

EXECUTIVE VIEWPOINT

SANDY ESSELMONT, PRESIDENT AND CEO, PARKER DRILLING COMPANY



Partnership, innovation are essential to maximizing ESG performance

Let's be clear. Without abundant energy, life on this planet would be pretty dark, cold and desolate. Oil and gas have lifted millions out of poverty in the last 100 years, creating enormous wealth and prosperity—at least for those that have had access to it.

Challenges. Nevertheless, we have a challenge before us like no other in our industry's history. Irrespective of which side of the climate change debate you are on, our planet is getting warmer. The most commonly cited reason for this is the prevalence of greenhouse gases—of which there are many—in our atmosphere. One source of these insulating gases is oil and gas emissions produced during exploration, production and commercial usage. So, what do we do about it? We discuss and find solutions. One side vilifying the other is pointless—we need pragmatic solutions to a real-world problem. The quicker that both sides start working in partnership with mutual understanding and respect, the quicker we will solve this problem.

I believe that most people, whether in the oil and gas industry, environmental movement or the public at large, are somewhat uncertain about where they fall on the spectrum. We hear compelling arguments from both sides and find ourselves somewhere in the middle. It is precisely by appealing to the middle ground that our industry can evolve together in a thoughtful, responsible and practical way. No one wants the dark, cold and desolate planet that fossil fuels mitigate today, but at the same time, none of us wants a hot, violent and inhospitable planet, either.

Finding solutions to this dilemma is necessary. Necessity is the mother of invention, and it is encouraging to see our industry acknowledge the problem and embrace the long-term strategic goals of environmental awareness and corporate social responsibility. Simultaneously, this industry will continue powering the planet while we innovate and find alternative, less-damaging energy solutions. The industry

is on the case, and our efforts made in recent years are important in moving toward a cleaner, more efficient energy industry.

Innovation. Oil and gas companies recognize that they must do things differently and smarter. Green energy does, and will, coexist, as a complement to (not a replacement for) oil and, more importantly, gas for decades to come. Increased efficiency should touch every part of the supply chain. OFS companies and operators are asking, "Is there a better way, a more economical way, a cleaner way to operate our business, to reduce the rate of temperature rise of our planet?" This will take real partnership between service companies and their customers, governments and industry. Let's be intentional about negotiating contracts with incentives, working smarter to get more done with less emissions, digitally enabling operations and recognizing the importance of operational and environmental discipline, and streamlining supply chains. We must always look at alternatives.

The last year brought tremendous change to our world and the industry. Wide variations in energy demand, lockdowns, working from home, efforts to increase efficiency, and workforce mobilization challenges have led all of us to look at how we do things personally and professionally. There is a paradigm shift in our industry, the way we operate, and new opportunities to prioritize sustainability and environmental stewardship.

At Parker Drilling, our customers are innovating and engaging in ESG commitments, and we fully support them. As a global OFS company, we align closely with their priorities and the global community's environmental priorities. Our business is built on understanding our customers' operational needs, ensuring that our processes are in lockstep with them and contributing to their ESG strategies while we engineer our own.

Technologies. Looking ahead, many technologies are gaining prominence, which support our commitment to a

cleaner environment. One important area for Parker Drilling is the growing focus on geothermal energy, a subsurface resource accessed by drilling wells using all of the technologies and know-how developed in oil and gas while minimizing risk and optimizing performance. Another important area is participating in the efficient abandonment of late-life wells to ensure that they present no risk of hydrocarbon leakage to the environment. Our industry constructed these wells, so we are best placed to abandon them safely and permanently.

Carbon Capture and Storage is another area where our wellbore construction expertise comes into play. This is just the start, all positive for the environment and offsetting continued oil and gas drilling through the transition. Our pragmatic approach explores new markets, addresses environmental housekeeping issues in existing markets, keeps the lights and heating on, and powers our world as we transition to cleaner energy.

I believe there is a real commitment to environmental sustainability by both operators and OFS firms. There has to be alignment and consultation between governments and industry to jointly address climate change, and renewable, sustainable, reliable energy in a way that works for everyone. It need not be an all-or-nothing proposition. With our industry's collective financial and operational capability working toward a common goal with global stakeholders, we will figure it out. Our operator customers are best-placed to innovate, develop and execute on technologies and solutions that will continue to power our world and provide a cleaner energy mix. They already have started, and Parker Drilling will support that transition. **WO**

■ SANDY ESSELMONT is President and CEO of Parker Drilling, with more than 37 years of international oil & gas experience in drilling operations, petroleum technology, and executive management, across many regions. Prior to joining Parker, Mr. Esslemont was CEO at Abrado, a company in which he was an original founder. He also served in top executive positions at SensorTran Inc., EXPRO International Group, and ROXAR group. Mr. Esslemont holds a BSc degree in mechanical engineering from Heriot-Watt University, Edinburgh.

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