



# MANAGEMENT AND OPERATIONS REPORT

Reporting period:  
Jan 1<sup>st</sup> to Dec 31<sup>st</sup>, 2024



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## **Address of the Burova Technika Director General**

Dear colleagues and partners,

LLC Burova Technika is a modern Ukrainian oilfield service company that provides drilling companies and petroleum production operators with

- turnkey packages of design and estimate documentation;

- a full range of quality services for sidetracking, directional and horizontal drilling;

- materials and equipment for the implementation of projects on construction and workover of oil and gas wells.

The company strives to increase hydrocarbon production by

- drilling sidetracks and horizontal wells;

- active use of state-of-art coiled tubing equipment and technologies.

The economic crisis caused by the war has been going on for three years now. The oil and gas industry was one of the first to feel the full impact of this crisis.

Today, we need to focus and give answers to the following questions: where to move forward and what needs to be done or changed. We should not wait for the end of the war, but to prepare for the future reconstruction of Ukraine right now.

Difficult realities have not broken our company down. We continue working, looking for new assets and opportunities for sustainable development.

Our specialists carry out quality jobs at the facilities of oil and gas companies. This allows to obtain additional hydrocarbon production at the customers' fields and ensure financial stability.

Our team has shown an exceptional ability to respond quickly and efficiently to the challenges posed by the difficult situation in Ukraine and the crisis in the economy and industry.

We appreciate your trust, and so we look forward to a fruitful partnership in 2025. We are firmly convinced that we will help you achieve positive results in your business.

# **ABOUT THE COMPANY**

## **GENERAL INFORMATION**

Burova Technika was established in 2000 on the initiative of a group of specialists well versed in well drilling practices and technologies, and representatives of business structures interested in bringing innovations into petroleum drilling and workover.

We provide drilling and oil and gas companies with a full package of design and estimate project documentation, as well as a wide range of high-quality services, materials and equipment for drilling and workover of oil and gas wells. We restore hydrocarbon production by sidetracking and actively use state-of-art coiled tubing equipment and technologies.

To improve our competitiveness in the oil and gas market, the company has implemented and maintains quality management, environmental management, and occupational health and safety systems.

We engage experienced team and have all the relevant permits and licenses, equipment, tools and operational facilities. That allows us to:

- manufacture, repair and redress special equipment and tools (coiled tubing equipment, downhole filter screens, etc.);
- Repair and redress of transport vehicles, lifting devices, pumps and compressors, on-site accommodation trailers and field labs;
- Store, test and maintain directional drilling equipment in stationary MWD lab;
- conduct a range of studies and tests in stationary and field laboratories to choose the best formulations and control parameters of drilling muds and special fluids, including well stimulation fluids, and especially for directional and horizontal drilling and sidetracking;
- Supply chemicals and materials for muds and special fluids including supply of ready to use muds on rental basis;
- develop regulatory documents related to technologies, equipment, and safety for the oil and gas industry in accordance with the current legislation of Ukraine.

## OUR SERVICES



### **WELL CONSTRUCTION PROJECTS**

Development of design and estimate documents for the construction of oil and gas wells with various degrees of complexity



### **DIRECTIONAL DRILLING**

Planning and carrying out projects for drilling of directional and horizontal wells and sidetracking



### **DRILLING MUDS AND SPECIAL FLUIDS**

Working on the best formulations and cleaning solutions, provision of materials and chemicals, rental of muds, engineering support (control) during drilling of directional and horizontal wells and sidetracking



### **WELL WORKOVER AND COILED TUBING OPERATIONS**

Provision of services using state-of-art coiled tubing equipment and technologies



### **INTEGRATED PROJECT MANAGEMENT**

Full range of services in the capacity of general contractor for drilling and workover of oil and gas wells

## MISSION

Working on tech-heavy projects in Ukrainian oil and gas fields

## VISION

Success is modern technologies boosted by vast experience

## VALUES



### TEAM

Only teamwork will ensure that we make it to our goals. Our efficiency depends on each of the company's 170 specialists

### PROFESSIONALISM



All employees are responsible and hardworking professionals with relevant knowledge and experience, striving to provide the best quality services



### DEVELOPMENT

Skill improvement, continuous professional development, readiness to change, openness to innovation, creative thinking, breaking away from outdated approaches,

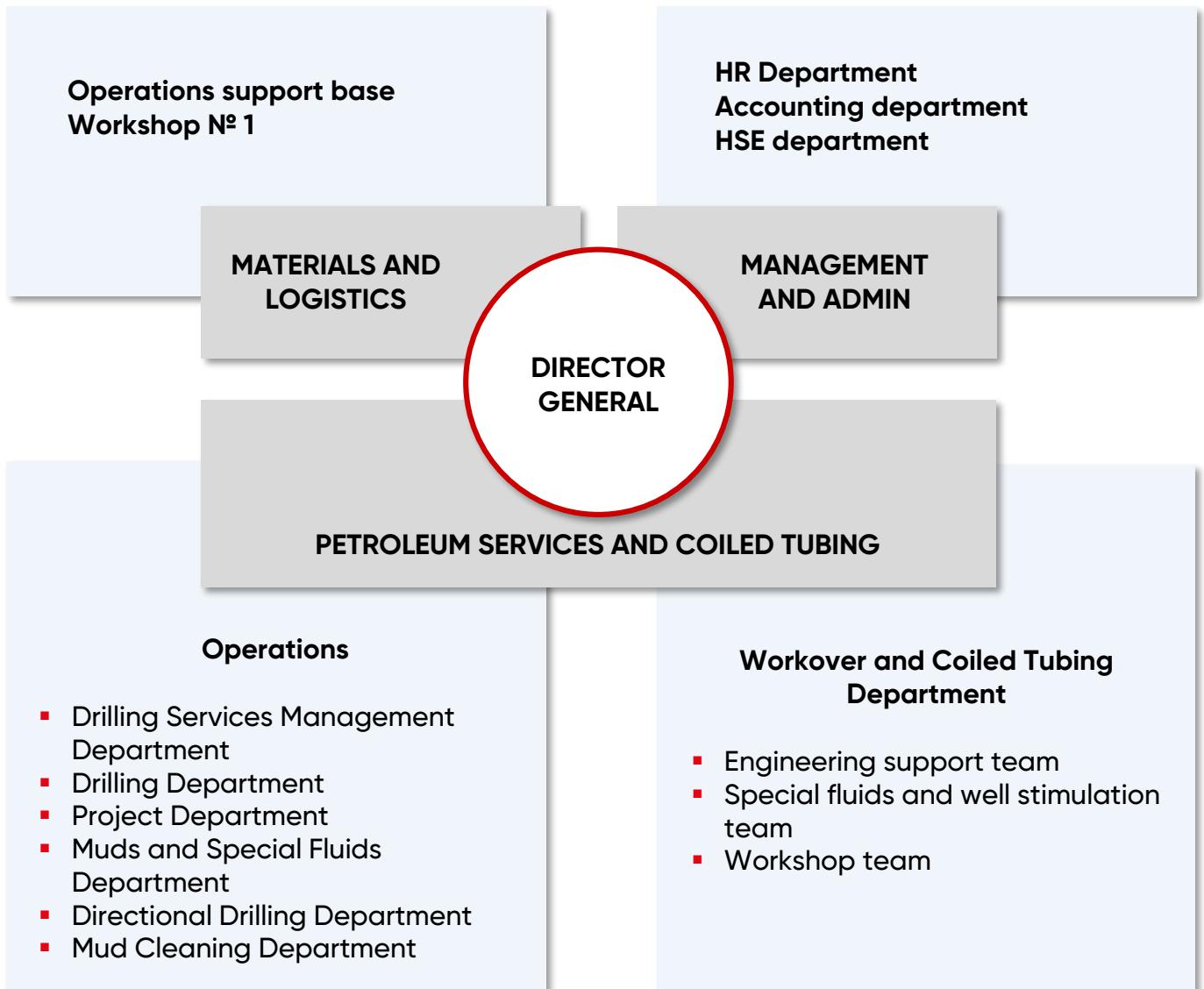


### PARTNERSHIP

Only in cooperation with domestic and foreign partner companies and through the use of state-of-art technologies we are able to solve the most complex problems and achieve the best results in the petroleum industry



# LEADERSHIP AND STRUCTURE



## KEY EVENTS AND ACHIEVEMENTS IN THE REPORTING PERIOD

1

Obtaining the Choice of the Country 2024 Assessment Appraisal and the right to use the Choice of the Country 2024 mark for unlimited period of time

2

9 engineers had taken training under the IWCF certification programme on Well Control for Workover Operations

3

2 engineers had taken training under the IWCF certification programme on Well Control During Drilling

4

4 engineers had taken training under the IWCF certification programme on Preventing Stuck Pipes and Returning Pipe Movement

5

Participation in the First International Green Oil and Gas Forum on Interaction of Government, Territorial Communities, Business and Academia (Poltava, March 20-21, 2024)

6

Participation in the XI International Oil and Gas Conference Newfolk NCC on Coiled Tubing, Hydraulic Fracturing, Drilling services, Geology and geophysics (Lviv, May 30 – 31, 2024)

7

Participation in the VIII International Kyiv conference by Newfolk OGCC on Drilling, Well Stimulation, HSE (Kyiv, October 15 – 16, 2024)

8

Participation in VIII International Trade Fair OILGASEXPO – 2024 (Kyiv, October 15 – 16, 2024)



# PERFORMANCE OUTCOMES

## OPERATIONS

In 2024, the company's specialists carried out the following jobs:

- development and supervision of design and estimate documentation (the project department completed and handed over to the customers 36 well projects);
- use of drilling muds and special fluids: 12 mud programs developed; mud services for drilling and workover operations provided at 3 wells (including horizontal well, where oil-based muds were used), 539 m<sup>3</sup> of muds prepared, killing fluids and completion fluids prepared for drilling and workover (used for total of 673 m run);
- directional drilling (services provided for one well, 2 964 m drilled in total), MWD system leased for 12 wells, including engineering support (for horizontal drilling and sidetracking);
- provision of mud mixing and cleaning equipment as well as equipment for special fluids;
- workover jobs (sand jet perforation, installation of cement plugs, running Velocity String, completion, circulation etc) using three coiled tubing units (total 89 jobs performed). For the first time, work was carried out on a well with a depth of 6,550 m.

Contracts, additional agreements and orders are executed with the following companies such as Gals-K LTD, PrJSC MC Ukrnaftoburinnya, Ukrnaftagazservis, PrJSC Naftogazvydobuvannya, OGF LLC, Oil And Gas Action LLC), Oil And Gas Geoexploring LLC, Kosul LLC, JSC Ukgasvydobuvannya, Drilling Company Goryzonty LLC, PJSC Ukrnafta, Baker Hughes Ukraine, JV Agreement dtd 19.01.1999 N°35/4, namely:

**81**

**Service contracts (including subcontracts)**

**14**

**Development of project documentation**

**57**

**Procurement and supply**

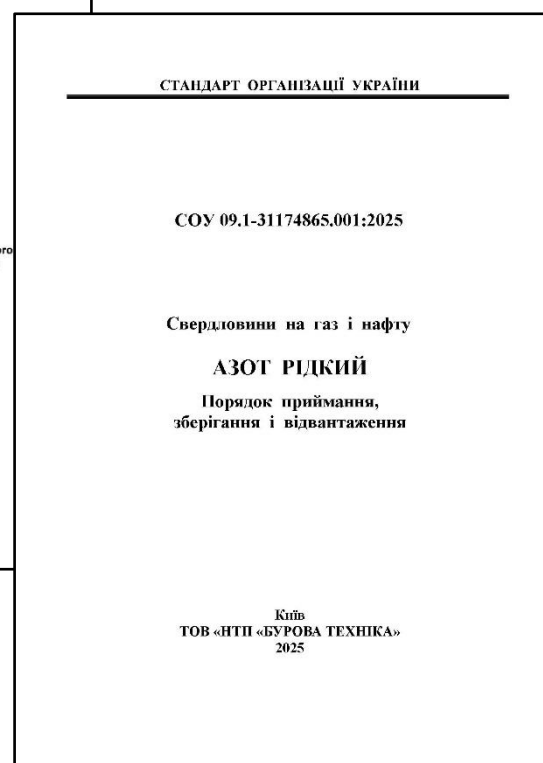
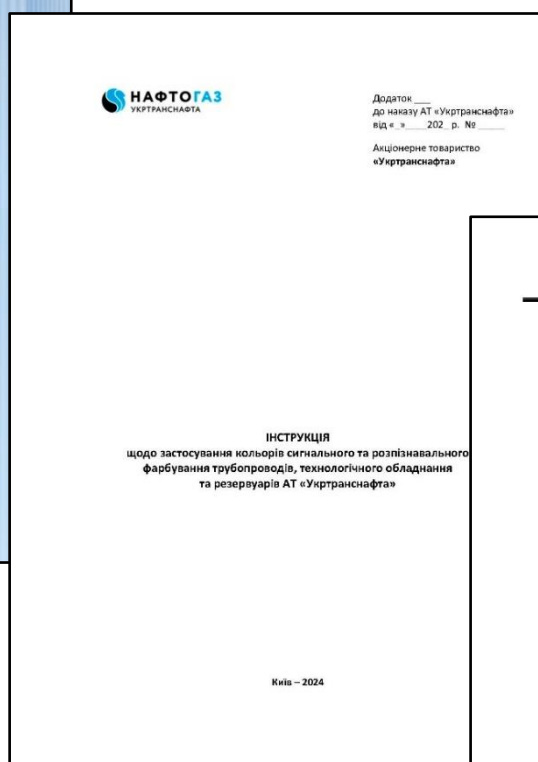
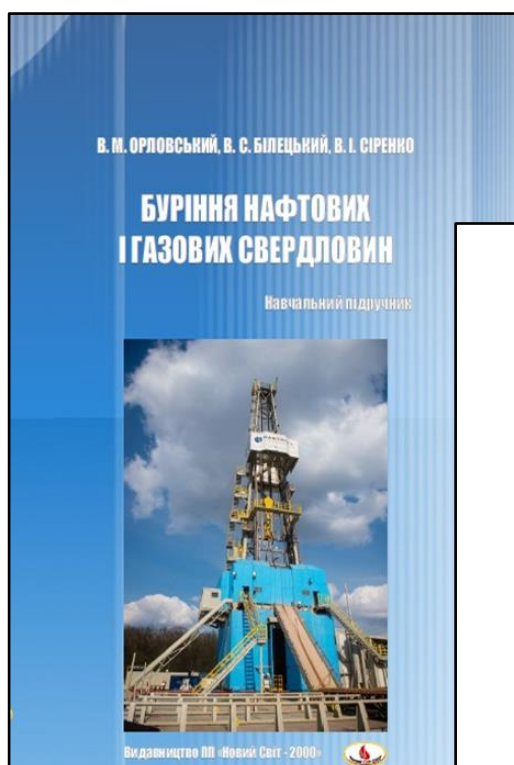
**148**

**Operational support**

## RESEARCH AND ACADEMIC ACHIEVEMENTS

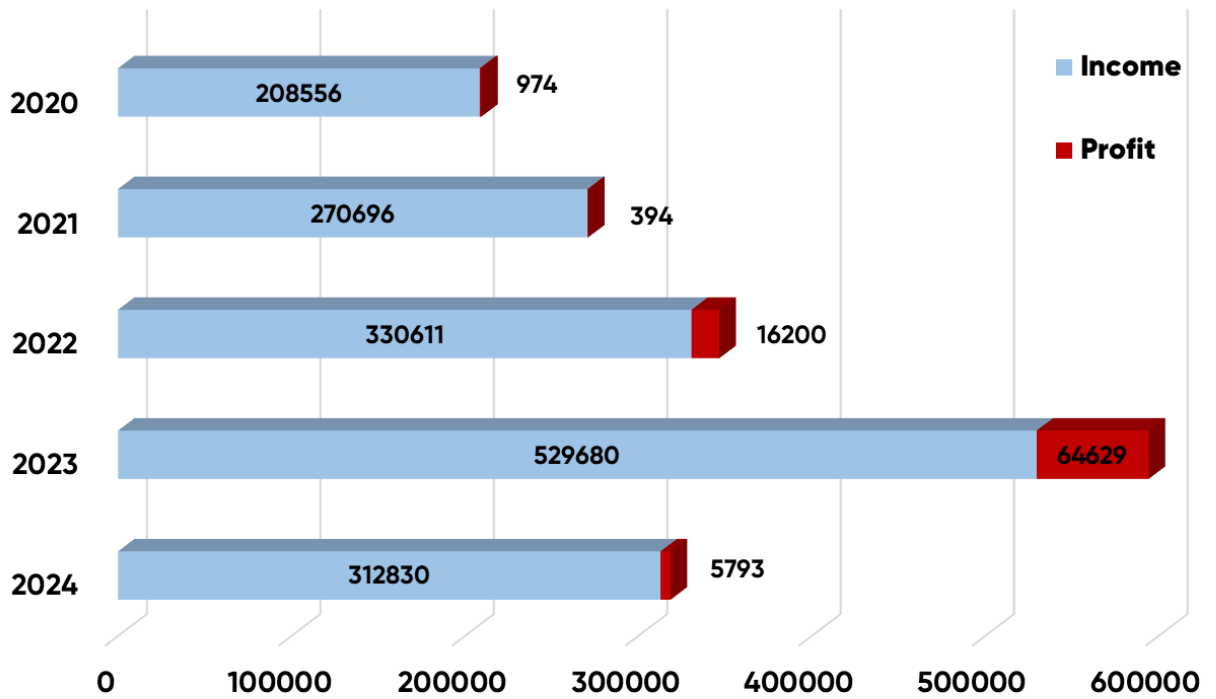
The company's specialists have developed the following:

- V.M. Orlovsky, V.S. Biletzky, V.I. Sirenko, Drilling of oil and gas wells. Textbook for Oil and Gas Engineering and Technology students (speciality code 185);
- Guidelines on the use of colours for signalling and identification painting of pipelines, process equipment and tanks of JSC Ukrtransnafta;
- Company Standard 09.1-31174865.001:2025 Gas and oil wells. Liquid nitrogen. Handling, storage and shipment procedures (COY 09.1-31174865.001:2025)



# FINANCIAL ANALYSIS

Financial performance  
in 2020 – 2024, thousands hryvnias, without VAT



# OCCUPATIONAL HEALTH AND SAFETY

We are fully conscious of the responsibility for the safety of the life and health of the company's employees, the importance of industrial hygiene and safe work. Therefore the company has implemented and maintains the Occupational Health and Safety Management System (ISO 45001:2019) as well as established policy for occupational health and safety.

## PRINCIPLES

- Full responsibility of director general and heads of departments for creating safe and healthy working environment
- Personal responsibility of the heads of all departments and immediate performers of work for compliance with labour protection requirements
- Priority of employees' life and health
- Personal responsibility of each employee for their own safety

## RESPONSIBILITIES

- Compliance with the requirements of national legislation and applicable health and safety regulations
- Continuous improvement of occupational health and safety
- Implementing the package of preemptive measures to improve working environment, aimed at preventing occupational injuries
- Creating accessible, efficient and coordinated system of mental health care for employees



## GOALS AND OBJECTIVES

- Planning and implementation of measures aimed at preventing occupational injuries and diseases
- Identification of hazardous and harmful work factors
- Analysis of the company's fire safety and occupational health documentation for compliance with the requirements of national legislation
- Assessment of the safety and technical condition of equipment, machinery, mechanisms, and evaluation of personnel performance
- Continuous training and testing of knowledge on occupational health and fire safety to ensure awareness of the assigned responsibilities
- Consideration of proposals from employees and other stakeholders on occupational health and safety measures
- Providing employees with special clothing, footwear and personal protective equipment
- Informing employees about working conditions at their workplaces, health risks, and measures to protect from exposure to harmful and dangerous work factors
  - Provision of sanitary conditions and amenities
- Conducting mandatory preliminary and regular medical checkups for employees
- Allocation of organizational, material, financial and human resources to ensure the functioning of health and safety management systems and implementation of labour protection measures
- Implementing policy or plan to protect and promote the mental health of employees in the workplace

## ENVIRONMENTAL PROTECTION

Environmental protection is one of the factors that contributes to safe working conditions. The company has implemented and maintains the Environmental Management System (ISO 14001:2015) as well as established environmental policy that sets out the principles of the company's environmental activities.

### ENVIRONMENTAL POLICY

- Minimizing the negative impact of company's services on the environment by reducing the amount of waste generated during provision of services as well as reducing use of natural resources
- Continuous management of environmental aspects of the company's activities and prevention of emergencies that may have environmental consequences
- Compliance with environmental legislation
- Mandatory inclusion of environmental factors in the development of procurement policies for technologies, materials and equipment, performance of works and provision of services
- Giving preference to local manufacturers and goods manufactured in accordance with environmental sustainability principles
- Continuous improvement of environmental management systems by setting and implementing environmental goals and objectives



## ENVIRONMENTAL ASPECTS

- Release of chemicals into the environment during transportation, loading, unloading, use and storage
- Pollution during the preparation and use of acid solutions
- Pollution in the process of repair, technical maintenance and painting of equipment
- Waste generation: solid waste, ferrous waste, lead battery scrap, waste paper, used or damaged car tyres, drilling waste (cuttings)

## GOALS AND OBJECTIVES

- Preventing the negative impact of job factors on employees
- Ensuring sanitary and hygienic standards and microclimate at workplaces
- Reducing waste generation
- Raising the level of environmental culture, awareness and concern for environmental issues
- Waste management reporting; environmental tax



## SOCIAL SECURITY AND HR POLICY

Social policy is one of the important elements of company's operations. It is a system of interrelated measures aimed at creating favourable conditions for the creation and development of the potential of company's employees through their self-realisation, self-development, self-improvement, and the fulfilment of social needs.

Social protection of employees is among the company priorities.

The company has a collective labour contract that guarantees compliance with the current labour legislation during hiring process and while in employment, maintaining the proper level of remuneration and the scope of social guarantees, benefits and compensations.

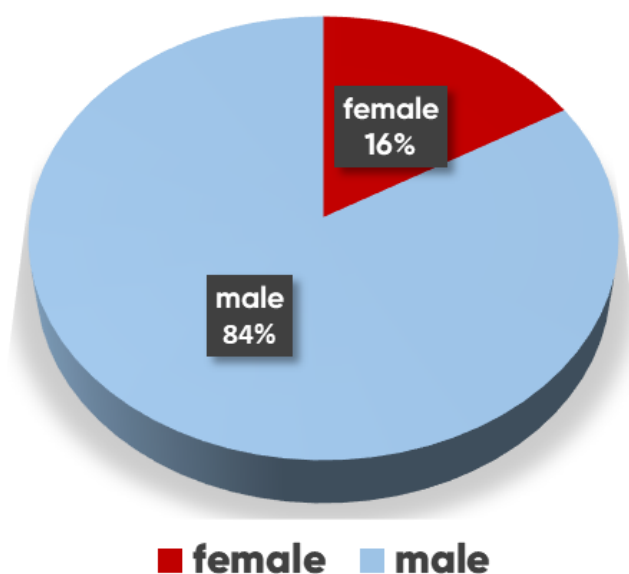
The collective labour contract provides for financial assistance to employees upon marriage, birth of children, medical treatment, and in the event of the death of relatives. Employees also receive cash bonuses for their anniversaries.

Most employees are insured at the company's expense against accidents.

The working system of financial incentives for employees has been created and implemented.

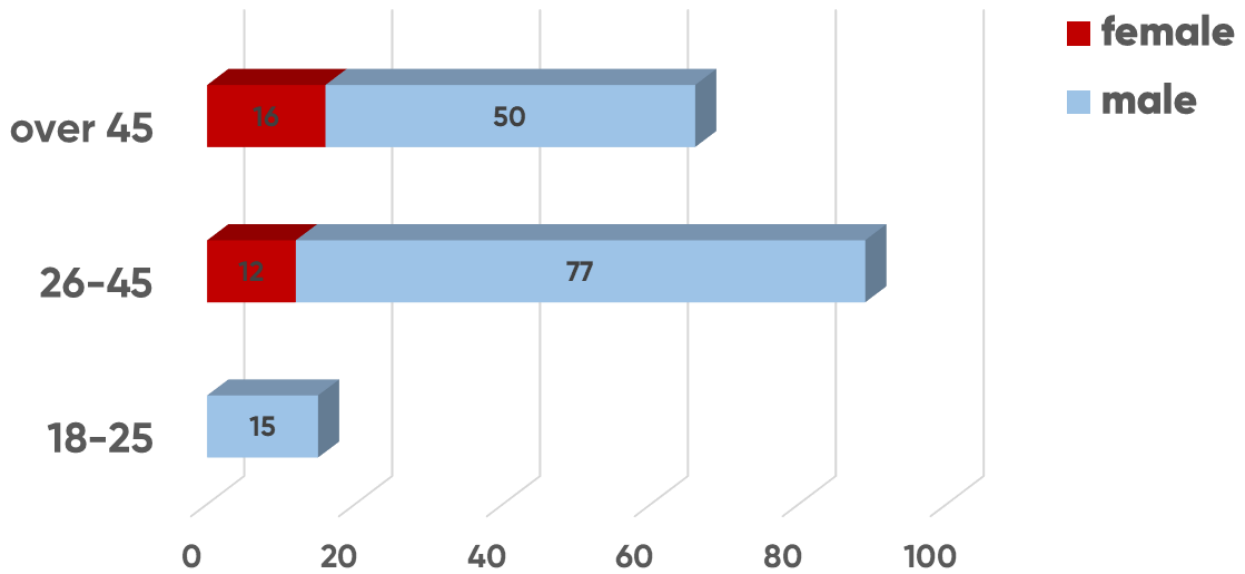
As of 31 December 2024, the number of employees was 170 (142 male/28 female).

**Gender balance of employees**



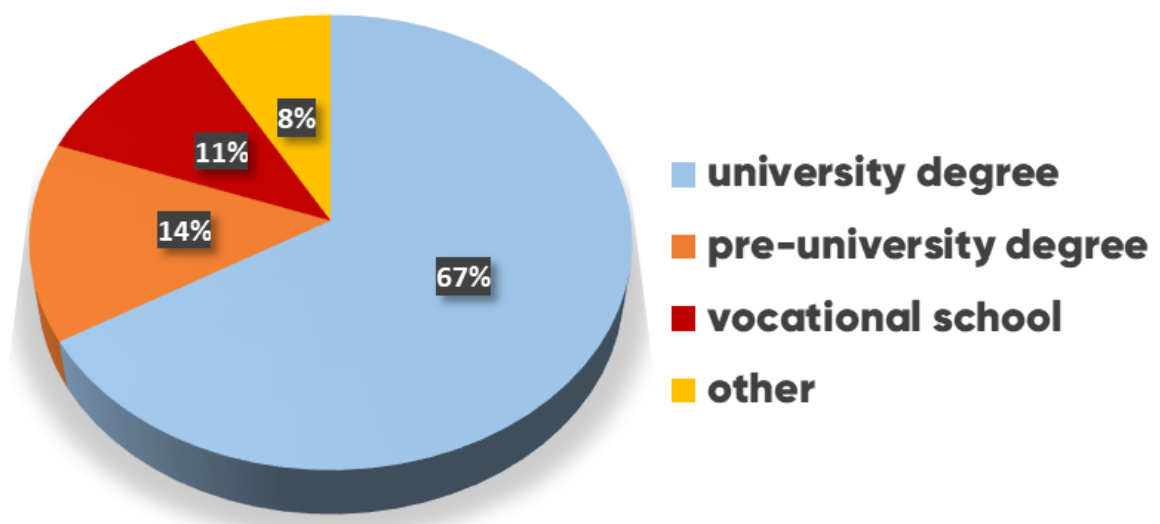


## Age balance



Management (at different levels): 31, which is 18% of the total number of employees; 25 male/6 female (81%/19%).

The majority are people in the most economically and socially active age group of 26-45 years: 89 people (over 52%, 77 male/12 female).



## Education balance

The company continuously provides training and professional development for its personnel at its own expense. In 2024, 2 employees studied at a higher education institution to obtain a bachelor's degree. Three engineers presented their theses in the relevant field of study to obtain a master's degree at the university. 4 specialists of the company are pursuing their postgraduate studies in order to expand their knowledge and skills (partially at the expense of the company).

In 2024, 15 engineers took advanced training courses at the Wellsite Digital training centre, where they gained new competencies and improved their professional skills.

The company has highly qualified personnel, which is the key to the stable development.

The company has created favourable conditions for attracting young employees (including providing internships and trainings).

The company has a long-standing cooperation with state educational institutions (Poltava College of Oil and Gas, National University 'Yuri Kondratyuk Poltava Polytechnic').

## DEVELOPMENT PLANS

- Development of innovative activities and improvement of existing technologies aimed at rehabilitation of oil and gas wells by drilling sidetracks with directional and horizontal completions (sidetracking using oriented and non-oriented whipstocks).
- Implementation of the latest directional drilling technologies (LWD systems).
- Introduction of service packages (window cutting in casing strings, directional/horizontal drilling, bit services, drilling muds, cuttings dewatering and disposal).
- Combining individual services of different companies into a single package that covers muds, directional drilling, bit services, as well as casing window cutting using whipstock for sidetracking package.
- Development and implementation of a new oil-based drilling mud system BUROMUL+ that uses domestically produced oil and is similar to the ENVIROMUL system by HALLIBURTON.
- Establishing ongoing partnerships with drilling contractors.
- Expansion of the scope of jobs, introducing complex operations (sand jet perforation, shutoff works and Velocity string), as well as the use of fluids aerated with nitrogen.
- Development of technologies and implementation of a wide range of acid treatments and sand jet perforation with nitrogen aerated fluid.
- Engaging multistage acid treatments in heterogeneous formations using retardants, organic acids.
- Geophysical surveys and well testing using coiled tubing equipment.
- Expanding capacities of three coiled tubing fleets (surface and downhole equipment, coiled tubing piping), including metal-to-metal DHM to enable drilling operations with nitrated and hydrocarbon fluids.
- Application of chelated systems for inflow stimulation in very deep wells and wells with high reservoir temperatures.
- Development of standards and technical specifications for the company.
- Ensuring uniform approach to the integrated management system.
- Continuous development and improvement of the health and safety program. Creating strong safety culture.
- Developing and approving a policy or plan to protect and promote mental health in the workplace.

