

Acquisition of Paradigm Expands Emerson's Software and Solutions Capabilities Across the Oil & Gas Value Chain

Upstream

Exploration

- Seismic acquisition, processing, and interpretation
- Exploration drilling

Development & Production

- Reservoir modeling
- Well design, drilling, and completion
- Production modeling

Midstream

Transportation & Trade

- Pipeline transportation
- Terminals for processing, storage, and distribution

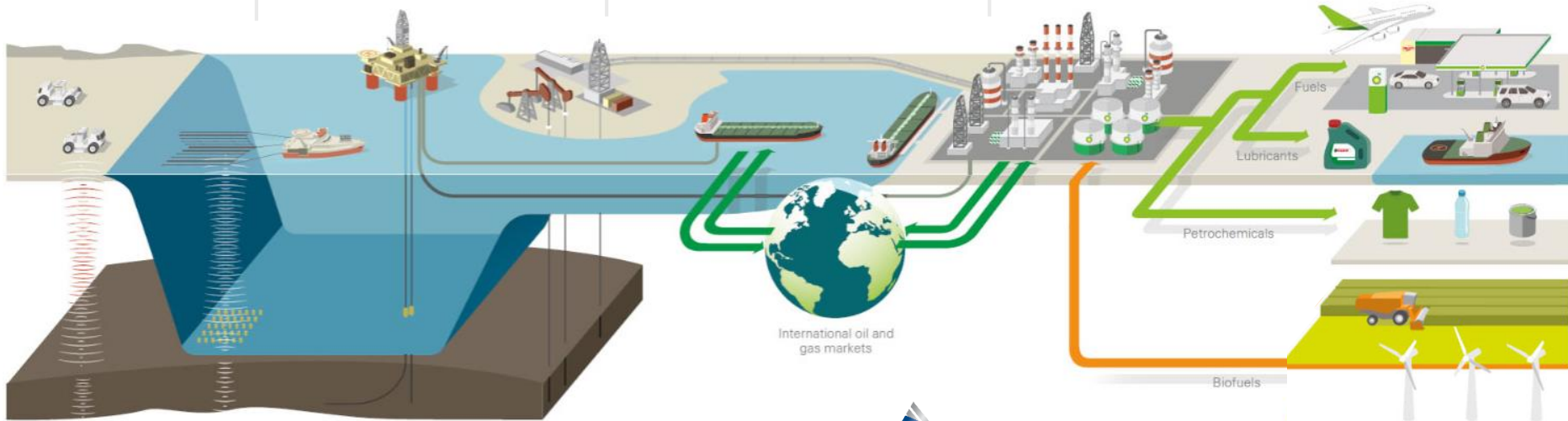
Downstream

Refining, Processing, & Blending

- Crude refining and processing
- Petrochemicals

Marketing & Distribution

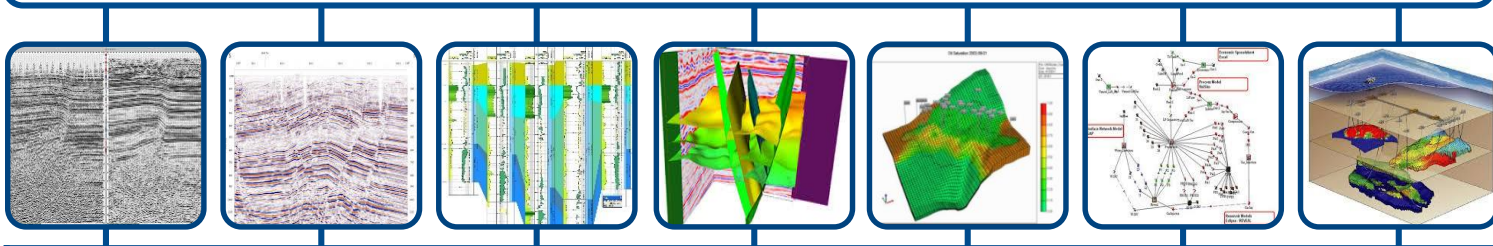
- Wholesale and marketing to end-user



A Combination of Paradigm and Roxar Creates a Best in Class, End-to-End E&P Solutions Provider

\$3.6B
Exploration & Production Software Market is Down 10% Vs. 2015 Peak

Paradigm + Roxar Exploration & Production Software Integrated Workflow



	Seismic Processing & Imaging	Seismic & Geological Interpretation	Formation Evaluation	Reservoir Characterization, Static Modeling & Well Planning	Reservoir Engineering (Simulation)	Well Construction, Drilling, Geo-steering	Production Modeling
Description	Process data to infer subsurface structure	Mapping & interpretation to delineate reservoir	Interpret well logs to define reservoir properties	Dynamic modeling to estimate reserves	Static modeling to predict fluid flow	Surface to subsurface well design	Production management and well maintenance
Level of Software Usage							
Greenfield	✓✓	✓✓	✓✓	✓	✓	✓	✓
Brownfield	✓✓	✓✓	✓✓	✓	✓✓	✓✓	✓✓
Paradigm®	✓✓	✓✓	✓✓	✓		✓	
EMERSON ROXAR®		✓		✓✓	✓	✓	✓✓
Paradigm + Roxar	✓✓	✓✓	✓✓	✓✓	✓	✓	✓✓

Strategic Rationale

Operators are:

Adopting technology to **maximize ultimate recovery** and reduce operating costs

Focused on increasing production and minimizing costs **within existing, established reservoirs**

Leveraging **cloud computing** and **analytics** to facilitate interoperability and connectivity between siloed functions

Interested in **neutral solutions provider** to avoid bundled oilfield services

Emerson & Paradigm:

Enhance Top Quartile performance in the management of oil and gas reservoirs and production costs

Deliver this efficiency gain in existing / brownfield assets with its E&P Software and Solutions

Are **uniquely** positioned to **digitally integrate reservoir planning and management with topside operations**, leveraging DeltaV

Will be the largest provider of E&P Software and Solutions, **independent of oilfield services companies**

Emerson Benefits:

- ✓ **Creates end-to-end E&P Software Portfolio**
- ✓ **Elevates Emerson's position** as a strategic partner for both subsurface software and surface systems and solutions to Oil & Gas industry
- ✓ Gets Emerson in **earlier in the purchase cycle**

Current Oil Price Is Motivating Operators to Improve Efficiency
Emerson & Paradigm Enable Top Quartile Reservoir Performance