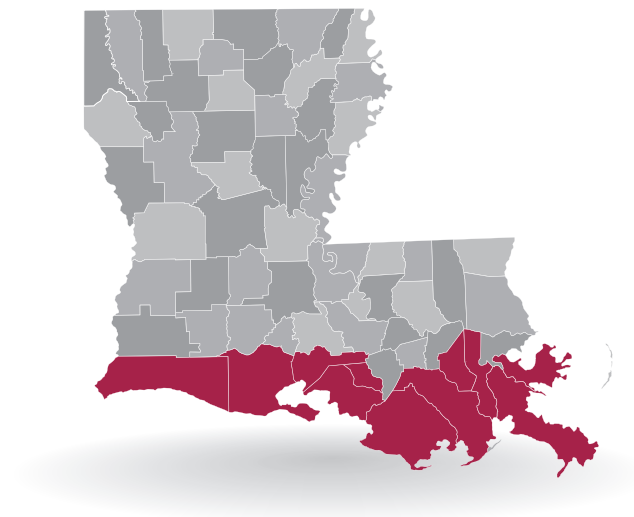


DAVY JONES

Southwest Louisiana is home to an onshore and offshore play called the “Davy Jones”. The Davy Jones could potentially be one of the largest natural resource discoveries in decades. While it is an onshore and offshore play, most wells will be drilled onshore to depths greater than 22,000 feet.



In January 2010, New Orleans-based McMoRan Exploration Co. announced the Davy Jones discovery. Experts believe that this recent prospect discovery is so significant that it is reshaping the way the oil and gas industry thinks about the subsurface geology of the Gulf of Mexico shelf.

The Davy Jones prospect could potentially be one of the largest natural resource discoveries in decades in the shallow waters of the Gulf of Mexico. The Eocene-Paleocene rock formation just off the central Louisiana coast is estimated to contain an estimated 2.0 to 6.0 trillion cubic feet (tcf) of natural gas. The highly productive formation is located approximately 29,000 feet below the surface of the earth.

Until this find, the shallow waters of the shelf of the Gulf of Mexico have been considered as thoroughly explored. The Davy Jones discovery could spur a new wave of drilling on the shelf, provided natural gas prices make it economical to do so. This would be a boon to drilling contractors and oilfield service companies in Louisiana, as well as the operators, partners, and investors in the projects conducted in this field.