

Megascolides-2

| | | | | | |
|----------------------|-------------|------------------------------|----------------------------|---------------------------|----------------------|
| Date : | 26 Jan 2007 | Well Site Manager : | Bruce Pilat | Rig Manager : | Cesar Miaco |
| Report Number | 29 | Drilling Supervisor : | Bruce Pilat / Brian Assels | Drilling Company : | Century Drilling Ltd |
| Easting | 403212 | Northing | 5767583 | Geologist : | Dave Horner |

Well Details

| | | | | | | | |
|------------|--------------|----------------------|---------|--------------|---------|----------------|-------------|
| Country: | Australia | Current Hole Size: | 8.500in | Casing O.D.: | 9.625in | Planned TD: | 2170m |
| Field: | Megascolides | Measured Depth: | 1977m | Casing MD: | 507m | Last BOP Test: | 10 Jan 2007 |
| Rig: | Century 11 | True Vertical Depth: | 1977m | Casing TVD: | 507m | FIT/LOT: | 20.00ppg / |
| RT - AMSL: | 156.20m | 24 Hr Progress: | 75m | TOL MD: | | Last LTI: | 04 Jan 2006 |
| RT - GL: | 5.20m | Days From Spud: | 22.42 | Liner MD: | | LTI Free Days: | 247 |
| Datum: | WGS 84 | Days On Well: | 28.33 | Liner TVD: | | | |

Current Ops @ 0600: Drill 8-1/2" hole to 1997m.
 Planned Operations: Drill 8-1/2" hole with tricone bit. Trip out of hole and RIH with PDC bit. Con't drilling 8-1/2" hole to TD.

Summary of Period 0000 to 2400 Hrs

Drill 8-1/2" hole f/ 1902m to 1927m. Circulate, conduct rig service and WLS. Con't drill ahead to 1977m.

Well Costs - AFE Number:

| | | | | | | | |
|-----------------|--------------|------------------|--------------|-------------|-----------|------------|--------------|
| Original AFE: | \$ 2,839,256 | Orig & Supp AFE: | \$ 2,839,256 | Daily Cost: | \$ 72,458 | Cum. Cost: | \$ 2,194,409 |
| Projected Cost: | \$ 3,139,256 | | | | | | |

HSE Summary

| Event (# Of) | Date of last | Days Since | Short Description |
|--------------------------------|--------------|------------|---|
| Alcohol & drug screening (2) | 26 Jan 2007 | 0 Days | Personnel Blow into Alcoholiser |
| Pre-Tour Meetings (2) | 26 Jan 2007 | 0 Days | General housekeeping & Correct use of powered tools |

Operations For Period 0000 Hrs to 2400 Hrs on 26 Jan 2007

| Phse | Cls | Op | From | To | Hrs | Depth | Activity Description |
|------|-----|-----|------|------|-------|-------|--|
| PH1 | P | DA | 0000 | 0730 | 7.50 | 1927m | Drill 8 1/2" hole from 1902m to 1927m |
| PH1 | P | RS | 0730 | 0800 | 0.50 | 1927m | Conduct rig service. |
| PH1 | P | SVY | 0800 | 0900 | 1.00 | 1927m | Conduct WLS. |
| PH1 | P | DA | 0900 | 2400 | 15.00 | 1977m | Con't drill 8-1/2" hole f/ 1927m to 1977m. |

Operations For Period 0000 Hrs to 0600 Hrs on 27 Jan 2007

| Phse | Cls | Op | From | To | Hrs | Depth | Activity Description |
|------|-----|----|------|------|------|-------|--------------------------------------|
| PH1 | P | DA | 0000 | 0600 | 6.00 | 1997m | Drill 8-1/2" hole f/ 1977m to 1997m. |

WBM Data

| | | | | | | | | |
|-------------------------------|----------------|-------------|------------------------|------------|----------------------|----------------------------|----------|----|
| Daily Chemical Costs: \$ 3373 | | | Cost To Date: \$ 50544 | | | Engineer : Peter N Aronetz | | |
| Mud Type: | Flowline Temp: | 59C° | Cl: | 11.00x1000 | Low Gravity Solids: | 6.4% | Gels 10s | 4 |
| KCI-PHPA-POLYMER | Nitrates: | 0mg/l | | mg/l | High Gravity Solids: | 0.0% | Gels 10m | 5 |
| Sample From: Past Shaker | Sulphites: | 100mg/l | Hard/Ca: | 100mg/l | Solids (corrected): | 6.4% | Fann 003 | 4 |
| Time: 22:15 | API FL: | 5.6cm³/30m | MBT: | 5 | H2O: | 93.6% | Fann 006 | 5 |
| Weight: 9.30ppg | API Cake: | 1/32nd" | PM: | 0.39 | Oil: | 0.0% | Fann 100 | 24 |
| ECD TD: 9.72ppg | PV | 20cp | PF: | 0.08 | Sand: | 0.25% % | Fann 200 | 35 |
| ECD Shoe: | YP | 22lb/100ft² | MF: | 0.85 | Barite: | 0 | Fann 300 | 42 |
| Viscosity 56sec/qt | CaCO3 Added: | 31.8ppb | pH: | 9.8 | | | Fann 600 | 62 |
| KCI Equiv: 1.7% | | | PHPA Added: | 2.10ppb | | | | |

Comment: Recycle 100bbbls fluid from local sump and treat to current specifications. Running de-sander and de-silter to maintain fluid density at or below 9.3ppg.

| Shakers, Volumes and Losses Data | | | | | | | |
|---|-----------|------------------|---------|-------------|---------|--------------|-------|
| Available | 1027.0bbl | Losses | 84.0bbl | Equip. | Descr. | Mesh Size | Hours |
| Active | 603.0bbl | Downhole | 3.0bbl | De-Gaser 1 | Rig | | 0 |
| Hole | 416.0bbl | Shakers & Equip. | 45.0bbl | De-Sander 1 | Pioneer | 2 Cones | 9 |
| Slug | | Dumped | 15.0bbl | De-Silter 1 | Pioneer | 10 Cones | 9 |
| Reserve | 8.0bbl | Centrifuges | | Shaker 1 | DFE | 2x175, 1x140 | 24 |
| | | De-Sander | 11.0bbl | Shaker 2 | DFE | 2x175, 1x140 | 24 |
| | | De-Silter | 10.0bbl | | | | |
| Built | 120.0bbl | | | | | | |
| Comment: Recycle 100bbls fluid from local sump and treat to current specifications. Running de-sander and de-silter to maintain fluid density at or below 9.3ppg. Transfer an estimated 1600 bbls fluid (exact amount to be confirmed) from local sump to location M-1, to prevent overflowing of sump in case of heavy rains. | | | | | | | |

| Bit Data | | | | | | | | |
|-------------|--------------|---------------|----------|--------------------------------|--------------------------|-------------------------|--------------------|----------|
| Bit # 5 | | | | | | | | |
| Size ("): | 8.50 | IADC# | 437 | Nozzles | Drilled over last 24 hrs | Calculated over Bit Run | | |
| Mfr: | Security DBS | WOB(avg) | 30.00klb | 2 x 14(/32nd) 1 x 13(/32nd) | Progress | 75m | Cum. Progress | 167.0m |
| Type: | Rock | RPM(avg) | 65 | | On Bottom Hrs | 20.00 | Cum. On Btm Hrs | 52.00 |
| Serial No.: | 10850552 | RPM (DH)(avg) | 65 | | IADC Drill Hrs | 22.00 | Cum IADC Drill Hrs | 60.00 |
| Bit Model | DBXS12DS | F.Rate | 450gpm | | Total Revs | 80500 | Cum Total Revs | 206800 |
| Depth In | 1810m | SPP | 1750psi | | OB-ROP(avg) | 3.75m/hr | Cum. OB-ROP(avg) | 3.21m/hr |
| Depth Out | | TFA | 0.4303 | HSI | 4.24 | | | |

| BHA Data | | | | | | | |
|-------------------|------------|-----------|-----------|-----------------|-----------|-----------------------|--------|
| BHA # 4 | | | | | | | |
| Weight(Wet) | 49.00klb | Length | 245m | Torque(max) | 110ft-lbs | D.C. (1) Ann Velocity | 332fpm |
| Wt Below Jar(Wet) | 35.00klb | String | 158.00klb | Torque(Off.Btm) | 60ft-lbs | D.C. (2) Ann Velocity | 0fpm |
| | | Pick-Up | 168.00klb | Torque(On.Btm) | 100ft-lbs | H.W.D.P. Ann Velocity | 212fpm |
| | | Slack-Off | 154.00klb | Jar Hours | 407.5 | D.P. Ann Velocity | 212fpm |
| Equipment | Length | OD | ID | Serial # | Hours | Comment | |
| Bit | 1 x 0.23m | 8.50in | | 10850552 | | | |
| Near Bit Stab | 1 x 1.61m | 8.50in | 2.94in | S6527 | 296 | | |
| Pony DC | 1 x 3.06m | 6.25in | 2.88in | 6510-3 | | | |
| String Stabiliser | 1 x 1.44m | 8.50in | 2.81in | 6527 | 296 | | |
| NMDC | 1 x 9.32m | 6.75in | 2.81in | H362 | 296 | | |
| Drill Collar | 1 x 9.23m | 6.50in | 3.00in | E 436 | | | |
| String Stabiliser | 1 x 1.48m | 8.50in | 2.81in | S 65 | 296 | | |
| Drill Collar | 14 x 9.02m | 6.25in | 3.00in | | | | |
| Drilling Jars | 1 x 9.58m | 6.25in | 3.00in | | 407.5 | | |
| Drill Collar | 3 x 9.01m | 6.25in | 3.00in | | | | |
| HWDP | 6 x 9.35m | 4.50in | 2.94in | | | | |
| Total Length: | 245.36m | | | | | | |

| Survey | | | | | | | | |
|---------|-------------|----------------|---------|----------------|------------------|---------|---------|-------------------|
| MD (m) | Incl. (deg) | Corr. Az (deg) | TVD (m) | 'V' Sect (deg) | Dogleg (deg/30m) | N/S (m) | E/W (m) | Tool Type |
| 1596.00 | 3.25 | 330.00 | 1593.44 | 68.49 | 0.37 | 68.49 | -31.99 | Hofco single shot |
| 1704.00 | 3.00 | 23.00 | 1701.30 | 73.75 | 0.78 | 73.75 | -32.42 | Hofco single shot |
| 1812.00 | 2.25 | 44.00 | 1809.19 | 77.87 | 0.34 | 77.87 | -29.84 | Hofco single shot |
| 1915.00 | 3.75 | 72.00 | 1912.05 | 80.37 | 0.60 | 80.37 | -25.23 | Totco single shot |

Summary

| Company | Pax On |
|----------------------|--------|
| Karooon Gas Ltd | 4 |
| Century Drilling Ltd | 22 |
| RMN Drilling Fluids | 1 |
| BHI | 2 |
| Eurest | 3 |
| Total on Rig | 32 |

Bulk Stocks

| Name | Unit | In | Used | Adjust | Balance |
|-----------------------|-------------|----|------|--------|----------|
| AMC Biocide G | 25L can | 0 | 0 | 0 | 19.0 |
| AMC Defoamer | 25L can | 0 | 4 | 0 | 17.0 |
| AMC PAC-R | 25kg sack | 0 | 0 | 0 | 55.0 |
| AMC PHPA | 25kg sack | 0 | 0 | 0 | 33.0 |
| AUS-BEN | 25kg sack | 0 | 0 | 0 | 0.0 |
| AUS-DEX | 25kg sack | 0 | 0 | 0 | 96.0 |
| AUS-GEL | 25kg sack | 0 | 0 | 0 | 251.0 |
| Baryte | 25kg sack | 0 | 0 | 0 | 456.0 |
| CaCl | 25kg sack | 0 | 0 | 0 | 0.0 |
| Caustic Soda | 25kg pail | 0 | 1 | 0 | 11.0 |
| Citric Acid | 25kg sack | 0 | 0 | 0 | 38.0 |
| Cement - Class A | 40kg sack | 0 | 0 | 0 | 0.0 |
| Kwik-seal C | 40lb sack | 0 | 0 | 0 | 32.0 |
| Kwik-seal F | 40lb sack | 0 | 0 | 0 | 32.0 |
| Kwik-seal M | 40lb sack | 0 | 0 | 0 | 32.0 |
| Lime | 20kg sack | 0 | 0 | 0 | 11.0 |
| KCl | 25kg sack | 0 | 0 | 0 | 216.0 |
| Rod-free 205L | 205L drum | 0 | 0 | 0 | 1.0 |
| Rod-free 25L | 25L can | 0 | 0 | 0 | 0.0 |
| NaCl | 25kg sack | 0 | 0 | 0 | 0.0 |
| SAPP | 25kg sack | 0 | 0 | 0 | 0.0 |
| Soda Ash | 25kg sack | 0 | 0 | 0 | 22.0 |
| Sodium Sulfite | 25kg sack | 0 | 2 | 0 | 25.0 |
| Xanthan Gum | 25kg sack | 0 | 3 | 0 | 30.0 |
| Xtra-sweep | 12lb box | 0 | 0 | 0 | 8.0 |
| Diesel fuel | lt | 0 | 3600 | 0 | 16,200.0 |
| Calcium Carbonate 40µ | 25 kg sacks | 0 | 144 | 0 | 672.0 |

Pumps

| Pump Data - Last 24 Hrs | | | | | | | | Slow Pump Data | | | | | |
|-------------------------|-----------|------------|----------|---------|-----------|-----------|------------|----------------|----------------|-----------|-----------|------------|-----|
| No. | Type | Liner (in) | MW (ppg) | Eff (%) | SPM (SPM) | SPP (psi) | Flow (gpm) | Depth (m) | Ck. Line (psi) | SPM (SPM) | SPP (psi) | Flow (gpm) | |
| 1 | G.D. PZ-7 | 5.50 | | 97 | 107 | 1750 | 215 | 1974 | | 1. | 80 | 340 | 147 |
| | | | | | | | | | | 2. | 100 | 440 | 280 |
| 2 | G.D PZ-7 | 5.50 | | 97 | 107 | 1750 | 215 | 1974 | | 1. | 80 | 340 | 147 |
| | | | | | | | | | | 2. | 100 | 460 | 280 |
| 3 | G.D PZ-7 | 5.50 | | 97 | | | | | | 1. | | | |
| | | | | | | | | | | 2. | | | |