

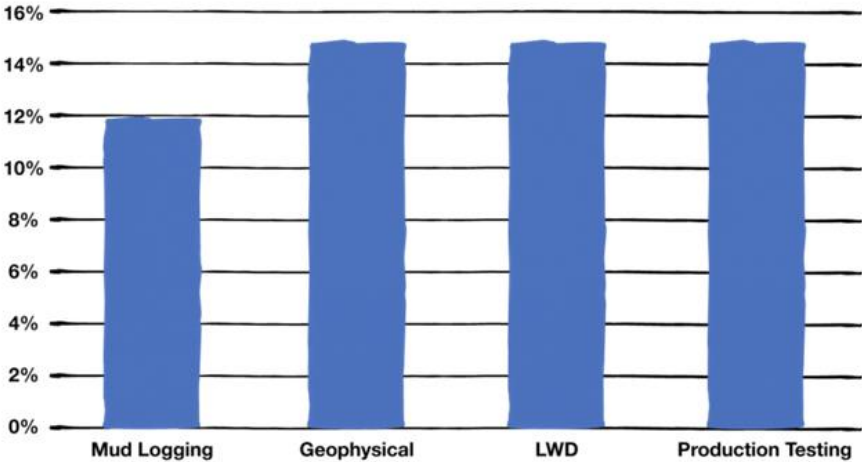
# Serving the Oilfield Since 1965

August 31, 2018

## 4 GROWTH MARKETS IN 2019

August seems to depress enthusiasm for oilfield service company valuations, so, to up your spirits, we want to tell you about four markets that will grow in 2019... four markets that have been running on fumes these last several years:

2018-2019 Market Growth



What's common to all? Two things:

1. Offshore represents a sizable portion of the global market for each of the four segments.
2. Additionally, all are associated with the hunt for new reserves. After four years of Draconian cuts offshore, E&P companies must first go find more oil. 2019 is the first year of a slight upturn in offshore investment.

**Geophysical:** Market leader Schlumberger is exiting this business just as demand is about to improve.

**Mud Logging:** All major service companies are in this market; Schlumberger is the largest, but our favorite is independent GEOLOG.

**LWD:** Downhole rock data gathered while drilling. Again, major service firms are all in it, but SLB is #1.

**Production Testing:** Low end cheap is US land; high end expensive is offshore. Again, SLB is #1 and Halliburton is #2 (tied with Expro).

A little bit of growth should make all these business units very profitable with much of the benefit going to Schlumberger. These are four of the many reasons why we are very enthusiastic about 2019.

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