



## **Baker Hughes Holds Grand Opening of Phase II of Its Center for Technology Innovation (CTI)**

HOUSTON - December 2, 2008 - Baker Hughes Incorporated (NYSE: BHI; EBS) held the grand opening of Phase II of its new Center for Technology Innovation (CTI). Guests included Houston Mayor Bill White, Houston Consular Corps dignitaries, university researchers and faculty, energy industry executives, scientists and engineers, and representatives of industry and trade associations.

Located on a 14-acre campus in northwest Houston, the CTI consists of 209,000 sq-ft of research and engineering space. Phase I, consisting of research laboratories, xHPHT test facilities, and advanced machining and rapid prototyping shops, was inaugurated in April, 2008. Phase II consists of additional office buildings and research facilities. Approximately 600 scientists, application engineers and laboratory technicians are conducting research, engineering, development and testing at the CTI.

"The CTI is a world class research and engineering center. This \$42-million investment demonstrates our company's commitment to developing new completion and production technologies," said Chad Deaton, Baker Hughes Chairman, President and CEO at the ribbon-cutting ceremony. "Innovations created and tested here will enable our customers to unlock the value of their reservoirs even in the most challenging environments."

"The exploration of the Earth's deep crust is as technologically complex as the exploration of deep space," said Mayor White. "As a leading company in the world's leading industry, Baker Hughes has built a campus for scientists and engineers from multiple disciplines to solve the most challenging problems facing this generation of the hydrocarbon industry."

"The CTI is the first - and currently, only - one of its kind in the industry, capable of testing full-size prototypes of the next generation of completion and production equipment in a test environment with gas pressure up to 40,000 psi and temperature up to 700° F," said Rustom Mody, Vice President of Technology. "While there are test facilities that can test individual components at high ratings, none are capable of testing full-sized systems that simulate downhole conditions with the volumes of gas required for such extreme high-pressure and high-temperature testing."

Guests at the grand opening took guided tours of the 30,000 sq-ft of dedicated research lab space and state-of-the-art tools, such as powder diffraction, and x-ray fluorescence, designed to accelerate research and development of new fluids, high-temperature electronics, elastomers and materials. Four dynamic in-ground test cells have 75-ft (21.3-m) towers, intended for easy manipulation of 40-ft (12.2-m) joints of large O.D. casing into and out of the bay. A scanning electron microscope with sub-3 nanometer resolution is one of the tools available to researchers for the application of nanotechnology.

### **Technology Focus**

The CTI is designed to enable Baker Hughes research and engineering teams to achieve breakthroughs in technologies focused on four important application areas: deepwater wells, extreme high-pressure, high-temperature (xHPHT) applications, production optimization, and large-diameter "big bore" completions.

### **BEACON™ Center for Completions and Production**

The BEACON Center at the CTI provides a global communications and collaboration infrastructure, enabling real-time monitoring and control, as well as close customer collaboration. Advanced visualization technology permits interactive data validation and intervention.

### **Synergistic Cross-Collaboration**

The CTI supports enhanced Baker Hughes collaboration with our clients. Current projects include the development of a hostile-environment permanent packer, high hydrostatic packer setting module, real-time casing imaging technology and integration of fiber optics with sandface completions.

Baker Hughes provides reservoir consulting, drilling, formation evaluation, completion and production products and services to the worldwide oil and gas industry. For more information, visit [www.bakerhughes.com](http://www.bakerhughes.com).

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Houston Mayor Bill White (left) and Baker Hughes Chairman Chad Deaton cut the ribbon at the grand opening of the Baker Hughes Center for Technology Innovation



Baker Hughes Center for Technology Innovation (CTI) is located on a 14-acre campus in northwest Houston. The CTI has 209,000 sq-ft of research and engineering space dedicated to the development of next-generation of oil and gas exploration and production technologies