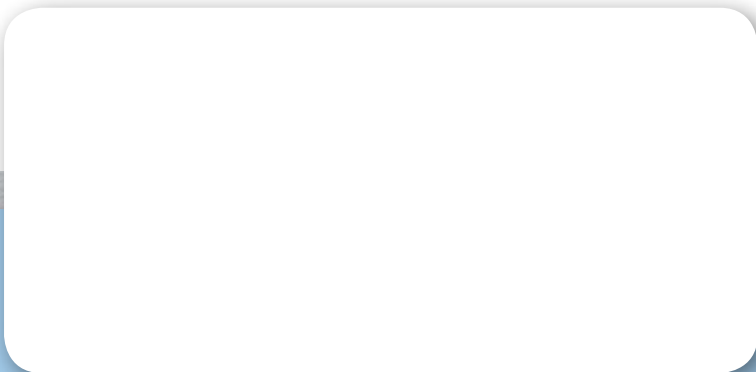




Designed to Perform

#13 Newsletter

SEPTEMBER 2011



Providing Services to Keep You Drilling Faster, Farther... Better

Service can mean a great many things to different people. At VAM Drilling, service is about commitment to helping our clients reach or exceed their drilling program objectives. Let me tell you a little story to demonstrate how important service is to our business and how much it can have a huge impact on our clients' performance:

When Saudi Saipem in Saudi Arabia bought strings of our high performance VAM EIS connection for five of its rigs, it did so worried that switching from API would not be easy and that productivity would take a hit in the short term. A rig crew untrained in handling, running and inspecting double shoulder connections would surely wreak havoc on drilling time, product lifespan, and performance. That's when VAM Drilling stepped in to make sure that using our superior performance products would bring the added value that we had promised. We sent our technical team to the rig to do an initial evaluation audit in order to better understand field practices and to identify potential need for improvement. We then organized a specific training course tailored to include recommended handling, running, and field inspection. With their rig crews properly trained, the company is now ready to capitalize completely on its new investment.

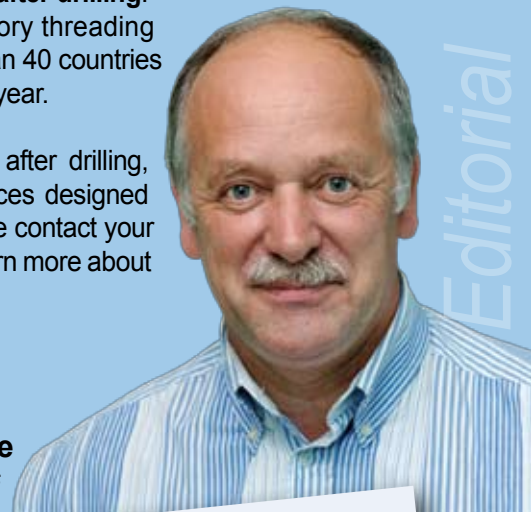
At VAM Drilling, we know that successful drilling projects can often benefit from tailored services rendered at critical moments in the drilling process:

- The decisions made **before drilling** begins can often be the most critical. That is why VAM Drilling offers services like drill string design, rig crew training and capacity reservations, reducing potential lost time and maximizing operational performance.

- **During drilling** we provide field engineers who are trained professionals with hands-on drill pipe running experience providing rig advisory and inspection services.

- With more than 70 licensees strategically located to meet your needs, VAM Drilling has a local machine shop network to provide any repair service that may be necessary **after drilling**. Authorized repair and accessory threading facilities are located in more than 40 countries with new facilities added every year.

Whether it's before, during or after drilling, VAM Drilling can provide services designed to improve performance. Please contact your local sales representative to learn more about what we can do for you!



Bruno Lefevre
VP Client After Sales Services

Editorial

Offering the Best Product Options for Your Drilling Needs

VAM Drilling has been qualified to offer Duraband NC[®] as a hardbanding option



Hardbanding supplied by VAM Drilling increases tool joint life and is applied prior to the tool joint being welded to the pipe body. It is applied under closely controlled conditions, resulting in a uniform, low porosity, wear resistant surface. Hardbanding is available in raised, semi-raised or flush configurations. VAM Drilling has always offered a wide variety of hardbanding options (Tuboscope, Armacor, Arnco, Castolin, Procasing) and as of today it is also qualified to offer Duraband NC.

Postalloy[®] Duraband[®] NC is a unique hardfacing wire designed for problem free hardbands. It is applied crack free to help eliminate chipping and spalling. Without cracks, problems associated with H₂S gas, as well as geothermal drilling are greatly reduced. Re-applications do not require removal. Its microstructure consists of a hard, but tough tool steel matrix with a high volume of tightly packed micro-constituents. This combination ensures excellent wear resistance in open hole drilling, as well as being casing friendly. Duraband NC is NS1 qualified for New Applications and Re-Applications.

VAM Express[™] (VX) for Your Gas Tight Needs



VX was recently certified as a gas tight connection up to 5,000 PSI

Now VAM Express can be used for Under-Balanced Drilling applications (UBD) or Managed Pressure Drilling (MPD) in which some gas tightness is required. The differential pressure allowable between the inside and the outside of the drill pipe can range from 2,500 to 5,000 psi.

While no changes were made to the connection design, it was qualified for gas tightness following a qualification process which physically tested the most critical ODxD combinations.

Physical tests of the selected combinations were done at the Vallourec Testing Station in Aulnoye and included:

- Inside gas pressure with bending
- Outside gas pressure with bending

In order to insure testing on the most critical DxID combinations, the shortest box and pin were chosen in order to reduce the efficiency of the external shoulder seal.

Products



High Performance Production Facilities

The VAM Drilling Middle East Production Facility in Jebel Ali was recently certified ISO 14001 (Environment) and OHSAS 18001 (Safety)

18 months following its acquisition by VAM Drilling, the Jebel Ali drill pipe production facility was certified ISO 14001 and OHSAS 18001. This was achieved through the hard-work and dedication of

the local team and through the close coordination between specifically the QHSE, Production, Maintenance departments. Our Bottom Hole Assembly and Accessories production facility in Abu Dhabi is already certified for ISO 14001 and OHSAS 18001.

VAM Drilling Celebrates its Accomplishments

A major plant opening event was held in Brazil to celebrate our new welding line



VAM Drilling is pleased to announce the official opening of its new welding line in Belo Horizonte, Brazil. The event brought together VAM Drilling and V & M do Brasil directors as well as local press and clients. With this new welding line VAM Drilling becomes the first company to manufacture Drill Pipe in Brazil.

The proximity to customers, availability of technical assistance and local manufacturing of quality VAM Drilling equipment are some of our major advantages. "Our commitment is to always offer solutions and services to users of our equipment in correlation with high quality products and technology," said VAM Drilling's Managing Director Dirk Bissel.



Helping our Clients Drill Better Faster

VAM Drilling is organizing field training for contractors and roadshows for operators to improve drilling performance

VAM Drilling recently held a client training event in Brazil for a major operator and drilling contractor. Training covered advantages of using VAM double shoulder connections and riser products, inspection and field procedures as well as licensees and associated services.



Our Recent June Events



- VAM Drilling was Platinum Sponsor at **IADC World Drilling Conference** and took great pleasure in meeting with its clients in Copenhagen.

- **DUG Fort Worth** was the ideal conference for exchanging with our clients on how to better adapt our offer to our client needs in unconventional gas environments.



- Our Sales Team enjoyed meeting with clients and presenting our latest innovations at the 11th annual **Moscow International Oil & Gas Exhibition (MIOGE)**.



- **Brasil Offshore** in Macae gave us the perfect opportunity to discuss our new investment directly with the local industry and to start developing our long term partnerships.

- VAM Drilling along with V & M do Brasil were sponsors of the **Rio das Ostras Jazz Festival** held from June 22nd to 26th in Rio de Janeiro-Brazil. Viewed as one of the best events of its kind in Brazil, the event brought together musicians from around the world to everyone's delight.



New to the VAM Drilling Team...

Mazhar MAHMOOD

Global Product Line Manager for Drill Pipe
Previously Global Product Manager for an LWD product line in a major Oil & Gas Service Company before joining the VAM Drilling Client Support Center as Global Product Line Manager for Drill Pipe in August 2011.



Chris MCKLEMURRY

Project Manager Shale Gas
Previously Product Engineering Manager for VAM Drilling USA before joining the VAM Drilling Client Support Center as Shale Project Manager in June 2011.
Chris.McKlemurry@vamdrilling.com



Adrien PUJOL

Sales Manager Far East
Previously an intern for the ECANS Business Unit before joining the VAM Drilling Asia-Pacific team as Sales & Marketing Manager in March 2011.
Adrien.Pujol@vamdrilling.com



Luc VAN PUYMBROECK

Global Product Line Manager for BHA and Accessories
Previously Country Manager and Product Line Manager for coring products for a Major Oil & Gas Service Company before joining the VAM Drilling Client Support Center as Global Product Line Manager for Bottom Hole Assembly in June 2011.
Luc.VanPuymbroeck@vamdrilling.com



VAM Drilling will be participating in:

- **OTC Brazil**, 4-6 October, Riocentro, Rio de Janeiro - Brazil
- **KIOGE**, 6-7 October, Intercontinental Hotel, Almaty - Kazakhstan
- **DUG Eagle Ford**, 10-12 October, Henry B. Gonzalez Convention Center, San Antonio - Texas - USA
- **MEDT**, 24-26 October, Al Bustan, Muscat - Oman (VX Poster Presentation)
- **DUG East**, 15-17 November, David L. Lawrence Convention Center, Pittsburgh - Pennsylvania - USA
- **Basra International Oil & Gas**, 25-28 November, International Fair Ground, Basra - Iraq
- **Fall**, We are organizing roadshows in South America, North America, the Middle East, Asia and Europe. Please contact your nearest sales representative to organize a roadshow for your drilling team.