

20 Dec 2008 From: Rocco Rossouw/ Peter Sheehan

To: Rob Oliver

DRILLING MORNING REPORT # 11 Fermat-1

| Well Data | | | | | | | | | |
|----------------|-------------|------------------|---------|-------------------|-----------|-----------------------------|-----------------|--|--|
| Country | Australia | MDBRT | 1037.0m | Cur. Hole Size | 12.250in | AFE Cost | AUD\$51,857,377 | | |
| Field | Otway | TVDBRT | 1036.8m | Last Casing OD | 13.375in | AFE No. | 07/002 | | |
| Drill Co. | Seadrill | Progress | 36.0m | Shoe TVDBRT | 987.0m | Daily Cost | AUD\$921,522 | | |
| Rig | West Triton | Days from spud | 7.00 | Shoe MDBRT | 987.0m | Cum Cost | AUD\$17,002,317 | | |
| Wtr Dpth (MSL) | 39m | Days on well | 11.00 | FIT/LOT: | / 1.80sg | | | | |
| RT-MSL | 38.00m | Planned TD MD | 3640m | Current Op @ 0600 | | .25in hole | | | |
| RT-ML | 77m | Planned TD TVDRT | 3640m | | At 06:00h | At 06:00hrs depth of 1156m. | | | |
| | | | | Planned Op | Continue | to drill 12.25in h | nole. | | |

Summary of Period 0000 to 2400 Hrs

Drilled and cleaned out 12.25in hole to 1027m. POOH, changed BHA, RIH, drilled ahead with 12.25in hole.

| HSE Summary | | | | |
|---------------------|-------------|------------|-----------------------------------|--|
| Events | Num. Events | Days Since | Descr. | Remarks |
| Abandon Drill | 1 | 5 Days | Abandon rig drill. | All personnel mustered at life boats. |
| JSA | 6 | 0 Days | JSA's conducted for the day. | |
| Pre-tour Meeting | 4 | 0 Days | Safety Meeting. | Held Pretour and pre job safety meetings with crews. |
| PTW issued | 4 | 0 Days | PTW issued for the day. | |
| Safety Meeting | 2 | 0 Days | Weekly safety meeting. | |
| STOP Card | 37 | 0 Days | Stop cards submitted for the day. | 27 positive 10 negative |
| Time Out For Safety | 1 | 0 Days | Drill Crew | Partial backing out of tubular in derrick |

Operations For Period 0000 Hrs to 2400 Hrs on 20 Dec 2008

| Phse | Cls (RC) | Ор | From | То | Hrs | Depth | Activity Description |
|------|-------------|-----|------|------|------|---------|--|
| P7 | Р | D2 | 0000 | 0130 | 1.50 | 1027.0m | Continued drilling 12.25in hole from 1011m to 1027m. Continued to work junk sub while drilling. |
| P7 | TP (DH) | F4 | 0130 | 0200 | 0.50 | 1027.0m | Circulated bottoms up while rotating and reciprocating string. Worked junk sub prior to tripping. |
| P7 | TP (DH) | G8 | 0200 | 0500 | 3.00 | 1027.0m | POOH from 1027m to 127m. Flow checked prior to commencing tripping |
| P7 | TP (DH) | G8 | 0500 | 0730 | 2.50 | 1027.0m | POOH with BHA from 127m. Broke out laid down junk sub. Total weight of metal junk recovered from junk basket = 175 grams. |
| P7 | Р | G6 | 0730 | 1200 | 4.50 | 1027.0m | Picked up and RIH with 12.25in BHA. Shallow tested MWD tools. 700GPM. 800 PSI - good test Held JSA prior to commencing job. Held one time out for safety due to lifting sub partially backing out. |
| P7 | Р | G2 | 1200 | 1330 | 1.50 | 1027.0m | Changed out handling equipment and picked up 21 joints of Drill pipe and racked in derrick. |
| P7 | Р | G2 | 1330 | 1930 | 6.00 | 1027.0m | Installed hydraulic slips and continued to pick up drill pipe from deck, RIH with same from 151m to 979m. |
| P7 | Р | G1 | 1930 | 2000 | 0.50 | 1027.0m | Changed out hydraulic slips and handling equipment, calibrated Schlumberger depth sensor. |
| P7 | Р | E8 | 2000 | 2300 | 3.00 | 1027.0m | Made up TDS and logged from casing shoe at TD 987m to 1027m. Parameters 40 m/hr , GPM 800 , RPM 40 , SPP 1800. |
| P7 | TP (RE) | G11 | 2300 | 2330 | 0.50 | 1027.0m | Draworks alarm activated for "broken chain alarm" troubleshot draworks chain alarm. No problem found. |
| P7 | Р | D2 | 2330 | 2400 | 0.50 | 1037.0m | Drill 12.25in hole from 1027m to 1037m. |

Operations For Period 0000 Hrs to 0600 Hrs on 21 Dec 2008

| Dhaa | CI- | 0- | F | т. | l lua | Danth | Anti-vite Department |
|------|-------------|----|------|------|-------|---------|---|
| Phse | Cls (RC) | Op | From | 10 | Hrs | Depth | Activity Description |
| | (NC) | | | | | | |
| P7 | Р | D2 | 0000 | 0600 | 6.00 | 1478.0m | (IN PROGRESS) Drilled 12.25in hole from 1037m to 1478m. |
| | | | | | | | RPM 100/150, GPM 800/900, SPP1800, Torque 2k, WOB 5/12 |

Operations For Period Hrs to Hrs on



| Phase Data to 2400hrs, 20 Dec 20 | 008 | | | | | |
|-----------------------------------|-----------|-------------|-------------|---------|----------|-----------|
| Phase | Phase Hrs | Start On | Finish On | Cum Hrs | Cum Days | Max Depth |
| Mob/Demob(P1) | 78.5 | 10 Dec 2008 | 13 Dec 2008 | 78.50 | 3.271 | 0.0m |
| Conductor Hole(P2) | 28 | 13 Dec 2008 | 14 Dec 2008 | 106.50 | 4.438 | 119.0m |
| Conductor Casing(P3) | 26.5 | 14 Dec 2008 | 15 Dec 2008 | 133.00 | 5.542 | 119.0m |
| Surface Hole(P4) | 51 | 15 Dec 2008 | 17 Dec 2008 | 184.00 | 7.667 | 999.0m |
| Surface Casing(P5) | 20 | 17 Dec 2008 | 18 Dec 2008 | 204.00 | 8.500 | 999.0m |
| BOPs/Risers(P6) | 13 | 18 Dec 2008 | 19 Dec 2008 | 217.00 | 9.042 | 999.0m |
| Intermediate Hole (1)(P7) | 47 | 19 Dec 2008 | 20 Dec 2008 | 264.00 | 11.000 | 1037.0m |
| General Comments | | | | | | |
| 00:00 TO 24:00 Hrs ON 20 Dec 2008 | | | | | | |

West Triton Rig Equipment Concerns

Operational Comments

- 1) Cyber chair pressure gauges for the standpipe & choke manifolds require calibration. 2) Need new BOP test tool mandrel. Ordered on the 24/10/08.

| . | | | | P is requi | | drel. Ordered bened before | | | erate rotatino | g head a | nd link tilt fu | unctions. | Ongoing |
|--------------|----------|----------|--------------|------------|-------------|---|---------|---------------------|----------------|----------|----------------------|------------|---------------------------------|
| WBM Data | | | | | Cost To | oday | | | | | | | |
| Mud Type: | KCI | API FL | : 4. | 4cc/30min | CI: | 380 | 000mg/l | Solids(%vo | ol): | 3% | Viscosity | | 155sec/qt |
| Sample-From: | 6 | Filter-C | Cake: | 1/32nd" | K+C*1000 | : | 20% | Low-Gravi | ty (|).2%vol | PV YP | | 30cp 42lb/100ft ² |
| Time: | 22:25 | HTHP- | FL: | | Hard/Ca: | 3 | 320mg/l | Solids: | | | Gels 10s | | 10 |
| Weight: | 9.50ppg | HTHP- | cake: | | MBT: | | 2.5 | H2O: | | 94% | Gels 10m Fann 003 | | 15 9 |
| Temp: | 25C° | | | | PM: | | 0.13 | Oil(%): | | | Fann 006 | | 11 |
| | | | | | PF: | | 0.08 | Sand: | | | Fann 100 | | 41 |
| | | | | | | | | pH: | | 9.5 | Fann 200 Fann 300 | | 59 72 |
| | | | | | | | | PHPA: | | 3ppb | Fann 600 | | 102 |
| Comment | | | | | | | | | | | | | |
| Bit # 3 | | | | | Wear | I | 01 | D | L | В | G | 02 | R |
| | | | | | | 0 | 0 | NO | Α | Е | 1 | NO | ВНА |
| | | | | | Bitwear C | Bitwear Comments: Only used to drill out shoe track and bottom. | | | | | ean any pot | ential jur | nk of |
| Size ("): | 1 | 2.25in | IADC# | 117 | Noz | zzles | Drill | ed over last 24 hrs | | C | alculated o | ver Bit | Run |
| Mfr: | HU | GHES | WOB(avg) | 6.00klb | No. | Size | Progre | ess | 26.0m | Cum. F | Progress | | 38.0m |
| Type: | | tri | RPM(avg) | 60 | 3 | 16/32nd" | On Bo | ttom Hrs | 1.5h | Cum. C | On Btm Hrs | | 2.0h |
| Serial No.: | 51 | 49536 | F.Rate | 800gpm | | | IADC I | Drill Hrs | 1.5h | Cum IA | DC Drill H | rs | 2.0h |
| Bit Model | | GT-1 | SPP | 1800psi | | | Total F | Revs | | Cum T | otal Revs | | 0 |
| Depth In | 9 | 87.0m | HSI | | | | ROP(a | avg) | 17.33 m/hr | ROP(a | vg) | 19 | 9.00 m/hr |
| Depth Out | 10 | 27.0m | TFA | 0.589 | | | | | | | | | |
| Bit Comment | | | Shoe drill o | ut and jun | k run asser | nbly | | | | | | | |
| Bit # 4 | | | | | Wear | I | 01 | D | L | В | G | O2 | R |
| | | | | | D:: 0 | | | | | | | | |
| O1 (II) | | | 14500 | | | omments: | | | | | | | |
| Size ("): | | 2.25in | IADC# | M432 | | zles | 1 | ed over las | | | alculated o | over Bit | |
| Mfr: | REED-HYC | | WOB(avg) | 4.00klb | No. | Size | Progre | | 10.0m | | Progress | | 10.0m |
| Type: | | PDC | RPM(avg) | 150 | 3 | 13/32nd" | | ttom Hrs | 1.0h | | On Btm Hrs | | 1.0h |
| Serial No.: | | 12219 | | 1000gpm | 3 | 14/32nd" | | Drill Hrs | 1.0h | | ADC Drill H | 'S | 1.0h |
| Bit Model | RSR616 | | SPP | 1800psi | | | Total F | | | | otal Revs | | 0 |
| Depth In | 10 | 27.0m | HSI | | | | ROP(a | avg) | 10.00 m/hr | ROP(a | vg) | 10 | 0.00 m/hr |
| Depth Out | | | TFA | 0.840 | | | | | | | | | |
| Bit Comment | | | | | | | | | | | | | |



| BHA # 3 | | | | | | | | | | | | |
|-----------------|-----------|----------|--------|--------|----------|-----------|--------------|----------------|-----------------------|------------|------------------|----------|
| | | 27 00klb | Longth | | | 106.0m | Taraua/may) | | 000 ft lb. | D C (| 1) Ann Valacity | 220fn.m |
| Weight(Wet) | (14.1.4) | 37.00klb | Length | ı | | 126.8m | Torque(max) | | 000ft-lbs | | 1) Ann Velocity | 239fpm |
| Wt Below Jar | (Wet) | 32.00klb | String | | | 150.00klb | Torque(Off.E | | 000ft-lbs | , | 2) Ann Velocity | 0fpm |
| | | | Pick-U | р | | 152.00klb | Torque(On.E | 3tm) 2 | 000ft-lbs | s H.W.D | .P. Ann Velocity | / 164fpm |
| | | | Slack- | Off | | 150.00klb | | | | D.P. A | nn Velocity | 164fpm |
| BHA Run Des | scription | | | | | l | | | | | | |
| BHA Run Con | mment | | | | | | | | | | | |
| | Equi | pment | | | Length | OD | ID | Serial # | | | Comment | |
| Bit | | | | | 0.30m | 12.25in | | 5149536 | | | | |
| Junk Sub | | | | | 0.90m | | | 227460 | | | | |
| Near Bit Stab | | | | | 2.08m | | | 703984 | | | | |
| Drill Collar | | | | | 47.24m | | | 700001 | | | | |
| Drilling Jars | | | | | 9.68m | | | 17621380 | | | | |
| Drill Collar | | | | | 9.46m | | | 5T8 | | | | |
| X/O | | | | | 0.93m | | | sssd7132 | | | | |
| HWDP | | | | | 56.23m | | | 33307 132 | | | | |
| BHA # 4 | | | | | 30.23111 | 3.30111 | 3.2311 | | | | | |
| | | 54 00LU | 1 | | | 454.4 | T(| | 2000(11) | - DO (| 1) A \/-1'6 | 0006 |
| Weight(Wet) | | 51.00klb | Length | 1 | | 151.4m | Torque(max) | | 000ft-lbs | | 1) Ann Velocity | 299fpm |
| Wt Below Jar | (Wet) | 34.00klb | String | | | 154.00klb | Torque(Off.E | 3tm) 1 | 000ft-lbs | s D.C. (2 | 2) Ann Velocity | 0fpm |
| | | | Pick-U | р | | 155.00klb | Torque(On.E | Btm) 2000ft-lk | | s H.W.D | .P. Ann Velocity | / 205fpm |
| | | | Slack- | Off | | 155.00klb | | | | D.P. A | nn Velocity | 205fpm |
| BHA Run Des | scription | | | | | .! | | | | ' | | |
| BHA Run Con | mment | | | | | | | | | | | |
| | Equi | pment | | | Length | OD | ID | Serial # | | | Comment | |
| Bit | | | | | 0.29m | 12.25in | | 212219 | | | | |
| Near Bit Stab | | | | | 2.08m | 12.25in | 2.88in | 703984 | | | | |
| ARC8 | | | | | 5.92m | 9.13in | | 1957 | | | | |
| Tele Scope | | | | | 8.97m | 11.75in | | VR52 | | | | |
| SonicVISION | 825 | | | | 8.19m | 11.25in | | 48648 | | | | |
| String Stabilis | ser | | | | 2.44m | 12.19in | 2.88in | OSS041163E | 3 | | | |
| Drill Collar | | | | | 47.24m | 8.25in | 2.88in | | | | | |
| Drilling Jars | | | | | 9.68m | | | 1762-1380 | Ja | ar hr's 60 | | |
| Drill Collar | | | | | 9.46m | | | 5T8 | | | | |
| X/O | | | | | 0.93m | | | SSSD7132 | | | | |
| HWDP | | | | | 56.23m | | | | | | | |
| Survey | | | | | | | | | | | | |
| MD | Incl | Az | zim | TV | 'D | Vsec | N/-S | E/-W | | DLS | Tool | Туре |
| (m) | (deg) | | eg) | (m | | (deg) | (m) | (m) | | eg/30m) | | |
| 1023.76 | 2.6 | 224.8 | | 1023.5 | | | -6.2 | -6.5 | 0.9 | - / | MWD | |
| Bulk Stock | ks | <u> </u> | | | | | | | | | | |
| | | Name | | | | | Unit | In | - | Used | Adjust | Balance |
| Drill Water | | | | | | MT | | | 0 | 15 | 0 | 359.0 |
| Rig Fuel | | | | | | m3 | | | 0 | 16 | 0 | 207.0 |
| POTABLE WA | ATFR | | | | | MT | | | 2 | 23 | 0 | 354.0 |
| Cement class | | | | | | MT | | | 9 | 0 | 0 | 131.0 |
| BLENDED CE | | | | | | MT | | | 0 | 0 | 0 | 0.0 |
| DELINDED OF | -1411-141 | | | | | NAT | | | 0 | 0 | | 0.0 |

MT

МТ

m3

ltr

0

0

77

2957

0

3

0

0

0

0

0

Bentonite

Barite

Brine

Helifuel

42.0

144.0

125.0

5,157.0



| Pu | ımps | | | | | | | | | | | | | | | | |
|-----|------------------------|---------------|-------------|---------|--------------|--------------|---------------|----------------|---------------|----------------|----------|-----------------|-----|-----|---------------|-----|----------------|
| Pu | mp Data - Last 2 | 4 Hrs | | | | | | Slow Pump Data | | | | | | | | | |
| No. | Туре | Liner (in) | MW (ppg) | Eff (%) | SPM (SPM) | SPP (psi) | Flow (gpm) | Depth (m) | SPM1 (SPM) | SPP1F (psi) | low1(gpr | n)SPM2 (SPM) | | | SPM3 (SPM) | | Flow3 (gpm) |
| 1 | National / 14 P-220 | 6.50 | 79.28 | 97 | 70 | 1800 | 800 | 987.0 | 30 | 140 | 175 | 40 | 190 | 233 | 50 | 270 | 292 |
| 2 | National / 14 P-220 | 6.50 | 77.61 | 97 | | | | | | | | | | | | | |
| 3 | National / 14 P-220 | 6.50 | | 97 | 670 | 1800 | 800 | 1025.0 | 30 | 140 | 175 | 40 | 200 | 233 | 50 | 280 | 292 |

| Casing | | | | |
|--------|-----------|-------------------|-----------|--|
| OD | LOT / FIT | Csg Shoe (MD/TVD) | Cementing | |
| 30 " | / | 151.00m / 151.00m | | |
| 13.38 | 15.00ppg/ | 987.00m / 987.00m | | |

| Personnel On Board | | |
|-------------------------|-------|-----|
| Company | | Pax |
| ADA | | 4 |
| Seadrill | | 12 |
| Catering | | 9 |
| Seadrill Services | | 32 |
| Tamboritha | | 2 |
| Halliburton | | 2 |
| Halliburton - Cementing | | 2 |
| Baker Hughes Inteq | | 6 |
| Beach Petroleum Ltd | | 2 |
| Schlumberger MWD/LWD | | 3 |
| | Total | 74 |

| Mud Volumes, Mud Losses and Shale Engineer : Shaker Data | | | | | | | | | | |
|--|-----------|--------------------------------------|--------|-----------|-------------|-----------|----------|--|--|--|
| Available | 1225.0bbl | Losses | 0.0bbl | Equipment | Description | Mesh Size | Comments | | | |
| Active | 262.0bbl | Downhole | | | | | | | | |
| Mixing | 450.0bbl | Surf+ Equip | 0.0bbl | | | | | | | |
| Hole | 494.0bbl | Dumped | | | | | | | | |
| Slug | 19.0bbl | De-Gasser | | | | | | | | |
| Reserve Kill | | De-Sander De-Silter Centrifuge | | | | | | | | |

Marine Weather on 20 Dec 2008 Air Temp. Visibility Wind Speed Wind Dir. Pressure Wave Height Wave Dir. Wave Period 23kn 1011.0mbar 15C° 1.0nm 98.0deg 135.0deg 13s 1.0m Rig Dir. Ris. Tension VDL Swell Height Swell Dir. Swell Period Weather Comments 128.5deg 2232.00klb 1.0m 190.0deg 13s mainly fine

Comments

| Vessel Name | Arrived (Date/Time) | Departed (Date/Time) | Status | | | | Bulks | | | |
|-----------------|---------------------|----------------------|----------------------|---------------|------|----|-------|-----------------|--------|----------|
| Pacific Battler | 20/12/08 | | On location Fermat-1 | Item | Unit | In | Used | Transfer to Rig | Adjust | Quantity |
| | | | | Rig Fuel | m3 | | 12.15 | 0 | 0 | 467.6 |
| | | | | Potable Water | m3 | | 3 | 0 | 0 | 281 |
| | | | | Drill Water | m3 | | 0 | | | 16 |
| | | | | Barite | Mt | 0 | 0 | | 0 | 0 |
| | | | | CEMENT G | Mt | | 0 | 0 | | 84 |
| | | | | Bentonite | Mt | 0 | 0 | 25 | 0 | 17 |
| | | | | Brine | m3 | 0 | 0 | 0 | 0 | 0 |



| Pacific Valkyr | ie 20/12/08 | | On location Fermat-1 | Item | Unit | ln | Used | Transfer to Rig | Adjust | Quantity |
|----------------|--|---------------|----------------------|---|---------|-----|------|--------------------|--------|----------|
| | | | | Rig Fuel | m3 | 0 | 6.66 | | 0 | 388.7 |
| | | | | Potable Water | Mt | | | | | 451 |
| | | | | Drill Water | m3 | 533 | | | 0 | 733 |
| | | | | Barite | Mt | 42 | 0 | | 0 | 42 |
| | | | | Bentonite | Mt | 0 | 0 | 0 | 0 | 0 |
| | | | | CEMENT G | Mt | 0 | 0 | | 0 | 0 |
| Helicopte | r Movement | | | | | | | | | |
| Flight # | Company | Arr/Dep. Time | Pax I | n/Out | Comment | | | | | |
| 1 | BRISTOW HELICOPTERS AUSTRALIA PTY LTD | 12.11 / 12.17 | 0 / | Unscheduled due to crew member fami bereavemer | | | | | | |