

**Megascolides-2**

|                      |             |                              |                            |                           |                      |
|----------------------|-------------|------------------------------|----------------------------|---------------------------|----------------------|
| <b>Date :</b>        | 01 Feb 2007 | <b>Well Site Manager :</b>   | Bruce Pilat                | <b>Rig Manager :</b>      | Cesar Miaco          |
| <b>Report Number</b> | 35          | <b>Drilling Supervisor :</b> | Bruce Pilat / Brian Assels | <b>Drilling Company :</b> | Century Drilling Ltd |
| <b>Easting</b>       | 403212      | <b>Northing</b>              | 5767583                    | <b>Geologist :</b>        | Dave Horner          |

**Well Details**

|            |              |                      |         |              |         |                |             |
|------------|--------------|----------------------|---------|--------------|---------|----------------|-------------|
| Country:   | Australia    | Current Hole Size:   | 8.500in | Casing O.D.: | 9.625in | Planned TD:    | 2170m       |
| Field:     | Megascolides | Measured Depth:      | 2130m   | Casing MD:   | 507m    | Last BOP Test: | 29 Jan 2007 |
| Rig:       | Century 11   | True Vertical Depth: | 2126m   | Casing TVD:  | 507m    | FIT/LOT:       | 20.00ppg /  |
| RT - AMSL: | 156.20m      | 24 Hr Progress:      | 0m      | TOL MD:      |         | Last LTI:      | 04 Jan 2006 |
| RT - GL:   | 5.20m        | Days From Spud:      | 28.42   | Liner MD:    |         | LTI Free Days: | 253         |
| Datum:     | WGS 84       | Days On Well:        | 34.31   | Liner TVD:   |         |                |             |

Current Ops @ 0600: Lay down DC's.  
 Planned Operations: Lay down DCs. RIH with stinger on DP. Conduct cement plugs as per program.

**Summary of Period 0000 to 2400 Hrs**

RIH and log well (3 runs).

**Well Costs - AFE Number:**

|                 |              |                  |              |             |            |            |              |
|-----------------|--------------|------------------|--------------|-------------|------------|------------|--------------|
| Original AFE:   | \$ 2,839,256 | Orig & Supp AFE: | \$ 2,839,256 | Daily Cost: | \$ 186,485 | Cum. Cost: | \$ 2,724,766 |
| Projected Cost: | \$ 3,239,256 |                  |              |             |            |            |              |

**HSE Summary**

| Event (# Of)                   | Date of last | Days Since | Short Description                                  |
|--------------------------------|--------------|------------|--|
| Alcohol & drug screening ( 2 ) | 01 Feb 2007  | 0 Days     | Personnel Blow into Alcoholiser                    |
| Pre-Tour Meetings ( 2 )        | 01 Feb 2007  | 0 Days     | Running wireline logs & Wireline logging and mtce. |

**Operations For Period 0000 Hrs to 2400 Hrs on 01 Feb 2007**

| Phse | Cls | Op  | From | To   | Hrs  | Depth | Activity Description  |
|------|-----|-----|------|------|------|-------|---|
| E1   | P   | LOG | 0000 | 0930 | 9.50 | 2130m | Log hole with super combo (DLL-MLL-SLL-GR-Sonic-Density Neutron-SP-CAL) log. Tag TD at 2132m. |
| E1   | P   | LOG | 0930 | 1700 | 7.50 | 2130m | Log well with HMI log.  |
| E1   | P   | LOG | 1700 | 2330 | 6.50 | 2130m | Log well with velocity check shot tools.  |
| E1   | P   | LOG | 2330 | 2400 | 0.50 | 2130m | Lay out logging tools.  |

**Operations For Period 0000 Hrs to 0600 Hrs on 02 Feb 2007**

| Phse | Cls | Op  | From | To   | Hrs  | Depth | Activity Description     |
|------|-----|-----|------|------|------|-------|--------------------------|
| PH1  | P   | PLD | 0000 | 0400 | 4.00 | 2130m | RIH BHA and LO HWDP.     |
| PH1  | P   | PLD | 0400 | 0530 | 1.50 | 2130m | PU kelly, Break same.    |
| PH1  | P   | PLD | 0530 | 0600 | 0.50 | 2130m | Con't LO remaining DC's. |

**WBM Data**

|                            |                  |                        |             |                            |                           |
|----------------------------|------------------|------------------------|-------------|----------------------------|---------------------------|
| Daily Chemical Costs: \$ 0 |                  | Cost To Date: \$ 60191 |             | Engineer : Peter N Aronetz |                           |
| Mud Type:                  | KCl-PHPA-POLYMER | Flowline Temp:         | Cl:         | 11.50x1000 mg/l            | Low Gravity Solids: 7.4%  |
| Sample From:               | P/Suction        | Nitrates:              | Hard/Ca:    | 120mg/l                    | High Gravity Solids: 0.0% |
| Time:                      | 22:00            | Sulphites:             | MBT:        | 5                          | Solids (corrected): 7.4%  |
| Weight:                    | 9.45ppg          | API FL:                | PM:         | 0.55                       | H2O: 92.6%                |
| ECD TD:                    | 0.00ppg          | API Cake:              | PF:         | 0.16                       | Oil: 0.0%                 |
| ECD Shoe:                  |                  | PV                     | MF:         | 1.5                        | Sand: 0.20% %             |
| Viscosity                  | 63sec/qt         | YP                     | pH:         | 9.8                        | Barite: 0                 |
| KCl Equiv:                 | 1.8%             | CaCO3 Added:           | PHPA Added: | 2.15ppb                    |                           |

**Comment:** No treatment or circulation last 24 hours.  
 Hole does not appear to have taken any fluid.

| Shakers, Volumes and Losses Data |          |                  |        |             |         |              |       |
|----------------------------------|----------|------------------|--------|-------------|---------|--------------|-------|
| Available                        | 992.0bbl | Losses           | 5.0bbl | Equip.      | Descr.  | Mesh Size    | Hours |
| Active                           | 448.0bbl | Downhole         | 0.0bbl | De-Gaser 1  | Rig     |              | 0     |
| Hole                             | 502.0bbl | Shakers & Equip. | 0.0bbl | De-Sander 1 | Pioneer | 2 Cones      | 0     |
| Slug                             |          | Dumped           | 5.0bbl | De-Silter 1 | Pioneer | 10 Cones     | 0     |
| Reserve                          | 42.0bbl  | Centrifuges      |        | Shaker 1    | DFE     | 2x175, 1x140 | 0     |
|                                  |          | De-Sander        |        | Shaker 2    | DFE     | 2x175, 1x140 | 0     |
|                                  |          | De-Silter        | 0.0bbl |             |         |              |       |
| Built                            | 0.0bbl   |                  |        |             |         |              |       |

**Comment:** No treatment or circulation last 24 hours.  
Hole does not appear to have taken any fluid.

| Bit Data    |              |               |     |                |   |    |                                 |      |                    |                                |          |    |
|-------------|--------------|---------------|-----|----------------|---|----|---------------------------------|------|--------------------|--------------------------------|----------|----|
| Bit # 7     |              |               |     | Wear           | I | O1 | D                               | L    | B                  | G                              | O2       | R  |
|             |              |               |     |                | 1 | 2  | WT                              | S    | 3                  | I                              | NO       | TD |
| Size ("):   | 8.50         | IADC#         | 447 | <b>Nozzles</b> |   |    | <b>Drilled over last 24 hrs</b> |      |                    | <b>Calculated over Bit Run</b> |          |    |
| Mfr:        | Security DBS | WOB(avg)      | klb | 3 x 13(/32nd") |   |    | Progress                        | 0m   | Cum. Progress      |                                | 65.0m    |    |
| Type:       | Rock         | RPM(avg)      |     |                |   |    | On Bottom Hrs                   | 0.00 | Cum. On Btm Hrs    |                                | 26.00    |    |
| Serial No.: | 10851000     | RPM (DH)(avg) |     |                |   |    | IADC Drill Hrs                  | 0.00 | Cum IADC Drill Hrs |                                | 29.00    |    |
| Bit Model   | EBXS16D      | F.Rate        | gpm |                |   |    | Total Revs                      |      | Cum Total Revs     |                                | 96900    |    |
| Depth In    | 2065m        | SPP           | psi |                |   |    | OB-ROP(avg)                     |      | Cum. OB-ROP(avg)   |                                | 2.50m/hr |    |
| Depth Out   | 2130m        | TFA           |     | HSI            |   |    |                                 |      |                    |                                |          |    |

| BHA Data          |            |           |        |                 |       |         |                       |                   |  |      |      |
|-------------------|------------|-----------|--------|-----------------|-------|---------|-----------------------|-------------------|--|------|------|
| BHA # 4           |            |           |        |                 |       |         |                       |                   |  |      |      |
| Weight(Wet)       | 49.00klb   | Length    | 245m   | Torque(max)     |       |         | D.C. (1) Ann Velocity |                   |  | 0fpm |      |
| Wt Below Jar(Wet) | 35.00klb   | String    |        | Torque(Off.Btm) |       |         | D.C. (2) Ann Velocity |                   |  | 0fpm |      |
|                   |            | Pick-Up   |        | Torque(On.Btm)  |       |         | H.W.D.P. Ann Velocity |                   |  | 0fpm |      |
|                   |            | Slack-Off |        | Jar Hours       |       |         | 471                   | D.P. Ann Velocity |  |      | 0fpm |
| Equipment         | Length     | OD        | ID     | Serial #        | Hours | Comment |                       |                   |  |      |      |
| Bit               | 1 x 0.23m  | 8.50in    |        | 10851000        |       |         |                       |                   |  |      |      |
| Near Bit Stab     | 1 x 1.61m  | 8.50in    | 2.94in | S6527           | 359.5 |         |                       |                   |  |      |      |
| Pony DC           | 1 x 3.06m  | 6.25in    | 2.88in | 6510-3          |       |         |                       |                   |  |      |      |
| String Stabiliser | 1 x 1.44m  | 8.50in    | 2.81in | 6527            | 359.5 |         |                       |                   |  |      |      |
| NMDC              | 1 x 9.32m  | 6.75in    | 2.81in | H362            | 359.5 |         |                       |                   |  |      |      |
| Drill Collar      | 1 x 9.23m  | 6.50in    | 3.00in | E 436           |       |         |                       |                   |  |      |      |
| String Stabiliser | 1 x 1.48m  | 8.50in    | 2.81in | S 65            | 359.5 |         |                       |                   |  |      |      |
| Drill Collar      | 14 x 9.02m | 6.25in    | 3.00in |                 |       |         |                       |                   |  |      |      |
| Drilling Jars     | 1 x 9.58m  | 6.25in    | 3.00in |                 | 471   |         |                       |                   |  |      |      |
| 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      | Incl. | Corr. Az | TVD     | 'V' Sect | Dogleg    | N/S   | E/W    | Tool Type         |
| (m)     | (deg) | (deg)    | (m)     | (deg)    | (deg/30m) | (m)   | (m)    |                   |
| 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 |
| 2009.00 | 6.75  | 55.00    | 2005.65 | 84.49    | 1.07      | 84.49 | -17.78 | Totco single shot |
| 2055.00 | 8.50  | 63.00    | 2051.25 | 87.58    | 1.33      | 87.58 | -12.54 | 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      | 15.0    |
| AMC Defoamer          | 25L can     | 0  | 0    | 0      | 18.0    |
| AMC PAC-R             | 25kg sack   | 0  | 0    | 0      | 53.0    |
| AMC PHPA              | 25kg sack   | 0  | 0    | 0      | 18.0    |
| AUS-BEN               | 25kg sack   | 0  | 0    | 0      | 0.0     |
| AUS-DEX               | 25kg sack   | 0  | 0    | 0      | 0.0     |
| 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  | 0    | 0      | 7.0     |
| 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      | 10.0    |
| KCl                   | 25kg sack   | 0  | 0    | 0      | 198.0   |
| 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      | 16.0    |
| Sodium Sulfite        | 25kg sack   | 0  | 0    | 0      | 12.0    |
| Xanthan Gum           | 25kg sack   | 0  | 0    | 0      | 25.0    |
| Xtra-sweep            | 12lb box    | 0  | 0    | 0      | 7.0     |
| Diesel fuel           | lt          | 0  | 900  | 0      | 9,200.0 |
| Calcium Carbonate 40µ | 25 kg sacks | 0  | 0    | 0      | 354.0   |

| Pumps                   |           |               |             |            |              |              |               |                |                   |              |              |               |     |
|-------------------------|-----------|---------------|-------------|------------|--------------|--------------|---------------|----------------|-------------------|--------------|--------------|---------------|-----|
| Pump Data - Last 24 Hrs |           |               |             |            |              |              |               | Slow Pump Data |                   |              |              |               |     |
| No.                     | Type      | Liner<br>(in) | MW<br>(ppg) | Eff<br>(%) | SPM<br>(SPM) | SPP<br>(psi) | Flow<br>(gpm) | Depth<br>(m)   | Ck. Line<br>(psi) | SPM<br>(SPM) | SPP<br>(psi) | Flow<br>(gpm) |     |
| 1                       | G.D. PZ-7 | 5.50          |             | 97         | 107          |              | 215           | 2130           |                   | 1.           | 70           | 360           | 147 |
|                         |           |               |             |            |              |              |               |                |                   | 2.           | 100          | 650           | 280 |
| 2                       | G.D PZ-7  | 5.50          |             | 97         | 107          |              | 215           | 2130           |                   | 1.           | 70           | 360           | 147 |
|                         |           |               |             |            |              |              |               |                |                   | 2.           | 100          | 620           | 280 |
| 3                       | G.D PZ-7  | 5.50          |             | 97         |              |              |               |                |                   | 1.           |              |               |     |
|                         |           |               |             |            |              |              |               |                |                   | 2.           |              |               |     |