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<p class="MsoNormal" style="margin-bottom: 12pt"><b><span style="color: red">Updates<br />
to this report will be in bold red lettering.</span></b></p><br />
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<p class="MsoNormal"><b>Situation:</b></p><br />
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<p class="MsoNormal" style="margin-bottom: 12pt"><b><u>24 July 2013</u></b></p><br />
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<p class="MsoNormal" style="margin-bottom: 12pt">At <br />
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.</p><br />
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<p class="MsoNormal" style="margin-bottom: 12pt"><b>BSEE</b></p><br />
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<p class="MsoNormal" style="margin-bottom: 12pt">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.</p><br />
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<p class="MsoNormal" style="margin-bottom: 12pt"><b><u>23 July 2013</u></b></p><br />
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<p class="MsoNormal" style="margin-bottom: 12pt">At <br />
1101 hours 23 July, USCG reported a "well blow out" from a drilling platform (Hercules 265) that occurred at 0645 hours in south Timbalier, southwest of Grand Isle, in the Gulf of Mexico. This incident is approximately 47 miles off-shore and 111 miles southwest of New Orleans, Louisiana. The Hercules 265 rig is currently located in 150 feet of water in the Gulf of Mexico.</p><br />
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<p class="MsoNormal" style="margin-bottom: 12pt">All 44 personnel aboard the Hercules Well Blowout - Gulf of Mexico 23 July 2013</p>