prime foreign and regional contractors and suppliers in these fields.

The Company's head office is located in Al-Khobar with marketing support from its affiliated offices in Riyadh and Jeddah.

www.starcom.sa

FMC Technologies

Over the past quarter, Saudi Aramco has awarded Saudi Commercial Import Co. Ltd (SCICL) significant purchase orders for the supply of wellhead equipment from FMC Technologies.

These orders are significant for Shoabi Group Trading operations as the scope of supply includes the first time supply of specialised wellhead materials by SCICL/FMC to Saudi Aramco, and in the Kingdom of Saudi Arabia.

Purchase Orders include:

- The supply of 26 sets of 4" offshore trees and 50 sets of 26 3/4" Double pack-off Flange assembly.
- The supply of 4 set of 7" offshore Tree and its wellhead assembly for CO2 injection/water and amine inhibitors.
- The supply of 14 sets of 5-1/8" 10K Khuff trees
- The supply of 15 and 28 sets of Tubing Hangers with new specifications



Galperti

November

Shoabi Group were appointed the exclusive agents of Galperti products in Saudi Arabia. Galperti supply various piping material such as flanges, pipes, fittings, G-LOK, forged heavy-wall pipes and fittings, valves, bearing, etc for the field of Oil and Gas, Onshore and Offshore, Chemical and Petro-chemical, Power, wind-power generation industries. Galperti Group have five manufacturing mills and numerous branches all over the world.



October

EMGS have appointed Shoabi Group as their exclusive agent in Saudi Arabia. EMGS the marine EM market leader, uses its proprietary electromagnetic (EM) technology to support oil and gas companies in their search for offshore hydrocarbons. EMGS supports each stage in the workflow, from survey design and data acquisition to processing and interpretation. The company's services enable integration of EM data with seismic and other geophysical and geological information to give explorationists a clearer and more complete understanding of the subsurface. This improves exploration efficiency, and reduces risks and the finding costs per barrel.

New Appointments

Algeria



Redouane Amroun
Commercial Manager

Redouane joins the Shoaibi Group Algeria team as Commercial Manager bringing with him over 10 years of experience in Quality Control of 3 D Seismic Data as well as monitoring , pre-interpretation of data and commercial positions.

As a certified Geophysicist Engineer graduating from the University of Science and Technology Algiers, Redouane has had extensive work experience in Algeria working on various companies and or projects in roles such as Business Development consultant, Procurement administrator, Site Engineer, and Subcontractor Engineer respectively for Willbros Inc, National Contracting Company Ltd, (Alireza Group), Brown and Root condor and JGC/Kellogg Brown & Root.



Amina Khelif
Account Manager

Amina Khelif joins the Group as Account Manager, bringing with her a combination of excellent customer relationship, customer account management skills with expertise in electrical engineering, for the oil, gas and petrochemical industry in Algeria.

She has held various sales and engineering related roles such as Sales Engineer, IMCF International SPA; Project engineer, National Contracting Company Ltd, (Alireza Group); Consultant, Aluminum Damghan and Contract Manager, Eurl Africa Logistics.

Amina graduated from the University of Science and Technology Houari Boumediene (USTHB), Algiers with a Bachelor's degree in Electrical Engineering.

Saudi Arabia



John Moffatt
General Manager
Continuous Nitrogen
Services Arabia

John brings to the Group 23 years of extensive experience in the Oil and Gas industry worldwide.

He has held Sr. Management positions in the past 11 years across the GCC acting as VP, Director, Regional and General Manager for companies engaged in upstream activities, managing all aspects of companies P&L and business growth whilst creating efficient, effective and compliant working environments.

John has repeatedly achieved and exceeded budget expectations of sales, operating income and cash flow whilst delivering geographical expansion throughout the region of operation.

John has worked with in various blue-chip companies across the region including Weatherford, RigNet and Caledus. He holds a Marine Engineering Officer degree from Liverpool and Cardiff universities

Wasan Al-Yami
HR Administrator

Wasan joins the HR Department Shoaibi Group KSA Corporate Headquarters as HR Administrator.

She brings to the Shoaibi Group HR team a diversified work experience and specialised expertise in I.T.

While obtaining her B.A. in Computer & Information System, last year from King Faisal University, Wassan has interned as an Executive Secretary at Tawasel General Services Office (KSA) and held the roles of Public Relations & Marketing Executive, English Language Instructor, and Registration Executive at the New World Training Center, in Al Khobar Saudi Arabia.

Shoaibi Group Runs for a Cause

October 29th, 2010

Shoaibi Group staff, partners, families and friends joined more than 1,500 athletes and descended on Bahrain International Circuit (BIC), Sakhir, in support of local charities by participating for the 2nd time in the 30th annual Bahrain Marathon Relay which raised around BD 25,000 for Bahraini charities.

A total of 162 teams, including schools, hotels, societies and businesses, took part in the event organised by Bahrain Round Table.

As in previous years, the 48km marathon was covered in 16 legs of about three km each.

The route took participants from the BIC, along Gulf of Bahrain Avenue and Zallaq Highway to Alba and Awali and back through Sakhir, before hitting the finish line at the Formula One track.

A special thank you to the runners that participated in the Shoaibi Group team!



Shoaibi Group Team (No 28) Results

Stage 01	Stage02	Stage03	Stage 04	Stage05	Stage06	Stage07	Stage08	Stage09	Stage10	Stage11	Stage12	Stage13	Stage14	Stage15	Stage16	Total Time	Position
Matt Etter 00:14:59	Ali Jaffar 00:22:32	Asmaa Jaffar 00:19:09	Nigel Widdowson 00:17:36	Jason Le Venconte 00:17:18	Jennifer Le Vesconte 00:17:39	Roni Paul 00:24:53	Johann 00:14:15	Nigel Widdowson 00:19:16	Andy 00:09:32	Michael Priester 00:20:40	Ahmed 00:15:12	Martin B. 00:17:21	Martin Pearson 00:17:51	Julie Pearson 00:15:15	Mark Jenkins 00:15:22	04:38:50	127



Shoaibi Group Races for Pole Position

Shoaibi Group members, **Mark Jenkins, Paul Cockerill and Martin Pearson** along with SG JV partner, **Jason Le Vesconte**, General Manager of Xtreme Coil Drilling S.A., have formed a Shoaibi Group team to race in the Bahrain National Karting Championships 2010. Each driver will race twice a month starting Oct 2010-May 2011

GOOD LUCK!

Annual Shoaibi Group Iftar

August 31st

Movenpick Hotel, Al Khobar, Saudi Arabia



Shoaibi Group reaches Russia

October 31st

Shoaibi Group Directors **Faisal Al Shoaibi, Mark Jenkins, and Chief Technology Officer, David Malone** take a trip to Moscow, Russia to meet with **Alexander Kondrashov**, who represents a potential new SG partner.





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SHOAIBI GROUP

Your feedback is valuable to us!

Thank you to all markets, and partners for your input and valuable news that was contributed to this issue of our newsletter. We look forward to your comments suggestions and articles for the next issue.

Tell us what you think of this issue of the Newsletter.

All ideas, criticism and of course praise are welcomed.

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