

TECHNICAL PRESENTATION January, 2010

BHL International, Inc. is pleased to submit this proposal for a Heavy Duty Land Drilling Rig for operations in Nigeria.

The Rig is capable of drilling, completion, testing, temporary abandonment and intervention work in connection with Land Drilling Rig operations. The maximum well depth is 20,000 ft. Maximum mud weight is 18 ppg.

The Drilling Rig and its associated equipment where applicable, complies with recognized industry standards, Drillog's own Health, Safety, and Environmental Policy, FEPA and DPR regulations regarding Petroleum Drilling and workover activities, and relevant publications of the American Petroleum Institute (API), American Institute of Steel Construction (AISC), American Welding Society D1.1 (AWS D1.1), ISO 9001, ISO/TS 29001 and International Association of Drilling Contractors (IADC).

The Drilling Rig has a self-elevating mast and substructures. The mast raises to the vertical position together with the setback side of the substructures. The drawworks has a self-elevating substructure and is raised after the mast is up. The drawworks is located on the drill floor. The rotary table is independently driven and does not have to be connected to the drawworks.

The brand new mast and substructure are designed and certified to API 4F 3rd Edition issued in 2008. This latest 2008 Edition has increased requirements for stability, overturning, sliding and higher wind loading that rigs built before 2008 do not have. To this date very few drilling structures have been built to this more stringent state of the art standards.

RIG SKIDDING SYSTEM. The Rig Skidding System proposed is suited for projects where existing wellheads extend above ground level. The drilling rig is able to longitudinally skid off the ground on each side of the cellars and well heads.

The elevated pipe rack will clear the 12 ft. high wellhead clearance required. The substructure is wide open underneath the drill floor with no obstructions to the well heads during skidding. The pipe rack deck is plated to protect the wellheads from accidental dropping of drill pipe and collars and to provide a safe working area for the rig hands. Socketed removable handrails shall be provided all around the pipe rack. A wooden barrier wall with steel supports shall be provided at the end of the catwalk to stop dropped drill pipe from "shooting off" from the V-door to the far end of the catwalk then falling off above the wellheads or ground (similar to offshore pipe racks).

The Rig Skidding System is designed to take the full operating capacities of the rig during all drilling operations including all maximum combination wind loadings

stipulated by API 4F. It shall be designed for erection loads, overturning and sliding as prescribed by API 4F. The equipment is furnished brand new.

The rig skidding system is designed to skid the complete mast and substructure, fully assembled, complete with the drawworks, rotary table, top drive, traveling block, hook, all drill floor equipment and BOP stack. It shall be capable of skidding with full 600,00 lbs. of pipe setback. The entire assembly shall be able to skid together with the 11 ft. elevated pipe rack.

MUD PUMPS. The three (3) mud pumps provided are all brand new with new fluid ends, new pulsation dampeners.

THE DRAWWORKS is a newly refurbished 2000 HP, National 1320 UE Unit with, new 7838 auxiliary brake, all new bearings and clutches.

THE SCR Unit is brand new with all new wiring and electrical cable distribution system for the entire rig. The SCR Unit is designed and engineered to provide the maximum degree of operational efficiency based on the power requirements of the rig.

THE GENERATOR SETS are brand new Caterpillar 3512C's Tier III that are fuel efficient and environmentally emissions friendly.

ALL INSTRUMENTATION EQUIPMENT are brand new.

MUD PROCESSING EQUIPMENT equipment are new.

AIR HOISTS & BOP HANDLING SYSTEM are brand new.

The Drilling Rig is manufactured, rigged-up, tested, commissioned and packaged at BHL International, Inc. (BHL) Houston, Texas U.S.A.

The rig components used are from established and reputable Oilfield Equipment Suppliers including National Oilwell Varco (NAT 1320 UE Drawworks), TESCO (500 Ton Top Drive), Forum AOI (Instrumentation), Caterpillar (CAT 3412C Engines), IEC (SCR Unit), SWACO (Mud Processing Equipment), Hydril (10,000 psi BOP's), Ingersol Rand (BOP Handling Systems and Air Hoists), etc.

BHL is licensed, certified and registered under API 4F-0167, API QI-0580, ISO 9001 (API QR-0829) and ISO/TS 29001 (TS-0401). BHL is a member of the American Petroleum Institute (API), International Associations of Drilling Contractors (IADC), Associates of Energy Service Companies, and American Welding Society (AWS). BHL Personnel are members of the Society of Petroleum Engineers (SPE) and the American Association of Drilling Engineers (AADE). BHL's personnel are extensively experienced and current on drilling rig structures and equipment.

RIG SPECIFICATIONS

MAST:

Height above Drill Floor:	147 Ft.
API 4F Rated Static Hook Load:	1,300,000 lbs.
Racking Capacity:	20,000 Ft. of 5"Ø Drill Pipe, 20,000 ft. of 3 ½" Drill Pipe
Base Width:	25 Ft.
No. of Lines to T-Block:	14 Lines
Drill Line Size:	1-5/8"

Mast will have latest (2008 edition) API Certification and API monogrammed nameplate. Mast is brand new.

SUBSTRUCTURE:

Drill Floor Height:	32 Ft.
Casing Load (Rotary) Capacity:	1,300,000 lbs.
Setback Load:	800,000 lbs.
Combined Simultaneous Capacity; Casing plus Setback:	2,100,000 lbs

Substructure will have latest (2008 edition) API Certification and API monogrammed nameplate. Substructure is brand new.

DRAWWORKS:	NATIONAL 1320 UE, 2000 HP
ROTARY TABLE:	NATIONAL 37 1/2" or Equal
PUMPS:	(3) 1600 HP Gardner Denver PZ11, Brand New
SCR UNIT:	IEC 4 GEN. X 4 SCR BAYS, Brand New
GENERATOR SETS:	(4) CATERPILLAR 3512C, Brand New
TOP DRIVE:	500 Ton TESCO
BLOWOUT PREVENTORS:	13 5/8" x 10,000 PSI. HYDRILL ANNULAR 13 5/8" x 10,000 PSI HYDRILL SINGLE 13 5/8" x 10,000 PSI. HYDRILL DOUBLE 13 5/8" x 10,000 PSI. CHOKE AND KILL SPOOL RAM SET, 13 3/8", 9 5/8", 7", 6 5/8" BLIND RAM ADAPTER/SPACER SPOOL 13 5/8", 10,000 lbs. RISERS AND BELL NIPPLES

LIQUID CAPACITIES:

ACTIVE MUD:	1500 BBLs
RESERVE MUD:	1000 BBLs
DRILL WATER	1000 BBLs
FUEL:	21,000 GAL. at rig
	10,500 GAL at camp site.

Please refer to the detailed inventory for other equipment.

THE HEAVY DUTY LAND RIG PROPOSED COMPLIES WITH REQUIRED SPECIFICATIONS, SUPERIOR IN EFFICIENCY AND SAFETY THAN OTHER RIGS.