2019 WASHINGTON DC Fly-In

Largest-ever fly-in allowed Member Companies to strengthen relationships with policymakers.

Full coverage, page 2-3.

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PESA Members,

I have been privileged to serve as the PESA Chair for the past year, and I am proud of the tremendous strides the Association has made in elevating the sector’s profile. From our collaboration with the U.S. State Department in providing 25 years of foreign service officer training to trade disputes and tariffs, PESA has lifted our collective voice in Washington. We believe the Association and its Member Companies will reap the rewards from these engagements for years to come.

We have also strengthened our profile internationally, through our Middle East Chapter and the newly formed Argentina Chapter. Member Companies have launched the Middle East Chapter, creating robust committees that address health and safety, local employment, supply chain, and local content addressing in-country value programs. The engagement from local Member Companies has been wonderful to see.

PESA’s regional chapters are doing great things, especially the West Texas Chapter and its events in the Permian. For the first time, PESA is providing workforce training with the Executive Leadership Program in Odessa, as well as offering a lively slate of operator speakers and market experts who address the challenges in the region.

Our Mid-Continent Chapter will show considerable growth in the coming months. A steering committee is being formed that will plan our quarterly events. Additionally, some of our Oklahoma-based Members have offered to host Congressional tours of their facilities in order to promote understanding of the sector.

Workforce training is a specialty of PESA’s, and the enrollment numbers in the Executive Leadership Program and Oil & Gas 101 shows that Member Companies prioritize this benefit. PESA has graduated more than 250 professionals over the past four years, and the 2019 class has the most participants ever. The past two Oil & Gas 101 sessions, offering a broad education of the industry and how it functions, have sold out.

I would like to thank my fellow Board members, the Advisory Board, Committee chairs and the PESA staff. It has been an honor to work with so many of you. As a special request, I ask that each of you join me in thanking Leslie, Molly and the rest of the PESA management team for the outstanding work they do for us every single day. I see nothing but great things ahead for the Association, and I eagerly anticipate the strides we’ll make in the coming years.

All the best,

Dan Domeracki
PESA Chair
Members,

We’ve come to an exciting time at PESA, where the efforts of the past five years have resulted in an Association that is increasingly building bonds between companies in the sector, resulting in a strong and supportive community that is effectively advocating on its behalf. The value of Membership is not defined by the PESA staff, but by our Member Companies, and our membership has remained consistently at the highest levels through the challenging market of the past few years.

Member engagement in PESA’s high-quality events and programs continues to grow. The number of attendees for our training programs – including Oil & Gas 101 and the Executive Leadership Program – have increased at a rapid rate. The 2019 Washington, DC Fly-in was the largest and most extensive in PESA history; members are focused on building out robust regional districts and international chapters; and together we are providing leadership in the sectors in the areas of gender diversity and Environmental, Social and Governance (ESG) criterion.

The West Texas Steering Committee continues to bring in high-quality speakers addressing the region-specific issues of attracting talent, collaboration and infrastructure. These valuable opportunities provide Members a forum to receive market intelligence and learn more about operator collaboration with the services and equipment sector. Additionally, we have begun our first Executive Leadership Program in the Permian. The Engaging Leadership course will provide professional development and training for local high-performers in Midland and Odessa.

Late last year, PESA established a regional field office in Oklahoma City, and we are strengthening our regional presence with the Mid-Continent Steering Committee. This chapter will develop quarterly events targeted at regional issues and elevate the profile of the sector within Oklahoma and the surrounding states.

In Washington, PESA continues our 25-year partnership with the U.S. State Department – a collaborative effort designed to familiarize foreign and civil service officers with the energy industry, driving stronger collaboration with operators in country and influencing informed energy policy decisions. Secretary of State Mike Pompeo, who is a veteran of the oil patch, recently highlighted PESA’s value to the industry specifically referencing this program.

Also on the international front, PESA’s Middle East Chapter has created four robust subcommittees and planned several regional events. Member Companies in Dubai are becoming increasingly engaged, with discussion focused on local challenges and sharing best practices regarding regional content. Additionally, our International Outposts Committee is working on building out the newest international PESA Chapter in Argentina.

As more and more investors and customers examine Environmental, Social and Governance (ESG) criterion, PESA has moved to launch an ESG Committee with the mission of educating Member Companies on the many facets of this issue. Best practice sharing events and topical roundtables will begin in May.

Finally, I am pleased to share the results of our 2018 Gender Diversity Study. The PESA Engagement and HR Committees have developed a toolkit to promote Member Companies’ progress towards each organization’s diversity and inclusion goals. Whether your organization has recently begun to focus on promoting gender diversity or is farther into the journey, this toolkit serves as a unique resource available only to PESA Members.

I look forward to the year ahead working with PESA’s new Chair Richard Alabaster, Technip-FMC. Our new Board and Advisory Board Members will also bring rich knowledge of the sector, improving the Association and supporting Member Companies. And as always, our Members will accomplish extraordinary things.

We at PESA truly appreciate the time and resources you give on behalf of the sector and look forward to developing more opportunities to support the industry.

Leslie Beyer
PESA President
Member Companies Strengthen Congressional Relationships

PESA MEMBER COMPANIES met with more than 40 Congressional offices during the most substantial PESA Washington, DC Fly-In to date.


As the Trump Administration and Congress move forward with their ambitious 2019 agenda, the Fly-In provided an opportunity for PESA and attending Member Companies to convey the importance of implementing policies that ensure a secure supply of abundant, affordable and reliable energy for the U.S. in an environmentally responsible manner.

Attendees developed and strengthened relationships with more than 40 Congressional offices, including:

- Sen. Lisa Murkowski (R-AK)
- Sen. Cory Gardner (R-CO)
- Sen. Bill Cassidy (R-LA)
- Sen. Tom Udall (D-NM)
- Rep. Louie Gohmert (R-TX-1)
- Rep. Mac Thornberry (R-TX-2)
- Rep. Clay Higgins (R-LA-3)
- Rep. Richard Hudson (R-NC-8)
- Rep. Markwayne Mullin (R-OK-2)
- Rep. Xochitl Torres Small (D-NM-2)
- Rep. Bob Gibbs (R-OH-7)
- Rep. Robin Kelly (D-IL-2)
- Other members of the U.S Congress

Fly-In participants emphasized the important role of oil and natural gas in modern life, while also highlighting the service and equipment sector’s commitment to innovation, safety and job creation in our diverse manufacturing and engineering workforce. Meetings were also held with lawmakers representing areas outside of the oil patch, enforcing a message of the entire energy value chain.
FRONT LEFT to RIGHT: Mark Reed, Mustang CAT; PESA Board Member Galen Cobb, Halliburton; PESA Board Member Kevin Crowley, Forged Products; PESA Advisory Board Member Tom Shepherd, Cummins Sales & Service; Marie Caekebeke, Schlumberger; Julia Price-Madison, Baker Hughes, a GE company; Nick Krohn, M-I SWACO, A Schlumberger Company; Will Li, Li Gear; Rep. Dan Crenshaw; PESA Advisory Board Member Mike Kowalski, Jr., Sunbelt Steel; Michelle Risinger, TechnipFMC; Bob Ryan, Stallion Oilfield Services; Leslie Beyer, PESA; Aldo Perez, AUGE Industrial; Phillip Goodwin, DistributionNOW.

BACK LEFT to RIGHT: Art Travis, Kerr Pumps & Flow Valve; Alex Juden, Schlumberger; Jenny Bush, Cummins Sales & Service; PESA Board Member Burk Ellison, DistributionNOW; PESA Advisory Board Member Quay McKnight, M&M International; Ronald Pack, Basic Energy Services; Rep. Chip Roy; Shaun Rodel, Oceaneering; PESA Board Member Richard Alabaster, TechnipFMC; PESA Advisory Board Member Doug Polk, Vallourec USA; PESA Advisory Board Member Scott Livingston, NOV Completions and Production Solutions; Charlie Weakley, TechnipFMC
PESA Honors Marathon Oil Corporation

PESA AND IPAA MEMBERS GATHERED at The Briar Club on November 7, 2018 to present the 2018 Explorers of Houston Award.

Each year, PESA presents the award – established in 1999 – to recognize exploration and production companies that demonstrate excellence in leadership and innovation in STEM and energy education.

PESA Board Member and Explorers of Houston Committee Chairman Chuck Chauviere, Vice President – Drilling Systems, Baker Hughes, a GE company, identified Marathon Oil Corporation as the awardee for 2018 due to its extraordinarily strong support for the IPAA/PESA Energy Education Center and its Petroleum Academies.

“I am honored to present this award to Marathon Oil Corporation,” Chauviere said. “Marathon has been a key supporter of the IPAA/PESA Energy Education Center, hosting nearly 33 co-op students and 25 extern students since in 2014.”

Accepting the award on behalf of Lee Tillman, President and CEO, Marathon Oil Corporation, was Reggie Hedgebeth, Senior Vice President, General Counsel and Secretary.

“Marathon has a long-standing commitment to enhancing education, particularly STEM education in communities where employees live and work,” Hedgebeth said.

Hedgebeth explained that a significant portion of Marathon’s social investments are directed toward strengthening educational opportunities with a focus on increasing math competency and literacy, removing barriers to stay in school and increasing diversity in colleges where they recruit.

“We feel a true partnership with IPAA/PESA Energy Education Center,” he said.

Given Marathon’s commitment to education, the IPAA/PESA Energy Education Center in a perfect fit for us with its focus on making math and science meaningful and relevant, and addressing workplace development issues facing the oil and gas industry.

REGGIE HEDGEBETH
Marathon Oil Corporation
Global Outreach: Abu Dhabi

**PESA’S MIDDLE EAST** Regional Chapter met at TechnipFMC in Abu Dhabi on November 15 during the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC).

Attendees heard from regional experts who discussed the challenges and risks of operating in the area, as well as engaged in best-practice sharing.

**SPEAKERS**
- Hamad Belmehaina, Senior Specialist, In-Country Value, ADNOC
- Thomas Bruns, Regional Senior Commercial Officer, UAE, Qatar, Kuwait and Oman, U.S. Embassy in Abu Dhabi
- Shahin Shamsabadi, Head of Business Intelligence & Investigations-MENA, Risk Advisory Group
- PESA Board Vice Chair Richard Alabaster, President – Surface Technologies, TechnipFMC
- PESA Middle East Regional Chairman Dennis Jol, VP – International, DistributionNOW

Member Companies participating in the meeting included: Baker Hughes, a GE company, Caterpillar Oil & Gas, DistributionNOW, Energy Alloys, Exterran, Forum Energy Technologies, Galtway Industries, Galtway Marketing, Gardner Denver, Halliburton, M&M International, NOV, Oceaneering, SOR, TechnipFMC, Tenaris, Weatherford and Weir Oil & Gas.

For more information about this event, visit pesa.org.
Subcommittees: Focus on Best Practices

**DURING PESA’S FIRST MIDDLE EAST REGIONAL CHAPTER SUBCOMMITTEE**

Kickoff on January 21, Members discussed local challenges and shared best practices regarding lifesaving rules, global logistics and talent recruitment. The event was hosted by DistributionNOW at the Amwaj Rotana Hotel in Dubai. Chapter Chair Dennis Jol, Vice President, International, DistributionNOW, led the meeting.

Wayne Holbrook, Director Global Development, Project & Energy Services, Expeditors, provided a global logistics market update.

Holbrook highlighted the top 10 logistics trends to 2022, addressing such technologies such as digitalization, IOT and automation and logistics safety. He also touched on supply and demand of the global air freight market and ocean freight market trends.

Henry Sparling, Regional Manager, Oil & Gas, Airswift, provided insights on the Global Energy Talent Index (GETI) Report. Sparling provided analytics and results from different sections of the 2018 report with comparisons to the 2017 report, including salary trends, relocation, talent shortage and sector challenges. He also discussed challenges posed by nationalization.

In 2017, ADNOC launched the implementation phase of its new in-country value (ICV) strategy, aimed at increasing the company’s ICV contribution and strengthening its relationship with the UAE’s private sector. Ibrahim Elkhalil, Al Shoumoukh Group, provided insights into ICV programs, classification of business units, factors that influence ICV and more.


**MIDDLE EAST CHAPTER**

- **Chapter Chair and Supply Chain Subcommittee Chair**: Dennis Jol, Vice President, International, DistributionNOW
- **Vice Chair**: Max Whisenhunt, MENA/CIS Area Director, DistributionNOW
- **Health & Safety Subcommittee Chair**: Steve Abbiss, General Manager-Middle East, TechnipFMC
- **Local Employment Subcommittee Chair**: Riaz Jumabhoy, Middle East Country Manager, Gardner Denver
- **Local Content Subcommittee Chair**: Ed Whitnell, Operations Vice President and Managing Director – MENA, NOV
2018 PESA-CID Annual Seminar: Preference Claims and Bankruptcy

CREDIT PROFESSIONALS FROM PESA MEMBER
Companies gathered at the 2018 PESA Credit Interchange Division Annual Seminar on October 18 for networking opportunities and presentations from industry experts around the timely topic of preference claims and bankruptcy in the oilfield services and equipment sector.

PESA-CID has more than 30 Member Companies who exchange trade credit information and histories on more than 50,000 customers. This data provides a cost-effective way for members to anticipate and reduce financial risk that is unavailable elsewhere in the industry. Additionally, the program provides a strong network of credit professionals.

PESA held an election for four CID Operating Committee members. Congratulations to the 2018-2019 PESA Operating Committee: Committee Chairman Randy Friedsam, Select Energy Services; Kara Dixon, Newpark Resources; Lauri McDonald, Patterson-UTI; and newly elected committee members Robbie Camfield, Baker Hughes, a GE company; Jason Leslie, NOV; Rosa Rivera, Scientific Drilling; and Keva Wardell, TETRA Technologies.

Our sincerest thanks to outgoing CID Operating Committee members Kristy Woolsey, DistributionNOW, Don Burell, Schlumberger and Doug Dunlap, TETRA Technologies, for their dedication and contributions to PESA-CID over the years.

Carl Doré and Lisa Aquino, Doré Law Group, provided insight on “Preference Payments in the Bankruptcy Arena,” offering clarification about the history of bankruptcy preferences, why preference laws were created and the definitions of elements within preference claims.

John Sparacino, Vorys, Sater, Seymour and Pease LLP, then shared his perspective on “What to Expect, and What to Do, Throughout the Preference Litigation Process,” delving into the preference claim life cycle.

Sparacino discussed customers in distress, tips for limiting preference claim exposure and examples of procedures organizations regarding receiving a demand letter around alleged payments. Doré, Aquino and Sparacino then held a panel discussion, opening up to the audience for Q&A.

Alternative asset management firm Angelo Gordon representatives Todd Dittmann and Bobby Barrett offered their insight into the E&P, midstream and OFS market outlook and trends of interest. Dittmann and Barrett shared new financing alternatives for E&P companies and revealed how things have changed over the years relative to loans and financing.

The Angelo Gordon team concluded by sharing how credit managers can better address private equity counterparty liquidity in the new world.
What Is PESA-CID?

The Credit Interchange Division (CID), operating as a cooperative venture among PESA Member Companies since 1955, facilitates the confidential exchange of up-to-date ledger experience among its member companies and divisions.

CID offers Member Companies business intelligence to reduce financial risk and minimize DSO through credit and payment data exclusive to the oil and gas industry.

**PROPRIETARY CREDIT AND PAYMENT HISTORY**
CID maintains a database of over 300,000 ledger entries on more than 50,000 customers, prospects and suppliers. This confidential exchange of up-to-date ledger experience allows Members to submit and access exclusive data to determine credit worthiness and reduce financial risk.

**COMPETITIVE PRICING**
CID provides information to effectively research prospects and monitor customer’s credit at a lower-cost basis than similar services.

**NETWORK OF CREDIT EXPERTS**
Members benefit from the system’s exclusive data and access to a deep network of experienced credit experts from across the industry.

**GLOBAL DATA**
A new enhancement to the current PESA/CID portfolio offers members the ability to submit international as well as domestic data. As an added benefit, international reports will be available at a discounted rate through December 31, 2019.

More than 60% of PESA’s Industry Members utilize CID. Membership is available to any Industry Member Company who maintain a distinct credit department. If you would like further information on becoming a member of CID, please contact the PESA-CID office at 713-932-6622.
Executive Leadership Program Grows in 2019

PESA’S 2019 EXECUTIVE LEADERSHIP PROGRAM, sponsored by the Emerging Executives Committee, launched its fifth consecutive year in February with the largest-ever class of participants.

The Executive Leadership Program provides an external opportunity for high-potential personnel to engage in a structured year-long program that develops leadership skills in preparation for the responsibilities of future roles. The program provides one-on-one executive coaching sessions, mentorship, and networking.

“The value our member companies receive from this program is apparent as we continue to receive increased registrations from our member companies each year,” said Leslie Beyer, President, PESA.

With more than 350 program participants from 60 leading companies to date, PESA continues to elevate the industry by investing in the next generation of industry leaders. The Executive Leadership Program has become an essential tool in PESA Member Company professional development strategies.

Offering three paths, Advanced Business Development, Engaging Leadership and Executive Presence, the 2019 Executive Leadership Program provides professional development and training for member company high performers. Through the program, participants cultivate relationships with peers and leading industry executives.

As a way to reach a broader audience in West Texas, PESA added an Engaging Leadership face-to-face session in the Permian.

In addition to the seminars held in February, June, and September, participants must also partake in leadership development outside their company and attend two PESA Leadership Meetings such as the bimonthly Leadership Forums.

One of the most important elements of the program is the mentorship provided by the PESA Board and Advisory Board Members, giving participants a unique opportunity to gain strategic career advice and develop valuable relationships with industry leaders.

Advanced Business Development
• Develops participant’s skills, behaviors, and confidence to enable them to speak to client needs and develop long-term relationships.

• Provides a range of business development and selling tools and techniques that will enable them to adopt a confident consultative and solutions-based approach when selling.

Engaging Leadership
• Identifies strategies to create a collaborative, resilient workplace. Team-building exercises and presentations aim to directly align attendees with their organization’s vision in a positive, productive way.

• Attendees develop strong communication methods and explore the difference between being a leader and a boss.

Executive Presence
• Builds personal brands to expand leadership competencies to lead and motivate others. Participants collaborate to establish core values and ethics to elevate their presence and increase their influence within the industry.

• Helps already experienced leaders further develop their personal vision.
PESA BOARD MEMBER CHUCK CHAUVIERE, President, Subsea Drilling Systems Oilfield Equipment, Baker Hughes, a GE company, spoke during the last leadership forum of 2018. The series is sponsored by the Emerging Executives Committee.

During his discussion with PESA members, he highlighted ways to survive in times of change, by developing communication skills and determining one’s motivation.

MANAGING CHANGE
Chauviere says change keeps one alive. But, how do you survive and thrive during change? “Evolve!” he said. “If you are not evolving, you will be left behind.”

A change in mindset may also be necessary. He cautioned attendees against using people as tools to get to the next job. Instead, he urged emerging leaders to commit to their roles and be the best they can be in those roles. While a frog on a lily pad can’t be invested, when one is invested in the role and making people successful, they in turn will be successful, he said.

Chauviere added that being a good leader means being a good follower.

“Subordinate yourself,” he said. “You want your leaders to be wildly successful because there are many other benefits that come from it.”

COMMUNICATION
Another facet of change is communication. In a world of casual Fridays and the internet, using different avenues of communication to reach diverse teams is essential. Knowing your team is pivotal to growing your sphere of influence. Thus, Chauviere encouraged attendees to challenge their own paradigm.

“Be sleek on your feet and use different skills and techniques to influence your various teams and workplace.” He also underscored the importance of having the right people in the right roles. While you may like an individual, if their performance does not match the role, that information needs to be communicated.

“The conversation of poor performance or firing should never be a surprise. If you are going to shock someone with that discussion, you have completely failed them,” he said.

Though often overlooked, Chauviere advised engaging human resource leaders. As changes occur within an organization, HR leaders are often included in discussions of organizational shifts, reviews, mergers and acquisitions. Therefore, they need to be aware of your talents, skills, strengths, weaknesses, development path and aspirations.

MOTIVATION AND INVESTMENT
Ask yourself: What drives me to succeed? What do I do when no one is looking? Your motivation should be to make your boss successful, to win, show up and make a difference.

Chauviere summarized the discussion by encouraging emerging leaders to complete multiple 360 degree reviews throughout their careers and use the feedback to guide their career development.

“Don’t walk by waste on the floor and think that’s not my job. In your early career, do whatever they give you. If you have a good attitude, show up and ask questions, people will notice.”

PESA BOARD MEMBER CHUCK CHAUVIERE
Baker Hughes, a GE company
MORE THAN 650 HOUSTON high school students engaged in a oil and gas career conference on October 23, supported by the IPAA/PESA Energy Education Center.

Students enrolled in one of the four Houston IPAA/PESA Petroleum Academies participated in a career panel.

The academies, which teach the basics of the oil and gas value chain, as well as emphasize STEM education, offer a yearly externship with industry companies in Houston and Fort Worth. Senior students who were part of last summer’s externships spoke to younger students about their job shadowing experience.

PESA Board Member Galen Cobb, co-chairman of the IPAA/PESA Education Advisory Board and Vice President of Industry Relations, Halliburton, welcomed students.

“I have been involved with IPAA and PESA’s education efforts for a long time, and we are thrilled to see so many young people here today to learn about the exciting career opportunities available in the oil and gas industry,” Cobb said.

“We need clever, bright people like you in the industry, and I hope the information you learn from the panel you are about to hear from may spark your interest.”

Panelists included professionals from Member Companies Oceaneering, Schlumberger and TechnipFMC, as well as ExxonMobil, Occidental Petroleum and Shell.

Following a tour at the University of Houston, PESA President Leslie Beyer closed the conference.

“Fostering meaningful connections and empowering students to think ambitiously about their career paths, the Oil and Gas Career Conference is an opportunity for future oil and gas professionals to visualize the positive impacts they will one day make on our industry. We are proud to be a part of this,” Beyer said.
PARTICIPANTS DISCUSSED the strategic importance of supply chain to E&Ps during a Supply Chain Conference that included a U.S. tariff update and a panel discussion with key operators. The conference was held February 21 at Baker Hughes, a GE company.

TARIFFS UPDATE
Kartapurkh Khalsa, Senior Counsel & Director of Customs Compliance, NOV, opened the conference with his insights on the current U.S. tariff impact from October to December 2018, citing an increase of $8+ billion in customs duties received, an 83 percent increase over the same period last year. Khalsa discussed the tariffs in place that are affecting the sector the most – Sections 232 and 301 – providing an overview and update on each. Both of these tariffs currently in place impose duty rates on commodities which have seriously affected the services sector.

Khalsa shared how the bottom line impact for some companies is simply very large tariff bills. He closed by explaining how to minimize and manage that impact.

“Start by assessing your total supply chain. Reassess the sourcing, procurement and manufacturing strategy to identify and mitigate your exposure,” Khalsa said.

PESA has filed a number of product exclusion requests on behalf of Member Companies to avoid additional tariffs of 25 percent for individual parts imported from China that make up Artificial Lift Systems. PESA will continue to work with our Members to identify equipment and products with commonality and support these exclusions on their behalf.

PANEL DISCUSSION
John Daniel, Managing Director & Sr. Research Analyst, Oil Service, Simmons Energy, A Division of Piper Jaffray, moderated a panel of operator company representatives including David Chenier, Chief Procurement Officer, ConocoPhillips; Tracie Slone, Vice President of Global Supply Chain, Marathon Oil; and Jeremy Hill, Head of Global Supply Chain, Apache Corporation.

Each speaker shared their insights on topics such as strategies around choosing service companies that fit their needs, how the best supply chains can influence operations, and how they maintain internal supply chain partnerships using an integrative approach.

“For a partnership or alliance to work, it needs to be mutually beneficial, with structure and governance around contractual expectations,” Slone said. “In addition, multiple strategies need to be on the table for both operator and service provider. A strategy that worked several years ago may not work anymore for both parties.”

When posed with a question around optimal ways for service companies to get on an Approved Vendor List, the speakers agreed an excellent safety record was at the forefront, followed by successes in innovation on the supplier side.

Each panelist also discussed how supply chain has developed over time and how it may look in the future.

“The main shift has been developing more robust roles. Today, people who are working in supply chain need to not only be able to analyze data and build models, but be commercially savvy as well,” Hill said.

Chenier added, “To me the exciting thing about the near future is seeing what the data is bringing us. When it’s all connected, it provides so much value.”

The discussion wrapped with each panelist providing their insights on where their time is most spent today, citing implementation of source-to-pay platforms, identifying next technologies, driving automation, and improving predictive forecasting.

PESA’s next supply chain event is scheduled for May 22, with both the Supply Chain and the International Trade Policy Committees hosting a tariff update.
PESA Co-Hosts Tariffs Town Hall

PESA CO-HOSTED A TOWN HALL event on January 24 discussing the damage that tariffs are having on the oilfield services and equipment sector, as well as the retail industry and agriculture. PESA Vice President Government Affairs Tim Tarpley participated in the event, along with Clay Hensley, President, Cal Tex Energy Resources; Chris Kelley, Director of Federal Affairs, American Petroleum Institute; Melissa Stewart, Executive Director, Greater Houston Restaurant Association; Shane Williams, Director of Economic Development, Port of Houston; George Kelemen, President, Texas Retailers Association and Russell Boening, President, Texas Farm Bureau.

Member Companies Stallion Oilfield Services and Sunbelt Steel were also in attendance.

The Trump Administration’s tariffs on steel and aluminum under Section 232 of the Trade Expansion Act of 1962, as well as the tariffs imposed against imports from China under Section 301 of the Trade Act of 1974, have resulted in massive costs for businesses in the state. A recent study shows Texans have paid more than $364 million in tariffs on products subject to the rules, which is more than 12 times what was paid on the same products last year.

Regarding the effect of the tariffs on the oilfield services and equipment sector, “The goal of the industry and policymakers should always be to keep high quality domestic manufacturing here in the United States,” Tarpley said.

“PESA is very concerned that despite the best intentions, section 232 and 301 tariffs may have the opposite effect in relation to many areas of the energy industry.”

PESA supports a balanced approach to tariffs and trade that both addresses illicit practices and considers economic implications for U.S. businesses. Section 232 and 301 tariffs will disrupt industry supply chains, resulting in increased costs and inefficiencies, while retaliatory measures can dissuade importers from purchasing U.S. petroleum equipment and products, harming service companies and their employees.

The goal of the industry and policymakers should always be to keep high quality domestic manufacturing here in the United States.

TIM TARPLEY
Vice President Government Affairs, PESA
High-Performer Spotlight

Anthony Thomas II
Senior Vice President of Business Development
Ringers Gloves

What influenced your decision to enter the oil and gas industry?
During graduate school, I took a design course in which corporate sponsors partnered with student groups to design and build a prototype product. The corporate sponsor for my group was Schlumberger (Schlumberger’s Doll Research Center was across the street from campus), and our group designed and built a downhole tool prototype.

I was impressed by both the technical challenges presented by downhole tool design, and the rigor and creativity with which the Schlumberger team approached these technical challenges. I ultimately was recruited for and offered a position with Schlumberger after graduation.

What was your impression of the industry beforehand, and how has it evolved?
I had no exposure to oil and gas prior to joining the industry. During my early career as an engineer, I was narrowly focused on technical problem-solving and developed deep but highly specific expertise. As I pivoted away from engineering and into finance, I developed a more holistic view of the industry and got a healthy dose of humility as I came to realize just how much I didn’t know.

What have you found to be the most surprising about the industry?
Despite the capital intensity, violent cyclical and technical risks in oil and gas, a spirit of entrepreneurship continues to thrive in the industry, attracting talented leaders across the globe.

What do you find most challenging and most rewarding about the industry or your work?
Suffering through downturns together with our clients is extremely challenging. It’s personally satisfying to be a part of a company that develops products that protect people in their daily work.

Where do you hope to see the industry develop over the next five years?
I’d like to see the industry more collaboratively embrace data to improve performance. I also want the industry to attract a more diverse generation of problem solvers.

What role do you believe you will play in the industry’s future?
I will draw upon my technical, financial and operational experiences to help drive transformative change. I’d also like to use my career to create opportunities for the next generation of future leaders.

How has your involvement in PESA supported your career goals?
PESA provides a structured platform for peer engagement, leadership development and continuing education that I have not been able to find in other professional groups. I am humbled by the many accomplishments of my peers and excited for the opportunities to learn from each of them.

Tell us about some of the people you’ve met while working in the industry and how they’ve impacted your thinking.
Throughout my career, I’ve interacted with many types of professionals including engineers, operators, advisors and investors. Each interaction confirmed that no matter your expertise, there are countless ways to have a positive impact on the industry.

What are you most excited about for your career, your company and your industry?
I’m excited to be a part of an industry that relies so heavily upon technical innovation to create value. This reliance ensures a steady stream of smart and innovative minds into the industry to tackle the challenges of tomorrow.

What would you tell someone who is thinking about entering the oil and gas industry?
Have a career path in mind, but maintain the intellectual flexibility to change that path. It’s impossible to grasp the breadth of opportunities in the industry before you begin your career.
Q4 New Members

“We are pleased to have these companies join PESA, as the Association strengthens individual companies, unifies the oilfield services and equipment sector, and promotes the oil and gas industry,” said PESA President Leslie Beyer.

Allison Transmission®

Energy Intelligence

KLX Energy Services

Ringers Gloves

UPCOMING EVENTS

APRIL 24-26
2019 Annual Meeting
San Diego, CA

MAY 1
Railroad Commission of Texas Chairman Meet & Greet
Houston, TX

MAY 16
Health & Safety/Human Resources Roundtable
Houston, TX

MAY 22
Supply Chain/International Trade Roundtable
Houston, TX

MAY 23
Membership Luncheon
Houston, TX

MAY 23
West Texas Meeting With Admiral Permian Resources
Midland, TX

Find all of our upcoming events at www.pesa.org

U.S. OIL AND GAS FIELD EQUIPMENT EXPORTS
Top 15 Destinations for Q4 2018 (in U.S. $1,000)

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<td>Trin. &amp; Tobago</td>
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<td>2,667</td>
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<tr>
<td>Brazil</td>
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<tr>
<td>Spain</td>
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<td>1,754</td>
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Subtotal: 179,136 134,109 183,117

All Other: 92,168 72,501 74,082

Total: 271,304 206,610 257,199

Sources: Data has been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.

UPCOMING EVENTS

APRIL 24-26
2019 Annual Meeting
San Diego, CA

MAY 1
Railroad Commission of Texas Chairman Meet & Greet
Houston, TX

MAY 16
Health & Safety/Human Resources Roundtable
Houston, TX

MAY 22
Supply Chain/International Trade Roundtable
Houston, TX

MAY 23
Membership Luncheon
Houston, TX

MAY 23
West Texas Meeting With Admiral Permian Resources
Midland, TX

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“We are pleased to have these companies join PESA, as the Association strengthens individual companies, unifies the oilfield services and equipment sector, and promotes the oil and gas industry,” said PESA President Leslie Beyer.

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