

Expanding Laterly... ... Vertical To Gooo



Annual Report

2020



Sino Tharwa Drilling Co.

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HR DEPARTMENT

TRAINING:

Covid-19 pandemic has affected the planned training hours for the year of 2020, however & despite of this challenge there is a tangible progress had been noticed in rising SinoTharwa staff awareness.



SinoTharwa Drilling Co.

► OPERATION TRAINING:

Technical operation training is critically important to ensure that all employees have the technical skills needed to perform the job efficiently and smoothly. We provide all technical required knowledge of the theoretical and practical aspects through a group of advanced drilling courses.

Operation Courses	Ac. Hours	Pl. Hours
Down hole problems	126	126
Basic well control	228	228
Stuck pipe prevention	336	336
Rig Mathematics Level 1	108	108
IWCF Course	4,464	4,464
Total Operation Training Hours	5,262	5,262

► ENGINEERING TRAINING

Provide a practical skills and hands-on training through well selected engineering courses where employees are given the opportunity to apply in practice. Our specialized engineering courses are tailored to the needs of the drilling industry.

Engineering Courses	Ac. Hours	Pl. Hours
Rig Power generation system	120	120
Basic Principals Of Hydraulic Systems (BPHS)	144	144
Advanced Hydraulic Systems (AHS)	396	396
Basic Principals Of Pneumatic Systems (BPPS)	306	306
Electrical Motor Control, Operation, Protection, Testing and Maintenance	216	216
Electrical / Instrumentation Installation	378	378
In hazard area and EX Equipment		
Rig SCR Control System	60	60
Fundamentals of Lubrication – Diesel	360	360
Engine Oil – Coolants – Used Oil Analysis		
Total Engine Training Hours	1,980	1,980

► QHSE TRAINING



Sino Tharwa Drilling Co.

Providing health and safety training is mandatory to protect personnel from any health hazards that may be associated with the work.

QHSE Courses	Ac. Hours	Pl. Hours
H2S / Toxic gases and use of breathing devices	228	228
Lifting & Slinging – LEEA	180	180
Integrated HSE Training for ST22	2,838	2,838
Managing Safety (IOSH)	840	840
BOSIET	348	348
FOET	246	246
Man Overboard Boat/Fast Rescue Craft	198	198
Basic Offshore Life Boat Coxswain	90	90
Offshore fire emergency response team member course	108	108
OJT Rig 5	9,744	9,744
Offshore emergency helideck team member	342	342
Offshore fire emergency response team leader course	144	144
Offshore fire emergency response team leader course	36	36
Rigging & Lifting - Offshore	288	288
OJT Rig 29	9,688	9,688
Basic Fire Fighting	258	258
Control of hazardous energies (LOTO)	156	156
Chemical Hazards and Safety Data Sheet - IOSH	600	600
First Aid - Basic	270	270
Scaffolding Erector - STI	378	378
Crane Operator Stage 3	280	280
Gas Testing & Breathing System	468	468
Hazard Recognition (IADC Rig Bass)	276	276
H2S AWARNESS	444	444
Lifting Operation Supv.	1,236	1,236
Hazards Identification & Risk Assessment	180	180
Permit to Work	180	180
HLO	18	18
Working At Height	1,050	1,050
First Aid Practice & Basic Life Support	288	288
ISO 45001 Lead auditor	210	210
Confined Space Entry	1,074	1,074
Rig Bass	594	594
Hazard Recognition (IADC Rig Bass)	60	60
Scaffolding Inspection - STI	324	324
First Aid (Advanced)	204	204
Fire Fighting (Advanced)	288	288
Total QHSE Training Hours	34,154	34,154



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► INTEGRATED QHSE TRAINING PROGRAM:

Safety Workplace is one of the most critical responsibilities of SinoTharwa; accordingly, we provide an Integrated Safety Training Program for all our technical staff with what's required to be updated in regards to the health & safety requirements as they target always to identify their hazard, minimize the risk and control it.



SinoTharwa Drilling Co.

QHSE Courses	Ac. Hours	Pl. Hours
Phase 4	5,940	5,940
Phase 10	5,082	5,082
Total QHSE Training Hours	11,022	11,022

THE INTEGRATED QHSE TRAINING PROGRAM WILL BE CONTINUED IN 2020

Actual Training Hours	52,418
Planned Training Hours	52,418

PERSONNEL:

The personnel division complies with the entire governmental and legal requirements throughout coordination with labor and social insurance offices.

OVERVIEW ON ACTIVITIES OF 2020:

- Monitor and analyze the score of 2020 performance appraisal for all staff.
- Finalizing annual medical exemption of 2020 that related to social insurance authority was saved annually EGP 3,200,000.
- Maintaining the company organization chart to ensure covering all departments needs to face the company new challenges in 2021.

Location	No. of Employees	Location	No. of Employees
St#1	56	Tanmia	64
St#2	53		
St#3	62	St#22	28
	61	St#23	52
St#5	51	St#24	53
St#6	51	JackUp	97
St#7	50	St25	17
St#8	62	St26	43
St#9	59	Algeria Office	2
St#10	51	Integrated Services	16
St#11	63	Head Office	139
St#12	63	Badr Yard	90
St#14	2		



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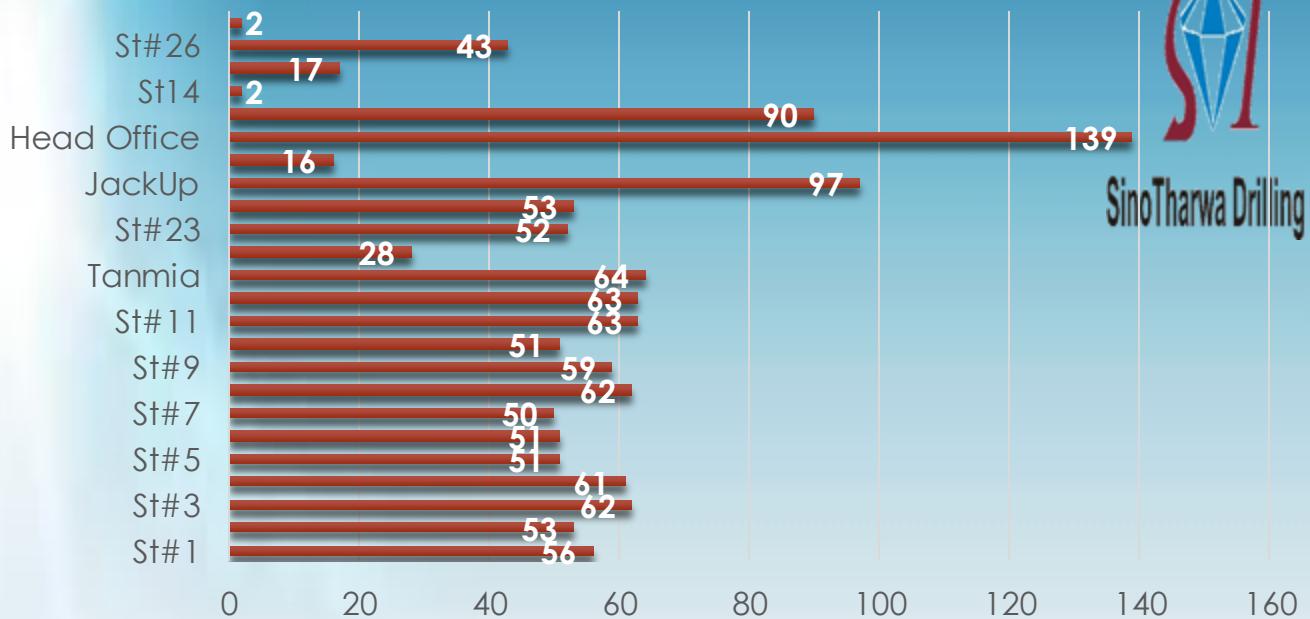


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Manpower Highlight



SinoTharwa Drilling Co.

GENERAL SERVICE:

WORK PERMITS:

Settle the Issuance of 5 work permits for expat employees working in head office & other locations.

BUILDING MAINTENANCE:

Handle the all maintenance activities for company head office building & the Guest house in Badr yard.

GUEST HOUSE AT BADR YARD:

The general services department provide a variety of practices in managing all facilities with high quality for SinoTharwa's Guest House and propose a proper living style to all Sinotharwa employee.

PUBLIC RELATION:

MANAGE TRAVEL ADMINISTRATION:

The Public department organize all the document and reservation for the Chinese expatriate staff, Algeria crew staff, Kuwait office & jack up expatriate staff starting from their country home residence to the rig site &Vice versa.

The public relation department organizes all the documents and reservation for the company working staff Egyptians & Expatriate staff, business trips.



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PROTOCOLS:

Egypt Air contract renewed for the 15th year with the permanent success & cooperation. In the consequence & result of strengthen our relationship with our “partner of Success.

MEETINGS:

Organize Sinotharwa assembly meetings & board meetings during 2020.

EXHIBITION & CONFERENCES:

Expanding our business and interacting in new markets is our target, though we took part in EGYPS 2020 Exhibition with very creative booth reflecting our image, achievement & aims.

FOREIGN AFFAIRS:

KUWAIT PROJECT STAFFING AND HIRING PROGRESS:

SinoTharwa Branch Office has been prepared, furnished and fully equipped to start necessary preparation for Hiring processes completion conforming to Sinotharwa HR code of practice starting with internationally Mobilized candidates (IM) who duly exist in Kuwait or actually have work permit enabling us to abide to the project starting date within the current pandemic circumstances.

We are currently collecting ST nominated crews' required documents for the prior preparation of Kuwait work permit further to their documents ratification processes from the Ministry of foreign Affairs and the Kuwait Embassy.



QHSE DEPARTMENT

" Achieve Excellence , Growing Responsibility and Empowering Our people "



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FOREWORD

Welcome to Sinotharwa Quality, Health, Safety and environment protection – 2020 annual report, it includes actual facts and results of Sinotharwa QHSE department performance during the year 2020.

Also presenting a summary of the most important safety programs that Sinotharwa was keen to implement in 2020 with the direct sponsorship and support of the company Chairman, in order to continuously **IMPROVE** performance levels and provide a safe work environment and protect the environment.

QHSE MISSION AND BELIEVES

MISSION:

- Providing the full support to enhance the company QHSE programs.
- Encouraging workforce to effectively participate in the implementation of QHSE applications.
- Prevention of occupationally – induced injuries and illness.
- Ensure that 100% of mechanical and physical hazards' controls required for personnel safety are provided.
- Ensure that all types of controls are 100% available and maintained in compliance with all applicable standards.
- 100% compliance with all applicable standards, codes, guidelines and country QHSE laws and regulations.

BELIEVES

- All Injuries, occupational illness & environmental impacts are preventable.
- No task is so important to be performed in unsafe manner.
- All hazards can be identified and their risks can be reasonably managed.
- Everyone has a responsibility towards safety and health of himself and others.
- QHSE continuous improvement programs is a non-stop process.



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CHALLENGES

2020 was an extraordinary and eventful chapter in the history of the company, as we faced a lot of market changes, the most important of which was the emergence and spread of the COVID 19 virus and its negative impact on the work environment, as well as the global trend to reduce costs without any impact on our main values, safety and the quality of our services.



SinoTharwa Drilling Co.

Under all these circumstances, Sinotharwa Company strived to develop and implement its business plan, one of its main objectives was the integrated focus on permanent development and work more efficiency and sustainability to overcome this difficult stage successfully.

SAFETY LEADERSHIP VISIT PROGRAM

This program implemented in order to promote visible safety leadership and effective safety conversations at site level

Listen, Learn and Engage

Safety Leadership Visits focus on getting senior leaders to step away from their desk to make regular visits to different worksites to talk directly with the people on the tools about the safety issues that relate directly to them - because strong safety leaders do not rely on assurances from others that all is fine - they go and find out for themselves.



During the year 2020, Mr. Chairman and company directors visited the company's various sites (more than 20 visits, Mr. Chairman participated in 80% of these visits), they did this because they wanted to listen and learn from the people who work on these sites day-in day-out, and to engage directly with them in a meaningful conversation about safety.

LIFESAVING RULES PROGRAM

Sinotharwa Life Saving Rules/Consequence management procedure has been published covering expectations, intervention, reporting, investigation and how to apply consequence matrix.

Awareness sessions started in all fields to familiarize employees with new procedures.

HSE induction has been updated to ensure that Life Saving Rules is essential part of induction training in all fields.

Life Saving Rules have been added to task risk assessment form to be discussed and identified to all jobs through daily permit to working meeting which attended by all responsible parties.



Life Saving Rules have been added to toolbox talk form to remind talk leader to highlight the Lifesaving Rules which related to the activities during pre-job safety meeting at workplace.

AWARENESS PROGRAMS & CAMPAIGNS

One of the most important concerns of the top management of SinoTharwa in 2020 is launching many awareness campaigns in the field of quality, health, safety and environment protection under the patronage of the company chairman personally in order to develop the safety culture of the company. ST management is continuously raising awareness of potential risks and preventive measures that must be followed to safely complete work on the following topics:

1. HAZID (hazard identification), is a high-level, systematic study of process hazards in order to identify hazards and problem areas associated, system, operation, design and maintenance.



2. Power isolation and Permit To Work System (PTW) - To explain the importance of the power isolation task and permit-to-work as a documented procedure that authorizes certain people to carry out specific work within a specified time frame and sets out the precautions required to complete the work safely, based on a risk assessment.



3. Bypassing Safety Controls (BSC) - “Bypassing is any action which prevent control or protection device from being activated and there will be increased risk during the time the bypass/override is applied” as a one of the nine lifesaving rules.

AWARENESS PROGRAMS & CAMPAIGNS

4. Confined Space Entry and Gas test risks- Highlight the importance of applying safety procedures and rules "Before, During And After" entering closed spaces when needed, and the importance of conducting a measurement test for gases - especially hydrogen sulfide gas (H₂S) - and monitoring gas measurements correctly and continuously during the work.



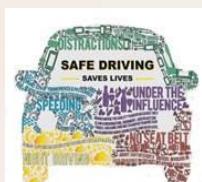
5. Awareness of the seriousness of the Coronavirus (Covid-19) - Focusing on the preventive measures that must be implemented according to the instructions of (the World Health Organization, Egyptian General Petroleum Corporation, E - Gas and Sinotharwa procedures) regarding the dangers of this virus and how to prevent and protect ourselves and those around us from infection with this virus.



6. Hand Protection - Learn basic and advanced safety practices that help prevent hand injuries, which are among the internationally common injuries in the oil and gas industry.



7-line of fire - focusing on the three mechanisms of injuries by industry standards and will be as following:
“STRIKING HAZARDS - STORED ENERGY - CRUSHING HAZARDS”



8. Safe driving - Focusing on preventive safety measures that must be implemented (before, during and after the trip) - to prevent and reduce road accidents that may result in simple or serious injuries and may reach to fatalities, as an inevitable consequence of non-compliance with road safety rules.



9. SAFE LIFTING OPERATION - focusing on the impact and risks that need to be managed of lifting and hoisting operations.



10. WORKING AT HEIGHT - To highlight one major cause for concern at work "falling from heights" it's one of the top 3 contributors for workplace fatalities and major injuries as per international injuries statistics.

AWARENESS PROGRAMS & CAMPAIGNS

In addition to the above, the company's policy of stop work authority has been applied to stop any unsafe work, which is a right guaranteed to all employees under the direct care of the company's chairman.



SinoTharwa Drilling Co.



Gamal El Kairawi
General

ABOUT SINOThARWA INTEGRATED QHSE – MS “PRINCIPLES”

What the meaning of Sinotharwa integrated management system?

- Sinotharwa Integrated Management System (IMS) combines all aspects of an organization's systems, processes and Standards (ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015) into one smart system.
- This merger allows our business to streamline its management, save time and increase efficiency by addressing all elements of the management system as a whole.

Integration is now seamless thanks to the high-level of our organization structure. which makes it much easier to see the similarities and shared processes of each Standard.

The company's management is always interested in developing and improving the ST QHSE - MS system continuously to achieve the following principles:

1. Establish the key principles to practice safe operation 24/7 at our business,
2. Monitor the performance and processes of safety risks and the effectiveness of risk management in line with international standards,
3. Providing a safe work environment for all employees (ST employees, ST contractor, service companies representatives and client representatives) of the company's various sites,
4. Complying with legal and other legal requirement, international standard, EGPC and E-Gas work instructions.
5. Achieving the highest levels of customer satisfaction.

Our approach to manage operational risk safely builds on our experience, including learning from incidents, Audits and from sharing lessons learned with our industry peers.

WORK INJURY STATISTICS



SinoTharwa Drilling Co.

In 2020 - the results of the accidents and injuries statistics confirmed that it is the best year compared to previous years - especially 2019, as it tends to decrease in the rates and severity of recordable accidents but still didn't meet our expectations to reach the required target to operate with zero incident rate.

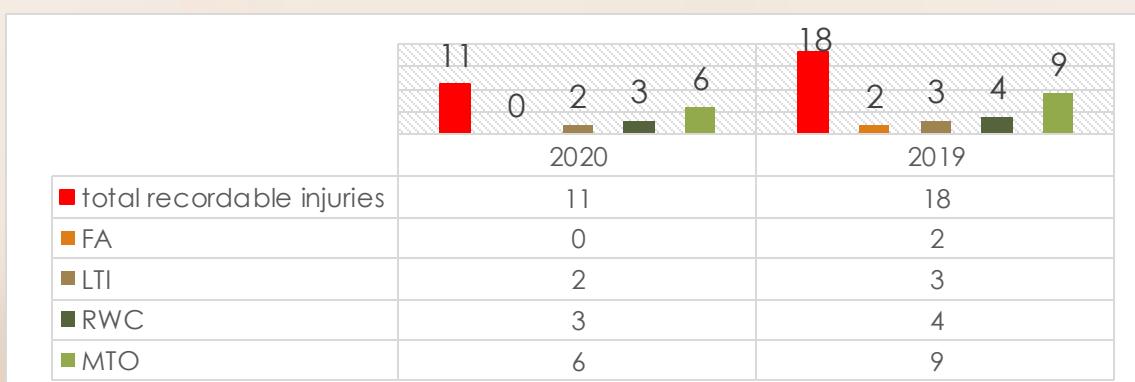
What was achieved at 2020 that there are no fatalities recorded nor partial disabilities to Sinotharwa staff or third parties and that reflects the realization of our crew members toward their own safety and transmittal of lessons learned from previous incidents.

2020 is planned to include new level of awareness for company employees & contractors in identifying and controlling the work places hazards and to be a real stepping forward toward one of the company's main targets which is "no harm" to people, assets and/or environment.

- 1) The total recordable injuries during 2020 were **ELEVEN** cases through the amount of **4217446** working hours.
- 2) **ZERO** (Fatality incident - FI) during the whole year of 2020.
- 3) **TWO** (Lost Time Incident - LTI) have been occurred during the whole year of 2020
- 4) **THREE** (Restricted Work Cases – RWC) happened during 2020, required medical services according to physician instructions.
- 5) **SIX** (Medical Treatment Cases – MTO) during 2020 including cases required some rest hours to return back to the normal duties and were handled by rig physicians at time.

SINOTHARWA INCIDENT STATISTICS

I. TOTAL RECORDABLE CASES 2020 Vs 2019



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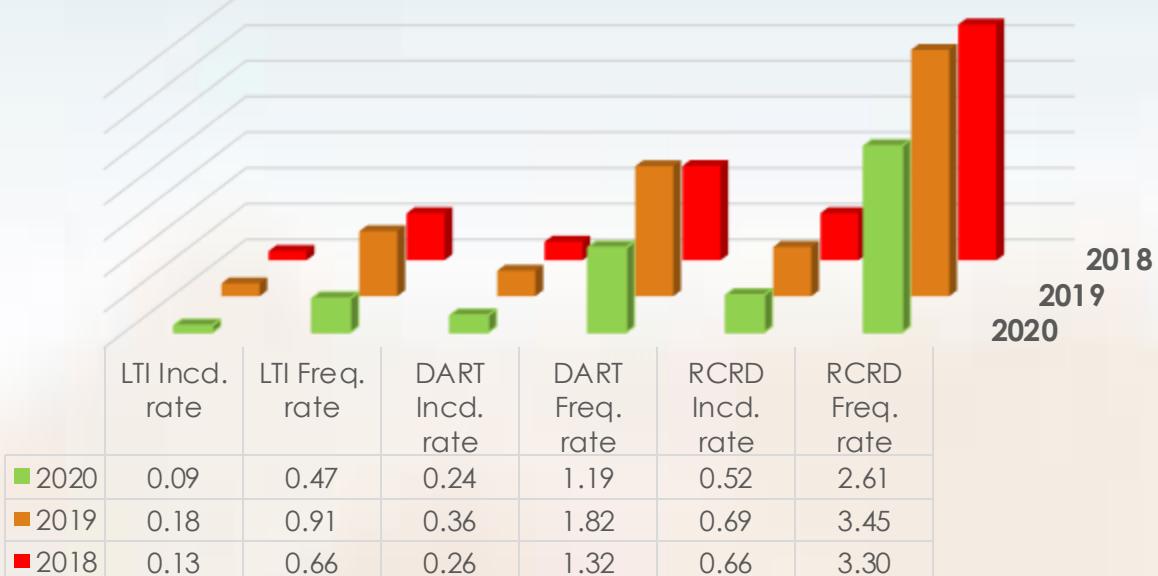
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II-Sinotharwa 2020 Accident / Incident rates VS 2019 and 2018

MTO=Medical Treatment Only	INCD = Incidence Rate (200,000 man-hours):	LTI INCD Rate = (LTI s+ FTLs) * 200000 / Total Man-hours DART INCD Rate = (RWC + LTI + FTL) * 200000 / Total Man-hours RCRD INCD Rate = (MTOs + RWCs + LTIs + FTLs) * 200000 / Total Man-hours
RWC = Restricted Work Case		
LTI = Lost Time Incident	FREQ = Frequency Rate	LTI FREQ Rate = (LTI s+ FTLs) * 1000000 / Total Man-hours DART FREQ Rate = (RWC + LTI + FTL) * 1000000 / Total Man-hours RCRD FREQ Rate = (MTOs + RWCs + LTIs + FTLs) * 1000000 / Total Man-hours
FTL = Fatalities	Rate (1,000,000 man-hours):	
RCRD = Total Recordables		DART = Days Away (LTI) cases + Restricted Work/Transfer Cases

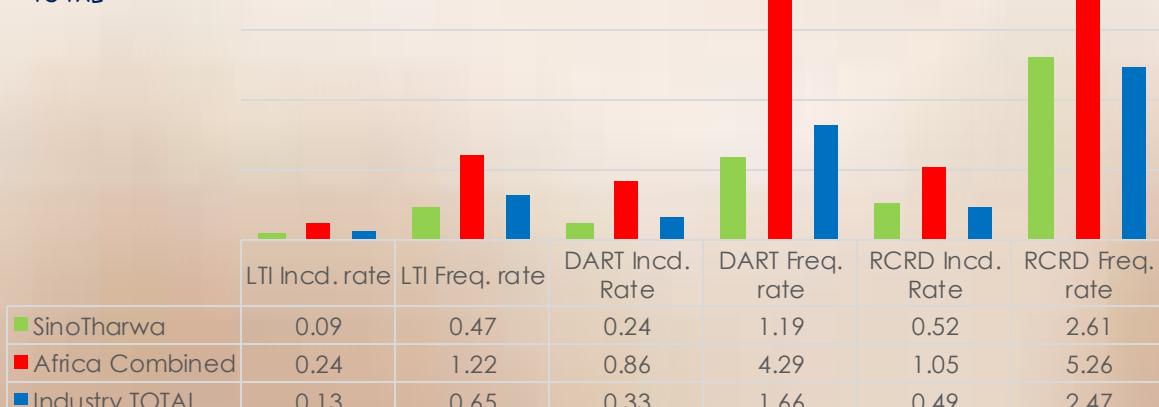
III. ST 2020 RATES VS AFRICA COMBINED & INDUSTRY TOTAL “UP-TO the 3rd QUARTER of 2020”

■ 2020 ■ 2019
■ 2018



■ Sino Tharwa

■ Africa Combined
■ Industry TOTAL



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MOTOR VEHICLE ACCIDENTS RATE ALONG SINOThARWA YEARS - (MVAR)



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Since the establishment of Sinotharwa in 2005, the company management aims to prevent or at least reduce the number of our employees affected by road accidents by taking all precautions and applying all mandatory measures, including improving road safety education and monitoring the movement of our fleet.

Today, in cooperation with the transportation department, we have the ability to monitor owned vehicles and also contractors' vehicles in all work locations, as 80% of used vehicles are subject to speed control through in vehicles monitoring System (IVMS), which has affected positively the decrease in our road accident rates, which have become zero road accidents - it's wonderful record when compared to previous years.

This achievement shows how our drivers got the lesson well from our previous dramatic history and changed their way of thinking to return back to their family safely.

Year To date Vehicle Statistics	
Total Kilometers	Total Accidents
2953614	0

Below graph shows the company (to date) the decreasing motor vehicles accident rates the past five years and especially during 2020

$MVAR = \text{Cases} * 1000000 / \text{KMD}$

MOTOR VEHICLE ACCIDENTS



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INTERNAL AUDITING

Sinotharwa is interested in applying audit programs and inspection surveys regularly and effectively because it is an important indicator for identifying the main proactive measures related to the performance monitoring process, which largely provides clear inputs for corrective actions and appropriate review processes.



In the context of implementing internal audits more effectively and on a regular basis to monitor the proper implementation of the QHSE -MS system, Sinotharwa has adopted a new approach in internal auditing processes "loss prevention program - LPP" -reported to the Chairman directly - to discover and identify any deficiencies and suggest corrective and / or preventive measures.

For further clarification, it should be known that the main role of the company's audit team is not only to record observations, findings and non-conformities, but rather extends to close monitoring and repeated follow-up until 100% compliance by verifying and ensuring that all required corrective actions in progress or actually done - to achieve full compliance with SinoTharwa's quality policy - The following chart shows the LPP records through 2020.

LOSS PREVENTION PROGRAM "LPP" RECORDS

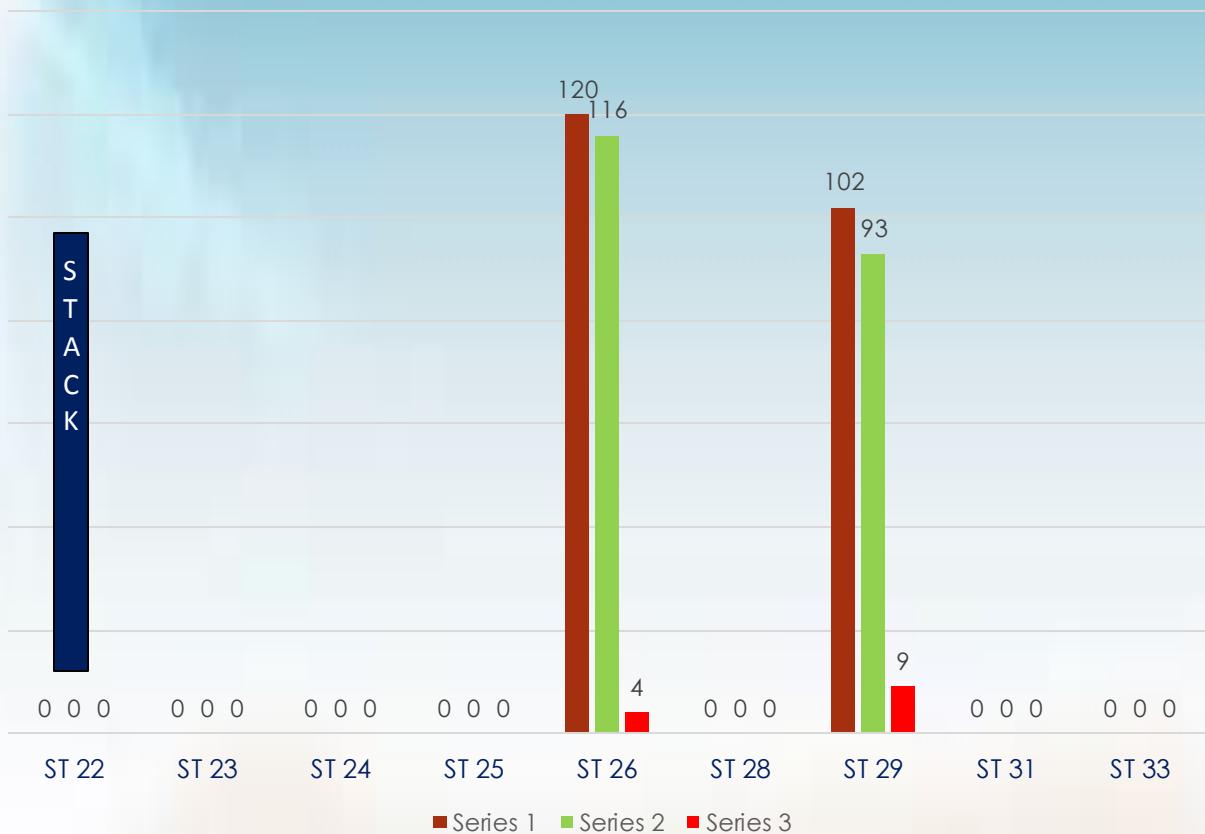
A. DRILLING RIGS



A. WORKOVER RIGS



SinoTharwa Drilling Co.



CONTRACTORS MANAGEMENT

The contractor management process at SinoTharwa is carried out according to the contractor management procedures that have been established in order to ensure that all parties that perform services on behalf of the company, including contractors, vendors, etc. Sufficiently qualified and able to handle company requirements in an efficient and professional manner.

Also it was found mandatory to ensure that all service providers especially those handling transportation, heavy lifts, inspections, Testing & calibrations contractors are fully aware by the company QHSE policies, standards and general requirements that are relevant to the scope of every service been introduced through conducting periodical meetings in the attendance of the company top management which also transfers a clear message of leadership and commitment to all QHSE related issues. These sorts of meetings were found very important in addressing services non-conformities, actions required to prevent re-occurrence and improvement aids as well.



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► CONTRACTORS ASSESSMENTS RECORD (PRE-CONTRACTING)



► DOCUMENTS CONTROL

Sinotharwa company dealt differently with the document control division and gave it more attention in order to establish an integrated system to control the company's documents through (electronic library) to collect, track and facilitate obtaining soft copy of (Manufacturing certification for all rigs equipment, user manuals, equipment spare parts manuals, QHSE manuals and forms, employees training certificates, new spare parts certificates,.....etc.). It is worth noting that the ISO 9001:2015 external audit team praised the quality of document control system.

The company's plan in the coming years is to develop this system to be easier, more comprehensive, and contain more international standards and references in the oil and gas industry.



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► ENVIRONMENTAL PROTECTION

Environmental protection is a common concern around the world, especially in the oil and gas industry, to minimize potential negative impacts that may occur as a result of drilling and workover operations at (onshore / offshore) rigs.

Therefore, Sinotharwa's top management always seeks a continuous commitment to promoting the culture of environmental protection, working in a clean environment free of pollutants and reducing the environmental footprint as much as possible for our operations.

From this standpoint, we were keen on the following:

- ✓ Monitor environmental measurements such as (environmental emissions - light intensity - noise level ... etc.) to ensure that they are within the permissible limits and include them in the monthly and annual performance evaluation criteria.
- ✓ Implementing waste management procedures in all Sinotharwa work sites, whether hazardous or non-hazardous waste.
- ✓ Monitor and control any oil, diesel and chemicals spills on-site.
- ✓ Contracting with the legally authorized entities to collect and treat waste (industrial / non-industrial / biological / medical) - to ensure the safe disposal of waste without any negative impact on the environment.
- ✓ Success in passing the annual external audit to renew the ISO 14001:2015 certificate, which was obtained for the first time in 2000 - without registering any non-conformities.

the

The environmental events that were highlighted during year 2020 at the company's various sites:

- ✓ World Water Day in March 2020.
- ✓ Earth Day in May 2020.



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SinoTharwa Drilling Co.

► **CLIENTS' SATISFACTION**

Our valuable clients' are partners of our success and since the first days of operations Sinotharwa drilling company decided to compete in the market as a high quality drilling & workover service provider, that's why a special care was introduced to our clients through the effective application of various programs dedicated for clients' communication, complaints' recording, feedbacks analysis as a way to reach complete satisfaction.

Although the year 2020 was full of challenges and difficulties, however, we were able to fulfill the expectations of our valued customers by nearly 90%. This record was achieved by allocating our resources to provide the best products / services, knowledgeable staff, and executive management.

The results of our customer satisfaction survey included many constructive comments that were sent immediately to Mr. Chairman' office, to set and develop our business plans in order to achieve maximum levels of customer satisfaction and to ensure the continuous improvement of our company's performance during 2021.





SinoTharwa Drilling Co.

2020 ACHIEVEMENTS & AWARDS

Sinotharwa drilling company been awarded by the following international certificates after passing the external audit during 2020:

1. Upgrading the OHSAS 18001: 2007 Occupational Health and Safety Certificate by obtaining ISO 45001: 2018 certification with zero non-conformities.
2. Passing the surveillance audit of ISO 14001:2015 certification regarding the environmental management system with zero non-conformities score which reflects the company full commitment towards environmental protection.
3. Passing surveillance audit of ISO 9001:2015 certification regarding the quality system with zero non-conformities.



All of these certificates were awarded to Sinotharwa drilling company with zero non-conformity recorded, reflecting the company's commitment to fully comply with all applicable international standards, as well as achieving our goal of working in a clean environment and protecting the environment from any pollutants related to oil and gas industry.



OPERATIONS DEPARTMENT



SinoTharwa Drilling Co.

Our Mission

- We will be our customers' trusted partner and their preferred solution provider.
- We will conduct our operations in an *incident-free* workplace, all the time, everywhere.
- Our people's passion and commitment to overcoming challenges will be our trademark.
- We will deliver outstanding value to our customers, our employees, and our shareholders.

Our Business Strategy

Our business strategy is to focus our company on modern up to date drilling units with our main focus on onshore and offshore operations. We believe that we have one of the most modern fleets in the industry and by combining quality assets and experienced and skilled employees we will be able to provide our customers with safe and effective operations, and establish, develop and maintain a position as a preferred provider of drilling services for our customers, that combination will facilitate the procurement of term contracts and premium daily rates.

We have grown our Company significantly since its incorporation in 2005 and have strong ambitions to continue our growth, the combination of term contracts and quality assets will provide us with the opportunity to obtain debt financing for such growth, and allow us to increase the return on our invested equity.

The key elements in our strategy are as follows:

1. Commitment to provide customers with safe and effective operations
2. Combine high-Tech and advanced drilling units with experienced and skilled employees;
3. Continue to develop our fleet with onshore & offshore rigs; and
4. Develop our strong position in the offshore drilling in both deep & shallow waters as well as onshore areas.
5. Support our rig fleet by most modern and advanced mud logging units as a new service provider.



SinoTharwa Drilling Co.

Sinotharwa Rigs Fleet:

1. Sinotharwa rigs fleet:

A. Land Drilling Rigs:

Rig	Manufacturer	Year of Built	HP	Max. Drilling Depth W/5" DP, ft.	Top drive	Operator	Location, Field	Status
ST-1	Lanzhou, China	2002	2000	20,000	Available	EL-wastani	Kafr Elsheikh	Active
ST-2	Bomco, China	2001	1500	16,000	Available	Norpetco	Karama	Active
ST-3	Bomco, China	2006	2000	20,000	Available	Petrobel	Abuрудies	Not Active
ST-4	Bomco, China	2007	2000	20,000	Available	GPC	Ras Gharib	Active
ST-5	Bomco, China	2007	1500	16,000	Available	Agiba	Meleihha	Not Active
ST-6	Bomco, China	2007	1500	16,000	Available	Borg El Arab	Abu Sennan	Not Active
ST-7	Bomco, China	2008	1000	12,000	Available	Not Yet	Badr yard	Not Active
ST-8	EPHH	2008	1500	16,000	Available	GPC	Abu Sennan	Not Active
ST-9	EPHH	2007	2000	20,000	Available	GPC	Ras Gharib	Active
ST-10	EPHH	2008	1500	16,000	Available	Petrosennan	Active	Not Active
ST-11	Bomco, China	2008	2000	20,000	Available	Petroshahd	Shahd	Not Active
ST-12	Bomco, China	2008	2000	20,000	Available	Elwaha	Karama	Not Active
Tan-1	EPHH	2011	1500	16,000	Available	Norpetco	Karama	Not Active
ST-14	EPHH	2014	1500	16,000	Available	GTIM, Algeria	Adrar	Not Active
ST-15	EPHH	2014	1500	16,000	Available	GTIM, Algeria	Adrar	Not Active
ST-16	Bomco, China	2014	2000	20,000	Available	Not Yet	-	Not Active



Sinotharwa Rigs Fleet:

B. Land Work over Rigs:

Rig	Manufacturer	Year of Built	HP	Max. Work over Depth W/3.5" DP, ft	Operator	Location, Field	Status
ST-21	SJ Petroleum , China	2006	650	12,000	-	-	Not Active
ST-22	SJ Petroleum , China	2007	650	12,000	Norpetco	Karama	Active
ST-23	SJ Petroleum , China	2007	650	12,000	Petrobel	Abu Rudies	Not Active
ST-24	SJ Petroleum , China	2008	650	12,000	Petro Amir	Gabl elziat	Not Active
ST-25	SJ Petroleum , China	2014	650	12,000	Khalda	El Salam	Not Active
ST-26	SJ Petroleum , China	2014	650	12,000	Petrobel	Abu Rudies	Active
ST-27	SJ Petroleum , China	2016	650	12,000	Not Yet	-	Not Active
ST-28	SJ Petroleum , China	2016	550	10,000	EL-wastani	Kafr Elsheikh	Active
ST-29	SJ Petroleum , China	2016	550	10,000	Agiba	Meleihha	Active

C. Land Work over pulling units:

Rig	Manufacturer	Year of Built	HP	Max. Drilling Depth W/5" DP, ft	Operator	Location, Field	Status
ST-30	SJ Petroleum , China	2016	550	5,000	Not Yet	-	Not Active
ST-31	SJ Petroleum , China	2016	550	5,000	Qarun	Karama	Not Active
ST-32	SJ Petroleum , China	2016	550	5,000	Not Yet	-	Not Active
ST-33	SJ Petroleum , China	2016	550	5,000	Not Yet	-	Not Active
ST-34	SJ Petroleum , China	2016	550	5,000	Not Yet	-	Not Active
ST-35	SJ Petroleum , China	2016	550	5,000	Not Yet	-	Not Active
ST-36	SJ Petroleum , China	2016	550	5,000	Not Yet	-	Not Active



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D. Offshore Drilling Rigs:

Rig	Builder	Year of Built	HP	Max.Drilling Depth, ft	Max.water Depth, ft	Operator	Location	Status
ST Bahari-1 Jack Up	Dalian Shipping Offshore Co .LTD, China	2010	3200	30,000	400	Gupco	Ras shoker	Active

Fleet Development:

The following table summarizes the development of our active fleet of drilling based on the dates when the units began operations:

Unit type	Land Rigs						Offshore Rigs	Total
	2000 HP	1500 HP	1000 HP	650 HP	550 HP	Pulling units		
2005	1	-	-	-	-	-	-	1
2006	-	1	-	-	-	-	-	1
2007	2	-	-	2	-	-	-	4
2008	2	4	1	2	-	-	-	9
2009	1	-	-	-	-	-	-	1
2010	-	-	-	-	-	-	-	-
2011	-	1	-	-	-	-	1	2
2012	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-
2014	1	2	-	2	-	-	-	5
2015	-	-	-	-	-	-	-	-
2016	-	-	-	1	2	7	-	10
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
Total	7	8	1	7	2	7	1	33

Total 33 Rigs.



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Factors Affecting our Results of Operations:

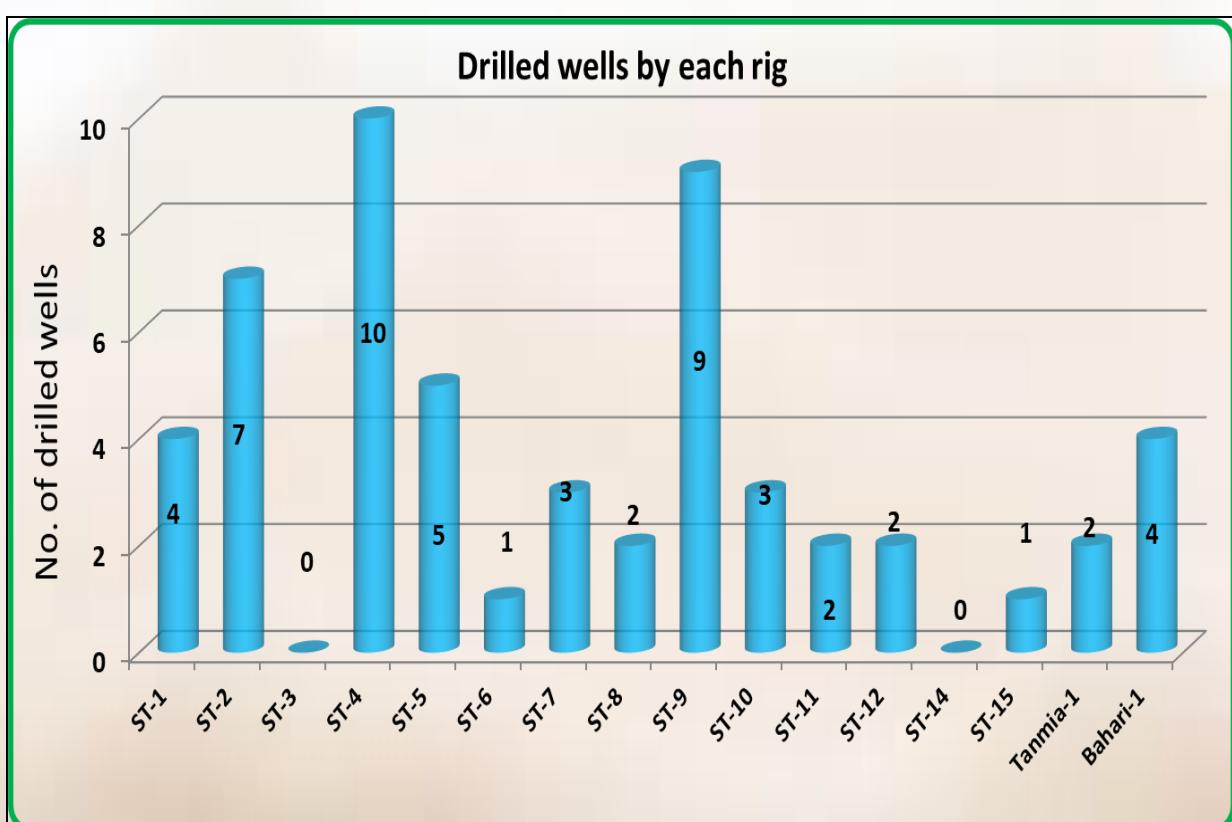
The principal factors which have affected our results since 2005 and are expected to affect our future results of operations and financial position include:

- 1- The number and availability of our drilling units.
- 2- The daily rates obtainable for our drilling units.
- 3- The daily operating expenses of our drilling units.
- 4- Administrative expenses.
- 5- Loans Interest and other financial items.

2020 Strategic Measurements.

In 2020 the following actions, among others, were the direct result of implementing our strategy: -

- 1- Average rigs utility (Excluding move & maintenance time) 98.57 %.
- 2- Average rigs utility (Including move time only) 91.08 %.
- 3- Average rigs utility (Including move & maintenance time) 85.83 %.
- 4- Total working (operating) days: 4160.3 days.
- 5- Total drilled wells during 2020 : 55 wells.



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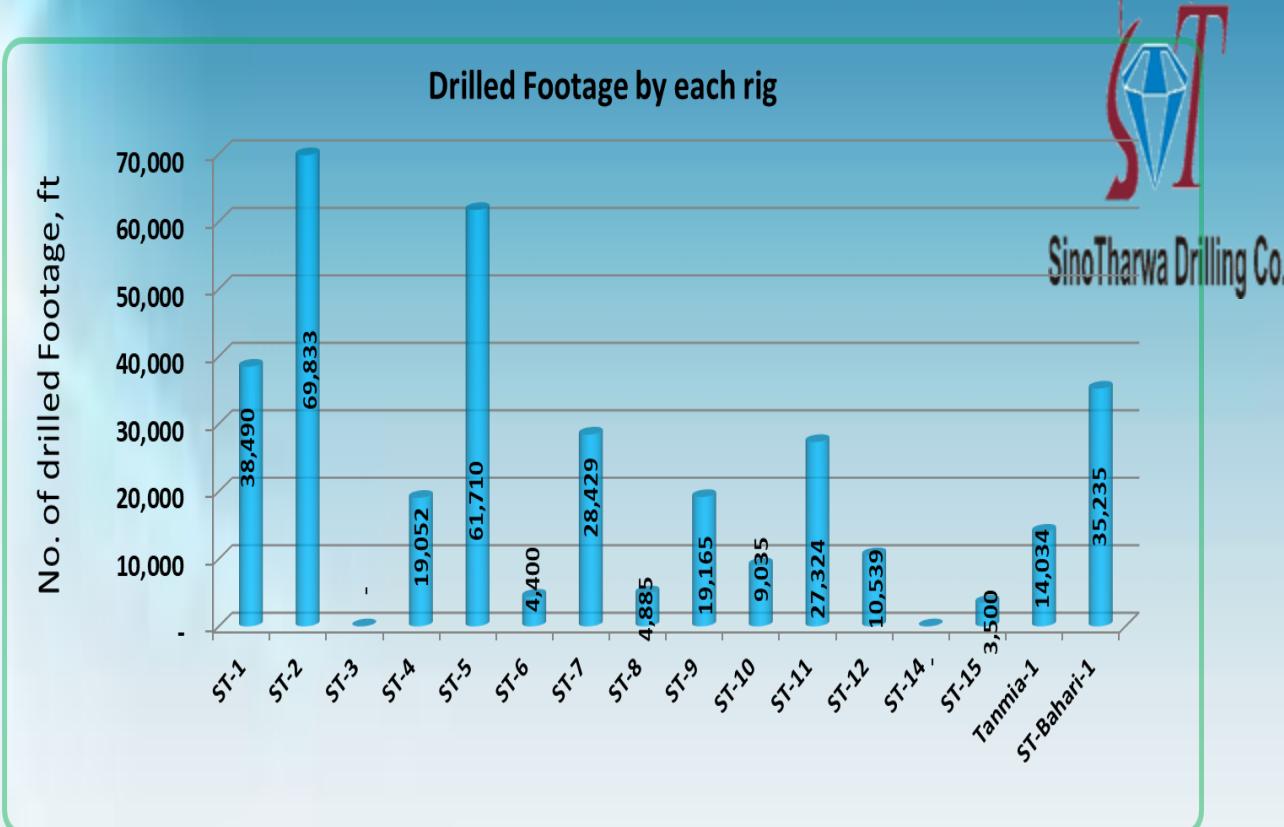


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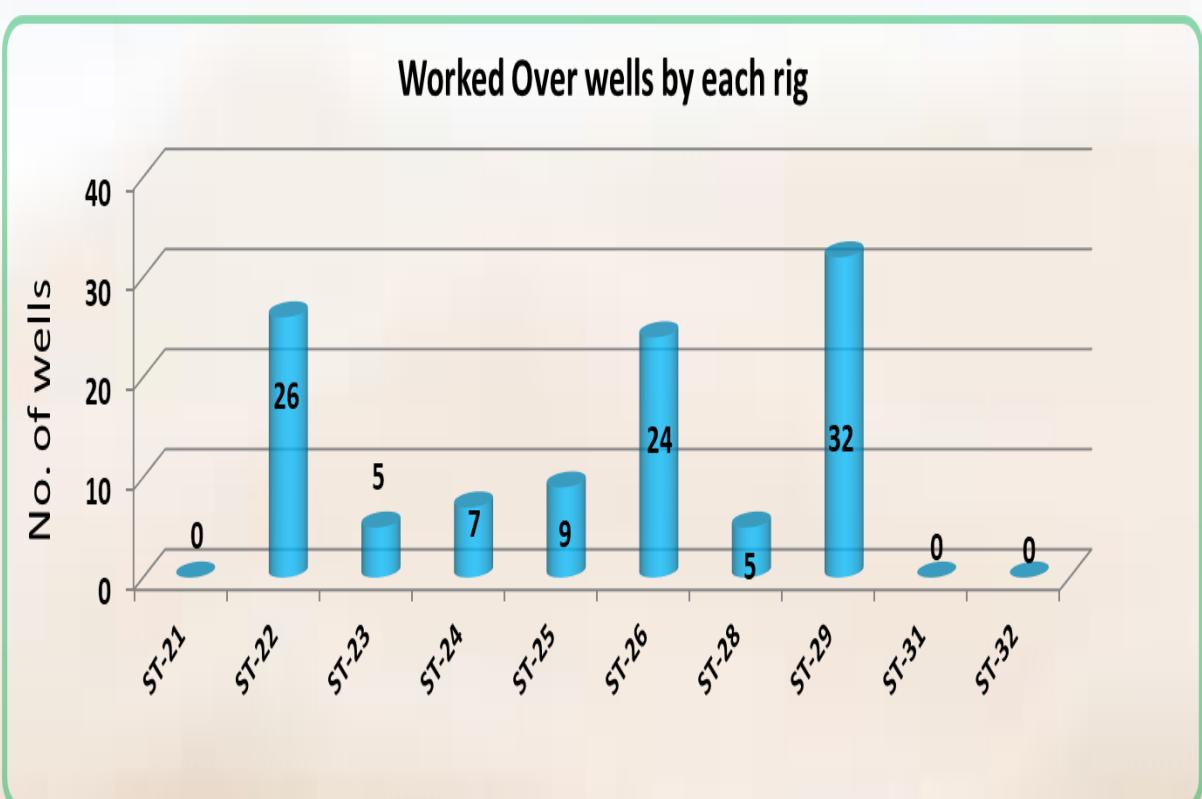


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6-Total drilled footage during 2020 :345,631 ft.



7-Total work over wells during 2020 = 108 wells.



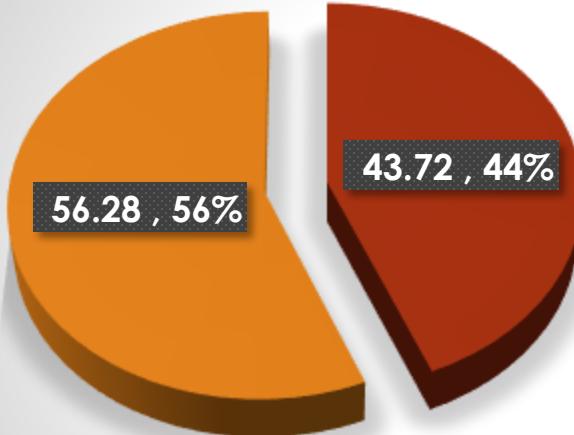
8-Provide training in a wide range of drill rig operations and procedures.

Operating time VS stack time during 2020:

- Total Stacking time = 5355.64 days.
- Operation time = 4160.36 days.
- Total time = 9516 days
- Stacking time / Total time = 56.28 %



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Stack time VS

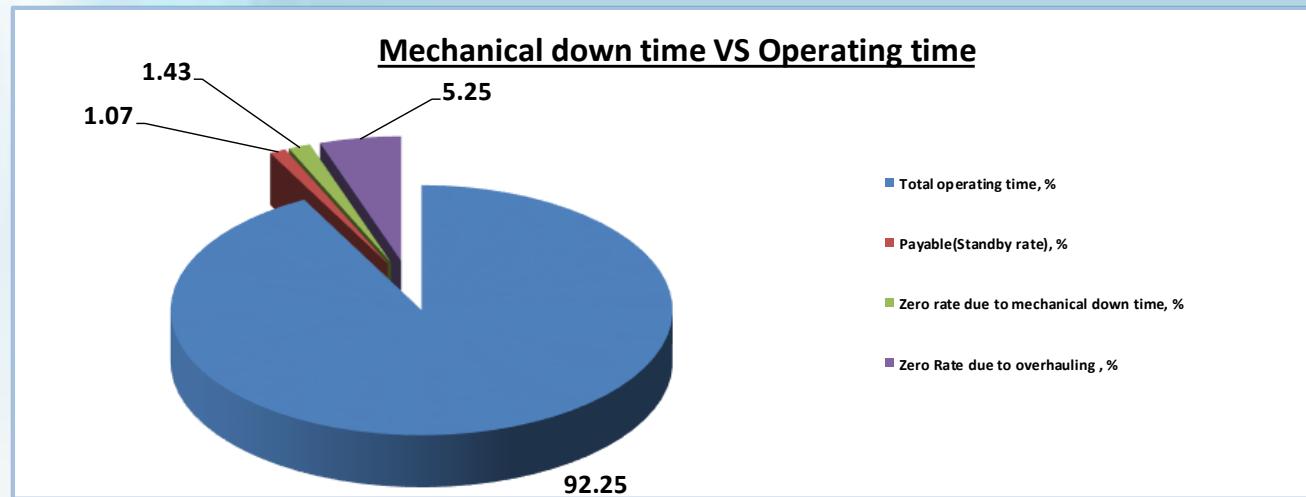
2020 Rigs Utilities:

Rig	Work periods , days	Rig utility		Repair time %	Rig move time with Zero rate %	No. of rig moves	Average move day/move
		Including move time %	Excluding move time %				
ST-1	89	94.01	99.79	0.21	5.78	4	7.29
ST-2	290	75.87	83.01	16.99	7.14	7	8.96
ST-3	0	0	0	0	0	0	0
ST-4	366	83.69	88.80	11.20	5.11	10	7.87
ST-5	357	76.20	80.71	19.29	4.51	5	9.22
ST-6	108	95.21	95.21	4.79	0.00	1	6.00
ST-7	118	82.33	98.48	1.52	16.15	3	12.35
ST-8	124	76.78	93.54	6.46	16.76	2	16.38
ST-9	366	85.85	95.08	4.92	9.23	9	9.75
ST-10	154	87.74	93.24	6.76	5.50	3	8.82
ST-11	157	90.68	95.44	4.56	4.76	2	9.73
ST-12	107	94.07	96.22	3.78	2.14	2	7.15
Tanmia-1	102	99.47	99.47	0.53	0	2	6.00
ST-14	0	0	0	0	0	0	0
ST-15	88	97.41	100	0	2.59	1	8.28
ST-21	0	0	0	0	0.00	0	0
ST-22	253	86.43	100	0	13.57	26	2.32
ST-23	90	88.13	100	0	11.88	5	3.14
ST-24	35	98.61	100.00	0.00	1.39	7	1.07
ST-25	173	76.34	84.27	15.73	7.94	9	2.52
ST-26	366	88.01	97.92	2.08	9.90	24	2.51
ST-28	192	87.45	97.22	2.78	9.77	5	4.59
ST-29	306	85.62	99.45	0.55	13.83	32	2.32
ST-31	0	0	0	0	0	0	0
ST-32	0	0	0	0	0	0	0
ST-Bahari-1	321	93.19	93.19	6.81	0	4	6

Mechanical down time VS operating time in all Sinotharwa rigs:



Total Time, hrs.	Total Operating time, hrs.	Total repair time, hrs	Payable (stand by rate), hrs.	Zero rate due to mechanical down time, %	Zero Rate due to Overhauling, %
99,848.50	92,105.25	7,743.25	1,070.25	1,432.50	5,240.50
	92.25%	7.75%	1.07 %	1.43 %	5.25 %

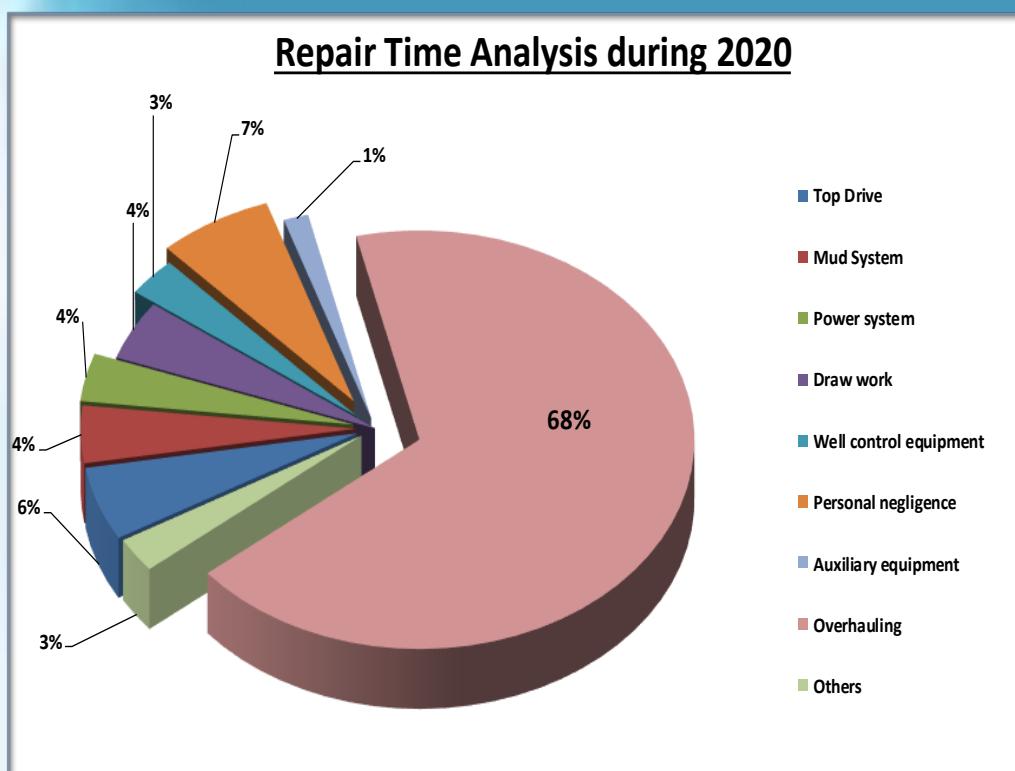


Time analysis during 2020:

Rig	Top Drive	Mud System	Power System	Draw works	Well Cont. Equipment	Personnel Negligence	Auxiliary equipment	Overhauling	Others	Total
ST-1	0	6	3.5	0	3.5	0	0	0	8.5	21.5
ST-2	29.5	6	31	72	87.5	521	17	420	68	1252
ST-3	0	0	0	0	0	0	0	0	0	0
ST-4	80	35	29	1	6	2	7	963	28.5	1151.5
ST-5	114	67	8.5	50	62	0	9.5	1515.5	1	1827.5
ST-6	44.5	40.5	84.5	15	0	0	5	0	2	191.5
ST-7	42.5	11.5	5	4	3	0	2.5	24	0	92.5
ST-8	0	7	0	0	0	0	2	192	5	206
ST-9	6	30.5	15.5	0	1	1	14	432	13	513
ST-10	4	48	14.5	45	0	0	6	216	15	348.5
ST-11	78	7	23.5	0	30.5	0	11	72	0	222
ST-12	6	56	0	4	2.5	0	14.5	0	60	143
ST-14	0	0	0	0	0	0	0	0	0	0
ST-15	6.75	0	0.5	0	0	0	4	0	0	11.25
Tanmia -1	20	6	3.5	25.5	4	0	1	0	1	61
Bahari-1	5	5	2	110.5	9	0	3	439	0	573.5
ST-21	0	0	0	0	0	0	0	0	0	0
ST-22	0	2.5	1	0	2	0	3	0	0	8.5
ST-23	0	0	4	0	0	0	0	0	0	4
ST-24	0	0	7	0	0	0	2.5	0	0	9.5
ST-25	0	0	0	0	16	0	6	648	0	670
ST-26	0	2	4.5	23	2	0	0	173	0	204.5
ST-28	4	13.5	12.5	6	2.5	0	3.5	119	2.5	163.5
ST-29	0	0	37	0	0	0	1.5	27	3	68.5
ST-31	0	0	0	0	0	0	0	0	0	0
ST-32	0	0	0	0	0	0	0	0	0	0
Total	440.25	343.5	287	356	231.5	524	113	5240.5	207.5	7743.25



SinoTharwa Drilling Co.



Actions taken to realize the above achievement

1. Follow up maintenance schedule to minimize rig repair.
2. Visit and auditing all rigs to improve maintenance and close gaps.
3. Optimizing cost by transfer material and spare parts from rig to another and minimize orders.
4. Cover all rig needs (material and spare parts).
5. Follow up & close third party auditing items, tracking system, started with critical and major items.
6. Technical training for all personnel on job and training center (Stuck pipe prevention, drill string design, advanced drilling practice, IWCF, accident investigation, Defensive driving...).

Looking Forward

1. While we achieved in 2020, we remain singularly focused on our future and the continued execution of our strategy in 2021. We expect to deliver and commence operations on both onshore and offshore drilling safely and reliably. We will invest in improving the management systems for our business as we prepare for the significant growth of Sinotharwa. We will continue to train, motivate and retain our people to sustain our reputation for operational excellence.



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MUD LOGGING

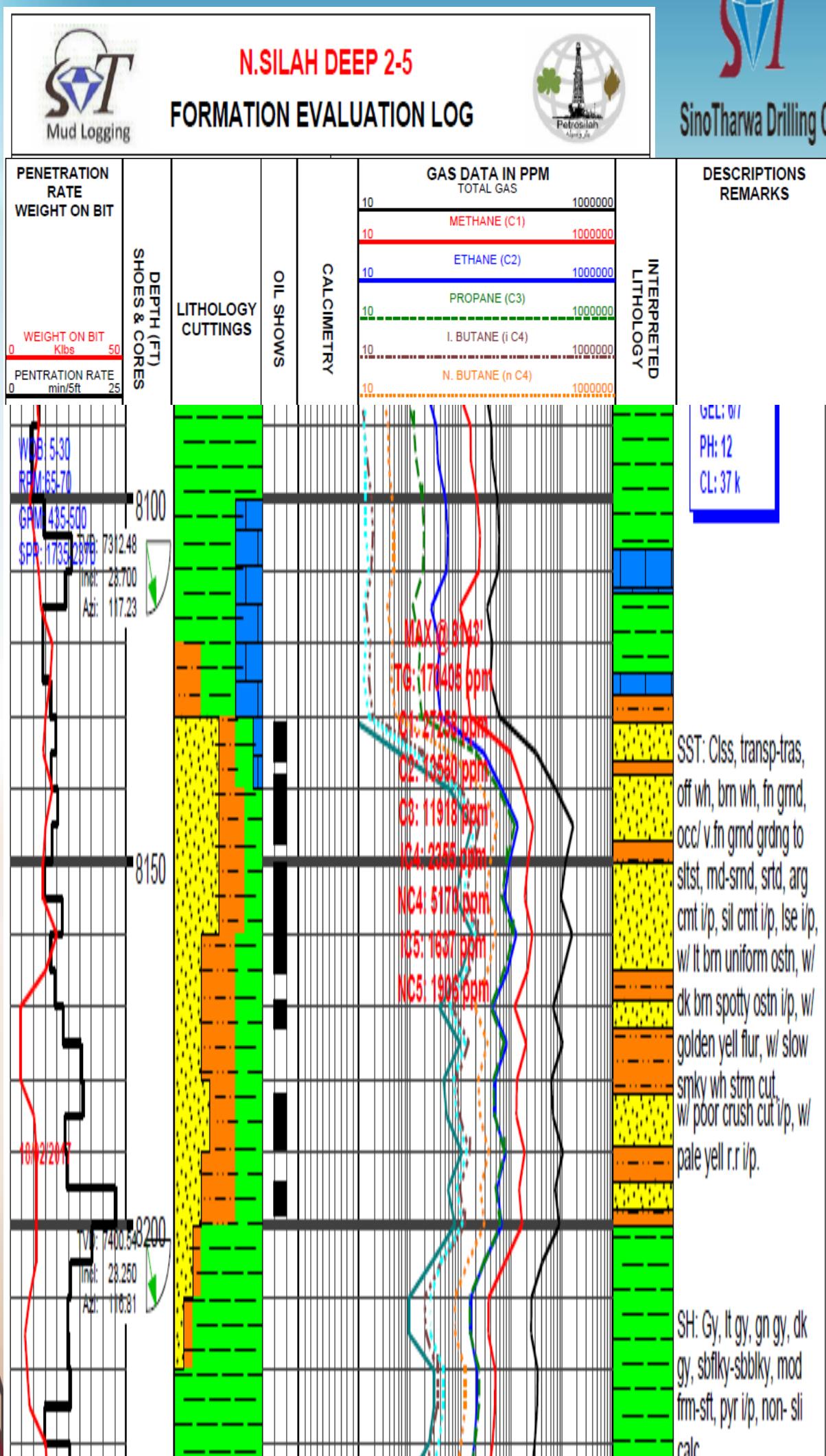
Mud Logging Services:

- Sinotharwa started the Mud Logging project since 2012 as Integrated Services. Today, Sinotharwa own a Six Mud Logging Units and need to add more units to continue as a strong competitor.
- Sinotharwa registered in EGPC, EGAS, GANOPE, GUPCO KHALDA, QARUN, BAPETCO, AGIBA and PETROBEL, AIAMEIN, WASCO, BAPETCO,...etc as Mud logging contractor.
- Sinotharwa have contracts for the six units with GUPCO till Jan. 2022, PETROBEL till April 2022, QARUN till Dec 2021, and PETROSILAH till July 2021.
- This Year, Sinotharwa share in tender with PETROSANNAN.





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KUWAIT PROJECT



Introduction:

Beside current international branch in Algeria, Sinotharwa planned to extend & expand its international business in **the Gulf Region** as one of the most important oil & gas Activities in the world, Sinotharwa decided to focus and participate on all tenders in the gulf area to establish its new business vision.

Sinotharwa Succeeded to be awarded with a **5 years +11 Months** contract in Kuwait with **WJO** after tough competition with local Kuwaiti companies, the total contract value is **\$260 million** for the first five years by providing **4 x 750 HP Rigs + 2 x 550 HP Rigs+ 6 Trouble Shooting crews**, the contract signed on **29/9/2019**

Moreover Sinotharwa has been participated in the tender issued by **KOC** with **2 x 750 HP** work over rigs and submitted its prequalification's documents for the medium drilling depth approval.

Kuwait will be considered our gate to other gulf region markets such as Iraq, Saudi Arabia, Emirates...etc. and also can be considered as Main administrative center for it's gulf region in the future.



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Project Business Strategy:



SinoTharwa Drilling Co.

We have strong ambitions to continue our growth in the gulf region, the key elements in our strategy are as follows:

1. Commitment to provide customers with safe and effective operations.
2. Combine high-Tech and advanced drilling units with experienced and skilled employees.
3. Continue to develop our fleet with Drilling and Work over rigs.
4. Establish, develop and maintain a position as a preferred provider of drilling / Workover services for our customers.
5. Develop our strong position in the gulf region market

SinoTharwa's Kuwait Project Rigs Fleet:

A. Land Work over Rigs:

Rig	Manufacturer	Year of Built	HP	Power Swivel	Mud pump	Operator	Location, Field
ST-50	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	750	NOV, Bowen S150-PM	F-800, Triplex Single acting	Joint Operations	El Wafra
ST-51	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	750	NOV, Bowen S150-PM	F-800, Triplex Single acting	Joint Operations	El Wafra
ST-52	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	750	NOV, Bowen S150-PM	F-800, Triplex Single acting	Joint Operations	El Wafra
ST-53	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	750	NOV, Bowen S150-PM	F-800, Triplex Single acting	Joint Operations	El Wafra
ST-54	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	550	NOV, Bowen S150-PM	F-800, Triplex Single acting	Joint Operations	El Wafra
ST-55	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	550	NOV, Bowen S150-PM	F-800, Triplex Single acting	Joint Operations	El Wafra



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B- Trouble Shooting units:

Rig	Manufacturer	Year of Built	Unit Description	Operator	Location, Field
Unit-1	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	750 HP mud pump driven by CAT C-27engine and C/W 100 bbls tank on one trailer.	Joint Operations	El Wafra
Unit-2	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	750 HP mud pump driven by CAT C-27engine and C/W 100 bbls tank on one trailer.	Joint Operations	El Wafra
Unit-3	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	750 HP mud pump driven by CAT C-27engine and C/W 100 bbls tank on one trailer.	Joint Operations	El Wafra
Unit-4	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	Mud gas separator C/W 100 bbls tank on one trailer.	Joint Operations	El Wafra
Unit-5	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	Mud gas separator C/W 100 bbls tank on one trailer.	Joint Operations	El Wafra
Unit-6	Zhongman Petroleum Equipment Group Corp., Ltd, China	2020	Mud gas separator C/W 100 bbls tank on one trailer.	Joint Operations	El Wafra

Project Plan and Execution:

- As Sinotharwa rigs fleet doesn't include 750 hp rigs and the JO have special requirements, Sinotharwa Decided to execute the project with brand new Rigs and Equipment.
- Sinotharwa started the execution plan by issuing tenders/requests to cover all the project requirements and the result was:
 - 4 x 750 HP + 2 x 550 HP + 6 x trouble shooting equipment awarded to Zhongman Petroleum Equipment Group Corp., Ltd, China.
 - 3 x main camps + mobile camp + 6 x fly camps + 4 x trouble shooting caravans awarded to Red Sea company.
 - Power swivel, fishing tools and drill string awarded to NOV.
 - Handling tools awarded to Forum (B+V).
 - Tubing Power tongs awarded to McCoy.
 - Other equipment to various suppliers.
- All technical and commercial evaluations considered the best quality and most modern equipment in the oil and gas industry.



SinoTharwa Drilling Co.

Achievements:

1. Rigs delivery and rig up: the first two rigs has been delivered to Kuwait, mobilized to ST-WJO base, rigged up and commissioned by ST- Team.



2. Trouble shooting Equipment delivery and rig up: the six trouble shooting units has been delivered to Kuwait, mobilized to ST-WJO base, rigged up and commissioned by ST- Team.



3. Accommodation units and Camps delivery and Rig Up:



4. Sinotharwa Yard at WJO: the yard area is 150,000 Square meter, constructed on the same approach as Badr Yard in order to house & hospitalize the largest possible number of accommodations as a guest house, suitable place to be used as workshops main warehouse, training building & storage areas.



5. Main Office Establishment: the office located in a very strategic & vital place in the city, the office is well-constructed, and represent a good image for the company in Kuwait.



Sino Tharwa Drilling Co.



6.. All recommended personnel from Egypt has been interviewed and selected, in addition hired two crews from personnel currently in Kuwait to rig up the received rigs and troubleshooting equipment.

7. Heavy lift equipment, catering, inspection, machine shops and light vehicles services are secured with firm contracts.

8. The phase -3 of the yard construction has been started and the yard has been supported by concrete blocks and diesel tanks.

9. All the manuals have been reviewed and all the work instructions were updated to suit the trouble shooting crew equipment operations.

10. Securing the needs from oils & lubricants from chevron Kuwait and Kuwait oil.

Challenges:

1. Kuwaiti authorities/ Civil aviation continued restrictions due to COVID -19 pandemic.
2. The restriction to issue any new work permits/commercial visa for the office team or the selected crew from Egypt.
3. The shortage in personnel in Kuwait to cover the required crew to operate the contracted fleet.
4. The Financial issues and the delay on payment as per plan for most of suppliers to support the delivery of equipment in time.
5. The unexpected delay for rigs, camps and main equipment manufacturers.
6. The delay in getting the required support from WJO for the approval of the Visa quota and gate passes for service contractor's such as transportation, catering, ... etc.
7. The delivery & lead time for issued P.O's and Requests to meet the commencement of operations.

ENGINEERING DEPARTMENT

Projects Achieved



SinoTharwa Drilling Co.

ST#1 overhauling



Mud system renovation

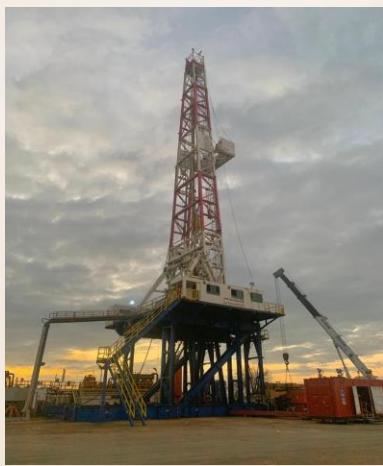


Camp refurbishment



Mud system renovation

ST#11 overhauling



Mud system renovation

Collect missing items.
EPHH closing audit.
Testing, commissioning
& hand over to client



Camp refurbishment & roof



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ST#21 overhauling



SinoTharwa Drilling Co.

Substructure replacement, modification &
Mud system renovation



Camp refurbishment

Collect missing items.
EPHH closing audit.
Testing, commissioning &
hand over to client.



Mud system renovation

Camp refurbishment



Collect missing items.
EPHH closing audit.
Testing, commissioning & hand
over to client.

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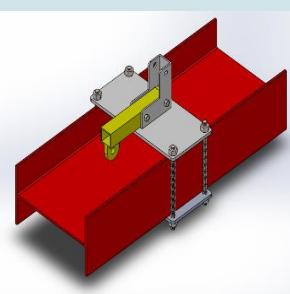
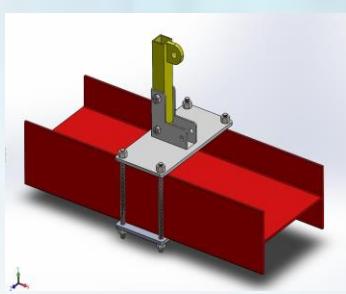
ST-5



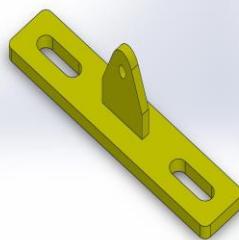
Repair stabbing board



Camp refurbishment

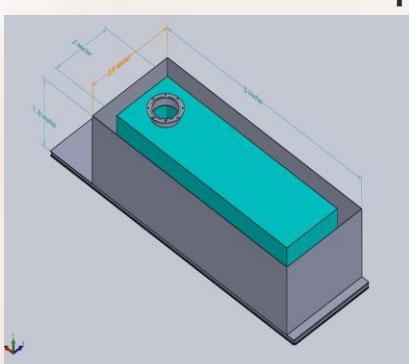


Make Design for life line for the mast



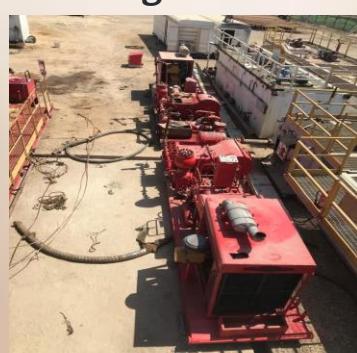
Make Design for well head lifter

Fabricate Diesel tank drip pan (Safety pact) according to Petrobel request

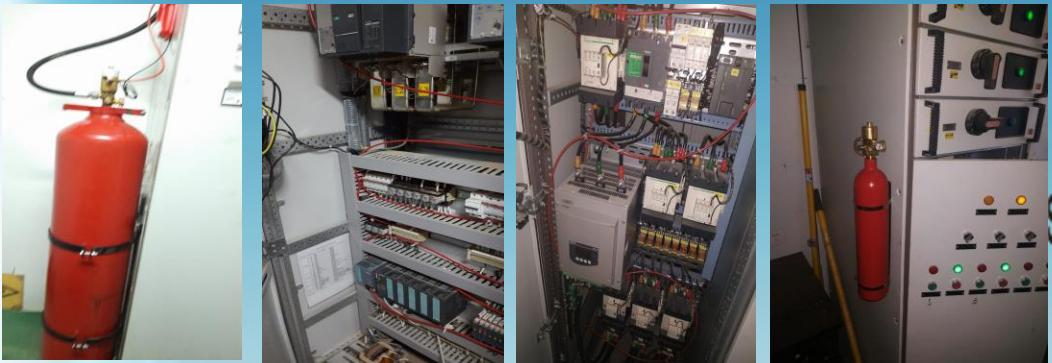


ST-28

Mud system renovation Camp refurbishment Collect missing items
Mud system capacity boosting by 2 mud tanks and second mud pump
EPHH closing auditTesting, commissioning & hand over to client



ST#24, ST#26, ST#28, ST#29, CAIRO OFFICE



SinoTharwa Drilling Co.

Install firefighting search in MCC cubicles for workover rigs (ST#24, ST#26, ST#28, ST#29) & in server room in Cairo office

ST-BAHARI-1

Mud pump cooling system renovation



BADR YARD



Repair 6 EA Mlswaco shale shakers and distributed to rigs.

Projects In Process

SinoTharwa company awarded and have signed the contract on 29/9/2019 with JO company.

Over the last year, the project has contributed greatly to having a place on the planning and built environment agenda, by working with top management and its partners who are represented on the project's steering committee.

The total contract value is \$260 million for the first five years by providing 4 x 750 HP Rigs + 2 x 550 HP Rigs + 6 Troubleshooting units.

Kuwait project will be considered our gate to other gulf region markets such as Iraq, Saudi Arabia, Emirates... etc. and also can be considered as the main administrative center for the gulf region in the future

Nominate rigs according to received technical specs from JOComplete rig purchasing

- Main rigs
- Camp units
- Handling tools
- Accessories

Manufacturing monitoring against received time from Camp units received & commissioning at KSA Redsea



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Projects In Process

Joint operations project



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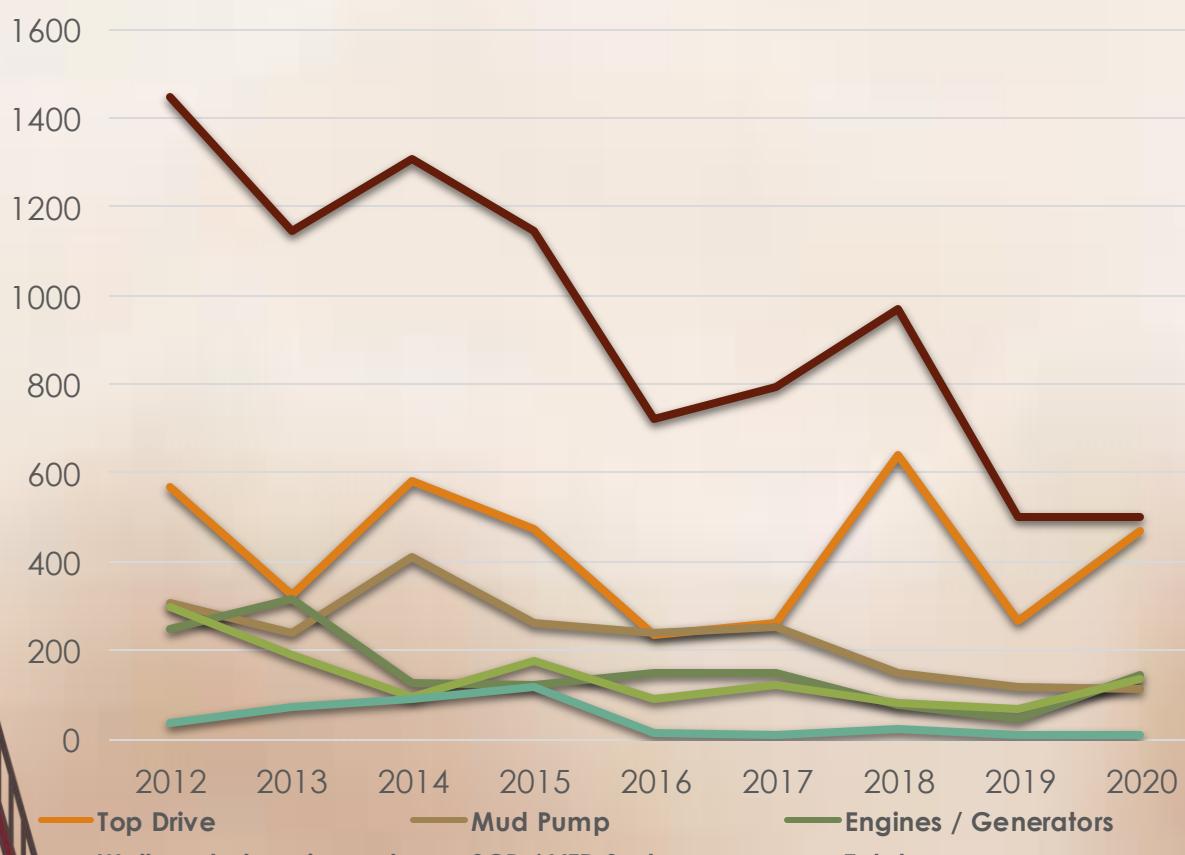


Camp units commissioning at RED SEA co. At Kuwait



Maintenance Analysis: Equipment Down Time

Equipment	2012	2013	2014	2015	2016	2017	2018	2019	2020
Top Drive	568	324	581.5	471.5	233.25	263.75	641	264	471
Mud Pump	306	240.5	412	263	237	252.2	147.5	115.5	111
Engines / Generators	246	318	124.5	121	150.25	149	77.5	45	143.5
Well control equipment	295.5	188.5	96	174.5	89	121.75	82.5	68	137.5
SCR / VFD System	34.5	73.5	92.5	118	13.5	7	20.5	10	11
Total	1450	1144.5	1306.5	1148	723	793	969	502.5	874



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Oil Analysis & Achievements



SinoTharwa Drilling Co.

Update Rigs Lube Charts and Lubricants used based on rigs needs for Maximum Benefit.

studying on TDS & MSDS for various types of oils & greases to recommend the best.

Perform Compatibility test with zero Cost to support rigs due to oils shortage to keep smooth operation.

Used Oil Analysis Service Enhancement and Follow Up with Maintenance Team in rigs.

Provide SinoTharwa Rigs with 23 Kool Tools for Coolant Service.

Two Technical Trainings held in SinoTharwa Badr Workshop including Fundamentals of Lubrication, Diesel Engine Oil, Coolants, and Used Oil Analysis Service despite of COVID-19 pandemic.

Further Analyses:

Total Samples → 313

Diesel Engine Samples → 181

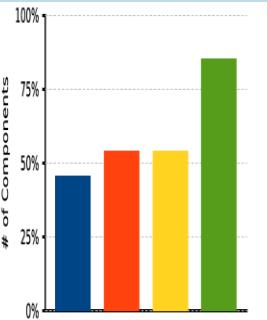
Gear Oil Samples → 70

Hydraulic Oil Samples → 39

Compressor Oil Samples → 16

Automatic Transmission Samples →

Due / Overdue Components	#	%
Components on File	415	
Components Sampled	190	46%
Components Not Sampled	225	54%
Components Never Sampled	225	54%
Components Due in December	354	85%



Technical Support Achievements & Cost Saving Summary

ST-28

- Overhauling for fire engine ST# 28
- Change all parts by new one
- Machining for crankshaft
- Machining for cylinder head
- Change for exhaust valve and intake valve
- Change water and oil pump
- Change radiator and fan
- Change all gasket
- Repair injection and injection pump



Effective cost 900 \$
Saving amount 5000 \$

ST-4

- Overhauling for drill line spool ST#4
- Change all parts by new one and old
- Fabricated gear drive
- Change damage gear by another one old good condition
- Installing old agitator



Effective cost 500 \$
Saving amount 10000 \$

ST-9

- Overhauling for fire engine ST#9
- Change all parts by fabricated, machining and new parts
- Change gear velum by new one
- Repair starter motor
- Machining cover for flywheel
- Change oil crank seal by new one



Effective cost 600 \$
Saving amount 2000 \$



Sino Tharwa Drilling Co.

ST-2

- Overhauling for BOP crane ST#2
- Change all parts by new one
- Complete check all parts
- Change all seals two side



Effective cost 400 \$
Saving amount 10000 \$

ST-24

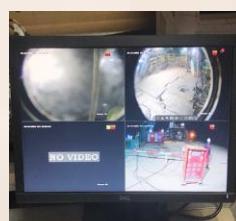
- Overhauling for sacker rod power tong ST#24
- Change all parts by fabricated parts
- Fabricated gear drive
- Jaw dies of power tong
- Change all bearing by new



Effective cost 1000 \$
Saving amount 10000 \$

ST-26 ,ST-29

- Bought from local market and installed CCTV camera system
- Apply modification to meet API standards for rig floor camera & mud system camera & Koomey unit camera.
- CCTV camera system live with Head office.



Effective cost 297500 EGP
Saving amount 270000 EGP



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ST-28

- Support ST#28 by solving problem of EX emergency lighting by bought 1.5 KVA UPS and installed it to feed mast in case of emergency situation instead of EMERGENCY EX 60 cm light.



Effective cost 29000EGP
Saving amount 25500 EGP



SinoTharwa Drilling Co.

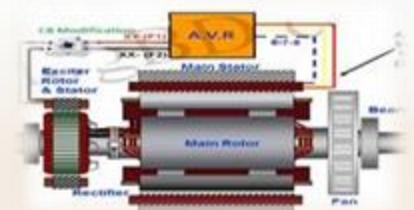
ST-5

- Bought from local market and installed CCTV camera system
- Apply modification to meet API standards for rig floor camera & mud system camera
- CCTV camera system has a recorder.

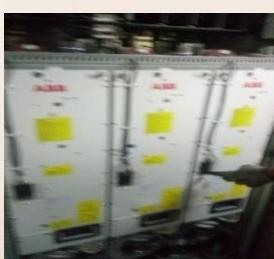


Effective cost 20000 \$
Saving amount 17000 \$

- Done modification by installed C.B between exciter and AVR to prevent exciter from humidity and dust after running engine until temp reach 45 C To avoid exciter from being damage



- Support Tanmia by solving problem happened at blower for brake resistor by changing its cable and as its air pressure switch not worked we made modification as shown in pictures to avoid break resistor from being Burnett
- Upgrade VFD unit by change all DSU & Inverters modules in ST-9 by new modules as per ABB contract (307000 EURO).
- Overhauling VFD unit by installing all used modules from ST-9 in Tanmia-1 after overhauling as per ABB contract (252000 EURO)



- Overhaul NBQ mud pump gear box for ST-28



- Succeed to held free online 12 training sessions by Timken



- Overhauling for ST-7 SCR by change pucks, DC contactor, checked all PCB and main Equipment



Technical Support Achievements & Cost Saving Summary

ST-BAHARI-1

- Got the rig back to operations after a long stack period due to expired CATIV certificates and cracked legs.
- Split the project over two phases, the 1st one included the following activities with total cost about 3 Million \$:
 - Recertification of crown and travelling blocks.
 - Recertification of Dead line anchor.
 - Condition assessment for drawworks.
 - Recertification of top drive.
 - Recertification of choke manifold locally with total cost about 90 K\$ compared to about 0.5 Million \$ offered by Cameron.
 - Repaired cracked legs in Egypt with a total cost about 1.5 Million \$ compared to at least 10 Million \$ cost of dry docking in UAE.
- Approached the client to approve starting operations and continue overhauling activities as offline operations.
- Fabricated a new auger to convey cuttings instead of the rental one saving about 10 K\$ per month.
- Approached the Egyptian maritime authority to obtain the permit to sail for the first time.
- ECAA renewal.
- Annual MODU renewal.
- Annual Class renewal.
- Recertification of the 13 5/8"-10K Cameron BOP stack locally with a total cost 100K\$ compared to 0.5 Million \$ offered by Cameron.
- Approached the client to approve swabbing the Cameron BOP with a Chinese one to cover the rig operations during overhauling the BOP and also switching to 5" drill string instead of 5 7/8" due to shearing capability saving at least 250 K\$ rental cost of another certified BOP



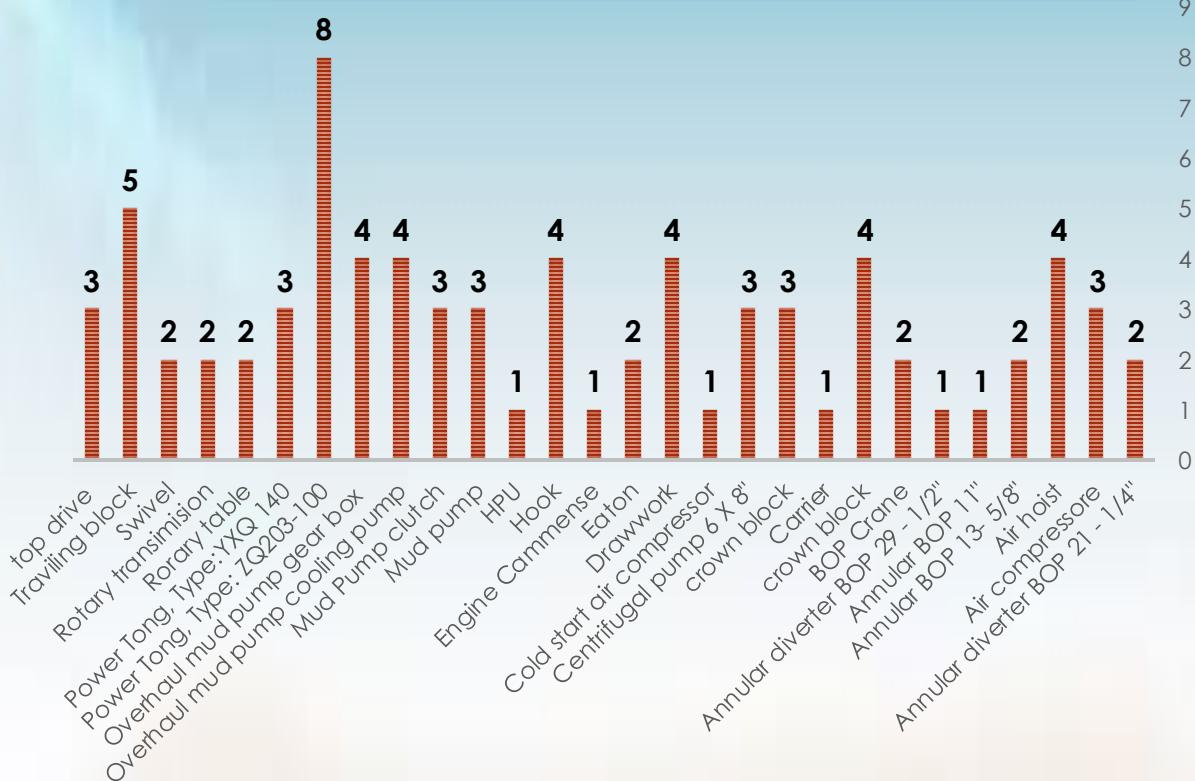
Badr Workshop:

1- Mechanical Equipment Overhaul:



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EQUIPMENT OVERHAUL MECHANIC

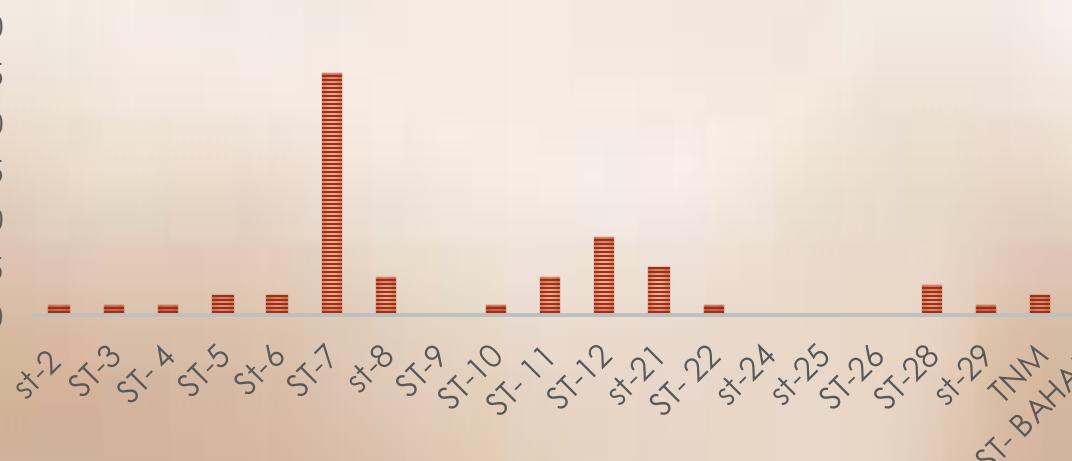


Badr Workshop:

2- Electrical Equipment Overhaul:

ST-2	ST-3	ST-4	ST-5	St-6	ST-7	st-8	ST-9	ST-10	ST- 11	ST-12	st-21	ST-22	ST-24	ST-25	ST-26	ST-28	ST-29	TNM	ST-BAH
1	1	1	2	2	25	4	0	1	4	8	5	1	0	0	0	3	1	2	0

OVERHAULING EQUIPMENT ELECTRIC



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Badr Workshop



3- Internal Repair At WS:

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Badr Yard	St-1	st-2	ST-3	ST- 4	ST-5	St-6	ST-7	st-8	ST-9	ST-10	ST-11	ST-12	st-21	ST-22	st-24	st-25	ST-26	ST-28	st-29	TNM	ST-BAHAR
Internal Repair At WS	1	1	0	2	3	0	1	1	0	5	1	7	0	3	0	0	2	7	1	8	0

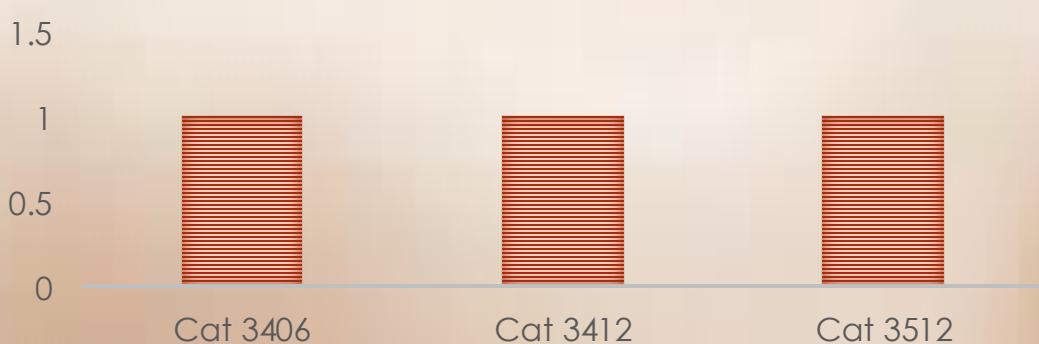
PARTS SUPPORTING RIGS



Badr Workshop:

5- Power System Equipment Overhaul:

OVERHAULING EQUIPMENT POWER SYSTEM



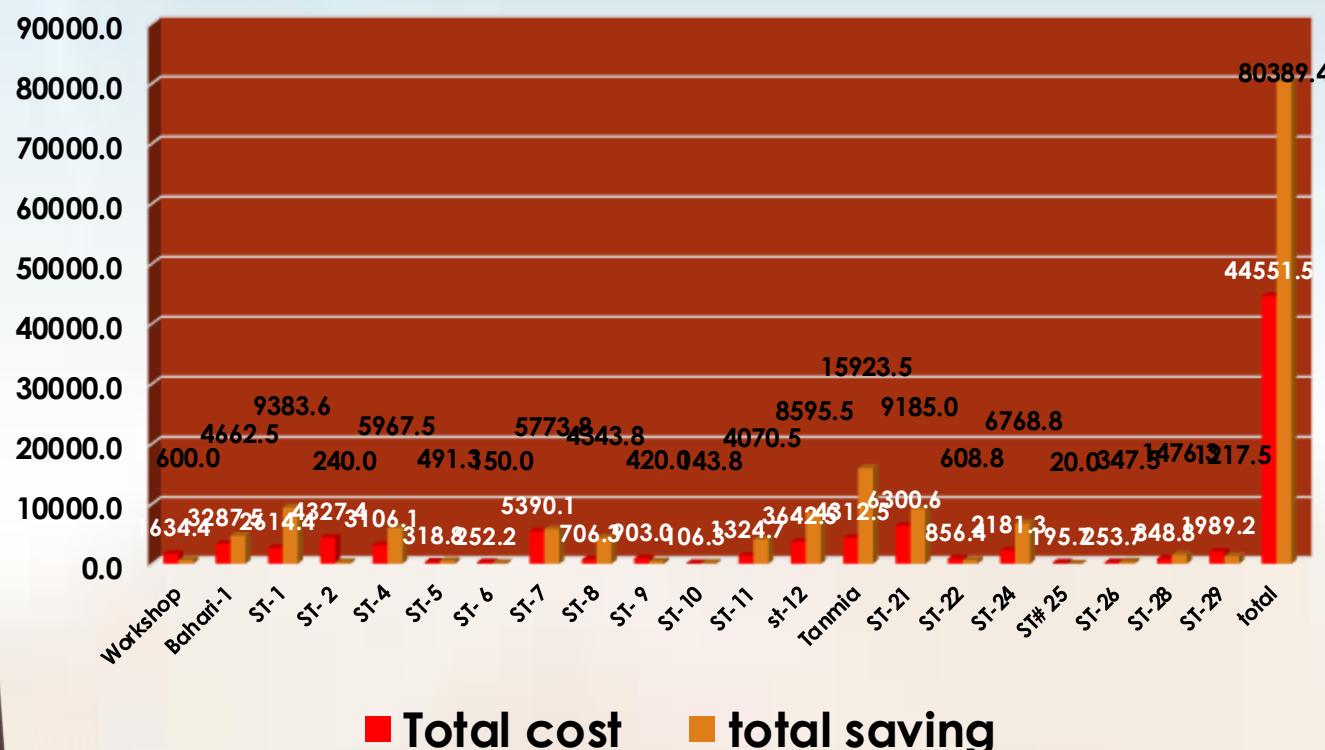
Badr Workshop:



6- Cost Control:

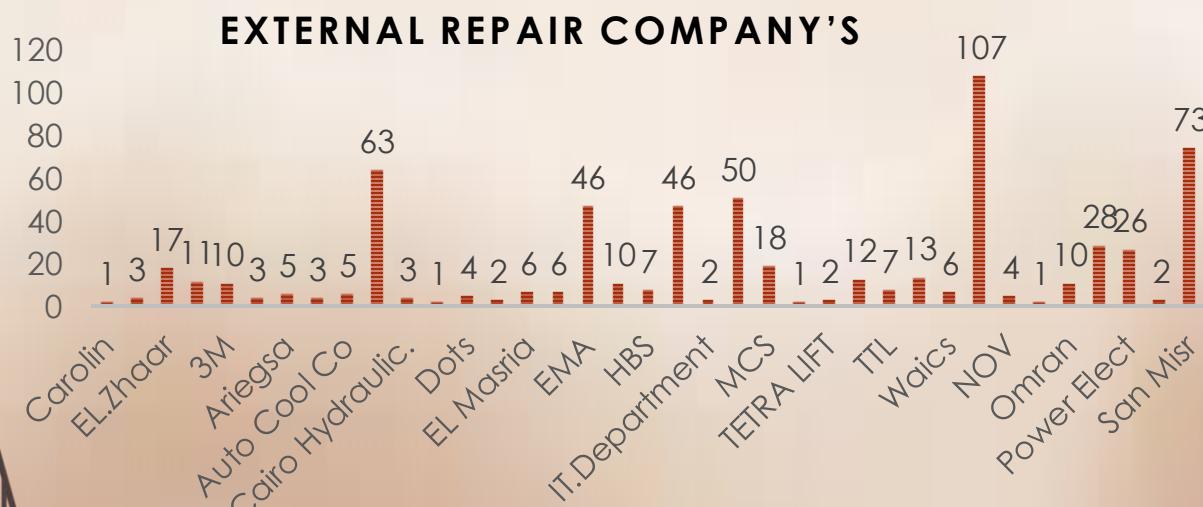
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Rig#	Workshop	Bahari-1	ST-1	ST-2	ST-4	ST-5	ST-6	ST-7	ST-8	ST-9	ST-10	ST-11	ST-12	Tanmia	ST-21	ST-22	ST-24	ST#	ST-25	ST-26	ST-28	ST-29	total
Total cost	1634.4	3287.5	2614.4	4327.4	3106.1	318.8	252.2	539.0.1	706.3	903.0	106.3	1324.7	364.2.5	4312.5	630.6	856.4	2181.3	195.7	253.7	848.8	198.9.2	4455.1.5	
total saving	600.0	4662.5	938.3.6	240.0	596.7.5	491.3	150.0	5773.8	434.3.8	420.0	143.8	407.0.5	859.5.5	1592.3.5	9185.0	608.8	676.8.8	20.0	347.5	1476.3	1217.5	8038.9.4	



Badr Workshop:

7- External Repair tracking:



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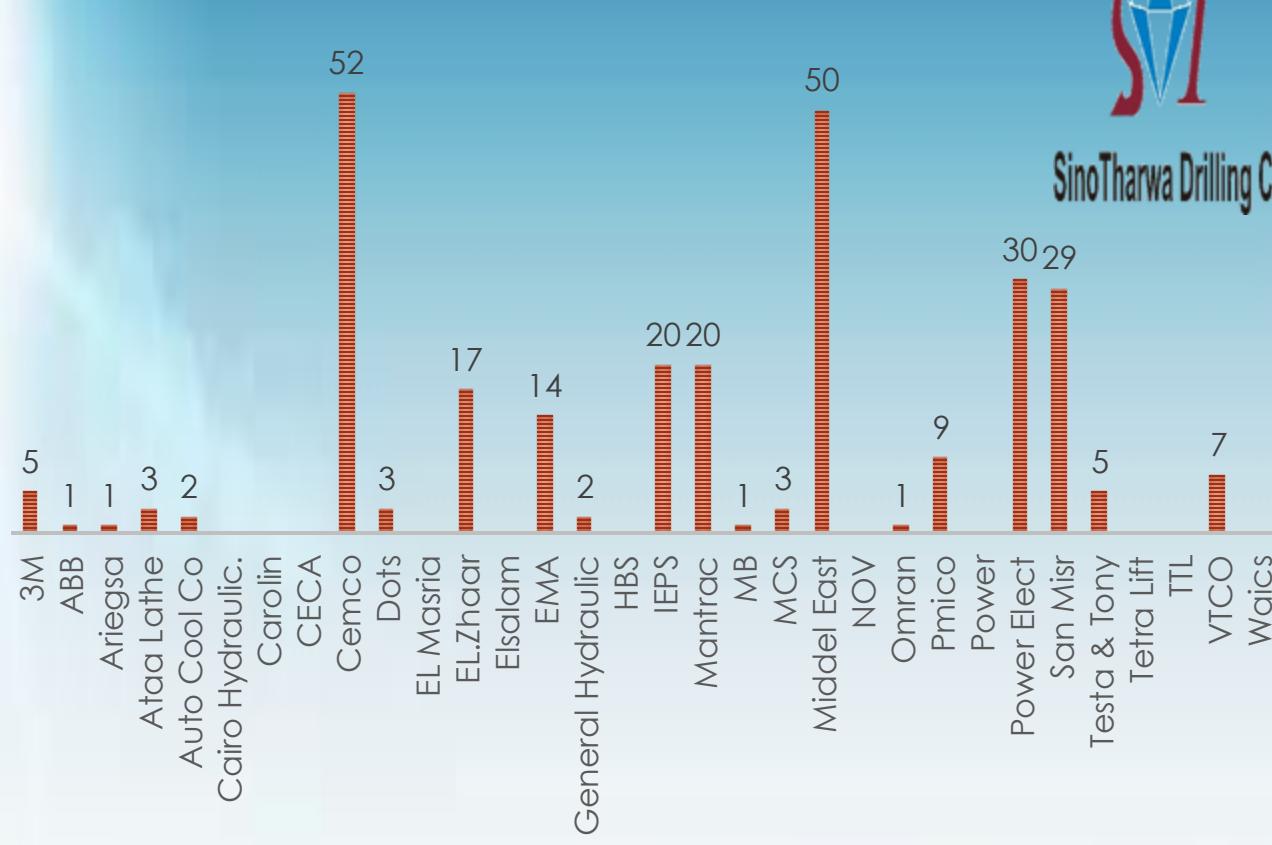


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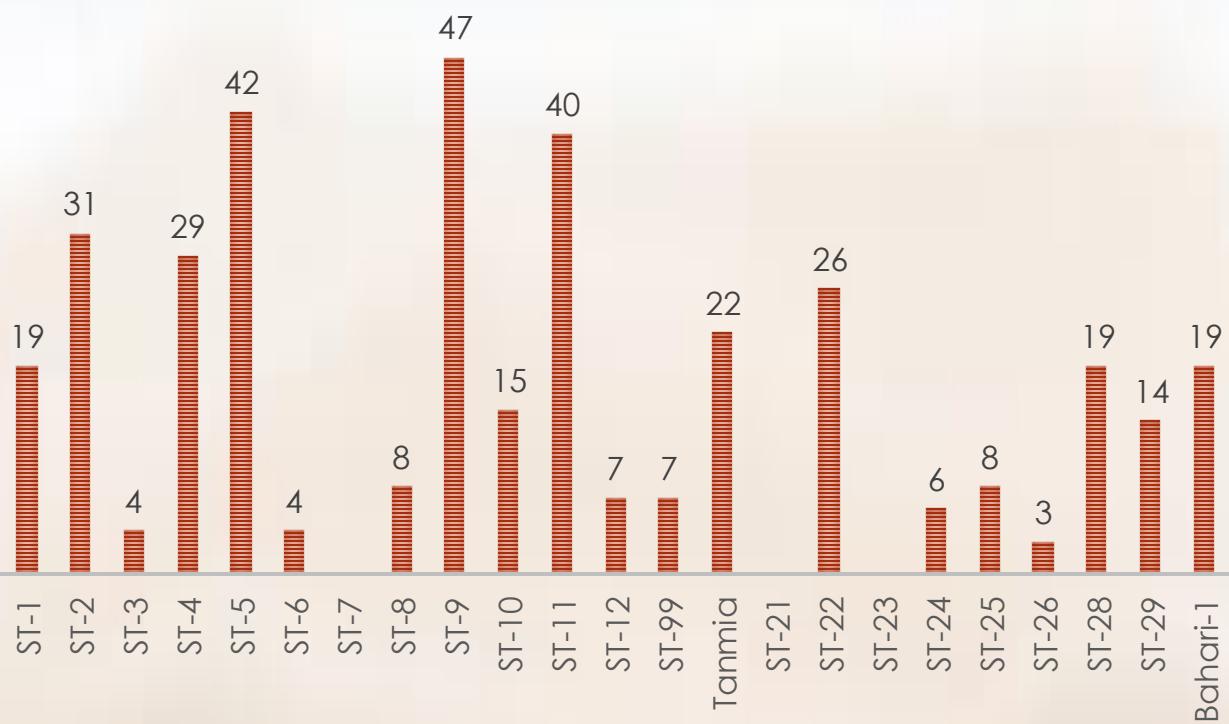


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RECEIVED REPAIR FROM THIRD PARTYS



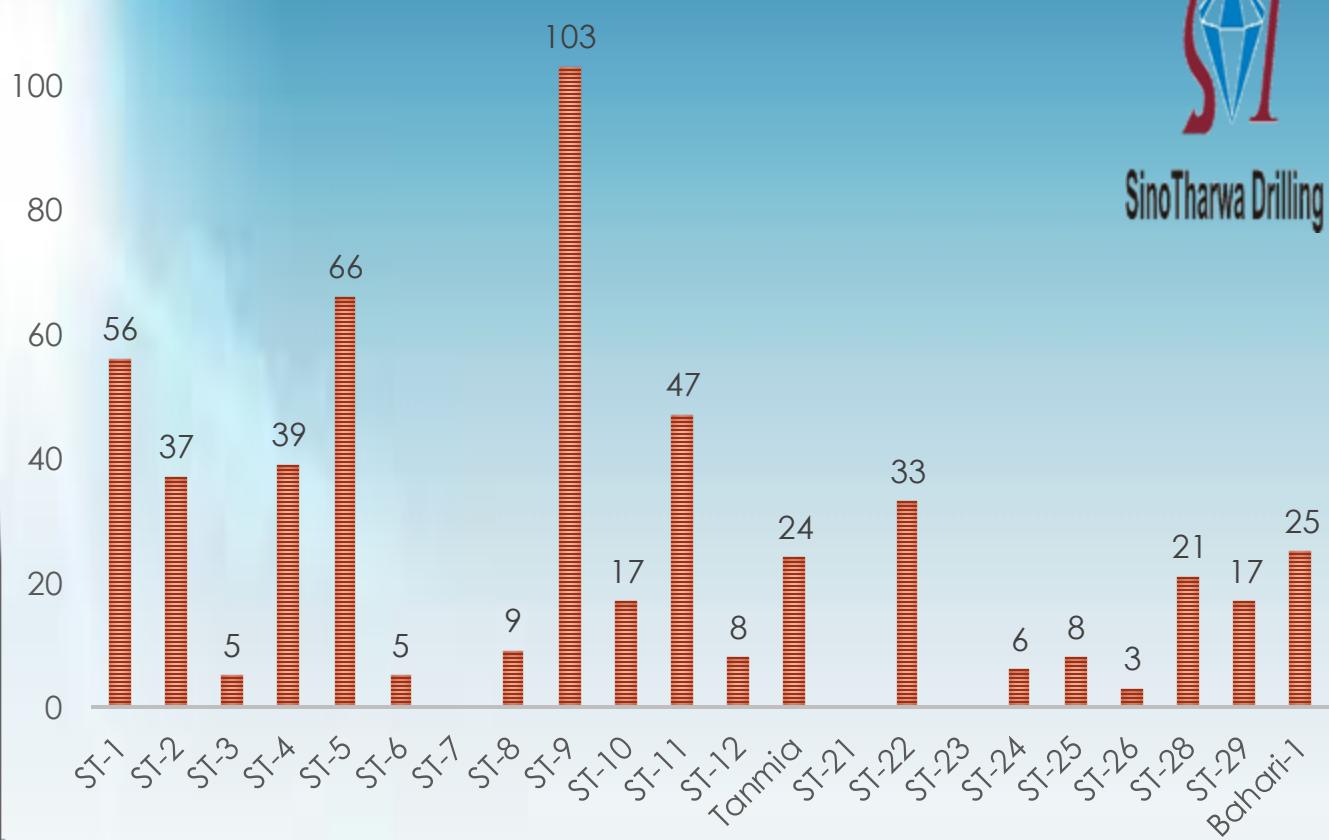
RECEIVED FROM RIGS



TRANSFER TO RIGS

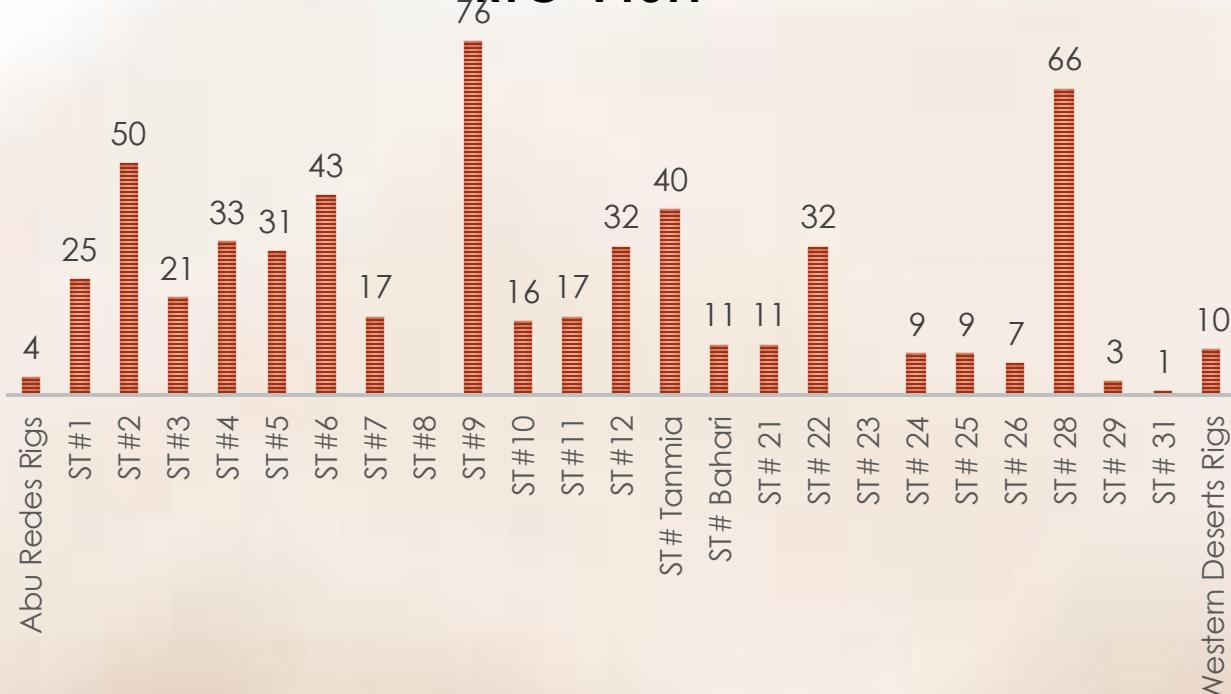


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8- Rig visit:

RIG VISIT



TELECOMMUNICATIONS, SYSTEMS & NETWORKING INFRASTRUCTURE



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2020 Achievement's

- Hyper-converged Infrastructure (HCI) Solution
HCI is the infrastructure choice for our company to stay competitive and evolve with the changing realities of the technology landscape,
- Ease Management, Performance
- Data Availability, Disaster recovery and Data backups are embedding elements.
- Data protection, ability to easily restore data as cybercriminal activity rises and businesses become at risk of an attack.
- Maximize Resources, system reliability and availability both in terms of computing power and storage availability.
- Data Center Space and Cost efficiency less equipment to purchase, maintain, and support.



SinoTharwa Drilling Co.

In response to the ongoing impact of the COVID-19 pandemic and keep our Employees safe we started our precautions



➤ **FACIAL RECOGNITION TIME ATTENDANCE TERMINAL**

Replaced facial recognition attendance system instead of finger print to help reduce the spread of the Covid-19 coronavirus in the working environment, Face Recognition Terminal adopts deep learning algorithm, which helps to recognize the face faster and more accurate.

➤ **INTERNAL VIRTUAL MEETINGS SOLUTION**

Established on-premises solution for virtual meeting serving our daily meetings/conferences and discussions needs in these unprecedented times of social distancing, also for saving internet bandwidth during internal meeting.

➤ **PHISHING EMAILS SECURITY CAMPAIGNS**

Educate and raise the employee's security awareness about cybercrime attacks

That showed a rapidly increase as impact of COVID-19 due to deploying remote systems and networks to support staff working from home.

➤ **ADVANCED THREAT PROTECTION AND ANALYTICS SOLUTION**

Advanced Threat Protection and Analytics is an on-premises platform that helps protect your enterprise from multiple types of advanced targeted cyber-attacks and insider threats.



➤ **DEPLOY CENTRALIZED ENCRYPTION KEY MANAGEMENT SERVER (KMS)**

- Eliminate the leak of our license usage for Microsoft for products activation MS Office / Windows OS to be activated by contacting a KMS server on our network.

➤ **IT ASSET MANAGEMENT SOLUTION INVENTORY WEB APP.**

- Managing IT Hardware Assets inventory
- Tracking IT Hardware Assets operational status, being misplaced or written off.
- Tracking printing consumables consumptions.

➤ **UPGRADING SURVEILLANCE CAMERA SYSTEM**

- Establish a new surveillance system with large numbers of cameras, high resolution and bigger storage
- Increase the recording period to keep track of what is happening at the premises
- Monitoring the activity of workers and visitors

➤ **APPLICATION PERFORMANCE MONITORING SOLUTION**

- Monitor servers running services, hardware health.
- Monitor Application performance.
- Notify outages and pinpoint performance issues by email notifications.

➤ **UPGRADING INTERNET CONNECTION AND MIGRATING TO MICROWAVE TECHNOLOGY**

Upgrade internet bandwidth and migrated to Microwave technology to face the urgent need caused by COVID-19 which led to hold more online meetings, also to connect new sites (Kuwait office), The upgrade includes installing Microwave antenna to get the service via wireless media to eliminate copper media disadvantages.



SinoTharwa Drilling Co.

➤ **KUWAIT OFFICE START UP**

Started up Kuwait office network infrastructure, voice system, and security layer all remotely to allow employee to start working with full access to Sinotharwa resources.

It was a big challenge to Activate the new office remotely including connecting all network nodes to central switch, implement and configure Firewall with high availability (backup), and voice system connected with Sinotharwa voice network.

➤ **INFRASTRUCTURE SECURITY CAMPAIGN**

A helpful report submitted regularly used to inspect Sinotharwa security profile in various layers to highlight the weaknesses and take the corrective actions to maintain security level of defense by covering potential threats.

Firewall Firmware

Upgrade first layer security firmware to have the full feature of protection and to keep up to date with security level.

➤ **AVAYA SYSTEM UPGRADE**

Upgrading the voice system was a must to enjoy the full features and to have the ability to expand the voice interconnection coverage by adding new sites (Kuwait) keeping all Sinotharwa remote sites connected and easy to communicate.

➤ **REMOTE WORKER MOBILE APP**

_ New feature to allow connect anywhere terminology to come true and to be implemented in Sinotharwa network to keep all remote workers accessible and connected.

➤ **NEW PRI CIRCUIT / NEW DIAL PLAN**

A plan to the future to expand our company available user extension for either new employee or new sites, a new PRI has been merged to our voice system and to increase international concurrent calls



SinoTharwa Drilling Co.

Upgrading ST workforce skills for today's knowledge Technology

Our employees are the lifeblood of ST organization, and the skills they need to keep ST organization competitive are constantly changing, and to ensure that our workers will have the most up-to-date, cutting-edge skills to improve performance and keep ST organization one step ahead of the competition.

➤ **WE ENHANCE AND ENRICH SOLUTIONS' KNOWLEDGE BASE IN SERVICE**

Desk Application that can improve employee technical skills and Applying SLA Using Service Desk Application to enhance our services quality.

➤ **PROVIDES TECHNICAL GUIDANCE TIPS AND SOLUTIONS FOR THE MOST COMMON COMPUTERIZED PROBLEMS THROUGH OUR MONTHLY REPORT**

- Social engineering attack techniques.
- 5 Tips to stay secure in the Office.
- Social media benefits for children and teenagers.
- 10 Disadvantages of Social Networking.
- How to recognize a phishing attack?
- Advantage and disadvantage of social networking sites for student.
- 8 Ways to keep Children Safe Online.

➤ **UPGRADE SERVICE DESK APPLICATION VERSION**

- Easier navigation, more efficient incident management
- Monitor licenses expiration and get alert notifications by email

➤ **PAPER CUT PRINT MANAGEMENT**

Set all printers, configurations, user allowances and permissions
Cut Waste, Monitor, Manage and Track Printing Save Money

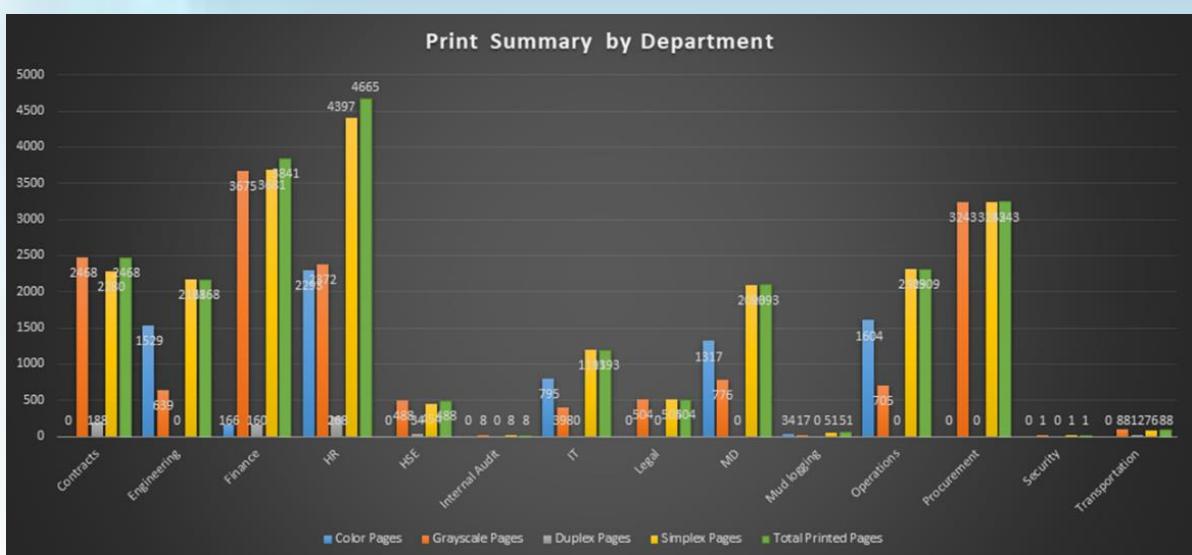
➤ Preventative Maintenance (PM)

Regularly performed maintenance is set on a schedule based on calendar dates, performed while the equipment is operating normally to avoid the consequences of unexpected breakdowns, such as increased costs, downtime and more.



SinoTharwa Drilling Co.

- Extending the life of assets, and increasing equipment uptime
- Avoid unplanned breakdowns, lost production as well as equipment and labor downtime
- Decreases the cost of maintenance



Enterprise Resource Planning





SinoTharwa Drilling Co.

2020's Achievements:

Core objectives:

❖ Streamlining the information:

ERP consists of modules that help in streamlining the flow of information between our various departments. The data of all our departments is in one database so as to ease information exchange. As one of the core objectives of the ERP, it integrates our data and provides for our employees to work as a team to achieve the same goal. The automation of the business process helps managing our resources in a better fashion

Achievements:

- ❖ Implement 9 Organizations: (Kuwait Head Office, Kuwait –Al Wafrah Base)
- ❖ (SK01 to SK06) and 1 Troubleshooting
- ❖ Create New Approvals Path (PO & PR) for Kuwait (Rigs & Office)
- ❖ Create New Responsibilities for Kuwait and Head Office users.
- ❖ Implement New HR Workforce structures for Kuwait (Office & Rigs) and Business Development Department.
- ❖ Implement Asset Module and Go Live for 20 Land Rigs
- ❖ Complete missing data (Accountants) and Go-Live for Enterprise Asset Management Application for Rigs:
- ❖ 37 Land Rigs (ST1 to ST12), Tanmia-1(ST14 and ST15) (ST21 to ST36) and (K01 to K06)
- ❖ 3 units Troubleshooting Equipment
- ❖ upgrade application web server (Test and Production) from: 10.1.3.4 to 10.1.3.5
- ❖ Go-Live on new servers (Hardware Nutanix)
- ❖ Build customized business reports for fast actions and cost saving.



SinoTharwa Drilling Co.

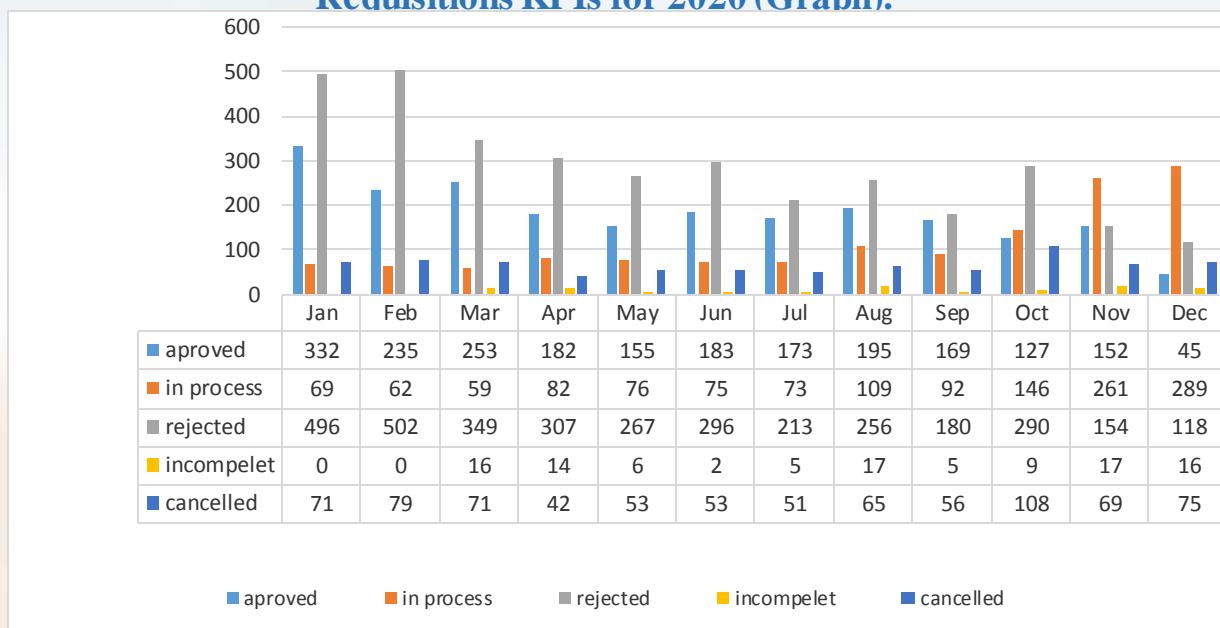
❖ **Return on investment or ROI:** Another one of the core objectives of the ERP is to make our business more profitable. We always look after the latest technology to keep up with the competition and realize better profits. ERP is the ideal platform for our employees to utilize their resources and time in the most optimum way and contribute positively to the profits of our organization.

❖ **Decision Support System:** ERP system provides a real-time view of the company's overall performance and provide the right information at the right time which helps managers to make proper decisions in a timely manner. This allows for better decision making and therefore ERP acts like a decision support system.

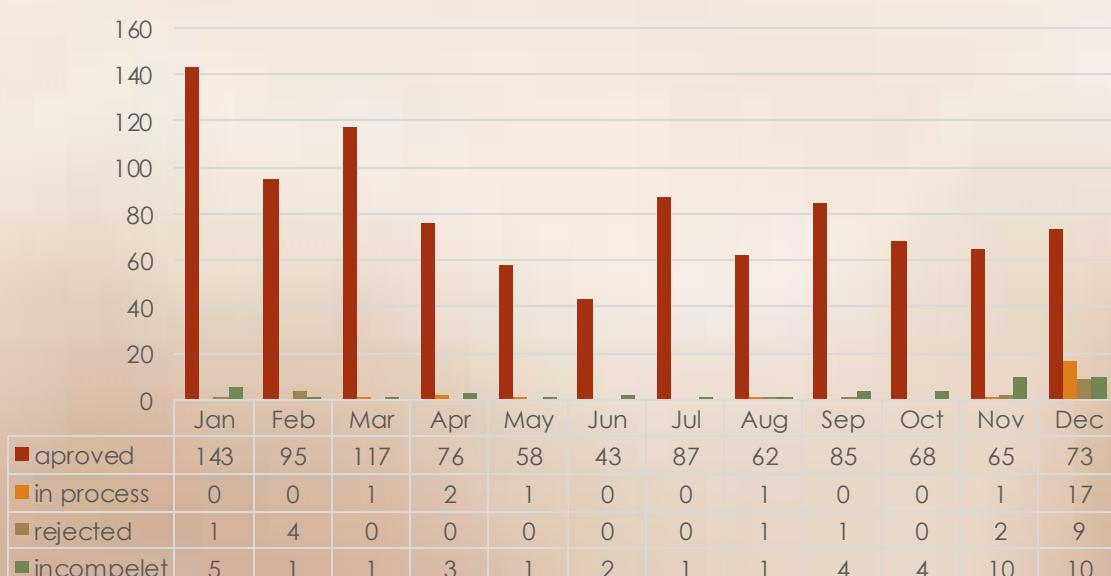
► 2020 Achievements:

Producing KPIs Reports on monthly basis

Requisitions KPIs for 2020 (Graph).



Purchase Orders KPIs for 2020 (Graph).



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SUPPLY CHAIN DEPARTMENT



SinoTharwa Drilling Co.

I. Introduction

Supply chain department is always seeking to supports company departments during all stages of the executing business needs and objectives, aligned with a high level of supporting to achieving highest utilization and safest operations efficiently, through responsiveness supply chain to meet end-users needs with best cost, building mutual benefit relationships with our alliance and suppliers.

And during 2020, and to cope with COVID-19 pandemic subsequences, that has led to taking emergency steps to protect the company critical services and operations, we have identified the main challenges that emerged during Covid-19 for company procurement, which also has several human rights impacts. And to meeting the massive need for certain products whilst protecting labor rights in supply chains and company at all.

COVID-19 has disrupted the business world and challenged supply chain reliability. Sourcing and procurement functions are facing demand imbalances leading to inventory challenges, uncertain reliability of delivery as well high risk of risk to supplier in single-source supplier situations. Non-transparent supply chains and a new reality require flexibility and additional focus on sourcing and procurement functions along with risk management to sustain operations and thrive as a successful business in the future.

We succeed to build such capabilities, to have the ability to react flexibly to the challenges in the business environment as well as meet the needs of the organizations, Supply chain again has identified key issues along the crisis response framework Respond, Recover and Thrive.

First, to ensure security of supply from existing suppliers, give priority to achieving visibility in the immediate and extended supply network. Second, to stay close to our requesters to identify changing demand patterns. Third, rethink ways of working and revise the operating model to make the procurement and supply functions a proactive business partner. Fourth, to build a future-proof procurement function build in resilience by investing in risk management capabilities and digital procurement tools.



SinoTharwa Drilling Co.

Here, will introduce the Supply Chain divisions 2020 records,

1. Materials planning

The planning processes play an important role in improving supply chain operation. It uses optimization techniques in management of supply/demand and determining optimal base stock.

The planning process aims to increase efficiency of available inventory, effectiveness of purchasing new items through Control Peculiar, Strategic, Shut down Items, deployment of aggregate requisitioning and additional applicable methods in order to improve business performance.

Our main objectives, is to Managing Company inventory effectively and efficiently and Increase fill rate decrease inventory value and increase turnover rate,

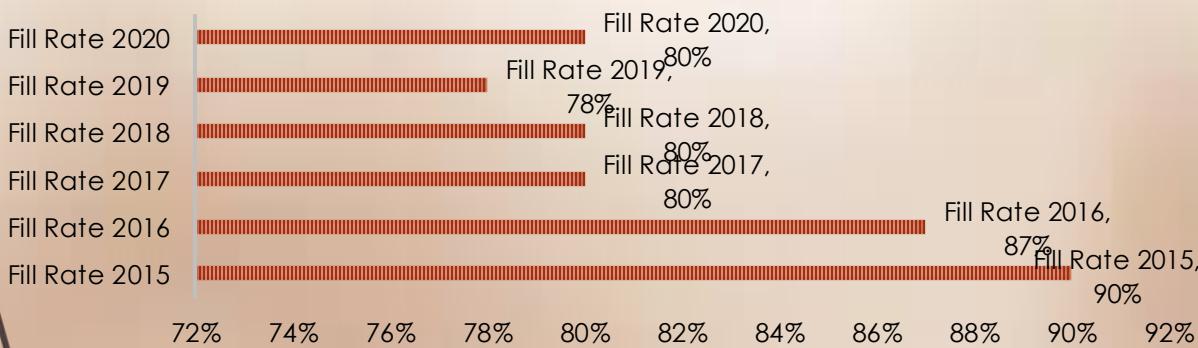
1. Fill Rate to 80% onshore.
2. Fill Rate to 80 % Offshore.
3. Inventory Value 12 % in 2020 on shore.
4. Inventory Value -2 % in 2020 off shore.

1. ONSHORE Fill Rate

Reflect number of requisition lines sourced from currently available inventory

Fill Rate 2015	Fill Rate 2016	Fill Rate 2017	Fill Rate 2018	Fill Rate 2019	Fill Rate 2020
90%	87%	80%	80%	78%	80%

ON SHORE FILL RATE 2015-2020



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2. OFFSHORE Fill Rate

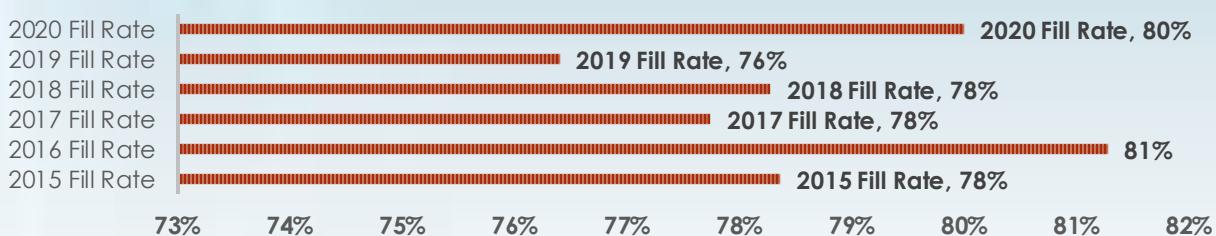
Reflect number of requisition lines sourced from currently available inventory rig on shelf



SinoTharwa Drilling Co.

2015 Fill Rate	2016 Fill Rate	2017 Fill Rate	2018 Fill Rate	2019 Fill Rate	2020 Fill Rate
78%	81%	78%	78%	76%	80%

BAHARI-1 FILL RATE

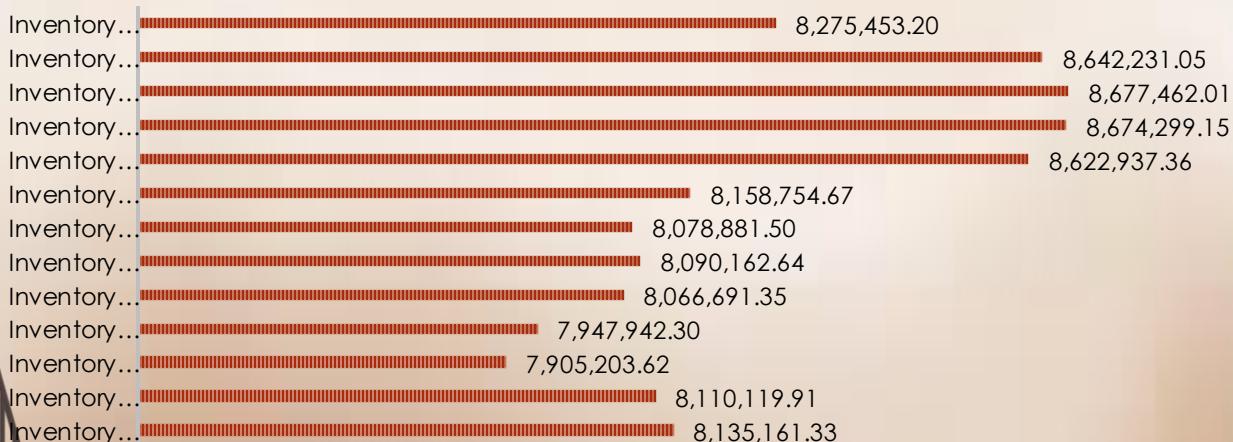


3. Inventory Value ONSHORE

Decreasing Inventory at the same time of increasing fill rate reflect efficiency of inventory Management. We have made 12% reduction of Net Spare Parts In 2020,

Inventory 31-12-2020	Decrease Value 2020	Inventory 30-12-2020	Decrease Value 2020																
14,629,681.67	88	14,357,759.54	54	14,171,900.54	72	13,371,594.00	00	13,362,470.00	72	14,171,900.54	2020	13,315-31-3-2020	2020	14,171,900.54	2020	13,315-31-3-2020	2020	14,171,900.54	2020

NET SPARE PARTS VALUE



4. Inventory Value ONSHORE

Increased inventory value for offshore rig due to received COC items for mud pumps will be issued during perform the COC make now onboard (Will Decreased by 244,000.00 USD)



SinoTharwa Drilling Co.

Decrease Value 2020	Inventory 30-12-2020	Inventory 30-11-2020	Inventory 31-10-2020	Inventory 30-9-2020	Inventory 31-8-2020	Inventory 31-7-2020	Inventory 30-6-2020	Inventory 31-5-2020	Inventory 30-4-2020	Inventory 31-3-2020	Inventory 28-2-2020	Inventory 31-1-2020	Inventory First 2020
-76,031.87	8,211,193.20	8,642,231.05	8,677,462.01	8,674,299.15	8,622,937.36	8,158,754.67	8,078,881.50	8,090,162.64	8,066,691.35	7,947,942.30	7,905,203.62	8,110,119.91	8,135,161.33

OFFSHORE NET SPARE PARTS VALUE



I. Purchasing

During 2020 we focus to supporting the operating rigs and adding new KUWAIT project which was reflected on the increase of the items required to be sourced as shown below aligned with progressive trend of purchase tenders with vendors on both regional and overseas levels, that to meet the projects target dates and to mitigate the disruptions resulted on COVID-19 and also to make material available on time.

Our main objective is to leverage our institutional knowledge, procurement expertise, and technology in order to provide solutions to our customers and optimal financial return-on SinoTharwa advantage.

Also, to provide the best procurement practices and highest quality services for our clients. In addition, we aim to foster mutual success among our clients both internal and external. We will be a department that...

- Providing advice and counsel
- Prequalifying suppliers
- Conducting supplier evaluations
- Determining proper actions



SinoTharwa Drilling Co.

1. 2020 Purchasing Records:

Procurement KPIs	January	February	March	April	May	June	July	August	September	October	November	December
# of items Sourced	835	676	1,279	637	670	645	1,226	559	1,034	321	729	1,177
# of PO awarded	217	129	193	161	152	141	118	200	173	131	176	218
Total value awarded	2,025,298.68	2,290,877.19	3,232,030.09	921,005.36	1,213,524.43	814,762.79	890,084.73	2,539,533.04	1,703,138.97	883,926.17	1,321,084.91	4,402,543.52

PO VALUE AWARDED - 2020



NUMBER OF ITEMS SOURCED/ 2020/MONTH



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I. Follow-Up

Among with 2020 and beyond the business challenges that emerge over time, we also encounter sudden and severe supply chain disruptions, supplier failures, and so on negatively affect the flow of goods and make the organization vulnerable to financial reputational, and relational damages. Follow Up was continuing study estimates are associated to given the cost of disruptions, it is imperative for organizations to manage these supply chain risks. Common pre-disruption steps include risk identification, risk assessment, and risk reduction. To reduce vulnerability to disruption risks.



SinoTharwa Drilling Co.

Internally, we adhered to comply with supply chain processes and procedures, beside measuring performance and reporting the KPIs, also sharing information with all party internally and externally, to contribute to the financial success of the organization. main focus on cost efficiency—streamline stock levels to reduce inventory carrying cost, leading organizations use the supply chain to enhance differentiation and penetrate new markets, targeting goal is to drive competitive advantage and shareholder value.

A dual focus on cost control and revenue generation helps all level to recognize the organizational value of supply chain management.

1. 2020 Follow-Up Records

Month	January	February	March	April	May	June	July	August	September	October	November	December
# of Promised POs	52	126	121	51	96	29	91	66	63	64	69	105
# of POs Closed	45	95	88	38	77	22	75	49	40	46	50	30
% of Closed	87 %	75 %	73%	75%	80%	76%	82%	74%	63%	72%	72%	31%



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SinoTharwa Drilling Co.

I. Logistics

It's all about importance of moving streamline process and the importance of customs clearance, transport, these services and processes is one of the most important reasons for the success of the supply chain and its efficiency is reflected, of course, we been affected with COVID-19 international flight bans and the worldwide lockdown, whoever we rapidly adapted with subsequences to achieve maximum profitability and stability of the company seized shipments, to mitigate shutdown risk that might resulted on delay on imported equipment and spare parts

Goals:

1. Minimize logistics cost and time
2. Optimize logistics by focusing on using the most efficient use of air, land and ocean modes of Transportation.
3. Increase speed for customs cycle times, and squeeze control of the supply chain while reducing time in transportation, Inventory and order fulfillment

1. 2020 Sea Shipping Records

Month	January	February	March	April	May	June	July	August	September	October	November	December
# of Ship ment	5	0	0	1	1	1	3	4	0	5	0	1
CB M	2	0	0	2	0	2	4	5	0	14	0	0

SEA SHIPMENT VS. CBM

■ Sea CBM ■ # of Sea Shipments





SinoTharwa Drilling Co.

2. 2020 Air Shipping Records

# of Shipment	Month	January	February	March	April	May	June	July	August	September	October	November	December
5		2	6	5	3	1		1	0	4	4	3	3
1129		2111.2	1609	1888	1022	270	189	0	1298.65	1217	398	1302	

OF AIR SHIPMENTS



AIR KG



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FINANCE DEPARTMENT

External Auditor Reports



Sino Tharwa Drilling Co.

*Translation of Auditors' Report
Original is issued in Arabic*

INDEPENDENT AUDITOR'S REPORT

To the Quota Holders of Sino Tharwa Drilling Company
"A Limited Liability Company Private Free Zone"

Report on the Financial Statements

We have audited the accompanying financial statements of Sino Tharwa Drilling Company "A Limited Liability Company Private Free Zone", which comprise the balance sheet as of December 31, 2020, and the related statements of income, Comprehensive income, changes in Quota holders' equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards. And in light of Egyptian governing laws this responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Sino Tharwa Drilling Co.

Translation of Auditors' Report
Originally Issued in Arabic

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Sino Tharwa Drilling Company "A Limited Liability Company Private Free Zone"**, as of December 31, 2020, of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and in the light of the relevant Egyptian laws and regulations.

Without qualifying our opinion

The company postponed the interest due on the loans during the COVID-19 period, and the amount was charged to the Debtors and other debit balances in note number (10) based on the decision of the Central Bank of Egypt on March 16, 2020 note number (17)*.

Report on Other Legal and Regulatory Requirements

The company maintains its accounting records as required by law and the Statutes of the company which are in agreement with the accompanying financial statements.

The financial information included in the Board of Managing Directors' report, prepared according to the requirements of Law No. 159 for 1981, and its executive regulations, is in agreement with the company's records to the extent that such information is normally recorded.

Cairo, 22 February 2021



Balance Sheet as of 31st of December 2020 (amount expressed in USD Dollars)



SinoTharwa Drilling Co.



Translation of Financial Statements
(Originally Issued in Arabic)

SinoTharwa Drilling Company
Limited Liability Company Private Free Zone™
Balance Sheet as of December 31, 2020
(Amounts Expressed in US Dollar)

	Note	31/12/2020	31/12/2019
Non-Current Assets			
Fixed assets – Net	(6,62)	359,460,044	375,232,705
Right of use – Net	(5,73)	8,321,033	10,980,287
Projects under construction	(6,87)	60,416,038	21,544,657
Inventory of fixed asset spare part	(7)	2,702,639	2,394,822
Total Non-Current Assets		438,498,754	410,854,671
Current Assets			
Inventory	(8,92)	27,412,960	27,755,443
Accounts receivables	(8,11,12)	33,802,931	18,789,291
Debtors and other debit balances	(8,11,12)	16,916,480	11,805,921
Cash and cash equivalent	(13)	7,823,112	2,590,125
Total Current Assets		67,954,575	60,140,779
Total Assets		498,483,329	470,994,850
Quota Holders Equity			
Capital	(15)	113,240,000	90,000,000
Legal reserve	(16)	7,931,999	7,931,999
Retained earnings		7,539,279	45,161,919
Net (Loss) Profit for the year		(34,095,875)	(37,743,576)
Total Quota Holders Equity		94,685,003	95,349,940
Non-Current Liabilities			
Long term loans	(17)	233,510,445	197,767,643
Right of use – Long term	(18)	6,630,837	8,321,032
Deferred Revenue – Financial Lease		3,883,537	5,685,814
Total Non-Current Liabilities		244,924,819	211,771,889
Current Liabilities			
Provisions	(14,15,20)	2,726,982	747,831
Creditors and other credit balances	(13,12,20)	105,749,232	85,440,189
Loans maturing due within a year	(17)	30,939,360	47,333,892
Right of use – Short term	(19)	4,352,459	2,662,235
Deferred Revenue – Financial Lease		1,800,277	1,800,277
Transaction with Related Parties	(13)	15,086,106	25,888,483
Total Current Liabilities		168,223,587	163,873,811
Total Quota Holders Equity and Liabilities		498,483,329	470,994,850

The accompanying explanatory notes are an integral part of these financial statements.
- Auditors' report attached.

Deputy Financial General Manager

George Moustafa & Managing Director

Financial General Manager

Chairman & Managing Director



Income Statement as of 31st of December 2020 (amount expressed in USD Dollars)



SinoTharwa Drilling Co.



*Translation of Financial Statements
Originally issued in Arabic*

**SinoTharwa Drilling Company
Limited Liability Company Private Free Zone™
Income Statement as of December 31, 2020
(Amounts Expressed in US Dollar)**

	Attach	Note	31/12/2020	31/12/2019
Operating revenue		(1)	66,358,922	76,262,000
Deduct:				
Operating expenses		(2)	(75,333,729)	(78,695,114)
Gross (less) Profit			<u>(8,974,807)</u>	<u>(2,433,114)</u>
Add / Deduct:				
Credit Interest			1,032	2,164
Other revenue			153,404	358,093
Net (Losses) scrapped fixed assets			(37,532)	(449,969)
Net capital gain			189,542	106,298
Currency differences (Losses) / gains			(2,136,988)	(3,646,989)
Financial Lease – Earned Revenue			1,800,277	1,800,277
Provisions no longer required		(14)	–	73,739
General & administrative expenses		(3)	(12,275,448)	(11,809,032)
Financing expenses			(6,369,594)	(16,702,747)
Right of use – interest expenses		(5)	(652,893)	(661,920)
Administrative expense - Financial lease			–	(53,515)
Right of use – Depreciation			(2,662,254)	(2,662,254)
Fixed assets Depreciation			(911,554)	(822,375)
Board of directors' remuneration			(40,809)	(40,549)
Provisions Formed For Inventory Impairment			–	(171,900)
Provisions formed during the year		(14)	<u>(1,978,251)</u>	<u>(629,785)</u>
Net (losses) for the year			<u><u>(34,095,875)</u></u>	<u><u>(37,743,578)</u></u>

- The accompanying explanatory notes are integrated part of these financial statements
- Auditors' report attached

Deputy Financial General Manager

General Manager & Managing Director

Financial General Manager

Chairman & Managing Director



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Income Statement as of 31st of December 2020 (amount expressed in USD Dollars)



SinoTharwa Drilling Co.



*Translation of Financial Statement
Originally issued in Arabic*
SinoTharwa Drilling Company
"Limited Liability Company Private Free Zone"
Comprehensive Income Statement
As of December 31, 2020
(Amounts Expressed in US Dollar)

	<u>31/12/2020</u>	<u>31/12/2019</u>
(Losses) of the year	(34,095,875)	(37,743,578)
Other Comprehensive Income	—	—
Total Comprehensive Income	<u>(34,095,875)</u>	<u>(37,743,578)</u>

- The accompanying explanatory notes are integrated part of these financial statements
- Auditors' report attached


Deputy Financial General Manager


General Manager & Managing Director


Financial General Manager


Chairman & Managing Director



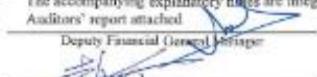
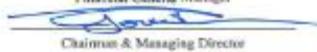
 Translation of Financial Statements
Originally issued in Arabic

SinoTharwa Drilling Company
"Limited Liability Company Private Free Zone"
Changes in Quota Holders Equity Statement
As of December 31, 2020
(Amounts Expressed in US Dollar)

Description	Capital	Legal Reserve	Retained Earnings	Net Profit (Losses)	Total
Quota holder's equity as at January 1, 2019	\$9,000,000	7,920,046	44,942,420	231,052	131,693,518
Transferred to retained earnings	—	—	231,052	(231,052)	—
Transferred to legal reserve	—	11,553	(11,553)	—	—
Net profit for the year	—	—	—	(37,743,578)	(37,743,578)
Quota holder's equity as at December 31, 2019	\$0,000,000	7,931,599	45,161,919	(37,743,578)	95,349,940
Quota holder's equity as at January 1, 2020	\$0,000,000	7,931,599	45,161,919	(37,743,578)	95,349,940
Increase Capital	33,240,000	—	—	—	33,240,000
Transferred to retained earnings	—	—	(37,743,578)	37,743,578	—
Adjustments on retained earnings	—	—	120,938	—	120,938
Net profit / (Losses) for the year	—	—	—	(34,095,875)	(34,095,875)
Quota holder's equity as at December 31, 2020	<u>113,240,000</u>	<u>7,931,599</u>	<u>7,539,279</u>	<u>(34,095,875)</u>	<u>94,615,000</u>

*settlements amount represent tax liability of 2017 related to Algeria revenues

- The accompanying explanatory notes are integrated part of these financial statements.
- Auditors' report attached



 Translation of Financial Statements
Originally issued in Arabic

SinoTharwa Drilling Company
"Limited Liability Company Private Free Zone"
Cash Flow Statement as of December 31, 2020
(Amounts Expressed in US Dollars)

	Note	2020/2020	2019/2019
Cash Flow from Operating Activities:			
Net profit / (Losses) for the year		(34,095,875)	(37,743,578)
Adjustments			
Fixed assets depreciation		25,899,380	23,885,254
Right of use - Depreciation		2,962,234	2,662,258
Provisions made during the year		1,978,251	829,783
Provisions used during the year		—	(92,389)
Provisions no longer required		—	(72,720)
Finance lease down payment amortization		(189,542)	—
Capital gain		120,938	(106,280)
Adjustments on Retained Earnings		—	—
Change in inventory		562,483	271,654
Change in accounts receivable		2,987,268	2,297,824
Change in debtors and other debt accounts		(5,910,554)	328,857
Change in creditors and other credit accounts		20,369,047	25,355,824
Change in Transaction with Related Parties		(110,802,375)	358,416
Net Cash Flow from operating activities		3,201,782	18,788,821
Cash Flow from Investing Activities:			
Proceeds from sale of fixed assets		227,146	106,298
(Payments) for purchase of fixed assets		(10,075,836)	(6,078,890)
(Payments) for projects under construction		(38,871,951)	(6,944,277)
Change in inventory of fixed assets spare parts		261,583	759,474
Net Cash Flow (used) for Investment Activities		(48,427,280)	(12,156,371)
Cash Flow from Financing Activities:			
(Payment) of Installment for long term loan		35,740,400	(21,068,735)
Proceed from Installment for long term loan		—	26,000,680
(Payment) Of Installment Of Right of use		(1,347,384)	(1,331,708)
(Payment) Of interest Of Right of use		(652,835)	(561,920)
Proceed from Installment Of Leased Big		(16,824,632)	1,742,384
Paid capital		53,240,000	—
Net (Increase) Cash Flow from Financing Activities		93,558,493	(1,956,797)
Net change in cash and cash equivalent		3,252,987	4,628,754
Cash and cash equivalent beginning balance		2,990,125	(2,038,629)
Cash and cash equivalent ending balance		7,823,112	2,966,125
Cash and Cash equivalent represent:			
Cash and cash equivalent	113	7,823,112	2,966,125
7,823,112		2,966,125	

The accompanying explanatory notes are integrated part of these financial statements.

- Auditors' report attached





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SinoTharwa Drilling Co.

► **Capital Investment Up To December 2020**

Capital Investment
780 MM

Jackup Rig 337 MM	Land Rigs 327 MM	Work Over Rigs & Pulling Units 46 MM	Kuwait Project 45 MM	Badr Land, Building, Mud Logging , Drill String & Other 25 MM
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Capital Investment
780 MM
Contributed By

Long-term Loan* 551 MM	Share Holders Contribution 113 MM	Cash Available From Operating 116 MM
----------------------------------	--	---

► **Long-term Loans 551 MM as follow:**

- 531 MM Company Loans since inception
- 14.6 MM New NBE Kuwait New Loan.
- 5.4 MM Capitalized interest (According to CBE Grace Period Decision from March to September-2020).

► **Procedures with banks during 2020**

- ✓ Financing agreement (MTL) was Signed With National bank of Egypt with an amount of 42.1 MM to finance part of the company new project in Kuwait.
- ✓ An approval has been obtained from National Bank of Egypt-NBE in order to postpone the due installment & interest during 2020 as the following :
- ✓ Postpone Bahari-1 interest & installment during 2020 and extend the loan tenor until 2028.
- ✓ Postpone all 2020 dues for rig ST16 & ST26 (interest & installment) and extend the loans tenor until the end of 2024.
- ✓ Postpone Other land rigs dues (ST3, 4, 8, 9, 10, 11, 12, 21 and 24) (interest & installment) in 2020 and extend the loans tenor until the end of 2022
- ✓ Postpone the Overdraft of \$20MM interest during 2020

□ An approval has been obtained with Credit Agricole to reduce the payment of due installment during 2020 and extend the loan tenor in order to relax the squeezed cash flow during 2020.

□ An approval has been obtained with Corplease to reduce the payment of due installment during 2020 and extend the loan tenor in order to relax the squeezed cash flow during 2020.

□ An approval has been obtained with Misr Bank to reduce the payment of due installment during 2020 and extend the loan tenor in order to relax the squeezed cash flow during 2020.

□ An initial approval has been reached with Arab African international Bank (AAIB) concerning the existing loan for ST14 & St 15 to get 2 years grace period and extend the loan tenor.

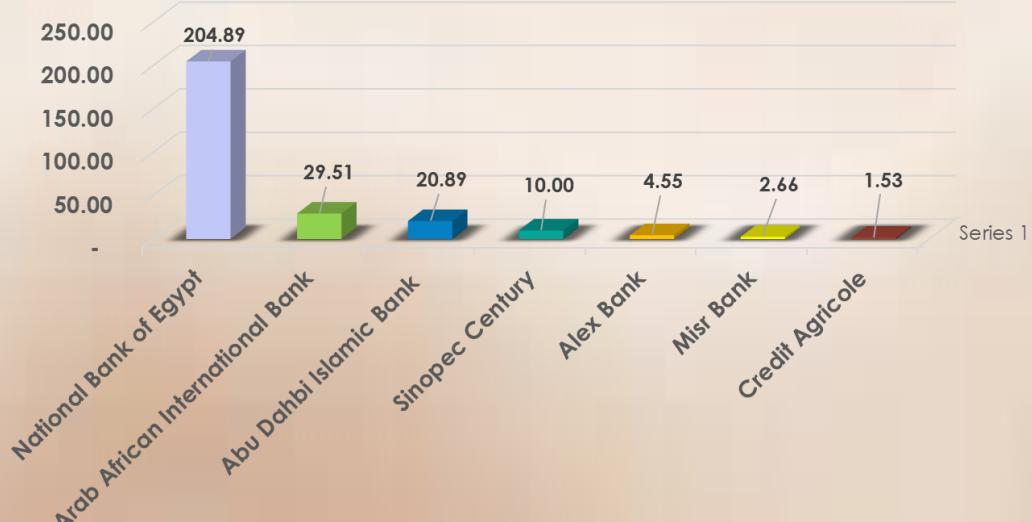


Sino Tharwa Drilling Co.

► Bank Loans and Overdraft 2019 VS. 2020

Description	2020	2019	Diff.
Credit Agricole	1,532,242	2,044,474	512,232
Misr Bank	2,657,086	3,183,685	526,599
Alex Bank	4,550,000	4,550,000	0
Sinopec Loan	10,000,000	10,000,000	0
Abu Dhabi Islamic Bank	20,887,195	19,999,195	(888,000)
Arab African International Bank	29,506,239	28,695,589	(810,650)
National Bank of Egypt	204,887,043	186,628,091	(18,258,952)
Total	274,019,806	255,101,034	(18,918,772)

► Bank Loans Status For Year 2020 (\$ 274 MM)



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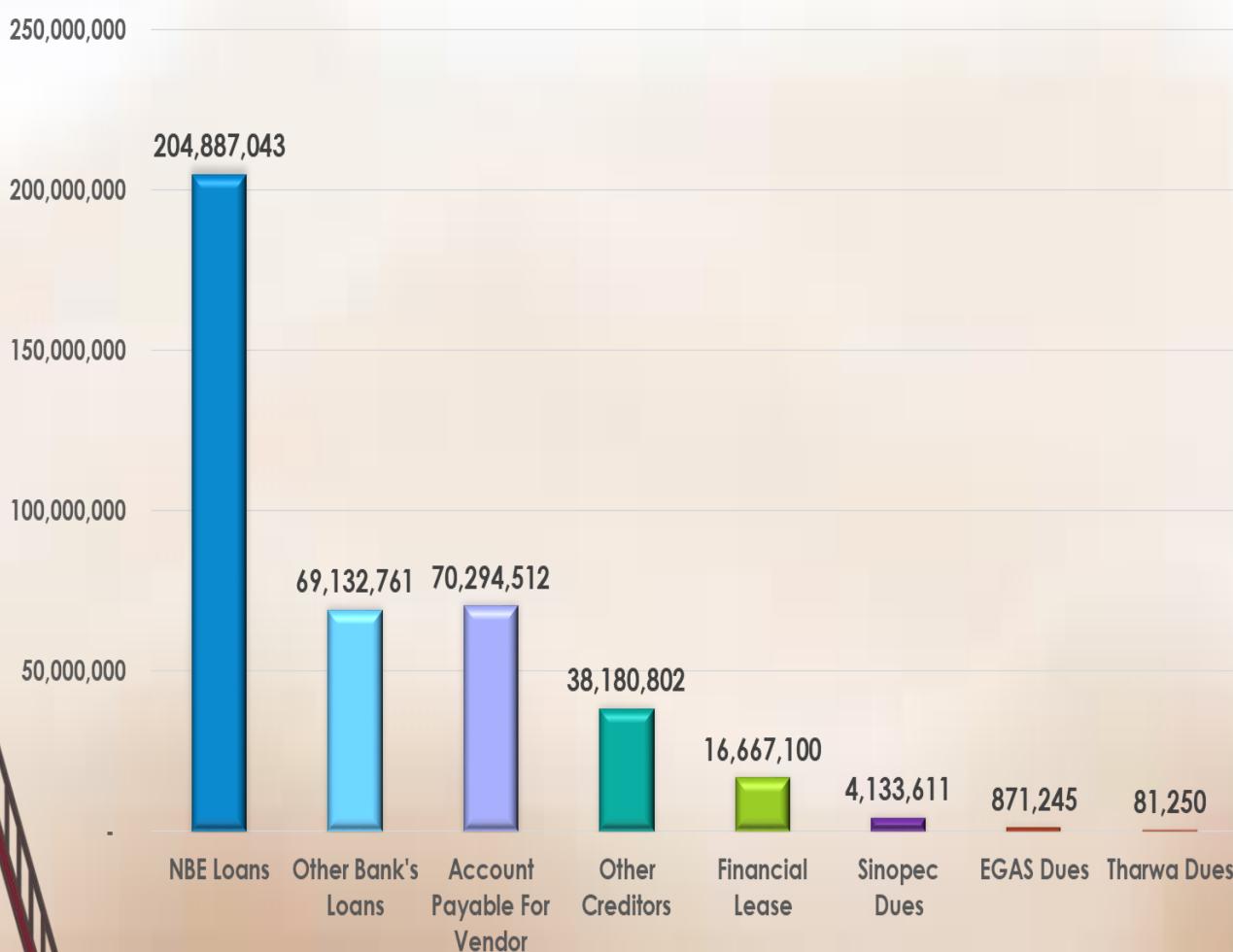
► Loans Status Since Inception Up To December-2020



SinoTharwa Drilling Co.



Total Liabilities For Year 2020 USD 404,248,325



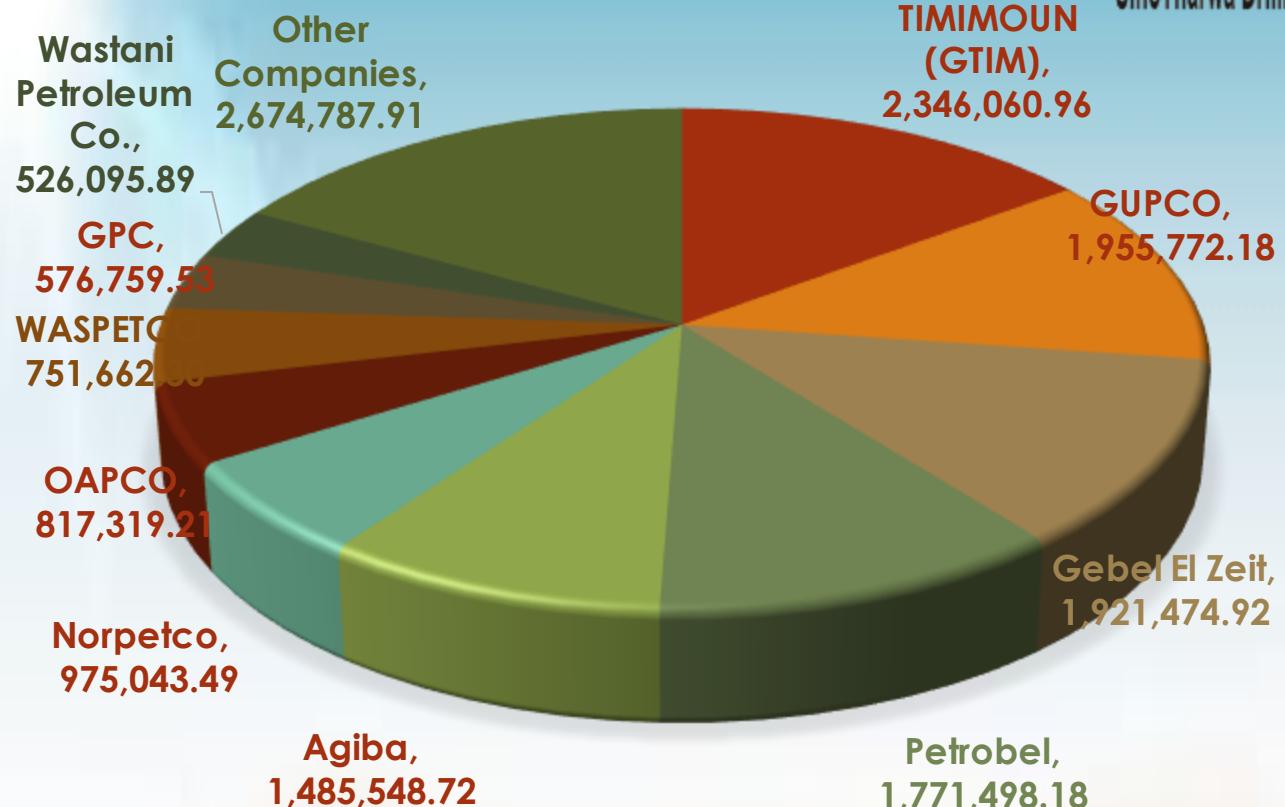
► **Total Receivables For Year 2020 USD 15,802,023**



GROUPEMENT TIMIMOUN (GTIM),

2,346,060.96

SinoTharwa Drilling Co.



► **Cash Collection During Year 2020 USD 67,460,639**



► Monthly Income Statement Up To Dec-2020

(Dollars In Thousands)



Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Operating Revenue													
Rig Rental Revenue	4,452	4,241	5,974	5,319	5,185	4,272	3,404	3,511	3,157	2,549	3,492	3,607	49,164
Mobilization & Move Revenue	1,431	1,056	1,716	969	866	750	812	424	945	938	883	1,117	11,906
Catering Revenue	158	268	361	281	303	130	214	79	240	210	128	186	2,558
Location Preparation Revenue	75	0	0	0	0	1	0	0	0	0	0	0	76
Other Rig Revenue	112	172	365	121	179	268	126	461	130	132	373	215	2,655
Total Operating Revenue	6,227	5,737	8,416	6,690	6,533	5,421	4,555	4,475	4,472	3,829	4,877	5,125	66,358
Operating Cost													
National Crew Cost	1,759	1,905	2,091	1,985	1,897	1,788	1,722	1,939	1,931	1,474	1,669	1,666	21,827
Expat Cost	228	265	266	199	142	275	141	(2)	116	149	109	118	2,007
Repair & Maintenance	940	924	991	624	889	788	694	1,106	646	850	398	1,030	9,879
Catering Cost	569	628	609	552	572	213	505	355	342	346	374	234	5,299
Transportation Rental	337	259	361	313	266	165	381	159	205	120	165	282	3,013
Mobilization & Move Cost	554	726	628	579	537	440	564	869	548	360	247	638	6,690
Location Preparation	50	0	0	0	0	0	0	0	3	0	0	0	53
Rig Insurance	105	99	97	83	102	94	112	90	103	102	102	101	1,190
Depreciation	2,042	2,037	2,135	2,122	2,102	2,073	1,989	2,191	2,075	2,041	2,209	1,973	24,988
Management Fee	29	(2)	0	105	42	0	(8)	0	84	161	211	(234)	388
Total Operating Cost	6,615	6,841	7,177	6,563	6,548	5,835	6,100	6,706	6,054	5,603	5,483	5,808	75,333
Net Operating Gain	(388)	(1,104)	1,239	127	(15)	(414)	(1,545)	(2,230)	(1,582)	(1,774)	(607)	(683)	(8,976)
G & A expenses													
Interest For Loan	1,317	1,402	1,239	1,267	1,063	1,344	1,190	1,035	1,202	(2,086)	(1,292)	(457)	7,222
General Investment Fee	62	24	86	65	65	54	46	45	44	59	70	54	673
Other G & A expenses	1,580	1,678	983	1,151	817	40	1,862	1,624	1,492	1,621	1,028	3,349	17,225
Total G & A expenses	2,959	3,104	2,307	2,482	1,945	1,438	3,098	2,703	2,738	(406)	(193)	2,945	25,120
Net Profit / Loss	(3,347)	(4,208)	(1,068)	(2,355)	(1,960)	(1,852)	(4,643)	(4,934)	(4,319)	(1,368)	(413)	(3,628)	(34,096)

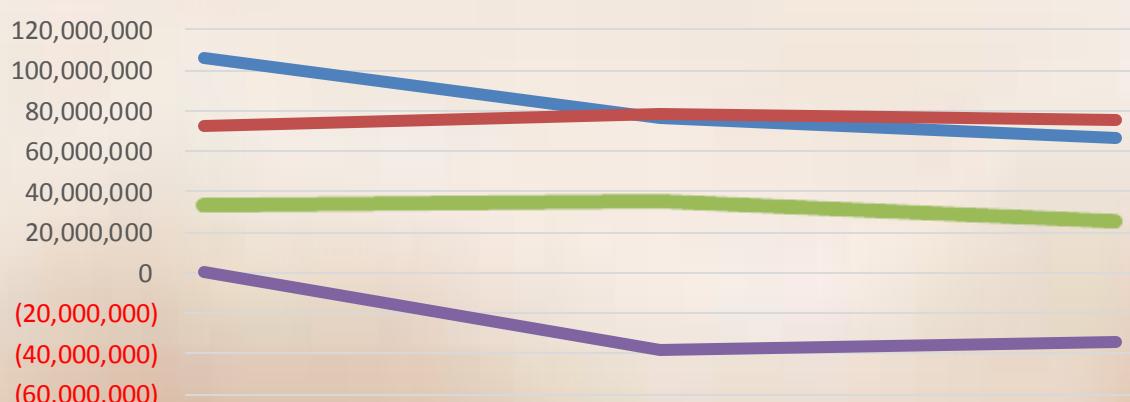


SinoTharwa Drilling Co.

► **Revenue & Cost Elements Analysis Up To Dec-2020**
(Dollars In Thousands)

Operating Revenue			Operating Cost			G & A Expenses		
Description	%	Amount	Description	%	Amount	Description	%	Amount
Rig Rental	74.1 %	49,164	Crew Cost (National & Expat)	31.6%	23,834	Interest For Loan	28.8%	7,222
Move & Mobilization	17.9 %	11,906	Depreciation	33.2%	24,988	Crew (National & Expat)	31.9%	8,010
Catering	3.9 %	2,558	Repair & Maintenance	13.1%	9,879	Depreciation	14.2%	3,574
Other Rig Revenue	4.1 %	2,731	Mobilization & Move Cost	9.0%	6,743	Other Expenses	19.6%	4,934
Total	100 %	66,359	Catering Cost	7.0%	5,299	Transportation Rental	3.1%	789
			Transportation Rental	4.0%	3,013	Repair & Maintenance	2.4%	592
			Rig Insurance	1.6%	1,190	Total	100%	25,121
			Management Fee	0.5%	388			
			Total	100%	75,334			

► **Profit - Loss Summary , Actual History Up To December-2020**



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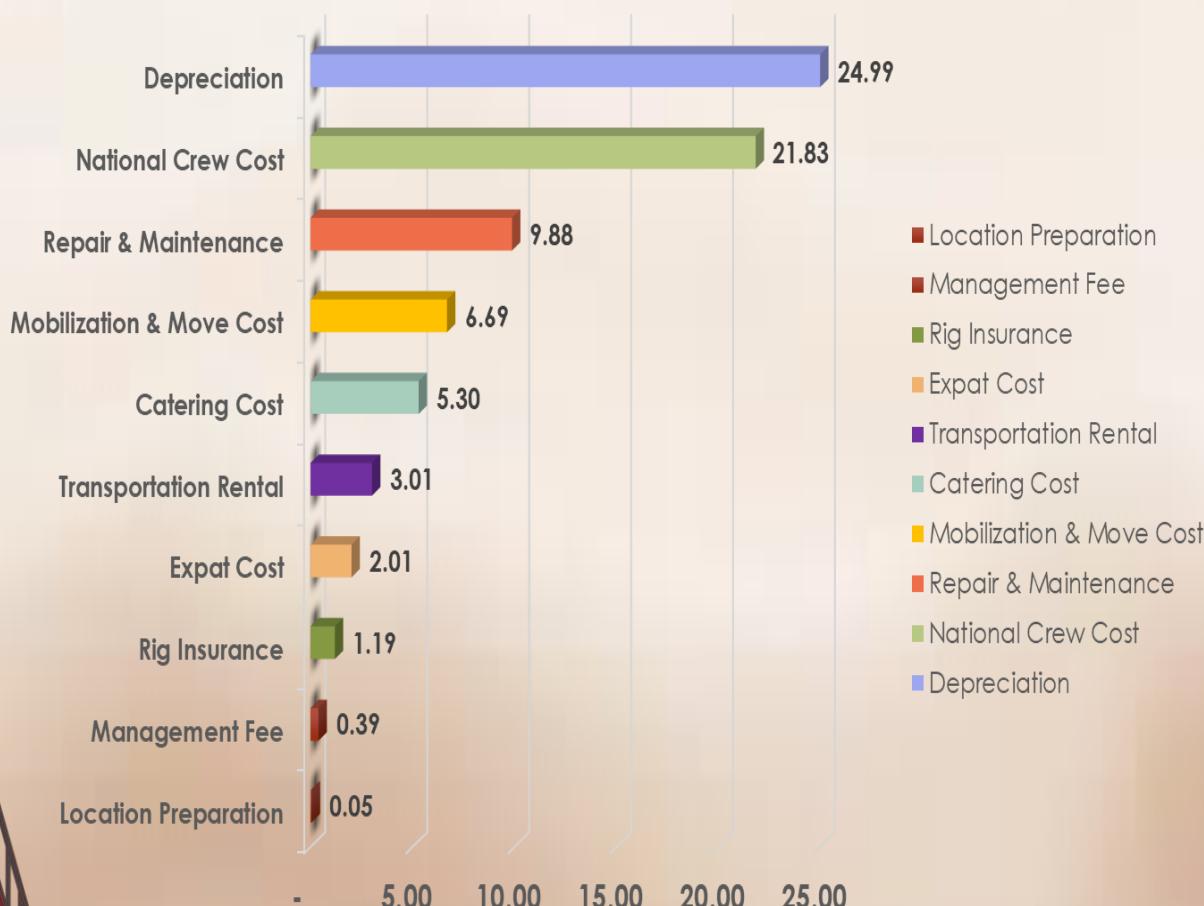
SinoTharwa Drilling Co.

► Financial Situation Profit / Loss 2019 Vs. 2020 (\$M)

Description	2019		2020	
	Budget	Actual	Budget	Actual
Operating revenue	\$111.88	\$76.26	\$117.93	\$66.36
Operating Cost	\$77.14	\$78.70	\$84.78	\$75.33
Interest Expense	\$16.16	\$17.42	\$15.55	\$7.22
Other G & A Expenses	\$18.07	\$17.88	\$16.88	\$17.90
Net Profit / Loss	\$0.51	(\$37.74)	\$0.71	(\$34.10)
EBIT*	\$16.67	(\$20.32)	\$16.27	(\$26.87)

➤ *Earning Before Interest & Tax

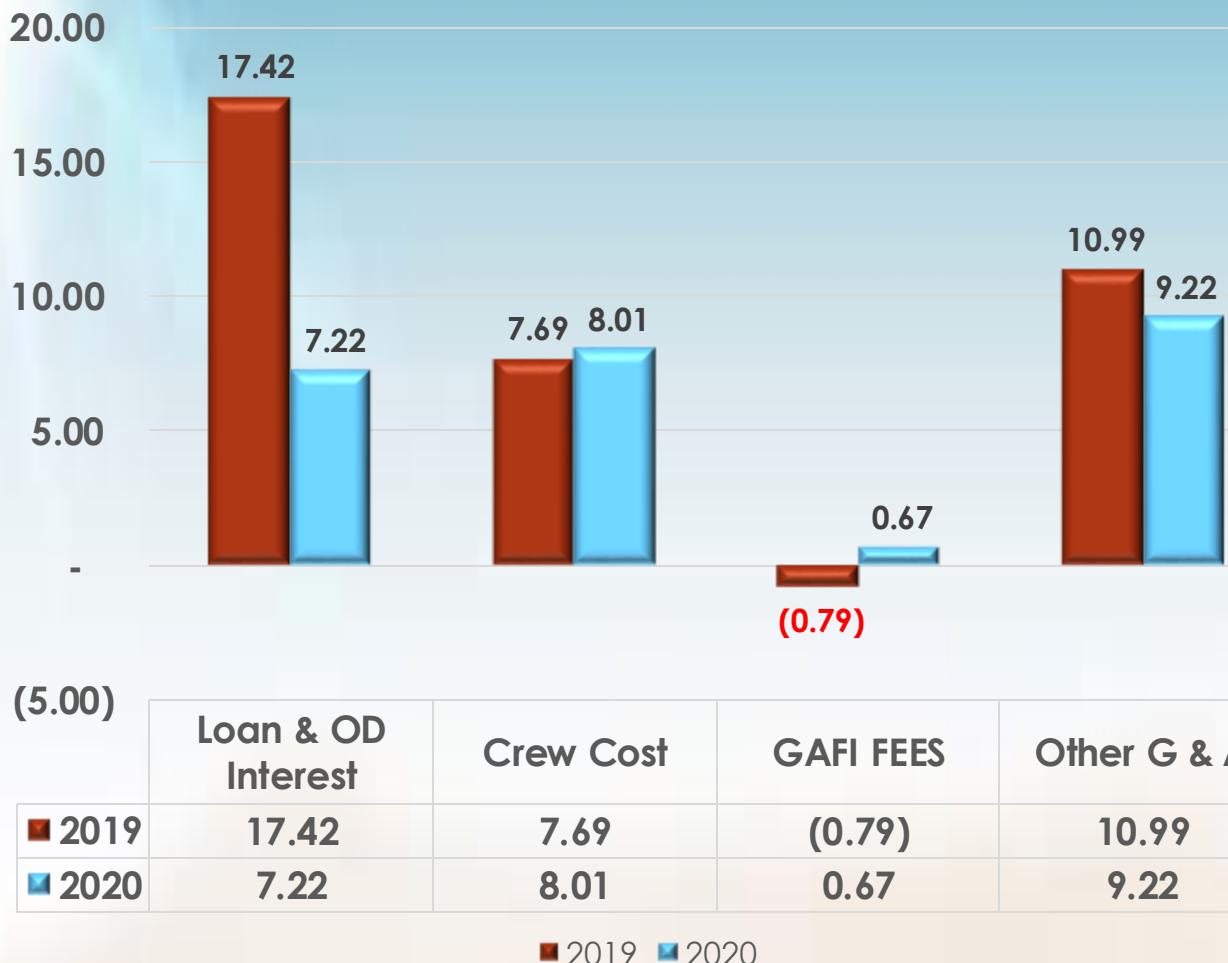
► Operating Cost Elements (\$ 75 MM)



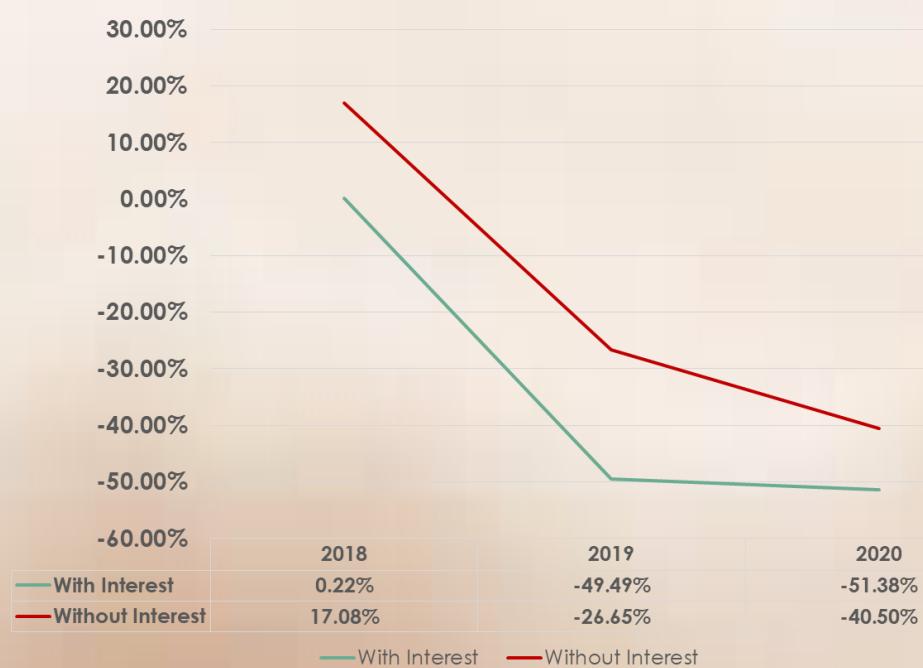


SinoTharwa Drilling Co.

► G & A Expense Elements 2019 Vs. 2020



► Profit Margin Ratio With Interest Vs. Without Interest



Profit Margin = Net profit / Revenue



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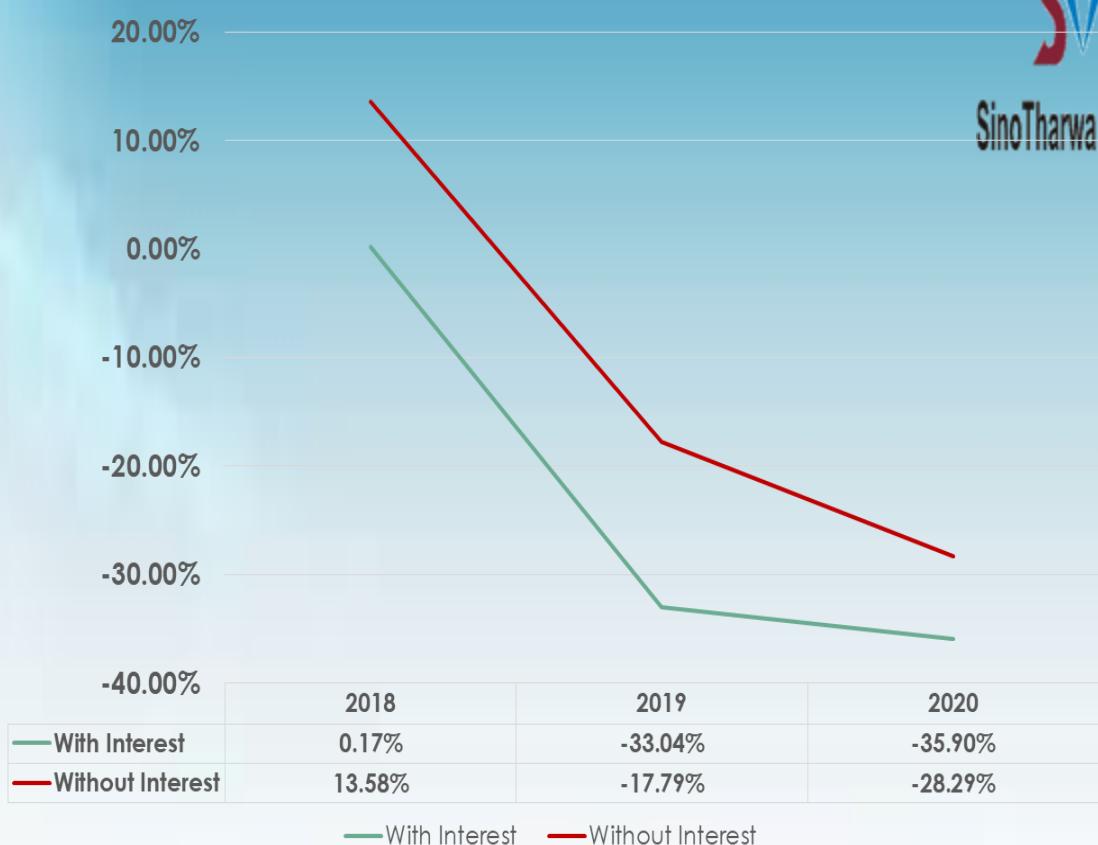


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► Return On Equity Ratio With Interest Vs. Without Interest

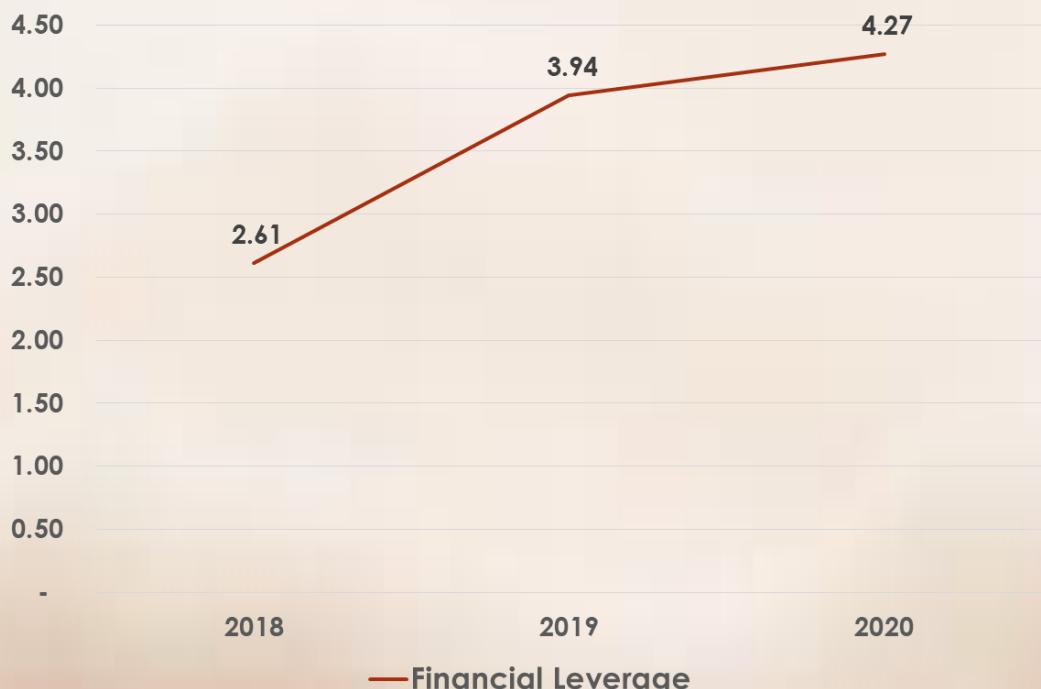


SinoThanwa Drilling Co.



Return on Equity = Net profit / Average Total Equity

► Financial Leverage



➤ **Financial Leverage = Total Liability / Total Equity**



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CONTRACTS DEPARTMENT

Securing the best terms and conditions for SinoTharwa Drilling & Services Contracts.



SinoTharwa Drilling Co.

DRILLING SECTION

In Year 2020, Bidding in several Onshore and Off-shore drilling tenders with Competitive Proposals in order to offer SinoTharwa Rig fleet the maximum possible opportunities despite the global oil and gas industry crisis due to the sharp drop of the Brent Oil price reaching USD 20/BBL by the mid of 2020 enforced by the Global Pandemic COVID-19 that lead to an economic and societal worldwide lockdown affecting the oil and gas industry.

1-DRILLING AND WORK-OVER TENDERS & INQUIRIES

During 2020, SinoTharwa participated in a total of 38 Onshore and Offshore tenders, offers, prequalification and inquiries domestically and internationally.

SinoTharwa successfully acquired 11 Drilling and work-over Contracts domestically.

DRILLING AND WORK-OVER TENDERS & INQUIRIES



NEW CONTRACTS DURING 2020

DRILLING RIGS

RIG NAME	OPERATOR
ST-1	EI WASTANI PETROLEUM COMPANY /
ST-4	GENERAL PETROLEUM COMPANY
ST-7	VEGAS EAST LAGIA
ST-9	GENERAL PETROLEUM COMPANY
ST-11	NORTH RAS EI USH PETROLEUM COMPANY
ST-12	OASIS Petroleum Company

WORK OVER RIGS

RIG NAME	OPERATOR
ST-21	PETROSANNAN COMPANY
ST-22	PETROSANNAN COMPANY
ST-28	EI WASTANI PETROLEUM COMPANY

NON-OWNED RIGS

RIG NAME	OPERATOR
TANMIA-1	ALAMEIN PETROLEUM COMPANY



SinoTharwa Drilling Co.

2- ONSHORE AND OFFSHORE EXTENDED CONTRACTS

In the Meantime, we succeeded to renew the validity of

9 Onshore and offshore drilling Contracts

DRILLING RIGS	
RIG NAME	OPERATOR
Baharai-1	GULF OF SEUZ PETROLEUM COMPANY
ST-2	NORTH BAHERYIA PETROLEUM COMPANY
ST-9	GENERAL PETROLEUM COMPANY
ST-11	PETROSHAHID PETROLEUM COMPANY

WORK OVER RIGS	
RIG NAME	OPERATOR
ST-22	NORTH BAHARIA PETROLEUM COMPANY (NORPTECO)
ST-24	PETROAMIR PETROLEUM COMPANY
ST-26	BELAYIM PETROLEUM COMPANY (PETROBEL)
ST-28	EI WASTANI PETROLEUM COMPANY
ST-29	AGIBA PETROLEUM COMPANY

3.-SINOThARWA IN KUWAIT

After our successful entry to the Kuwaiti market, related service contracts essential for running Kuwait project effectively have been prepared and issued to cover the operation with the provision of the best quality required for high performance standards.

4- MUD LOGGING SERVICES:

SinoTharwa succeeded to extend almost all our Mud logging contracts for SinoTharwa 6 units and to sustain the cooperation between our same Current operators.

MUD LOGGING UNITS	OPERATORS
CMS Unit #1	PETROSILAH PETROLEUM COMPANY
CMS Units #2&3	QARUN PETROLEUM COMPANY
CMS Unit #4	GULF OF SUEZ PETROLEUM COMPANY
CMS Unit #5	BELAYIM PETROLEUM COMPANY (PETROBEL)
CMS Unit #6	GULF OF SUEZ PETROLEUM COMPANY



SinoTharwa Drilling Co.

SERVICES SECTION

► SERVICE TENDERS & OFFERS

In order to support other departments in performing their scope, the Contracts Department launched several service Tenders and Inquiries for the required services as [Custom Clearance, Transportation services, Water Supply, Tubular inspections services.... etc.] as well as requesting Rig Move Quotations for long distance moves in order to select the best contractors offering the best quality with competitive prices available in the Egyptian market.

► SERVICE CONTRACTS:

Contracts Department is keen to improve the efficiency of the contract process starting from the service request till the contract signature in order to provide the required service in the right quantity, quality, price and delivery time.

Through the year 2020, 37 new contracts and amendments with different service providers are signed for several services heavy and light transportation, catering, general repair & Fabrication services, guarding services, fresh water supply, ...etc.)

Services Contracts



BADR YARD



SinoTharwa Drilling Co.

► Introduction

Badr Yard management enhances the company's services by providing all means and ways that serve the employee from a full-service hotel stay in the guest house on the one hand, as well as the means that help in maintaining the company's equipment and providing all the tasks and spare parts in the workshops and warehouse on the other hand.

► Our vision

Support the best services for all sinotharwa employees & all services which qualify the sinotharwa rigs to be the best always.

► Goals

Monitoring the performance plan & it's necessary to harmonize between our vision & our mission, as well as guiding principles and policies that are often discussed within a plan.

► Our mission

- Development the services provided to employees to be the highest level of quality, hygiene & safety
- Periodic development and maintenance of all Badr Yard facilities so as not to affect work productivity, such as overhauling of equipment, and so as not to affect residents and workers in the guest house
- Preserving the aesthetic landscapes in Badr Yard and developing them permanently, taking into account reducing costs and maintaining cost savings

► Activities implemented during - 2020

- Repair the 3 phase electric cable at Level -3
- This Important Job Which Faced Us From 3 Years Ago, Which Handled And Performed By Badr City Electrical Authority.



➤ Changing the internal plumbing line of the main bathrooms & clothes changing room in the warehouses after the floor collapsed from leaking water in it.

➤ Renew the paint of all traffic arrows in yard



SinoTharwa Drilling Co.



➤ the ceiling of workshop has been damaged & we contacted with 3rd party company which specialist in this issues & it performed the task and fixed the ceiling

➤ Update the landscapes with Add Trees & flowers in front of guest house .

➤ Swing fabrication in landscapes of guest house as a Entertaining for employees.

➤ The fire alarm system recorded some faults that effect on the system efficiency, a maintenance carried out to system by 3rd party to fix and remove all the faults.

➤ Complete the fabrication of Man Basket & inspected from Tetra Lift company .



➤ New water pump on source of government water to increase the quantity of water line which feed the Guest house & all badr buildings.

➤ Fabricate & Install cabin to install device of face recognize in main gate of Badr Yard.



➤ UPGRADE the underground firefighting pipes.

The underground firefighting pipes were reaching a very poor condition that always leakages when the lines pressurized, so the underground pipes replaced by new polyethylene pipes to increase the system effectiveness.

➤activities under surface protection and painting activities with arrangement with BADR YARD DIRECTOR.



➤Upgrade all the outside fixture light and replace it by led lights to reduce the cost of monthly electricity invoice

➤Install the new water meter from Water authority Co. to Calculate the actual amount of water consumed, thus reducing monthly expenses.

► **Costs and expenses during -**

2020

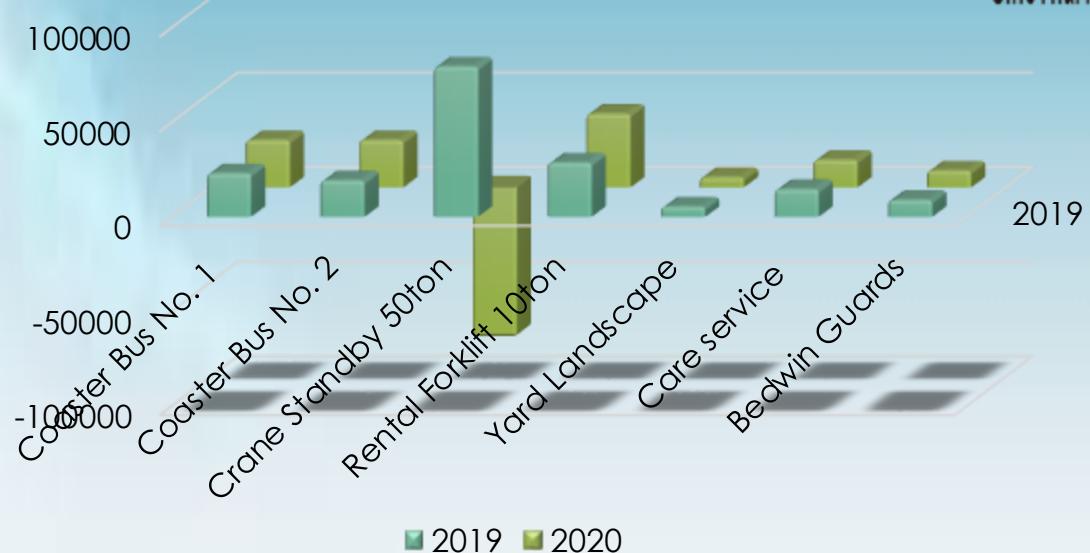
➤ **facilities fixed cost of 2019 & 2020**

Facilities	2019 EGP	2020 EGP
Coaster Bus No. 1 (Head Office – Badr Yard)	23100	25095
Coaster Bus No. 2 (Moassasah – Badr Yard)	19304	25095
Standby Crane - 50ton Starting from Sep-2020 no cost for cane standby because of it Release from 13/8/2020	79500	(79500)
Standby Forklift - 10ton	28730	39000
Yard Landscape	5500	5500
Care service	14650	13984
Bedwin Guards	9000	9000

► Facilities Fixed Cost 2019 & 2020



Sino Tharwa Drilling Co.



► Electricity invoices of 2019 & 2020

Month	Electricity Invoices -2019 EGP	Electricity Invoices -2020 EGP
Jan	42,029	56122
Feb	62,824	62967
Mar	46,525	42986
Apr	42884	50651
May	44892	53674
Jun	62582	57708
Jul	66838	60769
Aug	60835	63099
Sep	67019	65348
Oct	56738	57047
Nov	54148	
Dec	50815	

►Electricity Cost 2019 & 2020



SinoTharwa Drilling Co.



- Our vision & target during 2021 to be the best in saving the highest services for all sinotharwa employees & highest quality of maintaining the equipment with all safety ways for continual improvement.

MATERIALS & ASSETS



Sino Tharwa Drilling Co.

Badr Main Warehouse Activities: -

Annual Receiving items at Badr and Rig Site.

Month	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
Received Items	782	510	158	392	176	169	379	163	173	108	77	50	3,087
Items Total Value	1,206,03	681,77	207,46	451,413	485,231	157,497	855,363	1,469,859	394,720	321,240	282,533	138,526	6,513,132



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Annual Transferred Items from Badr Warehouse.

Month	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
Transferred Items	844	536	884	497	383	710	506	447	581	482	370	550	6,240
Items Total Value	479,536	597,989	474,180	244,161	154,346	258,695	390,877	293,179	262,482	171,292	267,904	344,154	3,594,641



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Annual Issued items from Badr Warehouse.

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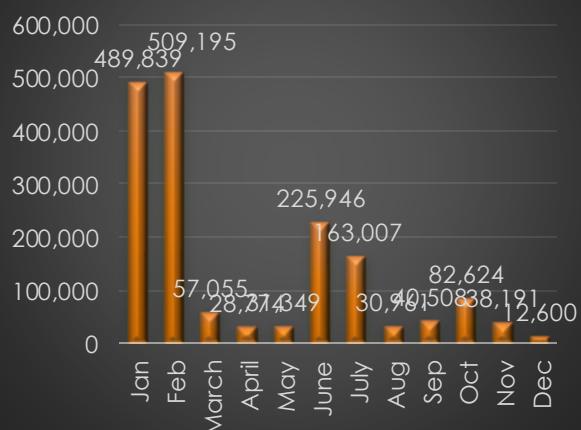
Month	Jan	Feb	March	April	May	June	July
Move Order Items	648	557	226	160	150	364	132
Items Total Value	489,839	509,195	57,055	28,774	31,349	225,946	163,007

Month	Aug	Sep	Oct	Nov	Dec	Total
Move Order Items	125	153	155	243	47	2,960
Items Total Value	30,961	40,508	82,624	38,191	12,600	1,710,048

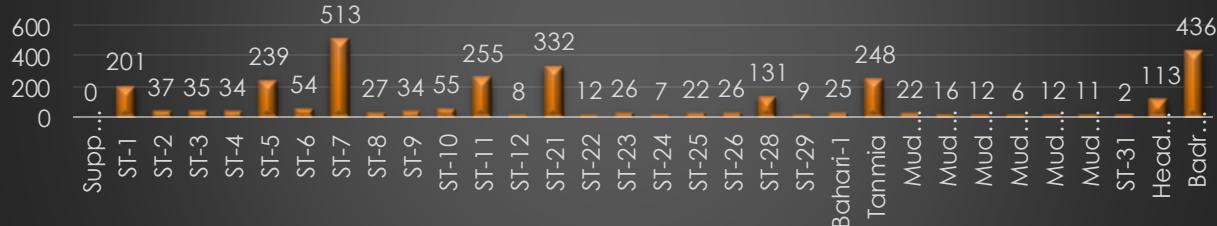
2020 Monthly Move Order Items



2020 Monthly Move Order Total Value



2020 Monthly Move Order Total Value by Rig



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A. Quarantine Annual Report



SinoTharwa Drilling Co.

1. INTRODUCTION:-

Quarantine System Established to Control Used, Junk and Assets

Where Applicable Items Will Be Added as NON- COST ITEMS “Without Price

“Which Is Different That Registering of Cost Items “Normal Inventory”

1. Criteria of Registering Items into Quarantine System: -

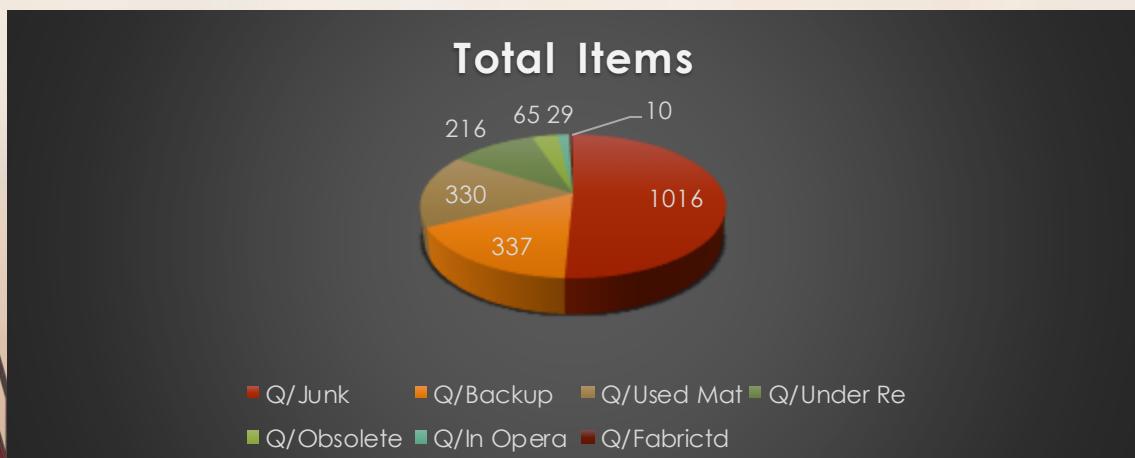
- Have a Controllable Dimension (Not Register Small Items Like Memory Card ETC)
- Environmental Friendly (Not Register Waste like Used Filters, Paint cans ET)
- Consider Valuable When Return (Not Register Scrap Like Broken Wooden Boxes, Paper ETC).

1. KEEPING OF USED AND REPAIR ITEMS: -

- Items Require Repair and Used Materials Will Be as the advice of Technical Department.
- Maintenance Team to Alert STP and Material Man Once Used Item Status Changed or Used.
- Material Man to Maintain Accurate Records Through Periodic Confirmation from Technical Department Per Shift
- All Junk Materials to Be Handled to Badr Yard Immediately.

1. Quarantine Stock by Sub inventory:

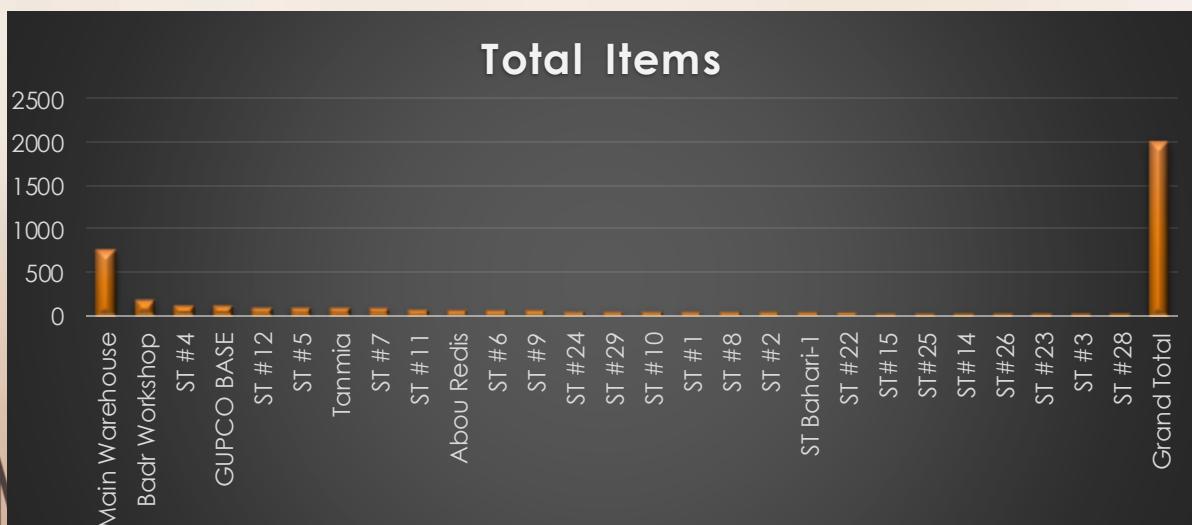
Sub- Inventory	Total Items
Q/Junk	1016
Q/Backup	337
Q/Used Mat	330
Q/Under Re	216
Q/Obsolete	65
Q/In Opera	29
Q/Fabricated	10
Grand Total	2003



A. Quarantine Stock by Rigs



Rig	Total Items
Main Warehouse	740
Badr Workshop	165
ST #4	115
GUPCO BASE	110
ST #12	85
ST #5	85
Tanmia	84
ST #7	76
ST #11	60
Abou Redis	50
ST #6	47
ST #9	47
ST #24	40
ST #29	40
ST #10	39
ST #1	37
ST #8	36
ST #2	34
ST Bahari-1	33
ST #22	25
ST#15	18
ST#25	16
ST#14	9
ST#26	5
ST #23	3
ST #3	3
ST #28	1
Grand Total	2003



A. Stock Control Section



SinoTharwa Drilling Co.

1. Annual inventory Audit.

- Audit Accuracy Level per Number of Items -2020:**

Organization Name	Number Of Items Audited	Number of Short Items	Number Of Over Items	Total Short / Over Items	Accuracy Level Per Number Of Items
ST #1	1184	1	0	1	99.92%
ST #2	944	2	1	3	99.68%
ST #3	874	3	1	4	99.54%
ST #4	1218	2	1	3	99.75%
ST #5	1297	0	2	2	99.85%
ST #6	924	0	1	1	99.89%
ST #7	1180	0	0	0	100%
ST #8	864	10	7	17	98.03%
ST #9	1383	2	0	2	99.86%
ST #10	808	0	1	1	99.88%
ST #11	1048	12	2	14	98.66%
ST #12	707	0	0	0	100%
Tanmia	1190	4	1	5	99.58%
ST #22	524	0	1	1	99.81%
ST #24	827	1	0	1	99.88%
ST #25	288	1	1	2	99.31%
ST #28	263		1	1	99.62%
ST #29	485	2	0	2	99.59%
ST Bahry-1	5287	111	41	152	97.13%
Jackup Base	793	6	0	6	99.24%
ST-99(Abu Redise Base)	731	2	5	7	99.04%
Main Warehouse	4105	15	1	16	99.61%
Projects	147	1	1	2	98.64%
Mud Logging	51	0	0	0	100%
Badr Workshop	2694	5	0	5	99.81%
Free Zone Warehouse	10	0	0	0	100%
Sinotharwa Total	29826	180	68	248	99.17%



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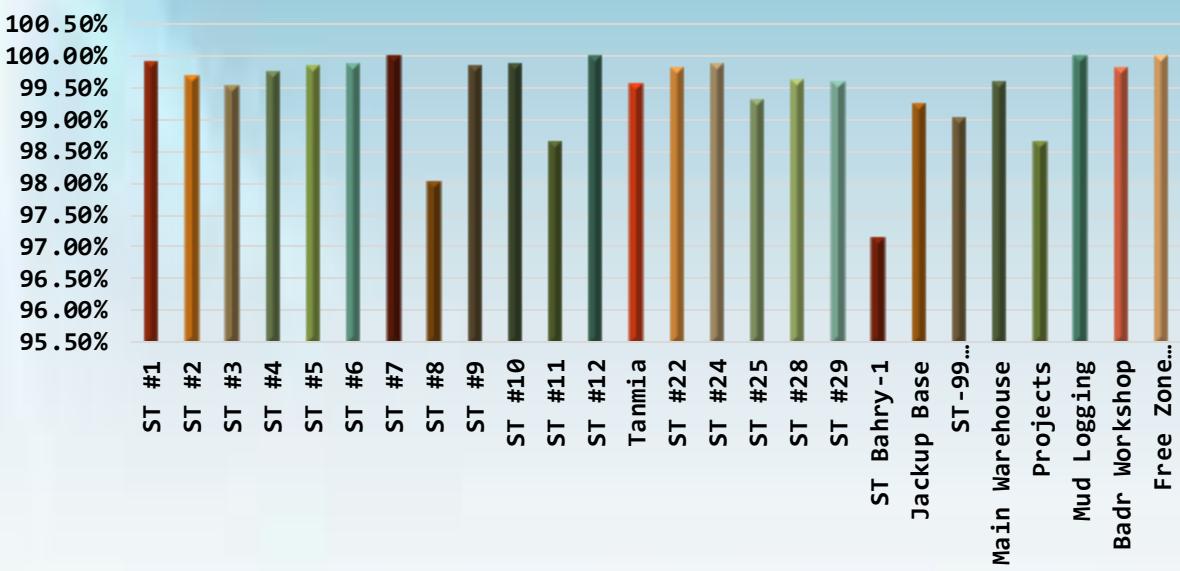


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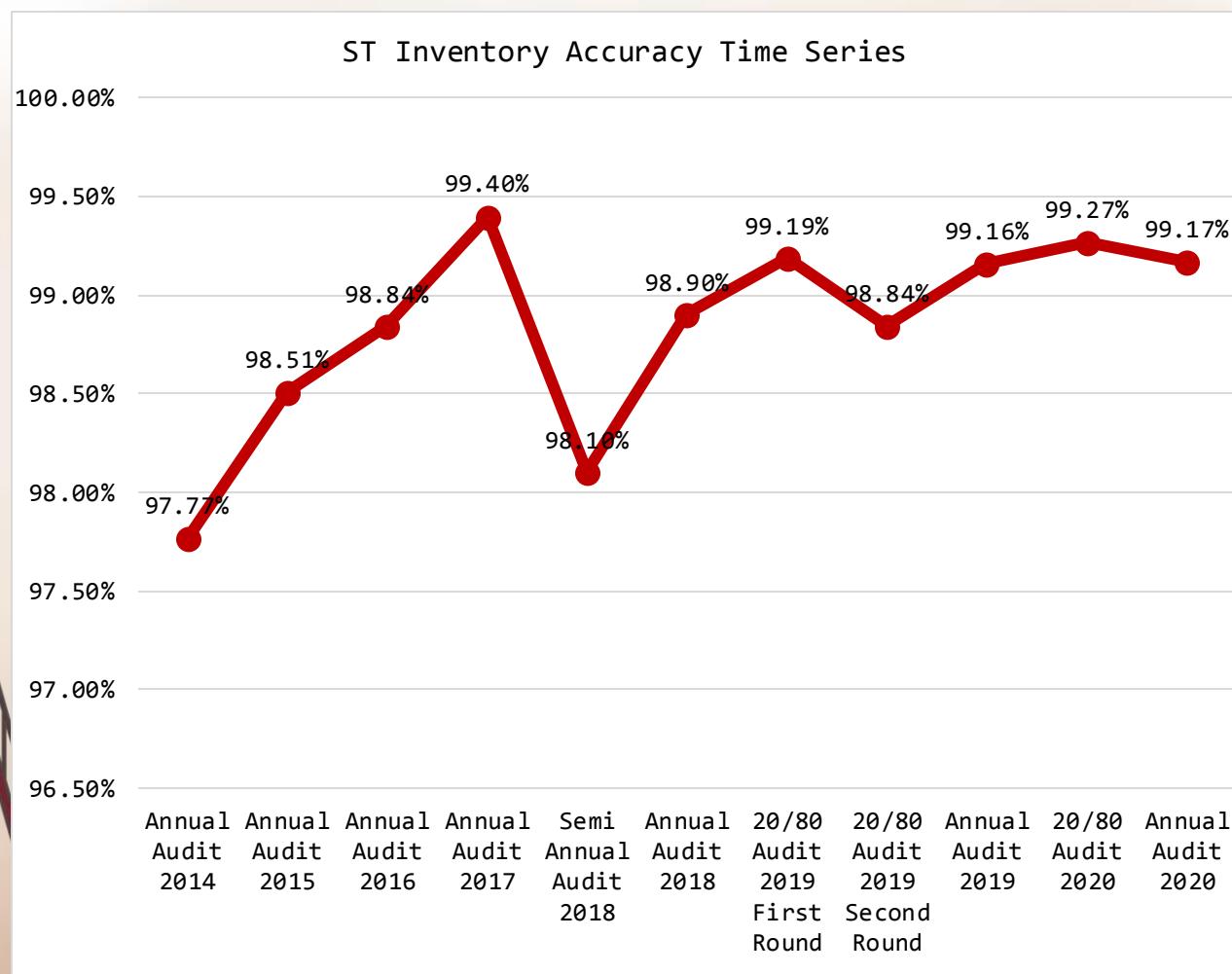


SinoTharwa Drilling Co.

Accuracy Level Per Number Of Items Annual Inventory Audit 2020



Sinotharwa Inventory Accuracy Time Series (2014-2020)



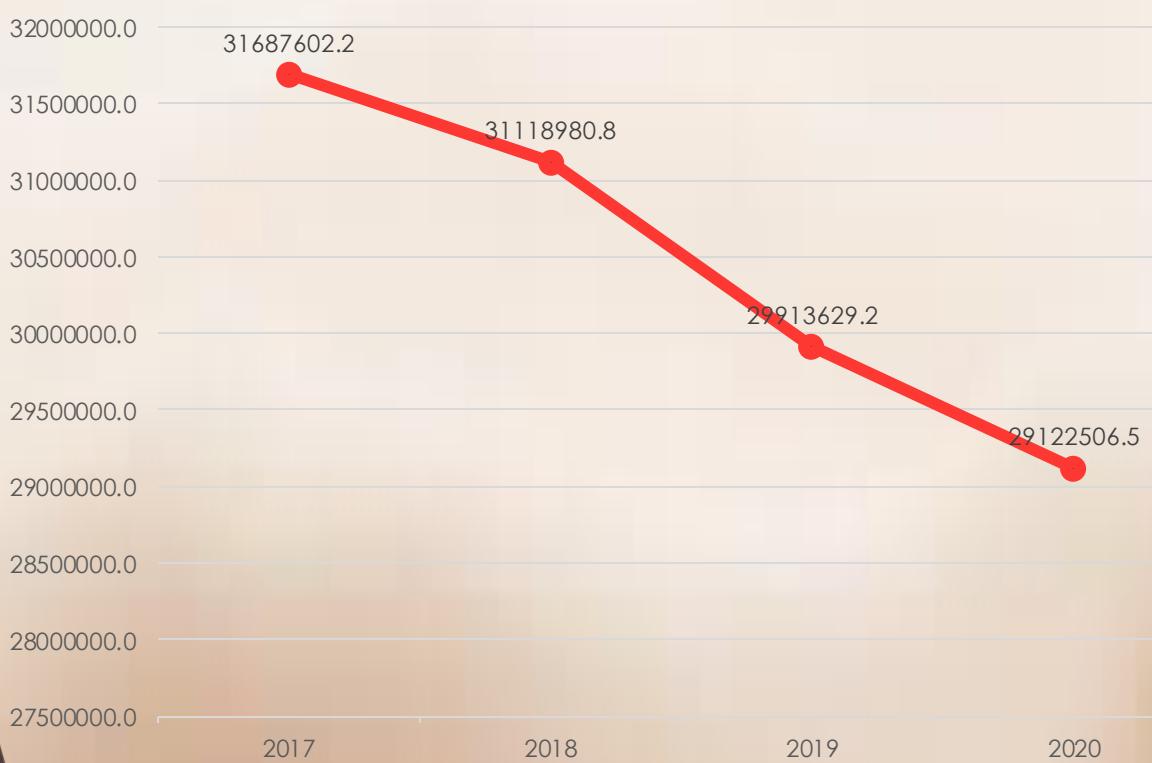


SinoTharwa Drilling Co.

ANNUAL INVENTORY TREND OF 2020



Annual Inventory Trend Over 4- Years



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• Issuing Annual Report for Asset Transfer



Sino Tharwa Drilling Co.

A. Assets Section: -

1) Scope of work:

1. Increase Data Accuracy.
2. Control the Asset Transfer Between ST Organization.

2) First Stage of Assets Management

1. Checking the old Rig inventory has been done in 2018.

2-1-1 Old Annual Inventory Done for 14 ST

Organization from Total 32 Organization

2-1-2 No. Of Items in 2018 Annual Inventory
Physical

2-1-3 No. Of Items Record in Finance List

2-1-4 Assets were distributed to groups

2-1-5 Items Data Accuracy based on Serial No.,
Model and Manufacture

1. Updating The Inventory List Based On Finance List.

2-2-1 Checking the items record in Finance List in
2020

1. Compare the collected List with EAM List.

1) Annual Inventory 2020

Annual Inventory Start from 15-07-2020 Till 15-12-2020 and due
to

Covid-19 pandemic we extend the Annual Inventory till 15-01-2021.

We make Annual Inventory for 23 ST Organization.

No. Of Items in 2020 Annual Inventory Physical
Items Data Accuracy based on Serial No., Model and
Manufacture

We Have 6 Rig Still Under Annual Inventory

4-1 Create Annual Inventory Based On Asset Status for Year 2020

Month	Status of Asset Transfer					
	Used	Junk	Repair	New	Rental	Total
Feb	1681	3	29	0	0	1713
Mar	1272	0	23	9	0	1304
Apr	1813	7	25	0	0	1845
May	2668	16	390	0	0	3074
Jun	806	18	121	0	156	1101
Jul	1816	4	22	6	7	1855
Aug	2791	6	25	2	30	2854
Sep	432	3	16	3	34	488
Oct	840	0	104	2	34	980
Nov	940	158	95	17	0	1210
Dec.	3022	61	72	5	0	3160



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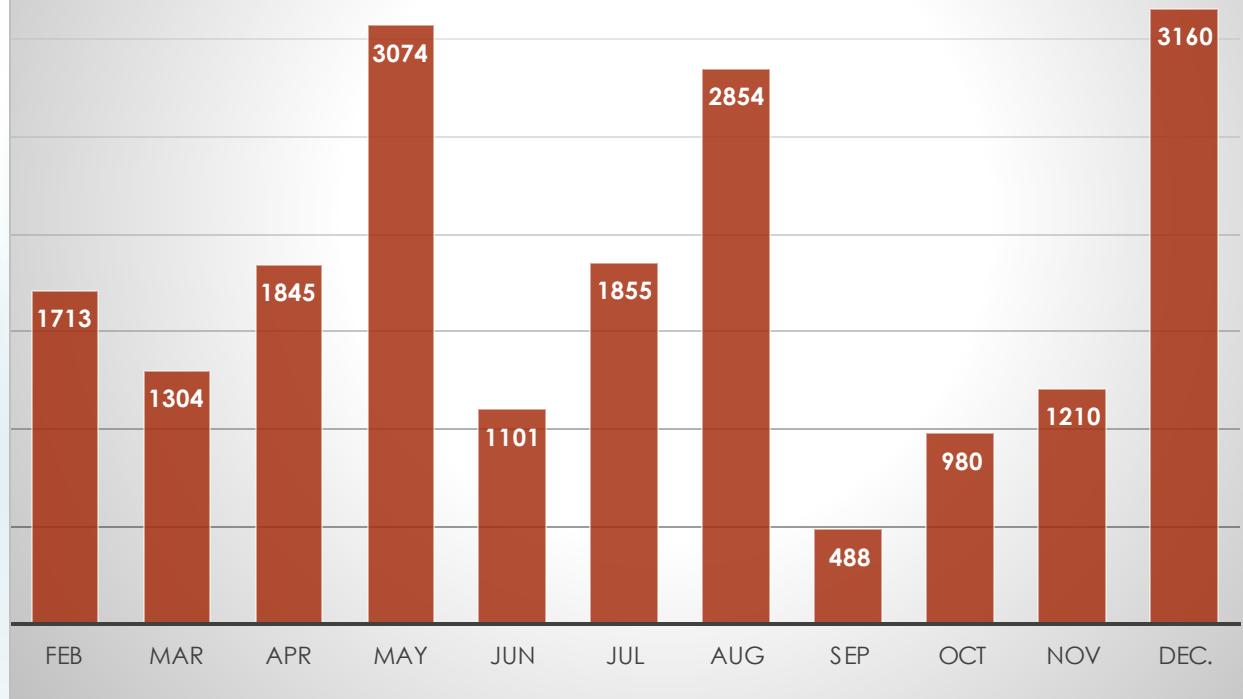


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Asset Transfer Status



1) Main Sheet for Asset Items:

1. Collect All Asset Items in ST from 2018
2. Adding All Available Fixed Asset No. From Finance List (Working & Retirement)
3. Record All available items found after Inventory in ST Rigs
4. Increase Asset Data Accuracy
5. Decrease Asset Group
6. Uploading Data On Production
7. Modifying Description for Items to Standardize the General form of Description
8. Creating ST Asset No. For All the Assets in The Company to Follow the Movement of All Assets

Based On All above Data Now: -

1. We Have Record most of All Assets in ST
2. We Have Historical Data for Adding and Retirement from 2015 to 2020
3. We Have Group for Every Item
4. Record All Drill String Inventory and Follow Them
5. Having Code Structure for Every Items in ST
6. Every Asset Items in ST Record with Its Code, Fixed No., Group, currrent Price and physical QTY



SinoTharwa Drilling Co.

A. Claims for 2020: -

1. Open Claims.

Supplier Name	No. Of Lines	Open Claims (USD)
A.N.A OIL FIELD EQUIPMENT COMPANY	1	235.71
ABB TURBOCHARGERS S.A.E	3	4,697.90
Drilling System Division Cameron France	1	21,521.35
El Taiseer Establishment for General Supplies	5	1,025.69
EMESCO INTERNATIONAL LLC	1	1,633.77
GATES ENGINEERING & SERVICES FZCO	1	4,848.00
Green Homes	1	2,192.98
HYDRILL USA DISTRIBUTUATION, LLC	2	13,953.00
INTEGRATED MAINTENANCE FOR PETROLEUM EQUIPMENTS PRIVATE F	1	123.59
NOV GRANT PRIDECO DRILLING PRODUCTS MIDDLE EAST FZE	2	153,705.92
PETRO SERVICE FOR PETROLEUM SERVICES	3	9,698.37
Power Company	1	173.87
Power Company.	1	1.78
Power House	7	2,040.56
SHANGHAI QIANBAI PETROLEUM EQUIPMENT CO.	1	2,700.00
SHANGHAI SK PETROLEUM EQUIPMENT CO., LTD	3	1,517.50
Sinopec Star Petroleum Company	24	11,540.00
Vert Trade	2	-
Wel-Flo Petroleum Equipment & service Company Limited	3	6,287.52
Grand Total	63	237,897.51



SinoTharwa Drilling Co.



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Closed Claims 2020

SinoTharwa Drilling Co.

Supplier Name	No. Of Closed Claims -2020	Closed Claim (USD)
A.N.A OIL FIELD EQUIPMENT COMPANY	5	\$ 37,325.00
ABB ELECTRICAL INDUSTRIES ABB ARAB S.A.E	1	\$ 3,161.00
Dara OIL Services & General Contracting Co.	1	\$ 394.74
DEZHOU UNITED PETROLEUM TECHNOLOGY CORP.	3	\$ 834.00
Energy Egypt	3	\$ 12,390.00
GATES ENGINEERING & SERVICES FZCO	2	\$ 59,408.00
Green Valley Egypt Co. (Hotels Supplies)	2	\$ 3,937.97
INTEGRATED MAINTENANCE FOR PETROLEUM EQUIPMENTS PRIVATE F	1	\$ 871.30
PETRO SERVICE FOR PETROLEUM SERVICES	15	\$ 16,120.93
Power Company	6	\$ 42.29
Sinopec Star Petroleum Company	7	\$ 113,703.00
Grand Total	47	\$ 248,683.34

Closed Claims 2020



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TRANSPORTATION DEPARTMENT

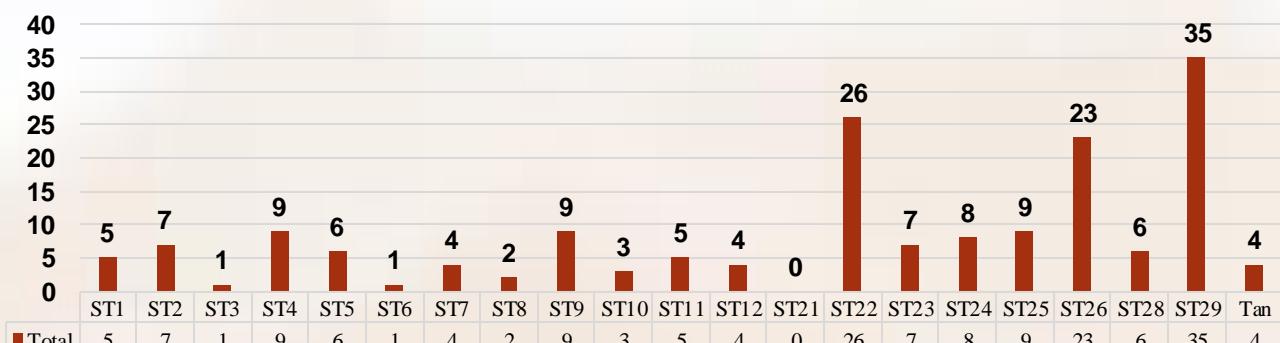


1) Rigs Move

1-1) Rig Moves Monthly Record

Rig/month	ST1	ST2	ST3	ST4	ST5	ST6	ST7	ST8	ST9	ST10	ST11	ST12	ST21	ST22	ST23	ST24	ST25	ST26	ST28	Tan	Total	
Jan	9	0	9	0	9	9	9	9	9	0	0	0	0	3	3	9	3	9	8	1	98	
Feb	0	9	0	9	0	0	9	0	9	0	9	9	0	9	9	0	9	2	0	9	96	
March	9	9	0	9	0	0	9	9	0	0	9	0	0	9	3	0	2	2	0	9	96	
April	9	0	0	0	9	0	0	0	9	9	0	9	0	9	0	9	0	2	0	3	92	
May	0	9	0	9	0	0	9	0	9	0	9	0	0	9	0	0	0	2	9	9	90	
June	0	0	0	9	0	0	0	0	0	9	9	9	0	0	0	0	8	2	0	6	96	
July	0	0	0	9	9	0	0	0	9	0	9	0	0	9	0	0	9	9	9	9	9	
Aug	0	9	0	9	9	0	0	0	0	9	0	0	0	2	0	2	0	3	0	0	1	92
Sep	0	9	0	9	0	0	0	0	0	9	0	0	0	8	0	9	0	9	2	0	9	91
Oct	9	9	0	0	9	0	0	0	9	0	0	0	0	9	0	3	0	9	9	9	99	
Nov	0	9	0	9	0	0	0	0	1	0	0	0	0	2	0	0	0	2	0	3	1	11
Dec	1	0	0	1	1	0	0	0	1	0	1	0	0	5	0	0	0	2	0	5	0	17
Total	9	6	9	9	6	9	8	2	9	3	9	8	0	26	6	6	9	23	6	34	2	968

Monthly Rigs Move



1-2) Moves Record per rig

Rig/month	ST1	ST2	ST3	ST4	ST5	ST6	ST7	ST8	ST9	ST10	ST11	ST12	ST21	ST22	ST23	ST24	ST25	ST26	ST28	ST29	Tan	total
Total	9	6	9	9	6	9	8	2	9	3	9	8	0	26	6	6	9	23	6	34	8	968

Monthly Moves per rig





2) Crew Change Buses

Sino Tharwa Drilling Co.

2.1) Monthly Record

Transporter Co.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
# Of Trips	127	132	138	108	100	104	98	76	80	92	76	76	1207
# Of Passenger	2320	2194	1194	1296	1205	1234	1155	970	1021	1090	1950	2550	18179

2.1.1) Annual trips Record



2.1.2) Annual passengers Record



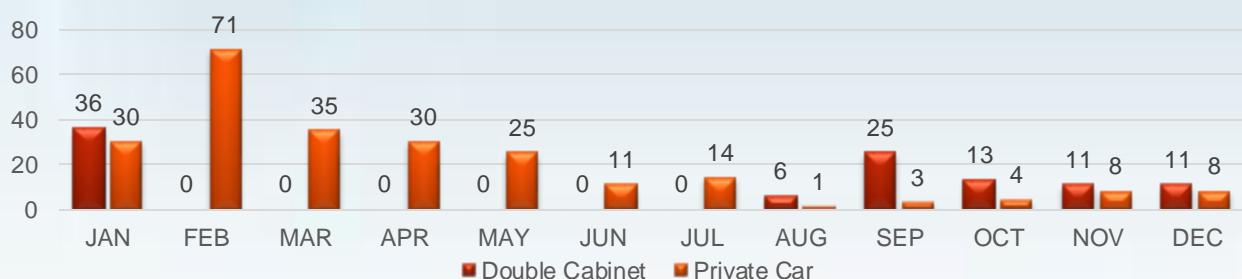
3) Head Office Logistics

3.1) Rig Sites Rental Trips Record

SinoTharwa Drilling Co.

Dept. / Vehicles	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Double Cabinet	36	0	0	0	0	0	0	6	25	13	11	11
Private Car	30	71	35	30	25	11	14	1	3	4	8	8

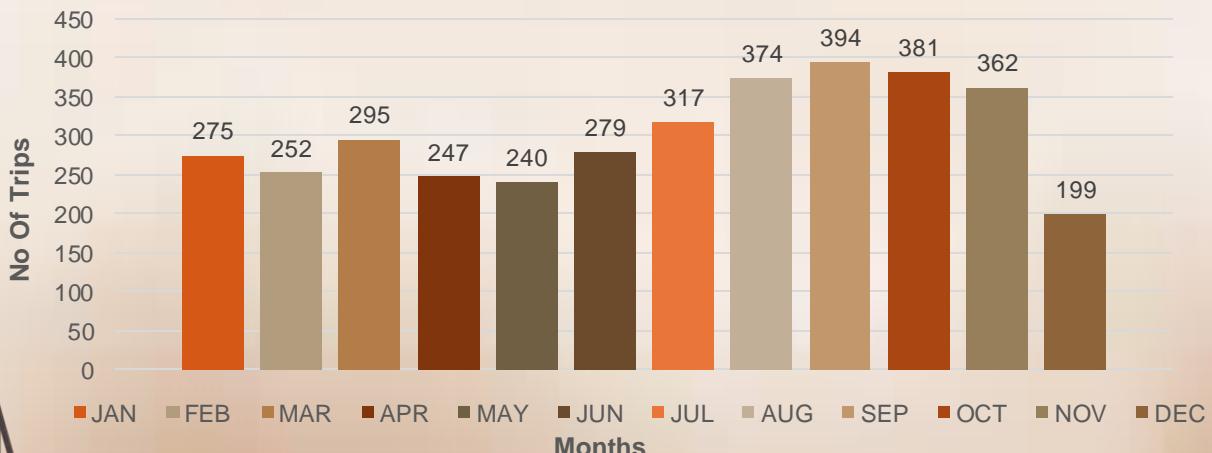
Monthly Rental Trips Record



3.2) Pool Car Trips Record

Dept.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
# of Trips	275	252	295	247	240	279	317	374	394	381	362	199

Pool Car Trips Monthly Record





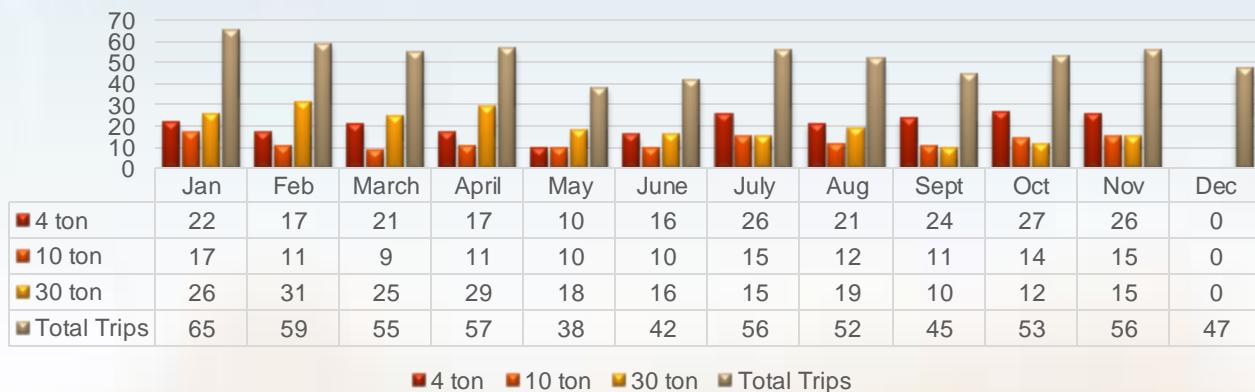
4) Badr Yard logistics

4.1) Standby Trips Record

Sino Tharwa Drilling Co.

Vehicle / Month	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
4 ton	22	17	21	17	10	16	26	21	24	27	26	19
10 ton	17	11	9	11	10	10	15	12	11	14	15	14
30 ton	26	31	25	29	18	16	15	19	10	12	15	14
Total Trips	65	59	55	57	38	42	56	52	45	53	56	47

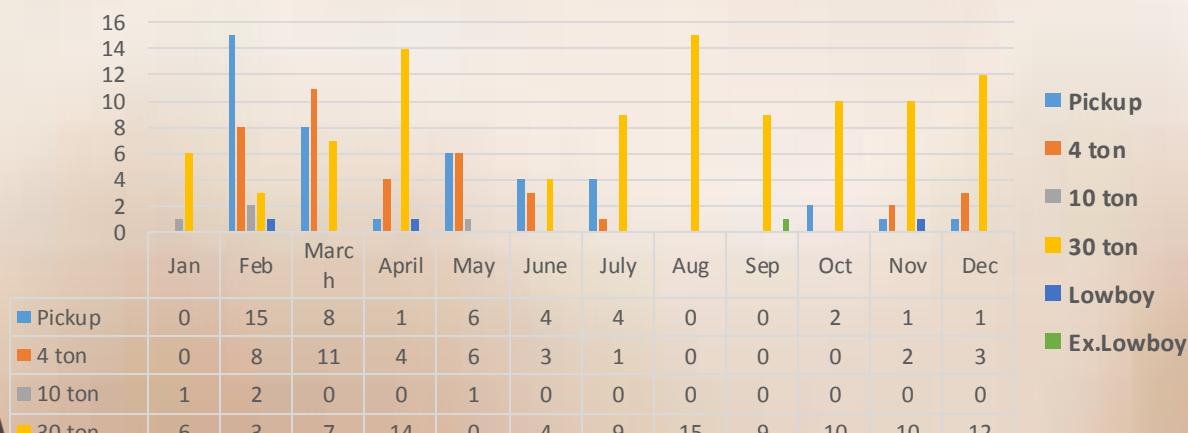
Badr Yard Standby Monthly Trips



4.2) Rental Trips Schedule Record

Month / Trip	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
Pickup	0	15	8	1	6	4	4	0	0	2	1	1	42
4 ton	0	8	11	4	6	3	1	0	0	0	2	3	38
10 ton	1	2	0	0	1	0	0	0	0	0	0	0	4
30 ton	6	3	7	14	0	4	9	15	9	10	10	12	99
Lowboy	0	1	0	1	0	0	0	0	0	0	1	0	3
Ex.Lowboy	0	0	0	0	0	0	0	0	1	0	0	0	1

Badr Yard Monthly Rental Trips



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5) Vehicles' Maintenance & License

5.1) MONTHLY MAINTENANCE COST

Month	Jan.	Feb.	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cost (EGP)	٢٣١,٥٦	١٠٧,٢١٧	١٢٧,١٤١	١٢٦,١٩٧	١٢٣,٨٣٩	٩٩,٢٤٤	٥٣,٦٧٤	٣٤,٢٥٢	٣٤,٢٥٢	١٠٠,٣٩٢	٥٧,٣٣٢	١٣٧,٠٨٤	1,016,527

Vehicles Monthly Maint.Cost



5.2) TOTAL COST / UNITS

PickUp Units #	U 37	U 36	U 45	U 51	U 52	U 47	U 17
Plate #	٩٧١ ص	٦٤٥ س	١٥٣ ه	٨٩٣ ف	٩٤٣ ه	٦٣٩٦ س	٥٢٣ ي
Cost by LE.	6914.6	7927.5	12751.4	12612	18686	6887	19334

Crew Cab Units #	U 85	U 24	U 38	U 42	U 20	U 31	U 23	U 42	U 53
Plate #	٣١٩٥ س	٥٣٨ ص	٢٥٧ ص	٧٦٩ ف	١٨٦ ط	٩٧٤ م	٥٦٢ ص	٧٦٩ ي	٢٨١٥ ج
Cost by LE.	٤٩٥	٦٢٧	٦١٠٥,٢	١٦٠٣٣	١٢٧٠١	٢٤٦٤٣,٧	١٩٢٩٢	٩٧٧٠	٣٨٨٢,٩٥

Microbus Unit #	U 25	U 59	U 60	U 61	U 62
Plate #	٧٨١ د	٣٥١ ي	٣٤٦ د	٣٤٥ د	٣٥٢ ي
Cost by LE.	580	6000	10260	17381.6	18725

Fortuner Units #	U 63	U 64	U 65
Plate #	٤٥٣ ج	٧١٣ د	٧٢٣ د
Cost by LE.	1250	20090	2850



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5.3) VEHICLES' LICENSES STATUS

SinoThanwa Drilling Co.

SR	Type of Car	ST Unit #	Unit Data			License Data		(مؤسسة) Insurance Data Period		
			Numb ers	Litters	Motor No	Chassis No	License Expired Date	Last License Renewal Date	Fm	
									To	
1	Pickup	17	523	ب م ك	71864 00	514755	30/3/20 21	26/1/202 1	31/12/2 020	31/1/20 21
2	Pickup	28	247	ب ن ط	74332 38	30063 9951	26/4/20 21	27/1/202 1	31/1/20 21	31/4/20 21
3	Pickup	36	645	س و ق	74263 22	20064 0024	5/6/202 0	31/10/20 19	28/8/20 18	31/1/20 21
4	Pickup	37	971	ص ن ك	74264 64	50064 0020	5/6/202 0	31/10/20 19	28/8/20 18	31/1/20 21
5	Pickup	43	672	ق ل ط	74333 77	40063 9960	20/1/202 0	7/10/201 9	18/9/20 18	30/3/20 21
6	Pickup	45	153	ص ٥ ا	74338 57	70064 0004	30/3/20 21	1/2/2021	30/10/2 020	30/3/20 21
7	Pickup	47	3196	ى ف س	74341 49	50064 0017	26/01/2 021	27/10/20 20	31/10/2 020	30/3/20 21
8	Pickup	56	952	ب ن ر	73306 84	80063 2509	30/3/20 21	1/2/2021	31/12/2 020	30/3 /2021
9	Crew Cap	20	186	د م ط	55364 8	30004 0232	31/1/202 1	4/1/2021	31/1/20 21	30/4/20 21
10	Crew Cap	38	257	ج ٥ ص	57240 5	40004 3284	4/6/202 0	29/12/20 19	20/8/20 18	30/11/2 020
11	Crew Cap	58	3195	ى ف س	57216 9	50004 3231	10/12/20 20	27/10/20 20	30/10/2 020	30/3/2021
12	Micro Bus	19	781	د ل و	437110 332	87002 8939	30/3/20 21	15/10/20 20	5/11/201 8	30/3/ 2021
13	Micro Bus	59	351	د م د	6683	661	30/3/20 21	2/2/2021	31/12/2 020	30/3/20 21
14	Micro Bus	60	346	د م د	36844 5	670	30/3/20 21	29/11/20 20	2/12/20 18	31/3/20 21
15	Micro Bus	61	345	د م د	33484 4	674	30/4/20 21	2/2/2021	31/12/2 020	30/4/20 21
16	Toyota Fortuner	63	453	ا ل ج	10930 1246	79099 70	24/12/20 20	1/12/202 0	26/10/2 020	25/11/2 020
17	Toyota Fortuner	64	713	د ج ي	10930 1194	785832 7	24/12/20 20	25/11/20 20	26/10/2 020	25/11/2 020
18	Toyota Fortuner	65	723	د ج ي	10930 1208	78665 46	24/12/20 20	25/11/20 20	26/10/2 020	25/11/2 020