

		From:	Chris Roots	/ Nathan Peri			
		OIM:	Rod Dotson				
Well Data							
Country	Australia	Measured Depth	2648.0m	Current Hole Size	216mm	AFE Cost	\$41,512,831
Field		TVD	1724.7m	Casing OD	244mm	AFE No.	5746043
Drill Contractor	DOGC	Progress	0.0m	Shoe MD	2042.7m	Daily Cost	\$889,936
Rig	Ocean Patriot	Days from spud	55.87	Shoe TVD	1709.9m	Cum Cost	\$60,442,841
Water Depth (LAT)	66.3m	Days on well	16.88	F.I.T. / L.O.T.	2.20sg / 2.20sg	Planned TD	2627.0m
RT-SL(LAT)	21.5m	Current Op @ 0600	Laid out SA	AB's circulating sub ar	nd SCR-1 pacl	ker running tool.	
RT-ML	87.8m	Planned Op	Pick up We	ell Patroller, Bore Prot	ector P/Tool a	nd TIH. Circulate	and jet across the
Rig Heading	217.0deg		wellhead a	and and latch the Bord rea. Lay out tools and n the upper completion	inspect Bore		jet across the

Summary of Period 0000 to 2400 Hrs

Cleaned out the mud pits and diluted the brine down from 1.29sg (10.8ppg) to 1.19sg (10.0ppg).

Flushed out the surface lines, choke and kill lines, booster lines with uninhibited brine.

Pumped a Hi-Vis pill followed by Dirt magnet slurry down drill pipe. Chased with 1.19sg (10.0ppg) inhibited brine, dumped DIF returns and pill train. Stopped pumping when brine at surface.

Mixed 41 m³ (260bbls) of brine and filtered same. Circulated system to inhibited filtered brine.

Pull out of hole from 1740m to 1278m laying out drill pipe.

Formations			
Name	Top (MD)	Top (TVD)	Comment
Timboon	1214.5m	1202.4m	0.2 L
Paaratte	1413.0m	1380.0m	2.3 H
Skull Creek	1665.0m	1558.6m	5.4 H
Waarre A	2040.0m	1709.5m	5.0 H

Operations For Period 0000 Hrs to 2400 Hrs on 19 Oct 2008

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
PH	TP (WOE)	RIC	0000	0300	3.00	2648.0m	Standby waiting on pit space to dilute brine. Continued cleaning pit #4.
PH	P	RIC	0300	0330	0.50	2648.0m	Lined up mud pumps down the drill pipe and circulated 4.8 m³ (30bbls) His Vis, 14.3 m³ (90bbls) Dirt Magnet and another 4.8 m³ (30bbls) Hi Vis pill. Lined up and circulated the surface lines, booster line and choke and kill lines to Dirt Magnet brine (slug and pit#1 empty). Cleaned and flushed out pit #1.
PH	TP (WOE)	RIC	0330	0500	1.50	2648.0m	Standby waiting on brine to be diluted down from 1.29sg (10.8ppg) to 1.19sg (10ppg).
PH	P	RIC	0500	0600	1.00	2648.0m	Flushed out the surface lines / choke and kill / booster line and cement lines back to the cement unit with unfiltered brine. Lined up down the drill pipe and circulated 1.19sg (10ppg) brine around until Hi-Vis and Dirt Magnet pills at surface (dumped returns). Shut down pumps when clean brine at surface.
							Concurrent Ops: Lined out to mix more brine into pits #1 & #2. Filtered brine from pits #1 & #2 into pit#4.
PH	P	RIC	0600	1630	10.50	2648.0m	Continued mixing 260bbls of 1.19sg (10.0ppg) brine. Concurrent Ops: Completed Schlumberger Well Testing equipment pressure test to 3.4/6.9 MPa (500/1000psi) for 5/10 minutes. Installed the Weatherford umbilical hose and sheave in the derrick.
PH	Р	RIC	1630	1830	2.00	2648.0m	Commenced filtering brine from Pit#2 into Pit#4. Pit#4 NTU reading at 144 prior to adding inhibitor.
PH	Р	RIC	1830	2100	2.50	2648.0m	Circulated and displaced the hole to 1.19sg (10.0ppg) filtered inhibited brine taking unfiltered returns back to the pits. Continued building filtered inhibited brine using returns from the well.
PH	Р	RIC	2100	2400	3.00	2648.0m	Held JSA, commenced POH laying out drill pipe. Note: Several connections over torqued requiring tongs to break out.

Operations For Period 0000 Hrs to 0600 Hrs on 20 Oct 2008

Phse	Cls (RC)	Ор	From	То	Hrs	Depth	Activity Description
PH	Р	RIC	0000	0600	6.00	2648.0m	Continued POH laying down drill pipe from 1278m to surface. Note: Manual tongs were required to break 25% of the connections. Laid out SAB's circulating sub and SCR-1 packer running tool.



DRILLING MORNING REPORT # 17 Henry-2 DW1ST1 (19 Oct 2008)

WBM Dat	a		Cost Today \$ 47500					
Mud Type:	Completion Brine	API FL:	KCI:	Solids:	4.5	Viscosity:		
Sample-From	n: Pit	Filter-Cake:	Hard/Ca:	H2O:	96%	PV: YP:		
Time:	06:00	HTHP-FL:	MBT:	Oil:		Gels 10s: Gels 10m:		
Weight: Temp:	1.21sg	HTHP-Cake:	PM: PF:	Sand: pH: PHPA:	7	Fann 003: Fann 006: Fann 100: Fann 200: Fann 300: Fann 600:		
Comment		drilwater for 158.9 m3(1000 bb seawater, salt, and Xanvis. Build 31.8 m3 (200 brine. Displace DIF from hole a scavenger	0.5+ spike brine from boat and di ls). 260 NTUs Build 70 bbls 10.0 0 bbls) 1.20 sg (10.0 ppg) clean u and dump along with active. Use dumped represents 172.2 m3 (10 ase totals 58.3 m3 (367 bbls).	ppg hivis push pill with up pill with Dirt Magnet and bacteriacide and oxygen	•			

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	Comment
Barite	mT	0	0	0	54.0	
Gel	mT	0	0	0	31.0	
Cement	mT	0	0	0	30.0	
Fuel	m3	0	11.9	0	486.0	
Potable Water	m3	30	23	0	376.0	
Drill Water	m3	0	114	0	644.0	

Personnel On Board		
Company	Comment	Pax
Santos		7
DOGC		45
ESS		8
BHI		2
Dowell		2
Rheochem		1
MI Swaco		1
TMT		6
Cameron		3
Premium Casing Services		4
Baker Oil Tools		2
Scotech		2
Expro		2
WFT		1
Schlumberger Testing		6
Halliburton		1
Expro		2
Production Quest		3
	Total	98



HSE Summary				
Events	Num Events	Date of Last	Days Since	Remarks
Abandon Drill	1	19 Oct 2008	0 Days	Abandon drill completed after the simulated fire drill was under control. A full muster was achived in 12 minutes.
Environmental Audit	1	03 Sep 2008	46 Days	Rig visit by DPI. Conducted an environmental audit on Santos operation.
Fire Drill	1	19 Oct 2008	0 Days	Simulated a fire in the well test area. Alarm sounded at 10:04 hrs, emergency under control at 10:14 hrs. Rescue and fire teams discussed scenario and resolution.
First Aid	1	16 Oct 2008	3 Days	IP reported that his left eye was irritable and itchy. The eye was red presumably with rubbing with hand.
JHA	41	19 Oct 2008	0 Days	Drill crew - 14 Deck Crew - 21 Welder - 3 Mechanic - 2 Electrician - 0 3rd Party - 1 Subsea- 0
Lost Time Incident	1	30 May 2008	142 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	67 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 IPs neck. The IP was immobilised as a precautionary measure, treated as per symptoms and in readiness for medivac to hospital for further assessment.
Near Miss	1	16 Oct 2008	3 Days	Adjustable wrench fell from open top container while backloading to supply vessel and landed on deck.
Near Miss	1	18 Oct 2008	1 Day	While lifting the annular off the hercules frame, it caught the side and fell off landing on the deck (1m fall). No injuries to personnel or equipment.
Pre-Tour Meeting	4	19 Oct 2008	0 Days	Discussed the next 24 hr operation. Laying out scraper/clean out assembly. Rig up and commence running lower completion. Went over STOP cards.
PTW Issued	13	19 Oct 2008	0 Days	6 x hot work 7 x cold work
Safety Audit	1	29 Jul 2008	82 Days	Santos environment audit conducted.
Safety Audit	1	30 Jul 2008	81 Days	EHSMS audit conducted onboard.
Safety Meeting	3	19 Oct 2008	0 Days	Reviewed stop cards,near miss incidents for the week. Santos Stop Card of the week: Matt Davis and Brendan Palmer. Discussed fire drill and abandonment muster.
Santos Induction	0	19 Oct 2008	0 Days	Inducted new personnel to site after DODI rig wide induction.
Stop Observations	41	19 Oct 2008	0 Days	30 - Safe 11 - Corrective Actions
STOP Tour	1	19 Oct 2008	0 Days	Submitted by Diamond supervisor Stop audit.

Available	177.9m³	Losses	230.7m ³	Equip.	Descr.	Mesh Size	Hours
Active	66.6m³	Downhole		Centrifuge 1	MI SW FVS 518		
Mixing		Surf+ Equip	0.0m³	Centrifuge 2	MI SW FVS 518		
· ·		Suii+ Equip		Shaker 3	MI SW - BEM 650	40/20 200 HC x 1	
Hole	79.5m³	Dumped	230.7m³	Shaker 3	MI SW - BEM 650		
Slug	$0.0 m^{3}$	De-Sander		Shaker 4	MI SW - BEM 650	30/20 200 HC x 1	
Reserve		De-Silter		Shaker 4	MI SW - BEM 650		
Kill	0.0m³	Centrifuge		Shaker 5	MI SW - BEM 650	30/20 200 HC x 1	
		Ochunage		Shaker 5	MI SW - BEM 650		
Filtered Brine	31.8m³			Shaker 6	MI SW - BEM 650	40/20 165 HC x 1	
				Shaker 6	MI SW - BEM 650		



DRILLING MORNING REPORT # 17 Henry-2 DW1ST1 (19 Oct 2008)

Marine										
Weather ch	eck on 19 Oct	2008 at 24:0	0					Rig Support		
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Chain out (m)	Tension (mt)
18.5km	37km/h	180.0deg	1016.00bar	12.0C°	1.0m	180.0deg	3sec	1	1353.0	132.00
Roll	Pitch	Heave	Swell Height	Swell Dir.	Swell Period	Weather	Comments	2	1372.8	130.18
0.3deg	0.3deg	0.80m	2.0m	240.0deg	12sec			3	1386.8	128.82
0.5ueg	0.sueg	0.00111	2.0111	240.0deg	12560			4	1414.0	131.09
Rig Dir.	Ris. Tension	VDL		Comments				5	1365.8	120.20
217.0deg	108.86mt	845.50mt						6	1389.9	120.20
2	100.00111	0 10.00III						7	1393.9	141.07
								8	1389.9	106.14

Boats	Arrived (d	late/time)	Departed (date/time)	Status		Bulks	
Far Grip	23	:35 17th Oct 08		Standing By.	Item	Unit	Quantity
					Fuel	m3	497
					Potable Water	m3	462
					Drill Water	m3	397
					Gel	mt	59
					Cement	mt	84
					Barite	mt	41
					KCI Brine	bbl	52
					NaCl Brine	bbl	0
						bbl	0
Nor Captain	2	22:10hrs 19 Oct	00:40hrs 19 Oct	Standing By.	Item	Unit	Quantity
				Note: Round trip to Portland and	Fuel	m3	487
				back.	Potable Water	m3	372
				buok.	Drill Water	m3	319
					Gel	mt	42
					Cement	mt	0
					Barite	mt	0
					KCI Brine	bbl	0
					NaCl Brine	bbl	0
						bbl	
Helicopter	Movement						
Flight #	Time		Destination	Com	ment		Pax
BYV	11:15	Essendon					4
BYV	11:23	Ocean Patriot					4