



GameChanging Opportunities with Russian E&P Technology

Oil & Gas Journal (Pennwell)
1st Russia Petroleum Technology Forum
Moscow Russia
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GameChanging Opportunities with Russian E&P Technology

Today's Message

Excellent Potential to:

1. Sell Technology in Russia
2. Integrate Russian GameChanging Technology with Western Talent for Russian/Global Customers

GameChanging Opportunities with Russian E&P Technology

So What? Where's Value in Russian Tech?

1. Reduce Cost, Increase Sales-New Business Models
Opts. to Mix & Match Russian & Western technology
 - Match Russian standalone technologies w/Western strengths in systems, mgt, planning & execution
 - Mix others w/Western technologies & skills as enabling & complementing technologies to create the total solution
2. Localize Product Content-Reduce Mkt. Barriers
3. Develop the Market-Increase Revenues

GameChanging Opportunities with Russian E&P Technology

Background on IVI

US VC Funds (1986)

The Michigan Product Development Fund(\$5MM-Gov/Private)

International VC & PE Funds (1992)

- Canada (\$100MM-Bus. Dev. Bank)
- Europe (\$10MM-EU, \$-Financière Saint Dominique, Paris)
- Africa (\$-IFC, \$-World Bank)
- E. Africa (\$5MM), Sub-Saharan (\$200MM), South Africa (\$30MM)
- Kazakhstan (\$-USAID, \$30MM EBRD)
- Russia (\$30MM-EBRD & USAID)

GameChanging Opportunities with Russian E&P Technology

Mkt. Dev: IVI, Tech VC & Russian Technology

1997: Transact Russian VC Deals-General Economy

2000: Investigate IT Deals/Sector

2002: Evaluate (Russian) E&P Technologies

For Service Suppliers (Halliburton, Schlumberger, etc.)

2004: Seek VC Investments. Partner w/Corporate VCs

Objective: Id/finance Russian technology

Transfer of IP (License/Sale)

VC Investment in Existing Company or Create New Company to
execute technology into market

GameChanging Opportunities with Russian E&P Technology

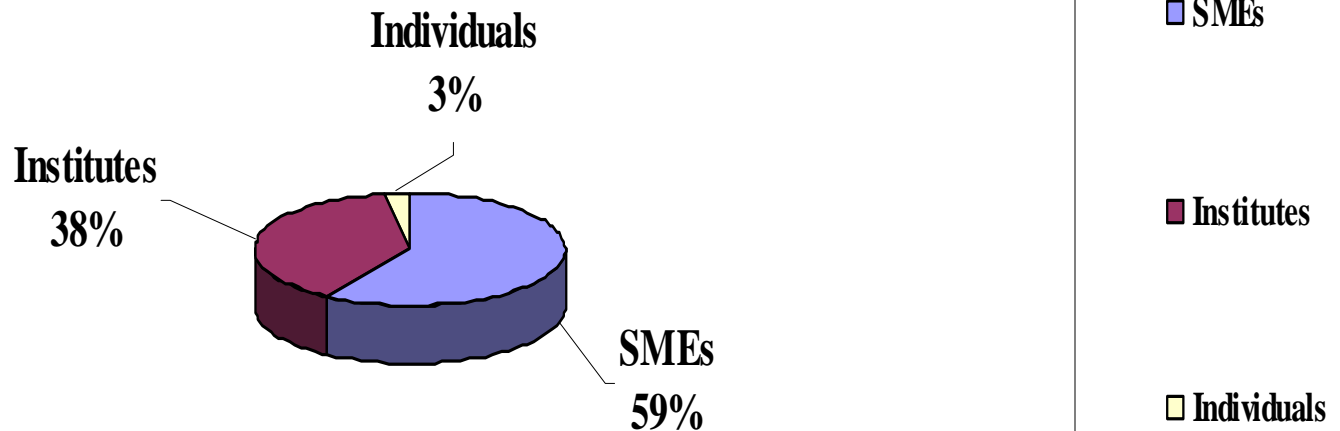
100 Technologies/4 Short-listed

Artificial Lift & Advanced Drilling	Enhanced Oil Recovery	Non-Seismic Exploration
Novel Well Construction, Smart Fields & Wells	Hydrocarbon Processing	Earth Modeling
Russian Specific Conditions	Renewables	Off-Shore

GameChanging Opportunities with Russian E&P Technology

R&D & Equity Investment Opportunities Exist

Sources of Deal Flow

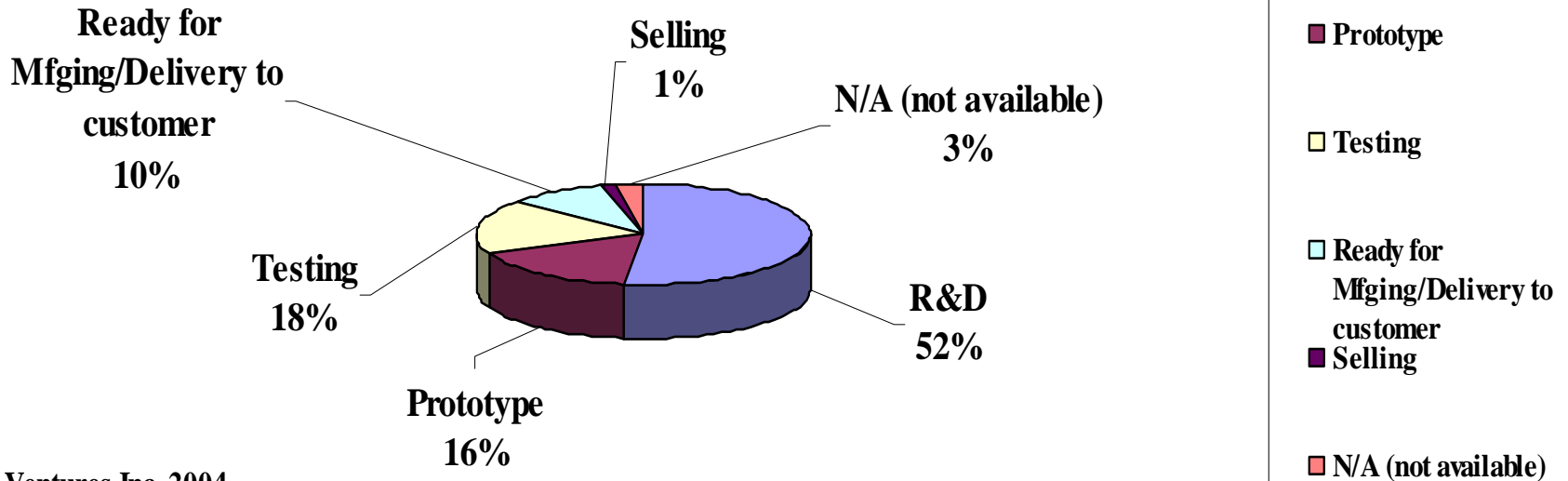


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Co-Dev. & Sales Transactions Possible

Stage of Development (Technology)

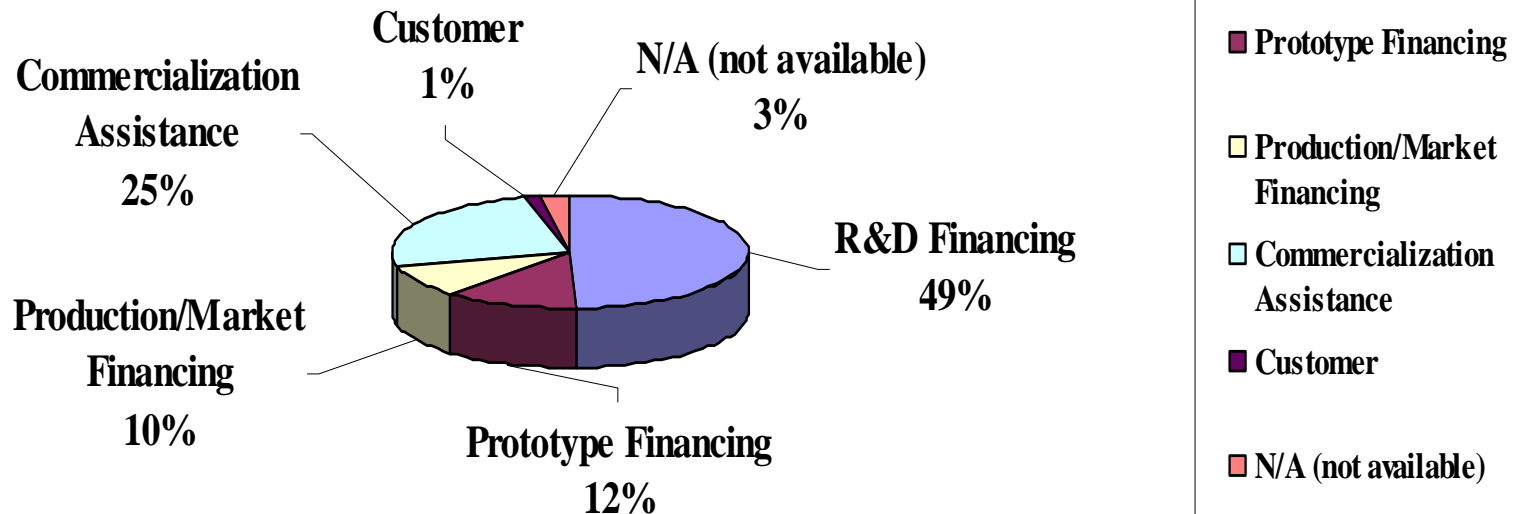


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Actions Needed for Commercialization

Partner Needs of Russian Side

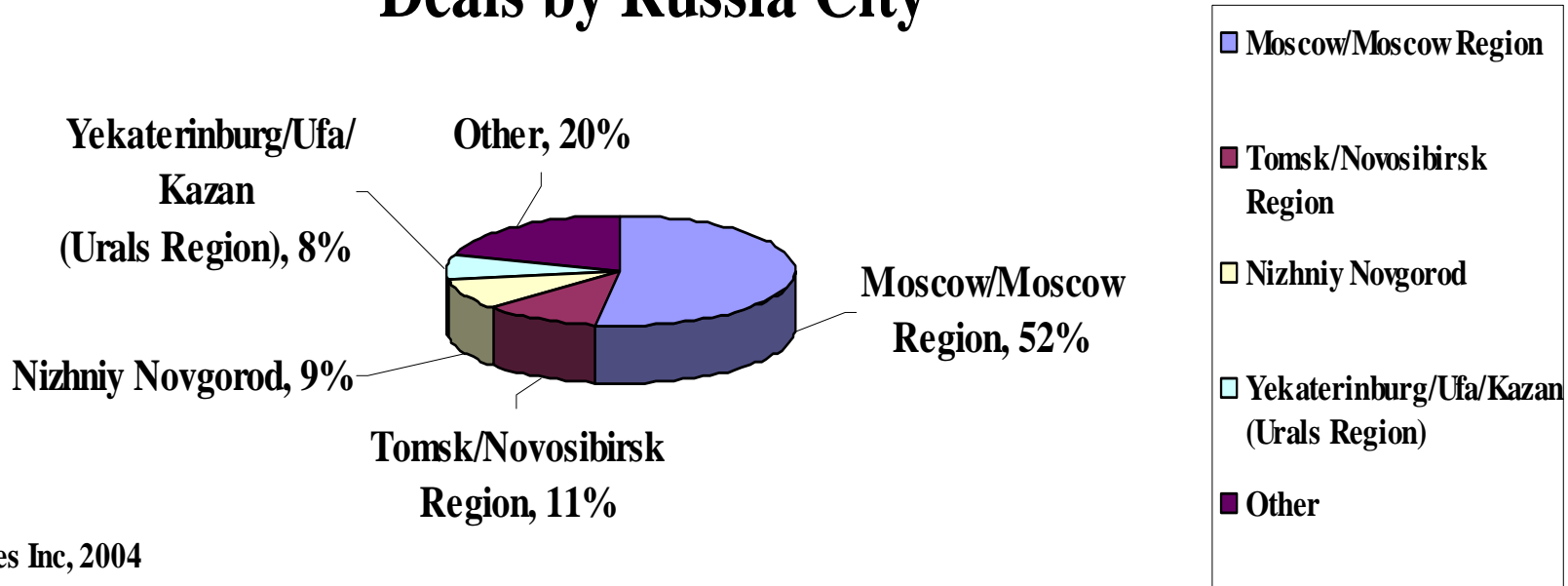


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Finding Technology is Easy

Deals by Russia City

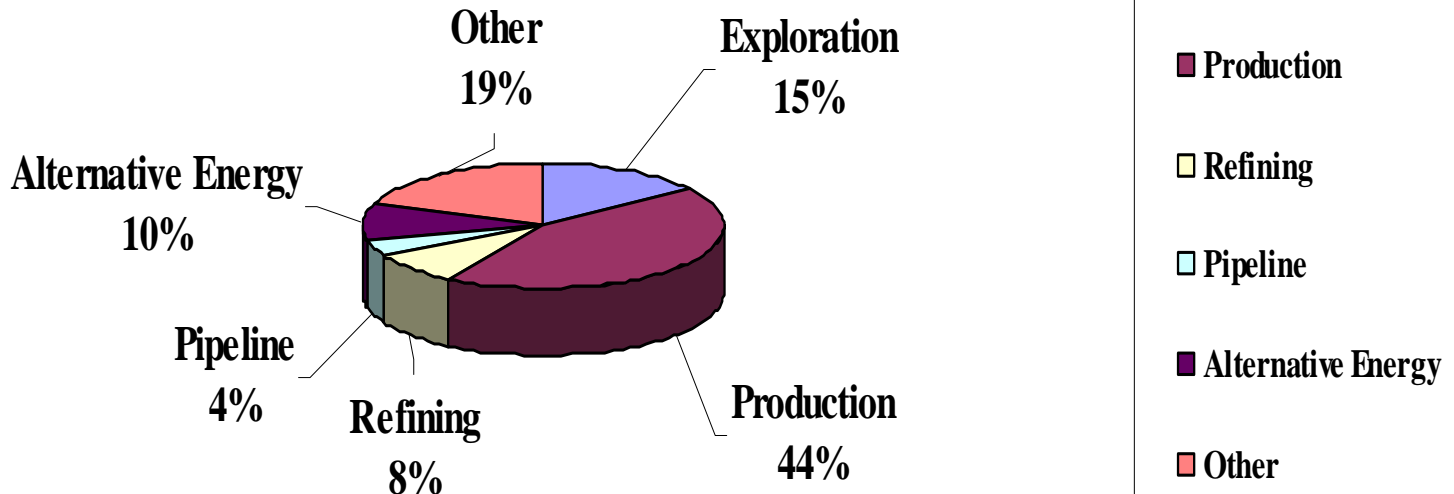


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Tech Dev. Matches Strategic Priorities of International Partners & Buyers

Deals by Technology

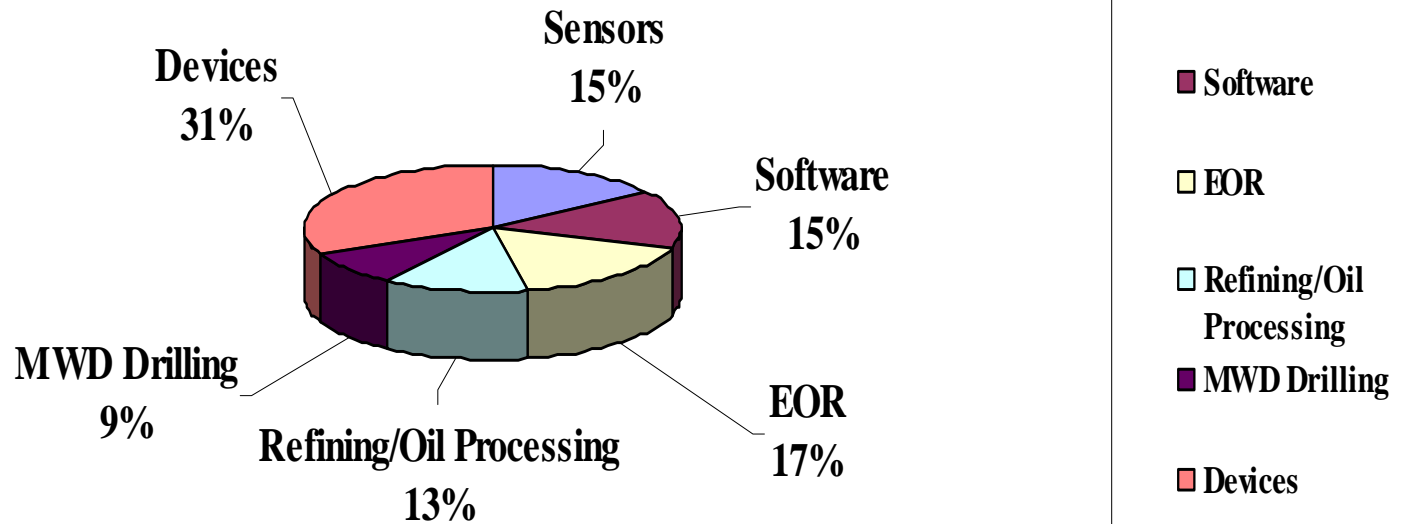


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Standalone & Platform Technologies of Strategic Priority

Deals by Specific Technology



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GameChanging Opportunities with Russian E&P Technology

GameChanging Solutions w/Global Value

Distributed Temperature/Pressure System

(Sensors/Software)

Disc Crystallizer (Refining)

EOR 2 Stage Combustion Technology

Low Frequency Seismo-Acoustics-3 km/20km

Novel Well Testing (Software)

Ceramic Vitrification of the Borehole

(Case-less Lining)

GameChanging Opportunities with Russian E&P Technology

Solutions for Russia Specific Needs

(E&P, Transport, Processing, etc.)

Ex: Cold Weather, Large Geography, Off-Shore

Applications where performance 1 step below
world class, but significantly lower cost/\$\$

Developed in environment of cheap oil &
different (Russian) E&P policy vs. international

GameChanging Opportunities with Russian E&P Technology

Opportunities to Capitalize

Expand commercialization in Russia w/Western bus dev know-how, mgt., enabling & complementary technologies

Upgrade to world standards for value pricing & price sensitive segments

- Example: Russian Gas Separation & Sphere Plastics (cold weather) Technologies

GameChanging Opportunities with Russian E&P Technology

The GoForward Plan™

1. Aggressively Sell Foreign Technology in Russia.
Great interest as seen today: Pennwell OGJ Forum
2. Seek Co-Development & Sales Opportunities
Technical Challenges Keep Increasing, e.g., Shtokman field
What's Needed for Success?

Western Systems Delivery & Mgt. Execution

- Project Mgt & Implementation Skills
- Testing & Technical Service/Support
- Business Dev, Marketing & Sales



GameChanging Opportunities with Russian E&P Technology

The IVI GoForward Plan™

CIS High Technology Oil & Gas Consortium

- Several Oil Multinationals & Service Suppliers (Oil & IT)

Objective: Finance & Commercialize Russian Technologies (IP, R&D & VC Equity Investment)

- Upstream & Downstream
- Renewables
- Related Technologies used in the business, IT, sensors, comm., etc.



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