



The Oil & Gas Year Talks To Adel NASSER CEO GUIDE GEOSCIENCE TECHNOLOGIES (GGT) and ION Geophysical

SIDEBAR: ION/GXT - Guide combines the technological strengths of ION's GX Technology (GXT) Imaging Solutions group and the local market knowledge and extensive regional processing experience of Guide Geoscience Technologies (GGT). The alliance delivers state-of-the-art geoscience seismic processing, imaging and Reservoir Characterization solutions that enhance the quality and utility of seismic data, thereby allowing clients to optimize their exploration and development drilling programs, advance their hydrocarbon production, and find additional reserves in mature fields.

THE OIL & GAS YEAR: *What is the relationship between ION and Guide?*

ADEL NASSER: The two companies formed a joint venture known as ION/GXT - Guide in October 2008 to leverage the data processing technologies of ION's GX Technology (GXT) Imaging Solutions group and the extensive regional processing experience of Guide Geoscience Technologies (GGT). ION is a leading provider of geophysical technology, services, and solutions for the global oil & gas industry offering advanced acquisition equipment, software, planning and processing services, and basin-scale seismic data libraries. The company has 23 offices in 12 countries. GGT specializes in seismic data processing and integrated high-end geophysical technologies. GGT has unique seismic expertise and applies state-of-the-art solutions to different geophysical problems. GGT operates in North Africa and the Middle East, with offices in Egypt and Libya.

TOGY: *Why did GGT choose Egypt as a base of operations?*

AN: Egypt, and more specifically Cairo, is a very attractive place to conduct business in the region for many reasons. It has a pool of highly qualified and highly experienced seismic data processing professionals. Egyptian oil and gas company workers are highly prized throughout the world for their level of education and professionalism. Egypt is also strategically located with close geographic proximity to core oil and gas markets in the Middle East and North Africa.

TOGY: *What is ION/GXT – Guide’s strategy to further develop its footprint in the Middle East and North Africa regions?*

AN: Our operations currently cover all of the regions of Egypt, from Upper Egypt and the Mediterranean to the Western Desert, Sinai, and the Gulf of Suez. We have completed, or are in the process of completing, projects in Tunisia and Morocco. We also operate in the Libyan market. The opening of our office in Libya marks a major milestone in the expansion of our partnership with ION. This new office will allow us to take advantage of customer demand for a local office staffed by personnel who are familiar with the geology and operating practices within Libya, and who are both readily accessible and able to provide a rapid turnaround on the projects they undertake. We are planning to service the Middle East market from our office in Cairo.

TOGY: *What is the key element that ION brings to the partnership with GGT?*

AN: ION is a pioneer in the growing full-service seismic industry. Its GX Technology (GXT) imaging solutions group is a leader in advanced land and marine imaging, including prestack depth migration (PreSDM). By blending GXT’s technological strengths and GGT’s regional expertise, we deliver state-of-the-art geoscience technology solutions that enhance the quality and utility of seismic data, thereby allowing clients to optimize their exploration and development drilling programs, advance their hydrocarbon production, and find additional reserves in mature fields.

GXT’s globally distributed network of Linux-clusters, each scaled to local needs, combined with their major compute hub in Houston gives us the capability to conduct some of the largest imaging projects in the industry. Thanks to the alliance with ION we are now able to offer a broad scope of imaging services, including static and data conditioning, wide azimuth seismic, 3D SRME, velocity model building, PreSDM, Reverse Time Migration (RTM), full-wave processing, and geophysical reservoir analysis.

TOGY: *How receptive is the Egyptian market to the introduction of new technologies?*

AN: The Egyptian market is a mature market and is always receptive to new technologies. Awareness building is the key phase in establishing a new company or a brand into a market. Once you have climbed the awareness curb, then the implementation of technology becomes much easier. Now that we are well established in the Egyptian market, we will try to grow as and when the opportunities arrive.

It is a well established idea that the best technology makes the most revenue. Working collaboratively with our clients in Egypt, we help accelerate the introduction of new methods and technologies. Whether working to better define and resolve a particular challenge or discover new opportunities in the region, we work closely with E&P companies in the region to deliver seismic images of the highest quality within the budget and timing constraints they demand. Our goal is always the same – to deliver unparalleled technical expertise and provide the highest quality images that help reduce exploration and production risks. This has been our key message to the Egyptian E&P industry, oil companies operating in the region as well as the Ministry of Petroleum – a message which has begun to bear fruit for us.

Crucially, we are constantly advancing our technological offerings and have recently expanded our business beyond processing by offering high end reservoir solutions services.

TOGY: *What do reservoir solutions involve, and how will this technology benefit your clients?*

AN: Reservoir solutions assist E&P companies to increase production in declining fields. If you look at Libya and Egypt, most of the fields are experiencing declining production levels. ION/GXT reservoir solutions enable E&P companies to reduce exploration risk, appraise and develop the reservoir, and increase production.

We believe this technology is going to become increasingly important for the development and production side of operations, more so than exploration. Some exploration companies may be resistant to applying this relatively expensive technology, but reservoir solutions are key to developing mature and unconventional fields.

TOGY: *What is the potential for the development of Upper Egypt as a new exploration zone?*

AN: While it is still premature to make an assessment, Upper Egypt is a very large area that looks extremely promising. Based on the wells that have already been drilled, we believe the area has enormous potential. We have already successfully completed projects for the UAE natural gas company, Dana Gas, in that area, and we will continue to look for new projects there.

TOGY: *What is GGT's development plan for future expansion?*

AN: We have recently completed an outline of our five-year plan for 2010-2015. We would like to increase our market share and, like any company, would like to increase our client base. We would also like to grow our reputation for being a quality-driven company that always delivers exceptional products on time. The company has doubled in size very quickly since we began the partnership with ION in 2008, and we are projected to continue almost doubling in size every two years before we reach our desired level.

We intend to meet our goals through more aggressive marketing, improving the quality of our projects with new clients, and aiming for higher client satisfaction and better technological input.

TOGY: *Which markets hold the most potential for the growth of GGT and ION's operations in the coming years?*

AN: Our short- to medium-term focus is predominantly on North Africa. Egypt is a very attractive market for us, and we have very ambitious plans for further growth in this market where we would like to be perceived as one of the key players. Middle East also figures into our expansion plans. ION/GXT has already a share in the Middle East market through its operations in London, UK. Gaining significant market share in North Africa, Egypt, Libya, Tunisia, and Algeria is key to our strategy for the next couple of years.