

06-18-2002



Form PTO-1595 (Rev. 03/01)

RE

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

OMB No. 0651-0027 (exp. 5/31/2002)

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Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): Smith International (North Sea) Limited Hugh Keir David Wade Webster Additional name(s) of conveying party(ies) attached? [] Yes [x] No

5-22-02

2. Name and address of receiving party(ies) Name: 3D Stabilisers Limited Internal Address: Street Address: Johnstone House, 52-54 Rose Street, Aberdeen AB10 1HA Scotland City: State: Zip: Additional name(s) & address(es) attached? [] Yes [x] No

3. Nature of conveyance: [x] Assignment [] Merger [] Security Agreement [] Change of Name [] Other Execution Date: 1/15/2002

4. Application number(s) or patent number(s): If this document is being filed together with a new application, the execution date of the application is: A. Patent Application No.(s) B. Patent No.(s) 5,603,386 Additional numbers attached? [] Yes [x] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Stuart J. Ford Internal Address: PathFinder Energy Services Street Address: 15151 Sommermeyer St. City: Houston State: TX Zip: 77041

6. Total number of applications and patents involved: 1 7. Total fee (37 CFR 3.41) \$ 40.00 [] Enclosed [x] Authorized to be charged to deposit account 8. Deposit account number: 50-2255

DO NOT USE THIS SPACE

9. Signature. 06/18/2002 LNUELLER 00000044 502255 5603386 40.00 CH Stuart J. Ford Name of Person Signing

Signature

5/22/02 Date

Total number of pages including cover sheet, attachments, and documents: 8

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks, Box Assignments Washington, D.C. 20231

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DEED OF ASSIGNMENT

THIS DEED OF ASSIGNMENT ("Deed") is made on the 15th day of JANUARY, 2002.

BETWEEN:

- (1) **SMITH INTERNATIONAL (NORTH SEA) LIMITED**, a company incorporated in England with registered number 2533968, whose registered office is at Unit 2, Hewett Road, Gapton Hall Industrial Estate, Great Yarmouth, Norfolk, NR31 0NN ("Smith International");
- (2) **THE RED BARON (OIL TOOLS RENTAL) LIMITED**, a company incorporated in Scotland with registered number SC77737, whose registered office is at Badentoy Avenue, Badentoy Industrial, Portlethen, Aberdeen, Aberdeenshire, AB12 4YB ("The Red Baron");
- (3) **HUGH KEIR** of 6 Macaulay Drive, Aberdeen, AB15 8FL ("Mr. Keir");
- (4) **DAVID WADE WEBSTER** of Prospect Cottage, Welsh Newton Common, Nr Monmouth, NP5 3RT ("Mr. Webster"); and
- (5) **3D STABILISERS LIMITED**, a company incorporated in Scotland with registered number SC135878, whose registered office is at Johnstone House, 52-54 Rose Street, Aberdeen AB10 1HA (the "Company").

RECITALS

- A. Disclosure relating to the Equipment was originally filed in U.K. patent application no. GB 9204910 on 5 March 1992 by the Company, then named "Ledge 101 Limited". The Company then filed an application under the Patent Cooperation Treaty ("PCT") on 5 March 1993 based on the disclosure of this U.K. patent application, but not claiming priority thereto. The Patents have since issued based upon this PCT application as set forth on Schedule 1 attached hereto. Mr Webster is the inventor of record on all of the Patents.
- B. In November 1996 The Red Baron transferred its entire business and assets to Smith International which is its wholly owned subsidiary. In July 2000 The Red Baron transferred all of its shareholding in the Company to Smith International.
- C. This Deed is made pursuant to the obligations of Smith International, Mr. Keir and Mr. Webster each as a Vendor as set out at Clause 4.2(d) of the Sale and Purchase Agreement (the "SPA") pursuant to which each of the Vendors will sell all of the shares in the Company held by it or him to Pathfinder Energy Services Limited. The boards of Smith International and the Red Baron, having carefully considered the terms of this Deed, have resolved that it is in the best interests of their companies to enter into this Deed.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

In this Deed the following words shall have the following meanings:

“**Affiliates**” means, with respect to any person, any other person controlling, controlled by or under common control with such person. For purposes of this definition and this Deed, term “control” (and correlative terms) means the power, whether by contract, equity ownership or otherwise, to direct the policies or management of a person;

“**Equipment**” means the rotary steering tool being developed by the Company upon which the disclosure in the Patents is based;

“**Intellectual Property**” means, whether or not identified as of the date of this Agreement and whether or not reduced to writing or other tangible form: patents, trade marks, service marks, rights (registered or unregistered) in any designs; trade or business names; trade dress rights; brand names, designs and logos; copyrights (including rights in computer software), works of authorship and manuscripts (whether or not published) and topography rights; moral rights, rights of attribution and integrity and rights of publicity; inventions, trades secrets, know-how and expertise; secret formulae and processes; lists of suppliers and customers and other confidential and proprietary knowledge and information; rights protecting goodwill and reputation; database rights and rights under licences and consents in relation to such things; all rights or forms of protection of a similar nature to any of the foregoing or having equivalent effect anywhere in the world; all rights of priority in relation to any of the foregoing; all rights to enforce, sue or take legal action on any of the foregoing; all applications for registration of any of the foregoing and all rights to apply therefor; all variations, improvements or enhancements to any of the foregoing; and, in the case of patents and patent applications, all continuations, continuations-in-part, divisionals, re-issues, re-examinations, extensions, provisionals and the like thereof. The Intellectual Property of the Company shall, without limitation, be defined to include all of the Company’s rights in the rotary steering tool being developed by the Company as disclosed in the Patents and further developed by the Company on or before the date hereof.

“**Patent**” or “**Patents**” means one or more or all of the patents listed on Schedule 1 of this Agreement, as context requires.

2. ASSIGNMENT

2.1 Smith International, The Red Baron, Mr Keir and Mr Webster hereby assign to the Company all Intellectual Property relating to the Patents and the Equipment that they own or to which they have any right, title or interest (whether legal or beneficial). Further, Smith International and The Red Baron shall each procure that each of their Affiliates assigns to the Company any Intellectual Property relating to the Patents or Equipment that such Affiliates are discovered to own or to have any right, title or interest therein (whether legal or beneficial).

2.2 Smith International, The Red Baron, Mr. Keir and Mr. Webster hereby irrevocably and unconditionally waive all claims, demands, rights and causes of action that they

have or may have that arise out of or in connection with any Intellectual Property relating to the Patents or Equipment that they own or to which they have any right, title or interest (whether legal or beneficial). Smith International and The Red Baron shall each procure that each of their Affiliates irrevocably and unconditionally waive all claims, demands, rights and causes of actions that such Affiliates are discovered to own or to have any right, title or interest therein (whether legal or beneficial) arising out of or in connection with any Intellectual Property relating to the Patents or Equipment.

3. NOTICES

Notices may be given by either party by first class prepaid recorded delivery letter or by facsimile transmission addressed to the other, or by delivery at (in the case of a notice to a company) its registered office for the time being and (in the case of an individual) his last known address and in the case of a letter shall be deemed to have been given 48 hours after posting and in the case of facsimile transmission or delivery shall be deemed to have been given at 9.00 am on the business day following successful transmission or delivery as the case may be.

4. MISCELLANEOUS

Clauses 10.4, 10.5, 10.6 and 10.7 of the SPA shall apply to this Deed and shall be construed as part of this Deed.

This Deed shall be binding upon and inure for the benefit of the successors of the parties but shall not be assignable.

5. GOVERNING LAW

This Deed and any dispute arising in relation to it or its formation shall be governed by and construed in accordance with the laws of England and Wales.

IN WITNESS whereof this document is executed as a deed by the duly authorised officers of each of the parties on the date first above written.

SCHEDULE 1

PATENTS HELD BY 3D STABILISERS LIMITED (formerly known as Ledge 101 Limited)

NOTES:

- 1) The priority date for all the Patents is 5 March 1992, corresponding to a UK patent application no. GB 9204910
- 2) The international application under the Patents Cooperation Treaty (PCT) was made on 5 March 1993 and published on 16 September 1993 in Gazette 1993/22, with the International Application No.: PCT/GB93/00465 and International Publication No.: WO 93/18273
- 3) * Granted as a European patent at the European Patents Office thereby sharing one European patent number EP 0628127 and one European application number 93905522.4 with the contracting states designated within the application. For the purposes of German domestic law, the German patent is renumbered as shown in the table below.

4) ** Pending application only.

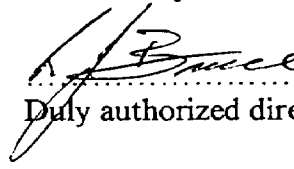
(1) Jurisdiction	(2) Patents Title	(3) Application Number	(4) Patent Number	(5) Filing Date	(6) Patent Issue Date	(7) Registered Proprietor/Patent Assignee	(8) Applicable Percentage (%)
Denmark*	Borehulsværktøj til styring af boretningerne af et borehul	93905522.4	DK 0628127 T3	5 March 1993	1 October 1997	Ledge 101 Limited	4.0
France*	Outil de fond de sondage pour forage directionnel	93905522.4	EP 0628127	5 March 1993	1 October 1997	Ledge 101 Limited	4.0
Netherlands*	Boorgatwerktuig voor het besturen van de boorrichting van een	93905522.4	EP 0628127	5 March 1993	1 October 1997	Ledge 101 Limited	4.0

6:09 A1/P1/AWH1238/1 Deed of Assignment of Intellectual Property - Execution version (2)

	boorgat											
Germany*	Bohrlochwerkzeug zum steuern der bohrrichtung eines bohrloches	93905522.4	DE 69314327.T2	5 March 1993	1 October 1997	Ledge 101 Limited						26.0
Italy*	Utensile di trivellazione per controllare la traiettoria di foratura di un foro di trivellazione	93905522.4	EP 0628127	5 March 1993	1 October 1997	Ledge 101 Limited						4.0
Australia	Downhole Tool for Controlling the Drilling Course of a Borehole	36422/93	AU 673996	5 March 1993	5 December 1996	Ledge 101 Limited						0.01
Norway	Brønnverktøy for styring av borekursen til et borehull	1994.3265	NO 306632	5 March 1993	27 November 1999	Ledge 101 Limited						26.0
Brazil	Ferramenta para fundo de furo	PI9306019-0	PI9306019-0	5 March 1993	12 December 1998	Ledge 101 Limited						4.0
U.S.A	Downhole Tool for Controlling the Drilling Course of a Borehole	524,953	5,603,386	8 September 1995	18 February 1997	Ledge 101 Limited						27.0
Canada**	Downhole Tool for Controlling the Drilling Course of a Borehole	CA 2131456	Not yet granted/ pending	5 March 1993	Not yet granted/ pending	Ledge 101 Limited						0.99

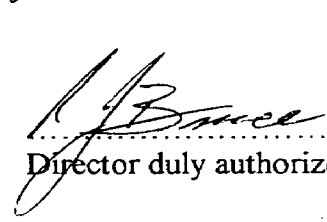
EXECUTED as a DEED and
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INTERNATIONAL (NORTH SEA)
LIMITED acting by its secretary and a
director or by two directors

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Duly authorized director/secretary

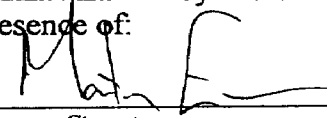
EXECUTED as a DEED and
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(OIL TOOLS RENTAL) LIMITED
acting by a director

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) Director duly authorized
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Director duly authorized

SIGNED as a DEED and
DELIVERED by HUGH KEIR in the
presence of:

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Witness Signature

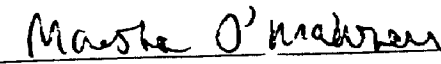
MARTIN EWAN
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Witness Name

JOHNSTONE HOUSE
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Witness Address
ROSE STREET
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ABERDEEN
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SOLICITOR
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Witness Occupation

SIGNED as a DEED and
DELIVERED by DAVID WADE
WEBSTER in the presence of:

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Witness Signature

MARSHA O'MAHONY

Witness Name

PROSPECT CASTLE

Witness Address

WELSH NEWTON COMMONS

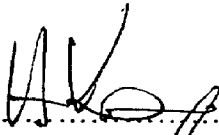
MONMOUTH.

RESEARCHER

Witness Occupation

EXECUTED as a **DEED** and
DELIVERED by **3D STABILISERS**
LIMITED acting by two directors

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Hugh Keir (duly authorized director)

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Gordon Alexander Bruce
as duly appointed alternate for Michael
Cheyne Leys (duly authorized director)