

## CTE: LHD Equipment Purchase Timeline

- Jan 2010: Owned 2 LHD units. Cost and date of purchase not reported. License agreement with Jet Drill was not until Oct. 2010. At 9/30/09 BS line-item for equipment was \$13.5 MM (up from \$11.6 MM at 9/30/08).
- Enters DB loan agreement (amended 10/12/10). Pledges as collateral 2 existing LHD units, 6 units to be purchased with loan proceeds, and 2 more “upcoming” units. Enters LHD equipment purchase agreement calling for \$40.7 MM in payments.
- June 2010: By 6/30/10, purchased 3<sup>rd</sup> and 4<sup>th</sup> LHD units for \$21.2 MM, and made deposit of \$17.5 MM for 6 additional units.
- Sept 2010: Owns 8 units, expects 2 more by the end of Oct. 2010. Reports total cap-ex for FY10 of \$47.5 MM (for 6 units acquired in FY10, \$47.5 MM implies average price of \$7.9 MM per unit).
- Dec 2010: Receives 2 more LHD units, bringing total to 10. Equipment line item on BS increases \$17.3 MM to \$81.6MM. Conf. call transcript reports cap-ex of \$18.7 MM. (no cash flow statement)
- Signs agreement for purchase of an additional 10 LHD units to be delivered during CY-2011 for \$65 MM. (\$6.5 MM per unit).
- Mar 2011: 2 units delivered, bringing total to 12. Equipment on BS rises \$12.4 MM during qtr. to \$94 MM. Cap-ex of \$13 MM reported on conf call.
- Expect 4 more (16 total) by 9/30/11, and another 4 (20 total) by 12/31/11. Total FY-11 cap-ex expected to be \$70 - 80 MM.
- July 2011: 4 LHD units delivered, bringing the total to 16 units.