Paradigm's business growth in Africa

Oil and gas software company Paradigm is very pleased with its 2009 sales to companies in Africa - with more business in the first six months of 2009 than in the whole of 2008.

**Geology and technology**
There is a good match between Paradigm’s technology and the geological diversity of the region, Mr Jefferies says.

“In looking at a cross-section through the Gulf of Guinea, moving towards the offshore, the geology transitions through four principal zones, dominated by shale diapirs, compressive folding, thrusting and anticlinal deformation.”

“All four geological settings are prospective and require different interpretive approaches from a broadly disciplined team of explorationists,” he says.

Moving east from the heartland of Africa’s oil economies, the East African Rift Valley is “becoming more and more prospective: it is hard to think of a more structurally complex, and indeed tectonically active, setting for exploration,” he says.

“The need for accurate, fault-sealed models is paramount to understanding the geological reservoir uncertainties and to the creation of development plans that have fully incorporated all aspects of potential risk.”

Paradigm’s Rock and Fluid Canvas software is designed to work well with these kinds of complex and diverse rock structures, covering the whole exploration and development life cycle, and to create better images of previously hard-to-image prospects.

**Client technology leadership**
Paradigm tends to be most successful when working with clients who are themselves technology leaders, Mr Jefferies says.

An obvious example is Statoil, which has had technology leadership as an important element of its long term strategy since being established in 1972.

“We see all around the world that Paradigm tends to be most successful where the subsurface technical challenges are addressed by innovative clients who are technology leaders. “Paradigm has had a long and successful relationship with StatoilHydro, going back many years, such that they are today one of our most strategically important clients,” he says.

Along similar lines, Angola’s Sonangol and Somoil are “making every effort to embed high science and best-in-class technology in their DNA,” he says. “Today So-

**Business climate**
There are many big investments going on in Africa despite the world’s current economic issues.

“Many of our African clients do seem to be less impacted by the financial crisis than our European ones,” he says. “There appears to be a different dynamic in finance and access to credit in Africa, versus the more traditional European markets.”

“It is difficult to pinpoint exactly what that is attributable to, but some factors are likely to be home generation of capital and the gradually maturing political and banking infrastructures in countries like Nigeria.”

“Gas is featuring as an increasingly strategic natural resource in the West African offshore, and money from China, India and Russia is still being pumped into Africa, fuelling the need for constant investment in the best technology.”

Even smaller indigenous oil companies are slowly taking a more global view of available technology, he says. That trend, coupled with a drive to educate the local workforce and to repatriate as much of the value-adding “knowledge” work as possible, feeds the demand for new technology.

Paradigm has historically been seen as a smaller competitor to organisations such as the major oilfield service companies, but Mr Jefferies believes this is changing. “We are no longer considered small. We are competing extremely successfully. We are not encumbered with a massive, capital intensive services giant over us, so we can be more nimble. We are that ‘breath of fresh air’. Our value is fewer wells, not more.”