



PROJECT NEWSLETTER



Status Summary

The pace of construction and hookup work offshore is very rapid as we near completion of our construction activities. As of November 20th, the date of this summary, the construction status is as follows:

- √ FPS mooring operations are complete
- √ All pipelines have been laid
- √ All pipeline steel catenary risers (SCRs) have been installed
- √ All subsea manifolds have been installed
- √ Both sections of the Marmalard subsea control umbilical have been installed
- SCR to hull piping tie is 50% complete
- Installation of the VK 817 "A" 12" risers tie in and pig receiver & launcher is 95% complete
- Production system I&E installation and commissioning is ongoing

The Enco 8503 is on location and currently drilling the MC 208 #1. The Seadrill West Neptune is expected to arrive in the Gulf of Mexico by early December. The Sevan Louisiana will move to the Delta House field after performing a P&A at another location. Expect to be on location at DH by mid-December.

Have a Happy Thanksgiving!

Drilling & Completions

Drilling and Completions activity at Delta House is rapidly accelerating. In early October, Enco 8503 started drilling operations on MC 208 #1 which is being drilled from the MC 253 manifold location. The rig team has made great progress and will be drilling the production interval within the 3rd week of November. Depending on the subsurface results, if we need a commingling permit for the subsequent completion, we will hop the BOPs over to the other side of the manifold and complete the MC 208 #1 well. Then, hop the BOPs back to the MC 253 #3 well for the second completion. If the MC 253 #3 subsurface can be completed without a commingling permit we will stay on the MC 208 well completion, then hop the BOPs over to the MC 253 #3 well. The last well activity on the Enco 8503 program will be the SOB #2 well completion at MC 431.

The Sevan Louisiana is currently performing a P&A outside of the Delta House Field and should return by mid-December for the drilling of the Marmalard #3 well at MC 300. This will be a drilling only activity. The subsequent completion of the Marmalard #3 will be done by the Seadrill West Neptune.

The Seadrill West Neptune is on schedule to reach the Gulf of Mexico in the first week of December. The West Neptune will batch complete the remainder of the Delta House wells, starting with the MC 255 SS001. Plans are to have three to four wells completed and ready for the Delta House FPS projected date for first production on March 15th, 2014.



Enco 8503



West Neptune

TOPSIDES

VK 817 Topsides

- Offshore Hookup – Activities near completion with the 12” incoming and departing pipeline risers, boarding valves and down comer installed along with the pig launcher and receiver skids being tied in.
- Topsides piping leak tested and pre-hydro completed in preparation for pipeline hydrotest and dewatering operations.
- E & I (Omega) – Installation of PLC/HMI panel, cable runs to MCC, tubing runs, and instrumentation installation completed. The pending installation of the 12” SDV will finalize hookup and E&I activities.
- Communications – The communications package arrived at VK 817 “A”. Commissioning of system scheduled in December once software programming is complete.
- 12” Shutdown Valves (Cameron) – Valves undergoing testing for acceptance.

SUBSEA

Engineering & Regulatory

- One jumper permit is still pending approval. All other DWOP, pipeline, jumper and umbilical permits have been approved.

Pipeline & Riser

- SCR & Line Pipe – All pipe has been coated and shipped to Technip, stalked and spooled up.
- Titanium Stress Joints (2H/RTI) – Fabrication is complete. All TSJ’s have been delivered and loaded onto the Deep Blue.

Manifolds, Jumpers and PLETs

- All Subsea Manifolds and PLET’s have been fabricated, shipped and installed.
- Jumpers (New Industries) – Fabrication, testing and coating continues.

Subsea Distribution

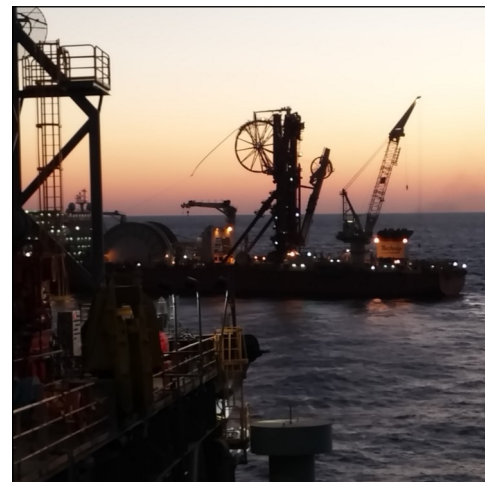
- Umbilical Fabrication (Duco) – MC 300 dynamic and MC 208 umbilicals were shipped to core base in Alabama. MC 431 umbilical termination is starting.
- Subsea Controls (FMC) – Subsea hardware fabrication is complete. Shipping of components to Houma and Fourchon is ongoing.

Pipeline & Riser Installation (Technip)

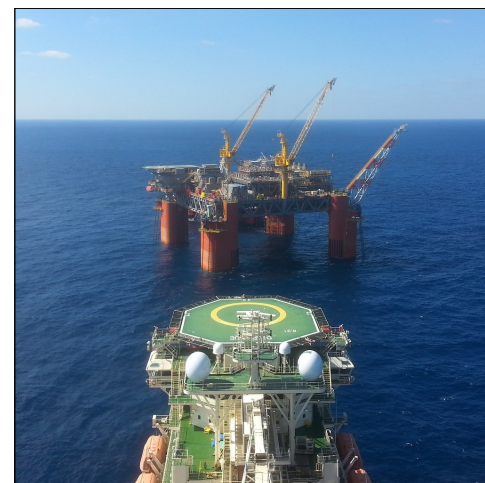
- Deep Blue Trip 3 (MC 431 flowline and SCR’s) was completed 10/29/14. Trip 4 will take place between 11/3/14 and 11/22/14. The DSV Uncle John continues to assist with SCR installations and has completed hull spool tie-in of the two Marmalard 8” SCR’s.
- Export pipeline commissioning and tie-ins are scheduled for late Nov./early Dec. 2014. Gas pipeline dewatering is scheduled to begin 11/24/14.

Umbilical & Subsea Controls Installation (Oceaneering)

- The Olympic Intervention 4 completed installation of the UTA’s, Marmalard South static umbilical and several flying leads on 10/26/14.
- The Olympic Boa will mobilize around 11/9/14 to install the Marmalard and MC 208 dynamic umbilicals and some flying leads.
- The Normand Vision will mobilize to install the SOB2 umbilical in late Jan./early Feb. 2015



View of M/V Deep Blue



View of Delta House aboard the M/V Deep Blue



Marmalard West Riser Landing in the Basket