



SOCAR AQS



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COMPANY OVERVIEW

HISTORY

SOCAR AQS LLC was established as an integrated drilling and well services management company between the State Oil Company of Azerbaijan Republic (SOCAR), Nobel Oil Services (NOS) and Absheron Drilling Company (AQS) in 2007.

SOCAR – 13 %

AQS – 13 %

Nobel Oil Services – 74 %



Mission

To restore the leading role of Azerbaijani drilling industry in today's international oil industry, by continual improvement and introduction of advanced drilling technologies and methods.



Vision

To become a leading international drilling company, delivering world-class, safe, integrated drilling and well services.



Values

- Safety
- Quality
- Integrity
- Novelty
- Frugality



Our Facilities

*SWG Field
Platform 11 (ZJ\4500DZ)*



*No. of Well Slots: 24 slots
Water Depth: 92m
Drilling Facilities:
Rig Type: ZJ70\4500DZ
Drawworks: 2000HP
Derrick: JJ450/45-K4
Top Drive: DQ 70BSC
Rotary Table: ZP375
Mud Pumps: 3 x 3NB-1600
Mud tank volume: 338 m3*

*SWG Field Platform
7 (Bentec 3000 HP)*



*No. of Well Slots: 20 slots
Water Depth: 148m
Drilling Facilities:
Rig Type: 3000HP Offshore Rig
Drawworks: E-3000-AC
Derrick: Flo Line Cleaner 503
Top Drive: TD-750-HT (7,500 psi)
Rotary Table: RDF-375-850-VAR-225-31
Mud Pumps: T-1600-AC (R)-7½"x12" (5.000 PSI)
Mud tank volume: 350 m3 in basic config.*

*SWG Field
Platform 7 (ZJ70\4500DZ)*



*No. of Well Slots: 20 slots
Water Depth: 148m
Drilling Facilities:
Rig Type: ZJ70\4500DZ
Drawworks: 2000HP
Derrick: JJ450/45-K4
Top Drive: NOV TDS11-SA
Rotary Table: ZP375
Mud Pumps: 3 NB 1600
Mud tank volume: 338 m3*

Our Facilities (cont.)

*West Absheron Field
Platform 20
(DRILLMEC HH300)*



No. of Well Slots: 10 slots
Water Depth: 18m
Drilling Facilities:
Rig Type: DRILLMEC HH300 FA
Drawworks: N/A, Max pull 272 metric ton (600,000 lbs);
Derrick: HH-300, Telescopic, Range 3 (single)
Top Drive: RILLMEC HTD-275
Rotary Table: 27 1/2"
Mud Pumps: 2 x 12T1600AC
Mud tank volume: 530 m3

*Umid Field Platform 1
(ZJ70\4500DZ)*



No. of Well Slots: 3 slots
Water Depth: 58m
Drilling Facilities:
Rig Type: ZJ70\4500DZ
Drawworks: 2000HP
Derrick: JJ450/45-K4
Top Drive: NOV TDS11-SA
Rotary Table: ZP375
Mud Pumps: 3 NB 1600
Mud tank volume: 338 m3

*Bulla Field
Platform 6
(DRILLMEC 3000HP AC)*



No. of Well Slots: 4 slots
Water Depth: 30m
Drilling Facilities:
Rig Type: DRILLMEC3000HPAC
Drawworks: 3,000HP(2,237kW)
Derrick: 907/48.7
Top Drive: CANRIG750T(1275AC)
Rotary Table: 37 1/2"AC
Mud Pumps: 3x14T2200AC
Mud tank volume: 525m3

Baku - Bulla Base

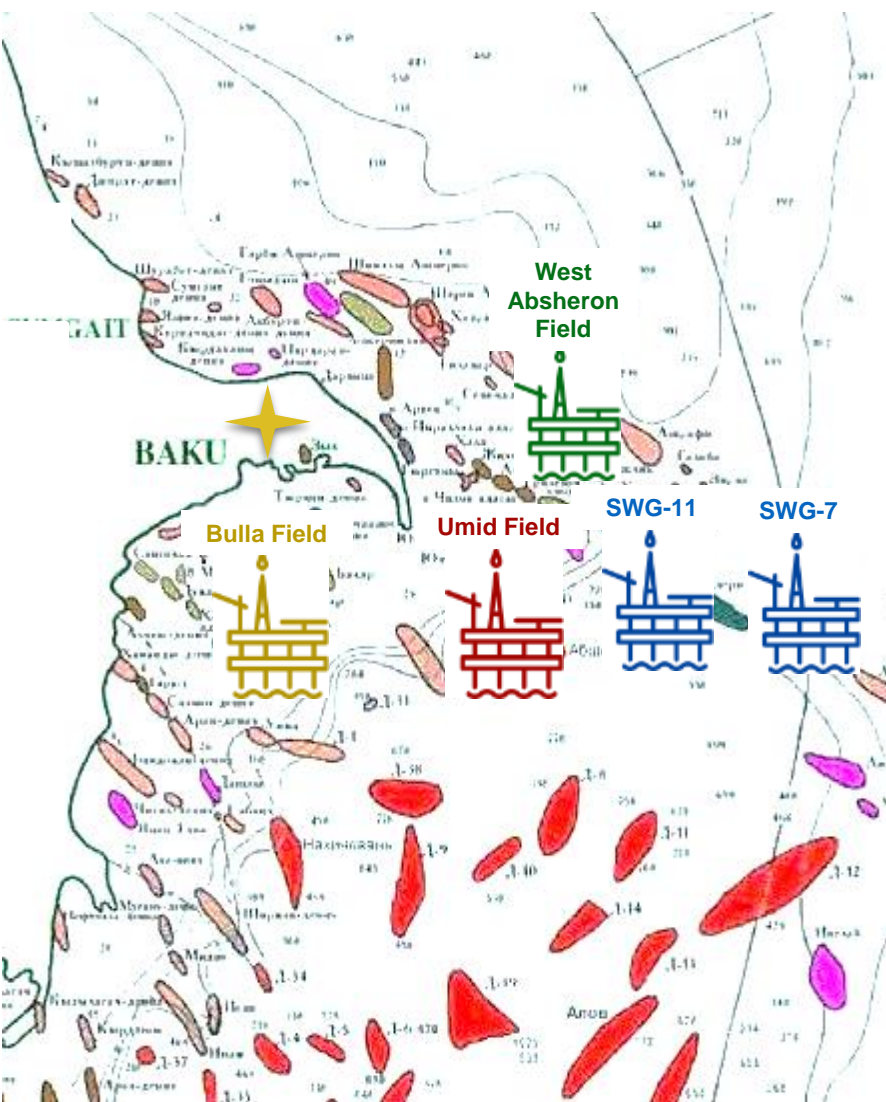
Area: 0.36 ha

Facilities:

- ✓ Administrative building
- ✓ 3 closed-type warehouses
- ✓ 2 x warehouses for storing propane / lubricants
- ✓ Climate controlled storage room
- ✓ Mechanical and Electrical workshops
- ✓ BOP testing unit
- ✓ Mobile petrol station
- ✓ Loading & Offloading area



Major Milestones



70

Highly productive wells drilled on time and within budget



First fully automated hydraulic (cyber) rig in the Caspian



Fastest “Fasila” well drilled in the Caspian



Horizontal & HPHT drilling capabilities



Integrated management systems and competent workforce



Successfully completed one of the 5 most difficult wells in the world



Experienced and results driven management team with focus on shareholder value

Innovation and Results

Taking core samples



FIRST TIME IN AZERBAIJAN

Taking core samples

For the first time in the SWG field, core samples were successfully taken from a deep gas reservoir on Platforms 13 and 11 by applying new technology.



100% success rate.

Innovation and Results

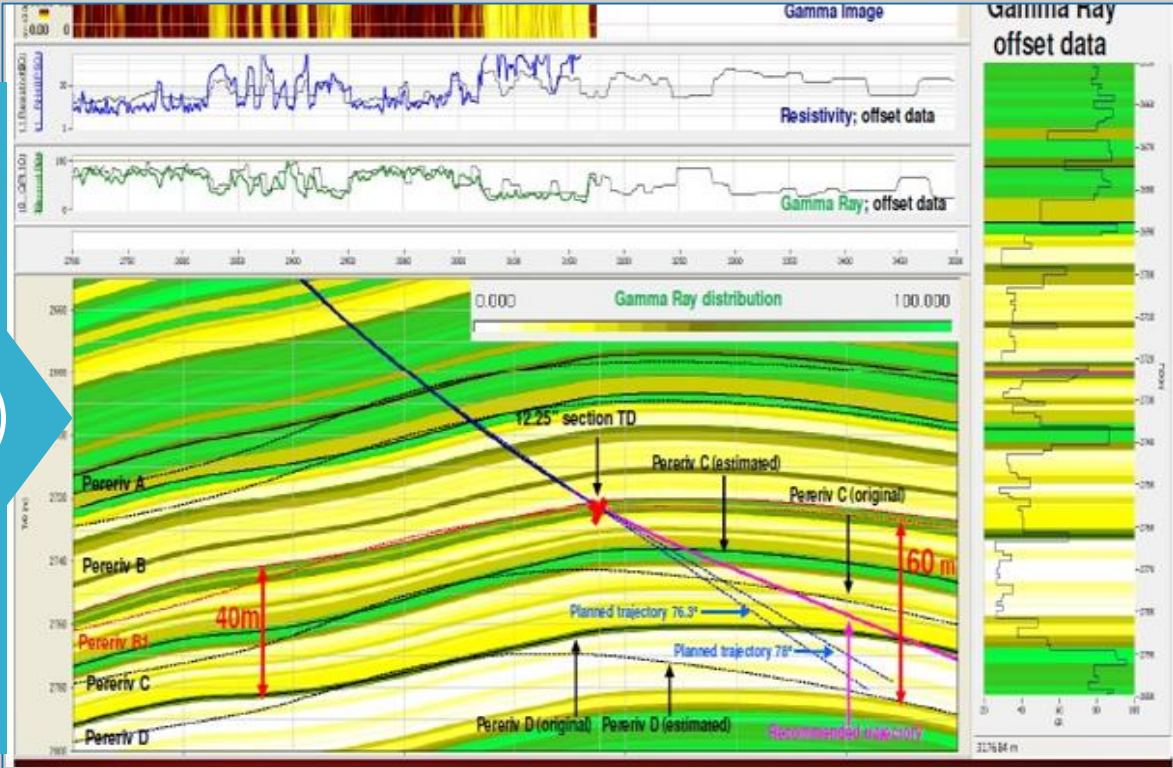
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FIRST TIME IN AZERBAIJAN

Geo-steering:

Real-time geo-steering of a horizontal well based on the preliminarily developed geological model was used for the first time by SOCAR-AQS on Platform 13.



Innovation and Results

Horizontal wells drilling



FIRST TIME IN AZERBAIJAN

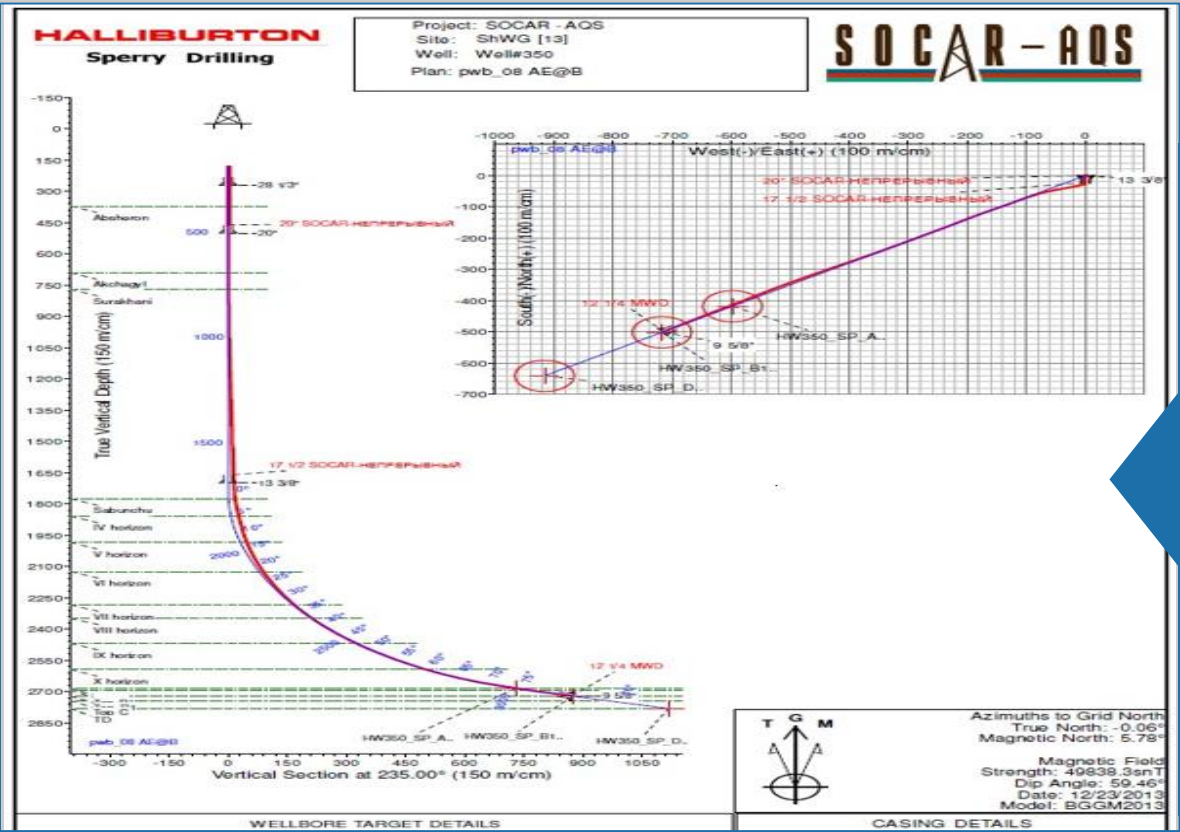
Horizontal wells:

For the first time in the SWG Field Horizontal wells were drilled from Platform 13.



Example:

- Well No. – 350
- Depth – 3443 m
- Horizontal open-hole completed section – 267 m
- Actual drilling days – 60 days
- Planned drilling days – 128 days



Innovation and Results

Application of Whipstock Technology



FIRST TIME IN AZERBAIJAN

Whipstock technology:

For the first time in the SWG field, modern whipstock technology was used by the company on Platform 13 to sidetrack from an existing borehole in order to rectify a previous failure.

The operation was successfully completed as designed with one run.



OUR SERVICES AND PARTNERS



Services and Partners

OUR MAIN SERVICES

- ✓ *Well design and planning*
- ✓ *Drilling HP /HT gas wells*
- ✓ *Drilling directionally deviated wells*
- ✓ *Drilling horizontal wells*
- ✓ *Drilling multi-lateral wells*
- ✓ *Well completion*
- ✓ *Well work over*
- ✓ *Sidetracking*

ADDITIONAL SERVICES

- ✓ *Casing running*
- ✓ *BOP repairing and testing*
- ✓ *Cementation*

OUR VALUED PARTNERS

SOCAR
Azneft
BP
Schlumberger
Halliburton
Baker Hughes
Weatherford
NOV
Bentec
Drillmec
Cansco
WEIR Group
Applus Velosi (K2)
MI Swaco
Parker Drilling

PEOPLE

PEOPLE - our main asset



Competency and Performance Management System

Competency Management based on company culture and skill development

Best Practice Organizational Structure and Workforce Planning

Organizational structure compliant with international standards

Right Recruitment

Recruiting and retaining best and right local and international talent

Training and Development

Developing and retaining industry skills and providing professional skills and qualifications to employees

1200
Employees



IMS and
competent
workforce



Experienced and results driven management team
with focus on shareholder value

OUR HSE PHILOSOPHY

OUR HSE PHILOSOPHY

SAFETY as a PRIORITY



01

Be consistently proactive in preventing harm to people, the environment, property and equipment.

03

Minimize our impact on the environment through pollution prevention, reduction of natural resource consumption and emissions



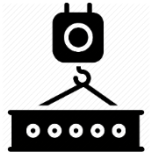
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- ✓ Understand and comply with environmental conditions laid down by national and international regulations, industry codes and conventions, and client requirements

04

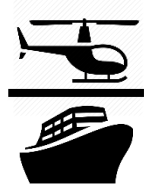
At all times, protect, and strive for improvement of the health, safety and security of all people who work for us and with us;





Lifting Operation

Transportation safety



Control of work execution

Life-saving Rules

Working at heights



Personal responsibility

Dropped objects

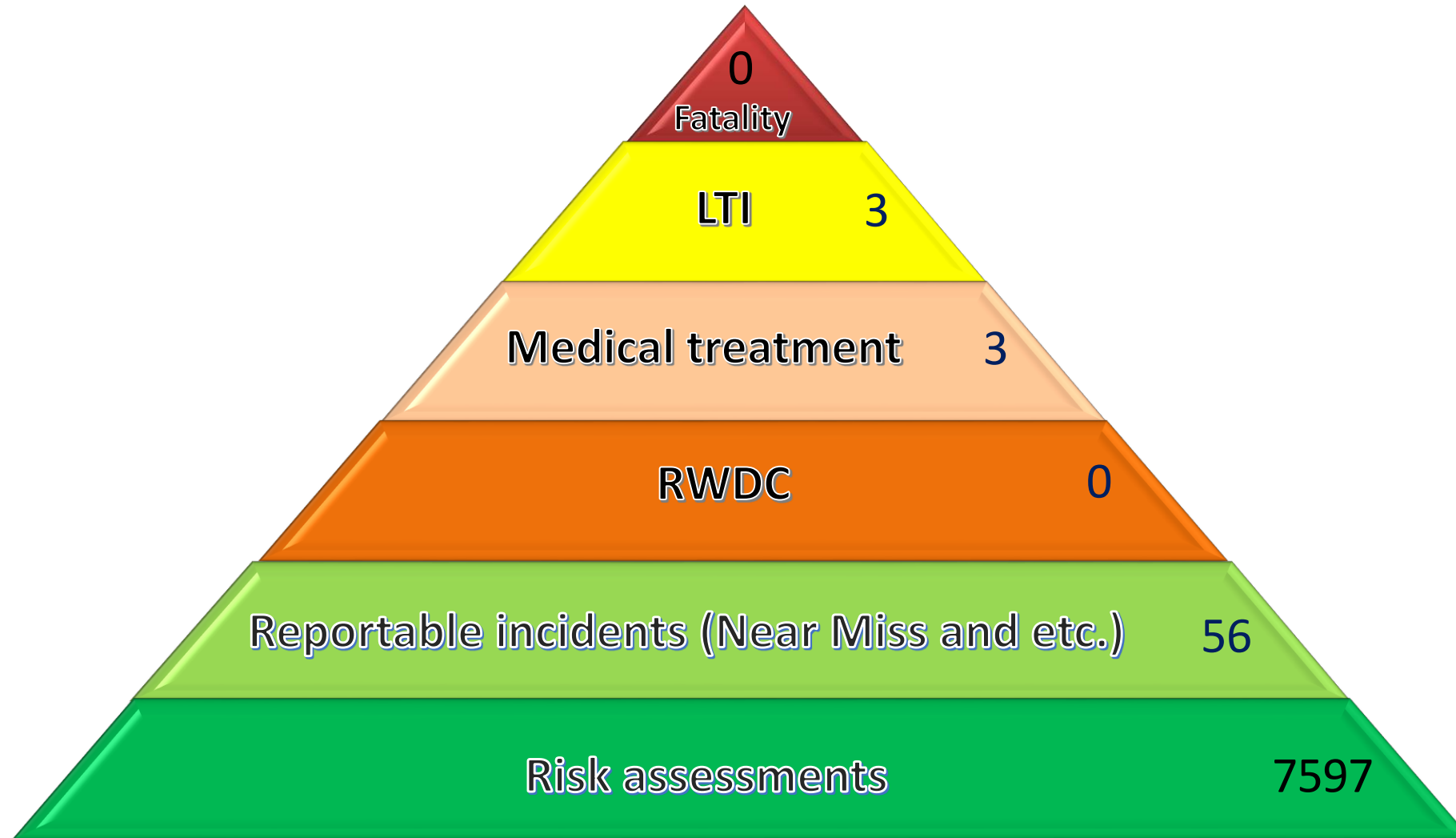


Emergency and crisis management

Fire and explosion safety



HSE PYRAMID 2017-2019 (YTD)



SOCAR-AQS incident rates for 2017-2019 (YTD) according to IADC calculation methods



Year	Incident rate	TRIR	Incident frequency rate	TRFR	Manhours
2017	0.15	0.29	0.73	1.46	1370170
2018	0.12	0.36	0.61	1.82	1646400
2019-YTD	0.11	0.11	0.53	0.53	1265781

IADC Formulas:	
Incident Frequency =	$\frac{(LTI + FTL) * 1000000}{Manhours}$
TRFR =	$\frac{(MTO + RWTC + LTI + FTL) * 1000000}{Manhours}$
Incident Rate =	$\frac{(LTI + FTL) * 200000}{Manhours}$
TRIR =	$\frac{(MTO + RWTC + LTI + FTL) * 200000}{Manhours}$



CORPORATE DEVELOPMENT

SOCAR AQS Corporate Strategy

Objectives	Internal Position
<ul style="list-style-type: none"> • <i>To become a modern integrated well drilling and services company</i> • <i>Diversify client base and geography of business</i> • <i>To generate maximum shareholder value</i> 	<ul style="list-style-type: none"> • <i>Collaborative use of capabilities, systems and technology</i> • <i>Modern logistics, lean operations, business development, after-project services, innovation and client management processes</i> • <i>Performance driven and client oriented culture</i> • <i>Best HR systems in class through talent management, training and competency systems</i>
Corporate Scope	External Position
<ul style="list-style-type: none"> • <i>Grow scope of services by investing in capability and technology in adjacent service areas</i> • <i>Pursue organic and inorganic, domestic and international opportunities to grow</i> • <i>Use acquisitions and joint ventures to achieve diversification, capabilities and value growth</i> 	<ul style="list-style-type: none"> • <i>High quality, safe and cost effective drilling and well services</i> • <i>Acquisition and adoption of modern drilling technology & competencies</i> • <i>Provider of complex and integrated drilling and well services solutions</i>

Awards and Achievements



CERTIFICATES

- ❖ API Spec Q2 – May 2017
- ❖ Enterprise Training and Development Program – 2015
- ❖ ISO 9001 - 2008
- ❖ ISO 18001 - 2007 14001 – 2004
- ❖ OHSAS - 2017



MEMBERSHIPS

SOCAR AQS is a member of:

- ❖ International Association of Drilling Contractors (IADC)
- ❖ Society of Petroleum Engineers (SPE)
- ❖ International Well Control Forum

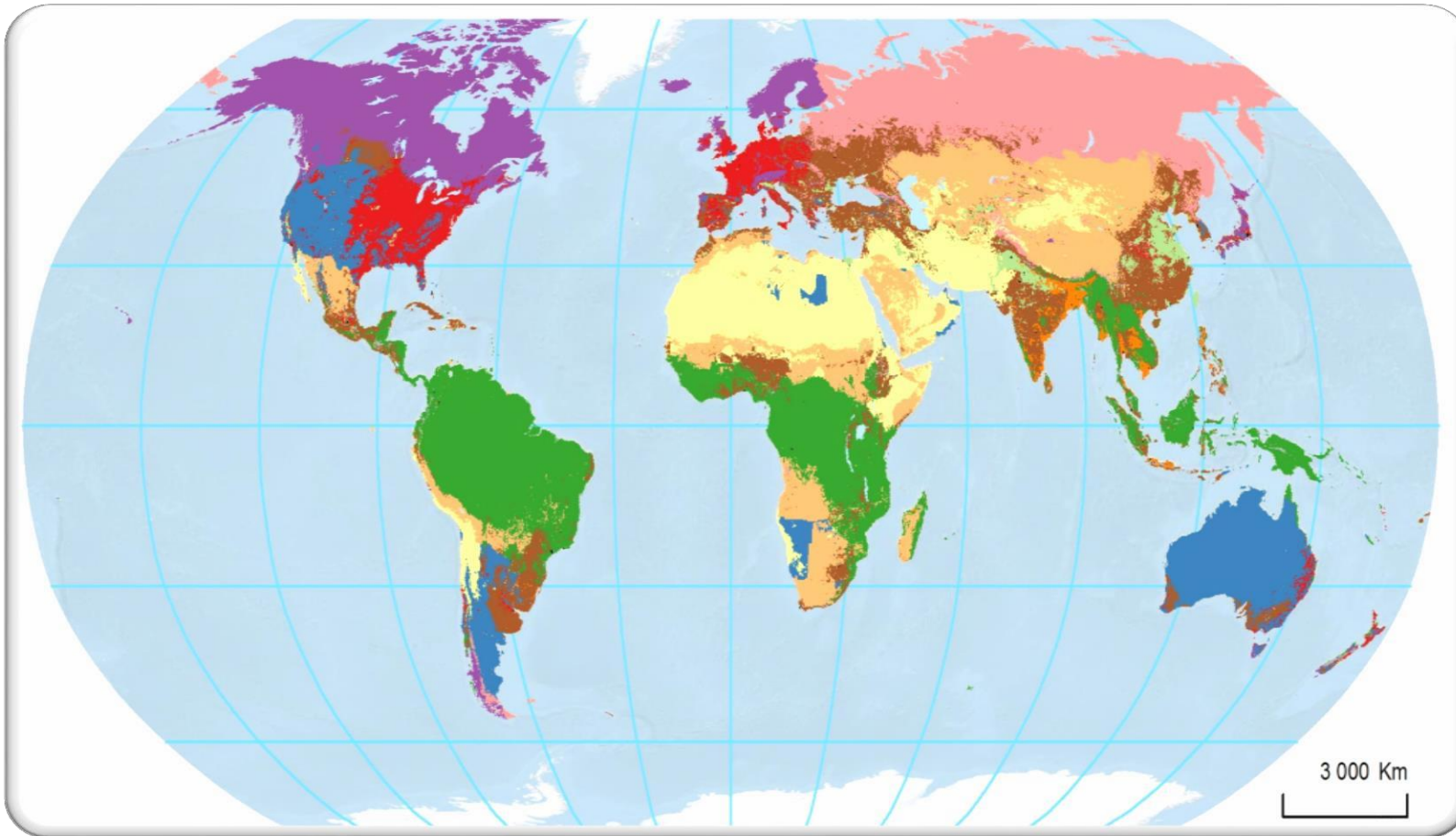


AWARDS

- ❖ **Caspian Business Awards as Company of the year:**
For implementation of advanced drilling technologies and new management methods) - 2010
Company of the year (Drilling Company) – 2011-2013
Drilling Company of the year – 2016
- ❖ **Company of the year for Successful Implementation of Modern Technology announced by BP – 2015**



International Projects



BAPEX

- ❖ SOCAR AQŞ renders drilling and well construction services in Bangladesh, in “Semutang-Yug-1”, “Begumganj 4” and “Modarganj 1” gas fields

Turan Drilling & Engineering

- ❖ SOCAR AQŞ and KCA Deutag have reached an agreement to form a joint venture that will target existing and future opportunities in the offshore and onshore Caspian drilling and engineering market

Tuz Golu Project Summary

- Signed Contract on 20th September
 - Working for ICTAS / BOTAS
 - Underground gas storage project- 40 Wells
- Initial Plans for the Project in Turkey
 - Clear Objectives:
 - HSE *first*
 - Well integrity, verticality (Quality of well)
 - Optimal performance
 - Assign experienced personnel to critical positions
 - Select capable rigs within country
 - Hire the most competent service companies to help us on this project
 - High Performance based operations – project completion time is critical!





THANK YOU!

