

<p class="MsoNormal" style="margin-bottom: 12pt"><!--?xml:namespace prefix = "o" ns = "urn:schemas-microsoft-com:office:office" /--><o:p /></p>

<p class="MsoNormal" style="margin-bottom: 12pt">Updates

to this report will be in bold red lettering.<o:p /></p>

<p class="MsoNormal">Situation:<o:p /></p>

<p class="MsoNormal"><u>24 July 2013<o:p /></u></p>

<p class="MsoNormal" style="margin-bottom: 12pt">At

2300 hours 23 July, USCG reported the drilling platform Hercules 265 caught
 fire, the cause of this fire is unknown at this time. USCG stated that
 the cause could have possibly been due to friction from sand being brought to
 surface. The platform continues to burn at this time and part of the
 tower has collapsed into the water. All the hydrocarbons are being
 consumed by the fire and does not pose a threat. There is currently no
 sheen or oil discharge and there is no anticipated spillage with this incident.<o:p /></p>

<p class="MsoNormal" style="margin-bottom: 12pt">BSEE

has directed Walter Oil and Gas Corporation to commence actions to mobilize a
 relief well out of Port Fourchon. This relief well has approximately four
 days before mobilization will begin. <o:p /></p>

