



PRESS RELEASE

Aquaterra Energy secure contract for 'world first' riser

Aquaterra Energy Ltd has secured a major contract for a High Pressure Marine Riser System from Apache North Sea Limited.

The high pressure, 10,000 psi rated, full-bore drilling riser system, complete with H4 compatible subsea connector is a 'world first' in terms of the connections and its operation. The Riser System will be used during Apache's 2011 drilling program as they develop the Bacchus field in the North Sea, drilling three subsea wells from the Rowan Gorilla VII jack-up rig.

A 10,000 psi Merlin connector, developed by Oil States Industries (UK) Ltd will be used on the project and is a major advance from current full bore risers which rely on flanged connections at this pressure. This change to a weld on premium connector brings 10,000 psi risers into line with other jack up riser systems, which almost universally avoid the technical and operational disadvantages associated with flanged connections.

The Merlin connector is easy to handle and install, significantly increases running speed and improves the efficiency of operations when compared with flanged alternatives. In the words of Aquaterra's Director James Larnder, "The development of a full bore 10,000 psi Merlin connector, and our partnership with Oil States to bring it to the market allows the handling and use of these systems to become a standard rig operation, rather than a unique handling challenge as experienced with flanged systems. This contract marks a step change in the technology available for drilling high pressure subsea wells from a jack-up. This technology advance is a very big deal."

Commenting on the award, Apache Drilling Manager Brett McIntyre said "We are pleased to be working with Aquaterra in conjunction with Oil States in delivering this important project. We carried out an extensive competitive tender process, and the Aquaterra/Oil States system had clear technical advantages and was commercially attractive. We look forward to being able to use this World's first, full bore 10k Merlin riser connection next year."

This is the second major riser contract Aquaterra has announced in recent months; in April we were awarded a drilling riser contract with a large joint venture petroleum company in Egypt.

Aquaterra Managing Director, George Morrison commented, "We see ourselves as specialists in jack-up riser systems and associated equipment and services. We are the High Pressure riser provider with the

most rounded in-house skill set in the market. We offer a complete package to ensure the success of worldwide projects. We have the capabilities to provide riser analysis, design engineering, project management, operational knowledge, and offshore operations support all under one roof. This is a major part of our business, and one we give full focus to. Who better to bring this important new solution to the market?"

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About Aquaterra Energy Ltd

www.aquaterraenergy.com

- Aquaterra Energy Ltd specialises in offshore engineering solutions for the international oil & gas industry, providing services to more than 100 customers in over 35 countries worldwide
- The company has offices in Aberdeen, Cairo, Cambridge, Houston, Kuala Lumpur and Norwich
- Aquaterra Energy's services are provided via three business streams:
 - **Riser Systems:** Riser Analysis; Subsea Riser Systems; Surface Riser Systems; Connectors; Pipeline Risers; VIV Suppression Systems; Tieback Engineering; Centralisers
 - **Offshore Structures:** Sea Swift Platforms; Subsea Drilling Templates; Subsea Protective Structures; Tension Decks; MOPU Wellbay Modules; Conductor Slot Addition; Bespoke Offshore Structures
 - **Service and Rental:** SUREgrip Tension Ring; PROten Riser Tension System; Rig Floor Tension System; Conductor/Riser Tensioning Unit; Cement Top Up Systems; Aquascope Subsea Camera Systems; Disposable Camera Systems; Conductor Slot Recovery; Conductor Whipstocks; Rental Tools; SUREcut Cold Cutter; PDQ Drill String Connectors; Trash Caps; Heavy Lifting Equipment; Gyroscopes
- Aquaterra Energy received a Queen's Award for International Trade in 2009.