

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2017-03-03** | Period of Report: **2016-12-31**
SEC Accession No. [0001104659-17-013824](#)

([HTML Version](#) on [secdatabase.com](#))

FILER

HYPERDYNAMICS CORP

CIK:[937136](#) | IRS No.: **870400335** | State of Incorp.:**DE** | Fiscal Year End: **0630**
Type: **10-Q** | Act: **34** | File No.: **001-32490** | Film No.: **17661909**
SIC: **1311** Crude petroleum & natural gas

Mailing Address

*12012 WICKCHESTER LANE,
SUITE 475
HOUSTON, TX 77079*

Business Address

*12012 WICKCHESTER LANE,
SUITE 475
HOUSTON, TX 77079
7133539400*

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934:

For the quarterly period ended December 31, 2016

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934:

For the transition period from to

Commission file number: 001-32490

HYPERDYNAMICS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

87-0400335

(IRS Employer Identification No.)

12012 Wickchester Lane, Suite 475

Houston, Texas 77079

(Address of principal executive offices, including zip code)

713-353-9400

(Registrant's principal executive office telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) YES NO

As of February 28, 2017, 21,801,536 shares of common stock, \$0.001 par value, were outstanding.

[Table of Contents](#)

Table of Contents

Part I. Financial Information

Item 1. Unaudited Consolidated Financial Statements

[Condensed Consolidated Balance Sheets at December 31, 2016 and June 30, 2016](#) 3

[Condensed Consolidated Statements of Operations for the Three and Six Months Ended December 31, 2016 and 2015](#) 4

[Condensed Consolidated Statement of Shareholders' Equity for the period from July 1, 2015 to December 31, 2016](#) 5

[Condensed Consolidated Statements of Cash Flows for the Six Months Ended December 31, 2016 and 2015](#) 6

[Notes to Condensed Consolidated Financial Statements](#) 7

Item 2. [Management's Discussion and Analysis of Financial Condition and Results of Operations](#) 17

Item 3. [Quantitative and Qualitative Disclosures about Market Risks](#) 22

Item 4. [Controls and Procedures](#) 22

[Part II. Other Information](#)

[Item 1. Legal Proceedings](#) 23

[Item 1A. Risk Factors](#) 24

[Item 6. Exhibits](#) 26

[Signatures](#) 27

[Table of Contents](#)

HYPERDYNAMICS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Number of Shares)
(Unaudited)

	December 31, 2016	June 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,239	\$ 10,327
Prepaid expenses	645	1,294
Deposits and other current assets	235	6
Total current assets	3,119	11,627
Property and equipment, net of accumulated depreciation of \$2,097 and \$2,075	59	51
Unproved oil and gas properties excluded from amortization (Full-Cost Method)	4,142	–
	4,201	51
Total assets	\$ 7,320	\$ 11,678
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,475	\$ 1,743
Liability for legal settlement (Note 6)	1,308	–
Total current liabilities	2,783	1,743
Commitments and contingencies (Note 6)	–	–
Shareholders' equity:		
Preferred stock, \$0.001 par value; 20,000,000 authorized, 0 shares issued and outstanding	–	–
Common stock, \$0.001 par value, 87,000,000 shares authorized; 21,201,536 and 21,046,591 shares issued and outstanding	169	169
Additional paid-in capital	317,938	317,757
Accumulated deficit	(313,570)	(307,991)
Total shareholders' equity	4,537	9,935
Total liabilities and shareholders' equity	\$ 7,320	\$ 11,678

The accompanying notes are an integral part of these condensed consolidated financial statements.

[Table of Contents](#)

HYPERDYNAMICS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Number of Shares and Per Share Amounts)
(Unaudited)

Three Months Ended	Six Months Ended
December 31,	December 31,

	2016	2015	2016	2015
Costs and expenses:				
Depreciation	\$ 10	\$ 28	\$ 35	\$ 56
General, administrative and other operating	4,281	1,829	8,247	3,706
Full-cost ceiling test write-down	753	–	753	–
Loss from operations	(5,044)	(1,857)	(9,035)	(3,762)
Gain (loss) on settlement agreement	(371)	–	4,764	–
Cost of legal settlement	(1,308)	–	(1,308)	–
Loss before income tax	(6,723)	(1,857)	(5,579)	(3,762)
Income tax	–	–	–	–
Net loss	<u>\$ (6,723)</u>	<u>\$ (1,857)</u>	<u>\$ (5,579)</u>	<u>\$ (3,762)</u>
Basic and diluted loss per share	<u>\$ (0.31)</u>	<u>\$ (0.09)</u>	<u>\$ (0.26)</u>	<u>\$ (0.18)</u>
Weighted average shares outstanding – basic and diluted	<u>21,201,536</u>	<u>21,046,591</u>	<u>21,127,758</u>	<u>21,046,591</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

4

[Table of Contents](#)

HYPERDYNAMICS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In Thousands, Except Number of Shares)
(Unaudited)

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in Capital	Deficit	
Balance, July 1, 2015	21,046,591	\$ 169	\$ 317,404	\$ (285,145)	\$ 32,428
Net loss	–	–	–	(22,846)	(22,846)
Amortization of fair value of stock options	–	–	353	–	353
Balance, June 30, 2016	21,046,591	\$ 169	\$ 317,757	\$ (307,991)	\$ 9,935
Net loss	–	–	–	(5,579)	(5,579)
Exercise of stock options	20,000	–	18	–	18
Awards in lieu of cash bonus	134,945	–	57	–	57
Amortization of fair value of stock options	–	–	106	–	106
Balance, December 31, 2016	<u>21,201,536</u>	<u>\$ 169</u>	<u>\$ 317,938</u>	<u>\$ (313,570)</u>	<u>\$ 4,537</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

5

[Table of Contents](#)

HYPERDYNAMICS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**(In Thousands)****(Unaudited)**

	Six Months Ended December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (5,579)	\$ (3,762)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	35	56
Full-cost ceiling test write-down	753	-
Stock based compensation	106	189
Stock issued in lieu of cash bonuses	57	-
Gain on legal settlement	(4,078)	-
Cost of legal settlement	1,308	-
Changes in operating assets and liabilities:		
Increase in Accounts receivable – joint interest	-	(52)
Decrease in Prepaid expenses	649	582
Increase in Deposits and other current assets	(229)	(8)
Decrease in Accounts payable and accrued expenses	(268)	(992)
Net cash used in operating activities	<u>(7,246)</u>	<u>(3,987)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(42)	-
Investment in unproved oil and gas properties	(818)	(20)
Net cash used in investing activities	<u>(860)</u>	<u>(20)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	18	-
Net cash provided by financing activities	18	-
DECREASE IN CASH AND CASH EQUIVALENTS	(8,088)	(4,007)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,327	18,374
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ <u>2,239</u>	\$ <u>14,367</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

[Table of Contents](#)

HYPERDYNAMICS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**General Overview**

Hyperdynamics Corporation (“Hyperdynamics,” the “Company,” “we,” “us,” and “our”) is a Delaware corporation formed in March 1996. Hyperdynamics has two wholly-owned subsidiaries, SCS Corporation Ltd (“SCS”), a Cayman corporation, and HYD Resources Corporation (“HYD”), a Texas corporation. Through SCS, Hyperdynamics focuses on oil and gas exploration offshore the coast of West Africa. Our exploration efforts are pursuant to a Hydrocarbon Production Sharing Contract, as amended (the “PSC”). We refer to the rights granted under the PSC as the “Concession.” We began operations in oil and gas exploration, seismic data acquisition, processing, and interpretation in late fiscal 2002.

As used herein, references to “Hyperdynamics,” “Company,” “we,” “us,” and “our” refer to Hyperdynamics Corporation and our subsidiaries, including SCS. The rights in the Concession offshore Guinea are held by SCS.

Status of our Business, Liquidity and Going Concern

We have no source of operating revenue and there is no assurance when we will, if ever. On December 31, 2016, we had \$2.2 million in cash, and \$1.5 million in accounts payable and accrued expense liabilities, all of which are current liabilities. The net working capital of approximately \$0.7 million will not be sufficient to meet our corporate needs and Concession related activities for the quarter ending March 31, 2017. We are currently pursuing several avenues to raise funds. We have no other material commitments other than ordinary operating costs and commitments relating to the PSC.

As of February 28, 2017 the Company’s trade accounts payable and accrued expenses exceeded its cash balances.

In 2010 we sold a 23% gross interest in the Concession to Dana Petroleum, PLC (“Dana”), a subsidiary of the Korean National Oil Corporation. Later, at the end of 2012, we sold a 40% gross interest to Tullow Guinea Ltd. (“Tullow”). The Share Purchase Agreement (“Tullow SPA”) was dated December 31, 2012. A few months later Tullow became the Operator of the Concession on April 1, 2013. We refer to Tullow, Dana and us in the Concession as the “Consortium”.

Pursuant to the Tullow SPA between Tullow and us, Tullow paid us \$26.0 million in cash and Tullow agreed to pay our entire participating interest share of expenditures associated with joint operations in the Concession up to a gross expenditure cap of \$100.0 million incurred during the period of our carried interest while drilling the initial exploratory well that began on September 21, 2013. Tullow also agreed to pay our participating interest share of future costs for the drilling of an appraisal well following the initial exploration well, if drilled, up to an additional gross expenditure cap of \$100.0 million.

The Consortium planned to drill the exploration well in the ultra-deepwater area (water depths of over 2,000 meters) of the Concession during the first half of calendar 2014, but Tullow declared Force Majeure in March of 2014 based on the mere existence of the Department of Justice (“DOJ”) and Securities and Exchange Commission (“SEC”) investigations pursuant to the Foreign Corrupt Practices Act of the United States (“FCPA Investigations”). Tullow withdrew its Force Majeure declaration in May of 2014, but did not resume petroleum operations citing the existence of the FCPA investigations and the Ebola outbreak in Guinea as the reason.

The DOJ investigation ended last May 2015, the SEC investigation ended last September 2015, and the World Health Organization declared Guinea Ebola free on December 29, 2015. Notwithstanding the resolution of the FCPA investigations, Dana insisted on further specific title assurances from the Government of Guinea and at a Petroleum Operations Management Committee meeting with the Government of Guinea in Conakry on December 16 and 17, 2015, Tullow and SCS obtained a PSC Amendment that we believed provided such further assurances. Instead of signing the PSC Amendment both Tullow and Dana refused to execute the agreement. Unable to see a path forward, we filed legal actions against Tullow and Dana under our Joint Operating Agreement.

On August 15, 2016, we entered into a Settlement and Release Agreement with Tullow and Dana (“Settlement Agreement”) that returned to Hyperdynamics 100% of the interest under the PSC, long-lead item property useful in the drilling of an exploratory well, and \$0.7 million in cash, in return for a mutual release of all claims. We also agreed to pay Dana a success fee based upon the certified reserves of the Fatala well if it results in a discovery.

[Table of Contents](#)

On August 19, 2016, we signed a non-binding Memorandum of Understanding with the Government of Guinea and executed a Second Amendment to the PSC (“2016 Amendment”) on September 15, 2016. We also received a Presidential Decree that gave Hyperdynamics a one year extension to the second exploration period of the PSC to September 22, 2017 (“PSC Extension Period”) and we also became the designated Operator with the receipt of the Presidential Decree.

In addition to clarifying certain elements of the initial PSC, we agreed in the 2016 Amendment to drill one exploratory well to a minimum depth of 2,500 meters below the seabed within the PSC Extension Period with a projected commencement date of April 2017 (the “Extension Well”) with the option of drilling additional wells.

If the Extension Well is not drilled within the PSC Extension Period, we will owe the Government of Guinea, under Article 4.2 of the PSC, the difference between the actual expenditures in Guinea that are related to the well and \$46.0 million. Fulfillment of the work obligations exempts us from the expenditure obligations during the PSC Extension Period. Failure to comply with the drilling and other obligations of the PSC as amended subjects us to financial penalties and a risk of loss of the Concession.

In mid-January 2017 the Company requested and received a notification letter dated January 24, 2017 from the General Director of the National Petroleum Office of the Republic of Guinea, informing the Company that the Republic of Guinea granted a postponement of the Company’s obligation to provide a mutually acceptable security of \$5.0 million to February 20, 2017 (originally required by no later than January 21, 2017) as well as a clarification regarding the timing of the security under Article 4.2 of the 2016 PSC Amendment until the work on the Fatala-1 well is completed.

On March 1, 2017, the Republic of Guinea has issued a reservation of rights letter asserting the Company has not satisfied its obligation to deposit mutually acceptable security of \$5.0 million. The Company and the Republic of Guinea have been and continue to be in negotiations regarding the mutually acceptable assets that would satisfy the \$5.0 million security requirement. These negotiations have not yet reached a conclusion.

If we do not reach an agreement with the Government of Guinea on a mutually acceptable security instrument, the Republic of Guinea may terminate the PSC at any time and without prior notice to remedy such non-compliance with the PSC. To date the \$5.0 million security has not been provided and no extension, though requested, subsequent to February 20 has been provided by the Republic of Guinea.

Also, if the well is not drilled during the Extension Period we will owe the Republic of Guinea the remaining balance under Article 4.2 of the PSC.

The delays prior to the signing of the Second Amendment have adversely affected our ability to date to explore the Concession and reduce the attractiveness of the Concession to prospective industry participants and financing parties. While we currently hold 100% of the Concession, it is unknown whether we will be able to raise the necessary funds to drill the exploratory well during the PSC Extension Period.

Absent cash inflows we will not have adequate capital resources to meet our current obligations as they become due and therefore there is substantial doubt about our ability to continue as a going concern. Our ability to meet our current obligations as they become due over the next twelve-months, and to be able to continue exploration, will depend on obtaining additional resources through sales of additional interests in the Concession, equity or debt financial offerings, or through other means.

No assurance can be given that any of these actions can be completed.

Principles of consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Hyperdynamics and its direct and indirect wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in our Annual Report filed with the SEC on Form 10-K for the year ended June 30, 2016.

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the most recent fiscal year ended June 30, 2016, as reported in the Form 10-K, have been omitted.

[Table of Contents](#)

Use of estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenses at the balance sheet date and for the period then ended. We believe our estimates and assumptions are reasonable; however, such estimates and assumptions are subject to a number of risks and uncertainties that may cause actual results to differ materially from such estimates. Significant estimates and assumptions underlying these financial statements include:

- estimates in the calculation of share-based compensation expense,
- estimates made in our income tax calculations,
- estimates in the assessment of current litigation claims against the Company,
- estimates and assumptions involved in our assessment of unproved oil and gas properties for impairment, and
- estimates and assumptions involved in our fair market value assessment of the well construction equipment received in the August 15, 2016 Settlement Agreement with Tullow and Dana.

We are subject, from time to time, to legal proceedings, claims, and liabilities that arise in the ordinary course of business. We accrue for losses when such losses are considered probable and the amounts can be reasonably estimated.

Cash and cash equivalents

Cash equivalents are highly liquid investments with an original maturity of three months or less. For the periods presented, we maintained all of our cash in bank deposit accounts which, at times, exceed the federally insured limits.

Earnings per share

Basic loss per common share has been computed by dividing net loss by the weighted average number of shares of common stock outstanding during each period. In period of earnings, diluted earnings per common share are calculated by dividing net income available to common shareholders by weighted-average common shares outstanding during the period plus weighted-average dilutive potential common shares. Diluted earnings per share calculations assume, as of the beginning of the period, exercise of stock options and warrants using the treasury stock method.

All potential dilutive securities, including potentially dilutive options, warrants and convertible securities, if any, were excluded from the computation of dilutive net loss per common share for the three and six month periods ended December 31, 2016 and 2015, respectively, because their effects in the computation are antidilutive due to our net loss for those periods.

Stock options to purchase approximately 1.2 million common shares at an average exercise price of \$4.08 were outstanding at December 31, 2016. Using the treasury stock method, had we had net income, approximately 298,700 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the three month period ended December 31, 2016 while approximately 182,200 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the six month period ended December 31, 2016.

Stock options to purchase approximately 1.0 million common shares at an average exercise price of \$5.67 were outstanding at December 31, 2015. Using the treasury stock method, had we had net income, approximately 101,600 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the three month period ended December 31, 2015 while approximately 50,800 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the six month period ended December 31, 2015.

Contingencies

We are subject to legal proceedings, claims and liabilities. We accrue for losses associated with legal claims when such losses are probable and can be reasonably estimated. These accruals are adjusted as additional information becomes available or circumstances change. Legal fees are charged to expense as they are incurred. See Note 6 for more information on legal proceedings and settlements.

[Table of Contents](#)

Fair Value Measurements

The accounting standards define fair value, establish a three-level valuation hierarchy for disclosures of fair value measurements and enhance disclosure requirements for fair value measures. As discussed in Note 2, we determined a fair value of the well construction equipment material (Level 3 fair value measurement) that we received at the time of our legal settlement with Tullow and Dana. The fair value estimate was based on the combination of cost and market approaches taking into consideration a number of factors, which included but were not limited to the original cost and the condition of the material and demand for steel and tubulars at the time of measurement.

2. INVESTMENT IN OIL AND GAS PROPERTIES

Investment in oil and gas properties consists entirely of our Concession in offshore Guinea, West Africa. We previously owned a 37% participating interest in our Guinea Concession on June 30, 2016. On August 19, 2016, we signed a non-binding Memorandum of Understanding with the Government of Guinea and executed a Second Amendment to the PSC (“2016 Amendment”) on September 15, 2016 and received a Presidential Decree on September 21, 2016 giving us a one year extension to the second exploration period of the PSC to September 22, 2017 (“PSC Extension Period”) and reaffirming that we now own 100% of the Concession.

One part of our settlement with Tullow and Dana included the relinquishments of their respective 40% and 23% participating interests in the Concession. Hyperdynamics now owns 100% of the participating interests in the Concession.

In addition to clarifying certain elements of the PSC, we agreed in the 2016 Amendment to drill one (1) exploratory well to a minimum depth of 2,500 meters below the seabed within the PSC Extension Period with a projected commencement date of April 2017 (the “Extension Well”) with the option of drilling additional wells. If the Extension Well is not drilled within the PSC Extension Period, we

will owe the Government of Guinea the difference between the actual expenditures in Guinea related to the well and \$46.0 million. Fulfillment of the work obligations exempts us from the expenditure obligations during the PSC Extension Period. In the event a discovery is made, the terms of the PSC make us eligible for a two-year appraisal period during which we are obliged either to declare that the reserves are commerciality viable or that we decide that the PSC shall terminate.

In turn, we will retain only an area equivalent to approximately 5,000 square kilometers in the Guinea offshore and will provide the Government of Guinea: (1) A parent company guarantee for the well obligation, (2) monthly progress reports and a reconciliation of budget to actual expenditures, (failure to provide the reports and assurances on a timely basis could result in a notice of termination with a 30 day period to cure), and (3) guarantees to the Guinea Government that (a) no later than January 21, 2017 we will provide a mutually acceptable security for \$5.0 million on terms customary in international petroleum operations, provided that this security is to be released at the time the drilling rig for the Extension Well is on location offshore Guinea, and (b) no later than April 12, 2017, we will deliver a mutually acceptable security for the difference between \$46.0 million and the amount spent to date on the Extension Well.

For the purposes of calculation for this clause, however, only costs spent for services and goods provided in Guinea shall be taken into account until the drilling rig to be used in the drilling of the Extension Well is located in the territorial waters of the Republic of Guinea.

On January 24, 2017 the Company requested and received a notification letter from the General Director of the National Petroleum Office of the Republic of Guinea, informing the Company that the Republic of Guinea granted a postponement to provide a mutually acceptable security of \$5.0 million to February 20, 2017 as well as a clarification regarding the timing of the \$46.0 million security payment under Article 4.2 of the 2016 PSC Amendment until the work on the Fatala well is completed.

On March 1, 2017, the Republic of Guinea has issued a reservation of rights letter asserting the Company has not satisfied its obligation to deposit mutually acceptable security of \$5.0 million. The Company and the Republic of Guinea have been and continue to be in negotiations regarding the mutually acceptable assets that would satisfy the \$5.0 million requirement. These negotiations have not yet reached a conclusion.

If we do not agree with the Government of Guinea on a mutually acceptable security instrument the Government of Guinea may terminate the PSC at any time and without prior notice to remedy such non-compliance with the PSC. To date the \$5.0 million security has not been provided and no extension, though requested, subsequent to February 20 has been provided by the Republic of Guinea.

[Table of Contents](#)

Also, if the well is not drilled during the Extension Period we will owe the Republic of Guinea the difference between the \$46.0 million and the costs incurred to date on the Extension Well.

Additionally, we agreed to limit the cost recovery pool to date to our share of expenditures in the PSC since 2009 (estimated to be approximately \$150,000,000) and move into the territory of Guinea the long lead items we received in the Settlement Agreement that are currently in Takoradi, Ghana for the drilling of the Extension Well by January 31, 2017. The movement of approximately \$1.6 million of the \$4.1 million of equipment was started on January 29, 2017 and was completed on February 5, 2017. The balance of the material still in Ghana will be moved at a later date. Finally, we agreed to allocate and administer a training budget during the PSC Extension Period for the benefit of the Guinea National Petroleum Office of \$250,000 in addition to any unused portion of the training program under Article 10.3 of the PSC, estimated to be approximately \$500,000.

Failure to comply with the drilling and other obligations of the PSC as amended subjects us to financial penalties and a risk of loss of the Concession. The continued delays have affected adversely the ability to explore the Concession and reduce the attractiveness of the Concession to prospective industry participants and financing sources. While we currently hold 100% of the Concession, it is unknown whether we will be able to raise the necessary funds to drill the exploratory well during the PSC Extension Period.

We follow the “Full-Cost” method of accounting for oil and natural gas property and equipment costs. Under this method, internal costs incurred that were directly identified with exploration, development, and acquisition activities undertaken by us for our own account, and which were not related to production, general corporate overhead, or similar activities, are capitalized. Capitalization of internal costs was discontinued April 1, 2013 when Tullow became the operator. Hyperdynamics became the operator after the signing of the Second Amendment of the PSC on September 15, 2016 and thus capitalization of certain internal, project related costs had resumed. For the three and six month periods ended December 31, 2016, we capitalized \$1.3 million and \$1.5 million of such costs, respectively.

Capitalized internal costs of \$ 0.2 million from the previous quarter were written off and recorded as Full-cost ceiling test write-down expenses, and capitalized internal costs of \$ 1.3 million in the current quarter were written off and recorded as General, administrative and other operating costs.

Geological and geophysical costs incurred that are directly associated with specific unproved properties are capitalized in “Unproved properties excluded from amortization” and evaluated as part of the total capitalized costs associated with a prospect. The cost of unproved properties not being amortized is assessed to determine whether such properties have been impaired. In determining whether such costs should be impaired, we evaluate current drilling plans and drilling results and available geological and geophysical information. No reserves have been attributed to the Concession.

The following table provides detail of total capitalized costs for the Concession which remain unproved and unevaluated and are excluded from amortization as of December 31, 2016 and June 30, 2016 (in thousands):

	<u>December 31,</u> <u>2016</u>	<u>June 30,</u> <u>2016</u>
Oil and Gas Properties:		
Unproved properties not subject to amortization	\$ 4,142	\$ –

During the six month period ended December 31, 2016, our oil and gas property balance increased by \$4.1 million as a result of the fair value of the material received in our settlement with Tullow and Dana. The fair value of the material, for the most part well construction material, at the time of the settlement was approximately \$4.4 million, of which we reduced by approximately \$0.4 million during the second quarter of fiscal year 2017 based on additional information that we determined reduced the original fair market value. We engaged an independent outside party with expertise in valuing oil and gas equipment to conduct an appraisal and provide a fair valuation determination for our initial recording and reporting purposes.

During the quarter ended December 31, 2016 we impaired \$0.8 million of unproved oil and gas property costs capitalized during the current quarter (\$0.5 million) and previous quarter (\$0.3 million) and the internal costs described above. That impairment assessment was based on our liquidity position, and the possibility that we may not reach an agreement with the Government of Guinea regarding the requirement under the PSC to provide a mutually acceptable security of \$5.0 million, and the possibility that the Government of Guinea may at any time and without prior notice terminate our Concession.

As of June 30, 2016 at the close of our last fiscal year we fully impaired the \$14.3 million of previously capitalized unproved oil and gas property costs. That impairment assessment was based on the continued impasse at the time by our members of the Consortium to resume petroleum operations and drill the next exploration obligation well, which needed to be commenced at that time by the end of September 2016, and our inability at the time to get interim injunctive relief from the American Arbitration Association requiring Tullow and Dana to join with SCS in the negotiation of an acceptable amendment to the PSC and to agree to a process that would result in the execution of the amendment which we hoped would have led to the resumption of petroleum operations by the Consortium. Thus, we believed all legal measures to require Tullow and Dana to drill the planned exploration well had been exhausted.

[Table of Contents](#)

3. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as of December 31, 2016 and June 30, 2016 include the following (in thousands):

	December 31, 2016	June 30, 2016
Accounts payable – trade and oil and gas exploration activities	\$ 601	\$ 1,361
Accounts payable – legal costs	171	61
Accrued payroll	703	321
	1,475	1,743
Liability for legal settlement (Note 6)	1,308	–
	<u>\$ 2,783</u>	<u>\$ 1,743</u>

4. SHARE-BASED COMPENSATION

On February 18, 2010, at our annual meeting of stockholders, the board of directors and stockholders approved the 2010 Equity Incentive Plan (the “2010 Plan”). Prior to the 2010 stockholder meeting, we had two stock award plans: the Stock and Stock Option Plan, which was adopted in 1997 (“1997 Plan”) and the 2008 Restricted Stock Award Plan (“2008 Plan”). In conjunction with the approval of the 2010 Plan at the annual meeting, the 1997 Plan and the 2008 Plan were terminated as of February 18, 2010. Subsequently, on February 17, 2012, the 2010 Plan was amended to increase the maximum shares issuable under the 2010 Plan and again on January 27, 2016, at our annual meeting of stockholders, the stockholders approved amending the 2010 Plan to increase the number of shares available for issuance by 750,000 shares.

The 2010 Plan provides for the awards of shares of common stock, restricted stock units or incentive stock options or nonqualified stock options to purchase our common stock to selected employees, directors, officers, agents, consultants, attorneys, vendors and advisors of ours’ or of any parent or subsidiary thereof. Shares of common stock, options, or restricted stock can only be awarded under the 2010 Plan within 10 years from the effective date of February 18, 2010. A maximum of 2,000,000 shares are issuable under the 2010 Plan and at December 31, 2016, 783,460 shares remained available for issuance.

The 2010 Plan provides a means to attract and retain the services of participants and also to provide added incentive to such persons by encouraging stock ownership in the Company. Plan awards are administered by the Compensation, Nominating, and Corporate Governance Committee, who has substantial discretion to determine which persons, amounts, time, price, exercise terms, and restrictions, if any.

From time to time we issue non-compensatory warrants, such as warrants issued to investors.

Stock Options

The fair value of stock option awards is estimated using the Black-Scholes valuation model. For market-based pricing of stock option awards, those options where vesting terms are dependent on achieving a specified stock price, the fair value was estimated using a Black-Scholes option pricing model with inputs adjusted for the probability of the vesting criteria being met and the median expected term for each award as determined by utilizing a Monte Carlo simulation. Expected volatility is based solely on historical volatility of our common stock over the period commensurate with the expected term of the stock options. We rely solely on historical volatility because we do not have options that are traded. The expected term calculation for stock options is based on the simplified method as described in the Securities and Exchange Commission Staff Accounting Bulletin No. 107.

We use this method because we do not have sufficient historical information on exercise patterns to develop a model for expected term. The risk-free interest rate is based on the U. S. Treasury yield in effect at the time of award for an instrument with a maturity that is commensurate with the expected term of the stock options. The dividend yield rate of 0% is based on the fact that we have never paid cash dividends on our common stock and we do not expect to pay cash dividends on our common stock during the expected term of the options.

The following table provides information about options during the six months ended December 31, 2016 and 2015:

	2016	2015
Number of options awarded	178,500	30,000
Compensation expense recognized	\$ 106,000	\$ 189,000
Weighted average award-date fair value of options outstanding	\$ 4.08	\$ 5.67

12

[Table of Contents](#)

The following table details the significant assumptions used to compute the fair values of employee and director stock options awarded during the six month periods ended December 31, 2016 and 2015:

	2016	2015
Risk-free interest rate	0.47-1.86%	1.74 %
Dividend yield	0%	0 %
Volatility factor	109-157%	109 %
Expected life (years)	1.0-4.73	2.88

Summary information regarding employee and director stock options issued and outstanding under all plans as of December 31, 2016 is as follows:

	Options	Weighted Average Exercise Price	Aggregate intrinsic value	Weighted average remaining contractual term (years)
Options outstanding at July 1, 2016	1,016,997	\$ 5.03	\$ –	3.19
Awarded	178,500	1.06		
Exercised	(20,000)	0.90		
Forfeited	–	–		
Expired	(16,250)	34.43		
Options outstanding at December 31, 2016	1,159,247	\$ 4.08	\$ 883,620	2.54
Options exercisable at December 31, 2016	959,550	\$ 4.72	\$ 646,342	2.09

Options outstanding and exercisable as of December 31, 2016

Exercise Price	Outstanding Number of		Exercisable
	Shares	Remaining Life	Number of Shares
\$ 0.41-4.00	245,525	Less than 1 year	245,525
\$ 0.41-4.00	57,916	1 year	57,916
\$ 0.41-4.00	136,296	2 years	136,296

\$	0.41-4.00	226,720	3 years	226,720
\$	0.41-4.00	112,610	4 years	71,405
\$	0.41-4.00	158,492	5 years	-
\$	4.01-10.00	79,563	Less than 1 year	79,563
\$	4.01-10.00	38,625	1 year	38,625
\$	4.01-10.00	4,062	2 years	4,062
\$	4.01-10.00	7,000	3 years	7,000
\$	10.01-20.00	13,125	Less than 1 year	13,125
\$	10.01-20.00	17,500	4 years	17,500
\$	20.01-30.00	3,750	Less than 1 year	3,750
\$	20.01-30.00	28,500	4 years	28,500
\$	30.01-40.00	12,500	Less than 1 year	12,500
\$	30.01-40.00	13,313	5 years	13,313
\$	40.01-48.72	3,750	4 years	3,750
		<u>1,159,247</u>		<u>959,550</u>

At December 31, 2016, there were \$177 thousand of unrecognized compensation costs related to non-vested share based compensation arrangements awarded to employees and directors under the plans. During the six months ended December 31, 2016, a total of 76,404 options, with a weighted average award date fair value of \$0.57 per share, vested in accordance with the underlying agreements. Unvested options at December 31, 2016 totaled 199,697 with a weighted average award date fair value of \$4.72, an amortization period of one year and a weighted average remaining life of 0.93 years.

[Table of Contents](#)

Restricted Stock

The fair value of restricted stock awards classified as equity awards is based on the Company's stock price as of the date of grant. During the year ended June 30, 2015, all such awards were forfeited. No new grants have been issued, and none are outstanding at December 31, 2016.

5. INCOME TAXES

Federal income taxes are not due as we have had losses since inception. Our effective tax rate for the six month periods ended December 31, 2016 and 2015 is 0%. This rate is lower than the U.S. statutory rate of 35% primarily due to the valuation allowance applied against our net deferred tax assets.

6. COMMITMENTS AND CONTINGENCIES

LITIGATION AND OTHER LEGAL MATTERS

From time to time, we and our subsidiaries are involved in disputes. We review the status of on-going proceedings and other contingent matters with legal counsel. Liabilities for such items are recorded if and when it is probable that a liability has been incurred and when the amount of the liability can be reasonably estimated. If we are able to reasonably estimate a range of possible losses, an estimated range of possible loss is disclosed for such matters in excess of the accrued liability, if any. Liabilities are periodically reviewed for adjustments based on additional information.

Iroquois Lawsuit

On May 9, 2012, a lawsuit was filed in the Supreme Court of the State of New York against us and all of our directors. The plaintiffs, five hedge funds that invested in us in early 2012, alleged that we breached an agreement with the plaintiffs, and that we and the directors made certain negligent misrepresentations relating to our drilling operations. Among other claims, the plaintiffs alleged that we misrepresented the status of our drilling operations and the speed with which the drilling would be completed. The plaintiffs' advanced claims for breach of contract and negligent misrepresentation and sought damages in the amount of \$18.5 million plus pre-judgment interest.

On July 12, 2012, we and the directors moved to dismiss the suit for failure to state a claim as to all defendants and for lack of personal jurisdiction over the director defendants. On June 19, 2013, the court dismissed the negligent misrepresentation claim but declined to dismiss the breach of contract claim. The negligent misrepresentation claim was dismissed without prejudice, meaning plaintiffs could attempt to refile it. On August 12, 2013, the plaintiffs filed an amended complaint. That complaint named only the Company and sought recovery for alleged breaches of contract. We filed an answer to the plaintiffs' amended complaint on September 9, 2013, and the court entered a scheduling order governing pre-trial proceedings in the matter.

On December 31, 2016 we entered into a settlement agreement with the plaintiffs whereby Hyperdynamics will issue to the plaintiffs a total of 600,000 new shares of common stock, and it will cause a payment to be made of \$1.35 million in cash that will be covered under its directors' and officers' insurance policy. The liability for the issuance of the shares was recorded to "liability for legal settlement" in the amount of \$1.3 million based on the \$2.18 December 30, 2016 closing price of our common stock. The plaintiffs are restricted from selling the shares before April 1, 2017 under the terms of the agreement. The shares of common stock were issued on February 2, 2017, whereby the issuance of those shares will be recorded to "Common Stock" and "Additional paid in capital" and the liability for legal settlement will be cleared.

Shareholder Lawsuits

Beginning on March 13, 2014, two lawsuits styled as class actions were filed in the U.S. District Court for the Southern District of Texas against us and several then-current officers of the Company alleging that the Company made false and misleading statements that artificially inflated the Company's stock prices. The lawsuits alleged, among other things, that the Company misrepresented its compliance with the Foreign Corrupt Practices Act and anti-money laundering statutes and that it lacked adequate internal controls. The lawsuits sought damages based on Sections 10(b) and 20 of the Securities Exchange Act of 1934, although the specific amount of damages is not specified. On May 12, 2014, a shareholder filed a motion for appointment as lead plaintiff.

Both of the March 2014 lawsuits were dismissed voluntarily. One was dismissed during the quarter ended September 30, 2016 and the second on October 6, 2016.

[Table of Contents](#)

Tullow and Dana Legal Actions

On January 11, 2016, we filed legal actions against members of the Consortium under the Joint Operating Agreement governing the oil and gas exploration rights offshore Guinea ("JOA") in the United States District Court for the Southern District of Texas and before the American Arbitration Association ("AAA") against Tullow for their failure to meet their obligations under the JOA. On January 28, 2016, the action in the Federal District Court was voluntarily dismissed by us and refiled in District Court in Harris County, Texas. On February 8, 2016 Tullow and Dana removed the case to Federal District Court.

On February 2, 2016, SCS filed an Application for Emergency Arbitrator and Interim Measures of Protection and requested the following relief: (a) expedite discovery prior to the constitution of the arbitral tribunal; (b) provide that the time period permitted by the

parties' arbitration agreement for the selection of the arbitrators and the filing of any responsive pleadings or counterclaims be accelerated; (c) require Tullow, as the designated operator under the JOA, to maintain existing "well-planning activities"; (d) require Tullow to undertake and complete certain planning activities; and (e) require Tullow and Dana to join with SCS in completing the negotiation of an acceptable amendment to the PSC and to agree to a process that will result in the execution of the amendment.

With the exception of limited relief regarding discovery and agreement by Tullow to maintain certain well plan readiness, the Emergency Arbitrator ruled on February 17, 2016, that SCS was not entitled to the emergency injunctive relief it requested. Further, the Emergency Arbitrator enjoined all parties to the dispute from pursuing parallel District Court proceedings. On February 12, 2016, the case was voluntarily stayed by us.

The AAA action sought (1) a determination that Tullow and Dana was in breach of their contractual obligations and (2) the damages caused by the repeated delays in well drilling caused by the activities of Tullow and Dana. We determined to bring the legal actions only after it became apparent that Tullow and Dana would not move forward, despite many opportunities to do so, with petroleum operations. SCS believed that it had exhausted all of its options for the pursuit of legal measures to require Tullow and Dana to drill the planned exploration well.

On August 15, 2016, we subsequently entered into a Settlement and Release Agreement with Tullow and Dana ("Settlement and Release") with respect to our dispute in arbitration. Under the Settlement and Release, we released all claims against Tullow and Dana and Tullow and Dana (i) issued to the Government of Guinea a notice of withdrawal from the Concession and PSC effective immediately, (ii) transferred their interest in the long lead items of well construction material previously purchased by the Consortium in preparation for the initial drilling of the Fatala well, and agreed to pay net cash of \$686,570 to us. The net cash received was recorded as a part of the gain on the legal settlement. We also agreed to pay Dana a success fee based upon the certified reserves of the Fatala well if it results in a discovery of commercially producible oil and gas reserves.

The \$4.8 million gain on legal settlement also includes the estimated fair value of \$4.1 million for the well construction material we received from Tullow as a part of our Settlement and Release Agreement.

COMMITMENTS AND CONTINGENCIES

Operating Leases

We lease office space under long-term operating leases with varying terms. Most of the operating leases contain renewal and purchase options. We expect that in the normal course of business, most of the operating leases will be renewed or replaced by other similar leases.

During the three months period ended December 31, 2016 and as a part of our program to begin drilling operations in Guinea, we entered into a lease for in-country offices and nearby apartments. The leases are for six months with options to renew as necessary and collectively cost about \$30 thousand per month.

The following is a schedule by years of minimum future rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year (in thousands):

[Table of Contents](#)

Years ending June 30:	
2017	\$ 377
2018	399

2019	406
2020	309
2021 and thereafter	—
Total minimum payments required	<u>\$ 1,491</u>

Rent expense included in net loss from operations for the three month periods ended December 31, 2016 and 2015 was \$0.1 million in each period. Rent expense included in net loss from operations for the six month periods ended December 31, 2016 and 2015 was \$0.2 million and \$0.3 million respectively, in each period.

7. SUBSEQUENT EVENTS

Issuance of Common Stock and Payment of Cash by Insurers: Settlement of Iroquois Lawsuit

On January 11, 2017 a payment of \$1.35 million was made by the insurance underwriters of the Company's directors' and officers' insurance policy to the hedge funds in the Iroquois lawsuit on behalf of the Company. On February 2, 2017 the Company issued 600,000 shares of its common stock to the hedge funds named in the settlement agreement.

On December 31, 2016 we had entered into a settlement agreement with the five hedge funds in the Iroquois lawsuit. Under the terms of the settlement agreement, Hyperdynamics would issue to the plaintiffs a total of 600,000 shares of new common stock, and it would cause a payment to be made of \$1.35 million in cash that would be covered under its directors' and officers' insurance policy. The plaintiffs are restricted from selling the shares of common stock before April 1, 2017 under the terms of the agreement.

Certain requirements under the PSC

On January 24, 2017 the Company requested and received a notification letter from the General Director of the National Petroleum Office of the Republic of Guinea, informing the Company that the Republic of Guinea granted a postponement to provide a mutually acceptable security of \$5.0 million to February 20, 2017 as well as a clarification regarding the timing of the \$46.0 million security payment under Article 4.2 of the 2016 PSC Amendment until the work on the Fatala well is completed.

On March 1, 2017, the Republic of Guinea has issued a reservation of rights letter asserting the Company has not satisfied its obligation to deposit mutually acceptable security of \$5.0 million. The Company and the Republic of Guinea have been and continue to be in negotiations regarding the mutually acceptable assets that would satisfy the \$5.0 million requirement. These negotiations have not yet reached a conclusion.

If we do not agree with the Government of Guinea on a mutually acceptable security instrument the Government of Guinea may terminate the PSC at any time and without prior notice to remedy such non-compliance with the PSC. To date the \$5.0 million security has not been provided and no extension, though requested, subsequent to February 20 has been provided by the Republic of Guinea.

Also, if the well is not drilled during the Extension Period we will owe the Republic of Guinea the difference between the \$46.0 million and the costs incurred to date on the Extension Well.

OTC Markets Group Listing Requirements and Delinquency Notice

On February 27, 2017 the OTC Markets Group determined that the Company was delinquent in filing its SEC Form 10-Q for the Quarter ended December 31, 2016. The Company was advised that it had until March 29, 2017, a thirty day period, to correct the deficiency. If the Company is unable to correct the deficiency or provide an acceptable plan to comply with the requirement to timely file its ongoing disclosure obligations, the OTC Markets Group will remove the Company from OTCQX U.S. to OTC Pink on March 30, 2017.

The filing of this Form 10-Q on or prior to March 29 cures this delinquency.

[Table of Contents](#)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This Report contains "forward-looking statements" within the meaning of Section 27 A of the Securities Act of 1933, as amended, and Section 21 E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements concerning plans, objectives, goals, strategies, expectations, future events or performance and underlying assumptions and other statements which are other than statements of historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "plan," "project," "anticipate," "estimate," "believe," or "think." Forward-looking statements involve risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. We assume no duty to update or revise our forward-looking statements based on changes in plans or expectations or otherwise.

As used herein, references to "Hyperdynamics," "Company," "we," "us," and "our" refer to Hyperdynamics Corporation and our subsidiaries.

Overview

Our corporate mission is to provide energy for the future by exploring for, developing new, and re-establishing pre-existing sources of energy. Our primary focus is the advancement of exploration work in Guinea. We have no source of operating revenue, and there is no assurance when we will, if ever. Our operating cash flows are negative, and we will require substantial additional funds, through additional participants, securities offerings, or through other means, to fulfill our business plans.

Our operating plan within the next twelve months includes the following:

- Commence preparations for drilling of the exploration well in Guinea.
- Consider financing alternatives and other measures to raise funds to pursue our exploration objectives offshore Guinea.

Through June 30, 2016 we owned a 37% participating interest in our Guinea Concession. After that on August 19, 2016, we signed a non-binding Memorandum of Understanding with the Government of Guinea and executed a Second Amendment to the PSC ("2016 Amendment") on September 15, 2016 and then received a Presidential Decree on September 21, 2016 which gave us a one year extension to the second exploration period of the PSC to September 22, 2017 ("PSC Extension Period") and we now own 100% of the Concession.

One part of our settlement with Tullow and Dana included the relinquishment of their respective 40% and 23% participating interests in the Concession. Hyperdynamics now owns 100% of the participating interests in the Concession.

In addition to clarifying certain elements of the PSC, we agreed in the 2016 Amendment to drill one exploratory well to a minimum depth of 2,500 meters below the seabed within the PSC Extension Period with a projected commencement date of April 2017 (the "Extension Well") with the option of drilling additional wells. If the Extension Well is not drilled within the PSC Extension Period, we will owe the Government of Guinea the difference between the actual expenditures in Guinea related to the well and \$46.0 million. Fulfillment of the work obligations exempts us from the expenditure obligations during the PSC Extension Period.

In turn, we will retain only an area equivalent to approximately 5,000 square kilometers in the Guinea offshore waters and will provide the Government of Guinea: (1) A parent company guarantee for the well obligation, (2) monthly progress reports and a reconciliation of

budget to actual expenditures, (failure to provide the reports and assurances on a timely basis could result in a notice of termination with a 30 day period to cure), and (3) guarantees to Guinea that (a) no later than January 21, 2017 we will provide a mutually acceptable security for \$5.0 million on terms customary in international petroleum operations, provided that this security is to be released at the time the drilling rig for the Extension Well is on location offshore Guinea, and (b) no later than April 12, 2017, we will deliver a mutually acceptable security for the difference between \$46.0 million and the amount spent to date on the Extension Well.

For the purposes of calculation for this clause (Article 4 of the PSC), however, only costs spent for services and goods provided in Guinea shall be taken into account until the drilling rig to be used in the drilling of the Extension Well is located in the territorial waters of the Republic of Guinea. If we do not provide either security by the specified dates, the Government of Guinea may terminate the PSC immediately and without prior notice to remedy such deficiency.

[Table of Contents](#)

Additionally, we agreed to limit the cost recovery pool to date to our share of expenditures in the PSC since 2009 (estimated to be approximately \$150,000,000 net to our interest) and begin to move into the territory of Guinea the long lead items we received in the Settlement Agreement that are currently stored in Takoradi, Ghana for the drilling of the Extension Well in 2017. The movement of approximately \$1.6 million of the \$4.1 million of equipment was started on January 29, 2017 and was completed on February 5, 2017. The balance of the material still in Ghana will be moved at a later date. Finally, we agreed to allocate and administer a training budget during the PSC Extension Period for the benefit of the Guinea National Petroleum Office of \$250,000 in addition to any unused portion of the training program under Article 10.3 of the PSC. The unused portion of the training program is now estimated to be approximately \$500,000.

In January 2017 the Company requested and then received a notification letter dated January 24, 2017 from the General Director of the National Petroleum Office of the Republic of Guinea, informing the Company that the Republic of Guinea granted a postponement to provide a mutually acceptable security of \$5.0 million to February 20, 2017 as well as a clarification regarding the timing of the security under Article 4.2 of the 2016 PSC Amendment until the work on the Fatala-1 well is completed.

On March 1, 2017, the Republic of Guinea has issued a reservation of rights letter asserting the Company has not satisfied its obligation to deposit mutually acceptable security of \$5.0 million. The Company and the Republic of Guinea have been and continue to be in negotiations regarding the mutually acceptable assets that would satisfy the \$5.0 million requirement. These negotiations have not yet reached a conclusion.

If we do not reach an agreement with the Government of Guinea on a mutually acceptable security instrument the Government of Guinea may terminate the PSC at any time and without prior notice to remedy such non-compliance with the PSC. To date the \$5.0 million security has not been provided and no extension, though requested, subsequent to February 20 has been provided by the Republic of Guinea.

Also, if the well is not drilled during the Extension Period we will owe the Republic of Guinea the difference between the \$46.0 million and the costs incurred to date on the Extension Well.

Failure to comply with the drilling and other obligations of the PSC as amended subjects us to financial penalties and a risk of loss of the Concession. Any future delay in drilling plans would adversely affect the ability to explore the Concession and reduce the attractiveness of the Concession to prospective industry participants and financing parties. While we currently hold 100% of the Concession, it is unknown whether we will be able to raise the necessary funds to drill the exploratory well during the PSC Extension Period.

Absent cash inflows, we will not have adequate capital resources to meet our current obligations as they become due and therefore there is substantial doubt about our ability to continue as a going concern. Our ability to meet our current obligations as they become due over

the next twelve-months, and to be able to continue exploration, will depend on obtaining additional resources through sales of interests in the Concession, equity or debt financial offerings, or through other means.

No assurance can be given that any of these actions can be completed.

Results of Operations

Based on the factors discussed below the net loss attributable to common shareholders for the three months ended December 31, 2016 increased \$4.9 million to a net loss of \$6.7 million, or \$0.31 per share, from a net loss of \$1.9 million, or \$0.09 per share for the three months ended December 31, 2015. Net loss attributable to common shareholders for the six months ended December 31, 2016 increased \$1.8 million to a net loss of \$5.6 million, or \$0.26 per share, from a net loss of \$3.8 million, or \$0.18 per share for the six months ended December 31, 2015.

The increase in net loss attributable to common shareholders for the current fiscal year three month period is primarily the result of the \$1.3 million cost of issuing the 600,000 shares of common stock for the Iroquois legal settlement, \$0.4 million downward revision in fair market value on our oil and gas well construction equipment, Full-cost ceiling test write-down of \$0.8 million and increased general and administrative costs incurred on resuming operatorship of our Guinea Concession.

The increase in net loss attributable to common shareholders for the current fiscal year six month period is primarily the result of the \$4.8 million gain on the legal settlement with Tullow and Dana being more than offset by the \$1.3 million cost of the Iroquois case legal settlement, Full-cost ceiling test write-down of \$0.8 million and increased general and administrative costs incurred on resuming operatorship of our Guinea Concession.

Reportable segments

We have one reportable segment: our international operations in Guinea conducted through our subsidiary SCS. SCS is engaged in oil and gas exploration activities pertaining to offshore Guinea.

[Table of Contents](#)

Three months ended December 31, 2016 Compared to Three Months Ended December 31, 2015

Revenues. There were no revenues for the three months ended December 31, 2016 and 2015.

Depreciation. Depreciation on property and equipment decreased 62% or \$17 thousand from the fiscal 2015 period to the fiscal 2016 period. Depreciation expense was \$10,400 and \$27,700 in the three months ended December 31, 2016 and 2015, respectively. The decrease is primarily attributed to only a small amount of asset additions subject to depreciation in the current year whereas a large portion of the assets in service in the prior year became fully depreciated early in the current year.

General, Administrative and other Operating Expenses. Our general, administrative and other operating expenses were \$4.3 million and \$1.8 million for the three months ended December 31, 2016 and 2015, respectively. This represents an increase of 134% or \$2.5 million from the fiscal 2015 period to the fiscal 2016 period. We had increases in personnel related costs of approximately \$0.4 million, and an increase in legal and other professional fees of \$1.7 million related to legal activity and contract services required for the resumption of operatorship in our Guinea Concession. Additionally, we had increased costs relating to our special shareholder meeting and proxy solicitation of \$0.1 million, increased directors' and officers' insurance premium costs of \$0.1 million, increased travel expenses of \$0.1 million and the Guinea branch office startup and infrastructure costs of \$0.1 million.

Full-cost ceiling test write-down. During the quarter ended December 31, 2016 we impaired \$0.8 million of unproved oil and gas property costs capitalized during the current quarter (\$0.5 million) and previous quarter (\$0.3 million). That impairment assessment was

based on our liquidity position, and the possibility that we may not reach an agreement with the Government of Guinea regarding the requirement under the PSC to provide a mutually acceptable security of \$5.0 million and the possibility that the Government of Guinea may at any time and without prior notice terminate our Concession.

Cost of legal settlement. We recognized a \$1.3 million cost of the Iroquois legal case based on a settlement agreement at the end of December whereby we would issue 600,000 shares of company stock which we value based on the settlement date at \$2.18 per share. The common stock was issued on February 2, 2017.

We also made a \$0.4 million downward revision in the fair market value on our oil and gas well equipment inventory we received from Tullow in the Tullow and Dana legal settlement. This revision was based on additional information received on this equipment once this equipment was in our possession and as we readied it to be moved into Guinea from Ghana.

Loss from Operations. As a result of the factors discussed above, our loss from operations increased by \$3.2 million from \$1.9 million in the three months ended December 31, 2015 to \$5.0 million for the three months ended December 31, 2016.

Six months ended December 31, 2016 Compared to Six Months Ended December 31, 2015

Revenues. There were no revenues for the six months ended December 31, 2016 and 2015.

Depreciation. Depreciation on property and equipment decreased 37% or \$21 thousand from the fiscal 2015 period to the fiscal 2016 period. Depreciation expense was \$35 thousand and \$56 thousand in the six months ended December 31, 2016 and 2015, respectively. The decrease is primarily attributed to only a small amount of asset additions and related modest depreciation in the current year whereas a large portion of the assets in service in the prior year became fully depreciated early in the current year.

General, Administrative and Other Operating Expenses. Our general, administrative and other operating expenses were \$8.2 million and \$3.7 million for the six months ended December 31, 2016 and 2015, respectively. This represents an increase of 123% or \$4.5 million from the fiscal 2015 period to the fiscal 2016 period. The increase in expense was attributable to increases in personnel related costs of approximately \$0.5 million and an increase in legal and professional fees of \$3.4 million, related to our lawsuits against Tullow and Dana and with services required for the resumption of operatorship costs in our Guinea Concession. Additionally, we had increased costs relating to our special shareholder meeting and proxy solicitation of \$0.1 million, increased directors' and officers' insurance costs of \$0.1 million, increased travel expenses of \$0.3 million and the Guinea branch office startup and infrastructure costs of \$0.1 million.

Full-cost ceiling test write-down. During the period ended December 31, 2016 we impaired \$0.8 million of unproved oil and gas property costs capitalized. That impairment assessment was based on our liquidity position, and the possibility that we may not reach an agreement with the Government of Guinea regarding the requirement under the PSC to provide a mutually acceptable security of \$5.0 million and the possibility that the Government of Guinea may at any time and without prior notice terminate our Concession.

Gain and cost on legal settlements. The \$4.8 million gain on legal settlement with Tullow and Dana includes a cash payment from Tullow to us of \$686,570 and the fair value of \$4.1 million for the well construction material we received from Tullow as a part of our Settlement and Release Agreement.

We recognized a \$1.3 million cost of the Iroquois legal case based on a settlement agreement at the end of December whereby we would issue 600,000 shares of company stock which we value based on the settlement date at \$2.18 per share. The common stock was issued on February 2, 2017.

In deciding to settle we considered the possibility that the plaintiffs' claims for breach of contract and negligent misrepresentation could have result in a judgment that could have awarded damages in amounts ranging from \$4.0 million to \$18.5 million plus pre-judgment interest. Because we are seeking equity investment and project partners among many oil companies management decided to pursue the

settlement option, eliminate this legal risk for the Company and thus improve the Company's attractiveness as a joint venture partner or as an investment in its stock.

Loss from Operations. As a result of the factors discussed above, our loss from operations increased by \$5.3 million from \$3.8 million in the six months ended December 31, 2015 to \$9.0 million for the six months ended December 31, 2016.

Liquidity and Capital Resources

General

Cash used or provided, net	Six Months Ended December 31,	
	2016	2015
Net cash used in operating activities	\$ (7,246)	\$ (3,987)
Net cash used in investing activities	(860)	(20)
Net cash provided by financing activities	18	–
Decrease in cash and cash equivalents	(8,088)	(4,007)
Cash and cash equivalents at Beginning of period	10,327	18,374
End of period	<u>\$ 2,239</u>	<u>\$ 14,367</u>

Operating Activities

Net cash used in operating activities for the six months ended December 31, 2016 was \$7.2 million compared to \$4.0 million for the six months ended December 31, 2015. The increase in cash used in operating activities is primarily attributable to the \$4.5 million increase in general, administrative and other operating costs, partially offset by changes in working capital during the periods, and the \$0.7 million in cash received from the legal settlement with Tullow and Dana.

Investing Activities

Net cash used in investing activities for the six months ended December 31, 2016 was \$0.9 million compared to \$20 thousand net cash used in the six months ended December 31, 2015. The increase primarily relates to oil and gas property costs incurred by the Company in resumption of the prospect development as operator of the Guinea Concession.

Financing Activities

There were \$18 thousand of cash proceeds provided by financing activities during the six months ended December 31, 2016 as a result of the exercise of stock options. There was no cash provided by financing activities during the six months ended December 31, 2015.

Liquidity

On December 31, 2016, we had \$2.2 million in cash and 1.5 million in trade accounts payable and accrued expense liabilities, all of which are current. We plan to use our existing cash to fund our general corporate needs and our expenditures associated with the Concession. However, the net working capital of approximately \$0.7 million will not be sufficient to meet our corporate needs and Concession related activities for the quarter ending March 31, 2017. We are currently pursuing several avenues to raise funds.

As of February 28, 2017 the Company's trade accounts payable and accrued expenses exceeded its cash balances.

The DOJ and SEC investigations and the Tullow and Dana arbitration are resolved and closed. Through several annual periods ended June 30, 2016 these matters cumulatively cost us a total of approximately \$12.8 million.

In addition, the legal and professional fees related to legal actions taken against Tullow and Dana, as described in Note 6 of the financial statements, also were costly and also reduced our liquidity. We incurred approximately \$1.6 million in legal and professional fees related to these legal actions in the year ended June 30, 2016 and approximately \$0.4 million in the period ended December 31, 2016 for a cumulative total of \$2.0 million.

[Table of Contents](#)

The Iroquois lawsuit is similarly settled as discussed in Note 6 of the financial statements. The \$1.35 million part of the cash settlement was funded by our insurance underwriters. The non-cash expense part of the settlement that is reported in the quarter ended December 31, 2016 was subsequently settled on February 2, 2017 by the issuance of the 600,000 shares of common stock.

On September 15, 2016, we executed a second amendment to our Production Sharing Contract that was approved on September 21, 2016 by a Presidential Decree from the Republic of Guinea where we received a one year extension to September 22, 2017 and confirmed we are the holder of 100% and operator of the Concession. In turn, we agreed to drill one exploratory well to a minimum depth of 2,500 meters below the seabed with a projected commencement of April 2017 and a budget of approximately \$46.0 million.

Failure to comply with the drilling and other obligations of the PSC subjects us to risk of loss of the Concession. Potential future delays due to liquidity could adversely affect the ability to explore the Concession in a timely manner which will diminish the attractiveness of the Concession to prospective industry participants and financing sources.

Our current capital resources are not sufficient to cover our financial commitments required to meet the additional exploration activity in the Concession. We will seek such funding through additional sales of interest in the Concession, from equity or debt or other financial instruments.

As a result and absent cash inflows, we will not have adequate capital resources to meet our current obligations as they become due. Our ability to meet our current obligations as they become due over the next quarter and twelve months and to be able to continue with our operations will depend on obtaining additional resources through sales of additional interests in the Concession, issuing equity or debt securities, or through other means, and the resumption of petroleum operations.

No assurance can be given that any of these actions can be completed.

Capital Expenditures

During the first six months of fiscal 2017, we incurred an additional \$0.8 million on unproved oil and gas properties and \$42 thousand for property, plant and equipment. This compares to the first six months of fiscal 2016, where we spent \$20 thousand on unproved oil and gas properties

In the legal settlement with Tullow and Dana, we also received long lead items of well construction material previously purchased by the Consortium in preparation for the initial drilling of the Fatala-1 well. The fair market value at the date of settlement, taking into account the condition of the material and then current pricing among other factors, was determined to be \$4.1million. This part of the settlement was a non-cash transaction and was recorded as an oil and gas property asset addition and a gain on legal settlement.

[Table of Contents](#)

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our functional currency is the US dollar. We had, prior to their closures, some foreign currency exchange rate risk resulting from our in-country offices in Guinea and the United Kingdom, and from certain costs in our drilling program. US dollars are accepted in Guinea and many of our purchases and purchase obligations, such as our office lease in Guinea, were denominated in US dollars. However, our costs for labor, supplies and fuel could have increased if the Guinea Franc, the Euro, or the Pound Sterling significantly appreciated against the US dollar. We did not hedge the exposure to currency rate changes. We do not believe our exposure to market risk to be material.

Item 4. Controls and Procedures

We conducted an evaluation, under the supervision and with the participation of our management, including our Principal Executive Officer (“PEO”) and Principal Financial Officer (“PFO”), of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2016. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms.

Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures have been designed to provide reasonable assurance of achieving their objectives. Based on the evaluation of our disclosure controls and procedures as of December 31, 2016, our PEO and PFO concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Our management, including the PEO and PFO, identified no change in our internal control over financial reporting that occurred during our fiscal quarter ended December 31, 2016, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

[Table of Contents](#)

Part II Other Information

Item 1. Legal Proceedings

From time to time, we and our subsidiaries are involved in business disputes. We are unable to predict the outcome of such matters when they arise. Currently pending proceedings, in our opinion, will not have a material adverse effect upon our consolidated financial statements. The following are the only legal proceedings with material developments during the three and six month periods ended December 31, 2016.

Iroquois and Shareholder Lawsuits

On December 31, 2016 we entered into a settlement agreement with the five hedge funds in the Iroquois lawsuit. Under the terms of the settlement agreement, Hyperdynamics would issue to the plaintiffs a total of 600,000 new shares of common stock, and it would cause a

payment to be made of \$1.35 million in cash that would be covered under its directors' and officers' insurance policy. The plaintiffs are restricted from selling the shares of common stock before April 1, 2017 under the terms of the agreement.

On January 26, 2017 an order to approve the settlement agreement was entered in the Supreme Court of the State of New York, New York County and subsequently approved by the Court on the same day.

On January 11, 2017 a payment of \$1.35 million was made by the insurance underwriters of the Company's directors' and officers' insurance policy to the hedge funds in the Iroquois lawsuit on behalf of the Company. On February 2, 2017 the Company issued 600,000 shares of its common stock to the hedge funds named in the settlement agreement.

Beginning on March 13, 2014, two lawsuits styled as class actions were filed in the U.S. District Court for the Southern District of Texas against the Company and several then-current officers of the Company alleging that the Company made false and misleading statements that artificially inflated its stock prices. The lawsuits alleged, among other things, that the Company misrepresented its compliance with the Foreign Corrupt Practices Act and anti-money laundering statutes and that it lacked adequate internal controls. The lawsuits sought damages based on Sections 10(b) and 20 of the Securities Exchange Act of 1934, although the specific amount of damages was not specified. On May 12, 2014, a shareholder filed a motion for appointment as lead plaintiff.

Both of the March 2014 lawsuits were dismissed voluntarily. One was dismissed during the quarter ended September 30, 2016 and the second was dismissed on October 6, 2016.

Tulow and Dana Legal Actions

On January 11, 2016, we filed legal actions against members of the Consortium under the Joint Operating Agreement governing the oil and gas exploration rights offshore Guinea ("JOA") in the United States District Court for the Southern District of Texas and before the AAA against Tulow for their failure to meet their obligations under the JOAC. On January 28, 2016, the action in the Federal District Court was voluntarily dismissed by us and refiled in District Court in Harris County, Texas. On February 8, 2016 Tulow and Dana removed the case to Federal District Court.

On February 2, 2016, SCS filed an Application for Emergency Arbitrator and Interim Measures of Protection and requested the following relief: (a) expedite discovery prior to the constitution of the arbitral tribunal; (b) provide that the time period permitted by the parties' arbitration agreement for the selection of the arbitrators and the filing of any responsive pleadings or counterclaims be accelerated; (c) require Tulow, as the designated operator under the JOA, to maintain existing "well-planning activities"; (d) require Tulow to undertake and complete certain planning activities; and (e) require Tulow and Dana to join with SCS in completing the negotiation of an acceptable amendment to the PSC and to agree to a process that will result in the execution of the amendment.

With the exception of limited relief regarding discovery and agreement by Tulow to maintain certain well plan readiness, the Emergency Arbitrator ruled on February 17, 2016, that SCS is not entitled to the emergency injunctive relief it requested. Further, the Emergency Arbitrator enjoined all parties to the dispute from pursuing parallel District Court proceedings. On February 12, 2016, the case was voluntarily stayed by us.

The AAA action sought (1) a determination that Tulow and Dana were in breach of their contractual obligations and (2) the damages caused by the repeated delays in well drilling caused by the activities of Tulow and Dana. We determined to bring the legal actions only after it became apparent that Tulow and Dana would not move forward, despite many opportunities to

do so, with petroleum operations. SCS believed that it had exhausted all of its options for the pursuit of legal measures to require Tullow and Dana to drill the planned exploration well.

On August 15, 2016, we subsequently entered into a Settlement and Release Agreement with Tullow and Dana (“Settlement and Release”) with respect to our dispute in arbitration. Under the Settlement and Release, we released all claims against Tullow and Dana and Tullow and Dana (i) issued to the Government of Guinea a notice of withdrawal from the Concession and PSC effective immediately, (ii) transferred their interest in the long lead items of well construction material previously purchased by the Consortium in preparation for the initial drilling of the Fatala well, and agreed to pay net cash of \$0.7 million to us. We also agreed to pay Dana a success fee based upon the certified reserves of the Fatala well if it results in a discovery.

Item 1A. Risk Factors

We are required to provide certain securities under the terms of the PSC at certain specific dates or face losing our Concession.

In January 2017 the Company requested and then received a notification letter dated January 24, 2017 from the General Director of the National Petroleum Office of the Republic of Guinea, informing the Company that the Republic of Guinea granted a postponement to provide a mutually acceptable security of \$5.0 million to February 20, 2017 as well as a clarification regarding the timing of the security under Article 4.2 of the 2016 PSC Amendment until the work on the Fatala-1 well is completed.

On March 1, 2017, the Republic of Guinea has issued a reservation of rights letter asserting the Company has not satisfied its obligation to deposit mutually acceptable security of \$5.0 million. The Company and the Republic of Guinea have been and continue to be in negotiations regarding the mutually acceptable assets that would satisfy the \$5.0 million requirement. These negotiations have not yet reached a conclusion.

If we do not agree with the Government of Guinea on a mutually acceptable security instrument the Government of Guinea may terminate the PSC at any time and without prior notice to remedy such non-compliance with the PSC. To date the \$5.0 million security has not been provided and no extension, though requested, subsequent to February 20 has been provided by the Republic of Guinea.

Also, if the well is not drilled during the Extension Period we will owe the Republic of Guinea the difference between the \$46.0 million and the costs incurred to date on the Extension Well.

We require additional financing to meet our general and administrative obligations and in order to fulfill our PSC commitments. We are currently not in a position to predict when, if ever, we will be able to meet those obligations.

Absent cash inflows, we will not have adequate capital resources to meet our current obligations as they become due and therefore there is substantial doubt about our ability to continue as a going concern. Our ability to meet our obligations will depend on obtaining additional funding through sales of additional interests in the Concession, issuing equity or debt securities, or through other means, which we currently pursue. No assurance can be given that any of these actions can be completed.

The Concession offshore Guinea is our principal asset and we do not have the funds necessary to fulfill our obligations under the PSC, as amended, and our ability to obtain additional financing is likely dependent upon raising funds through the issuance of corporate equity or debt instruments and/or reaching farm-in agreements with prospective partner(s) who will share the costs of the exploration program for the Concession area. There is no assurance that we will be successful in raising the funds or acquiring the partners in the time needed to execute the program required in the PSC Second Amendment.

We operate in the Republic of Guinea, a country which is a high-risk jurisdiction for corruption that could impair our ability to do business in the future or result in significant fines or penalties.

Following the settlements with Tullow and Dana, we resumed the role of operator of the prospect in the Republic of Guinea a country where corruption has been known to exist. There is a risk of violating either the US Foreign Corrupt Practices Act, laws or legislation promulgated pursuant to the 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or Guinea anti-corruption regulations that generally prohibit the making of improper payments to foreign officials for the purpose of obtaining or keeping business.

The Republic of Guinea is largely a cash-based society and that creates additional internal control and related risks. We have been subject to FCPA investigations by the Department of Justice and Securities and Exchange Commission into how we obtained or retained the original Concession and spent approximately \$12.8 million in legal fees in working with the US Government. Those matters were resolved in 2015, but should the DOJ, the SEC, or the Republic of Guinea open additional investigations regarding prior or current activities in the Republic Guinea or elsewhere, we do not have the financial ability to

24

[Table of Contents](#)

bear the cost of additional investigations and are unable to predict whether we will be able to raise the funds to properly defend the Company.

25

[Table of Contents](#)

Item 6. Exhibits

Exhibit Number	Description
3.1**	Certificate of Incorporation, as amended through November 29, 2016
10.1**	Drilling Services Contract, dated as of November 28, 2016, by and between Pacific Drilling Operations Limited, a wholly owned subsidiary of Pacific Drilling S.A., and SCS Corporation Ltd.
10.2**	Letter of Award, signed as of December 28, 2016, by and between Schlumberger Oilfield Eastern Limited and SCS Corporation Ltd.
10.3**	Master Service Agreement, signed as of December 28, 2016, by and between Schlumberger Oilfield Eastern Limited and SCS Corporation Ltd.
10.4**	Settlement Agreement, dated as of December 31, 2016, by and among Hyperdynamics Corporation and Iroquois Master Fund Ltd., et al.
10.5**	Notification Letter, dated as of January 24, 2017, from Mr. Diakaria Koulibaly, General Director of the National Petroleum Office of the Republic of Guinea, to SCS Corporation Ltd. (Original French language)
10.6**	Notification Letter, dated as of January 24, 2017, from Mr. Diakaria Koulibaly, General Director of the National Petroleum Office of the Republic of Guinea, to SCS Corporation Ltd. (English language translation)
31.1**	Certification of Principal Executive Officer of Hyperdynamics Corporation required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

- 31.2** Certification of Principal Financial Officer of Hyperdynamics Corporation required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1*** Certification of Principal Executive Officer of Hyperdynamics Corporation pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)
- 32.2*** Certification of Principal Financial Officer of Hyperdynamics Corporation pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)
- 101.INS** XBRL Instance Document
- 101.SCH** XBRL Taxonomy Extension Schema Document
- 101.CAL** XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF** XBRL Taxonomy Extension Definitions Linkbase Document
- 101.LAB** XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE** XBRL Taxonomy Extension Presentation Linkbase Document

** Filed herewith.

*** Furnished herewith

[Table of Contents](#)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Hyperdynamics Corporation
(Registrant)

By: /s/ Raymond C. Leonard
Raymond C. Leonard
President, Chief Executive Officer, and
Principal Executive Officer

Dated: March 3, 2017

By: /s/ David G. Gullickson
David G. Gullickson
Vice President of Finance, Treasurer, and
Principal Financial and Accounting Officer

[Table of Contents](#)**Exhibit Index**

Exhibit Number	Description
3.1**	Certificate of Incorporation, as amended on November 29, 2016
10.1**	Drilling Services Contract, dated as of November 28, 2016, by and between Pacific Drilling Operations Limited, a wholly owned subsidiary of Pacific Drilling S.A., and SCS Corporation Ltd.
10.2**	Letter of Award, signed as of December 28, 2016, by and between Schlumberger Oilfield Eastern Limited and SCS Corporation Ltd.
10.3**	Master Service Agreement, signed as of December 28, 2016, by and between Schlumberger Oilfield Eastern Limited and SCS Corporation Ltd.
10.4**	Settlement Agreement, dated as of December 31, 2016, by and among Hyperdynamics Corporation and Iroquois Master Fund Ltd., et al.
10.5**	Notification Letter, dated as of January 24, 2017, from Mr. Diakaria Koulibaly, General Director of the National Petroleum Office of the Republic of Guinea, to SCS Corporation Ltd. (Original French language)
10.6**	Notification Letter, dated as of January 24, 2017, from Mr. Diakaria Koulibaly, General Director of the National Petroleum Office of the Republic of Guinea, to SCS Corporation Ltd. (English language translation)
31.1**	Certification of Principal Executive Officer of Hyperdynamics Corporation required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2**	Certification of Principal Financial Officer of Hyperdynamics Corporation required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1***	Certification of Principal Executive Officer of Hyperdynamics Corporation pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)
32.2***	Certification of Principal Financial Officer of Hyperdynamics Corporation pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definitions Linkbase Document

101.LAB** XBRL Taxonomy Extension Label Linkbase Document

101.PRE** XBRL Taxonomy Extension Presentation Linkbase Document

** Filed herewith.

*** Furnished herewith

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 05/17/1994
944087813 - 2402791

CERTIFICATE OF INCORPORATION
OF
RAM-Z ENTERPRISES, INC.

We, the undersigned natural persons of the age of twenty -one (21) years of more acting as incorporators of a corporation under the General Corporation Law of Delaware, adopt the following Articles of Incorporation for such corporation.

ARTICLE I

NAME

The name of this corporation is,
RAM-Z ENTERPRISES, INC. [NAME OF CORPORATION]

ARTICLE II

DURATION

The duration of this corporation is perpetual.

ARTICLE III

The purpose or purposes for which this corporation is organized are:

- (a) To engage in the general practice of purchasing, selling, licensing, manufacturing or marketing of products of any kind whatsoever, to purchase, acquire, own, hold, lease, mortgage, encumber, sell, and dispose of any and all kinds and character of property, real and personal and mixed (the foregoing particular enumeration in no sense used by way of exclusion or limitation) and while the owner thereof; to exercise all the rights, powers and privileges of ownership, including in the case of stocks and shares, the rights to vote thereon.
- (b) To invest in high technology products, whether it be without limitation as to the foregoing, computer technology, medical devices and any and all other manner of high technology products.
- (c) To borrow and lend money with or without security, and to endorse or otherwise guarantee the obligations of others.
- (d) To act as principal or agent for others and receive compensation for all services which it may render in the performance of the duties of an agency character.
- (e) To acquire by purchase, exchange, gift, bequest, subscription or otherwise, and to hold, own, mortgage, pledge, hypothecate, sell, assign, transfer, exchange or otherwise dispose of or deal in or with its own corporate securities of stock, or other securities, including without limitations, any shares of stock, bonds, debentures, notes, mortgages, or other obligations, and any certificates, receipts of other

instruments representing rights or interests therein or any property or assets created or issued by any person, firm, association, or corporation, or any government or subdivision, agencies or instrumentalities thereof; to make payment therefor in any lawful manner or to issue in exchange therefor its own securities or to use its unrestricted and unreserved earned surplus for the purchase of its own shares, and to exercise as owner or holder of any securities, any and all rights, powers and privileges in respect thereof.

(f) To do each and every thing necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any one or more of the subjects herein enumerated, or which may at any time appear conducive to or expedient for protection or benefit of this corporation, and to do said acts as fully and to the same extent as natural persons might, or could do, in any part of the world as principals agents, partners trustees or otherwise, either alone or in conjunction with any other person, association or corporation.

(g) The foregoing clauses shall be construed both as purpose and powers and shall not be held to limit or restrict in any manner the general powers of the corporation, and the enjoyment and exercise thereof, as conferred by the laws of the State of Delaware; and it is the intention that the purposes and powers specified in each of the paragraphs of this Article III shall be regarded as independent purposes and powers specified in each of the paragraphs of this Article III shall be regarded as independent purposes and powers.

ARTICLE IV STOCK

The aggregate number of shares which this corporation shall have authority to issue is fifty million (50,000,000) shares of par value stock at \$.001 per share. All stock of the corporation shall be of the same rights and preferences. Fully-paid stock of this corporation shall not be liable to any further call or assessment.

ARTICLE V AMENDMENT

These Articles of Incorporation may be amended by the affirmative vote of a majority of the shares entitled to vote on each such amendment.

ARTICLE VI SHAREHOLDER RIGHTS

The authorized and treasury stock of this corporation may be issued at such time, upon such terms and conditions and for such consideration as the Board of Directors shall determine. Shareholders shall not have pre-emptive rights to acquire unissued shares of the stock of this corporation and cumulative voting is denied.

ARTICLE VII CAPITALIZATION

This corporation will not commence business until consideration of a value of at least ONE THOUSAND DOLLARS (\$1,000) has been received for issuance of shares.

ARTICLE VIII INITIAL OFFICE AND AGENT

The address of this corporation's initial registered office and the name of its original registered agent as such address is:

THE COMPANY CORPORATION

THREE CHRISTINA CENTRE
201 N. Walnut street
Wilmington, DE 19801
County of New Castle

ARTICLE IX
DIRECTORS

The number of Directors constituting the initial Board of Directors of this corporation is three (3). The names and addresses of persons who are to serve as directors until the first annual meeting of stockholders, or until their successors are elected and qualified are:

GREGORY AURRE
155 E. 34th St.
NY,NY 10016

AMERIKA AURRE
155 E. 29th St.
NY,NY 10016

EDWARD GREENBAUM
300 E. 57th St.
NY,NY 10021

ARTICLE X
INCORPORATORS

The name and address of each incorporator is:

REGINA CEPHAS
THREE CHRISTIINA CENTRE
201 N. WALNUT STREET
WILMINGTON, DE 19801

COMMON DIRECTORS – TRANSACTIONS BETWEEN CORPORATIONS

No contact or other transaction between this corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of its directors are directors or officers or are financially interested, shall be either void or voidable because of such relation or interest, or because such director or directors are present at the meeting of the Board of Directors, or a committee thereof which authorizes, approves or ratifies such contract or transaction, or because his or their votes are counted for such purpose if:

(a) the fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves, or ratifies this contract or transaction by vote or consent sufficient for the purpose without counting the votes or consents of such interested directors or;

(b) the fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent; or

(c) the contract or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or committee thereof which Authorizes approves or ratifies such contractor transaction.

DATED this 17th day of May, 1994.

/s/ [ILLEGIBLE]

STATE OF BELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 10:00 AM 05/20/1994
944090024 – 2402791

PLAN AND AGREEMENT OF MERGER BETWEEN

RAM-Z ENTERPRISES, INC.

AND

RAM Z ENTERPRISES, INC.

This plan and Agreement of Merger made entered into on the 17th day of May, 1994, by and between RAM-Z ENTERPRISES, INC., a Delaware Corporation, herein sometimes referred to as the Surviving Corporation, and RAM-Z ENTERPRISES, INC., a Utah Corporation, said corporations hereinafter sometimes referred to jointly as the Constituent Corporations

WITNESSETH:

WHEREAS the Delaware Corporation is a Corporation organized and existing under the laws of the State of Delaware, its Certificate of Incorporation having been filed in the Office of the Secretary of State of Delaware on May 17, 1994, and recorded in the office of the Recorder of Deeds for the County of New Castle in the said State, on May 17, 1994, and the registered office of the Delaware Corporation being located at Three Christina Center. 201 N. Walnut Street, in the City of Wilmington, County of New Castle, and the name of its registered agent in charge thereof being The Company Corporation; and

WHEREAS the total number of shares of stock winch the Delaware Corporation has authority to issue is 50,000,000 shares.

WHEREAS the Utah corporation is a corporation organized under the laws of the State of Utah, its Articles of Incorporation having been filed in the office of the Secretary of State of the State of Utah on the 29th day of July, 1983, and a Certificate of Incorporation having been issued by said Secretary of State on that date, and the registered office of the corporation being located a 50 West Broadway #701 Salt Lake City, Utah, and its register agent being Robert J. Nielson and

WHEREAS the aggregate number of shares which the Utah Corporation has authority to issue is 50,000.000 of which 17,650,000 shares are issued and outstanding, and

WHEREAS the board of directors of each of the Constituent corporations deems it advisable that the Corporation be merged into the Delaware Corporation on the terms and conditions hereinafter set forth, in accordance with the applicable provisions of the statutes of the States of Delaware and Utah respectively, which permit such merger;

NOW THEREFORE, in consideration of the promises and of the agreements, covenants and provisions hereinafter contained, the Delaware Corporation and the Utah Corporation, by their respective boards of directors, have agreed and do hereby agree, each with the other as follows:

ARTICLE I

The Delaware corporation and the Utah Corporation shall be merged into a single corporation, in accordance with applicable provisions of the laws of the State of Delaware and of the State of Utah, by the Utah Corporation merging into the Delaware Corporation, which shall be the surviving corporation.

ARTICLE II

Upon the merger becoming effective as provided in the applicable laws of the State of Delaware and of the State of Utah (the time when the merger shall so become effective being sometimes herein referred to as the "EFFECTIVE DATE OF THE MERGER"):

1. The two Constituent Corporations shall be a single corporation, which shall be the Delaware Corporation as the Surviving Corporation, and the separate existence of the Utah Corporation shall cease

except to the extent provided by the laws of the State of Utah in the case of a corporation after its merger into another corporation after its merger in another corporation.

2. The Delaware Corporation shall thereupon and thereafter possess all the rights, privileges, immunities and franchises, as well of a public as of a private nature, of each of the Constituent Corporations; and all property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest of, or belonging, to, or due to each of the Constituent Corporations, shall be taken and deemed to be vested in the Surviving corporation without further act or deed; and the entitle to all real estate, or any interest therein, vested in either of Constituent Corporations shall not revert or be in any way impaired by reason of the merger.

3. The Delaware Corporation shall thenceforth be responsible and liable for all of the liabilities and obligations of each of the Constituent Corporations: and any claim existing or action or proceeding pending by or against either of the Constituent Corporations may be prosecuted to judgment as if the merger had not taken place, or the Surviving Corporation may be substituted in its place, and neither the rights of creditors nor any liens upon the property of either of the constituent Corporations shall be impaired by the merger;

4. The aggregate amount of the net assets of the Constituent corporations which was available for the payment of dividends immediately prior to the merger, to the extent that the value thereof is not transferred to stated capital by the issuance of shares or otherwise, shall continue to be available for the payment of dividends by Surviving Corporation;

5. The Bylaws of the Delaware Corporation as existing and constituted immediately prior to the effective date of merger shall be and constitute the bylaws of the Surviving Corporation,

6. The board of directors, and the members thereof, and the officers, of the Delaware Corporation immediately prior to the effective date of merger shall be and constitute the board of directors, and the members thereof, and the officers of the Surviving Corporation.

ARTICLE III

The Certificate of Incorporation of the Delaware Corporation shall not be amended in any respect, by reason of this Agreement of Merger, and said certificate of Incorporation, as filed in the office of the Secretary of State of Delaware on the 17th day of May, 1994, shall constitute the Certificate of Incorporation of the Surviving Corporation until further amended in the manner provided by law, and is set forth in Exhibit A attached hereto and made a part of this Plan and Agreement of Merger with the same force and effect as if set forth in full herein The Certificate of Incorporation as set forth in said Exhibit A and separate and apart from this Plan and Agreement of Merger may be certified separately as the Certificate of Incorporation of the Surviving Corporation.

ARTICLE IV

The manner and basis of converting the shares of each of the constituent corporation into shares of the Surviving Corporation is as follows:

1. Each of the (17,650,000) shares of the Utah Corporation shall be converted into one fully paid and non assessable share of capital stock of the Delaware Corporation.

After the effective date of the merger, each owner of an outstanding certificate or certificates theretofore representing shares of the Utah Corporation shall be entitled, upon surrendering such certificate or certificates to the Surviving Corporation, to receive in exchange therefor a certificate or certificates representing the number of shares of stock of the surviving Corporation into which the shares of the Utah Corporation theretofore represented by the surrendered certificate or certificates shall have been converted as hereinbefore provided. Until so surrendered, each outstanding certificate which, prior to the effective date of the merger, represented shares of the Utah Corporation shall be deemed, for all corporate purposes, to represent the ownership of the stock of the Surviving Corporation on the basis hereinbefore provided.

ARTICLE V

The Delaware Corporation, as the Surviving Corporation, shall pay all expenses of carrying this Agreement of Merger into effect and accomplishing the merger herein provided for.

ARTICLE VI

If at any time the Surviving Corporation shall consider or be advised that any further assignment or assurance in law are necessary or desirable to vest in the Surviving Corporation the title to any property or rights of the Utah Corporation, the proper officers and directors of the Utah Corporation shall, and will executed and make all such proper assignments and assurances in law and do all things necessary or proper to thus vest such property or rights in the Surviving Corporation, and otherwise to carry out the purposes of this Plan and Agreement of Merger.

ARTICLE VII

This Plan and Agreement of Merger shall be submitted to the shareholders and stockholders of each of the Constituent Corporation, as provided by law, and shall take effect, and be deemed and be taken to be the Plan and Agreement of Merger of said corporations upon the approval of adoption thereof by the shareholders and stockholders of each of the Constituent Corporations in accordance with the

requirements of the laws of the State of Utah and the State of Delaware respectively, and upon the execution, filing and recording of such documents and the doing of such acts and things as shall be required for accomplishing the merger under the provisions of the applicable statutes of the State of Utah and of the State of Delaware, as heretofore amended and supplemented.

Anything herein or elsewhere to contrary notwithstanding, this Plan and Agreement of Merger may be abandoned by either of the Constituent Corporations by an appropriated resolution of its board of directors at any time prior to its approval or adoption by shareholders and stockholders thereof, or by mutual consent of the Constituent Corporations evidenced by appropriate resolution of their respective boards of directors, at any time prior to the effective date of the Merger.

IN WITNESS WHEREOF, the Delaware Corporation and the Utah Corporation, pursuant to the approval and authority duly given by resolutions adopted by their respective boards of directors have caused this Plan and Agreement of Merger to be executed by the President and Attested by the secretary of each party hereto, and the corporate seal affixed.

THE ABOVE AGREEMENT OF MERGER, having been executed by the President and Secretary of each corporate party thereto, and having been adopted separately by the majority of stockholders of each corporate party thereto, in accordance with the provisions of the General Corporation Law of the State of Delaware, and the fact having certified on said agreement of Merger by the secretary of each corporate party thereto, the President and Secretary of each corporate party thereto do now hereby execute the said Agreement of Merger under the corporate seals of their respective corporations, by the authority of the directors and stockholders thereof, as the respective act deed and agreement of each of said corporation on the 14th day of May, 1994.

/s/ [ILLEGIBLE]
Secretary
RAM-Z ENTERPRISES, INC. (DE)

/s/ [ILLEGIBLE]
President
RAM-Z ENTERPRISIES, INC. (DE)

/s/ [ILLEGIBLE]
Secretary
RAM-Z ENTERPRISES, INC. (UTAH)

/s/ [ILLEGIBLE]
President
RAM-Z ENTERPRISES, INC. (UTAH)

Attest:

/s/ [ILLEGIBLE]
Secretary
RAM-Z ENTERPRISES, INC. (DE)

/s/ [ILLEGIBLE]
President
RAM-Z ENTERPRISES, INC. (DE)

Attest:

/s/ [ILLEGIBLE]
Secretary
RAM-Z ENTERPRISES, INC. (UTAH)

/s/ [ILLEGIBLE]
President
RAM-Z ENTERPRISES, INC. (UTAH)

I. Monica Tedori, Secretary of RAM-Z ENTERPRISES, INC., under the laws of the State of Delaware, hereby certify, as such secretary and under the seal of the said corporation, that the Agreement of Merger to which this certificate is attached, after having, been first duly signed on behalf of said corporation by the President and Secretary of RAM-Z ENTERPRISES, INC., a corporation of the State of Delaware, was duly submitted to the stockholders of said RAM-A ENTERPRISES, INC., at a special meeting of stockholders called and held separately from the meeting of stockholders of any other corporation, upon waiver of notice, signed by a majority of the stockholders, for the purpose of considering and taking action upon said agreement of merger, that 17,650.000 shares of stock of said corporation were on said date issued and outstanding and that the holders of 10,000.000 shares voted by ballot in favor of said Agreement of Merger and the holders of no shares voted by ballot against same, the said affirmative vote representing at least a majority of the total number of share of the outstanding capital stock of said corporation, and that thereby the agreement of Merger was at said meeting, duly adopted as the act to the stockholders of said RAM-Z ENTERPRISES, INC, and the duly adopted agreement of the said corporation.

WITNESS my hand and seal of said RAM-Z ENTERPRISES, INC., on this 14th day of May, 1994.

/s/ [ILLEGIBLE]

Secretary

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 03/27/1996
960089989 - 2402791

CERTIFICATE FOR

RENEWAL AND REVIVAL OF CHARTER

RAM-Z ENTERPRISES, INC., a corporation organized under the laws of the State of Delaware, the charter of which was voided for non-payment of taxes, now desires a restoration, renewal and revival of its charter, and hereby certifies as follows:

1. The name of this corporation is RAM-Z ENTERPRISES, INC..
2. Its registered office in the State of Delaware is located at Three Christina Centre, 201 N. Walnut Street, Wilmington, DE 19801, County of New Castle, The name and address of its registered agent is The Company Corporation, address "same as above".
3. The date of filing of the original Certificate of Incorporation in Delaware was 5-17-94.
4. The date when restoration, renewal, and revival of the charter of this company is to commence is the 29 day of Feb.,1996 at which time its charter became inoperative and void for non-payment of taxes and this certificate for renewal and revival is filed by authority of the duly elected directors of the corporation in accordance with the laws of the State of Delaware.

5. This corporation was duly organized and carried out the business authorized by its charter until the 1st day of March, 1996 at which time its charter became inoperative and void for non-payment of taxes and this certificate of renewal and revival is filed by authority of the duly elected directors of the corporation in accordance with the laws of the State of Delaware.

IN TESTIMONY WHEREOF, and in compliance with the provisions of Section 312 of the General Corporation Law of the State of Delaware, as amended, providing for the renewal, extension and restoration of Charters, RAM-Z ENTERPRISES, INC., its authorized officer has hereunto set his hand to this certificate this 26 day of March 1996.

/s/ [ILLEGIBLE]

Authorized officer, Title

*STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 01/21/1997
971020662 - 2402791*

**STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF INCORPORATION**

RAM-Z ENTERPRISES, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware.

DOES HEREBY CERTIFY:

FIRST: That at a meeting of the board of Directors of **RAM-Z ENTERPRISES, INC.** resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "Article I" so that, as amended, said Article shall be and read as follows:

The name of the corporation is HyperDynamics Corporation.

SECOND: that thereafter, pursuant to resolution of its Board of Directors, a meeting of the stockholders of said corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said corporation shall not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF, said **RAM-Z ENTERPRISES, INC.** has caused this certificate to be signed by **GREGORY J. MICEK**, an authorized Officer, this 18TH day of January, 1997.

By: /s/ Gregory J. Micek
Gregory J. Micek, President

Attested By: /s/ Lewis E. Ball
Lewis E. Ball, Secretary

ACKNOWLEDGMENT

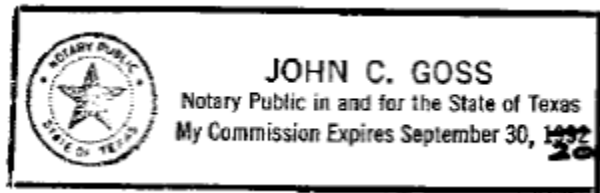
THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Gregory J. Micek**, President of **RAM-Z ENTERPRISES, INC.** known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in the capacity and for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 18TH day of January, 1997.

/s/ John C. Goss
Notary Public in and for
the State of TEXAS

My Commission Expires: 09-30-2000

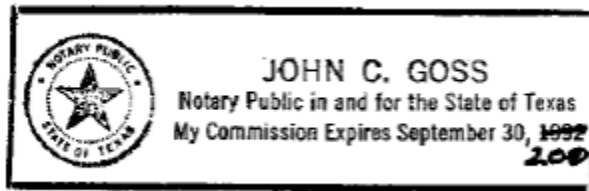


THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Lewis E. Ball**, Secretary of **RAM-Z ENTERPRISES, INC.** known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in the capacity and for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 18TH day of January, 1997.

/s/ John C. Goss
Notary Public in and for
the State of TEXAS



STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 09/20/1999
991395456 - 2402791

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
HYPERDYNAMICS CORPORATION**

Hyperdynamics Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation by the unanimous written consent of its members, filed with the minutes of the Board, adopted resolutions proposing and declaring advisable the following amendments to the Certificate of Incorporation of said corporation:

RESOLVED, that the Certificate of Incorporation of Hyperdynamics Corporation be amended by adding the following to the Fourth Article thereof:

Article IV of the Company' s Articles of Incorporation is amended to add new sections (b) and (c) as follows:

ARTICLE IV

“(b) The aggregate number of shares of preferred stock which the corporation shall have authority to issue is twenty million (20,000,000) shares of preferred stock, par value of \$0.001. No share of preferred stock shall be issued until it has been paid for and it shall thereafter be non-assessable

(c) The Preferred Stock may be divided into and issued in one or more series. The preferences, limitations, and relative rights of the Preferred Stock may vary between series in any and all respects, but shall not vary within a series. The Board of Directors may establish one or more series of unissued shares of the Preferred Stock and fix and determine the preferences, limitations, and relative rights of any series to the fullest extent set forth herein and permitted by Delaware law, as now or hereafter in force. The Board of Directors may increase or decrease the number of shares within each such series; provided, however, that the Board of Directors may

not decrease the number of shares within a series below the number of shares within such series that is then issued. The preferences, limitations, and relative rights of any Preferred Stock to be issued shall be fixed by the Board of Directors adopting a resolution or resolutions to such effect and filing a statement with respect thereto as required by Delaware law.”

SECOND: That at a meeting and vote of stockholders on August 26, 1999, these amendments were duly adopted in accordance with §222 and §242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Hyperdynamics Corporation has caused this certificate to be signed by Kent Watts, its President and attested by Ted Tarver, its Assistant Secretary, this 2ND day of September 1999.

Hyperdynamics Corporation

By: /s/ Kent Watts
Kent Watts, President

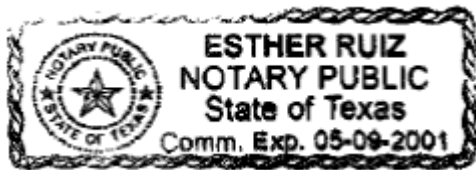
ATTEST:

By: /s/ Ted Tarver
Ted Tarver, Assistant Secretary

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Kent Watts, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of office this 2nd day of Sept. 1999.



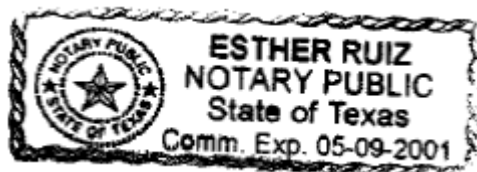
/s/ Esther Ruiz
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Ted Tarver, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of office this 2nd day of Sept. 1999.

/s/ Esther Ruiz
NOTARY PUBLIC IN AND FOR



STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 01/12/2000
001018278 - 2402791

HYPERDYNAMICS CORPORATION

CERTIFICATE OF DESIGNATION, NUMBER, POWERS,
PREFERENCES AND RELATIVE, PARTICIPATING,
OPTIONAL, AND OTHER SPECIAL RIGHTS AND THE
QUALIFICATIONS, LIMITATIONS, RESTRICTIONS,
AND OTHER DISTINGUISHING CHARACTERISTICS OF
SERIES A PREFERRED STOCK

The undersigned President and Secretary of this Corporation hereby certify that the Board of Directors of the Corporation, pursuant to the authority expressly vested in it has adopted the following resolutions creating a Series A issue of Preferred Stock:

RESOLVED, that five thousand (5,000) of the twenty million (20,000,000) authorized shares of Preferred Stock of the Corporation shall be designated Series A Preferred Stock (the "Series A Preferred Stock") and shall possess the rights and privileges set forth below:

A. Par Value, Stated Value, Accretion Rate, Purchase Price and Certificates.

1. Each share of Series A Preferred Stock shall have \$.001 par value and a stated value (face amount) of One Thousand Dollars (\$1,000.00) (the "Stated Value").
2. The Series A Preferred Stock shall be offered at a purchase price of One Thousand Dollars (\$1,000.00) per share.
3. Certificates representing the shares of Series A Preferred Stock purchased shall be issued by the Corporation to the purchasers immediately upon acceptance of the subscriptions to purchase such shares and receipt by the Corporation of the purchase price for such shares.

B. Dividends.

1. Amount and Payment of Dividend. Subject to the limitations hereinafter set forth, the holders of Series A Preferred Stock shall be entitled to receive dividends at the rate of four percent (4%) per annum of the original issue price thereof of One Thousand and No/100 Dollars (\$1,000.00) per share, and no more, payable only at the time such shares are converted pursuant to

Section D hereof. Such dividends may be paid in cash or in shares of Common Stock of the Corporation as determined by the Corporation in its sole discretion; provided, however, no fractional shares of either security may be issued for dividends, any fractional shares will be rounded to the nearest whole share, and provided further that if any such dividend is paid in whole or in part by shares of Common Stock, the number of shares of such security to be issued as a stock dividend shall be determined by the Market Value (as defined in Section I below) of a share of Common Stock as of the last day of the period for such stock dividend. Any shares of

Series A Preferred Stock issued after the date hereof shall accrue dividends from the later of the date of full payment therefor by the purchaser of such shares or issuance thereof by the Corporation.

2. Cumulative Rights. To the extent, if any, that dividends at the rate set forth in Section B(1) above shall not be paid or set apart in full for the Series A Preferred Stock, the aggregate deficiency shall be cumulated and must be fully paid or set apart for payment before any dividends may be paid upon or set apart for the Common Stock of the Corporation or before the Corporation may purchase any of its Common Stock or otherwise make any distribution on account of its Common Stock or any other class of capital stock now or hereafter authorized or issued by the Corporation which ranks on a parity with or junior to the Series A Preferred Stock (other than (i) a dividend payable in Common Stock, or (ii) by conversion into or exchange for capital stock of the Corporation ranking junior to the Series A Preferred Stock as to dividends).

3. No Interest on Accrued Dividends. Any accumulations of dividends on the Series A Preferred Stock shall not bear interest.

C. Liquidation Preference.

1. In the event of any liquidation, dissolution or winding-up of the Corporation, either voluntary or involuntary (a "Liquidation"), the holders of shares of the Series A Preferred Stock then issued and outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders, whether from capital, surplus or earnings, before any payment shall be made to the holders of shares of the Common Stock or upon any other series of Preferred Stock of the Corporation with a liquidation preference subordinate to the liquidation preference of the Series A Preferred Stock, an amount per share equal to the Stated Value. If, upon any Liquidation of the Corporation, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of shares of the Series A Preferred Stock and the holders of any other series of Preferred Stock with a liquidation preference equal to the liquidation preference of the Series A Preferred Stock the full amounts to which they shall respectively be entitled, the holders of shares of the Series A Preferred Stock and the holders of any other series of Preferred Stock with liquidation preference equal to the liquidation preference of the Series A Preferred Stock shall receive all of the assets of the Corporation available for distribution and each such holder of shares of the Series A Preferred Stock and the holders of any other series of Preferred Stock with a liquidation preference equal to the liquidation preference of the Series A Preferred Stock shall share ratably in any distribution in accordance with the amounts due such shareholders. After payment shall have been made to the holders of shares of the Series A Preferred Stock of the full amount to which they shall be entitled, as aforesaid, the holders of shares of the Series A Preferred Stock shall be entitled to no further distributions thereon and the holders of shares of the Common Stock and of shares of any other series of stock of the Corporation shall be entitled to share, according to their respective rights and preferences, in all remaining assets of the Corporation available for distribution to its shareholders.

2. A merger or consolidation of the Corporation with or into any other corporation, or a sale, lease, exchange, or transfer of all or any part of the assets of the Corporation which shall not in fact result in the liquidation (in whole or in part) of the Corporation and the distribution of its assets to its shareholders shall not be deemed to be a voluntary or involuntary liquidation (in whole or in part), dissolution, or winding-up of the Corporation.

D. Conversion of Series A Preferred Stock.

The holders of Series A Preferred Stock shall have the following conversion rights:

1. Right to Convert. When such shares become convertible in accordance with Section D(1) hereof, each share of Series A Preferred Stock shall be convertible at the Conversion Prices set forth below into fully paid and nonassessable shares of Common Stock (sometimes referred to herein as “Conversion Shares”).

2. Mechanics of Conversion. Each holder of Series A Preferred Stock who desires to convert the same into shares of Common Stock shall provide notice (“Conversion Notice”) via facsimile to the Corporation. The original Conversion Notice and the certificate or certificates representing the Series A Preferred Stock for which conversion is elected shall be delivered to the Corporation by international courier, duly endorsed. The date upon which a Conversion Notice is received by the Corporation shall be a “Notice Date.” Upon receipt by the Corporation of a facsimile copy of a Conversion Notice, the Corporation shall immediately send to the holder, via facsimile, a confirmation of receipt of the Conversion notice which shall specify that the Conversion Notice has been received and the name and telephone number of a contact person at the Corporation whom the holder should contact regarding information related to the conversion. The Corporation shall use all reasonable efforts to issue and deliver within three (3) business days after the Notice Date, to such holder of Series A Preferred Stock at the address of the holder on the stock books of the Corporation, a certificate or certificates for the number of shares of Common Stock to which the holder shall be entitled as aforesaid; provided that the original shares of Series A Preferred Stock to be converted are received by the transfer agent or the Corporation within three (3) business days after the Notice Date and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date. If the original certificate(s) representing the shares of Series A Preferred Stock to be converted are not received by the transfer agent or the Corporation within three (3) business days after the Notice Date, the Conversion Notice shall become null and void.

3. Lost or Stolen Certificates. Upon receipt by the Corporation of evidence of the loss, destruction, theft or mutilation of any Series A Preferred Stock certificates (the “Certificates”) and (in the case of loss, theft or destruction) of indemnity or security reasonably satisfactory to the Corporation, and upon surrender and cancellation of the Certificates, if mutilated, the Corporation shall execute and deliver new Series A Preferred Stock Certificates of like tenor and date. However, the Corporation shall not be obligated to re-issue such lost or stolen Series A Preferred Stock Certificates if the holder thereof contemporaneously requests the

Corporation to convert such Series A Preferred Stock into Common Stock, in which event the Corporation shall be entitled to rely on an affidavit of loss, destruction or theft of the Series A Preferred Stock Certificate or, in the case of mutilation, tender of the mutilated certificate, and shall issue the Conversion Shares.

4. Conversion Dates. The shares of Series A Preferred Stock shall become convertible into shares of Common Stock upon the earlier of (i) the effective date of a registration statement covering the Conversion Shares, or (ii) the ninetieth (90th) day after the issuance of each such share of Series A Preferred Stock (referred to as a “Conversion Date”).

5. Conversion Formula/Conversion Price. Each share of Series A Preferred Stock shall be convertible into the number of shares of Common Stock in accordance with the following formula (the “Conversion Formula”):

$$\frac{\$1,000.00}{\text{Conversion Price}}$$

where,

Conversion Price = Average Price at Closing or the Average Price at Conversion, whichever is less.

Average Price at Closing = The five (5)-day average Closing Bid Price for the Corporation’s Common Stock on the trading date immediately before the date such Series A Preferred Stock was issued.

Average Price at Conversion = Eighty percent (80%) of (that is, a 20% discount to) the five (5)-day average Closing Bid Price for the Corporation’s Common Stock immediately before the Conversion Date.

For purposes hereof, the term "Closing Bid Price" shall mean the closing bid price for the Corporation's Common Stock on the NASD Electronic Bulletin Board, or if no longer traded thereon, the closing bid price on the principal national securities exchange on which the Common Stock is so traded.

6. Automatic Conversion. Each share of Series A Preferred Stock outstanding on January 30, 2002 shall be converted automatically into Common Stock on such date in accordance with the Conversion Formula and the Conversion Price then in effect, and January 30, 2002 shall be deemed to be the Notice Date with respect to such conversion.

7. No Fractional Shares. If any conversion of the Series A Preferred Stock would create a fractional share of Common Stock or a right to acquire a fractional share of Common Stock, such fractional share shall be disregarded and the number of shares of Common Stock issuable upon conversion, if the aggregate, shall be the next higher number of shares.

4

8. Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

9. Adjustment to Conversion Price.

(a) If, prior to the conversion of all shares of Series A Preferred Stock, the number of outstanding shares of Common Stock is increased by a stock split, stock dividend, or other similar event, the Conversion Price shall be proportionately reduced, or if the number of outstanding shares of Common Stock is decreased by a combination or reclassification of shares, or other similar event, the Conversion Price shall be proportionately increased.

(b) If, prior to the conversion of all shares of Series A Preferred Stock, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock of the Corporation shall be changed into the same or a different number of shares of the same or another class or classes of stock or securities of the Corporation or another entity, then the holders of Series A Preferred Stock shall thereafter have the right to purchase and receive upon conversion of shares of Series A Preferred Stock, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such shares of stock and/or securities as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore purchasable and receivable upon the conversion of shares of Series A Preferred Stock held by such holders had such merger, consolidation, exchange of shares, recapitalization or reorganization not taken place, and in any such case appropriate provisions shall be made with respect to the rights and interests of the holders of the Series A Preferred Stock to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Series A Preferred Stock) shall thereafter be applicable, as nearly as may be practicable in relation to any shares of stock or securities thereafter deliverable upon the exercise hereof. The Corporation shall not effect any transaction described in this subsection unless the resulting successor or acquiring entity (if not the Corporation) assumes by written instrument the obligation to deliver to the holders of the Series A Preferred Stock such shares of stock and/or securities as, in accordance with the foregoing provisions, the holders of the Series A Preferred Stock may be entitled to purchase.

(c) If any adjustment under this subsection would create a fractional share of Common Stock or a right to acquire a fractional share of Common Stock, such fractional share shall be disregarded and the number of shares of Common Stock issuable upon conversion shall be the next higher number of shares.

5

E. Voting. Except as otherwise provided below or by the Delaware General Corporation Law, the holders of the Series A Preferred Stock shall have no voting power whatsoever, and no holder of Series A Preferred Stock shall vote or otherwise participate in any proceeding in which actions shall be taken by the Corporation or the shareholders thereof or be entitled to notification as to any meeting of the Board of Directors or the shareholders.

Notwithstanding the above, Corporation shall provide holders of the Series A Preferred Stock (“Holders”) with notification of any meeting of the shareholders regarding any major corporate events affecting the Corporation. In the event of any taking by the Corporation of a record of its shareholders for the purpose of determining shareholders who are entitled to receive payment of any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire any share of any class or any other securities or property (including by way of merger, consolidation or reorganization), or to receive any other right, or for the purpose of determining shareholders who are entitled to vote in connection with any proposed sale, lease or conveyance of all or substantially all of the assets of the Corporation, or any proposed liquidation, dissolution or winding up of the Corporation, the Corporation shall mail a notice to the Holders, at least ten (10) days prior to the record date specified therein, of the date on which any such record is to be taken for the purpose of such dividend, distribution, right or other event, and a brief statement regarding the amount and character of such dividend, distribution, right or other event to the extent known at such time.

To the extent that, under Delaware law, the vote of the Holders, voting separately as a class, is required to authorize a given action of the Corporation, the affirmative vote or consent of the Holders of at least a majority of the shares of the Series A Preferred Stock represented at a duly held meeting at which a quorum is present or by written consent of a majority of the shares of Series A Preferred Stock (except as otherwise may be required under Delaware law) shall constitute the approval of such action by the class. To the extent that under Delaware law the Holders are entitled to vote on a matter with holders of Common Stock, voting together as one (1) class, each share of Series A Preferred Stock shall be entitled to a number of votes equal to the number of shares of Common Stock into which it is then convertible using the record date for the taking of such vote of stockholders as the date as of which the Conversion Price is calculated. The Holders also shall be entitled to notice of all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation’s by-laws and applicable statutes.

F. Protective Provisions. So long as shares of Series A Preferred Stock are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the Holders of at least seventy-five percent (75%) of the then outstanding shares of Series A Preferred Stock:

(a) alter or change the rights, preferences or privileges of the Series A Preferred Stock so as to affect adversely the Series A Preferred Stock;

(b) create any new class or series of stock or issue any capital stock senior to or having a preference over or parity with the Series A Preferred Stock with respect to dividends, payments upon Liquidation (as provided for in Section B of this Designation) or

redemption, or increase the number of authorized shares of Series A Preferred Stock or change the Stated Value thereof;

(c) do any act or thing not authorized or contemplated by this Designation which would result in taxation of the holders of shares of the Series A Preferred Stock under Section 305 of the Internal Revenue Code of 1986, as amended (or any comparable provision of the Internal Revenue Code as hereafter from time to time amended); or

(d) enter into a merger in which the Corporation is not the surviving corporation; provided, however, that the provisions of this subparagraph (d) shall not be applicable to any such merger if the authorized capital stock of the surviving corporation immediately after such merger shall include only classes or series of stock for which no such consent or vote would have been required pursuant to this section if such class or series had been authorized by the Corporation immediately prior to such merger or which have the same rights, preferences and limitations and authorized amount as a class or series of stock of the Corporation authorized (with such consent or vote of the Series A Preferred Stock) prior to such merger and continuing as an authorized class or series at the time thereof.

G. Status of Converted Stock. In the event any shares of Series A Preferred Stock shall be converted as contemplated by this Designation, the shares so converted shall be canceled, shall return to the status of authorized but unissued Preferred Stock of no designated class or series, and shall not be issuable by the Corporation as Series A Preferred Stock.

H. Taxes. All shares of Common Stock issued upon conversion of Series A Preferred Stock will be validly issued, fully paid and nonassessable. The Corporation shall pay any and all documentary stamp or similar issue or transfer taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Preferred Stock pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the Series A Preferred Stock so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such transfer has paid to the Corporation the amount of any such tax or has established to the satisfaction of the Corporation that such tax has been paid or that no such tax is payable. The Corporation shall adjust the amount of dividends paid or accrued so as to indemnify the holders of Preferred Stock against any withholding or similar tax in respect of such dividends.

I. Determination of Market Value of Capital Stock of Corporation. The determination of the per share "Market Value" of Common Stock as set forth in previous Sections shall be determined using the previous five day average closing bid price for the day or, where no sale is made on that day, the average of the closing bid and asked prices for that day on the NASDAQ Stock Market or the OTC Bulletin Board if the securities are at the time listed or quoted thereon, respectively, or, if it is not so listed or quoted, on any other national securities exchange selected by the Corporation on which it is at the time listed. If at the applicable time the Common Stock is quoted on the OTC Bulletin Board, the foregoing calculations shall be based on a Trade and Quote Summary Report from the OTC Bulletin Board Research Service if

7

available, and if not, on any other publicly available data reasonably deemed reliable by the Corporation.

FURTHER RESOLVED, that the statements contained in the foregoing resolutions creating and designating the said Series A Preferred Stock and fixing the number, powers, preferences and relative, optional, participating, and other special rights and the qualifications, limitations, restrictions, and other distinguishing characteristics thereof shall, upon the effective date of said series, be deemed to be included in and be a part of the Certificate of Incorporation of the Corporation pursuant to the provisions the Delaware General Corporation Law.

8

Signed on December 30, 1999

HYPERDYNAMICS CORPORATION

By: /s/ Kent Watts

Kent Watts

Title: President

Attest:

By: /s/ Lewis Ball

Lewis Ball

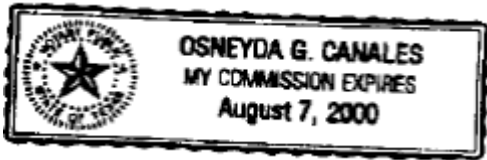
Title: Secretary

[CORPORATE SEAL]

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Kent Watts**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of office this 30 day of December 1999.

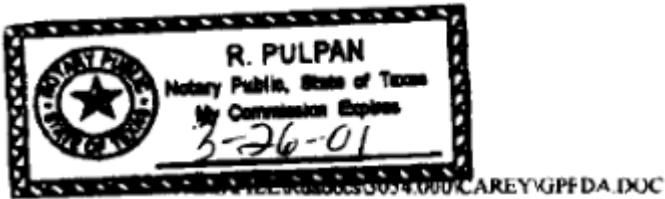


/s/ Osneyda G. Canales
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Lewis Ball**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of office this 30TH day of DEC. 1999.



/s/ R. Pulpan
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

*STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 11:30 AM 05/02/2001
010211220 - 2402791*

**STATE OF DELAWARE
CERTIFICATE FOR RENEWAL
AND REVIVAL OF CHARTER**

HYPERDYNAMICS CORPORATION, a corporation organized under the laws of Delaware, the charter of which was voided for non-payment of taxes, now desires to procure a restoration, renewal and revival of its charter, and hereby certifies as follows;

1. The name of this corporation is HYPERDYNAMICS CORPORATION
2. Its registered office in the State of Delaware is located at 2711 Centerville Road, suite 400 Street, City of Wilmington, De. Zip Code 19808 County of New Castle the name and address of its registered agent is The Company corporation same
3. The date of filing of the original Certificate of Incorporation in Delaware was 05-17-1994 (ORIGINALLY – RAMZ Enterprises) File # 2402791
4. The date when restoration, renewal, and revival of the charter of this company is to commence is the 28th day of February, same being prior to the date of the expiration of the charter. This renewal and revival of the charter of this corporation is to be perpetual.
5. This corporation was duly organized and carried on the business authorized by its charter until the 01 day of March A.D. 2001, at which time its charter became inoperative and void for non-payment of taxes and this certificate for renewal and revival is filed by authority of the duly elected directors of the corporation in accordance with the Jaws of the State of Delaware.

IN TESTIMONY WHEREOF, and in compliance with the provisions of Section 312 of the General Corporation Law of the State of Delaware, as amended, providing for the renewal, extension and restoration of charters. KENT P. WATTS the last and acting authorized officer hereunto set his/her hand to this certificate this 27th day of April A.D. 2001.

By: /s/ Kent P. Watts
 Authorized Officer
 Name: Kent P. Watts
 Print or Type
 Title: President

*STATE OF DELAWARE
 SECRETARY OF STATE
 DIVISION OF CORPORATIONS
 FILED 09:00 AM 06/06/2001
 010272487 – 2402791*

HYPERDYNAMICS CORPORATION

**CERTIFICATE OF DESIGNATION, NUMBER, POWERS, PREFERENCES AND
 RELATIVE, PARTICIPATING, OPTIONAL, AND OTHER SPECIAL RIGHTS AND
 THE
 QUALIFICATIONS, LIMITATIONS, RESTRICTIONS, AND OTHER
 DISTINGUISHING CHARACTERISTICS OF SERIES B PREFERRED STOCK**

The undersigned President and Secretary of this Corporation hereby certify that the Board of Directors of the Corporation, pursuant to the authority expressly vested in it has adopted the following resolutions creating a Series B Preferred Stock:

RESOLVED, that two-thousand seven-hundred twenty-five (2,725) of the twenty million (20,000,000) authorized shares of Preferred Stock of the Corporation shall be designated Series B Preferred Stock (the “Series B Preferred Stock”) and shall possess the rights and privileges set forth below:

A. Values and Seniority.

1. Each share of Series B Preferred Stock shall have \$.001 par value and a stated value (face amount) of One Thousand Dollars (\$1,000.00) (the "Stated Value").
2. The Series B Preferred Stock shall be offered at a purchase price of One Thousand Dollars (\$1,000.00) per share in cash or in-kind.
3. Certificates representing the shares of Series B Preferred Stock purchased shall be issued by the Corporation to the purchasers immediately upon the delivery of the consideration therefore to the Corporation.
4. Series B Preferred Stock is junior in all respects to Series A Preferred Stock.

B. Dividends.

1. Amount and Payment of Dividend. Subject to the limitations hereinafter set forth, the holders of Series B Preferred Stock shall be entitled to receive dividends at the rate of four percent (4%) per annum of the original issue price thereof of One Thousand and No/100 Dollars (\$1,000.00) per share, and no more, payable only at the time such shares are converted pursuant to Section D hereof. Such dividends may be paid in cash or in shares of Common Stock of the Corporation as determined by the Corporation in its sole discretion; provided, however, no fractional shares of either security may be issued for dividends, any fractional shares will be rounded to the nearest whole share, and provided further that if any such dividend is paid in whole or in part by shares of Common Stock, the number of shares of such security to be issued as a stock dividend shall be determined by the Market Value (as defined in Section I below) of a share of Common Stock as of the last day of the period for such stock dividend. Any shares of Series B Preferred Stock issued after the date hereof shall accrue dividends from the later of the date of full payment therefor by the purchaser of such shares or issuance thereof by the Corporation.
2. Cumulative Rights. To the extent, if any, that dividends at the rate set forth in Section B(1) above shall not be paid or set apart in full for the Series B Preferred Stock, the

Series B preferred stock designation

1

aggregate deficiency shall be cumulated and must be fully paid or set apart for payment before any dividends may be paid upon or set apart for the Common Stock of the Corporation or before the Corporation may purchase any of its Common Stock or otherwise make any distribution on account of its Common Stock or any other class of capital stock now or hereafter authorized or issued by the Corporation which ranks on a parity with or junior to the Series B Preferred Stock (other than (i) a dividend payable in Common Stock, or (ii) by conversion into or exchange for capital stock of the Corporation ranking junior to the Series B Preferred Stock as to dividends).

3. No Interest on Accrued Dividends. Any accumulations of dividends on the Series B Preferred Stock shall not bear interest.

C. Liquidation Preference.

1. In the event of any liquidation, dissolution or winding-up of the Corporation, either voluntary or involuntary (a "Liquidation"), the holders of shares of the Series B Preferred Stock then issued and outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders, whether from capital, surplus or earnings, before any payment shall be made to the holders of shares of the Common Stock or upon any other series of Preferred Stock of the Corporation with a liquidation preference subordinate to the liquidation preference of the Series B Preferred Stock, but after the payment of the liquidation preference of Series A Preferred Stock, an amount per share equal to the Stated Value. If, upon any Liquidation of the Corporation, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of shares of the Series B Preferred Stock and the holders of any other series of Preferred Stock with a liquidation preference equal to the liquidation preference of the Series A Preferred Stock the full amounts to which they shall respectively

be entitled, the holders of shares of the Series B Preferred Stock and the holders of any other series of Preferred Stock with liquidation preference equal to the liquidation preference of the Series B Preferred Stock shall receive all of the assets of the Corporation available for distribution and each such holder of shares of the Series B Preferred Stock and the holders of any other series of Preferred Stock with a liquidation preference equal to the liquidation preference of the Series B Preferred Stock shall share ratably in any distribution in accordance with the amounts due such shareholders. After payment shall have been made to the holders of shares of the Series B Preferred Stock of the full amount to which they shall be entitled, as aforesaid, the holders of shares of the Series B Preferred Stock shall be entitled to no further distributions thereon and the holders of shares of the Common Stock and of shares of any other series of stock of the Corporation shall be entitled to share, according to their respective rights and preferences, in all remaining assets of the Corporation available for distribution to its shareholders.

2. A merger or consolidation of the Corporation with or into any other corporation, or a sale, lease, exchange, or transfer of all or any part of the assets of the Corporation which shall not in fact result in the liquidation (in whole or in part) of the Corporation and the distribution of its assets to its shareholders shall not be deemed to be a voluntary or involuntary liquidation (in whole or in part), dissolution, or winding-up of the Corporation.

D. Conversion of Series B Preferred Stock. The holders of Series B Preferred Stock shall have the following conversion rights:

2

1. Right to Convert. Series B Preferred Stock shall be convertible at any time into common stock of the Corporation at the Conversion Price of:

the lesser of

a) \$0,135 per share of common stock of the Corporation, or

b) 50% of the closing bid price for the Company's common stock on the day of conversion.

2. Mechanics of Conversion. Each holder of Series B Preferred Stock who desires to convert the same into shares of Common Stock shall provide notice ("Conversion Notice") and properly endorsed certificates of Series B Preferred Stock to the Corporation. The date upon which the Conversion Notice and properly endorsed certificates are received by the Corporation, shall be the record date for the conversion.

3. No Fractional Shares. No fractional shares of common stock will be issued upon conversion. Fractional shares shall be disregarded when issuing shares of Common Stock upon conversion.

4. Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series B Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Series B Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series B Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such a number of shares as shall be sufficient for such purpose.

5. Adjustment to Conversion Price.

(a) If, prior to the conversion of all shares of Series B Preferred Stock, the number of outstanding shares of Common Stock is increased by a stock split, stock dividend, or other similar event, the Conversion Price shall be proportionately reduced, or if the number of outstanding shares of Common Stock is decreased by a combination or reclassification of shares, or other similar event, the Conversion Price shall be proportionately increased.

(b) If, prior to the conversion of all shares of Series B Preferred Stock, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock of the

Corporation shall be changed into the same or a different number of shares of the same or another class or classes of stock or securities of the Corporation or another entity, then the holders of Series B Preferred Stock shall thereafter have the right to purchase and receive upon conversion of shares of Series B Preferred Stock, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such shares of stock and/or securities as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore purchasable and receivable upon the conversion of shares

of Series B Preferred Stock held by such holders had such merger, consolidation, exchange of shares, recapitalization or reorganization not taken place, and in any such case appropriate provisions shall be made with respect to the rights and interests of the holders of the Series B Preferred Stock to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Series B Preferred Stock) shall thereafter be applicable, as nearly as may be practicable in relation to any shares of stock or securities thereafter deliverable upon the exercise hereof. The Corporation shall not effect any transaction described in this subsection unless the resulting successor or acquiring entity (if not the Corporation) assumes by written instrument the obligation to deliver to the holders of the Series B Preferred Stock such shares of stock and/or securities as, in accordance with the foregoing provisions, the holders of the Series B Preferred Stock may be entitled to purchase.

E. Voting. Each share of Series B Preferred Stock shall have the voting power equivalent to 7,408 shares of common stock, and may vote on any matter that common stock may vote on. The Corporation shall provide holders of the Series B Preferred Stock (“Holders”) with notification of any meeting of the common stock shareholders regarding any major corporate events affecting the Corporation. In the event of any taking by the Corporation of a record of its shareholders for the purpose of determining shareholders who are entitled to receive payment of any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire any share of any class or any other securities or property (including by way of merger, consolidation or reorganization), or to receive any other right, or for the purpose of determining shareholders who are entitled to vote in connection with any proposed sale, lease or conveyance of all or substantially all of the assets of the Corporation, or any proposed liquidation, dissolution or winding up of the Corporation, the Corporation shall mail a notice to the Holders, at least ten (10) days prior to the record date specified therein, of the date on which any such record is to be taken for the purpose of such dividend, distribution, right or other event, and a brief statement regarding the amount and character of such dividend, distribution, right or other event to the extent known at such time. To the extent that, under Delaware law, the vote of the Holders, voting separately as a class, is required to authorize a given action of the Corporation, the affirmative vote or consent of the Holders of at least a majority of the shares of the Series B Preferred Stock represented at a duly held meeting at which a quorum is present or by written consent of a majority of the shares of Series B Preferred Stock (except as otherwise may be required under Delaware law) shall constitute the approval of such action by the class- The Holders also shall be entitled to notice of all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation’s by-laws and applicable statutes.

F. Protective Provisions. So long as shares of Series B Preferred Stock are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the Holders of at least seventy-five percent (75%) of the then outstanding shares of Series B Preferred Stock:

(a) alter or change the rights, preferences or privileges of the Series B Preferred Stock so as to affect adversely the Series B Preferred Stock;

(b) create any new class or series of stock or issue any capital stock senior to or having a preference over or parity with the Series B Preferred Stock with respect to dividends, payments upon Liquidation (as provided for in

Section B of this Designation) or redemption, or increase the number of authorized shares of Series B Preferred Stock or change the Stated Value thereof;

(c) do any act or thing not authorized or contemplated by this Designation Certificate which would result in taxation of the holders of shares of the Series B Preferred Stock under Section 305 of the Internal Revenue Code of 1986, as amended (or any comparable provision of the Internal Revenue Code as hereafter from time to time amended); or

(d) enter into a merger in which the Corporation is not the surviving corporation; provided, however, that the provisions of this subparagraph (d) shall not be applicable to any such merger if the authorized capital stock of the surviving corporation immediately after such merger shall include only classes or series of stock for which no such consent or vote would have been required pursuant to this section if such class or series had been authorized by the Corporation immediately prior to such merger or which have the same rights, preferences and limitations and authorized amount as a class or series of stock of the Corporation authorized prior to such merger and continuing as an authorized class after the time thereof.

G. Status of Converted Stock. In the event any shares of Series B Preferred Stock shall be converted as contemplated by this Designation, the shares so converted shall be canceled, shall return to the status of authorized but unissued Preferred Stock of no designated class or series, and shall not be issuable by the Corporation as Series B Preferred Stock.

H. Taxes. All shares of Common Stock issued upon conversion of Series B Preferred Stock will be validly issued, fully paid and nonassessable. The Corporation shall pay any and all documentary stamp or similar issue or transfer taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series B Preferred Stock pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the Series B Preferred Stock so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such transfer has paid to the Corporation the amount of any such tax or has established to the satisfaction of the Corporation that such tax has been paid or that no such tax is payable. The Corporation shall adjust the amount of dividends paid or accrued so as to indemnify the holders of Preferred Stock against any withholding or similar tax in respect of such dividends,

FURTHER RESOLVED, that the statements contained in the foregoing resolutions creating and designating the said Series B Preferred Stock and fixing the number, powers, preferences and relative, optional, participating, and other special rights and the qualifications, limitations, restrictions, and other distinguishing characteristics thereof shall, upon the effective date of said series, be deemed to be included in and be a part of the Certificate of Incorporation of the Corporation pursuant to the provisions the Delaware General Corporation Law.

Signed on June 6, 2001.

HYPERDYNAMICS CORPORATION

By: /s/ Kent Watts
Kent Watts, President

Attest:

By: /s/ Lewis Ball

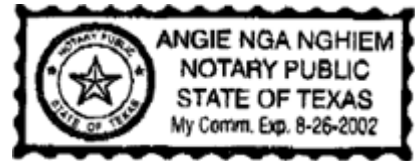
**THE STATE OF TEXAS
COUNTY OF HARRIS**

BEFORE ME, the undersigned authority, on this day personally appeared Kent Watts, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of office this 6th day of June 2001.

/s/ Angie Nga Nghiem

**NOTARY PUBLIC IN
AND FOR
THE STATE OF TEXAS**



My commission expires on 8-26-2002

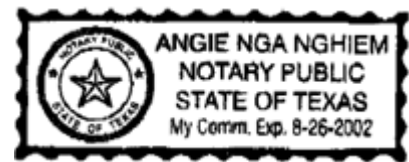
**THE STATE OF TEXAS
COUNTY OF HARRIS**

BEFORE ME, the undersigned authority, on this day personally appeared Lewis Ball, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of office this 6th day of June 2001.

/s/ Angie Nga Nghiem

**NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS**



My commission expires on 8/26/2002

*State of Delaware
Secretary of State
Division of Corporations
Delivered 11:00 AM 12/22/2003
FILED 11:00 AM 12/22/2003
SRV 030829200 - 2402791 FILE*

**STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF INCORPORATION**

HYPERDYNAMICS CORPORATION, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of **HYPERDYNAMICS CORPORATION** resolutions were duly adopted setting forth two proposed amendments of the Certificate of Incorporation of said corporation, declaring said amendments to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendments is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "Article IV" so that, as amended, the first paragraph only of said Article shall be and read as follows:

"(a) The aggregate number of shares of common stock which the corporation shall have authority to issue is 250,000,000 shares of common stock, par value \$.001 per share. No share of common stock shall be issued until it has been paid for and it shall thereafter be non-assessable."

AND RESOLVED, that the Certificate of Incorporation of this corporation be amended to add a new Article, "Article XII", which shall read as follows:

"ARTICLE XII

As authorized under Section 109 of Delaware Corporation Law and Article VIII of the Corporations Bylaws, the power to amend, alter or repeal Bylaws shall be vested in the Directors of the Corporation."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a meeting of the stockholders of said corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of these amendments.

THIRD: That said amendments were duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said **HYPERDYNAMICS CORPORATION** has caused this certificate to be signed by Kent Watts, its President and attested by Lewis Ball, its Secretary, this 19 day of DECEMBER 2003.

Hyperdynamics Corporation

By: /s/ Kent Watts

Kent Watts, President

ATTEST:

By: /s/ Lewis Ball

Lewis Ball, Secretary

THE STATE OF TEXAS §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Kent Watts, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of this office the 19 day of December 2003.

/s/ Natalie Mignon Victor

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

THE STATE OF TEXAS §
COUNTY OF HARRIS §



BEFORE ME, the undersigned authority, on this day personally appeared Lewis Ball, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of this office the 19 day of December 2003.

/s/ Natalie Mignon Victor

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS



State of Delaware
Secretary of State
Division of Corporations
Delivered 10:44 AM 03/13/2007
FILED 09:49 AM 03/13/2007
SRV 010309322 - 2402191 FILE

**STATE OF DELAWARE
CERTIFICATE OF CHANGE
OF REGISTERED AGENT AND/OR
REGISTERED OFFICE**

The Board of Directors of Hyperdynamics Corporation, a Delaware Corporation, on this 23 day of January, A.D. 2007, do hereby resolve and order that the location of the Registered Office of this Corporation within this State be, and the same hereby is Corporation Trust Center 1209 Orange Street, in the City of Wilmington, County of New Castle Zip Code 19801.

The name of the Registered Agent therein and in charge thereof upon whom process against this Corporation may be served, is THE CORPORATION TRUST COMPANY.

The Corporation does hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Directors at a meeting held as herein stated.

IN WITNESS WHEREOF, said Corporation has caused this certificate to be signed by an authorized officer, the 12 day of March, A.D., 2007.

By: /s/ Kent P. Watts
Authorized Officer

Name: Kent P. Watts
Print or Type

Title: President

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:34 AM 03/10/2011
FILED 11:34 AM 03/10/2011
SRV 110283088 - 2402791 FILE

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
HYPERDYNAMICS CORPORATION**

Hyperdynamics Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"),

DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of Hyperdynamics Corporation, a resolution was duly adopted setting forth a proposed amendment to the Certificate of Incorporation of said Corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

FURTHER RESOLVED, that the Certificate of Incorporation of the Corporation be amended to add the following new Article XI:

“ARTICLE XI

A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.”

SECOND: That thereafter, pursuant to resolution of its Board of Directors, an annual meeting of stockholders of said Corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary numbers of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted by the stockholders of the Corporation in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

* * *

IN WITNESS WHEREOF, Hyperdynamics Corporation has caused this certificate, which amends the Certificate of Incorporation, to be executed and attested by its duly authorized officer this 10th day of March 2011.

Hyperdynamics Corporation

/s/ Jason Davis

Name: Jason Davis

Title: Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:08 PM 03/06/2012
FILED 06:01 PM 03/06/2012
SRV 120280947 - 2402791 FILE

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
HYPERDYNAMICS CORPORATION**

Hyperdynamics Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the “Corporation”),

DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of Hyperdynamics Corporation, a resolution was duly adopted setting forth a proposed amendment to the Certificate of Incorporation of said Corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by changing the Article thereof numbered "Article IV" so that, as amended, paragraph (a) of said Article shall be and read as follows:

"(a) The aggregate number of shares of common stock which the corporation shall have the authority to issue is 350,000,000 shares of common stock, par value \$.001 per share. No share of common stock shall be issued until it has been paid for and it shall thereafter be non-assessable."

FURTHER RESOLVED, that the Certificate of Incorporation of the Corporation be amended by changing the Article thereof numbered "Article IV" so that, as amended, paragraph (c) of said Article shall be and read as follows:

"(c) The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized to provide for the issuance of shares of Preferred Stock in one or more series and, by filing a certificate pursuant to the applicable law of the State of Delaware (hereinafter referred to as "Preferred Stock Designation"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

-
- (1) The designation of the series, which may be by distinguishing number, letter or title.
 - (2) The number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding).
 - (3) The amounts payable on, and the preferences, if any, of shares of the series in respect of dividends, and whether such dividends, if any, shall be cumulative or noncumulative.
 - (4) Dates at which dividends, if any, shall be payable.
 - (5) The redemption rights and price or prices, if any, for shares of the series.
 - (6) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.
 - (7) The amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.
 - (8) Whether the shares of the series shall be convertible into or exchangeable for shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made.
 - (9) Restrictions on the issuance of shares of the same series or of any other class or series.
 - (10) The voting rights, if any, of the holders of shares of the series."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, an annual meeting of stockholders of said Corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary numbers of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted by the stockholders of the Corporation in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

* * *

IN WITNESS WHEREOF, Hyperdynamics Corporation has caused this certificate, which amends the Certificate of Incorporation, to be executed and attested by its duly authorized officer this 5th day of March 2012.

Hyperdynamics Corporation

/s/ Jason Davis

Name: Jason Davis

Title: Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:02 AM 06/28/2013
FILED 07:59 AM 06/28/2013
SRV 130827905 - 2402791 FILE

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
HYPERDYNAMICS CORPORATION**

Hyperdynamics Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"),

DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of Hyperdynamics Corporation, a resolution was duly adopted to amend the Certificate of Incorporation of said Corporation as set forth below to include the following paragraph before paragraph (a) of Article IV of the Certificate of Incorporation of said Corporation and to amended paragraph (a) of said Article so that, as amended, the first two paragraphs of said Article shall be and read as follows, declaring said amendment to be advisable and calling a meeting of the stockholders of said Corporation for consideration thereof.

"ARTICLE IV

Effective at 4:15 p.m., Eastern Time, on Friday, June 28, 2013 (the "**Effective Time**"), pursuant to the Delaware General Corporations Law of this Certificate of Amendment to the Certificate of Incorporation of the Corporation, each eight (8) shares of the

corporation's Common Stock, par value \$0.001 per share, issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) validly issued, fully paid and non assessable share of Common Stock, subject to the treatment of fractional shares interests as described below, (the "**Reverse Stock Split**"), No fractional shares shall be issued in connection with the Reverse Stock Split. Stockholders who otherwise would be entitled to receive fractional shares of Common Stock shall be entitled to receive cash (without interest or deduction) from the corporation's transfer agent in lieu of such fractional share interests upon the submission of a transmission letter by a stockholder holding the shares in book-entry form and, where shares are held in certificated form, upon the surrender of the stockholder's Old Certificates (as defined below), in an amount equal to the product obtained by multiplying (a) the closing price per share of the Common Stock as reported on the New York Stock Exchange as of the date of the Effective Time, by (b) the fraction of one whole share owned by the stockholder, without interest. Each certificate that immediately prior to the Effective Time represented shares of Common Stock ("**Old Certificates**"), shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been combined, subject to the elimination of fractional share interests as described above.

(a) The aggregate number of shares of common stock which the corporation shall have the authority to issue is 43,750,000 shares of common stock, par value \$.001 per share.

No share of common stock shall be issued until it has been paid for and it shall thereafter be non-assessable."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, an annual meeting of stockholders of said Corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary numbers of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted by the stockholders of the Corporation in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

* * *

IN WITNESS WHEREOF, Hyperdynamics Corporation has caused this certificate, which amends the Certificate of Incorporation, to be executed and attested by its duly authorized officer this 28th day of June 2013.

Hyperdynamics Corporation

By: /s/ Ray Leonard

Ray Leonard, Chief Executive
Officer and President

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:55 PM 11/29/2016
FILED 05:55 PM 11/29/2016

**CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF INCORPORATION
OF
HYPERDYNAMICS CORPORATION**

Hyperdynamics Corporation (the “*Company*”), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the “*DGCL*”), does hereby certify that:

- FIRST:** This certificate of amendment (the “*Certificate of Amendment*”) amends the provisions of the Certificate of Incorporation of Hyperdynamics Corporation (the “*Certificate of Incorporation*”), filed with the Secretary of State of the State of Delaware.
- SECOND:** Section (a) of Article IV of the Certificate of Incorporation is hereby amended and restated in its entirety as follows:
- “(a) The aggregate number of shares of common stock which the corporation shall have the authority to issue is 87,000,000 shares of common stock, par value \$.001 per share. No share of common, stock shall be issued until it has been paid for and it shall thereafter be non-assessable.”
- THIRD:** The foregoing amendment to the Certificate of Incorporation was duly approved by the board of directors of the Company (the “*Board*”).
- FOURTH:** Thereafter, pursuant to a resolution of the Board, this Certificate of Amendment was submitted to the stockholders of the Company for their approval, and was duly adopted in accordance with the provisions of Sections 228 and 242 of the DGCL.
- FIFTH:** All other provisions of the Certificate of Incorporation shall remain in full force and effect.
- SIXTH:** This Certificate of Amendment shall be effective on and as of the date of its filing with the Secretary of State of the State of Delaware.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Certificate of Amendment to be signed by a duly authorized officer of the Company as of November 29, 2016.

HYPERDYNAMICS CORPORATION

By: /s/ David G. Gullickson

Name: David G. Gullickson

Title: *Corporate Secretary*

OFFSHORE DRILLING CONTRACT No. PBA 3

BETWEEN

SCS Corporation Limited, a wholly owned subsidiary of Hyperdynamics Corporation

AND

PACIFIC DRILLING OPERATIONS LIMITED

Utilizing the “Pacific Bora”

Effective Date: 28 November, 2016

OFFSHORE DRILLING CONTRACT No. PBA 3

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
RECITALS	1
AGREEMENT	1
1. DEFINITIONS, INTERPRETATION, AND EXHIBITS	1
2. PERFORMANCE OF THE SERVICES	7
3. TERM OF THE CONTRACT; TERMINATION AND SUSPENSION PROVISIONS	10
4. REPRESENTATIONS AND WARRANTIES	13
5. SAFETY	14
6. SECURITY	15

7.	CONTRACTOR' S PERSONNEL AND EQUIPMENT	16
8.	ITEMS TO BE FURNISHED BY COMPANY	19
9.	COMPENSATION	20
10.	REIMBURSEMENTS TO CONTRACTOR	24
11.	FINANCIAL MATTERS	25
12.	ADDITIONAL OBLIGATIONS	27
13.	RECORDS AND INSPECTION	29
14.	TAXES	29
15.	IMPORT/EXPORT OBLIGATIONS	30
16.	CLAIMS, LIABILITIES AND INDEMNITIES	32
17.	INSURANCE	37
18.	OWNERSHIP OF INTELLECTUAL PROPERTY	37
19.	BUSINESS RELATIONSHIP	38
20.	ASSIGNMENT	38
21.	FORCE MAJEURE	39
22.	GOVERNING LAW AND RESOLUTION OF DISPUTES	40
23.	NOTICES, REPRESENTATIVES AND CONTACT INFORMATION	41
24.	THIRD PARTY RIGHTS	42
25.	GENERAL PROVISIONS	42

EXHIBITS

EXHIBIT A – SCOPE OF WORK

Attachment A1 – Drilling Unit and Ancillary Equipment Specifications

Attachment A2 – Equipment, Supplies, Material and Services to be Furnished by Company and Contractor

Attachment A3 – Personnel to be Furnished by Contractor

EXHIBIT B – DRUG AND ALCOHOL POLICY

EXHIBIT C – INSURANCE

EXHIBIT D – COMPENSATION

EXHIBIT E – CHANGE OF LOCALE (NOT USED)

EXHIBIT F – PARENT COMPANY GUARANTEE

DRILLING CONTRACT No. PBA 3

This **OFFSHORE DRILLING CONTRACT** (“Contract”) dated as of 28 November 2016 (the “Effective Date”) is made by and between SCS Corporation Limited (“Company”), a wholly owned subsidiary of Hyperdynamics Corporation, a Delaware corporation, with offices at 12012 Wickchester Lane, Houston, Texas 77079 and Pacific Drilling Operations Limited, a British Virgin Islands Company, with representative offices at 11700 Katy Freeway, Suite 175, Houston, Texas 77079 (“Contractor”).

RECITALS

WHEREAS Company desires and has the legal rights to carry out drilling operations in the Area of Operations;

WHEREAS Contractor is a drilling contractor capable of carrying out the Services in the manner and the locations specified in this Contract; and

WHEREAS, Company desires to engage Contractor to perform the Services.

NOW THEREFORE in consideration of the mutual promises set out in this Contract, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, Company and Contractor agree as follows:

AGREEMENT

1. DEFINITIONS, INTERPRETATION, AND EXHIBITS

1.1 Definitions. As used in this Contract, the following capitalized terms shall have the meanings ascribed to them in this Section 1.1. Any capitalized terms used in this Contract, but not defined in this Section 1.1 shall have the meanings ascribed to them herein:

“Affiliate” means any legal entity which controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to “control” another if it owns directly or indirectly at least fifty percent (50%) of either of the following:

- (A) The shares entitled to vote at a general election of directors of such other entity.
- (B) The voting interest in such other entity if such entity does not have either shares or directors.

“Applicable Laws” means laws, regulations, statutes, codes, rules, orders, permits, policies, licenses, certifications, decrees, standards or interpretations imposed by any governmental authority that apply to this Contract, including those applying within the Area of Operations or the Country where the Services are performed.

“Area of Operations” means the area described in **Exhibit A – Scope of Work**, a diagram of which is included in **Exhibit A – Scope of Work**, and any other area within Company’ s operational control where Contractor agrees to perform the Services.

“BOP” means blow out preventer.

“BOP Stack” means wellhead connector, BOP, LMRP, pods and subsea flex joint.

“Claim” means any claim, liability, loss, demand, damages, Lien, cause of action of any kind, order, subpoena, obligation, cost, royalty, fee, assessment, duty, charge, penalty, fine, judgment, interest and award (including recoverable legal counsel fees and costs of litigation of the Person asserting the Claim).

“Commencement Date” means the date on which all of the following requirements have been satisfied:

- (A) All inspections specified in **Attachment A4 to Exhibit A – Scope of Work** performed in accordance with Section 7.2(B) of this Contract have been completed.
- (B) Contractor has obtained all necessary customs clearances, permits and licenses that Contractor must have in order to conduct the Services, except as referenced in **Exhibit A – Scope of Work**.
- (E) The Drilling Unit is ready to commence Services as specified in **Exhibit A – Scope of Work**.

“Company” means the Person defined as “Company” in the introductory paragraph of this Contract.

“Company Background Technology” means technical information and know-how, including any invention, improvement or discovery, whether or not patentable, that is conceived, owned or controlled by Company prior to the Effective Date or that is generated or created by Company independently of this Contract during or after the Term of this Contract, including any patent rights which claim such technical information, know-how, or both.

“Company Contract Information” means all information (including business, technical, Company Background Technology, and other information) that is provided to Contractor by Company for the purposes of performing Services under this Contract, but does not include information that is any of the following:

- (A) Contractor Background Technology.
- (B) Available generally to the public through no act or omission of Contractor Group.
- (C) Independently made available to Contractor by a third party with a legal right to disclose that information without restriction.

“Company Group” means Company, Company’ s Affiliates, Company’ s Contractors and Subcontractors of any tier, Joint Interest Owners and their Affiliates, and the directors, officers, employees, agents, assigns, representatives,

consultants and insurers of all of them, and any other Person (excluding Contractor Group) whose presence in the Area of Operations is by invitation of any member of Company Group.

“Company Items” has the meaning set forth in Section 8.1.

“Company Operations Base” means the location, if one is listed in **Exhibit A – Scope of Work**, from which Company stages its operations for the drilling program being conducted under this Contract.

“Company Representative” means the person identified as the Company Representative, as set out in the **Exhibit A – Scope of Work**, or any other person replacing that individual as Company Representative in accordance with Section 23.2(B).

“Contract” means this Contract as defined in the introductory paragraph of this Contract.

“Contractor” means the Person defined as “Contractor” in the introductory paragraph of this Contract.

“Contractor Background Technology” means technical information and know-how, including any invention, improvement or discovery, whether or not patentable, that is conceived, owned or controlled by Contractor prior to the Effective Date or that is generated or created by Contractor independently of this Contract during or after the Term of this Contract, including any patent rights which claim such technical information, know-how, or both.

“Contractor Contract Information” means all information (including business, technical, Contractor Background Technology, and other information) that is provided to Company by Contractor for the purposes of this Contract, but does not include information that is any of the following:

- (A) Company Background Technology.
- (B) Available generally to the public through no act or omission of Company Group.
- (C) Independently made available to Company by a third party with a legal right to disclose that information without restriction.

“Contractor Group” means (individually and collectively) Contractor, its and their Affiliated Companies, partners, parent companies, subsidiaries, interrelated companies, joint venturers, and contractors and subcontractors of any tier (other than Company and its contractors and subcontractors), and the respective directors, officers, employees, agents, assigns, representatives, managers, consultants, invitees and insurers of all of the foregoing, and any and all vessels owned, chartered, managed, or operated by Contractor, including the Drilling Unit.

“Contractor Representative” means the person identified as Contractor Representative, as set out in the **Exhibit A – Scope of Work** to this Contract, or any other person replacing that individual as Contractor Representative in accordance with Section 23.2(B).

“Country” has the meaning set forth in **Exhibit A – Scope of Work**.

“Currency” has the meaning set forth in **Exhibit D – Compensation**.

“Defense Costs” includes attorneys’ fees, court costs, expert fees and mediation and arbitration expenses.

“Dispute” means any dispute or controversy (including non-contractual claims) arising directly or indirectly out of the performance of the Services of the Contract, including a Claim under this Contract and any dispute or controversy regarding this Contract.

“Downhole Equipment” means Drill String components, including drill pipe, bottom hole assembly components, fishing tools, specialty tools and drill stem testing tools.

“DP” means dynamic positioning.

“Drill String” has the meaning set forth in Section 7.2(E).

“Drilling Unit” means the drilling rig and its ancillary equipment used for the Services, as described in **Attachment A1 to Exhibit A – Scope of Work**.

“Effective Date” means the date defined as “Effective Date” in the introductory paragraph of this Contract.

“Government Official” means any officer or employee of any government (including federal, state, local municipal and national governments, and any governmental department, agency, company or other instrumentality) or Public International Organization, or any political party official or any candidate for political office.

“Improper Benefit” has the meaning set forth in Section 12.3.

“Initial Term” has the meaning set forth in Section 3.1.

“Joint Interest Owner” means a Person (including a co-interest owner, joint venturer, partner or co-lessee of Company) who shares an economic interest in common with Company or an Affiliate of Company in relation to the Area of Operations.

“Lien” means charge, encumbrance or similar right available to creditors at law to secure debts owed to them.

“LMRP” means lower marine riser package.

“Mobilization Delivery Point” for the Drilling Unit means the location specified in **Exhibit A – Scope of Work**.

“Party” means Company or Contractor and “Parties” mean both of them.

“Payroll Burden” has the meaning given in **Exhibit D – Compensation**.

“Person” means an individual, corporation, company, association, partnership, state, statutory corporation, government entity or any other legal entity.

“Personnel Home Base” means the location from which Contractor normally mobilizes its personnel at the commencement of their work rotation, and may vary from individual to individual.

“Personnel Rates” means the day rates for Contractor’ s personnel as specified in **Attachment A3 to Exhibit A – Scope of Work**.

“Personnel Staging Location”, if one is specified in **Exhibit A – Scope of Work**, means the point from which Contractor’ s personnel will be transported to the well location where the Services are to be provided. The Personnel Staging Location may be designated as one location for expatriate, other approved Contractor personnel and Subcontractors, and another location for the remainder of Contractor’ s workforce.

“Point of Demobilization” for the Drilling Unit means the location specified in **Exhibit A – Scope of Work**.

“Point of Origin” for the Drilling Unit means the location specified in **Exhibit A – Scope of Work**.

“Pollution” means a continuous or intermittent seepage, release, spill, leak, dumping or discharge of whatever nature or kind of gaseous, semi-solid, solid or liquid materials.

“Port of Entry” if one is specified in **Exhibit A – Scope of Work**, means the point where Contractor’ s Drilling Unit and other equipment will clear customs upon entry into the Country.

“Property” of a Person means property owned, leased or furnished by that Person or in which that Person has an economic interest.

“Public International Organization” means an international organization formed by states, governments, or other public international organizations, whatever the form of organization and scope of competence.

“Records” means information in any recorded form such as contracts, financial accounts, purchase orders, invoices, tax receipts, manifests, personnel records, timesheets, payroll records, inspection records maintained in connection with this Contract.

“Service Rates” means the compensation to be paid Contractor for the Services and activities described in **Section 9 and Exhibit D – Compensation**.

“Services” means rig modifications, operational procedures and drilling / well control procedures for offshore drilling, as well as suspending, abandoning, sidetracking (which includes the drilling of multilateral wells), logging, testing, completion, deepening, installing Subsea Equipment or completions, fishing, piling and workovers and other work to be performed by Contractor under this Contract. The Services are further described in **Exhibit A – Scope of Work** and the various Attachments thereto.

“Subcontractor” means any Person who is engaged by Contractor or by Company to provide the Services (other than a Person engaged as an employee).

“Subsea Equipment” means only the riser (excluding the riser tensioner system), slip joint, subsea flex joint, flexible and hydraulic hoses, subsea guidelines, choke and kill lines, LMRP and pods, BOP, BOP Stack, the wellhead connector, guidance funnels, guide lineless re-entry assembly and associated equipment, sensors and lines while below the rotary table. Subsea Equipment specifically excludes DP equipment.

“Surface Equipment” means all of Contractor’s equipment that is not defined as Subsea Equipment, regardless of whether such Surface Equipment is above or below the surface

of the water, such as DP equipment. Surface Equipment includes Downhole Equipment while it is not in the hole, i.e. above the rotary table, but does not include Downhole Equipment while it is in the hole, i.e. below the rotary table.

“Term” has the meaning set forth in Section 3.1.

“Transaction Taxes” means any value added tax, goods and services tax, sales tax, excise tax or other similar taxes.

“Well Event” means a blowout of a well or other uncontrolled well related incident that arises out of this Contract.

“Well Event Control Costs” means all of the following:

- (A) The cost of regaining or attempting to regain control of a well following a Well Event affecting that well, including drilling of wells used for pressure relief to regain control and extinguishing or attempting to extinguish fires resulting from that Well Event.
- (B) The cost of restoring, re-drilling or plugging and abandoning a well where restoration, re-drilling or plugging and abandoning is necessary because of a Well Event.
- (C) Loss of oil or gas resulting from a Well Event.
- (D) Damage to the hole, the formation, strata or reservoir resulting from a Well Event.
- (E) Claims for control, cleanup, removal, assessments, damage to natural resources, and Third Party (as defined in Section 16) property damage from Pollution resulting from a Well Event.

1.2 Exhibits.

- (A) All of the Exhibits and the attachments that are attached to the body of this Contract are an integral part of this Contract and are incorporated by reference into this Contract, including:
 - (1) **Exhibit A – Scope of Work and its Attachments.**
 - (2) **Exhibit B – Weapons, Drug and Alcohol Policy.**
 - (3) **Exhibit C – Insurance.**
 - (4) **Exhibit D – Compensation.**
 - (5) **Exhibit E – Change of Locale (NOT USED).**
 - (6) **Exhibit F – Parent Company Guarantee.**

- (B) If a conflict exists between the body of this Contract and the Exhibits attached hereto, the language in the body of this Contract prevails to the extent of the conflict.
- (C) If a conflict exists between the Exhibits or within an Exhibit as they apply to Contractor, the explicit provision that imposes the more onerous obligation on Contractor prevails to the extent of the conflict.

2. PERFORMANCE OF THE SERVICES

2.1 Operational Performance. Upon arrival of the Drilling Unit at the well location, Contractor shall promptly commence performing the Services.

2.2 Designation of the Well Locations; Access to Well Locations.

(A) **Designation of the Well Locations.** The Area of Operations or the locations of wells will be designated in **Exhibit A – Scope of Work**. Company shall select, survey, mark, and provide coordinates of the well locations in accordance with Contractor's requirements and shall provide Contractor with information for each proposed well location as per the provisions of Section 2.2(B). Contractor has the right to review such information and request additional information and data until the Contractor is fully satisfied that all required information has been provided.

(B) **Access to Well Locations.**

- (1) Company shall provide Contractor with suitable access to and egress from the well locations. Company shall survey, or have surveyed by a third party, each well location with digital global positioning system or other appropriate means, along with bathymetric data needed by Contractor to perform drift in operations.
- (2) Company shall obtain permissions necessary to enter the Area of Operations to operate at the drilling location selected by Company.
- (3) Company shall provide detailed and accurate information relative to sea bottom conditions, at the drilling location including information from marine well site surveys contracted by Company for the drilling location.
- (4) Company shall provide the Drilling Unit with well locations free of obstacles and obstructions and provide a conductor pipe program adequate to prevent soil and subsoil washout.

2.3 Mobilization and Drilling Unit Movements. Contractor shall direct the mobilization and movement of the Drilling Unit, including positioning the Drilling Unit at each drilling location.

2.4 Running and Cementing of Casing. Contractor shall assist Company's other contractors to run and cement casing of the sizes and at the approximate depths as directed by Company or run and cement the casing strings itself, at Company's cost. Contractor will keep thread protectors on the casing until it is removed from the racks to

be run into the hole and apply a suitable pipe thread lubricant as the casing string is made up. Contractor will preserve all protectors, and after the well is completed, reinstall the protectors on any casing remaining on location. After cement has set, the casing and cement job shall be pressure-tested in a manner and with results satisfactory to Company. If the results of this test are not satisfactory to Company, Contractor shall perform Services as suggested and overseen by Company to remedy the cause of the unsatisfactory results and shall continue its efforts until results satisfactory to Company are achieved.

- 2.5 Fluids Program.** Contractor shall assist Company' s other contractors to make, maintain and use drilling mud or completion fluids with appropriate properties for the well, including weight loss, viscosity and other general characteristics in accordance with such fluids program as Company may designate, subject only to safety considerations pursuant to Section 5, and at Company' s cost. If Company requests, Contractor shall test drilling or completion fluids at least twice each tour for weight loss, viscosity and other general characteristics. Contractor shall record the results of such tests and use of fluids and additive materials in its daily drilling reports.
- 2.6 Formation and Sampling.** Contractor shall assist Company' s other contractors to keep accurate measurements and records of all formations encountered. If Company requests, Contractor shall provide support to collect and save all cores and cuttings taken according to Company' s instructions and place them in labeled, separate containers to be furnished by Company, if required by Company. Cuttings and cores shall be made available to Company at the location and kept in proper storage until Company takes final possession of them.
- 2.7 Additional Well Services Required of Contractor.** Contractor shall, while drilling the wells, measure deviation from the vertical if requested by Company, measure the depth of the hole, and if necessary in the opinion of Company, plug back or sidetrack. Contractor shall at any time prior to completion or abandonment of a well, perform any and all tests, measurements and other well services requested by Company as set forth in **Exhibit A – Scope of Work**.
- 2.8 Completion, Re-completion or Working Over of Wells.** Company may at any time elect to have a well completed, re-completed, worked-over or suspended. Upon notice of such election, Contractor shall perform the work of completing, re-completing or working over the well in accordance with the program provided by Company in a manner and to the extent desired by Company.
- 2.9 Stoppage of the Services for Convenience.** Company may elect to stop the Services at any time for convenience without any default by Contractor in performance of the Services. Contractor shall be paid at the Operating Rate during any stoppage period.
- 2.10 Abandonment of Wells.** Company may at any time elect to have a well abandoned at any depth. Upon notice of such election, Contractor shall abandon the hole in accordance with the program provided by Company, in a manner satisfactory to Company and in compliance with all Applicable Laws with respect to well abandonment.
- 2.11 Loss of Control of the Hole.**
- (A) Subject to the provisions of this Section 2.11, if abnormal drilling conditions that may result in a loss of control of the hole occur during performance of the

Services, Contractor shall endeavor to correct and control any such abnormal drilling condition.

- (B) Subject to Sections 9.1(G) and 16.5, if the hole is lost or damaged, Contractor shall, at Company' s election, drill a relief well, a new hole on the same location or re-drill sections of the existing hole as Company may require. These activities shall be subject to Contractor' s underwriter' s approval and if an increase or additional premium is required for such activities, Company shall pay that increase or additional premium in the event a relief well is required.
- 2.12 Removal of Wreckage.** If the Drilling Unit or any part thereof is lost or damaged beyond repair and removal is required by law or governmental authority, or the wreckage is interfering with Company' s operations, Contractor shall promptly remove the damaged or lost Drilling Unit or part thereof from the Area of Operations. Company shall reimburse Contractor for any amounts in excess of [One Million Dollars (US \$1,000,000)] in connection with such removal. If removal is not required by law or recommended by government agency, Company shall remove the wreckage or portions of it that Company wants removed, at Company' s sole cost and expense.
- 2.13 Well Records and Reports.**

- (A) Contractor shall maintain a history and log of Services performed. The history and log must be open at all times to inspection by Company and copies furnished to Company's authorized employees and representatives upon their request.
- (B) Contractor shall furnish Company's Representative with a daily written report, showing depths and Services performed during the preceding twenty-four (24) hours and any other information relative to the day's Services requested by Company.

2.14 Change of Area of Operations or Country.

- (A) Company may request to change the locale of the Services requiring a change in the Area of Operations or the Country if all of the following circumstances exist:
 - (1) The change will not result in a breach of Contractor's trading representations or warranties made to its insurance underwriters and will not violate any Applicable Laws or other laws and regulations applicable to Contractor or its Affiliates.
 - (2) The change will not necessitate a material change in operating structure.
 - (3) Contractor will be able to obtain all insurance required by the Contract, and any other insurance typically carried by Contractor, for Services in the new Area of Operations or Country.
- (B) In conjunction with a request from Company for a change of locale for the Services, Company and Contractor will review the Scope of Work and its Attachments to determine if amendments are needed as a result of any of the following:

9

- (1) Material changes in financial impact arising from the requested change in locale, which includes the financial impact on Contractor with respect to differences in taxes, labor rates, operating costs, shore base office costs, Contractor's corporate operating structure, agency fees, etc.
 - (2) A change in the Point of Demobilization for the Drilling Unit.
 - (3) Material changes in the terms of the Scope of Work and its Attachments appropriate for the new locale.
 - (4) Any changes to the Scope of Work and its Attachments for the purposes of this Section 2.14 will be structured such that Contractor's financial situation should not be adversely affected nor advantaged by the change of locale.
- (C) Any mutually agreed changes will be specified in a written amendment to this Contract, signed by the Parties in accordance with Section 25.2, prior to mobilization of the Drilling Unit to the new locale. This amendment must include new Service Rates, new lump sum reimbursements (if any) and reset any Baseline Operating Costs (as defined in **Exhibit D – Compensation**) for rate adjustments to reflect the new locale.

2.15 Loading/Unloading of materials to/from the Drilling Unit. Upon Company's request, Contractor's personnel shall supervise the loading and the unloading of materials to and from the Drilling Unit in the Area of Operations; provided, however, Contractor's personnel shall not be required to board supply vessels for loading or unloading materials.

2.16 Station Keeping for Dynamic Positioning. If the Drilling Unit is equipped with DP equipment for station keeping, Contractor shall safely conduct its Services in the governing metocean conditions and presence of facilities, other vessels or floating or suspended articles. Contractor shall monitor the riser profile and flex joint differential angles to reasonably avoid key seating of flex joints or riser joints.

3. TERM OF THE CONTRACT; TERMINATION AND SUSPENSION PROVISIONS

3.1 Term of the Contract. This Contract will remain in full force and effect from the Commencement Effective Date through the initial term of the Contract (the “Initial Term”) or any extension thereof (the “Term”) unless terminated earlier by either Company or Contractor as set forth in this Section 3. Notwithstanding the definition of Effective Date, the Commencement Date is deemed to occur when Contractor has satisfied all its obligations referenced in the Commencement Date definition, except those obligations Contractor has been unable to complete through failure of Company to perform its obligations in a timely manner.

3.2 Initial Term of the Contract.

(A) The Initial Term of this Contract starts on the Commencement Date and extends for (i) the length of time or (ii) the number of wells stipulated in **Exhibit A – Scope of Work** until the date that Contractor completes either of the following:

10

(1) The completion or abandonment of the number of wells provided in **Exhibit A – Scope of Work**; or

(2) Not used

(B) **Company’s Option to Extend the Initial Term of the Contract.** Company may extend the Initial Term of this Contract at the same rates set forth in **Exhibit D – Compensation** as follows:

(1) Company shall have the right to exercise the first option well (“Option Well”) not later than 5 days after the first well (“Firm Well”) has been spudded. Should the Option Well be declared, Company shall have the right to exercise up to two (2) more wells (“Additional Wells”) no later than completion of the Firm Well.

(2) NOT USED

(3) NOT USED

(4) NOT USED

(C) **Further Extensions of the Term of the Contract.** In case such extension falls within the calendar year of 2017, the same rates as set forth in Exhibit D – Compensation. Should any extensions fall beyond 2017, the rates as set forth in Exhibit D may be renegotiated and mutually agreed.

3.3 Termination of the Contract by Company without an Opportunity to Cure. This Contract may be terminated by Company without penalty to Company as follows:

(A) If Contractor or its parent company should become insolvent or make an assignment for the benefit of creditors or file a voluntary petition for bankruptcy or if involuntary bankruptcy or receivership proceedings should be instituted against Contractor or its parent company and such relief action, voluntary or involuntary petition or receivership proceeding is not stayed or withdrawn within one hundred and twenty (120) days;

(B) Upon Company’s providing Contractor with fifteen (15) days written notice after the number of days specified in **Exhibit A – Scope of Work** following the occurrence and subsistence of a Force Majeure Event.

(C) If the Drilling Unit becomes an actual or constructive total loss and Contractor is unable to supply Company with a substitute vessel within a period of thirty (30) days.

- (D) Company shall waive its right to terminate for any single occurrence under the conditions set forth after a period of seven (7) days from cure.

3.4 Termination of the Contract by Company with an Opportunity to Cure.

- (A) Company may terminate the Contract if Contractor fails to initiate reasonable corrective action within seventy-two (72) hours after written notice from

11

Company, or fails to complete corrective action to Company's satisfaction within twenty-five (25) days after such notice, or within another time frame reasonably determined by Company, should Contractor:

- (1) Materially default in the performance of the Services after the Effective Date of the Contract.
- (2) Subject to Section 12.3, fail to obtain approval for, or maintain in effect, permits, certifications or clearances required to be in Contractor's name or to be secured by Contractor from the appropriate governmental regulatory bodies of the Country or any political subdivision thereof or certification authorities which are necessary to conduct Services in the Area of Operations.
- (3) Fail to maintain insurance as required by Section 17.

3.5 Termination of the Contract by Company for Convenience. Company may terminate this Contract for convenience by giving Contractor thirty (30) days prior written notice of termination.

3.6 NOT USED

3.7 Payments and Actions by Company upon Termination of the Contract.

- (A) If Company terminates this Contract pursuant to Sections 3.3 or Contractor terminates this Contract pursuant to Section 3.6, Company shall pay Contractor for that portion of the Services, including mobilization and demobilization as appropriate, that Contractor performed prior to the date of such termination. In addition, Company shall pay Contractor an amount reasonably calculated to compensate Contractor for documented expenses it has incurred for the purpose of performing its operational obligations under this Contract.
- (B) If this Contract is terminated pursuant to Section 3.3(B), Company shall pay Contractor all sums outlined in Section 3.7(A). If this Contract is terminated pursuant to Section 3.5, Company shall pay Contractor all sums outlined in Section 3.7(A), and one hundred percent (100%) of the Operating Rate in monthly installments for the remainder of the Term of the Contract (remainder of the Term shall mean the remainder of the approved AFE days in the current Term, including any extensions) or any extension thereof effective from the date of termination. If, after termination, Contractor obtains replacement work within what would have been the remainder of the Term or extension of this Contract, then Company's obligation to pay the referenced termination fees, specified in Section 3.7(B) above, will be decreased by the day rate paid to Contractor by the new operator through the remainder of the Term of the Contract as referenced above. Company shall not share in any rates that exceed the applicable rates.

12

3.8 Suspension of Services under the Contract for Cause.

- (A) **Right to Suspend.** Company may, by providing notice to Contractor, suspend with immediate effect this Contract for a maximum of twenty-one (21) days pursuant to Sections 9.2(1)(a) and 9.2(2)(a).
- (B) **Compensation and Expenses during Suspension.** If Company suspends the Services under this Contract pursuant to this Section 3.8(A), Contractor shall not be entitled to compensation during such period of suspension (which shall not exceed twenty-one (21) days) except for reimbursement of expenses incurred by Contractor.

4. REPRESENTATIONS AND WARRANTIES

4.1 Contractor' s Representations. Contractor represents and warrants to Company that as of the Effective Date:

- (A) Contractor is a corporation or company (as the case may be) duly organized, validly existing and in good standing under the laws or the jurisdiction of its organization.
- (B) Contractor has full corporate or company power and authority to enter into and perform this Contract, and has taken all actions necessary to authorize its execution and delivery of this Contract.
- (C) This Contract has been duly executed and delivered by its authorized officer or other representative and constitutes its legal, valid and binding obligation enforceable in accordance with its terms, and no consent or approval of any other Person is required in connection with its execution, delivery and performance of this Contract.
- (D) No event has occurred prior to the Effective Date which, had it occurred after the Effective Date, would constitute a violation of Section 12.2.
- (E) The execution, delivery and performance of this Contract by Contractor, and the consummation of the transactions contemplated by this Contract, will not violate any provision of Contractor' s governing documents, result in a default or the creation of any lien, give rise to any right of termination, cancellation or acceleration under any material note, bond, mortgage, indenture or agreement, violate any judgment, order, ruling or regulation applicable to Contractor or violate any law applicable to Contractor.
- (F) Contractor' s provision of personnel, and the personnel provided, shall comply in all respects with the requirements of Section 7.1
- (G) Contractor' s provision of the Drilling Unit, services, supplies, systems and equipment, and the Drilling Unit, services, supplies, systems and equipment provided, shall comply in all respects with the requirements of Section 7.2.

4.2 Company' s Representations. Company represents and warrants to Contractor that as of the Effective Date:

- (A) Company is a corporation or company (as the case may be) duly organized, validly existing and in good standing under the laws or the jurisdiction of its organization.
- (B) Company has full corporate or company power and authority to enter into and perform this Contract, and has taken all actions necessary to authorize its execution and delivery of this Contract.
- (C) This Contract has been duly executed and delivered by its authorized officer or other representative and constitutes its legal, valid and binding obligation enforceable in accordance with its terms, and no consent or approval of any other Person is required in connection with its execution, delivery and performance of this Contract.

- (D) No event has occurred prior to the Effective Date which, had it occurred after the Effective Date, would constitute a violation of Section 12.2.
- (E) The execution, delivery and performance of this Contract by Company, and the consummation of the transactions contemplated by this Contract, will not violate any provision of Company's governing documents, result in a default or the creation of any lien, give rise to any right of termination, cancellation or acceleration under any material note, bond, mortgage, indenture or agreement, violate any judgment, order, ruling or regulation applicable to Company or violate any law applicable to Company.

5. SAFETY

5.1 Notification of Hazardous Conditions and Stoppage of Services. Company and Contractor have the following rights and obligations relative to safety:

- (A) **Notice of Hazardous Conditions.** If at any time Contractor or Company determines that Services cannot be safely undertaken or Services may create a hazardous condition, that Party shall verbally notify the other Party of such determination. As soon as reasonably possible after such determination is made, Contractor shall consult with Company prior to deciding on the subsequent course of action. At all times Contractor shall make every effort that in its opinion is required to control or overcome the cause of or minimize the adverse effect of the hazardous condition.
- (B) **Stop Work Authority.** Both Company and Contractor have the right to stop performance of the Services by Contractor, any of its Subcontractors or any of Company's other contractors when work conditions are deemed to be imminently hazardous to Persons, Property or the environment and the requisite notice is given pursuant to Section 5.1(A).
- (C) **Contractor's Opinion Controls.** In case of conflict between Company and Contractor as to the determination of the course of conduct which affords the greatest safety, Contractor's opinion shall control.

14

5.2 Contractor's Safety Management System. Prior to the Commencement Date, Contractor shall submit to Company a copy of Contractor's Safety Management System. The Safety Management System will be attached as **Attachment A5 to Exhibit A – Scope of Work**. All policies and procedures comprising the Safety Management System shall apply to all Persons including Company Group.

5.3 Installation of Blowout Prevention Devices. As soon as Contractor considers it advisable, or earlier if requested by Company, Contractor shall install blowout prevention devices on each well as specified in **Attachment A1 to Exhibit A – Scope of Work**.

5.4 Notification of Safety Requirements to Personnel on the Drilling Unit and Safety Training.

- (A) Contractor shall give notice to Contractor Group and Company Group at the well location or in the Area of Operations of all safety requirements that apply in those areas.
- (B) Contractor shall take appropriate action requiring all Persons to cease activities whenever Contractor is aware that Persons are not complying with safety requirements.
- (C) Company and Contractor will consult and cooperate to get the appropriate notices and information to contractors of Company and to implement this Section 5.4 with other contractors and their personnel.

5.5 Material Safety Data Sheets. Contractor shall review material safety data sheets ("MSDS") pertaining to known toxic and hazardous substances or chemical hazards to which Contractor's employees or Subcontractors are likely to be exposed while performing any particular or individual work task on behalf of Company.

- 5.6 Emergency Evacuation Plan.** Contractor shall provide Company information necessary for Company to submit an Emergency Evacuation Plan consistent with the requirements of all applicable regulations issued by the applicable regulatory body.
- 5.7 Waste Disposal.** Contractor shall use the accepted and approved standards of care and diligence in use by international drilling contractors and as stipulated by local and other applicable legislation to prevent, take care of, and prepare for shipment all its waste oil, waste water, and other waste material, including but not limited to waste paint cans, waste drilling pipe, etc., that may accumulate from Contractor's Services.
- 5.8 Contractor's Subcontractors.** The requirements of this Section 5 are applicable to all Subcontractors hired by Contractor and Contractor shall require its Subcontractors' compliance with this Section 5.

6. SECURITY

- 6.1 Contractor's Obligations.** Contractor shall be solely responsible for ensuring the safety and welfare of any Person on the Drilling Unit and shall implement any measures it deems fit to protect any member of Contractor Group or Company Group all persons on the Drilling Unit and Contractor property. If in Contractor's sole opinion, actual or potential risks exist, including riots and other disturbances Contractor

15

reserves the right to implement emergency procedures including evacuation.

- 6.2 Company's Obligations** Company shall be solely responsible for ensuring safety and welfare of any Person including Contractor Group in the Area of Operations from acts of violence including but not limited to kidnapping and hostage taking. Company shall provide Contractor copies of its safety procedures and shall make available to Contractor its infrastructure and manpower to enable Contractor to conduct emergency procedures.

7. CONTRACTOR'S PERSONNEL AND EQUIPMENT

- 7.1 Contractor's Personnel.** Contractor shall provide the personnel identified in **Attachment A3 to Exhibit A – Scope of Work** and comply with all of the following:

(A) Qualifications and Number of Personnel.

- (1) The personnel assigned by or on behalf of Contractor must be qualified, competent, sufficiently experienced and in a sufficient number to perform the Services.
- (2) If Company requests additional personnel, Contractor shall furnish the requested additional personnel (in addition to those required in **Attachment A3 to Exhibit A – Scope of Work**) and Company shall reimburse Contractor for this added cost as set out in Section 10.2.
- (3) Each of Contractor's personnel in the following classifications must be fluent in English: Contractor Representative, drilling superintendent, senior toolpusher, toolpusher, drillers and assistant drillers, master, or their equivalent job classifications. Contractor must have at least one person who can both speak and write English on site at all times who is capable of communicating both orally and in writing with other personnel at the well location who do not understand oral or written English.

- (B) Training and Certification.** Contractor shall provide or cause to be provided all necessary training, education, instruction and supervision of Contractor personnel that is necessary to carry out the duties required in this Contract.

- (1) Contractor warrants that all drill crew personnel specified in **Attachment A3 to Exhibit A – Scope of Work** are properly certified in well control operations.
 - (2) Contractor shall ensure that Contractor's personnel comply with all Applicable Laws regarding the attendance at and satisfactory completion of firefighting and survival courses.
- (C) **Discipline and Replacement of Personnel.** Contractor shall take all measures to maintain discipline and lawful and orderly behavior among Contractor personnel during the performance of the Services. If instructed by Company in writing, Contractor shall replace or remove Contractor Group personnel as follows:

- (1) Contractor shall remove and shall have a reasonable time to replace any of its personnel, if requested by Company in writing and for just cause following a consultation with Contractor, and in this event, Company shall reimburse to Contractor all costs, including travel costs incurred by such removal and replacement unless such removal has been initiated by the Company due to non-compliance with this Contract and/or violation of Applicable Laws by personnel removed.
 - (2) Contractor shall handle all industrial relations matters involving Contractor's personnel subject to Applicable Laws, labor contracts, and customs. The settlement of any labor disturbance affecting Contractor's personnel will be wholly within the discretion of Contractor.
- (D) **Personnel Work Schedule.** Contractor's personnel shall work according to the schedule as set forth in **Exhibit A and attachment A3 – Scope of Work**.

7.2 Contractor's Drilling Unit, Services and Supplies.

- (A) **General Provision.** Contractor and Company shall provide all items as listed on **Attachment 2 to Exhibit A – Scope of Work**, as applicable. Prior to commencing the Services, Contractor at its sole discretion shall be able to substitute the Drilling Unit upon written notice to Company.
- (B) **Inspection of the Drilling Unit and the Services.** Company or its authorized representatives may, at Company's sole cost and expense, inspect the Drilling Unit, as well as check all records, measurements and tests prior to the Commencement Date as provided in **Attachment A4 to Exhibit A – Scope of Work as well as while the Contract is valid with a due notification to the Contractor**. Any such inspections after the commencement date shall be at Operating Rate.
- (C) **Maintenance of the Drilling Unit and Ancillary Equipment.**
- (1) Contractor shall ensure that the Drilling Unit and all other items of Contractor's equipment are properly maintained in good working order and repair throughout the term of the Contract. Except as otherwise provided in **Attachment A2 to Exhibit A – Scope of Work**, all costs related to any repairs or replacements of the Drilling Unit will be effected by Contractor at its sole cost and expense.
 - (2) Contractor shall have a demonstrable Preventative Maintenance System ("PMS"). The repair and maintenance of all equipment located on the Drilling Unit including all Contractor equipment and Company equipment will be covered in the said PMS.
 - (3) Contractor will be allowed a maximum number of hours per calendar month, as set forth in **Exhibit A – Scope of Work**, for repair and preventive maintenance of critical surface drilling items, for which payment will be made at the Operating Rate stated in **Exhibit D – Compensation**. This allotment of time allowed for repair and

preventive maintenance of drilling items shall be cumulative from month to month and may be carried forward, rolled-over and banked to any future month. The time spent in changing mud pump fluid end components, replacement of swivel packing, slipping and cutting of drill line and other similar routine inspections and maintenance operations, which do not unreasonably impede the progress of critical path operations, shall not be applied toward the time period in the maintenance provision of this Section 7.2 or elsewhere in this Contract.

(D) Certification of the Drilling Unit.

- (1) With respect to suitability of use for offshore Services, the Drilling Unit shall be classed and certified by Lloyds, the American Bureau of Shipping, or Det Norske Veritas (“DNV”). Contractor shall keep the Drilling Unit properly classed and certified throughout the Term of Contract, and a copy of the latest class survey, along with an estimated drydock schedule for the Drilling Unit, shall be provided to Company prior to the Commencement Date of the Contract.
- (2) Contractor shall conduct, at Contractor’s sole cost and expense, a classification and other regulatory inspections of the Drilling Unit by qualified surveyors prior to the Commencement Date.
- (3) The estimated schedule for the inspections to be carried out in accordance with this Section 7 is specified in **Exhibit A – Scope of Work** and will be updated periodically throughout the Term of the Contract.

(E) Contractor’s Drill String. Contractor shall supply a new or used string of internally coated drill pipe, drill collars and subs (“Drill String”) and handling equipment in accordance with the requirements of **Attachment A1 to Exhibit A – Scope of Work**.

(F) Hoisting Equipment. Contractor shall provide and maintain all hoisting equipment in accordance with industry standards and as provided in **Attachment A1 to Exhibit A – Scope of Work**.

(G) Contractor’s BOP and Well Control Systems. Contractor shall provide and maintain all BOP and Subsea control systems as per **Attachment A1 to Exhibit A – Scope of Work** and maintain such equipment in accordance with industry standards and as provided in this Section 7.2(G) and the specifications set forth in **Attachment A4 to Exhibit A – Scope of Work**.

- (1) After each drilled well Contractor shall have the right to recover, replace, reconnect, test in line and deploy BOPs at Operating Rate as defined in **Exhibit D – Compensation**.
- (2) Contractor shall provide Company written documentation for all repairs and modifications to the equipment and systems.

(H) Additional Materials. At Company’s written request, and subject to Contractor’s agreement as referenced in Section 10.1, Contractor will provide additional materials that are not listed on **Exhibit A – Scope of Work and attachments** or are not an integral part of the Drilling Unit. Company shall reimburse Contractor for such materials in accordance with the provisions of Section 10.1.

8. ITEMS TO BE FURNISHED BY COMPANY

8.1 Company Items.

- (A) Company shall furnish, maintain and replace as necessary, at its sole cost and expense, the equipment, machinery, tools, supplies, materials, items and services specified in **Attachment A2 to Exhibit A – Scope of Work** (“Company Items”). Company Items include items furnished by Contractor at Company’s cost whether with or without a handling charge. Alternatively, Company may ask Contractor to furnish any of the Company Items and if Contractor accepts, Company shall reimburse Contractor as provided in Section 10.1.
- (B) The Representatives of Company and Contractor will jointly take an inventory of all Company Items (i) prior to the Commencement Date, (ii) after completion or termination of each well, and (ii) at completion of the Services or, if this Contract is terminated earlier, the date of termination.
- (C) Upon receipt of any Company Item, Contractor shall verify receipt and visually inspect same with reasonable diligence and shall advise Company of any shortages and defects observed. Contractor shall have no duty to advise Company of any defects not apparent by visual inspection.
- (D) Company shall provide the routine maintenance required to keep Company Items in good and safe operating condition. If Company Items require repair or maintenance work beyond the scope of routine maintenance or require replacement, Company shall pay for any such repair or replacement. If Company requests Contractor to provide such maintenance, repair or replacement, Contractor shall use efforts consistent with generally accepted industry standards to conduct such maintenance, repairs or replacement and Company shall reimburse Contractor in the manner provided in Section 10.1. Contractor shall be compensated for any downtime directly associated with the Company Items at the Operating Rate as indicated in **Exhibit D – Compensation**.
- (E) Company may, upon giving reasonable notice to Contractor and subject to Contractor’s acceptance, instruct Contractor to furnish any of the items listed in **Attachment A2 to Exhibit A – Scope of Work** which Company is required to furnish, and such items will at all times be considered Company Items and personnel (if applicable) unless otherwise mutually agreed in writing. If items are so furnished, Company shall reimburse Contractor pursuant to Section 10.1.
- (F) All Company Items which are not consumed during the performance of Services must be returned to Company, unless the Parties agree otherwise.

- (G) Subject to Section 15, Company is not entitled to any compensation from Contractor for normal wear and tear or damage or loss of Company Items or for the consumption of any Company Items used by Contractor during the performance of Services.
- (H) Within three (3) months after completion of the Services or, if this Contract is terminated earlier, within three (3) months following the effective date of such termination, Contractor shall provide Company a reconciliation of all Company Items. To the extent allowed by Applicable Laws, and to the extent transferable, Company will provide Contractor with the benefits of any warranties on the Company Items that Company has received from the Company Items’ manufacturers or distributors.

8.2 Emergency Medical Treatment and Emergency Medical Evacuation. Company shall make available to Contractor and its Subcontractors access to emergency medical evacuation services to, and emergency medical treatment at local Conakry medical facilities (Clinique Ambrose Pare).

8.3 Transportation of Contractor’s Personnel and Additional Materials. Company shall provide transportation for Contractor’s personnel and additional materials from the Personnel Staging Location as provided in **Exhibit A – Scope of Work** to the Area of Operations. If Company requests additional materials as per Section 7.2(H), Company shall arrange for and provide the associated transportation, either as part of a regular trip or a special trip.

8.4 NOT USED

9. COMPENSATION.

9.1 **Service Rates.** Contractor shall be compensated by Company for performing the Services under the Contract and the Company shall reimburse the Contractor in accordance with the rates set forth in **Exhibit D – Compensation** and in accordance with the provisions of Sections 9.1(A) through 9.1(I) as full compensation for Services rendered and provision of the Drilling Unit, equipment, personnel, materials, machinery, Drill Strings, tools, spare parts and supplies furnished by Contractor in conformance with this Contract. Daily rates shall be prorated on the basis of a twenty-four (24) hour calendar day to the nearest one-half hour.

(A) **Mobilization Fee.** Contractor's mobilization fee for the Drilling Unit and crew and for performing all Services, including all Services necessary to otherwise prepare for commencement of actual drilling Services at the first well location shall be as specified in **Exhibit D – Compensation**, if one is agreed to be paid in **Exhibit D – Compensation**. Mobilization commences from the Point of Origin for the Drilling Unit identified in **Exhibit A – Scope of Work** and is complete when the Drilling Unit arrives at the Mobilization Delivery Point identified in **Exhibit A – Scope of Work** with all required equipment specified in **Attachment A1 of Exhibit A – Scope of Work** on board in full readiness to commence Services when so instructed by Company and Company has issued Acceptance of the Drilling Unit as per **Attachment A4 to Exhibit A – Scope of Work**. Contractor shall invoice Company for the Mobilization Fee within thirty (30) days after the Commencement Date.

20

(B) **Operating Rate.** Subject to being superseded by any other rate or fee provided for in this Section 9.1, Company shall pay Contractor the Operating Rate specified in **Exhibit D – Compensation** per twenty-four (24) hour day (subject to pro-ration) beginning on the Commencement Date and continuing during the Term of the Contract, including but not limited to, drilling, suspending or abandoning, sidetracking (which for sake of clarity includes the drilling of multilateral wells), subsea completions, workovers, or testing, deepening, reaming, coring, drill stem testing, picking up drill pipe, tripping, circulating and conditioning mud, running and cementing casing, waiting for cement, logging, performing routine maintenance, waiting for orders, nipping up, running tubing, testing, completing and re-completing the well and swabbing and slipping and cutting the drilling line.

(C) **Moving Rate.** The Moving Rate will be in effect during the time when the Drilling Unit is being moved between Company well locations within the Country. It starts when the Drilling Unit starts toward the next well location and continues to be paid while the Drilling Unit is in transit. The Moving Rate ceases to be paid when the Drilling Unit arrives at the next well location. Both Parties may agree to a lump sum Moving Rate charge for transporting the Drilling Unit between well locations instead of a daily rate.

(D) **International Moving Rate.** The International Moving Rate applies to all moves from one Country to another Country as specified in **Exhibit D – Compensation**.

(E) **Standby Rate.** The Standby Rate will be in effect at any time when the Drilling Unit is on location, fully manned and operational and otherwise held in full readiness to proceed with Services, but is unable to undertake Services because of one of the following:

- (1) The Drilling Unit is shut down for local holidays in accordance with Applicable Laws or, at Company's request, the drilling Services are shut down; or
- (2) Waiting on instructions from Company or delivery of equipment, materials or supplies to be furnished by the Company;
- (3) Failure or loss of or damage to Company Items or equipment, unless caused by sole fault of Contractor, in such case zero rate shall apply until critical path operations have resumed.

Under this Section 9.1(E), during the first twenty-four (24) consecutive hours of Standby, the Operating Rate as specified in Section 9.1(B) shall apply. After the first twenty-four (24) hours of Standby, Company shall pay Contractor the Standby Rate specified in **Exhibit D – Compensation** per twenty-four (24) hour day (subject to pro-ration) until: (a) Services are recommenced or (b) the Contract is terminated or expires, whichever is earlier.

Company shall provide Contractor advance written notice prior to the end of a Standby period within the number of calendar days required in **Exhibit A – Scope of Work**.

(F) Force Majeure Event Rate.

(1) If any Force Majeure Event causes the suspension of Services, then:

- (a) Contractor shall be entitled to receive the Force Majeure Rate for a maximum period of twenty (20) consecutive days provided, however, if suspension of Services continues beyond twenty (20) days, Company shall thereafter pay Contractor Force Majeure Rate until recommencement of Services or the Contract is terminated as set forth in Section 9.1(F)(1)(a). Force Majeure Rate shall apply during any repairs to Contractor's equipment necessitated by damage caused by a Force Majeure Event; or
- (b) Company may terminate this Contract pursuant to Section 3.3(B).

(G) Redrill Rate. If all or part of the hole is lost or damaged due to Contractor's sole fault and Company elects that Contractor re-drill a portion of the hole, then Company shall pay Contractor at the Redrill Rate specified in **Exhibit D – Compensation**. If Contractor is not at fault for the loss or damage to the hole, Contractor shall be paid Operating Rate.

(H) Demobilization Fee. As full compensation for demobilizing the Drilling Unit and Contractor's expatriate and national personnel on completion or abandonment of the last well to be drilled under this Contract, or upon early termination of the Contract in accordance with the provisions of Section 3.7, Company shall pay Contractor the Demobilization Fee, if one is specified in **Exhibit D – Compensation**. The Demobilization Fee may be expressed as a lump sum, a daily Service Rate or a combination of both. Demobilization commences when the Drilling Unit is one nautical mile from the last well location.

(I) Off Weather Rate. When normal Services cannot be carried out due to adverse sea, loop/eddy currents, or adverse weather conditions, such as named tropical storms or inability to move due to weather Operating Rate (or other applicable rate) shall apply for up to twenty-four (24) consecutive hours. Thereafter, Company shall pay the Off Weather Rate specified in **Exhibit D – Compensation** per twenty-four (24) hour day until Services are recommenced or the Contract terminates or expires, whichever is earlier. Contractor's superintendent in charge aboard the Drilling Unit will make final determination as to when Services are to be suspended and resumed in the event of these conditions.

9.2 Stoppage of Services due to Mechanical Failure or Damage to the Drilling Unit. If mechanical problems associated with or any damage to the Drilling Unit prevents Contractor's performance of the Services and are not directly caused by the Company Group or a Force Majeure Event, the provisions in this Section 9.2 will apply.

(1) **Surface Equipment.**

- (a) If the stoppage of the Services is due to mechanical failure or damage to the Surface Equipment, Contractor is allowed the number of hours per calendar month to effect repairs to the Drilling Unit as set out in **Exhibit A – Scope of Work**. After such allowance is used up, Contractor will be on the zero Service Rate and receive no further compensation from Company until either the recommencement of the Services or the Contract is terminated or expires. If a failure occurs in the surface BOP controls system and results in recovering the LMRP or BOP Stack, Section 9.2(2) applies.
- (b) NOT USED
- (2) **Subsea Equipment.**
 - (a) Except as otherwise provided in Section 9.2(2)(b), if the stoppage of the Services is due to a mechanical failure or damage to the Subsea Equipment, Contractor will be on zero Service Rate and receive no further compensation from Company until either the recommencement of the Services or the Contract is terminated or expires.
 - (b) If the BOP Stack has been deployed and functional, with or without the LMRP, in excess of ninety (90) days from when the BOP Stack is released from the transportation cart, and a stoppage of the Services occurs due to mechanical failure or damage to the BOP Stack, Contractor shall recover, replace, reconnect, test in line and deploy a BOP Stack at eighty-five percent (85%) of Operating Rate until either the recommencement of the Services or the Contract is terminated or expires. If the BOP Stack has been deployed and functional, with or without the LMRP, in excess of one hundred and twenty (120) days from when the BOP Stack is released from the transportation cart, and a stoppage of the Services occurs due to mechanical failure or damage to BOP Stack, Contractor shall recover, replace, reconnect, test in line and deploy a BOP Stack at Operating Rate until either the recommencement of the Services or the Contract is terminated or expires. If a failure occurs in the surface BOP controls system and does not result in recovering the LMRP or BOP Stack, Section 9.2(1) applies.
 - (c) If at Company' s request the spare BOP Stack, if any, has a different configuration from the deployed BOP Stack (i.e. drilling versus completion), and Services are stopped to recover the deployed BOP Stack, any incremental time required on the critical path to reconfigure and test the spare BOP Stack for deployment shall be at Operating Rate.

9.3 Variation of Service Rates. The Service Rates set forth in **Exhibit D – Compensation** may be revised as follows:

- (A) **Variation of Rates for Changes in the Area of Operations or Company' s supply base.** If there is a change in the Area of Operations identified in **Exhibit A – Scope of Work** or Company Operations Base, Contractor may request an adjustment to the Service Rates relative to Contractor' s documented costs that result from the change. Following such request the Parties shall execute an amendment to **Exhibit D – Compensation**.
- (B) **Variation of Service Rates for Changes in Company' s Policies.** If there is a change to Company' s policies, including applicable codes and standards adopted by Company, which materially increase Contractor' s costs, Contractor may request an adjustment to the Service Rates that result from the change. Following such request the Parties shall execute an amendment to **Exhibit D – Compensation**.
- (C) **Variation of Service Rates due to a Change in Work Schedule/Number of Personnel.** If a change in **Exhibit A – Scope of Work** increases Contractor' s personnel Contractor may request an increase in the

Service Rates relative to Contractor' s documented costs which result from such change. Following such request the Parties shall execute an amendment to **Exhibit D – Compensation**.

(i) NOT USED

- (D) **Catering Cost Variation.** For purposes of this escalation, the baseline catering cost shown in Section II, Item 8 in **Exhibit D – Compensation** will be adjusted for any documented actual cost variation.
- (E) **Variation of Rates Due to Exchange Controls.** If, after the Effective Date of the Contract, the Country either imposes exchange controls through new legislation or regulations or through a change in interpretation or enforcement of existing legislation or regulations, the Parties agree to consider an adjustment in Contractor' s compensation to ensure that neither Party benefits nor is disadvantaged as a result thereof.
- (F) **Variation of Rates due to Changes in Law or Regulation.** If after the Effective Date any change in law or regulation or interpretation of any law or regulation (including any tax or customs law or regulation) causes an increase in Contractor' s operating costs then the Parties agree to negotiate an adjustment in Contractor' s compensation to ensure that the Contractor is not disadvantaged as a result of that change.

10. REIMBURSEMENTS TO CONTRACTOR

10.1 Reimbursement for Additional Materials and Services. If Company elects to have Contractor furnish certain additional materials and services not included on **Exhibit A – Scope of Work and its attachments** and Contractor agrees to furnish such materials and perform or arrange for the performance of such Services, Company shall reimburse Contractor for the actual cost including customs duties and freight costs incurred in furnishing such items. In addition, Contractor shall be entitled to charge Company a

24

handling charge in accordance with the following amounts or percentages of the Contractor' s net final cost for such service or materials:

- (A) Five percent (5%) for all materials and services listed in **Attachment A2 to Exhibit A – Scope of Work** to be provided by Contractor at Company' s cost plus a handling fee;
- (B) Five percent (5%) for all materials and services requested after Contract signing but before the shipyard' s vessel launching milestone;
- (C) Five percent (5%) for all materials and services requested after the shipyard' s vessel launching milestone but before shipyard' s delivery of the Drilling Unit;
- (D) Five percent (5%) for all materials and services requested after the shipyard' s delivery of the Drilling Unit but before the Commencement Date; and
- (E) Five percent (5%) for all materials and services requested after the Commencement Date.

10.2 Reimbursement for Additional Personnel. Contractor shall be reimbursed for additional personnel requested by Company at the rates listed on **Attachment A3 to Exhibit A – Scope of Work**. In the absence of such listed personnel rates for the required positions, Company shall reimburse Contractor for the cost of additional personnel, as provided in Section 7.1(A)(2), on the basis of one of the following:

- (A) A lump sum amount that is agreed to by the Parties. The Parties agree to incorporate this amount into the applicable daily rates by entering into an amendment of **Exhibit D – Compensation**.

- (B) An amount equal to Contractor's cost for salary plus Payroll Burden (as defined in **Exhibit D – Compensation**) plus five percent (5%) of such amount.

10.3 Reimbursement for Contractor's Personnel Air Transportation. At any time Company is required to reimburse Contractor for personnel air transportation, Company shall reimburse Contractor the cost of air transportation up to but not to exceed the cost of the applicable air fare, according to Contractor's travel policy, by the most expedient route to and from each Person's Personnel Home Base location.

10.4 Reimbursement for Meals and Lodging. The Service Rates set forth in Section 9.1 and **Exhibit D – Compensation** include meals and lodging for the number of Company Persons and those of Company's other contractors specified in **Exhibit D – Compensation**. Meals and lodging for additional Persons shall be at the rate specified in **Exhibit D – Compensation**.

11. FINANCIAL MATTERS

11.1 Contractor's Invoices.

- (A) Contractor shall invoice Company in advance, 10 days prior to the Drilling Unit's anticipated arrival on location, for the amount of USD 6.30 million (the "Advance Payment Invoice"). Thereafter, Contractor shall send invoices every

25

fourteen (14) days in the amount of USD 3.15 million to Company at the Company address set forth in **Exhibit D – Compensation**. The invoices of USD 3.15 million sent to the Company shall contain a detailed calculation containing Company approved timesheets, equipment sheets and shipping manifests where applicable, and shall be submitted in accordance with the provisions set for in this Section 11.1. in support of the work performed during the previous period.

- (B) At the end of each Well, Contractor shall invoice or credit Company for any positive or negative variances for all rates, fees, and reimbursements, etc. as specified in this Agreement. Clause 11.2 B does not apply to this clause 11.1 B.

- (C) Contractor shall include all of the following information in every invoice:

- (1) The title and number of this Contract.
- (2) The amount due in the Currency.
- (3) If applicable, all the following:
 - (a) The amount of local currency due.
 - (b) Transaction Taxes which Contractor proposes to collect or for which it will seek reimbursement from Company (including a tax assessed against Company but collected by Contractor).
 - (c) Contractor's tax registration number(s).

- (D) Company shall provide to Contractor, if available, an exemption certificate, a letter from the appropriate authority or a letter from Company agreeing that Company will self-assess and remit Transaction Taxes (e.g., VAT, GST, sales tax, etc.) for one or more relevant taxing jurisdictions (instead of payment to Contractor), and Contractor shall not invoice Company for those taxes identified in the exemption certificate or letter.

11.2 Invoice Payments. Company shall pay Contractor' s invoices as follows:

- (A) **Payment Timing.** Company shall pay undisputed invoice amounts within ten (10) days from the date of each invoice. Additional terms concerning an accelerated payment discount may be set out in **Exhibit D – Compensation.**
- (B) **Termination for Non-payment.** If Company fails to make payment of an undisputed invoice to Contractor within (10) days of receiving written notice of failure to pay the undisputed amount, Company shall be in repudatory breach of this Agreement and Contractor at its sole discretion will be entitled to terminate this Agreement, demobilize and leave the Area of Operation. Any such termination by Contractor under this clause shall be treated as a termination for convenience by Company and Contractor shall be compensated pursuant to clause 3.7(C) of this Agreement.

26

(C) **Right to Withhold Payments.**

- (1) If Company disputes all or part of an invoice Company shall within fifteen (15) days notify Contractor of the Dispute and pay the undisputed portion within thirty (30) days from the date of the invoice.
- (2) If Company notifies Contractor of a Dispute in relation to part of a paper invoice, Company shall pay the disputed portion into an escrow account until the Dispute is resolved.

(D) **Notification of Non-Payment of an Undisputed Invoice.** If Contractor has not received payment of any undisputed invoice amount for more than thirty (30) days after Company' s receipt of that invoice, Contractor may notify Company of this non-payment. If payment is not made within three (3) days Contractor shall charge, interest of LIBOR plus 5 basis points on any amount so outstanding until the amount is paid in full.

(E) **Banking Regulations and Currency Requirements.** Subject to all Applicable Laws, including banking and currency laws, Company shall pay undisputed Contractor' s invoices as follows:

- (1) Company shall pay funds to Contractor by electronic funds transfer to the account of Contractor as set out in **Exhibit D – Compensation.**
- (2) Company shall make all payments in the Currency (including expenses paid in other currencies that Contractor has converted as required by this Contract and invoiced in the Currency) except as required in Section 11.2(D)(3).
- (3)

11.3 Subordination of Lien Rights by Company. Company may not impress any Liens on the Drilling Unit superior to Contractor' s mortgagers and other financial documents. Arising out of this Contract, Company shall not create or allow its contractors to attach any Lien upon the Drilling Unit. Should the Drilling Unit be arrested or detained by reason of a Lien place on it by Company or its contractors, Company shall take all reasonable steps, at its risk and expense, to secure the prompt release of the Drilling Unit, including establishing appropriate security or bonds. Nothing in this provision shall be deemed to prevent Company from asserting any maritime Liens against Drilling Unit that may arise by operation of law, but that Lien shall be fully subordinated to Contractor' s mortgages and any other financial documents.

12. ADDITIONAL OBLIGATIONS

12.1 Compliance with Applicable Laws. Without limiting any other provision in this Contract, both Parties shall comply with, and shall ensure that all members of their respective groups comply with, all Applicable Laws, concessions and clearances, including those of the Country. Nothing in this Contract requires either Party to comply with Applicable Laws if that requirement would be inconsistent with U.S. and UK anti-bribery and anti-boycott laws.

12.2 Improper Influence. The Parties represent and warrant that, in connection with this Agreement or the business resulting therefrom:

27

- a. it is knowledgeable about anti-bribery Laws, including the United States Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act 2010 (as amended from time to time) and all other applicable national, regional, provincial, state, municipal or local laws and regulations that prohibit the bribery of, or the providing of unlawful gratuities, facilitation payments or other benefits to any official or employee of any government, or any agency, ministry, department of a government (at any level), person acting in an official capacity for a government regardless of rank or position, official or employee of a company wholly or partially controlled by a government (for example, a state owned oil company), political party and any official of a political party; candidate for political office, officer or employee of a public international organization, such as the United Nations or the World Bank, or immediate family member (meaning a spouse, dependent child or household member) of any of the afore-mentioned or any other person or company (a "Government Official"), which are applicable to the performance of this Agreement and will actively and fully comply with all such laws; and
- b. neither it nor a Related Party have made, offered or authorized or will make, offer or authorize any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any Government Official or any person or any Cal Dive or any undertaking where such payment, gift, promise or other advantage would (i) comprise a facilitation payment (a payment made to facilitate or expedite performance of a commonly performed, routine governmental action); and/ or (ii) violate the anti-bribery Laws.

The Parties undertake to immediately notify the other if in connection with this Agreement or the business resulting therefrom it receives or becomes aware of any request from a Government Official or any person or an employee of a Party or any undertaking for any payment, gift, promise or other advantage of the type mentioned in this Clause.

Parties represent and warrant that neither it nor any of its related parties is a Government Official or other person who could assert illegal influence on behalf of the Parties. If any of the foregoing becomes a Government Official, a Party shall promptly notify the other Party.

The Parties shall save, indemnify, defend, and hold harmless each other from and against any and all claims arising out of a Party's representations herein being untrue or arising out of a Party's breach of any of its warranties or undertakings in this Clause.

12.3 No Penalty for Compliance. Company may not terminate this Contract in the event Contractor's breach or violation of any provisions of this Contract results from Contractor's refusal to fulfill a request, whether direct or indirect, explicit or otherwise, for an Improper Benefit. For purposes of this Section 12.3, the term "Improper Benefit" means any payment, promise or offer to pay or authorization of the payment of any money gift, or other thing of value of any nature including but not limited to direct or indirect payments, gifts, entertainment, travel expenses, political or charitable contributions, or services, to any Government Official, or to any third party at the request of or for the benefit of any Government Official, for purposes of (i) influencing any act or

28

decision of such Government Official in his official capacity, (ii) inducing such Government Official to do or omit to do any act in violation of the lawful duty of such Official; (iii) securing any improper advantage; or (iv) inducing such Government Official to use his influence with the Government or instrumentality thereof to affect or influence any act or decision of the Government or such instrumentality with respect to any activities undertaken relating to this Contract.

13. RECORDS AND INSPECTION

13.1 Records. Contractor shall establish and maintain all Records which are necessary and appropriate in accordance with good management practice (under the circumstances of this Contract) to facilitate an accurate and complete record of all of the performance by Contractor of its obligations under this Contract.

13.2 Retention of Records. All Records required to be kept by Section 13.1 shall be maintained and retained by Contractor Group until at least twelve (12) months from the end of the calendar year in which this Contract is completed or terminated. All Records required to be kept by Section 13.1 shall be maintained in either paper or electronic format.

14. TAXES

14.1 Contractor's Taxes. Contractor is solely responsible for the following taxes levied against Contractor relating to the Services or this Contract outside of Guinea:

(A) **Income/Franchise.** Income, withholding, excess profit or other taxes, charges or imposts assessed or levied on account of Contractor's earnings, taxable margins or receipts (including gross receipts), or franchise taxes for the privilege or actual conduct of business that are measured by Contractor's net worth, capital, surplus or undivided profits.

(B) **Personnel.** Taxes assessed or levied against or on account of compensation or other benefits paid to Contractor's employees.

(C) **Property.** Taxes assessed or levied against or on account of, or by reference to the value of, any property or equipment (including materials and consumable supplies) of Contractor except Import/Export Charges reimbursable by Company under Section 15.6.

(D) **Services.** Taxes assessed or levied against or on account of, or by reference to the value of, the Services or this Contract.

14.2 Company's Taxes. Company is responsible for all taxes levied against Company relating to the Services or this Contract.

14.3 Gross-Up for Withholding Tax - The Service Rates included in Exhibit D – Compensation are not inclusive of Contractor's Taxes. If Company is required to withhold income tax on payments made to Contractor, such payments shall be grossed-up such that Contractor receives payments equal to the Service Rates included in Exhibit D – Compensation after the application of withholding tax.

14.4 Reimbursement of Company's Taxes. With the exception for amounts included in Section 14.3 above, Company shall reimburse Contractor for all documented Contractor's Taxes related to the Services or this Contract in Guinea, and Company shall indemnify, defend and hold Contractor harmless from the payment of all Taxes or related charges of any nature whatsoever, imposed or assessed by the Government in Guinea. However, in the event that Company is unable to use or loses its tax exemptions due solely to Contractor's Gross Negligence, Contractor shall be responsible for its Guinean tax liability only to the extent of the exemptions lost.

14.5 Transaction Taxes. If any Transaction Taxes are applicable, these taxes shall be separately itemized and identified on Contractor's invoices as provided in Section 11.1; paid by Company and collected by Contractor and paid over by Contractor to the appropriate governmental agency in accordance with Applicable Laws (except to the extent Company advises Contractor pursuant to Section 11.1(C) that in accordance with Applicable Laws, Company will be responsible for self-assessing and paying these taxes). Each Party shall provide the other Party on a timely basis with invoices, tax receipts and any other documentation that may be required for Company or Contractor to obtain tax reimbursement, credit, abatement or refund of any taxes.

14.6 Subcontractor Taxes. Each Party is solely responsible for all liabilities or Claims for taxes assessed or levied with respect to actions (or omissions to act) of such Party's Subcontractors, their directors, officers, employees or agents in relation to this Contract or the Services.

14.7 Tax Records. Company will provide Contractor with any information which Contractor may reasonably require in order to file any required tax returns in accordance with appropriate Laws.

15. IMPORT/EXPORT OBLIGATIONS.

15.1 Definitions Relating to Import/Export Obligations.

- (A) "Import/Export Charges" means customs or import or export duties or taxes, and all other charges related to port or customs clearances, including pilotage, agent fees, brokerage fees, handling charges and port dues.
- (B) "Contractor Import/Export Items" means any property, goods, materials or equipment that Contractor imports into the Country or the Area of Operations (whether permanently or temporarily) in order for Contractor to perform the Services.
- (C) "Company Import/Export Items" means any property, goods, materials or equipment that Company imports into the Country or the Area of Operations (whether permanently or temporarily) in connection with this Contract.
- (D) "Import/Export Exemptions" means exemptions from or reductions of Import/Export Charges obtained by Company or available to Contractor or members of Contractor Group.

15.2 Contractor Imports and Exports. Contractor is responsible for all of the following:

- (A) For exporting all Contractor Import/Export Items from their country of origin (including deemed exports of software, technology or other intellectual property).
- (B) For importing all Contractor Import/Export Items into the Country and the Area of Operations.
- (C) For obtaining all necessary permits, licenses, authorizations and clearances for the export and import of Contractor Import/Export Items.
- (D) For complying with all Applicable Laws, including those of the country of export and the country of origin.

15.3 Company Imports and Exports. Company is responsible for all of the following:

- (A) For exporting all Company Import/Export Items from their country of origin (including deemed exports of software, technology or other intellectual property).
- (B) For importing all Company Import/Export Items into the Country and the Area of Operations.

- (C) For obtaining all necessary permits, licenses, authorizations and clearances for the export and import of Company Import/Export Items.
 - (D) For complying with all Applicable Laws, including those of the country of export and the country of origin.
- 15.4 Import/Export Exemptions.** Contractor and Company shall use its best efforts and take all actions necessary to ensure that all possible Import/Export Exemptions are obtained, and that all requirements for Import/Export Exemptions are complied with. Neither Party shall take any action that is prejudicial to obtaining any available Import/Export Exemption.
- 15.5 Payment of Import/Export Charges.** Contractor shall pay all Import/Export Charges, on Contractor Import/Export Items subject to reimbursement under Section 15.6, if applicable. All temporary import bonds shall be administered by Contractor and provided at Company's sole cost.
- 15.6 Reimbursement.** If an Import/Export Exemption is not available through no fault of Contractor, then Company shall reimburse Contractor for the actual documented cost of any Contractor Import/Export Charges that are paid by Contractor to a duly authorized representative of the government having jurisdiction.
- 15.7 Exports after Completion of the Services.** Contractor is responsible for obtaining all necessary permits, licenses, authorizations and clearances for the export from the Country or the Area of Operations, and the import into the destination country, of any Contractor Import/Export Items which are exported from the Country or the Area of Operations.

16. CLAIMS, LIABILITIES AND INDEMNITIES

16.1 INTENT OF INDEMNITY PROVISIONS. The Parties agree to allocate between them responsibility for all Claims as set out below. As used in this Section 16, the following terms have specified meanings.

- (A) "**Fault**" means the active, passive, sole, contributory, concurrent or gross negligence of a Person, the unseaworthiness of any vessel, including the Drilling Unit, strict liability, or breach of warranty.
- (B) "**Gross negligence**" means willful and wanton disregard for harmful, foreseeable and avoidable consequences.
- (C) An "**occurrence**" is defined as an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- (D) "**Third Parties**" includes any Person who is not a member of the Contractor Group, the Company Group.
- (E) "**Indemnify**", "**indemnifies**", "**indemnity obligations**", and similar terms mean waive, assumes responsibility for, releases indemnifies and holds harmless.
- (F) Losses contemplated by this Section 16 include the cost of removal of wreckage.

16.2 CONTRACTOR GROUP'S PROPERTY.

- (A) **General.** Subject to the provisions of Sections 16.2(B) and 16.2(B)(4), if damage is suffered or loss is incurred to Property of the Contractor Group, including the Drilling Unit, where that damage or loss arises out of this Contract or the Services, Contractor indemnifies Company Group against that damage or loss from and against Claims by the Contractor Group for that damage or loss regardless of fault of Company Group.

(B) Damage or Loss to Downhole Equipment. Company shall reimburse Contractor for damage to or loss of the Downhole Equipment owned or provided by Contractor while in the hole below the rotary table. Company shall pay Contractor the lesser of the repair cost or the replacement cost for Downhole Equipment in accordance with the provisions below:

(1) If the Downhole Equipment component is new at the Commencement Date of the Contract:

- (a) During the first twelve (12) months of the term of the Contract – replacement cost;
- (b) During the second twelve (12) months of the term of the Contract – ninety-five percent (95%) of replacement cost; and

32

(c) Thereafter – eighty-five percent (85%) of replacement cost.

(2) If the Downhole Equipment component has been in service for a period of twelve (12) months at the Commencement Date of the Contract or at the time it replaces previously damaged components – eighty-five percent (85%) of replacement cost.

(3) If used Downhole Equipment component is replaced during the Term of the Contract with new Drill String components:

- (a) During the first twelve (12) month period following replacement – replacement cost;
- (b) During the second six (6) month period following replacement – ninety percent (90%) of replacement cost; and
- (c) Thereafter – eighty-five percent (85%) of replacement cost.

(4) Reimbursement by Company under this Section 16.2(B) is based on Contractor's actual documented cost to repair or replace the damaged components, plus, if shipped to the Area of Operations, actual documented freight, duties (reimbursement of duties being subject to Section 15.6) and handling costs incurred by Contractor for transport of the replacement components to the Company Operations Base.

(C) Damage to Subsea Equipment.

(1) Company shall reimburse Contractor for damage or loss to Contractor's Subsea Equipment as a result of loop, eddy or other adverse currents or named tropical storms / hurricanes that cause the Subsea Equipment to exceed its technical capabilities, subject to the following:

- (a) Contractor shall, as soon as reasonably practical, notify Company if Contractor discovers that the currents exceed or may exceed the technical limitations of the Subsea Equipment.
- (b) If such currents are not discovered by Contractor, or if discovered and Company nevertheless instructs Contractor to proceed and damage to the Subsea Equipment results, Contractor shall advise Company of such damage once known, but Contractor shall nevertheless be entitled to reimbursement under this Section 16.2(B)(4).

- (c) **If Contractor advises Company of such currents and Company requests Contractor to proceed with Services, refusal by Contractor to proceed with Services despite Company' s request will not be considered breach of any provision of the Contract.**

- (2) **Company shall reimburse Contractor for damage or loss to Contractor' s Subsea Equipment as a result of the Drilling Unit being moved outside a one hundred and fifty foot (150') radius from the well center while the subsea equipment is suspended below the rotary table at Company' s request (also known as "well hopping"). Furthermore, Contractor shall not be required to move the Drilling Unit outside a one hundred and fifty foot radius from the well center with the subsea equipment suspended below the rotary table and Contractor' s refusal to do so will not be considered a breach of any provision of this Contract**
- (3) **Company shall reimburse Contractor for damages to Contractor' s Subsea Equipment as set forth in Section 16.2(C) in an amount equal to the then current replacement cost of the Subsea Equipment, plus delivery to the Drilling Unit, or the repair cost, whichever is less. If this damage or loss causes any downtime for the Drilling Unit, Company shall, in addition, pay Contractor at the Standby Rate until repair is completed.**

16.3 COMPANY GROUP' S PROPERTY. With respect to loss or damage to Property of Company Group, Company indemnifies Contractor Group from and against Claims for damage or loss to Property of Company Group where that damage or loss arises out of this Contract and the Services regardless of Fault of Contractor Group.

16.4 INJURY OR DEATH.

- (A) **Contractor Group' s Employees. Contractor indemnifies Company Group from and against Claims for injury to or death of Contractor Group employees where that injury or death arises out of this Contract or Services regardless of Fault of Company Group.**
- (B) **Company Group' s Employees. Company indemnifies Contractor Group from and against Claims for injury or death of Company Group' employees where that injury or death arises out of this Contract regardless of Fault of Contractor Group.**

16.5 LIMITATION ON LIABILITY FOR WELL EVENT CONTROL COSTS. If a Well Event arises out of this Contract, Company releases and indemnifies each member of Contractor Group from and against Claims for Well Event Control Costs.

16.6 THIRD PARTY INDEMNITY

- (A) **Company indemnifies Contractor Group from and against Claims for injury or death or loss or damage to property of Third Parties arising out of this Contract, but only to the extent caused by the Fault of Company Group.**
- (B) **Subject to the provisions of Section 16.6(C), Contractor indemnifies Company Group from and against Claims for injury or death or loss or**

damage to property of Third Parties arising out of this Contract, but only to the extent caused by the Fault of the Contractor Group.

- (C) Company indemnifies Contractor Group from and against Claims for loss of or damage to underwater structures, equipment, or obstructions owned by Third Parties arising out of this Contract that occur when the Drilling Unit is being moved with the Subsea Equipment suspended below the rotary table at Company's request.
- (D) Company indemnifies Contractor Group from and against Claims for loss of or damage to underwater structures, equipment, or obstructions owned by Third Parties arising out of this Contract that occur when the Drilling Unit is being moved between wellheads with the Subsea Equipment suspended below the rotary table at Company's request.

16.7 POLLUTION DAMAGE.

- (A) Contractor indemnifies Company Group from and against Claims arising out of this Contract for control, cleanup, removal, assessments, damage to natural resources, and Third Party property damage or loss from Pollution that originates above the water level from spills of fuels, lubricants, motor oils, non-oil based drilling fluids, pipe dope, paints, solvents, ballast, bilge and garbage within Contractor's possession and control and directly associated with the Drilling Unit.
- (B) Except as provided in Section 16.7(A), Company indemnifies Contractor Group from and against Claims arising out of this Contract for control, cleanup, removal, assessments, damage to natural resources, and Third Party property damage or loss from Pollution, including Pollution that originates at or below the water level.

16.8 LOSS OF WELLBORE AND RESERVOIR DAMAGE. If the wellbore, i.e. the hole below the seabed, is lost or damaged at any time, Company indemnifies the Contractor Group from and against Claims arising out of this Contract for damage to or loss of the wellbore and reservoir. Company indemnifies the Contractor Group from and against Claims arising out of this Contract for the cost of regaining control of any wild well. Company indemnifies the Contractor Group from and against Claims arising out of this Contract for injury to, destruction of, or loss or impairment of any property right in or to oil, gas or other mineral substance or water, if at the time of the act or omission causing such injury, destruction, loss, or impairment, said substance had not been reduced to physical possession above the seabed, and for any loss or damage to any formation, strata, or reservoir beneath the seabed.

16.9 USE OF MEDICAL FACILITIES OR MEDICAL EVACUATION. Company indemnifies Contractor from and against Claims for injury to or death of members of Company Group that arise out of or in connection with the recovery, diagnosis, treatment or medical evacuation of such personnel, or the provision of pharmaceutical products or medical supplies furnished or rendered by Contractor Group. Contractor indemnifies Company Group from and against Claims arising

out of Company making available to Contractor Group access to emergency evacuation services pursuant to Section 8.2.

16.10 INDEMNITY FOR TAXES. Each Party indemnifies the other Party from and against Claims for taxes (including interest and penalties), costs, losses, duties or charges, that any taxing authority may assess or levy against such Party in connection with such Party's tax obligations relating to this Contract or arising out of such Party's actions or failure to act. Company indemnifies Contractor Group from and against any Claim arising from Company's failure to provide the information referred to Section 11.1(D) or from erroneous information referred to in Section 14.5.

16.11 LIMITATIONS ON CLASSES OF DAMAGES. Company and Contractor waive and release each other, Contractor Group and Company Group from and against, directly or indirectly, to the fullest extent permitted by applicable law, all of the following Claims for damages arising out of this Contract or the Services, whether

such Claims are made in connection with an indemnity specified in this Section 16, a breach of any obligation under this Contract or otherwise:

- (A) Indirect, incidental or consequential loss.
- (B) Loss or delay of production, including production of petroleum or petroleum products, or loss of or damage to the leasehold, loss of hole, loss of reservoir, or loss of delay in drilling or operating rights.
- (C) Loss of prospective economic advantage or benefit.
- (D) Loss of profits or revenue, costs or expenses resulting from business interruptions, loss of business opportunity, loss or damage to property, equipment, materials, and services.
- (E) Costs of Persons hired by the Parties, including Subcontractors, to provide vessels, materials, and services or work in support of the Services, sometimes referred to as "spread costs".
- (F) Punitive or exemplary damages.

16.12 EXTENT OF WAIVER, RELEASE AND INDEMNITY OBLIGATIONS. The indemnity obligations of Contractor and Company and the limitations and exclusions of damages set out in this Section 16 shall apply regardless of the Fault of any Person indemnified or relieved of damages, any other anticipated or unanticipated event or condition, or any other legal theory of liability whether in contract, tort, or otherwise, and regardless of whether pre-existing the execution of this Contract, and regardless of whether liability of any kind is imposed or sought to be imposed on any Person indemnified or relieved of damages.

16.13 DEFENSE OF CLAIMS.

- (A) Contractor shall, at its sole cost and expense, be responsible for Defense Costs relative to Claims which may be brought against Company Group for which Contractor wholly releases and/or indemnifies Company Group.

36

Contractor shall accept and initiate such defense within thirty (30) days of written request by Company.

- (B) Company shall, at its sole cost and expense, be responsible for Defense Costs relative to Claims which may be brought against Contractor Group for which Company wholly releases and/or indemnifies Contractor Group. Company shall accept and initiate such defense within thirty (30) days of written request by Contractor.
- (C) In instances where a Party's indemnity obligations are limited to a certain amount or percentages of damages, Defense Costs shall ultimately be borne by the Parties in proportion to their respective obligation to contribute to any settlement or judgment related to the underlying Claim. The primary party responsible for indemnification shall fund all Defense Costs until such time as a settlement is finalized or judgment is rendered, with the reconciliation between the Parties being conducted thereafter.

16.14 DURATION OF INDEMNITY, RELEASE AND DEFENSE OBLIGATIONS.

- (A) The indemnity obligations in this Section 16 shall be effective as of the Effective Date of this Contract and shall remain in effect until termination.

- (C) **Notwithstanding the provisions of Section 16.14(A), the indemnity obligations under this Section 16 shall continue to be in effect after termination of the Contract for any of the following:**
- (1) **Claims arising during the Term of the Contract regardless of whether such claims are initiated during or after the Term of the Contract; or**
 - (2) **Claims arising during removal of wreckage operations under Section 2.12.**

17. INSURANCE.

Contractor shall maintain insurance required by Applicable Laws and as provided in **Exhibit C – Insurance**.

18. OWNERSHIP OF INTELLECTUAL PROPERTY.

18.1 Confidentiality of Contract Information.

- (A) Contractor shall treat Company Contract Information as valuable, proprietary and confidential information and shall ensure that all members of Contractor Group do not disclose, any Company Contract Information to any other Person without the prior written consent of Company.
- (B) Company shall treat Contractor Contract Information as valuable, proprietary and confidential information and shall ensure that all members of Contractor Group do not disclose, any Company Contract Information to any other Person without the prior written consent of Company.

37

18.2 Ownership of Contract Information

- (A) All intellectual property rights and all other Property and other rights in relation to Company Contract Information are owned by Company. To the extent that Contractor or other members of Contractor Group discovered, developed or created copyright or other intellectual property or other rights arise in relation to that Company Contract Information, those works and rights are work made for hire under this Contract and are the exclusive property of Company.
- (B) All intellectual property rights and all other Property and other rights in relation to Contractor Contract Information are owned by Contractor. To the extent that Contractor or other members of Contractor Group discovered, developed or created copyright or other intellectual property or other rights arise in relation to that Contractor Contract Information, those works and rights are the exclusive property of Contractor.

18.3 Grant of License to Company. Company and its Affiliates shall have an irrevocable, non-exclusive, royalty-free, perpetual, worldwide right and license, to use Contractor Contract Information to the extent necessary to exploit Services or Products provided under this Contract, provided that Company and its Affiliates ensure that a receiving party of the Contractor Contract Information acknowledges its confidential and proprietary nature and undertakes to safeguard such Contractor Contract Information using at the least the same degree of care undertaken by Company herein..

18.4 Grant of License to Contractor. Contractor is hereby granted an irrevocable, worldwide, royalty-free license to use Company Contract Information in any manner and disclose within its normal operations to perform the Services required to be performed by the Drilling Unit under this Contract, provided that Contractor and its Affiliates ensure that a receiving party of the Company Contract Information acknowledges its confidential and proprietary nature and undertakes to safeguard such Company Contract Information using at the least the same degree of care undertaken by Contractor herein.

19. BUSINESS RELATIONSHIP

- 19.1 Contract for Services.** This is a maritime contract for maritime services and is not a charter or lease of Contractor' s Drilling Unit or other equipment.
- 19.2 Independent Contractor.** The Services are provided by Contractor as an independent contractor, and Contractor and the members of Contractor Group are not employees, agents or representatives of Company or Company Group. Company shall have no direction or control of Contractor Group except in the results to be obtained.
- 19.3 Control over Performance.** As an independent contractor, Contractor has complete control, supervision and direction over its equipment and personnel and over the manner and method of the performance of the Services.

20. ASSIGNMENT

- 20.1 Assignment by Contractor.** Contractor may not assign or transfer in whole or part its rights and obligations under this Contract to any Person other than an Affiliate of Contractor or other than a financing bank, or in the event of a reorganization, merger,

38

consolidation or asset sale, to any other entity which assumes the assets of Contractor under that reorganization, merger, consolidation or asset sale without the prior written consent of Company. Any attempted assignment or transfer in breach of this obligation is void as between Company and Contractor.

- 20.2 Assignment by Company.** Company may assign or transfer all or part of its rights or obligations under this Contract as follows:
- (A) Without Contractor' s consent to an Affiliate of Company.
 - (B) Without Contractor' s consent to any other Person in the event of a reorganization, merger, or consolidation, to any other entity which assumes the assets of Company under that reorganization, merger, or consolidation.
 - (C) To any other Person with Contractor' s consent.
- 20.3 Successors and Assigns.** This Contract upon assignment in accordance with Section 20.1 or 20.2 will be binding and will insure to the benefit and obligation of the successors and assigns of the assigning Party.

21. FORCE MAJEURE

21.1 Definition of Force Majeure Event. "Force Majeure Event" means any of the events or circumstances described in this [Section 21.1](#) that are beyond the control of an affected Party and which prevents the performance of any of the affected Party' s obligations under this Contract after that Party has taken every reasonable step, including reasonable expenditures of money, to remedy the impact of the event: Events or circumstances that may give rise to a Force Majeure Event are limited to the following:

- (1) Earthquakes, fires, storms, tidal waves, tsunami, floods or other physical natural disasters, including epidemic disease outbreaks such as typhoid, yellow fever, Ebola, etc.
- (2) Acts of war (whether declared or undeclared), terrorism, riot, piracy, civil war, blockade, insurrection or civil disturbances.
- (3) Acts of a governmental entity, agency or other local authority.
- (4) Strikes or labor disputes.

- 21.2 Excuse of Performance due to a Force Majeure Event.** Subject to compliance with Section 21.3, neither Party is liable for any delay in performing or failure to perform its obligations under this Contract (excluding release, indemnity and defense obligations and the obligation to pay undisputed invoices) if and to the extent that the delay or failure is caused by a Force Majeure Event. A Party is excused from its performance obligations that are prevented by a Force Majeure Event for as long as the Force Majeure Event continues.
- 21.3 Notice and Mitigation.** If a Party seeks relief from its obligations to perform under this Contract under Section 21.2, it shall:

39

- (A) Give prompt notice to the other Party, which must include all of the following information:
- (1) The event that the Party considers constitutes a Force Majeure Event; and
 - (2) A good faith estimate of the duration of the Force Majeure Event.
- (B) Make all reasonable efforts to overcome the Force Majeure Event and to mitigate its effects.
- (C) If the Force Majeure Event continues, give periodic notices in accordance with Section 21.3(A), with a frequency as directed by the other Party's Representative.
- (D) Give the other Party prompt notice of the conclusion of the Force Majeure Event and resume performance of the Services as soon as reasonably possible after its conclusion.
- 21.4 Termination of the Contract due to a Force Majeure Event.** This Contract may be terminated due to a Force Majeure Event in accordance with Section 3.3(B).

22. GOVERNING LAW AND RESOLUTION OF DISPUTES

- 22.1 Governing Law.** This Contract is governed by and interpreted under the laws of England without regard to its choice of law rules. The United Nations Convention on Contracts for the International Sale of Goods, 1980 (known as "the Vienna Sales Convention") does not apply to this Contract.
- 22.2 Resolution of Disputes.** The Parties shall exclusively and finally resolve any Dispute between them using direct negotiations, mediation and arbitration as set out in this Section 22.
- 22.3 Direct Negotiations.** If a Dispute arises, a Party may initiate the resolution process by giving notice setting out in writing and in detail the issues in Dispute and the value of the Claim to the other Party. A meeting between the Parties, attended by individuals with decision-making authority, must take place within thirty (30) days from the date the notice was sent in an attempt to resolve the Dispute through direct negotiations.
- 22.4 Mediation.** If the Dispute cannot be settled by direct negotiations within thirty (30) days of initiation of the resolution process, either Party may initiate mediation by giving notice to the other Party. The mediation shall be attended by individuals representing each Party with decision-making authority and the place of mediation shall be Houston, Texas. Each Party to the mediation shall pay one-half the cost of the mediator.
- 22.5 Arbitration.** If the Dispute is not resolved by mediation within thirty (30) days from the date of the notice requiring mediation, or if the Dispute is unresolved within sixty (60) days from the date of the notice requiring direct negotiations, then the Dispute shall be finally settled by binding arbitration and either Party may initiate such arbitration by giving notice to the other Party. The arbitration shall be conducted in accordance with the United Nations Commission on International Trade Law ("UNCITRAL") Arbitration Rules, except to the extent of conflicts between the UNCITRAL Arbitration Rules and

the provisions of this Contract, in which event the provisions of this Contract prevail. The International Centre for Dispute Resolution is the appointing authority, London, England.

22.6 Arbitration Proceedings. The following provisions shall apply to any arbitration proceedings commenced pursuant to Section 22.5:

- (A) The number of arbitrators shall be one (1) if the monetary value of the Dispute is Ten Million Dollars (US \$10,000,000) (or its currency equivalent) or less. The number of arbitrators shall be three (3) if the monetary value is greater than Ten Million Dollars (US \$10,000,000) or its currency equivalent.
- (B) The arbitrator or arbitrators must be fluent in the English language and the language of the arbitral proceeding shall be English.
- (C) The arbitrator or arbitrators must remain neutral, impartial and independent regarding the Dispute and the Parties. If the number of arbitrators to be appointed is one, that arbitrator, or the presiding arbitrator if the arbitrators are three, must be a lawyer experienced in the resolution of disputes with experience relating to the types of issues involved in the Dispute.
- (D) The Parties waive any Claim for, and the arbitrator has or arbitrators have no power to award, the damages waived and released under Section 16.11.
- (E) All arbitration fees and costs (except for translation costs) shall be borne equally regardless of which Party prevails. Each Party shall pay its own costs of legal representation and witness expenses.
- (F) The arbitrator or arbitrators must render a reasoned award in writing within 30 days of the arbitration proceeding. The award is final and binding.

23. NOTICES, REPRESENTATIVES AND CONTACT INFORMATION

23.1 Notices.

- (A) All notices required or permitted under this Contract must be in writing and delivered by mail (postage prepaid), overnight courier or by hand delivery to the address of the receiving Party set out in the signature page to this Contract. Notice may also be delivered by facsimile sent to the facsimile number of the receiving Party set out in the signature page to this Contract (or such other address as a Party may notify in writing) provided that the original notice is promptly sent to the recipient by mail (postage prepaid) or by hand delivery. Notices sent by email are ineffective.
- (B) Notices are effective when received by the recipient during the recipient's regular business hours.
- (C) Notices which do not comply with the requirements of this Contract are ineffective, and do not impart actual or any other kind of notice.

23.2 Representatives and Contact Information.

- (A) The representatives and contact information of each Party are as set out in the **Exhibit A – Scope of Work**.

- (B) Each Party may change its representative or contact information by giving notice to the other Party. If a notice is given under this Section 23.2(B), the replacement representative or contact information which is set out in the notice replaces the representative or contact information as set out in the **Exhibit A – Scope of Work**.

24. THIRD PARTY RIGHTS

No Person who is not a party to this Contract has any rights under this Contract or may enforce any provision in this Contract except that members of the Contractor Group and the Company Group, respectively, shall have the benefit of the indemnity obligations provided in their favor in Section 16 and shall have the right to enforce those obligations.

25. GENERAL PROVISIONS

- 25.1 Prior Agreements.** This Contract comprises the complete and exclusive agreement between the Parties regarding the subject matter of this Contract, and supersedes all oral and written communications, negotiations, representations or agreements in relation to that subject matter made or entered into before the Effective Date.
- 25.2 Amendment.** No amendment to this Contract is effective unless made in writing and signed by authorized representatives of both Parties.
- 25.3 Waiver.** Neither Party's failure to pursue remedies for breach of this Contract, or payment of invoices constitute a waiver by that Party of any breach of this Contract by the other Party or raise any defense against Claims against that other Party for breach of this Contract. The waiver or failure to require the performance of any covenant or obligation contained in this Contract or pursue remedies for breach of this Contract does not waive a later breach of that covenant or obligation.
- 25.4 Parent Company Guarantee.** As a condition precedent to this Contract, and prior to commencement of the Services, Company shall provide Contractor with a Parent Company Guarantee in a form acceptable to Contractor, attached to this Contract as Exhibit F.
- 25.5 Severability.** Each provision of this Contract is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court, arbitrator of competent jurisdiction or by operation of Applicable Laws, this invalidity, unenforceability or illegality does not impair the operation of or affect those portions of this Contract that are valid, enforceable and legal.
- 25.6 Survival.** Despite completion of the Services or termination of this Contract for any reason, all provisions in this Contract containing representations, warranties, releases, defense obligations and indemnities, and all provisions relating to tax, import/export/customs, Contractors' invoices, audit, confidentiality, insurance, disclaimer of certain remedies, limitations of liability, ownership or use or return of Contract

Information, removal of wreckage, retention and inspection of Records, Dispute resolution and governing law, and all Claims which arose prior to completion or termination, survive indefinitely until, by their respective terms, they are no longer operative or are limited by an applicable statute of limitations.

- 25.7 Counterparts.** This Contract may be executed in any number of counterparts, each of which will be deemed an original of this Contract, and which together will constitute one and the same instrument; provided that neither Party will be bound to this Contract unless and until both Parties have executed a counterpart.
- 25.8 Drafting.** Preparation of this Contract has been a joint effort of the Parties and the resulting Contract must not be construed more severely against one of the Parties than against the other.

The remainder of the page intentionally left blank.

43

IMPORTANT NOTICE: THIS CONTRACT CONTAINS PROVISIONS REGARDING INDEMNITIES AND WARRANTIES THAT EXPRESS THE AGREEMENT OF THE PARTIES CONCERNING CLAIMS ARISING OUT OF THIS CONTRACT.

The Parties have executed this Contract in triplicate as evidenced by the following signatures of authorized representatives of the Parties:

COMPANY:

**SCS Corporation Limited, a wholly owned subsidiary of
Hyperdynamics Corporation**

Signature:

/s/ Ray Leonard

Name: Ray Leonard

Title: President & CEO

CONTRACTOR:

Pacific Drilling Operations Limited

Signature:

/s/ C. J. Beckett

Name: C. J. Beckett

Title: CEO

ADDRESS FOR NOTICES:

ADDRESS FOR NOTICES:

44

EXHIBIT A - SCOPE OF WORK

Company:

SCS Corporation Limited

Area of Operations: **Country:**

Guinea Republic of Guinea

Company Representative:

Forrest Estep

Name of Drilling Unit: Pacific Bora

Contractor:

Pacific Drilling Operations Limited

Well Location(s):

TBD

Contractor Representative:

Alan Breed

Point of Origin for the Drilling Unit: Nigeria

Port of Entry for the Drilling Unit (if applicable): Conakry

Mobilization Delivery Point for the Drilling Unit: One nautical mile from Company' s first location in Republic of Guinea

Point for Demobilization for the Drilling Unit: One nautical mile from the last well location

Party Responsible for providing permissions necessary to enter the Area of Operations to operate at the well location, as per Section 2.2(B)(2):

Company: Contractor:

Initial Term of the Contract, as per Section 3.2(A): (choose one option)

- Term: One (1) well
-

Option to Extend the Initial Term of the Contract, as per Section 3.2(B)(1) and 3.2(B)(2):

Applicable: Not Applicable:

If "Applicable", indicate agreed extension period:

For the time necessary for Contractor to drill an additional number of wells: Three (3) – 1-Well Options For a period of time:

Further Extensions of the Term of the Contract, as per Section 3.2(C) with two hundred seventy days notice to Contractor:

Option Available: Not Available:

Earliest Date Drilling Unit may be available, as per Section 1.1, Commencement Date definition:

March 1st, 2017

Latest Date Drilling Unit must be available, as per Section 3.3(E):

April 15, 2017

Number of days after completion of the Services by which Drilling Unit must be removed from the Area of Operations, as per Sections 2.8, 2.10, and 9.1(I): 10 calendar days

Shake down Period number of days: 6.2(C)(3) & 6.2(C)(4):

Not applicable for this contract

Force Majeure Event number of consecutive days: (per Section 3.3(C) and 9.1(G):

Twenty days

Additional requirements prior to the Commencement Date, as per Section 1.1:

Applicable: Not Applicable:

If “Applicable”, indicate requirements: Company will have auditors join rig no later than commencement of mobilization and audit/ inspection will be performed at the prevailing terms of this contract. The audit terms will be mutually agreed prior to January 1, 2017. The Contractor shall provide full access to the drilling unit and the records of maintenance associated with same. The deficiencies will be reported to both Company and Contractor. Contractor agrees to correct deficiencies in a timely manner and at Contractor’ s expense. “Timely Manner” will be agreed at same time the audit terms are agreed.

Estimated Schedule for Inspection(s) of the Drilling Unit, as per Section 7.2(D)(3):

Certification of Drilling Unit: Equipment inspections as per class and regulatory requirements
None

Structural Inspection of Drilling Unit: Equipment inspections as per class and regulatory requirements
None

Estimated UWILD/Drydock Schedule of Drilling Unit: Equipment inspections as per class and regulatory requirements
None

Local HES policy attached, as per Section 5.2:

Yes: No:

Local Drug/Alcohol/Search policy attached, as per Section 5.2:

Yes: No:

Local Content &/or Workforce Nationalization requirements, as per Section: Not applicable

Port of Entry for Contractor’ s Personnel, as per Section 1.1 (if applicable): To be determined by Company.

Contractor’ s Personnel Rotation Schedule, as per Section 7.1(D): 35 day rotation

No. of days notice required under Section 9.1(F)(4) for Contractor to remobilize its personnel: 10 calendar days

No. of hours allowed per month to effect repairs and preventative maintenance of equipment at the Operating Rate:

As per Sections 9.2(A)(1)(a) and per 7.2(C)(4): A total of twenty-four hours per month is allotted for repairs and preventative maintenance for Surface Equipment (non-accrued); after which compensation will revert to zero Service rate.

As per Section 9.2(A)(2)(a) and per 7.2(C)(4): A total of forty-eight hours per month is allotted repairs and preventative maintenance for Subsea Equipment (non-accrued); after which compensation will revert to zero Service rate.

The allowance as indicated above for Section 7.2(C)(4) and Section 9.2 are considered a single combined monthly allowance.

Period of Consecutive Days of Stoppage of Services even though Contractor is in compliance with the Required Standard of Performance :

Number of Consecutive days for Surface Equipment, as per Section 9.2(A)(1)(b):

Termination: Thirty days

Number of Consecutive days for Subsea Equipment, as per Section 9.2(A)(2)(b):

Termination: Forty-Five days

Number of Consecutive days of Stoppage of Services due to Contractor being out of compliance with the Required Standard of Performance: Thirty days

Variations of Rates due to Changes in Law or Regulation as per Section 9.5.

Applicable: Not Applicable:

If “Applicable”, indicate requirements:

Contractor personnel required to load/unload the supplies and materials on supply vessels in the Area of Operations, as per Section 2.16:

Yes: (as required) No:

Transportation arrangements for Contractor’s personnel, if different from those set forth in Section 6.1(E)(4): Not applicable.

The Drilling Unit, Ancillary Equipment and Personnel to be furnished by Contractor are detailed in the following Attachments:

- Attachment A1 – DRILLING UNIT AND ANCILLARY EQUIPMENT SPECIFICATIONS
- Attachment A2 – EQUIPMENT, SUPPLIES, MATERIAL AND SERVICES TO BE FURNISHED BY COMPANY AND CONTRACTOR
- Attachment A3 – PERSONNEL TO BE FURNISHED BY CONTRACTOR
- Attachment A4 – DRILLING UNIT INSPECTION AND ACCEPTANCE REQUIREMENTS
- Attachment A5 – CONTRACTOR SAFETY MANAGEMENT SYSTEM

The remainder of the page intentionally left blank.

ATTACHMENT A1 TO EXHIBIT A – SCOPE OF WORK

Offshore Drilling Contract No. PBA 3

DRILLING UNIT AND ANCILLARY EQUIPMENT SPECIFICATIONS

1. Name of Drilling Unit: *Pacific Bora*
2. Maximum water depth of Drilling Unit capability, as per Section A.4: 10,000 ft.

(Capable of 10,000 feet, equipped for 10,000 feet.)
3. Drilling depth capability for the Drilling Unit, as per Section A.4: 37,500 ft.
4. Drilling Unit specification and specifications for Ancillary Equipment are provided herein:

The remainder of the page intentionally left blank.

BEGINNING OF EMBEDDED FILE(S)

The remainder of the page intentionally left blank.



**RIG AND EQUIPMENT SPECIFICATIONS
PACIFIC BORA**



“PACIFIC BORA”

INTERNATIONAL ASSOCIATION of DRILLING CONTRACTORS

STANDARD FORMAT EQUIPMENT LIST for DRILLSHIP UNITS

Rev	Issue date	Reason for issue	Prepared	Checked	Approved
F1	11/Aug/09	Standardization	CvD	CvD	CvD
F2	11/Nov/09	Handling Tools & Drill Pipe	CvD	CvD	CvD
H1	4/April/10	Aux. equipment	CvD	CvD	CvD
H2	22/July/10	Remove Pacific Mistral reference	CvD	CvD	CvD
H3	1/Sept/10	Additional information	CvD	CvD	CvD
H4	23/May/13	Added 2nd BOP + Updated Info	CN	CvD	CvD

ATTACHMENT A1 – Drilling Unit and Ancillary Equipment Specifications 28NOV16

These specifications are intended for general reference purposes only and are not guaranteed to be current.

**RIG AND EQUIPMENT SPECIFICATIONS
PACIFIC BORA**

TABLE OF CONTENTS

SECTION A - UNIT SPECIFICATIONS

A1	Main Dimensions / Technical Description	Page	5
A2	Storage Capacities	Page	5
A3	Propulsion / Thrusters	Page	6
A4	Operational Capabilities	Page	6
A5	Variable Loading	Page	7
A6	Environmental Limits	Page	7
A7	Mooring System	Page	7
A8	Marine Loading Hoses	Page	9
A9	Cranes, Hoists, and Materials Handling	Page	10
A10	Helicopter Landing Deck	Page	13
A11	Auxiliary Equipment	Page	13

SECTION B - GENERAL RIG SPECIFICATIONS

B1	Derrick and Substructure	Page	15
B2	Drawworks and Associated Equipment	Page	16
B3	Derrick Hoisting Equipment	Page	17
B4	Rotating System	Page	18

SECTION C POWER SUPPLY SYSTEMS

C1	Rig Power Plant	Page	20
C2	Emergency Generator	Page	22

SECTION D DRILLSTRING EQUIPMENT

D1	Tubulars	Page	24
D2	Handling Tools	Page	35
D3	Fishing Equipment	Page	40

SECTION E - WELL CONTROL/SUBSEA EQUIPMENT

E1	Lower Riser Diverter Assembly	Page	48
E2	Primary BOP Stack	Page	48
E3	Primary Lower Marine Riser Package	Page	51
E4	Secondary BOP Stack	Page	51
E5	Secondary Lower Marine Riser Package	Page	53
E6	Primary Marine Riser System	Page	54
E7	Secondary Marine Riser System	Page	57
E8	Diverter BOP	Page	59
E9	Subsea Support System	Page	60
E10	BOP Control System	Page	61

E11	Subsea Control System	Page	62
E12	Acoustic Emergency BOP Control System	Page	63

E13	Subsea Auxiliary Equipment	Page	63
E14	Choke Manifold	Page	64
E15	BOP Testing Equipment	Page	65
E16	Wellhead Running / Retrieving / Testing Tools	Page	65

SECTION F - MUD SYSTEM/BULK SYSTEM

F1	High Pressure Mud System	Page	67
F2	Low Pressure Mud System	Page	69
F3	Bulk System	Page	73

SECTION G - CASING / CEMENTING EQUIPMENT

G1	Casing Equipment	Page	75
G2	Cement Equipment	Page	78

SECTION H - INSTRUMENTATION / COMMUNICATION

H1	Drilling Instrumentation at Driller' s Position	Page	80
H2	Drilling Parameter Recorder	Page	82
H3	Instrumentation at Choke Manifold	Page	82
H4	Standpipe Pressure Gauge	Page	82
H5	Deviation Equipment	Page	82
H6	Calibrated Pressure Gauges	Page	83
H7	Rig Communication System	Page	83
H8	Environmental Instrumentation	Page	84
H9	DP, Vessel Control and Navigation Systems	Page	84
H10	Radio Equipment	Page	89

SECTION I - PRODUCTION TEST EQUIPMENT

I1	Burners	Page	93
I2	Burner Booms	Page	93
I3	Lines Required on Burner Booms	Page	93
I4	Sprinkler System	Page	94
I5	Fixed Lines for Well Testing	Page	94
I6	Auxiliary Power Availability	Page	95

SECTION J - WORKOVER TOOLS

J1	N/A	Page	96
----	-----	------	----

SECTION K – ACCOMMODATION

K1	Offices	Page	97
K2	Living Quarters	Page	97

SECTION L - SAFETY EQUIPMENT

L1	General Safety Equipment	Page 99
L2	Gas / Fire / Smoke Detection	Page 100
L3	Fire Fighting Equipment	Page 102
L4	Breathing Apparatus	Page 104
L5	Emergency First Aid Equipment	Page 105
L6	Helideck Rescue Equipment	Page 106
L7	Rig Safety Store	Page 107
L8	Emergency Warning Alarms	Page 107
L9	Survival Equipment	Page 108

SECTION M - POLLUTION PREVENTION EQUIPMENT

M1	Sewage Treatment	Page 110
M2	Garbage Compaction	Page 110
M3	Garbage Disposal / Grinder	Page 110

A. UNIT SPECIFICATIONS

Rig type:		6 th Generation Ultra-Deepwater Drillship
Unit/Design/Shape:		Samsung 10000 Double-Hull DP Drillship
Unit flag:		Liberia
Port of Registry		Monrovia
Call Sign		A8WH8
Official Number		14745
Unit classification:		ABS, ✕A1E, "Drilling Unit", ✕AMS, ✕ACCU, DLA, ✕DPS-3, NBLES.
IMO Certification:	yes/no	Yes
Which code version:		MODU Code 1989 ammended to 2001
Year of Construction:		Pacific Bora 2010 Pacific Mistral 2011
Construction Yard:		Samsung Heavy Industries - Geoje, South Korea
Type of Positioning system		Dynamic Positioning – DP3 Class Kongsberg Simrad SDP-32 as per ABS ✕DPS-3

A.1 MAIN DIMENSIONS & TECHNICAL SPECS

Deadweight (light ship):	mt	36,000 (per design)
Maximum Loaded Displacement	mt	96,000 (per design)
Maximum Variable Deck Load	mt	20,000
Draft at loadline (deepest):	m	12
Overall length of unit (including anchor racks):	m	228.0
Length Between Perpendiculars	m	219.4
Overall width of unit (including anchor racks):	m	42

Forward deck dimensions	m x m	29.5 x 37.6
Aft deck dimensions	m x m	63.3 x 37.6
Main deck elevation above baseline:	m	19
Number of main columns/diameter:	no x m	N/A
Number of small columns/diameter:	no x m	N/A
Drilling draft/related displacement:	m/mt	12.0 / 96,000 Tonnes (Note not including 5.82m Thruster below keel)
Transit draft/related displacement:	m/mt	8.5 / 66,500 Tonnes (Note not including 5.82m Thruster below keel)
Moon pool dimensions:	m x m	28.8 x 12.48 (length x width)
Maximum opening through moon pool:	m	28.8 x 10.48
Pontoon length:	m	N/A
Pontoon breadth:	m	N/A
Pontoon height:	m	N/A
Maximum Setback, Rotary & Hook Load	lbs	5,640,000
Fuel Consumption (ave drilling)	m3/day	Estimate 55
Accommodation for max. no. of personnel		200 persons

A.2 STORAGE CAPACITIES

Heavy Fuel or Diesel Oil tank	m3	5,700	(35,850 bbls)
Diesel Oil Tank	m3	500	(3,140 bbls)
Lube Oil Tank	m3	120	(750 bbls)
Drilling water	m3	2,600	(16,350 bbls)
Potable water	m3	1,300	(8,175 bbls)
Active liquid mud	bbbl	5,500 + 500 (2 chemicals + 2 slugs) (max 18.2PPG)	
Reserve liquid Mud	bbbl	6,000 + 3,000 (Reserve or Waste)(max 18.2 PPG)	
Brine Storage Tank (Heavy brine)	bbbl	5,000	
Crude Oil	m3	N/A	
Base Oil Tank	bbbl	5,000	

Bulk bentonite	m3	113 (3,990 cu.ft)
Bulk barite	m3	339 (11,972 cu.ft)
Bulk cement	m3	452 (15,962 cu.ft)
Sacks storage	sacks	10,000
Pipe racks area	m2	795
Load bearing capacity	kg/m2	2,164
Riser racks area:	m2	730
Load bearing capacity:	kg/m2	5,600
Miscellaneous storage area:	m2	Net area at the deck/casing rack for production riser, etc. and 351 m2 intended for miscellaneous equipment.
Ballast system	m3	68,500

A.3 PROPULSION & THRUSTERS

A.3.1 In-line Propulsion	yes/no	No
Shafts:	no.	N/A
Motors per shaft:	no.	N/A
Motors make/type:		N/A
Total HP per shaft:	hp	N/A
Propeller type (fixed/variable blade):		N/A
Nozzled:	yes/no	N/A

A.3.2 Thrusters

Quantity:	no.	6
Fixed/azimuthing:		Azimuthing / Rolls Royce / UUC 505
Motors per thruster:	no.	1
Make/type motors:		ABB Sami MegaStar
Total HP per thrusters	bhp	7,478 (5,500 Kw)
Propeller type (fixed/variable blade):		Fixed pitch, variable speed
Nozzled:	yes/no	Yes

A.3.3 Dynamic Positioning

Make		Kongsberg
Model		Kongsberg K-POS DP32 Kongsberg K-POS DP12 Class 3 backup Designed according to ABS DPS-3
Full DP or Mooring Assist:		Full DP
Position Reference:		1 x DGPS Seatex DPS-132 1 x DGPS Seatex DPS 200, 2 x Simrad HiPAP 501 Hydroacoustic Systems

A.4 OPERATIONAL CAPABILITIES

Maximum designed water depth capability:	m	3,048	10,000 ft
Outfitted max. water depth capability:	m	3,048	10,000 ft
Drilling depth capability (rated):	m ft	11,429	37,500 ft
Transit speed towed (historical avg.):	kts	N/A	
Transit speed self propelled	kts	12.0 knots at transit draft	

A.5 VARIABLE LOADING (VL)

Transit VL:	mt	16,500
Drilling VL:	mt	20,000
Survival VL:	mt	20,000

A.6 ENVIRONMENTAL LIMITS

Drilling

Air gap (below lower deck)	m	N/A
Max. wave height	m	6.7
Max. wave period	sec	7-10
Max. wind velocity (1 min mean)	kts	52
Max. current velocity	kts	3.5
Max. heave (double amplitude)	m	6
Max. pitch (double amplitude)	degrees	4.4°
Max. roll (double amplitude)	degrees	6°

Design Criteria

Air gap (below lower deck)	m	N/A
Max. wave height	m	14.4
Max. Wave crest height	m	22
Max. wave period	sec	17
Max. wind velocity	m/sec	51.4 for 1 min. , 61.7 for 3 sec.
Max. current velocity	kts	1.92 @ surface and 0 @ bottom

A.7 MOORING SYSTEM

A.7.1 Anchor Winches

Quantity	no.	1
Make/model		Rolls-Royce
Model		Type CU 107 U3 H 55.4 Tons @ 9m/min Max Pull 83.2 tonnes Brake holding load 365.1 tonnes
Type (electric/hydraulic/diesel)		Hydraulic

A.7.2 Fairleads

Quantity:	no.	N/A
Make:		N/A
Free rotating range:	degrees	N/A

A.7.3 Anchors

A.7.3.1 Anchors – Primary

Quantity:	no.	1
Type:		Stockless type
Weight:	lt	14.1 tons

A.7.3.2 Anchors - Spare

Quantity:	no.	0
Make:		N/A
Type:		N/A

Weight: lt N/A

A.7.4 Anchor Lines

Wire

Quantity: (installed/spare): no. N/A
Make/type: N/A
Specification: N/A
Diameter: in N/A
Weight per unit length: lbs/ft N/A
Useful length (nominal): ft N/A
Classification: N/A
Breaking strength: lt N/A

Chain

Quantity: (installed/spare): no. Installed
Make/type: DAI HAN ANCHOR CHAIN MFG.CO.LTD
Diameter: mm 107 4 ¼ “
Shot length m 12x27.5MTRS / 1x17.5 MTRS / 1x3.8MTRS
Shot Number no. AS ABOVE
Useful length (Class Requirement) m ft 330

A.7.5 Anchors Line Running & Retrieval System

Primary type (pennant-buoy or chaser): N/A

A.7.5.1 Pennant Lines

Quantity: no. N/A
Make: N/A
Type: N/A
Length: ft N/A
Diameter: m N/A

A.7.5.2 Anchor Buoys

Quantity no. N/A
Volume each: m3 N/A
Type: N/A
Foam filled: yes/no N/A

A.7.5.3 Smit Bracket

Location Foc' sle
Quantity no. 1
Make: TANKTECH COMPANY LTD

Type: KETA-45F 200TON

A.7.6 Emergency Towing Gear

Location Poopdeck
Type KET-40A
Hook-up system Fully-rigged Fairlead & Strongpoint
Rating: 200 T

A.7.7 Mooring Winches

Quantity no. 9

9

Locations Foc' sle, midships & poopdeck
Type Wire 200m x 32mm plus 11m nylon rope tail
Minimum Breaking Load of wires mT 65
Power Rating mT x m/min 20 x 15

A.7.8 Mooring Lines

Quantity no. 8
Locations (port/stbd/both): Both
Type Polypropylene 8-strand Flexply
Size: 220m coils x 180mm

A.7.9 Supplyboat Mooring Lines (As above)

Quantity no. N/A
Locations (port/stbd/both): N/A
Type; N/A
Size: N/A

A.8 MARINE LOADING HOSES

Locations of loading manifolds (port/stbd/both): Both

A.8.1 Potable Water Hose

Quantity: no. 1
Size: in 4" x 130' single-length
Make/type: Titan / SW 333 150 PSI Swaged nipples
Color coding: yes/no Blue
Make/type connection: 4" Male Weco Hammerlock & cover

A.8.2 Drilling Water Hose

Quantity:	no.	2
Size:	in	4" x 130' single-length
Make/type:		Powerflex Oil Transfer 150 PSI Swaged nipples
Color coding:	yes/no	Yes
Make/type connection:		4" Male Weco Hammerlock

A.8.3 Fuel Oil Hose

Quantity:	no.	2
Size:	in	4" x 130' single-length – swaged nipples
Make/type:		Goodall N2492 Petral 2000 Petroleum 200 PSI
Color coding:	yes/no	Yes
Make/type connection:		4" Male Weco Hammerlock with 4" ball valve close coupled

A.8.4 Mud Hose

Quantity:	no.	2
Size:	in	4" x 130' single-length
Make/type:		Powerflex Oil Transfer 150 PSI Swaged nipples
Color coding:	yes/no	Yes
Make/type connection:		4" Male Weco Hammerlock with 4" ball valve close coupled

A.8.5 Cement Hose

Quantity:	no.	2
Size:	in	5" x 130' single-length
Make/type:		Soft Wall 6" x 150 ft long Swaged nipples
Color coding:	yes/no	Yes
Make/type connection:		5" Male Weco Hammerlock & cover

A.8.6 Barite/Bentonite Hose

Quantity:	no.	2
Size:	in	5" x 130' single-length
Make/type:		Soft Wall 6" x 150 ft long Swaged nipples
Color coding:	yes/no	Yes
Make/type connection:		5" Male Weco Hammerlock & cover

A.8.7 Base Oil Hose

Quantity:	no.	2
Size:	in	4" x 130' single-length
Make/type:		Powerflex Oil Transfer 150 PSI Swaged nipples
Color coding:	yes/no	Yes

Make/type connection: 4" Male Weco Hammerlock
with 4" ball valve close coupled

A.8.8 Brine Hose

Quantity: no. 2
Size: in 4" x 130' single-length
Make/type: Powerflex Oil Transfer 150 PSI Swaged nipples
Color coding: yes/no Yes
Make/type connection: 4" Male Weco Hammerlock

A.9 CRANES, HOISTS & MATERIALS HANDLING

A.9.1 Cranes, Revolving, Main

Quantity: no. 4
Specification (API, etc): API
Make: NOV
Type: Knuckle-Boom Electro-Hydraulic Crane
Location (stbd,port,aft, frwd): Stbd aft, Stbd Fwd, Port Aft, Port Fwd
Boom length: m 42.3
Hook reach below main deck m ABLE TO REACH MINIMUM OF 19MTRS
Load/radius 85 mT @ 18m
34 mT @ 39m
17 mT @ 42m
Able to lift 85 mton x-mas tree between moon- pool area and supply boat
Hoisting Speed 0-10 m/min
Maximum Luffing Speed 100 secs from max to min radius
Maximum Load Slewing Speed 0.5 to 1.0 RPM
Drum Capacity for Hoisting Height 240m below slewing bearing on single part
Hook load indicator automatically corrected for boom angle: yes/no Yes
Alarm (audible, visual, both): Audible

Automatic brake: yes/no Yes
Safety latch on hooks: yes/no Yes
Crown saver (limit switch): yes/no Yes
Boom illumination: yes/no Yes
Boom CCTV Camera for Operator yes/no No
Riser & Pipe Handling Equipment yes/no Yes – 2 Riser handling Yokes & 1 pipe gripper
Baskets for personnel transfer no. 1

A.9.2 Helideck Crane

Quantity:	no.	1
Specification (API, etc):		API
Make:		Hochang
Type:		Electro-Hydraulic
Location (stbd,port,aft, frwd):		Helideck aft
Boom length:	m	20
Capacity		10 mT SWL
Working Radius		4.5m to 20m
Hoisting Speed		10m/min @ SWL 20m/min @ no load
Luffing Time		60 seconds
Slewing Speed		1.0 RPM
Hook load indicator automatically corrected for boom angle:	yes/no	No
Alarm (audible, visual, both):		Audible
Automatic brake:	yes/no	Yes
Safety latch on hooks:	yes/no	Yes
Crown saver (limit switch):	yes/no	Yes
Boom illumination:	yes/no	Yes
Baskets for personnel transfer:	no.	1

A.9.3 Forklifts

Quantity:	no.	2
Make/type:		Doosan
Rated capacity:	lt	3 tons
Explosion proof:	yes/no	No

A.9.4 Monorail Overhead Cranes

Quantity:	no.	0
Make:		N/A
Type:		N/A
Related Capacity:		N/A
Location:		N/A

Electric Chain Hoist

Quantity:	no.	3
Make:		LK Hoist Co. Ltd
Type:		3 phase induction motor
Power:	KW LT	0.4
Location:		STBD/PORT/Centr/Engine room

Motor for the electric chain hoist

Quantity:	no.	
Make:		3

Type:	LK Hoist Co. Ltd
Power:	3 phase induction motor
Location:	2/0.5
Electric Chain Hoist	STBD/PORT/Centr/Engine room
Quantity:	
Make:	3
Type:	LK Hoist Co. Ltd
Rated capacity:	LTD-2W
Location:	2 Ton
	STBD/PORT/Centr/Engine room

A.9.5 BOP Handling System

Make	NOV
Type	BOP Gantry Crane
Rated capacity:	mt 2 x main hoists 200 mt each 2 x aux hoists of 35 mt each

Make	NOV
Type	BOP Trolley
Rated capacity:	mt 420

Make	NOV
Type	BOP Bulkhead Guiding
Rated capacity:	mt 400

Make:	NOV
Type:	Base Plate 200 mT / X-mas Tree Trolley
Quantity:	no 1 Each
Rated capacity:	mt 200 with 2 each 120 mT X-mas Tree skids

A.9.6 Air Hoists/Derrick Winches

A.9.6.1 Rig Floor Winches (Non man-riding)

Quantity:	no.	4
Make:		NOV
Type:		Hydraulic
Rated capacity:	mt	5
Wire diameter:	mm	19
Wire Length	m	120
Automatic brakes:	yes/no	Yes
Overload protection:	yes/no	Yes
Automatic spooling:	yes/no	Yes

A.9.6.2 Monkey Board Work Winch

Quantity:	no.	2
Make:		NOV
Type:		Hydraulic
Rated capacity:	lb	2200
Wire diameter:	in	¼
Wire Length	m	40
Automatic brakes:	yes/no	Yes
Overload protection:	yes/no	N/A

A.9.6.3 Rig Floor “Man-Riding” Winch

Quantity:	no.	3
Make:		NOV
Type:		Hydraulic
Rated capacity:	kg	150
Wire diameter:	mm	10
Wire Length	m	140
Non-twist wire:	yes/no	Yes
Automatic brakes:	yes/no	Yes
Overload protection:	yes/no	Yes
Automatic spooling:	yes/no	Yes
Certified for man-riding:	yes/no	Yes

A.9.6.4 Utility Winch (Moonpool)

Quantity:	no.	4
Make:		NOV
Type:		Hydraulic
Rated capacity:	mt	5
Wire diameter:	mm	19
Wire Length	m	120
Automatic brakes:	yes/no	Yes
Overload protection:	yes/no	Yes
Automatic spooling:	yes/no	Yes

A.9.6.5 Moonpool “Man-Riding” Winch

Quantity:	no.	3
Make:		NOV
Type:		Hydraulic
Rated capacity:	lt	150 kg
Wire diameter:	in	10mm
Non-twist wire:	yes/no	Yes
Automatic brakes:	yes/no	Yes
Overload protection:	yes/no	Yes
Automatic spooling:	yes/no	Yes

A.10 HELICOPTER LANDING DECK

Location:		Forward (above accommodation)
Type		Aluminium
Dimensions:	m x m	Octagonal 27.2 x 27.2
Perimeter safety net:	yes/no	Yes
Load capacity:	mt	21.3
Designed for helicopter type:		Chinook (exceeds S-92 req.)
Tie down points:	yes/no	Yes

14

Covered by foam fire system:	yes/no	Yes	3 fire monitors
Helideck lighting to aviation specification as required by country of operation:	yes/no	CAP 437 compliant	
Helicopter Beacon Transmitter	yes/no	Yes	

A.10.1 Helicopter Refueling System

Specification		CAP-437
Fuel storage capacity:	Lt	3 Transportable tanks of 2,900lt capacity each
Jettisonable:	yes/no	Yes
Fuel transport containers:	qty	0
Volume (ea):	Lt	NA

Covered by foam fire system:	yes/no	No
------------------------------	--------	----

A.11 AUXILIARY EQUIPMENT

A.11.1 Water Distillation

Quantity:	no.	3
Make/type:		SASAKURA / EX-40E
Capacity (each/total):	T/day	40T/120T

A.11.2 Boilers

Quantity:	no.	2
Make/type:		Kangrim Industries Co. LTD MB0101DR02 Working Press 15.7 Bar
Capacity (total system):	lbs/hr	10,000 kg/hr (1)

A.11.3 Air Conditioning

Quantity:	no.	2 (accommodations)
Make/type:		Hi-Air Korea Condensing Units
Capacity (total system):		Total 1,216 kW

A.11.4 Electric Welding Sets

Quantity:	no.	2
Current capacity:	amp	400
Make/model:		UNITOR / UWI-400
Type:	fixed/portable	Fixed

A.11.5 High Pressure Cleaner

Quantity:	no.	1
Make/type:		UNITOR TYPE KEW
Electric/pneumatic/diesel:		Electric
Max delivered pressure:	psi	2,240

15

B. GENERAL RIG SPECIFICATIONS

B.1 DERRICK AND SUBSTRUCTURE

Make		NOV
Type		Dual Dynamic bottle-neck Type API Spec 4 /RP4E, one drawworks and one topdrive only, in main activity centre
Rated for wind speed		
With full set back:	kts	60 (1,200mt set back)
With no set back:	kts	100 (900mt set back)
Free Internal Lifting Height:	ft	161 ft 49m
Distance between Well centers	ft	40
Dimensions of base:	ft x ft	60 x 80
Water Table Dimensions Main Well :	ft x ft	20 x 20
Water Table Dimensions Aux Well :	ft x ft	20 x 20
Gross nominal capacity:	lb	2,000,000 Main Well and 1,000,000 Aux. simultaneously
Maximum number of lines Main Well:	no.	14
Maximum number of lines AUX Well:	no.	N / A
Personal Elevator	yes/no	Yes
Ladders with safety cages and rests:	yes/no	Yes
Platform for crown sheave access:	yes/no	Yes
Counter balance, system for rig tongs and pipe spinning tong:	yes/no	N/A
Lighting system explosion proof:	yes/no	Yes

B.1.2 Racking Platform

Make/type:		NOV
Racking platform capacity of 6 5/8" DP:	ft	32,130' (252 stds) + 14,025' (110 stds x 5 7/8)
		or

Racking platform capacity of 5 7/8" or 5 1/2" DP and	ft	46,155' (362 stds of 127.5')
Racking platform capacity of 9 1/2 DC: and	no.	6 stds (720')
Racking platform capacity of 8 1/4 DC and	no.	12 stds (1,440')
Racking platform capacity of 6 3/4 DC: and	no.	6 stds (720')
Racking platform capacity of 4 3/4 DC: and	no.	11 stds (1,320')
Racking platform capacity of casing: (± 127.5')no.		80 x 13 3/8" (10,200')or 105 x 9 5/8" (13,388') or 105 x 7" (13,388')

B.1.3 Racking Arm

Make	NOV
Type	2 each NOV - HydraRacker HR IV 3 1/2", 4 3/4", 5", 5 7/8", 6 5/8", 6 3/4", 7", 7 5/8", 8 1/4", 9 5/8", 10 3/4", 13 3/8", 14", 20"

B.1.4 Maintenance Work Basket

Make	Hydralift 2 each in derrick, 2 each in moonpool
Type	STB-300-90C 120-10

Adjustable from/to height above rotary:	m/m	0 to 20
---	-----	---------

B.1.5 Substructure

Make/type:	SHI
Height (above main deck):	m 18
Length:	m ft 29.54
Width:	m 29.49
Setback capacity:	kips 2640 (2 x 770 + 1,100 casing)
Simultaneous setback + hookload capacity	kips 2,640 + 2,000 + 1,000
Clear height below R/table beams (x-mas trees handling):	8,2 m clear height above xmas tree trolley

B.1.6 Weather Proofing

Rig floor windbreaks height:	ft	16 1/2
Derrickman windbreaks height:	ft	30 level 108 to 138

B.1.7 Derrick TV Camera System

Camera located at:		Monkey board, crown, stabbing board, drill floor, shakers, moonpool, on-and offline pipe handling system, Drawworks, Flow divider
Make/type:		Hernis Scan Systems AS
Zoom/Pan/Tilt-function:	yes/no	Yes
Monitor located at:		Doghouse, toolpusher office, bridge, company man office, ET workshop and ECR

B.2 DRAWWORKS AND ASSOCIATED EQUIPMENT

B.2.1 Drawworks

Make		NOV
Type		SSGD 1,000-5,750
Motors make/type:		Baylor CM 628-TUT/ AC motor
Quantity:	no.	5
Maximun input power continuous:	hp	5,750
Maximun output power intermittent:	hp	5,750
Drum type:		Lebus grooved
Drum diameter:	in	55
Drum Lenght	in	82
Wire diameter:	in	2
Maximum line pull 14 lines:	lb	2,000,000
Maximum line pull 12 lines:	lb	1,738,000
Spinning cathead type:		None
Breakout cathead type:		NOV / Model CAR –P15-2 Hydraulic cathead – dual.
Crown block safety device make/type:		NOV-Hi-Tec integrated control system
Independent fresh water cooling system for drawworks and electric brake:	yes/no	Drawworks lube oil cooling system and hydraulic brake cooling system.

B.2.2 Auxiliary Brake

Make:		N/A
Model:		N/A
Independent back-up system type:		“Fail Safe” spring applied disk brakes for parking and emergency

B.2.3 Sandline

Make:		N/A
Length capacity:	ft	N/A
Line size/type:	in	N/A
Breaking strength:	lt	N/A
Safe working load:	lt	N/A

B.2.4 Wireline

Make:		See H.5.2
Length capacity:	ft	N/A
Line size/type:	in	N/A

B.2.5 Automatic Driller

Make/type: Incorporated in HiTec WOB/ROP Mode

B.3 DERRICK HOISTING EQUIPMENT

B.3.1 Crown Block (CMC see data below)

Make/type:		NOV
Rated capacity:	kips	2,000
No. of sheaves:	no.	6 on main sheave cluster + 2 on tandem fastline + 2 on tandem deadline
Sheaves diameter:	in	72
Sheave grooved for line size:	in	2

B.3.2 Travel Block

Make		NOV / Integrated Travelling Block, Hook and Swivel with Top Drive.
Type		HTB 1,000 7 x 72" - 2"
Rated capacity:	kips	2,000
No. of sheaves:	no.	7
Sheaves diameter:	in	72
Sheave grooved for line size:	in	2

B.3.3 Hook

Make/type:		See B.3.2
Rated capacity:	mt	N/A
Complete with spring assembly/hook locking device:	yes/no	N/A

B.3.4 Swivel

Make		See B.4.4
Type		
Rated capacity:	kips	2,000
Test/working pressure:	psi/psi	7,500
Gooseneck and washpipe minimum ID >= 76mm:	yes/no	Yes 78mm
Left hand pin connection size:	in	7 5/8" Reg (Righth hand – Top Drive)
Access fitting for wireline entry on top of gooseneck:	yes/no	Yes

B.3.5 Drilling Line

Diameter:	in	2
Type:		6x19 EIPS IWRC
Length (original):	ft	15,000
Support frame for drum:	yes/no	Yes
Drilling line drum power driven:	yes/no	Yes
Spare reel drilling line:	yes/no	Yes, 15,000'
Location (rig, shore, etc.):		Shore

B.3.6 Anchor Dead Line

Make		NOV
Type		FRH 200 CHR, Rotary Slip Deadline
Weight sensor:	yes/no	Yes

B.3.7 Crown Mounted Motion Compensator

Make		NOV
Type		CMC (passive + active mode)
Stroke:	ft	25
Capacity - compensated:	kips	1,000
Capacity - locked :	kips	2,000

B.3.8 Block Guidance System

Make		NOV
Type		Complete set of guide tracks to accommodate the retractable HPS10002E-AC-KT

B.3.9 Retraction System for Traveling Block

Make		NOV
Type		Block Retract system

B.4 ROTATING SYSTEM

Rotating Mousehole		N/A
--------------------	--	-----

B.4.1 Rotary Table

Make		NOV-Varco
Type		BJ-RST60.5
Maximum opening:	in	60 ½
Rated capacity:	kips	2,000
Static load capacity:	kips	2,000

Rotating load capacity:	kins @ rpm	1,500 @ 15 rpm max.
Two speed gearbox:	yes/no	No
Emergency chain drive:	yes/no	No
Driven by an independent electric motor:	yes/no	No/Hydraulic drive
Electric motor type/make:		
Maximum continuous torque:	ft lbs	45,000
Drip pan/mud collection system:	yes/no	Yes

B.4.2 Master Bushings

Make/type:		NOV-Varco
Type		MPCH
Insert bowls #3, #2, #1:	no.	1 set each

B.4.3 Kelly Bushing

Make/type:		N/A
Lock down assembly:	yes/no	N/A

B.4.4 Top Drive

Make		NOV
Model		HPS10002E-AC-KT
Type (electric/hydraulic):		Electric AC
Rated capacity:	st	1,000
Test/working pressure:	psi/psi	7,500
If driven by electric motor		
Make/type:		2 x GEB 20 B2 AC
Output power:	hp	1,150
Maximum continuous torque:	ft lbs	78,000
Two speed gearbox:	yes/no	No
Maximum rotary speed:	rpm	280
Remote operated kelly cock:	yes/no	Yes
Cooling system type:		Local Blower

B.4.4.1 Top Drive Makeup/Breakout System

Make:		NOV
Model:		
Type:		Pipe Handler
Max. breakout torque that can be applied by system:	ft-lbs	115,000

C. POWER SUPPLY SYSTEMS

C.1 RIG POWER PLANT

C.1.1 Diesel Engines

Quantity:	no.	6
Make		Wartsila
Type		16V32/40
Maximum continuous power:	kw	7,290
At rotation speed of:	rpm	720
Equipped with spark arrestors:	yes/no	Yes
Mufflers installed:	yes/no	Yes

C.1.2 DC – Generator

Quantity:	no.	0
Make/type:		N/A
Continuous power:	kw	N/A
At rotation speed of:	rpm	N/A
Output volts:	volts	N/A

C.1.3 AC – Generator

Quantity:	no.	6
Make		ABB
Type		AMG 0900XU10
Continuous power:	kva	8,750 @ 0.8 pf
At rotation speed of:	rpm	720
Output volts:	volts	11,000

C.1.4 VFD System

Number of Diode Supply units:	no.	4 (Total 8 Units, 4 in each SWBD)
Make/type:		ABB/ ACS 800-507LC-3820-7
Rating :	kva	3824
Supply volts:	volts	690
No. phase		3 phase
No. of pulses		12 pulse

Number of Top drives & Mud Pumps VFD:	no.	12
Make/type:		ABB/ ACS800LC-1370-7
Nominal Power:	kva	1370
Output volts:	volts	690

Number of Drawworks VFD:	no.	10
Make/type:		ABB/ ACS800LC-1590-7
Nominal Power:	kva	1590
Output volts:	volts	690 VAC

Number of Dynamic Braking Unit:	no.	8
---------------------------------	-----	---

Make/type:		ABB/ ACS800-607LC-1300-7
Braking Power:	kw	1200 KW (each)
Input volts (Max):	volts	1200 Vdc.
Quantity:	no.	2 (Drilling)

21

Make/type:		ABB / RESIBLOC, Dry type tranformer
Continuous power (each):	kva	7,200
Output volts:	volts	725
Frequency:	Hz	60

Quantity:	no.	6 (Thruster Drive)
Make/type:		ABB / RESIBLOC, Dry type tranformer
Continuous power (each):	kva	6,500
Output volts:	volts	1672
Frequency:	Hz	60

Quantity:	no.	2 (Thruster Aux 2&3)
Make/type:		ABB / RESIBLOC, Dry type tranformer
Continuous power (each):	kva	2,000
Output volts:	volts	450
Frequency:	Hz	60

Quantity:	no.	3 (AFT E/R TRANSFORMERS)
Make/type:		ABB / RESIBLOC, Dry type tranformer
Continuous power (each):	kva	2,000
Output volts:	volts	450
Frequency:	Hz	60

Quantity:	no.	2 (TOP SIDE)
Make/type:		SANIL
Continuous power (each):	kva	2,700
Output volts:	volts	450
Frequency:	Hz	60

Quantity:	no.	1 (THRUSTER 1 AUX)
Make/type:		ABB / RESIBLOC, Dry type tranformer
Continuous power (each):	kva	4,000
Output volts:	volts	450
Frequency:	Hz	60

Quantity:	no.	6 (THRUSTER AUX PANEL)
Make/type:		ABB
Continuous power (each):	kva	25
Output volts:	volts	230
Frequency:	Hz	60

Quantity:	no.	4	(FWD 220)
Make/type:		SANIL	
Continuous power (each):	kva	200	
Output volts:	volts	230	
Frequency:	Hz	60	

Quantity:	no.	3	(Aft Machinery)
Make/type:		SANIL	
Continuous power (each):	kva	125	
Output volts:	volts	230	
Frequency:	Hz	60	

Quantity:	no.	2	(Emergency)
Make/type:		SANIL	
Continuous power (each):	kva	250	
Output volts:	volts	230	
Frequency:	Hz	60	

C.1.6 Emergency Shutdown

Emergency shutdown switches for the complete power system (AC & DC), located at the following points:

Drilling Control Station, Emergency HQ Room and Aft CO2 room, plus through Vessel management system on bridge and ECR

C.1.7 Auxiliary Power Supply

Power supply for a mud logging unit:	yes/no	Yes
Power supply available		
Output volts:	volts	440
Frequency:	Hz	60
Current:	amps	100
Phase:	single/three	Three

C.1.8 Compressed Air System

Air Compressors - High Pressure:

Quantity:	no.	3
Make:		Hamworthy
Model:		(4SW80)
Rated capacity:	m3/hr	120 (each)
Working press:	Bar	207 (Normal WP)
Prime mover (electric/diesel):		Electric
Continuous power:	kw	43
Air dryers:		Yes
Quantity:	no.	2
Make/type:		Twin Tower / Hamworthy

Rated capacity: cfm 75

Air Compressors – Medium pressure

Quantity: no. 4
Make: Tamrotor
Model: M 132-10 EWNA
Rated capacity: cfm 700
Working press: psi 130
Prime mover (electric/diesel): Electric
Continuous power: hp 137
Air dryers: Yes
Quantity: no. 2
Make/type: Kyung Nam Dryer / KHDM-3000
Rated capacity: cfm 1,400 (each)

Air Compressors – Medium pressure

Quantity: no. 3 (Starting air compressor)
Make: Jonghap-Tanabe
Model: H-73
Rated capacity: m3/hr 141
Working press: bar 30
Prime mover (electric/diesel): Electric
Continuous power: kw 37
Air dryers: NO
Quantity: no. N/A
Make/type: N/A

C.2 EMERGENCY GENERATOR

C.2.1 Engine

Quantity: no. 1
Make: STX (CUMMINS MARINE)
Type: QSK60DMGE
Maximum output: kw 1,350
At rotation speed: rpm 1,800
Starting methods (automatic, manual, air/hydraulic): Automatic, manual hydraulic/electric/battery

C.2.2 AC – Generator

Quantity: no. 1
Make/type: Stamford
Type: PM734E1
Maximum output: rpm 1,800
At rotation speed: kw 1,350
Output volts: volts 450, 60Hz, 3-phase

Capable of back-feeding power to main bus: yes/no No, but possible to feed FWD aux. Switchboard

D. DRILLSTRING EQUIPMENT

D.1 TUBULARS

D.1.1 Kellys

Quantity:	no.	N/A
Nominal size OD:	in	N/A
Shape type (hexagonal, square, triangular):		N/A
Total/working length:	ft	N/A
Connection type:		N/A
API classification:		N/A

D.1.2 Kelly Saver Subs

Quantity:	no.	N/A
Nominal kelly size:	in	N/A
Connection type:		N/A
API classification:		N/A
Protector:	yes/no	N/A

D.1.3 Drill Pipe

Drill pipe OD: (Landing String)	in	6 5/8
Grade:		V-150
Total length:	ft	10,000
Range:		Range 3
Weight:	ppf	50.4 (61.6 adj)
Internally plastic coated:	yes	Yes TK34XT
Tool joint OD/ID:	in/in	8.688 x 3.5
Tool joint pin length (original):	in	16
Tapered shoulder tool joints (box/pins):	degree/degree	18° / 18°
Connection type:		6 5/8 FH
Type of hardfacing:		None
API classification:		Premium (pipe is new)
Thread protectors:	yes/no	Yes
Drill pipe OD (Shear Joints)	in	6 5/8 (shear, joints, above casing hanger)
Grade:		S135
Total length:	ft	209
Range:		Range 3
Weight:	ppf	34.00
Internally plastic coated:	yes/no	Yes TK34XT
Tool joint OD/ID:	in/in	8.50 / 4 ¼

Tool joint pin length (original):	in	10
Tapered shoulder tool joints (box/pins):	degree/degree	18° / 18°
Connection type:		6 5/8 FH
Type of hardfacing:		TCSTi -(flush)
API classification:		Premium (pipe is new)
Thread protectors:	yes/no	Yes

25

Drill pipe OD:	in	5 7/8
Grade:		S135
Total length:	ft	25,000
Range:		Range 3
Weight:	ppf	26.30
Internally plastic coated:	yes/no	Yes (TK34XT)
Tool joint OD/ID:	in/in	7 x 4 ½
Tool joint pin length (original):	in	10
Tapered shoulder tool joints (box/pins):	degree/degree	18° / 18°
Connection type:		Turbotorque 585
Type of hardfacing:		TCSTi -(flush)
API classification:		Premium (pipe is new)
Thread protectors:	yes/no	Yes

Drill pipe OD:	in	5
Grade:		S-135
Total length:	ft	10,000
Range:		Range 3
Weight:	lbs/ft	19.50
Internally plastic coated:	yes/no	Yes
Tool joint OD/ID:	in/in	6 5/8 / 3 ¼
Tool joint pin length (original):	in	12
Tapered shoulder tool joints (box/pins):	degree/degree	18°/18°
Connection type:		GPDS50
Type of hardfacing:		TCSTi
API classification:		Premium (pipe is new)
Thread protectors:	yes/no	Yes

D.1.4 Drill Pipe Pup Joints

6 5/8"

Tool joint OD/ID:	in/in	8 ¾ x 4
Grade:		Drill collar material
Length:	ft	5,10,15,20,30
Quantity:	no.	2 x (5' ,10' ,15' ,20' ,30')
Length:	ft	
Quantity:	no.	
Length:	ft	

Quantity:	no.	
Weight:	lbs/ft	50.41
Connection type:		6 5/8 FH
Internally plastic coated:	yes/no	Yes
Thread protectors:	yes/no	Yes
5 7/8"		
Tool joint OD/ID:	in/in	7 x4 ½
Grade:		Drill collar material
Length:	ft	5,10,15, 20, 30
Quantity:	no.	2 x (5' ,10' ,15' ,20' ,30')
Weight:	lbs/ft	26.340
Connection type:		Turbotorque 585
Internally plastic coated:	yes/no	Yes
Thread protectors:	yes/no	Yes

5"

Tool joint OD/ID:	in/in	6 5/8 / 3 ¼
Grade:		Drill collar material
Length:	ft	5, 10, 15, 20, 30
Quantity:	no.	2 of each
Weight:	lbs/ft	19.50
Connection type:		GPDS50
Internally plastic coated:	yes/no	Yes
Thread protectors:	yes/no	Yes

D.1.5 Drill Pipe Casing Protectors

Initial stock:	no.	N/A
Make/type:		N/A
OD:	in	N/A
Installation tools (manual/hydraulic/none):		N/A

D.1.6 Heavy Weight Drill Pipe (e.g. Hevi-Wate)

Quantity:	no.	40
Nominal size OD:	in	5 7/8
Weight:	lbs/ft	61
Range:		2
Tool joint OD:	in	7
Tool joint ID:	in	4
Type of hardfacing:		Smooth
Internally plastic coated:	yes/no	No

Connection type:		Turbotorque 585
Thread protectors:	yes/no	Yes
Quantity:	no.	40
Nominal size OD:	in	5
Weight:	lbs/ft	49.3
Range:		2
Tool joint OD:	in	6 5/8
Tool joint ID:	in	3
Type of hardfacing:		Smooth
Internally plastic coated:	yes/no	No
Connection type:		NC-50 (4 ½ IF)
Thread protectors:	yes/no	Yes

D.1.7 Drill Collars

Quantity:	no.	12
OD body:	in	9 ½
ID body:	in	3
Nominal length of each joint:	ft	31
Drill collar body (slick/spiral):		Spiral
Recess for “zip” elevator:	yes/no	Yes
Recess for slips:	yes/no	Yes
Stress relief pin groove:	yes/no	Yes
Boreback on box:	yes/no	Yes
Connection type:		7 5/8 Reg

Quantity:	no.	30
OD body:	in	8 ¼
ID body:	in	3
Nominal length of each joint:	ft	31
Drill collar body (slick/spiral):		Spiral
Recess for “zip” elevator:	yes/no	Yes
Recess for slips:	yes/no	Yes
Stress relief pin groove:	yes/no	Yes
Boreback on box:	yes/no	Yes
Connection type:		6 5/8 Reg

Quantity:	no.	30
OD body:	in	6 ¾
ID body:	in	2-13/16
Nominal length of each joint:	ft	31
Drill collar body (slick/spiral):		Spiral
Recess for “zip” elevator:	yes/no	Yes
Recess for slips:	yes/no	Yes
Stress relief pin groove:	yes/no	Yes

Boreback on box:	yes/no	Yes
Connection type:		NC-50 (4 ½ IF)

D1.8 Short Drill Collars

Quantity:	no.	N/A
OD body:	in	N/A
ID body:	in	N/A
Nominal length of each joint:	ft	N/A
Stress relief pin groove:	yes/no	N/A
Boreback on box:	yes/no	N/A
Connection type:		N/A

D.1.9 Non-Magnetic Drill Collars

Quantity:	no.	N/A
OD body:	in	N/A
ID body:	in	N/A
Nominal length of each joint:	ft	N/A
Drill collar body (slick/spiral):		N/A
Recess for “zip” elevator:	yes/no	N/A
Recess for slips:	yes/no	N/A
Stress relief pin groove:	yes/no	N/A
Boreback on box:	yes/no	N/A
Connection type:		N/A

D.1.10 Core Barrels

Quantity:	no.	N/A
Make:		N/A
Model:		N/A
Size OD x ID:	in x in	N/A
Length:	ft	N/A
Top connection type:		N/A
Spiral stabilizing ribs:	yes/no	N/A
Subs and handling tools:	yes/no	N/A

D.1.11 Stabilizers

Hole size:	in	N/A
Quantity:	no.	N/A
Make:		N/A
OD blades:	in	N/A
Type (straight/spiral/welded/integral/sleeve):	blades	N/A
Type of blade hardfacing:		N/A

OD body or fishing neck:	in	N/A
ID body:	in	N/A
Connection type:		N/A
Float valve receptacle:	yes/no	N/A

D.1.12 Roller Reamers

Hole size:	in	N/A
Quantity:	no.	N/A
Make:		N/A
OD body:	in	N/A
ID body:	in	N/A
OD fishing neck:	in	N/A
Cutters, supplied sets:	no.	N/A
Cutters, type:		N/A
Connection, type:		N/A

D.1.13 Shock Absorbers (Damping Sub)

Quantity:	no.	N/A
Make/type:		N/A
OD body:	in	N/A
ID body:	in	N/A
OD fishing neck:	in	N/A
Connection type:		N/A

D.1.14 Drilling Jars

Quantity:	no.	N/A
Make:		N/A
Type (mechanical/hydraulic;up/down):		N/A
OD body:	in	N/A
Min. ID body:	in	N/A
OD fishing neck:	in	N/A
Stroke:	in	N/A
Connection type:		N/A

D.1.15 Inside BOP Valve

Quantity:	no.	2
Make:		VAM-(Omsco)
OD:	in	8 (ID-2-13/16")
Min. drill pipe ID required:	in	(Check valve)
Connection type:		6 5/8 FH
Working pressure rating:	psi	15,000
Quantity:	no.	2
Make:		VAM-(Omsco)
OD:	in	6 5/8

Min. drill pipe ID required:	in	(Check valve)
Connection type:		NC-50 (4 ½ IF)
Working pressure rating:	psi	15,000
Quantity:	no.	2
Make:		VAM-(Omsco)
OD:	in	7
Min. drill pipe ID required:	in	(check valve)
Connection type:		5 7/8" Turbotorque 585
Working pressure rating:	psi	15,000

D.1.16 Fast Shut-Off Coupling

Make/type:		N/A
Quantity:	no.	N/A
Size tool joint to fit:	in	N/A

D.1.17 Circulation Head

Quantity:	no.	N/A
Make/type:		N/A
Valve make:		N/A
Valve type:		N/A
Valve size (ID):	in	N/A
Valve working pressure:	psi	N/A
Bottom connection type:		N/A
Top connection type:		N/A
Wireline stripper:	yes/no	N/A

D.1.18 IBOP Valves

Upper:

Quantity:	no.	2
Make/type:		Hydrill
Working pressure:	psi	15 Kpsi
Max. OD body:	in	8-5/8
Min. ID body:	in	3-1/16
Connection type:		7-5/8"Reg

Lower:

Quantity:	no.	2
Make/type:		Hydrill
Working pressure:	psi	15 Kpsi
Max. OD body:	in	8-5/8
Min. ID body:	in	3-1/16

Connection type: 7-5/8" Reg

D.1.19 Circulation Subs

Quantity: no. 1
Make/type: VAM
OD body: in 8 ½
Ball size: in Side Entry Type 2" Weco 1502
Dressing kits: no. Side Entry Type
Connection type: 6 5/8 FH

Quantity: no. 1

30

Make/type: Vam
OD body: in 5 7/8
Ball size: in Side Entry Type 2" Weco 1502
Dressing kits: no. Side Entry Type
Connection type: Turbotorque 585

D.1.20 Cup Type Testers

Quantity: no. N/A
Make: N/A
Size test cup for casing weight: in-lb/ft N/A
Size test cup for casing weight: in-lb/ft N/A
Size test cup for casing weight: in-lb/ft N/A
Connection: N/A

D.1.21 Plug Type Testers

Quantity: no. N/A
Make: N/A
Size test plugs: in N/A
Connection: N/A

D.1.22 Drop-In Valves

Quantity: no. 2
For nom. OD drillpipe: in 5 7/8" Turbotorque
Make/type: Hydrill
Max. OD of dart.: in TBA

Quantity: no. 2
For nom. OD drillpipe: in 5" GPDS50
Make/type: Hydrill
Max. OD of dart.: in TBA

D.1.23 Bit Subs (Box-Box)

Quantity:	no.	2
OD size:	in	9 ½
ID size:	in	3
Top connection:		7 5/8" Reg
Bottom connection:		7 5/8" Reg
Bored for float valve:	yes/no	Yes
Float size:	in	5F-6R

Quantity:	no.	2
OD size:	in	9 ½
ID size:	in	3
Top connection:		7 5/8 Reg
Bottom connection:		6 5/8 REG
Bored for float valve:	yes/no	Yes
Float size:	in	5F-6R

Quantity:	no.	4
OD size:	in	8 ¼
ID size:	in	3
Top connection:		6 5/8 Reg
Bottom connection:		6 5/8 Reg

Bored for float valve:	yes/no	Yes
Float size:	in	5F-6R

Quantity:	no.	2
OD size:	in	7
ID size:	in	2 13/16
Top connection:		TurboTorque 585
Bottom connection:		4 ½ REG
Bored for float valve:	yes/no	Yes
Float size:	in	4R

Quantity:	no.	2
OD size:	in	6 3/4
ID size:	in	2 13/16
Top connection:		GPDS50
Bottom connection:		4 ½ Reg
Bored for float valve:	yes/no	Yes
Float size:	in	4 R

D.1.24 Crossover Subs

Quantity:	no.	2
OD size (max/min):	in/in	8 ¼ x 6 5/8
ID size:	in	3
Top connection size:		6 5/8 Reg
Type (pin/box):		Box
Bottom connection size:		GPDS50
Type (pin/box):		Box

Quantity:	no.	NA
OD size (max/min):	in/in	
ID size:	in	
Top connection size:		
Type (pin/box):		
Bottom connection size:		
Type (pin/box):		

Quantity:	no.	NA
OD size (max/min):	in/in	
ID size:	in	
Top connection size:		
Type (pin/box):		
Bottom connection size:		
Type (pin/box):		

Quantity:	no.	NA
OD size (max/min):	in/in	
ID size:	in	
Top connection size:		
Type (pin/box):		
Bottom connection size:		
Type (pin/box):		

Quantity:	no.	2
OD size (max/min):	in/in	8 ¼ x 9 ½
ID size:	in	3
Top connection size:		6 5/8 Reg

Type (pin/box):		Box
Bottom connection size:		7 5/8 Reg
Type (pin/box):		Pin

Quantity:	no.	2
OD size (max/min):	in/in	9 ½ x 8 ¼
ID size:	in	3
Top connection size:		7 5/8 Reg
Type (pin/box):		Box

Bottom connection size:		6 5/8 Reg
Type (pin/box):		Pin
Quantity:	no.	2
OD size (max/min):	in/in	9 1/2 x 8 1/2
ID size:	in	3
Top connection size:		7 5/8 Reg
Type (pin/box):		Box
Bottom connection size:		6 5/8 FH
Type (pin/box):		Pin
Quantity:	no.	4
OD size (max/min):	in/in	8 1/2 x 9 1/2
ID size:	in	3
Top connection size:		6 5/8 FH
Type (pin/box):		Box
Bottom connection size:		7 5/8 Reg
Type (pin/box):		Pin
Quantity:	no.	4
OD size (max/min):	in/in	8 1/2 x 8 1/4
ID size:	in	3
Top connection size:		6 5/8 FH
Type (pin/box):		Box
Bottom connection size:		6 5/8 Reg
Type (pin/box):		Pin
Quantity:	no.	2
OD size (max/min):	in/in	8 1/4 x 7
ID size:	in	3
Top connection size:		6 5/8 Reg
Type (pin/box):		Box
Bottom connection size:		5 7/8" Turbotorque 585
Type (pin/box):		Pin
Quantity:	no.	2
OD size (max/min):	in/in	6 3/4
ID size:	in	2 13/16
Top connection size:		5" GPDS50
Type (pin/box):		Box
Bottom connection size:		4 1/2 Reg
Type (pin/box):		Pin
Quantity:	no.	2
OD size (max/min):	in/in	6 3/4 x 5
ID size:	in	2
Top connection size:		5" GPDS50
Type (pin/box):		Box

Bottom connection size:		NC 38
Type (pin/box):		Pin
Quantity:	no.	2
OD size (max/min):	in/in	7 x 8 ½
ID size:	in	3 1/16
Top connection size:		5 7/8 Turbotorque 585
Type (pin/box):		Box
Bottom connection size:		6 5/8 FH
Type (pin/box):		Pin
Quantity:	no.	4
OD size (max/min):	in/in	7 x 8 1/4
ID size:	in	3
Top connection size:		5 7/8 Turbotorque 585
Type (pin/box):		Box
Bottom connection size:		6 5/8 Reg
Type (pin/box):		Pin
Quantity:	no.	2
OD size (max/min):	in/in	7 x 9 ½
ID size:	in	3
Top connection size:		5 7/8 Turbotorque 585
Type (pin/box):		Box
Bottom connection size:		7 5/8 Reg
Type (pin/box):		Pin
Quantity:	no.	2
OD size (max/min):	in/in	6 3/4 x 8 ½
ID size:	in	2 13/16
Top connection size:		5 GPDS50
Type (pin/box):		Box
Bottom connection size:		6 5/8 FH
Type (pin/box):		Pin
Quantity:	no.	2
OD size (max/min):	in/in	8 ¼
ID size:	in	3
Top connection size:		6 5/8 Reg
Type (pin/box):		Pin
Bottom connection size:		6 5/8 Reg
Type (pin/box):		Pin
Quantity:	no.	2
OD size (max/min):	in/in	7
ID size:	in	3

Top connection size: 5 7/8 Turbotorque 585
 Type (pin/box): Pin
 Bottom connection size: 5 7/8 Turbotorque
 Type (pin/box): Pin

Quantity: no. 2
 OD size (max/min): in/in 8 1/2
 ID size: in 3
 Top connection size: 6 5/8 FH
 Type (pin/box): Pin
 Bottom connection size: 6 5/8 FH

Type (pin/box): Pin

Quantity: no. 2
 OD size (max/min): in/in 6 3/4
 ID size: in 2 13/16
 Top connection size: 4 1/2 Reg
 Type (pin/box): Pin
 Bottom connection size: 5" GPDS50
 Type (pin/box): Pin

Quantity: no. 2
 OD size (max/min): in/in 4 3/4
 ID size: in 2 1/4
 Top connection size: 3 1/2 Reg
 Type (pin/box): Pin
 Bottom connection size: 3 1/2 NC38
 Type (pin/box): Pin

Quantity: no. 2
 OD size (max/min): in/in 6 3/4
 ID size: in 2 13/16
 Top connection size: 5" GPDS50
 Type (pin/box): Pin
 Bottom connection size: 5" GPDS50
 Type (pin/box): Pin

Quantity: no. 2 Circulating sub
 OD size (max/min): in/in 8 1/2
 ID size: in
 Top connection size: 2" Weco 1502 Female (non-wing)
 Type (pin/box):
 Bottom connection size: 6 5/8 FH
 Type (pin/box): Pin

Quantity: no. 2 Circulating sub
 OD size (max/min): in/in 8 ½
 ID size: in
 Top connection size: 2" Weco 1502 Female (non-wing)
 Type (pin/box):
 Bottom connection size: 6 5/8 FH
 Type (pin/box): Box

Quantity: no. 2 Circulating sub
 OD size (max/min): in/in 7
 ID size: in
 Top connection size: 2" Weco 1502 Female (non-wing)
 Type (pin/box):
 Bottom connection size: 5 7/8 Turbotorque585
 Type (pin/box): Pin

Quantity: no. 2 Circulating sub
 OD size (max/min): in/in 7
 ID size: in
 Top connection size: 2" Weco 1502 Female (non-wing)
 Type (pin/box):
 Bottom connection size: 5 7/8 Turbotorque585
 Type (pin/box): Box

Quantity: no. 2 Circulating sub
 OD size (max/min): in/in 6 ¾
 ID size: in
 Top connection size: 2" Weco 1502 Female (non-wing)
 Type (pin/box):
 Bottom connection size: 5 GPDS50
 Type (pin/box): Pin

Quantity: no. 2 Circulating sub
 OD size (max/min): in/in 6 ¾
 ID size: in
 Top connection size: 2" Weco 1502 Female (non-wing)
 Type (pin/box):
 Bottom connection size: 5 GPDS50
 Type (pin/box): Box

Quantity: no. 2 Double Side Entry sub
 OD size (max/min): in/in 7' '
 ID size: in 2' '
 Top connection size: 2 x 2' ' Weco 1502 Female (non wing)
 Type (pin/box): 5 7/8 Turbotorque 585 (Pin)
 Bottom connection size:

Type (pin/box):

D.1.25 Drilling Bumper Subs

Quantity:	no.	1 + 1
Make:		TBA
OD:	in	8 + 6 1/2
Stroke:	in	60
Connection type:		6 5/8 Reg + NC50

D.1.26 Hole Openers

Quantity:	no.	N/A
Make:		N/A
OD:	in	N/A
Connection type:		N/A

D.1.27 Underreamer

Quantity:	no.	N/A
Make/type:		N/A
OD Min/OD Max:	in/in	N/A
Connection type:		N/A

D.2 HANDLING TOOLS

D.2.1 Drill Pipe Elevators

Size:	in	9 1/2 DC, 8 1/4 DC, 6 3/4 DC, 6 5/8 DP, 5 7/8 DP, 5 DP (inserts for)
Quantity:	no.	2 each
Make:		Blohm&Voss
Model:		VES-SD 500 T/750 T (Hydr)
Rated capacity:	st	500 ton/ 750 ton (square shoulder only)

Size:	in	6 5/8 DP, 5 7/8 DP, 5 DP, 3 1/2 DP (inserts for)
Quantity:	no.	2 Sets
Make:		Blohm&Voss
Model:		VES-CL-500 (Hydr)
Rated capacity:	st	500 T

Size:	in	6 5/8
Quantity:	no.	1
Make:		Blohm&Voss
Model:		CL-1000 (Hydr)
Rated capacity:	st	1000 T

D.2.2 Drill Collar Elevators

Size:	in	N/A
Quantity:	no.	N/A
Make:		N/A
Model:		N/A
Rated capacity:	st	N/A

D.2.3 Tubing Elevators

Size (max/min):	in/in	N/A
Quantity:	no.	N/A
Make:		N/A
Model:		N/A
Rated capacity:	st	N/A

D.2.4 Drill Pipe Hand Slips

Size:	in	6 5/8 - 750 Ton
Quantity:	no.	2
Make/type:		Blohm&Voss / LRS

Size:	in	5 7/8 - 750 Ton
Quantity:	no.	2
Make/type:		Blohm&Voss / LRS

Size:	in	5 - 750 Ton
Quantity:	no.	2
Make/type:		Blohm&Voss / LRS

Size:	in	3 1/2
Quantity:	no.	2
Make/type:		Blohm&Voss / RSM

D.2.5 Semi-Automatic DP Slips

Size range (largest/smallest):	in/in	DC 9 1/2, 8 1/4, 6 3/4, 4 3/4 (inserts) DP 5, 5 1/2, 5 7/8, 6 5/8 (inserts)
Quantity:	no.	2
Make/type:		Blohm&Voss PS 1000 (1000 Ton)

D.2.6 Drill Collar Slips

Size:	in	8 1/2 to 10
Quantity:	no.	2

Make/type: Blohm&Voss / DCL

Size: in 8 - 9 ½

Quantity: no. 2

Make/type: Blohm&Voss / DCL

Size: in 5 ½ to 7

Quantity: no. 2

Make/type: Blohm&Voss / DCM

Size: in 4 ½ - 6

Quantity: no. 2

Make/type: Blohm&Voss / DCM

D.2.7 Drill Collar Safety Clamps

Quantity: no. 2 Blohm&Voss / C-Clamp

Range: in-in 4 ½ - 5 5/8

Quantity: no. 2 Blohm&Voss / C-Clamp

Range: in-in 9 ½ - 10 5/8

Quantity: no. 1 Blohm&Voss / C-Clamp + air kit

Range: in-in 29 ½ - 30 ½

D.2.8 Tubing Slips

Size: in N/A

Quantity: no. N/A

Make/type: N/A

D.2.9 Tubing Spider

Slip size (max/min): in/in N/A

Quantity: no. N/A

Make: N/A

Adapter Plate: N/A

D.2.10 Drill Collar Lifting Subs

Quantity: no. 8

For OD DC: in 9 ½

Connection Type: 7 5/8" Reg Pin

Quantity: no. 14

For OD DC: in 8 ¼

Connection Type: 6 5/8" Reg Pin

Quantity: no. 12

For OD DC: in 6 ¾
Connection Type: 4 ½" If Pin

Quantity: no. 10
For OD DC: in 4 ¾
Connection Type: 3 ½" If Pin

D.2.11 DC/DP Lifting Plugs

Quantity: no. 63
For OD DC: in 9 ½ - 8 ¼ - 6 ¾ - 4 ¾
Connection Type: 7 5/8 Reg - 6 5/8 Reg - 6 5/8 FH - 5 7/8 TT585 - 5 GPDS50 - 4 ½ reg - NC38

D.2.12 Bit Breakers

Quantity: no. 1
For bit size: in 26

Quantity: no. 1 + 1
For bit size: in 17 ½ + 16

Quantity: no. 1
For bit size: in 12 ¼

Quantity: no. 1
For bit size: in 8 ½

Quantity: no. 1
For bit size: in 6

D.2.13 Elevator Links

Quantity of sets: no. 1
Make/type: NOV-Varco
Size: in 5 ½
Length: in 200
Rated capacity: st 1000

Quantity of sets: no. 1
Make/type: NOV-Varco
Size: in 3 ½
Length: in 144
Rated capacity: st 500

Quantity of sets: no. 1+1

Make/type:		NOV-Varco
Size:	in	2 ¾
Length:	in	72" + 45'
Rated capacity:	st	350

Quantity of sets:	no.	1
Make/type:		Blohm&Voss
Size:	in	4 ¾
Length:	in	180"
Rated capacity:	st	750

D.2.14 Kelly Spinner

Make/type:		N/A
------------	--	-----

D.2.15 Drillpipe Spinner

Make/type:		NOV- Hydratong MPT
Size (max/min):	in/in	3 ½ - 9 ¾

D.2.16 Mud Bucket

Make:		NOV - Hydratong with Mud Bucket. Hydraulic operated
Size:	in	2 7/8 - 9 ¾

D.2.17 Hydraulic Make-Up/Breakout Machine (e.g. Ezy Torque)

Make/type:		NOV
Maximum line pull:	st	16,674 st (146 Kn)

D.2.18 Rotary Rig Tongs

Quantity (sets):	no.	2
Make/type:		Blohm&Voss / BV-100
Size range (max OD/min OD):	in/in	4" to 12"
Torque rating:	ft-lbs	100,000

D.2.19 Tubing Tongs (manual)

Quantity (sets):	no.	N/A
Make/type:		N/A
Size range (max OD/min OD):	in/in	N/A
Torque rating:	ft-lbs	N/A

D.2.20 Tubing Tong Power

Quantity:	no.	1 Insert for Hydratong (iron roughneck)
Make/type:		Farr KT 7585
Size range (max OD/min OD):	in/in	2 3/8 to 8 5/8
Max output torque:	ft-lbs	25,000
Torque indicator:	yes/no	Yes
Back-up arm:	yes/no	Yes

Quantity:	no.	1 Insert for Hydratong (iron roughneck)
Make/type:		Farr KT2000
Size range (max OD/min OD):	in/in in/in	8 5/8 to 20
Max output torque:	ft-lbs	50,700
Torque indicator:	yes/no	Yes
Back-up arm:	yes/no	Yes

D.2.21 Iron Roughneck

Make/type:		Hydratong MPT TF-975 w/ TE-1190 (2 each)
Size range (max OD/min OD):	in/in	3 1/2 to 9 3/4
Max output torque:	ft-lbs	147,000

D.3 FISHING EQUIPMENT

D.3.1 Overshots

Quantity:	no.	1
Make/type:		Bowen 150 FS

40

Overshot OD:	in	11 3/4
To catch size:	in	4 7/8 to 10 1/8
Overshot guide OD:	in	11 3/4
Extension sub length:	in	36 , 60
Lipped guide (oversize, Regular):		15" , 22"
Grapples (spiral, basket, both):		To fish contractor' s new + used tubelars
Pack offs:	yes/no	Yes
Top sub connection type:		6 5/8" Reg Box

Quantity:	no.	1
Make/type:		Bowen 150 FS
Overshot OD:	in	9 5/8
To catch size:	in	4 7/8 to 8
Overshot guide OD:	in	9 5/8
Extension sub length:	in	36 , 48
Lipped guide (oversize, Regular):		15"
Grapples (spiral, basket, both):		To fish contractor' s new + used tubelars
Pack offs:	yes/no	yes

Top sub connection type:		6 5/8 Reg Box
Quantity:	no.	1
Make/type:		Bowen 150 SH
Overshot OD:	in	8 1/8
To catch size:	in	4 7/8 to 7
Overshot guide OD:	in	8 1/8
Extension sub length:	in	42
Lipped guide (oversize, Regular):		Standard 8 1/8"
Grapples (spiral, basket, both):		Spiral 7", 6 7/8", 6 3/4", 6 5/8"
Pack offs:	yes/no	Yes
Top sub connection type:		4 1/2 IF Box

Quantity:	no.	1
Make/type:		Bowen 150 FS
Overshot OD:	in	7 7/8 reinforced to 8 1/8 (FS)
To catch size:	in	4 7/8 to 6 3/4
Overshot guide OD:	in	8 1/8
Extension sub length:	in	42
Lipped guide (oversize, Regular):		
Grapples (spiral, basket, both):		To fish contractor' s new + used tubelars
Pack offs:	yes/no	Yes
Top sub connection type:		4 1/2 IF Box

D.3.2 Hydraulic Fishing Jar

Quantity:	no.	1
Make/type:		Bowen / Type "Z" #52711/015
OD body:	in	8
Min. ID:	in	3 1/16
Stroke:	in	20
Connection type:		6 5/8 REG
Repair kit:	yes/no	Yes

Quantity:	no.	1
Make/type:		Bowen / Type "Z" #5244/015
OD body:	in	6 1/2
Min. ID:	in	2 1/4
Stroke:	in	20

Connection type:		4 1/2IF
Repair kit:	yes/no	Yes

D.3.3 Jar Intensifier

Quantity:	no.	1
-----------	-----	---

Make: Bowen # 55910/006
Type: Jar intensifier
OD body: in 8
Min. ID: in 3 1/16
Connection type: 6 5/8 Reg
Repair kit: yes/no Yes

Quantity: no. 1
Make: Bowen # 55905/010
Type: Jar intensifier
OD body: in 6 1/2
Min. ID: in 2 1/4
Connection type: 4 1/2 IF
Repair kit: yes/no Yes

D.3.4 Surface Jar

Quantity: no. N/A
Make/type: N/A
OD body: in N/A
Stroke: in N/A
Connection type: N/A
Repair kit: yes/no N/A

D.3.5 Fishing Bumper subs

Quantity: no. 1
Make/type: Bowen / Fishing bumper sub # 26595/005
OD body: in 8
Min. ID: in 3 1/2
Stroke: in 20
Connection type: 6 5/8 REG

Quantity: no. 1
Make/type: Bowen / Fishing bumper sub # 10257/007
OD body: in 6 1/2
Min. ID: in 2 1/4
Stroke: in 20
Connection type: 4 1/2 IF

D.3.6 Safety Joints

Quantity: no. 1
Make/type: Bowen / Safety Joint
OD body: in 8
Min. ID: in 3 1/2
Stroke: in N/A
Connection type: 6 5/8 FH

Quantity: no. 1
Make/type: Bowen / Safety Joint # 149406/009

42

OD body: in 6 ½
Min. ID: in 3 ¾
Stroke: in N/A
Connection type: 4 ½ IF

Quantity: no. 1
Make/type: Bowen / Safety Joint
OD body: in 7
Min. ID: in TBA
Stroke: in N/A
Connection type: 5 7/8" Turbotorque 585

D.3.7 Junk Baskets (Reverse Circulation)

Quantity: no. 1
Make/type: Bowen # 2708/005
For hole size: in 17 ½
OD body: in 15
Connection type: 6 5/8 Reg
Inside magnet available: yes/no Yes
Mill shoes type B: yes/no Yes

Quantity: no. 1
Make/type: Bowen # 2690/005
For hole size: in 12 ¼
OD body: in 11 ¾
Connection type: 6 5/8 Reg
Inside magnet available: yes/no Yes
Mill shoes type B: yes/no Yes

Quantity: no. 1
Make/type: Bowen # 2567/009
For hole size: in 8 ½
OD body: in 8 ¼
Connection type: 4 ½ IF
Inside magnet available: yes/no Yes
Mill shoes type B: yes/no Yes

Quantity: no. 1
Make/type: Bowen
For hole size: in 8 ½
OD body: in 6 5/8
Connection type: 4 ½ IF

Inside magnet available:	yes/no	Yes
Mill shoes type B:	yes/no	Yes

D.3.8 Junk Subs

Quantity:	no.	1
Make/type:		Bowen # 15485/006
For hole size:	in	12 ¼
OD body:	in	9 5/8
Connection type:		6 5/8 Reg

Quantity:	no.	1
Make/type:		Bowen # 15475/005
For hole size:	in	8 ½

OD body:	in	7
Connection type:		4 ½ REG

D.3.9 Flat Bottom Junk Mill

Quantity:	no.	1
Make/type:		Bowen
OD flat mill:	in	14 ¾
Connection type:		7 5/8 REG Pin

Quantity:	no.	1
Make/type:		Bowen # 41695/120
OD flat mill:	in	12
Connection type:		6 5/8 REG Pin

Quantity:	no.	1
Make/type:		Bowen # 41665/018
OD flat mill:	in	8 1/8
Connection type:		4 ½ REG Pin

D.3.10 Magnet Fishing Tools

Quantity:	no.	1
Make/type:		Bowen # 32310/005
OD body:	in	8
Connection type:		4 ½ REG Pin

Quantity:	no.	1
Make/type:		Bowen # 32370/005
OD body:	in	11 ½
Connection type:		6 5/8 REG Pin

D.3.11 Taper Taps

Quantity:	no.	1
Make/type:		Bowen # 15243/049
OD (Max/Min):	in/in	1 3/4 to 4 3/4
OD body:	in	7 3/4
Length:	in	49
Connection type:		6 5/8 REG Box

Quantity:	no.	1
Make/type:		Bowen # 15240/038
OD (Max/Min):	in/in	1 13/16 to 3 11/16
OD body:	in	6 3/4
Length:	in	38
Connection type:		4 1/2 IF Box

D.3.12 Die Collars

Quantity:	no.	N/A
Make/type:		N/A
OD (Max/Min):	in/in	N/A
OD body:	in	N/A
Length:	ft	N/A
Connection type:		N/A

44

RIG AND EQUIPMENT SPECIFICATIONS PACIFIC BORA

45

Purposely Left Void

46

Purposely Left Void

47

E. WELL CONTROL / SUBSEA EQUIPMENT

E.1 LOWER RISER DIVERTER ASSEMBLY (used when drilling for the surface casing)

E.1.1 Hydraulic Connector

Size:	in	N/A
Make:		N/A
Surface controlled hydraulic operated dump valves:	no.	N/A
Size:	in	N/A

E.1.2 Flex Joint/Riser Adapter

Flex joint

Make/type:		N/A
Size:	in	N/A
Max. deflection:	degrees	N/A

Riser adapter:

Make/type:		N/A
------------	--	-----

48

Size:	in	N/A
-------	----	-----

E.2 PRIMARY BOP STACK (from bottom to top)

Stack complete with

-guide frame:	yes/no	Yes
-pick up attachment	yes/no	Yes for LMRP, No for stack alone.
-transport base:	yes/no	Yes

Size (bore):	in	18-3/4
Working pressure:	psi	15,000
H2S service:	yes/no	Yes

E.2.1 Alternate Hydraulic Connector

Alternate connector available:	yes/no	No
Connector make/model:		
Adapter available:	yes/no	No, our connector is set for 27" only

E.2.2 Hydraulic Wellhead Connector

Size:	in	18-3/4
Make/type:		Vetco style SHD (H4)
Working pressure:	psi	15,000
Hot tap for underwater intervention:	yes/no	Yes
Spare Connector same type:	yes/no	No

E.2.3 Ram Type Preventers

Preventers:

Quantity:	no.	1 Lower Triple
Bore size:	in	18-3/4
Working pressure:	psi	15,000
Make:		NOV-Shaffer
Model:		NXT
Type (single/double/Triple):		Triple
Ram locks:	yes/no	Yes, individually operated
Preventers connection type - top:		Studded, 18-3/4" 15,000 psi WP, BX164
Preventers connection type - bottom:		Flanged, 18-3/4" 15,000 psi WP, BX164
Side outlets:	yes/no	Yes
Size:	in	3-1/16
Connection type:		Studded, 3-1/16" 15,000 psi WP, BX154

Preventers:

Quantity:	no.	1 Upper Triple
Bore size:	in	18-3/4
Working pressure:	psi	15,000
Make:		NOV-Shaffer
Model:		NXT
Type (single/double/Triple):		Triple
Ram locks:	yes/no	Yes (Ultralock II B CL)
Preventers connection type - top:		API flange BX-164 STDD
Preventers connection type - bottom:		API flange BX-164 Flange
Side outlets:	yes/no	Yes
Size:	in	3-1/16
Connection type:		Studded, 3-1/16" 15,000 psi WP, BX154

Blind/shear rams

Quantity:	no.	1 set of CVX Blind Shears
Quantity:	no.	1 set of Casing Shear Rams

Pipe rams:

Quantity:	no.	2 Sets
Size:	in	5-7/8" fixed

Variable rams

Quantity:	no.	2 sets
Size range (min/max):	in/in	5 - 7 multi rams
Quantity:	no.	2 sets
Size range (min/max):	in/in	3 1/2 - 5 7/8 multi rams

E.2.4 Stack Configuration (Blind/Shear/Pipe/Variable)

Top rams:	Ram #1	Shear Blind Rams CVX
Top rams:	Ram #2	Casing Shear rams

Top rams:	Ram #3	Variable 3 1/2" - 5 7/8"
Spacing between middle lower and lower rams:		in
Lower rams:	Ram#4	Variable 5" - 7"
Lower rams:	Ram#5	Fixed 9 5/8" (CVX)
Lower rams:	Ram#6	Variable rams 5" - 7"
Position of side outlets - kill:		
Upper:		Below Ram #3
Lower:		Below Ram #5
Position of side outlets-choke:		
Upper:		Below Upper Annular
Upper Middle		Below Shear Ram # 1
Lower Middle		Below Ram # 4
Lower:		Below Ram # 6

E.2.5 Annular Type Preventer On Stack

Size:	in	18 3/4
Working pressure:	psi	10,000
Make/type:		18-3/4" 10,000 psi WP NOV-Shaffer Wedge Cover "Standard" Spherical Blowout Preventer

E.2.6 Mandrel

Make/type:		BOP Mandrel, with a H-4 profile up (Inconel 625 lined VX gasket groove), and an 18-3/4" x 10 ksi WP flange down (Inconel 625 lined BX gasket groove). H2S service in accordance with NACE MR-01-75.
Size:	in	18-3/4

E.2.7 Fail-Safe Hydraulic Valves (Kill and Choke)

Quantity on each side outlet:	no.	1x Dual Block (= 2 valves) on each outlet
Size (ID):	in	3-1/16

50

Make/type:		Gate Valve, Dual Block, Hydraulic Operated, API-6A, 3-1/16" 15,000 psi WP NOV-Shaffer Type "HB", 3-1/16" bore, 3-1/16" 15,000 psi WP straight body, short sea chest, BX-154 stainless steel lined ring grooves
Working pressure:	psi	15,000
Solid block:	yes/no	Yes

E.2.8 Subsea Accumulators (see also E.10.1. Surface Accumulator Unit)

Quantity:	no.	2x 80 gal for LMRP, 3x110 gal Piston Type Bottle, 6x 7 1/2 gal Depth Compensated Bottles for BOP
-----------	-----	--

Useful capacity per accumulator (w/o precharge):	U.S.gal	6x 7 ½ gal DCB, 3x110 gal PTB
Bottle working pressure:	psi	7,500

E.2.9 Hydraulic Control Pod/Receptacles

Quantity:	no.	2 (one for each pod)
Redundancy:	%	100
Color coded:	yes/no	Yes
Remote Regulation of operating pressure for functions requiring lower operating pressure:	yes/no	Yes
Spare control pod:	yes/no	No

E.3 PRIMARY LOWER MARINE RISER PACKAGE (From Bottom to Top)

E.3.1 Hydraulic Connector

Make/type:		Vetco 18-3/4" Style ExF HAR Modified H4. 15,000 PSI MWP. Studded top x 18-3/4" oflexi 625 lined VX/VT gasket
Size:	in	18 ¾
Working pressure:	psi	15,000
Hot tap for underwater intervention:	yes/no	Yes
Spare connector same type:	yes/no	No

E.3.2 Annular Type Preventer (LMRP)

Size:	in	18 ¾
Working pressure:	psi	10,000
Make/type:		18-3/4" 10,000 psi WP NOV-Shaffer Wedge Cover "Standard" Spherical Blowout Preventer. 18-3/4" vertical bore. Internal H2S trim

E.3.3 Flex Joint

Make/type:		Oil States Flexjoint, 18-3/4" -10M
Size:	in	18 ¾
Max deflection:	degrees	10 deg offset from centre
Working pressure	psi	6,000
Cocking stiffness	ft-lbs/deg.	30,000 up to 5°, 20,000 at 10°

E.3.4 Riser Adapter

Make/type:		Riser Adapter, Type « FT-H » x 18-3/4" 10M
Size:	in	18 ¾

E.3.5 Connection Lines to Riser

Type (rigid loops, oflexip, etc.): Coflexip hoses

E.4 SECONDARY BOP STACK (from bottom to top) Yes

Stack complete with

- guide frame: yes/no Yes
- pick up attachment: yes/no Yes for LMRP, No for stack alone.
- transport base: yes/no Yes

Size (bore): in 18-3/4
Working pressure: psi 15,000
H2S service: yes/no Yes

E.4.1 Alternate Hydraulic Connector

Alternate connector available: yes/no No
Connector make/model:
Adapter available: yes/no No, our connector is set for 27" only

E.4.2 Hydraulic Wellhead Connector

Size: in 18-3/4
Make/type: Vetco style SHD (H4)
Working pressure: psi 15,000
Hot tap for underwater intervention: yes/no Yes
Spare connector same type: yes/no No

E.4.3 Ram Type Preventers

Preventers

Quantity: no 1 Lower Triple
Bore Size: in 18-3/4
Working pressure: psi 15,000
Make: NOV-Shaffer
Model: NXT
Type (single/double): Triple
Ram locks: yes/no Yes, individually operated
Preventers connection type - top: Studded, 18-3/4" 15,000 psi WP, BX164
Preventers connection type - bottom: Flanged, 18-3/4" 15,000 psi WP, BX164
Side outlets: yes/no Yes
Size: in 3-1/16
Connection type: Studded, 3-1/16" 15,000 psi WP, BX154

Pipe rams

Quantity:	no.	2 Sets
Size:	in	5-7/8" fixed
Quantity:	no.	
Size:	in	
Quantity:	no.	
Size:	in	

Blind/Shear rams		1 set of CVX Blind Shears
Quantity:	no.	1 set of Casing Shear Rams

Variable rams		
Quantity:	no.	2 sets
Size range (max/min):	in/in	5 - 7 multi rams
Quantity:	no.	2 sets
Size range (max/min):	in/in	3 1/2 - 5 7/8 multi rams

E.4.4 Stack Configuration (Blind/Shear/Pipe/Variable)

Top rams:		Shear Blind Rams CVX
Middle upper rams:		Casing Shear rams
Middle lower rams:		Variable 3 1/2" - 5 7/8"
Spacing between Middle Lower and Lower rams:	in	Variable 5" - 7" Fixed 9 5/8" (CVX) Variable rams 5" - 7"

Lower rams:

Position of side outlets-kill:		
Upper:		Below Ram #3
Lower:		Below Ram #5

Position of side outlets-choke:		
Upper:		Below Upper Annular
Middle:		Below Ram #2
Lower:		Below Ram # 4

E.4.5 Annular Type Preventer On Stack

Size:	in	18 3/4
Working pressure:	psi	10,000
Make/type:		18-3/4" 10,000 psi WP NOV-Shaffer Wedge Cover "Standard" Spherical Blowout Preventer

E.4.6 Mandrel

Make/type:		BOP Mandrel, with a H-4 profile up (Inconel 625 lined VX gasket groove), and an 18-3/4" x 10 ksi WP flange down (Inconel 625 lined BX gasket groove). H2S service in accordance with NACE MR-01-75.
Size:	in	18-3/4

E.4.7 Fail-Safe Hydraulic Valves (Kill and Choke)

Quantity on each side outlet:	no.	1x Dual Block (= 2 valves) on each outlet
Size (ID):	in	3-1/16

53

Make/type:		Gate Valve, Dual Block, Hydraulic Operated, API-6A, 3-1/16” 15,000 psi WP NOV-Shaffer Type “HB”, 3-1/16” bore, 3-1/16” 15,000 psi WP straight body, short sea chest, BX-154 stainless steel lined ring grooves
Working pressure:	psi	15,000
Solid block:	yes/no	Yes

E.4.8 Subsea Accumulators (see also E.10.1 Surface Accumulator Unit)

Quantity:	no.	2x 80 gal for LMRP, 3x110 gal Piston Type Bottle, 6x 7 1/2 gal Depth Compensated Bottles for BOP
Useful capacity per accumulator (w/o precharge):	U.S.gal	6x 7 ½ gal DCB, 3x110 gal PTB
Bottle working pressure:	psi	7,500

E.4.9 Hydraulic Control Pod/Receptacles

Quantity:	no.	2 (one for each pod)
Redundancy:	%	100
Color coded:	yes/no	Yes
Remote Regulation of operating pressure for functions requiring lower operating pressure:	yes/no	Yes
Spare control pod:	yes/no	No

E.5 SECONDARY LOWER MARINE RISER PACKAGE (From Bottom to Top)

E.5.1 Hydraulic Connector

Make/type:		Vetco 18-3/4” Style ExF HAR Modified H4. 15,000 PSI MWP. Studded top x 18-3/4” oflexi 625 lined VX/VT gasket
Size:	in	18 ¾
Working pressure:	psi	15,000
Hot tap for underwater intervention:	yes/no	Yes
Spare connector same type:	yes/no	No

E.5.2 Annular Type Preventer (LMRP)

Size:	in	18 ¾
Working pressure:	psi	10,000

Make/type: 18-3/4" 10,000 psi WP NOV-Shaffer Wedge Cover "Standard"
Spherical Blowout Preventer. 18-3/4" vertical bore. Internal H2S
trim

E.5.3 Flex Joint

Make/type: Oil States Flexjoint, 18-3/4" -10M
Size: in 18 3/4
Max deflection: degrees 10 deg offset from centre 6,000
30,000 up to 5°, 20,000 at 10°

54

E.5.4 Riser Adapter

Make/type:
Size: in Riser Adapter, Type « FT-H » x 18-3/4" 10M
18 3/4

E.5.5 Connection Lines to Riser

Type (rigid loops, coflexip, etc): Conduit Coflexip hoses

E.6 PRIMARY MARINE RISER SYSTEM

E.6.1 Marine Riser Joints

Make/model: Shaffer Class "H" FT-H Type / *Slick*
OD: in 21
ID: in 19.25
Wall thickness: in 15/16
Average length of each joint: ft 90'
Weight of one complete joint (in air): lbs 36,887
Quantity: no. 9
Pipe material: grade API 5L X80 Seamed pipe
Minimum yield strength: lb 2X10⁶ (coupling rate)
Type riser connectors: FT-H Type (3,500,000 lbs rated)
Bolts no. 8

Make/model: Shaffer Class "H" FT-H Type / Dressed with 2000 ft water depth
rated Buoyancy
OD: in 21"
ID: in 19.25
Wall thickness: in 7/8
Average length of each joint: ft 90
Weight of one complete joint (in air): lbs 61,007
Quantity: no. 18
Pipe material: grade API 5L X80 Seamed pipe
Minimum yield strength: lb 2X10⁶ (coupling rate)
Type riser connectors: FT-H Type (3,500,000 lbs rated)

Bolts:	no.	8
Make/model:		Shaffer Class "H" FT-H Type / Dressed with 4000 ft water depth rated Buoyancy
OD:	in	21
ID:	in	19.25
Wall thickness:	in	7/8
Average length of each joint:	ft	90
Weight of one complete joint (in air):	lbs	63,905
Quantity:	no.	22
Pipe material:	grade	API 5L X80 Seemed pipe
Minimum yield strength:	lb	2X10 ⁶ (coupling rate)
Type riser connectors:		FT-H Type (3,500,000 lbs rated)
Bolts:	no.	8
Make/model:		Shaffer Class "H" FT-H Type / Dressed with 6000 ft water depth rated Buoyancy
OD:	in	21
ID:	in	19.25
Wall thickness:	in	7/8

Average length of each joint:	ft	90
Weight of one complete joint (in air):	lbs	65,161
Quantity:	no.	22
Pipe material:	grade	API 5L X80 Seemed pipe
Minimum yield strength:	lb	2X10 ⁶ (coupling rate)
Type riser connectors:		FT-H Type (3,500,000 lbs rated)
Bolts:	no.	8
Make/model:		Shaffer Class "H" FT-H Type / Dressed with 8000 ft water depth rated Buoyancy
OD:	in	21
ID:	in	19.25
Wall thickness:	in	7/8
Average length of each joint:	ft	90
Weight of one complete joint (in air):	lbs	67,161
Quantity:	no.	22
Pipe material:	grade	API 5L X80 Seemed pipe
Minimum yield strength:	lb	2X10 ⁶ (coupling rate)
Type riser connectors:		FT-H Type (3,500,000 lbs rated)
Bolts:	no.	8
Make/model:		Shaffer Class "H" FT-H Type / Dressed with 10,000 ft water depth rated Buoyancy
OD:	in	21
ID:	in	19.25
Wall thickness:	in	7/8

Average length of each joint:	ft	90
Weight of one complete joint (in air):	lbs	71,161
Quantity:	no.	17
Pipe material:	grade	API 5L X80 Seemed pipe
Minimum yield strength:	lb	2X10 ⁶ (coupling rate)
Type riser connectors:		FT-H Type (3,500,000 lbs rated)
Bolts:	no.	8

Pup

Quantity:	no.	
Length:	ft	1 40' , 1 x 25' 1x 20' 2 x 15' 1 x 10' 1 x 5'
Quantity:	no.	
Length:	ft	
Quantity:	no.	2 (1 x on top of LMRP – BOP guide system)
Length:	ft	55

E.6.2 Telescopic Joint

2 each (1x back-up onboard)

Make/type:		NOV-Shaffer Type “FT” Telescopic Joint
Size (ID):	in	19 3/8
Stroke:	ft	70
Double seals:	yes/no	Yes
Spare telescoping joint:	yes/no	Yes
Location:		Rig
Rotating support ring for riser tensioners:	type	NOV-Shaffer
Connection points:	no.	16

E.6.3 Kill/Choke Lines

Quantity:	no.	2
Outside diameter:	in	6 ½
Inside diameter:	in	4 ½
Working pressure:	psi	15,000

E.6.4 Booster Lines (if Fitted)

Quantity:	no.	1
Outside diameter:	in	5
Inside diameter:	in	4
Working pressure:	psi	7,500

E.6.5 Hydraulic Supply Lines

Quantity:	no.	2
-----------	-----	---

Outside diameter:	in	2.875
Inside diameter:	in	2.323
Working pressure:	psi	5,000

E.6.6 Upper Ball (Flex) Joint

Make/type:		Oilstates flex type
Size:	in	18-3/4
Maximum deflection:	deg.	15
Spare upper ball (flex) joint:	yes/no	No

E.6.7 Buoyancy Modules (if Fitted)

Make:		NOV
Quantity of buoyed riser joints:	no.	101
Riser tub OD:	in	21
OD of buoyed riser joints:	in	54.5
Length of each module:	ft	13' 10 1/2 "
Volume of each module:	ft3	80.52 (161.04 per pair)
Buoyancy in seawater:	st/ft3	-90 %
Rated water depth:	ft	18 x 2k, 22 x 4k, 22 x 6k, 22 x 8k 17 x 10k

E.6.8 Marine Riser Spider

Make/type:	NOV-Shaffer Type FT-H Riser Spider, with lower mounting for 60-1/2" rotary table. 1,000 Ton capacity
------------	--

E.6.9 Marine Riser Gimbal

Make/type:	NOV-Shaffer / Heavy Duty 1,000 ton
------------	------------------------------------

E.6.10 Riser Handling Tools

Quantity:	no.	2
Type:		NOV-Shaffer Type FT-H, Hydraulic Running + test tool, 1,000 ton (+solid body NOV elevators)

E.6.11 Riser Test Tools

Quantity:	no.	See E.6.10
Type:		

E.6.12 Instrumented Riser Joint

Quantity:	no.	N/A
-----------	-----	-----

Make:		N/A
Type:		N/A
Length:	ft	N/A
Functions:		N/A
Tension:	yes/no	N/A
Mud temp:	yes/no	N/A
Mud weight:	yes/no	N/A
Other:		N/A

E.6.13 Riser Flood/Fill System

Quantity:	no.	N/A
Make:		N/A
Type:		N/A
Length:	ft	N/A
Automatic operation:	yes/no	N/A
Manual override:	yes/no	N/A
No. of inlet valves:	no.	N/A
Size of valves (ID):	in	N/A

E.7 SECONDARY MARINE RISER SYSTEM N/A

E.7.1 Marine Riser Joints

Make/model:		N/A
OD:	in	N/A
ID:	in	N/A
Wall thickness:	in	N/A
Average length of each joint:	ft	N/A
Weight of one complete joint (in air):	lbs	N/A
Quantity:	no.	N/A
Pipe material:	grade	N/A
Minimum yield strength:	psi	N/A
Type riser connectors		N/A
Dogs:	no.	N/A

Pup joints

Quantity:	no.	N/A
Length:	ft	N/A
Quantity:	no.	N/A
Length:	ft	N/A
Quantity:	no.	N/A
Length:	ft	N/A
Quantity:	no.	N/A
Length:	ft	N/A

E.7.2 Telescopic Joint

Make/type:		N/A
Size (ID):	in	N/A
Stroke:	ft	N/A
Double seals:	yes/no	N/A
Spare telescoping joint:	yes/no	N/A
Location:		N/A
Rotating support ring for riser tensioners:	type	N/A
Connection points:	no.	N/A

E.7.3 Kill/Choke Lines

Quantity:	no.	N/A
Outside diameter:	in	N/A
Inside diameter:	in	N/A
Working pressure:	psi	N/A

E.7.4 Booster Lines (if Fitted)

Quantity:	no.	N/A
Outside diameter:	in	N/A
Inside diameter:	in	N/A
Working pressure:	psi	N/A

E.7.5 Hydraulic Supply Lines

Quantity:	no.	N/A
Outside diameter:	in	N/A
Inside diameter:	in	N/A
Working pressure:	psi	N/A

E.7.6 Upper Ball (Flex) Joint

Make/type:		N/A
Size:	in	N/A
Maximum deflection:	deg.	N/A
Spare upper ball (flex) joint:	yes/no	N/A

E.7.7 Buoyancy Modules (if Fitted)

Make:		N/A
Quantity of buoyed riser joints:	no.	N/A
OD of buoyed riser joints:	in	N/A
Length of each module:	ft	N/A
Volume of each module:	ft ³	N/A
Buoyancy in seawater:	st/ft ³	N/A
Rated water depth:	ft	N/A

E.7.8 Marine Riser Spider

Make/type: N/A

E.7.9 Marine Riser Gimbal

Make/type: N/A

59

E.7.10 Riser Handling Tools

Quantity: no. N/A
Type: N/A

E.7.11 Riser Test Tools

Quantity: no. N/A
Type: N/A

E.7.12 Instrumented Riser Joint

Quantity: no. N/A
Make: N/A
Type: N/A
Length: ft N/A
Functions: N/A
 Tension: yes/no N/A
 Mud temp: yes/no N/A
 Other: N/A

E.7.13 Riser Flood/Fill System

Quantity: no. N/A
Make: N/A
Type: N/A
Length: ft N/A
Automatic Operation: yes/no N/A
Manual Override: yes/no N/A
No. of inlet valves: no. N/A
Size of Valves (ID): in N/A

E.8 DIVERTER BOP

(For installation in fixed bell nipple)

Make/type: NOV-Shaffer
Max. bore size: in 21 ¼
Working pressure: psi 500
Number of Diverter outlets: no. 2

Outlet OD:	in	3 each 18, 1 each 6 and 1 each 4
Insert packer size ID:	in	21 1/4"

E.8.1 Diverter Flowlines

Quantity:	no.	2
OD of Flowlines:	in	18
Running from Diverter to:		Overboard
Valve types:		Piper
Size:	in	18 16 1/8 Bore
Working pressure:	psi	500psi
Control valve type (air/hydraulic/etc.):		Hydraulic
Remote: controlled from:	location	Rig Floor
	location	Toolpushers office
	location	Diverter Panel

E.8.2 Diverter Control Panels

Driller' s panel

60

Make:		NOV-Shaffer
Model:		
Location:		Drilling station, rig floor
Locking/unlocking control:	yes/no	No

Remote panel

Make:		NOV-Shaffer
Model:		
Location:		Toolpushers office
Locking/unlocking control:	yes/no	No

E.9 SUBSEA SUPPORT SYSTEM

E.9.1 Riser Tensioners

Quantity:	no.	16
Make/type:		NOV-Hydralift
Capacity each Tensioner:	lbs	200,000
Maximum stroke:	ft	12.5
Wireline size:	in	2 1/2
Line travel:	ft	50
Independent air compressors:	yes/no	Yes
Independent air drying unit:	yes/no	Yes

E.9.2 Guideline System

Quantity:	no.	N/A
Make/type:		N/A
Capacity each Tensioner:	st	N/A
Maximum stroke:	ft	N/A
Wireline size:	in	N/A
Line travel:	ft	N/A
Line storage drums with tensioners:	yes/no	N/A

E.9.3 Remote Guideline Replacement Tool

Make/type:		N/A
------------	--	-----

E.9.4 Remote Guideline Cutting Tool

Make/Type:		N/A
------------	--	-----

E.9.5 Pod Line Tensioners

Quantity:	no.	N/A
Make/type:		N/A
Capacity each Tensioner:	st	N/A
Maximum stroke:	lt	N/A
Wireline size:	in	N/A
Line travel:	ft	N/A

E.9.6 Tensioner/Compensator Air Pressure Vessels

Quantity:	no.	52
-----------	-----	----

61

Total capacity:	ft ³	58.45
Rated working pressure:	psi	3,000
Pressure relief valve installed:	yes/no	Yes

E.10 BOP CONTROL SYSTEM

E.10.1 Surface Accumulator Unit (see also E.2.8 & E.4.8 - Subsea Accumulators)

Make:		NOV-Shaffer
Model/type:		5 th generation Mux
Location:		Subsea Module
Soluble oil reservoir capacity:	U.S.gal	1500
Oil/water mix capacity:	U.S.gal/min	30
Glycol reservoir capacity:	U.S. gal	500

No. of bottles installed:	no.	63
Useful capacity per accumulator (w/o pre-charge):	U.S.gal	15
Bottle working pressure:	psi	5,000
Control manifold model:		NOV-Koomey
Regulator type:		
Total useful accumulator volume (surface and stack) equals all Preventer opening and closing volumes:	yes/no	Yes

E.10.2 Accumulator Hydraulic Pumps

Electric driven

Quantity:	no.	3 (1 x for additional redundancy)
Make:		Odessa
Model:		Triplex
Each driven by motor of power:	hp	150 (#3 135)

Air driven

Quantity:	no.	N/A
Make:		N/A
Model:		N/A
Each driven by motor of power:	hp	N/A
Flow rate of each pump:	U.S.gals/min	N/A
At minimum operating pressure:	psi	N/A

E.10.3 Driller' s Control Panel

Graphic control panel at Driller' s position showing
Subsea functions with controls for the following
functions of the BOP stack

Marine riser connector:	yes/no	Yes
All annular type Bop' s:	yes/no	Yes
All ram type Bop' s:	yes/no	Yes
Lock for ram type Bop' s :	yes/no	Yes
Wellhead and LMRP connector:	yes/no	Yes
Inner and outer kill and choke line valves:	yes/no	Yes
Low acc. pressure warning:	yes/no	Yes
Low reservoir level warning:	yes/no	Yes
Low rig air pressure warning:	yes/no	Yes

Pressure Regulator for annular:	yes/no	Yes
Flowmeter:	yes/no	Yes
Quantity of pressure gauges:	no.	28
Emergency push button for automatic riser disconnection:		Yes
Other control functions:	yes/no	Yes

Control panel make:	NOV-Shaffer
Control panel model:	5 th generation Mux

E.10.4 Remote Control Panels

Ability to operate main closing unit valves directly:	yes/no	Yes
Quantity:	no.	1 (Toolpushers)
Make/model:		NOV-Shaffer
Locations:		Toolpushers office
Operating system routing (Direct/via Primary Control Panel)		Silvertch PLC unit

E.11 SUBSEA CONTROL SYSTEM

E.11.1 Hose Reels

Quantity:	no.	2
Location:		Moonpool
Make/type:		NOV
Maximum storage length each:	ft	11,000'
Drive motor type:		Air

E.11.2 Pod Hose

Mux Cable

Location:		Moonpool MUX
Length:	ft	11,000 feet
OD hose:	in	1.1'
Control line ID:	in	N/A
Quantity total:	no.	N/A
Quantity spare (when new):	no.	N/A
Control line ID:	in	N/A
Quantity total:	no.	N/A
Quantity spare (when new):	no.	N/A
Control line ID:	in	N/A
Quantity total:	no.	N/A
Quantity spare (when new):	no.	N/A

E.11.3 Pod Hose Manifold

Make/model:		N/A
Surface test stump:	yes/no	N/A

E.11.4 Surface Test Pod	yes/no	No Pod test stand
--------------------------------	--------	-------------------

E.12 ACOUSTIC EMERGENCY BOP CONTROL SYSTEM

Make/model:	Kongsberg
Type (fixed/portable):	Both

Number of functions: no. 6

63

Type of functions:

LMRP connector release:	yes/no	Yes
Shear ram close:	yes/no	Yes (Blind-Shear)
Other:		Ram 2 close, BSR close, Retract all stabs, RC unlock

E.13 SUBSEA AUXILIARY EQUIPMENT

E.13.1 Hole Position Indicator

Make/type		Via DP system
Quantity of monitors:	no.	N/A
Monitor location:		N/A
Monitor location:		N/A
Recorder:	yes/no	N/A

E.13.2 Riser Angle Indicator

Make/type		NOV-Shaffer
Quantity of monitors:	no.	4
Monitor location:		Drillers station, Toolpushers office, BOP Central Control Console and DP Operator
Recorder:	yes/no	No

Make/type		
Quantity of monitors:	no.	
Monitor location:		
Recorder:	yes/no	

E.13.3 Slope Indicators

Make:		NOV-Shaffer
Quantity:	no.	4
Provision for installation on		
BOP:	yes/no	Yes (LMRP & BOP)
Pin connector:	yes/no	Yes
Other:		

E.13.4 Underwater TV System

Make/type:		
Quantity of TV monitors:	no.	N/A
Monitor location:		
Reels/cables for maximum water depth:	ft	N/A
Pan/tilt unit:	yes/no	N/A

Spare camera:	yes/no	N/A
Spare cable:	yes/no	N/A

E.13.5 ROV System

Quantity:	no.	Port side
Location		Provision for installation 1 port aft & 1 stbd aft
Make:		N/A
Type:		N/A

64

Monitor location:		N/A
Monitor location:		N/A
Provided by (operator, contractor):		Operator
Maximum water depth:	ft	N/A
Cameras - color:	no.	N/A
Cameras - B&W:	no.	N/A
Manipulators		N/A
Quantity:	no.	N/A
Type (specially correspondent, rate, grabber):		N/A
Sonar		N/A
Type:		N/A

E.14 CHOKE MANIFOLD

E.14.1 Choke Manifold

(for instrumentation, see H.3)

Make:		RB PipeTech Ltd.
Minimum ID:	in	3
Maximum WP:	psi	15,000
H2S service:	yes/no	Yes

Quantity of fixed chokes:	no.	N/A
Make:		N/A
Model:		N/A
Size (ID):	in	N/A

Quantity of adjustable chokes:	no.	2
Make:		Masterflo
Model:		P25
Size (ID):	in	1.45

Quantity of power chokes:	no.	2
Make:		Masterflo
Model:		P25
Size (ID):	in	1.45

Power choke remote control panel:	yes/no	Yes
Make:		Hitec
Location		Drillers Doghouse
Glycol injection:	yes/no	Yes

E.14.2 Flexible Choke & Kill Lines
(Connecting riser to drilling unit)

Quantity:	no.	2
Make/type:		Techflow Flexibles
ID:	in	3
Working pressure:	psi	15,000

E.15 BOP TESTING EQUIPMENT

E.15.1 Hydraulic BOP Test Pump

Make:	Hydroplex
Model/type:	HP 550 Series

65

Pressure rating:	psi	25,500
Chart recorder:	yes/no	Yes

E.15.2 BOP Test Stump

Quantity:	no.	2
Test pressure:	psi	15,000
Type:		H4
Size:	in	18 ¾
Connected to deck (welded/bolted):		1 x bolted. 1x hydraulic extend/retract

**E.16 WELLHEAD RUNNING / RETRIEVING/
TESTING TOOLS (RT/RRT/TT)**

Wellhead make:		N/A
Wellhead type:		N/A
Wellhead size:	in	N/A
Pressure rating:	psi	N/A

E.16.1 RT' s for Casing Installation

Mechanical RT- casing housing sizes:	in	N/A
Hydraulic RT - casing housing sizes:	in	N/A
Pack Off RT - casing housing sizes:	in	N/A
Hanger RT - casing hanger sizes:	in	N/A

Hanger RT - casing type:		N/A
Seal Assembly RT - casing sizes:	in	N/A

E.16.2 RRT' s for Casing Installation

Seal Assembly RRT - casing sizes:	in	N/A
Wear Bushing RRT - casing sizes:	in	N/A
Seat Protector RRT - casing sizes:	in	N/A

E.16.3 Miscellaneous Tools

Temporary guide base RT:	yes/no	N/A
BOP stack TT:	yes/no	N/A
Multi-purpose TT:	yes/no	N/A
Conductor casing jetting head:	yes/no	N/A
Clean out tool:	yes/no	N/A
Lock ring wellhead release tool:	yes/no	N/A
Seal assembly torque tool:	yes/no	N/A
Utility guide frame:	yes/no	N/A
Guide frame adapter sizes:		N/A

E.16.4 Booster Lines (if Fitted)

OD drill pipe:	in	N/A
Quantity:	no.	N/A
Connection type:		N/A
Grade:		N/A
Hang off method (sq. shoulder/doughnut):		N/A

E.16.5 Mini Hose Bundle For Use With Hydraulic Running Tools

Control line ID:	in	N/A
------------------	----	-----

66

Quantity of lines:	no.	N/A
Control line ID:	in	N/A
Quantity of lines:	no.	N/A

E.16.6 Emergency BOP Recovery System

Emergency BOP recovery system:	yes/no	Yes
Make/type:		Clamp below annular + slings rated for LMRP + BOP, total weight estimated 360 tons

67

F. MUD SYSTEM/BULK SYSTEM

F.1 HIGH PRESSURE MUD SYSTEM

System working pressure:	psi	7,500 psi
System test pressure:	psi	11,250 psi proof test at construction only
Built to which design pressure:		7,500 psi

F.1.1 Mud Pumps

Quantity:	no.	4
Make:		NOV
Model:		Model 14-P-220
Type: (Triplex/Duplex):		Triplex
Liner sizes available:	in	7", 6 1/2", 5 1/2" ceramic
Mud pump drive motors:	no.	2 each
Motor type:		General Electric 1,100 hp AC motors (2 ea per pump)
Continuous power rating per motor:	hp	1,100 hp (per motor)
Fluid end:	type	
Maximum working pressure:	psi	7,500 psi
Test pressure:	psi	
Pump stroke counter:	type	Yes
Supercharging pump:	type	Yes (Halco 8" x 6" x 14")
Driven by motor of power:	hp	100 hp
Discharge/Suction line ID:	in/in	6"
M.P. Pulsation Dampener:	type	Yes
Reset Relief Valve:	type	NOV Titan BX
Working flowrate per pump at 90% of spm:	max	
	in	
Pump speed (90% of max.):	spm	105 spm
Pump pressure:	psi psi	4,615 (7" liner)
Working flowrate @ 100% volumetric output:	U.S. gal/min	735 gpm

F.1.2 Transfer Pumps/Mixing Pumps

Transfer pumps

Quantity:	no.	6
Make:		NOV Halco
Model:		6 x 8 x 14
Type:		Centrifugal
Drive motor type:		Electrical
Power output:	hp	100 Hp @ 1750 RPM

Mixing pumps

Quantity:	no.	3
Make:		NOV Halco
Model:		6 x 8 x 14
Type:		Centrifugal

Drive motor type:	Electrical
Power output:	hp 125 Hp @ 1750 RPM

F.1.3 Booster Pump

Quantity:	no.	N/A (Use a main Mud Pump, with dedicated boost standpipe only in mud pump room)
Make/type:		N/A
Pumping capacity (each):		N/A
U.S.gals/min		
Drive motor type:		N/A
Power output:	hp	N/A

F.1.4 Standpipe Manifold

Quantity of standpipes:	no.	2 (+1 each boost standpipe in the mud pump room)
Standpipes ID:	in	5"
H-Type Standpipe manifold:	yes/no	Yes
Kill line outlet:	yes/no	Yes
Fill-up/bleed-off line outlet:	yes/no	Yes
Outlets (total):	no.	2
ID:	in	3" & 2"
Type connections:		Weco Fig 1502 male
Dimensions OD x ID:	in x in	3" & 2"
Design standard:		API

F. 1.5 Rotary Hoses

Quantity:	no.	2
Make/type:		Gates Rubber
ID x length:	in x ft	4" x 113'
Snubbing lines:	yes/no	Yes

F.1.6 Cementing Hose

Type (coflexip, etc):		Coflexip (+ cement standpipe)
Length:	ft	144'
ID:	in	3"
Working pressure:	psi	15,000 psi

F.1.7 Chiksan Steel Hoses

Integral on-screwed:	yes/no	Welded
Make/type		Weco Fig 1502
ID:	in	2"
Section length:	ft	8 ft

Quantity:	no.	4
Section length:	ft	10 ft Swivel loops
Quantity:	no.	5
ID:	in	3"
Section length:	ft	3.5 ft
Quantity:	no.	8
Section length:	ft	4 ft
Quantity:	no.	11
Sweep swivels, make/type:		Weco Fig 1502

Nom. size ID:	in	2"
Quantity:		8
Nom. size ID:	in	3"
Quantity:		16
Suitable for H2S service:	yes/no	Yes

F.2 LOW PRESSURE MUD SYSTEM

F.2.1 Mud Tanks

Quantity:	no.	16 / 5 (active / reserve)
Total capacity:	bbl	6,000 bbls + 9,000 bbl
Height:	ft	9 ft
Capacity, tank No. 1:	bbl	500 bbl
Type (active/reserve):		Active
Capacity, tank No. 2:	bbl	500 bbl
Type (active/reserve):		Active
Capacity, tank No. 3:	bbl	250 bbl
Type (active/reserve):		Active
Capacity, tank No. 4:	bbl	250 bbl
Type (active/reserve):		Active
Capacity, tank No. 5:	bbl	500 bbl
Type (active/reserve):		Active
Capacity, tank No. 6:	bbl	500 bbl
Type (active/reserve):		Active
Capacity, tank No. 7:	bbl	500 bbl
Type (active/reserve):		active
Capacity, tank No. 8:	bbl	500 bbl
Type (active/reserve):		Active
Capacity, tank No. 9:	bbl	500 bbl
Type (active/reserve):		Active
Capacity, tank No. 10:	bbl	500 bbl
Type (active/reserve):		Active
Capacity, tank No. 11:	bbl	500 bbl
Type (active/reserve):		Active

Capacity, tank No. 12:	bbbl	500 bbl
Type (active/reserve):		Active
Capacity, tank Slug No. 1:	bbbl	125 bbl
Type (active/reserve):		Active
Capacity, tank Slug No. 2:	bbbl	125 bbl
Type (active/reserve):		Active
Capacity, tank Chemical No. 1:	bbbl	125 bbl
Type (active/reserve):		Active
Capacity, tank Chemical No. 2:	bbbl	125 bbl
Type (active/reserve):		Active
Capacity, tank Reserve No. 1:	bbbl	1,500 bbl
Type (active/reserve):		Reserve
Capacity, tank Reserve No. 2:	bbbl	1,500 bbl
Type (active/reserve):		Reserve
Capacity, tank Reserve No. 3:	bbbl	1,500 bbl
Type (active/reserve):		Reserve
Capacity, tank Reserve No. 4:	bbbl	1,500 bbl
Type (active/reserve):		Reserve
Capacity, tank Reserve No. 5(Reserve or Waste):	bbbl	3,000 bbl
Type (active/reserve):		Reserve
Capacity Sand Trap:	bbbl	60 bbls

Capacity degasser tank:	bbbl	60 bbls
Capacity Desilter Tank		60 bbls
Capacity Desander Tank		60 bbls
Capacity Return Tank		60 bbls
Mud agitator in each tank	yes/no	Yes (except Sand trap and Degasser)
Mud guns in each tank:	yes/no	Yes (except mud process tanks)

F.2.2 Settling Tank

Quantity:	no.	2
Total capacity:	bbbl	125 bbl ea.(chem. Tanks .see F.2.1.)

F.2.3 Pill/Slug Tank

Quantity: 2 ea.	no.	
Capacity:	bbbl	125 bbl ea. (see F.2.1.)
Mud agitator:	yes/no	Yes
Mud guns:	yes/no	Yes

F.2.4 Trip Tank

Capacity:	bbbl	60 bbl
Capacity/unit length:	bbbl/ft	5.08 bbl/ft
Level indicator:	yes/no	Yes
Electric pump make:		NOV Halco

Number		2
Model/type:		Centrifugal 2,500 Supreme 6" x 5" x 14"
Motor output:	hp	50 hp
Facility for casing fill-up:	yes/no	No
Alarm and strip chart recorder (see H.1.11):	yes/no	Yes

F.2.5 Stripping Tank

Capacity:	bbbl	8 bbl
Capacity/unit length:	bbbl/ft	1.56 bbl/ft
Equalizing facility with trip tank:	yes/no	No
Transfer pump:	yes/no	Yes

F.2.6 Chemical Mixing Tank

Quantity: 2 ea.	no.	
Capacity:	bbbl	125 bbl ea. (see F.2.1.)
Chemical mixer type:		NOV-Brandt Agitator / MA-15

F.2.7 Shale Shakers

Primary:		
Quantity:	no.	7
Make/model:		NOV-Thule VSM 300 with fume extraction hood Balanced
Type:		epiliptical motion, low profile, cascade shaker
Driven by no. of electric motors:	no.	2
Design flowrate (total):	bbbl/min	2000 Gpm – 18" flowline (diverter housing – shakers)

Cascading

Quantity:	no.	N/A (Primary shakers are cascading type)
Make/model:		N/A
Type:		N/A
Driven by no. of electric motors:	no.	N/A
Design flowrate (total):	bbbl/min	N/A

F.2.8 Desander/Desander

Quantity:	no.	1
Make/model:		NOV-Brandt – 2,500 Supreme
Type:		Mission
Number of cones x size:	no. x in	3 X 10"
Centrifugal pump type:		Mission
Centrifugal pump size:	in x i	8" x 6" x 14"
Driven by electric motor of:	hp	150HP
Is pump dedicated to Desander:	yes/no	Yes
Max. flowrate:	bbbl/min	1600 gpm

F.2.9 Desilter

Quantity:	no.	1
Make/model:		NOV-Brandt/ 2,500 Supreme
Type:		
Number of cones x size:	no. x in	24 x 4"
Centrifugal pump type:		Mission
Centrifugal pump size:	in x in	8" x 6" x 14"
Driven by electric motor of:	hp	150 HP
Is pump dedicated to Desilter:	yes/no	Shared with mudcleaner
Max. flowrate:	bbl/min	1,600 gpm

F.2.10 Mud Cleaner

Quantity:	no.	1
Make/model:		NOV-Thule /VSM 300
Type:		VSM 300 (with Desilter and Desander cone set above)
Number of cones x size:	no. x in	24 x 4"
Centrifugal pump type:		8" x 6" x 14"
Centrifugal pump size:	in x in	Mission
Driven by electric motor of:	hp	150 HP
Is pump dedicated to Mud Cleaner:	yes/no	Shared with desilter
Max. flowrate:	gpm	1,600 gpm

F.2.11 Mud/Gas Separator (Poor Boy)

Make/type:		NOV-RB Pipetech / 3122-06
Gas discharge line ID:	in	12
Gas discharge location, primary:		Crown
Can discharge be tied into burner system:	yes/no	No
Mud seal height:	ft	19'
Calculated gas throughput:	mmscf	1000 Gpm

F.2.12 Degasser

Quantity:		2
Make/type:		NOV-Brandt / D-10
Centrifugal pump type:		Centrifugal
Centrifugal pump size:	in x in	6 x 8 x 14
Driven by electric motor of power:	hp	150 Hp
Discharge line running to:		Crown
Vacuum pump make:		Ingersoll-Rand
Type:		Single stage

F.2.13 Mud Agitators

Quantity:	no.	10
Make/model:		NOV-Brandt HMA-30RG
Driven by electric motor of:	kw	30 hp
Located in tanks (see F.2.1 for tank numbers):		1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 3 (20 HP), 4 (5 HP)

Quantity:	no.	4
Make/model:		NOV-Brandt VMA - 10
Driven by electric motor of:	kw	10 hp
Located in tanks (see F.2.1 for tank numbers):		Chemical 1& 2 and Slug 1 & 2

Quantity:	no.	3
Make/model:		NOV-Brandt / VMA-5
Driven by electric motor of:	kw	5 hp
Located in tanks (see F.2.1 for tank numbers):		Return, Desander and Desilter Tanks

Quantity:	no.	7
Make/model:		NOV-Brandt HMA-40RG
Driven by electric motor of:	kw	40 hp
Located in tanks (see F.2.1 for tank numbers):		Reserves 1,2,3 & 4 ; 2 x Res./Waste; Drain tk.

F.2.14 Mud Centrifuge

Quantity:	no.	2
Make/model:		NOV-Brandt HS-3400
Feed pump make/model:		N/A
Driven by motor of power:	hp	VFD
Capacity:	bbl/min	200 gal / min

F.2.15 Mud Hopper

Quantity:	no.	3
Make/model:		NOV- Procon / Auto feed dustfree
Feed pump make/model:		NOV- Supreme 2500 8 x 6 x 14
Driven by motor of power:	hp	125 HP

F.2.16 Mud Laboratory and Facilities

Separate room:	yes/no	Yes
----------------	--------	-----

Equipped with

Mud balance:	yes/no	Yes
Marsh funnel:	yes/no	Yes
Filtration kit:	yes/no	No
Sand content kit:	yes/no	No
Stopwatch:	yes/no	No

F.3 BULK SYSTEM

F.3.1 Barite/Bentonite Silos

Quantity:	no.	4
Capacity of each silo:	lt	113 m3
Locations:		Midship fwd below deck
Type weight loadcell:		Electronic
Manufacturer:		Thames Side - Maywood VC 3500
Pressure rating:	psi	65 psi 4.4 bar
Relief valve(s) installed	yes/no	Yes
Rock-catcher(s) installed		Yes
Dust-collectors installed		Yes

F.3.2 Cement Silos

Quantity:	no.	4
Capacity of each silo:	lt	113 m3
Locations:		Midship below deck
Type weight loadcell:		Electronic
Manufacturer:		Thames Side - Maywood VC 3500
Pressure rating:	psi	65 psi 4.4 bar
Relief valve(s) installed:	yes/no	Yes
Rock-catcher(s) installed		Yes
Dust-collectors installed		Yes
Separate mud/cement loading facilitates:	yes/no	Yes
Discharge line for cement independent from barite/ bentonite discharge line:	yes/no	Yes

F.3.3 Cement Day Tanks

Quantity:	no.	2
Capacity of each silo:	lt	40 m3
Locations:		Outside Cement Room
Type weight loadcell:		Electronic
Manufacturer:		Thames Side - Maywood VC 3500
Pressure rating:	psi	65 psi 4.4 bar
Relief valve(s) installed:	yes/no	Yes

F.3.4 Surge Tank for Barite/Bentonite

Quantity:	no.	2 (one each)
Capacity of each silo:	lt	6 m3
Locations:		Sackroom mixing level
Type weight loadcell:		Electronic

Manufacturer:		Thames Side - Maywood VC 3500
Pressure rating:	psi	65 psi 4.4 bar
Relief valve(s) installed:	yes/no	Yes

F.3.5 Surge Tank for Cement

Dowell-Schlumberger free placement

Quantity:	no.	1
Capacity of each tank:	lt	70 cuft
Type weight loadcell:		Electronic
Manufacturer:		Thames Side - Maywood VC 3500
Pressure rating:	psi	Non-pressurized
Relief valve(s) installed:	yes/no	Yes

F.3.6 Bulk Transfer System (see also C.1.8 - Compressed Air Systems)

Independent air system for the silos & surge tanks consisting of a high-volume low-pressure compressor & air dryer:

yes/no No

Air reduced from main air supply through pressure Regulators:

yes/no Yes

Separate volume tank & drier:

yes/no Yes

G. CASING/CEMENTING EQUIPMENT

G.1 CASING EQUIPMENT

G.1.1 API Casing Drifts

For casing OD, weight, quantity: in/lbs/ft/no. 20"

For casing OD, weight, quantity: in/lbs/ft/no. 13 3/8"

For casing OD, weight, quantity: in/lbs/ft/no. 9 5/8"

For casing OD, weight, quantity: in/lbs/ft/no. 7"

G.1.2 Clamp-On Type Casing Thread Protectors

For casing OD, quantity: in/no. 13 3/8" / 80 for racking casing in derrick

For casing OD, quantity: in/no. 9 5/8" / 105 for racking casing in derrick

For casing OD, quantity: in/no. 7" / 105 for racking casing in derrick

For casing OD, quantity: in/no.

G.1.3 Side Door Casing Elevator

Quantity:	no.	2
For OD casing:	in	36
Make/type:		Blohm&Voss SDS-250-6
Capacity:	st	250
Quantity:	no.	2 sets of inserts (Total 5 sets of 2)
For OD casing:	in	20 +16 + 13 5/8 + 13 3/8 + 10 3/4
Make/type:		Blohm&Voss VES-SD-500-2
Capacity:	st	500
Quantity:	no.	2 sets of inserts (Total 3 sets of 2)
For OD casing:	in	9 7/8 + 9 5/8 + 7
Make/type:		Blohm&Voss VES-SD-750/1000
Capacity:	st	1000
Quantity:	no.	TBC
For OD casing:	in	
Make/type:		
Capacity:	st	
Quantity:	no.	TBC
For OD casing:	in	
Make/type:		
Capacity:	st	

G.1.4 Single Joint Casing Elevators

Quantity:	no.	2 + 2
For OD casing:	in	20 + 16
Make/type:		Blohm&Voss
Safety latches:	yes/no	Yes

Quantity:	no.	2 + 2
For OD casing:	in	13 5/8 + 13 3/8
Make/type:		Blohm&Voss
Safety latches:	yes/no	Yes

Quantity:	no.	2
For OD casing:	in	9 5/8
Make/type:		Blohm&Voss
Safety latches:	yes/no	Yes

Quantity:	no.	2
-----------	-----	---

For OD casing:	in	7
Make/type:		Blohm&Voss
Safety latches:	yes/no	Yes

G.1.5 Slip Type Spiders

Quantity:	no.	2 (inserts only)
Make/type:		Blohm&Voss PS 1000
Capacity:	st	1000
W/slips for OD casing sizes:	in	20, 16, 13 5/8, 13 3/8, 9 5/8, 7

G.1.6 Casing Slips

Quantity:	no.	1
Make/type:		Blohm&Voss / CSI
For OD casing:	in	20

Quantity:	no.	1
Make/type:		Blohm&Voss / CSI
For OD casing:	in	13 3/8

Quantity:	no.	1
Make/type:		Blohm&Voss / CSI
For OD casing:	in	9 5/8

Quantity:	no.	1
Make/type:		Blohm&Voss / CSI
For OD casing:	in	7

G.1.7 Casing Bowls

Quantity:	no.	1
Make/type:		Blohm&Voss / 200 Ton hinged casing spider
For OD casing (max/min):	in/in	20

Quantity:	no.	1+1
Make/type:		NOV-Varco / CB
For OD casing (max/min):	in/in	20 + 16

Quantity:	no.	1
Make/type:		Blohm&Voss / Reducing bushing for HCS-200
For OD casing (max/min):	in/in	13 3/8 + 9 5/8

Quantity:	no.	1 Set
Make/type:		NOV-Varco No 1

For OD casing (max/min):	in/in	13 3/8
--------------------------	-------	--------

Quantity:	no.	1 Set
Make/type:		NOV-Varco No 2
For OD casing (max/min):	in/in	9 5/8 - 10 3/4

G.1.8 Casing Tongs

Quantity (sets):	no.	2
Make/type:		Blohm&Voss / BV-100 (jaws only)
W/jaws for OD casing (max/min):	in/in	20 + 13 3/8

Quantity:	no.	4
Make/type:		Gear-Wrench / Petrol Beltgrip
W/jaws for OD casing (max/min):	in/in	36 - 30" - 26" - 20"

G.1.9 Power Casing Tongs

Quantity:	no.	1 (insert for Hydratong - iron roughneck)
Make/type:		NOV/FARR Hydraulic KT 7585
W/jaws for OD casing (max/min):	in/in	2 3/8 - 8 5/8
Max output torque:	ft lbs	25,000
Torque indicator:	yes/no	Yes
Back-up arm:	yes/no	Yes

Quantity:	no.	1 ((insert for Hydratong - iron roughneck)
Make/type:		NOV/FARR Hydraulic KT 20000
W/jaws for OD casing (max/min):	in/in	8 5/8 - 20
Max output torque:	ft lbs	50,700
Torque indicator:	yes/no	Yes
Back-up arm:	yes/no	Yes

G.1.10 Power Unit for Casing & Tubing Tongs

Quantity:	no.	Central HPU for NOV equipment
Driven by electric motor:	yes/no	Yes

G.1.11 Casing Circulating Head (Swedge)

For OD casing:	in	N/A
Connection type:		N/A

G.1.12 Casing Spears (Internal)

Quantity:	no.	N/A
Make/type:		
For OD casing:	in	
For casing weight:	lbs/ft	
Pack-off:	yes/no	

G.1.13 Casing Cutters (Internal)

Quantity:	no.	N/A
Make/type:		N/A
For OD casing (max/min):	in/in	N/A

78

G.1.14 Crossover to Handle Casing with DP

Quantity:	no.	N/A
For OD casing:	in	N/A
Casing connection:		N/A
Drill pipe connection type:		N/A
Rated capacity:	st	N/A

G.1.15 Casing Scrapers

Quantity:	no.	N/A
Make:		N/A
For OD casing:	in	N/A
For casing weight:	lbs/ft	N/A
OD body:	in	N/A
Connection type:		N/A

G.2 CEMENTING EQUIPMENT

G.2.1 Cement Unit

Owner:		Schlumberger
Free placement basis:	yes/no	Yes
Make		Schlumberger
Type		CPS-665, remote control type, zone 2
No. of triplex pumps:	no.	2
Maximum working pressure:	psi	15,000
Maximum flowrate (total):	bbl/min	24.4
Unit power by (electric/diesel):		Diesel, in sound reduction enclosure
Recirculating mixing system:	yes/no	Yes, Mark III Slurry Chief Mixer, 8 + 16 bbls
Capacity:	bbl	60 sxs/min, 153.6 ton/hr, 11 BBls/min,
Motor power:	hp	1400
Liquid additive system:	yes/no	Yes
Premix/batch tank:		CBS-967, remote control type
Quantity:	no.	2
Capacity (total):	bbl	200
Pressure recorder:	yes/no	Yes

G.2.2 Cementing Manifold

Discharge manifold working pressure:	psi	15,000
Cement pump discharge lines min. ID:	in	3
Cement pump discharge lines working pressure:	psi	15,000 (+ cement standpipe available)

G.2.3 Cement Kelly

Quantity:	no.	N/A
Nominal size OD:	in	N/A
Total length:	ft	N/A
Working length:	ft	N/A
Connection type:		N/A
Cement head:	yes/no	N/A

G.2.4 Cementing Tubing

Size:	in	N/A
Length (total):	ft	N/A

79

X-overs to drillpipe specified in sect. D.1.3:	yes/no	N/A
--	--------	-----

80

H. INSTRUMENTATION/COMMUNICATION

H.1 DRILLING INSTRUMENTATION AT DRILLER'S POSITION

Drilling Control Data Acquisition (DCDA) System Network, comprising the following inputs and displays:

- Machine Anticollision,
- Mud Pump Control incl. Resume func.,
- Mud Pump Antisync,
- Mud Pump Local control panel Non-Eex,
- Standpipe pressure transmitter,
- Choke manifold pressure transmitter,
- Liquid mud tank levels,
- Liquid mud tank levels in hull,
- Trip tank level transmitter, guided microwave,
- Flow transmitter,
- Alarm Horn,
- Mud Temp In/Out, Clamp-On,
- Cement Pressure transmitter,
- Density Transmitter in Liquid mud tank,
- Mud pump SPM proximity switch,
- Rotary rpm proximity switch,
- Rotary torque pressure transmitter,
- Top Drive rpm proximity switch,
- Top Drive torque pressure transmitter,

Hook load sensor,
Block position encoder/sensor,
Tong Torque Load Celle,
Tong Torque Pressure Transmitter,
CCTV Central,
CCTV Camera NON Ex. Pan/Zoom/Tilt,
CCTV Camera Eex. Zone 1 Pan/Zoom/Tilt/Auto Focus

H.1.1 Weight Indicator

Make/type: NOV-HITEC
Sensor type: Load pins at crown block
Calibrated for number of lines strung (6,8,10, 12, etc): no. 14

H.1.2 Standpipe Pressure Gauges

Quantity: no. 2
Make/type: NOV-Hitec- Digital with ScanSense transmitter
Pressure range: psi - psi 0-7,500

Quantity: no. 2
Make/type: NOV/Pressure Gauge
Pressure range: psi - psi 0 - 10,000

Quantity: no. N/A
Make/type:
Pressure range: psi - psi

81

H.1.3 Choke Manifold Pressure Gauge

Quantity: no. 4
Make/type: NOV-Hitec with transmitter
Pressure range: psi - psi 0 - 20,000

Quantity: no. 4
Make/type: NOV/Pressure Gauge
Pressure range: psi - psi 0 - 20,000

H.1.4 Rotary Speed Tachometer

Make/type: NOV-Hitec SDI

H.1.5 Rotary Torque Indicator

Make/type: NOV-Hitec SDI

H.1.6 Motion Compensator Instruments

Make/type:		Seatex MRU H / MRU-M-MB2
Hook position indicator:	yes/no	Yes
Lock/unlock indicator:	yes/no	Yes

H.1.7 Pump Stroke Counters

Make/type:		NOV
One pump stroke indicator and one cumulative pump stroke counter for each pump:	yes/no	Yes

H.1.8 Tong Torque Indicator

Make/type:		NOV-Hitec SDI
------------	--	---------------

H.1.9 Pit Volume Totalizer

Make/model:		NOV-Hitec SDI - VEGA
Floats in active mud tanks:	yes/no	No (acoustic system installed)
Floats in reserve mud tanks:	yes/no	No (acoustic system installed)
Loss/Gain indicator:	yes/no	Yes
Alarm (audio and visual):	yes/no	Yes

H.1.10 Mud Flow Indicator

Make/model:		NOV-FLOX-0005H
High/low alarm (audio and visual):	yes/no	Yes

H.1.11 Trip Tank Indicator

Make/model:		NOV-Vega
Chart recorder:	yes/no	Yes
Alarm:	yes/no	Yes

82

H.1.12 General Alarm System	yes/no	Yes
-----------------------------	--------	-----

H.1.13 Automatic Driller

Make/type:		Automatic ROP/WOB incorporated in Hitec control system
------------	--	--

H.1.14 Remote Choke Control Unit (see E.14.1)

Make/model:		NOV-Hitec
-------------	--	-----------

H.2 DRILLING PARAMETER RECORDER

Quantity:	no.	Provided by DCS
Location - 1:		Toolpusher Office
Location - 2:		Company Man Office
Location 3:		
Make/type:		NOV-Hitec SDI system
Quantity of pens:	no.	N/A

H.3 INSTRUMENTATION AT CHOKE MANIFOLD

H.3.1 Standpipe Pressure Gauge

Make/type:		R.B. Pipetech
Pressure range (maximum):	psi	10,000

H.3.2 Choke Manifold Pressure Gauge

Make/type		R.B. Pipetech
Pressure range (maximum)	psi	10,000 and 15,000 (fine scale)

H.3.1 and H.3.2 combined on one panel:	yes/no	Yes
Visible from choke operation position:	yes/no	Yes

H.4 STANDPIPE PRESSURE GAUGE

Make/type:		SCS Nobel Elektronik / 390-B-M10
Pressure range:	psi	10,000
Visible from Driller' s position:	yes/no	No

H.5 DEVIATION EQUIPMENT

H.5.1 Measuring Device

Quantity:	no.	1
Make/type:		Totco
Deviation range:	degree	5°+ 10°

H.5.2 Wireline Winch

Make/model:		Matthew / Surveyor II
Wire length (nominal):	ft	35,000
Depth counter:	yes/no	Yes
Wire size:	in	0.105 T-316 Stainless steel
Pull indicator:		Yes

H.6 CALIBRATED PRESSURE GAUGES

Make/type instrument gauges:		N/A
Size:	in	N/A
Connection:		N/A
Range:	psi	N/A
Quantity:	no.	N/A
Facilities to install gauges on:		N/A
Standpipe manifold:	yes/no	Yes
Choke manifold:	yes/no	Yes
Cement unit:	yes/no	Yes

H.7 RIG COMMUNICATION SYSTEM

H.7.1 Telephone System

No. of stations:	no.	109
Make		CMR Korea
Type		IOCS-500

H.7.2 Public Address System

Can be combined with above:	yes/no	Yes
Make		CMR Korea
Type		CPA-9000
Explosion proof:	yes/no	Yes in hazardous areas

H.7.3 Drill Floor - Derrickman' s Talkback

No. of stations:	no.	13
Location:		Driller' s chair, AD' s chair, ECR, crownblock,
Make		MRC, Bridge, Cement Unit - Korea
Type		MTB-5002E
Explosion proof:	yes/no	yes

H.7.4 Hand-Held VHF Radios

Quantity:	no.	5
Make		Icom
Type		IC-GM1600 GMDSS Survival Radio' s

Quantity:	no.	5
Make		Icom
Type		ICOM IC-M88-IS Intrinsically-Safe Marine channels

H.7.5 Hand-Held UHF Radios

Quantity:	no.	12
-----------	-----	----

Make	Motorola
Type	GP340 Intrinsically-Safe UHF 5 channel hand-radios

H.8 ENVIRONMENTAL INSTRUMENTATION

H.8.1 Temperature Indicators

Air temperature:	yes/no	Yes
Make/model:		CMR Korea
Sea water temperature:	yes/no	Yes

H.8.2 Barometric Pressure Indicator

Make		(Sato)
Type		(Sigma II) Barograph
Recorder:	yes/no	Yes
Make/model:		(Weems & Plath)/ Barometer
Recorder:	yes/no	No

H.8.3 Humidity Sensing Indicator

Make		Brannam
Type		Wet Bulb
Recorder:	yes/no	No

H.8.4 Wave Profile Recorder

Make		N/A
Model		N/A
Recorder:	yes/no	N/A

H.9 DP, Vessel Control and Navigation Systems

H.9.1 Dynamic Positioning System

Make	Kongsberg
Type	DP Class 3
Model	Kongsberg (K-POS DP32) Kongsberg (K-POS DP12) Designed accord. to ABS DP-3 & DP Class 3

H.9.2 PRS – Position Reference Systems

H.9.2.1 Differential Positioning System

Make Kongsberg Simrad
Type Differential Positioning System
Model Seatex DPS 132

Differential Links:

GPS L1/L2 - built in DPS 132
IALA - built in DPS 132
Inmarsat/SpotBeam (demodulator Seastar 3510LR) Location:
Radio Room

H.9.2.2 Differential Positioning System

Make Kongsberg Simrad
Type Differential Positioning System
Model Seatex DPS 4D

Differential Links:

DGPS/GLONASS

IMU (MRU5+)
Inmarsat/SpotBeam (Demodulator Seastar 3510LR) Location:
Subsea Office

H.9.2.3 HPR – Hydroacoustic Positioning System

Make Kongsberg Simrad
Type HPR
Model 2 x APOS 501
Transducer 2 x HIPAP

H.9.3 MRU - Motion Reference Unit

Make Seatex MRU 5
Model MRU-M-MB3
Located at ECR, Port and Starboard HPR Compartment

H.9.4 Gyro Compass

Make Sperry Marine
Model NAVIGAT X Mk1
Type Digital Gyro Compass
Located at: ECR, Navigation Room x 2
Repeater Yes, Sperry Marine,4881-AB, S/n(11381,10516,13485) Qnty-3,
Nav Bridge,Bridge Wings

H.9.5 Wind Sensors

Make 3 x (Observer Instruments)
Model OMC-160.
Type Rotary Cup Type

Located at: Radar Mast, Derrick

Make 1 x Gill
Model Wind Observer II
Type Ultrasonic Wind Sensors
Located at: Derrick

H.9.6 DP Logger

Make Kongsberg Simrad
Model Integrated Navigation System
Type

H.9.7 Integration Navigation System

Make Kongsberg Simrad
Model K-Chief
Type

H.9.8 Thrusters Control System

Quantity 1

86

Make Kongsberg Simrad
Model STC-400
Type STC-400 Included Telegraph THR 4;5 and THR Em' cy Stop
IP Class 22
Location K-Bridge Console

H.9.9 Bridge Autopilot

Make Kongsberg
Model
Type

H.9.10 Bridge Watch Alarm System

Quantity 1
Make Samsung
Model WAP Bridge Watch Alarm System Included 3 Reset/Push Buttons
Type
Location K-Bridge Console

H.9.11 Gyro Monitor

Quantity 1
Make Sperry Marine

Model	NAVITWIN IV
Type	0735-07
Location	K-Bridge Console

H.9.12 Horn Control

Quantity	1
Make	Saracom
Model	HC-7123
Type	Included Auto Signal
Location	K-Bridge Console

H.9.13 Planning Computer

Quantity	2
Make	Kongsberg
Model	K-Bridge-PL Radar integrated
Located at	Bridge - chart table/K-Bridge-Console

H.9.14 Watch Bridge Unit

Quantity	1
Make	Kongsberg
Model	HA 459 000 A1
Type	Extension Alarm Panel
Location	K-Bridge-Console

H.9.15 CCTV

Make	HERNIS - 34 camera system (including drawworks, iron RN fwd, IR aft, moonpool, drill floor, monkeyboard (2), shale shakers area, pipe decks fwd + aft, crown (2), helideck, thrusters rooms (6), engine rooms (3), main switchboard room (3), purifier room (2), ballast pump room, radar mast, fwd aux machinery room, welltest area (2))
Model	EX286W, EX286, PT9W, PT9W&S7
Type	CCTV

H.9.16 Fire Detection System

Make	Autronica
Model	Autro Safe-Self verify system
Type	Oil&Gas
Location	Nav Bridge

H.9.17 Doppler Sonar

Make	JRC
Model	NWW-GOTB
Type	JLN-550 Doppler Sonar
Location	NAV Chart Desk

H.9.18 Echo Sounder

Quantity	1
Make	JRC
Model	JFE - 680
Located at:	Bridge NAV Chart Desk
Recorder:	yes/no Yes
Changeover Echosounder :	JRC,NQE-929

H.9.19 Weather Facsimile

Quantity	1
Make	JRC
Model	JAX-9 B
Located at:	Bridge NAV Chart Desk
Recorder:	yes/no Yes
Paper Code	6ZPT500108

H.9.20 Bridge Radar

Quantity:	no.	1
Make		Kongsberg
Model		MP 7600 NAV 0575/07
Located at:		Fwd; k-Bridge-Console
Bandwidth:	cm	10 cm
S/N		CZC661100GU

Quantity:	no.	1
Make		Kongsberg
Model		MP7600 NAV 0575/07
Located at:		Fwd; K-Bridge-Console
Bandwidth:	cm	3 cm
S/N		CZC611008Y

Quantity:	no.	1
Make		Kongsberg
Model		MP7600 NAV 0575/07
Located at:		Fwd; K-Bridge-Console
Bandwidth:	cm	3 cm

H.9.21 SVDR Remote Alarm Unit

Quantity	1
Make	Samsung
Model	WABS
Type	SVDR Remote Alarm Unit Data Voyage
Location	K-Bridge-Console
Recorder	Yes; NAV Instrument Room

H.9.22 Magnetic Compass

Make	Saracom
Model	MC-180
Type Approval	Class A ISO 499 ISO 2269
Location	Heli Waiting Deck

H.9.23 GPS

Quantity	2
Make	JRC
Model	JLR - 7700MKII
Type	GPS Navigator: NWZ 4570B RX NNN4331
Selector Switch	Yes, JRC NCZ-777
Location	Chart Desk Console

H.9.24 Course Recorder

Quantity	1
Make	EPSON
Type	LQ-300II
Model	P172B
Location	Chart Desk Console

H.9.25 Speed Log Indicator

Make	JRC
Quantity	1
Type	JLN-550 Doppler Sonar
Model	NWW-60 TB
Location	Chart Desk Console

H.9.26 Speed Distance Indicator

Make	JRC
Type	NWW-7 Distance Counter
Location	K-Bridge-Console

H.9.27 Magnetic Compass Monitor

Make	Sperry Marine
Type	0735-07 Digital
Model	NAWITWIN IV
Location	K-Bridge-Console

H.10 RADIO AND COMMS EQUIPMENT

Model	JSS-896
Location:	Radio Room and Bridge

H.10.1 SSB Transceiver MF/HF Radio Telephone

Quantity:	no.	2 + 1 (GMDSS Station)
Make		JRC
Model		JSB-196 GM
Facsimile capable:	yes/no	Yes
Telex capable:	yes/no	Yes
Quantity:	no.	1
Make/model:		HF Marine Transceiver IC-M710
Facsimile capable:	yes/no	No
Telex capable:	yes/no	No

H.10.2 E.P.I.R.B.

Quantity:	no.	1
Type		Float-Free
Make		JRC
Model		JQE-103 406MHz
Location		Bridgewing

H.10.3 VHF/DSC Radio Telephone

Quantity:	no.	3
Make		JRC
Model		NCM-1770
Power:	watts	25 / 1
Channels:		All Marine
Location		Radio Room ; K-Bridge-Console- 2pcs.

H.10.4 UHF Radio Telephone

Quantity	3
Make	Motorola
Model	GM-338
Located at:	DP Console ; Radio Room-2

H.10.5 VHF Radio Transceiver

Quantity:	no.	3
Make		JRC
Model		JHS-7
Quantity:	no.	1
Make		JRC
Model		DSC VHF 32A
Quantity:	no.	2
Make		JRC
Model		DSC VHF NCH 414

H.10.6 Aero Radio Beacon Transmitter

Quantity:	no.	1
Make		Saracom
Model		TS-1B
Power:	watts	120

H.10.7 Aeronautical VHF Transceiver

Quantity:	no.	1
Make		Saracom
Model		Jotron TR 810
Quantity:	no.	2
Make/model:		ICOM
Model		IC-A24

H.10.8 Watch Receiver

Make		JRC
Model		JSB-196GM
Frequency:	kHz	2182

H.10.9 UAIS

Quantity		1
Make		JRC
Model		JHS-182
Type		Display Unit
Location		K-Bridge-Console

H.10.10 Radio Telex

Quantity	no.	1
Make		JRC
Model		NDZ-127J Data Terminal
Location		Radio Room GMDSS Console

H.10.11 Satellite Communication System

Make		JRC
Model		Fleet F77 JUE-410F
Type:		A/B
Facsimile link:	yes/no	Yes

91

Telex link:	yes/no	Yes
Telephone link:	yes/no	Yes
Video Telephone		Yes
Other capabilities:		Internet Link

H.10.12 SART

Quantity		2
Make		JRC
Model		JQX-30A
Battery Expiry Date		07/2010
Location		NAV Bridge Port/Stabord

Quantity		6 Lifeboats
----------	--	-------------

H.10.13 Homing Beacon Control

Quantity		1
Make		SAC
Model		SAC Hoaming Beacon Console
Type		
Location		K-Bridge-Console

H.10.14 Distress Message Control Panel

Quantity		1
Make		JRC
Model		NCH-321A
Type		
Location		K-bridge-Console

H.10.15 Sound Reception Panel

Make MRC
Model MSR-9200A
Type

H.10.16 Talk Back Remote Unit

Make
Model MRC
Type

Talk Back Main

Make
Model CTA-9200 No: HN 1674
Type
Location Communication Room

H.10.17 P/A & T/B REMOTE CONTROLLER

Make CMR
Model
Type

P/A Main (1) (2)

Quantity 2
Make
Model CPA-9600-1-1 ; CPA-9600-2-1
General Alarm Yes
Location Communication Room;ELE EQ. Room

H.10.18 Bridge Telephone

Make CMR
Model
Type

H.10.19 Bridge Sound Powered Telephone

Make CMR
Model
Type

H.10.20 Navtex

Make	JRC
Model	NCR-333 NAVTEX Receiver
Type	NR IS1NM518-2
Printer	DPLI-414

H.10.21 DSC/NBDP Modem

Make	JRC
Model	NCT-196N
Type	DSC/NBDP GA17020
Quantity	1
Location	GMDSS console

H.10.22 Facsimile

Make	Oki Data Corporation Thailand
Model	F21005B
Quantity	1
Location	Radio Room

H.10.23 Inmarsat-C

Make	JRC NDZ- 127C1 Data Terminal
Model	JUE 85 ; IME model NTF-781GM MASS
Quantity	1
Location	GMDSS Console

H.10.24 SSAS

Make	NEQ-3154
Type	Push Button
Quantity	2
Location	Bridge Console; Cpt. Cabin

I. PRODUCTION TEST EQUIPMENT

I.1 BURNERS

Make/type:	N/A	(Client Third Party)
Quantity:	no.	N/A
Capacity:	bbbl/day	N/A
Weight:	st	N/A
Water requirement at 100 psi:	bbbl/min	N/A

I.2 BURNER BOOMS

Make/type:		Samsung / Swan neck
Quantity:	no.	1
Length:	ft	80 ft
Horizontal:	yes/no	Swan neck
Height above sea level (at drilling draft):	ft	± 22m TBC
Walkway and handrails:	yes/no	Yes
Burner platform size:	ft x ft	TBA
Burner mounting rotatable:	yes/no	yes
Regulatory approvals:		ABS

I.3 LINES REQUIRED ON BURNER BOOMS

I.3.1 Oil Line

ID:	in	4" line
Working pressure:	psi	1,500 psi
Connection type at burner end:	type	TBC
H2S:	yes/no	Yes
Pressure gauge connection at barge end:	in	No

I.3.2 Gas Line

ID:	in	6" line
Working pressure:	psi	1,500 psi
Extended beyond burner by:	ft	TBC
Connection type at burner end:	type	TBC
H2S:	yes/no	Yes
Pressure gauge connection at barge end:	in	No

I.3.3 Water Line

ID:	in	3" line
Working Pressure:	psi	300 psi
Connection type at burner end:	type	TBC
Pressure gauge connection at barge end:	in	Yes

I.3.4 Air Line

ID:	in	4" line
Working Pressure:	psi	150 psi
Connection type at burner end:	type	TBC

Pressure gauge connection at barge end:	in	No
---	----	----

I.3.5 Pilot Gasoline

ID:	in	1" line
Working Pressure:	psi	150 psi
Connection type at burner end:	type	TBC
Pressure gauge connection at barge end:	in	No

I.4 SPRINKLER SYSTEM

Sufficient to give protection to rig and personnel against heat radiation damage from the burners:	yes/no	Yes, salt water supplied by dedicated cooling water pump in engine room
--	--------	---

I.5 FIXED LINES FOR WELL TESTING

I.5.1 Drillfloor to Separator Area

Type (screwed/welded, both):		Welded
Quantity:	no.	1
Size ID:	in	6"
Working pressure:	psi	15,000 psi
Connection type on drill floor:		Clamp N° 8 (BX 155 ring gasket)
Connection type at separator:		TBC
Number of valves/lines:	no.	0
Size of valves:	in	N/A
H2S:	yes/no	Yes

I.5.2 Separator Area to Each Burner Boom

Type (screwed/welded, both):		Welded
Quantity:	no.	1 (1 Port)
Size ID:	in	4" Oil / 6" Gas / 4" Water / 4" Air
Working pressure:	psi	1440 PSI
Connection type on separator:	type	Weco 602
Connection type at boom:	type	Weco 602
Number of valves/lines:	no.	0 / 4
Size of valves:	in	0
H2S:	yes/no	Yes
Valves installed near separator area for switching gas to either burner:	yes/no	N/A (one burner boom available only, rig will weather vane)

I.5.3 Mud Pumps to Both Burner Booms

Type (screwed/welded, both):		N/A (Dedicated sea water cooling pump in engine room)
Quantity:	no.	1
Size ID:	in	6"
Working pressure:	psi	300 PSI

Number of valves required:	no.	0
Size of valves:	in	N/A
Connected to fire fighting pumps:	yes/no	No
Rated line capacity at 300 psi:	bbl/hr	TBA

I.5.4 Rig Air System to Burners

Type (screwed/welded, both):		Welded
Quantity:	no.	1
Size ID:	in	4"
Working pressure:	psi	120 PSI
Non-return valves fitted:	yes/no	Yes

I.5.5 Oil Storage Tank To Overboard

Type (screwed / welded, both):		N/A
Quantity:	no.	N/A
Size ID:	in	N/A
Working pressure:	psi	N/A
Height above water level:	ft	N/A
Connection type at separator area:	type	N/A

I.5.6 Separator to Ventstack of Rig

Type (screwed/welded, both):		N/A
Quantity:	no.	N/A
Size ID:	in	N/A
Working pressure:	psi	N/A
Connection type at separator area:	type	N/A

I.6 AUXILIARY POWER AVAILABILITY

I.6.1 For Field Laboratory

Several breaker feeder: 1x15 amp, 3X30 Amp, 5x50amp, 3x60 amp plus 1 220 single phase outlet and several 110 single phase outlets

Quantity:	kw	12
Volts:	v	460/480 220/120
Frequency:	Hz	60 hz

I.6.2 For Crude Transfer Pump

Quantity:	kw	N/A
Volts:	v	N/A
Frequency:	hz	N/A

I.6.3 For Electric Heaters

Well test area

Quantity:	no.	2
-----------	-----	---

Volts: v 440V,1000A ; 220V ,100A
Frequency: hz

1.6.4 For ROV

Well test area

Quantity: no. PORT & STBD
Volts: v 440V (400/250/100/20 A)

96

J. WORKOVER TOOLS

N/A

(NOT APPLICABLE TO SEMI-SUBMERSIBLES)

97

K. ACCOMMODATIONS

K.1 OFFICES

K.1.1 Company Representative' s Office

Quantity: no. 3
Complete with desk, filing cabinets (s) and other
necessary furniture: yes/no Yes (as per contract)
Unrestricted view to drill floor: yes/no No

K.1.2 Contractor' s Representative' s Office

Quantity: no. 3
Unrestricted view to drill floor: yes/no 1 only

K.1.3 Radio Room

Quantity: no. 1

K.1.4 Hospital Room

Number of beds/bunks: no. 3
Wash basin: yes/no Yes
Medical cabinet: yes/no Yes
Dangerous drugs: yes/no Yes

K.2 LIVING QUARTERS

K.2.1 Accommodations

Total beds:	no.	200
Quantity of single bed rooms:	no.	4
toilets (private/shared/communal):		Private
Quantity of two bed rooms:	no.	71
toilets (private/shared/communal):		Private
Quantity of three bed rooms:	no.	6
toilets (private/shared/communal):		Private
Quantity of four bed rooms:	no.	9
toilets (private/shared/communal):		Private
Quantity of six bed rooms:	no.	N/A
toilets (private/shared/communal):		N/A

K.2.2 Galley

Quantity:	no.	1
-----------	-----	---

K.2.3 Mess Seating Capacity

Main mess:	no.	72 seats
Aux. mess:	no.	N/A

K.2.4 Conference Rooms

Quantity:	no.	1
-----------	-----	---

98

K.2.5 Recreation Rooms

Quantity:	no.	1
Recreation facilities:		
TV:	no.	Yes (2) + feed to each cabin
DVD:	no.	Yes (2) + feed to each cabin

K.2.6 Other Rooms

Laundry:	no.	2
Dry food storage:	no.	1
Refrigerator:	no.	1 (4 sections + handling)
Change rooms:	no.	1
Coffee Shop		1
Prayer room:	no.	0
Training Room		0
Gymnasium:	no.	1 (Complete with Sauna)

99

L. SAFETY EQUIPMENT

L.1 GENERAL SAFETY EQUIPMENT

L.1.1 General Personnel Protective Gear

Safety hats (contractor only/everyone/not supplied):	Contractor only
Safety boots (contractor only/everyone/not supplied):	Contractor only
Safety clothing (contractor only/everyone/not supplied):	Contractor only
Ear protection (contractor only/everyone/not supplied):	Everyone
Rubber gloves (contractor only/everyone/not supplied):	Contractor only
Rubber aprons (contractor only/everyone/not supplied):	Contractor only
Fullface visors (contractor only/everyone/not supplied):	Contractor only
Eye shields (for grinding machines, etc.) (contractor only/everyone/not supplied):	Contractor only
Dust masks: (contractor only/everyone/not supplied):	Contractor only
Rubber gloves (elbow length for chemical handling) (contractor only/everyone/not supplied):	Contractor only
Explosion proof hand torches c/w batteries (contractor only/everyone/not supplied):	Contractor only
Safety belts c/w lines (contractor only/everyone/not supplied):	Contractor only

L.1.2 Eye Wash Stations

Quantity:	no.	5
Make/model:		Haws / Shower and facewash
Located at:		Sackroom
Located at:		Hopper Area
Located at:		Shaker room
Located at:		Rig Floor
Located at:		Engine room
Quantity:	no.	19
Make/model:		Encon / Facewash station
Located at:		ROV area (1ea)
Located at:		Pipe Deck (2ea)
Located at:		Welding Shop (1ea)
Located at:		Outside BOP Control & HPU room (1 ea)
Located at:		Mud pit room (2ea)
Located at:		Aft Port Upper deck @ Old paint Locker (1 ea)

Located at: Upper deck close to moonpool (2ea)
 Located at: C. Engine room Lower level(1ea)

Located at: C. Engine Room Workshop (1 ea)
 Located at: P. ER Electrical Workshop Store (1 ea)
 Located at: P. Engine Room Oil Purifier Room (1 ea)
 Located at: S. Engine Room Oil treatment Room (1 ea)
 Located at: Shaker room (1ea)
 Located at: Sackroom (1ea)
 Located at: Outside Mud lab (1ea)
 Located at: Mud Pump Room (1ea)

L.1.3 Derrick Safety Equipment

Derrick escape chute (rem chute): no.
 Make/type: N/A
 Derrick safety belts: no.
 Make/type: DBI Sala / Belly Belt

L.1.4 Derrick Climbing Assistant

Make/type: Alimak (elevator) / SE-EX 450 DOL

L.1.5 Fresh Air Blowers (Bug Blowers)

Quantity: no. N/A
 Make/type: N/A
 Located at: N/A

L.2 GAS/FIRE/SMOKE DETECTION

L.2.1 H2S Monitoring System

Make/type: Kongsberg IES
 Sampling points at: Pump room, discharge manifold area, well test area, bell nipple, moonpool area, drill floor, driller' s cabin, mud pits room, mud process room, mud pump room, BOP room, cement room, sackstore, galley and living quarters ventilation system.
 General alarm: yes/no
 Alarm types (audible, visual, both) at
 Driller' s console: Both
 Engine room: Both
 Mud room: Both
 Living quarters each level: Both
 Central area each structural level: Both

Central alarm panel: yes/no
 Located at: Accomodations upper deck

L.2.2 Combustible Gas Monitoring System

Make/type: Detcon / PS 250
 Sampling points at:

Bellnipple:	yes/no	Yes
Drill floor:	yes/no	Yes
Shale shaker:	yes/no	Yes
Mud tanks:	yes/no	Yes
Ventilation system into living quarters:	yes/no	Yes
Other:		Moonpool, thruster rooms ventilation intakes, HPR room, fwd machinery room intakes, well test area, pump room ventilation intakes, engine control room, engine room, drillers cabin air intake, welding shop, mechanical Shop, Electrical shop, warehouse, BOP room, cement room, sack store.

General alarm: yes/no
 Alarm types (audible, visual, both) at
 Driller' s console: Both
 Other: Yes
 Bridge Console, ECR and around the rig

L.2.3 H2S Detectors (Portable)

Quantity: no. 6
 Make/type: MSA
 Type: Watchman Multigas
 (remote with pump sensing)
 Tests: LEL / O2 / H2S

Quantity: no. 4
 Make/type: MSA
 Type: Altair Multigas-4
 (compact hand-held)
 Tests: LEL / O2 / H2S / CO

L.2.4 CO2 Gas Detectors (Portable)

Quantity: no. 1
 Make/type: TBA
 Phials for CO2: measuring range N/A

From 20 to 200 ppm:	no.	N/A
From 100 tp 600 ppm:	no.	N/A

L.2.5 Explosimeters

Quantity:	no.	1
Make/type:		MSA
Type		Explosimeter Model 2A
Tests		Combustible Gases

L.2.6 Fire/Smoke Detectors Accommodation

Make		Autronica
Model		BS-320
Fire detection:	yes/no	Yes
Smoke detection:	yes/no	Yes
Central alarm panel:	yes/no	Yes
Location:		Bridge

L.3 FIRE FIGHTING EQUIPMENT

L.3.1 Fire Pumps

Quantity:	no.	3
Make/model:		3 x Shinko KV 300 KS
Type:		Three electrical driven Hyundai Motors 450 KW
Output (each):	U.S.gals/min	750m3/h / 130m head (each)
All offtake points supplied by each pump:	yes/no	Yes
Location of pumps:		Port/Stbd Engine Room
Location of pumps:		FWD Machinery Room Emergency Fire Pump
Fire fighting water delivery conforms to IMO MODU Spec:	yes/no	Yes

L.3.2 Hydrants & Hoses

Hydrants positioned such that any point may be reached by a single hose length from two separate hydrants:	yes/no	Yes
--	--------	-----

Quantity of hydrants:	no.	81 exterior / 76 interior
Hose connections / hydrant:	no.	2 1/2" exterior / 1 1/2" NPT interior
Length:	ft	15m

L.3.3 Portable Fire Extinguishers

Quantity (total):	no.	413
-------------------	-----	-----

Type 1 - CO2:	no./lbs	58 + 23 (Spare)
Type 2 – Foam		0
Type 2 – Dry Chemical:	no./lbs	199 + 133 (Spare)
Mounted adjacent to access ways and escape routes:	yes/no	Yes

L.3.4 Fire Blankets

Quantity:	no.	9
Type:		Gel blanket
Location:		Galley (2), Helideck (2), Welders Shop, ER W' shop, Drillers cabin, S. ER Fuel Oil Purifier Room, P ER Oil & Grease Store.

L.3.5 Fixed Foam Fire-Fighting System

Location		Machinery Spaces
Approval		N/A
Make/type:		N/A
Quantity foam stored on site:	gal.	N/A
Inductor tube:	yes/no	N/A
Foam nozzles:	no.	N/A

L.3.6 Fixed Water Fire-Fighting System

Location		Machinery Spaces
Specifics		ER P/C/S, Puri P/S, Boiler ½
Approval		ABS
Make		Tanktech
Type		X-Mist System
Required Flow		18 m3/hr
Number Nozzles		7 x HL, 60 x LL
Conforms to		SOLAS, IMO & CLASS

L.3.7 Helideck Foam System

Dedicated system adequate for at least 10 minutes fire fighting at the rate quoted in the IMO MODU code:	yes/no	Yes
Make/type:		SKUM MONITORS
Quantity of monitors:	no.	3
Foam type:		AFFF 3 %
Rate:	U.S.gals/min	3,400 liters/min Total

L.3.8 Fixed Fire Extinguishing System

Protected spaces

Type		TBC
Bottle duration:	min	10 min
Located at:		Aft & Fwd Emerg lockers, cranes, thrusters rooms, engine rooms, electrical workshop, ET workshop, mud logger unit, mechanical workshop, moonpool, mud lab, mud pit room, mud process room, p-tank room, rig floor, riser deck, ROV area, subsea office, warehouse, welding shop, sackroom

L.4.3 Cascade Stations

Quantity:	no.	N/A
Make/type:		N/A
Locations/outlets at location:		N/A

L.4.4 Breathing Air Recharge Compressor

Quantity:	no.	1
Make/type:		Breathing Air Module Junior II E
Located at:		TBC

L.4.5 Compressed Air Breathing Apparatus Trolley Unit

Positive pressure:	yes/no	N/A
Make/type:		N/A
Air line length:	ft	N/A
Compressed air bottles:		N/A
Quantity:	no.	N/A
Size:	ft ³	N/A
Including		N/A
Face mask:	yes/no	N/A
Demand valve:	yes/no	N/A
Microphone:	yes/no	N/A
Safety harness:	yes/no	N/A
Safety line (incorporating phone line)	yes/no	N/A

L.4.6 Air Purity Test Equipment

Quantity:	no.	1
Make		Draeger
Type		Aerotest Simultan HP

L.5 EMERGENCY FIRST AID EQUIPMENT

L.5.1 First Aid Kits

Quantity:	no.	4 (Doctor' s grab bags + 1 x ECR; 1 x Dog House; 1 x Helideck)
-----------	-----	--

L.5.2 Burn Kits

Quantity: no. Nil -part of above

L.5.3 Resuscitators

Quantity: no. 4 (1 x Hospital) (2 x Fire teams) (1 Helideck)

Charged (spare) oxygen cylinders: no. 11

L.5.4 Stretchers

Quantity: no. 2
Type: MACA Offshore (Collapsible plastic & fibReglass)
Located at: Hospital & Helideck

Quantity: no. 3
Type: Neil Robertson (Canvas & wood)
Located at: Helideck; Fire Team 1 & Fire Team 2

Quantity: no. 1
Type: Aluminium Scoop
Located at: Hospital

Quantity: no. 3
Type: Stokes Litter Metal baskets
Located at: Fire Team Station 1 (2)
Fire Team Station 2 (1 with floatation)

Quantity: no. 2
Type: Plastic Backboard stretchers with straps and head restraints
Located at: Hospital

107

Quantity: no. 1
Type: Folding (aluminium & plastic)
Located at: Hospital

Quantity: no. 1
Type: KED (Kendrick Extrication Device)
Located at: Hospital

L.6 HELIDECK RESCUE EQUIPMENT

L.6.1 Storage Boxes

Quantity:	no.	2
Construction material:		Fiberglass
Max. height open:	in	1 m

L.6.2 Equipment

Aircraft axe:	yes/no	Yes
Large fireman' s rescue axe:	yes/no	Yes
Crowbar:	yes/no	Yes
Heavy duty hacksaw:	yes/no	Yes
Spare blades:	yes/no	Yes
Grapple hook:	yes/no	Boat Hook
Length of wire rope attached:	ft	N/A
Quick release knife:	yes/no	Yes
Bolt croppers:	yes/no	Yes

L.7 RIG SAFETY STORE

Equipment to repair, recharge and restock safety equipment as listed below: Refer also to Section L3.3 "Complete spares"

Foam concentrate:	yes/no	Yes
Dry chemical charges:	yes/no	Yes
CO2 charges for dry chemical extinguishers:	yes/no	Yes
CO2 charges for water extinguishers:	yes/no	Yes
CO2 charges for foam extinguishers:	yes/no	N/A
Discharge hoses, control nozzles and horns & washers for DP extinguishers:	yes/no	Yes
Fire blankets:	yes/no	Yes
Fireproof gloves:	yes/no	Yes
Rubber gloves - elbow length:	yes/no	Yes
Rubber aprons:	yes/no	Yes
Rubber boots:	yes/no	Yes
Full face visors:	yes/no	Yes
Eye shields (for grinding machines, etc.):	yes/no	Yes
Dust masks:	yes/no	Yes

Spare safety helmets, boots, overalls:	yes/no	Yes
Gloves, hand torches, batteries, etc:	yes/no	Yes
Spare lifebuoys:	yes/no	Yes
Spare lifebuoy lights:	yes/no	Yes
Fresh air blowers/inductors for ventilating enclosed spaces:	yes/no	Yes
Spare life jackets:	yes/no	Yes
Safety belts c/w line:	yes/no	Yes
Full safety harnesses:	yes/no	Yes

Spare Derrickman' s safety belts:	yes/no	Yes
Spare SCBA bottles, charged:	yes/no	Yes

L.8 EMERGENCY WARNING ALARMS

Approved system to give warning of different emergencies:	yes/no	Yes
---	--------	-----

L.9 SURVIVAL EQUIPMENT

L.9.1 Lifeboats

Make		Umoe Schat-Harding AS
Type		Totally-enclosed Conventional launching Gravity
Model		TBC
Quantity:	no.	6
Capacity:		70 persons each
person/craft		
Locations (fore, aft, port, stbd):		Port FWD x2, Stbd FWD x2, Port Aft x1, Stbd Aft x1
Fire protection:	yes/no	Water Spray protection
Emergency Air		Yes
Fitted VHF Radio		Yes
SART		Yes
EPIRB		Yes
Flares:	yes/no	Yes
Food:	yes/no	Yes
First aid kits:	yes/no	Yes

L.9.2 Life Rafts

Make		Viking
Type		25P Inflatable
Quantity:	no.	14 (plus 4 spare)
Capacity:		25
person/craft		
Davit launched:	yes/no	No

Locations (fore, aft, port, stbd):		4xPF, 4xSF, 3xPA, 3xSA + 4xspare
Fire protection:	yes/no	No
Radios:	yes/no	No
Flares:	yes/no	Yes
Food:	yes/no	Yes
First aid kits:	yes/no	Yes

L.9.3 Rescue Boat

Make		Norsafe AS
Model		Merlin 615
Type		Diesel Water-Jet FRC
Length		6.25m
Capacity		10 persons
Engine power:	hp	164 HP
Speed		28kts @ 3 crew / 15kts @ 10 crew
Range		110 nm @ 3 crew

L.9.4 Life Jackets

Make		TBC
Type		SOLAS
Quantity:	no.	362

L.9.5 Life Buoys

Make		Danyang
Type		DY 5555
Quantity:	no.	14

L.9.6 Survival Suits

Make		Stearns
Type		I590C SOLAS 74
Quantity:	no.	172

L.9.7 Work Vest

Make/type:		Billy Pugh / Type V
Quantity:	no.	20

L.9.8 Escape Ladders

Make/type:		Escape Ladders (wood & rope)
Quantity:	no.	3
Locations		Accommodation C-Deck P/S, Poopdeck

L.9.9 Distress Signals

Type		SART Transponder
Make		JRC JQX-30A
Quantity:	no.	7 (1xeach L/B; 2xBridge)

Type		EPIRB with hydrostatic release
Make		JRC JQE-103 406 MHz

Quantity: no. 1

111

M. POLLUTION PREVENTION EQUIPMENT

M.1. SEWAGE TREATMENT

Make/model: 1 xHamworthy / ST10 (fwd)
System type: Vacuum / Aerobic
Conforms to (Marpol, Annex IV, etc.): Yes

Make/model: 1 x Hamworthy / STI (aft)
System type: Vacuum / Aerobic
Conforms to (Marpol, Annex IV, etc.): Yes

M.2 GARBAGE COMPACTION

Quantity 2 (1xPaper & 1xPlastic)
Make/model: Tech Oil Products / Enviro-Pak Compactor 3000
System type: Pneumatic/Hydraulic
Conforms to (Marpol Annex IV, etc.) Marpol

M.3 GARBAGE DISPOSAL/GRINDER

Make/model: Laboremus TL 5000
System type: Stand alone ships rail grinder
Conforms to (Marpol Annex IV, etc.): Marpol

Make/model: Loipart 51060BS
System type: Electrical Grinder installed on galley sink
Quantity 2
Conforms to (Marpol Annex IV, etc.): Marpol

END OF EMBEDDED FILE(S)

End of Attachment A1

The remainder of the page intentionally left blank.

112

ATTACHMENT A2 TO EXHIBIT A – SCOPE OF WORK

Offshore Drilling Contract No. PBA 3

**EQUIPMENT, SUPPLIES, MATERIAL AND SERVICES
TO BE FURNISHED BY COMPANY AND CONTRACTOR**

Item No.	DESCRIPTION	Furnished by Contractor at Contractor' s Cost	Furnished by Contractor, at Company' s cost, plus applicable handling charge	Furnished by Contractor, at Company' s cost, no handling charge	Furnished by Company at Company' s Cost	Furnished by Company at Contractor' s Cost
100	Contractor' s Equipment and Personnel					
101	Rig and ancillary equipment as listed in Attachment A1,	X				
102	Personnel as listed in Attachment A3, "Personnel to be Provided by CONTRACTOR".	X				
103	Subject to the provisions of Section 7.1, extra personnel in excess of the normal complement listed in Attachment A3, if available, to fully support rig operations for both well centers, excluding Operator supplied Third Party personnel. Extra personnel must be requested in writing by COMPANY. CONTRACTOR shall provide such additional personnel as provided in Section 10.2.			X		
104	Overtime beyond normal work schedule for CONTRACTOR' s personnel when requested by COMPANY. Overtime rates are listed in Attachment A3			X		
105	Additional cost (i.e. overtime, lodging, transport, etc.) resulting from a required evacuation of the drilling unit due to bad weather.			X		
106	Subject to the provisions of Section 7.2 (H), any additional equipment or modifications to the Drilling Unit requested by COMPANY.			X		
107	Spare parts required to keep CONTRACTOR equipment in good operating order.	X				

108	All spare parts and third party services to keep COMPANY items in good operating order.		X
	CONTRACTOR to maintain adequate stocks of screens for the following equipment as listed below:		
109a	a. For each type of shaker listed in Attachment A1, CONTRACTOR to provide all screens with equal or larger opening size that DX-84 or equivalent.	X	
109b	b. Any other CONTRACTOR owned equipment as per Attachment A1	X	

Pacific Bora Drilling Contract No. PBA 3

109c	c. All other shale shaker and flow line cleaner screens.		X
110	Replacement parts for all solids control equipment listed in Attachment A1, other than shaker screens as listed in Item 110 above.	X	
111	CONTRACTOR will have scales installed on each bulk tank in order to weigh contents.	X	
112	CONTRACTOR will have a surge tank or tanks with an air vent system that minimizes loss of bulk materials.	X	
113	Drill pipe wipers for CONTRACTOR supplied drill pipe	X	
114	Re-circulating trip tank with Driller' s level readout. All lines coming out of the diverter housing must be downward sloping to aid in fluids draining from the diverter housing.	X	
200	General		

	Offshore drilling permit(s), licenses and clearance, including Navy Permit		
	Drill site surveyed, marked and cleared of obstructions when required		
201	Transit path surveyed, marked and cleared of obstructions when moving between locations with the riser and BOP suspended below the rotary table, as mutually agreed and permitted.		X
202	All COMPANY radio equipment, including satellite communications, other than provided by CONTRACTOR		X
203	Radio permits and license for CONTRACTOR radio equipment. COMPANY will assist CONTRACTOR in obtaining these permits if required by CONTRACTOR.	X	
204	Qualified technician to maintain CONTRACTOR communication equipment	X	
205	Telephone calls by COMPANY on CONTRACTOR' s satellite telephone. Calls by COMPANY' S third party personnel must be authorized, logged and signed for by the COMPANY Representative on the Drilling Unit. The original documentation must accompany invoices.		X
206	Telephone calls by CONTRACTOR on COMPANY' S satellite telephone. These calls must be logged and authorized by the COMPANY Representative on the Drilling Unit.		X
207	Telephone calls by COMPANY' s third party personnel on COMPANY' s satellite telephone. The Radio Operator has the		X

duty of controlling access to satellite telephones in the radio room and maintaining these logs.

208	Meals and quarters for all CONTRACTOR' s and CONTRACTOR' s subcontractor personnel and up to and including the specified number of COMPANY and COMPANY third party personnel, as mentioned in Exhibit D, the "Compensation".	X	
209	Meals and quarters for COMPANY and COMPANY third party personnel, over those mentioned above at the rate specified in Exhibit D "Compensation".		X

210	Rig positioning, weather forecasting, seabed survey and shallow hazard assessment services as required by COMPANY, CONTRACTOR or CONTRACTOR' s underwriter' s surveyors.		X
300	Marine and Logistics		
301	Transport for CONTRACTOR personnel, listed in Attachment A3, between Point of Origin and COMPANY' s shore base.	X	
302	All transport for CONTRACTOR material and equipment between point of procurement and COMPANY designated shore base.	X	
303	Air transportation of CONTRACTOR and COMPANY personnel, between COMPANY shore base and Drilling Unit in the course of normal duties and storm evacuation. Company reserves the right to select		X

	alternative transportation modes in exceptional situations.		
304	If CONTRACTOR requires a special flight to the Drilling Unit (for example for a tour by management or a prospective client), then this will be provided at COMPANY' s discretion.		X
305	Standby and work / supply / towing vessel(s) as required, including fuel. Standby boat requirements shall be determined by COMPANY in conjunction with CONTRACTOR.		X
306	Replacement of supply vessel mooring lines initially supplied by CONTRACTOR and damaged during course of COMPANY well.	X	
307	Replacement of loading and unloading hoses on board Drilling Unit initially supplied by CONTRACTOR and damaged during course of COMPANY well.	X	
308	Loading and unloading services at dock site or heliport of all material and equipment of CONTRACTOR and COMPANY.		X
309	Shore base with quay site for loading out CONTRACTOR equipment.		X
310a	Certified cargo baskets and slings for quay site loading out CONTRACTOR equipment.	X	
310b	Cargo baskets for use in transporting COMPANY' s supplies on supply vessels. The baskets must be fit for purpose, marked with load rating and equipped with suitable lifting certified slings and baskets.		X
311a	Wire rope certified slings for pre-slinging of	X	

	CONTRACTOR furnished drill pipe and drill collars.		
311b	Wire rope certified slings for pre-slinging of COMPANY furnished drill string		X
312	Replacement of metal slings damaged during loading or unloading of CONTRACTOR furnished drill pipe and drill collars	X	
313	Adequate open storage for CONTRACTOR equipment and spare parts at COMPANY shore base while equipment is in transit to rig		X
314	Transfer of CONTRACTOR equipment and spare parts between COMPANY shore base and quay		X

315	Transfer of CONTRACTOR equipment and spare parts between COMPANY shore base and CONTRACTOR' s third party locations.	X	
316	Office for CONTRACTOR shore-based supervisory staff (three people maximum)		X
317	Office furniture and supplies for CONTRACTOR shore-based supervisory staff, subject to COMPANY approval		X
318	Transportation of CONTRACTOR Equipment During Downtime		X
319	Transportation for Medical Treatment (including Emergency Evacuation) of CONTRACTOR' s Personnel to Conakry clinic.		X
320	Costs Relative to Emergency Evacuation of the Drilling Unit. - reimbursed to CONTRACTOR from COMPANY		X

321	Additional CONTRACTOR' s Personnel requested by COMPANY Air Transportation from Point of Origin and back		X
400	Drilling Equipment & Services		
401	Cementing unit rental		X
402	All cementing services (other than the Cementing Unit) and equipment in excess of the listed in Attachment A1		X
403	All cement and additives		X
404	Mud engineering services (but CONTRACTOR will carry out routine mud testing and treatment as required)		X
405	All drilling fluids and additives, including pallets if applicable		X
406	Mud logging service		X
407	All electric well logging services and equipment, including string shot and back-off equipment. Installation and removal of equipment.		X
408	Wireline formation testing, side wall sampling, hydraulic fracturing and acidizing.		X
409	Suitable space, as available, for installation of well logging and mud logging units, mud lab and wireline workshop.	X	
410	Fishing tools for all equipment except CONTRACTOR furnished drill pipe, drill collars and downhole tools as shown in Attachment A1.		X
411	Fishing tools for all CONTRACTOR drill pipe, drill collars, and downhole tools as Attachment A1	X	
412	Repair and / or replacement parts for CONTRACTOR provided fishing tools.		X
413	Welding services required on COMPANY' s equipment to the extent available from CONTRACTOR' s labor.	X	

414	Welding materials used on COMPANY' s equipment		X	
415	Any geological or petroleum engineering services			X
416	ROV or diving services, if required for maintenance or repair of CONTRACTOR' s vessel, unless damages caused by COMPANY third party.	X		
417	ROV or diving services, if required for work related to COMPANY' s well or subsea facilities			X
418	Extra labor or casing crews for running casing or tubing			X

419	Directional drilling engineering services and special equipment			X
420	Jetting tools for setting 36" and 30" conductor casing			X
421	Well test unit and associated equipment for production testing including services and including a separate air compressor for any compressed air needed such equipment, where they are not listed in Attachment A1.			X
422	Drilling bits, mills (other than those listed in Attachment 1 for fishing), hole openers, reamers, under-reamers, casing scrapers, drilling bumper subs, shock subs, drilling safety joints, hydraulic drilling jars and similar downhole equipment, including replacement parts			X
423	Drill stem testing equipment if required			X
424	Handling tools, subs, etc. required for COMPANY supplied drill pipe			X
425a	Initial inspection of CONTRACTOR' s riser, drill	X		

	collars, HWDP, drill pipe, subs, pups, hoisting equipment and handling tools prior to spud of first well		
425b	Subsequent inspections of CONTRACTOR' s riser, drill collars, HWDP, drill pipe, subs, pups, hoisting equipment and handling tools during Contract duration and at the end of Contract		X
425c	Additional COMPANY requirements during inspections described in 425a in excess of CONTRACTOR' s standards		X
425d	Inspection of COMPANY' s riser, drill collars, HWDP, drill pipe, subs, pups, hoisting equipment and handling tools prior to spud of first well.		X
426	Core barrel and core bits		X
427	All third party services pertaining to the drilling, workover, and completion operations.		X
428	Any drill pipe, HWDP, drill collars, subs, bits, reamers, hole openers, stabilizers, shock subs, and other downhole tools in excess of those provided by CONTRACTOR as shown in Attachment A1.		X
429	Drill pipe floats for CONTRACTOR supplied drill strings as shown in Attachment A1.	X	
430	Drill pipe floats for COMPANY supplied drill strings		X
431a	Mud pump liners - sizes 6" and 5.5"	X	
431b	Mud pump liners - other sizes not mentioned in 431a		X
500	BOP and Wellhead Equipment		
501	BOP fluid	X	
502	Initial set rubber goods for BOP stack as per	X	

CONTRACTOR' s
specification

503	All ring gaskets between sub-sea wellhead or tree and BOP Stack.		X
504	Replacement rubber goods and ring gaskets, flexjoint rubbers, riser string seals, including VBR packers, annular elements and diverter packers, for BOP stacks. Rubber goods to be compatible for use with OBM.		X
505	New annular preventer and VBR elements, choke, kill and boost line and mud gaskets required at start of Contract. CONTRACTOR to keep spare annular preventer elements as mutually agreed on board the Drilling Unit at all times.	X	
506	Replacement annular elements during Contract duration and at the end of Contract		X
507	Repair / Replacement / Inspection / Transportation / Commissioning of CONTRACTOR subsea well control equipment due to abnormal wear and tear such as key seating with documentation of initial condition and end condition and proven cause of damage.		X
508	Replacement door seals for CONTRACTOR supplied BOPs when changed at COMPANY' s request.		X
509	Provide equipment to do BOP test independently, as described in Attachment A1.	X	
510	All wellhead and subsea equipment i.e., subsea well heads, hangers, pack offs,		X

	Christmas trees, corrosion caps, etc.		
511	Running and retrieving tools for the following: LPWH, HPWH, casing hangers, pack-offs, wear bushings, and nominal seat protectors.		X
512	Subsea BOP test plugs, both insulation type and sealing inside the casing hanger.		X
600	Well Equipment & Supplies		
601	Fuel for all CONTRACTOR' s equipment on the Drilling Unit (after contract commencement)		X
602	Helicopter Fuel		X
603	An inventory of fuel is to be taken as the rig goes on and off Contract, and signed for by the COMPANY' s Representative. Any balance will be reimbursed to the CONTRACTOR (if negative) or deducted from invoices (if positive) at CONTRACTOR' S documented invoiced cost. CONTRACTOR will assist COMPANY by obtaining and documenting on and off Contract inventories from supply and standby boats on location.	X	
604a	Lubricants for CONTRACTOR equipment	X	
604b	Lubricants for Drill String (both CONTRACTOR and COMPANY provided)	X	
604c	Lubricants for Casing and COMPANY provided equipment		X
605	The following items, including all consumable items used therewith: all conductor pipe, all casing, attachments and other well tangibles, all tubing, all completion equipment		X
606	Potable water for use on board the Drilling Unit, to the extent	X	

of the capacity of the Drilling Unit' s water makers as per Attachment A1.

607	Any potable water required in excess of the capacity of the Drilling Unit' s water makers and any drill water above that provided by surplus potable water.			X
608	Any fabrication material (e.g. steel, cable) provided by CONTRACTOR to assist in rig up of COMPANY third party equipment.		X	
609	All rope, cargo slings (for use by CONTRACTOR on rig), hand tools and general rig consumables.	X		
700	Waste			
701	Trash compactor and bags for CONTRACTOR waste.	X		
702a	Disposal of CONTRACTOR' s Victual waste, if required by 33 CFR 151, garbage, refuse, and other non-hazardous waste, in CONTRACTOR furnished containers.	X		
702b	Disposal of COMPANY' s and COMPANY' s other contractors' Victual water, if required by 33 CFR 151, garbage, refuse and other waster, in COMPANY furnished containers.			X
703a	Disposal of CONTRACTOR' s scrap metal, drill lines, drums and other containers that have been emptied, drained and interior cleaned with water or other cleaning agents.			X
703b	Disposal of COMPANY' s scrap metal, drums and other containers that have been emptied, drained and interior			X

	cleaned with water or other cleaning agents.		
704	Disposal of CONTRACTOR' s waste oil, waste paint, and other hazardous waste generated by CONTRACTOR' s Drilling Unit, equipment or personnel, or CONTRACTOR' s subcontractor personnel and / or equipment during the term of the Contract. Containers to be provided by CONTRACTOR.		X
705	Disposal of COMPANY' s waste oil, waste paint, and other hazardous waste generated by COMPANY' s or COMPANY' s other contractors' personnel and / or equipment during the term of the Contract. Containers to be provided by COMPANY.		X
800	Safety		
801a	All safety equipment for CONTRACTOR personnel, including self-contained breathing apparatus for emergency work in H ₂ S environments as shown in Attachment A1.	X	
801b	Self-contained breathing apparatus for work in H ₂ S environment in excess of that furnished by CONTRACTOR as shown in Attachment A1 and / or cascade breathing system.		X
802	Safety equipment (e.g. floats, life belts, work vests, PPE, fire extinguishers, etc.) for the total complement on board the Drilling Unit. CONTRACTOR shall not be required to provide normal work boots, hard hats, coveralls, gloves and safety glasses to non-CONTRACTOR personnel.	X	
803	Explosion-proof wiring, safety lanyards, and lighting for the	X	

Drilling Unit as required by regulations.

804	All COMPANY' s or its other contractors' equipment, materials or supplies to be brought on board the Drilling Unit shall be provided with slings properly certified for the load.	X
805	All COMPANY' s or its other contractors' equipment to be brought on board the Drilling Unit shall be properly inspected and certified as appropriate, including certifications of pressure vessels, prior to being placed in service on board the Drilling Unit.	X
806	COMPANY or its other contractors shall provide MSDS with all chemicals that COMPANY or its other contractors bring on board the Drilling Unit.	X

End of Attachment A2

The remainder of the page intentionally left blank.

ATTACHMENT A3 TO EXHIBIT A – SCOPE OF WORK

Offshore Drilling Contract No. PBA 3

PERSONNEL TO BE FURNISHED BY CONTRACTOR

1. Number and Classification of Contractor' s Personnel, as per section 6.1 and Personnel Rates as per Section 1.1, Personnel Rates definition: Shown in table below.
2. Key Personnel shall be identified by Contractor and agreed to by Company a minimum of thirty days prior to the Commencement Date of the Contract.

The remainder of the page intentionally left blank.

3. Contractor Personnel Headcount and Daily Rate Table

Key Personnel	POSITION	NUMBER		Shift Schedule		Unit Rate
		ASSIGNED TO THIS CONTRACT	ON RIG AT ANY TIME	On	Off	Per day
K	Drilling Superintendent*	2	1	6	18	2,043
	Sr Toolpusher	2	1	6	18	1,856
	Toolpusher	2	1	6	18	1,712
	Driller	4	2	12	12	1,582
	Assistant Driller	8	4	12	12	1,248
	Mud System Operator	4	2	12	12	971
	Pumphand	4	2	12	12	816
	Floorhand	16	8	12	12	764
	Crane Operator	8	4	12	12	971
	Roustabout	24	12	12	12	715
	Quality & Training Advisor	4	2	6	18	1,113
K	Technical Superintendent*	2	1	6	18	2,043
	Planner / Scheduler	2	1	6	18	1,113
	Electrical / Electronic Supvr	2	1	6	18	1,582
	IT Specialist	2	1	6	18	1,430
	Chief Electronic Tech	2	1	6	18	1,452
	Electronic Tech	4	2	6	18	1,201
	Electrician	2	1	6	18	1,430
	Assistant Electrician	4	2	12	12	1,201
	Mechanical Supvr	2	1	6	18	1,582
	Mechanic	4	2	12	12	1,430
	Assistant Mechanic	4	2	6	18	1,201
	1 st Engineer	2	1	6	18	1,448
	2 nd Engineer	4	2	12	12	1,201
	3 rd Engineer	4	2	6	18	953
	Motorman	4	2	12	12	756

	Sr Subsea Engineer	2	1	6	18	1,885
	Subsea Engineer	2	1	18	6	1,698
	Assistant Subsea	4	2	12	12	1,219
	Materials Coordinator	2	1	6	18	1,160
	Assistant Materials Coordinator	4	2	18	6	981
	Welder	2	1	6	18	971

K	Master*	2	1	12	12	2,043
	Chief Mate	2	1	12	12	1,849
	Sr Dynamic Pos Operator	2	1	6	18	1,545
	Dynamic Pos Operator	4	2	12	12	1,230
	Assistant Dynamic Pos Operator	2	1	18	6	1,055
	Able Bodied Seaman	6	3	12	12	769
	Radio Operator	4	2	6	18	861
	Medic	2	1	6	18	1,052
	Bosun	2	1	6	18	951
	Total on RIG (Excluding Catering)	164	82			

(K = indicate "Key PERSONNEL")

(* = indicate member of Vessel Management Team VMT)

Notes for Attachment A3 Table above:

- The figures in column "Unit Rate" are to be used as the basis for adding personnel to the permanent crew and for determining the credit for crew members short. This includes all Training, Transportation and Catering costs.
- It is understood from time to time that there may be a shortfall in certain positions that Contractor makes up for by overtime in equivalent positions or (e.g. Floorhand staying over to work in a roustabout position) as reflected in the daily drilling report (IADC report). Any downsizing of the crew requested by Company shall be documented in writing to Contractor and is subject to Contractor's approval, which may not be unreasonably withheld.
- Offshore training activities within regular working hours required by Company are considered inclusive in the Base Labor rates outlined in "Unit Rate".
- For training, office work and other onshore activities required by Company, Company shall compensate Contractor the rate specified in "Unit Rate" for every Contractor employee required to participate in the activity.

3. The positions denoted with a K in the first column are to be fluent in English as per Section 6.1 (A) (6) and for the purposes of this Contract are designated as Key Personnel which may not be replaced or substituted without prior Company approval, which shall not unreasonably be withheld.

4. The Contractor shall provide all necessary shorebased administration and management support to fulfill its obligations under this Contract. In particular the Contractor shall provide a Rig Manager who shall be assigned to the services/operations covered hereunder and be provided on a dedicated basis prior to the Commencement Date and covering the initial Services including the Mobilization of the Drilling Unit to Company's first well location. The Rig Manager shall liaise with Company's other contractor's and supplier's (e.g., for the provision of Subsea equipment, ROV, mudlogging, Wireline, etc.), participate in onshore and offshore meetings regarding the initial installation of third party equipment and plan and coordinate Contractor's activities leading up to and including the Mobilization of the Drilling Unit.

5. **Contractor's Additional Personnel, as per Section 6.1(A)(4):**

Yes: No: If "Yes", indicate positions below:

6. Contractor will provide the following additional personnel as and when required for Contractor's need, at Contractor's cost;

Catering crew (8-20 persons, depending on total rig personnel on board compliment), service engineers for Contractor' s equipment, medic, paint crews, auditors, flag and class inspectors, trainers, and other subcontractors as required.

7. Offshore Contractor Personnel Qualifications:

- a. The following offshore positions would be expected to be filled by staff with a minimum of five (5) years' experience on Floating drilling units and who are fluent in conversational English and who are accomplished in reading and writing English:
 - i. Drilling Superintendent, Technical Superintendent, Master
 - ii. Senior Toolpusher, Toolpusher, Driller, Assistant Driller
 - iii. Chief Mate, Sr DPO, DPO
 - iv. Mechanical supervisor, Electrical/Electronic supervisor
 - v. QTA
- b. All other positions shall be filled by staff who have had previous offshore drilling experience. Contractor shall provide Company with resumes of all Key Personnel to be assigned to the project. Company reserves the right to reject Contractor' s proposed personnel.

Minimum Rig Personnel Qualifications Expected By Company:

i.	Drilling Superintendent	(0)	(12)	(13)	(14)	(16)
ii.	Senior Toolpusher	(1)	(12)	(13)	(14)	(16)
iii.	Toolpusher	(2)	(12)	(13)	(14)	(16)
4						
iv.	Driller	(3)	(12)	(13)	(14)	(16)
v.	Assistant Driller	(4)	(12)	(13)	(14)	(16)
vi.	Mechanical Supervisor	(5)	(14)	(16)		
vii.	Electrical Supervisor	(6)	(14)	(16)		
viii.	Crane Operator	(7)	(14)	(16)		
ix.	Master	(8)	(14)	(15)	(16)	(17)
x.	Medic	(16)	(18)			
xi.	Senior SubSea Supervisor	(9)	(12)	(16)		

- xii. Senior Materials coordinator (10) (16)
- xiii. Senior Dynamic Position Operator (11)
 - 1) 10-years of experience in all phases of onsite drilling operations. Minimum 2-years of experience as Senior Toolpusher on floating DP rigs.
 - 2) 10-years of experience in all phases of onsite drilling operations. Minimum 2 years' experience as a Senior Toolpusher on floating DP rigs.
 - 3) 7years' experience in all phases of onsite drilling operations. Minimum 1 year experience as a Toolpusher on floating DP rigs.
 - 4) 5 years' experience in all phases of onsite drilling operations. Minimum 2 years' experience as a Driller on floating rigs.
 - 5) 3 years' experience in drilling operations. Minimum 1 year as an Assistant Driller on floating rigs.
 - 6) 5 years' experience in maintaining and operating related equipment on a drilling unit.
 - 7) 5 years' experience on an offshore drilling rig.
 - 8) 5 years' experience as Crane Operator, minimum 3 years' onboard offshore drilling units. Minimum 1 year operating experience as a Crane Operator on floaters. Crane Operators must also have current certification.
 - 9) 5 years' operating experience in offshore drilling operations. Must have thorough knowledge of marine and international regulatory body requirements as they apply to offshore drilling operations. Minimum 1 year as Master on same type of Drilling Unit in drilling mode.
 - 10) 5 years' experience in operating and maintaining subsea blowout prevention control equipment.
 - 11) 3 years' experience in warehousing, inventory, and maintenance of adequate stock levels. Must have knowledge of offshore drilling equipment and computerized inventory control systems.
 - 12) 5 years' experience as Dynamic Position Operator in offshore drilling and marine operations on DP floaters.
 - 13) Current valid IWCF, American BSEE-OCS, Norwegian NPD, or IADC well control certification. Valid shall mean that all well control certificates have not lapsed in accordance with certifying authority. This certificate must be valid for the position in which the individual is employed, i.e., toolpusher with a drillers certificate is not acceptable
 - 14) H2S control and operation certification, as required.

- 15) Safety, first aid, and fire-fighting certification if applicable as per ship' s station bill.
- 16) Master MODU or Unlimited Master' s license.
- 17) Proficient English language skills.
- 18) DP Advanced Operators Ticket.
- 19) Trained and certified to international standards as a Medic. Proficient in English language skills.

Copies of all certificates shall be made available to Company 30 days prior to commencement date of the contract.

c. Shore-Base Personnel

Shore-Base personnel minimum requirements.

- i. Rig Manager (1) (2) (3)
 - 1) 8 years' experience in all phases of onsite drilling operations, including 5 years' offshore experience and 3 years onshore as Senior Toolpusher/Rig Superintendent/Assistant Rig Manager or Rig Manager.
 - 2) Current Well Control certification.
 - 3) Proficient English language skills.

d. General

- i. All senior staff positions shall work 35 days on and 35 days off.
- ii. Contractor may not change Key Personnel without prior approval from Company, such approval shall not be unreasonably withheld.
- iii. All drill crew personnel shall be fluent in English and are required to have an up to date well control certificate. This certificate must be valid for the position in which the individual is employed, i.e., toolpusher with a drillers certificate is not acceptable. The certificate should be recognized by an appropriate governmental regulatory agency such as the US BSEE or IWCF.

End of Attachment A3

The remainder of the page intentionally left blank.

6

ATTACHMENT A4 TO EXHIBIT A – SCOPE OF WORK

Offshore Drilling Contract No. PBA 3

**APPENDIX A4-I
FINAL ACCEPTANCE FORM**

Pursuant to the OFFSHORE DRILLING CONTRACT (“Contract”) No. PBA 3 dated as of 28 November 2016 (the “Effective Date”) is made by and between , a corporation, with offices at (“Company”) and Pacific Bora Limited, a Liberian Company, with representative offices at [] and Pacific Drilling Operations Limited, a British Virgin Islands company with representative offices at 11700 Katy Freeway, Houston , Texas 77079 (“Collectively Contractor”).

Company accepts the Drilling Unit on (Date) at (Time) as fit for purpose as presented in the contract.

Company and Contractor representatives whose signatures are evidenced below hereby agree that the requirements for Final Acceptance as listed in this Attachment A4 to Exhibit A – Scope of Work have been met.

The Parties have executed this form as required by OFFSHORE DRILLING CONTRACT (“Contract”) No. **PBA 3** in duplicate as evidenced by the following signatures of authorized representatives of the Parties:

Company:

Contractor:

Signature: _____

Signature: _____

Name: _____

Name: _____

End of Appendix A4-I

End of Attachment A4

The remainder of the page intentionally left blank.

Pacific Bora Drilling Contract No. PBA 3

1

ATTACHMENT A5 TO EXHIBIT A – SCOPE OF WORK

Offshore Drilling Contract No. PBA 3

CONTRACTOR SAFETY MANAGEMENT SYSTEM

*TO BE ADDED

End of Attachment A5

The remainder of the page intentionally left blank.

Pacific Bora Drilling Contract No. PBA 3

1

EXHIBIT B – DRUG AND ALCOHOL POLICY

Offshore Drilling Contract No. PBA 3

DRUG AND ALCOHOL POLICY

Pacific Bora Drilling Contract No. PBA 3

1

Copyright © 2009 Pacific Drilling Unpublished Work; all rights reserved.

Document Title: Drug And Alcohol Policy

Document Id.: HSE-WWD_VVP-002

Policy Statement

Pacific Drilling is committed to maintaining a healthy, safe, secure and productive workplace. Alcohol, drug or any other substance abuse causes impairment of judgment and consequently leads to an unacceptable increase in risk of adverse effects to the individual(s) involved, their colleagues and the company as a whole. Therefore, Pacific Drilling is committed to a work place that is free of substance abuse of any kind.

In order to achieve this, and in compliance with any applicable laws and regulations, we will;

- Prohibit the misuse of legitimate drugs and take necessary actions to ensure the legitimate use of prescription drugs is appropriate to the working conditions.
- Prohibit the use, possession, sale, purchase or distribution of illicit or un-prescribed controlled drugs whilst working on or at a Pacific Drilling work site or while working on behalf of Pacific Drilling at any location.
- Prohibit the use, sale, purchase or distribution of alcohol on or in company property unless previously authorized by an appropriate member of senior management.
- Develop and administer a Drug and Alcohol Testing program throughout the company including pre-employment, random, post accident and for cause as appropriate.
- Implement unannounced searches for illicit drugs and/or alcohol on company owned or controlled property.
- Maintain the awareness of all employees and personnel working on behalf of Pacific Drilling with regard to the potential risks associated with drug and alcohol abuse - including the communication of this policy to all personnel.
- Ensure that personnel involved in the administration of any drug and alcohol programs are competent.
- Enforce disciplinary actions, up to and including termination, in the case of violation.
- Regard alcohol or drug dependency as a treatable condition and implement programs to offer assistance to seek treatment to any individual who voluntarily asks for it, provided that the request is received prior to an observed deterioration in job performance or a violation of the Drug and Alcohol policy or any of its supporting programs.
- Monitor the effectiveness of this policy through periodic management review and ensure continual improvement.

These governing principles are in addition to the fundamental obligation of all personnel working for or on behalf of Pacific Drilling to comply with relevant laws, regulations and rules.

This policy shall be regularly reviewed to ensure it is relevant and suitable.

End of EXHIBIT B

The page is intentionally left blank.

Pacific Bora Drilling Contract No. PBA 3

Exhibit C

Insurance Requirements

Operator

- 1) Operator shall at Operator' s expense acquire and maintain, with an insurance company or companies or P&I Clubs authorized to do business in the jurisdiction where the Work is to be performed, rated B+ or better by A. M. Best or equivalent or broker vetted or through a self-insurance program, insurance coverages, of the kind and in the minimum amounts as follows:
 - a) Adequate Workers' Compensation Insurance and Employers' Liability Insurance or equivalent insurance complying with applicable local laws with limits of US\$1,000,000 covering all Operator' s employees working under this Agreement. Such policy shall include territorial extensions for all Work and transportation areas as applicable.
 - b) Commercial (or Public) General Liability Insurance, including contractual liability coverage. The limit shall be US\$1,000,000 per occurrence/ US\$2,000,000 general aggregate.
 - c) When Operator services require use of motor vehicles, Operator shall procure Automobile Liability Insurance through an admitted carrier in country and/or state of operations covering all owned, non-owned, hired and/or rented automotive equipment with limits of US\$1,000,000 combined single limit each occurrence.
 - d) When Operator is to furnish transportation by air, Operator shall procure or cause owners of such aircraft to procure Aircraft Liability Insurance with limits of US\$10,000,000 combined single limits for Bodily Injury and Property Damage and coverage for the following liabilities: public, passengers, property damage, and airport. Coverage shall be on all owned, rented, and non-owned helicopters and other aircraft and shall include full form Hull insurance with limits equal to the full value of applicable helicopter or other aircraft.
 - e) When Operator is to furnish transportation by water or other marine services, shall procure full form Hull and Machinery Insurance on American Institute Hull clauses (all risks as amended) or equivalent, including Collision Liability, with the sistership clause unamended. The limits of such insurance shall be the declared value of each vessel (or such other amount as shall be agreed between Operator and Contractor). All such policies shall delete the "as owner" provision and any "other than as owner" limitations and delete any provision that allows underwriters to limit liability to anyone other than the vessel owner
 - f) Operator shall also procure for such vessels full form Protection and Indemnity Insurance on SP-23 clauses or equivalent and insurance for removal of wreck and/or debris, and liability for seepage, pollution, containment, and cleanup, with limits of not less than US\$5,000,000 per occurrence (or such other amount as shall be agreed between Operator and Company subject to the Operator' s insurance policy(ies) terms and conditions).

- g) Physical Damage Insurance on Operator' s property to the extent of its fair market value.
 - h) Operator shall also procure Operator' s Extra Expense Insurance in the amount of not less than US\$100,000,000 combined single limit per occurrence to cover any and all sums which Operator and/or Contractor may be obligated to incur as expenses and/or liabilities which may be incurred on account of bringing under control an oil or gas well which is out of control or extinguishing an oil or gas well fire, redrilling or repair of loss or damage to an oil or gas well, seepage and pollution, cleanup and contamination arising from operations under this Contract.
 - i) Excess Liability Insurance over that required in Paragraph 1) (a), (b) and (c) minimum limits of US\$10,000,000.
- 2) Where applicable Operator shall obtain from its insurers a waiver of subrogation (against the Contractor Group in all of the insurance policies listed above (subject to the protective co-insurance clause as applicable). Additionally, the Contractor Group shall be named as additional insureds (or protective co-insureds as applicable) in all such insurance policies (with the exception of Workers' Compensation coverage).
 - 3) Operator will furnish to Contractor at email provided or other approved address provided by Contractor a certificate or certificates evidencing the insurance coverages (or their equivalent) listed above. On an ongoing basis, Operator will provide insurance certificates on a no less than annual basis evidencing insurance renewals and material changes to insurance coverages or requirements or for the duration of the contract.
 - 4) The Contractor Group, when allowed by the Operator' s policy, shall not be liable for premiums unless required by local statute or law. All deductibles or self-insured retentions under such policies shall be for the sole account of Operator. Operator agrees when requested by Contractor to furnish certified copies of all said insurance policies. Failure of Contractor to object to any discrepancies or variations between the certificates of insurance or policies required hereunder and the requirements of this Article shall not be deemed a waiver thereof.
 - 5) In the event that liability for any loss or damage is denied by the Operator' s insurers, in all or in part, because of breach by Operator of its contract of insurance or for any other reason, or if Operator' s insurers fail to defend or pay Operator' s claims, or if Operator fails to maintain any of the insurance herein required, Operator shall hold harmless, defend and indemnify all Contractor Group against any and all damages, liabilities, losses, costs, expenses (including attorney' s fees and expenses), claims, demands, and causes of actions of every kind and character (collectively referred to in this Agreement for all purposes as "indemnifiable claims") which would otherwise be covered by said insurance. The limits of insurance specified herein are minimum limits only, and notwithstanding anything else to the contrary herein Operator' s indemnification obligations under this Agreement (express or implied) shall not be limited in amount or in scope to the insurance coverage provided by Operator. The insurance and release, indemnity, and hold harmless provisions of this Agreement are separate and independent covenants, and it shall not be necessary for either Party to exhaust the insurances available to such Party before calling upon the other Party to honor such Party' s release, indemnity, and hold harmless obligations under this Agreement.
-

Contractor

- 1) Contractor shall at Contractor' s expense acquire and maintain, with an insurance company or companies or P&I Clubs authorized to do business in the jurisdiction where the Work is to be performed, rated B+ or better by A. M. Best or equivalent or broker vetted or through a self-insurance program, insurance coverages, of the kind and in the minimum amounts as follows:
 - a) Adequate Workers' Compensation Insurance and Employers' Liability Insurance or equivalent insurance complying with applicable local laws with limits of US\$1,000,000 covering all Contractor' s onshore employees working under this Agreement. Such policy shall include territorial extensions for all Work and transportation areas as applicable.
 - b) Commercial (or Public) General Liability Insurance, including contractual liability coverage. The limit shall be US\$1,000,000 per occurrence/ US\$2,000,000 general aggregate.

- c) When contractor services require use of motor vehicles, Contractor shall procure Automobile Liability Insurance through an admitted carrier in country and/or state of operations covering all owned, non-owned, hired and/or rented automotive equipment with limits of US\$1,000,000 combined single limit each occurrence.
 - d) When Contractor is to furnish transportation by air, Contractor shall procure or cause owners of such aircraft to procure Aircraft Liability Insurance with limits of US\$10,000,000 combined single limits for Bodily Injury and Property Damage and coverage for the following liabilities: public, passengers, property damage, and airport. Coverage shall be on all owned, rented, and non-owned helicopters and other aircraft and shall include full form Hull insurance with limits equal to the full value of applicable helicopter or other aircraft.
 - e) Contractor shall procure full form Hull and Machinery Insurance on American Institute Hull clauses (all risks as amended) or equivalent, including Collision Liability, with the sistership clause unamended. The limits of such insurance shall be the declared value of each vessel (or such other amount as shall be agreed between Contractor and Operator). All such policies shall delete the "as owner" provision and any "other than as owner" limitations and delete any provision that allows underwriters to limit liability to anyone other than the vessel owner
 - f) Contractor shall also procure for such vessels full form Protection and Indemnity Insurance on SP-23 clauses or equivalent and insurance for removal of wreck and/or debris, and liability for seepage, pollution, containment, and cleanup, with limits of not less than US\$5,000,000 per occurrence (or such other amount as shall be agreed between Contractor and Operator subject to the Contractor' s insurance policy(ies) terms and conditions).
 - g) Physical Damage Insurance on Contractor' s property to the extent of its fair market value.
-

h) Excess Liability Insurance over that required in Paragraph 1) (a), (b) and (c) minimum limits of US\$10,000,000.

- 2) Where applicable Contractor shall obtain from its insurers a waiver of subrogation (against the Operator Group in all of the insurance policies listed above (subject to the protective co-insurance clause as applicable). Additionally, the Operator Group shall be named as additional insureds (or protective co-insureds as applicable) in all such insurance policies (with the exception of Workers' Compensation coverage).
 - 3) Contractor will furnish to Operator at email provided or other approved address provided by Operator a certificate or certificates evidencing the insurance coverages (or their equivalent) listed above. On an ongoing basis, Contractor will provide insurance certificates on a no less than annual basis evidencing insurance renewals and material changes to insurance coverages or requirements or for the duration of the contract.
 - 4) The Operator Group, when allowed by the Contractor' s policy, shall not be liable for premiums unless required by local statute or law. All deductibles or self-insured retentions under such policies shall be for the sole account of Contractor. Contractor agrees when requested by Operator to furnish certified copies of all said insurance policies. Failure of Operator to object to any discrepancies or variations between the certificates of insurance or policies required hereunder and the requirements of this Article shall not be deemed a waiver thereof.
 - 5) In the event that liability for any loss or damage is denied by the Contractor' s insurers, in all or in part, because of breach by Contractor of its contract of insurance or for any other reason, or if Contractor' s insurers fail to defend or pay Contractor' s claims, or if Contractor fails to maintain any of the insurance herein required, Contractor shall hold harmless, defend and indemnify all Operator Group against any and all damages, liabilities, losses, costs, expenses (including attorney' s fees and expenses), claims, demands, and causes of actions of every kind and character (collectively referred to in this Agreement for all purposes as "indemnifiable claims") which would otherwise be covered by said insurance. The limits of insurance specified herein are minimum limits only, and notwithstanding anything else to the contrary herein Contractor' s indemnification obligations under this Agreement (express or implied) shall not be limited in amount or in scope to the insurance coverage provided by Contractor. The insurance and release, indemnity, and hold harmless provisions of this Agreement are separate and independent covenants, and it shall not be necessary for either Party to exhaust the insurances available to such Party before calling upon the other Party to honor such Party' s release, indemnity, and hold harmless obligations under this Agreement.
-

EXHIBIT D - COMPENSATION

Contractor shall be compensated by Company for the Services in accordance with the rates set forth in this Exhibit D – Compensation for Services rendered and the Drilling Unit, personnel and all other items furnished by Contractor in conformance with this Contract. Daily rates shall be prorated on the basis of a twenty-four hour calendar day to the nearest one-half hour. No other payments shall be due by Company to Contractor other than those specifically provided for in this Contract. **Section numbers and summarized descriptions are provided below for convenience; however, if a conflict exists between this Exhibit and the Contract, the body of the Contract prevails.**

I. MOBILIZATION AND DEMOBILIZATION FEES.

1. **Mobilization Fee, as per Section 9.1(A):** Payable: Not Payable:

If payable, amount of Mobilization Fee: ZERO

2. **Demobilization Fee, as per Section 9.1(H):** Payable: Not Payable:

II. DRILLING SERVICES RATES.

All rates are inclusive of any and all other cost (including currency exchange, fees, royalties, operating permit, NCDMB, etc) required to operate in Republic of Guinea, except for taxes (income tax, withholding tax, personal income tax on company personnel, import VAT on CONTRACTOR equipment).

1. **Operating Rate, as per Section 9.1(B):**

The Operating Rate for one (1) firm well + three (3) - 1-well options shall be US\$225,000 per day.

2. **Moving Rate, as per Section 9.1(C):** Payable: Not Payable:

If payable, amount of Moving Rate: 90% of Operating Rate

3. **International Moving Rate, as per Section 9.1(D):** Payable: Not Payable:

If payable, amount of International Moving Rate: 98% of Operating Rate

4. **Standby Rate, as per Section 9.1(E):** 98% of Operating Rate

5. **Force Majeure Rate, as per Section 9.1(F):** 90% of Operating Rate

6. **Redrill Rate, per Section 9.1(G):** 50% of Operating Rate

7. **Off Weather Rate, as per Section 9.1(I):** 100% of Operating Rate

The remainder of the page intentionally left blank.

-
8. **Variation of Service Rates due to a Change in Operating Cost Elements as per 9.3(D):**

**TOTAL BASELINE OPERATING COSTS:
Drilling Unit Pacific Bora**

NOT APPLICABLE FOR THIS CONTRACT

	Baseline Cost
Base Maintenance Element:	
Base Labor Cost:	
Labor & Burden (Offshore)	
Labor & Burden (Onshore)	
Total Base Labor Cost	
Base Catering Cost:	
xx Contractor Personnel	
xx Company Personnel	
Total Base Catering Costs	
Base Insurance Cost:	
Total Baseline Operating Costs	

For purposes of the escalation of Maintenance and Labor Cost, the baselines will be adjusted by using the identified Bureau of Labor Statistics ("BLS") Indices in Sections 9.3(D)(4)(b) and 9.3(D)(4)(c), current as of the date of the adjustment request.

III. REIMBURSEMENTS TO CONTRACTOR.

1. Meals and Lodging for Additional Persons, as per Section 10.4:

The Service rates set forth in Part II above include meals and lodging for the following number of Company Persons and those of Company's other contractors: 10

Meals and lodging for additional persons shall be at the following rates:

Meals and/or Lodging: \$175 per person per day

2. Reimbursements for Additional Materials & Services, see Sections 7.2(H) and 10.2

IV. MISCELLANEOUS FINANCIAL PROVISIONS.

COMPANY's address for submission of CONTRACTOR's paper invoices, as per Section 11.1(A):

Attn: Mr. Forrest Estep

12012 Wickchester Lane
Suite 475

CONTRACTOR's banking information, as per Section 11.2(D)(1): To Be Provided By Contractor.

Name of Bank: xxx

Bank Routing No.: xxx
Swift: xxx

Houston, Texas 77079

Account No.: xxx

Name on Account: xxx

Currency of Payment, as per Section 11.2(D)(3):

Partial payment in Local Currency: Applicable: Not Applicable:

Percentage of Compensation payable in:

US Dollar: One Hundred Percent (100%)

Payroll Burden, as per Section 1.1: Payroll Burden shall mean the following percentage of the straight time salary of each of Contractor' s employees: N/A

Invoice Content and Format, as per Section 11.1: Contractor' s invoices must contain the following information:

- The title and number of this Contract.
- The amount due in the Currency.
- If applicable, all the following:
 - The amount of local currency due.
 - The value added tax, goods and services tax, sales tax or other taxes which Contractor proposes to collect or for which it will seek reimbursement from Company (including a tax assessed against Company but collected by Contractor).
 - Contractor' s tax registration number.

Accelerated Payment Program

The Accelerated Payment Program is not applicable to this Contract.

The remainder of the page intentionally left blank.

END OF EXHIBIT D



AWARD LETTER - CONFIDENTIAL

December 21, 2016

Schlumberger Oilfield Eastern Limited
Attention: Ulisses Sperandio
Delivery via email : sperandio1@slb.com

Re: Invitations to Bid: ITT-001Mudlogging, ITT-002 Integrated Project Manager, ITT-003 MWD/LWD/BHA/DD, ITT-004 Drilling Fluids, ITT-005 Cementing, ITT-006Wireline, ITT-010 Fishing, ITT-013 Drill Bits, Hole Openers & Underreamers

With reference to your tenders submitted to SCS Corporation Ltd, a wholly owned subsidiary of Hyperdynamics Corporation (Company) in response to the above noted Invitations to Tender and further clarifications and negotiations, please be advised that Company has accepted the prices proposed by Schlumberger Oilfield Eastern Limited and contingent upon the execution of each of the Work Orders would like to award the above services to Schlumberger Oilfield Eastern Limited.

Please sign below to indicate your acceptance of this award.

We look forward to working with you under this agreement.

Sincerely,

/s/ Ray Leonard

Ray Leonard
CEO and President
Hyperdynamics Corporation
12012 Wickchester Lane, Ste 475
Houston, Texas 77079, USA
Phone: +1 713-353-9400

Accepted by:

/s/ Bunmi Omole

Authorized representative of Schlumberger Oilfield Eastern Limited

Name : Bunmi Omole

Title: General Manager

Date: 28/12/16

Master Service Agreement

SCH003-11

between

SCS Corporation Ltd
and

Schlumberger Oilfield Eastern Limited

Internal Use Only

<u>REV.</u>	<u>DESCRIPTION</u>	<u>PREPARED</u>	<u>REVIEWED</u>	<u>APPROVED</u>	<u>DATE</u>
0	Master Service Agreement	/s/ T.ORiley	/s/ B.Bell	/s/ P.Amoruso	12/27/16
		T.ORiley	B.Bell	P.Amoruso	

further changes approved from version issued on 2/21/16.

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern LimitedEffective Date: 27 December, 2016
Page 2 of 37**TABLE OF CONTENTS**

1	DEFINITIONS	3
2	DOCUMENTS CONSTITUTING THIS AGREEMENT	6
3	DESCRIPTION AND CHARACTERISTICS OF THE WORK	6
4	PRICES AND PAYMENT	7
5	INDEPENDENT CONTRACTOR STATUS	7
6	NOTICES	7
7	INDEMNITIES	8
8	INSURANCE	11
9	PAYMENT OF CLAIMS/LIENS	11
10	INSPECTION RIGHTS, QUALITY ASSURANCE, CONTROL AND TESTING	11
11	FORCE MAJEURE	12
12	CONTROLLING AGREEMENT	13
13	TAXES AND OTHER GOVERNMENTAL CHARGES	13
14	ASSIGNMENT	14
15	TERMINATION/CANCELLATION	14
16	DEFAULT	15
17	SUSPENSION	16
18	AUDIT/RECORDS	17

19	CONFIDENTIALITY	17
20	SEVERABILITY	19
21	CHOICE OF LAW	19
22	AMENDMENT/WAIVER	19
23	MISCELLANEOUS	20
24	PATENTS & PROPRIETARY RIGHTS	20
25	DISPUTE RESOLUTION	20
26	COMPLIANCE WITH UNITED STATES OF AMERICA AND FOREIGN LAWS	21
27	COMPLIANCE WITH U.S. SANCTIONS AND EXPORT LAWS	22
28	WARRANTY	23
29	THIRD PARTY BENEFICIARIES	24
30	DELIVERY OF THE PRODUCTS	25
31	LANGUAGE	25
32	ENTIRETY	25
33	SURVIVAL	25
34	EXHIBIT "A" - SAMPLE WORK ORDER	27
35	EXHIBIT "B" - INSURANCE REQUIREMENTS	29
36	EXHIBIT "C" - HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS	32

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 3 of 37

MASTER SERVICE AGREEMENT

THIS AGREEMENT (hereinafter referred to as "MSA" or "Agreement"), effective from 27 December, 2016 ("Effective Date") by and between **SCS Corporation Ltd** a Cayman Islands corporation and a wholly owned subsidiary of Hyperdynamics Corporation, whose principal office is at 12012 Wickchester Lane, Suite 475, Houston TX 77079 (hereinafter referred to as "Company") and **Schlumberger Oilfield Eastern Limited** corporation with offices at Flemming House, Wickhams Cay, Road Town, Tortola, British Virgin Islands (hereinafter referred to as "Contractor"). Company and Contractor are individually referred to as a "Party" and collectively as the "Parties".

This Agreement is between Company and Contractor and is applicable only for Work required to be performed in the **Republic of Guinea** as further detailed and agreed in any Work Orders.

In consideration of the mutual covenants herein contained and of the payments hereinafter provided to be made by Company to Contractor and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1 DEFINITIONS

- 1.1 "Affiliate" when used with respect to a Party means any entity controlling, controlled by or under common control with the referenced Party, where "control" can be defined as the direct or indirect ownership of fifty percent (50%) or more of the voting shares of such entity or the right to appoint a majority of the board of directors or other governing body of such entity.
- 1.2 "Agreement" means the terms and conditions of the body of this document, and the Exhibits, references and documents attached hereto or incorporated by references as may mutually be amended from time to time in accordance with the terms of this Agreement.

- 1.3 “Applicable Law” means all laws, statutes, acts, rules, regulations, decrees or orders of any governmental entity that has jurisdiction over Company or Contractor in the performance of this Agreement or any Work Order.
- 1.4 “Company” means that entity described as such in the Preamble of this Agreement.
- 1.5 “Company Group” means Company, its co-venturers, its and their parent, subsidiary and Affiliated or related companies, and its and their contractors and subcontractors (except Contractor Group), and the officers, directors, employees, consultants, agents and invitees of all of the foregoing. The government of the Republic of Guinea shall be considered a co-venturer solely for purposes of this Agreement.
- 1.6 “Contractor” means that entity described as such in the Preamble of this Agreement.
- 1.7 “Contractor Group” means Contractor, its parent, subsidiary and Affiliated or related companies, and its and their contractors and subcontractors and the officers, directors, employees, consultants, agents and invitees of all of the foregoing.
- 1.8 “Contractor Equipment” means any and all equipment owned, leased or rented by Contractor Group and utilized in connection with the Work, and shall include spare parts and inventory. Equipment rented by Contractor to Company shall be deemed part of Contractor Equipment, however Contractor goods on consignment to Company shall not be deemed Contractor Equipment.
- 1.9 “Country” means the country to which the Production Sharing Agreement relates.
- 1.10 “Country of Operations” means the country where the Work as defined in the applicable Work Order is being performed. The Country of Operations is the Republic of Guinea.
-

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 4 of 37

- 1.11 “Effective Date” means the date on which this Agreement comes into force as specified in the preamble above.
- 1.12 “EU” means the European Union.
- 1.13 “Exhibit(s)” shall refer to the applicable exhibit or exhibits attached to the body of this Agreement. Capitalized terms used in any Exhibit but not defined therein shall be given the meaning ascribed to such term in the body of this Agreement.
- 1.14 “FCPA” means the United States Foreign Corrupt Practices Act, as amended over time.
- 1.15 “Force Majeure Event” means any of the following after the exercise of reasonable diligence and foresight to prevent or overcome the issue: Acts of God, action of the elements, warlike action, insurrection, revolution or civil strife, piracy, civil war or hostile action, strikes (excluding strikes, lockouts or other industrial disputes or action solely among employees of Contractor or its subcontractors), acts of or delays caused by public enemies, acts of sovereign states, regional or local governments or authorities and any judicial, legislative or ministerial body or regulatory authorities (including, but not limited to, a declared moratorium or actions or inactions of authorities effectively preventing a Party from performance), material or equipment shortages, or any other causes (except financial) beyond the reasonable control of either party.
- 1.16 “Government” means the host government or other governmental or other entity of the Country which are a party to the Production Sharing Contract.
- 1.17 “Government Official” or “Official” shall include (i) any officer or employee of a country other than the United States or any federal, regional or local department, agency, state-owned enterprise or corporation or other instrumentality thereof; (ii) any employee or official of a public international organization; (iii) any person acting in an official capacity for or on behalf of any of such entities identified in clauses (i) or (ii); and (iv) any official of a political party, or candidate or nominee of any political party of a country other than the United States

- 1.18 “Gross Negligence” means Such wanton and reckless conduct (whether sole, contributory, joint or concurrent), carelessness or omission as constitutes in effect an utter disregard for harmful, foreseeable and avoidable consequences) on the part of the other party, its Group or its or their representatives, and without limit. For avoidance of doubt, Gross negligence requires a significantly greater degree of lack of care than would be required to constitute simple negligence.
- 1.19 “Indemnify” means that the first party agrees to indemnify and hold the other party, its Group and its and their Personnel harmless from and against any and all loss, liability, costs, claims, demands and expenses (including legal expenses) of every kind and character and without regard to the cause or causes thereof and whether or not involving negligence (including without limitation Gross Negligence on the part of the other party, its Group or its or their representatives, and without limit.
- 1.20 “Insolvent” means when a party cannot pay its debts as they become due.
- 1.21 “Party” or “Parties” means the signatories to this Agreement either singularly with Company as the first part and Contractor as the second part or both collectively.
- 1.22 “Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.
- 1.23 “Permits” shall have the meaning ascribed to such term in Article 5 – Independent Contractor Status.
-

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 5 of 37

- 1.24 “Personnel” shall mean, as respects Company, all Company Group personnel, and, as respects Contractor, all Contractor Group personnel, in each case provided in performance of the Work or in connection with this Agreement,
- 1.25 “Production Sharing Contract” or “PSC” means the production sharing contract, concession agreement, lease, license or some other type of agreement permitting Company, as the owner of certain rights pertaining to the Hydrocarbon Production Sharing Contract dated September 22, 2006 as amended March 25, 2010 and in September 21, 2016 or as may be amended from time to time between the government of the Republic of Guinea and Company (and possibly one or more other entities), or an entity in which the Company is one of its owners, to explore for and produce oil and gas in the Country.
- 1.26 “Products” or “Product” means the products, goods items or equipment sold by Contractor to Company hereunder (as and where applicable).
- 1.27 “Regardless of Fault” means, without regard to the cause or causes thereof, including, without limitation, Gross Negligence, the sole, concurrent, partial, active, passive or other negligence (of whatsoever nature or character), other fault or strict, regulatory or statutory liability, breach of representation or warranty, breach of duty (whether statutory, contractual or otherwise), products liability, any theory of tort or breach of contract, of either Party or its Group, or any other Person or entity, or the unseaworthiness, unairworthiness or defective condition of vessels, craft, vehicles or premises, whether or not preceding the execution of, but in any case relating to, this Agreement or any Work Order; provided, however, Willful Misconduct shall not be covered or included in and shall be expressly excluded from the definition of Regardless of Fault.
- 1.28 “Replacement Value” means price stated in the applicable Work Order as Lost in Hole price of the lost or damaged equipment, or if not stated in the Work Order, the documented replacement cost less accumulated depreciation at the rate of three-fourths of one percent (075%) per month from the last date of service level 3 maintenance of the equipment to the date of the loss or damage of the equipment up to a maximum depreciation of fifty percent (50%).
- 1.29 “Term” means the period commencing on the Effective Date and ending two years from the Effective Date, or as may be amended from time to time by mutual agreement of the Parties, or on the date specified in a notice of termination sent by one Party to the other Party at least thirty days prior to the termination date specified in the notice of termination.

- 1.30 “Third Party(ies)” means any Person(s) or entity(ies) not a member of Company Group or Contractor Group.
- 1.31 “Willful Misconduct” means an intentional or deliberate act or omission the pernicious results of which are detrimental to the interest of the other party which causes an injury or death to a Party or damage to property or the environment, or with knowledge of the situation creating a peril a Party intentionally does an act which a Party should not do (or fails to act) with a wanton or reckless disregard or indifference to the consequences and with the knowledge that such act will probably result in injury or death to the other Party or damage to property or the environment.
- 1.32 “Work” means all work and services to be performed and/or any goods, material or equipment to be supplied by Contractor to Company under a Work Order or as otherwise contemplated by Article 3 -Description and Characteristics of the Work.
- 1.33 “Work Order” means written work orders given pursuant to this Agreement by Company to Contractor from time to time during the term of this Agreement.

- 1.34 “Consequential Loss” shall mean: (a) consequential or indirect loss under English law; and (b) loss and/or deferral of production, loss of product, loss of use, rig time, loss of revenue, profit or anticipated profit (if any), in each case whether direct or indirect to the extent that these are not included in sub-Clause (a) of this definition and whether or not foreseeable at the Effective Date of this Agreement; suffered by the indemnifying party or any other members of its Group.
- 1.35 “Worksite” means the lands, waters and other places on, under, in or through which the Work is to be performed including offshore and onshore installations, floating construction equipment, vessels (including the area covered by approved anchor patterns), design offices, workshops and places where equipment, materials or supplies are being obtained, stored or used for the purposes of the Agreement or the relevant Work Order.

2 DOCUMENTS CONSTITUTING THIS AGREEMENT

- 2.1 This Agreement includes (i) the body of this document as originally executed or as may from time to time be amended by a specific written instrument referencing an amendment of the body of this document and executed by individuals with the appropriate authority for each Party, and (ii) the following attached hereto:

Exhibit “A” –Sample Work Order
Exhibit “B” - Insurance Requirements
Exhibit “C” - HSE Requirements or Bridging Document

- 2.2 In the event of a conflict or inconsistency between the body of this document and/or one or more of the exhibits, the body of this document shall prevail except if a Work Order specifically agrees special conditions applicable only to the Work Order in which the special conditions are contained.

3 DESCRIPTION AND CHARACTERISTICS OF THE WORK

- 3.1 This Agreement will apply to all Work performed or to be performed by Contractor during the Term in the Country or Country of Operations and which have been authorized by release from Company, including but not limited that authorized pursuant to electronic communications, attaching a Work Order or a separate work order release specifically referencing a Work Order; provided, however, that this Agreement does not obligate Company to order or authorize such Work, nor does it obligate Contractor to accept the same, it being the intent that this Agreement shall control and govern all Work in the Country or Country of Operations ordered or authorized by Company and where accepted by Contractor in writing during the Term shall, define the rights and obligations of Company and Contractor with respect thereto.

- 3.2 Each Work Order will identify the charges and estimated duration of assignment and, to the extent the nature of any particular work makes it possible, may describe the qualification of and identify the individual(s) to be provided. Each Work Order shall also identify both the Country of Operations and the Country. Acceptance of such Company issued Work Order by Contractor shall be by the signing of same by Contractor' s authorized representative.”
- 3.3 Company may change any part of the Work under any Work Order by written instruction to Contractor advising of scope of change. Contractor shall promptly advise Company in writing of its reasonable effect on the Work Order by way of a proposal. Contractor shall not proceed with any change unless such change has been authorized in writing by Company and Contractor. Following agreement, Company will issue a revision to the existing Work Order or a new Work Order to confirm the agreed change in price or delivery and Contractor shall by signing signify its acceptance.
-

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 7 of 37

4 PRICES AND PAYMENT

- 4.1 Company will hire Contractor to provide the Work described in the Work Orders pursuant to this Agreement and upon written acceptance of same by Contractor.
- 4.2 Each Work Order shall set forth the agreed upon scope of work and commercial terms under which the Work will be performed as well as any other special conditions specific to the scope of Work that have been agreed between the Parties.
- 4.3 Each Work Order shall provide a compensation schedule and invoicing instructions which include invoice dispute procedures as an attachment to the Work Order.

5 INDEPENDENT CONTRACTOR STATUS

- 5.1 It is understood and agreed that all Work performed by Contractor shall be subject to the approval of Company' s representative(s) appointed from time to time, but that the detailed manner and supervision of the Work and the method of performing same shall be under the sole control of Contractor. Company shall have no power or authority to direct, supervise or control Contractor with respect to means, manner or method of performance of the Work hereunder, and Contractor in the exercise of its independent employment and as an independent contractor shall select the means, manner and method of performance thereof. Company, being interested only in the results obtained, may require Company' s representative to inspect to the extent necessary to assure desired results. In this regard, it is specifically agreed and understood that Contractor is conclusively an independent contractor as to all Work performed hereunder for all purposes.
- 5.2 For the purposes of this Agreement, Contractor shall act as an independent contractor, not as an agent of Company. Persons engaged by Contractor for the conduct of Work pursuant to a Work Order, and for all matters incident thereto, shall be employees or independent sub-contractors of Contractor and neither Company nor Contractor shall have direction or control of the employees of the other in the conduct of such Work.
- 5.3 Contractor shall therefore assume all costs and expenses appropriate to its independent status including, but not limited to, salaries, bonuses, insurance, superannuation and social welfare contributions of any kind related to Contractor' s Personnel. Consequently, Contractor shall defend, Indemnify and hold harmless Company against any claim, liability and/or penalty related thereto.
- 5.4 All obligations undertaken by Contractor in connection with Work, or otherwise, shall be undertaken in the name of Contractor and in no event in the name or for the account of Company. Contractor shall be responsible for gaining and maintaining any licenses, permits, permissions or authorities (“Permits”) that may be necessary to enable Contractor to carry out the Work. Company shall provide reasonable assistance to Contractor, as applicable, in obtaining such permits or licenses that are required by Contractor to perform the Work in Country. Contractor shall keep Company reasonably apprised of the progress

and status of applications for Permits and shall provide copies of Permits to Company upon request. Where a Permit is required to be issued in the name of Company, Contractor shall only submit an application after Company has approved its contents, and shall not make any concessions or commitments on behalf of Company unless with the prior written approval of Company.

6 NOTICES

6.1 All correspondence and notices required under this Agreement or a Work Order shall be in writing and shall be deemed to have been properly given or made if sent to the respective Party at the address indicated below (unless a different address is specified in the Work Order). The date of any notice shall be

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 8 of 37

the date it is first received at the office of the addressee, or by the addressee, whichever is earlier. Except as otherwise provided in this article, notices shall be deemed to have been received:

If delivered by hand	At time of delivery
If sent by e-mail/fax	At time of confirmed receipt
If sent by registered mail	At time of confirmed receipt or record of delivery

6.2 Notices relating to contractual or legal issues or disputes either must be delivered by mail or hand delivery as provided above, as email and facsimile delivery of such notice shall not be deemed effective. If the time of such deemed receipt of notice is not during customary hours of business, notice shall be deemed to have been received at 10.00 a.m. on the first customary day of business thereafter. Either Party may change the Person or address to which notice shall be sent by giving the other Party written notice of such change.

6.3 Notices shall be delivered addressed as follows (provided operational notices under the Work Order shall be sent as provided therein):

For Company	For Contractor
To or in care of:	To or in care of:
SCS Corporation Ltd	Gianluigi Vaghi
c/o Hyperdynamics Corporation	Schlumberger Oilfield Eastern Limited
12012 Wickchester Lane, Suite 475	B.P. 602-Z.I. de la Foire,
Houston, TX 77079	Pointe-Noire, Republique du Congo,
USA	Email: GVaghi@slb.com
Attn: Legal	Ph:+44 20 3708 3046
Legal@hyperdynamics.com	
Ph:+1 (713) 353-9400	

7 INDEMNITIES

7.1 Personnel

7.1.1 Contractor agrees to Indemnify Company Group on account of personal injury, illness or death of any representative of Contractor or of the Contractor Group arising under this Agreement and any Work Order.

7.1.2 Company agrees to Indemnify Contractor Group on account of personal injury, illness or death of any representative of Company or of the Company Group arising under this Agreement and any Work Order.

7.2 Property

7.2.1 Company agrees to Indemnify Contractor Group in respect of damage to or loss or destruction of any property of Company, Company Group or its or their representatives.

7.2.2 Contractor shall Indemnify Company for damage to or loss or destruction of Contractor Equipment (other than Contractor Equipment designed for use downhole, surface testing Contractor Equipment exposed to abrasive or corrosive elements in the well fluid, and any Contractor Equipment damaged, lost or destroyed as a result of a subsurface occurrence, to which this Article 7.2.2 shall not apply) situated at the wellsite while Contractor is rigged up and actively engaged in the performance of Work for Company, in which event Company' s sole obligation shall be promptly to return such damaged

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 9 of 37

or lost Contractor Equipment if subsequently recovered, without inspecting or otherwise tampering with such Contractor Equipment.

7.2.3 Notwithstanding the provisions of Article 7.2.2 above, Company shall Indemnify Contractor Group in the event that any Contractor Equipment is lost, damaged or destroyed while at the wellsite, in or outside the well, or while being transported by or on behalf of or by conveyance arranged by Company, or while in the custody or under the control of Company or any representative of Company.

7.2.4 Where any of the above mentioned events occur, Company shall:

- 7.2.4.1 exert its best efforts to recover such Contractor Equipment at Company' s sole risk and expense; or
- 7.2.4.2 reimburse Contractor for the Replacement Value of Contractor' s Equipment
- 7.2.4.3 reimburse Contractor for the agreed cost of repair of such Contractor Equipment if recovered and repairable; or.
- 7.2.4.4 Company shall promptly return to Contractor damaged Equipment or lost Equipment subsequently recovered, without opening or inspecting Equipment but Company shall have the option of a representative being present when such Equipment is inspected and damage assessed by Contractor.
- 7.2.4.5 with respect to Contractor Equipment lost or damaged in the well/hole, operating charges shall continue to be paid up to and including the date on which Contractor receives notice in writing of such loss or damage.

7.3 Specific Events. Notwithstanding any other provisions of this Contract to the contrary Contractor Group is not responsible for, and, Company agrees to Indemnify Contractor Group on account of:

7.3.1 pollution, contamination (including radioactive contamination) or radiation damage including that emanating from the well and/or reservoir and the costs of containment, clean up and disposal;

7.3.2 subsurface loss or damage, including loss of or damage to any reservoir, production formation, well or borehole or in-hole equipment, or impairment of any property right to water, oil, gas or other mineral substances;

7.3.3 damage, loss, or destruction, or personal injury or death arising on the surface as a result of subsurface occurrence, including damage to or loss or destruction of any Equipment, drilling rig, platform or other fixed or floating structure at or

around the wellsite, expenses for killing or bringing under control a wild well, and any re-drilling, fishing or reworking costs, and indirect and consequential losses and damages arising therefrom;

7.3.4 loss, damage, injury and/or death resulting from fire, an explosion, a wild well or blow-out and all costs associated with such events; including but not limited to any damages caused to a rig/vessel as well as any downtime or remediation/recovery time and cost of completion and re-running of the services or replacement of any installation, and

7.3.5 all third party liabilities flowing from any of the above events including loss of or damage to oil and/or gas production facilities or pipelines or any third party installations or rigs/vessels within a 500m radius of the worksite.

7.4 Under a Force Majeure Event, Company shall pay Contractor at standby rates agreed in the applicable Work Order for Personnel designated for Company use and for Contractor Equipment present at the Worksite at the time of the Work stoppage or declaration of Force Majeure Event. Where the Force Majeure Event is not resolved or removed within fifteen (15) days of the date of declaration of the Force Majeure Event, Contractor shall be entitled to remove its Personnel, Contractor Equipment and/or Products from Company's Worksite and to put its Personnel, Contractor Equipment and/or Products to

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 10 of 37

alternative uses. However, where Contractor is unable to access the Worksite as a result of the Force Majeure Event, and consequently is unable to retrieve its Contractor Equipment or Products, or where such Contractor Equipment or Products are damaged or destroyed as a result of the Force Majeure Event, such Contractor Equipment or Products shall be deemed to be irretrievably lost, whereupon Company shall pay to Contractor the Replacement Value of such Contractor Equipment. In the event that Contractor's Personnel are not allowed free egress from the Worksite, as a result of the Force Majeure Event, the standby rates agreed in the applicable Work Order shall apply.

7.5 Lost Overboard. Company shall be responsible for losses relating to the costs of recovery of the property provided by Contractor lost overboard during the transportation by the Company or lost overboard by the Company where such loss was not caused by the negligence or breach of duty of Contractor. Where Company elects to perform such recovery or is required to do so to comply with its statutory obligations, except to the extent that such claim arises as a consequence of the negligence or breach of duty (whether statutory or otherwise) of Company, such costs shall include but are not limited to heavy lifting, uncovering and removal of the property.

7.6 Contractor Equipment: Fishing

7.6.1 Company shall assume the entire responsibility for operations in which Company or its representatives attempt to fish for Contractor Equipment but Contractor will, without assuming liability and if so requested by Company, render assistance for the recovery of such Contractor Equipment.

7.7 Radioactive Sources: Fishing Handling and Transportation

7.7.1 The radioactive sources that Contractor may use in performance of its Work are potentially dangerous. If any radioactive source becomes lodged, lost or missing in a well, at the well site, while being transported by Company or a third-party on behalf of Company, or while under the custody or control of Company or Company's agents, Company shall immediately notify Contractor.

7.7.2 Company must exert its best efforts to locate and recover the source and shall take all necessary precautions in order to avoid breaking, damaging or rupturing the source. If the source that is lodged in a well is not recovered, or if it becomes irretrievable, or if the source or its container are damaged, broken or ruptured, Company shall immediately notify Contractor and comply with all applicable laws and regulations, including the isolation and marking of the location of the source. Company and Contractor shall meet to discuss and agree on further actions.

- 7.8 Company agrees that it will not attempt to recover a sealed source in a manner which, in Contractor' s opinion, could result in its rupture or is in contradiction with the Radioactive Sources Manual.
- 7.9 Additionally, Company will take all necessary actions to minimize the possibility of contamination and radiation exposure to personnel and to decontaminate the environment and any equipment or personnel who may be contaminated because of a rupture of the source. Company further agrees to comply with all applicable rules, regulations, terms, and conditions contained in Contractor' s radioactive materials license.
- 7.10 Chemicals:
- 7.10.1 The Parties hereby stipulate and agree that the drilling fluids in the rig' s tanks, piping, valves and pumps and in the bore hole are not in Contractor' s care, custody or control. In no event shall Contractor be considered the generator of, or responsible for the disposal of, drilling fluids wastes arising from the drilling operations. Notwithstanding anything to the contrary herein, Company acknowledges and agrees that the drill cuttings and associated mud' s/waste materials processed by Contractor pursuant to this Contract ("Cuttings") shall remain Company' s responsibility and that Company is the generator of the

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 11 of 37

waste which Contractor is undertaking to treat on behalf of Company and shall at all times remain the generator of this waste (even after treatment) and thus shall remain responsible for disposal of the same irrespective of whether or not Contractor' s treatment process changes the hazardousness of the Cuttings or not.

- 7.11 Therefore, notwithstanding anything contained in this Agreement to the contrary, Company, to the maximum extent permitted under applicable law, hereby agrees to release, Indemnify, defend and hold harmless Contractor Group from and against any and all claims, causes of action, damages (including direct, indirect, incidental, consequential loss and punitive damages), demands, liabilities, losses, injunctive relief, fines, penalties, sums paid in settlement, costs and expenses, however defined (including, but not limited to reasonable attorney' s fees, consultants fees, clean-up costs and related expenses) asserted by or in favor of any person, party or entity including without limitation, as a result of contamination of, damage to or adverse effects on the environment or any form of property, or any violation or alleged violation without limitation all claims for strict liability under any applicable state, local or other statute or regulation, arising out of or relating to the transportation, storage, treatment, disposal or handling of the cuttings by Contractor and Contractor' s subcontractors or any other person, party or entity.

8 INSURANCE

As a separate and independent obligation from any indemnification related requirement, Contractor agrees to procure at its expense and maintain in force and effect during the Term of this Agreement insurance coverages not less than those set forth on and otherwise under the terms and conditions set forth on Exhibit "B" attached hereto and incorporated herein. These coverages are minimums only and shall not in any way limit Contractor' s indemnity obligations or other liability hereunder.

9 PAYMENT OF CLAIMS/LIENS

Contractor agrees to pay, discharge and satisfy all claims for labor and material employed or used in anyway by it (other than labor and materials to be supplied or paid for by Company) in connection with the Work performed hereunder for Company as herein contemplated; to permit no liens of any kind in respect of such claims to be fixed upon or against the property of Company by its laborers, mechanics, material men or subcontractors; and agrees to Indemnify, protect and save Company harmless from and against all

of such claims and liens. All employees of Contractor performing Work under this Agreement shall be paid by Contractor for all labor performed hereunder.

10 INSPECTION RIGHTS, QUALITY ASSURANCE, CONTROL AND TESTING

- 10.1 Company and its duly authorized representatives at all times shall have the right to generally inspect all Work being performed hereunder, including without limitation, but subject to Article 19 - Confidentiality, free of charge, reasonable access to facilities and assistance at Contractor Group' s premises.
- 10.2 Company shall have full power to reject any part of the Work that is considered to be defective, or inferior in quality of materials, workmanship, or design and/or not in accordance with the requirements of the Agreement or Work Order. Contractor shall immediately correct, re-perform or replace rejected part or whole of the Work at no cost to Company.
- 10.3 Company and /or appointed representatives have the right to audit, witness testing and re-testing of Work at Contractor' s and subcontractors' premises to verify compliance with the Agreement. Contractor and subcontractors shall provide at no cost to Company all tools, instruments, apparatus, facilities,

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 12 of 37

services, and materials necessary for carrying out such testing. Where it is reasonably practical not less than fourteen (14) days' notice shall be given to Company of such tests.

- 10.4 Where applicable, Contractor shall provide, at its own expense, all quality related documentation, test certificates, inspection reports, test reports, and manuals for review and acceptance by Company as may be required by the Agreement, Work Order or Applicable Law.
- 10.5 The exercising of Company' s rights under this article shall not relieve Contractor and subcontractors of their obligations to comply with the Agreement and Work Order requirements and contractual delivery dates.

11 FORCE MAJEURE

- 11.1 Except for the duty to make payments hereunder when due and the indemnification, confidentiality, audit and insurance provisions under this Agreement, neither Company nor Contractor shall be responsible to the other for any delay, cost, damage or failure resulting from a Force Majeure Event. Delays properly due to any Force Majeure Event shall not be deemed a breach of or failure to perform under this Agreement. The Party claiming a Force Majeure Event shall notify the other Party as soon as possible after the start of the Force Majeure Event and shall provide periodic updates (and other updates upon request from the other Party) as to the status of the Force Majeure Event and the steps, if any, being taken to avoid, mitigate or alleviate the Force Majeure Event.
- 11.2 In the event that a Force Majeure Event is declared by Contractor that lasts longer than fifteen (15) days and Company and Contractor have been unable to find an equitable alternative for the continuation of the relevant Work Order, after giving due regard to the difficulties caused by the event of such Force Majeure Event, then Contractor may terminate the relevant Work Order upon notice to that effect to Company and shall be entitled to remove its Contractor Equipment from Company Worksite and to put its Contractor Equipment and its Personnel to alternative uses, provided that Contractor makes the Worksite safe before demobilizing its Personnel.
- 11.3 In a Force Majeure Event where Contractor is unable to access the Worksite and consequently unable to retrieve its Contractor Equipment, such Contractor Equipment shall be deemed to be irretrievably lost whereupon Company shall pay to Contractor, the Replacement Value of such Contractor Equipment. In the event that the Contractor Equipment or part thereof is retrieved thereafter, Contractor shall refund to Company, within fifteen (15) days of return of Equipment to Contractor, the Replacement Value of the retrieved Contractor Equipment as paid by Company to Contractor. Contractor shall invoice and may at its

discretion offset against the aforementioned refund such charges as would have been applicable for the Contractor Equipment if it had not been deemed irretrievably lost, less the documented cost of maintenance to restore Contractor Equipment to pre-work stoppage condition

- 11.4 For the avoidance of doubt, a Force Majeure Event shall not entitle Company to avoid or delay making payment to Contractor for the Work rendered.
- 11.5 In the event that any Force Majeure Event that is declared by Company lasts longer than (15) days and Company and Contractor have been unable to find an equitable alternative for the continuation of the Work, giving due regard to the difficulties caused by the Force Majeure Event, then Contractor may send a three (3) days' written notice of termination to Company and, unless Company, prior to the expiration of such three (3) day period, suspends the Work under Article 17 - Suspension, then the Work Order shall terminate as provided in such notice.

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 13 of 37

12 CONTROLLING AGREEMENT

This document is intended to and shall replace and supersede any prior master work or service type agreements that may have been executed by the Parties or their predecessors pertaining to Work related to the Country and/or the Production Sharing Agreement operations.

13 TAXES AND OTHER GOVERNMENTAL CHARGES

- 13.1 Except as otherwise provided in this Agreement and/or in any Work Order, Contractor shall be responsible for, and pay at its own expense when due and payable, and shall indemnify, defend and hold Company free and harmless from all taxes and duties assessed against or payable by, it or with respect to Contractor Equipment and which relate to the Work or the compliance with applicable reporting, return or other procedural requirements with respect to their payment (including, without limitation, penalties, awards and judgments and other reasonable expenses associated with such claims, demands and causes of action), including without limitation:
- i. All sales, deemed profit, turnover, value added, service, excise, storage, consumption and use taxes, goods and service taxes, licenses, permit and registration fees, income, profit, excess profit, franchise and Personal property taxes;
 - ii. Taxes and fees including, without limitation, importation turnover/value added tax, sales tax on luxury goods, agent's fees for clearance or other similar taxes or fees which are levied on the Contractor's Equipment or on the Personal property of Contractor's Personnel;
 - iii. All employment taxes and contributions imposed or that may be imposed by law, trade union contracts, or regulations with respect to or measured by the compensation (wages, salaries or others) paid to employees of Contractor including, without limitation, taxes and contribution for unemployment and compensation insurance, old age benefits, welfare funds, pensions and annuities and disability insurance and similar items; and
 - iv. All compensation and payments due to Contractor under this Agreement are stated exclusive of any value added or turnover tax, sales tax or similar tax that may be rightfully levied on such compensation or payments. Any such tax, if properly imposed by the taxing authorities having jurisdiction over this Agreement or Work Order, shall be separately stated on the applicable invoices and shall be paid (directly or indirectly) by Company to Contractor in accordance with Applicable Laws. Company shall not be required to reimburse Contractor for income, excess profits, royalty or other similar types of taxes.
- 13.2 Company shall have the right to withhold income or other tax from payments due to Contractor under this Agreement or a Work Order to the extent that the pertinent taxation authorities may require such withholding. Unless otherwise provided to the contrary a Work Order, such taxes are deemed to be included in the rates and fees and Contractor bears full and complete

responsibility for any and all taxes levied or assessed on the agreed upon rates and fees unless otherwise required by the Production Sharing Contract or by local laws. Should Company withhold any income or other taxes for the account of Contractor on payments otherwise due to Contractor under this Agreement or a Work Order, Company shall provide Contractor with receipts evidencing payments to the pertinent tax authorities of the taxes or amounts so withheld. Such receipts are to be in the form generally acceptable by the pertinent tax authorities in their allowance of an offset of income taxes, which may otherwise be owed by Contractor with respect to the performance of this Agreement or Work Order. All tax receipts are to be provided in due time to the Contractor after the Company has withheld such income taxes from payment otherwise due to Contractor.

- 13.3 Contractor shall give prompt notice to Company of all matters pertaining to non-payment, payment under protest, claims of immunity or exemption from any such taxes or duties, and agrees to provide any necessary exemption certificates, withholding certificates or information as requested to address requisite withholding tax or information reporting obligations.
- 13.4 Contractor certifies that its tax identification number (TIN or other number, such as applicable registration) is 20151144.
- ~~13.5~~ If applicable, Contractor shall comply with all applicable customs requirements and procedures and shall be responsible for obtaining customs clearance for the importation, exportation or re-exportation of Contractor product and Equipment to or from the country of origin, including spare parts, supplies and belongings of Contractor's Personnel. With respect to such procedures, Contractor shall prepare, issue and submit the documents required in due time to customs authority and/or to Company, as the latter may so instruct. Contractor shall contact Company to determine import procedures regarding equipment, supplies, materials, consumables and spare parts intended to be incorporated for the performance of the Work and/or intended to become property of Company within the framework of the applicable Work Order. In any instance that Contractor fails to follow Company instructions or procedures, or otherwise fails to comply with all applicable customs requirements and procedures, Contractor shall defend, indemnify and hold Company harmless from the consequences of any such failures, including any errors or omissions in documents prepared and/or submitted by Contractor, resulting in failure of customs authorities to provide timely authorizations. Company shall bear, at its sole cost and expense, all assessments and charges for customs duties, and other similar import or export/re-export charges imposed on Contractor for Product and Equipment, including spare parts and supplies, but only to the extent imported or exported/re-exported solely due to the Work (i.e., materials etc. already in-country and used for the Work shall not be covered by this sentence). Contractor shall bear at its sole cost, risk and expense port dues, brokerage fees, other administrative charges, and all assessments and charges for the belongings of Contractor's Personnel.

14 ASSIGNMENT

- 14.1 Company may assign its rights and obligations under this Agreement or any Work Order to any of its Affiliates upon receipt of Contractor's written consent, which shall not be unreasonably withheld. In addition, Company may assign this Agreement or any Work Order to co-lessees, or co-working interest owners or to any other entity, including any purchaser of the well site(s) or any interest therein or in any applicable lease, provided that Company obtains Contractor's written consent, which shall not be unreasonably withheld. Contractor may not assign this Agreement or any Work Order, the rights or obligations hereunder or thereunder or any sums of money which may accrue hereunder or thereunder without the written consent of Company, which consent shall not unreasonably be withheld.

15 TERMINATION/CANCELLATION

- 15.1 This Agreement will terminate upon expiration of the Term. This Agreement may be terminated by Company or Contractor for the following reasons:
- 15.1.1 If Company enters into a Deed of Arrangement or commits an act of bankruptcy, becomes Insolvent or compounds with its creditors; or if a receiving order is made against it; or if an order is made or a resolution is passed for the winding up of Company (otherwise than for the purposes of amalgamation or reconstruction previously approved in writing by Contractor);

or if a receiver is appointed of any of Company' s assets or undertaking; or if circumstances arise which entitle the Court or a creditor to appoint a receiver or manager or which entitle the Court to make a winding up order; or if

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 15 of 37

Company takes or suffers any similar or analogous action in consequence of debt or commits any breach of this or any other contract between Contractor and Company; Contractor may, without prejudice to any of its other rights, terminate this Agreement with immediate effect by notice in writing to Company. Without prejudice to Contractor' s other rights under this Agreement, Contractor shall have the right to terminate the Agreement where Company is in material breach of the Agreement including but not limited to the payment terms of the Contract and remains in breach of such terms following five (5) days' notice by Contractor of such breach.

15.1.2 Company may, upon giving Contractor five (5) days written notice terminate a Work Order for a material breach in accordance with this Agreement. Contractor shall then cease all Work under the applicable Work Order and Company shall pay Contractor for the Work performed in accordance with the Agreement and all reasonable documented costs, expenses and obligations incurred by Contractor in connection with the Work herein performed to date of termination if any. In the case of material default no demobilization charges will be incurred by Company.

15.2 In the event of cancellation or termination of any Work Order, however arising, Company shall promptly return to Contractor all Contractor Equipment which is in Company' s possession or under its control under such terminated Work Order. Company shall pay Contractor for all Contractor Equipment and services provided in accordance with this Agreement and the applicable Work Order and any reasonable documented costs that Contractor incurs as a result of such termination.

15.3 Any termination of this Agreement shall be without prejudice to the accrued rights of the Parties on the date of such termination, and the continuation in force of all such provisions of this Agreement intended to survive such termination.

16 DEFAULT

16.1 The occurrence of any of the following events shall be deemed default under this Agreement:

16.1.1 Any attempted transfer or assignment by Contractor of its rights or obligations under this Agreement without the prior written consent of Company; or

16.1.2 A Party becoming Insolvent, in liquidation or provisional liquidation or under administration, entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors, or any analogous event; or

16.1.3 The breach by Contractor of laws or ordinances or the lawful requirements of any competent authority or instructions of Company; or

16.1.4 The failure of Contractor to satisfy within thirty (30) days of its entry any final judgment upon which execution is possible or the attachment of any general lien against all the real or Personal property of Contractor and the continued existence thereof for more than thirty (30) days; or

16.1.5 The failure of Contractor to comply with the requirements of Section 1 of Exhibit C - Health Safety & Environmental Requirements or Article 26 - Compliance with United States of America and Foreign Laws; or

16.1.6 The failure of Contractor in its performance of a representation, warranty or guarantee or other provision of this Agreement or a Work Order; or

16.1.7 The continuing failure of Company without cure in its performance of a material representation, warranty or guarantee or other provision of this Agreement or a Work Order after thirty (30) days' notice of the failure from Contractor to Company; or

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 16 of 37

16.1.8 The performance of part or all of the Work by Contractor that has been determined by Company to be defective and which Contractor does not undertake to promptly rectify or any other failure by Contractor to substantially perform or adhere to its duties under this Agreement and the Work Order; or

16.1.9 The making by either Party of an assignment for the benefit of creditors, the filing by or against either Party of a petition in bankruptcy or for corporate reorganization, or the appointment of a receiver or trustee for either Party or the properties of either Party.

16.2 In the event of default on the part of Contractor and before the issue by Company of a notice to suspend the Work or any part thereof Company shall give a written notice of default to Contractor giving details of such default. Contractor shall upon receipt of such notice commence to remedy such default.

16.3 Except for defaults under Articles 16.1.1., 16.1.2., 16.1.4. or 16.1.9., if Contractor is in default and fails or refuses to commence to cure such default within three (3) days after written notice from Company, Company in its sole discretion may, by giving Contractor written notice:

- i. Suspend, in accordance with provisions of, either all or part of the Work; or
- ii. Terminate for cause, in accordance with provisions of this Agreement, the Work Order(s) and either all or a specified part of the Work.

16.4 As to defaults under Articles 16.1.1., 16.1.2., 16.1.4. or 16.1.9. termination shall be immediate and without notice to Contractor (and Company may take such action as it shall be required by law to take); provided Company may send notice for termination for cause, in accordance with provisions of Article 15 - Termination, as this Agreement, the Work Order(s) and to either all or a specified part of the Work upon notice to that effect to Contractor.

16.5 Should Company so terminate the Work or part thereof on account of any of the circumstances described in this, Contractor shall be liable for any reasonable incremental additional costs incurred by Company in completing the Work (not to exceed one hundred ten percent (110%) of the amount chargeable by Contractor under the Work Order). Company shall be entitled to withhold further payments to Contractor until Company determines that Contractor is entitled to further payments.

16.6 Although the Government and co-owners or co-venturers with Company in the Production Sharing Agreement or under a joint operating or similar agreement may receive direct or indirect benefit from Contractor's performance under this Agreement and one or more Work Orders, Contractor agrees it shall have no right of action hereunder or under any Work Order to sue or otherwise make a claim against such entities for a Company breach, any such claim shall be against Company only.

16.7 As to Company defaults, Contractor's sole remedy shall be (i) stoppage of the relevant Work (after making same safe), (ii) termination of the applicable Work Order and (iii) entitlement to payment for Work properly performed and demobilization (if payable under the Work Order).

17 SUSPENSION

17.1 Company, at its sole option, may at any time and from time to time (including, without limitation during a Force Majeure Event asserted by Company) suspend the performance of all or part of the Work by giving fifteen (15) days written notice to Contractor. Such suspension shall not in any way invalidate this Agreement or any Work Order. Contractor shall use its best efforts to minimize and mitigate costs associated with such suspension.

17.2 During the period of any suspension pursuant to this Article 17, Company shall only pay Contractor for the Work actually performed by Contractor during the period of suspension plus any such other amounts as agreed to, in the Agreement or Work Order. Contractor shall be entitled to all reasonable documented

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 17 of 37

non-recoverable costs incurred as a result of suspension by Company without cause or due to cause other than the fault of Contractor, provided however, that if such suspension is due to a failure to perform on the part of Contractor, then such costs shall be for the account of Contractor.

17.3 In the event of default on the part of Contractor and before the issue by Company of a notice to suspend the Work or any part thereof company shall give a written notice of default to Contractor giving details of such default. Contractor shall, upon receipt of such notice, commence to remedy such default.

17.4 In the event of any suspension, Company and Contractor shall meet at not more than seven (7) day intervals, or other agreed frequency, with a view to agreeing a mutually acceptable course of action during the suspension.

17.5 Without prejudice to Contractor's other rights under this Agreement, Contractor shall have the right to suspend the Contract where Company is in breach of the payment terms of the Contract and remains in breach of such terms ten (10) days following notice by Contractor of such breach. Company will be responsible for reasonable documented costs and liabilities incurred by Contractor during and due to the suspension, including any stand by rates as set forth in the Work Order. Operation will be resumed when breach has been corrected by Company.

17.6 During any period of Suspension of the Work, Contractor shall be compensated at the standby rate agreed in the applicable Work Order. After twenty-one (21) days of consecutive suspension, Contractor shall have the right to terminate the applicable Work Order and receive full compensation for all Work done including any mobilization, demobilization and other reasonable and documented costs due.

17.7 Contractor may terminate the Work Order without penalty if suspension continues for more than sixty (60) days provided Company is unwilling to continue to pay stand-by rates. Company will reimburse Contractor for demobilization, remobilization and direct costs reasonably incurred by Contractor by reason of Company's suspension of the Work. Stand-by rates are the rates identified as such in the Work Order. Company will grant no compensation or extension of time for any suspension that might result from an action or default caused by Contractor.

18 AUDIT/RECORDS

18.1 Contractor shall maintain true and correct records for all of the Work or any portion thereof supporting all charges and expenses made to Company involving the Work. Contractor shall maintain such records for a period of thirty-six (36) months from the date the last charge was made by Contractor to Company or longer if required by either the Country or the Country of Operations, as applicable. Contractor will inform all of its vendors and subcontractors likewise that they are required to so maintain said records which relate to the Work for Company's inspection and audit hereunder.

18.2 Company expressly reserves the right, upon giving Contractor seven (7) days' notice, to inspect and audit said records, any correspondence related to the Work and all charges made by Contractor hereunder for the period established above. Company's right to review Contractor's records and books shall not extend to the details of Contractor's pricing structure or the make-up of its rates and prices. The Parties agree to refund any agreed overcharges or to remit any agreed undercharges revealed in any audit as soon as reasonably possible, but in no event later than forty-five (45) days from the date of the final audit report.

19 CONFIDENTIALITY

19.1 During the course of rendering the Work, each Party may be given access to information that relates to the other's past, present and future research, development, business activities, technical or financial data, information, processes and trade secrets, methods of doing business, customer and vendor lists,

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 18 of 37

information received from third parties under a duty of confidentiality and other such similar information that is considered confidential and proprietary ("Confidential Information") by the proprietor Party. All information and data supplied by both Parties shall be deemed Confidential Information except Work product provided to Company by Contractor which shall be deemed Confidential Information solely to Contractor.

19.2 Protection. The following provisions shall apply to Confidential Information:

19.2.1 The Party receiving Confidential Information shall endeavor to ensure all Persons to whom such Confidential Information is disclosed shall keep such information confidential; provided Company may show, to the extent contractually or legally required, and shall not be required to seek modification to provide for confidential treatment, under its Production Sharing Agreements.

19.2.2 The receiving Party's obligations under this article shall be deemed to have been met if it uses the same degree of care in safeguarding said information that it uses in safeguarding its own confidential information.

19.2.3 For purposes hereof, Confidential Information shall not include information or data (i) within the public domain through no breach of the confidentiality provisions hereof, (ii) was previously known or in possession of the receiving Party without obligation of confidence prior to receipt from the disclosing Party, (iii) independently developed outside of the Work without use of the other Party's Confidential Information or (iv) was acquired from a third party that is not under an obligation of confidence with respect to that information.

19.2.4 A Party is free to disseminate its own Confidential Information and may disseminate Confidential Information and terms of this Agreement to its Group as may be required to insure compliance by its Group with relevant terms of this Agreement or assistance in performance of Work; however no Party shall disclose the terms of this Agreement (other than for Acceptable Disclosures) except:

(i) to a potential assignee of all or part of its rights hereunder, but then only after the assignee has entered into a confidentiality agreement with respect to this Agreement and its terms; or

(ii) Company may disclose to its co-owners, current co-venturers, consultants, lenders or as required under its Production Sharing Agreements or operating or similar agreements;

19.2.5 The Party receiving the Confidential Information agrees not to divulge or disclose of said information to any Person except as may be permitted by this Agreement or be necessary for performance under the Agreement or, to comply with Applicable Law, as required under stock exchange rules, governmental rules or regulations, or to comply with a subpoena or court order (collectively "Acceptable Disclosures");

19.2.6 All Confidential Information made available, including copies, shall be returned to the proprietor or destroyed upon the latest to occur of (a) fulfillment of the need for access, (b) completion of the Work (and any related warranty period), or (c) termination or expiration of this Agreement; and

19.2.7 Contractor shall obtain written approval from Company prior to making any public release or announcement regarding the Work or Contractor Group's activities related to its participation in the Work save for that which Contractor is required to make in the course of its public filings for a stock exchange or as required under Law or any relevant authority.

19.3 Disclosure. As part of the performance under this Agreement, either Party will promptly notify the other of the happening of any of the following events:

19.3.1 Any unauthorized disclosure or use of the other Party' s Confidential Information;

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 19 of 37

19.3.2 Any request by a third party to examine, inspect or copy any of the other Party' s Confidential Information; and

19.3.3 Any attempt to serve, or the actual service of, a court or administrative order, subpoena or summons that requires the production of any Confidential Information. The Party receiving the request, subpoena, order or summons will surrender the other Party' s Confidential Information to any third party only with the proprietor' s consent or the final order of a court having jurisdiction over the matter.

19.4 Compliance. Each Party shall inform its employees of the confidentiality obligations of this article. Each Party shall be responsible for compliance with the terms of this article by its employees. The restrictions contained in this article shall survive any termination or expiration of this Agreement.

20 SEVERABILITY

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability (in which event, this Agreement shall be construed as if this Agreement as originally written had not included the prohibited or unenforceable provision) without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

21 CHOICE OF LAW

21.1 It is expressly agreed between Company and Contractor that this Agreement and all Work Orders shall be governed by the laws of England and Wales (excluding any conflict of law rules which would refer to the laws of another jurisdiction) but expressly excluding (a) any conflict of laws rules that would refer this Agreement or any matter relating to this Agreement to or permit the application of the laws of another jurisdiction, (b) the United Nations Convention on Contracts for the International Sales of Goods and (c) the Convention on the Limitation Period in the International Sale of Goods. Notwithstanding the foregoing, if the law or regulation of the Country of Operations provides for or requires a different choice of law for the Work subject to the Work Order, then such different choice of law shall prevail as to, but only as to, Work done thereunder. Contractor shall proceed with the Work with all due diligence while any matter is under dispute, without prejudice to all rights, remedies or claims which Contractor or Company may have in respect to such dispute.

22 AMENDMENT/WAIVER

22.1 No modification, rescission, or waiver of any terms of this Agreement shall be effective without prior written documentation thereof, in an appropriate form, by an authorized representative of both Company and Contractor. The Parties recognize that a Work Order may modify the terms and provisions of the body of this Agreement solely as respects the Work to which such Work Order relates but not as a continuing amendment of this Agreement or as to any other Work; provided for any such modification in a Work Order to be effective, (i) the modification must be expressly set out in a separate portion of the Work Order solely for listing modifications to the body of this Agreement, (ii) the modification(s) has to be initialed and (iii) the Work Order must have been executed by the respective Parties' authorized signatories to so modify the terms and conditions of the body of this Agreement. Except as provided above regarding Work Orders, the Parties expressly agree that no term or condition in any attachment or exhibit to any Work Order which may be different from, inconsistent with, or supplementary to the terms and provisions of the body of this Agreement shall be given any effect and shall be deemed void. No course of prior dealings, usage of trade and no course of performance will be used to modify, amend, supplement or explain any terms used in

Contractor and Company have been set forth herein. The failure of any Party to insist upon strict performance of any provision hereof shall not constitute a waiver of or estoppel against asserting the right to require such performance in the future, nor shall a waiver or estoppel in any one instance constitute a waiver or estoppel with respect to a later breach of a similar nature or otherwise.

23 MISCELLANEOUS

23.1 This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The headings herein are for reference only and shall not be utilized in interpreting this Agreement. In this Agreement, unless there is something in the subject matter or context inconsistent therewith, words importing the singular shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neuter genders and where a term or expression is defined herein, derivations thereof shall have corresponding meanings. This Agreement and any Work Order is non-exclusive and Company reserves the right to engage other contractors to perform similar or identical work. To the extent required, Contractor shall afford such other contractors adequate opportunity to carry out their contracts and shall accomplish the Work in co-operation with those contractors and with Company.

24 PATENTS & PROPRIETARY RIGHTS

24.1 Neither Company nor Contractor shall have the right of use other than for the purpose of this Agreement, whether directly or indirectly, of any patent, copyright, proprietary right or confidential know how, trademark or process provided by the other Party.

24.2 Contractor owns all rights to the proprietary intellectual property embodied in the services and goods/Products provided to Company by Contractor or which are created in the course of providing such services or goods/Products to Company. Contractor does not transfer any ownership rights in such intellectual property to Company. Where any potential patent or registerable right in any country in the world results from developments by Contractor, whether in connection with this Agreement or otherwise, all such rights shall vest in Contractor.

24.3 Contractor accepts liability only for intellectual property infringement claims arising of the normal use of Contractor provided goods, Products and services. Contractor shall not be liable for intellectual property infringements arising from intellectual property claims arising out of a Company' s normal use of Contractor goods/products and services. Contractor will not be liable for intellectual property infringement that arises:

24.3.1 out of a Company' s use of Contractor goods/products or services in combination with goods/products or services not provided by Contractor;

24.3.2 where the Contractor goods/products or services have been specially modified, designed and/or manufactured to meet a Company' s specifications;

24.3.3 out of unauthorized additions or modifications to Contractor goods/products or services;

24.3.4 where the Company' s use of Contractor goods/products or services does not correspond to Contractor published standards or specifications

25 DISPUTE RESOLUTION

Any dispute between the Parties as to the performance of this Agreement or the rights or liabilities of the Parties herein, or any matter arising out of the same or connected therewith, which cannot be settled amicably shall exclusively be settled by and submitted to the jurisdiction of the courts of England and Wales. Contractor and

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 21 of 37

Company agree that monetary damages may not be an adequate remedy and specifically agree that both Parties have the right to seek injunctive relief as a proper remedy for the settlement of disputes. Contractor shall proceed with the Work with all due diligence while any matter is under dispute, without prejudice to all rights, remedies or claims which Contractor or Company may have in respect to such dispute.

26 COMPLIANCE WITH UNITED STATES OF AMERICA AND FOREIGN LAWS

26.1 Contractor will comply with all laws in connection with the performance of the Work for and on behalf of Company. Contractor agrees that neither it nor any employee, agent, representative or other person associated with Contractor will, directly or indirectly, in connection with the performance of the Work for and on behalf of Company, commit, directly or indirectly, any act or omission in violation of any applicable U.S. or foreign regulation, law, rule or custom having the effect of law. Specifically:

26.1.1 Contractor and Company acknowledge their familiarity with the Foreign Corrupt Practices Act (the "Act") and the potential for the Act's application to the relationship and transactions created by this Contract. The Parties recognize that the Act makes it unlawful for any issuer or "domestic concern," as those terms are defined in the Act, or for any employee, agent or stockholder thereof, to use the mails or any means of interstate commerce or corruptly do any act outside of the United States in furtherance of an offer, gift, promise or authorization of money or anything of value to: (1) any foreign official, agent or employee of the government in his official capacity in order to influence that official's actions or his failure to take any actions, for the purpose of assisting Company in obtaining or retaining business; or (2) any department, agency or instrumentality of the government, any foreign political party or official thereof, or any candidate for foreign political office, for the purpose of assisting Company in obtaining or retaining business or any improper business advantage. The Act also prohibits a company from giving money or anything else of value ("Company Resources") to any person who will use those resources to bribe a foreign official for the purpose of obtaining or retaining business for Company.

26.1.2 Contractor represents that it is not a government official, and that in connection with the performance of the Work for and on behalf of Company no part of the compensation or resources of Company received by Contractor will be used for any purpose, nor will Contractor take any action, which would constitute a violation of any law in: (1) any of the jurisdictions or territories in which Contractor now or may hereafter do business or perform services; or (2) the United States. Company represents that it does not desire, will not request nor will it provide compensation or resources for, any service which would constitute an illegality under the appropriate and applicable laws or regulations.

26.1.3 Irrespective of the obligations imposed upon the Parties by the Act, Contractor will not make any payment in connection with the performance of the Work for and on behalf of Company to any person if such payment constitutes an illegal bribe, illegal kickback or other illegal payment under U.S. or foreign laws or regulations applicable thereto.

26.1.4 Contractor shall not assign its rights to any third party, nor may Contractor obligate Company to any third party, without the prior written consent of Company.

26.2 Indemnification.

26.2.1 In addition to the other indemnifications provided for in this Agreement, Contractor agrees to Indemnify and hold harmless Company against all losses, damages or expenses of whatever form or nature, excluding Consequential Loss, not exceeding one hundred percent (100%) of the value of the aggregate of the Work Orders for the applicable drilling program, including reasonable attorneys' fees and other costs of legal defense, whether direct or indirect, which they, or any of them, may sustain or incur

as a result of any acts or omissions of Contractor arising out of any (i) breach of any of Contractor' s representations, warranties or covenants set forth in this section, (ii) violation by Contractor of any applicable law, regulation or order concerning anti-bribery, including but not limited to the FCPA; or (iii) violation by Company of any applicable law, regulation or order, including but not limited to the FCPA, if such violation by Company is as a result of any action or failure to act of Contractor.

~~26.2.2~~ Each Party also agrees and shall at its own expense, Indemnify and hold harmless and defend the other Party Group from all claims, demands, costs and litigation resulting from their own non-compliance with all Applicable Law.

26.3 *Contractor Compliance Procedures Acknowledgement.* Contractor agrees that (i) payments to Contractor by Company shall be made by check or wire transfer only, and no requests for cash payments or other payments in bearer form shall be accepted; (ii) all payments to Contractor by Company shall be made to Contractor directly or to a bank account in the name of Contractor; (iii) Contractor shall retain accurate, detailed records of expenses, which records Company may review upon written request; and (iv) the terms of this Agreement may be disclosed to government agencies and other persons with a legitimate need for such information, including, but not limited to, the U.S. Department of Justice, the U.S. Department of State or the U.S. Securities and Exchange Commission.

26.4 *Company Right of Audit.* Contractor agrees that Company shall have the right, upon seven (7) days prior written notice to Contractor, to conduct an audit of Contractor in connection with the performance of the Work for and on behalf of Company to determine to Company' s reasonable satisfaction whether or not any actions or failures to act by Contractor may subject Company to FCPA liability. All interviews of Contractor employees shall be conducted only in the presence of Contractor' s legal counsel. Contractor agrees to cooperate fully with such investigation, the scope of which shall be limited to the Agreement and shall exclude expense claims, confidential information, attorney privileged information, mark-up, etc., which cannot be produced in isolation. Each member of Company Group who participates in such government investigation or audit shall executed a confidentiality agreement prior to commencement of a government investigation or audit. Any such audit shall be at the sole cost of Company.

26.5 Termination. The Parties to this Agreement acknowledge that any activity prohibited by the Act or Section a. above which is in fact performed by Contractor will not be in furtherance of Contractor' s relationship with Company or of the business of Company. Consequently, either party to this Agreement shall have the absolute right to terminate the Agreement if there has been a breach of obligations arising from the Agreement or this section, or either party believes that the other has taken actions which might constitute a violation of the Act.

26.6 Contractor Anti-Corruption Certification. Contractor agrees that it will sign the certification provided as Exhibit "D" to this Agreement which shall be applicable for the Term of this Agreement. In the event that the Term is amended at any time, then Contractor shall sign the certification again to apply to the extended period.

27 COMPLIANCE WITH U.S. SANCTIONS AND EXPORT LAWS

27.1 In connection with the work to be performed under this Agreement, Contractor shall comply at all times with all applicable sanctions, trade embargoes and export control laws, rules and regulations, including without limitation those of the United States, and shall not export or re-export any goods, software or technology (including, without limitation, technical data),

directly or indirectly, without first obtaining all written consents, permits, or authorizations and completing such formalities as may be required by any such laws, rules or regulations. Contractor warrants that it has in place appropriate screening procedures to ensure compliance with such laws, rules and regulations and shall apply those procedures in

connection with the work to be performed under this Agreement. Contractor agrees to keep records of its export and re-export related activities for a minimum of five years or such period as is required from time to time by all relevant laws, whichever is greater. Contractor shall make such records available to Company upon request, with reasonable notice, for inspection and copying in normal business hours.

28 WARRANTY

- 28.1 In connection with performance of the Work, Contractor warrants that it will perform all such Work in a good and workmanlike manner. It is specifically understood that all Work will be rendered subject to all the terms and conditions of this Agreement and the Work Order. Contractor shall utilize only Personnel who by education, training and experience are suited to competently perform their intended functions. If Contractor fails to perform the Work in a competent manner in accordance with the Agreement, Contractor will correct the specific errors or omissions regarding the Work that are notified to Contractor in writing within thirty (30) days after the Work is completed or before demobilization from the Worksite, whichever is earlier. Contractor will give Company the benefit of its best judgment based on its experience interpreting information and making written or oral recommendations concerning logs or tests or other data, type or amount of material or service required, manner of performance or predicting results.
- 28.2 All goods furnished or sold by the Contractor shall be of the best quality for their purposes and in accordance with applicable specifications and other provisions of this Agreement and the Work Order. Contractor represents and warrants that such goods shall be free from defects in material and workmanship for a period of twelve (12) months from the date of installation or eighteen (18) months from the date of shipment, whichever occurs first. Without limiting any other remedy Company may have at law, in equity or under this Agreement, Contractor agrees to remove, replace, remedy and correct, as applicable, promptly and at no cost to Company, the specific goods that are unsuitable, defective or not in compliance with applicable specifications under the Work Order, provided Contractor has access to the goods during the applicable warranty periods specified in this article above or the performance or refund of an equitable portion of the purchase price of the Work, at Company's sole option. A Company claim made pursuant to these warranties shall be made immediately upon discovery and confirmed in writing within thirty (30) days after discovery of the defect. Defective goods must be held for inspection and returned to Contractor point upon request and as agreed by Company. Contractor shall have the right to inspect the goods claimed to be defective and shall have the right to determine the cause of such defect. Returned goods shall become the property of Contractor.
- 28.3 The above warranty does not apply to:
- 28.3.1 Products that have been modified and/or subjected to improper handling, storage, installation, operation or maintenance or to any product normally consumed in operation;
- 28.3.2 any item which is purchased by Contractor or furnished by Company as a component part of a good, or not manufactured by Contractor and purchased for Company except to the extent to which such items are covered by the warranty, if any, of the original manufacturer thereof;
- 28.3.3 the design on those jobs where Contractor prepares shop drawings, tracing drawings or lists from designs furnished by others;
- 28.3.4 models or samples which are furnished to Company as illustrations only of the general properties of Contractor's goods and workmanship;

28.3.5 damage to a good caused by abrasive materials, corrosion due to aggressive fluids, lightning, improper voltage supply, mishandling or misapplication;

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 24 of 37

28.3.6 any goods supplied hereunder that are custom developed by Contractor in accordance with Company' s specifications. Company agrees that such goods are provided "as is" and Company releases Contractor from any and all liability relating to or in connection with such goods, whether or not caused in any way by Contractor, excluding failure due to inferior materials used in the construction of such goods; or

28.3.7 any goods normally consumed in operation or that have a life shorter than the applicable warranty period specified in this article.

28.4 Nothing herein shall be construed to limit or exclude any warranties or guarantees implied by law, statute or by usage of the trade.

28.5 Any interpretation of logs (whether made directly from optical logs or by data processing or otherwise) or interpretation of tests or other data, and any recommendation or reservoir description based upon such interpretations are opinions based upon inferences from measurements and empirical relationships and assumptions, which inferences and assumptions are not infallible, and with respect to which professional engineers and analysts may differ. Accordingly, Contractor cannot and does not warrant the accuracy, correctness or completeness of any such interpretation, recommendation or reservoir description which should not, therefore, under any circumstances be relied upon as the sole or main basis for any drilling, completion, well treatment, production or financial decision or any procedure involving any risk to the safety of any drilling venture, drilling rig or its crew or any other individual. Company has full responsibility for all such decisions and for all decisions concerning other decisions relating to the drilling or production operation.

28.6 Contractor does not warrant the accuracy of information transmitted by electronic processes and will not be responsible for any liability resulting from breach of the integrity of any information in any form, including any accidental or intentional interception of such information by others.

28.7 Contractor does not warrant the accuracy of log, test or other data and will not be responsible for accidental or intentional interception of or tampering with such data by others, nor does Contractor guarantee the safe storage or the length of time of storage by any digital tapes, optical logs or prints, or other similar goods or materials.

28.8 General Limited Warranty. Excluding Article 7 - Indemnities, Article 8 - Insurance, Article 13 -Taxes and Governmental Charges and Article 28 - Warranty, and notwithstanding any other provision in this Agreement to the contrary, Contractor' s liability, irrespective of negligence, shall be limited to one hundred percent (100%) of the applicable Work Order price.

29 THIRD PARTY BENEFICIARIES

29.1 Except as set forth in Article 7 of this Agreement, this Agreement is not intended to confer any legally enforceable rights on any persons other than the Parties, their successors in title and their assignees, whether pursuant to the Contracts (Rights of Third Parties) Act 1999 applicable to England and Wales or otherwise. The Parties shall be entitled to amend, vary, supplement or terminate this Agreement without the consent of any other person entitled to enforce any rights under this Agreement in accordance with this article.

29.2 The rights of any Third Party pursuant to this article shall be subject to the following:

29.2.1 Such Third Party shall notify the Parties in accordance as soon as such Third Party becomes aware that an event may give rise to a claim arising out of any reliance on this Agreement. Such notification shall contain the following information as a

minimum: the details of the occurrence giving rise to the claim, and the right relied upon by the Third Party under this Agreement.

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 25 of 37

29.2.2 The Parties agree that The Contract (Rights of Third Parties) Act 1999 (the “Act”) shall apply to the Agreement only in respect of any relief from liability, hold harmless, indemnity or benefit created in favor of those entities (other than Company and Contractor) mentioned in this Agreement as receiving such relief from liability, hold harmless, indemnity and benefit.

29.2.3 A Third Party shall not be entitled to assign any benefit or right conferred on it under this Agreement by virtue of the Contracts (Rights of Third Parties) Act 1999.

30 DELIVERY OF THE PRODUCTS

Contractor shall make available the Products to Company in accordance with any delivery dates specified in the Work Order. Risk of loss for the goods to be sold or rented to Company hereunder shall pass to Company upon delivery of the goods to the delivery point agreed in the Work Order and in accordance with the INCOTERMS specified in the Work Order. Title to such Products sold to Company hereunder shall pass to Company upon payment for those Products in accordance with this Agreement and the applicable Work Order.

31 LANGUAGE

The language of the Agreement and all communications documents and drawings relating to the Agreement shall be English. The English version of this Agreement and related documents shall prevail above any translated versions.

32 ENTIRETY

The Agreement including all documents made part hereof by reference constitutes the entire agreement between the parties and supersedes all prior agreements and understandings written or oral.

The failure of the Company to insist upon the performance of any of its rights hereunder shall not be construed as a waiver of Company’s present or future rights.

33 SURVIVAL

33.1 In the event of termination, cancellation or avoidance of this Agreement, the provisions pertaining to audit (and audit adjustment), confidentiality, warranty, indemnity, and consequential damages shall remain in full force and effect pursuant to the terms of those provisions.

33.2 This Agreement and the Work Orders contain the entire agreement between Company and Contractor with respect to the relations of the Parties and all conditions pertaining to the performance and consideration to the Work and nullifies and supersedes all previous communications, representations or agreements, either oral or written, with respect to the subject matter dealt with herein; it is however understood and agreed that the obligations of the Parties shall not be limited to those listed under the Agreement when any law stipulates additional obligations, provided, however that this Agreement and its Work Orders shall always take precedence over any law with which they conflict or which is expressly excluded by the Agreement and the Work Order, as far as legally permissible.

33.3 This Agreement may be executed in a number of identical counterparts, each of which for all purposes is to be deemed original, and all of which constitute collectively one agreement. To facilitate execution, a single counterpart containing additional signature pages may be executed.

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 26 of 37

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written, and warrant, individually, that they have the full right, power and authority to enter into this Agreement on behalf of the respective Parties hereto.

Company

Contractor

Signature: /s/ Ray Leonard
Name: Ray Leonard
Title: President & CEO

Signature: /s/ Bunmi Omole
Name: Bunmi Omole
Title: General Manager

Attachments:

- Exhibit "A" -Sample Work Order form
- Exhibit "B" - Insurance Requirements
- Exhibit "C" - HSE Requirements [Bridging Document]
- Exhibit "D" – Anti-Corruption Compliance Certificate

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 27 of 37

34 EXHIBIT "A" - SAMPLE WORK ORDER

WORK ORDER No:
Pursuant to MSA #:
Date:
Originator:
Delivery Terms:

Well Name:
AFE No:
Cost Center No:

This Work Order is issued by SCS Corporation Ltd herein as "Company". Reference is made to that Master Service Agreement #[Insert #] (MSA) dated [Insert date], between SCS Corporation Ltd (identified therein as "Company") and **[Insert Contractor entity]** (identified therein and herein as "Contractor").

Such an agreement (herein called the "MSA") shall be the governing document for this Work Order, provided in the case of conflicts with the provisions thereof, as to the Work described in this Work Order, the terms of said MSA as changed or supplemented by this Work Order will control.

Company:

Contractor:

Address:
Contact Name:
Contact Email:
Contact Mobile Ph:

Address:
Contact Name:
Contact Email:
Contact Mobile Ph:

Commencement Date:

Expiration Date:

Title of Work:

Pursuant to the MSA cited above, Company requests that Contractor supply the following work:

Location where Work will be performed:

Description of Work: Contractor shall provide [Insert summary description] and as further detailed in Attachment 1 to this Work Order.

Compensation Schedule is provided in Attachment 2 to this Work Order.

Invoicing Instructions are provided in Attachment 3 to this Work Order.

IN WITNESS WHEREOF, the parties have caused this Work Order to be executed and effective on the date so noted above and each hereby warrants and represents that their respective signatory is duly authorized to execute this Work Order.

Company

Contractor

Signature: _____
Name: _____
Title: _____

Signature: _____
Name: _____
Title: _____

Attachments:

Exhibit "A" - Sample Work Order form

Attachment 1 – Scope of Work

Attachment 2 – Compensation Schedule

Attachment 3 – Invoicing Instructions

Attachment 4 - Consignment Terms (as applicable)

Exhibit "B" - Insurance Requirements

Exhibit "C" - HSE Requirements [Bridging Document]

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 28 of 37

ATTACHMENT 1- SCOPE OF WORK

ATTACHMENT 2- COMPENSATION SCHEDULE

ATTACHMENT 3- INVOICING INSTRUCTIONS

35 EXHIBIT "B" - INSURANCE REQUIREMENTS

Contractor shall, during the term of this Agreement, carry at its own expense with insurers having a financial rating equivalent to or better than a Best's rating of "A-" or the S & P equivalent and authorized to do business in the state, country or area in which Work will be performed, the following minimum insurance coverages:

A. Worker's Compensation

1. Worker's Compensation Insurance in accordance with the laws in the jurisdiction(s) of the operations area and state or country of hire of any employee; and containing the necessary endorsements to include coverage under the Federal Longshoremen's and Harbor Worker's Compensation Act, Outer Continental Shelf Lands Act and liability for benefits and damages under the Jones Act, Death on the High Seas Act and general maritime law on all employees (except members of crews of vessels if full crew liabilities are covered under Protection and Indemnity Insurance) and voluntary workers' compensation as may be applicable. The coverage shall further provide that a claim "in rem" shall be treated as a claim against the Named Insured and a claim brought against Company Group under a borrowed servant, alternative employer or similar theory by an employee of the Named Insured shall be treated as a compensable claim against the Named Insured.

2. Employer's Liability, including Occupational Disease coverage, in the amount of not less than USD 1,000,000.00 each Person, USD 1,000,000.00 each occurrence.

B. Commercial General Liability

Commercial General Liability Insurance, including Contractual Liability, Products/Completed Operations Liability, Premises-Operations Liability, Broad Form Property Damage, Sudden and Accidental Pollution Liability, and watercraft endorsement providing coverage of the use of any watercraft used in the performance of this Agreement (where not covered by Marine Protection and Indemnity Insurance). The coverage shall further provide that a claim "in rem" shall be treated as a claim against the Named Insured.

Such coverage shall be effected with the limits not less than USD 5,000,000 Combined Single Limit per occurrence for Bodily Injury and Property Damage.

Territorial limits of such insurance will include the area in which the Work is to be performed.

C. Comprehensive Motor Vehicle Liability (excluding Compulsory Third Party)

Comprehensive Automobile Liability Insurance, covering all owned, non-owned and hired automobiles with a total combined with a total combined single limit not less than USD 1,000,000 per occurrence for bodily injury and property damage. Territorial limits of such insurance will include the area in which the Work is to be performed.

D. Marine Insurance

In the event marine equipment, whether owned, operated or chartered, shall be used by Contractor in the performance of Work under this agreement, Contractor shall maintain the following insurance:

1. Hull & Machinery

Hull coverage subject to A.I.H.C. (June 2, 1977) or equivalent coverage with limits not less than the agreed value of vessel and including voluntary removal of wreckage/debris for a separate limit of not less than USD 10,000,000; SRCC coverage and the sistership clauses unamended .

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 30 of 37

2. Protection & Indemnity

Protection and Indemnity coverage subject to the SP-23 Form as amended or equivalent with a limit of not less than USD 25,000,000 per occurrence. Coverage shall include collision liability; masters and members of the crew of vessels, Pollution Liability; Towers Liability.

3. All policies and coverages required under this section D shall be endorsed:

- i. to provide full coverage to Company Group as additional insureds without limiting coverage to liability “as owner of the vessel” and to delete any “as Owner” clause and any other language purporting to limit coverage to liability of an insured “as owner of the vessel.”
- ii. to delete any language limiting coverage for Company Group in the event of the applicability of the Limitation of Liability Statute.

E. Contractor’ s Equipment

Contractor shall provide insurance or self insurance to full replacement value on its equipment, supplies and material, and any policies carried by Contractor on equipment, supplies and material belonging to Contractor shall provide for waiver of underwriters’ rights of subrogation against Company Group.

F. Additional Insureds

All policies of insurance herein described, except section A. 1. of Worker’ s Compensation,, shall name Company Group as additional insureds, but only to the extent that specific liabilities have been assumed by Contractor under this Agreement.

G. Premiums and Deductibles

All premiums related to the policies described above and all deductible amounts shall be for the account of Contractor.

H. Primary Insurance

Any coverages provided by Contractor Group to Company Group under this Agreement shall be primary to any insurance carried by Company Group and are not in excess of and shall not be considered contributory insurance with any insurance policies of Company Group but up to the extent of the liabilities assumed by Contractor under the Agreement and any Work Orders. Any “sue and labor” provisions in Contractor Group’ s insurances shall not apply to Company Group.

I. Failure to Secure

Failure to secure the insurance coverages, or failure to comply fully with any of the insurance provisions of this Agreement, or the failure to secure such endorsements on the policies as may be necessary to carry out the terms and provisions of this agreement, shall in no way act to relieve Contractor from the obligations of this agreement, any provisions hereof to the contrary notwithstanding. In the event that liability for loss or damage be denied by the underwriter(s), in all or in part, because of breach of said insurance by

Contractor, or for any other reason or if contractor fails to maintain any of the insurance herein required, Contractor shall hold harmless and Indemnify Company Group and their insurers against all claims, demands, costs and expenses, including attorney' s fees, which would otherwise be covered by said insurance. Notwithstanding anything to the contrary herein, Contractor' s indemnification obligations under this Agreement (express or implied) shall not be limited in amount or in scope of coverage to the insurance which is required by Contractor under the terms hereof. In the event Contractor fails to comply with the insurance provisions herein, or any part thereof, Company shall have the right but not the obligation to effect and maintain insurance at Contractor' s sole cost.

J. Notice to Company

The Contractor parties shall provide notice to the Company of all accidents as soon as possible. With respect to serious occurrence (including but not limited to death or serious injuries or significant

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 31 of 37

property damage), the attempt to notify Company shall be immediate. In all cases, notice shall be confirmed in writing.

Furthermore each insurance policy described above shall provide that the insurance coverage shall not be materially changed or cancelled without a minimum thirty (30) days prior notice in writing to the Company of intention to do so. Should any such notice be given, the Contractor shall immediately advise the Company before continuing with the performance of the Work under the Agreement.

K. Waiver of Subrogation

All of Contractor' s policies of insurance shall be endorsed to provide that underwriters and insurance companies shall waive, to the extent of the risks and liabilities assumed by Contractor, any rights of subrogation against Company Group with respect to each of Contractor' s policies of insurance, whether described herein or not. Company will, as well, cause its insurer to waive subrogation against Contractor Group for liabilities it assumes.

L. Severability of Interest

All liability policies (except Workers Compensation) shall provide that all the provisions thereof, except the limits of liability, shall operate in the same manner as if there was a separate policy covering each insured.

M. Subcontractor' s Insurance

Contractor shall require all subcontractors to obtain, maintain and keep in force during the time in which they are engaged in performing Work hereunder, adequate insurance coverage in accordance with Contractor' s normal practice, but such insurance shall include provisions for Additional Insureds and Waivers of Subrogation in favor of Company Group as in Paragraphs H and M above.

N. Construction

These insurance provisions in no way limit the liability of Contractor as stated elsewhere in this Agreement.

O. Certificates

Contractor shall cause original, duly executed Certificates of Insurance, in an international standard form reasonably acceptable to Company, to be furnished to Company prior to the commencement of Work evidencing the insurance required hereunder and at each

anniversary of coverage thereafter. Each certificate shall provide that thirty (30) days' prior written notice shall be given the certificate holder in the event of cancellation of the policies.

All Certificates of Insurance must contain reference to endorsements (i.e., Additional Insured, Waiver of Subrogation, etc.) as required herein.

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 32 of 37

36 EXHIBIT "C" – HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS

[BRIDGING DOCUMENT]

1. HEALTH, SAFETY, SECURITY AND ENVIRONMENTAL REQUIREMENTS

Contractor shall comply fully with the following:

- a. Compliance with Relevant Statutory Provisions. Contractor shall comply with all relevant health, safety, security and environmental statutory provisions of the Country of Operations and additional health, safety, security and environmental requirements described below.
- b. Arrangements. Contractor shall have arrangements to manage compliance with relevant statutory provisions of the Country of Operations and additional health, safety, security and environmental obligations imposed by this Agreement or any Work Order.
- c. Contractor Controlled Worksite. Where Contractor controls the Worksite and Company has influence over the Work, Contractor shall prepare a bridging document specifying the interface between the arrangements of Contractor referred to in Section 1.b. and similar arrangements of Company. The interface document shall at a minimum describe the respective responsibilities of Contractor and Company for compliance with relevant Applicable Law and applicable health, safety, security and environmental obligations. The interface document shall contain appropriate details to reflect the risk of the Work and the complexity of the interface. The interface document shall be agreed by Contractor and Company.
- d. Company Controlled Worksite.
 - i. Procedures and Practices. Where the Worksite is controlled by Company or another contractor, Contractor shall comply with all health, safety, security and environmental protection procedures and practices in force at the Worksite, including, but not limited to, drug and alcohol policies. Before commencing any Work, Contractor shall have the obligation to find out all policies, procedures and practices in force, to request direction from the party controlling the Worksite as to the relationship and priorities of all policies, procedures and practices, and to familiarize Contractor' s Personnel with same.
 - ii. International Requirements. Where Contractor' s Personnel carry out Work on an offshore Worksite controlled by Company:
 - Contractor' s Personnel traveling offshore outside the United States of America shall be in possession of a valid passport,
 - Contractor' s Personnel traveling offshore shall be fit and free from illness,
 - Contractor' s Personnel traveling offshore shall notify Company' s representative of any medical conditions that may adversely affect his health or safety, or the health and safety of others,
 - Contractor' s Personnel traveling offshore shall notify Company' s representative of any medication being taken,
 - Contractor shall hold a current medical certificate issued in accordance with the UKOOA Guidelines for "Medical Aspects of Fitness for Offshore Work" for all Contractor' s Personnel traveling offshore,

- Contractor shall hold a current survival certificate issued in accordance with the UKOOA Guidelines for “Offshore Emergency Training” for all Contractor’s Personnel traveling offshore.

Contractor shall provide evidence to Company on request that Contractor’s Personnel hold medical and survival certificates.

e. Education. Contractor’s Personnel shall be familiar with 1) all relevant health, safety, security and environmental statutory provisions of the Country of Operations, ii) additional health, safety, security and environmental requirements imposed by this Agreement, including but not limited to, procedures and practices in force at the Worksite and iii) Contractor’s arrangements for compliance with these.

f. English Language. Contractor shall ensure that all supervisory Personnel engaged in Work at any Worksite shall have adequate comprehension of the English Language to be able to supervise and communicate with other Persons at the Worksite in order to work safely at all times and take instructions in the event of emergency.

g. Company Audit. Company shall not be obliged to audit, examine or study the implementation of Contractor’s arrangements to manage health, safety, security and environmental protection. Contractor shall be completely and exclusively responsible to implement and at all times manage its arrangements and obligations. However, Company shall have the right to audit, inspect, review, examine and study Contractor’s implemented arrangements. Any such audit, assessment, inspection, examination and/or study shall not diminish Contractor’s responsibilities and/or liabilities. Contractor shall have Personnel who will assist and explain to Company any and all aspects of Contractor’s arrangements.

h. Violation and Notification. Contractor, upon discovering a violation of relevant health, safety, security or environmental statutory provisions of the Country of Operations or additional health, safety, security and environmental requirements imposed by this Agreement or Work Order, shall correct the violation immediately, whether the violation is discovered by internal review by Contractor, audit or inspection by Company, or any other means. If the possibility of injury to any individual, or loss or damage to property exists, all affected Work shall stop until the condition is corrected. Any Contractor Equipment or tools declared unsafe shall be taken out of service immediately until made safe or removed from the Worksite and replaced. Contractor shall remove from the Worksite any Contractor’s Personnel who by a deliberate violation of the safety regulations have endangered life or property.

i- Incident Reports. Contractor shall report to Company in writing **immediately** all incidents or occurrences resulting in injuries to Contractor’s employees or third parties or damage to property of third parties which arise out of or during the course of operations of Contractor or of any subcontractors of Contractor. Contractor shall notify Company **immediately** of any event relevant to the Work that could have caused, has caused or could cause injury or illness to any individual, loss or damage to property, product loss, interruption of the Work or negative impact to the environment. Contractor shall submit a written report to Company within twenty-four (24) hours of such event with all particulars known at that time. If full details are unavailable within twenty-four (24) hours, Contractor shall provide supplementary details to Company as soon as reasonably possible. Contractor shall provide Company with a copy of any report required by law to be provided to a competent authority. In addition, copies of

all reports shall be made available to Company’s designated health, safety, security and environmental representative or his alternate. Contractor shall investigate all such events and implement actions to prevent recurrence. Contractor shall co-operate fully with Company if Company decides to investigate the event. Contractor shall record hours worked by Contractor’s Personnel on the Work and provide monthly summary to Company by the 5th working day of the following month or within five (5) working days from the conclusion of any Work.

j. Personal Protective Equipment. Contractor shall provide members of Company Group engaged in performance of the Work with such protective gear and clothing that is required at the location where the Work is being performed. Supply of such gear and

clothing shall be at Contractor's expense. In the event that Company issues protective gear and/or clothing to Contractor's Personnel, Contractor shall reimburse Company the cost of same. All Worksites, excluding offices and accommodation areas, shall be deemed to be "Eye Protection Areas" where safety glasses, goggles or other suitable eye protection must be worn at all times. In addition, hard hat, safety shoes, ear protection and flame retardant clothing or additional personal protective equipment as required for the Work being conducted shall be required.

k. Contractor's Office. Any office space, Contractor Equipment or facilities rented to Company by Contractor shall conform at a minimum with legal and regulatory requirements of the Country of Operations. Company shall assign certain Persons to reserved offices. Such assigned Persons shall be delivered whatever safety brochures and information Contractor has for this purpose. This shall at least include a diagram of the floor layout showing exit routes and fire escapes routes.

l. Subcontractors. Contractor shall ensure that all its subcontractors shall comply with the provisions of this Section 1. Upon request by Company, Contractor shall provide evidence of such assessment prior to bid award. Contractor is ultimately responsible for the performance of any subcontractor and must ensure all subcontractors agree in writing to abide by Company's health, safety, security and environmental requirements.

2. ILLEGAL DRUGS, ALCOHOL AND FIREARMS

a. Contractor shall comply with: (i) Applicable Law with regards to illegal drugs, alcohol and firearms; and (ii) those additional requirements with respect to illegal drugs, alcohol and firearms set out in a Work Order.

b. Company is committed to providing a safe, healthy, productive and efficient work environment for its worksite employees as well as its customers, Contractors and the public in general.

c. In light of this commitment, Contractor agrees that it will notify all of its employees and related subcontract Personnel, in writing, that the Company prohibits illegal drugs, narcotics, intoxicating beverages, pyrotechnics, firearms, weapons and other contraband or unlawful substances on Work locations. Additionally, Contractor agrees to, and hereby does, adopt the following provisions:

- i. Company and Contractor agree that it is the intention of this warranty to impose the duty of pre-assignment drug testing and the sole responsibility for accidents occurring in whole or in part as a consequence of the use, possession, transfer, purchase or sale of illegal

drugs, narcotics, intoxicating beverages or other unlawful substances and materials by Contractor's Personnel/employees on Contractor.

- ii. Contractor hereby warrants that it and its Subcontractors employees are and will be "alcohol/drug free" while working on Company Premises.
- iii. For purposes of this warranty provision, "alcohol/drug free" is defined as the ability of each such employee directly or indirectly involved in an accident or investigation to successfully pass an alcohol/drug test, as required by Company, at cost of Contractor, Contractor or an appropriate governmental agency having jurisdiction. Failing such test or avoidance or refusal to take such test will result in Contractor's Personnel's dismissal.
- iv. The term "Company Premises" includes not only all land, property, buildings, platforms, structures, installations, vessels, airplanes, helicopters, cars, trucks, and other means of conveyance owned/leased by Company or Contractor or used for Company business but also locations not owned or leased by Company where work is being performed for Company (such as geophysical sites).
- v. This Agreement requires Contractor to release the results of Contractor's employee's drug tests to Company within twenty-four (24) hours after the testing or as soon thereafter as practicable.
- vi. The items and substances covered by this warranty other than authorized weapons, explosives, and firearms, include illegal drugs or other mood altering substances, alcoholic beverages, "lookalike" substances, certain inhalants, prescription drugs and "Over the Counter" medications (except as noted below), and equipment, paraphernalia or literature specifically related to illegal drug or substance use.

- vii. Employees and subcontract Personnel may maintain on Company Premises certain prescription drugs and “over the counter” medications provided:
- The drugs have been prescribed by a doctor for the person in possession of the drugs;
 - The drugs are kept in their original container;
 - A “Medication Permission” form covering the drugs has been signed by the employee and his or her supervisor (field locations only).

d. Company also prohibits weapons, explosive, firearms and other dangerous or hazardous devices or substances from Company Premises without proper authorization from Company management.

e. Weapons, explosives and firearms include any unauthorized firearm of whatever nature, any other type of weapon, and any ammunition or fireworks.

f. Company reserves the right, from time to time, and in accordance with Applicable Law, to take steps to ensure that the mandates of this section are being followed. These steps may include the following:

- i. Reasonable searches of Company Premises and employees and others on Company Premises, including the personal effects and vehicles of such persons.
- ii. Drug screen tests or other investigative examinations of such persons as have demonstrated while on Company Premises that they may be under the influence of illegal drugs, narcotics or intoxicating beverages.
- iii. Confiscation of prohibited items and substances, and, where appropriate, delivery of such items to law enforcement authorities.

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 36 of 37

g. Any person found in possession of any of the items or substances prohibited by this section shall be removed from Company Premises and shall be subject to disciplinary action and procedures, which may lead to discharge. Any person who, as a result of the testing, is found to have identifiable traces of an illegal drug or substance in his or her system will be considered in violation of this section, and will be removed from Company Premises and will be subject to disciplinary action and procedure which may lead to discharge.

h. Any Contractor employees or other third parties on Company Premises will be subject to this section. Any such individual found in violation of this section will be subject to removal from Company Premises.

i. Violation of this section by Contractor employees or subcontract Personnel may also cause cancellation of this Agreement and any Work Order pursuant to this Agreement.

Master Service Agreement No: SCH003-11
Schlumberger Oilfield Eastern Limited

Effective Date: 27 December, 2016
Page 37 of 37

EXHIBIT “D” - ANTI-CORRUPTION COMPLIANCE CERTIFICATION

Contractor’ s authorized representative shall sign the certification below.

ANTI-CORRUPTION COMPLIANCE CERTIFICATION

I Bunmi Omole a duly authorized representative of Schlumberger Oilfield Eastern Limited (“Contractor”), do hereby certify that neither I, nor to the best of my knowledge, any other representative of Contractor, has made, offered to make, or agreed to make any loan, gift, donation or payment, or any other thing of value directly or indirectly, whether in cash or in kind, to or for the benefit of any Foreign Official and/or foreign political party, to obtain or retain business or to secure any improper advantage for SCS Corporation Ltd or Hyperdynamics Corporation. For purposes of this certification, the term “foreign official” includes:

1. any employee or officer of a government of a foreign country (i.e., a country other than the United States of America), including any federal, regional or local department, agency, or enterprise owned or controlled by the foreign government;
2. any official of a foreign political party;
3. any official or employee of a public international organization such as the World Health Organization, the World Trade Organization, the United Nations and like organizations;
4. any person acting in an official capacity for, or on behalf of, such entities; and
5. any candidate for foreign political office.

I hereby confirm that as a duly authorized representative of Contractor, I have received a copy of Company’ s Anti-Corruption Policy. Contractor shall comply with the principles underlying Company’ s Anti-Corruption Policy to the extent that they are not inconsistent with Contractor’ s Code of Conduct.

I hereby confirm that should I learn of any of the prohibited activities described above, or if there are any changes in the ownership or control of Consultant, I will immediately advise:

Hyperdynamics Corporation
12012 Wickchester Lane, Suite 475
Houston, Texas USA
ATTN: Chief Compliance Officer
Telephone: +1713-353-9400
Fax: +1713-353-9421

OR

Toll Free Hotline: 1-877-472-2110
International calls: +1 215-689-3885
E-mail: reports@lighthouse-services.com/hyperdynamics
Fax alternative for written documents: +1215-689-3885
Website: <http://www.lighthouse-services.com/hyperdynamics>

Signature: /s/ Bunmi Omole

Name: Bunmi Omole

Title: General Manager

Date: 28/12/16

SETTLEMENT AGREEMENT

This settlement agreement (“Settlement Agreement”), dated as of December 31, 2016 (the “Settlement Date”), is entered into by and between Iroquois Master Fund Ltd. (“Iroquois”), a Cayman Islands corporation, having a registered address at Admiral Financial Center, 90 Fort Street 5th Floor, P.O. Box 32021, Georgetown, Grand Cayman KY1-1208, Hudson Bay Master Fund Ltd. (“Hudson Bay”), a Cayman Islands corporation, having its principal place of business at the offices of Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Kingsbrook Opportunities Master Fund LP (“Kingsbrook”), a Cayman Islands limited partnership, having a registered address at P.O. Box 309, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands, and Parkfield Funding, LLC (“Parkfield”), as assignee of Cranshire and Freestone, a Delaware limited liability company, having a principal place of business at 205 E. 42nd Street, New York, New York 10017 (each an “Investor,” and collectively the “Investors”), on the one hand, and Hyperdynamics Corporation (“HDYN”), a Delaware corporation, having a principal place of business at 12012 Wickchester Lane, Suite 475, Houston, Texas 77079, on the other hand. The Investors and HDYN shall be referred to herein jointly as the “Parties” and each a “Party”.

WHEREAS, on or about January 30, 2012, Iroquois, Hudson Bay, Kingsbrook, Cranshire Capital Master Fund, Ltd. (“Cranshire”) and Freestone Advantage Partners II, LP (“Freestone,” and collectively the “Plaintiffs”) and HDYN entered into a Securities Purchase Agreement dated as of January 30, 2012 (the “SPA”), pursuant to which the Plaintiffs invested \$30 million in HDYN in exchange for ten million shares of HDYN common stock and warrants to buy an additional ten million shares of HDYN common stock at a price of \$3.50 per share.

WHEREAS, on May 9, 2012, the Plaintiffs commenced an action in the Supreme Court of the State of New York, County of New York (the “Court”) captioned *Iroquois Master Fund*

Ltd., et al., v. Hyperdynamics Corporation, et al., Index No. 651614/2012 (the “Action”) alleging certain claims against HDYN for negligent misrepresentation, breach of contract and indemnification under the SPA as set forth in the Plaintiffs’ Complaint dated May 9, 2012, which was subsequently amended by the First Amended Complaint dated July 6, 2012, and the Second Amended Complaint dated August 12, 2013 (the “SAC”);

WHEREAS, HDYN filed a Motion to Dismiss on July 12, 2012, which was granted as to Plaintiffs’ negligent misrepresentation claim on June 19, 2014;

WHEREAS, HDYN filed its Answer to the SAC on September 9, 2013;

WHEREAS, in or about May 2016, Cranshire and Freestone agreed to irrevocably transfer, convey and assign all of its rights, title, and interest in the Action to Parkfield; and

WHEREAS, HDYN disputes the validity of those claims asserted in and the allegations contained in the Action;

WHEREAS, the Parties hereto have fully investigated all potential claims in connection with the above Recitals. All of the Parties have consulted with their own independently selected attorneys and advisors regarding such investigations, and the effect thereof on the legal, equitable and factual issues that have been raised, or could have been raised, in connection with the above disputes and potential claims. All of the Parties are now fully satisfied that they have sufficient knowledge of the facts and circumstances related to all such issues so that a knowledgeable settlement can be reached; and

WHEREAS, in the interest of reaching an amicable resolution of the Action and avoiding the expense of further litigation, with no Parties admitting liability or wrongdoing, the Parties wish to settle their disputes in accordance with the terms of this Settlement Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Settlement Shares, Settlement Payment, and Dismissal of the Action

1.1 Issuance of Common Stock in HDYN (the “Common Stock”) to Investors:

(a) The parties shall seek approval of the issuance of 600,000 validly issued, fully paid and non-assessable shares of Common Stock in HDYN in the aggregate amount to Investors (as adjusted for stock splits, combinations and other similar transactions occurring after the date hereof) (the “Settlement Shares”) from the Court in a fairness hearing held pursuant to Section 3(a)(10) (“Section 3(a)(10)”) of the Securities Act of 1933, as amended (the “1933 Act”). If the Court approves the issuance in accordance with Section 3(a)(10), HDYN shall issue the Settlement Shares to Investors, subject to the restrictions set forth in Section 1.1(b)-(c) below, in the amounts set forth below:

Investor	Number of Shares
Hudson Bay	59,394
Kingsbrook	96,843
Iroquois	200,316
Parkfield	243,447

(b) If the Court approves the issuance of the Settlement Shares in accordance with Section 3(a)(10), the Settlement Shares shall be tradeable without registration under the 1933 Act in the hands of the Investors. However, notwithstanding the Investors seeking an order

regarding the issuance of the Settlement Shares,(1) by signing this Settlement Agreement, the Investors expressly agree not to sell, transfer, or assign the Settlement Shares before April 1, 2017. If the Court does not approve the issuance of the Settlement Shares in accordance with Section 3(a)(10), the Settlement Shares shall be issued to the Investors as restricted shares in the amounts set forth above and HDYN shall be obligated to file a resale registration statement under the 1933 Act registering the Settlement Shares for resale by the Investors (the “Registration Statement”). HDYN shall use its reasonable best efforts to cause the Registration Statement to be filed with the United States Securities and Exchange Commission as promptly as possible following failure of the Court to approve the issuance of the Settlement Shares in accordance with Section 3(a)(10), such that the Registration Statement will become effective on or before April 1, 2017. In the event HDYN is required to file a Registration Statement pursuant to this provision, the fees and expenses (including, but not limited to, attorneys’ fees) for preparation, filing, and obtaining effectiveness of the Registration Statement (the “Registration Statement Costs”) shall be apportioned as follows: (1) for Registration Statement Costs up to \$50,000 total, HDYN shall pay 50% of the Registration Statement Costs and the Investors shall pay 50% of the Registration Statement Costs; and (2) for total Registration Costs above \$50,000, the Investors will pay 100% of all Registration Statement Costs exceeding \$50,000. Until the Investors remit payment for any Registration Statement Costs owed under this provision, HDYN shall not be obligated to request acceleration of effectiveness of the Registration Statement. Notwithstanding the foregoing, HDYN may defer the filing or effectiveness of such Registration Statement if (1) HDYN is engaged in another unregistered capital markets transaction and the Registration Statement will, in HDYN’ s good faith judgment, interfere or disrupt materially the

(1) The date upon which the Court issues an order regarding the Settlement Shares (the “Order”) shall hereinafter be referred to as the “Court Order Date”.

other unregistered capital markets transaction or (2) if material non-public information exists that HDYN cannot disclose at the time, in HDYN' s good faith judgment, for significant commercial purposes.

(c) If HDYN shall at any time propose to conduct an underwritten offering of Common Stock for cash (excluding an offering relating solely to an employee benefit plan, an offering relating to a transaction on Form S-4 or S-8 or an offering on any registration statement form that does not permit secondary sales) (an "Underwritten Offering"), HDYN shall promptly notify all Investors of such proposal reasonably in advance of (and in any event at least five (5) business days before) the commencement of the offering, which notice will set forth the principal terms and conditions of the issuance, including the proposed offering price (or range of offering prices), the anticipated filing date of the Registration Statement and the number of shares of Common Stock that are proposed to be registered (the "Piggyback Notice"); provided, however, notwithstanding any other provision of this Settlement Agreement, if the managing underwriter or managing underwriters of an Underwritten Offering advise HDYN that in their reasonable opinion that the inclusion of any Settlement Shares requested for inclusion in the subject Underwritten Offering (and any related registration, if applicable) would likely have an adverse effect in any material respect on the price, timing or distribution of Common Stock proposed to be included in such Underwritten Offering, HDYN shall have no obligation to provide a Piggyback Notice to Investors and Investors shall have no right to include any Settlement Shares in such Underwritten Offering (and any related registration, if applicable). The Piggyback Notice shall offer the Investors the opportunity to include for registration in such Underwritten Offering (and any related registration, if applicable) the number of Settlement Shares as they may request (a "Piggyback Registration"), HDYN shall use commercially reasonable efforts to

5

include in each such Piggyback Registration such Settlement Share for which HDYN has received written requests for inclusion therein within three (3) business days after sending the Piggyback Notice. If an Investor decides not to include all of its Settlement Shares in any Registration Statement thereafter filed by HDYN, such Investor shall no longer have the right to include any Settlement Shares in any subsequent Piggyback Registration as may be filed by HDYN with respect to offerings of Common Stock, all upon the terms and conditions set forth herein. Notwithstanding the provisions for cost sharing in Section 1.1(b) above, the costs of inclusion of any of the Settlement Shares in any Piggyback Registration shall be borne by HDYN.

(d) If the managing underwriter or managing underwriters of an Underwritten Offering advise HDYN and the Investors that in their reasonable opinion that the inclusion of all of the Investors' Settlement Shares requested for inclusion in the subject Piggyback Registration (and any other Common Stock proposed to be included in such offering) would likely have an adverse effect in any material respect on the price, timing or distribution of Common Stock proposed to be included in such offering, HDYN shall include in such Underwritten Offering only that number of shares of Common Stock proposed to be included in such Underwritten Offering that, in the reasonable opinion of the managing underwriter or managing underwriters, will not have such effect, with such number to be allocated as follows: (A) first to HDYN, and (B) if there remains availability for additional shares of Common Stock to be included in such registration, the Settlement Shares.

(e) HDYN shall have the right to terminate or withdraw any registration initiated by it at any time in its sole discretion whether or not any Investor has elected to include Settlement Shares in such Piggyback Registration. The Registration Statement Costs of such

6

withdrawn registration statement shall be borne by HDYN. Any Investor shall have the right to withdraw all or part of its request for inclusion of its Settlement Shares in a Piggyback Registration by giving written notice to HDYN of its request to withdraw; provided,

that (i) such request must be made in writing prior to the effectiveness of the applicable registration statement and (ii) such withdrawal shall be irrevocable and, after making such withdrawal, an Investor shall no longer have any right to include Settlement Shares in the Piggyback Registration as to which such withdrawal was made.

(f) The obligation of HDYN to use its reasonable best efforts to cause the Registration Statement to be filed and become effective on or before April 1, 2017, or to include any Settlement Shares in a Piggyback Registration shall terminate with respect to any Settlement Shares if any Settlement Shares are transferred by an Investor or when Settlement Shares otherwise become freely tradeable.

(g) If the Court approves the issuance of the Settlement Shares in accordance with Section 3(a)(10), the Settlement Shares shall be delivered electronically by HDYN to each Investor under this Section 1.1(a) within five (5) business days following the Court Order Date (such date, the "Share Delivery Date") through the Depository Trust Company DWAC system pursuant to the instructions provided by each Investor to HDYN. HDYN hereby confirms that it can, and will, deliver the shares of Common Stock through DWAC on or before the Share Delivery Date. If the Court does not approve the issuance of the Settlement Shares in accordance with Section 3(a)(10), the Settlement Shares shall be issued in certificated form with appropriate legends evidencing that the Settlement Shares are "restricted shares." Any restrictive legends shall be removed and HDYN shall issue certificates without such legends to the holder of the Settlement Shares upon which it is stamped or issue to such holder by electronic delivery

at the applicable balance account at the DTC, if, unless otherwise required by state securities laws, (i) such Settlement Shares are registered for resale under the 1933 Act pursuant to the Registration Statement described in 1.1(b) above, (ii) in connection with a sale, assignment or other transfer, such holder provides HDYN with an opinion of counsel, in a generally acceptable form, to the effect such sale, assignment or transfer of the Settlement Shares may be made without registration under the applicable requirements of the 1933 Act, or (iii) the Settlement Shares can be sold, assigned, or transferred pursuant to Rule 144. HDYN shall be responsible for the fees of its transfer agent and all DTC fees associated with such issuance.

1.2 Payment of Cash to Investors:

(a) As soon as reasonably practicable after the Settlement Date but no later than January 16, 2017, HDYN shall pay or cause to be paid to Investors the sum of \$1,350,000.00 *provided that* a completed IRS Form W-9 for FK Law (defined below) and complete wire instructions are provided at least three (3) business days in advance of such payment. This payment shall be made by wire transfer to the IOLA Trust account of Feuerstein Kulick LLP ("FK Law"), the wire transfer instructions for which are as follows:

Bank Name: Citibank

Account #: 4998722581

Routing #: 021000089

Swift: CITI US 33

Physical Address of Bank: 90 Park Avenue; New York, NY 10016

Contact at Bank: Victor Perez, Branch Manager

Phone Number for Contact at Bank: 212-681-4503

(b) Upon receipt, FK Law shall allocate the \$1,350,000.00 among the Investors in the manner previously agreed upon by the Investors.

1.3 Dismissal of the Action:

On January 5, 2017, the Parties (i) will notify the Court of the Settlement Agreement and request an adjournment of the summary judgment filing schedule in light of the Settlement Agreement, and (ii) will cause their respective counsel to execute a Stipulation of Discontinuance and Dismissal with Prejudice in the form attached hereto as Exhibit A, pursuant to which the Action will be dismissed with prejudice (the "Stipulation"). HDYN's attorneys shall hold the fully executed Stipulation and shall be free to file it with the Court without further notice after (i) the wire transfer provided for in Section 1.2 above, (ii) the Court enters an Order with respect to the Settlement Shares (whether approved or denied) as described in Section 1.1, and (iii) HDYN delivers the Settlement Shares to the Investors pursuant to Section 1.1(g).

2. Mutual Releases

2.1 **General Release of HDYN by Investors:** The Investors on behalf of themselves, each and every of their current and former employees, officers, directors, shareholders, investors, insurers, members, administrators, agents, attorneys, agents, parents, subsidiaries, affiliates, predecessors, successors, business associates, partners, independent contractors, joint venturers, legal representatives, heirs, assigns, third-party beneficiaries, and other representatives and servants (the "Investor Releasers"), hereby RELEASE, ACQUIT, and FOREVER DISCHARGE HDYN, and each and every of its current and former employees, officers, directors, shareholders, investors, insurers (including, but not limited to AIG and RSUI), members, administrators, agents, attorneys, agents, parents, subsidiaries, affiliates, predecessors, successors, business associates, partners, independent contractors, joint venturers, legal

representatives, heirs, assigns, third-party beneficiaries, and other representatives and servants (the "HDYN Released Parties"), from any and all claims, actions, rights, demands, causes of action, counterclaims, judgments, debts, liens, contracts, agreements, promises, obligations (fiduciary or otherwise), liabilities, damages, punitive damages, loss, costs, or expenses of any nature whatsoever, known or unknown, foreseen or unforeseen, contingent or vested, arising by subrogation, assignment, reimbursement, operation of law, or otherwise, whether arising under federal, state, local, statutory or common law, or any other law, rule, or regulation, including the law of any jurisdiction outside the United States, whether legal, equitable, or any other type, and which in any way relate to, arise out of, or are in any way connected to any aspect of the Parties' relationships with each other, dealings with each other, or any acts, omissions, or failures to act, whether such claims arise directly, derivatively, representatively or in any other capacity, including, but not limited to, any issues relating to any claims to payment or compensation of any kind or nature that the Investors had, now have, or may assert in the future against the HDYN Released Parties, arising out of or relating to the Action, any complaint filed in the Action, the SPA, and/or any other claims of any kind relating to any activity, communication or transaction that occurred up to and including the Court Order Date, including but not limited to any claims relating to the issuance, sale, conversion or trading of the Common Stock (or any other securities that were convertible into, or exercisable or exchangeable for Common Stock) (collectively the "Investor Released Claims"). The Investor Releasers agree that the releases contained in this paragraph are intended to be construed as the broadest type of general release.

2.2 **General Release of Investors by HDYN:** HDYN, on behalf of itself, each and every of its current and former employees, officers, directors, shareholders, investors, members, administrators, agents, attorneys, agents, parents, subsidiaries, affiliates, predecessors,

successors, business associates, partners, independent contractors, joint venturers, legal representatives, heirs, assigns, third-party beneficiaries, and other representatives and servants (the "HDYN Releasers"), hereby RELEASES, ACQUITS, and FOREVER DISCHARGES the Investors, and each and every of their current and former employees, officers, directors, shareholders, investors, insurers, members, administrators, agents, attorneys, agents, parents, subsidiaries, affiliates, predecessors, successors, business associates, partners, independent contractors, joint venturers, legal representatives, heirs, assigns, third-party beneficiaries, and other representatives and servants (the "Investor Released Parties"), from any and all claims, actions, rights, demands, causes of action, counterclaims, judgments, debts, liens, contracts, agreements, promises, obligations (fiduciary or otherwise), liabilities, damages, punitive damages, loss, costs, or expenses of any nature whatsoever, known or unknown, foreseen or unforeseen, contingent or vested, arising by subrogation, assignment, reimbursement, operation of law, or otherwise, whether arising under federal, state, local, statutory or common law, or any other law, rule, or regulation, including the law of any jurisdiction outside the United States, whether legal, equitable, or any other type, and which in any way relate to, arise out of, or are in any way connected to any aspect of the Parties' relationships with each other, dealings with each other, or any acts, omissions, or failures to act, whether such claims arise directly, derivatively, representatively or in any other capacity, including, but not limited to, any issues relating to any claims to payment or compensation of any kind or nature that the HDYN Releasers had, now have, or may assert in the future against the Investor Released Parties arising out of or relating to Action, any complaint filed in the Action, the SPA, and/or any other claims of any kind relating to any activity, communication or transaction that occurred up to and including the Court Order Date, including but not limited to any claims relating to the issuance, sale, conversion or trading

of the Common Stock (or any other securities that were convertible into, or exercisable or exchangeable for Common Stock) (collectively the "HDYN Released Claims"). The HDYN Releasers agree that the releases contained in this paragraph are intended to be construed as the broadest type of general release.

2.3 The Parties expressly acknowledge that—under the laws of certain jurisdictions— a general release may not extend to claims that the settling party does not suspect or know exist in its favor at the time of executing the release, which if known to it might have materially affected its settlement. The Parties expressly waive any rights that they may have under the foregoing principle related to the mutual releases contained in the Settlement Agreement, as well as under any other statutory or common-law principles of similar effect. The Parties understand that this provision is an important and material term of this Settlement Agreement.

2.4 Notwithstanding the foregoing, nothing contained herein shall be construed to release any obligation arising out of this Agreement.

3. HDYN Representations and Warranties: HDYN hereby represents and warrants to the Investors, as of the date of the Settlement Agreement and as of the Court Order Date, if any, that:

3.1 Organization. HDYN is duly organized and validly existing and in good standing under the laws of the jurisdiction in which it is formed, and has the requisite power and authorization to own its properties and to carry on its business as now being conducted and as presently proposed to be conducted.

3.2 Authorization; Enforcement; Validity. HDYN has the requisite corporate power and authority to enter into and perform its obligations under this Settlement Agreement and to issue the Settlement Shares in accordance with the terms hereof. The execution and delivery of this Settlement Agreement by HDYN and the consummation by HDYN of the transactions

contemplated hereby (including, without limitation, the issuance of the Settlement Shares) have been duly authorized by HDYN' s board of directors or HDYN' s Bylaws and no further filing, consent or authorization is required by HDYN, its board of directors or its shareholders or other governing body. This Settlement Agreement has been duly executed and delivered by HDYN, and constitutes the legal, valid and binding obligations of HDYN, enforceable against HDYN in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by applicable law.

3.3 Issuance of Securities. The issuance of the Settlement Shares is duly authorized, and, upon issuance in accordance with the terms of this Settlement Agreement and such Settlement Shares will be validly issued, fully paid and non-assessable and free from all taxes, liens, charges and other encumbrances with respect to the issue thereof (other than the restrictions set forth in Section 1.1(b) or otherwise imposed by applicable law). Subject to the truth and accuracy of the Investors' representations and warranties in this Settlement Agreement, the issuance by HDYN of the Settlement Shares pursuant to this Settlement Agreement is exempt from registration under the 1933 Act pursuant to Section 3(a)(10) or other applicable exemption.

3.4 No Conflicts. The execution, delivery and performance of this Settlement Agreement by HDYN and the consummation by HDYN of the transactions contemplated hereby (including, without limitation, the issuance of the Settlement Shares) will not (i) result in a violation of its Certificate of Incorporation (including, without limitation, any certificates of designation contained therein) or other organizational documents of HDYN or any of its

subsidiaries, any capital stock of HDYN or Bylaws, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which HDYN or any of its subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including, without limitation, federal and state securities laws and regulations and the rules and regulations of the market on which HDYN' s Common Stock is traded) applicable to HDYN or any of its subsidiaries or by which any property or asset of HDYN or any of its subsidiaries is bound or affected except, in the case of clause (ii) or (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of HDYN to perform its obligations hereunder.

3.5 Consents. Except as set forth in this Settlement Agreement, HDYN is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its obligations under, or contemplated by, this Settlement Agreement in accordance with the terms hereof. All consents, authorizations, orders, filings and registrations which HDYN is required to obtain pursuant to this Settlement Agreement at or prior to the date hereof have been or will be obtained or effected on or prior to the date hereof, and neither HDYN nor any of its subsidiaries are aware of any facts or circumstances which might prevent HDYN from obtaining or effecting any of the registrations, applications or filings contemplated by this Settlement Agreement.

3.6 No General Solicitation; No Integrated Offering. Neither HDYN, nor any of its subsidiaries or affiliates, nor any Person acting on its or their behalf, has engaged in any form of

general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or issuance of the Settlement Shares. None of HDYN, its subsidiaries or any of their affiliates, nor any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the issuance of any of the Settlement Shares under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Settlement Shares to require approval of stockholders of HDYN under any applicable

stockholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of HDYN are listed or designated for quotation. None of HDYN, its subsidiaries, their affiliates nor any Person acting on their behalf will take any action or steps referred to in the preceding sentence that would require registration of the issuance of any of the Settlement Shares under the 1933 Act or cause the offering of any of the Settlement Shares to be integrated with other offerings.

3.7 Application of Takeover Protections; Rights Agreement. HDYN and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Certificate of Incorporation, Bylaws or other organizational documents or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable as a result of the transactions contemplated by this Settlement Agreement, including, without limitation, HDYN' s issuance of the Settlement Shares and the Investors' ownership of those Settlement Shares, together with all other securities now or hereafter owned or acquired by Investors. HDYN and its board of directors have taken all necessary action, if any, in order to render inapplicable any shareholder

15

rights plan or similar arrangement relating to accumulations of beneficial ownership of shares of common stock or a change in control of HDYN or any of its subsidiaries.

3.8 Transfer Taxes. On the date hereof, all stock transfer or similar taxes (other than income or similar taxes) which are required to be paid in connection with the offer, issuance and transfer of the Settlement Shares to be issued to the Investors hereunder will be, or will have been, fully paid or provided for by HDYN, and all laws imposing such taxes will be or will have been complied with.

3.9 Assignment of Claims. There has been no actual assignment or transfer or purported assignment or other transfer by HDYN of all or any portion of any HDYN Released Claim or other matter or any interest which has been released by HDYN by any provision of this Settlement Agreement. HDYN is the sole owner and real party-in-interest regarding the HDYN Released Claims and other matters released by HDYN pursuant to this Settlement Agreement.

4. Investors Representations and Warranties: Each Investor hereby represents and warrants, only as to itself and no other Investor, to HDYN, as of the date of the Settlement Agreement and the Court Order Date, if any, that:

4.1 Organization. Such Investor is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by this Settlement Agreement and otherwise to carry out its obligations hereunder.

4.2 No Public Sale or Distribution. Such Investor is acquiring the Settlement Shares being issued to it under this Settlement Agreement for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the 1933 Act;

16

provided, however, by making the representations herein, such Investor does not agree, or make any representation or warranty, to hold any of the shares of Common Stock for any minimum or other specific term beyond April 1, 2017, and reserves the right to dispose of the Settlement Shares at any time on or after April 1, 2017, in accordance with or pursuant to a registration statement or an exemption under the 1933 Act. Such Investor does not presently have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Settlement Shares in violation of applicable securities laws.

4.3 Accredited Investor Status. Such Investor is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

4.4 Reliance on Exemptions. Such Investor understands that the Settlement Shares issued pursuant to this Settlement Agreement are being offered and issued to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws, and that HDYN is relying in part upon the truth and accuracy of, and such Investor's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Investor set forth herein in order to determine the availability of such exemptions and the eligibility of such Investor to acquire the Settlement Shares.

4.5 Authorization; Validity; Enforcement. Such Investor has the requisite corporate power and authority to enter into and perform its obligations under this Settlement Agreement. The execution and delivery of this Settlement Agreement by such Investor has been duly authorized by such Investor's board of directors, managing directors, principals, or other governing bodies. This Agreement has been duly and validly authorized, executed and delivered on behalf of such Investor and constitutes the legal, valid and binding obligation of such Investor enforceable against such Investor in accordance with its terms, except as such enforceability may

17

be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

4.6 No Conflicts. The execution, delivery and performance by such Investor of this Settlement Agreement and the consummation by such Investor of the transactions contemplated hereby will not (i) result in a violation of the organizational documents of such Investor, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Investor is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Investor, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Investor to perform its obligations hereunder.

4.7 Assignment of Claims. Other than the assignment referenced in Section 5 below, there has been no actual assignment or transfer or purported assignment or other transfer by such Investor of all or any portion of any of the Investor Released Claims as defined in Section 2.1 above or other matter or any interest which has been released by such Investor by any provision of this Settlement Agreement. By execution hereof, each Investor represents, covenants, and warrants that it is the exclusive owner, holder, and real party-in-interest of each and every Investor Released Claim described in Section 2.1 above.

4.8 No Filings. Each Investor represents that, other than the Action, it has not filed any lawsuits, charges or complaints against HDYN with any local, state or federal agency or

18

court from the beginning of time to the date of execution of this Settlement Agreement, and that they will not do so at any time hereafter based on events occurring or facts in existence prior to the date of execution hereof (except subject to the conditions and agreements set forth herein).

5. Cranshire and Freestone Assignment: Pursuant to a purchase agreement dated as of May 5, 2016, Cranshire and Freestone agreed to irrevocably transfer, convey and assign all of its rights, title, and interest in the Action to Parkfield. As a result, Parkfield represents and warrants (i) as stated in Section 4.7 above that it is the exclusive owner, holder, and real party-in-interest of each and every Investor Released Claim described in Section 2.1 above to the extent that such Investor Released Claim may have belonged to Cranshire and Freestone, (ii) that to the best of Parkfield's knowledge, Freestone and Cranshire possess no claims against HDYN other than those defined in the Investor Released Claims and released by Parkview herein, and (iii) Parkfield is authorized to enter into, and perform any and all of its obligations under, this Settlement Agreement as if it were Cranshire and Freestone.

6. Indemnification by Parkfield: Parkfield, as assignee of Cranshire and Freestone, agrees to indemnify and hold harmless HDYN for any claims asserted or demands made by any third party purporting to act on behalf of Cranshire or Freestone against HDYN, including any of its parents or subsidiaries, in relation to the HDYN Common Stock acquired by Cranshire and Freestone

pursuant to the SPA and the Investor Released Claims described in Section 2.1 above released by Parkfield as assignee of Cranshire and Freestone. In the event that any person or entity asserts a claim for which indemnification is provided for hereunder, HDYN shall, within thirty (30) days of receiving written notice of the claim, give written notice to Parkfield, of the claim(s) for which indemnification is required. Within thirty (30) days of receiving the notice of indemnified claim(s), Parkfield must notify HDYN whether it will provide a defense to the

claim. If Parkfield agrees to provide a defense, it shall make direct payment of all costs and attorneys' fees, as well as bear all responsibility for payment of losses and damages in the indemnified claim. If Parkfield does not agree within thirty (30) days to provide a defense, Parkfield shall be responsible for payment of any and all liabilities, damages, punitive damages, losses, injuries, costs, expenses (including, without limitation, all attorneys' fees) incurred by HDYN, with the costs and fees reimbursed as they are paid by HDYN. Unless Parkfield agrees to provide a defense, HDYN may settle the indemnified claim without consent from Parkfield, and Parkfield shall be responsible for payment of any and all any and all liabilities, damages, punitive damages, losses, injuries, costs, expenses (including, without limitation, all attorneys' fees) incurred by HDYN in connection with such settlement. With respect to claims for which Parkfield has agreed to provide a defense, Parkfield may not settle such claims without the consent of HDYN (which consent shall not unreasonably be withheld).

7. Pledge of Shares: Notwithstanding anything to the contrary contained in this Settlement Agreement, HDYN acknowledges and agrees that the Settlement Shares may be pledged by the Investors in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Settlement Shares. The pledge of the Settlement Shares shall not be deemed to be a transfer, sale or assignment of the shares of Common Stock hereunder, and if the Investors effect a pledge of shares it shall not be required to provide HDYN with any notice thereof or otherwise make any delivery to HDYN pursuant to this Settlement Agreement or otherwise.

8. Miscellaneous:

8.1 Counterparts. This Settlement Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same Agreement.

8.2 Application. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties, throughout the world, and each of their respective directors, officers, agents, employees, successors, assigns and representatives. The terms and provisions of this Settlement Agreement are intended solely for the benefit of the Parties, and their respective successors and permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights or remedies upon any other person or entity.

8.3 Execution. This Settlement Agreement may be executed by means of delivery of signature(s) by facsimile or email, and any signature(s) delivered by facsimile or email shall be of the same effect as any original signature(s).

8.4 Choice of Law; Venue. This Settlement Agreement shall be governed by, and construed, interpreted and enforced in accordance with, the internal laws of the State of New York, applied without regard to New York's conflicts of law principles. The Parties hereto irrevocably submit to the exclusive jurisdiction and venue of the New York Supreme Court, New York County, or the United States District Court for the Southern District of New York with respect to any suit, action or proceeding arising out of or relating to this Settlement Agreement.

8.5 Enforcement. In the event that any litigation shall arise between any of the Parties hereto based, in whole or in part, upon this Settlement Agreement or any or all of the provisions contained herein, the prevailing party in any such litigation shall be entitled to recover reasonable attorneys' fees, costs and expenses from the non-prevailing party. If any of HDYN's

representations or warranties in Section 3 herein are false or incorrect in any respect, HDYN shall indemnify the Investors against any and all claims, demands, causes of action, obligations, set-offs, liabilities, damages, losses, injuries, costs, expenses (including, without limitation, all attorneys' fees) incurred by the Investors arising from such false or incorrect representation or warranty. If any of the Investor's representations or warranties in Section 4 herein are false or incorrect in any respect, then that Investor shall indemnify HDYN against any and all claims, demands, causes of action, obligations, set-offs, liabilities, damages, losses, injuries, costs, expenses (including, without limitation, all attorneys' fees) incurred by HDYN arising from such false or incorrect representation or warranty.

8.6 Entire Agreement. This Settlement Agreement shall constitute the entire agreement of the Parties with respect to the subject matter hereof. No covenant, representation, warranty or unexpressed intent not contained in this Settlement Agreement shall be binding upon any Party hereto unless expressly set forth in writing which makes reference to this Settlement Agreement, expressly provides that it is a modification of this Settlement Agreement and is duly executed by said Party. This Settlement Agreement shall supersede any and all prior agreements and understandings between the Parties, whether oral or written.

8.7 No Oral Modification. This Settlement Agreement may not be altered, changed, amended or modified except by way of a written instrument signed by authorized representatives of all of the Parties. The Parties further agree that there are no oral agreements among them that vary the terms of this Settlement Agreement.

8.8 Incorporation of Exhibit. Exhibit A to this Settlement Agreement is incorporated into and made a part of this Settlement Agreement.

22

8.9 Incorporation of Recitals. The recitals set forth at the beginning of this Settlement Agreement are incorporated into the Settlement Agreement by reference.

8.10 Notice. Any notice given in connection with this Settlement Agreement shall, unless otherwise provided herein, be in writing and be delivered (1) by electronic mail as well as (2) by recognized overnight carrier or hand delivery or by certified mail, as follows:

To The Investors:

Feuerstein Kulick LLP
205 E. 42nd Street, 20th Floor
New York, New York 10017
Attn: David Feuerstein, Esq.
david@dfmklaw.com

To HDYN:

Hyperdynamics Corporation
12012 Wickchester Lane, Suite 475
Houston, Texas 77079
Attn: Ray Leonard
rleonard@hyperdynamics.com

Paul Hastings LLP
600 Travis Street, 58th Floor
Houston, Texas 77002
Attn: Samuel Cooper, Esq.

8.11 No Admission. The Settlement Agreement reflects the compromise and settlement of disputed and contested claims. It is understood and agreed that by entering into this Settlement Agreement no Party is admitting any fault or liability whatsoever to any other Party, and nothing contained herein is intended or shall be construed as any admission by any Party hereto, or other non-parties, of liability or wrongdoing of any kind, or as evidence thereof.

8.12 Headings. The use of Section headings in this Settlement Agreement is for convenience only and is not intended to limit or enlarge the rights of any Party.

23

8.13 Savings Provision; Severability. Should any provision of this Settlement Agreement be declared or determined by any court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby, and any said illegal and invalid part, term or provision shall be deemed stricken from this Settlement Agreement.

8.14 Construction of Agreement. This Settlement Agreement has been drafted cooperatively by all of the Parties and, as such, any ambiguities are the responsibility of all of the Parties and their counsel and shall not be construed against any Party.

8.15 No Reliance on Any Representation Outside the Settlement Agreement. The Parties at all times have had access to an attorney in the negotiation of the terms of and preparation of and execution of this Settlement Agreement, and have had the opportunity to review and analyze this Settlement Agreement for a sufficient period of time prior to execution and delivery. Except for the written warranties, representations, covenants, terms, and conditions specifically set forth herein, in executing this Settlement Agreement, no Party has relied upon any oral or written representation, statement, or communication of any other Party regarding the subject matter of this Settlement Agreement, any past or present fact, circumstance, condition, legal effect, or promise of future action, and specifically, no Party has relied upon any representations made by any attorney or agent or any released Party about the nature or extent of any damages or the nature or viability of any released claims. In deciding to enter into this Settlement Agreement, no Party is relying upon a legal duty, if one exists, on the part of any other Party (or such other Party's employees, agents, representatives, or attorneys) to disclose any information in connection with the execution of this Settlement Agreement or its preparation. Except as specifically required by the Parties' representations and warranties in

24

Sections 3 and 4 above, it is expressly understood that no party shall ever assert any failure to disclose information on the part of the other Party prior to the execution of this Agreement as a ground for challenging the validity of this Settlement Agreement.

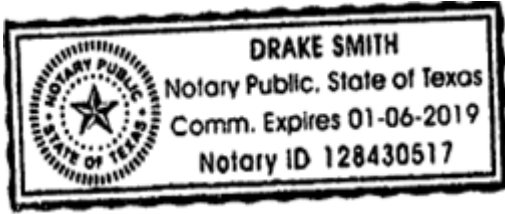
8.16 Payment of Costs and Expenses. The Parties agree that any costs and fees incurred by them, including any attorneys' fees, shall be paid by the Party incurring those costs and fees, except as otherwise expressly stated in this Settlement Agreement.

8.17 Taxes. Except to the extent expressly stated in the Settlement Agreement, the Parties acknowledge and agree that none of the Parties hereto, nor their counsel, have made or make any representations or warranties concerning the tax consequences of this Settlement Agreement.

8.18 Authority to Sign. Each person signing this Settlement Agreement represents that he or she has the authority to agree to the terms hereof and execute this Settlement Agreement on behalf of the indicated corporation or entity, in accordance with (as applicable) a duly adopted resolution of the board of directors or the bylaws of such corporation or entity, and that his or her signature will bind the corporation or entity to the terms of this Agreement.

8.19 Further Assurances; Cooperation. The Parties shall cooperate in the execution of any and all other documents and in the completion of any additional actions that may be reasonably necessary or appropriate to give full force and effect to the terms and intent of this Settlement Agreement.

9. Press Release:



Notary Public, State of Texas

My Commission Expires: 1/6/19

EXHIBIT A

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----	X	
IROQUOIS MASTER FUND LTD., HUDSON BAY	:	
MASTER FUND LTD., CRANSHIRE CAPITAL	:	
MASTER FUND, LTD., KINGSBROOK	:	Index No.: 651614/2012
OPPORTUNITIES MASTER FUND LP, and	:	
FREESTONE ADVANTAGE PARTNERS II, LP,	:	
	:	
	:	
Plaintiffs,	:	<u>STIPULATION OF</u>
	:	<u>DISCONTINUANCE AND</u>
- against -	:	<u>DISMISSAL WITH</u>
	:	<u>PREJUDICE</u>
	:	
HYPERDYNAMICS CORPORATION,	:	
	:	
Defendants.	:	
-----	X	

IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned, the attorneys of record for all of the parties to the above entitled action, that whereas no party hereto is an infant, incompetent person for whom a committee has been appointed, or conservatee, the above-captioned action be, and the same hereby is, discontinued and dismissed with prejudice, and without costs to any party as against any other party. This Stipulation may be filed without further notice with the Clerk of the Court.

[Signature page follows on next page]

Dated: New York, New York

, 2017

By: _____

David Feuerstein, Esq.
Bryan Meltzer, Esq.
205 E. 42nd Street, 20th Floor
New York, New York 10016
(646) 793-3098

Attorneys for Plaintiffs

By: _____

Richard B. Harper, Esq.
30 Rockefeller Plaza
New York, New York 10112
(212) 408-2500

Samuel Cooper, Esq.
Christie Mathis, Esq.
PAUL HASTINGS LLP
600 Travis Street, 58th Floor
Houston, Texas 77002
(713) 816-7300

Attorneys for Defendant



REPUBLIQUE DE GUINEE
Travail-Justice-Solidarité
OFFICE NATIONAL DES PETROLES
(ONAP)

N° 00014 /PRG/ONAP/DG/ 24/01/17

Conakry, le 24 /JAN. / 2017

[ILLEGIBLE]

**À l'attention de Monsieur Ray Léonard
President and Chief Executive Officer
Hyperdynamics Corporation**

Monsieur;

Nous faisons suite à votre courrier daté du 23 Janvier 2017 au sujet de votre demande de moratoire du délai de mise en place de la garantie bancaire et de clarification sur les articles 4.2 et 4.7 afférents également à la mise en place d'un instrument additionnel de garantie couvrant les 46 millions dollars équivalent au budget de réalisation du puits FATALA.

En retour, nous remercions de noter ce qui suit:

1. Report de délai de mise en place de la garantie bancaire:

Nous accédons à votre demande de report de la date de mise en place de la garantie bancaire du montant des 5 millions de dollars US pour une durée supplémentaire de trente (30) jours à compter de la date contractuelle du 21 Janvier 2017 initialement prévue à cet effet ramenant ainsi le nouveau délai de mise en place de cette garantie bancaire à la date limite du **20 février 2017**.

Nous prenons acte de votre engagement de respecter ce délai pour la mise en place de la caution et de ne plus demander de nouveau report.

Sis-Minière - C/Dixinn - Ckry- BP 892 Tel.: (+224) 620 351 665 / 625 256 869 NIF. 030417E

2. Clarification autour des dispositions des articles 4.2 et 4.7 de l'avenant d'extension:

Nous convenons avec vous qu'il sera lourd financièrement de déposer une garantie bancaire à hauteur de 46 millions US à la date du 12 avril 2017 et de procéder au même moment aux dépenses de forage du puits pétroliers.

Nous accédons à votre demande de report de cette date de mise en place d' un instrument sécuritaire en cas de non-respect des obligations contractuelles notamment la réalisation du puits FATALA.

L' opérateur est cependant soumis au dépôt de la garantie bancaire à la fin des travaux du puits FATALA à hauteur de 46 millions après déductions de toutes charges comprises dans le cadre des préparatifs du forage conformément aux dispositions de l' article 4.2 du contrat d' extension.



/s/ Diakaria Koulibaly

Diakaria Koulibaly



REPUBLIC OF GUINEA
Work – Justice – Solidarity

NATIONAL PETROLEUM OFFICE
(ONAP)

No. 00014/PRG/ONAP/DG/24/01/17

Conakry, Jan. 24, 2017

The Director General

To

The attention of Mr. Ray Leonard
President and Chief Executive Officer
Hyperdynamics Corporation

Dear Sir:

We are writing further to your letter dated January 23, 2017 concerning your request for a postponement of the deadline for setting up the bank guarantee and clarification concerning articles 4.2 and 4.7 also pertaining to the establishment of an additional security instrument covering the 46 million dollars equivalent to the budget for producing the FATALA well.

In return, please note as follows:

1. Postponement of the deadline for setting up the bank guarantee:

We are granting your request for a postponement of the deadline for setting up the bank guarantee in the amount of USD 5 million for an additional thirty (30) days from the contractual date of January 21, 2017 initially scheduled for this purpose, thus making the new deadline for setting up this guarantee **February 20, 2017**.

We note your commitment to meet this deadline for setting up the bond and to not ask for any further postponements.

Sis-Minière – C/Dixinn – Ckry- PO Box 892 Tel.: (+224) 620 351 665 / 625 256 869 NIE 030417E

2. Clarification concerning the provisions of articles 4.2 and 4.7 of the extension amendment:

We agree with you that it will be financially onerous to put a bank guarantee in the amount of USD 46 million in place on April 12, 2017 and to meet the drilling expenses for the well at the same time.

We grant your request to postpone this date for putting a security instrument in place in case of non-compliance with the contractual obligations, particularly the production of the FATALA well.

The operator is, however, required to deposit the bank guarantee at the end of the work for the FATALA well in the amount of 46 million dollars after deduction of all expenses included in connection with drilling preparations in accordance with the provisions of article 4.1 of the extension contract.

[Oval stamp] Presidency of the Republic * National Petroleum Office * The Director General

[Signature]

Diakaria Koulibaly

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Raymond C. Leonard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hyperdynamics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2017

By: /s/ Raymond C. Leonard

Raymond C. Leonard
President, Chief Executive Officer, and
Principal Executive Officer

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David G. Gullickson certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hyperdynamics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: March 3, 2017

By: /s/ David G. Gullickson

David G. Gullickson
Vice President of Finance, Treasurer, and
Principal Financial and Accounting Officer

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Hyperdynamics Corporation (Hyperdynamics), on Form 10-Q for the quarter ended December 31, 2016, as filed with the Securities and Exchange Commission (the "Report"), Raymond C. Leonard, Principal Executive Officer of Hyperdynamics, does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), that to his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of us.

Date: March 3, 2017

By: /s/ Raymond C Leonard
Raymond C. Leonard
President, Chief Executive Officer, and
Principal Executive Officer

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Hyperdynamics Corporation (Hyperdynamics), on Form 10-Q for the quarter ended December 31, 2016, as filed with the Securities and Exchange Commission (the "Report"), David G. Gullickson, Principal Financial and Accounting Officer of Hyperdynamics, does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), that to his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of us.

Date: March 3, 2017

By: /s/ David G. Gullickson
David G. Gullickson
Vice President of Finance, Treasurer, and
Principal Financial and Accounting Officer

**Document and Entity
Information - shares**

**6 Months Ended
Dec. 31, 2016**

Feb. 28, 2017

[Document and Entity Information \[Abstract\]](#)

<u>Entity Registrant Name</u>	HYPERDYNAMICS CORP	
<u>Entity Central Index Key</u>	0000937136	
<u>Document Type</u>	10-Q	
<u>Document Period End Date</u>	Dec. 31, 2016	
<u>Amendment Flag</u>	false	
<u>Current Fiscal Year End Date</u>	--06-30	
<u>Entity Current Reporting Status</u>	Yes	
<u>Entity Filer Category</u>	Smaller Reporting Company	
<u>Entity Common Stock, Shares Outstanding</u>		21,801,536
<u>Document Fiscal Year Focus</u>	2017	
<u>Document Fiscal Period Focus</u>	Q2	

**CONDENSED
CONSOLIDATED
BALANCE SHEETS - USD
(\$)
\$ in Thousands**

	Dec. 31, 2016	Jun. 30, 2016
<u>Current assets:</u>		
<u>Cash and cash equivalents</u>	\$ 2,239	\$ 10,327
<u>Prepaid expenses</u>	645	1,294
<u>Deposits and other current assets</u>	235	6
<u>Total current assets</u>	3,119	11,627
<u>Property and equipment, net of accumulated depreciation of \$2,097 and \$2,075</u>	59	51
<u>Unproved oil and gas properties excluded from amortization (Full-Cost Method)</u>	4,142	
<u>Total property and equipment and unproved oil and gas properties, net</u>	4,201	51
<u>Total assets</u>	7,320	11,678
<u>Current Liabilities:</u>		
<u>Accounts payable and accrued expenses</u>	1,475	1,743
<u>Liability for legal settlement (Note 6)</u>	1,308	
<u>Total current liabilities</u>	2,783	1,743
<u>Commitments and contingencies (Note 6)</u>		
<u>Shareholders' equity:</u>		
<u>Preferred stock, \$0.001 par value; 20,000,000 authorized, 0 shares issued and outstanding</u>		
<u>Common stock, \$0.001 par value, 87,000,000 shares authorized; 21,201,536 and 21,046,591 shares issued and outstanding</u>	169	169
<u>Additional paid-in capital</u>	317,938	317,757
<u>Accumulated deficit</u>	(313,570)	(307,991)
<u>Total shareholders' equity</u>	4,537	9,935
<u>Total liabilities and shareholders' equity</u>	\$ 7,320	\$ 11,678

**CONDENSED
CONSOLIDATED
BALANCE SHEETS**
(Parenthetical) - USD (\$)
\$ in Thousands

Dec. 31, 2016 Jun. 30, 2016

CONDENSED CONSOLIDATED BALANCE SHEETS

<u>Property and equipment, accumulated depreciation (in dollars)</u>	\$ 2,097	\$ 2,075
<u>Preferred stock, par value (in dollars per share)</u>	\$ 0.001	\$ 0.001
<u>Preferred stock, shares authorized</u>	20,000,000	20,000,000
<u>Preferred stock, shares issued</u>	0	0
<u>Preferred stock, shares outstanding</u>	0	0
<u>Common stock, par value (in dollars per share)</u>	\$ 0.001	\$ 0.001
<u>Common stock, shares authorized</u>	87,000,000	87,000,000
<u>Common stock, shares issued</u>	21,201,536	21,046,591
<u>Common stock, shares outstanding</u>	21,201,536	21,046,591

**CONDENSED
CONSOLIDATED
STATEMENTS OF
OPERATIONS - USD (\$)
\$ in Thousands**

	3 Months Ended		6 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
<u>Costs and expenses:</u>				
<u>Depreciation</u>	\$ 10	\$ 28	\$ 35	\$ 56
<u>General, administrative and other operating</u>	4,281	1,829	8,247	3,706
<u>Full-cost ceiling test write-down</u>	753		753	
<u>Loss from operations</u>	(5,044)	(1,857)	(9,035)	(3,762)
<u>Gain (loss) on settlement agreement</u>	(371)		4,764	
<u>Cost of legal settlement</u>	(1,308)		(1,308)	
<u>Loss before income tax</u>	(6,723)	(1,857)	(5,579)	(3,762)
<u>Net loss</u>	\$ (6,723)	\$ (1,857)	\$ (5,579)	\$ (3,762)
<u>Basic and diluted loss per share</u>	\$ (0.31)	\$ (0.09)	\$ (0.26)	\$ (0.18)
<u>Weighted average shares outstanding - basic and diluted</u>	21,201,536	21,046,591	21,127,758	21,046,591

**CONDENSED
CONSOLIDATED
STATEMENTS OF
SHAREHOLDERS'
EQUITY - USD (\$)
\$ in Thousands**

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
<u>Balance at Jun. 30, 2015</u>	\$ 169	\$ 317,404	\$ (285,145)	\$ 32,428
<u>Balance (in shares) at Jun. 30, 2015</u>	21,046,591			
<u>Increase (Decrease) in Shareholders' Equity</u>				
<u>Net loss</u>			(22,846)	(22,846)
<u>Amortization of fair value of stock options</u>		353		353
<u>Balance at Jun. 30, 2016</u>	\$ 169	317,757	(307,991)	9,935
<u>Balance (in shares) at Jun. 30, 2016</u>	21,046,591			
<u>Increase (Decrease) in Shareholders' Equity</u>				
<u>Net loss</u>			(5,579)	(5,579)
<u>Exercise of stock options</u>		18		18
<u>Exercise of stock options (in shares)</u>	20,000			
<u>Awards in lieu of cash bonus</u>		57		57
<u>Awards in lieu of cash bonus (in shares)</u>	134,945			
<u>Amortization of fair value of stock options</u>		106		106
<u>Balance at Dec. 31, 2016</u>	\$ 169	\$ 317,938	\$ (313,570)	\$ 4,537
<u>Balance (in shares) at Dec. 31, 2016</u>	21,201,536			

**CONDENSED
CONSOLIDATED
STATEMENTS OF CASH
FLOWS - USD (\$)
\$ in Thousands**

6 Months Ended

Dec. 31, 2016 Dec. 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

<u>Net loss</u>	\$ (5,579)	\$ (3,762)
-----------------	------------	------------

Adjustments to reconcile net loss to net cash used in operating activities:

<u>Depreciation</u>	35	56
---------------------	----	----

<u>Full-cost ceiling test write-down</u>	753	
--	-----	--

<u>Stock based compensation</u>	106	189
---------------------------------	-----	-----

<u>Stock issued in lieu of cash bonuses</u>	57	
---	----	--

<u>Gain on legal settlement</u>	(4,078)	
---------------------------------	---------	--

<u>Cost of legal settlement</u>	1,308	
---------------------------------	-------	--

Changes in operating assets and liabilities:

<u>Increase in Accounts receivable - joint interest</u>		(52)
---	--	------

<u>Decrease in Prepaid expenses</u>	649	582
-------------------------------------	-----	-----

<u>Increase in Deposits and other current assets</u>	(229)	(8)
--	-------	-----

<u>Decrease in Accounts payable and accrued expenses</u>	(268)	(992)
--	-------	-------

<u>Net cash used in operating activities</u>	(7,246)	(3,987)
--	---------	---------

CASH FLOWS FROM INVESTING ACTIVITIES:

<u>Purchase of property and equipment</u>	(42)	
---	------	--

<u>Investment in unproved oil and gas properties</u>	(818)	(20)
--	-------	------

<u>Net cash used in investing activities</u>	(860)	(20)
--	-------	------

CASH FLOWS FROM FINANCING ACTIVITIES:

<u>Proceeds from exercise of stock options</u>	18	
--	----	--

<u>Net cash provided by financing activities</u>	18	
--	----	--

<u>DECREASE IN CASH AND CASH EQUIVALENTS</u>	(8,088)	(4,007)
--	---------	---------

<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</u>	10,327	18,374
---	--------	--------

<u>CASH AND CASH EQUIVALENTS AT END OF PERIOD</u>	\$ 2,239	\$ 14,367
---	----------	-----------

**ORGANIZATION AND
SIGNIFICANT
ACCOUNTING POLICIES**

6 Months Ended

Dec. 31, 2016

**ORGANIZATION AND
SIGNIFICANT
ACCOUNTING POLICIES**

**ORGANIZATION AND
SIGNIFICANT**

ACCOUNTING POLICIES

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

General Overview

Hyperdynamics Corporation (“Hyperdynamics,” the “Company,” “we,” “us,” and “our”) is a Delaware corporation formed in March 1996. Hyperdynamics has two wholly-owned subsidiaries, SCS Corporation Ltd (“SCS”), a Cayman corporation, and HYD Resources Corporation (“HYD”), a Texas corporation. Through SCS, Hyperdynamics focuses on oil and gas exploration offshore the coast of West Africa. Our exploration efforts are pursuant to a Hydrocarbon Production Sharing Contract, as amended (the “PSC”). We refer to the rights granted under the PSC as the “Concession.” We began operations in oil and gas exploration, seismic data acquisition, processing, and interpretation in late fiscal 2002.

As used herein, references to “Hyperdynamics,” “Company,” “we,” “us,” and “our” refer to Hyperdynamics Corporation and our subsidiaries, including SCS. The rights in the Concession offshore Guinea are held by SCS.

Status of our Business, Liquidity and Going Concern

We have no source of operating revenue and there is no assurance when we will, if ever. On December 31, 2016, we had \$2.2 million in cash, and \$1.5 million in accounts payable and accrued expense liabilities, all of which are current liabilities. The net working capital of approximately \$0.7 million will not be sufficient to meet our corporate needs and Concession related activities for the quarter ending March 31, 2017. We are currently pursuing several avenues to raise funds. We have no other material commitments other than ordinary operating costs and commitments relating to the PSC.

As of February 28, 2017 the Company’s trade accounts payable and accrued expenses exceeded its cash balances.

In 2010 we sold a 23% gross interest in the Concession to Dana Petroleum, PLC (“Dana”), a subsidiary of the Korean National Oil Corporation. Later, at the end of 2012, we sold a 40% gross interest to Tullow Guinea Ltd. (“Tullow”). The Share Purchase Agreement (“Tullow SPA”) was dated December 31, 2012. A few months later Tullow became the Operator of the Concession on April 1, 2013. We refer to Tullow, Dana and us in the Concession as the “Consortium”.

Pursuant to the Tullow SPA between Tullow and us, Tullow paid us \$26.0 million in cash and Tullow agreed to pay our entire participating interest share of expenditures associated with joint operations in the Concession up to a gross expenditure cap of \$100.0 million incurred during the period of our carried interest while drilling the initial exploratory well that began on September 21, 2013. Tullow also agreed to pay our participating interest share of future costs for the drilling of an appraisal well following the initial exploration well, if drilled, up to an additional gross expenditure cap of \$100.0 million.

The Consortium planned to drill the exploration well in the ultra-deepwater area (water depths of over 2,000 meters) of the Concession during the first half of calendar 2014, but Tullow declared Force Majeure in March of 2014 based on the mere existence of the Department of Justice (“DOJ”) and Securities and Exchange Commission (“SEC”) investigations pursuant to the

Foreign Corrupt Practices Act of the United States (“FCPA Investigations”). Tullow withdrew its Force Majeure declaration in May of 2014, but did not resume petroleum operations citing the existence of the FCPA investigations and the Ebola outbreak in Guinea as the reason.

The DOJ investigation ended last May 2015, the SEC investigation ended last September 2015, and the World Health Organization declared Guinea Ebola free on December 29, 2015. Notwithstanding the resolution of the FCPA investigations, Dana insisted on further specific title assurances from the Government of Guinea and at a Petroleum Operations Management Committee meeting with the Government of Guinea in Conakry on December 16 and 17, 2015, Tullow and SCS obtained a PSC Amendment that we believed provided such further assurances. Instead of signing the PSC Amendment both Tullow and Dana refused to execute the agreement. Unable to see a path forward, we filed legal actions against Tullow and Dana under our Joint Operating Agreement.

On August 15, 2016, we entered into a Settlement and Release Agreement with Tullow and Dana (“Settlement Agreement”) that returned to Hyperdynamics 100% of the interest under the PSC, long-lead item property useful in the drilling of an exploratory well, and \$0.7 million in cash, in return for a mutual release of all claims. We also agreed to pay Dana a success fee based upon the certified reserves of the Fatala well if it results in a discovery.

On August 19, 2016, we signed a non-binding Memorandum of Understanding with the Government of Guinea and executed a Second Amendment to the PSC (“2016 Amendment”) on September 15, 2016. We also received a Presidential Decree that gave Hyperdynamics a one year extension to the second exploration period of the PSC to September 22, 2017 (“PSC Extension Period”) and we also became the designated Operator with the receipt of the Presidential Decree.

In addition to clarifying certain elements of the initial PSC, we agreed in the 2016 Amendment to drill one exploratory well to a minimum depth of 2,500 meters below the seabed within the PSC Extension Period with a projected commencement date of April 2017 (the “Extension Well”) with the option of drilling additional wells.

If the Extension Well is not drilled within the PSC Extension Period, we will owe the Government of Guinea, under Article 4.2 of the PSC, the difference between the actual expenditures in Guinea that are related to the well and \$46.0 million. Fulfillment of the work obligations exempts us from the expenditure obligations during the PSC Extension Period. Failure to comply with the drilling and other obligations of the PSC as amended subjects us to financial penalties and a risk of loss of the Concession.

In mid-January 2017 the Company requested and received a notification letter dated January 24, 2017 from the General Director of the National Petroleum Office of the Republic of Guinea, informing the Company that the Republic of Guinea granted a postponement of the Company’s obligation to provide a mutually acceptable security of \$5.0 million to February 20, 2017 (originally required by no later than January 21, 2017) as well as a clarification regarding the timing of the security under Article 4.2 of the 2016 PSC Amendment until the work on the Fatala-1 well is completed.

On March 1, 2017, the Republic of Guinea has issued a reservation of rights letter asserting the Company has not satisfied its obligation to deposit mutually acceptable security of \$5.0 million. The Company and the Republic of Guinea have been and continue to be in negotiations regarding the mutually acceptable assets that would satisfy the \$5.0 million security requirement. These negotiations have not yet reached a conclusion.

If we do not reach an agreement with the Government of Guinea on a mutually acceptable security instrument, the Republic of Guinea may terminate the PSC at any time and without prior notice to remedy such non-compliance with the PSC. To date the \$5.0 million security has not been provided and no extension, though requested, subsequent to February 20 has been provided by the Republic of Guinea.

Also, if the well is not drilled during the Extension Period we will owe the Republic of Guinea the remaining balance under Article 4.2 of the PSC.

The delays prior to the signing of the Second Amendment have adversely affected our ability to date to explore the Concession and reduce the attractiveness of the Concession to prospective industry participants and financing parties. While we currently hold 100% of the Concession, it is unknown whether we will be able to raise the necessary funds to drill the exploratory well during the PSC Extension Period.

Absent cash inflows we will not have adequate capital resources to meet our current obligations as they become due and therefore there is substantial doubt about our ability to continue as a going concern. Our ability to meet our current obligations as they become due over the next twelve-months, and to be able to continue exploration, will depend on obtaining additional resources through sales of additional interests in the Concession, equity or debt financial offerings, or through other means.

No assurance can be given that any of these actions can be completed.

Principles of consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Hyperdynamics and its direct and indirect wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in our Annual Report filed with the SEC on Form 10-K for the year ended June 30, 2016.

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the most recent fiscal year ended June 30, 2016, as reported in the Form 10-K, have been omitted.

Use of estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenses at the balance sheet date and for the period then ended. We believe our estimates and assumptions are reasonable; however, such estimates and assumptions are subject to a number of risks and uncertainties that may cause actual results to differ materially from such estimates. Significant estimates and assumptions underlying these financial statements include:

- estimates in the calculation of share-based compensation expense,
- estimates made in our income tax calculations,
- estimates in the assessment of current litigation claims against the Company,
- estimates and assumptions involved in our assessment of unproved oil and gas properties for impairment, and
- estimates and assumptions involved in our fair market value assessment of the well construction equipment received in the August 15, 2016 Settlement Agreement with Tullow and Dana.

We are subject, from time to time, to legal proceedings, claims, and liabilities that arise in the ordinary course of business. We accrue for losses when such losses are considered probable and the amounts can be reasonably estimated.

Cash and cash equivalents

Cash equivalents are highly liquid investments with an original maturity of three months or less. For the periods presented, we maintained all of our cash in bank deposit accounts which, at times, exceed the federally insured limits.

Earnings per share

Basic loss per common share has been computed by dividing net loss by the weighted average number of shares of common stock outstanding during each period. In period of earnings, diluted earnings per common share are calculated by dividing net income available to common shareholders by weighted-average common shares outstanding during the period plus weighted-average dilutive potential common shares. Diluted earnings per share calculations assume, as of the beginning of the period, exercise of stock options and warrants using the treasury stock method.

All potential dilutive securities, including potentially dilutive options, warrants and convertible securities, if any, were excluded from the computation of dilutive net loss per common share for the three and six month periods ended December 31, 2016 and 2015, respectively, because their effects in the computation are antidilutive due to our net loss for those periods.

Stock options to purchase approximately 1.2 million common shares at an average exercise price of \$4.08 were outstanding at December 31, 2016. Using the treasury stock method, had we had net income, approximately 298,700 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the three month period ended December 31, 2016 while approximately 182,200 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the six month period ended December 31, 2016.

Stock options to purchase approximately 1.0 million common shares at an average exercise price of \$5.67 were outstanding at December 31, 2015. Using the treasury stock method, had we had net income, approximately 101,600 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the three month period ended December 31, 2015 while approximately 50,800 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the six month period ended December 31, 2015.

Contingencies

We are subject to legal proceedings, claims and liabilities. We accrue for losses associated with legal claims when such losses are probable and can be reasonably estimated. These accruals are adjusted as additional information becomes available or circumstances change. Legal fees are charged to expense as they are incurred. See Note 6 for more information on legal proceedings and settlements.

Fair Value Measurements

The accounting standards define fair value, establish a three-level valuation hierarchy for disclosures of fair value measurements and enhance disclosure requirements for fair value measures. As discussed in Note 2, we determined a fair value of the well construction equipment material (Level 3 fair value measurement) that we received at the time of our legal settlement with Tullow and Dana. The fair value estimate was based on the combination of cost and market approaches taking into consideration a number of factors, which included but were not limited to the original cost and the condition of the material and demand for steel and tubulars at the time of measurement.

**INVESTMENT IN OIL
AND GAS PROPERTIES**

**6 Months Ended
Dec. 31, 2016**

**INVESTMENT IN OIL
AND GAS PROPERTIES**

**INVESTMENT IN OIL AND
GAS PROPERTIES**

2. INVESTMENT IN OIL AND GAS PROPERTIES

Investment in oil and gas properties consists entirely of our Concession in offshore Guinea, West Africa. We previously owned a 37% participating interest in our Guinea Concession on June 30, 2016. On August 19, 2016, we signed a non-binding Memorandum of Understanding with the Government of Guinea and executed a Second Amendment to the PSC (“2016 Amendment”) on September 15, 2016 and received a Presidential Decree on September 21, 2016 giving us a one year extension to the second exploration period of the PSC to September 22, 2017 (“PSC Extension Period”) and reaffirming that we now own 100% of the Concession.

One part of our settlement with Tullow and Dana included the relinquishments of their respective 40% and 23% participating interests in the Concession. Hyperdynamics now owns 100% of the participating interests in the Concession.

In addition to clarifying certain elements of the PSC, we agreed in the 2016 Amendment to drill one (1) exploratory well to a minimum depth of 2,500 meters below the seabed within the PSC Extension Period with a projected commencement date of April 2017 (the “Extension Well”) with the option of drilling additional wells. If the Extension Well is not drilled within the PSC Extension Period, we will owe the Government of Guinea the difference between the actual expenditures in Guinea related to the well and \$46.0 million. Fulfillment of the work obligations exempts us from the expenditure obligations during the PSC Extension Period. In the event a discovery is made, the terms of the PSC make us eligible for a two-year appraisal period during which we are obliged either to declare that the reserves are commerciality viable or that we decide that the PSC shall terminate.

In turn, we will retain only an area equivalent to approximately 5,000 square kilometers in the Guinea offshore and will provide the Government of Guinea: (1) A parent company guarantee for the well obligation, (2) monthly progress reports and a reconciliation of budget to actual expenditures, (failure to provide the reports and assurances on a timely basis could result in a notice of termination with a 30 day period to cure), and (3) guarantees to the Guinea Government that (a) no later than January 21, 2017 we will provide a mutually acceptable security for \$5.0 million on terms customary in international petroleum operations, provided that this security is to be released at the time the drilling rig for the Extension Well is on location offshore Guinea, and (b) no later than April 12, 2017, we will deliver a mutually acceptable security for the difference between \$46.0 million and the amount spent to date on the Extension Well.

For the purposes of calculation for this clause, however, only costs spent for services and goods provided in Guinea shall be taken into account until the drilling rig to be used in the drilling of the Extension Well is located in the territorial waters of the Republic of Guinea.

On January 24, 2017 the Company requested and received a notification letter from the General Director of the National Petroleum Office of the Republic of Guinea, informing the Company that the Republic of Guinea granted a postponement to provide a mutually acceptable security of \$5.0 million to February 20, 2017 as well as a clarification regarding the timing of the \$46.0 million security payment under Article 4.2 of the 2016 PSC Amendment until the work on the Fatala well is completed.

On March 1, 2017, the Republic of Guinea has issued a reservation of rights letter asserting the Company has not satisfied its obligation to deposit mutually acceptable security of \$5.0 million. The Company and the Republic of Guinea have been and continue to be in negotiations regarding

the mutually acceptable assets that would satisfy the \$5.0 million requirement. These negotiations have not yet reached a conclusion.

If we do not agree with the Government of Guinea on a mutually acceptable security instrument the Government of Guinea may terminate the PSC at any time and without prior notice to remedy such non-compliance with the PSC. To date the \$5.0 million security has not been provided and no extension, though requested, subsequent to February 20 has been provided by the Republic of Guinea.

Also, if the well is not drilled during the Extension Period we will owe the Republic of Guinea the difference between the \$46.0 million and the costs incurred to date on the Extension Well.

Additionally, we agreed to limit the cost recovery pool to date to our share of expenditures in the PSC since 2009 (estimated to be approximately \$150,000,000) and move into the territory of Guinea the long lead items we received in the Settlement Agreement that are currently in Takoradi, Ghana for the drilling of the Extension Well by January 31, 2017. The movement of approximately \$1.6 million of the \$4.1 million of equipment was started on January 29, 2017 and was completed on February 5, 2017. The balance of the material still in Ghana will be moved at a later date. Finally, we agreed to allocate and administer a training budget during the PSC Extension Period for the benefit of the Guinea National Petroleum Office of \$250,000 in addition to any unused portion of the training program under Article 10.3 of the PSC, estimated to be approximately \$500,000.

Failure to comply with the drilling and other obligations of the PSC as amended subjects us to financial penalties and a risk of loss of the Concession. The continued delays have affected adversely the ability to explore the Concession and reduce the attractiveness of the Concession to prospective industry participants and financing sources. While we currently hold 100% of the Concession, it is unknown whether we will be able to raise the necessary funds to drill the exploratory well during the PSC Extension Period.

We follow the "Full-Cost" method of accounting for oil and natural gas property and equipment costs. Under this method, internal costs incurred that were directly identified with exploration, development, and acquisition activities undertaken by us for our own account, and which were not related to production, general corporate overhead, or similar activities, are capitalized. Capitalization of internal costs was discontinued April 1, 2013 when Tullow became the operator. Hyperdynamics became the operator after the signing of the Second Amendment of the PSC on September 15, 2016 and thus capitalization of certain internal, project related costs had resumed. For the three and six month periods ended December 31, 2016, we capitalized \$1.3 million and \$1.5 million of such costs, respectively.

Capitalized internal costs of \$ 0.2 million from the previous quarter were written off and recorded as full-cost ceiling test write-down expenses, and capitalized internal costs of \$1.3 million in the current quarter were written off and recorded as General, administrative and other operating costs.

Geological and geophysical costs incurred that are directly associated with specific unproved properties are capitalized in "Unproved properties excluded from amortization" and evaluated as part of the total capitalized costs associated with a prospect. The cost of unproved properties not being amortized is assessed to determine whether such properties have been impaired. In determining whether such costs should be impaired, we evaluate current drilling plans and drilling results and available geological and geophysical information. No reserves have been attributed to the Concession.

The following table provides detail of total capitalized costs for the Concession which remain unproved and unevaluated and are excluded from amortization as of December 31, 2016 and June 30, 2016 (in thousands):

<u>December 31,</u> <u>2016</u>	<u>June 30,</u> <u>2016</u>
------------------------------------	--------------------------------

Oil and Gas Properties:

Unproved properties not subject to amortization	\$ 4,142	\$ —
---	----------	------

During the six month period ended December 31, 2016, our oil and gas property balance increased by \$4.1 million as a result of the fair value of the material received in our settlement with Tullow and Dana. The fair value of the material, for the most part well construction material, at the time of the settlement was approximately \$4.4 million, of which we reduced by approximately \$0.4 million during the second quarter of fiscal year 2017 based on additional information that we determined reduced the original fair market value. We engaged an independent outside party with expertise in valuing oil and gas equipment to conduct an appraisal and provide a fair valuation determination for our initial recording and reporting purposes.

During the quarter ended December 31, 2016 we impaired \$0.8 million of unproved oil and gas property costs capitalized during the current quarter (\$0.5 million) and previous quarter (\$0.3 million) and the internal costs described above. That impairment assessment was based on our liquidity position, and the possibility that we may not reach an agreement with the Government of Guinea regarding the requirement under the PSC to provide a mutually acceptable security of \$5.0 million, and the possibility that the Government of Guinea may at any time and without prior notice terminate our Concession.

As of June 30, 2016 at the close of our last fiscal year we fully impaired the \$14.3 million of previously capitalized unproved oil and gas property costs. That impairment assessment was based on the continued impasse at the time by our members of the Consortium to resume petroleum operations and drill the next exploration obligation well, which needed to be commenced at that time by the end of September 2016, and our inability at the time to get interim injunctive relief from the American Arbitration Association requiring Tullow and Dana to join with SCS in the negotiation of an acceptable amendment to the PSC and to agree to a process that would result in the execution of the amendment which we hoped would have led to the resumption of petroleum operations by the Consortium. Thus, we believed all legal measures to require Tullow and Dana to drill the planned exploration well had been exhausted.

**ACCOUNTS PAYABLE
AND ACCRUED
EXPENSES**

**ACCOUNTS PAYABLE AND
ACCRUED EXPENSES**

**ACCOUNTS PAYABLE AND
ACCRUED EXPENSES**

6 Months Ended

Dec. 31, 2016

3. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as of December 31, 2016 and June 30, 2016 include the following (in thousands):

	December 31, 2016	June 30, 2016
Accounts payable — trade and oil and gas exploration activities	\$ 601	\$ 1,361
Accounts payable — legal costs	171	61
Accrued payroll	703	321
	<u>1,475</u>	<u>1,743</u>
Liability for legal settlement (Note 6)	1,308	—
	<u>\$ 2,783</u>	<u>\$ 1,743</u>

SHARE-BASED COMPENSATION

**6 Months Ended
Dec. 31, 2016**

SHARE-BASED COMPENSATION

SHARE-BASED COMPENSATION

4. SHARE-BASED COMPENSATION

On February 18, 2010, at our annual meeting of stockholders, the board of directors and stockholders approved the 2010 Equity Incentive Plan (the "2010 Plan"). Prior to the 2010 stockholder meeting, we had two stock award plans: the Stock and Stock Option Plan, which was adopted in 1997 ("1997 Plan") and the 2008 Restricted Stock Award Plan ("2008 Plan"). In conjunction with the approval of the 2010 Plan at the annual meeting, the 1997 Plan and the 2008 Plan were terminated as of February 18, 2010. Subsequently, on February 17, 2012, the 2010 Plan was amended to increase the maximum shares issuable under the 2010 Plan and again on January 27, 2016, at our annual meeting of stockholders, the stockholders approved amending the 2010 Plan to increase the number of shares available for issuance by 750,000 shares.

The 2010 Plan provides for the awards of shares of common stock, restricted stock units or incentive stock options or nonqualified stock options to purchase our common stock to selected employees, directors, officers, agents, consultants, attorneys, vendors and advisors of ours' or of any parent or subsidiary thereof. Shares of common stock, options, or restricted stock can only be awarded under the 2010 Plan within 10 years from the effective date of February 18, 2010. A maximum of 2,000,000 shares are issuable under the 2010 Plan and at December 31, 2016, 783,460 shares remained available for issuance.

The 2010 Plan provides a means to attract and retain the services of participants and also to provide added incentive to such persons by encouraging stock ownership in the Company. Plan awards are administered by the Compensation, Nominating, and Corporate Governance Committee, who has substantial discretion to determine which persons, amounts, time, price, exercise terms, and restrictions, if any.

From time to time we issue non-compensatory warrants, such as warrants issued to investors.

Stock Options

The fair value of stock option awards is estimated using the Black-Scholes valuation model. For market-based pricing of stock option awards, those options where vesting terms are dependent on achieving a specified stock price, the fair value was estimated using a Black-Scholes option pricing model with inputs adjusted for the probability of the vesting criteria being met and the median expected term for each award as determined by utilizing a Monte Carlo simulation. Expected volatility is based solely on historical volatility of our common stock over the period commensurate with the expected term of the stock options. We rely solely on historical volatility because we do not have options that are traded. The expected term calculation for stock options is based on the simplified method as described in the Securities and Exchange Commission Staff Accounting Bulletin No. 107.

We use this method because we do not have sufficient historical information on exercise patterns to develop a model for expected term. The risk-free interest rate is based on the U. S. Treasury yield in effect at the time of award for an instrument with a maturity that is commensurate with the expected term of the stock options. The dividend yield rate of 0% is based on the fact that we have never paid cash dividends on our common stock and we do not expect to pay cash dividends on our common stock during the expected term of the options.

The following table provides information about options during the six months ended December 31, 2016 and 2015:

	2016	2015
Number of options awarded	178,500	30,000
Compensation expense recognized	\$ 106,000	\$ 189,000
Weighted average award-date fair value of options outstanding	\$ 4.08	\$ 5.67

The following table details the significant assumptions used to compute the fair values of employee and director stock options awarded during the six month periods ended December 31, 2016 and 2015:

	2016	2015
Risk-free interest rate	0.47-1.86%	1.74 %
Dividend yield	0 %	0 %
Volatility factor	109-157%	109 %
Expected life (years)	1.0-4.73	2.88

Summary information regarding employee and director stock options issued and outstanding under all plans as of December 31, 2016 is as follows:

	Options	Weighted Average Exercise Price	Aggregate intrinsic value	Weighted average remaining contractual term (years)
Options outstanding at July 1, 2016	1,016,997	\$ 5.03	\$ —	3.19
Awarded	178,500	1.06		
Exercised	(20,000)	0.90		
Forfeited	—	—		
Expired	(16,250)	34.43		
Options outstanding at December 31, 2016	1,159,247	\$ 4.08	\$ 883,620	2.54
Options exercisable at December 31, 2016	959,550	\$ 4.72	\$ 646,342	2.09

Options outstanding and exercisable as of December 31, 2016

Exercise Price	Outstanding Number of Shares	Remaining Life	Exercisable Number of Shares
\$ 0.41-4.00	245,525	Less than 1 year	245,525
\$ 0.41-4.00	57,916	1 year	57,916
\$ 0.41-4.00	136,296	2 years	136,296
\$ 0.41-4.00	226,720	3 years	226,720
\$ 0.41-4.00	112,610	4 years	71,405
\$ 0.41-4.00	158,492	5 years	—
\$ 4.01-10.00	79,563	Less than 1 year	79,563
\$ 4.01-10.00	38,625	1 year	38,625
\$ 4.01-10.00	4,062	2 years	4,062
\$ 4.01-10.00	7,000	3 years	7,000
\$ 10.01-20.00	13,125	Less than 1 year	13,125
\$ 10.01-20.00	17,500	4 years	17,500
\$ 20.01-30.00	3,750	Less than 1 year	3,750
\$ 20.01-30.00	28,500	4 years	28,500
\$ 30.01-40.00	12,500	Less than 1 year	12,500
\$ 30.01-40.00	13,313	5 years	13,313
\$ 40.01-48.72	3,750	4 years	3,750
	<u>1,159,247</u>		<u>959,550</u>

At December 31, 2016, there were \$177 thousand of unrecognized compensation costs related to non-vested share based compensation arrangements awarded to employees and directors under the plans. During the six months ended December 31, 2016, a total of 76,404 options, with a weighted average award date fair value of \$0.57 per share, vested in accordance with the underlying agreements. Unvested options at December 31, 2016 totaled 199,697 with a weighted average award date fair value of \$4.72, an amortization period of one year and a weighted average remaining life of 0.93 years.

Restricted Stock

The fair value of restricted stock awards classified as equity awards is based on the Company's stock price as of the date of grant. During the year ended June 30, 2015, all such awards were forfeited. No new grants have been issued, and none are outstanding at December 31, 2016.

INCOME TAXES

**6 Months Ended
Dec. 31, 2016**

INCOME TAXES
INCOME TAXES

5. INCOME TAXES

Federal income taxes are not due as we have had losses since inception. Our effective tax rate for the six month periods ended December 31, 2016 and 2015 is 0%. This rate is lower than the U.S. statutory rate of 35% primarily due to the valuation allowance applied against our net deferred tax assets.

COMMITMENTS AND CONTINGENCIES

**6 Months Ended
Dec. 31, 2016**

COMMITMENTS AND CONTINGENCIES

COMMITMENTS AND CONTINGENCIES

6. COMMITMENTS AND CONTINGENCIES

LITIGATION AND OTHER LEGAL MATTERS

From time to time, we and our subsidiaries are involved in disputes. We review the status of on-going proceedings and other contingent matters with legal counsel. Liabilities for such items are recorded if and when it is probable that a liability has been incurred and when the amount of the liability can be reasonably estimated. If we are able to reasonably estimate a range of possible losses, an estimated range of possible loss is disclosed for such matters in excess of the accrued liability, if any. Liabilities are periodically reviewed for adjustments based on additional information.

Iroquois Lawsuit

On May 9, 2012, a lawsuit was filed in the Supreme Court of the State of New York against us and all of our directors. The plaintiffs, five hedge funds that invested in us in early 2012, alleged that we breached an agreement with the plaintiffs, and that we and the directors made certain negligent misrepresentations relating to our drilling operations. Among other claims, the plaintiffs alleged that we misrepresented the status of our drilling operations and the speed with which the drilling would be completed. The plaintiffs' advanced claims for breach of contract and negligent misrepresentation and sought damages in the amount of \$18.5 million plus pre-judgment interest.

On July 12, 2012, we and the directors moved to dismiss the suit for failure to state a claim as to all defendants and for lack of personal jurisdiction over the director defendants. On June 19, 2013, the court dismissed the negligent misrepresentation claim but declined to dismiss the breach of contract claim. The negligent misrepresentation claim was dismissed without prejudice, meaning plaintiffs could attempt to refile it. On August 12, 2013, the plaintiffs filed an amended complaint. That complaint named only the Company and sought recovery for alleged breaches of contract. We filed an answer to the plaintiffs' amended complaint on September 9, 2013, and the court entered a scheduling order governing pre-trial proceedings in the matter.

On December 31, 2016 we entered into a settlement agreement with the plaintiffs whereby Hyperdynamics will issue to the plaintiffs a total of 600,000 new shares of common stock, and it will cause a payment to be made of \$1.35 million in cash that will be covered under its directors' and officers' insurance policy. The liability for the issuance of the shares was recorded to "liability for legal settlement" in the amount of \$1.3 million based on the \$2.18 December 30, 2016 closing price of our common stock. The plaintiffs are restricted from selling the shares before April 1, 2017 under the terms of the agreement. The shares of common stock were issued on February 2, 2017, whereby the issuance of those shares will be recorded to "Common Stock" and "Additional paid in capital" and the liability for legal settlement will be cleared.

Shareholder Lawsuits

Beginning on March 13, 2014, two lawsuits styled as class actions were filed in the U.S. District Court for the Southern District of Texas against us and several then-current officers of the Company alleging that the Company made false and misleading statements that artificially inflated the Company's stock prices. The lawsuits alleged, among other things, that the Company misrepresented its compliance with the Foreign Corrupt Practices Act and anti-money laundering statutes and that it lacked adequate internal controls. The lawsuits sought damages based on Sections 10(b) and 20 of the Securities Exchange Act of 1934, although the specific amount of

damages is not specified. On May 12, 2014, a shareholder filed a motion for appointment as lead plaintiff.

Both of the March 2014 lawsuits were dismissed voluntarily. One was dismissed during the quarter ended September 30, 2016 and the second on October 6, 2016.

Tullow and Dana Legal Actions

On January 11, 2016, we filed legal actions against members of the Consortium under the Joint Operating Agreement governing the oil and gas exploration rights offshore Guinea (“JOA”) in the United States District Court for the Southern District of Texas and before the American Arbitration Association (“AAA”) against Tullow for their failure to meet their obligations under the JOA. On January 28, 2016, the action in the Federal District Court was voluntarily dismissed by us and refiled in District Court in Harris County, Texas. On February 8, 2016 Tullow and Dana removed the case to Federal District Court.

On February 2, 2016, SCS filed an Application for Emergency Arbitrator and Interim Measures of Protection and requested the following relief: (a) expedite discovery prior to the constitution of the arbitral tribunal; (b) provide that the time period permitted by the parties’ arbitration agreement for the selection of the arbitrators and the filing of any responsive pleadings or counterclaims be accelerated; (c) require Tullow, as the designated operator under the JOA, to maintain existing “well-planning activities”; (d) require Tullow to undertake and complete certain planning activities; and (e) require Tullow and Dana to join with SCS in completing the negotiation of an acceptable amendment to the PSC and to agree to a process that will result in the execution of the amendment.

With the exception of limited relief regarding discovery and agreement by Tullow to maintain certain well plan readiness, the Emergency Arbitrator ruled on February 17, 2016, that SCS was not entitled to the emergency injunctive relief it requested. Further, the Emergency Arbitrator enjoined all parties to the dispute from pursuing parallel District Court proceedings. On February 12, 2016, the case was voluntarily stayed by us.

The AAA action sought (1) a determination that Tullow and Dana was in breach of their contractual obligations and (2) the damages caused by the repeated delays in well drilling caused by the activities of Tullow and Dana. We determined to bring the legal actions only after it became apparent that Tullow and Dana would not move forward, despite many opportunities to do so, with petroleum operations. SCS believed that it had exhausted all of its options for the pursuit of legal measures to require Tullow and Dana to drill the planned exploration well.

On August 15, 2016, we subsequently entered into a Settlement and Release Agreement with Tullow and Dana (“Settlement and Release”) with respect to our dispute in arbitration. Under the Settlement and Release, we released all claims against Tullow and Dana and Tullow and Dana (i) issued to the Government of Guinea a notice of withdrawal from the Concession and PSC effective immediately, (ii) transferred their interest in the long lead items of well construction material previously purchased by the Consortium in preparation for the initial drilling of the Fatala well, and agreed to pay net cash of \$686,570 to us. The net cash received was recorded as a part of the gain on the legal settlement. We also agreed to pay Dana a success fee based upon the certified reserves of the Fatala well if it results in a discovery of commercially producible oil and gas reserves.

The \$4.8 million gain on legal settlement also includes the estimated fair value of \$4.1 million for the well construction material we received from Tullow as a part of our Settlement and Release Agreement.

COMMITMENTS AND CONTINGENCIES

Operating Leases

We lease office space under long-term operating leases with varying terms. Most of the operating leases contain renewal and purchase options. We expect that in the normal course of business, most of the operating leases will be renewed or replaced by other similar leases.

During the three months period ended December 31, 2016 and as a part of our program to begin drilling operations in Guinea, we entered into a lease for in-country offices and nearby apartments. The leases are for six months with options to renew as necessary and collectively cost about \$30 thousand per month.

The following is a schedule by years of minimum future rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year (in thousands):

Years ending June 30:	
2017	\$ 377
2018	399
2019	406
2020	309
2021 and thereafter	—
Total minimum payments required	<u>\$ 1,491</u>

Rent expense included in net loss from operations for the three month periods ended December 31, 2016 and 2015 was \$0.1 million in each period. Rent expense included in net loss from operations for the six month periods ended December 31, 2016 and 2015 was \$0.2 million and \$0.3 million respectively, in each period.

SUBSEQUENT EVENTS

**6 Months Ended
Dec. 31, 2016**

[SUBSEQUENT EVENTS](#)

[SUBSEQUENT EVENTS](#)

7. SUBSEQUENT EVENTS

Issuance of Common Stock and Payment of Cash by Insurers: Settlement of Iroquois Lawsuit

On January 11, 2017 a payment of \$1.35 million was made by the insurance underwriters of the Company's directors' and officers' insurance policy to the hedge funds in the Iroquois lawsuit on behalf of the Company. On February 2, 2017 the Company issued 600,000 shares of its common stock to the hedge funds named in the settlement agreement.

On December 31, 2016 we had entered into a settlement agreement with the five hedge funds in the Iroquois lawsuit. Under the terms of the settlement agreement, Hyperdynamics would issue to the plaintiffs a total of 600,000 shares of new common stock, and it would cause a payment to be made of \$1.35 million in cash that would be covered under its directors' and officers' insurance policy. The plaintiffs are restricted from selling the shares of common stock before April 1, 2017 under the terms of the agreement.

Certain requirements under the PSC

On January 24, 2017 the Company requested and received a notification letter from the General Director of the National Petroleum Office of the Republic of Guinea, informing the Company that the Republic of Guinea granted a postponement to provide a mutually acceptable security of \$5.0 million to February 20, 2017 as well as a clarification regarding the timing of the \$46.0 million security payment under Article 4.2 of the 2016 PSC Amendment until the work on the Fatala well is completed.

On March 1, 2017, the Republic of Guinea has issued a reservation of rights letter asserting the Company has not satisfied its obligation to deposit mutually acceptable security of \$5.0 million. The Company and the Republic of Guinea have been and continue to be in negotiations regarding the mutually acceptable assets that would satisfy the \$5.0 million requirement. These negotiations have not yet reached a conclusion.

If we do not agree with the Government of Guinea on a mutually acceptable security instrument the Government of Guinea may terminate the PSC at any time and without prior notice to remedy such non-compliance with the PSC. To date the \$5.0 million security has not been provided and no extension, though requested, subsequent to February 20 has been provided by the Republic of Guinea.

Also, if the well is not drilled during the Extension Period we will owe the Republic of Guinea the difference between the \$46.0 million and the costs incurred to date on the Extension Well.

OTC Markets Group Listing Requirements and Delinquency Notice

On February 27, 2017 the OTC Markets Group determined that the Company was delinquent in filing its SEC Form 10-Q for the Quarter ended December 31, 2016. The Company was advised that it had until March 29, 2017, a thirty day period, to correct the deficiency. If the Company is unable to correct the deficiency or provide an acceptable plan to comply with the requirement to timely file its ongoing disclosure obligations, the OTC Markets Group will remove the Company from OTCQX U.S. to OTC Pink on March 30, 2017.

The filing of this Form 10-Q on or prior to March 29 cures this delinquency.

**ORGANIZATION AND
SIGNIFICANT
ACCOUNTING POLICIES
(Policies)**

6 Months Ended

Dec. 31, 2016

**ORGANIZATION AND
SIGNIFICANT
ACCOUNTING POLICIES**

Principles of consolidation

Principles of consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Hyperdynamics and its direct and indirect wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in our Annual Report filed with the SEC on Form 10-K for the year ended June 30, 2016.

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the most recent fiscal year ended June 30, 2016, as reported in the Form 10-K, have been omitted.

Use of estimates

Use of estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenses at the balance sheet date and for the period then ended. We believe our estimates and assumptions are reasonable; however, such estimates and assumptions are subject to a number of risks and uncertainties that may cause actual results to differ materially from such estimates. Significant estimates and assumptions underlying these financial statements include:

- estimates in the calculation of share-based compensation expense,
- estimates made in our income tax calculations,
- estimates in the assessment of current litigation claims against the Company,
- estimates and assumptions involved in our assessment of unproved oil and gas properties for impairment, and
- estimates and assumptions involved in our fair market value assessment of the well construction equipment received in the August 15, 2016 Settlement Agreement with Tullow and Dana.

We are subject, from time to time, to legal proceedings, claims, and liabilities that arise in the ordinary course of business. We accrue for losses when such losses are considered probable and the amounts can be reasonably estimated.

Cash and cash equivalents

Cash and cash equivalents

Cash equivalents are highly liquid investments with an original maturity of three months or less. For the periods presented, we maintained all of our cash in bank deposit accounts which, at times, exceed the federally insured limits.

Earnings per share

Earnings per share

Basic loss per common share has been computed by dividing net loss by the weighted average number of shares of common stock outstanding during each period. In period of earnings, diluted earnings per common share are calculated by dividing net income available to common shareholders by weighted-average common shares outstanding during the period plus weighted-average dilutive potential common shares. Diluted earnings per share calculations assume, as of the beginning of the period, exercise of stock options and warrants using the treasury stock method.

All potential dilutive securities, including potentially dilutive options, warrants and convertible securities, if any, were excluded from the computation of dilutive net loss per common share for the three and six month periods ended December 31, 2016 and 2015, respectively, because their effects in the computation are antidilutive due to our net loss for those periods.

Stock options to purchase approximately 1.2 million common shares at an average exercise price of \$4.08 were outstanding at December 31, 2016. Using the treasury stock method, had we had net income, approximately 298,700 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the three month period ended December 31, 2016 while approximately 182,200 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the six month period ended December 31, 2016.

Stock options to purchase approximately 1.0 million common shares at an average exercise price of \$5.67 were outstanding at December 31, 2015. Using the treasury stock method, had we had net income, approximately 101,600 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the three month period ended December 31, 2015 while approximately 50,800 common shares attributable to our outstanding stock options would have been included in the fully diluted earnings per share for the six month period ended December 31, 2015.

[Contingencies](#)

Contingencies

We are subject to legal proceedings, claims and liabilities. We accrue for losses associated with legal claims when such losses are probable and can be reasonably estimated. These accruals are adjusted as additional information becomes available or circumstances change. Legal fees are charged to expense as they are incurred. See Note 6 for more information on legal proceedings and settlements.

[Fair Value Measurements](#)

Fair Value Measurements

The accounting standards define fair value, establish a three-level valuation hierarchy for disclosures of fair value measurements and enhance disclosure requirements for fair value measures. As discussed in Note 2, we determined a fair value of the well construction equipment material (Level 3 fair value measurement) that we received at the time of our legal settlement with Tullow and Dana. The fair value estimate was based on the combination of cost and market approaches taking into consideration a number of factors, which included but were not limited to the original cost and the condition of the material and demand for steel and tubulars at the time of measurement.

**INVESTMENT IN OIL
AND GAS PROPERTIES**
(Tables)

6 Months Ended
Dec. 31, 2016

**INVESTMENT IN OIL
AND GAS PROPERTIES**
Schedule of total capitalized
costs of oil and gas properties

The following table provides detail of total capitalized costs for the Concession which remain unproved and unevaluated and are excluded from amortization as of December 31, 2016 and June 30, 2016 (in thousands):

	<u>December 31, 2016</u>	<u>June 30, 2016</u>
Oil and Gas Properties:		
Unproved properties not subject to amortization	\$ 4,142	\$ —

**ACCOUNTS PAYABLE
AND ACCRUED
EXPENSES (Tables)**

**ACCOUNTS PAYABLE AND
ACCRUED EXPENSES**

**Summary of accounts payable and
accrued expenses**

6 Months Ended

Dec. 31, 2016

Accounts payable and accrued expenses as of December 31, 2016 and June 30, 2016 include the following (in thousands):

	December 31, 2016	June 30, 2016
Accounts payable — trade and oil and gas exploration activities	\$ 601	\$ 1,361
Accounts payable — legal costs	171	61
Accrued payroll	703	321
	<u>1,475</u>	<u>1,743</u>
Liability for legal settlement (Note 6)	1,308	—
	<u>\$ 2,783</u>	<u>\$ 1,743</u>

**SHARE-BASED
COMPENSATION (Tables)**

**6 Months Ended
Dec. 31, 2016**

**SHARE-BASED
COMPENSATION**

[Schedule of information about options](#)

	2016	2015
Number of options awarded	178,500	30,000
Compensation expense recognized	\$ 106,000	\$ 189,000
Weighted average award-date fair value of options outstanding	\$ 4.08	\$ 5.67

[Schedule of significant assumptions used to compute the fair values of employee and director stock options awarded](#)

	2016	2015
Risk-free interest rate	0.47-1.86%	1.74 %
Dividend yield	0 %	0 %
Volatility factor	109-157%	109 %
Expected life (years)	1.0-4.73	2.88

[Summary of employee and director stock options issued and outstanding](#)

	Options	Weighted Average Exercise Price	Aggregate intrinsic value	Weighted average remaining contractual term (years)
Options outstanding at July 1, 2016	1,016,997	\$ 5.03	\$ —	3.19
Awarded	178,500	1.06		
Exercised	(20,000)	0.90		
Forfeited	—	—		
Expired	(16,250)	34.43		
Options outstanding at December 31, 2016	1,159,247	\$ 4.08	\$ 883,620	2.54
Options exercisable at December 31, 2016	959,550	\$ 4.72	\$ 646,342	2.09

[Schedule of stock options outstanding and exercisable](#)

Options outstanding and exercisable as of December 31, 2016				
Exercise Price	Outstanding Number of Shares	Remaining Life	Exercisable Number of Shares	
\$ 0.41-4.00	245,525	Less than 1 year	245,525	
\$ 0.41-4.00	57,916	1 year	57,916	
\$ 0.41-4.00	136,296	2 years	136,296	
\$ 0.41-4.00	226,720	3 years	226,720	
\$ 0.41-4.00	112,610	4 years	71,405	
\$ 0.41-4.00	158,492	5 years	—	
\$ 4.01-10.00	79,563	Less than 1 year	79,563	
\$ 4.01-10.00	38,625	1 year	38,625	
\$ 4.01-10.00	4,062	2 years	4,062	
\$ 4.01-10.00	7,000	3 years	7,000	
\$ 10.01-20.00	13,125	Less than 1 year	13,125	
\$ 10.01-20.00	17,500	4 years	17,500	
\$ 20.01-30.00	3,750	Less than 1 year	3,750	
\$ 20.01-30.00	28,500	4 years	28,500	
\$ 30.01-40.00	12,500	Less than 1 year	12,500	
\$ 30.01-40.00	13,313	5 years	13,313	
\$ 40.01-48.72	3,750	4 years	3,750	
	<u>1,159,247</u>		<u>959,550</u>	

**COMMITMENTS AND
CONTINGENCIES (Tables)**

**6 Months Ended
Dec. 31, 2016**

COMMITMENTS AND CONTINGENCIES

Schedule by years of minimum future rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year

The following is a schedule by years of minimum future rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year (in thousands):

<u>Years ending June 30:</u>	
2017	\$ 377
2018	399
2019	406
2020	309
2021 and thereafter	—
Total minimum payments required	<u>\$1,491</u>

**ORGANIZATION AND
SIGNIFICANT
ACCOUNTING POLICIES
- General Overview (Details)**

**6 Months Ended
Dec. 31, 2016
subsidiary**

ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Number of wholly-owned subsidiaries

2

**ORGANIZATION AND
SIGNIFICANT
ACCOUNTING POLICIES**
- Status of Our Business -
General Information
(Details) - USD (\$)
\$ in Thousands

3 Months Ended 6 Months Ended

**Dec. 31, Dec. 31, Sep. 30, Dec. 31, Dec. 31, Jun. 30, Jun. 30,
2016 2015 2015 2016 2015 2016 2015**

**ORGANIZATION AND SIGNIFICANT
ACCOUNTING POLICIES**

<u>Operating revenue</u>	\$ 0	\$ 0		\$ 0	\$ 0		
<u>Costs and expenses</u>	(5,044)		\$ (1,857)	(9,035)	(3,762)		
<u>Cash</u>	2,239	\$ 14,367		2,239	\$ 14,367	\$ 10,327	\$ 18,374
<u>Accounts payable and accrued expense liabilities</u>	1,475			1,475		\$ 1,743	
<u>Net working capital</u>	700			700			
<u>Other commitments</u>	\$ 0			\$ 0			

**ORGANIZATION AND
SIGNIFICANT
ACCOUNTING POLICIES**
- Status of Our Business -
Liquidity and Going
Concern (Details)
\$ in Millions

	3 Months Ended	6 Months Ended			
Mar. 01, 2017 USD (\$)	Jan. 24, 2017 USD (\$)	Aug. 19, 2016 USD (\$) item m	Aug. 15, 2016 USD (\$)	Dec. 31, 2016 USD (\$)	Dec. 31, 2016 USD (\$) m
					Jun. 30, 2016
					Dec. 31, 2012
					Jun. 30, 2010

[Tullow and Dana](#)

[Status of our Business](#)

[Minimum ultra deepwater depth \(in meters\) | m](#)

2,000

[Tullow and Dana | Settlement Agreement](#)

[Status of our Business](#)

[Ownership interest \(as a percent\)](#)

100.00%

[Settlement amount](#)

\$ 0.7

[Guinea concession](#)

[Status of our Business](#)

[Cash proceeds from Tullow](#)

\$ 26.0

[Ownership interest \(as a percent\)](#)

100.00%

100.00% 100.00% 37.00%

[Gross expenditure cap](#)

\$ 100.0 \$ 100.0

[Threshold gross expenditure cap for well to be paid by the entity](#)

100.0 \$ 100.0

[Extension period for second exploration \(in years\)](#)

1 year

[Number of exploratory wells drilled | item](#)

1

[Depth below seabed required to be drilled of an exploration well \(in meters\) | m](#)

2,500

[Amount receivable, if extension well not drilled](#)

\$ 46.0

[Mutually acceptable security](#)

\$ 5.0

\$ 5.0

[Maximum period of time over which current available liquidity could be exhausted](#)

12
months

[Guinea concession | Subsequent Events](#)

[Status of our Business](#)

[Amount receivable, if extension well not drilled](#)

\$ 46.0

[Mutually acceptable security](#)

\$ 5.0 \$ 5.0

[Guinea concession | Tullow Guinea Ltd](#)

Status of our Business

Ownership interest sold (as a percent)

40.00%

Guinea concession | Dana

Status of our Business

Ownership interest (as a percent)

23.00%

**ORGANIZATION AND
SIGNIFICANT
ACCOUNTING POLICIES**
- Earnings per Share
(Details) - Stock options - \$ /
shares

3 Months Ended 6 Months Ended

Dec. 31, Dec. 31, Dec. 31, Dec. 31,
2016 2015 2016 2015

Earnings per share

Potentially dilutive securities excluded from the computation of
dilutive net loss per common share

1,200,000 1,000,000

Average exercise price of common stock (in dollars per share)

\$ 4.08 \$ 5.67 \$ 4.08 \$ 5.67

Common shares included in fully diluted earnings per share

298,700 101,600 182,200 50,800

INVESTMENT IN OIL AND GAS PROPERTIES (Details)	Mar. 01, 2017 USD (\$)	Jan. 29, 2017 USD (\$)	Jan. 24, 2017 USD (\$)	Aug. 19, 2016 USD (\$) km ² item m	Jun. 30, 2016 USD (\$)	3	6	Sep. 30, 2016 USD (\$)	Jun. 30, 2010
						Months Ended	Months Ended		
<u>Investments in oil and gas properties</u>									
<u>Movement in oil and gas properties</u>	\$								
	4,100,000								
Oil and Gas Properties:									
<u>Unproved properties not subject to amortization</u>						\$	\$		
						4,142,000	4,142,000		
<u>Full impairment of unproved oil and gas properties</u>						753,000	753,000		
<u>Settlement and Release Agreement with Tullow and Dana</u>									
Oil and Gas Properties:									
<u>Fair value of well construction material</u>						\$	\$		
						4,100,000	4,100,000		
<u>Guinea concession</u>									
Investments in oil and gas properties									
<u>Ownership interest in Guinea Concession (as a percent)</u>				100.00%	37.00%	100.00%	100.00%		
<u>Extension period for second exploration (in years)</u>				1 year					
<u>Number of exploratory well in extension period item</u>				1					
<u>Depth below seabed required to be drilled of an exploration well (in meters) m</u>				2,500					
<u>Amount receivable, if extension well not drilled</u>				\$					
				46,000,000					
<u>Eligible appraisal period</u>				2 years					
<u>Contract area retained (in square kilometers/square miles) km²</u>				5,000					
<u>Notice period for termination (in days)</u>				30 days					
<u>Mutually acceptable security</u>				\$		\$			
				5,000,000		5,000,000			
<u>Estimated amount to limit cost recovery to share of expenditures</u>				150,000,000					

Agreed amount in training budget	250,000		
Estimated amount of unused portion of training program	\$ 500,000		
Movement in oil and gas properties	\$ 1,600,000		
Capitalized costs		\$ 1,300,000	\$ 1,500,000
Reserves bbl		0	0
Oil and Gas Properties:			
Unproved properties not subject to amortization		\$ 4,142,000	\$ 4,142,000
Increase in property balance resulting from capitalized cost adjustment			4,100,000
Fair value of well construction material		4,400,000	4,400,000
Reduction in fair value of well construction material		400,000	
Oil and gas property capitalized		500,000	500,000
Full impairment of unproved oil and gas properties		\$ 14,300,000	\$ 800,000
Guinea concession General, Administrative And Other Operating Cost			\$ 300,000
Investments in oil and gas properties			
Capitalized costs			\$ 1,300,000
Guinea concession Tullow Guinea Ltd			
Investments in oil and gas properties			
Ownership interest sold (as a percent)		40.00%	40.00%
Guinea concession Dana			
Investments in oil and gas properties			
Ownership interest in Guinea Concession (as a percent)			23.00%
Ownership interest sold (as a percent)		23.00%	23.00%
Guinea concession Subsequent Events			
Investments in oil and gas properties			
Amount receivable, if extension well not drilled		\$ 46,000,000	
Mutually acceptable security	\$ 5,000,000	\$ 5,000,000	

**ACCOUNTS PAYABLE
AND ACCRUED
EXPENSES (Details) - USD
(\$)**

Dec. 31, 2016 Jun. 30, 2016

\$ in Thousands

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

<u>Accounts payable - trade and oil and gas exploration activities</u>	\$ 601	\$ 1,361
<u>Accounts payable - legal costs</u>	171	61
<u>Accrued payroll</u>	703	321
<u>Accounts payable and accrued expenses</u>	1,475	1,743
<u>Liability for legal settlement (Note 6)</u>	1,308	
<u>Total current liabilities</u>	\$ 2,783	\$ 1,743

**SHARE-BASED
COMPENSATION - General
Information (Details)**

	Jan. 27, 2016 shares	Feb. 18, 2010 plan	Dec. 31, 2016 shares
<u>SHARE-BASED COMPENSATION</u>			
<u>Number of stock award plans prior to the adoption of 2010 plan plan 2010 Plan Stock options</u>		2	
<u>SHARE-BASED COMPENSATION</u>			
<u>Increase in the number of shares available for issuance</u>	750,000		
<u>Period within which shares of common stock, options or restricted stock can be awarded under the 2010 plan</u>		10 years	
<u>Number of shares issuable under the plan</u>			2,000,000
<u>Number of shares remaining available for issuance</u>			783,460

**SHARE-BASED
COMPENSATION -
Information about Options
(Details) - Stock options -
USD (\$)**

6 Months Ended

Dec. 31, 2016 Dec. 31, 2015

Stock Options

<u>Number of options awarded (in shares)</u>	178,500	30,000
<u>Compensation expense recognized</u>	\$ 106,000	\$ 189,000
<u>Weighted average award-date fair value of options outstanding (in dollars per share)</u>	\$ 4.08	\$ 5.67

**SHARE-BASED
COMPENSATION -
Significant Assumptions
(Details) - Stock options**

6 Months Ended

Dec. 31, 2016

Dec. 31, 2015

Significant assumptions used to compute the fair market values

<u>Risk-free interest rate (as a percent)</u>		1.74%
<u>Risk-free interest rate, low end of range (as a percent)</u>	0.47%	
<u>Risk-free interest rate, high end of range (as a percent)</u>	1.86%	
<u>Dividend yield (as a percent)</u>	0.00%	0.00%
<u>Volatility factor (as a percent)</u>		109.00%
<u>Volatility factor, low end of range (as a percent)</u>	109.00%	
<u>Volatility factor, high end of range (as a percent)</u>	157.00%	
<u>Expected life (years)</u>		2 years 10 months 17 days

Minimum

Significant assumptions used to compute the fair market values

<u>Expected life (years)</u>	1 year
------------------------------	--------

Maximum

Significant assumptions used to compute the fair market values

<u>Expected life (years)</u>	4 years 8 months 23 days
------------------------------	--------------------------

SHARE-BASED COMPENSATION - Stock Option Activity (Details) - Stock options - USD (\$)	6 Months Ended		12 Months Ended
	Dec. 31, 2016	Dec. 31, 2015	Jun. 30, 2016
<u>Options</u>			
<u>Outstanding at the beginning of the period (in shares)</u>	1,016,997		
<u>Awarded (in shares)</u>	178,500	30,000	
<u>Exercised (in shares)</u>	(20,000)		
<u>Expired (in shares)</u>	(16,250)		
<u>Outstanding at the end of the period (in shares)</u>	1,159,247		1,016,997
<u>Options exercisable at end of period (in shares)</u>	959,550		
<u>Weighted Average Exercise Price</u>			
<u>Outstanding at the beginning of the period (in dollars per share)</u>	\$ 5.03		
<u>Awarded (in dollars per share)</u>	1.06		
<u>Exercised (in dollars per share)</u>	0.90		
<u>Expired (in dollars per share)</u>	34.43		
<u>Outstanding at the end of the period (in dollars per share)</u>	4.08		\$ 5.03
<u>Options exercisable at end of period (in dollars per share)</u>	\$ 4.72		
<u>Aggregate intrinsic value</u>			
<u>Outstanding at the end of the period</u>	\$ 883,620		
<u>Options exercisable at period end</u>	\$ 646,342		
<u>Weighted average remaining contractual term (years)</u>			
<u>Outstanding at the end of the period</u>	2 years 6 months 15 days		3 years 2 months 9 days
<u>Options exercisable at period end</u>	2 years 1 month 2 days		

**SHARE-BASED
COMPENSATION - Options
Outstanding and Exercisable
(Details) - Stock options**

**6 Months Ended
Dec. 31, 2016
\$ / shares
shares**

Options outstanding and exercisable

<u>Outstanding Number of Shares</u>	1,159,247
<u>Exercisable Number of Shares</u>	959,550
<u>Exercise price range \$0.41 - \$4.00, remaining life less than 1 year</u>	

Options outstanding and exercisable

<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 0.41
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 4.00
<u>Outstanding Number of Shares</u>	245,525
<u>Exercisable Number of Shares</u>	245,525
<u>Exercise price range \$0.41 - \$4.00, remaining life less than 1 year Maximum</u>	

Options outstanding and exercisable

<u>Remaining Life (in years)</u>	1 year
<u>Exercise price range \$0.41 - \$4.00, remaining life 1 year</u>	

Options outstanding and exercisable

<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 0.41
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 4.00
<u>Outstanding Number of Shares</u>	57,916
<u>Remaining Life (in years)</u>	1 year
<u>Exercisable Number of Shares</u>	57,916
<u>Exercise price range \$0.41 - \$4.00, remaining life 2 years</u>	

Options outstanding and exercisable

<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 0.41
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 4.00
<u>Outstanding Number of Shares</u>	136,296
<u>Remaining Life (in years)</u>	2 years
<u>Exercisable Number of Shares</u>	136,296
<u>Exercise price range \$0.41 - \$4.00, remaining life 3 years</u>	

Options outstanding and exercisable

<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 0.41
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 4.00
<u>Outstanding Number of Shares</u>	226,720
<u>Remaining Life (in years)</u>	3 years
<u>Exercisable Number of Shares</u>	226,720
<u>Exercise price range \$0.41 - \$4.00, remaining life 4 years</u>	

Options outstanding and exercisable

<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 0.41
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 4.00
<u>Outstanding Number of Shares</u>	112,610
<u>Remaining Life (in years)</u>	4 years

<u>Exercisable Number of Shares</u>	71,405
<u>Exercise price range \$0.41 - \$4.00, remaining life 5 years</u>	
<u>Options outstanding and exercisable</u>	
<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 0.41
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 4.00
<u>Outstanding Number of Shares</u>	158,492
<u>Remaining Life (in years)</u>	5 years
<u>Exercise price range \$4.01 - \$10.00, remaining life less than 1 year</u>	
<u>Options outstanding and exercisable</u>	
<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 4.01
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 10.00
<u>Outstanding Number of Shares</u>	79,563
<u>Exercisable Number of Shares</u>	79,563
<u>Exercise price range \$4.01 - \$10.00, remaining life less than 1 year Maximum</u>	
<u>Options outstanding and exercisable</u>	
<u>Remaining Life (in years)</u>	1 year
<u>Exercise price range \$4.01 - \$10.00, remaining life 1 year</u>	
<u>Options outstanding and exercisable</u>	
<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 4.01
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 10.00
<u>Outstanding Number of Shares</u>	38,625
<u>Remaining Life (in years)</u>	1 year
<u>Exercisable Number of Shares</u>	38,625
<u>Exercise price range \$4.01 - \$10.00, remaining life 2 years</u>	
<u>Options outstanding and exercisable</u>	
<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 4.01
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 10.00
<u>Outstanding Number of Shares</u>	4,062
<u>Remaining Life (in years)</u>	2 years
<u>Exercisable Number of Shares</u>	4,062
<u>Exercise price range \$4.01 - \$10.00, remaining life 3 years</u>	
<u>Options outstanding and exercisable</u>	
<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 4.01
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 10.00
<u>Outstanding Number of Shares</u>	7,000
<u>Remaining Life (in years)</u>	3 years
<u>Exercisable Number of Shares</u>	7,000
<u>Exercise price range \$10.01 - \$20.00, remaining life less than 1 year</u>	
<u>Options outstanding and exercisable</u>	
<u>Exercise Price, low end of the range (in dollars per share) \$ / shares</u>	\$ 10.01
<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 20.00
<u>Outstanding Number of Shares</u>	13,125
<u>Exercisable Number of Shares</u>	13,125
<u>Exercise price range \$10.01 - \$20.00, remaining life less than 1 year Maximum</u>	

Options outstanding and exercisable

Remaining Life (in years) 1 year
Exercise price range \$10.01 - \$20.00, remaining life 4 years

Options outstanding and exercisable

Exercise Price, low end of the range (in dollars per share) | \$ / shares \$ 10.01
Exercise Price, high end of the range (in dollars per share) | \$ / shares \$ 20.00
Outstanding Number of Shares 17,500
Remaining Life (in years) 4 years
Exercisable Number of Shares 17,500
Exercise price range \$20.01 - \$30.00, remaining life less than 1 year

Options outstanding and exercisable

Exercise Price, low end of the range (in dollars per share) | \$ / shares \$ 20.01
Exercise Price, high end of the range (in dollars per share) | \$ / shares \$ 30.00
Outstanding Number of Shares 3,750
Exercisable Number of Shares 3,750
Exercise price range \$20.01 - \$30.00, remaining life less than 1 year | Maximum

Options outstanding and exercisable

Remaining Life (in years) 1 year
Exercise price range \$20.01 - \$30.00, remaining life 4 years

Options outstanding and exercisable

Exercise Price, low end of the range (in dollars per share) | \$ / shares \$ 20.01
Exercise Price, high end of the range (in dollars per share) | \$ / shares \$ 30.00
Outstanding Number of Shares 28,500
Remaining Life (in years) 4 years
Exercisable Number of Shares 28,500
Exercise price range \$30.01 - \$40.00, remaining life less than 1 year

Options outstanding and exercisable

Exercise Price, low end of the range (in dollars per share) | \$ / shares \$ 30.01
Exercise Price, high end of the range (in dollars per share) | \$ / shares \$ 40.00
Outstanding Number of Shares 12,500
Exercisable Number of Shares 12,500
Exercise price range \$30.01 - \$40.00, remaining life less than 1 year | Maximum

Options outstanding and exercisable

Remaining Life (in years) 1 year
Exercise price range \$30.01 - \$40.00, remaining life 5 years

Options outstanding and exercisable

Exercise Price, low end of the range (in dollars per share) | \$ / shares \$ 30.01
Exercise Price, high end of the range (in dollars per share) | \$ / shares \$ 40.00
Outstanding Number of Shares 13,313
Remaining Life (in years) 5 years
Exercisable Number of Shares 13,313
Exercise price range \$40.01 - \$48.72, remaining life 4 years

Options outstanding and exercisable

Exercise Price, low end of the range (in dollars per share) | \$ / shares \$ 40.01

<u>Exercise Price, high end of the range (in dollars per share) \$ / shares</u>	\$ 48.72
<u>Outstanding Number of Shares</u>	3,750
<u>Remaining Life (in years)</u>	4 years
<u>Exercisable Number of Shares</u>	3,750

**SHARE-BASED
COMPENSATION - Stock
Options - Additional
Disclosures (Details) - Stock
options
\$ / shares in Units, \$ in
Thousands**

**6 Months
Ended
Dec. 31, 2016
USD (\$)
\$ / shares
shares**

Stock Options

<u>Unrecognized compensation costs \$</u>	\$ 177
<u>Option vested (in shares) shares</u>	76,404
<u>Weighted average award date fair value of options vested (in dollars per share) \$ / shares</u>	\$ 0.57
<u>Unvested options outstanding (in shares) shares</u>	199,697
<u>Weighted average award date fair value of unvested options outstanding (in dollars per share) \$ / shares</u>	\$ 4.72
<u>Amortization period</u>	1 year
<u>Weighted average remaining life of unvested options outstanding</u>	11 months 5 days

**SHARE-BASED
COMPENSATION -
Restricted Stock - General
Disclosures (Details) -
Restricted Stock**

6 Months Ended

**Dec. 31, 2016
shares**

Restricted stock

Granted (in shares) 0

Outstanding (in shares) 0

INCOME TAXES (Details) **6 Months Ended**
Dec. 31, 2016 **Dec. 31, 2015**

INCOME TAXES

<u>Effective tax rate (as a percent)</u>	0.00%	0.00%
<u>Statutory federal rate (as a percent)</u>	35.00%	35.00%

COMMITMENTS AND CONTINGENCIES - Litigation and Other Legal Matters (Details)	Oct. 06, 2016 lawsuit	Aug. 15, 2016 USD (\$)	Mar. 13, 2014 lawsuit	May 09, 2012 USD (\$) plaintiff	3 Months Ended	6 Months Ended
					Dec. 31, 2016 USD (\$) \$/ shares shares	Dec. 31, 2016 USD (\$) plaintiff \$/ shares shares
<u>LITIGATION AND OTHER LEGAL MATTERS</u>						
<u>Liability for legal settlement</u>					\$ 1,308,000	\$ 1,308,000
<u>Closing price of common stock (in dollars per share) \$ / shares</u>					\$ 2.18	\$ 2.18
<u>Gain on legal settlement</u>					\$ (371,000)	\$ 4,764,000
<u>Iroquois Lawsuit</u>						
<u>LITIGATION AND OTHER LEGAL MATTERS</u>						
<u>Number of plaintiffs which filed lawsuit plaintiff</u>				5		
<u>Damages sought</u>				\$ 18,500,000		
<u>Settlement of Iroquois Lawsuit</u>						
<u>LITIGATION AND OTHER LEGAL MATTERS</u>						
<u>Number of plaintiffs which filed lawsuit plaintiff</u>						5
<u>Number of shares will issue to the plaintiffs shares</u>					600,000	600,000
<u>Settlements in cash payable</u>					\$ 1,350,000	\$ 1,350,000
<u>Shareholder Lawsuits</u>						
<u>LITIGATION AND OTHER LEGAL MATTERS</u>						
<u>Number of lawsuits filed lawsuit</u>				2		
<u>Number of lawsuits dismissed lawsuit</u>	1					1
<u>Settlement and Release Agreement with Tullow and Dana</u>						
<u>LITIGATION AND OTHER LEGAL MATTERS</u>						
<u>Settlement amount</u>		\$ 686,570				
<u>Gain on legal settlement</u>						4,800,000

Fair value of well construction material

\$
4,100,000

\$
4,100,000

**COMMITMENTS AND
CONTINGENCIES -
Operating Leases (Details) -
USD (\$)**

3 Months Ended **6 Months Ended**
Dec. 31, 2016 **Dec. 31, 2015** **Dec. 31, 2016** **Dec. 31, 2015**

\$ in Thousands

Operating Leases

<u>Operating lease term (in years)</u>				6 months
<u>Operating lease cost per month</u>				\$ 30
<u>2017</u>	\$ 377			377
<u>2018</u>	399			399
<u>2019</u>	406			406
<u>2020</u>	309			309
<u>Total minimum payments required</u>	1,491			1,491
<u>Rent expense</u>	\$ 100	\$ 100	\$ 200	\$ 300

SUBSEQUENT EVENTS (Details) \$ in Thousands	Mar. 01, 2017 USD (\$)	Feb. 27, 2017	Feb. 02, 2017 shares	Jan. 24, 2017 USD (\$)	Jan. 11, 2017 USD (\$)	Aug. 19, 2016 USD (\$)	3 Months Ended Dec. 31, 2016 USD (\$) shares	6 Months Ended Dec. 31, 2016 USD (\$) plaintiff shares
Settlement of Iroquois Lawsuit								
SUBSEQUENT EVENTS								
Number of plaintiffs which filed lawsuit plaintiff								5
Number of shares will issue to the plaintiffs shares							600,000	600,000
Settlements in cash payable							\$ 1,350	\$ 1,350
Subsequent Events								
SUBSEQUENT EVENTS								
Period to correct delinquency		30 days						
Subsequent Events Settlement of Iroquois Lawsuit								
SUBSEQUENT EVENTS								
Cash payment of settlements						\$ 1,350		
Number of shares issued to plaintiffs shares			600,000					
Guinea concession								
SUBSEQUENT EVENTS								
Mutually acceptable security						\$ 5,000	\$ 5,000	
Amount receivable, if extension well not drilled						\$ 46,000		
Guinea concession Subsequent Events								
SUBSEQUENT EVENTS								
Mutually acceptable security	\$ 5,000			\$ 5,000				
Amount receivable, if extension well not drilled				\$ 46,000				