

Financial News

WellDynamics Names Management Team and Provides Update on Intelligent Completion Technology

DALLAS, May 1 /PRNewswire/ -- In April 2000, Shell and Halliburton Company (NYSE: HAL) announced plans to establish a 50-50 joint venture, WellDynamics, to develop and commercialize intelligent completion technologies. Following the receipt of European Union approval in March 2001, the joint venture has named the WellDynamics leadership team. WellDynamics will consist of the advanced well completion capabilities and technologies of the Shell Group, through its iWell(TM) intelligent well technology, and Halliburton's SmartWell(R) completions technology -- developed and previously provided by Petroleum Engineering Services (PES), a wholly-owned subsidiary of Halliburton.

WellDynamics, which is headquartered in Aberdeen, Scotland, will maintain development, testing and assembly facilities in Spring (north of Houston), Texas, USA; engineering facilities in Carrollton (near Dallas), Texas, USA; and a major manufacturing facility at Livingston (near Edinburgh), Scotland. The WellDynamics' Leadership Team will consist of:

- Chief Executive Officer: Larry Kinch was one of the founding Directors of PES, which was acquired by Halliburton in February 2000 and which originally developed the Surface Controlled Reservoir Analysis and Management System (SCRAMS(R)) technology.
- Chief Financial Officer: Jim Bain will join WellDynamics from the Shell Group of Companies.
- Director of Manufacturing: Mike Fleming has more than 20 years of business experience, including 3 years as Commercial Director for PES and 2 years as President and Intelligent Completion Business Unit Manager for PES.
- Director of Strategic Business Development: Ian Phillips has more than 20 years of oil industry experience, 15 of those with oil companies in management positions in reservoir engineering and well completion engineering, and 5 years with Halliburton in management positions in reservoir engineering and commercialization.
- Director of Production Technology: Mike Robinson has 25 years experience in well completions technology with the Shell Group of Companies, most recently, as a member of Shells iWell(TM) Implementation Team.
- Director of Technology: Dick Rubbo has 20 years experience in leading downhole product development teams with Baker Hughes and PES. For the last 8 years, he served as PES' Technology Director where he championed the development of intelligent completion systems including SCRAMS(R), the first recognized major intelligent completion technology.
- Director of the Eastern Hemisphere: Dave Shand has 20 years of industry experience in the service sector, most recently as PES' Global Operations Manager for Intelligent Completions.
- Director of Reservoir Engineering: Arun Sharma has nearly 20 years of reservoir engineering experience with Mobil and Shell.
- Director of the Western Hemisphere: Jerry Wauters has more than 20 years of industry experience with Halliburton, most recently as the Strategic Business Director of Intelligent Completions.

WellDynamics will have the largest installed base of proven and reliable SmartWell(R) equipment in the oil industry, and has the capability to be a leader in downhole measurement, flow control, downhole processing, communications technologies and well development planning expertise.

At present, one of WellDynamics' technologies, the SCRAMS(R) completion system, provides the industry with one of the most sophisticated systems, featuring complete redundancy to maximize reliability -- from the twin encapsulated umbilicals taking hydraulic and electrical power from surface, to the infinitely variable downhole chokes and the pressure

gauges. To date, fourteen SCRAMS(R) systems have been installed throughout Norway, the Gulf of Mexico, the Adriatic Sea and Nigeria.

Direct Hydraulics and Mini-Hydraulics are also technologies available to the industry through WellDynamics. Direct Hydraulics is a more conventional system -- its major attraction is the ability to control large numbers of devices without having large numbers of wellhead penetrations. More than 20 systems have been installed in the North Sea and the Middle East. Mini- Hydraulics is appropriate where low cost is an absolute requirement, with a single hydraulic line being required to operate each downhole device. More than 15 systems have been installed throughout the Far East and South America.

WellDynamics will also have the ability to offer very fine control of the IVICV(TM), with an advanced option, known as the AccuPulse(TM) accumulator system, which accumulates, then dispenses a fixed known quantity of hydraulic fluid downhole, enabling an operator to adjust the Flow Control Device precisely in defined increments. The major benefit of this being the full hydraulic force always being applied to the downhole device in both opening and closing directions. This is critical for reliable device operation in hostile downhole environments where debris and scale can obstruct device operation.

This AccuPulse(TM) accumulator system overcomes the difficulty of adjusting variable position devices at the end of many thousands of feet of hydraulic line -- fluid compressibility and temperature variations generally make this difficult.

Halliburton Company, founded in 1919, is the world's largest provider of products and services to the petroleum and energy industries. The company serves its customers with a broad range of products and services through its Energy Services Group and Engineering and Construction Group business segments. The company's World Wide Web site can be accessed at www.halliburton.com.

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