

Drilling Firms See Higher Volumes Ahead

By [The Moscow Times](#)

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Drilling and oil field service companies said Tuesday that they expected to win more contracts in the second half as spending rises on exploratory drilling to battle falling deposits in West Siberia.

Both Russia's largest independent drilling company, Eurasia Drilling, and smaller oil services company Integra reported a rise in first-half drilling volumes Tuesday and looked to more growth in the future.

"We expect our full-year 2010 drilling volumes to increase by at least 5 percent and be close to four million meters," Eurasia said when reporting a 35 percent jump in first-half earnings.

Integra, which posted a net first-half loss of \$30.4 million, said its drilling volumes rose 32 percent on the back of increased spending on oil field services.

"In H1 2010, we benefited from a steady recovery in the oil field services industry and repositioning of our business," chief executive Antonio Campo said.

According to government data, drilling volumes rose 14 percent in the first half compared with the 2009 period when companies, reeling under lower oil prices, threw drilling expenditure to the cutting room floor.

Exploration drilling, or the search for new deposits, grew 46 percent in the first half, an indication that companies are on track to returning to pre-crisis levels.

On Monday, C.A.T. Oil, a small-cap oil service company operating in Russia and Kazakhstan, reported that second-quarter net income doubled to 7.5 million euros (\$9.5 million) on the back of rising drilling demand from oil majors.

"During the reporting period, C.A.T. Oil benefited from the noticeable signs of an economic recovery and increasing demand for oil field services," the company said.

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