



Oil & Gas Industry Consulting

Leveraging Engineering Knowledge for Business Success

Increasing Demand Drives Global Focus

CGN's delegation recently returned from NG Next Generation Oil and Gas Summit in Dubai, UAE. The Summit draws top executives from leading National Oil Companies (NOC) such as Abu Dhabi National Oil Company and International Oil Companies (IOC) including Royal Dutch Shell for in depth business meetings regarding the state of the industry, areas of opportunity and key business challenges in meeting the global demands for oil, gas and their derived petrochemical products.

While gasoline now tops \$4.00 a gallon in the United States and an economic recovery slowly underway, several business challenges exist that could jeopardize the recovery and temper growth. Attendees noted concerns about the increasing demand for fossil fuels in emerging markets such as India and China, political unrest in oil producing Middle East countries, heightened regulatory requirements and greater emphasis on the "heavy oil" and enhanced oil recovery techniques. All of these factors contribute to increase extraction risk and crude oil costs.

The implications of growing demand, increasing use of advanced extraction techniques, project risks and supply chain disruptions create several potential areas to leverage CGN's core niche offerings:

- Program and Project Management skills are critical elements given the high investment/high risk inherent in exploration projects
- Critical parts availability can have significant financial impact if not readily available at point of use

Market Facts

- World energy consumption has grown by 50% since 1980 and is expected to **raise by another 50%** in the next 15 years
- Number of cars on the road will **increase by 50%** in next 25 years
- The world consumes **two barrels of oil for each barrel it discovers**
- Average opportunity cost for a lost day due to **shut down of a production facility - \$3.5M/Day**
- Oil & Gas Industry is segmented into **Upstream** (Exploration & Production), **Midstream** (Trading, Pipelines & Shipping) and **Downstream** (Distribution & Retail)

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More News on Oil & Gas Industry Consulting

- Fifty percent of industry engineers are projected to retire in next 10 years resulting in critical talent management needs

One example that highlights the potential opportunity in this sector is the development of oil field production in the Kurdistan region of Northern Iraq. The area, rich in potential deposits, is a target for several of the IOC's that were in attendance.

Interestingly, security is not seen as a primary issue but establishing the necessary infrastructure, supply chain and most critical human resources are top challenges on the agenda of the NOCs. There is a race to be first to market in developing the "blocks" while balancing Health, Safety & Environment (HSE) issues and Corporate Social Responsibility (CSR) concerns.

We look forward to the potential that the oil and gas sector holds for CGN

~ Archie Cameron, Patrick Dierker, &
Harsh Koppula



*CGN team meeting with a representative
from Egyptian Oil and Gas Company
Vegas S.A.*

Event Snapshots



*Harsh Koppula and Archie Cameron
meeting with Oil and Gas Executive.*

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