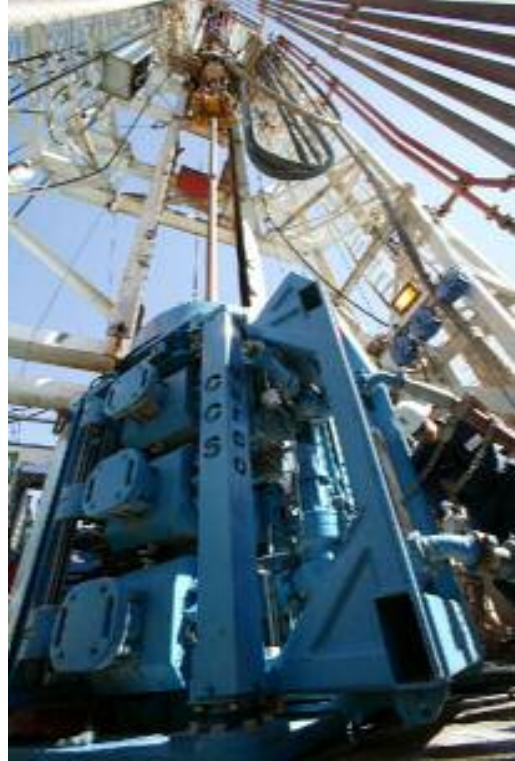


First Commercial use of Continuous Circulation System is Successful in Italy

National Oilwell Varco announce the successful completion of the first commercial use of their Continuous Circulation System – CCS - in the Val d’Agri oilfield managed by Eni S.p.A. in the Basilicata region of Southern Italy near Villa d’Agri.

The Monte Enoc 10 well was drilled utilizing the CCS on Pergemine Rig 7 with 5” inch drill pipe to drill 660 meters of 12 ¼” hole from the 13 5/8” casing shoe to a depth of approximately 2500 meters. Injection pressures ranged from 2000 to 3000 psi with pump flow rates varying from 60 to 70 bpm. Inclination was 0 degrees at the casing shoe and was increased to 35 degrees. The CCS was used to make 82 connections – 20 while drilling and 62 connections while performing tripping operations. Based on this successful test, Eni S.p.A. plan to use the CCS offshore Egypt in late May/early June 2005.



National Oilwell Varco’s CCS on Pergemine Rig No 7 for Eni S.p.A.

This new technology was developed by National Oilwell Varco in a Joint Industry Project with participation by BP, British Gas, Eni S.p.A., Statoil, Shell and Total.

The Continuous Circulation System combines three Ram BOP’s with an iron roughneck like component and integral drill pipe slips to make connections with jointed pipe while maintaining circulation. The system employs fiber optics for inter-tool communication and a touch screen GUI - graphical user interface - for operator control.

The CCS eliminates turning off the pumps to keep a constant bottom hole pressure during connections with jointed pipe. This facilitates drilling wells with a narrow pore pressure/frac pressure window that can make drilling difficult or impractical with conventional techniques. The CSS also reduces stuck pipe incidents. Continuous circulation mitigates well bore ballooning effects and the likely hood of taking unexpected oil and gas influxes. Cuttings transport and removal are also improved.