

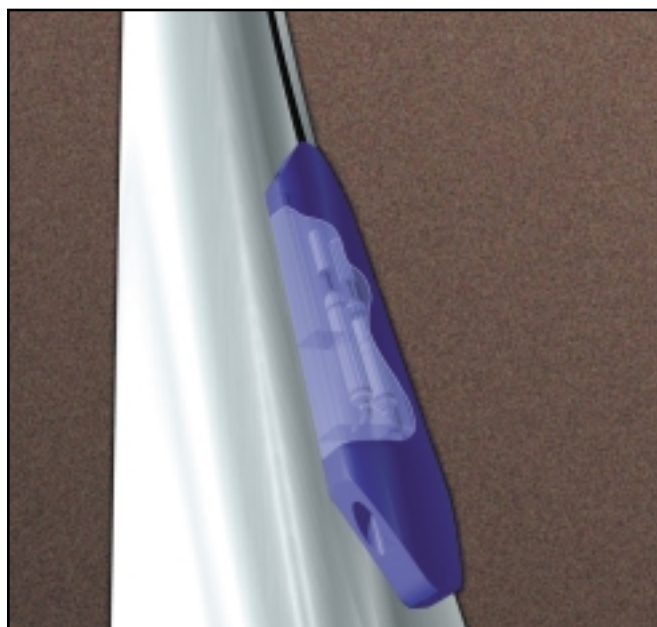
Real-time Well Monitoring Systems

PROMORE Engineering Inc. is a Canadian company that offers unique technology and services to the global oil and gas market. For over five years the company has been designing, manufacturing and installing well monitoring systems that help oil and gas clients optimize well productivity and reduce operating costs.

We asked PROMORE to provide us some understanding as to why their technology is in demand on a global basis or to explain their “Canadian Advantage.”

PROMORE, stands for “**P**roduction **O**ptimization and **M**onitoring of **R**eservoir **E**nvironments.” The company focuses on developing “state of the art” well monitoring technologies that are cost effective for lower producing reservoirs. Applications for the company’s technology have included production optimization, pump control, reservoir analyses and the monitoring and control of various enhanced oil recovery schemes.

PROMORE originally was formed with a philosophy to provide wellbore pressure monitoring instrumentation external to the casing; thus outside of the production environment. To achieve this, the instrumentation had to be extremely robust, reliable and affordable in the cost sensitive Canadian oil and gas industry. The result was a complete real-time monitoring system that incorporates “no downhole electronics”. This philosophy continues today with the

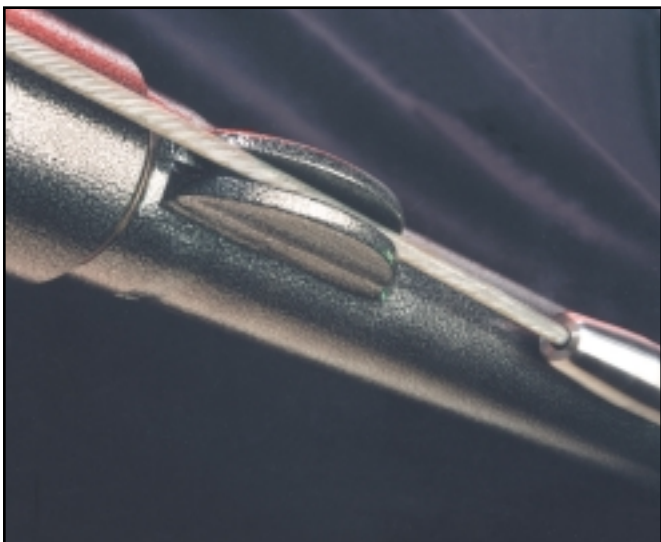


companies development of other pressure, temperature and flow monitoring systems.

Another key factor in PROMORE’s growth has been the challenge by oil and gas companies to develop a pressure sensor technology that could withstand the high temperature conditions created in SAGD (steam assisted gravity drainage) and other thermal projects. With the co-operation of several clients, PROMORE set out to develop not only the sensor technology but a complete real-time monitoring system that would give operators a better understanding of the effectiveness of thermal processes. The result was the development of a unique electronics free downhole sensor and monitoring system that can operate at 25°C, which is 75° above the capability of electronics-based systems.

It is this type of unique co-operative effort that typifies the Canadian Advantage, where oil and gas companies and service organizations work together to develop technologies that reduce operating costs for the oil company while providing products that the service organization can market on a global basis.

The superior temperature rating of PROMORE’s monitoring systems attracted the interest of operators producing from deep, hot wells in hostile environments. PROMORE has been successful in implementing well monitoring systems in these conditions, where many prior attempts by others have failed. Recently, PROMORE’s recognition was expanded to Italy, where the company was



asked to design and install a well monitoring system for a 20,000 foot, 22,000 psi, 375°F well for AGIP

PROMORE today offers casing conveyed, tubing conveyed and coil tubing conveyed monitoring systems. Last year the company introduced the MORE^{HOC} Real-Time Pump Control System and the PROFlow Meter for downhole flow monitoring applications.

The value that real-time data provides to the understanding of reservoir performance, pump control and optimization of enhanced oil recovery schemes has strongly positioned PROMORE as world leader in downhole monitoring systems particularly in lower producing reservoirs.

In gas well applications, PROMORE is providing the monitoring systems that allow operators to continuously pump off water without jeopardizing the downhole pumping system. Pump speed is controlled based on actual bottomhole pressure. This type of technology is needed as Western Canadian gas reservoirs mature and experience higher levels of water production.

The company's installed base exceeds several thousand sensors globally, which includes projects in Canada, the U.S., Europe, South America and Asia. In the North Sea, Gulf of Mexico and Middle East, PROMORE recently struck a distribution alliance with Wood Group Production Technology Inc. The combination of Wood Group's advanced global technology network with PROMORE's innovative instrumentation provides unprecedented access to valuable reservoir information in many environments.

Now high temperature, high profile offshore wells and lower producing reservoirs will benefit by the technology offered by the alliance.

The "Canadian Advantage" for PROMORE has been the support of local oil and gas companies who are continually being challenged to reduce operating costs. This created the companies initial monitoring systems and continues today with new applications such as real-time bottomhole flow monitoring, coal-bed methane production, coil tubing instrumentation, pump control and real-time frac monitoring.

Another advantage for PROMORE has been the companies ability to go from the "drawing board" to the actual installation of the monitoring system in a short time period.

Many of the instrumentation packages are "off the shelf" as opposed to delivery times of several weeks or months.

PROMORE is a company that has benefited through industry cooperation, which may be in fact the "Canadian Advantage."

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