

Interview: Alan Brodie – Middle East Region Manager, PTC, Abu Dhabi

Middle East Region Manager Alan Brodie discusses PTC's operations in the region, their unique portfolio of world-leading proprietary, innovative well technologies and services, his optimism for PTC's future growth in the region and his perspective on Abu Dhabi's petroleum industry.

As regional manager of PTC in the Middle East, can you give us a brief overview of your presence here?

I have worked with PTC for nearly seven years now and I have been based here in Abu Dhabi for 1.5 years. While PTC is a Norwegian company, it has always had a healthy internationalization strategy. Our initial focus was on the North Sea with our base in Stavanger, for obvious reasons. In the late-2000s, we first opened branch offices in Aberdeen, Houston and Rio. A couple of years ago, we realized that there was significant potential in the Eastern hemisphere that we wanted to tap, so we began exploring the opportunities available there, including attending and presenting at a few conferences. We looked at Southeast Asia in addition to the Middle East.

We had attended Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) in 2011, and our decision to come to the UAE was triggered by an order we received from one of the major operating companies (OPCOs) following that event. Strategically, however, it meshed well with our ambitions, because Abu Dhabi is an excellent hub from which to springboard into the region. It is an easy place to conduct business and to attract talent. Consequently, it made a lot of sense for us to establish ourselves in the UAE.

In the saturated landscape of well service companies, how does PTC differentiate itself from its competitors?

At PTC, we have always focused on our customers' needs and built solutions accordingly. This is what makes us different, and what gives us a competitive edge.

We pride ourselves on the unique technologies we offer. The various technologies that we bring to the market are typically unique, patented offerings that have been developed in response to the specific needs of our clients. This and our nimbleness in developing new technology differentiate us. Our entire portfolio is the result of a combination of us innovating to solve problems and our clients directly approaching us with a problem and requesting a solution. We believe that if one company has demand for a particular niche technology, it is likely that other companies would too.

Our focus has primarily been on enhancing well integrity and well production while improving reliability, thus reducing well intervention and lifecycle operating costs.

What are some of the most innovative technologies that you are bringing to the Middle East?

The technologies that we are bringing here are primarily for use in gas lifted wells, which are increasingly being adopted as the preferred artificial lift method in the region. Little has changed over the past decades to prepare the industry for the gas lift challenges being faced today. These include deeper, longer and more highly deviated wells; higher pressures / temperatures and more corrosive / scaly environments; increased focus on well integrity; increased recognition of production inefficiencies due to multi-pointing; the need to retrofit new or upgrade existing gas lift systems without recompletion; and the need to reduce the number of well interventions.

To address these challenges, PTC has developed the next generation of gas lift technologies, which deliver

improved reliability, flexibility and longevity and are increasingly used by most international OPCOs worldwide.

One potential downside with gas lift is the risk of the unplanned escape of the large volume (typically 4000 – 5000 kilograms) of high pressure gas from the well annulus. Historically, this has posed a significant risk to personnel and facilities, as only a single flow barrier exists between the gas in the well annulus and the interface environment between the well and the gas injection line. A similar challenge exists at the annulus pressure monitoring facilities.

The most pertinent example of this risk is the 1988 Piper Alpha disaster, one of the worst disasters in oilfield history, where 167 men lost their lives. While a gas-lifted well was not the source or cause of the disaster, after the main fire was extinguished, four previously gas lifted wells continued to burn for a number of weeks, exacerbating the accident. It transpired that the fluids escaping from the reservoir were exiting into the annulus, bypassing the subsurface safety valve and Christmas tree master valves. This is because the gas lift valves and the annulus valves had failed to seal. The irony was that the safety valves had worked; it was the other valves that failed.

PTC has now developed unique technologies, which would have fully addressed all of these potential failure scenarios. These are now used and field-proven by major international OPCOs worldwide and increasingly adopted in the Middle East region.

As PTC competes in the same arena as the big four service companies, we have made the development of new technologies a priority. Being large has its advantages in terms of market reach and bundled offerings, among others. As a small- and medium-sized enterprise (SME), to compete successfully in markets dominated by the big four, we have to continuously develop superior technology to give operators extra incentive to purchase our solutions.

The current downturn in oil prices has created a very tough environment, particularly for SMEs, who are more vulnerable to the volatility of the petroleum industry. How is PTC ensuring that it differentiates itself from the competition to remain a partner of choice to both NOCs and IOCs operating in this region?

Globally, the petroleum industry is obviously very depressed. At PTC, however, we remain optimistic. It is important to retain a big picture long-term perspective, because what is undeniable is that in spite of current market conditions, the global market for the technologies we offer is still very large. As a relatively new company bringing innovative technology to the market, we still see many opportunities to expand our operations and grow our market share.

To provide some context, the Middle East as a region has historically had an easy time with oil production. A well was drilled, and the oil simply flows to the surface. But four decades on, the wells are maturing, they are beginning to produce water and reservoir pressures are declining. In order to maintain production from existing wells, artificial lift is required. Consequently as time proceeds, there will be more and more demand for our technology.

In addition, as I mentioned, we offer innovative and advanced technologies that cannot be obtained elsewhere. These technologies help make wells more reliable, more efficient and most importantly, safer. Another crucial advantage is that our technology can also be retrofitted in existing fields.

Ultimately, companies here do appreciate the Norwegian reputation. We are known for our committed professional approach and the quality of our technology and services.

You personally have over three decades of very international experience in the North Sea, Middle East as well as Latin America. How are you leveraging on your international expertise to develop PTC's business in the Middle East?

I had the opportunity to spend three years at ADCO in the early 1990s on secondment from BP, who were shareholders in ADCO then. Those few years provided me with valuable insight to the local culture and allowed me to build a network of useful connections. This is important – and maybe particularly so in the Middle East – because

doing business here is very much about understanding the culture

Looking forwards, the Middle East is probably the one region in the world where major projects are still progressing; as such, it is a great place for PTC to be doing business at present. Regarding the overall industry outlook, my insight is no better than anybody else's but most informed sources believe the market will soon recover to a more sustainable level. When that happens, I am confident that PTC will be very well-positioned to take advantage of the opportunities present.

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