



## **"LOB will operate in 9 European countries by end of year." Interview with Reed Leighton**

**Reed Leighton, CEO of Leighton O'Brien, discusses in this interview the company's plans to expand in Europe, its participation in UNITI expo, their pioneering technology, and the development of the leak detection global market.**

*Reed Leighton is CEO of Leighton O'Brien, a global fuel analytics software and field technologies company. Reed leads global operations, strategic development, sales and marketing. He is an industry veteran with more than 25 years in the oil industry, pioneering leak detection, wetstock monitoring and fuel restoration technologies.*

**Q. How has Leighton O'Brien developed as a company in the last couple of years?**

A. While LOB has grown into 19 countries and 45 software and service partners, our major focus has been on extensive research and development in the depth and range of our IP, technology and software. We believe that we have the most sophisticated and deep rooted intellectual property in wetstock, leak detection and fuel restoration and tank cleaning technology. We have invested heavily in IT, which we see as our future. We have chosen to get the very best technology in place, instead of rushing to the market with unsupported technological claims.

Having made these substantial IT and IP investments, we are now scaled for even faster growth than we have achieved to date. Part of this enhanced scalability is a new enhanced software and service partnering model.

**This is Leighton O'Brien's first time in Europe as an exhibitor. Are you planning to further expand into Europe?**

We are already present in the UK through our partnership with SureSite and we have also appointed a Turkish partner. Our market investigation activities have been ongoing for the last 2 years. There are currently multi partner negotiations underway. UNITI expo will uncover more customer and partner opportunities. We are expecting continued rapid growth across for our range of wetstock, precision testing and fuel restoration technologies. We expect to be operating in 9 European countries by the end of year.

**What are your goals when you decide to exhibit at a trade show such as UNITI expo?**

When visiting UNITI expo we have 4 goals. Firstly, raising the brand profile of Leighton O'Brien. We are well known through the Asia Pacific region, Southern Africa, Japan and the United States. We now need to achieve the same level of brand recognition in Europe. Secondly, we want to start the conversations with potential European customers about the value we bring across the range of technologies we have.

Thirdly we will be furthering existing conversations with potential business partners and I expect starting many new ones. Leighton O'Brien is a technology company that partners with 3<sup>rd</sup> parties to deliver our technologies 'glocally'. We provide the technology and they provide the local relationships and infrastructure. And finally, the LOB Team we will be conducting extensive market research on German beers and making new friends.

### **What can Leighton O'Brien offer that is different from the current European competitors?**

The technical quality, range, automated depth and accuracy of our IP is genuinely unmatched. We believe we have the smartest wetstock platform there is. We recently undertook a desktop pump to tank mapping exercise that had remained unresolved by our competitors for 10 years. Our automated software examined over 1 billion hose to tank possible permutations for the site and correctly identified the right combination.

For ATG accuracy, we are able to automatically re-strap an inaccurate ATG to 0.3% accuracy in only 4 fills of the tank. We have the ability to identify in real *realtime* when a dispensing meter starts to drift greater than 0.3%. Delivery validation is another area where we exceed the industry - we are able to validate the accuracy of a delivery to 0.3% and hold transport companies accountable for short deliveries.

For our other technologies, the differences include that we can test a product line 3 minutes and clean a gasoline tank to 2 microns in 4 hours with the product remaining in the tank. All our technologies will be operating on the same IT platform shortly so customers and partners will be able to see real time wetstock status, tank and line test status and tank clean status.

### **What are the main challenges when entering a market such as the European? Are all your products compatible with European regulations?**

Europe is a long way from Australia and our biggest challenge is being an Australian company. People tend to view Australia as all kangaroos and crocodiles. While I enjoy a good crocodile wrestle like anyone, most Europeans would be surprised to learn that Australia is the 12<sup>th</sup> largest economy in the world while only ranking 52<sup>nd</sup> in population. Australia is a sophisticated technology market. We pioneered the leak detection market and fuel cleaning in the Asia Pac region. Once we have worked through those initial perceptions and our customers and partners see the quality and range of the technology we bring to the table, business is easy. It's actually a very exciting time for us at Leighton O'Brien to be expanding into one of the major markets in the world.

Each market has its own unique regulatory environment and we have worked through those issues

particular to Europe. We have successfully navigated these issues across markets such as the United States and Japan. We already have internationally recognised certifications such as the US-EPA and we are finalising the various ATEX certifications.

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**How would you assess the current situation of the Asia Pacific market and, in your view, what have been the biggest business opportunities for gas station equipment companies?**

Half of the world's population is in the Asia Pacific with many moving into middle class. The numbers of cars have skyrocketed and the number of gas stations being built is large. India has 50,000 sites, and China around 125,000. The scale of the market is very large and is growing. They are highly sophisticated markets and you have to bring technology that is up to the standards. Issues such as environment requirements, wetstock management, safety, product quality are very similar across the globe. What tends to differ is the approach to the problems and regulatory framework.

**In some countries in Europe there is a high percentage of biofuels. Does that pose any problems when handling with underground storage tanks and the related equipment**

Biofuel issues are a global issue and Ultra Low Sulphur fuels (ULSD) require a global discussion. Modern fuel formulations have changed the maintenance rules globally. The evidence is that accelerated corrosion occurs in tank systems containing biofuels and ULSD when water is present in the storage system. Microbial activity (facilitated by the presence of water) causes acidic secretions that attack metal components in the wet and dry space of the tank.

Water management in the tank system is the key to managing this risk. I personally would not tolerate any water in my tank system. Get it out and by that I mean pump the water out and run the fuel through a filtering system to get rid of water droplets contained in the fuel. The sediment on the tank floor must be removed and the tank should be treated with a biocide.

The other major issue with ethanol is when phase separation occurs. Traditionally, this meant disposing of the product but it can be restored on site with the right technology, which is the American and Australian approach.

Unfortunately, 90% of water ingress into tank systems is through loose tank top fittings that have been loose since the original installation. Outside of Europe it is common practice to perform independent 3<sup>rd</sup> party certified pre-bury testing of new storage systems to independently confirm the tank is 100% tight to 1/7000 of a PSI.

**As countries around the world have hardened their stance in environmental protection and required higher security measures of underground storage tanks, what has been the development of leak detection and other technologies and what do you expect to see in the coming years?**

Increased government regulations do increase the obligations of oil companies, though most

international oil companies tend to exceed local regulatory requirements anyway. There are about 600,000 sites globally and I have seen estimates of 20,000 new or renewed sites per annum. As US or Euro style regulations are gradually adopted globally, the market for our types of technologies could grow to \$500 million per annum for leak monitoring, \$400 million for new site commission testing and about \$300 million for cleaning. About 30% of tanks contain excessive amounts sediment, including biological material that can impact operations. As sites age and modern fuel formulations are rolled out, more sites will require effective *in situ* cleaning.

Leak monitoring in real *real* time, not dependent upon an ATG alarm, will be the biggest growing section of the market. Access to real time data and accurate remote continuous leak analysis is now the game. We also expect independent 3<sup>rd</sup> party precision testing of new installations to increase. The need to keep tank systems free from water ingress, vapour and liquid releases has never been more important. Depending on the installer using an airgauge to confirm the integrity of your new storage system does not give the installation assurance needed these days.

*Interview by Oscar Smith Diamante*