

## Heavyweight funding for Slimwell™ system

One of Aberdeen's youngest oilfield service companies has announced major investments to support its ambitious plans to bring to market patented "Slimwell™" technologies which are designed to achieve substantial reductions in well construction costs.

Caledus Ltd, founded exactly one year ago, has announced a seven-figure investment by Lime Rock Partners, a transatlantic private equity business focused entirely on the energy sector. This supplements recent management investment by founding managing director Paul Howlett (39), finance director Derek McLeod (50) and business development director Jim Bain (45).

At the same time, Caledus has also added three new non-executive directors to its board – new company chairman Steve Horton, former global drilling director with BP, and two Aberdeen-based Lime Rock executives, Lawrence Ross and Simon Munro.

"Slimwell is potentially game-changing technology," says Lawrence Ross. "When fully developed, it will produce cost savings which could result in currently non-economic development plays becoming viable.

"Caledus has been set up with the specific aim of developing the new technologies we need in the North Sea to extend the life of the basin and maximise reserve recovery."

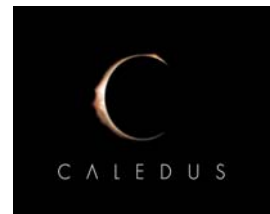
### **A reputation for innovation**

Paul Howlett and Jim Bain are already recognised as two of the most active new product developers in North-east oil and gas circles, with their names registered as inventor on over 35 commercially viable patents for downhole tools and completions products.

Mr Howlett was former managing director (Eastern Hemisphere) with Westhill-based SPS International, whom he joined in 1995 as its third employee. Before he left SPS in early 2003 to set up Caledus, SPS staff had grown to over 200 and turnover to over £30 million.

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## **Advance press release**



### **Heavyweight funding for Slimwell™ system (cont'd)**

Mr Bain was latterly managing director of Aberdeen-based BBL Downhole Tools Ltd, having joined the company in 1989. Caledus finance director Derek McLeod is equally highly experienced, having previously been joint managing director/finance director of GlobalSantaFe Corporation.

“I believe the powerful track record of Paul Howlett and his hand-picked team demonstrates they are the right people to develop and commercialise Slimwell and grow the company,” says Steve Horton.

Caledus now employs six staff and supports another six contractors, and is projecting sales in excess of £10 million by 2007, mainly through the innovative Slimwell technology.

### **Intellectual property rights**

“Slimwell is a novel technique for well construction which does exactly what it says on the tin - slims the well down, allowing faster and safer drilling, using fewer consumables and creating less cuttings and drilling fluids to be disposed of,” explains Jim Bain.

“The really clever bit is the innovative running tool and liner hanging system which allows the operator to maintain the optimum pipe size across zones of interest in a reservoir.”

Caledus acquired the intellectual property rights for Slimwell from project originators XL Technology Ltd, based in Windsor, and the new funding will underpin full international commercialisation of the system. “We plan to have Slimwell ready for market this year, and forecast it will be in global demand within five to seven years,” says Paul Howlett.

Caledus has also spent the last year successfully sourcing market-ready tools to balance its sales portfolio, and has signed a number of worldwide distribution agreements for advanced downhole tool technologies.

The company was advised during its fund-raising by KPMG Corporate Finance and Maclay Murray and Spens, both based in Aberdeen.

Ends – for immediate release

**Pics available – see page 3**

## **Advance press release**



**Picture shows:**

**Caledus core directors (from left) Paul Howlett, Jim Bain and Derek McLeod: a powerful track record and already holders of more than 35 commercially viable patents.**

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