



HIGH ARCTIC
Energy Services PNG Ltd.
PO Box 593, Waigani
Unit 3, 4 & 5 Mage Mage Gardens, Kitogara Street
Gordons 5, NCD, Port Moresby, Papua New Guinea
Phone: (675) 323-3809 Fax: (675) 323-1407

CONFIDENTIAL

21 May 2009

Mr John Akar
Rig 102 Clerk
C / HAES Moro Base
MORO
Southern Highlands Province

Dear John,

RE: HIGH ARCTIC ENERGY SERVICES PNG LIMITED RESPONSE TO E-MAIL DATED 8 MAY RE: ALLEGATION OF EMPLOYMENT OF NON-CITIZENS ON BUSINESS VISA

I, on behalf of High Arctic Energy Services PNG Limited's ("hereinafter the Company") acknowledge receipt of your e-mail dated 8 May 2009 and note the contents therein.

Notwithstanding our response to your allegations in your initial e-mail of 7 March 2009, you have continued to make veiled threats to report the Company to the Ombudsman Commission and to the Police and for reasons, which can be inferred as a ploy to unjustly enrich yourself, again insist on a private discussion between myself and yourself, prior to "you taking action".

Your proposition for us to meet to discuss the "matter", given the nature of what you are alleging is totally inappropriate and in itself connotes an ulterior motive. We reserve the right to provide copies of your e-mails and our responses, to the relevant authorities, including the Police.

We continue to stand by our initial response to the allegation in our letter dated 23 March 2009 and will fully co-operate with any investigation that the authorities, at their discretion wish to undertake, in regards to your allegations.

Finally, the parallels that you make with reference to our alleged wrong doing and that of Parker Drilling, is unfounded and as such we reserve our right to pursue all available legal redress against you, when the investigations fully exonerate the Company from any non-compliance.

In closing, whilst your action is regrettable, the Company will simply not tolerate any form of intimidation and will defend any action to tarnish the reputable name of HAES.

For the record, you are hereby reminded that HAES has a proprietary right over all information gained in the performance of your services to the Company and reserves its right to take appropriate legal action for any disclosure deemed not to be within the ambit of your employed roles.



We now ask that you refrain from any further correspondence with myself and proceed as you see fit, as we similarly will also proceed as we deem appropriate, to bring this matter to a closure.

Yours faithfully,

A handwritten signature in black ink that reads "K Doran".

Kevin Doran
Regional Manager
Australia / Asia-Pacific Region