

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States District Court
Southern District of Texas
Filed

APR 26 2007

UNITED STATES OF AMERICA)
)
 v.)
)
 BAKER HUGHES SERVICES)
 INTERNATIONAL, INC.)

Case No. H-07-129 Michael N. Milby, Clerk
RMK

AFFIDAVIT OF ALAN R. CRAIN, JR.

STATE OF TEXAS)
) ss:
COUNTY OF HARRIS)

Alan R. Crain, Jr., being duly sworn, deposes and says:

1. My name is Alan R. Crain, Jr. I am over the age of 18, have never been convicted of a felony or a crime involving moral turpitude, and am otherwise legally competent to make this Affidavit. I am the Senior Vice-President and General Counsel of Baker Hughes Incorporated (“BHI”) and the General Counsel of Baker Hughes Services International, Inc. (“BHSI”), an indirect subsidiary of BHI. All of the statements in this Affidavit are, unless otherwise indicated, based upon my personal knowledge.

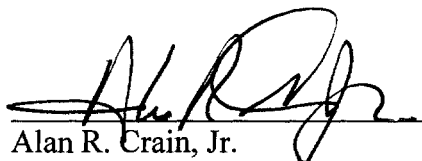
2. On March 22, 2007, the Board of Directors of BHSI adopted resolutions (“the Resolutions”) (i) consenting to the filing of a three-count Information (the “Information”) charging BHSI with conspiring to violate the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. § 78dd-1, *et seq.*; violating the FCPA; and aiding and abetting the making of false entries in the books and records of Baker Hughes Incorporated in violation of the FCPA; (ii) entering into a Plea Agreement with the United States Department of Justice (“DOJ”) and agreeing to waive indictment on these charges; (iii) consenting to the entry

of a plea of guilty as to all charges in the Information; and (iv) agreeing to payment of a criminal fine of \$11,000,000 as part of the sentence to be imposed for the crimes charged in the Information. A copy of the Secretary's Certificate setting forth the text of the Resolutions adopted by BHSI on March 22, 2007 is attached as Exhibit A.

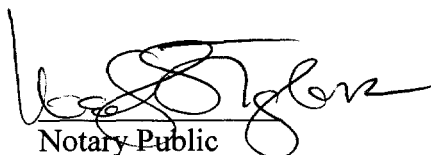
3. The Resolutions further authorized "the General Counsel, or his delegate . . . to execute the Plea Agreement substantially in such form as reviewed by this Board of Directors . . . [and] to take any and all actions as may be necessary or appropriate, and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate to carry out and effectuate the purpose and intent of the foregoing resolutions."

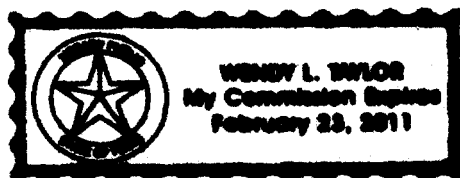
4. Pursuant to the authority delegated to me by the Board of Directors of BHSI, I hereby appoint Reid M. Figel, Esq., a partner of Kellogg, Huber, Hansen, Todd, Evans, and Figel, P.L.L.C., counsel for BHI and BHSI, as my delegate for the purposes of appearing before the United States District Court for the Southern District of Texas and addressing the Court, under oath, and to take any and all actions as may be necessary or appropriate to effectuate the terms of the Plea Agreement, including but not limited to appearing for arraignment; waiving indictment; entering a plea of guilty to the charges in the Information, and addressing the Court on behalf of BHSI in connection with sentencing.

Dated this 25th day of April 2007.


Alan R. Crain, Jr.

Sworn to before me this
25th day of April 2007


Notary Public



CERTIFICATE

I, Susan Diane Koontz, hereby certify that I am the duly elected and qualified Secretary of Baker Hughes Services International, Inc., a Delaware corporation (the "Company"), and that the following resolution was duly adopted by the Board of Directors of the Company by Unanimous Written Consent on March 22, 2007, and that it has not been amended, rescinded or revoked and is in full force and effect as of the date hereof.

WHEREAS, BAKER HUGHES SERVICES INTERNATIONAL, INC., ("BHSI" or "the Company"), has been engaged in discussions with the United States Department of Justice in connection with issues arising in relation to certain corrupt payments to foreign officials to facilitate the award of contracts and obtaining of business for the Company; and

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the United States Department of Justice; and

WHEREAS the Company's General Counsel, together with investigative and outside counsel for the Company, have advised the Board of Directors of the Company's rights, possible defenses, the Organizational Sentencing Guidelines' provisions, and the consequences of entering into such agreement with the United States Department of Justice;

NOW, THEREFORE, BE IT RESOLVED that:

1. the Company (i) consents to the filing in the United States District Court for the Southern District of Texas of a three-count Information charging BHSI with conspiracy to violate the Foreign Corrupt Practices Act ("FCPA") (15 U.S.C. § 78dd-1, *et seq.*), in violation of 18 U.S.C. § 371 (Count One); violating the FCPA, in violation of 15 U.S.C. § 78dd-2 (Count Two); and aiding and abetting the making of false entries in books and records, in violation of the FCPA, 15 U.S.C. §§ 78m(b)(2) & (b)(5), 78FF(a), and 18 U.S.C. § 2 (Count Three), relating to its officers and employees making corrupt payments of money to certain foreign officials in order to facilitate the award to the Company of certain contracts; (ii) waives indictment on such charges and enters into a Plea Agreement with the United States Department of Justice; (iii) consents to enter a plea of guilty as to all charges in the Information; and (iv) further agrees to accept a monetary penalty

against BHSI of \$11,000,000.00, and to pay \$11,000,000.00 to the United States Treasury authorities with respect to the conduct described in the Information;


2. the General Counsel, or his delegate, is hereby authorized, empowered and directed, on behalf of the Company, to execute the Plea Agreement substantially in such form as reviewed by this Board of Directors at this meeting with such changes as the General Counsel, or his delegate, may approve;

3. the General Counsel, or his delegate, is hereby authorized, empowered and directed to take any and all actions as may be necessary or appropriate, and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate to carry out and effectuate the purpose and intent of the foregoing resolutions; and

4. all of the actions of the General Counsel, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved and adopted as actions on behalf of the Company.

WITNESS MY HAND this 23rd day of April 2007.

BAKER HUGHES SERVICES INTERNATIONAL, INC.



Susan Diane Koontz
Secretary