

OIL IN THE 21st CENTURY

As the oil industry enters the 21st century, it faces increasingly complex challenges dictated by new world economy drivers: industry globalization, supply and demand balance, commodity pricing, boom and bust cycles, changes in financial investment strategy, an aging workforce, alternative energy sources and environmental changes. These challenges will dramatically change the dynamics of the energy industry.

Although we are only several months into the 21st century, the events of the past year foreshadow the critical role that oil will play in the global energy economy in this century for several reasons. First of all, oil and fossil fuels are not going to be replaced by new energy sources in the near future. The International Energy Agency predicts fossil fuels to meet 95% of energy requirements up to 2020. Secondly, the oil importing countries dependence on supplies from the Middle East will grow at least until such a time as unconventional sources are identified and become cost competitive.



The oil industry faces many new challenges in the coming decades, not the least being to ensure that oil production capacity is sufficient to meet consumer needs. This daunting task must be tackled in a climate of increasing globalization of the oil industry and other industries, continuous cost pressures and environmental sensitivities.

“Brilliance is born of desperation,” said Jayanth Komarneni and it is a fitting statement to describe the new face of an industry that has undergone numerous drastic facelifts in the past several years.

Slowing economic growth and falling trade barriers opened the market and exposed U.S. companies as a sluggish behemoth unequipped to compete on the international stage with the lean, aggressive forces overseas.

Job cuts were an unwelcome result, but in the trimming down of operating cost structures, the reduction of management layers and flattening of bureaucracy has enabled more efficient production.

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Modern information technologies, institution of new family leave policies that allow employees to better balance their home lives and jobs, willingness to change how we work with partners and forming novel and entrepreneurial alliances that in the past would have seemed unthinkable in what has been a very conservative industry, have all contributed to force the industry into the 21st century making it able to compete and offer better quality of life for employees and consumers.

The industry has gone through tough times. The cost-cutting, downsizing and restructuring was difficult, yet necessary. But the urgency that came with that process helped us prepare for challenges of global competition in a new world economy. We've learned new ways of working and we realize that we must keep learning as we move into the 21st century.

Sources: www.chevron.com; www.csis.org; www.spe.org; www.oapecorg.org

PRODUCT CORNER

VEN-VIS™

VEN-VIS™ 501, VEN-VIS™ 503 and VEN-VIS™ 612 are three unique products in the Venture Chemicals' product line. The VEN-VIS™ products are liquid viscosifiers designed to provide rapid and uniform viscosity development in drilling, completion and workover fluids as well as fluids use in water well and seismic operations.

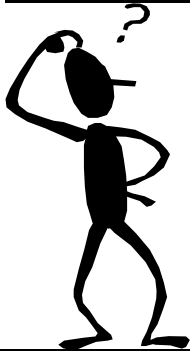
When used in conjunction with other mud additives, they will provide secondary properties of encapsulation, fluid loss control, suspension and carrying capacity.

The VEN-VIS™ products will also reduce sloughing, swelling and dispersion of sensitive shales under certain conditions.

High concentrations can be used separately or in conjunction with other materials to provide polymer-type plugs useful in lost circulation problems, particularly in producing wells. The polymer "plug" can be broken by acidizing, enzymes or oxidizing.

For more information about the VEN-VIS™ products or any other Venture Chemicals' products contact: PH: (337) 232-1977
U.S.: 1-800-523-1933 · Fax No.: (337) 237-5340

THOUGHT TICKLERS



"Science isn't one success after another. It's mostly one success in a desert of failure."

- Folkman

"We don't know a millionth of one percent about anything."

- Thomas Edison

"The great tragedy of science - the slaying of a beautiful hypothesis by an ugly fact."

- T.H. Huxley

"In science the credit goes to the man who convinces the world, not the man to whom the idea first occurs."

- Sir Francis Darwin

"Mistakes are the portals of discovery."

- James Joyce

"The wise man doesn't give the right answers, he poses the right questions."

- Claude Levi-Strauss

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VENTURE CHEMICALS, INC. is: a basic manufacturer of specialty chemical products used in the petroleum and chemical industries. Marketing is specifically oriented toward the drilling and production industry and to select market segments of the chemical industry. VENEWS is published by Venture Chemicals, Inc., P. O. Box 53631, Lafayette, LA 70505, as a service to users of VCI products and services. All correspondence should be addressed to Shana Nicholson, Editor, VENEWS, at the above address.

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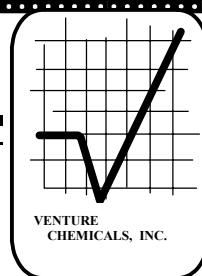
VEN-BRIEFS

POLLY WANT A DIVORCE?

A Chinese housewife is seeking divorce claiming the family's talking bird dropped clues on her husband's illicit affair. The woman uncovered the affair when their mynah began saying things like, 'divorce,' 'I love you,' and 'be patient' after it overheard the husband's telephone calls with his mistress. Last week she brought the bird to a law office for consultation hoping it could testify in court. "Can my mynah be used as a witness?" the newspaper quoted her as asking. Lawyers were not optimistic. "The judges are unlikely to rule against your husband based only on the mynah's words," attorney Wu Di was quoted as telling her.

YO QUIERO TACO BELL!

A youthful thief on a bicycle brandishing a toy gun held up a Taco Bell through the drive-up window but had to wait so long for his food he got caught. The robber pedaled up to the fast food outlet's drive-up window just after midnight waving what appeared to be a gun. He threatened the staff and demanded money and a chalupa. A Taco Bell employee called police who arrived while the thief was waiting for his food. He took off and kept pedaling after being shot twice—once in the arm and once in the leg. He dismounted and surrendered after a second cruiser cut him off. The gun turned out to be a toy. A police officer on the scene said, "He got the



COMMONLY USED DENSITIES

MUD COMPONENT	DENSITY		
	g/cm ³	lb/gal	kg/m ³
Fresh Water	1.00	8.345	1000
Diesel Oil, typical	0.84	7.00	840
Low Viscosity Oil, typ.	0.80	6.70	800
Low Density Solids	2.65	22.10	2650
High Density Solids			
Barite	4.20	35.00	4200
Hematite	5.05	42.10	5050

May you have the
hindsight
to know where
you've been, the
foresight
to know where you're
going and the
insight
to know when
you've gone too far!

- Irish Blessing

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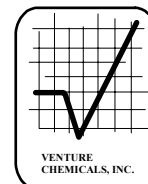
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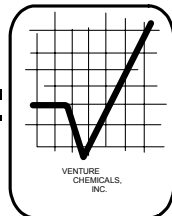
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