



# CEOCFO

## Interviews & News!

ceocfointerviews.com – All rights reserved. – Issue: September 19, 2008

### Global Energy Services' Activator Hydraulic Submersible Pump Is In Great Demand Because It Is The Next Step Production Optimization As It Has Proven To Add Reserves To Mature Gas Wells



Energy  
Production Services  
(GLK-TSXV)

Global Energy Services Ltd.

Suite 10, 5920-11<sup>th</sup> Street S.E.  
Calgary AB Canada T2H 2M4  
Phone: 403-243-0820



**Derek M. Begin**  
President, CEO and Director

#### BIO:

Derek brings passion and leadership to the Global Energy team. He has over 20 years of domestic and international oilfield experience with contractors, operators and service providers. It is this ex-

perience that gives him balanced perspective on the needs of all parties. With his unique combination of oilfield knowledge and his strategic focus on product innovation, Derek has created the foundation for an exciting future at Global Energy.

#### Company Profile:

Global Energy Services Ltd. is an innovative oilfield service company that provides production services and communications solutions to the oil and gas industry. The production services segment utilizes its patented Activator hydraulic submersible pump to enhance gas production in conventional gas and coalbed methane wells. Global's communications segment provides a complete suite of integrated products and solutions specifically suited for the oil and gas industry. Global was founded in 1994 and is listed on the TSX-V.

Interview conducted by:  
**Lynn Fosse, Senior Editor**  
CEOCFOinterviews.com

**CEOCFO:** "Mr. Begin, what is the vision for the company?"

**Mr. Begin:** "Our vision is to become one of the premiere or the premiere production optimization companies in North America."

**CEOCFO:** Please tell us about your services.

**Mr. Begin:** "We have two operating segments. One is production services and the other is oil fields communications. We have strong growth in our production services with patented technology. We are in the first inning of a huge market opportunity for gas well optimization in North America. We can potentially lever-

age our expansion and production optimization services segment to get bigger by doing joint ventures, which we are doing in the US right now. There is a big demand for what we are doing because it is the next step in production optimization."

**CEOCFO:** What do you do that is different?

**Mr. Begin:** "What we do that is different, there is a challenge to finding an alternate solution to getting the last gas left in reservoirs which is about 30% of the original gas reserves. Our pump has proven to add reserves to mature gas wells. The reason is we can pump off water off gas fields where no other pump can because of our unique technology. The patented technology gives us that ability."

**CEOCFO:** How long has it been in use?

**Mr. Begin:** "We have been using it commercially for about the last eighteen months. We have 46 systems running currently."

**CEOCFO:** Are people buying the systems?

**Mr. Begin:** "The production companies buy the pumps off of us, sometimes to prove concept they may rent it for a month or two. We have never had anyone turn it back after using it because they all see the enhancement it does to their production. It is a commercial product."

**CEOCFO:** How does the industry find out about you and how do you get the word out; is it convincing or education?

**Mr. Begin:** "It is a little convincing and education. We are dealing with companies like Encana, Devon, Apache and

Geocan and Enerplus in Canada. There are many different companies including Apache and EOG in the USA and we are getting in with them, but it has been an education process. We were a new start-up company bringing new technology to the field. We are not Halliburton or any of those proven oil field companies, so we have had to prove it and we have been proving it.”

**CEOFCO:** You also focus on environmental innovation would you please tell us about that.

**Mr. Begin:** “Green is something that everybody is talking about, we knew it would happen and we had to get involved with. We chose a few years ago, when we first bought the technology, to have the Pembina Institute appraise our product, the institute gave “best practices” designation. Pembina is a think-tank for environmental practices in Canada. We have been providing not just an environmental green footprint, it goes all the way down to the disturbance and noise levels of our engines.

**CEOFCO:** Are these simple to operate or do they require particular training?

**Mr. Begin:** “It is not particularly hard, the people that we train are operators the field people that go around and operate the different fields.”

**CEOFCO:** What is the financial picture of Global Energy today?

**Mr. Begin:** “We are going to do \$10 million in revenue this year. We have no long-term debt, we have a line of credit

and we are funding ourselves; we do not have a burn rate, and we are growing.”

**CEOFCO:** What is the plan for the next few years?

**Mr. Begin:** “The next couple of years will have new technology coming out; we are developing and it will be introduced into the oil fields. We are looking at a joint venture that is being put together in the US right now, probably about two weeks away from signing; we have big expectations from this venture. The joint venturer is one of the faster growing companies in oilfield services; it grew in the last five years from \$5 million in revenue to about \$45 million in production optimization, so we are anxious to get this put together.

**“Our vision is to become one of the premiere or the premiere production optimization companies in North America.”**

**- Derek M. Begin**

**CEOFCO:** What is the competitive landscape in terms of new innovative ideas?

**Mr. Begin:** “There are competitors that are trying to bring out a hydraulic commercial pump like ours. They are using a diaphragm instead of a positive displacement, so they can bypass the patent and are having issues. There is and will be more technology. If you are familiar with the oil field, and people that are, they are seeing pump jacks, and we replace them. That technology does a limited amount because it gas locks, which our pump does not. There is a write up in

the August edition of World Oil that covers our new technology.”

**CEOFCO:** You foster a culture of improvement throughout the organization; what do you do that is different and how do you keep people focused on what it is you want to do?

**Mr. Begin:** “The jobs are interesting, we have a good corporate culture that induces people to stay with us, and we have a great benefits program and matching saving plan, also an option plan that is available. We are introducing ISO 9000 to show continual improvement”

**CEOFCO:** In closing, why should potential investors be interested now in Global Energy Services?

**Mr. Begin:** “We are in the first inning of a brand-new technology and it is going over big. We have the big customers with us, like Devon, EOG and Apache. These companies know what they are looking for; they like our technology

and they are working with us. One of them is funding us to build a pump that would go deeper because ours didn’t go as deep as they needed, and that is going to be coming out at the end of August and early September. Proving new reservoir is huge for oil companies with the greater demand for their commodity gas”

**CEOFCO:** Very exciting times at Global Energy!

**Mr. Begin:** “It is and we are very happy and excited about moving forward.”



**Global Energy Services Ltd.  
Suite 10, 5920-11<sup>th</sup> Street S.E.  
Calgary AB Canada T2H 2M4  
Phone: 403-243-0820**