

**Flow Research, Inc.**

27 Water Street
Wakefield, MA 01880 USA
www.flowresearch.com

+1-781-245-3200
+1-781-224-7552 (fax)

Contact: Belinda Burum, Flow Research: +1-781-245-3200 – belinda@flowresearch.com

For immediate release

New Study Finds Growth of Multiphase Flowmeter Market Outpaces All Other Flowmeters

Wakefield, Massachusetts (October 17, 2012) — Multiphase flowmeters are an evolving technology and the fastest growing flowmeter type, outpacing ultrasonic and other new-technology flowmeters, according to a new study from Flow Research, *The World Market for Multiphase Flowmeters*. The study found that the multiphase flowmeter market totaled \$240.0 million in 2011. The market is projected to increase at a compound annual growth rate (CAGR) of 14.5 percent through 2016 until it reaches \$472.2 million. While the bulk of these revenues are from multiphase meters, some also come from dual phase meters manufactured by multiphase meter suppliers (www.flowmultiphase.com).

Multiphase flowmeters determine the percent of gas, water, and oil that makes up the fluid as it comes out of an oil or gas well. They then use other values to determine the flowrate of each fluid. This information is very valuable because it tells the operator how much of each type of fluid is coming out of the well before the fluids are separated. Multiphase flowmeters also yield valuable information about the condition of the oil or gas well where the drilling occurs.

The study divides multiphase flowmeters by well location into land-based, offshore, and subsea. The landbased tend to be least expensive, while the subsea meters cost the most. This is due to their complexity, and to the difficulty of drilling deep under water. Of the three types, the subsea multiphase flowmeter market is projected to grow most rapidly. Gas and oil producers are looking more at subsea locations for drilling as existing supplies become depleted and as the demand for natural gas and oil increases. The multiphase flowmeter market as a whole is growing faster than the Coriolis and ultrasonic markets, which are the two fastest-growing new-technology flowmeter markets.

Multiphase meters are at an early stage of their evolutionary cycle, and use a variety of technologies, which companies are working hard to improve. Manufacturers report an increasing acceptance of the technology, in part because multiphase provides the only solution for some applications, but also because of an improving track record in general and proven performance. In some cases oil & gas companies themselves are working with flowmeter companies to develop better multiphase metering solutions.

According to Dr. Jesse Yoder, president of Flow Research, the multiphase flowmeter market holds tremendous opportunities for suppliers:

“Although it is one of the most complex applications to address, successful multiphase measurement holds the promise of large benefits for both suppliers and end-users. Companies are putting money into developing multiphase meters not so much because the meters do the measurement so well, but because the measurement is so valuable. There is a critical need to be able to accurately measure all the fluids that come out of a well. Only a very small percentage of the world’s 1,000,000+ wells are equipped with multiphase flowmeters today – despite a 30-year history of multiphase metering – so there is ample room for market expansion.”

Dual phase meters, which are covered in the study in the context of the multiphase market, measure the percentage of only two types of fluids (e.g., oil and water) in the

total fluid. These meters include wet gas meters, which measure the flow of gas accompanied by some liquid, and watercut meters which measure the water content (cut) of crude oil and hydrocarbons.

An unprecedented look at the gas market

The study is the final module in *The World Market for Gas Flow Measurement, 2nd Edition*, a 2800+ page study that includes a core study, published in June 2011, and five standalone modules on regional gas markets, custody transfer, and strategies, industries, and applications:

- The World Market for Gas Flow Measurement
- Module A: An Analysis of the Regional Gas Flowmeter and Natural Gas Markets
- Module B: A Strategic Approach to Doing Business in Mideast/Africa
- Module C: The World Market for Custody Transfer of Natural Gas
- Module D: Strategies, Industries, & Applications
- Module E: The World Market for Multiphase Flowmeters

Together they provide an in-depth look at the natural gas markets and flowmeter usage around the world, by regions and countries, plus an analysis of what all of it means to control and instrumentation suppliers. The study shows where growth is occurring – and where it is not – and where to expect the highest returns.

Flow Research found that the fast-growing worldwide market for gas flowmeters totaled \$1.3 billion in 2010. Of that, shipments of new-technology gas flowmeters totaled \$498 million and are projected to increase with a compound annual growth rate (CAGR) of 10.1 percent through 2015. Traditional technology gas flowmeters totaled \$792 million, with a projected CAGR of 3.3 percent (www.gasflows.com).

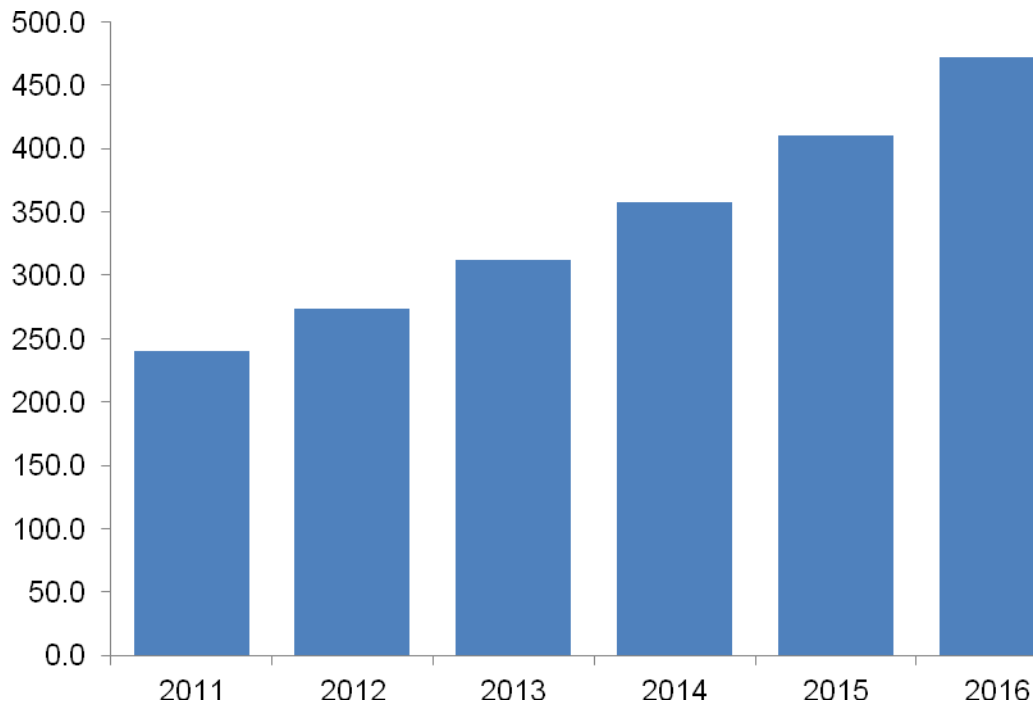
The figure below shows total shipments of multiphase and dual phase meter shipments worldwide in millions of dollars from 2011 to 2016.

Flow Research, Inc.

Flow Research provides research on flowmeters and other process control instrumentation. Recent market studies include the world market for flowmeters as well as individual studies on ultrasonic, turbine, positive displacement, thermal, and vortex flowmeters. Flow Research also publishes quarterly reports on the flowmeter and energy markets as part of the Worldflow Monitoring Service (www.worldflow.com).

NOTE TO EDITORS: The study is not a complete worldwide analysis of dual phase meters, since many wet gas and watercut meters are used in non-multiphase environments. The dual phase figures in this study only reflect dual phase meter shipments reported by multiphase suppliers; there are other suppliers that make dual phase but not multiphase meters and their shipment values are not included in this study.

**Total Shipments of Multiphase Flowmeters Worldwide
(Millions of Dollars)**



Compound Annual Growth Rate (CAGR) = 14.5%