

Introduction of Kingdream

Section-1 General Profile of Kingdream

1.1 Brief Introduction

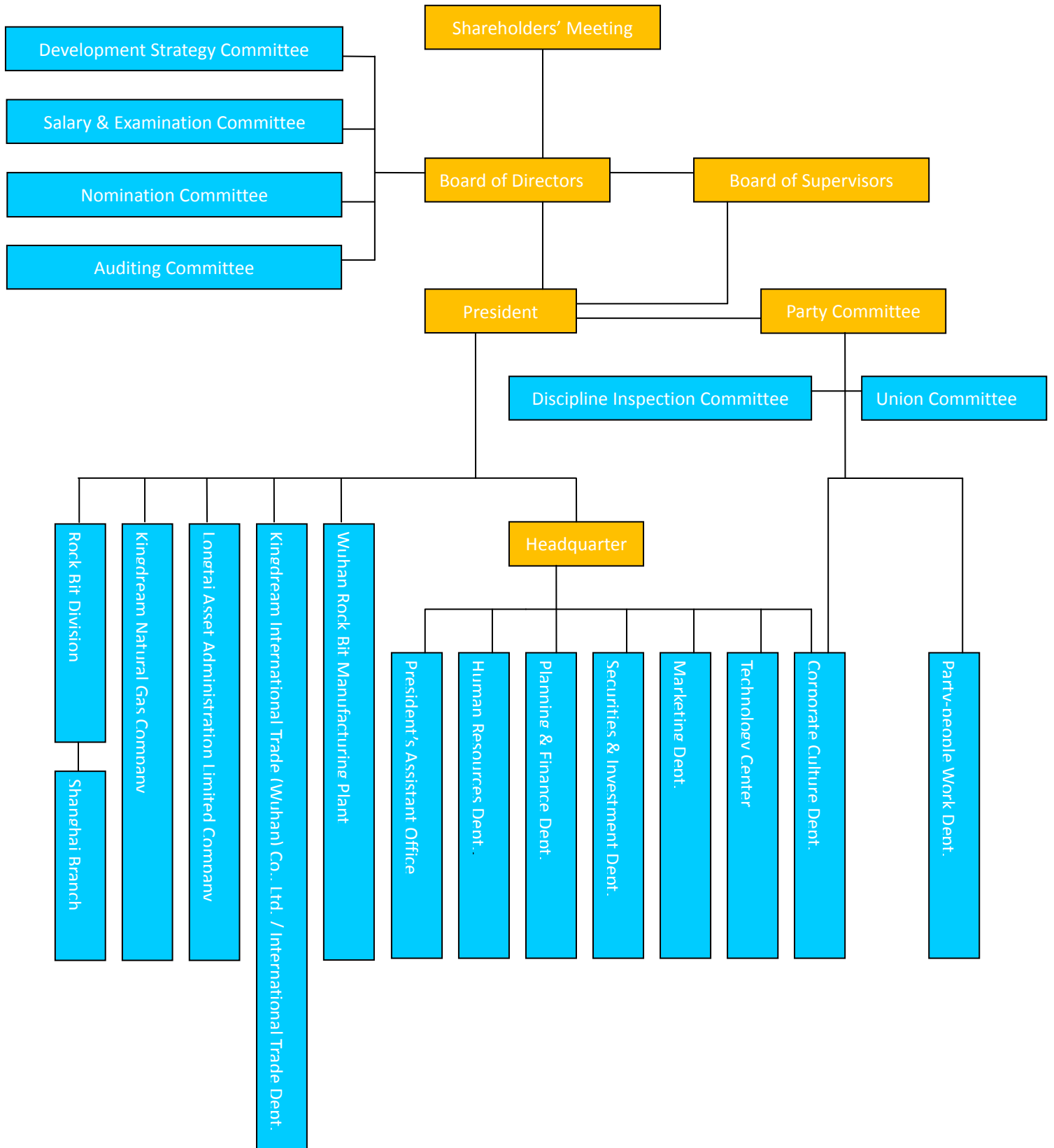


Headquarters in Wuhan, China

- **Set up in 1973, specialized in Oil & Gas industry.**
- **China National New & Hi-Tech. Enterprise.**
- **China National First Class Enterprise.**
- **The largest in Asia and world advanced Oil & Gas drilling bit manufacturer.**
- **Certified to API/ISO 9000 Quality Management System and International HSE Management System for years.**
- **Products have been sold to over 30 countries and regions in the world including USA.**
- **Headquarters of the company located in East Lake New & Hi-Tech. Development Zone, Wuhan, China.**

Full name	Kingdream Public Limited Company
Postal Address	No. 5, Huagongyuan No. 1 Road, East Lake New-Tech. Development Zone, Wuhan, Hubei Province, China
Registration Address	No.456, Luoyu Road, Hongshan District, Wuhan, China
Web site	www.kingdream.com
Ownership details (percentages and names,	<ul style="list-style-type: none"> - 67.50% - China Petroleum & Chemical Corporation(Sinopec) - 32.50% - others

1.2 Administration Structure



Section-2 Manufacturing Facilities and Capability

2.1 Manufacturing locations



- **9 production lines for rock bit production and 1 manufacturing plant for PDC bit with world advanced level**
- **More than 300 sets of internationally advanced machineries, such as five-axis machining centers, FMS production line, etc.**
- **Various types of bits ranging from 3 3/4 to 26 inches in diameter for roller cone bits; 3 7/8 to 17 1/2 inches for PDC bits(both steel & matrix body)**
- **Annual production capacity: 70,000 pcs roller cone bits, 2,000 pcs PDC bits**



Qianjiang manufacturing base

2.2 Manufacturing Equipments



FMS (Flexible Manufacturing System)



Scharmann Machining Center



Heat-treatment Furnace with Nitrogen Base Controllable Atmosphere

2.3 Inspection and testing facilities including plasma spectrometer, TCI image processor, new type of rock drilling tester, 600kN drilling simulator, etc



Nitrogen and oxygen analysis apparatus



Micro-rigidity apparatus



Plasma Spectrometer



Projector



Omnipotence apparatus



Hard alloy's magnetism apparatus

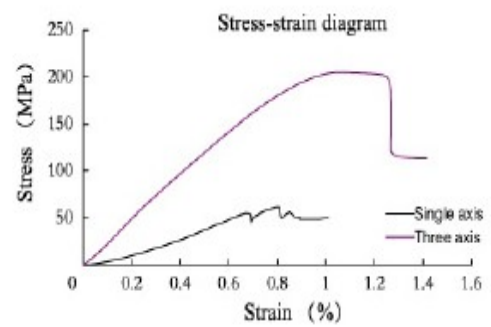


Three Coordinate Measure Instrument

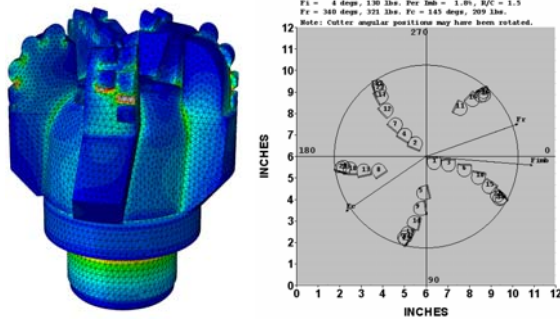
2.4 Design and R&D Facilities



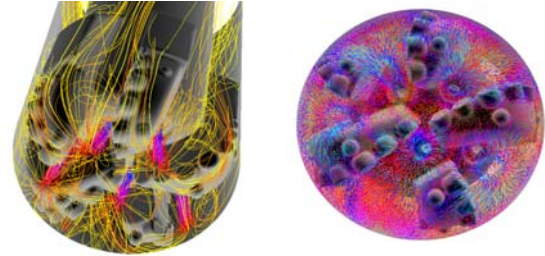
Design optimization: profile design and cutter layout of the diamond bit can be analyzed and optimized based on research and analysis on rock mechanical performance.



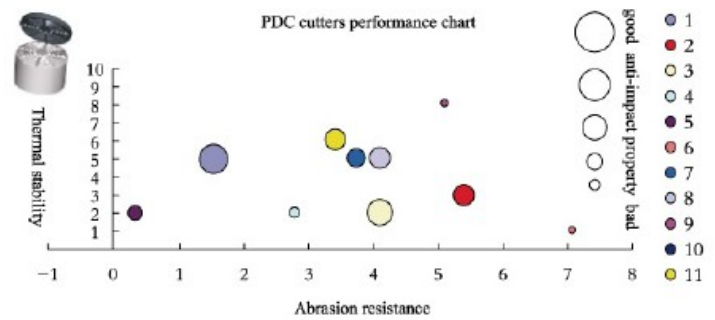
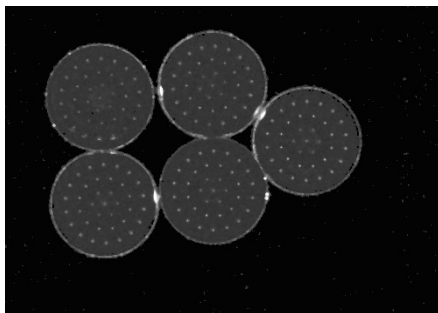
Mechanical analysis and FEA analysis for products design



Hydraulic structure of PDC bit based on CFD fluid analysis software is optimally designed



PDC cutters with different performance are developed to meet the requirements of drilling for different drilling condition



Section-3 Quality Control System

- Set up integrated QA system from material incoming inspection to site service
- Use CAD, CAM, and CAE technologies in product development to improve design quality
- Use DNC (Distributed Numeric Control) in manufacturing process to improve machining quality
- Implement SPC (Statistical Process Control), approach infinitely to zero defect

Knowledge of and compliance with recognized international standards





Certificate of Registration

APIQR® REGISTRATION NUMBER

0085

This certifies that the quality management system of

KINGDREAM PUBLIC LIMITED COMPANY
Qianjin Road, Guanghua
Qianjiang City, Hubei Province
People's Republic of China

has been assessed by the American Petroleum Institute Quality Registrar (APIQR®) and found it to be in conformance with the following standard:

ISO 9001:2008

The scope of this registration and the approved quality management system applies to the
Design and Manufacture of Roller Bits; Provision of Threading Services

APIQR® approves the organization's justification for excluding:

No Exclusions Identified as Applicable

Effective Date: March 8, 2010
Expiration Date: July 14, 2011
Registered Since: May 3, 1999

W. Dan Whittaker
Manager of Operations, APIQR

Accredited by Member of
the International
Accreditation Forum
Multilateral Recognition
Arrangement for Quality
Management Systems



This certificate is valid for the period specified herein. The registered organization must continually meet all requirements of APIQR's Registration Program and the requirements of the Registration Agreement. Registration is maintained and regularly monitored through annual full system audits. Further clarifications regarding the scope of this certificate and the applicability of ISO 9001 standard requirements may be obtained by consulting the registered organization. This certificate has been issued from APIQR offices located at 1220 L Street, N.W., Washington, D.C. 20005-4070, U.S.A., it is the property of APIQR, and must be returned upon request. To verify the authenticity of this certificate, go to www.api.org/compositelist.



0009-11K107-001 EM



**American
Petroleum
Institute**



2009-044

Certificate of Authority to use the Official API Monogram

License Number: 7-1-0710

ORIGINAL

The American Petroleum Institute hereby grants to

**KINGDREAM PUBLIC LIMITED COMPANY
Wuhan Rock Bit Manufacturing Plant
No. 456 Luoyo Road, Hongshan District
Wuhan, Hubei
People's Republic of China**

the right to use the Official API Monogram® on manufactured products under the conditions in the official publications of the American Petroleum Institute entitled API Spec Q1® and **API Spec 7-1** and in accordance with the provisions of the License Agreement.

In all cases where the Official API Monogram is applied, the API Monogram should be used in conjunction with this certificate number: **7-1-0710**

The American Petroleum Institute reserves the right to revoke this authorization to use the Official API Monogram for any reason satisfactory to the Board of Directors of the American Petroleum Institute.

The scope of this license includes the following products: Diamond Bits; PDC Bits

QMS Exclusions: No Exclusions Identified as Applicable

Effective Date: APRIL 27, 2009

Expiration Date: AUGUST 20, 2012

To verify the authenticity of this license, go to www.api.org/compositelist.

American Petroleum Institute

Director of Training and Certification Programs

Section-4 HSE Management System

Workshop and the inside of the factory



Note: HSE Manual pls see attachment-1.

Section-5 Drill Bit Catalogue

Note: Pls see attachment-2

Section-6 Experience in provision of Drilling Bits and Reference from Customers

No.	Client	PROJECT LOCATION/CONTACT INFO.	Remarks
1.	Shell Exploration and Production Co., Ltd.	3/F, East Wing, China World Trade Center (CWTC), No.1, Jian Guo Men Wai Avenue, Beijing	Three (3) years Contract
2.	TOTAL E&P Co	Xinyi Mansion, Andingmenwai Street 1, Chaoyang district, 100011 Beijing,	End-user
3.	Weatherford Energy Services Co., Ltd.	9F Ping An International Financial Centre, No. 1-3 Xinyuan South Road, Chaoyang District, Beijing	End-user
4.	ONGC (Libya project)	INDIA	End-user
5.	AGECO	TRIPOLI LIBIYA	End-user
6.	SPC (SYRIA PETROLUM CO.)	SYRIA	End-user
7.	China National Petroleum Corporation (CNPC)	No.6-1 Fuchengmen North Street, Xicheng District, Beijing, P.R.China	End-user
8.	China Petroleum & Chemical Corporation(Sinopec)	YEMEN/YADA IRAN/ BEIJING P.R.CHINA	End-user
9.	Great Wall Drilling & Exploration Engineering Co., Ltd., CNPC	New Skyline Technology Building, No.131, Dongting Road, Tianjin Economic & Technology Development Area(Tanggu), P.R.China	End-user
10.	CNOOC	8 Deshengmendongdajie, Xicheng District, Beijing, 100009, China	End-user
11.	Myanmar's State oil and gas company	Burma	End-user
12.	HALFAYA PROJECT (JOINT VENTURE OF CNPC/ TOTAL/ PETRONAS)	HALFAYA IRAQ	ONE YEAR CONTRACT
13.	National Iran Oil Company (NIOC)	Corner of Musa - Kalantari St., Sepahbod Gharani Ave., Tehran, Iran	End-user
14.	Pars Oil & Gas Company (POGC)	KISH ISLAND IRAN	End-user
15.	Rinco Alliance (INCLUDES: TATNEFT)	2A, Stary Petrovako-Razumovsky Lane, Moscow, 103287, Russia Tel: 7-495-787-5684 Fax: 7-495-787-5685	End-user & Distributor
16.	HIJET BIT INC. (INCLUDES: BIG DOG DRILLING CO. Chevron)	2651 Venture Drive, Norman, OK 73069 USA Tel: 405-321-8850 Fax: 405-447-3136	Distributor in USA
17.	J & L Supply Co. Ltd. (includes: Shell)	4511 Manitoa Road S.E. Calgary, Alberta Canada T2G 4B9 Canada Tel: 403-287-3300 Fax: 403-243-3599	Distributor in Canada

Note:Reference pls see attachment-3

Ref	Description	Details
1	Name/ title of project/ contract	Provision of Drilling Bits
2	Location of project	Yulin City, Shaanxi Province, China
3	Client and client's address	Shell China Exploration and Production Co., Ltd. 3/F, East Wing, China World Trade Center (CWTC), No.1, Jian Guo Men Wai Avenue, Beijing 100004, P.R.China
4	Short description	Three (3) years Contract
5	Approximate value	USD 137,826.00
6.1	Planned Commencement Date	6.1 June 01, 2008
6.2	Actual Commencement Date	6.2 June 01, 2008
6.3	Reasons for differences between plan and actual if any.	
7	Brief description of the scope of work/ services (duration, number of equipment, people, wells, jobs, etc.)	a) Design and supply of drill bits and accessories in accordance with best oilfield practices. b) Bit optimization services, PDC Repair Services, Reboxing, Inventory management.

Ref	Description	Details
1	Name/ title of project/ contract	Provision of Drilling Bits
2	Location of project	Jinzhou, Liaoning Province, China
3	Client and client's address	Weatherford (China) Energy Services Co., Ltd. Room 1008, Fortune Plaza Office Tower A No.7 Dongsanhuanzhong Road, Chaoyang district, Beijing 100020, P.R.China
4	Short description	End-user
5	Approximate value	USD 43,063.00
6.1	Planned Commencement Date	6.1 Apr. 15, 2009
6.2	Actual Commencement Date	6.2 Apr. 15, 2009
6.3	Reasons for differences between plan and actual if any.	
7	Brief description of the scope of work/ services (duration, number of equipment, people, wells, jobs, etc.)	a) Bit selection and recommendation. b) Provision of drill bits and accessories. c) Bit optimization services.

Ref	Description	Details
1	Name/ title of project/ contract	Provision of Drilling Bits
2	Location of project	Yadavaran, Iran
3	Client and client's address	SINOPEC International Petroleum E&P Corporation (Yadavaran Project) 6 th , 7 th floors, Etela'at Building, South Naft St., Mirdamad Ave, Tehran, Iran
4	Short description	End-user
5	Approximate value	
6.1	Planned Commencement Date	6.1 Oct, 2010
6.2	Actual Commencement Date	6.2
6.3	Reasons for differences between plan and actual if any.	
7	Brief description of the scope of work/ services (duration, number of equipment, people, wells, jobs, etc.)	a) Bit selection and recommendation. b) Provision of drill bits and accessories. c) Bit optimization services.

Ref	Description	Details
1	Name/ title of project/ contract	Provision of Drilling Bits
2	Location of project	USA
3	Client and client's address	HIJET BIT INC. 2651 Venture Drive, Norman, OK 73069 USA
4	Short description	Exclusive agent in USA
5	Approximate value	USD 15,000,000.00 (2008)
6.1	Planned Commencement Date	6.1 1999
6.2	Actual Commencement Date	6.2 1999
6.3	Reasons for differences between plan and actual if any.	
7	Brief description of the scope of work/ services (duration, number of equipment, people, wells, jobs, etc.)	a) Bit selection and recommendation. b) Provision of drill bits and accessories. c) Bit optimization services.

Section-7 Drill Bit Performance Record

No	Country	Performance data												
1	Chinese ocean oil field	SIZE	TYPE	MAKE	JET	Depth in/out	FOOTAGE	HOURS	ROP	WOB	PRM	PUMP (GPM/PSI)	GRADING COMMENTS	
		17.5	GJ135	JZ	X74GT352	190/1003	813	13.5	60	10	120	1000/2100	2-4-WT-A-E-1-BT-TD	
		17.5	GJ115L	JZ	2X20, OPEN	188/915	727	13.17	55.2	2	85-95	940/1600	2-2-WT-A-F-I-WT-BHA	
		17.5	GA114	JZ	3X24	176/955	779	14	55.7	0-5	106	1000/2260	1-1-1-A-1-1-TD	
2	Midland oil field (U.S.A)	Item No.	size & type	well No.	nozzle size (mm)	in / out (Ft)	footage (Ft)	drilling hours (h)	ROP (Ft/h)	WOB (KLB)	RPM	flow rate (GPM)	bump pressure (PSI)	
		1	12-1/4" HAT537	BAILEY35	13x2+12	305/3631	3326	76.75	43.34	35/45	80/70	65.3	900/950	
		2	12-1/4" HAT537	PARKS28	12x2+11	395/5160	4765	125.25	38	45	65/75	66.5	1400	
		3	7-7/8" HAT537	BAILEY35	12x3	4280/7893	3631	102.25	35.34	40/45	60	70.2	1100	
		4	7-7/8" HAT537	PARKS28	12x3	5160/7148	1988	91.75	21.67	25/45	60	70.2	1200	
3	Iranian oil field	FIELD	WELL NO	TYPE	SER.NO	FORM	M.W	WOB	GPM	DEPTH OUT	MET	HOURS	ROP	CONDITON
		PZ	110	12 1/4"GA214	8969	CR	131	35	850	2610	25	16	1.56	T4B2I
		BH	111	12 1/4"GA214	9806	GS-6	132	40	400	1981	67	51	1.3	T6B6I
		GS	282	12 1/4"GA214	8961	MN	65	25	700	275	31	5	6.2	T3B1I
		GS	272	12 1/4"GA214	8989	MN	86	35	400	2613	50	40	1.25	T4B4I
		MN	250	17 1/2"W121	8536	AJ	70	50	900	2105	145	45	3.2	T4B5I
		MN	252	17 1/2"W121	8557	AJ	74	45	850	1757	147	55	2.6	T4B4I
		MN	248	17 1/2"W121	8561	AJ MN	69	40	870	1771	151	41	3.7	T3B5I
GS	281	17 1/2"W121	8558	MN	75	40	850	1512	172	46	3.7	T4B5I		
Operator: M.Haydari NIOC-Drilling South														
4	Canadian oil field	Operator representatives: Northrock resources ltd												
		Well name: NORTHRICK ET AL 2 FERRIER LOCATION 10-27-41-9-W-5												
		SPUD DATE: 06/07/00 SET SURFACE: 615												
TOTAL DEPTH : RELEASED														
CONTRACTOR: H&R DRILLING RIG NO: 8 TOOLPUSH ROSS														
PUMP#1: 8-P-80 PUMP#2: 0 LINER SIZE: 152 LINER SIZE: 0														
BIT NO: 1-A SIZE: 311mm MAKE: JZ TYPE: HAT127 JETS: 3X 22.2 SERICALNo: 10584														
		Depth out	Meter drilled	Hours	M/hr	CUM/HRS	Condition	No. of DC	WOB	RPM	DEV	P.PRESS		
		207	207	17.50	11.8	17.50	5-2-1	14	3-4	150	1 1/2	4100		

Section-8 Local Representative

SAHID SENDIRIAN BERHAD

#29, Simpang 81-4

Jalan Selatan Satu, G25

Seria

Brunei Darussalam KB4333

Phone: +673 3224541

Fax: +673 3223838

Email: Sahid@brunet.bn

Section-9 Appendix

Attachment-1 HSE Manual

Attachment-2 Drill Bit Catalogue

Attachment-3 Reference from Customers