

MB Petroleum Services Group (MBPS)

Trading Update – 31 March 2012

A. Equity infusion by MB Holding in the year 2011 – \$25 million:

- \$15 million in cash; and
- \$10 million towards purchase of bonds on behalf of MBPS (Nominal Value \$15 million).

B. New contracts commenced / secured:

- Middle East (total contract value \$172 - 181 million):
 - Core contracts reset:
 - PDO awarded two Wireline contracts commencing Jan 2012. Contract value from \$120 - 125 million. Term: 5 plus 2 years.
 - Daleel awarded a single rig contract commencing from June 2012. Contract value from \$19 – 21 million. Term: 3 plus 2 years.
 - Strategic, new country, integrated scope, new client:
 - BP Jordan awarded Well Testing, Wireline and Coiled Tubing Services contract commencing July 2012. Contract value from \$32 - 34 million. Term: 2 plus 2 years.
 - Higher value work scope:
 - In Bahrain, the existing hoist contract with Tatweer Petroleum has been extended to include deep gas well activity with BOP well control equipment rentals (minimum \$1.3 million per annum).
- Europe (total contract value \$37 - 40million):
 - Assuming client's in-house operations:
 - In Austria, contract commenced on schedule (Feb 2012) for OMV. Contract value from \$18 - 20 million. Term: 3 plus 2 years
 - Market penetration growing:
 - Koller oil and gas equipment order book as of Feb 2012 total \$14 - 15 million.
 - New market in core country:
 - In Hungary, the newly established national well abandonment program has been extended with 3 new contracts awarded total \$5.3 million.
- Australasia (total contract value \$66 million and depending on call-outs during extension period it may go up to \$147 million):
 - Geothermal market lead position maintained:
 - New Zealand: Contact Energy awarded drilling contract for 3 rigs (2 existing + 1 new) for 2 years plus extension of 4 years on 'First right of refusal basis'. Commenced in Feb 2012, contract value is estimated at \$51 million and depending on call-outs during extension period it may go up to \$130 million.
 - Australian business expanded:
 - Rig 14 ex-PNG mobilised into new drilling contract with New Standard Energy / Conoco Phillips in Western Australia, commencing May 2012. Contract value \$15 - 17 million.

C. Enhancements to existing contracts:

- Middle East:
 - Daleel Petroleum extended the drilling & drilling fluids contracts, each for a period of 1 year.
 - All new contract rates in Oman allow for the cost impact of 'Arab Spring'.
 - Additional one new rig in operation in Oman under workover.

D. Others:

- Middle East:
 - Arab Spring cost impact of \$ 14 million after recovery. A sum of \$4 million booked in the 4Q2011 following final acceptance from clients and clarification in labour statute.
 - Operations in Syria discontinued due to political unrest. Assets to be relocated to Iraq / Hungary.
 - Contract in Yemen completed and operations closed.