Dear Potential Participant:

The U.S. Minerals Management Service (MMS) has advised us that the $250,000 grant they have awarded this Joint Industry Project (JIP) will be lost unless we have sufficient Letters of Intent to join by March 31, 2006.

A PROBABILISTIC APPROACH TO RISK ASSESSMENT OF MANAGED PRESSURE DRILLING IN OFFSHORE DRILLING APPLICATIONS

The budget for the program is $1,272,000 and since the MMS will cover $250,000, they expect the remaining $1,022,000 to be funded by joint industry. The study will take two years to complete.

The $100,000 participation share can be divided into two payments. The request for participant funding this year is $50,000 (minimum level) before March 31, 2006. Provided the program is progressing satisfactorily in the participants’ viewpoint; a non-obligatory, additional $50,000 will be requested in the first quarter of 2007. Any funds collected in excess of the budget requirement will be handled as determined by the majority vote of the Steering Committee consisting of one vote per $50,000 pledged.

Only JIP participants will be licensed to cite and utilize this study as intellectual property in their drilling program presented internally within their organization and before regulatory bodies for a period of five years after completion of the project.

Reply to Mohr Engineering:

This is to advise you that our company wishes to join DEA155 JIP, partly funded by the MMS, provided that we can agree on the terms and conditions in the offered agreement. We will proceed to negotiate in a timely manner to sign the governing agreement and pay our joining fee of $50,000 this year as stipulated in the agreement. We expect negotiations and payment to be completed before April 30, 2006.

PLEASE FAX BACK TO 1-281-469-2217