

27 Jul 2006

From: Brian Marriott

To: Bob Goosem/ Brian King/James Hinton

| Well Data | | | | | QC Not Done |
|---------------|-----------|-----------------------|-------|--------------------|-------------|
| Drill Co.: | Ensign | Midnight Depth (MD): | 60.0m | Current Hole Size: | |
| Rig: | Ensign 32 | Midnight Depth (TVD): | 60.0m | Casing O.D.: | 20.000in |
| Prognosed TD: | 7710.0m | Progress: | 0.0m | Shoe TVD: | 60.0m |
| RT-GL: | 9.84m | Days From Spud: | 29.23 | F.I.T. / L.O.T. | / |
| GL Elev.: | 9.84m | Days On Well: | 15.75 | Rig Move Distance | 1800+/- k's |

Current Op's @ 0600 28 Jul 2006: Rig to install dead man clamp in Mast.

Estimate to start picking up drill pipe by 15:00hrs

Planned Operations for 28 Jul 2006 : Complete rig up, Pre-Spud check, Fire & Muster drill, Emerg. Response drill

with both crews, RE-DRILL MOUSE HOLE (2metres high) make up 10 stands

D.P. & rack in Mast, make up BHA, RIH, drill out shoe, drill ahead

Summary of Period 0000 to 2400 Hrs

Rig up drilling equipment

Operations For Period 0000 Hrs to 2400 Hrs on 27 Jul 2006

| Phse | Cls | Ор | From | То | Hrs | Depth | Activity Description |
|------|-----|----|------|------|-------|-------|---|
| PS | P | RM | 0000 | 2400 | 24.00 | 0.0m | Complete mixing spud mud, spot choke manifold & rig up lighting, install racks for BHA, clean up rig site & store rubbish in skip, cont. rig up with rig floor equip., hang tongs etc., run air, water & Hyd. lines, raise JSA & install Top Drive service loop hoses, run Top Drive, all appears ok, need to ajust tracks to centre Top Drive over hole, Rep. out of hours & day light, 95% completed, complete arranging tubulars, weld in choke line support sadles, spot in choke line piping, pressure up all #4 Pulsation Dampners to 800 psi on mud pumps, pressure up Koomey bottles to 1000psi, attempt to install mouse hole, no go, 7 ft high, fit riser & 2" drain valve & weld in same, load drill pipe on racks & commence to clean same, spot BHA jewlery & measure same, clean BHA, connect flow line, fill riser with mud & check for leaks, commence to run mud pumps #1 check operation & pressure test lines to 2000psi Note; take measurements for the re-routing of 8" Blewy line f/ Poor Boy to Flare tank, order pipe & fittings, |

Operations For Period 0000 Hrs to 0600 Hrs on 28 Jul 2006

| Phse | Cls | Op | From | То | Hrs | Depth | Activity Description |
|------|-----|----|------|------|------|-------|--|
| PS | | RM | 0000 | 0600 | 6.00 | 60.0m | (IN PROGRESS) Run Geolograph line, rope & tape together Tesco hyd. lines, run & function test mud pump #2 ,#3 & #4, pressure test lines to 2000psi, pressure test stand pipe low 300psi, high 2000psi, perform weekly rig inspection, complete caliper BHA, clean drill pipe, raise JSA for Top Drive track alignment. |

General Comments

Comments Rig Requirements

Environmentle inspection carried out by Mr. Daniel Moriarty of Enesar Consulting Pty Ltd. No major problems reported

| WBM Data | | | | Cumulative Cost \$ 1427 | | | | | |
|-----------|----------|------------|-------------------------|-------------------------|--------|----------|------|---------|-----|
| Mud Type: | Spud Mud | Viscosity: | 45sec/qt | API FL Loss: | 13.5cc | CI | 4000 | Solids: | 3 |
| Depth: | 60.0m | PV: | 8ср | Filter Cake: | | K+: | | H2O: | 96% |
| Time: | 10:00 | YP: | 22lb/100ft ² | HTHP FL: | | Hard/Ca: | | Oil: | |
| Weight: | 8.80ppg | Gels 10s/ | 10m: 10 / 15 | HTHP Cake: | | MBT: | | Sand: | |
| Temp: | 20.0F° | Fann (3/6/ | (100): | | | PM: | | pH: | 10 |
| | | | 15 / 16 / 23 | | | PF: | 0.05 | PHPA: | |
| Comment | | | | | | 1 | | | |



| Shakers, Volu | ımes and Losse | Eng | Engineer: Manfred Olejniczak / Babu | | | | |
|---------------|----------------|--------------|-------------------------------------|----------|----------------|--------|---------|
| Equipment | Description | Mesh Size | Available | 320.0bbl | Losses | 0.0bbl | Comment |
| Centrifuge | DE 1000 | | Active | 320.0bbl | Downhole | | |
| Shaker 1 | Derrick | Pyramid x 80 | Mixing | | Surf. + Equip. | 0.0bbl | |
| Shaker 2 | Derrick | | Hole | 0.0bbl | Dumped | | |
| | | | Slug | | De-Sander | | |
| | | | Reserve | 0.0bbl | De-Silter | | |
| | | | Kill | | Centrifuge | | |
| | | | | | | | |
| | | | | | | | |

| Bulk Stocks | | | | | | | | |
|---------------|------|-----|------|--------|----------|--|--|--|
| Name | Unit | In | Used | Adjust | Balance | | | |
| Barite | sx | 240 | 0 | 0 | 240.0 | | | |
| KCI | sx | 0 | 0 | 0 | 0.0 | | | |
| Salt | sx | 0 | 0 | 0 | 0.0 | | | |
| Gel | sx | 672 | 192 | 0 | 480.0 | | | |
| Potable Water | ltr | 0 | 8000 | 0 | 26,000.0 | | | |
| Rig Fuel | ltr | 0 | 2600 | 0 | 32,000.0 | | | |
| Camp Fuel | ltr | 0 | 350 | 0 | 3,000.0 | | | |

| Pum | Pumps | | | | | | | | | |
|-----|--|-------|-----|------|-------|-------|-----|-------|-------|-------|
| Pum | Pump Data - Last 24 Hrs Slow Pump Data | | | | | | | | | |
| No. | Туре | Liner | SPM | Eff. | Flow | SPP | SPM | SPP | Depth | MW |
| | | (in) | | (%) | (gpm) | (psi) | | (psi) | (m) | (ppg) |
| 1 | National 8P-80 | 5.50 | | | | | | | | |
| 2 | National 8P-80 | 5.50 | | | | | | | | |
| 3 | National 8P-80 | 5.50 | | | | | | | | |
| 4 | IDECO | 6.00 | | | | | | | | |

| HSE Summary | | | | |
|----------------------------|--------------|------------|--------------------|--|
| Events | Date of Last | Days Since | Description | Remarks |
| Environmental Issue | 27 Jul 2006 | 0 Days | | Audit carried out by Mr Daniel Moriarty of Enesar Pty Ltd. No major problems. |
| JSA | 27 Jul 2006 | 0 Days | | Make up JSA's for each section of lift's & installation Top Drive service loop hoses |
| LTI/MTI incident free days | 27 Jul 2006 | 0 Days | Incident free days | Incident free days = 360 |
| ToolBox Talk | 27 Jul 2006 | 0 Days | up | Disscuss proposed daily rig up operations. Correct PPE to be worn. Review JSA prior to installing Top Drive. Keep alert. Give clear hand signals to tugger operators. Be aware of Fork Lift operations |



