

It's Venture Chemicals' 25th Anniversary!

When this company got off the ground in 1977, we had one goal. To bring our customers quality and innovative products that would keep them coming back. Staying true to that principle has sustained us through booms and busts and has allowed us to flourish when other companies have come and gone.

We realize that if it were not for the confidence our customers have in our products, as well as our reputation, we would not have achieved the success that we have.

We will continue striving for excellence and bringing you the most unique and effective drilling products on the market today.

Thank you for your continued support.

GAS WARS IN THE 21ST CENTURY

With the Taliban losing control of Afghanistan, certain questions emerge. Could it be possible for the United States to finally free itself from the shackles of Middle Eastern oil?

Unocal spent much of the 1990's trying to begin work on a pipeline crossing Afghanistan, connecting Central Asia to Pakistan. Due to the volatility in the region, the project never got off the ground. However, with the possibility of calm and stability being restored in the country, the prospect remains.

The Caspian Basin is a largely untapped reserve of oil and gas. A stable Afghanistan raises the possibility of new pipelines being constructed and access to the Central Asian oil decreasing Western dependence on the Middle East.

However, any idea with a potential to make such an impact garners some resistance. Michael Klare, author of *Resource Wars: The New Landscape of Global Conflict* states the role of Central Asia in worldwide energy "has been substantially overestimated...It's not another Persian Gulf."

Even if logistical obstacles could be overcome effectively there just isn't enough fuel there to make a significant difference. The most optimistic estimates theorize the region has about 200 billion barrels of oil—far smaller than what is known to exist in Saudi Arabia alone and about as substantial as what is currently being developed off the coast of Mexico, Argentina and Brazil.

Daniel Butler, an energy analyst with the US Department of Energy says that, "Even if the United States got 100% of the output from the Caspian over the next couple of decades—about 7-10 million barrels a day—it wouldn't be enough. The Persian Gulf will still have a huge amount of leverage." *continued on page 2*

Caspian Basin



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Even at the most optimistic estimates, Caspian yields will still lag far behind the Persian Gulf countries which exported about 17.5 million barrels of oil a day in 2000. The gap widens even further when one takes into account that countries like Saudi Arabia could be producing millions more, but have so far chosen to hold back, as part of an ongoing struggle to stabilize prices.

If oil prices spiked to \$30 per barrel, solar power would be a viable alternative, says Dan Kammen, director of the Renewable and Appropriate Energy Laboratory at UC-Berkeley. At \$50 it becomes economical to extract shale oil, but the bottom line is that the Gulf states, with their ability to ramp up production to meet growing demand, will still control the market.

The bottom line is that Middle Eastern oil is just cheaper. It costs \$15 a barrel to extract a barrel of oil in the U.S., but it costs less than \$2 in Saudi Arabia. Yahya Sadowski, an energy analyst and professor at the American University in Beirut says, "Whoever controls the oil there, which is not available in larger quantities but at much lower costs of production, holds the global economy by the throat."

Sources: salon.com, yahoo.com, azerlink.com

PRODUCT CORNER

VEN-GEL™ 413

VEN-GEL™ 413 is an organophilic colloid developed specifically to gel oil and oil muds.

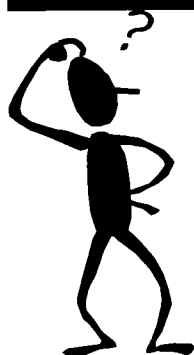
VEN-GEL™ 413 is designed to provide suspension of weight material and drilled solids and to assist in preventing top oil separation during static aging conditions.

VEN-GEL™ 413 is effective at relatively low concentrations. It will also provide some secondary emulsification and seepage loss control properties in low to moderate temperatures.

VEN-GEL™ 413 can be used to compound oil muds for drilling, completion, workover and spotting fluid applications and will provide some flexibility in the rheological control of oil muds by providing gel strengths, yield points and suspension properties.

For additional information on VEN-GEL™ 413 or any other Venture Chemicals product, please contact us: TEL: (337) 232-1977 U.S.: 1-800-523-1933 or FAX: (337) 237-5340

THOUGHT TICKLERS



"You can't get rid of poverty by giving people money."

- P.J. O'Rourke

"If you think you're too small to make a difference, you haven't been in bed with a mosquito."

- Anita Roddick

"There is no such thing in anyone's life as an unimportant day."

- Alexander Woollcott

"One of the secrets of life is to make stepping stones out of stumbling blocks."

- Jack Penn

"Courage is contagious. When a brave person takes a stand, the spines of others are stiffened."

- Billy Graham

"Success seems to be largely a matter of hanging on after others have let go."

- William Feather

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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

Segway: Revolutionary transport or just a cool toy?

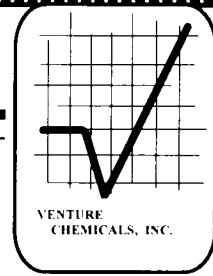
"IT" was heralded by some high-tech luminaries as more revolutionary than the personal computer or the Internet, but is this self-balancing, two-wheeled people mover all that it's cracked up to be? Sir Clive Sinclair, a British inventor says that he anticipates that having to stand on this will tire out some people and that along with the \$3,000 price tag could deter consumers. Skeptics fear it's too slow to be effective in car traffic and too fast to be safe in a pedestrian environment. Most do agree that it is a novel use of technology and could be effective for use by police forces or the post office. The science behind it: Segway contains a unique balancing system as well as a pair of non-emission, highly efficient electric engines. A small gyroscope and a computer system with 10 separate microprocessors monitor changes in the device's orientation. This complex system controls the orientation of the rider platform to keep it, and the rider, upright.

- www.newscientist.com

How low will they go?

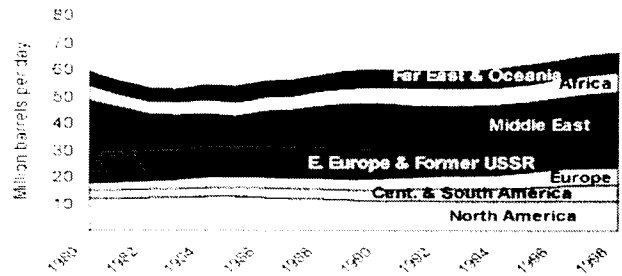
Everyone seems to be wondering just how low gas prices will fall. Apparently if they fall much more in Dayton, Ohion they'll soon be giving it away. Last month two competing grocery stores created traffic jams with an old-fashioned gas war. A few hours after the new Kroger store opened the competing grocer, Meijer dropped it's price. Kroger countered and by 3 p.m. the price was at 42 cents a gallon. By evening, gas was going for a dime a gallon. Lines grew and the police were called to break up fights and maintain traffic flow. The manager at the Meijer station estimated more than 1,000 people took advantage of the prices.

- www.yahoo.com



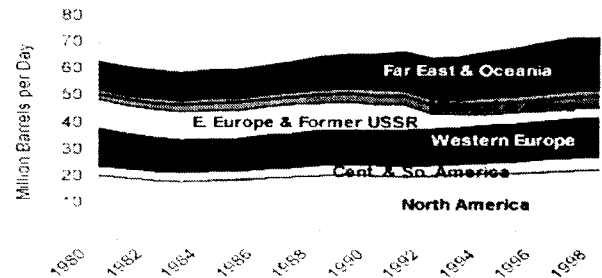
SUPPLY

Regional Crude Oil Production, 1980-98



DEMAND

Global Oil Consumption, 1980-98



- International Energy Annual



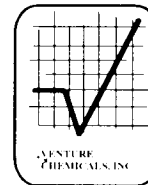
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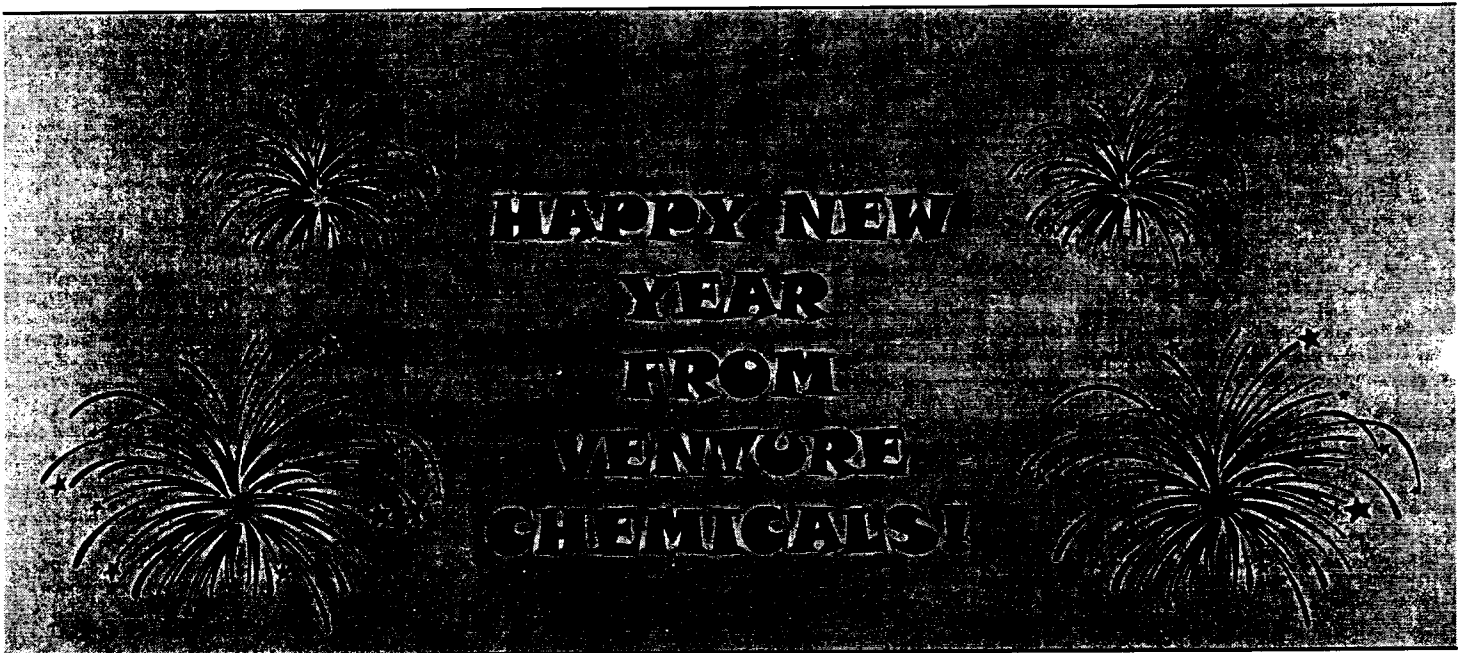


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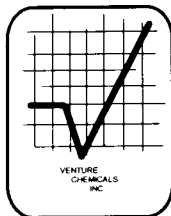
JANUARY 2002

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