



February 25, 2008

To: The Rig Team

Congratulations on one year of operations with ZERO injuries!

The rig refurbishment team recently passed the one year anniversary of our drilling rig refurbishment field operations work. We began in Max Welder yard on February 12, 2007. We accomplished a lot of good work there – piping demolition, electrical strip out, derrick removal, pressure vessel inspection, SCR building removal, etc. Often times that work was done in 110 degree + heat index. Then we moved to the Kiewit Yard in Ingelside; barges loaded out at the end of September from Louisiana to start their journey to Texas. We have already achieved great work at KOS – more demolition work, engine removal for overhaul, mud pump removal for overhaul, crane removal, etc. All of this work is “high risk” to safety of personnel. We saw the other extreme of weather conditions in KOS yard...wind chill factors of in the “teens”.

We accomplished all of this significant work with ZERO injuries to any personnel! That is a tremendous accomplishment; something that the Peregrino Project Leadership...and I personally...Thank You for a job well done!

This accomplishment didn't “just happen”. It took the continuous vigilance of all personnel to observe safe working practices. It took the conduct of daily safety meetings. It took routine JSAs being performed by the work teams. It took the leadership at Max and at KOS to champion a safety culture in the workplace that expected Zero injuries! It took our site representatives to always be mindful and to voice the need for safety as a priority in everything that was done. It took on site safety representatives to be diligent in their walkabouts and safety inspections to remind and reinforce proper safe working procedures. It took each and everyone of you to be mindful that we accomplish our vision of respecting our personnel by being “our brother's keeper”. We look out for one another. We want everyone to go home every night to their families and loved ones...safely, just as they came to work that day.

What lies ahead? Keep it going!! Our vision and our commitment remain the same...Zero injuries. Help us to achieve another year of Zero!

Thank You!

A handwritten signature in blue ink that reads "Jim Grinnan".

Jim Grinnan,
Drilling Rig Refurbishment Contract Manager