



CERTIFICATE OF APPROVAL

This is to certify that the following facility has been audited & approved by Fearnley Procter FZE - Dubai.

Date of Approval: 15/1/2010

Cert/NS-1™ Approval Number: 0045/10-3

Valid Until: 14/01/2012

Reviewed Against: AA.03.30.00.1110 Rev. 09

Review Number: FP FZE 219

Fearnley Procter NS-1™ Quality and Inspection Requirements for New and Refurbished Drilling and Well Completion Equipment, Edition 2 – January 2006

Candidate: Shanghai Hilong Drill Pipe Company Ltd. No. 1825 Luodong Road, Baoshan Industrial Zone, Shanghai, 200949. China

NS-1™ Level 3 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 and Dispatch – Personnel Competence Assurance Scheme

A product audit was also performed for welded drill pipe covering API grades and weights plus API Spec 7-1 connections only and manufactured by the above facility.

As a result of the favourable facility audit and assessment results, Shanghai Hilong has been awarded a Level 3 NS-1™ Approval for the Manufacture of API welded Drill Pipe. The minimum requirements of NS-1™ for manufacture of Drill Pipe can be met and the license is awarded with the following **exceptions**:

- This license covers Shanghai Hilong for the manufacture and use of NS-1™ logo for drill pipe manufactured under sizes, grades and connections as defined in API 5D and API Spec 7-1 only.
- Please refer to the attached Annex 1 for the authorized suppliers of green pipe, processing and tool joints to Shanghai Hilong Drill Pipe Company Ltd.
- Proprietary grades and connections are not covered under this license.
- NS-1™ product qualifications of internal coating and hard band products are not covered under this license.

Approved By:

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

Fearnley Procter FZE. (A Fearnley Procter Group Company)

www.fearnleyproctergroup.com

Geoff Simmonds
(NS-1™ Business Development Manager)

Annex 1.

1. Only drill pipe plain end supplied by Tianjin Pipe Corporation (Green Pipe) is covered under this license. Heat treatment is to be performed by Shanghai Hilong Drill Pipe Company Limited.
2. Only drill pipe tool joints supplied by Jiang Yang Huasheng Petroleum Drill Tool Company are covered under this license.

