

Operator-Contractor Forum

Umberto Nespolo
Baker Hughes, a GE Company



Fullstream defined

We are on the path to fullstream. Always transforming, always creating value, always looking ahead. This is a cornerstone of our corporate strategy and how we go to work.



The potential

A radical transformation of how the industry works.

Changing the way we do business to change the way our customers do business—by structurally reducing TOTEX and increasing industrial yield.

The mindset

Our ability to see opportunities, bridge gaps, and find solutions invisible to our competitors.

Working together across product companies, across segments, and functions to invent smarter ways. We operate knowing that we can't do things the way we always have.

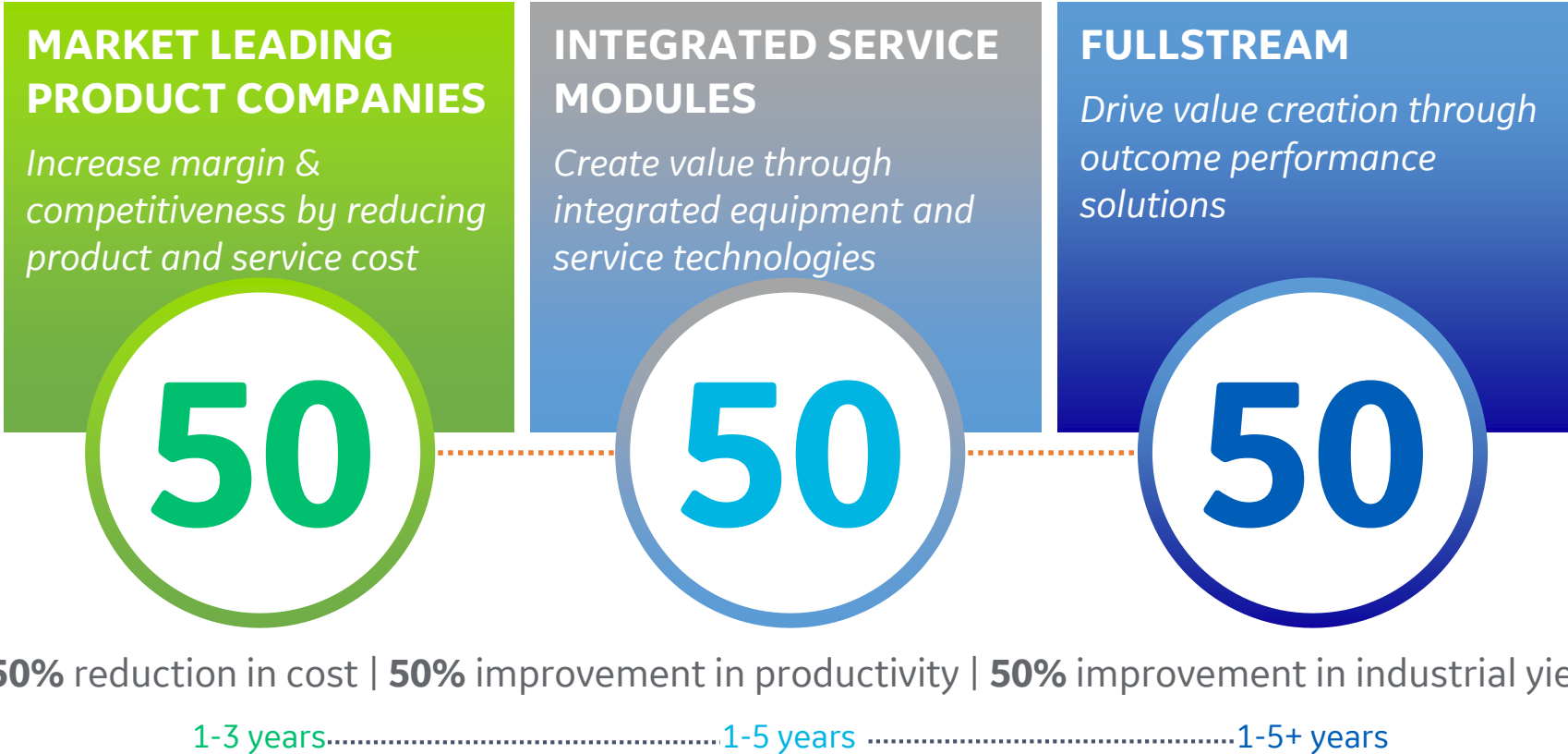
The execution

We deliver unparalleled levels of industrial yield through our breakthrough technology, service and commercial models. Sharing risk. Reducing costs. Increasing productivity.

Our approach radically improves outcomes for our customers, leveraging the scale and power of our people, products and services.

Winning by delivering outcomes

We deliver unparalleled levels of **industrial yield** through our **breakthrough technology, service and commercial models**. Sharing risk. Reducing costs. Increasing productivity.



50% reduction in cost | 50% improvement in productivity | 50% improvement in industrial yield

1-3 years 1-5 years 1-5+ years

Our product companies

*We invent smarter ways
to bring energy to the world*

Global Reach - 120 Countries

~70K employees

125 Years of Experience

OFS

OFE

M&C

TPS

DIGITAL

- Chemicals
- Artificial Lift
- Pressure Pumping
- Wireline Services
- Drill Bits
- Drilling Services
- Completions
- Wellbore Intervention
- Drilling and Completion Fluids

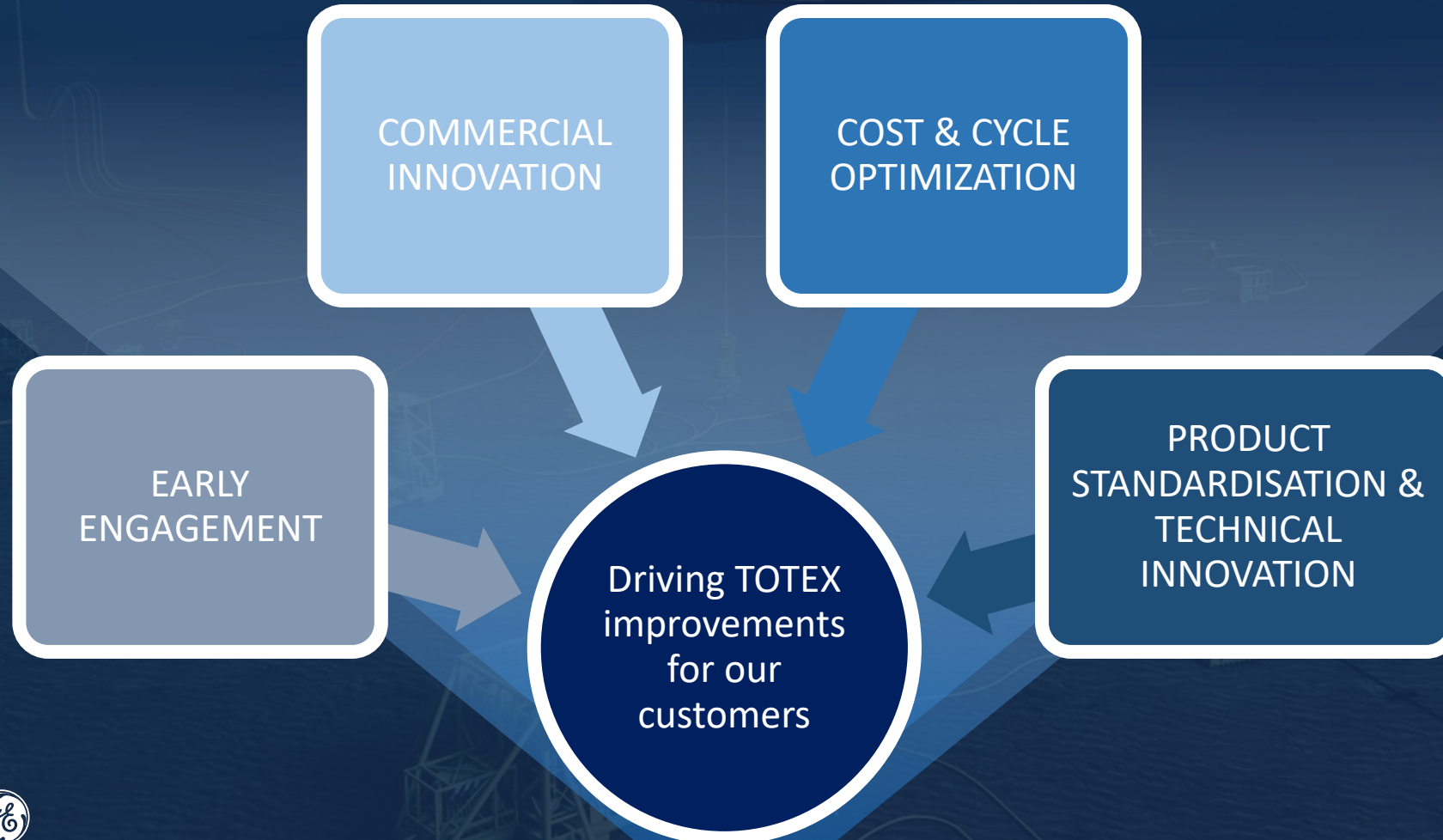
- Subsea Projects
- Subsea & Surface Drilling Services
- Well Construction
- Subsea Wellheads and Tubulars
- Subsea Production Systems
- Flexible Pipe Systems
- Floating Production Systems
- Subsea Integrated Services Solutions
- Surface Pressure Control Systems

- Bently Nevada
- Control Solutions
- Inspection Technologies
- Measurements and Sensing
- Pipeline and Processing Services

- Installation
- New Units
- Reciprocating Compression
- Opex Core / CS – Spare Parts
- Opex Core - Services
- Installation
- Flow & Process Technology (F&PT)
- Pump and Valve Solutions
- Gas Processing
- Power Transmission
- Upgrades

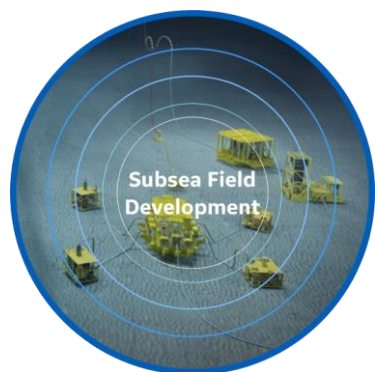
Upstream - Midstream - Downstream
FULLSTREAM

Bringing solutions on four key areas...



Extra Value from Early Engagement

1. Expanding what we do...



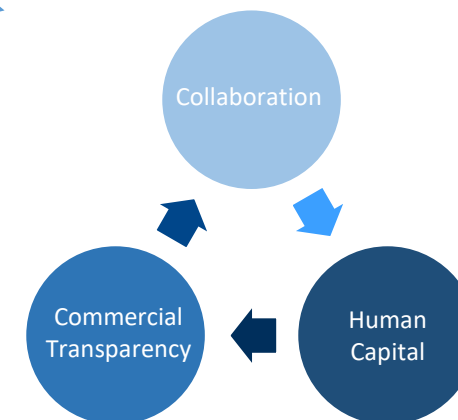
What makes this project successful & how can BHGE help?

2. Tailoring to fit customers...



What does this customer really need from us?

3. Making it work...



What is the optimum allocation of risks vs reward to ensure success?

Commercial Innovation

Drilling CSAs

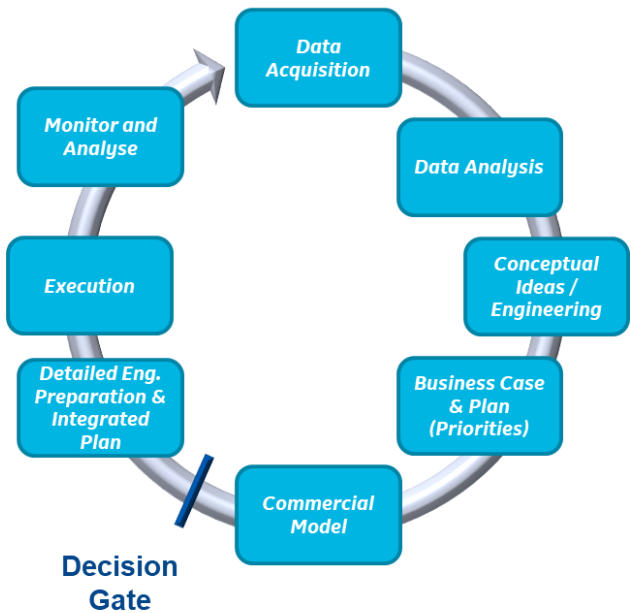
Data Analytics

True Alignment
with
Customers

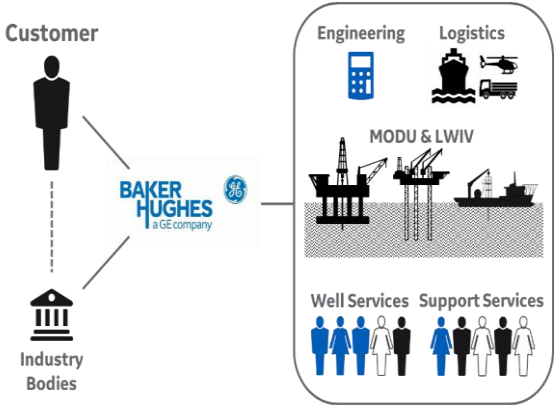
Financial
Line of Sight
Stable OPEX



eMerge Outcome Based Solutions







Decommissioning Turnkey Solution



Setting up for long term success

Cost and Cycle Optimization

| | | | |
|--|--|--|---|
|  <div>Standardised Quality Processes</div> <ul style="list-style-type: none">• Critical Risk Assessment• Standard ITP• Project Execution• Success <p>Standardisation of ITP reduced ITP's by 80% with one operator</p> |  <div>Standardised Documents</div> <ul style="list-style-type: none">• Kick Off• Standard Product & Document• Execution• Success <p>"BHGE reduced WG & MP Flowmeter documentation by 88%, from 66 to 8."</p> |  <div>Real Track Project Reporting</div> <ul style="list-style-type: none">• Real Track Features• Project Reporting• Virtual Validation <p>Realtime access to Project Stats, Tests, Inspections</p> |  <div>Brilliant Factory</div> <ul style="list-style-type: none">• Lean manufacturing• Process efficiencies• Digital adoption• Robotics <p>Predict, adapt, react.... Increasing productivity</p> |
|--|--|--|---|

Operational Excellence to Reduce Cost

Product Standardisation & Technical Innovation

Pre-2015

2016

2017

2018

2019/2020

Product portfolio to meet customer challenges



Product Families

- XT families for multiple applications
- Engineered and configured based on modular components

Cost Out & Simplification

- Product Catalogue
- Modular Product
- IOGP S-561 issued
- Standard Variants offered by BHGE
- DHXT for ONGC / ENI

Integrated System Solutions

- Product Catalogue 2.0
- Standard ITP's
- Critical material stock

Enabling Technologies

- Detail validation of should cost allowance
- Step change in cost out and excessive functional requirements
- Further cost out realised

New Technologies

- Lightweight Compact VXT System & interface validation complete
- eXT available to market
- Modular Compact Pump
- 20K HPHT Technology solution

BHGE have been ruthlessly identifying processes & excessive requirements, reducing lead time & cost for global SPS projects.



Recent Case Studies



BP Tortue/Ahmeyim Development

- BHGE early engagement and leading full FEED capabilities
- SURF Partnership. Providing integrated solutions collaboratively: reducing cost and streamlining project delivery
- BHGE's technology leadership in deep water, large bore gas systems



Siccar Point Energy – Cambo Field

Looking for a reliable strategic long term partner that can guarantee the right level of “technical/financial”, “support/capability” in order to minimize the execution and the financial risk.

- Early Engagement
- BHGE as One Stop Shop ‘Fullstream’ strategic partner
- Innovative commercial model
- Robust and established execution model

BAKER
HUGHES
a GE company



Diamond Offshore Drilling (DO) Q3 2017 Results - Earnings Call Transcript excerpts

"Diamond Offshore continues to focus on superior operations for our clients as we progress through this downturn. This effort has allowed us to achieve an operating efficiency, excluding planned downtime, of 98.5% in the third quarter, making it the highest operating efficiency quarter since I joined Diamond Offshore in 2014.

*And as we have previously explained, **we have uniquely differentiated these assets through our Pressure Control by the Hour construct with the OEM. Our continuously improving operational performance is testimony to the benefits of this partnership.***

Marc Edwards - Diamond Offshore Drilling, Inc

Transocean

"You are making the difference": TOI Engineering Director, 26 Oct '17

"Our collaboration with BHGE has enabled us to improve uptime for our customers and reduce the total cost of equipment ownership"

John Stobart, COO Transocean