

JANUARY 2016

# RIGZONE NEWS

D I G I T A L R E A D E R

**04**

**FITNESS TRACKING  
DEVICES NOT FIT FOR  
MONITORING OIL, GAS  
WORKER HEALTH, SAFETY**

**06**

**3 CAREER RESOLUTIONS  
YOU CAN ACTUALLY KEEP**

**08**

**ASIA CONTACTORS EYE IRAN  
AS IT OPENS FOR BUSINESS**



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# CONTENTS



## FITNESS TRACKING DEVICES NOT FIT FOR MONITORING OIL, GAS WORKER HEALTH, SAFETY

06

3 Career Resolutions  
You Can Actually Keep

08

Asia Contractors Eye Iran  
as It Opens for Business

10

Third Greece, Egypt, Cyprus  
Trilateral Summit & the Eastern-  
Med Energy Industry

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# FITNESS TRACKING DEVICES NOT FIT FOR MONITORING OIL, GAS WORKER HEALTH, SAFETY

Karen Boman, Senior Editor  @KarenBoman

**W**earable health tracker devices are usually the first thing that comes to mind when the topic of the Internet of Things (IoT) arises but Dave McCarthy, product director with BSquare Corporation does see two major limitations to their widespread use in oil and gas. Fitbits and consumer-oriented wearables are not usually built to withstand the rugged environments – with high temperatures and high soot – in which the oil and gas industry operates, McCarthy told Rigzone. In his discussions regarding health track devices in the medical industry, McCarthy found that readings obtained from consumer-grade health tracker devices are all over the place.

“They’re good for determining trends, but not reliable for accurate readings,” said McCarthy.

Instead, he is seeing more companies focused on industrial wearables. These devices are not specifically focused on health tracking, but are vertically focused for the types of industries in which they’re used. McCarthy is seeing other use cases such as devices that can track where coworkers are in a refinery, giving them alerts if they’re in a safety zone with certain restrictions. These devices are also allowing for more value-added cases, such as giving information to a worker about the equipment operating in their field of vision.

The oil and gas customers with whom BSquare works are looking to leverage data coming off smart devices to increase the efficiency, productivity and safety of operations. These companies are looking to industrial wearables to help achieve these three objectives, McCarthy said, and low oil prices will continue driving that trend.

“I absolutely predict that companies will use wearables to become more efficient,” said McCarthy. Instead of running around with clipboards, oil and gas workers will be able to cover more ground and be more effective; this is a trend that McCarthy is seeing across a number of industries.

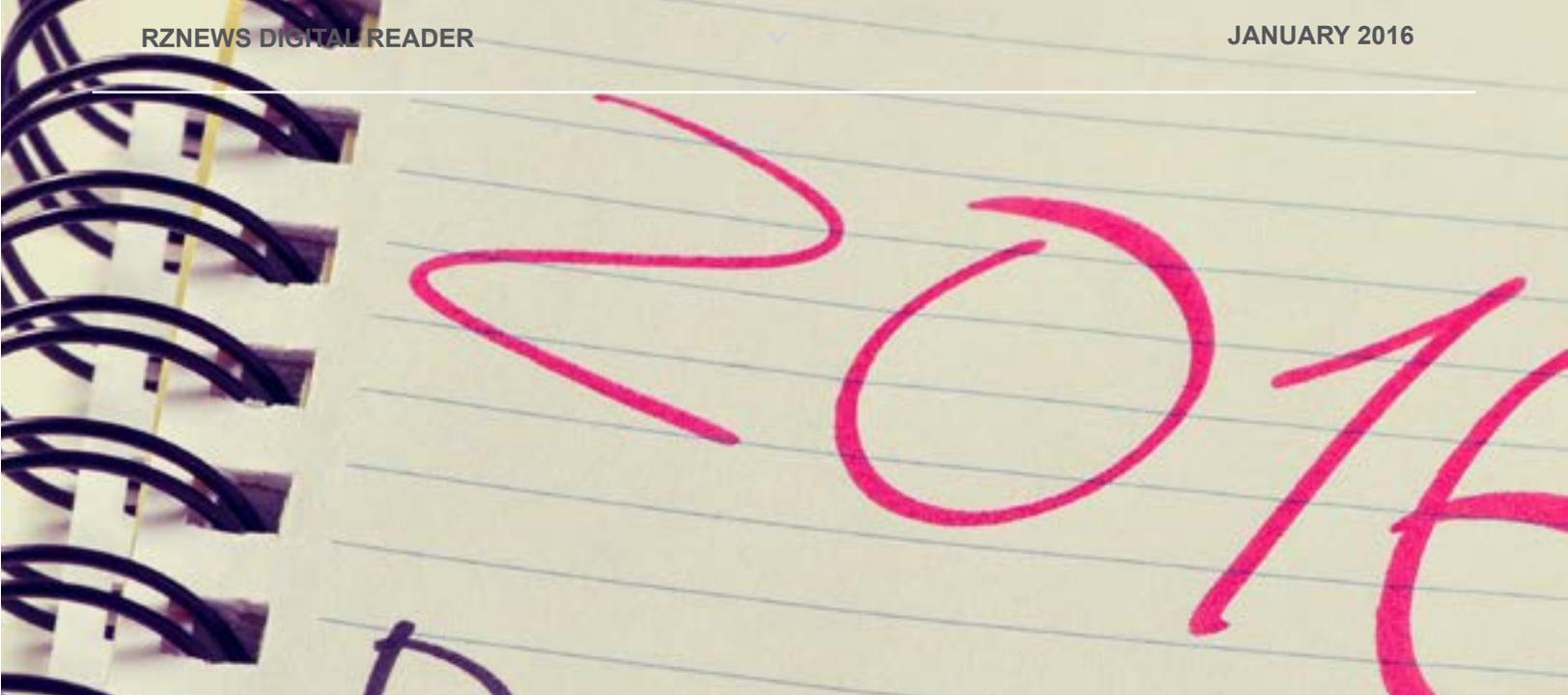
Companies in the oil and gas space are trying to figure

out how to remain in compliance with regulations. They also are grappling with doing more with less in light of recent capital expenditure cutbacks. While the amount of data collected in oil and gas operations has grown, industry hasn’t actually collected as much data from people walking around the facility floor. Wearables can allow people to become “walking instruments of data collection”, McCarthy said.

Some industries are putting sensors throughout a plant to detect safety hazards, but getting coverage everywhere is expensive. Instead of blanketing a refinery with sensors, making these sensors mobile by associating them with people to get more pertinent, real-time information is a better option, McCarthy said. In some cases, McCarthy could see companies banning personal devices from plants if it’s thought they might negatively impact operations.

Biometrics is another solution that companies can use to monitor oil and gas worker safety and health. However, biometrics presents data privacy issues – such as who has the right to see what data. McCarthy expects to see more efforts to define data privacy laws.





# 3 CAREER RESOLUTIONS YOU CAN ACTUALLY KEEP

Valerie Jones, Careers Editor [@rz\\_careernews](#)

**S**o by now, the holiday feasting is over and the gym memberships have multiplied ... but what resolutions have you made in regard to your career?

Whether it's advancing your career or stepping up your job search, it's important to put some effort into improving your career, and what better time to begin than the start of a new year?

Those who work in the oil and gas industry have experienced a difficult 12 months and moving forward more than likely involves making decisions about retirement, finding a way to get things done with less money and resources at your current job or looking for a new job altogether.

Here are three things oil and gas workers can resolve to do for their career in the New Year:

## 1. ASK TO TAKE ON MORE PROJECTS AT WORK

We all know the current market conditions for oil and gas. And we're all aware of the "lower for longer" mindset and "do more with less" approach to work. So, you're probably thinking why on Earth would I want to ask for more things to do? Hear me out. Taking on more responsibility not only shows leadership, but allows you to expand your skill sets – making you a much more valuable employee and marketable job candidate should you find yourself in a career transition. While it's never a good idea to overextend yourself, consider saying yes to a new project or heading up a new committee. You may actually find something else you enjoy in your line of work, which can lead to future promotions.



## **2. DEVOTE MORE TIME TO BUILDING YOUR PROFESSIONAL BRAND**

Something that often goes overlooked by employees is the importance of developing and building their professional brand. Take this year to begin doing so if you haven't already, or if you have, begin cultivating your brand. There are several ways to go about this: update your social media profiles, join professional groups or boards or become a mentor to younger workers in your company. Your brand is an essential part of your career because it's something you can control – and it travels with you, no matter the job or career path.

## **3. ATTEND AT LEAST ONE INDUSTRY EVENT**

If the cost of an industry conference doesn't fall into your budget this year, that doesn't mean you can't still network or surround yourself with like-minded professionals. Consider attending industry events such as mixers, networking events or speaking engagements. This will be especially beneficial if you are currently on the job hunt. Being in the same room with people in the industry will allow you to forge new relationships that could potentially turn into career opportunities for you down the road. And if nothing else, you'll be able to keep a pulse on the industry issues and hot topics, so you'll be ready when the market turns around.

# ASIA CONTRACTORS EYE IRAN AS IT OPENS FOR BUSINESS

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**H**ard-pressed Asian contractors, whose revenues plummeted due to cutbacks in spending in the global petroleum industry, are hoping that Iran will provide new opportunities as the Middle Eastern nation reopens for business after the recent lifting of international sanctions.

South Korean firms – among Asia’s largest and most active construction players – are training their sights on new projects in Iran as the Organization of Petroleum Exporting Countries’ third largest producer is poised to “make big investments to replace aged gas and oil facilities and major infrastructure,” Yonhap News Agency reported Jan. 19.

“Until 2000, Iran was the fourth-largest market for South Korean construction firms after Saudi Arabia, Libya and Iraq ... the lifting of economic sanctions would pave the way for South Korean firms to tap deeper into the nation,” Kim Jong-kuk, manager of the Middle East division at the International Contractors Association of Korea said, as quoted by Yonhap.

After all, companies in the Northeast Asian country had clinched around \$12 billion worth of construction contracts in Iran prior to 2009 when such deals fell due to the international economic sanctions imposed for Teheran’s nuclear program. The Export-Import Bank of Korea (KEXIM) projected a 7.6 percent rise in Iran’s construction market this year to \$49.6 billion, up from \$46.1 billion in 2015. KEXIM plans to sign an agreement with Iran’s central bank in the current quarter to provide \$5.45 billion (EUR 5 billion) in financing for South Korean companies that win contracts in Iran, Reuters said Jan. 19.

Already, three major South Korean yards – Daewoo Shipbuilding & Marine Engineering Co., Ltd., Hyundai Heavy Industries, Co. Ltd. and Samsung Heavy Industries Co., Ltd. – reeling from a combined operating loss of \$6.1 billion in 2015, as indicated in a separate Yonhap report Jan. 19, are eager to tap opportunities for offshore facilities in

the Iranian market.

The lifting of Iran sanctions “could add more barrels to the global oil market, but demand for tanker ships and LNG [liquefied natural gas] carriers may increase, which is good for Korean shipyards,” Hong Sung-in, an analyst at the Korean Institute for Industrial Economics and Trade told Yonhap.

Contractors in Japan also expect Iran to replace its aging oil and gas production infrastructure as Teheran seeks to return hydrocarbon production to pre-sanction levels, a Japanese Ministry of Economy, Trade and Industry official told Nikkei Asian Review Jan. 20.

The Iranian aim of raising crude oil production post-sanctions may benefit firms operating in maintenance, modification and operations (MMO) and those offering oilfield services to mature shallow-water field maintenance, an industry player commented in Singapore’s Business Times (BT) Jan. 20.

Mick Meade, managing director of Singapore-based offshore broker and consultancy M3 Marine Group, expects demand to rise in Iran for small to mid-sized anchor handling tug supply vessels ranging between 5,000 and 8,000 brake horsepower and for platform supply vessels of between 3,000 and 3,500 deadweight tons.

He added that some regional yards may benefit from Iran’s reentry into the global business commu-

nity as the country’s Caspian Sea needs deepwater and harsh-environment vessels and rigs. Firms such as Singapore-based Keppel Offshore & Marine Ltd.’s Caspian Shipyard Co. – based in Azerbaijan – could reap the “gains as first-mover investors” in the region.

Meanwhile, China’s President Xi Jinping became the first major world leader to visit Iran after the lifting of the sanctions Jan. 16. He was in Teheran to safeguard Beijing’s – political and economic – interests, which expanded when the sanctions were in place.

Energy-deficient Japan also reacted speedily to the changed environment by lifting trade sanctions against Teheran, Reuters reported Jan. 22, with the move enabling its insurance firms to issue policies covering trade deals involving Iran as well as permit new Japanese investments in the Middle Eastern nation.

Japanese upstream investments could potentially include the Azadegan oil field near Iraq, which is estimated to contain 5.2 billion barrels of recoverable oil, Iran’s Fars News Agency reported Jan. 21. Japan’s Inpex Corp. may possibly return to the Azadegan development, where it previously held a 10 percent stake before withdrawing from the project in 2010 due to the international sanctions on Iran.



# THIRD GREECE, EGYPT, CYPRUS TRILATERAL SUMMIT & THE EASTERN-MED ENERGY INDUSTRY

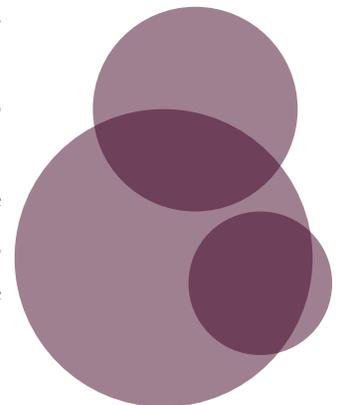
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In December of last year, Alexis Tsipras, prime minister of the Hellenic Republic, Abdel-Fattah Al-Sisi, president of the Arab Republic of Egypt, and Nikos Anastasiades, president of the Republic of Cyprus, met in Athens for the third Greece-Egypt-Cyprus Trilateral Summit to “solidify” the foundations of their tripartite cooperation in the years to come, according to a statement from Greece’s Ministry of Foreign Affairs.

The latest meeting saw the genesis of the Joint Committee of Cooperation, which aims to formulate, develop and promote practical projects of trilateral interest. Following Eni S.p.A.’s recent supergiant gas discovery at the Zohr prospect in Egypt, energy will be a key area of focus for the partnership, which has spoken highly of the find’s potential. In a joint statement posted on the Hellenic Republic Ministry of Foreign Affairs website, the three leaders emphasized that the discovery of the Zohr gas field in Egypt’s Exclusive Economic Zone “can serve as a catalyst for peace and stability in the region”.

Eni’s Zohr gas discovery, which is the largest ever gas field found in the Mediterranean Sea, was encountered in the Shorouk Block, offshore Egypt. Well Zohr 1X NFW was drilled to a total depth of approximately 13,553 feet and hit 2,067 feet of hydrocarbon column in a carbonate sequence of Miocene age with “excellent reservoir characteristics”, as described by Eni. According to the well and seismic information available, the discovery could potentially hold 30 trillion cubic feet of lean gas in place, which translates to around 5.5 billion barrels of oil equivalent.

The Italian oil and gas company stated last summer that it would immediately appraise the field with the aim of accelerating a fast track development of the discovery. Eni’s CEO, Claudio Descalzi, said at the beginning of October 2015 that Zohr would come on-stream as early as the end of 2017, although this claim has been met with some skepticism from certain factions of the energy industry.





In an effort to further develop the energy sector in the Eastern Mediterranean, the trilateral partnership has agreed to accelerate negotiations on the outstanding issues related to the delimitation of the three countries' adjacent maritime zones. A clear ruling on the sea boundaries of these three countries will eliminate any uncertainty over exploration activities in the region and result in a more efficient and improved upstream energy sector in the Eastern Mediterranean.

The cooperation will also explore the potential for new pipelines in the region, depending on the level of gas reserves found in the area. Prior to the discovery of Zohr, one of the most talked about finds in the Eastern Mediterranean was the Aphrodite gas field located off the coast of Cyprus. The discovery, made in Block 12, is thought to contain a mean estimate gross resource of about 4.5 trillion cubic feet of gas.

Aphrodite has caused tension between Cyprus and Turkey due to the latter country's claim of ownership. Turkey invaded Cyprus in 1974 and since then, the country has experienced a politically tense divide, with the northern part of the region being controlled by the Turks and the remaining zone operated by Greek Cypriots.

In a likely reference to Turkey, Anastasiades suggested that

the cooperation was not trying to exclude other countries and claimed that natural resources should be a platform for cooperation, instead of hostility. Based on the diplomatic strain the Aphrodite field has already generated between the two countries, it seems very likely that Turkey will need much more than the olive branch extended by Anastasiades to finally work together with Cyprus on the promising Eastern Mediterranean find. The Cypriot leader's desire to cooperate with Turkey is a good start though.

The continued cooperation between Greece, Egypt and Cyprus' leaders on issues concerning the hydrocarbon sector within the area is good news for the region's energy industry. The partners "remain convinced of the strategic nature of this trilateral cooperation" and plan to continue to work closely towards "the fullest exploitation of its potential", according to the Greek MFA, which will only serve to enrich the petroleum business in the Eastern Mediterranean. With Egypt's president stating that the partnership aims to have "visible and tangible results" through its joint cooperation, it will be very interesting to see what developments take place in the area before the three leaders meet up for the next scheduled trilateral summit in Cairo next year.

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