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2008 might be remembered as “It was the best of times. It was the worst of times.” From record high everything in the summer the economy and stock market crashed hard over a few short months. Beyond fundamentals we have continued to see weakness through fear alone. Even stoic investors are being forced to pull out and wait and see with dramatic drops of 3 and 4 digits on a single day on the market. Every once in awhile there is some resilience in the market for a week or so and then another bad piece of news causes another run. We have not reached the level of apathy yet where people quit paying attention. Perhaps then we will find bottom.

With low commodity prices we have seen the 2008 work dry up. Even long term plays such as the oilsands have seen reduced budget projections. Quarter 1 for 2009 is bound to be OK. We have not seen the approvals in progress begin pulled. To pull them in winter access only areas is to go as far as to cancel the work for at least a year. Approvals are complex now-a-days and require much time, effort and consultation so they have continued in anticipation of some budget money being available for 2009.

Beyond that who knows? The crystal ball is indeed foggy. 2008 has been one of the worst years for Canadian seismic in a decade. After the first quarter the summer was very slow as the Canadian dollar remained high and the spectre of the royalty review in Alberta kept work low. As things amped up through the fall the economic crisis hit the global economy. Oil prices went from being too high for their own fundamentals to being too low. With very little change in world demand commodity prices have fallen by 60 % on speculation and perception alone. As such 2009 could be anything – a bounce year once someone sounds the alarm that demand could outstrip supply, a flat year as things bottom out and depressed economic times hang over everything, or it could continue badly as cash flees the markets and countries struggle internally and potentially become more protectionist. Hang on for the ride!

It is human nature to blame someone else for our problems. Bush blamed Hussein. Today a more modern version is India blaming Pakistan when terrorist attacks occur. There seems to be a satisfaction in the public eye if some external force can be pointed to. In some fashion our Industry has suffered this fate also. The populist movement cleared overwhelmed the Oil and Gas Industry Stelmach moved quickly to follow populist sentiments and invoke the new royalty system. The overreaction on the upside and very high oil commodity prices are blamed for contributing to the world economic crisis – in some fashion somehow being tied back to predatory pricing by the Industry. I am uncertain we have moved much out of the bottom echelon of ranking of Industries by the public however some of their attention has been directed elsewhere for the time being. Many of the Trade Associations are invoking new communication strategies. Perhaps a proactive approach to this issue will slowly turn the tide.

Change – that’s the mantra for 2009. Obama’s presidency in the USA. The world teetering on the three legged stool of energy, environment and economics. Kick any one out and we are in for the next leg of the roller coaster ride. In any case find some solace

in your fellow man – we are all in this one together. We, in the seismic business, remain the eternal optimists. 2009 will be better than 2008.

But a little more in line with the season and a positive approach – here's a message from Santa:

My message is simple in keeping with the spirit of this joyous season, let the goodness in your heart guide your actions in everything you do, each and every day.

I live in the hearts of all parents who love their children and keep special, Christmas Day, just to see their little one's eyes light up. I live in the minds of the children who anticipate my arrival with such excitement and who delight in finding their little gifts on Christmas morning, even though many of them seem quite content to play with just the paper they are wrapped in.

See you soon, Merry Christmas Santa

From the Thursday Files

It is not the strongest of the species that survives, or the most intelligent, but the one most responsive to change

Charles Darwin