

<b>From : Bryan Webb / Rohan Richardson</b>							
<b>OIM : Rod Dotson</b>							
<b>Well Data</b>							
Country	Australia	Measured Depth	2037.0m	Current Hole Size	311mm	AFE Cost	\$41,512,831
Field		TVD	1708.9m	Casing OD	346mm	AFE No.	5746043
Drill Contractor	DOGC	Progress	412.0m	Shoe MD	652.0m	Daily Cost	\$829,310
Rig	Ocean Patriot	Days from spud	43.87	Shoe TVD	652.0m	Cum Cost	\$42,949,977
Water Depth (LAT)	66.3m	Days on well	4.88	F.I.T. / L.O.T.	2.20sg / 2.20sg	Planned TD	2552.0m
RT-SL(LAT)	21.5m	Current Op @ 0600	Continued to back ream out of hole from 1600 m.				
RT-ML	87.8m	Planned Op	POOH to shoe and change out drill pipe darts in cement head for new. Perform slip & cut on drill line and RIH to TD for wiper trip.				
Rig Heading	217.0deg						

<b>Summary of Period 0000 to 2400 Hrs</b>
Drilled 311 mm (12 1/4") intermediate hole from 1625 m to 2037 m.

<b>Formations</b>			
Name	Top (MD)	Top (TVD)	Comment
Massacre Shale	1201.0m	1189.5m	0.4 L
Timboon Fm	1214.5m	1202.4m	0.2 L
Paaratte Fm	1413.0m	1380.0m	2.3 H
Skull Ck	1665.0m	1558.6m	5.4 H

<b>Operations For Period 0000 Hrs to 2400 Hrs on 07 Oct 2008</b>							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	U (SCS)	DA	0000	0130	1.50	1665.0m	Drilled ahead Paaratte Fm from 1625 m to 1665 m MD with 9-11.3 t (20-25 klbs) WOB, 160 RPM, 3710 L/min (980 GPM) flow rate and 6.8-27.1 kNm (5-20 kft.lbs) torque.
IH	U (SCS)	DA	0130	2400	22.50	2037.0m	Drilled ahead Skull Ck Fm from 1665 m to 2037 m MD with 9-14.5 t (20-32 klbs) WOB, 160 RPM, 3710 L/min (980 GPM) flow rate and 6.8-27.1 kNm (5-20 kft.lbs) torque.

<b>Operations For Period 0000 Hrs to 0600 Hrs on 08 Oct 2008</b>							
Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	U (SCS)	DA	0000	0030	0.50	2050.0m	Continued to drill Skull Ck Fm from 2037 m to section TD at 2050 m MD (1711.4 m)
IH	U (SCS)	CHC	0030	0300	2.50	2050.0m	Circulated 3 x bottoms up, worked double with 160 RPM and 3709 L/min (980 GPM). Racked back stand and continued to work next with same parameters. Shakers clean.
IH	U (SCS)	FC	0300	0315	0.25	2050.0m	Conducted flow check, static.
IC	U (SCS)	RW	0315	0600	2.75	2050.0m	POOH to 1961 m on elevators, started to pull 31.7 t (70 klbs) over, attempted to work through unsuccessful. Made up TDS and attempted to pump out of hole, unsuccessful, started to pack off. Commenced back reaming from 1961 m to 1600 m with 150 RPM and 3406 L/min (900 GPM). Minimal overpull observed, no pack off and fluctuating torque without stalling.

<b>WBM Data</b>		<b>Cost Today \$ 36406</b>							
Mud Type:	KCL/GLY	API FL:	3cm <sup>3</sup> /30m	KCl:	11%	Solids:	12.58	Viscosity:	0sec/L
Sample-From:	Pit	Filter-Cake:		Hard/Ca:	600	H2O:	87%	PV:	0.035Pa/s
Time:	20:00	HTHP-FL:		MBT:	7.5	Oil:		YP:	0.244MPa
Weight:	1.38sg	HTHP-Cake:	1mm	PM:	0.1	Sand:	0.75	Gels 10s:	0.053
Temp:	140.0C°			PF:	0.07	pH:	9	Gels 10m:	0.105
						PHPA:	2ppb	Fann 003:	11
								Fann 006:	14
								Fann 100:	49
								Fann 200:	71
								Fann 300:	86
								Fann 600:	121
Comment	Losses at shakers observed while boosting riser. Continued mixing in pit 2, weighting up and adding PHPA. Continued adding JK261 powdered PHPA into active for maintenance.								

Bit # 12				Wear	I	O1	D	L	B	G	O2	R
Size:	311mm	IADC#		<b>Nozzles</b>			<b>Drilled over last 24 hrs</b>			<b>Calculated over Bit Run</b>		
Mfr:	SMITH	WOB(avg)	10.57mt	No.	Size	Progress	412.0m	Cum. Progress		987.0m		
Type:	PDC	RPM(avg)	179	2	16/32nd"	On Bottom Hrs	20.54h	Cum. On Btm Hrs		45.04h		
Serial No.:	JX7062	F.Rate	3589lpm	3	18/32nd"	IADC Drill Hrs	24.00h	Cum IADC Drill Hrs		55.50h		
Bit Model	MD519BPX	SPP	24187kPa				Total Revs	Cum Total Revs		0		
Depth In	1050.0m	TFA	1.138				ROP(avg)	20.06 m/hr	ROP(avg)		21.91 m/hr	
Depth Out												

BHA # 16							
Weight(Wet)	19.05mt	Length	212.0m	Torque(max)	16456.0Nm	D.C. (1) Ann Velocity	82.29mpm
Wt Below Jar(Wet)	17.24mt	String	106.59mt	Torque(Off.Btm)	5984.0Nm	D.C. (2) Ann Velocity	0mpm
		Pick-Up	108.86mt	Torque(On.Btm)	11424.0Nm	H.W.D.P. Ann Velocity	68.94mpm
		Slack-Off	95.25mt			D.P. Ann Velocity	56.63mpm

BHA Run Description		Directional / FEWD					
Equipment	Length	OD	ID	Serial #	Comment		
Bit	0.30m	311mm		JX7062	Smith MDi519		
Powerdrive 900	9.05m	308mm	127mm	090	X5 assy (float, receiver sub and flex sub)		
ARC-8	5.87m	231mm	76mm	1854			
In-Line Stabiliser	0.88m	291mm	111mm	242230733			
Telescope HF	8.13m	213mm	76mm	E1158			
NMDC	9.37m	226mm	71mm	SBD4466			
NMDC	8.55m	213mm	71mm	N688			
X/O	0.70m	203mm	67mm	ASQ8065			
HWDP	121.38m	175mm	76mm				
6.375in Jars	9.73m	162mm	70mm	DAH01628			
HWDP	37.30m						

Survey								
MD (m)	Incl Deg (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (m)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1918.90	71.4	121.1	1678.46	575.62	2.13	-305.06	489.03	MWD
1947.87	73.3	121.0	1687.24	603.20	1.99	-319.28	512.69	MWD
1977.99	75.0	120.5	1695.46	632.17	1.74	-334.09	537.59	MWD
2004.68	76.6	119.9	1702.00	658.04	1.96	-347.11	559.96	MWD
2029.14	78.4	120.2	1707.29	681.91	2.14	-359.06	580.63	MWD
2050.00	79.0	119.5	1711.39	702.36	1.34	-369.24	598.37	Projected to bit

Bulk Stocks							
Name	Unit	In	Used	Adjust	Balance	Comment	
Barite	mT	0	42	0	85.0		
Gel	mT	0	0	0	31.0		
Cement	mT	0	0	0	46.0		
Fuel	m3	0	16.2	0	474.1		
Potable Water	m3	34	25	0	366.0		
Drill Water	m3	430	217	0	682.0		

Personnel On Board		
Company	Comment	Pax
Santos		4
DOGC		53
ESS		8
BHI		6
Dowell		2
Rheochem		2
MI Swaco		1
TMT		6
Cameron		1
Santos	Geologist	2
Schlumberger Drilling & Measurements	Directional	6
Premium Casing Services		6
<b>Total</b>		<b>97</b>

HSE Summary				
Events	Num Events	Date of Last	Days Since	Remarks
Abandon Drill	1	05 Oct 2008	2 Days	Abandon drill completed after the simulated fire drill under control. Alarm sounded at 10:31 hrs, initial muster completed at 10:41 hrs, full muster completed at 10:49 hrs.
Environmental Audit	1	03 Sep 2008	34 Days	Rig visit by DPI. Conducted an environmental audit on Santos operation.
Fire Drill	1	05 Oct 2008	2 Days	Simulated a fire in the cement unit room. Alarm sounded at 10:31 hrs, emergency under control at 10:41 hrs. Rescue and fire teams discussed scenario and resolution.
First Aid	1	01 Oct 2008	6 Days	IP struck on upper lip when removing float valve from float sub.
JHA	41	07 Oct 2008	0 Days	Drill crew - 11 Deck Crew - 21 Welder - 6 Mechanic - 3
Lost Time Incident	1	30 May 2008	130 Days	Man had his left hand caught between an 8" drill collar and the casing tongs when he was trying to secure the tong. Preliminary checks on the rig deemed only stitches required and the hand was not broken. The person was medivac'd off the rig @ 23:00hrs. Man was released from Royal Hobart hospital with 12 stitches to the hand (no broken bones).
Medical Treatment Incident	1	13 Aug 2008	55 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	07 Oct 2008	0 Days	Discussed upcoming operations and associated hazards prior to each shift starting.
PTW Issued	7	07 Oct 2008	0 Days	3 x hot work 4 x cold work
Safety Audit	1	29 Jul 2008	70 Days	Santos environment audit conducted.
Safety Audit	1	30 Jul 2008	69 Days	EHSMS audit conducted onboard.
Safety Meeting	3	05 Oct 2008	2 Days	Reviewed stop cards for the week and awarded Santos Stop card winner to Hayden S, PCS. Discussed the fire drill and the scenario of a fire in the cement unit room. Reviewed abandon rig scenario. Discussed fire systems on rig.
Santos Induction	1	07 Oct 2008	0 Days	Inducted new personnel to site after DODI rig wide induction.
Stop Observations	53	07 Oct 2008	0 Days	33 - Safe 20 - Corrective Actions
STOP Tour	5	04 Oct 2008	3 Days	Submitted 5 by Diamond supervisor Stop audit.

Shakers, Volumes and Losses Data				Engineer : Kellie Jericho / Carissa Thompson			
Available	366.5m <sup>3</sup>	Losses	98.6m <sup>3</sup>	Equip.	Descr.	Mesh Size	Hours
Active	87.0m <sup>3</sup>	Downhole	4.0m <sup>3</sup>	Centrifuge 1	MI SW FVS 518		4
Mixing		Surf+ Equip	88.2m <sup>3</sup>	Centrifuge 1	MI SW FVS 518		5
Hole	156.3m <sup>3</sup>	Dumped	0.0m <sup>3</sup>	Centrifuge 2	MI SW FVS 518		
Slug	0.0m <sup>3</sup>	De-Sander		Centrifuge 2	MI SW FVS 518		0
Reserve	121.5m <sup>3</sup>	De-Silter		Shaker 3	MI SW - BEM 650	30/20 200 HC x 4	24
Kill	0.0m <sup>3</sup>	Centrifuge	6.4m <sup>3</sup>	Shaker 3	MI SW - BEM 650	40/20 230 HC x 4	24
Storage	1.7m <sup>3</sup>			Shaker 4	MI SW - BEM 650	40/20 165 HC x 4	24
				Shaker 4	MI SW - BEM 650	30/20 200 HC x 4	24
				Shaker 5	MI SW - BEM 650	40/20 165 HC x 4	24
				Shaker 5	MI SW - BEM 650	30/20 200 HC x 4	24
				Shaker 6	MI SW - BEM 650	30/20 200 HC x 4	24
				Shaker 6	MI SW - BEM 650	40/20 230 HC x 4	24

Marine										
Weather check on 07 Oct 2008 at 24:00								Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Chain out (m)	Tension (mt)
22.2km	48km/h	203.0deg	1022.00bar	12.0C°	1.0m	203.0deg	3sec	1	1353.0	135.17
Roll	Pitch	Heave	Swell Height	Swell Dir.	Swell Period	Weather Comments		2	1372.8	130.18
0.5deg	0.4deg	0.80m	4.0m	225.0deg	12sec			3	1386.8	120.20
Rig Dir.	Ris. Tension	VDL	Comments					4	1414.0	125.19
217.0deg	136.08mt	1026.93mt						5	1365.8	130.18
								6	1389.9	126.10
								7	1393.9	155.13
								8	1389.9	120.20

Boats	Arrived (date/time)	Departed (date/time)	Status	Bulks		
Far Grip		21:05 hrs 07/10/03	On steam to Portland, ETA 0800 hrs, 08/10/2008	Item	Unit	Quantity
				Fuel	m3	430
				Potable Water	m3	244
				Drill Water	m3	320
				Gel	mt	59
				Cement	mt	84
				Barite	mt	41
				KCl Brine	m3	9
				NaCl Brine	m3	0
					m3	131
Mud	m3	0				
Nor Captain	18:45 hrs 07/10/08		Running Standby	Item	Unit	Quantity
				Fuel	m3	454
				Potable Water	m3	378
				Drill Water	m3	319
				Gel	mt	42
				Cement	mt	0
				Barite	mt	42
				KCl Brine	m3	0
				NaCl Brine	m3	0
				Mud	m3	104

Helicopter Movement					
Flight #	Time	Destination	Comment	Pax	
BYV	11:21	Essendon			13
BYV	11:32	Ocean Patriot			16