

From: B Openshaw/ S Schmidt. To: Paul Barrett 24 May 2008

DRILLING MORNING REPORT #16 Wardie-1

| Well Data | | | | | | | | | |
|---------------|---------------|------------------|---------|-------------------|--|-----------------------------------|----------------|--|--|
| Country | Australia | MDBRT | 1766.0m | Cur. Hole Size | 12.250in | AFE Cost | US\$13,037,504 | | |
| Field | West Seahorse | TVDBRT | 1618.2m | Last Casing OD | 13.375in | AFE No. | Wardie-1 | | |
| Drill Co. | Seadrill | Progress | 0.0m | Shoe TVDBRT | 703.7m | Daily Cost | US\$600,000 | | |
| Rig | West Triton | Days from spud | 14.19 | Shoe MDBRT | 747.2m | Cum Cost | US\$12,050,000 | | |
| Wtr Dpth(MSL) | 39.5m | Days on well | 15.31 | FIT/LOT: | 1.58sg / | | | | |
| RT-ASL(MSL) | 38.0m | Planned TD MD | 1790.0m | Current Op @ 0600 | Laying out | Laying out tubulars from derrick. | | | |
| RT-ML | 77.5m | Planned TD TVDRT | 1638.0m | Planned Op | Complete laying out tubulars from derrick. Skid rig in, sea fasten decks, prepare to rig move. | | | | |

Summary of Period 0000 to 2400 Hrs

Pull, recover and laid out 30" casing. Prepare rig package for rig move. Skid rig out and lower Texas deck extension onto work boat. Laid out tubulars from derrick.

| HSE Summary | | | | |
|--------------------|-------------|------------|--|--|
| Events | Num. Events | Days Since | Descr. | Remarks |
| Fire Drill | | 6 Days | Fire drill. | Simulated fire in Shaker House. Good response by fire team and muster of personnel. |
| First Aid | | 12 Days | Roustabout struck knee on casing. Floorman struck wrist between lifting nubbin and DC. | A roustabout was reaching for a tagline when his front foot slipped off a joint of casing causing him to straddle the joint of casing. As he straddled the casing his right knee contacted the casing and he sustained bruising to the knee. He was sent to shore for precautionary X-ray. |
| Incident | 1 | 0 Days | Human error in skidding rig operations. | Lock pins where not retracted prior skidding rig package. |
| Near Miss | | 22 Days | Tugger wire fell onto rig floor during installation | While changing out a damaged tugger wire, a "snake" joining the old and new wires together released just prior to going over the crown sheave. Both cables fell back down to the rig floor. |
| PTW issued | 16 | 1 Day | | Permit to work issued for the day. |
| Safety Meeting | 2 | 0 Days | | Weekly safety meeting held at 1300 Saturday and 0045 on Sunday morning, |
| STOP Card | 32 | 0 Days | | Stop cards submitted for the day. |
| ToolBox Talk | 5 | 0 Days | Held Tool box talk with crews for related tasks. | Held Pretour safety meetings with crews. |

Operations For Period 0000 Hrs to 2400 Hrs on 24 May 2008

| Phse | Cls (RC) | Ор | From | То | Hrs | Depth | Activity Description |
|------|-------------|-----|------|------|------|---------|--|
| P21 | Р | G18 | 0000 | 0100 | 1.00 | 1766.0m | RIH with 30" casing spear, engaged spear. Attempted to pull 30" casing with 100k, 120k, 140k, 160k overpull. No success. Activated J lock release on 30" conductor at 77.5m and pulled casing. Picked up casing 0.30m. |
| P21 | Р | G12 | 0100 | 0200 | 1.00 | 1766.0m | Removed ICON clamp from 30" conductor. Recoved J lock cable to surface. |
| P21 | Р | G2 | 0200 | 0400 | 2.00 | 1766.0m | POOH with casing. Casing spear jammed in casing. Lay out 30" casing with casing spear engaged into casing. |
| P21 | Р | G2 | 0400 | 0700 | 3.00 | 1766.0m | Changed out bails, elevators and POOH laying out 30" conductor. Rigged down casing handling equipment. |
| P1 | Р | M2 | 0700 | 1300 | 6.00 | 1766.0m | Moved CTU unit from Texas deck to storage area. Removed all service hose from cantilever. Held PJSM for removing Texas deck extension and rigged up slings to remove CTU work platform from Texas deck. Moved work platform to main deck |
| | | | | | | | These operations where carried out in conjunction with repairing burst hydraulic hose on Top Drive System time taken was 2 hours to repair hose. |
| P1 | Р | M2 | 1300 | 1400 | 1.00 | 1766.0m | Rigged up handling equipment, picked up Texas deck extension from Texas deck. |
| P1 | TP (RE) | M2 | 1400 | 1700 | 3.00 | 1766.0m | Attempted to skid out rig package, lock pin left in extended postion. Cut of lock pin assembly on both Port and Starboard sides of cantilever. Major damage to locking pins and associated steel work. |
| P1 | Р | M2 | 1700 | 1830 | 1.50 | 1766.0m | Held JSA, skidded rig aft 4m, lower Texas deck extension onto work boat. Rigged down handling equipment. |
| P1 | Р | G2 | 1830 | 2400 | 5.50 | 1766.0m | Laid out tubulars from derrick. |

Operations For Period 0000 Hrs to 0600 Hrs on 25 May 2008



| Phse | Cls (RC) | Ор | From | То | Hrs | Depth | Activity Description |
|------|-------------|----|------|------|------|---------|--|
| P1 | Р | G2 | 0000 | 0600 | 6.00 | 1766.0m | (IN PROGRESS) Laid out tubullars from derrick. |

| Phase Data to 2400hrs, 24 May 20 | 008 | | | | | |
|----------------------------------|-----------|-------------|-------------|---------|----------|-----------|
| Phase | Phase Hrs | Start On | Finish On | Cum Hrs | Cum Days | Max Depth |
| Other work scope(P28) | 4 | 09 May 2008 | 09 May 2008 | 4.00 | 0.167 | 0.0m |
| Maintenance / Service(P27) | 10.5 | 09 May 2008 | 12 May 2008 | 14.50 | 0.604 | 136.0m |
| Conductor Casing(P3) | 32.5 | 11 May 2008 | 12 May 2008 | 47.00 | 1.958 | 136.0m |
| Intermediate Hole (1)(P7) | 7 | 12 May 2008 | 12 May 2008 | 54.00 | 2.250 | 161.0m |
| Surface Hole(P4) | 36 | 10 May 2008 | 13 May 2008 | 90.00 | 3.750 | 751.0m |
| Surface Casing(P5) | 48.5 | 12 May 2008 | 15 May 2008 | 138.50 | 5.771 | 751.0m |
| BOPs/Risers(P6) | 13.5 | 15 May 2008 | 16 May 2008 | 152.00 | 6.333 | 751.0m |
| Production Hole (1)(P11) | 109 | 16 May 2008 | 20 May 2008 | 261.00 | 10.875 | 1766.0m |
| Mob/Demob(P1) | 23.5 | 10 May 2008 | 24 May 2008 | 284.50 | 11.854 | 1766.0m |
| Suspend and Abandon(P21) | 83 | 10 May 2008 | 24 May 2008 | 367.50 | 15.313 | 1766.0m |

| General Comments | | | | | | | |
|-----------------------------------|--|--|--|--|--|--|--|
| 00:00 TO 24:00 Hrs ON 24 May 2008 | | | | | | | |
| Operational Comments | Starboard crane is out of service, crane can slew to the right but when slewing to the left speed is slower and transmits grinding sounds from slew motor. | | | | | | |
| | Port crane operates good when oil is cold but as oil heats up from use all functions on crane become very slow. | | | | | | |
| Operational Comments | ROV spread rigged down for de-mob. | | | | | | |

| Bulk Stocks | | | | | |
|----------------|------|----|------|--------|---------|
| Name | Unit | In | Used | Adjust | Balance |
| DRILL WATER | MT | 65 | 0 | 13 | 273.0 |
| Rig Fuel | m3 | 0 | 5 | 0 | 178.0 |
| POTABLE WATER | MT | 0 | 31 | 0 | 236.0 |
| Cement Class G | MT | 0 | 0 | 0 | 40.0 |
| Bentonite | MT | 0 | 0 | 0 | 41.0 |
| Barite | MT | 0 | 0 | 0 | 122.0 |

| Personnel On Board | | | | | | | |
|--------------------|-----|--|--|--|--|--|--|
| Company | Pax | | | | | | |
| ADA | 4 | | | | | | |
| Seadrill | 11 | | | | | | |
| Seadrill Services. | 46 | | | | | | |
| Catering | 9 | | | | | | |
| Halliburton | 2 | | | | | | |
| Baker Hughes Inteq | 2 | | | | | | |
| Halliburton | 2 | | | | | | |
| Tamboritha | 2 | | | | | | |
| Fugro Survey LTD | 2 | | | | | | |
| Total | 80 | | | | | | |

| | | | | To | otal 80 | | | | | | |
|----------------|-------------|-----|---------------|--------------|-----------------------|--------------|-----------|---------------------------|----------|------|----------------|
| Marine | | | | | | | | | | | |
| Weather on | 24 May 20 | 800 | | | | | | | | | |
| Visibility | Wind Spee | ed | Wind Dir. | Pressure | Air Temp. | Wave Height | Wave Dir. | Wave Period | | | |
| 10.0nm | 11kn | | 65.0deg | 1028.0mbar | 12C° | 1.0m | 190.0deg | 4s | | | |
| Rig Dir. | Ris. Tensio | on | VDL | Swell Height | Swell Dir. | Swell Period | Weathe | r Comments | | | |
| 137.2deg | | | 2166.00klb | 1.5m | 190.0deg | 8s | | swell heights | | | |
| | • | • | Comr | nents | | | are e | stimates. | | | |
| Vessel N | lame | Arı | rived (Date/T | | Departed ate/Time) | St | atus | <u>l</u> | Bulks | | |
| Pacific Battle | r | | | | | On location | n | Item | Unit | Used | Quantity |
| | | | | | | | | Rig Fuel Potable Water | m3 Mt | | 530.905 350 |



| | | _ | | Item | Unit | Used | Quantity |
|-----------------|--|---------------|---------------------|---------------|------|------------|--------------|
| | | | | Drill Water | Mt | | 342 |
| | | | | CEMENT G | Mt | | 84 |
| | | | | Barite | Mt | | 65.5 |
| | | | | Bentonite | Mt | | 58 |
| | | | | MUD | m3 | | 0 |
| Clear decks | | | | | | | |
| Pacific Valkyri | e 14.00 | | On location. | Item | Unit | Used | Quantity |
| | | | | Rig Fuel | m3 | | 418.4 |
| | | | | Potable Water | Mt | | 455 |
| | | | | Drill Water | m3 | | 578 |
| | | | | CEMENT G | Mt | | 42.5 |
| | | | | Barite | Mt | | 42.5 |
| | | | | Bentonite | Mt | | 28.8 |
| Sirus Cove | | | On location. | Item | Unit | Used | Quantity |
| | | | | FUEL | Ltrs | | 18500 |
| | | | | Potable Water | Ltrs | | 16500 |
| Paciffic Protec | etor | 20.32 | On route to Geelong | Item | Unit | Used | Quantity |
| | | | | FUEL | m3 | | 666.214 |
| | | | | Potable Water | m3 | | 321 |
| Helicopter | Movement | | | | | | |
| Flight # | Company | Arr/Dep. Time | F | Pax In/Out | Cor | nment | |
| 1 | BRISTOW HELICOPTERS AUSTRALIA PTY LTD | 10.08 / 10.21 | | / 6 | | Third part | y personnel. |