



2008 - 09 Customer Satisfaction Ratings for HSE

Offshore Drilling

With the memories and lessons of the Piper Alpha tragedy in the North Sea forever embedded in the industry's consciousness, offshore operators' HSE programs appear particularly effective in the eyes of survey respondents. The segment's overall HSE rating measured **8.10** during the period, with **Noble Drilling** leading the way.

Oilfield Equipment

Oceaneering International, maker of ROVs and other subsea products, posted the strongest marks in this crowded segment. Note that in measuring HSE for equipment manufacturers, EnergyPoint's ratings focus on customers' satisfaction with the HSE features and performance of suppliers' products. In this area, the group rated **7.75** overall.

Oilfield Services

The oilfield services segment registered a solid rating of **7.73**. **Schlumberger's** top rating in HSE-related satisfaction comes despite the fact that the company is the largest and most diverse — and thus potentially the most unwieldy — service supplier in the industry. Respondents cite the company's "well-trained" personnel as a contributing factor.

Land Drilling

Dominated by N. American players, land drillers naturally serve more customers with varying perspectives toward HSE than offshore drillers. Ratings, despite being the lowest of the four industry segments we cover, still measured **7.62** overall. **Helmerich & Payne** rated highest, although other land drillers clearly appear to treat HSE as a priority.

WANTED: RESPONSIBLE OILFIELD SUPPLIERS

It doesn't take long for even the most casual of observers to understand the importance that health, safety and environmental (HSE) performance plays in the relationship between customers and suppliers in the oil and gas industry. The fact is a supplier's HSE performance is the first and last factor considered by many operators when selecting an oilfield supplier. And in what we believe is a very positive sign for the broader industry, customers' overall satisfaction with suppliers when it comes to HSE-related areas is quite strong, having registered scores over the last five years materially higher than those for customer satisfaction in general. Furthermore, we note that despite overall satisfaction reaching a low point in the 2006-07 period, as industry activity skyrocketed, HSE satisfaction ratings remained in relatively good shape.

BEING SAFE, WISELY

We hasten to emphasize that customers' sense of satisfaction in the area of HSE is predominately a function of a supplier's strict ability to operate safely and responsibly on a consistent basis. As one past respondent to EnergyPoint Research's independent customer satisfaction surveys explained, "Satisfactory safety and environmental performance is an absolute pre-requisite and expectation. Although it does not guarantee that a contractor will win our business, without it suppliers have no chance at all." That said, our research also indicates customers want their suppliers to achieve high levels of HSE performance in manners that are both efficient and realistic. While the balance between the quality of a supplier's HSE record and the manner in which that record is achieved is without a doubt biased towards a sound record, it is a balancing act nonetheless. Overly rigid and bureaucratic procedures and policies that contribute little or nothing to HSE performance, or do not meld well with clients' or its other suppliers' HSE practices, can result in lower satisfaction ratings. In addition, suppliers rate better with customers in some aspects of HSE than others. For instance, our analysis shows respondent's ratings regarding the respect suppliers show toward customers' HSE procedures are noticeably higher than their ratings concerning the quality of suppliers' own in-house HSE practices.

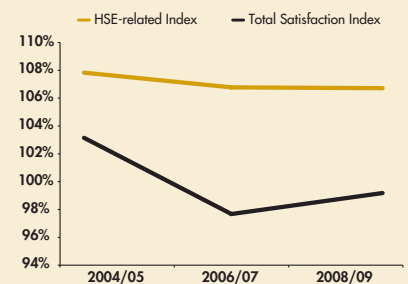
SEGMENTS & LEADERS

Respondents to our surveys were particularly apt to rate offshore drillers high for HSE performance, with Noble Drilling enjoying the best marks in the category. Likewise, Helmerich & Payne garnered the number one rating among land drillers. Industry bellwether Schlumberger was tops among service providers globally, as the company impressed customers with its organization-wide commitment to safety — a feat particularly noteworthy given the company's considerable breadth and size. Among equipment providers, Oceaneering International rated best in terms of the HSE features and performance of its products. Others registering standout scores include Atwood Oceanics, ENSCO International, Geoservices, KCA Deutag, M-I SWACO and Parker Drilling.

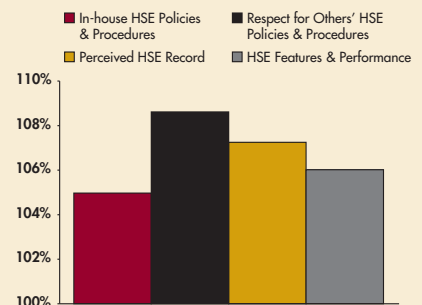
ABOUT THE DATA

This report is derived from comprehensive customer evaluations of suppliers of oilfield products and services collected as part of EnergyPoint Research's independent surveys since 2004, including more than 8,500 evaluations in HSE-related areas and attributes. In exchange for participating, respondents were provided survey results in the form of EnergyPoint's MarketPartners® Reports and Updates, past versions of which may be found at www.energypointresearch.com.

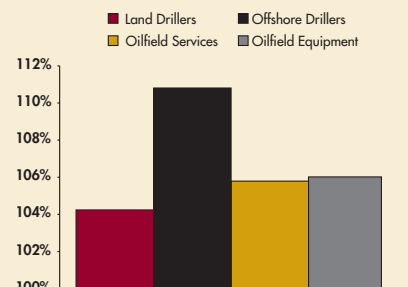
Customers' HSE-related Satisfaction Has Remained Strong
Industry-wide Ratings as a % of L-T Total Satisfaction



Strong Scores Across Multiple Aspects of HSE...
Industry-wide Ratings as a % of L-T Total Satisfaction



...With High Regard for Offshore Drillers' Performance
Overall HSE Ratings as a % of L-T Total Satisfaction



ABOUT ENERGYPOINT RESEARCH

EnergyPoint Research provides independent research regarding the oil and gas industry's satisfaction with the products and services it purchases and utilizes. The firm offers industry professionals and their employers opportunities to provide comprehensive and confidential feedback to suppliers through objective and independent evaluation processes. In return for participating in surveys, respondents and their employers receive complimentary survey results in the form of EnergyPoint's *MarketPartners*® Reports and Updates. Through the *MarketPartners*® Program, EnergyPoint regularly surveys significant cross-sections of experienced industry participants involved in the selection and utilization of oilfield products and service providers. Survey participants range from managers at some of the world's largest energy companies to field personnel at independents and regionals. To learn more about EnergyPoint Research and our benchmark surveys, go to www.energypointresearch.com or call the company in Houston at +1.713.529.9450.

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