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COMPANIES FORM No. 88(3)

88(3)

CHFP010.

Please do not write in this margin

Particulars of a contract relating to shares allotted as fully or partly paid up otherwise than in cash

Pursuant to section 88(3) of the Companies Act 1985

Note: This form is only for use when the contract has not been reduced to writing

Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies (address overleaf)

For official use

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Company Number

00873028

Please do not write in space below. For Inland Revenue use only.

The particulars must be stamped with the same stamp duty as would have been payable if the contract had been reduced to writing. A reduced rate of ad valorem duty may be available if this form is properly certified at the appropriate amount.

Name of company

* Insert full name of company

*Varco Limited ('the Company')

gives the following particulars of a contract which has not been reduced to writing

1 The number of shares allotted as fully or partly paid up otherwise than in cash	10,514,555
2 The nominal value of each such share	£ 1
3a The amount of such nominal value to be considered as paid up on each share otherwise than in cash	£ 1
b The value of each share allotted i.e. the nominal value and any premium	£ 1
c The amount to be considered as paid up in respect of b	£ 1
4 If the consideration for the allotment of such shares is services, or any consideration other than that mentioned below in 8, state the nature and amount of such consideration, and the number of shares allotted	Capitalisation of loan of £10,514,555 by Tuboscope Holdings Limited in return for 10,514,555 Ord £1 Shares

Presenter's name, address and reference (if any):

Paull & Williamsons
Investment House
6 Union Row
Aberdeen AB10 1DQ

DSF/GJM/VJM VAR/8/43

For official use

Capital Section

Post room



Please do not write in this margin

5 If the allotment is a bonus issue, state the amount of reserves capitalised in respect of this issue	£	
6 If the allotment is made in consideration of the release of a debt, e.g., a director's loan account, state the amount released	£ 10,514,555.00	
7 If the allotment is made in connection with the conversion of loan stock, state the amount of stock converted in respect of this issue	£	
8 If the allotment is made in satisfaction or part satisfaction of the purchase price of property, give below:		
a brief description of property: N/A		
b full particulars of the manner in which the purchase price is to be satisfied Amount of consideration payable in cash or bills Amount of consideration payable in debentures, etc Amount of consideration payable in shares ... Liabilities of the vendor assumed by the purchaser: Amount due on mortgages of freeholds and/or leaseholds including interest to date of sale Hire purchase etc debts in respect of goods acquired Other liabilities of the vendor, Any other consideration	£	p

Please do not write in this margin

* Where such properties are sold subject to mortgage, the gross value should be shown

9 Give full particulars in the form of the following table, of the property which is the subject of the sale, showing in detail how the total purchase price is apportioned between the respective heads:

	£
Legal estates in freehold property and fixed plant and machinery and other fixtures thereon *	
Legal estates in leasehold property *	
Fixed plant and machinery on leasehold property (including tenants', trade and other fixtures)	
Equitable interests in freehold or leasehold property *	
Loose plant and machinery, stock-in-trade and other chattels (plant and machinery should not be included under this head unless it was in actual state of severance on the date of the sale)	
Goods, wares and merchandise subject to hire purchase or other agreements (written down value)	
Goodwill and benefit of contracts	
Patents, designs, trademarks licences, copyrights, etc	
Book and other debts	
Cash in hand and at bank on current account, bills, notes, etc	
Cash on deposit at bank or elsewhere	
Shares, debentures and other investments	
Other property	

‡ Insert Director, Secretary, Administrator, Administrative Receiver or Receiver (Scotland) as appropriate

Signed T O Bayle Designation ‡ DIRECTOR Date 26-5-2005

Certificate of value §

§ This certificate must be signed by the persons to whom the shares have been allotted, as well as by an officer of the company.

It is certified that the transaction effected by the contract does not form part of a larger transaction or series of transactions in respect of which the amount or value, or aggregate amount or value, of the consideration exceeds £ 10,514,555

Signed _____ Date _____

Signed _____ Date _____