



Prospects for joint E&P in Russia, FSU brighten

Western oil and gas companies turning to consultants to evaluate opportunities

Russia is poised to become a major focus of outside E&P investment. As trouble in the Middle East escalates, so too does the desire by the U.S. to promote alliances with Russia, which is centrally located to energy markets in Europe, the Far East and Southeast Asia.

Reformers are intent on detangling a bureaucratic, neo-Soviet-style fiscal and legal system that has impeded projects for years. Moscow is expected to pass a law in the first half of this year that will fast track production-sharing agreements (PSAs) for twenty-two exploration projects worth billions of dollars. PSAs are designed to reduce taxes and ensure regulatory consistency.

In addition, Western companies are considering buying equity in Russian companies that are reluctant to sell property interests. Recently BP agreed to acquire 50 percent of Tyumen (TNK) and Sidanco from two industrial holding companies. (See article, top next column.)

“Many of the leading FSU oil companies are switching to GAAP accounting.”

Reformers also hope to improve an undistinguished record in forming joint ventures (JVs) between local producers and outside E&P companies with Western expertise and capital. However, technically skilled Russian producers, flush with cash from high commodity prices, are understandably slow to form those JVs or promote PSAs, except

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BP acquisition assisted by Ryder Scott



As a technical advisor, Ryder Scott audited reserves for the \$6.75 billion partial acquisition of Tyumen Oil Co. and Sidanco by BP — the largest direct investment in Russia in the post-Soviet era. “Over the past year, we have conducted a very thorough examination of the assets involved in this deal,” said **John Brown**, BP CEO, referring to his company’s overall review.

Thompson heads RS-Canada

Ryder Scott has promoted **Andy Thompson**, P. Eng. and vice president, to manager of the Calgary office. He joined Ryder Scott in 1995. Under his leadership, the office will continue to provide timely, quality reports for clients.

“Our personnel are available to work on special projects, such as field studies, and to supplement overloaded internal staffs,” he said.

“Ryder Scott is well known and respected by investors, which is an advantage for established companies and for startup ventures seeking capital.”

All RS-Canada engineering staffers are members of APEGGA with at least 10 years’ experience. Thompson said that because no single client comprises more than 8 percent of the client base, RS-Canada has the unquestionable independence required by investors. Referring to his company’s affiliation with the U.S.-based company, he said, “The internationally recognized Ryder Scott name is important to Canadian E&P companies adding reserves outside the country. We work with the Houston office in evaluating global portfolios for U.S. Securities and Exchange reporting, banking requirements and other purposes.”



Thompson

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Acuña sees opportunities for gas reinjection

Herman Acuña, international vice president at Ryder Scott, told attendees at a recent conference that improved reservoir-engineering technologies are changing attitudes about reinjection — from a “necessary evil” to a “blessing in disguise.” “In a growing number of locations, engineers have been able to reduce the overall cost of reinjection programs, offering, in some instances, positive returns on investment,” he said at the Monetizing Stranded Gas Reserves conference in December. The event was sponsored by the Zeus Development Corp.

Acuña specified a number of reasons for reinjection, including compliance with laws to reduce gas flaring and venting, poor market opportunities for gas, accelerated and improved oil recovery and strategic options to allow better negotiations with gas buyers. He emphasized that in certain areas of

the world, such as the Caspian Sea region, stranded gas may directly affect the ability to produce oil. Thus a comprehensive oil development plan should also include strategic provisions for gas.

In addition, reinjection is increasingly used to dispose waste products, including flue and acid gas and CO₂. As markets are flooded with sulfur, government regulators have begun to tax the accumulation of sulfur byproducts at the wellhead, Acuña said. Gas reinjection allows operators to maximize reservoir technical and economical performance, sustaining high rates of production and increasing recovery.

Gas reinjection generally works best to improve recovery in reservoirs with high vertical relief and homogenous composition, according to Acuña, improving oil recovery from 15 to 60 percent. He cited gas-reinjection issues, including environmental, market-risk mitigation, regulatory obligations, storage and field performance.

“Once you have determined the focus for gas reinjection, you can maximize all of the other aspects of

that operation,” Acuña said. “It may be impractical to expect a gas reinjection project where gas flaring has been outlawed necessarily to return a profit unless the benefit of regulatory compliance is also quantified.”

Data is needed to plan an

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Herman Acuña (center) and George Vance, geologist, recently examine maps at Ryder Scott offices.

Publisher's Statement

Reservoir Solutions newsletter is published quarterly by Ryder Scott Company LP Petroleum Consultants. Established in 1937, the reservoir evaluation consulting firm performs more than 1,000 studies a year. Ryder Scott has issued reports on more than 200,000 wells or producing entities in North America.

The firm has also evaluated hundreds of international oil and gas properties involving thousands of wells. Ryder Scott multidisciplinary studies incorporate geophysics, petrophysics, geology, petroleum engineering, reservoir simulation and economics. With 117 employees, including 66 engineers and geoscientists, Ryder Scott has the capability to complete the largest, most complex reservoir-evaluation projects in a timely manner.

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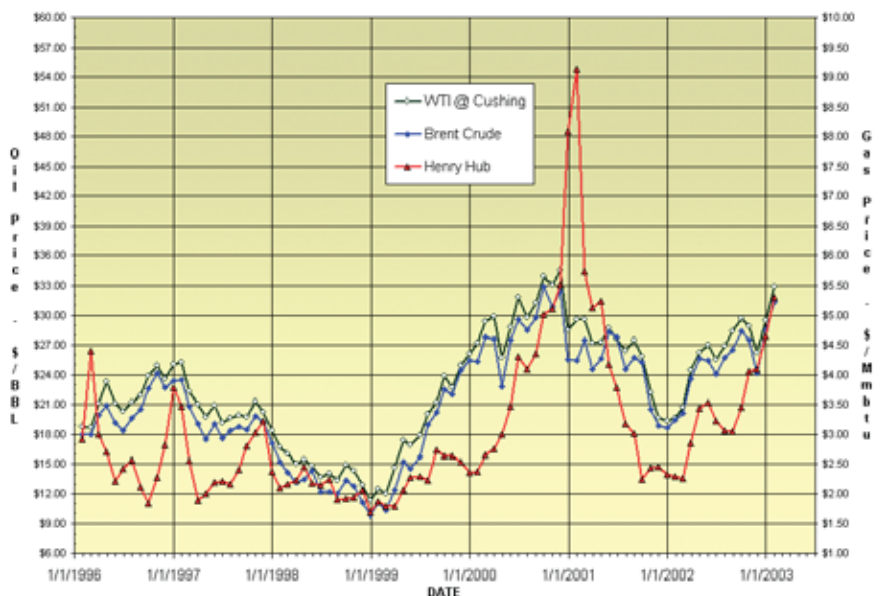
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Price history of benchmark oil and Henry Hub gas



The historical price chart shows published, monthly-average, cash market prices for WTI crude at Cushing (NYMEX), Brent crude and Henry Hub gas.

Russia—Cont. from Page 1

in high-risk exploration areas.

As far as the FSU as a whole, some analysts are predicting a shift from the Caspian area. However, that somewhat myopic view is not universal despite the headlines, "The Disappearing Caspian," and "Interest in Russian Crude Exports Grows while the Caspian Region Loses Luster."

With reportedly 20 to 30 billion barrels of proved oil reserves and 240 Tcf of proved gas reserves, the lure of that area will not fade so soon. Although dry-hole costs are high and transportation remains a question, potentially large hydrocarbon reserves and associated low finding-and-development costs will fuel investment, observers say.

Russia: Encouraging signs

The political, legal, technical, operational and investment risks in the Russian E&P industry are well known. Some investors cite prohibitive tax and regulatory burdens, high pipeline tariffs, local resistance to form JVs, stranded resources and lack of infrastructure and unscrupulous business practices. Those taking a position in the Russian industry face sometimes costly, upfront capital requirements for field development and rehabilitation with correspondingly delayed returns on investment.

"Monopolized product transport systems (Transneft) hinder access to world markets by operators," said **Doug McBride**, vice president and petroleum engineer at Ryder Scott. "Operators must typically sell part of the production to the domestic market at reduced prices while world prices are much more lucrative. This issue can be quite important to project economics."

However, Russia plans to increase exports by building new pipelines and increasing the capacity of existing ones, including the Baltic pipeline system, a pipeline from Siberia to China and a pipeline from Sakhalin to Japan. Russian companies also are looking into the possibility of exporting oil through the Baku-Tblisi-Ceyhan pipeline.

In spite of the wrangling, oil production has risen for three years in a row, increasing 7 percent in

PEPS Overall Rank	Country	PEPS Overall Rating	E&P Activity 50%	Fiscal Terms 35%	Political Risk 15%
Weightings:					
1	Kazakhstan	1.47	0.89	2.31	1.45
2	Iran	1.61	0.68	2.66	2.25
3	Norway	1.76	1.07	3.06	1.03
4	China	1.78	1.36	2.31	1.96
5	United Kingdom	1.86	2.32	1.42	1.38
6	Trinidad and Tobago	1.89	1.47	2.55	1.75
7	Angola	1.92	0.98	3.2	2.08
8	Nigeria	1.93	1.15	2.3	3.68
9	Australia	1.96	1.83	2.53	1.07
10	Azerbaijan	2	1.36	2.81	2.26
11	Portugal	2.03	3.04	1.07	0.92
12	Netherlands	2.3	3.02	1.94	0.75
13	New Zealand	2.31	3.06	1.87	0.86
14	Libya	2.35	2.35	2.62	1.75
15	Brazil	2.35	2.53	2.37	1.74
16	Denmark	2.43	3.24	1.94	0.86
17	Equatorial Guinea	2.43	2.93	2.01	1.79
18	Russia	2.48	2.03	3.33	1.98
19	Thailand	2.48	2.31	3.12	1.6
20	Peru	2.48	2.61	2.43	2.19

* PEPS chart courtesy of IHS Energy Group

2002 because of a 130 percent increase in investment from 1999 to 2001. Russia may set a record annual oil production this year, the government said. Companies announced that they would supply about 3 billion barrels to the Transneft pipeline system. Unlike Western companies, Russian producers plan to increase investment this year. Lukoil plans to invest \$1.7 billion in E&P. TNK plans a 22.4 percent increase in E&P spending to \$509 million. Yukos plans increases of 59 percent to \$1.44 billion in E&P expenditures with a corresponding 19 percent oil production boost.

Production is increasing from previously abandoned or mismanaged oil fields that were damaged by the imprudent production practices of the preceding decade. International investors also perceive that the oil industry is beginning to conduct operations in accordance with internationally accepted standards.

"Many of the leading FSU oil companies are switching to GAAP accounting in the near future," said McBride, who has been involved in most of the Ryder Scott evaluations of FSU properties. Corporate charters are also changing as evidenced by the Western principles of corporate governance under which the proposed BP-Sidanco-TNK board will operate.

Risks: Perception vs. Reality

In considering areas of focus for global E&P, companies typically consider three factors: E&P activity, fiscal terms and political risk. Using those criteria, three FSU countries — Kazakhstan, Azerbaijan and Russia — are ranked in the top 20 out of 103 countries tracked in the latest PEPS database from IHS Energy Group. See the chart above.

The data is generated by an IHS multidisciplinary team of petroleum economists, contract analysts, legal consultants, political risk analysts, economics software specialists, environmentalists and petroleum engineers, including reservoir engineers.

Each ranking is based on weight-adjusted E&P, fiscal and political values that, in turn, are based on weight-adjusted sub-values. For instance, the E&P value is based on production, reserves, activity and success sub-values. And each of those sub-values, in turn, is based on a lower order set of weight-adjusted factors, making PEPS a complex statistical model.

Overall, the PEPS data indicates that the FSU offers first-rate balance in exploration, fiscal and political risk compared to other regimes.

Please see FSU on Page 6

The Reserves Audit: A Regulatory Compliance Tool



John Warner, Exec. Vice President – International

With increased attention to corporate responsibility in financial reporting, public oil and gas companies are now engaging third-party engineers to evaluate or audit petroleum reserves, the main asset base. Many of those companies internally estimated and booked petroleum reserves, but now seek to shift liabilities by commissioning independent consultants. In those cases, the reserves audit is the tool of choice to assure regulatory compliance.

The audit has been traditionally used for other purposes also. For instance, millions of dollars are involved in acquisitions and sales of oil and gas properties based on reserves audits. They are also a part of energy lending and mergers.

However, even though audits are used extensively, very little documentation or “rules” of convention help to explain the methods and final product. This article is intended to provide you with our understanding, methods and results of audits of detailed oil and gas reserves reports. We will also discuss the strengths and weaknesses of audits compared to detailed reserves studies and formal reserves and income reports.

What is a reserves audit?

The reserves audit is a review of the utilized data and the interpretive geological and reservoir engineering procedures used in a detailed reserves study at a specific date. The purpose is to provide an opinion on the reasonableness of aggregate reserves estimates and on the suitability of the methodology.

The review also tests the classification and status of reserves in the audited report with respect to the governing reserves definitions. This test of reasonableness of a reserves study is the basis for U.S. Securities and Exchange Commission (SEC) filings, international stock filings, acquisitions/trades/divestitures, management decisions and guides to government actions.

The reserves audit is not a detailed study by a consultant. The auditing consultant will not “sign off” on the reserves estimates and will not represent that the estimates would be equivalent to those in any detailed study that might be performed by the consultant. The audit usually does not encompass all of the reserves. It does not rigorously test economic-limits guidelines in the reserves definitions of the SEC, Society of Petroleum Engineers/World Petroleum Congress or Society of Petroleum Evaluation Engineers. The audit does not provide a detailed accounting of the future net income or discounted future net income in a report. The review also does not provide or infer a fair market value.

The audit is normally not used for bank loans, litigation or estate appraisals. Energy lending banks

want detailed studies of the properties since bank engineers do audits themselves and are some of the best auditors in the business.

An audit is much more time and cost efficient when used in an appropriate situation. However, it has considerably less impact as a reporting tool and may not be acceptable for certain uses.

What is audited?

The audit is a review of hydrocarbon reserves and their categories determined by others to be produced from a specific date forward. The reserves are typically those owned by a company but a consultant may also audit wells, leases, fields, concessions, groups of fields and groups of companies.

The audit may be of several different types.

1. Many in the industry are familiar with the 80/20 rule that defines an audit type. The rule (while it's not really a rule) is that 20 percent of the oil and gas properties will contain 80 percent of a company's value. This observed phenomenon is not in the Craft and Hawkins “Applied Petroleum Reservoir Engineering” text but it is a very common occurrence. In an audit, the consultant ranks the properties in descending net reserves volume and reviews the top-valued properties. This volume is typically 75 to 90 percent of the total company's reserves. In this type of audit, the consultant's letter report will not address estimates of future production costs or economics.
2. An auditor may review 100 percent of the reserves of the company. This is usually at the request of one or more of the parties involved in a transaction. This is not a very common type of audit.
3. A more advanced audit includes a review of not only reserves estimates but also future production rates from the properties. The findings are based on current producing rates, test data, market conditions, market or equipment restrictions and, in some cases, political conditions.
4. Consultants may review all facets cited in the previously described audit but, in addition, review operating and capital costs and assumptions factored into the future pricing scenario in the report.

Each audit method will result in a letter of opinion on the reserves and other parameters in the reserves report. Ryder Scott includes no calculations of reserves in the opinion letter.

The audit procedure

Reserves auditors typically carry out the following procedures:

- Receive the company reserves study, description of the general methods used and type of audit requested.
- Determine major regional areas in which most of the reserves are located and assign specialists in those areas to handle area audits. Experience with analog fields and overall experience are priority criteria for choosing specialists in most geologic areas.
- Meet the professionals who completed the studies to determine their methods and assumptions.
- Independently review data used by the company

to complete its analyses. This includes reviewing selected geophysical, geological and reservoir engineering data and combining these with the reserves auditor's in-house database.

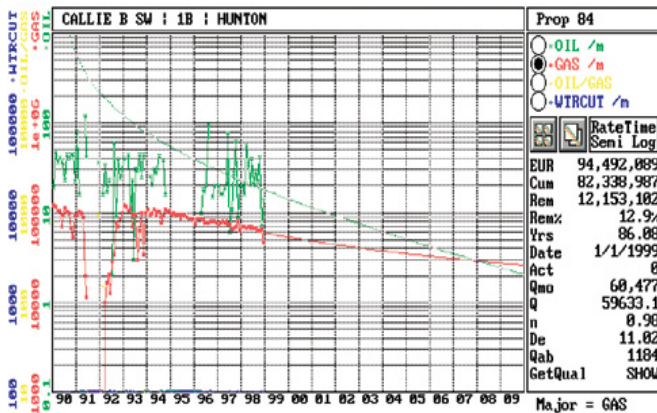
■ Determine, after a property-by-property review, whether or not the reserves auditor can agree, in the aggregate, with the estimated recoverable reserves. If not, the auditor may be asked to prepare a reserves estimate of certain properties.

It is best to complete the audit before the company publishes its internal reserves report.

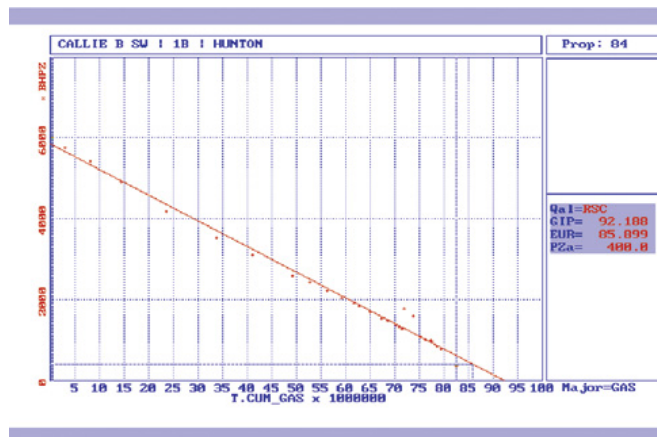
Examples

The first two slides show graphs of the same well. Ryder Scott received the first graph of exponential production rate vs. time, which indicated that this gas well had good performance history and the production was projected along a hyperbolic trend. The ultimate recoverable gas reserves by this method were approximately 94 BCF.

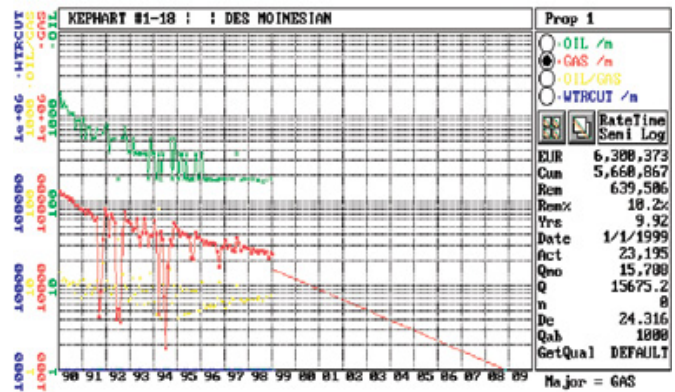
The initial review caused a question about using the hyperbolic trend. Thanks to the wonders of the hi-tech age, Ryder Scott accessed the second slide by electronically searching through public records. This slide is a material balance graphical presentation of the bottomhole pressure/Z factor vs. cumulative production, which provided a considerably lower estimate supporting a more accurate exponential decline estimate. The trend matched well with the BHP/Z and resulted in a different answer.



Slide 1



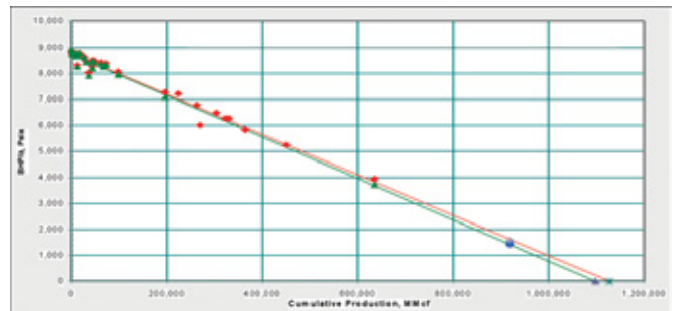
Slide 2



Slide 3

Ryder Scott commonly sees graphs similar to the one in Slide 3 in which the reserves estimate was done the previous year and later production was updated. Generally, this occurs because of time constraints or a surprise audit. In these cases, staff engineers are not able to complete the reserves study, so they mechanically roll it forward to the new as of date.

This means the previous year's ultimate recoverable reserves and future projection of production are used and only the current year's production is subtracted. A review of the graphic presentation using the new production data requires a change in estimated reserves.



Slide 4

Slide 4 shows a BHP/Z vs. Cumulative Production graph of a large gas reservoir in south Louisiana that had a high original bottomhole pressure, a .93 psi per ft gradient. The reservoir is an anticlinal trap approximately 17,000 ft deep. The field is well defined with subsurface data that provides a good volumetric estimate of gas in place.

For the first 5 to 10 years, auditors assumed that this high-pressure gas field did not exhibit a correct P/Z answer. This particular graph was generated several years ago and the field was 63 percent pressure depleted. The field is currently still producing at high rates. Fields in this part of the country with such high-pressure gradients are assumed to have a low recovery factor and a BHP/Z that changed slope. Well, most of them do, but not always. This field just would not perform the way that the auditor expected and during the early years, the consultant received criticism for the previous year's audit.

Most of them break over but not all of them. After 20 years, this problematic field had everyone fooled.

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FSU—Cont. from Page 3

This has caught the attention of smaller companies. About a dozen U.S. independents are involved in E&P operations in Russia, many through exploration licenses in proven areas where drilling risks are low and transportation involves bypassing Transneft.

Kazakhstan: Still No. 1

Kazakhstan was the first FSU country to open its doors to outside investors, attracting \$13 billion soon after its independence in 1991. It more than doubled its oil production over the past seven years, with most of the reserves growth coming from the Tengiz, Karachaganak and Kashagan fields.

Kazakhstan has suffered some setbacks over the past two years, but has bounced back recently. During 2001, the country approached 47 foreign companies to renegotiate their royalty payments to the government.

Then last December, the Kazakhstan Parliament approved a measure on investments that reportedly did not safeguard new investment contracts against legislative changes. However, in January, President Nazarbayev signed a law guaranteeing that contracts signed in the future with foreign investors will remain in force regardless of changes in national laws.

In the PEPS database, Kazakhstan is ranked No. 1. However, several recent developments have raised mild concern by oil and gas investors.

■ Analysts have said that the change in laws on oil production prompted the pullout of Kerr-McGee Corp., which sold its interests to Shell Kazakhstan Development in February. On the other hand, Shell remains bullish on Kazakhstan.

■ Last November, the Tengizchevroil consortium said it would shelve a \$3 billion expansion of the Tengiz oil field unless the government dropped its demands for more funding and contract revisions. This was but a bump in the road though, as ChevronTexaco announced in late January that the matter had been resolved.

■ In December, Tengizchevroil was fined \$70 million

for alleged ecological damage caused by the storage of sulfur at the Tengiz field.

■ In late 2002, the state-owned partner in the Tengizchevroil project clashed with ChevronTexaco over its proposition to pay off \$600 million in debt to the government from revenues. However, few lose sight that the project generated those tremendous oil revenues that could be used to pay down debt.



A United Consultants technician at a Yukos well near Nefteyugansk in Western Siberia. See Page 8.

Turkmenistan: Untapped

"The lack of established rule of law, excessive and inconsistent regulation and unfamiliarity with Western business practices have left these (oil and gas) opportunities untapped," said BISNIS, the U.S. Department of Commerce Business Information Service for the Newly Independent States. The country lacks reliable energy export routes, but is developing options to Russia's pipeline network.

The most important proposed project is the Trans-Caspian gas pipeline. Construction on the \$3.2 billion project is slated to begin in 2004 and gas deliveries are planned for 2006. The country is seeking to strengthen its ties with Russia and work out a plan to develop markets for its oil and gas. Western companies are conscious of the potential there.

Turkmenistan has the fourth largest gas reserves in the world, some experts say. Last year, the government proposed a \$45.7 billion oil and gas investment program for 2002-2010, with \$34.4 billion coming from foreign investors, but analysts are skeptical of that figure.

Azerbaijan: Busy 2003

Attracting more E&P dollars per capita than any other Caspian country, Azerbaijan has converted

contracts to PSAs that are more lucrative than the previous JVs that were restricted in exporting oil. However, questions surrounding the Caspian Sea's legal status are hindering further oil and gas development in Azerbaijan. Of the five Caspian Sea states, Azerbaijan and Iran are the farthest from agreeing on the division of mineral rights. Several dry holes two

Please see Consultants on Page 8

Audit—Cont. from Page 5

The BHP/Z did not break over and the field currently has produced over 80 percent of the gas in place.

The final work product

The final work product of the audit is a letter to the client that states the results of our audit in terms of the quality of the data used and the professional procedures used in the reserves study as well as a statement as to the reasonableness of the reserves estimates included in the report.

It is very important that the auditor is experienced and technically sound. It is also extremely important that the auditor has considerable knowledge and work experience in the area where the reserves are located. There are small differences and certain intangible characterizations related to most hydrocarbon producing areas that can cause significant problems if the auditor is not aware of and watching out for these situations. A large, established firm, such as Ryder Scott, has professionals with extensive knowledge and experience in all international producing areas.

The audit can be a very important factor when used in applicable situations. It's best used in acquisitions and sales, management decisions and certain types of risk analysis. The time efficiency of an audit often makes it the only course of action. Overall, the audit is another valuable tool that helps make our

industry more efficient and progressive.

Recent industry focus on audits

Ryder Scott supports and helps to plan and direct Society of Petroleum Evaluation Engineers seminars on the applications of SEC definitions in public filings. The seminars are sold out weeks before they are held. During these seminars, SEC representatives present and participate in question-and-answer sessions. Many attending oil and gas professionals have discovered that they are not very knowledgeable of the rules and applications of SEC definitions. However, the seminars have helped those professionals clarify project-specific applications of the rules.

To further address any shortcomings, those professionals and companies are engaging independent consultants to audit their reserves. Typically, an independent professional engineer and/or geoscientist participates as a member of the company's audit team during the ongoing process. The outside advisor carefully examines SEC rules vis-à-vis company projects and makes recommendations to ensure that the reported oil and gas reserves are booked correctly in public filings.

Ryder Scott provides this management advisory service for several clients. The firm is aware of situations where the addition of an SEC-experienced professional to the audit team has prevented problems that would have potentially arisen during and after the filing.

Reinjection—Cont. from Page 2

effective gas reinjection program, he said, including estimations of fluids in place and fluid saturations, well productivity, pressure volume and temperature data, cap-rock integrity, etc. When oil production begins, reservoir engineers may not have enough of this information to make the best decisions on reinjection programs. Production history may allow a better understanding of the reservoir. Consequently, caution should be exercised in projects that call for early gas reinjection as opposed to delayed gas reinjection, said Acuña.

He cited two principle approaches to reinjection: dispersed gas injection and external gas injection. Dispersed gas injection is commonly used for low-relief, homogeneous reservoirs. The strategy is to distribute gas injectors in a pattern throughout the reservoir to improve sweep efficiency.

External gas injection is commonly used for crestal or gas-cap injection to maintain pressure and improve gravity drainage. In a high-relief reservoir capped with gas, the recovery and production rates are influenced by the dip of the formation, vertical permeability and fluid densities. The best circumstance can result in very high oil recovery factors.

Technology is also improving the miscible displacement method of recovering more oil from reservoirs. This includes advancements in acid gas reinjection, primarily CO₂ and hydrogen sulfide (H₂S), improvements in reservoir evaluation tools and boosts in compression efficiencies. Acuña said that historically, compression pressures of 360 bar were considered

quite high. Now, new compressors are capable of delivering pressures up to 560 bar while handling five percent H₂S. In the near future, Acuña expects this to go even higher at the Kashagan field to 630 bar and more than 15 percent H₂S.

Improved well completions, including hot sour gas service metallurgy, subsurface safety valves, improved well injectivity and horizontal well fracturing technologies are expanding the capabilities reinjection engineering.

Acuña said the Caspian Sea region is a fertile development area for reinjection because of the abundance of associated gas with limited market.



HEES 2003

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*Prospering Through
Economic Cycles*

Consultants—Cont. from Page 6

years ago dampened investor enthusiasm somewhat.

However, Azerbaijan, ranked No. 10 in PEPS out of 103 countries, is on the rise. BISNIS reports that in 2003, energy investment in Azerbaijan will move into high gear with construction of the Baku-Tbilisi-Ceyhan pipeline, the third phase of development of the Azeri-Chirag-Guneshli (ACG) oil field and the development of the Shah Deniz gas field and pipeline. Industry experts suggest that Caspian reserves may approach those of the North Sea, with virtually every major oil company investing in Azerbaijan.

To develop potential, the Azeri government has put in place more than 20 PSAs. More than \$10 billion in energy-related business opportunities are expected during the next 3 to 33 months in Azerbaijan and the Caucasus. More than 90 U.S. companies—a 20 percent increase since 2000—now reside in Baku, recognizing that the oil business is developing rapidly.

Consultants mitigate risks

A recent *New York Times* article, "Why U.S. Oil Companies and Russian Resources Don't Mix," recently stated that Western companies, encouraged by U.S.-Russia relations, are looking into that country again, though gingerly. "So far, they have limited themselves to hiring consultants," the article stated.

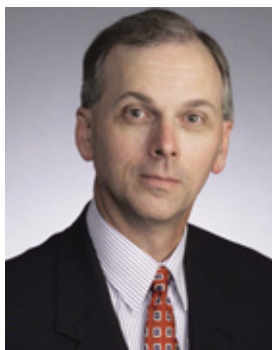
Consultants specializing in legal, financial, political and technical risk in Russia are seeing an upswing in activity. Ryder Scott has also experienced this increase. The firm has evaluated the technical risks and future production economics of almost 90 projects in the FSU over the last ten years.

Ryder Scott has been involved as an expert witness in the FSU on contractual disputes. The firm also offers management advisory services in PSA analysis and marketability. Ryder Scott audited reserves for the recent, planned acquisition of Tyumen Oil Co. and Sidanco by BP. See Page 1.

Ryder Scott has a working alliance with United FDP-Moscow consultants, the fourth largest consulting firm in the FSU with more than 300 employees, many of whom are bilingual geo-professionals. Be-



Some members of this staff from United Consultants recently assisted Ryder Scott in its technical advisory role for the planned BP acquisition of Sidanco and Tyumen Oil Co. Front row, from left: O. Shmyglia, N. Kalugina, O. Logvinova, O. Soboleva, V. Yakovenko; Back row, from left: U. Khamzin, E. Titkov, D. Zabrodin



McBride

sides its expertise in geology and engineering, United specializes in statutory and tax audits, corporate law and customs legalities. The firm has legal, auditing and technical divisions.

"Generally, Russian geoprofessionals, including those at United, are among the best educated in any nation. The communist system had one of the best engineering educational systems in the world, in part because of the propensity of oral exams," said McBride. "The typical FSU geoscientist has worked in many parts of the international community and in a variety of geological environments." For further information, please e-mail McBride at doug_mcbride@ryderscott.com.

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