



## **Saudi Aramco Awards Baker Hughes Contract for Coiled Tubing Drilling Systems**

### **Integrated operations project offers innovative coiled tubing drilling package**

HOUSTON, TEXAS – February 25, 2010 – Saudi Aramco has awarded Baker Hughes (NYSE: BHI) a two-year contract for two fit-for-purpose underbalanced coiled tubing drilling packages designed to re-enter existing wells in the gas fields of southern Saudi Arabia. Baker Hughes will provide project management oversight and downhole drilling and completion services, including CoilTrak™, a steerable drilling system deployed on coiled tubing.

The contract has an option for a one-year extension and operations are set to begin in the second quarter of 2010. Saudi Aramco plans to re-enter existing wells and drill horizontally into untapped reservoir sections. The horizontal wells will be drilled underbalanced to minimize damage to the reservoir, which is critical to overall reserve recovery.

In addition to CoilTrak, Baker Hughes will deploy its newly developed rib-steering motor, designed specifically for coiled tubing applications. This motor technology allows for more precise reservoir navigation and wellbore quality, enabling longer horizontal laterals and enhanced reservoir penetration. The drilling package will feature drill bits specially designed for increased durability, which is necessary to handle this project's highly challenging formations while providing extreme dogleg capabilities and minimal vibration. Industry-leading slimhole, through-tubing casing exit and fishing completion technology also are part of the downhole package and is key for successful completion of these wells.

"This is an important award for Baker Hughes," notes Khaled Nouh, president of Baker Hughes, Middle East. "The contract will allow us to demonstrate our project management capabilities, both in the Kingdom of Saudi Arabia and in the wider Middle East region, on a very important project for Saudi Aramco. We will be drilling underbalanced dry gas zones, which are in high demand to supply Saudi Arabia's local gas market."

Rusty McNicoll, Baker Hughes vice president of integrated operations, says, "By integrating Baker Hughes' technology, as well as other innovations in the market, we were able to offer Saudi Aramco a total technical solution that promises significant efficiency gains. We are anxious to begin work on this project where we will manage a total Baker Hughes solution along with third parties, including the drilling rig supplier."

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About Baker Hughes Baker Hughes provides reservoir consulting, drilling, formation evaluation, completions and production products and services to the worldwide oil and gas industry.

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