WELCOME TO

AIM & DRIVE®

THE EIGHT STEP PROCESS FOR ACHIEVING EXTRAORDINARY RESULTS

PRESENTED BY

ANKLESARIA GROUP, INC.

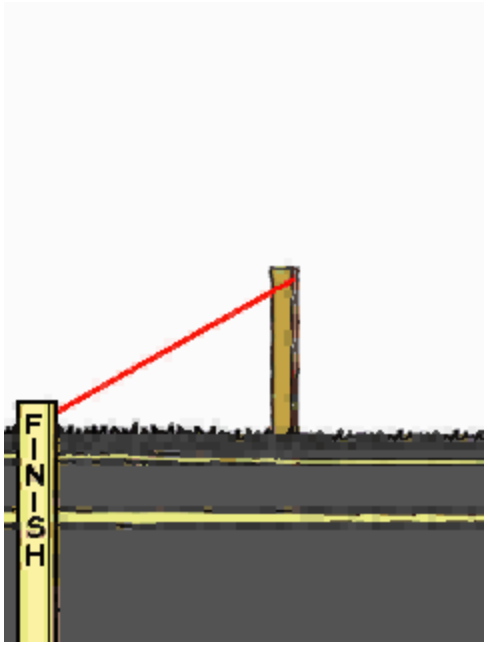
STRATEGY DEFINED

The River (Sun Tzu)

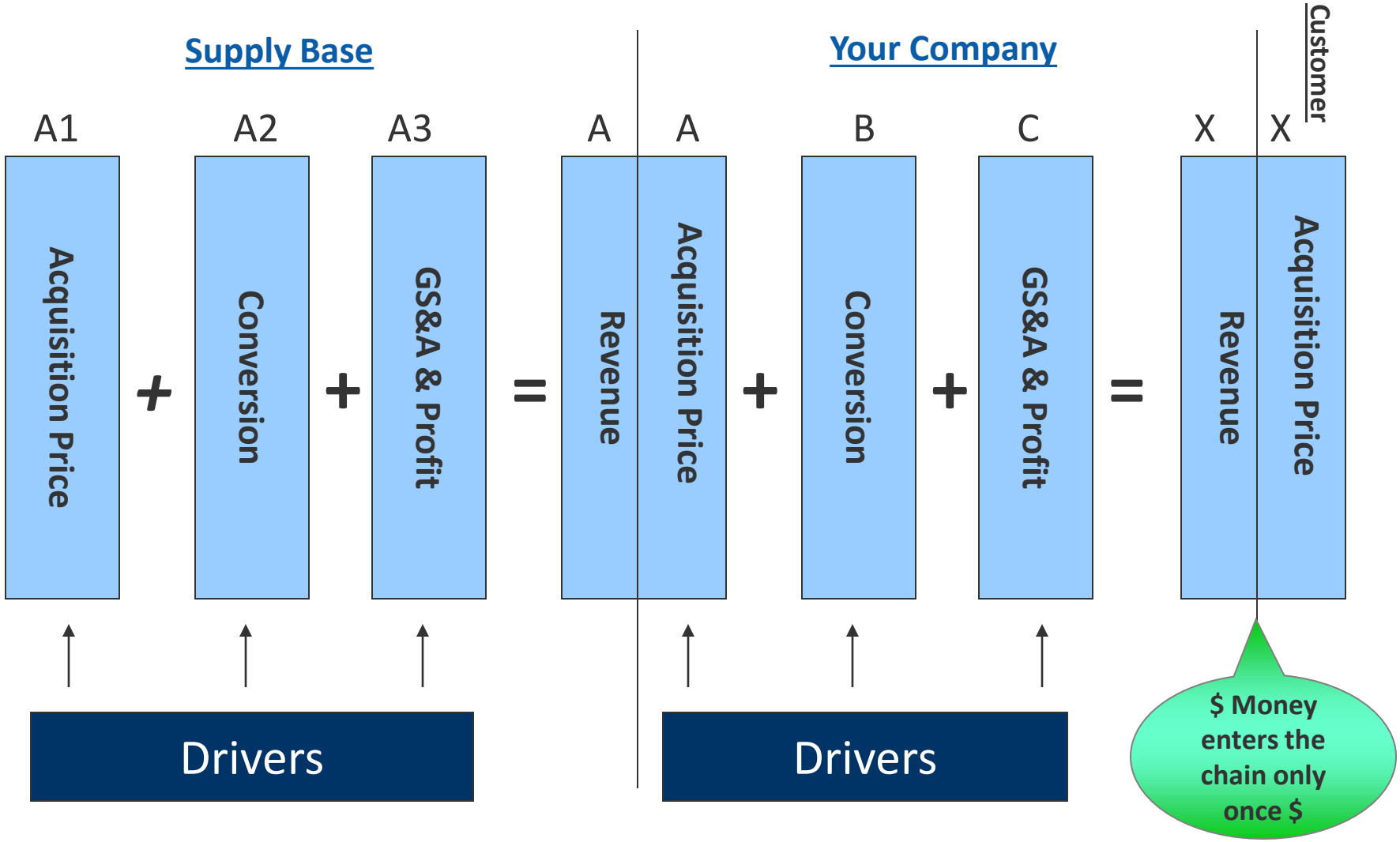
- Clear Goal
- One Direction
- Converge with Business Strategy
- Removing and overcoming obstacles (long-term vs. short-term)
- Harnessing the inherent power

DO WE REALLY NEED STRATEGIES?

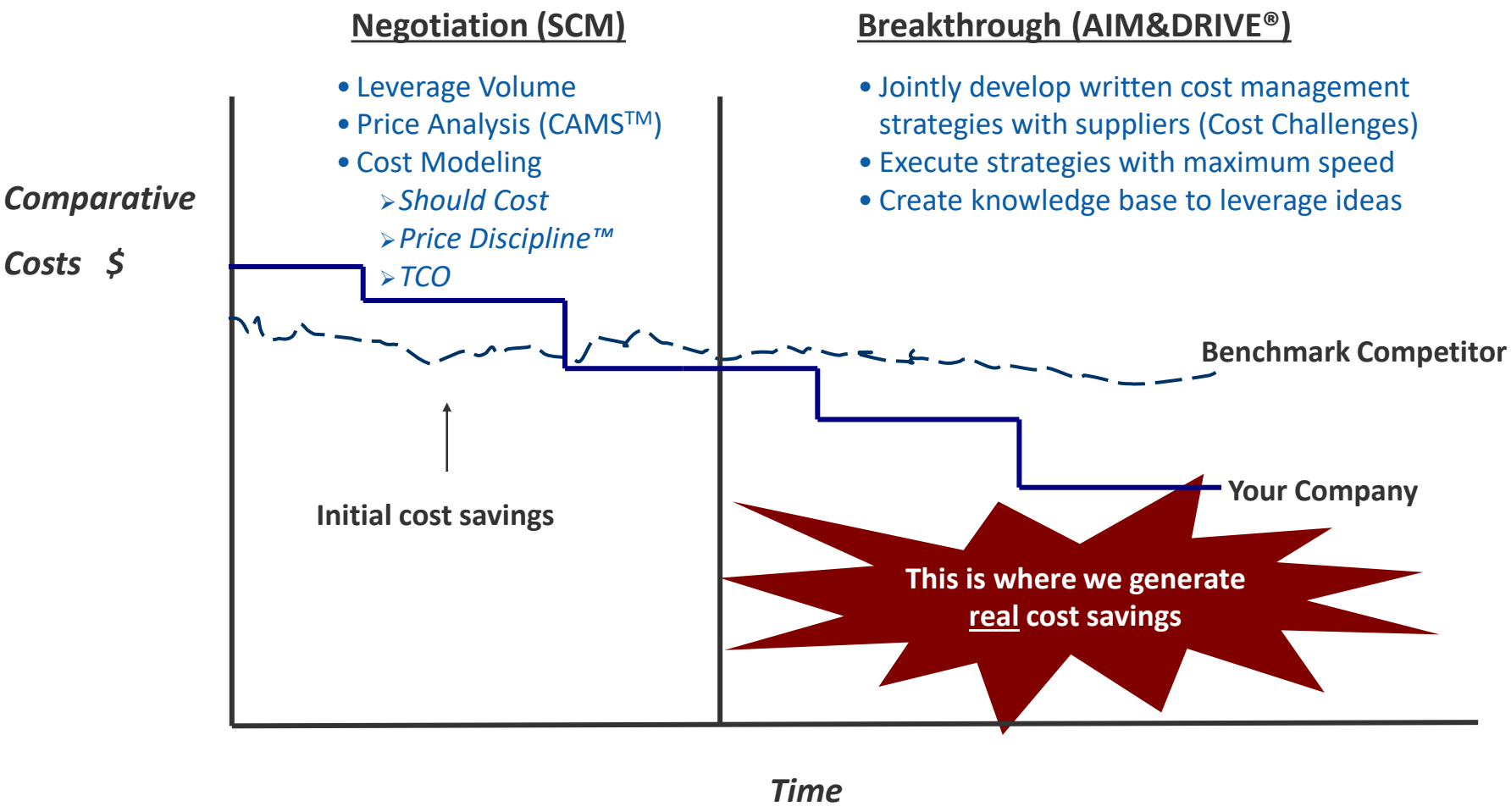
- You bet! - The “hatchet” can’t work forever
- Interdependencies are inherent in the supply chain
- Leadership: The best must get better
- Requires a structured decision making process
- Focus on achieving a sustained competitive advantage for all



SUPPLY CHAIN COST FLOW



SELECTING YOUR STRATEGY



ANKLESARIA'S STRATEGIC SOURCING PROCESS

Strategy

- **Assess Internal Needs**
- **Analyze Supply Market**
  - Supply Market Overview
  - Profile Suppliers
  - Evaluate Trends and Forces
- **Understand Costs**
  - Total Cost of Ownership
  - Should Cost Model
  - Price Discipline™ Models
  - AIM & DRIVE®
- **Develop Strategy**

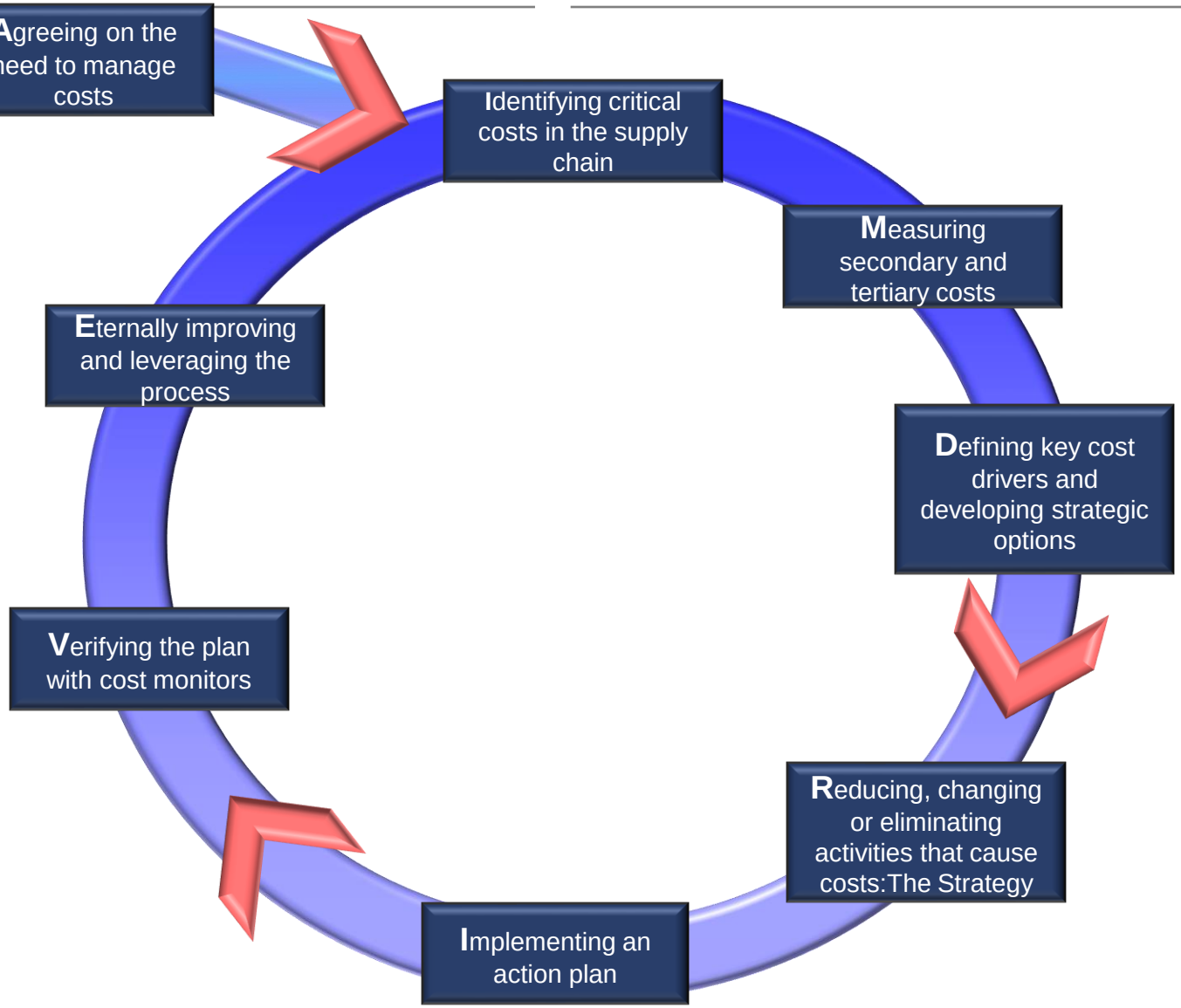
Source

- **Prepare for Sourcing Event**
- **Conduct Sourcing Event**
- **Select Supplier(s) Award Contracts**

Manage

- **Initiate Contract Management**
- **Manage Contract**
  - Supplier Performance (KPIs)
  - Contract Pricing (Price Discipline™)
  - Value Improvement Program (AIM & DRIVE®)
- **Close Contract**

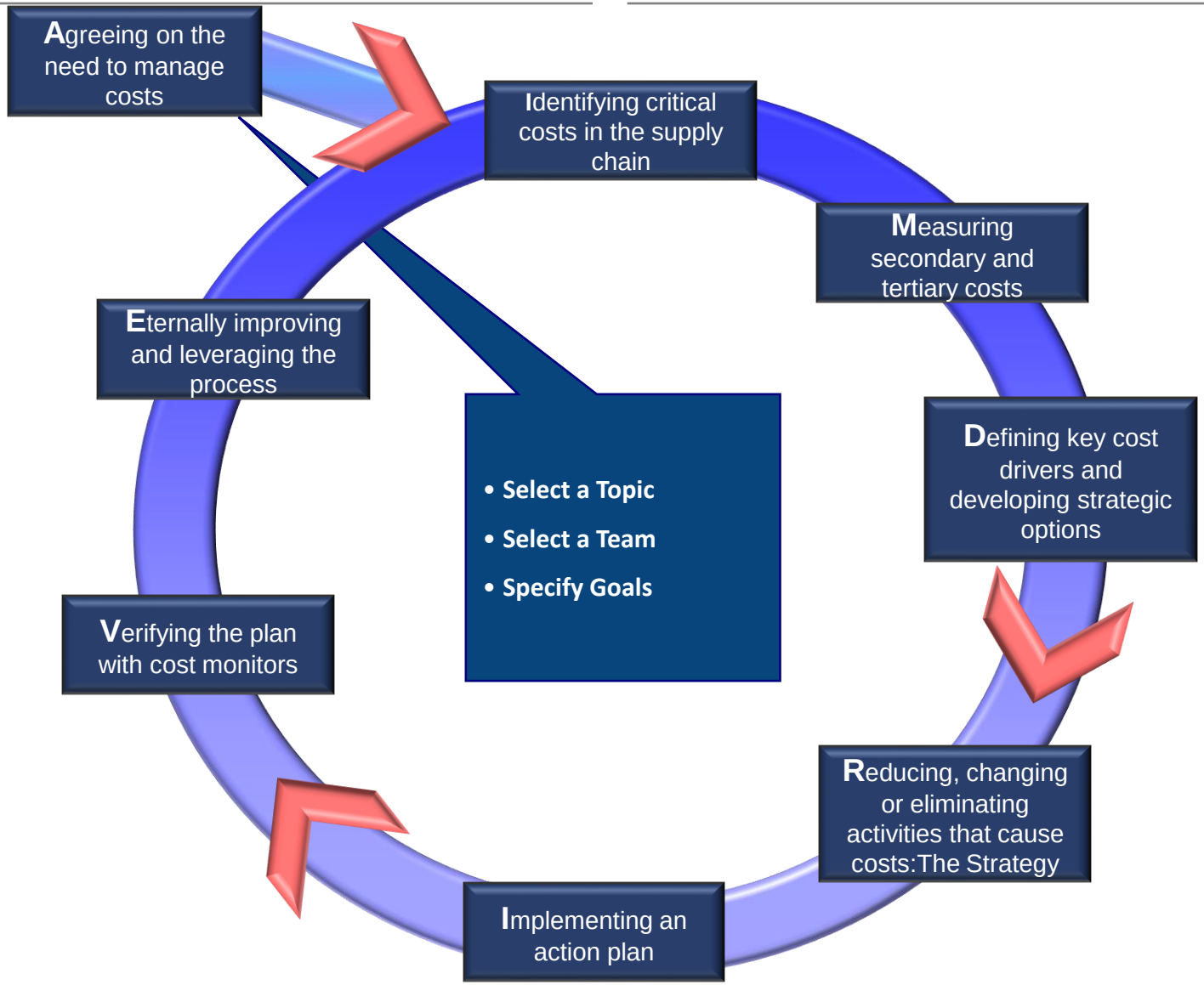
Anklesaria's AIM & DRIVE® Process



Checklist

- ✓ Buy-in presentation to top management
- ✓ Select key commodities and top suppliers
- ✓ Brief customer/supplier team leaders
- ✓ Determine resource requirements
- ✓ Educate participants
- ✓ Schedule strategy building sessions

Anklesaria's AIM & DRIVE® Process



AGREEING TO MANAGE COSTS

Select a Primary Cost (The Topic)

- Spend exceeds a “hurdle” amount (for example $10 million)
- Strategies/Opportunities identified can be leveraged to other Contracts, Suppliers, Business Divisions, etc.
- Internal Stakeholder buy-in
- Supplier buy-in – good relationship based on open/honest communication and sharing of data/knowledge
- No ongoing negotiations
- Potential for improvement – have there been prior initiatives around Continuous Improvement?

AGREEING TO MANAGE COSTS

Selecting the team:

	Core Team *(Key members who are required to be part of all the working sessions)*	Extended Team *(Members who are required to attend as and when needed)*
Client	• Supply Chain leadership • Business Stakeholder • Supply Chain Analyst • Operations/Line SMEs • Supply Chain/Procurement Manager • Facilitators	• Planning • Finance • Sector Director/Region VP • Program Sponsor • HSE • Materials Management
Supplier	• Account Manager • Operations Manager • Line SMEs (Engineering, Technical, etc.)	• Directors • C-level • Global Account Manager • Finance

AGREEING TO MANAGE COSTS

Determine team goals

- Establish realistic “stretch” goals
- Articulate goals from different perspectives
- Goals could be Quantitative and/or qualitative
- Focus on the supply chain

AGREEING TO MANAGE COSTS

Understand and respect different perspectives

- Marketing - Time to market
- Manufacturing - Throughput
- R & D - Design cycle time
- Finance - Payment terms
- Logistics - Speed
- Procurement - Purchase price

“The blind men and the elephant”

Every one is partly right and yet all are wrong

AGREEING TO MANAGE COSTS

Agreeing On The Need To Manage Costs

Primary Cost

Provision of Cementing Services

Estimated cost: $24,000,000

Rationale for choosing Primary Cost:

Large, recurring spend

Significant opportunities for value creation

Critical contract for operations

Goals	
Safety	No compromise to safety
Units Utilisation	Maximise utilisation of cementing units
Units Utilisation	Optimise unit moves
Cementing units	Improve efficiency of cementing units (Ensure fit for purpose jobs for the cementing units)
Material	Conduct technical reviews of recipes as proposed by SMEs to ensure right material usage and optimise recipes
Material	Minimise cement losses by first curing the losses and then pumping
Material	Optimise the excess volumes of slurries and spacers
Material	Partner with OBM dead volume opportunity to reduce volume requirements
Material	Explore opportunities to utilise local service providers
Material	Explore opportunities to replace current material with alternate material
Material	Use of readymix cement for tophole sections
People	Ensure proper time management of people to utilise their working hours while on site
Tools	Increase utilisation downhole tools as provided in the contract

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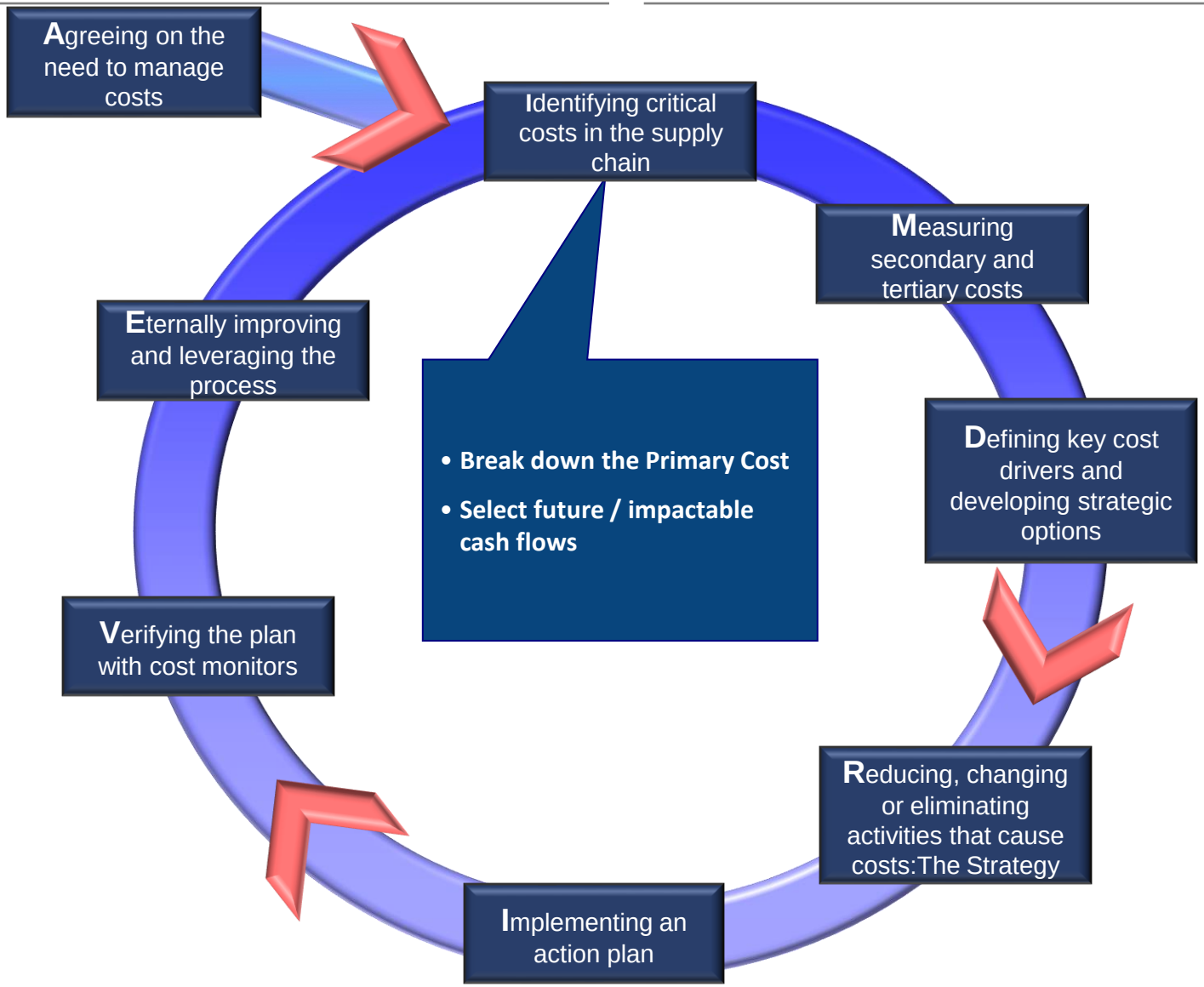
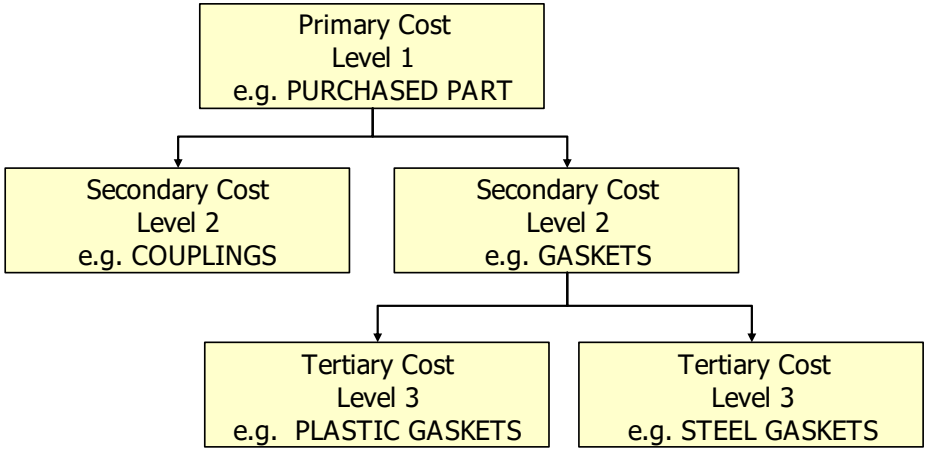
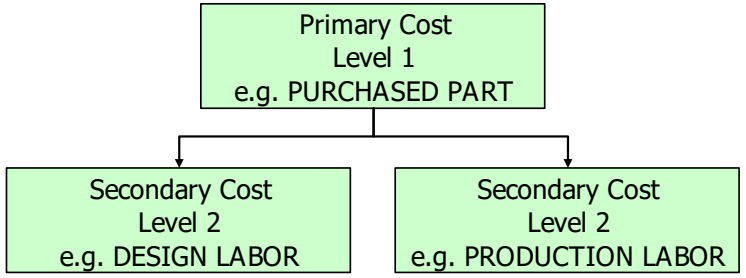


IDENTIFYING CRITICAL COSTS

- ✓ Map the process to understand activities
- ✓ Break down the Primary Cost (Level 1) into lower level (secondary and tertiary) costs
- ✓ Assign values if possible
- ✓ Focus on future cash flows (recurring or non-recurring)
- ✓ Determine if impactable or non-impactable
- ✓ Select critical costs





IDENTIFYING CRITICAL COSTS

Identifying Critical Costs In The Supply Chain

Primary Cost Breakdown

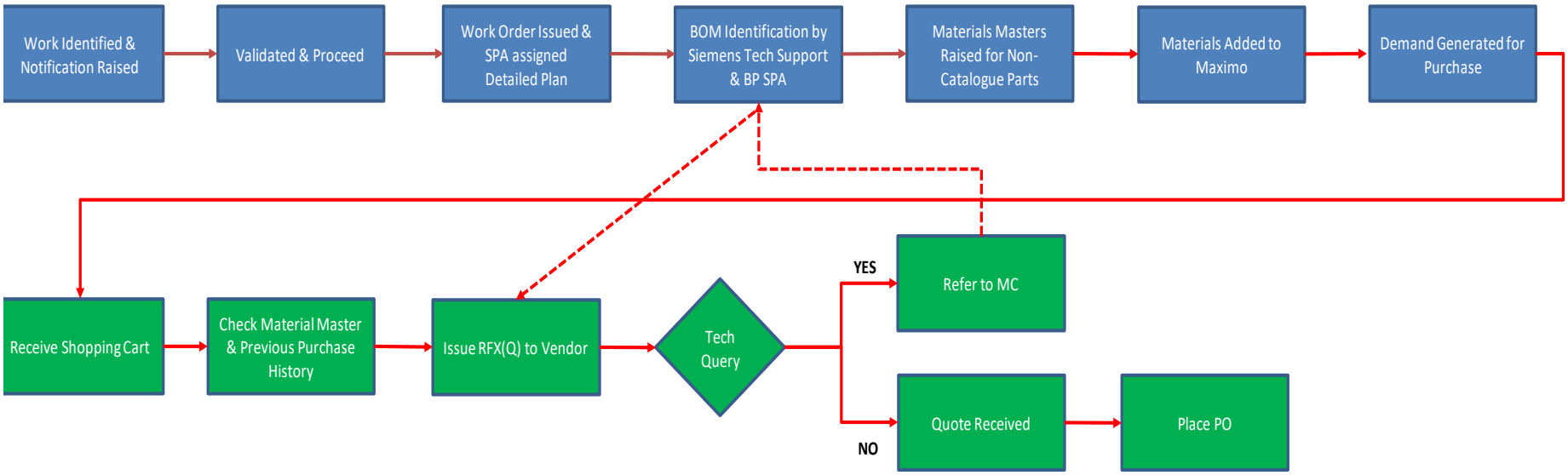
Cost Element	$	% of Total	Future Cost	Impactable	Select as Critical Cost
Batch mixer	$58,000	0%			
Casing	$395,000	2%			
Cement systems	$461,000	2%			
Cementing Unit	$7,400,000	31%	Y	Y	Y
F110	$175,000	1%			
Material	$11,500,000	48%	Y	Y	Y
Blend	$3,433,000	14%	Y	Y	Y
Others	$9,000	0%			
People	$14,000	0%			
Pumps	$84,000	0%			
Tank	$291,000	1%			
Thermastone	$180,000	1%			
Total:	**$24,000,000**	**100%**			**93%**

IDENTIFYING CRITICAL COSTS – PROCESS MAP

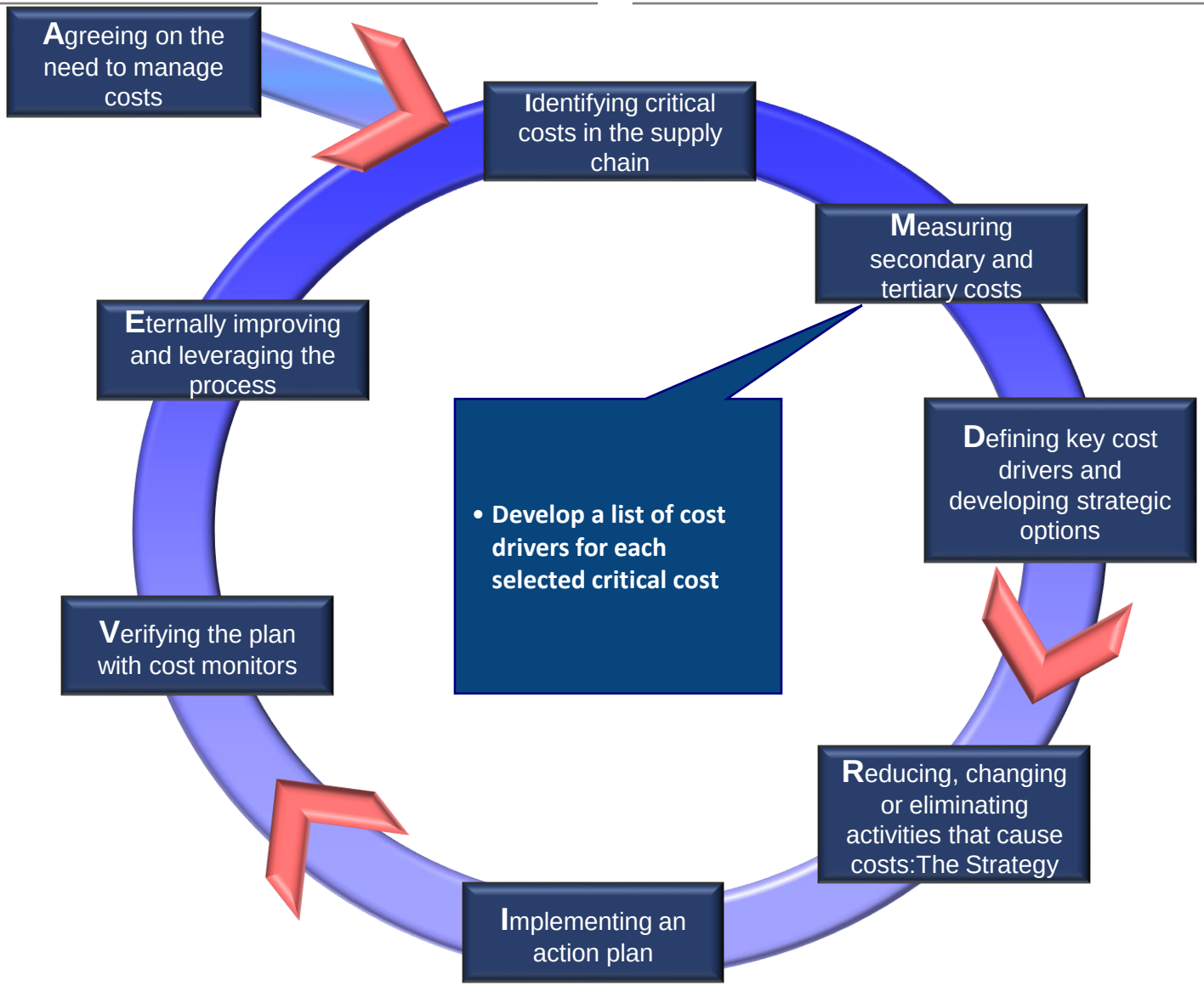
Identifying Critical Costs In The Supply Chain

PROCESS MAP

PROCESS MAP FOR QUOTATION PROCESS FOR SPARES

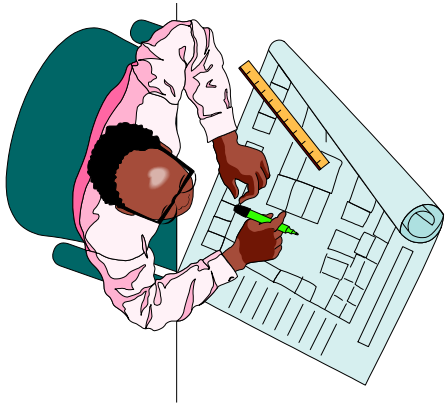


Anklesaria's AIM & DRIVE® Process

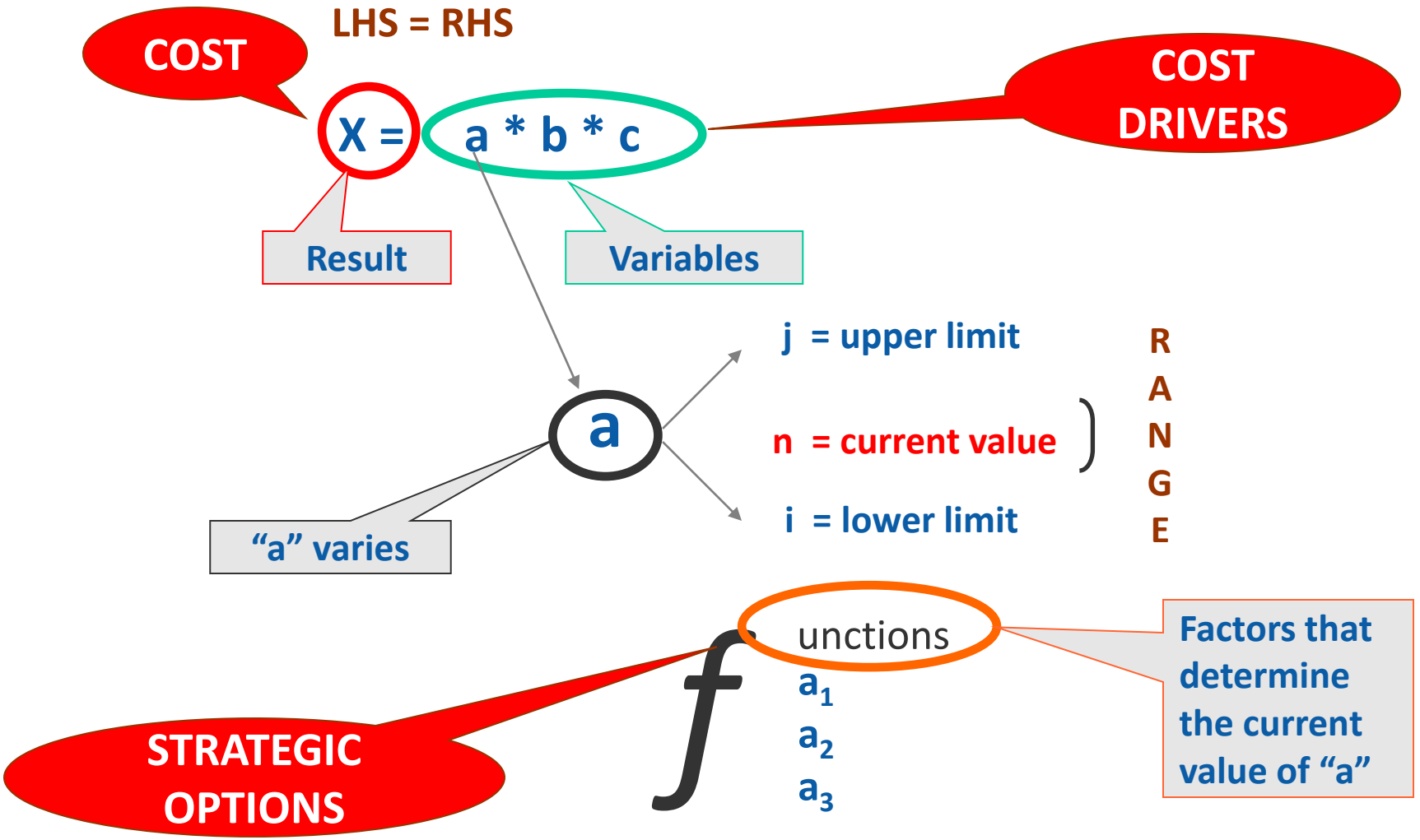


MEASURING COSTS

- Objective is to obtain a list of Cost Drivers NOT to "calculate" numbers
- Develop formulas for each selected "critical" cost
- Distinguish between cost and revenue drivers
- Review and verify cost drivers



FORMULA BASED COSTING™: THE LOGIC



MEASURING COSTS

Measuring Secondary And Tertiary Costs

Critical Costs		Cost Drivers											
Material	=	$ / kg delivered *Landed unit cost*	x	# of kgs delivered / # of kgs pumped *Usage*	x	# of kgs pumped / job *Job requirement*	x	# of jobs / well *Well servicing*	x	# of wells / Year *Well output*	x		
Equipment/Units	=	$ / unit *Unit cost*	x	# of units / # of days available *Unit availability*	x	# of days available / # of days on site *Unit onsite*	x	# of days on site / # of days working *Unit utilisation*	x	# of days working / job *Job requirement*	x	# of jobs / well *Well servicing*	x	# of wells / Year *Well output*

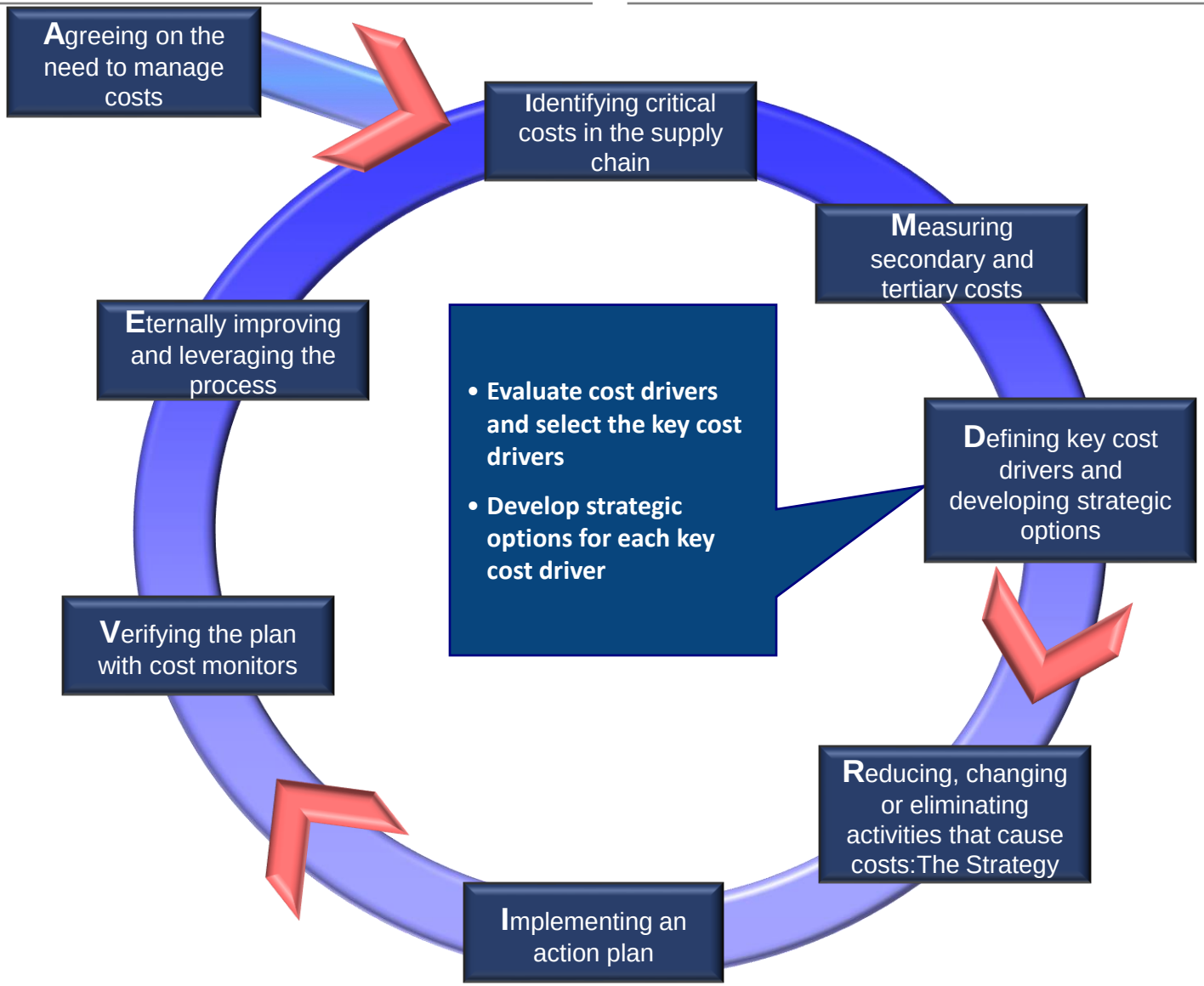
FORMULA BASED COSTING™

- Premise: A mathematical equation, LHS = RHS
- The LHS (result) is the *cost element*
- The RHS (variables) are the *cost drivers*
- Cost Drivers vary within a *range* (min/max)
- *Strategic Options* are *functions* that determine the current value of a driver within the range

FORMULA BASED COSTING™: POINTS TO REMEMBER

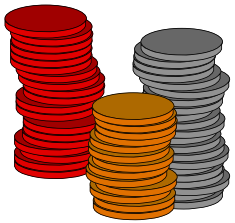
- The logical end of a formula is the Revenue Driver
- There is only ONE Revenue Driver in a supply chain
- A plus sign in a formula indicates Cost Elements NOT Cost Drivers
- A Cost Element is a physical expense that can be expressed as "$ per year"
- A Cost Driver must be a numerically expressible variable
- A "qualitative" factor will always be a "function/strategic option"

Anklesaria's AIM & DRIVE® Process



DEFINING KEY COST DRIVERS

- Select by discussion
- Use a decision matrix
  - Assign weights (relative percentages) to cost elements
  - Evaluate the impact of each cost driver on the cost elements
  - Calculate weighted impact score
  - Determine current level of the driver and the amount of improvement possible
  - Evaluate the teams ability to impact drivers



DEFINING KEY COST DRIVERS

Measuring Secondary And Tertiary Costs

Critical Costs	Cost Drivers												
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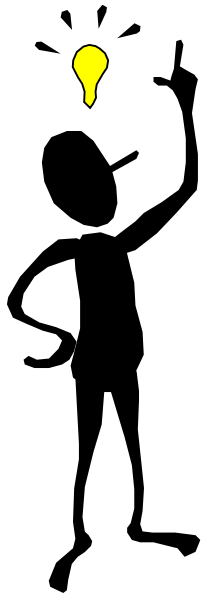
DEVELOPING STRATEGIC OPTIONS (FUNCTIONS)

"Functions" are factors that determine the current value of cost drivers

- Brainstorm among team members
- Solicit "Ten Meter Manager" input
- Consider different perspectives

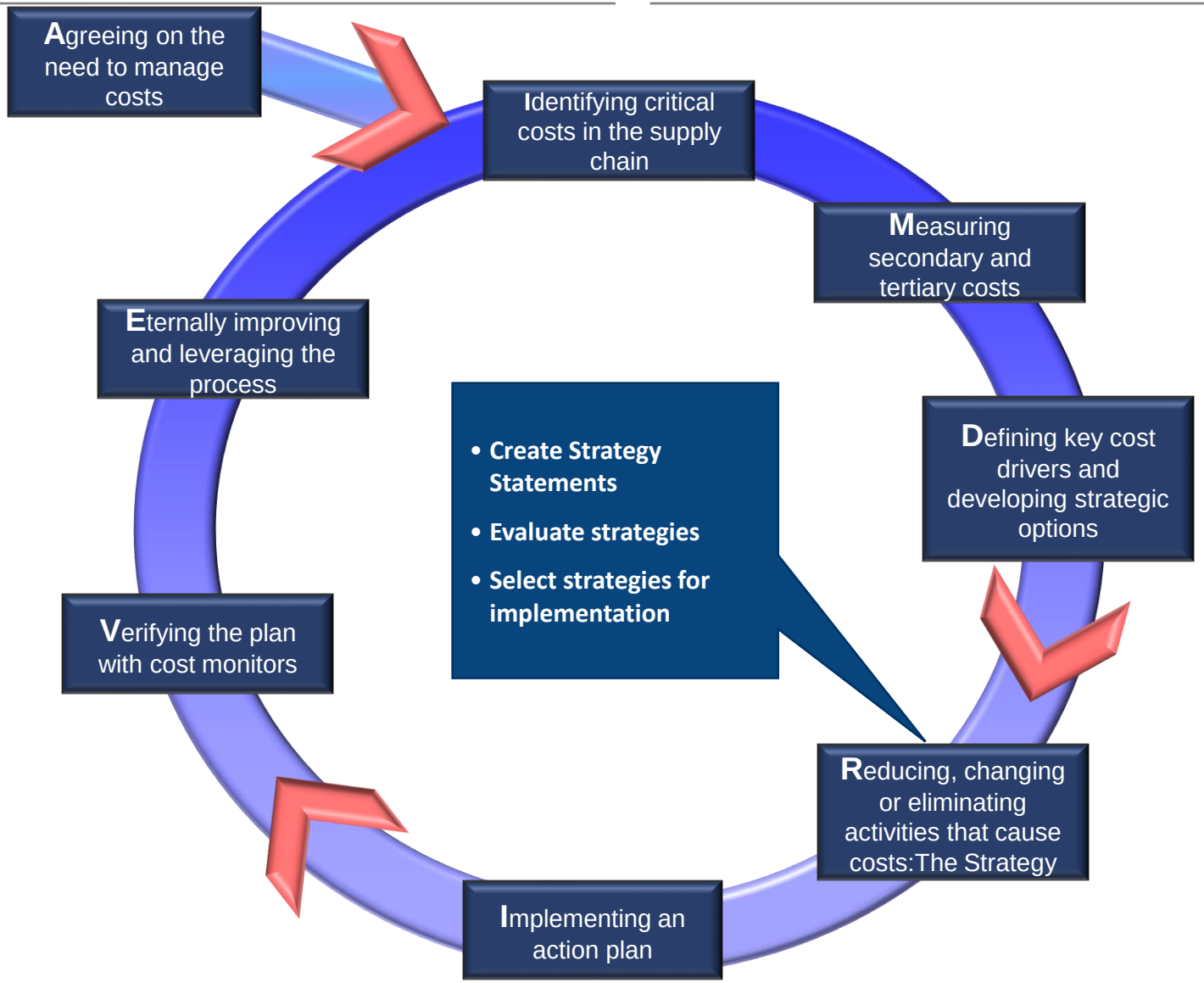


DEVELOPING STRATEGIC OPTIONS (FUNCTIONS)

Critical Costs	Cost Drivers						
Material =	$ / kg delivered *Landed unit cost*	x # of kgs delivered / # of kgs pumped *Usage*	x # of kgs pumped / job *Job requirement*	x # of jobs / well *Well servicing*	x # of wells / Year *Well output*	x	
Current est. value:							
Can improve?							
Target value:							
Factors:		Excess volume pumped	Curing of losses	Quality of recipe			
	Type of material	Dead volume amount	Type of formation	Fit for purpose recipe			
	Elimination of materials in the recipe		Depth of well				
	Reduce quantity of the material in the recipe		Knowledge of formation and losses				
	Source of material (Client/Contractor/etc)		Need for slurry to be pumped for whole casing (losses, formations, etc.)				
	Use of local service providers		Use of stage tool (practice of pumping 1st stage, need for stage tool, type of recipes)				
	Optimise cementing allocation per type of job						

Equipment/Units =	$ / unit *Unit cost*	x # of units / # of days available *Unit availability*	x # of days available / # of days on site *Unit onsite*	x # of days on site / # of days working *Unit utilisation*	x # of days working / job *Job requirement*	x # of jobs / well *Well servicing*	x # of wells / Year *Well output*	
Current est. value:								
Can improve?								
Target value:								
Factors:	Using local contractors		Unit moves	Waiting for others				
	Using fit for purpose units		Quality of maintenance	Waiting for resources				
	Need for pressure test with cement unit/rig pumps		# of rigs	Quality of planning of rig site for requesting cementing units (timing, requirement, ROS)				
	Need for 2 units in one location		Optimisation of allocation of cementing units by cluster	Night driving restricted hours review (based on road and facility assessment)				
	Use rig pump to pump the cement where applicable			Rig practice of ordering 2 units				
	Set P&A kit using rig pump			Introducing contractors hubs to maximise night driving				
	Use rig pump for leak off test using rig pump or local pumping unit			Movable caravan for extra personnel				

Anklesaria's AIM & DRIVE® Process



REDUCING, CHANGING OR ELIMINATING ACTIVITIES

- Identify constraints, if any
- Select options (functions) that can be impacted
- Create a strategy statement for each selected function
- Evaluate risks/benefits from different perspectives
- Quantify potential savings on current Primary Cost
- Quantify savings from leveraging ideas
- Prioritize strategies for implementation – *make sure some are implementable in the short term*

DEVELOPING CONSTRAINTS

AIM & DRIVE : REDUCING, CHANGING, or ELIMINATING ACTIVITIES THAT CAUSE COSTS

Perspective / Origin e.g. Finance, Technology, Marketing, etc.	**CONSTRAINTS**
Marketing	Turnaround time for existing customers cannot go beyond 48 hours

EVALUATING RISKS AND BENEFITS

Consider these perspectives when evaluating the respective risks and benefits for each option

- ✓ Financial
- ✓ Technology
- ✓ Political
- ✓ Environmental
- ✓ Quality
- ✓ Manufacturing
- ✓ Brand/Image
- ✓ Flexibility
- ✓ Delivery performance
- ✓ Overall business

REDUCING, CHANGING OR ELIMINATING ACTIVITIES

Reducing, Changing Or Eliminating Activities That Cause Costs

Net Potential Savings: $5,548,100

23%

	Strategy Statements		Benefits	$ Value	Risks / Costs	$ Value
1	Reduce the **quantity of excess volume** pumped and eliminate pumping the cement to the surface for the first stage plus revising the need for two stages to reduce cement material requirements and thus, reduce material costs and inefficient days		Excess volume pumped in 2013 (m3)	540	Compromise the integrity of the well	
			Rate per m3 of cement (average)	$1,500	Potential need for extra operations to test well integrity	
			% reduction in excess cement (based on gas wells reduction of excess from 60% to 30%)	50%	Mitigation for both: case by case/field wise evaluation of cementing requirements	
			Cost saving in excess cement	$405,000		
			Operation time reduction	$6,250		
			Logistics cost reduction (transport, disposal)	$99,840		
	Priority (H/M/L) :		Increased utilisation of cementing units			
	Net Savings :	$511,090		$511,090		$0
	Constraints :					
2	Eliminate/Minimize the dead volume in the short term: by using batch mixer/mobile mixing tanks and in the long term: by modifying the rig mud tanks to store cement mix water and thus reduce material costs		Assumptions: 60 jobs/month; $300/m3; 2 tanks/job; 5m3 dead volume/tank	$2,160,000	Additional Cost	$900,000
	Priority (H/M/L) :					
	Net Savings :	$1,260,000		$2,160,000		$900,000
	Constraints :					
3	Rationalize/Reduce the **quantities of materials** used in the recipe by evaluating alternative additivies and revise lead and tail requirements thus, reducing the material costs for jobs		10% Reduction in volume of cement ordered	$1,088,300	Ensure no compromise on well integrity	
	Priority (H/M/L) :					
	Net Savings :	$1,088,300		$1,088,300		$0
	Constraints :					

REDUCING, CHANGING OR ELIMINATING ACTIVITIES

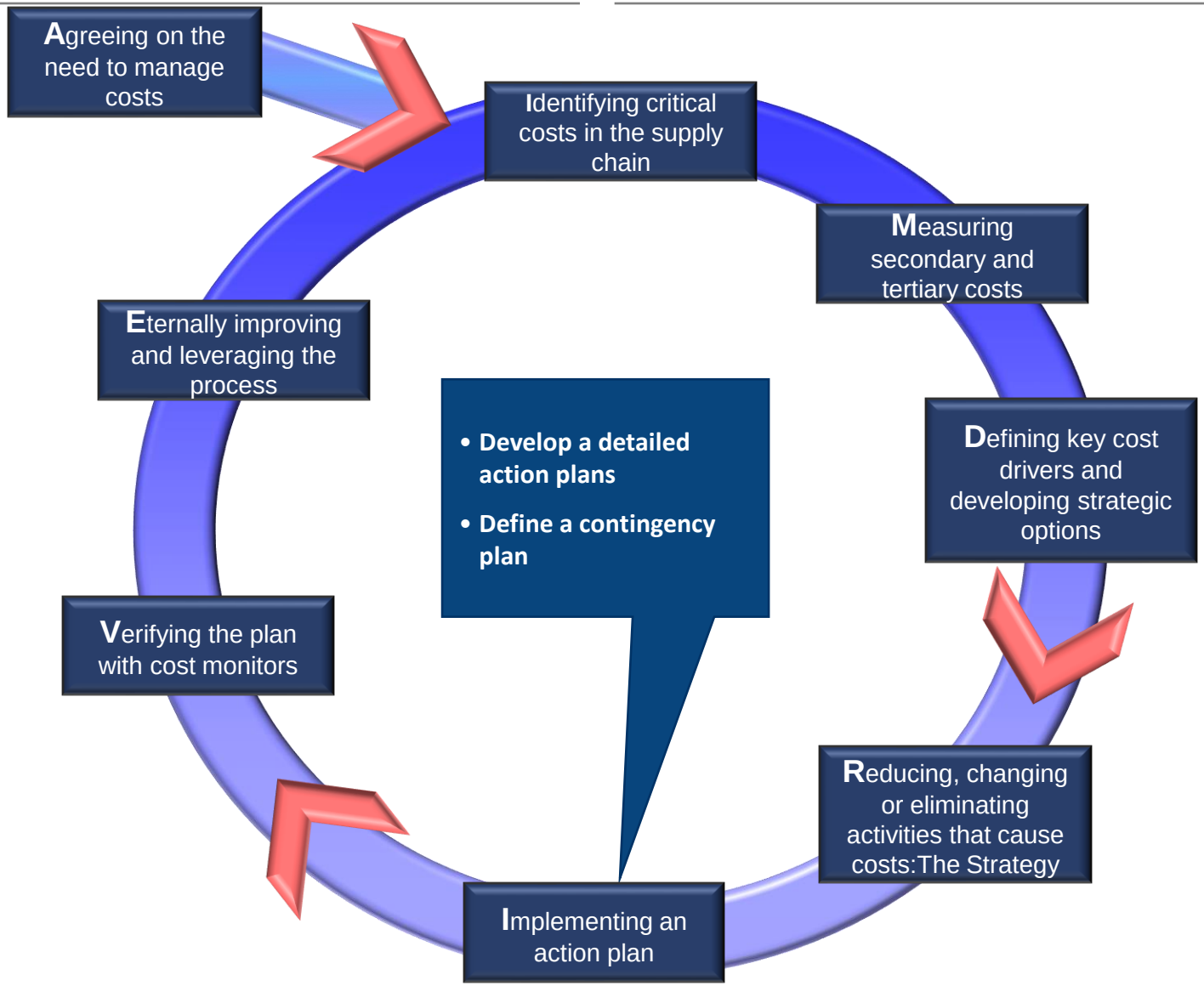
Reducing, Changing Or Eliminating Activities That Cause Costs

Net Potential Savings: $5,548,100

23%

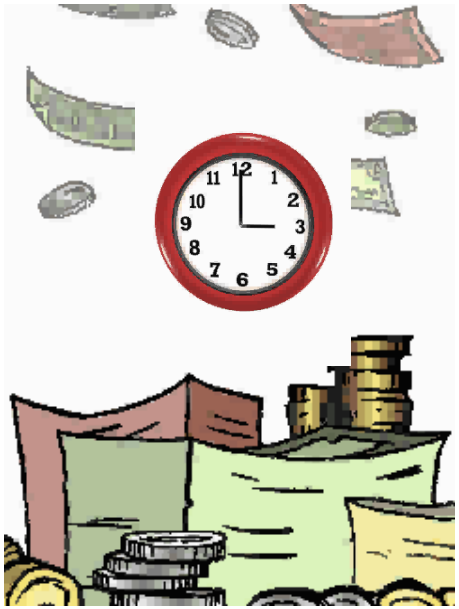
	Strategy Statements		Benefits	$ Value	Risks / Costs	$ Value
4	Use **rig pumps** to pump cement wherever applicable for low risk cementation jobs and thus, reduce requirement for 2 cementing units		Reduction in 2 units requirement: $115K/month contract rate for unit	$2,760,000	Additional Cost	$900,000
			~ 15 jobs per month reduction			
			Reduced operating and maintenance costs	$480,000		
	Priority (H/M/L) :					
	Net Savings :	$2,340,000		$3,240,000		$900,000
	Constraints :					
5	Conduct **pressure tests** with rig pumps instead of cementing units and **set the P&A (plug & abandon) kit** using mud instead of cement, thus reducing the requirement for cementing units to conduct pressure test jobs		Elimination of 18 days of cementing units used for pressure tests	$66,774	Mud expenses	
			Elimination of 31 days of PNA kit jobs	$115,000		
			Reduction in workload for cementing units			
	Priority (H/M/L) :					
	Net Savings :	$181,774		$181,774		$0
	Constraints :					
6	Challenge the **rig practice of ordering 2 units** wherein the units stays in standby and thus, reduce cementing unit requirement		Reduction in NPT of cementing units		Unavailability of standby cementing unit	
			Days of cementing unit on standby	90	Mitigation: Second unit will be in nearby area	
			Daily cost of cementing unit	$3,710	Mitigation: In case of failure and no second unit available, circulate out cement	
			Reduction in rig practice expected	50%		
			Cost saving	$166,935		
			Cost of NPT since 2nd unit has been put on standby			
	Priority (H/M/L) :		Better demand management and utilisation of resources			
	Net Savings :	$166,935		$166,935		$0
	Constraints/Requirements :					

Anklesaria's AIM & DRIVE® Process



IMPLEMENTING AN ACTION PLAN

- Select chosen strategies
- What, who and when?
- Minimize or eliminate risks
- Develop contingency plans
- Obtain management buy-in
- Establish dates and participants for verification



IMPLEMENTING AN ACTION PLAN

Implementing A Cost Management Strategy

	Strategy Statement	Value	Action Plan	Who	Due Date
1	Reduce the quantity of excess volume pumped and eliminate pumping the cement to the surface for the first stage plus revising the need for two stages to reduce cement material requirements and thus, reduce material costs and inefficient days	$511,090	1. Map the field to establish the amount of cement required (excess cement, two stage cement, cement to the surface required) as part of a pilot study		31 Oct 2014
			1.a Review jobs in the pilot field and conduct benefit analysis for the jobs		31 Oct 2014
			1.b Develop a standard practice for amount of cement (draft proposal for updating TFM and Drilling program)		31 Oct 2014
			2. Estimate and evaluate the technical and financial benefits from pilot		01 Jan 2015
			3. Update the standard programs (TFM, Drilling program) for pilot field		15 Jan 2015
			4. Roll out program (the process of evaluating amount of cement pumped) for other fields		31 Jan 2015
			5. Review and evaluate the requirement to update current standard procedures		31 Mar 2015
2	Eliminate/Minimize the dead volume in the short term: by using batch mixer/mobile mixing tanks and in the long term: by modifying the rig mud tanks to store cement mix water and thus reduce material costs	$1,260,000	Short term:1. Supplier to evaluate cost-benefit of using batch mixer or mobile tank		31 Oct 2014
			Short term: 2. Propose to Client arrangement for using batch mixer/mobile tank (financial + technical)		31 Oct 2014
			3. Decide on short-term plan for zero dead volume		07 Nov 2014
			4. Evaluate the long-term benefit from using eliminating dead volume for all fluids (cement, OBM, WBM, acid, brine, fresh water, etc.)		31 Dec 2014
			5. Client to evaluate options for rig tank modifications and come up with cost estimation		15 Oct 2014
			6. Engage with rig contract holders/rig contracts team leader to understand provisions in the rig contracts for modifying the tanks contractually		15 Jan 2015
			7. Share options with rig contractors to select best option and to obtain cost implications and timeline		15 Feb 2015
			8. Build a business case to modify all the rigs and seek approval if justified from the lines and functions		15 Apr 2015
			9. Seek endorsement from Management, if applicable		15 May 2015
			10. Build the program for execution and implementation in all rigs		31 May 2015
3	Rationalize/Reduce the quantities of materials used in the recipe by evaluating alternative additivies and revise lead and tail requirements thus, reducing the material costs for jobs	$1,088,300	1. Map the material requirements of 3 target fields as a pilot (objective of the cememt, need for cement, technical requirements, challenges, etc.)		31 Oct 2014
			2. Engage with the asset teams (integrity focal points) based on mapping outcomes		15 Nov 2014
			3. Begin with the pilot phase of the optimised recipes based on agreement with all parties (assets, Well Engineers, Supplier, etc.)		30 Nov 2014
			4. Present the benefits (technical and financial) and the process to replicate the optimisation of recipes in other fields		31 Mar 2015
			5. Develop and establish monitoring system of cement quality open to all concerned parties		31 Mar 2015

IMPLEMENTING AN ACTION PLAN

Implementing A Cost Management Strategy

	Strategy Statement	Value	Action Plan	Who	Due Date
4	Use rig pumps to pump cement wherever applicable for low risk cementation jobs and thus, reduce requirement for 2 cementing units	$2,340,000	1. Evaluate technical feasibility of using rig pumps based on the current rig setup		31 Dec 2014
			2. Evaluate options of mixing facility (mobile mixing unit - Aramix, mobile mixing tank, fixed mixing unit for each rig, etc.).		31 Dec 2014
			3. Evaluate the financial implications of this opportunity - check with opportunity #2 (dead volume)		31 Dec 2014
			4. Engage with rig contract holders/rig contracts team leader to understand provisions in the rig contracts and use rig pumps for cementing and/or adding dedicated mixing unit		15 Jan 2015
			5. Build the business case if required to implement this opportunity		15 Apr 2015
			6. Seek endorsement from Management, if applicable		15 May 2015
			7. Build the program for execution and implementation in all rigs		31 May 2015
5	Conduct pressure tests with rig pumps instead of cementing units and set the P&A (plug & abandon) kit using mud instead of cement, thus reducing the requirement for cementing units to conduct pressure test jobs	$181,774	1. Check with manufacturer for P&A kit guidelines		15 Oct 2014
			2. Evaluate effectiveness of cement on P&A kit using the simulation tool		30 Sep 2014
			3. Update TFM and Drilling Program to reflect the change (P&A kit setup using mud and rig pump)		31 Oct 2014
			Pressure tests (to test the integrity of the casing against set cement):		
			4. Agree with the planning & design engineers on the proposed way of testing hard cement using the rig pump		31 Oct 2014
			5. Update Drilling Program to reflect the change (pressure tests)		31 Oct 2014
6	Challenge the rig practice of ordering 2 units wherein the units stays in standby and thus, reduce cementing unit requirement	$166,935	1. Compile data on job failures for the last two years for cementing units		30 Sep 2014
			2. Compile data on time spent by second cementing unit on standby for 2013		30 Sep 2014
			3. Develop procedure of ordering single units with risks and mitigation plans		31 Oct 2014
			4. Seek approval for change in procedure (ordering 2 units)		07 Nov 2014
			5. Communicate to all operations teams on the proposed change in procedure for ordering 2 units		07 Nov 2014

CONTINGENCY PLANS

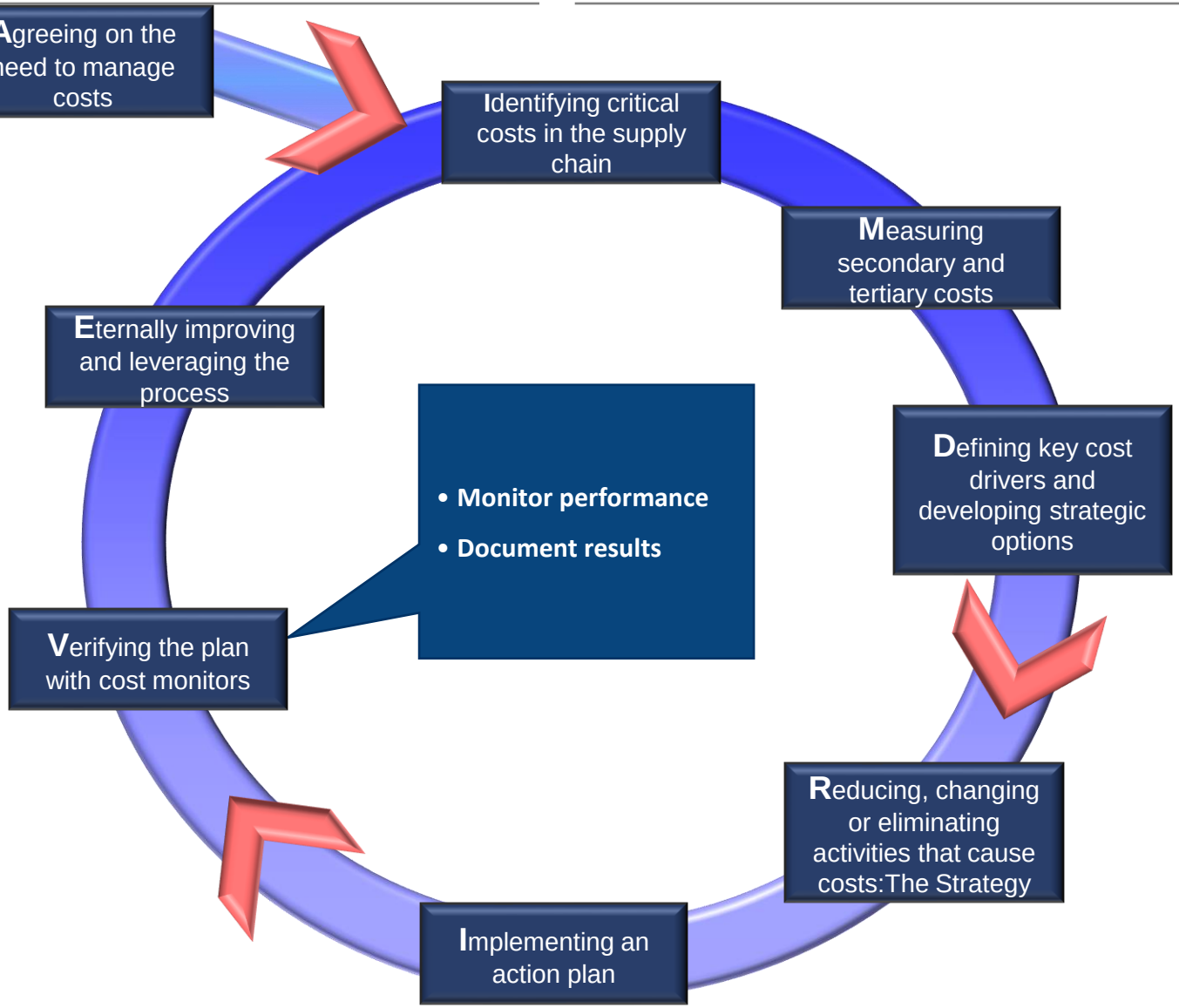
- Focus on “why” (desired goal)
- Suggested contingencies
  - Another strategic option (function) for the same cost driver
  - Use the same strategy but implemented differently

PRESENTING YOUR STRATEGY

Prepare a "buy-in" strategy in advance

- Obtain additional input as needed
- Review and revise worksheets
- Identify target audience
- Gather information about the audience
- Anticipate management concerns
- Prepare sales presentation
- Make the "best" presenters do the presentation

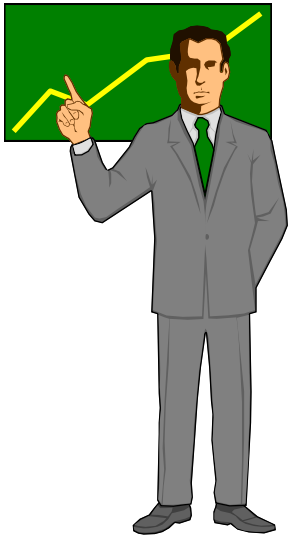
Anklesaria's AIM & DRIVE® Process



VERIFYING THE ACTION PLAN

Monitoring Performance

- Appoint project coordinator/s
- Hold periodic reviews (weekly/biweekly/monthly)
- Modify action plans and expand on strategies
- Document meeting notes
- Develop new process maps
- Present status reports to management every Quarter



VERIFYING THE ACTION PLAN

Implementing A Cost Management Strategy

	Strategy Statement	Value	Action Plan	Who	Due Date	Completion Date	Comments
1	Reduce the quantity of excess volume pumped and eliminate pumping the cement to the surface for the first stage plus revising the need for two stages to reduce cement material requirements and thus, reduce material costs and inefficient days	$511,090	1. Map the field to establish the amount of cement required (excess cement, two stage cement, cement to the surface required) as part of a pilot study		31 Oct 2014	31 Oct 2014	
			1.a Review jobs in the pilot field and conduct benefit analysis for the jobs		31 Oct 2014	31 Oct 2014	
			1.b Develop a standard practice for amount of cement (draft proposal for updating TFM and Drilling program)		31 Oct 2014	31 Oct 2014	
			2. Estimate and evaluate the technical and financial benefits from pilot		01 Jan 2015	10 Jan 2015	
			3. Update the standard programs (TFM, Drilling program) for pilot field		15 Jan 2015	26 Jan 2015	
			4. Roll out program (the process of evaluating amount of cement pumped) for other fields		31 Jan 2015	31 Jan 2015	
			5. Review and evaluate the requirement to update current standard procedures		31 Mar 2015	15 Apr 2015	
2	Eliminate/Minimize the dead volume in the short term: by using batch mixer/mobile mixing tanks and in the long term: by modifying the rig mud tanks to store cement mix water and thus reduce material costs	$1,260,000	Short term:1. Supplier to evaluate cost-benefit of using batch mixer or mobile tank		31 Oct 2014	31 Oct 2014	
			Short term: 2. Propose to Client arrangement for using batch mixer/mobile tank (financial + technical)		31 Oct 2014	12 Nov 2014	
			3. Decide on short-term plan for zero dead volume		07 Nov 2014	20 Nov 2014	
			4. Evaluate the long-term benefit from using eliminating dead volume for all fluids (cement, OBM, WBM, acid, brine, fresh water, etc.)		31 Dec 2014	20 Nov 2014	
			5. Client to evaluate options for rig tank modifications and come up with cost estimation		15 Oct 2014	20 Nov 2014	
			6. Engage with rig contract holders/rig contracts team leader to understand provisions in the rig contracts for modifying the tanks contractually		15 Jan 2015	31 Jan 2015	
			7. Share options with rig contractors to select best option and to obtain cost implications and timeline		15 Feb 2015	22 Feb 2015	
			8. Build a business case to modify all the rigs and seek approval if justified from the lines and functions		15 Apr 2015	27 Apr 2015	
			9. Seek endorsement from Management, if applicable		15 May 2015	15 May 2015	
			10. Build the program for execution and implementation in all rigs		31 May 2015	31 May 2015	
3	Rationalize/Reduce the quantities of materials used in the recipe by evaluating alternative additivies and revise lead and tail requirements thus, reducing the material costs for jobs	$1,088,300	1. Map the material requirements of 3 target fields as a pilot (objective of the cememt, need for cement, technical requirements, challenges, etc.)		31 Oct 2014	31 Oct 2014	
			2. Engage with the asset teams (integrity focal points) based on mapping outcomes		15 Nov 2014	20 Nov 2014	
			3. Begin with the pilot phase of the optimised recipes based on agreement with all parties (assets, Well Engineers, Supplier, etc.)		30 Nov 2014	20 Nov 2014	
			4. Present the benefits (technical and financial) and the process to replicate the optimisation of recipes in other fields		31 Mar 2015	15 Apr 2015	
			5. Develop and establish monitoring system of cement quality open to all concerned parties		31 Mar 2015	15 Apr 2015	

VERIFYING THE ACTION PLAN

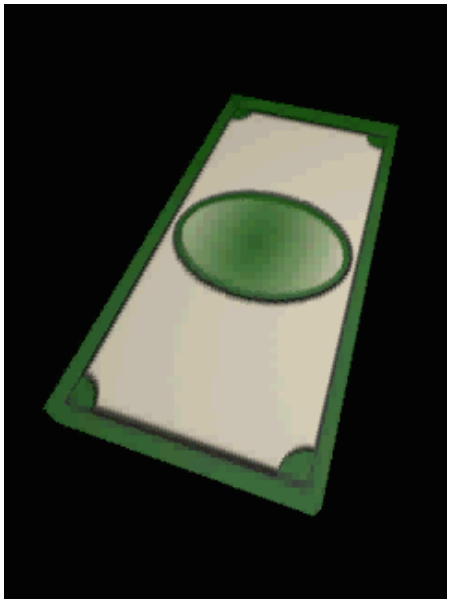
Implementing A Cost Management Strategy

	Strategy Statement	Value	Action Plan	Who	Due Date	Completion Date	Comments
4	Use rig pumps to pump cement wherever applicable for low risk cementation jobs and thus, reduce requirement for 2 cementing units	$2,340,000	1. Evaluate technical feasibility of using rig pumps based on the current rig setup		31 Dec 2014	22 Jan 2015	
			2. Evaluate options of mixing facility (mobile mixing unit - Aramix, mobile mixing tank, fixed mixing unit for each rig, etc.).		31 Dec 2014	22 Jan 2015	
			3. Evaluate the financial implications of this opportunity - check with opportunity #2 (dead volume)		31 Dec 2014	22 Jan 2015	
			4. Engage with rig contract holders/rig contracts team leader to understand provisions in the rig contracts and use rig pumps for cementing and/or adding dedicated mixing unit		15 Jan 2015	29 Jan 2015	
			5. Build the business case if required to implement this opportunity		15 Apr 2015	15 Apr 2015	
			6. Seek endorsement from Management, if applicable		15 May 2015	15 May 2015	
			7. Build the program for execution and implementation in all rigs		31 May 2015	31 May 2015	
5	Conduct pressure tests with rig pumps instead of cementing units and set the P&A (plug & abandon) kit using mud instead of cement, thus reducing the requirement for cementing units to conduct pressure test jobs	$181,774	1. Check with manufacturer for P&A kit guidelines		15 Oct 2014	15 Oct 2014	
			2. Evaluate effectiveness of cement on P&A kit using the simulation tool		30 Sep 2014	30 Sep 2014	
			3. Update TFM and Drilling Program to reflect the change (P&A kit setup using mud and rig pump)		31 Oct 2014	31 Oct 2014	
			Pressure tests (to test the integrity of the casing against set cement):				
			4. Agree with the planning & design engineers on the proposed way of testing hard cement using the rig pump		31 Oct 2014	31 Oct 2014	
			5. Update Drilling Program to reflect the change (pressure tests)		31 Oct 2014	31 Oct 2014	
6	Challenge the rig practice of ordering 2 units wherein the units stays in standby and thus, reduce cementing unit requirement	$166,935	1. Compile data on job failures for the last two years for cementing units		30 Sep 2014	30 Sep 2014	
			2. Compile data on time spent by second cementing unit on standby for 2013		30 Sep 2014	30 Sep 2014	
			3. Develop procedure of ordering single units with risks and mitigation plans		31 Oct 2014	31 Oct 2014	
			4. Seek approval for change in procedure (ordering 2 units)		07 Nov 2014	07 Nov 2014	
			5. Communicate to all operations teams on the proposed change in procedure for ordering 2 units		07 Nov 2014	07 Nov 2014	

VERIFYING THE ACTION PLAN

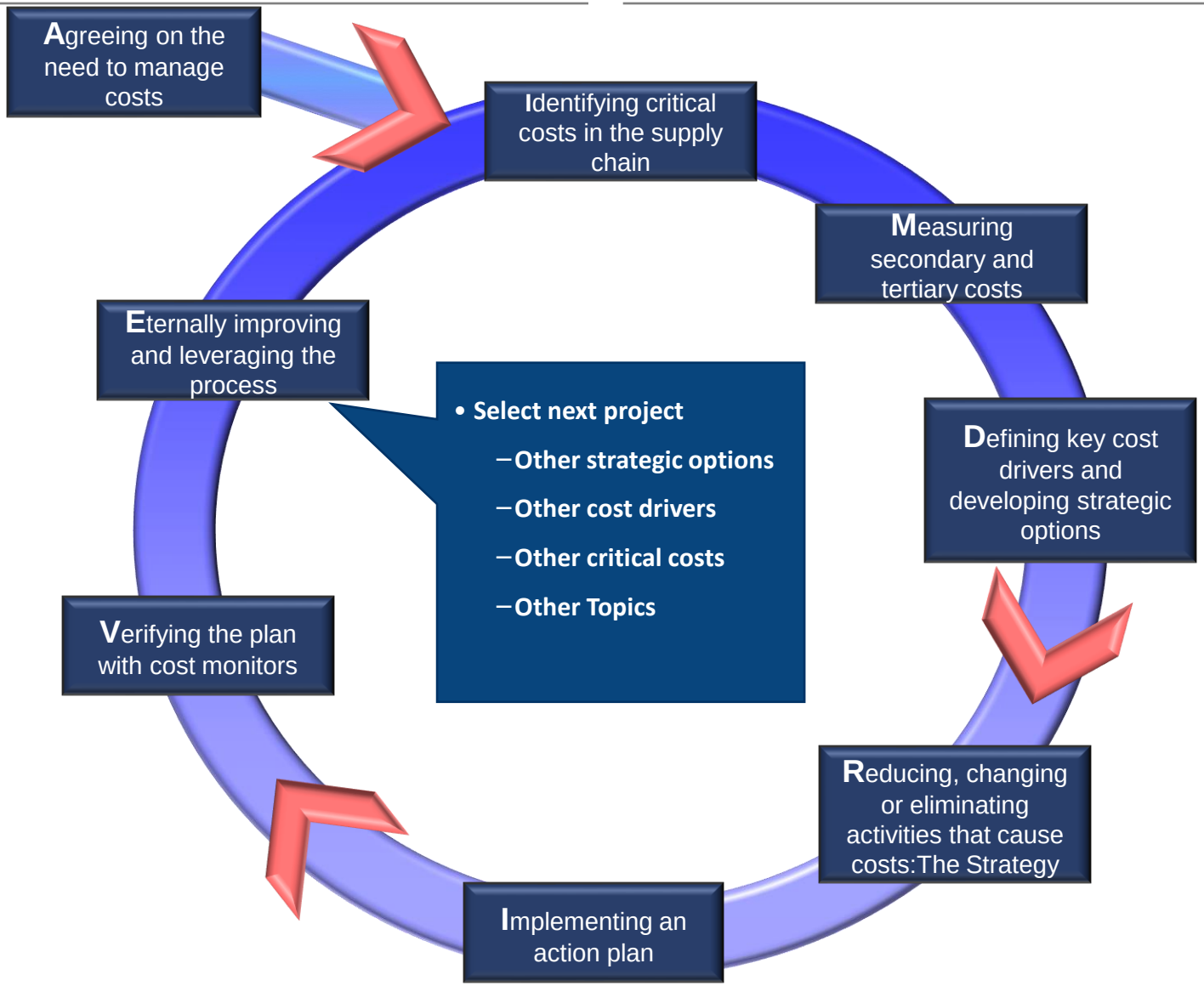
Documenting Results

- Quantify Net Realized Savings
- Evaluate qualitative benefits
- Note lessons learned
- Publicize results
- Reward Participants



"Store all knowledge in an on-line "knowledge base"

Anklesaria's AIM & DRIVE® Process



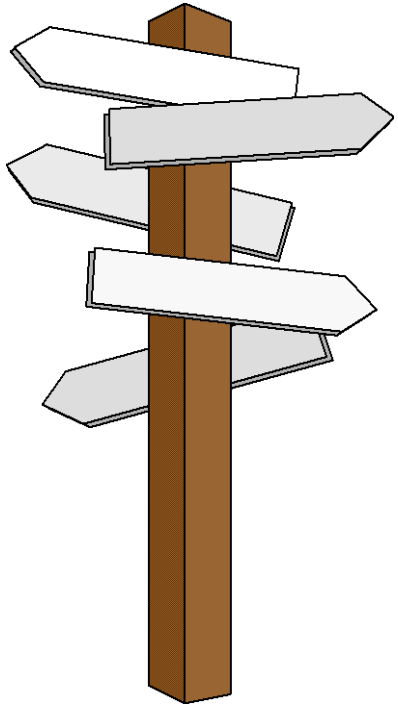
ETERNAL IMPROVEMENT

The journey never ends…..

- Expand on current project
  - Other strategic options
  - Other cost drivers
  - Another cost element
- Educate other teams in the supply chain
- Kick off the next project within 6-9 months
  - Another supplier/customer
  - Another product/commodity/service (Primary Cost)

HOW DO WE CHANGE DIRECTION?

- Provide a new vision
- Develop new measures
- Generate new ideas
- Implement new processes
- Learn from our mistakes



And Finally…

Every morning in Africa, a gazelle wakes up.
It knows it must run faster than the fastest lion,
or it will be killed.
Every morning a lion wakes up.
It knows it must outrun the slowest gazelle,
or it will starve to death.
It doesn't matter whether you are a lion or gazelle:

Source: Roger Bannister