



19 January 2011

The union and management collective bargaining teams met for their sixth two-day session on January 18 & 19.

Now that we are in discussions about economics, we've reached the most challenging phase of bargaining. We have declining revenue plus an uncertain future surrounding drilling in the GOM. We are now faced with an environment that presents problems that will require creative solutions.

Both parties are continuing to openly discuss these issues in an attempt to ensure the Company has the flexibility to adjust to market conditions and the Union continues to lead the industry and preserve the unparalleled reputation as the preeminent pilot organization.

We continue to be optimistic but recognize the difficulties the economic environment presents. The next session is tentatively scheduled for February 15 & 16.

A blue ink signature of Robert Phillips, consisting of a stylized 'R' followed by a horizontal line that curves upwards at the end.

Robert Phillips
Director of Flight Operations

A blue ink signature of Kenneth Bruner, written in a cursive style.

Kenneth Bruner
President, OPEIU Local 107