



# GDI SPONSORS SECOND NATIONAL CONFERENCE ON AUDITING 2010



**With the cooperation of the Institute of Internal Auditors (IIA Qatar Chapter) and the Scientific Accounting Association (SAA), Gulf Drilling International Ltd. (q.s.c) (GDI) sponsored the Chapter's second National Conference on Auditing, held at Collage of North Atlantic - Qatar (CNA-Q), from the 4th till 6th of May, 2010.**

HE Abdullah Bin Ahmad Al-Attiyah,

Deputy Premier and Minister of Energy and Industry, delivered the opening address at the conference on May 5th, while other key speakers included Mr. Saleh Bin Ghanim Al-Ali, Head of State Audit Bureau, and Mr. Michael Dalby, Advisor Qatar Financial Markets Authority.

GDI was a silver sponsor to this significant event held under the theme "Internal Auditing in a challenging world". A gala dinner for the conference participants was

held in Al-Sharq Hotel, attended by many senior management members of the company, during which GDI gained recognition as a company who has always sponsored and supported such key events.

Attendees at the conference included Internal Auditors, External Auditors, Business consultants, Risk managers, General Managers, members of Audit Committees, Educators in addition to many people from across the business world disciplines.

# CEO'S MESSAGE



**The second quarter of 2009 has been better than expected. However, with the summer months still ahead, it is too early to be relaxed. Factoring-in the Operations Workshops and Leadership Training conducted, I am hopeful of good results. I believe that the measures we are taking and the determination of our work force, will enable us to continue to improve and perform better than our KPIs for 2010.**

Four out Five rigs will continue to have contracts and I am hopeful that we will be able to show 100% utilization before the year ends. Gulf-2 is in shipyard undergoing major upgrades to suit the needs of potential clients.

We have invested in Gulf-2 to make it operationally fit and increase its competitiveness for marketing purposes.

Cost optimization efforts are yielding dividends. The Maximo, Maintenance Management System which was completed at the end of June, will be an additional tool for operational efficiency and cost reduction.

I am proud to state that every department is trying its best to rationalize costs and be more efficient. All these efforts will show-up positively on the bottom line.

Our diversification program aligned with our Five Years Plan is seeing great prospects for jack-up barges and lift boats to serve the accommodation, well intervention, platform construction &

maintenance markets. We are currently pursuing opportunities that will ensure achievement of our long term plans successfully.

We remain optimistic with our operational and financial results for this year and are determined to continue our success for the years to come, owing to our carefully planned growth and diversification targets.

I look forward to the demands and challenges of next 6 months. If we all remain focused and committed, as we have been in the 1st half of this year, I am confident that we will achieve all the goals we have set for ourselves.

I wish you a safe and happy summer holidays.

Sincerely yours,

**Ibrahim J. Al-Othman**  
Chief Executive Officer

## GDI TOWN HALL MEETING HELD IN APRIL

**GDI management invited all its staff members to a town hall meeting on 13th April 2010 at the Diplomatic Club. The meeting agenda included an overall evaluation of the company's performance in 2009, and a review of its future plans and outlook for 2010.**

The meeting kicked-off with the PR department staff welcoming all staff members. The CEO then gave the opening speech, presenting a clear overview of the current state of the company and where it was heading. This was followed by the QHSE Manager presenting a summary of GDI's safety statistics and the way forward for 2010, focused on improvements to our health and safety records. The COO then addressed operations issues, followed by the Senior Finance Manager's presentation of the 2009 financial results and forecast of

2010. The management's reports to staff were concluded by the CEO, in his summary of GDI's past performance and future outlook and objectives.

A Q&A session followed, between staff and Senior Management, giving all employees the chance to ask questions on various topics related to GDI and the industry. Management then proceeded to recognize our long serving employees (those completing 5 years with the company) with awards. The bulk of our employees being field staff were unable to attend, however we were able to have 4 of our staff present to receive their awards from the CEO. The meeting was finally adjourned.

The awarded employees were:

- Khalid Saeed Khan, Store Keeper
- Syed Sadiq Hussain, Rig manager
- Nagao Kenichi, Rig manager
- Vinod Nair, Financial Analyst.



# MEET THE EMPLOYEE:

## MR. YOICHI ONOE / CHIEF OPERATING OFFICER

### **What is your position in GDI, and how long have you been here?**

I have been working at GDI, as Chief Operating Officer (COO), since April 2006.

### **Can you give us an idea about your educational and professional background?**

I joined JDC, Japan Drilling Co. in 1978, after graduating from university with BSc degree from Waseda University, Tokyo. I have worked on JDC rigs in Japan, Russia, China, Egypt, and Indonesia as drilling crew. I then had an opportunity to work in Research & Development area of drilling technology with JNOC (Japan National Oil Corporation, now called JOGMEC, Japan Oil, Gas and Metals National Corporation). I have also worked in the Engineering and Business Departments of JDC where I gained experience in technical and contractual aspects of drilling services. I was transferred to Mexico for managing one of JDC's semi-submersible rigs in 2003, and joined GDI in 2006 as the COO (a JDC Secondee).

### **What is your normal working day like?**

I am taking care of four functions, namely onshore operations, offshore operations, maintenance and engineering.

My typical day starts with reviewing daily operations (onshore and offshore) and providing necessary instructions to operations managers. This is followed by reviewing reports and documents submitted for my action or approval. This includes approvals for payments, procurement (thru the ERP), meetings to discuss and sort out challenges and outstanding issues to improve overall performance of GDI. In addition, I monitor statistics like downtime, safety, financial matters and KPI performance as part of my key responsibilities. I also support the marketing function, through responding to client letters and faxes, obtaining customer satisfaction reports are an important part of my daily "to do" list. Reviewing and developing policies and procedures are an integral part of my



duties, as part of the company's policy of continuous improvement. Regular updates are necessary to meet the challenges of industry and the constantly changing environment, in order to be an internationally recognized company.

### **What are the main challenges that you face with your job?**

Understanding others and giving appropriate instructions which are easily understood for implementation. This is very important since we are a multi-national and multi-lingual company.

### **What keeps you enthusiastic about your work at GDI?**

The opportunity we have to expand our business in Qatar and GCC.

### **What do you enjoy the most in your work tasks?**

Energetic discussions I have with other colleagues from different nationalities, although it can be very challenging at times.

### **What are the main things that have changed in GDI since you joined?**

We have had improved communication between departments. Everybody is getting to know each other better now.

### **What are your hopes on the personal & professional level?**

Life is full of challenges and changes, which drives our energy and motivation to press ahead at both, professional and personal levels.

### **How has GDI's image developed through the years?**

Many companies have come to know what GDI is and what its core business is. A company's reputation is a measure of its safety record and performance. GDI's image is getting stronger and better due to constant improvements in performance, although we need to put in more effort,

### **What are the most important characteristics and aspects of GDI that your department tries to convey through their work?**

Better communication with other departments in order to have stronger, more robust and appropriate support from them. Many of our office staff still have difficulty in understanding how we work and how we make money through our business.

### **What do you like or dislike about Doha?**

I like the fact that it is a very quiet city to live in, with excellent security and safety records. Dislike the fact that there are many traffic accidents occurring every day, and miss the abundance of greenery and rain.

# 2010 BUSINESS DEVELOPMENT UPDATES

**We are into the second half of 2010 and would like to present a state of affairs from the Marketing and Business Development perspective. GDI had contracts for all our 5 rigs coming to an end this year. The initial forecast was showing very low utilization since we did not have contracts in hand**

Fortunately we can report that contracts extensions for two rigs have already been signed, and two more are in the process of being signed. We have just one rig remaining without a contract, and are hoping to find work for it, once we complete upgrades in the shipyard. Current contracts status is:

**Al-Doha** - Extended with Qatar Petroleum for 3 years

**Gulf-3 (Al-Wajbah)** - Extended with Occidental of Qatar for 2 years

**Al-Zubarah** - To be extended with Qatar Petroleum for 1-1/2 years

**Al-Khor** - Current work scope concludes by end September 2010. The rig will then drill for Shell Qatar on a two year

contract for appraisal wells

**Gulf-2 (Al-Rayyan)** - Shipyard upgrade work in Sharjah till end September. GDI are hopeful of securing a contract for the rig by that time

GDI are vigorously pursuing their diversification plan and have identified a number of viable opportunities. The paint project for QP is still awaiting a target start-up date, but GDI's preparations have made tremendous progress and a number of changes will be incorporated once we have the client's approval to proceed.

In addition GDI have gathered sufficient support from potential clients and our Board of Directors to pursue opportunities in the accommodation barge markets specifically targeting North Field activity. GDI are promoting their Shared Assets Concept idea and see a sizable market for the new sector to complement our traditional drilling rig business.

Though the market is passing through its low cycle this year, we see glimmers of growth looking forward. In our effort



to serve the market with most suitable equipment, we are investing in our older rigs to make them more attractive to clients. We are simultaneously exploring the market for new rigs with designs that offer the best solution to our clients. We are committed to our goal of increasing our market share of the Qatar offshore rigs and enjoy the full support of our shareholders. We predict that by the year end, GDI would be in position to show substantial progress in diversifying its product range.

## THE REMARKABLE 2009! GDI'S BEST YEAR EVER.

**The finance department in Gulf Drilling International has issued the company's 2009 annual report book, which includes a holistic overview of the past year:**

GDI had its best year ever in 2009, as measured by its strong financial and operational performance. Revenue, Net Income and Profitability all improved significantly over 2008 results. The profitability of the company continued its upward trend with Net Income amounting to 43% of Revenues in 2009 compared to 39% in 2008. The key catalysts for this historical performance were the full utilization of all rigs combined with low rig downtime.

As always safety of our employees and crew members are GDI's top priority. GDI's fundamental strategies are geared toward achieving consistent and outstanding performance in all aspects of our business while generating superior returns to our

shareholders. We are very proud to have achieved significant improvements in safety performance, operational excellence and customer satisfaction despite our short existence of 5 years.

Another significant milestone was achieved in 2009 when GDI received IMS certification. We now have certifications for ISO 9001:2000, ISO14001:2004 and OHSAS 18001:2007. These achievements demonstrate our commitment to Quality Assurance, Health, Safety and Environment.

From an HR perspective, GDI remains dedicated to fulfilling its Qatarization program. In 2009 the employment of Qataris within the organization grew to 60% of the targeted workforce. GDI takes significant pride in its Qatarization program and is committed to achieving objectives set. In order to remain viable in the future, GDI considers the

diversification of its core business, and the promotion of innovative business models, to be essential for the success and continued growth of the company.

While we have anticipated 2010 to be a challenging year, our record shows that we have been up to the task until now. We are fully confident that with a devoted staff, we are heading for another remarkable year, which puts us one step closer to becoming a world class drilling services provider.

