

**From : Chris Roots / Nathan Peri**  
**OIM : Dennis Gore**

**Well Data**

|                   |               |                   |  |                   |        |            |              |
|-------------------|---------------|-------------------|--|-------------------|--------|------------|--------------|
| Country           | Australia     | Measured Depth    | 657.0m   | Current Hole Size | 315mm  | AFE Cost   | \$41,512,831 |
| Field             |               | TVD               | 657.0m   | Casing OD         | 340mm  | AFE No.    | 5746043      |
| Drill Contractor  | DOGC          | Progress          | 0.0m   | Shoe MD           | 652.0m | Daily Cost | \$725,304    |
| Rig               | Ocean Patriot | Days from spud    | 11.87  | Shoe TVD          | 652.0m | Cum Cost   | \$16,412,644 |
| Water Depth (LAT) | 66.3m         | Days on well      | 12.58  | F.I.T. / L.O.T.   | /      | Planned TD | 2552.0m      |
| RT-SL(LAT)        | 21.5m         | Current Op @ 0600 | Laid out the weight set test tool. Continued testing the TDS and standpipe.  |                   |        |            |              |
| RT-ML             | 87.8m         | Planned Op        | Complete testing surface equipment. Complete BHA pick up. RIH and tag cement, drill out shoe track and 3m of new formation. Displace to SW/Pac-R mud. Conduct LOT and drill ahead to section TD. |                   |        |            |              |
| Rig Heading       | 217.0deg      |                   |  |                   |        |            |              |

**Summary of Period 0000 to 2400 Hrs**

Laid out 445mm (17.5") BHA. RIH and set the wear bushing. Picked up 311mm (12.25") BHA and RIH. Picked up the weight set test tool and continued RIH to land test tool.  
Pressure tested the BOPs, unable to complete choke and kill manifold tests due to leaking valves.  
Repaired leaking valve.

**Operations For Period 0000 Hrs to 2400 Hrs on 05 Sep 2008**

| Phse | Cls (RC) | Op   | From | To   | Hrs  | Depth  | Activity Description  |
|------|----------|------|------|------|------|--------|---|
| SC   | P        | HBHA | 0000 | 0330 | 3.50 | 657.0m | Continued breaking out 242mm (9.5") drill collars and laid out.   |
| SC   | P        | WH   | 0330 | 0600 | 2.50 | 0.0m   | Picked up the Jet Sub, one stand drill pipe and the 330mm (13") wear bushing R/Tool. Installed the WB and placed a Fullbore tool 5m above the WB. RIH and jetted across the wellhead area. Landed the wear bushing, marked pipe with index line. Rotated and set the wear bushing. POH. |
| SC   | P        | WH   | 0600 | 0730 | 1.50 | 657.0m | Pulled WB R/tool to surface, broke out the fullbore tool above and laid out both tools. Racked back the drill pipe stand and laid out the jetting sub.  |
| SC   | TP (VE)  | HBHA | 0730 | 0830 | 1.00 | 657.0m | Picked up 311mm (12.25") bit, made up to Exceed 900 tool. Noted a gap between the bit and tool after been fully torqued. Backed out the bit and pulled the float. Installed the correct float and made up the bit.  |
| SC   | P        | HBHA | 0830 | 1430 | 6.00 | 657.0m | Continued picking up 311mm (12.25") BHA. Shallow pulse tested FEWD tools at 75m. Pulled tools to surface and loaded the radioactive source. Continued running BHA and shallow pulse tested the tools at 234m.   |
| SC   | P        | BOP  | 1430 | 1530 | 1.00 | 657.0m | Picked up the Weight Set Test tool, RIH and set in the wellhead at 83m (bit at 317m).   |
| SC   | P        | BOP  | 1530 | 2230 | 7.00 | 657.0m | Pressure tested the BOPs to 1.4 / 20.7 MPa (200/3000psi) for 5/10 minutes. Completed 9 of 11 tests on the choke & kill manifold. Failed pressure tests on valves #2 & #4 (kill line surface valves).  |
| SC   | TP (RE)  | BOP  | 2230 | 2400 | 1.50 | 657.0m | Nipped down the bonnet of the #4 valve. Replaced seals, seats and the gate.   |

**Operations For Period 0000 Hrs to 0600 Hrs on 06 Sep 2008**

| Phse | Cls (RC) | Op  | From | To   | Hrs  | Depth  | Activity Description   |
|------|----------|-----|------|------|------|--------|--|
| SC   | TP (RE)  | BOP | 0000 | 0400 | 4.00 | 657.0m | Continued stripping down valve #4, replaced all seals, seats and gate. Nipped up valve and pressure tested to 1.4 / 20.7 MPa (200/3000psi). Completed a body test to 34.5 MPa (5000psi) against LOK / UOK. |
| SC   | P        | BOP | 0400 | 0430 | 0.50 | 657.0m | Function tested BOPs on the blue pod from the TP panel.  |
| SC   | P        | BOP | 0430 | 0530 | 1.00 | 657.0m | Unseated the weight set test tool from the wellhead and POH.   |
| SC   | P        | PT  | 0530 | 0600 | 0.50 | 657.0m | (IN PROGRESS) Completed surface testing the TDS and standpipe to 1.4 / 34.5 MPa (200/5000psi) for 5/10 minutes.  |

**WBM Data**

**Cost Today \$ 1500**

|              |         |              |           |          |      |         |      |            |           |
|--------------|---------|--------------|-----------|----------|------|---------|------|------------|-----------|
| Mud Type:    | SW/PacR | API FL:      | 20cm³/30m | KCl:     | 0%   | Solids: | 0    | Viscosity: | 0sec/L    |
| Sample-From: | Pit     | Filter-Cake: |           | Hard/Ca: | 2500 | H2O:    | 100% | PV:        | 0.019Pa/s |
| Time:        | 22:00   | HTHP-FL:     |           | MBT:     | 0    | Oil:    |      | YP:        | 0.110MPa  |
| Weight:      | 1.03sg  | HTHP-Cake:   | 0mm       | PM:      | 0    | Sand:   | 0    | Gels 10s:  | 0.019     |
| Temp:        |         |              |           | PF:      | 0    | pH:     | 8.3  | Gels 10m:  | 0.024     |
|              |         |              |           |          |      | PHPA:   | Oppb | Fann 003:  | 4         |
|              |         |              |           |          |      |         |      | Fann 006:  | 5         |
|              |         |              |           |          |      |         |      | Fann 100:  | 23        |
|              |         |              |           |          |      |         |      | Fann 200:  | 35        |
|              |         |              |           |          |      |         |      | Fann 300:  | 45        |
|              |         |              |           |          |      |         |      | Fann 600:  | 64        |

Comment Add Drispac-R to pit 1 & 2 to increase rheology.

| Bit # 3     |                    |          |       | Wear           | I        | O1             | D                               | L | B                  | G                              | O2       | R     |           |
|-------------|--------------------|----------|-------|----------------|----------|----------------|---------------------------------|---|--------------------|--------------------------------|----------|-------|-----------|
| Size:       | 311mm              | IADC#    | 117   | <b>Nozzles</b> |          |                | <b>Drilled over last 24 hrs</b> |   |                    | <b>Calculated over Bit Run</b> |          |       |           |
| Mfr:        | Hughes Christensen | WOB(avg) |       | No.            | Size     | Progress       |                                 |   | Cum. Progress      |                                |          | 0.0m  |           |
| Type:       | Rock               | RPM(avg) |       | 1              | 16/32nd" | On Bottom Hrs  |                                 |   | Cum. On Btm Hrs    |                                |          | 0.00h |           |
| Serial No.: | 5127797            | F.Rate   |       | 3              | 18/32nd" | IADC Drill Hrs |                                 |   | Cum IADC Drill Hrs |                                |          | 0.00h |           |
| Bit Model   | MXL-1X             | SPP      |       |                |          |                | Total Revs                      |   |                    | Cum Total Revs                 |          |       | 0         |
| Depth In    | 657.0m             | TFA      | 0.942 |                |          |                | ROP(avg)                        |   |                    | N/A                            | ROP(avg) |       | 0.00 m/hr |
| Depth Out   |                    |          |       |                |          |                |                                 |   |                    |                                |          |       |           |

| BHA # 3           |         |           |        |                 |  |                       |      |
|-------------------|---------|-----------|--------|-----------------|--|-----------------------|------|
| Weight(Wet)       | 38.10mt | Length    | 300.8m | Torque(max)     |  | D.C. (1) Ann Velocity | 0mpm |
| Wt Below Jar(Wet) | 35.38mt | String    |        | Torque(Off.Btm) |  | D.C. (2) Ann Velocity | 0mpm |
|                   |         | Pick-Up   |        | Torque(On.Btm)  |  | H.W.D.P. Ann Velocity | 0mpm |
|                   |         | Slack-Off |        |                 |  | D.P. Ann Velocity     | 0mpm |

| BHA Run Description |         |       |       |           |   |  | Directional / FEWD |
|---------------------|---------|-------|-------|-----------|---|--|--------------------|
| Equipment           | Length  | OD    | ID    | Serial #  | Comment   |  |                    |
| Bit                 | 0.35m   | 311mm |       | 5127797   |   |  |                    |
| Powerdrive 900      | 8.65m   | 308mm | 127mm | O31       | Ported float installed.<br>Xceed directional survey = 5.14m from the bit. |  |                    |
| ARC-8               | 5.77m   | 231mm | 76mm  | 1106      | Resistivity & Gama = 11.1m from the bit.                                  |  |                    |
| In-Line Stabiliser  | 0.83m   | 308mm | 111mm | ASQ8062   |   |  |                    |
| Telescope HF        | 8.15m   | 213mm | 76mm  | E0005     | Powerpulse directional survey = 19.21m from the bit.                      |  |                    |
| In-Line Stabiliser  | 0.87m   | 308mm | 111mm | 242280730 |   |  |                    |
| Sonic               | 7.20m   | 231mm | 83mm  | 34888     | Sonic = 28.92m  |  |                    |
| ADN                 | 6.57m   | 226mm | 213mm | VC73      | Density = 35.09m.<br>Neutron is 36.06m from the bit.                      |  |                    |
| NMDC                | 8.55m   | 213mm | 71mm  | N688      |   |  |                    |
| Drill Collar        | 84.37m  | 203mm | 73mm  |           |   |  |                    |
| X/O                 | 1.09m   | 203mm | 67mm  | GUD123-1  |   |  |                    |
| HWDP                | 121.38m | 175mm | 76mm  |           |   |  |                    |
| 6.375in Jars        | 9.73m   | 162mm | 70mm  | DAH01628  |   |  |                    |
| HWDP                | 37.30m  |       |       |           |   |  |                    |

| Bulk Stocks   |      |    |      |        |         |         |
|---------------|------|----|------|--------|---------|---------|
| Name          | Unit | In | Used | Adjust | Balance | Comment |
| Barite        | mT   | 0  | 0    | 0      | 148.0   |         |
| Gel           | mT   | 0  | 0    | 0      | 33.0    |         |
| Cement        | mT   | 0  | 0    | 0      | 63.0    |         |
| Fuel          | m3   | 0  | 10.7 | 0      | 419.9   |         |
| Potable Water | m3   | 30 | 31   | 1      | 318.0   |         |
| Drill Water   | m3   | 0  | 30   | 0      | 565.0   |         |

| Personnel On Board                   |               |           |
|--------------------------------------|---------------|-----------|
| Company                              | Comment       | Pax       |
| Santos                               |               | 4         |
| DOGC                                 |               | 54        |
| ESS                                  |               | 8         |
| BHI                                  |               | 6         |
| Dowell                               |               | 2         |
| Rheochem                             |               | 2         |
| MI Swaco                             |               | 1         |
| TMT                                  |               | 7         |
| Cameron                              |               | 1         |
| Schlumberger Drilling & Measurements | MWD / LWD     | 3         |
| Santos                               | Geologist     | 2         |
| Schlumberger Drilling & Measurements | Directional   | 3         |
| DOGC Service                         | Scaffolders   | 3         |
| Santos                               | Drilling Supt | 1         |
| <b>Total</b>                         |               | <b>97</b> |

| Casing |                 |                      |   |
|--------|-----------------|----------------------|---|
| OD     | L.O.T. / F.I.T. | Casing Shoe (MD/TVD) | Cementing   |
| 762mm  | /               | 131.70/131.70        | Slurry: 30.8m <sup>3</sup> (194bbl x 916sxs) of 1.9sg (15.8ppg) class G   |
| 340mm  | 2.20 /          | 652.00/652.00        | Lead: 41m <sup>3</sup> (256bbl x 532sx) of 1.5sg (12.5ppg) class G slurry.<br>Tail: 17.8m <sup>3</sup> (112bbl x 644sx) 150m of 1.9sg (15.8ppg) class G slurry. |

| HSE Summary                |            |              |            |   |
|----------------------------|------------|--------------|------------|---|
| Events                     | Num Events | Date of Last | Days Since | Remarks   |
| Abandon Drill              | 1          | 31 Aug 2008  | 5 Days     | Abandon drill completed after the simulated fire was under control. Completed full muster at the forward lifeboats at 11:02hrs.   |
| Environmental Audit        | 1          | 03 Sep 2008  | 2 Days     | Rig visit by DPI. Conducted an environmental audit on Santos operation.   |
| Fire Drill                 | 1          | 31 Aug 2008  | 5 Days     | Simulated a fire in the paint locker. Emergency alarm sounded at 10:31hrs, emergency under control at 10:45hrs.<br>Full muster complete in the Temporary Refuge (Galley) at 10:41hrs  |
| First Aid                  | 1          | 13 Aug 2008  | 23 Days    | During the relocation of a container on the port pipe deck, IP located hand on corner of a container to assist another roustabout to steady for placement. IP looked at the base of the container when it swung and caught his hand between the container and wall resulting in a bruised hand.   |
| JHA                        | 29         | 05 Sep 2008  | 0 Days     | Drill crew - 11<br>Deck Crew - 5<br>Welder - 3<br>Marine - 2<br>Subsea - 2<br>Mech - 3<br>Elect - 3   |
| Lost Time Incident         | 1          | 30 May 2008  | 98 Days    | Man had his left hand caught between an 8" drill collar and the casing tongs when he was trying to secure the tong.<br>Preliminary checks on the rig deemed only stitches required and the hand was not broken.<br>The person was medivac'd off the rig @ 23:00hrs.<br>Man was released from Royal Hobart hospital with 12 stitches to the hand (no broken bones).  |
| Medical Treatment Incident | 1          | 13 Aug 2008  | 23 Days    | During lifting operations of 3rd party tooling on the pipe deck, IP was assisting the dogman in attaching slings to the whip-line hook. During this process the hook swung and hit the IP in the side of the hardhat resulting in an injury to the IP's neck. The IP was immobilised as a precautionary measure, treated as per symptoms and in readiness for medivac to hospital for further assessment. |
| Pre-Tour Meeting           | 4          | 05 Sep 2008  | 0 Days     | Discussed upcoming operations and associated hazards prior to each shift starting.  |
| PTW Issued                 | 14         | 05 Sep 2008  | 0 Days     | 9 x hot work permits<br>5 x cold work permits   |
| Rig Inspection             | 1          | 30 Aug 2008  | 6 Days     | Conducted 1 by Santos STOP audit.<br>Welding Shop: Stopped welder from working and inspected his permit for validity, OK.<br>We then inspected the workshop for any hazards, found a steel plate leaning against a fire extinguisher. Removed plate away, no other changes required.  |
| Safety Audit               | 1          | 30 Jul 2008  | 37 Days    | EHSMS audit conducted onboard.  |
| Safety Meeting             | 3          | 31 Aug 2008  | 5 Days     | Reviewed stop cards for the week and awarded Santos best stop card to Brendan Palmer.<br>Reviewed 3 safety alerts and 2 Tech alerts.<br>Discussed the fire drill in the shale shaker house.   |
| Santos Induction           | 4          | 05 Sep 2008  | 0 Days     | Conducted Santos induction to new personnel to site after DODI induction.   |
| Stop Observations          | 89         | 05 Sep 2008  | 0 Days     | 60 - Safe<br>29 - Corrective Actions  |
| STOP Tour                  | 3          | 05 Sep 2008  | 0 Days     | Submitted Diamond supervisor audits.  |

| Shakers, Volumes and Losses Data |                           |             |                   | Engineer : Carissa Thompson / Fius Siregar |                 |                   |       |
|----------------------------------|---------------------------|-------------|-------------------|--|-----------------|-------------------|-------|
| Available                        | 329.7m <sup>3</sup>       | Losses      | 0.0m <sup>3</sup> | Equip.                                     | Descr.          | Mesh Size         | Hours |
| Active                           | 0.0m <sup>3</sup>         | Downhole    |                   | Centrifuge 1                               | MI SW FVS 518   |                   |       |
| Mixing                           |                           | Surf+ Equip | 0.0m <sup>3</sup> | Centrifuge 2                               | MI SW FVS 518   |                   |       |
| Hole                             | 0.0m <sup>3</sup>         | Dumped      | 0.0m <sup>3</sup> | Shaker 3                                   | MI SW - BEM 650 | 10/10/20/20/20/20 |       |
| Slug                             |                           | De-Sander   |                   | Shaker 4                                   | MI SW - BEM 650 | 10/10/20/20/20/20 |       |
| Reserve                          | 117.5m <sup>3</sup>       | De-Silter   |                   | Shaker 5                                   | MI SW - BEM 650 | 10/10/20/20/20/20 |       |
| Kill                             | 0.0m <sup>3</sup>         | Centrifuge  |                   | Shaker 6                                   | MI SW - BEM 650 | 10/10/20/20/20/20 |       |
| KCL/Gly                          | 212.2m <sup>3</sup>       |             |                   |  |                 |                   |       |
| Comment                          | Reserve volume = SW/PacR. |             |                   |  |                 |                   |       |

| Marine                                |              |           |              |            |              |                  |             | Rig Support |               |              |
|---------------------------------------|--------------|-----------|--------------|------------|--------------|------------------|-------------|-------------|---------------|--------------|
| Weather check on 05 Sep 2008 at 24:00 |              |           |              |            |              |                  |             |             |               |              |
| Visibility                            | Wind Speed   | Wind Dir. | Pressure     | Air Temp.  | Wave Height  | Wave Dir.        | Wave Period | Anchors     | Chain out (m) | Tension (mt) |
| 18.5km                                | 19km/h       | 90.0deg   | 1018.00bar   | 15.0C°     | 0.5m         | 90.0deg          | 4sec        | 1           | 1353.0        | 123.83       |
| Roll                                  | Pitch        | Heave     | Swell Height | Swell Dir. | Swell Period | Weather Comments |             |             |               |              |
| 0.3deg                                | 0.3deg       | 0.90m     | 3.0m         | 230.0deg   | 12sec        |                  |             |             |               |              |
| Rig Dir.                              | Ris. Tension | VDL       | Comments     |            |              |                  |             |             |               |              |
| 217.0deg                              | 136.08mt     | 1001.99mt |              |            |              |                  |             |             |               |              |
|                                       |              |           |              |            |              |                  |             | 2           | 1372.8        | 128.82       |
|                                       |              |           |              |            |              |                  |             | 3           | 1386.8        | 127.01       |
|                                       |              |           |              |            |              |                  |             | 4           | 1414.0        | 128.82       |
|                                       |              |           |              |            |              |                  |             | 5           | 1365.8        | 131.09       |
|                                       |              |           |              |            |              |                  |             | 6           | 1389.9        | 128.82       |
|                                       |              |           |              |            |              |                  |             | 7           | 1393.9        | 127.01       |
|                                       |              |           |              |            |              |                  |             | 8           | 1389.9        | 127.91       |

| Boats       | Arrived (date/time) | Departed (date/time) | Status                    | Bulks         |      |          |
|-------------|---------------------|----------------------|---------------------------|---------------|------|----------|
| Far Grip    | 21:45 hrs 3/09/08   |                      | On location Ocean Patriot | Item          | Unit | Quantity |
|             |                     |                      |                           | Fuel          | m3   | 547      |
|             |                     |                      |                           | Potable Water | m3   | 400      |
|             |                     |                      |                           | Drill Water   | m3   | 340      |
|             |                     |                      |                           | Gel           | mt   | 59       |
|             |                     |                      |                           | Cement        | mt   | 45.5     |
|             |                     |                      |                           | Barite        | mt   | 84       |
|             |                     |                      |                           | KCl Brine     | m3   | 113      |
|             |                     |                      |                           | NaCl Brine    | m3   | 0        |
|             |                     |                      |                           | Mud           | m3   | 117      |
| Nor Captain | 04:15 hrs 1/09/08   |                      | On location Ocean Patriot | Item          | Unit | Quantity |
|             |                     |                      |                           | Fuel          | m3   | 389      |
|             |                     |                      |                           | Potable Water | m3   | 270      |
|             |                     |                      |                           | Drill Water   | m3   | 495      |
|             |                     |                      |                           | Gel           | mt   | 0        |
|             |                     |                      |                           | Cement        | mt   | 0        |
|             |                     |                      |                           | Barite        | mt   | 82       |
|             |                     |                      |                           | KCl Brine     | m3   | 0        |
|             |                     |                      |                           | NaCl Brine    | m3   | 0        |
|             |                     |                      |                           | Mud           | m3   | 80       |

| Helicopter Movement |       |               |         |     |
|---------------------|-------|---------------|---------|-----|
| Flight #            | Time  | Destination   | Comment | Pax |
| GYJ                 | 11:06 | Ocean Patriot |         | 12  |
| GYJ                 | 11:19 | Essendon      |         | 7   |