



CERTIFICATE OF APPROVAL

This is to certify that the following facility has been audited & approved by Fearnley Procter Group

Date of Approval: 09/30/2009

NS-1 Certificate Number: 0040/09-4

Valid Until: 09/29/2010

Audited / Reviewed Against:

Review Number: FP FZE 195

NS-1™ Quality and Inspection Requirements for New and Refurbished Drilling and Well Completion Equipment, Edition 2 – January 2006 – Drill Collar AA.03.38.10.1110 Low Alloy Steel Rev03 and Heavy Weight Drill Pipe AA. 03.30.80.1120 Low Alloy Steel Rev 04.

Candidate/Facility: Jiangsu Shuguang Huayang Drilling Tool Co. Ltd. (JSH) with a facility located at: No.18, Shuguang Industry Park, Jiangyan City, Jiangsu Province, China 225532

Service Description: Manufacturer/Processor of API Drill Collars and Heavy Weight Drill Pipe

NS-1™ LEVEL 4 FACILITY APPROVAL (Process and Product)

Scope:

An NS-1™ compliance audit and technical review was performed to cover the following processes:- Management Systems Review – Contract Order Processing – Procurement – Workshop Process – Quality Control – Inspection + Testing Equipment Calibration and Control – Packaging & Dispatch – Personnel Competence Assurance Scheme.

Product compliance was against Drill Collar AA.03.38.10.1110 Low Alloy Steel Rev 03, and Heavy Weight Drill Pipe AA.03.30.80.1120 Low Alloy Steel Rev 04.

As a result of the facility audit and assessment, JSH has been approved to Level 4 NS-1™ for manufacturing of API Drill Collars and Heavy Weight Drill Pipe

The Minimum requirements of NS-1™ for manufacturing of API Drill Collars and Heavy Weight Drill Pipe can be met by JSH and the license is awarded with the following exceptions:

- This license covers JSH for manufacture and use of NS-1™ Logo for Drill Collars and Heavy Weight Drill Pipe manufactured under sizes, grades and connections as defined in API Spec 7 only;
- Annex 1. List authorised suppliers of bar stock and NS-1 hardbanding application under this license;
- Proprietary grades and connections are not covered under this license;
- NS-1™ product qualification or application of internal coatings is not covered under this license.

Approved By:

Kevin Fearnley
(Chairman NS-1™ Technical Review Committee)

Fearnley Procter Group
Website: www.fearnleyproctergroup.com

Annex One:

1. Authorised Bar stock suppliers under this License:

- Jiangyin Xingcheng Special Steel Co. Ltd. (60%)
- Baoshan Iron & Steel Co., Ltd. (34%)
- Shanxi Taigang Stainless Steel Co., Ltd. (5%)
- Hubei XINYEGANG Steel Co., Ltd. (1%)

2. Application of NS-1TM Hardbanding type at JSH facility under this License:

- Arnco 100XT Hardbanding
- Arnco 300XT Hardbanding