

# OPEN **F**ORUM

A PUBLICATION OF FORUM ENERGY TECHNOLOGIES Summer 2011



# Open Forum

Summer 2011 Volume 1 Number 2

*Open Forum* is published for Forum Energy Technologies VIPs — our employees and our customers.

Thanks to everyone who contributed to this issue. If we missed something you sent — or news you wished you'd sent — please let us know. We'll be glad to include it in the next issue.

Submit company news tips, human interest stories, community involvement information, photos and other items of interest to the Editor:

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ABOUT THE COVER

FET greeted visitors coming and going at the Offshore Technology Conference in Houston with booths both inside and out. Bob Manavi, VMAX product manager, demonstrates the capabilities of our VMAX simulation software to visitors. See the story on page 3.

## CEO CORNER



Happy Anniversary! Forum Energy Technologies celebrated its first anniversary on August 2, 2011. What a year it has been! We have added eight new companies to Forum, which collectively nearly doubles our earnings power. With these acquisitions, we have added two entirely new business lines, bringing our total to six lines of business under our two divisions. We have increased our employee count by 40%, to a worldwide total of about 2,800 people. At our current level of activity, our revenue run rate on an annual basis is now more than \$1 billion. In addition, we have opened or expanded several offices and manufacturing facilities. Our goal is to help our acquisitions grow and to expand their distribution network.

Forum is clearly a company on the move. By virtually any measure, we are growing rapidly and progressing towards our goal of becoming a leading supplier of mission critical oilfield products and related services. Our organization is established, the pieces are in place. On a combined basis we are a strong company with a formidable product offering. We are competing successfully against at least one much larger company in each of our business lines.

Our job now is to consolidate our gains and bring us together as one company. We still have much work to do to become a truly cohesive entity. We are working to reduce the variety of different IT systems, policies and business practices across Forum. As our company continues to grow, we must continue integrating our infrastructure and business functions so we can demonstrate we have a good system of internal controls. This integration is important to our future. It will prove the value added and the benefit derived from the combinations and acquisitions over the past year that have built Forum.

As I, and my fellow managers, travel around the company and meet with employees, we are very impressed with the engagement, enthusiasm and positive attitude of our employees. It is nice to see the growth and improving financial results for the company, but it is even more gratifying to witness the culture of Forum come together, where everyone is treated with respect and we all look out for each other, especially when it comes to safety. As part of our culture, we act with integrity, fairness and candor. We are focused on doing a good job for the customer and being responsive. And we are proud that we are all part of Forum.

Happy Anniversary,

Cris Gaut, Chairman and CEO



FORUM ENERGY TECHNOLOGIES, INC.  
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With two booths, a 30' x 70' space outdoors and a 20' x 20' spot in the main exhibit hall, Forum Energy Technologies was hard to miss.

## Forum Has Its “Coming Out” Party at OTC


**The Offshore Technology Conference,** held annually in Houston for over 40 years, was Forum Energy Technologies’ formal introduction to the oil and gas industry. With two booths, a 30' x 70' space outdoors and a 20' x 20' spot in the main exhibit hall, we were hard to miss. OTC offered the perfect venue for us to showcase our vast array of equipment and technologies.

The inside booth featured a video wall playing our corporate animation, VisualSoft

display and a full sized simulator console running our VMAX simulation software. Visitors were invited to try their hand at moving an ROV on our VMAX software.

To lure customers to our large outdoor booth, they received a complimentary drink ticket redeemable at the bar under our air-conditioned tent, which also included a seating area and interactive presentation kiosks. An impressive array of equipment filled the space outside the tent. For many employees,

as well as customers, it was the first time to see our full product depth in one location.

Our next major event will be Offshore Europe, held every other year in Aberdeen, Scotland, where we also will have two booths. A “corporate” stand will be located in the main hall and a smaller booth featuring our subsea group will be in the show’s Deep Water Zone. For a list of upcoming trade shows, please visit our ForumConnect intranet and select the marketing tab. 



Our outside OTC booth sports an impressive variety of products along with an air-conditioned seating area, complimentary drink bar, and interactive presentation kiosks.

# Acquisitions Strengthen FET's Competitive Position

Forum Energy Technologies has completed seven recent strategic acquisitions designed to strengthen the Company's competitive position and expand its comprehensive product offering across the drilling, completions and production sectors of the oil and gas industry. Here's an overview of the new members of our family, all respected names and well-known brands in the marketplace.

## DAVIS-LYNCH LLC

FET entered the downhole product market with the acquisition of Davis-Lynch LLC, an innovative downhole cementing and casing products manufacturer.

*Founded:* 1947

*Location:* Pearland, TX

*Employees:* 240

*Product Line:*

- Centralizers
- Inner-string cementing float equipment
- Stage cementing tools
- Inflatable packers
- Flotation collars
- Cementing plugs
- Fill and circulate tools for running casing
- Casing hangars
- Surge reduction equipment
- Conductor casing hangars and landing rings
- Mechanical and hydraulic opening stage collars

## CANNON SERVICES, LTD.

Cannon Services, Ltd., is a leading supplier of downhole completion control lines and cable protection systems.

*Founded:* 1986

*Location:* Stafford, TX

*Employees:* 44

*Product Line:*

- Standard and specialized downhole clamps and protectors
- Umbilical protectors
- Control line protectors
  - Dual channel
  - Taper pins
  - Low Profile
- Centralizers
- Geo phone mandrel
- Insulator sleeves

## AMC GLOBAL GROUP LIMITED

AMC, which designs and manufactures torque equipment for tubular connections in the global oil and gas industry, expands FET's drilling product offering. Key markets include Africa, North and South America, Canada, Europe, the Far East, Middle East and Russia.

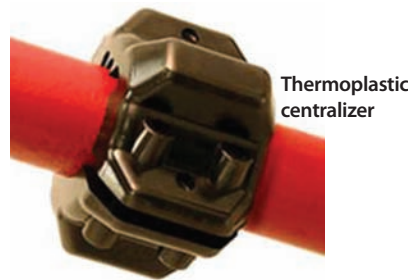
*Founded:* 1988

*Locations:* Aberdeen and Caithness, Scotland; Houston, TX

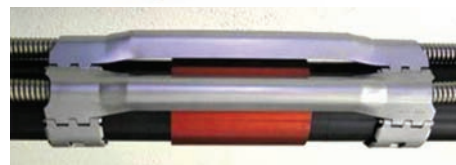
*Employees:* 95

*Product Line:*

- Torque equipment for tubular connections
- Tubular handling
- Portable torque units
- Control Systems
- Jar tester
- Vices



Thermoplastic centralizer



Cable protector for electrical submersible pump.

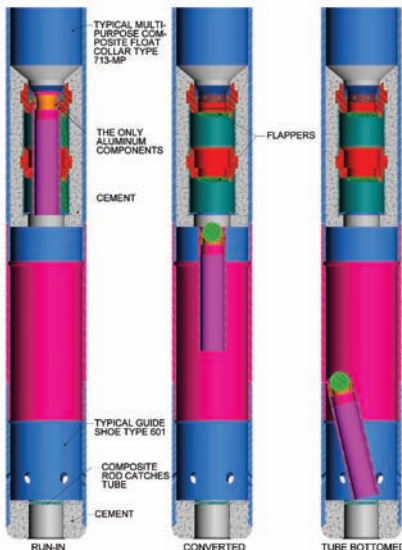


Control Line Protectors provide over-the-coupling protection for ESP cable, bare tube, encapsulated bundle or umbilical.



Fully rotational torque machine handles pipe up to 48".

DAVIS-LYNCH TYPE 713-MP MULTI-PURPOSE AUTOFILL FLOAT EQUIPMENT



## P-QUIP LTD.

P-Quip is a leading manufacturer of proprietary mud pump fluid end assemblies, which improve the safety and efficiency of modern drilling operations and are installed on more than 700 rigs around the world.

*Founded:* 1996

*Locations:* Kilbirnie, Scotland; Houston, TX

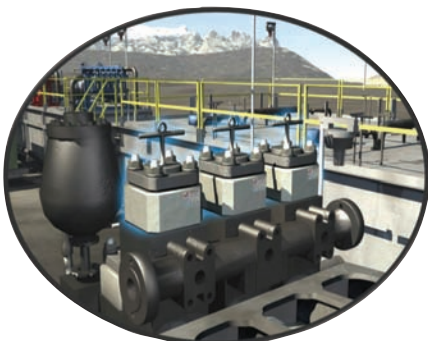
*Employees:* 15

*Product Line:*

- Mud pump rod systems
- Liner retention systems
- Valve cover retention systems
- Discharge strainer systems
- Valve seat pulling jacks
- Special mud pump pistons
- Automatic self-supporting mud buckets
- Washpipe systems



**Kwik-Clamp Liner Retention System**



**Kwik Cover System Valve Cover System**

## PHOINIX GLOBAL LLC

Phoinix Global, a leading provider of high pressure flow control equipment and products, strengthens FET's Production and Infrastructure division.

*Founded:* 2006

*Location:* Alice, TX

*Employees:* 77

*Product Line:*

- Fluid ends
- Plug and relief valves
- Chokes
- Manifolds
- Manifold trailers
- Iron transport trucks



Phoinix products are essential elements of the fracking process.

## SVP PRODUCTS INC.



SVP, also a leading supplier of high pressure flow control equipment and products used in hydraulic fracturing and flow back of oil and gas wells, sells FET's Wood Flowline and Phoinix product lines, as well as performing critical repair and recertification services of these products from its locations and mobile fleet.

*Founded:* 1998

*Locations:* Odessa, Decatur and Longview, TX

*Employees:* 15

*Product Line:*

- Swivels
- Plug and relief valves
- Chokes
- Pup joints
- Manifold trailers

## SPECIALIST ROV TOOLING SERVICES, LTD

Specialist ROV Tooling Services, Ltd, is a leading provider of innovative intervention tooling and custom engineered product solutions for the subsea intervention market.

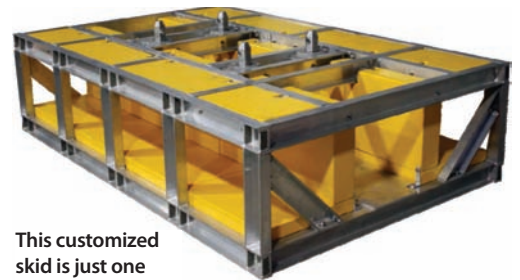
*Founded:* 2004

*Location:* Scotland, UK

*Employees:* 7

*Product Line:*

- Softline, wire rope and rotary cutters
- Cable, umbilical and riser cutters
- Torque tool control systems
- Hydraulic power units
- Jetting systems
- Acid injection cleaning tools
- Dredge pump and excavation systems



This customized skid is just one example of the bespoke tools that Specialist builds for customers.

# Elmore City Creates FET Success Story

Our FET facility in Elmore City, Oklahoma, has been racking up award nominations recently, including Partners for Progress from the Mid-America Technology Center and the Governor's Manufacturing Leadership Award from the Oklahoma Manufacturing Alliance (OMA). While we won't find out if Elmore City won the awards until later in the year and early next year, the facility is already a winner for FET.

*Open Forum* featured Elmore City on the cover in the Spring 2011 issue when Oklahoma Governor Mary Fallin participated in the March groundbreaking ceremony that marked the plant's expansion. Since then, the facility has been running around the clock and has staffed up to nearly 190 employees, well on its way to exceeding 200 by year-end. To say this growth has been faster than expected is an understatement.

"These awards clearly indicate that we are becoming a major player in the local economy, which is obvious with all the activity surrounding us in Elmore City," said General Manager Gauthier Pierozak. "We broke an all-time record in June with almost \$6 million in revenue and are working 24/7 because we have so much business. At night, the building looks like a spaceship because it's so lit up. And this is only the beginning."

The State of Oklahoma, through OMA, and local technical college Mid-America Technology Center have provided extensive training, on everything from basic welding to crane/fork lift operation, and free consulting resources to Elmore City for the past two years. Gauthier himself attended a nine-month leadership training program provided by OMA that led to meeting the governor and her participation in the facility's groundbreaking ceremony.

The state has even paid one employee's salary to train other workers onsite.

This partnership has paid off. Essentially, FET has created a local "cottage" economy in Elmore City, using area contractors and suppliers, as well as encouraging others to start nearby businesses to support the plant. FET has even talked to customers about opening field offices in Elmore City, so the facility can supply them directly, saving both parties time and money.

According to Gauthier, "The groundbreaking really helped put the spotlight on our facility, and our business has been soaring ever since. It's a great opportunity to recognize FET's success and the impact we're having on the local economy. Imagine: we already have 186 employees, and the town of Elmore City only has 600 inhabitants! Elmore City was a town that was dying. Look at it now!" 🏆



Oklahoma Congressman Tom Cole (second from right) visits Elmore City to personally check out the facility along with (from left) Johnny Ferris, Gauthier Pierozak, Jake Ferris and John Ferris.

# Forum Introduces Code of Conduct and Employee Hotline

Integrating a diverse group of employees, products and locations into a single unified corporation presents challenges as well as opportunities. In addition to branding FET as one company and cross-selling to customers across our product lines, one of the biggest challenges we face is implementing all the internal processes and policies required of a company our size.

Our new ForumConnect intranet, as well as this newsletter, will help us stay connected and up to speed on developments within the company. ForumConnect is the collection site for a variety of documents and information we need to run our business, including our new Code of Conduct and Anti-Corruption Policy and Manual. We also have a number of new corporate policies posted there and more on the way.

“As Cris says in this issue’s CEO Corner, integrity, fairness and respect for each other are part of our culture,” said Senior Vice President and General Counsel Jim McCulloch. “They create a company we can all be proud of. Our Code of Conduct provides guidance on what we need to do to become this kind of company and what




behavior is required of each of us as we represent Forum to the outside world. We’re making great strides on all fronts. By the end of this year, we will be a vastly different company than we were at the end of last year. Everyone can be proud of all we have accomplished.”

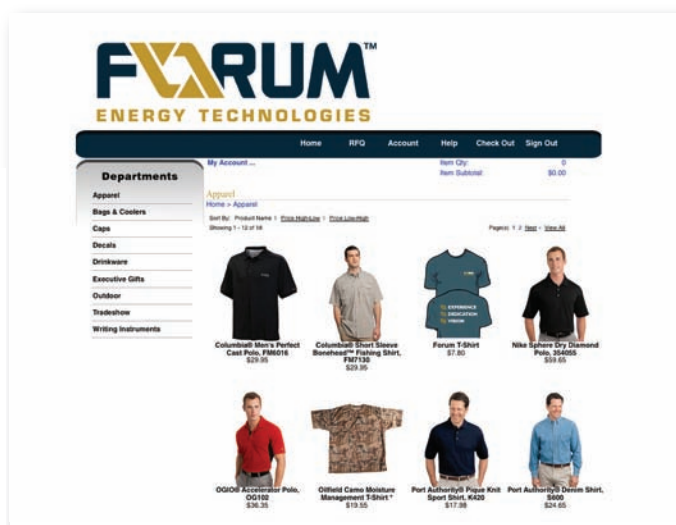
Along with the Code of Conduct, FET has introduced an employee hotline. Operated by an independent third party, the hotline enables employees throughout the com-

pany to anonymously report via phone or Internet any violation of law or Forum’s Code of Conduct. Most corporations in the US and Europe have internal hotlines, and it’s required of public companies.

Employees are encouraged to use the hotline as soon as they become aware of a potential violation anywhere in the company. “It’s critical that we discover and address any violations as soon as the information surfaces for the best possible outcome,” Jim emphasized. “Employees at every level of our organization have the freedom to report this information without fear they will be blamed for bringing it to our attention. We will take all reports seriously and investigate them promptly. No one will be retaliated against for using the hotline in good faith. If that ever happens, I want to know about it.”

You can reach the Forum employee hotline at **877-817-2683** (US/Canada) or [www.tnvinc.com/FET](http://www.tnvinc.com/FET). Review our Code of Conduct on the intranet at <https://forumconnect.f-e-t.com>, and also find non-US telephone numbers there for the hotline. 

## Shop the Forum Company Store



The new mouse pad is just one of many FET items, ranging from shirts and caps to decals and drinkware, available for purchase at our online Company Store. Start shopping at [www.forumcostore.com](http://www.forumcostore.com).

## new technology

# Drilling Products Develops Innovative WR-120 Design

Forum's Drilling Products has been hard at work designing a new product developed for performance and reliability — the Wrangler™ Roughneck 120.

The WR-120 is a mechanically deployed device used in the make-up and/or break-out of drilling tubulars at well center or mousehole. Pedestal mounted, the WR-120 has a hydraulically actuated slewing motor that allows it to effectively reach both locations.

The newly designed WR-120, which has a reach of 144" and weighs 19,300 pounds, was first delivered to the Rowan Gorilla III at the end of July and commissioned on August 11. The compact hydraulically powered product spins up tubulars with high torque spinning motors. It torques up, breaks out the drillpipe and collars with three clamping cylinders, limiting the potential for damaged or deformed



Forum's first WR-120 resides on the Rowan Gorilla III.

## Premium Connections. Minimal Time.

Introducing the Wrangler™ Roughneck 120

**BEST PERFORMANCE. BEST VALUE.**

- Optimum performance on premium connections
  - 90 degree torque rotation
  - High torque spinning wrench
- No manual tongs required
  - 3-1/2" to 10" pipe O.D.
  - Bit breaker adapter
  - Flexibility to handle BHA
- Robust design with ease of maintenance
- Rig proven

**SPECIFICATIONS**

Torque:	120,000 ft./lbs. break-out-torque
Reach:	144"
Weight:	19,300 lbs.
Pipe O.D.:	3-1/2" to 10"


Which Roughneck do you want on your Rig?

**FORUM™**  
ENERGY TECHNOLOGIES

To learn more about the revolutionary WR-120 call 1.866.272.9001 or email [ForumDPSales@f-e-t.com](mailto:ForumDPSales@f-e-t.com)

tool joints while using industry standard four-inch dies.

The WR-120's unique design also provides a counter balance thread compensation system with four inches of travel while spinning in or out a connection. The

innovative design allows the user to make and break BHAs along with stabilizers up to 17 1/2 inches. With an optional Bit Breaker kit, the Wrangler Roughneck 120 becomes the one tool that exceeds all others in its class. 

## facilities updates


# Perry Slingsby Expands UK Manufacturing Facility

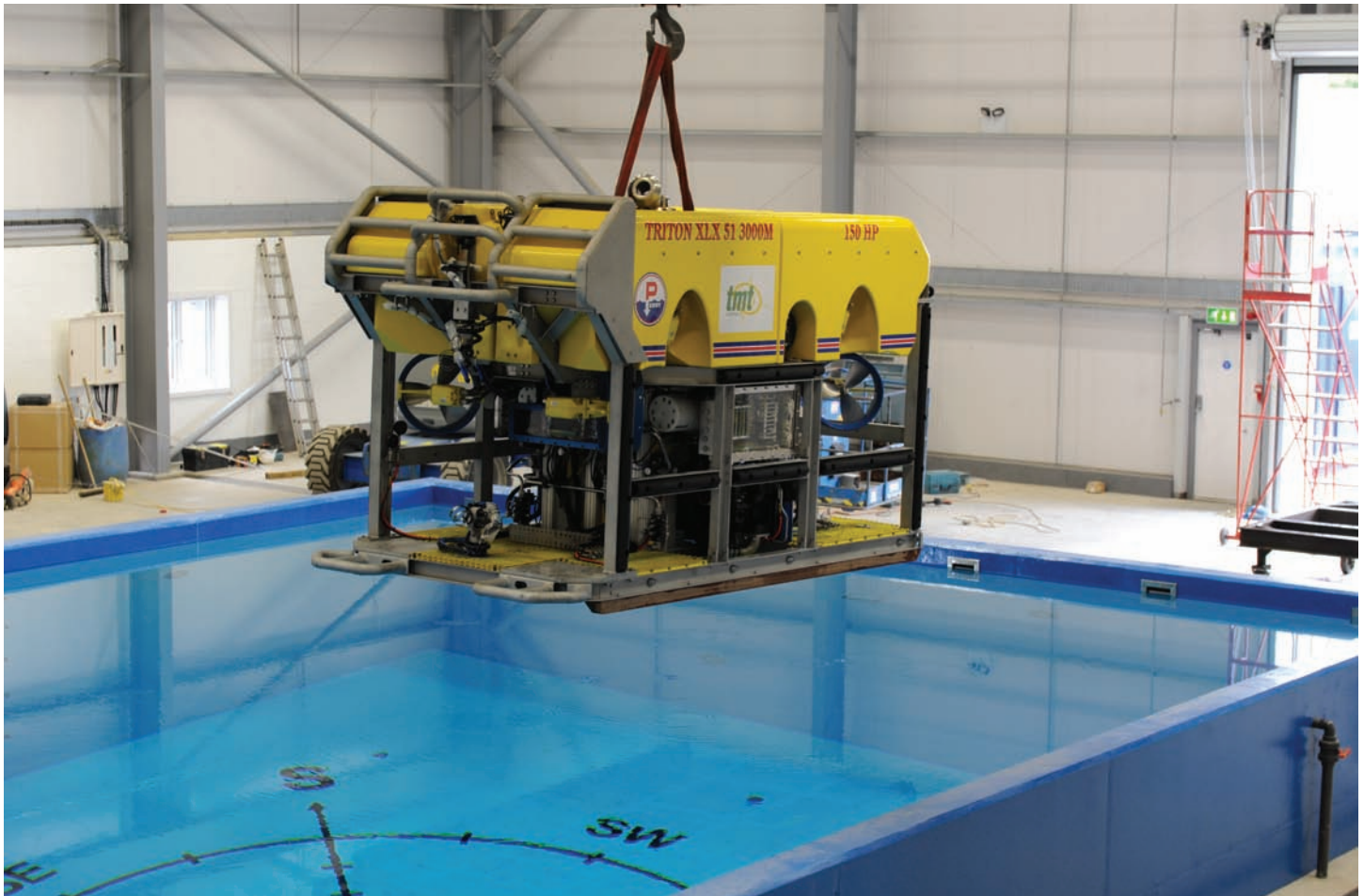
During the past 50 years, Perry Slingsby Systems has become known as the world's leading designer and supplier of ROVs and manned rescue submersibles, building more than 500 subsea systems for both commercial and military markets. In order to maintain its cutting-edge reputation, the company decided in 2010 to invest in a new expanded manufacturing facility at its Kirkbymoorside, UK location near York, England.

Capable of running multiple ROV power systems simultaneously, the building has its own power generator and consists of four separate areas for ROV and Tooling Testing, Hyperbaric Pressure Testing,

New Product Development, and client offices and training room.

The 30m x 30m ROV and Tooling Test area has enough space for a test pool, capable of full ROV, TMS and large trencher submersion, and integration of up to four ROVs in parallel. Hyperbaric Test facilities include a large chamber with an internal diameter of 2.3 meters by 8.1 meters long capable of testing a complete ROV down to 2400 meters.


The new building is expected to boost Perry Slingsby's production and testing capabilities by over 100%. 



A new Triton XLX is lowered into the pool for initial testing before delivery to the customer.

## New FET Advertising Touts Our Value Together

The brands and products that combined to form Forum Energy Technologies share several very important characteristics: Experience, Dedication and Vision.

Our new advertising campaign promotes this value proposition in a variety of the industry's leading trade publications, including *World Oil*, *Offshore Engineer*, *Journal of Petroleum Technology* and *Drilling Contractor* magazine. 



**EXPERIENCE. DEDICATION. VISION.**

**Introducing Forum Energy Technologies – a global provider of manufactured technologies and applied products and services**

**EXPERIENCE.** Forum brings together well-known, trusted brands with an extensive range of mission critical products and services serving the subsea, drilling, completion, production, and flow control sectors. Our experienced employees and proven technologies help our customers improve safety and performance while lowering operating costs across the globe.

**DEDICATION.** We are dedicated to finding the right solution to your challenges. If the product isn't on our shelves, we can modify or custom build it to your specifications.

**VISION.** We are continuously expanding our portfolio to meet the ever changing demands of the energy industry. Our pioneering Rovdrill® drilling system and WR120™ iron roughneck are just a few of the ways we are providing innovative ways for our customers to operate smarter.

**Our Products and Services include:**

- SUBSEA SOLUTIONS
- DRILLING AND INTERVENTION EQUIPMENT
- DOWNHOLE TOOLS
- COMPLETION PRODUCTS
- SURFACE PRODUCTION EQUIPMENT
- VALVE SOLUTIONS

For more information about Forum's full range of products and services, please visit [www.f-e-t.com](http://www.f-e-t.com).

**VISIT US AT OFFSHORE EUROPE, BOOTHS 4E120 AND 6C29.**

**FORUM ENERGY TECHNOLOGIES**

[www.f-e-t.com](http://www.f-e-t.com)

## NEWSMAKERS

As part of our ongoing efforts to emphasize quality and safety, we are pleased to announce the following appointments.



### Pete Skertich

Pete Skertich has joined FET as Director of Quality Assurance for the Production and Infrastructure (P&I) Division after serving as the Director of Quality, Safety, Health and

Environment at T-3 for eight years.

In his new FET position, Pete will be responsible for developing and implementing quality assurance and quality control policies and procedures for all P&I entities. He'll work directly with each of the business units to identify priorities and initiate process improvements, ensuring that we comply with all applicable quality standards, including ISO, ASME and API, and serving as the liaison with clients in matters dealing with quality processes and procedures.



### Chakeyla Manuel

Chakeyla Manuel has been named Director of HSE for FET's Drilling, Downhole and Sub-

sea groups. She joins the company from Houston-based Tyco Flow Control where she was EHS Manager for seven years. Prior to Tyco, she worked at ArvinMeritor as an environmental engineer for two years.

Chakeyla earned a master's degree in Public Health and Occupational EHS Management from Tulane University and a bachelor's degree in Mechanical Engineering from Purdue University. She holds a training certification in OSHA 511.



### Kevin Clothier

Kevin Clothier has been appointed Director of HSE for our Production and Infrastructure Division. Prior

to joining FET, he spent four years with Baker Hughes as HSE manager. Kevin has nearly 25 years of experience in the health, safety and environmental services fields, including 17 years with Valeron, a division of Illinois Tool Works, as Safety & Environmental Manager.

He graduated from the University of Houston with a bachelor of science degree in Occupational Technology, Industrial Supervision.

## forum after hours

### Meet FET Corporate Receptionist Jamie Hedden by Danielle Newcomer

*When Jamie Hedden isn't answering phones and helping out in the FET Corporate Office, she can be found entertaining kids as Whimsy the Clown or Mistletoe the Elf. We caught up with her after hours.*



*What got you interested in clown entertainment?*

My parents made friends with other entertainers in the area and we became part of a pretty close-knit group. Growing up with the party business all around made

me really want to join in the fun eventually. I really enjoy kids and the opportunity to make them happy. Who wouldn't want to get paid for making kids laugh and getting invited to all the best parties?

*What made your parents get interested in it?*

My dad started the whole thing; he had a unicycle when he was young and an outgoing life-of-the-party personality. He decided to check out Clown College and spent years practicing to become one of the best jugglers in the south. Once I got in on the act he taught my mom how to clown and the rest, as they say, is history.

*How do you come up with your characters?*

My clown character "Whimsy" is basically a five-year-old version of me. She likes ladybugs and hearts, making balloon art, hanging out with other kids and using her imagination. The other characters have developed from a demand in the industry.

*More information about Jamie can be found at [www.haha-entertainment.com](http://www.haha-entertainment.com)*

## COMMUNITY FORUM

*Forum Energy Technologies believes in giving back to the communities in which we work. Watch this space in each issue for news of our civic involvement, and send your stories to Editor Donna Smith.*

### Helping Our Neighbors

When tornados and flooding struck the Midwest this summer, US employees were transfixed with the devastation televised on the nightly news. For a while it seemed a new community was affected every day. Forum employees wanted to reach out and help their neighbors in nearby communities but weren't sure of the best way to do so. Forum Corporate offered to match their donations to any charity working on the ground to help those who lost their homes and often their livelihoods as well. More than \$2,000 was sent to local chapters of the Red Cross and Americares.

### Biking to Beat MS

A group of employees from FET's Valve Solutions braved the elements to bike 150 miles from Houston to Austin, TX, to benefit those suffering from multiple sclerosis. In this year's BP MS 150, 13,000 cyclists, 3,000 volunteers, and countless supporters and spectators came out to raise funds for research and services that support those living with MS.

The team from FET, which raised \$4,677.00 for the cause, includes (from left): Barbara Guffey, Kevin Stubblefield, Vicky Stubblefield, Jason Legendre, Rod Cardenas and Russel Hill. Also part of the group are Eric Teoh and Danny Guffey.





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## THE LAST WORD

# New Website Showcases Our World-Class Company



Forum's new sophisticated website sends a clear signal that we are world class and worldwide with our mission-critical products, technologies, services and people. Check it out at [www.f-e-t.com](http://www.f-e-t.com).