



22 Jul 2009

DRILLING MORNING REPORT # 2
Basker 7

| Well Data | | | | | | | |
|---------------|------------------|-------------------|--|----------------|-----------------------|------------|-------------|
| Country | Australia | M. Depth | 210.70m | Cur. Hole Size | 914mm | AFE Cost | \$ 62560540 |
| Permit | VIC/L26 | TVD | 210.70m | Casing OD | 762mm | AFE No. | BMGOD209D23 |
| Drill Co. | Diamond Offshore | Progress | 35.0m | Shoe TVD | 209.09m | Daily Cost | \$ 879186 |
| Rig | Ocean Patriot | Days from spud | 0.87 | FIT | | Cum Cost | \$ 1602120 |
| Wtr Dpth(MSL) | 152.90m | Days on well | 1.25 | LOT | | Planned TD | |
| RT-ASL(MSL) | 21.50m | Lat | 38 ° 17 ' 58.779 " S | Long | 148 ° 42 ' 22.313 " E | Datum | GDA94 |
| RT-ML | 174.40m | Current Op @ 0600 | Drilling 406.4mm (16") directional hole at 250m. | | | | |
| | | Planned Op | Drill 406.4mm (16") directional hole. | | | | |

Summary of Period 0000 to 2400 Hrs

Troubleshoot problem with HPU #1 and #2. Ran in hole tagged seabed at 175.7m, tide corrected. Drilled 914.4mm (36") hole to 210.7m, circulated to condition hole and displaced hole with 1.16sg Hi Vis mud. Pulled out of hole with 914.4mm (36") BHA. Rigged up and ran 508mm x 762mm (20" x 30") conductor, c/w PGB and TGB, tagged up at 196m. Washed and worked conductor to 209m. Mixed and pumped 29 m3 (183 bbls) of 1.89sg (15.8ppg) cement slurry to cement conductor in place. Released CART, pulled back to surface and laid out same. Laid out inner string. Changed out handling equipment.

Operations For Period 0000 Hrs to 2400 Hrs on 22 Jul 2009

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|------|----------|------|------|------|------|--------|---|
| COND | TP | BHA | 0000 | 0300 | 3.00 | 0.0m | Rig continued to repair breaker faults in HPU #1 and #2. Note : Ran in hole 5 stands of HWDP. Required to run 127 mm (5") HWDP from derrick without hydraulic racking arm functioning (Slow operation). ROV observed bit 2 m off seabed over sand bag location marker - good. Pulled bit back 10 m off bottom and waited on HPU rig repairs. |
| COND | P | DRR | 0300 | 0400 | 1.00 | 210.7m | Spudded Basker-7 and drilled 914mm (36") from 175.7 m to 210.7 m TD tide corrected. |
| COND | P | CIRC | 0400 | 0430 | 0.50 | 210.7m | Concurrent operation: Installed TGB and PGB in moonpool on conductor cart. Pumped 23.9 m3 (150 bbls) hi-vis PHG and circulated out of the hole with 23.9m3 (150 bbls) seawater. Displaced hole with 47.7m3 (300 bbls) 1.16 sg (9.7 ppg) hi-vis PHG. |
| COND | P | BHA | 0430 | 0630 | 2.00 | 210.7m | Pulled out of hole with 914.4 mm (36") hole section BHA from 210.7 m to surface. Laid out 660mm (26") bit and 914mm (36") hole opener. |
| COND | P | COND | 0630 | 0700 | 0.50 | 210.7m | Rigged up BJ conductor handling equipment. |
| COND | P | COND | 0700 | 0900 | 2.00 | 210.7m | Picked up 508mm x 762mm (20" x 30") conductor. |
| COND | P | COND | 0900 | 1000 | 1.00 | 210.7m | Made up 127mm (5") inner string and 762mm (30") CART. Made up CART to 762mm (30") LPWHH. |
| COND | P | COND | 1000 | 1230 | 2.50 | 210.7m | Ran 508mm x 762mm (20" x 30") conductor and engaged 762mm (30") LPWHH into PGB. Filled 762mm (30") conductor with seawater. Installed guide lines to PGB. |
| COND | P | COND | 1230 | 1400 | 1.50 | 210.7m | Continued to run 508mm x 762mm (20" x 30") conductor on 127mm (5") HWDP landing string, tagged up at 196m with 9.07 mt (20K) |
| COND | P | COND | 1400 | 1700 | 3.00 | 210.7m | Washed and worked 508mm x 762mm (20" x 30") conductor from 196m to 209m. Confirmed 2° bulls eye @ 1° (not acceptable) and orientation of PGB at 070 degrees with ROV. Work conductor 10m several times while pumping and reconfirmed bulleys reading = 0.5° (acceptable reading). |
| COND | P | COND | 1700 | 1800 | 1.00 | 210.7m | Rigged up cement line. Pumped 9.53 m3 (60 bbls) of seawater/dye with rig pump. Pressure tested cement line to 13788 KPa (2000 psi), good test |
| COND | TP | RIG | 1800 | 1900 | 1.00 | 210.7m | #1 cement tank fill line valve bypassing. Lost bulk air pressure through corroded fill line on stbd side of rig. Installed temporary patch. |
| COND | P | CMTF | 1900 | 1930 | 0.50 | 210.7m | Mixed and pumped 29 m3 (183 bbls) of 1.89 sg (15.8 ppg) cement slurry using 864 sx G cement (200% excess), with 17.48 m3 (110 bbls) mix fluid and displaced same with 2.86 m3 (18 bbls) of seawater. Note: ROV observed dye returns after pumping 12.71 m3 (80 bbls) |
| COND | P | COND | 1930 | 2100 | 1.50 | 210.7m | Rigged down cement line. Released 508mm x 762mm (20" x 30") conductor. Pulled 127mm (5") HWDP landing string, laid out 762mm (30") CART. |
| COND | P | COND | 2100 | 2200 | 1.00 | 210.7m | Laid out inner string. |
| COND | P | RGUP | 2200 | 2330 | 1.50 | 210.7m | Concurrent operations: Jumped ROV at 21:40 hrs to install bridging plate on B3 SST. Loaded darts in Deep Sea Express cement head, made up and racked back in derrick. |
| | | | | | | | Concurrent operations: Attempted to install bridging plate on B3 SST - no success. |



| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|------|----------|-----|------|------|------|--------|--|
| COND | P | BHA | 2330 | 2400 | 0.50 | 210.7m | ROV on surface at 23:10 hrs. Attached bridging plate to ROV arm. Changed out handling equipment to pick up 406.4mm (16") BHA. Concurrent operations: Jumped ROV at 23:30 hrs. Installed bridging plate on B3 SST |

Operations For Period 0000 Hrs to 0600 Hrs on 23 Jul 2009

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|------|----------|------|------|------|------|--------|--|
| COND | P | BHA | 0000 | 0300 | 3.00 | 210.7m | Made up 406.4mm (16") directional BHA. Adjusted bent housing to 1.15 degree and installed solid float. Installed guide ropes. Continued to run 406.4mm (16") BHA to above 30" LPWHH. |
| COND | P | GYRO | 0300 | 0330 | 0.50 | 210.7m | Neptune completed well GYRO survey with ROV on PGB. Final = 65.2° heading. |
| COND | P | BHA | 0330 | 0400 | 0.50 | 210.7m | ROV observed 406.4mm (16") BHA enter 762mm (30") LPWHH. Continued to RIH and tagged cement at 207m. |
| INT1 | P | DRCM | 0400 | 0500 | 1.00 | 210.7m | Drilled out cement at 207m, shoe at 209m and cleaned out rathole to 210.7m. |
| INT1 | P | DRMO | 0500 | 0600 | 1.00 | 250.0m | Drilled 406.4mm (16") hole from 210.7m to 250m. WOB: 2.26mt (5K), rot: 8rpm, rate: 4158 lpm (1100gpm), Torque: 551 Nm (407 ftlbs). Pumped PHB mud while drilling first 10m hole then back to seawater and sweeps as per program. |

Phase Data to 2400hrs, 22 Jul 2009

| Phase | Phase Hrs | Start On | Finish On | Cum Hrs | Cum Days | Max Depth |
|-----------------|-----------|-------------|-------------|---------|----------|-----------|
| RIG MOVE(MOVE) | 1.50 | 21 Jul 2009 | 21 Jul 2009 | 1.50 | .06 | 0.0m |
| CONDUCTOR(COND) | 28.50 | 21 Jul 2009 | 22 Jul 2009 | 30.00 | 1.25 | 210.7m |

WBM Data Cost Today \$ 5767

| | | | | | |
|----------------|-------------------------|-----------|---------------|-----------|----------|
| Mud Type: | API FL: | Cl: | Solids(%vol): | Viscosity | 100sec/L |
| Sample-From: | Filter-Cake: | K+C*1000: | H2O: | PV | |
| Time: 14:00 | HTHP-FL: | Hard/Ca: | Oil(%): | YP | |
| Weight: 1.05sg | HTHP-cake: | MBT: 29 | Sand: | Gels 10s | |
| Temp: | | PM: | pH: 10 | Gels 10m | |
| | | PF: | PHPA: | Fann 003 | |
| | | | | Fann 006 | |
| | | | | Fann 100 | |
| | | | | Fann 200 | |
| | | | | Fann 300 | |
| | | | | Fann 600 | |
| Comment | Total cost:\$ 15,944.55 | | | | |

| Bit # 1 | Wear | I | O1 | D | L | B | G | O2 | R |
|----------------------|-----------------|----------------|------|---------------------------------|------------|--------------------------------|---|------------|---|
| Size: 660 mm (26 in) | IADC# 1-1-1 | Nozzles | | Drilled over last 24 hrs | | Calculated over Bit Run | | | |
| Mfr: REED | WOB(avg) 2.90mt | No. | Size | Progress | 35m | Cum. Progress | | 35m | |
| Type: Rock | RPM 88 | 1 | 13mm | On Bottom Hrs | 0.50h | Cum. On Btm Hrs | | 0.50h | |
| Serial No.: D74635 | F.Rate 4716lpm | 3 | 17mm | IADC Drill Hrs | 1.00h | Cum IADC Drill Hrs | | 1.00h | |
| Bit Model Y11C | SPP 11548kPa | 4 | 14mm | Total Revs | 2200 | Cum Total Revs | | 2200 | |
| Depth In 176m | TFA | | | ROP(avg) | 70.00 m/hr | Cum. ROP(avg) | | 70.00 m/hr | |
| Depth Out 211m | | | | | | | | | |

| BHA # 1 | | | | | |
|-------------------|---------|-----------|---------|-----------------|-----------------------------|
| Weight(Wet) | 17.23mt | Length | 232m | Torque(max) | D.C. (1) Ann Velocity 15.22 |
| Wt Below Jar(Wet) | 13.60mt | String | 17.23mt | Torque(Off.Btm) | D.C. (2) Ann Velocity 0.00 |
| | | Pick-Up | 17.23mt | Torque(On.Btm) | H.W.D.P. Ann Velocity 14.31 |
| | | Slack-Off | 17.23mt | | D.P. Ann Velocity 14.31 |

BHA Run Description 26" Bit, 36" Hole Opener, Bit Sub, X/O , 1 x 8"NMDC, 5 x 8"DCS, X/O, 3 x HWDP, 1 x Jar, 14 x HWDP

| BHA Run Comment | | | | | |
|-----------------|--------|-------|------|------------|-----------------------|
| Equipment | Length | OD | ID | Serial # | Comment |
| Bit | 0.61m | 660mm | 86mm | D74635 | |
| Hole Opener | 3.04m | 914mm | 89mm | 203A16 | |
| Bit Sub + Float | 0.94m | 241mm | 97mm | 186-0063 | Solid float. |
| X/Over | 0.80m | 244mm | 79mm | 98-07025-3 | Totco ring installed. |



| Equipment | Length | OD | ID | Serial # | Comment |
|---------------|---------|-------|------|----------|----------|
| Drill Collar | 8.85m | 203mm | 73mm | 060277C | Non-mag. |
| Drill Collar | 46.15m | 203mm | 73mm | | |
| X/Over | 0.79m | 200mm | 71mm | 186-0056 | |
| HWDP | 28.58m | 127mm | 76mm | | |
| Drilling Jars | 9.18m | 165mm | 70mm | 214 E-7 | |
| HWDP | 133.26m | 127mm | 76mm | | |

| Bulk Stocks | | | | | | |
|---------------|------|-----|------|--------|---------|--|
| Name | Unit | In | Used | Adjust | Balance | |
| Barite | mt | 0 | 10 | 0 | 67.0 | |
| Gel | MT | 0 | 7 | 0 | 23.0 | |
| Cement | MT | 0 | 35 | 0 | 53.0 | |
| Fuel | M3 | 0 | 13 | 0 | 487.1 | |
| Potable Water | M3 | 33 | 29 | 0 | 326.0 | |
| Drill Water | M3 | 270 | 162 | 0 | 487.0 | |

| Pumps | | | | | | | | | | | | | | | | | | |
|-------------------------|--------------------|------------|---------|---------|-----------|-----------|------------|----------------|------------|------------|-------------|------------|------------|-------------|------------|------------|-------------|--|
| Pump Data - Last 24 Hrs | | | | | | | | Slow Pump Data | | | | | | | | | | |
| No. | Type | Liner (mm) | MW (sg) | Eff (%) | SPM (SPM) | SPP (kPa) | Flow (lpm) | Depth (m) | SPM1 (SPM) | SPP1 (kPa) | Flow1 (lpm) | SPM2 (SPM) | SPP2 (kPa) | Flow2 (lpm) | SPM3 (SPM) | SPP3 (kPa) | Flow3 (lpm) | |
| 1 | NATIONAL 12P - 160 | 152.40 | 1.03 | 97 | 294 | 11548 | 4716 | | | | | | | | | | | |
| 2 | NATIONAL 12P - 160 | 152.40 | 1.03 | 97 | 294 | 11548 | 4716 | | | | | | | | | | | |
| 3 | NATIONAL 12P - 160 | 152.40 | 1.03 | 97 | 294 | 11548 | 4716 | | | | | | | | | | | |

| Personnel On Board | | | |
|----------------------------|----------------|-----------------------------|-----|
| Job Title | Personnel | Company | Pax |
| Senior Drilling Supervisor | Pat Brown | Anzon Australia Pty Limited | 1 |
| Drilling Supervisor | Calvin McCabe | Anzon Australia Pty Limited | 1 |
| Logistics Coordinator | Shelly Hares | Anzon Australia Pty Limited | 1 |
| HSE | Gordon Drew | Anzon Australia Pty Limited | 1 |
| HSE | Andre Van Taak | Anzon Australia Pty Limited | 1 |
| OIM | Rod Dotson | Diamond Offshore | 1 |
| Mudlogging | BHI | Anzon Australia 3rd Party | 2 |
| Drilling Fluids | MI | Anzon Australia 3rd Party | 2 |
| Wellhead | Cameron | Anzon Australia 3rd Party | 3 |
| ROV | Subsea 7 | Anzon Australia 3rd Party | 6 |
| Cementing | Dowell | Anzon Australia 3rd Party | 2 |
| Rig Crew | Drilling | Diamond Offshore 3rd Party | 48 |
| Other | | Diamond Offshore 3rd Party | 1 |
| Catering | ESS | Diamond Offshore 3rd Party | 8 |
| TBG | BJ | Anzon Australia 3rd Party | 4 |
| DD | Schlumberger | Anzon Australia 3rd Party | 2 |
| MWD | Schlumberger | Anzon Australia 3rd Party | 3 |
| Subsea | AGR | Anzon Australia 3rd Party | 2 |
| Marine Surveyor | Nepturn | Anzon Australia 3rd Party | 2 |
| Marine Inspector | NOPSA | Diamond Offshore 3rd Party | 2 |
| Total | | | 93 |

| HSE Summary | | | | |
|----------------|--------------|------------|--------|--|
| Events | Date of last | Days Since | Descr. | Remarks |
| LTI | | 147 | | |
| Abandon Drill | 19 Jul 2009 | 3 Days | | Full muster at 22:26 hrs |
| Fire Drill | 19 Jul 2009 | 3 Days | | Simulated in store room, port box girder. Full muster at 22:21 hrs |
| First Aid Case | 19 Jul 2009 | 3 Days | | IP slipped on mat out side door leaving accommodation and rolled his left ankle. IP had slight swelling on outside of left ankle. IP was |



| HSE Summary | | | | |
|-----------------------|--------------|------------|----------|--|
| Events | Date of last | Days Since | Descr. | Remarks |
| JSA | 22 Jul 2009 | 0 Days | | treated with an ice pack. Drill crew - 18 Crane crew - 11 Mechanic - 5 Welder - 5 Sub Sea - 3 Marine - 0 Pump room - 2 Electrician - 0 |
| Lost Time Incident | 15 Jun 2009 | 37 Days | 147 days | LTI = 147 days since start of rig assignment on 25 Feb 2009. |
| Permit To Work | 22 Jul 2009 | 0 Days | | Hot - 8 Cold - 14 |
| Pre-Tour Meetings | 22 Jul 2009 | 0 Days | | 0545 hrs 1145 hrs 1745 hrs 2345 hrs |
| STOP Card | 22 Jul 2009 | 0 Days | | Safe - 52 Unsafe - 24 |
| Weekly Safety Meeting | 19 Jun 2009 | 33 Days | | 13:00 hrs 19:00 hrs 00:30 hrs |

| Rig Data | | | | |
|------------------|---------------|---------------|----------------|-------------|
| Company Name | Rig Name | Max Deck Load | VDL @ Midnight | Rig Heading |
| Diamond Offshore | Ocean Patriot | mt | 2070mt | 249.0deg |

| Shakers, Volumes and Losses Data | | | | | | Engineer : Manfred Olejniczak | |
|----------------------------------|--------|-----------|-----------|----------------------|-------------------------|-------------------------------|----------------------|
| Equip. | Descr. | Mesh Size | Available | 250.39m ³ | Losses | 100.95m ³ | Comments |
| | | | Active | 67.72m ³ | Downhole | 100.95m ³ | Built 118.28 m3 mud. |
| | | | Mixing | | Surf+ Equip | 0.00m ³ | |
| | | | Hole | | Dumped | | |
| | | | Slug | | De-Gasser | | |
| | | | Reserve | 182.67m ³ | De-Sander | | |
| | | | Kill | | De-Silter Centrifuge | | |

| Marine | | | | | | | | | |
|------------------------|--------------|-----------|--------------|------------|--------------|------------------|-------------|---------|--------------|
| Weather on 22 Jul 2009 | | | | | | | Rig Support | | |
| Visibility | Wind Speed | Wind Dir. | Pressure | Air Temp. | Wave Height | Wave Dir. | Wave Period | Anchors | Tension (mt) |
| 10nm | 30kn | 270.0deg | 1006.0mbar | 18C° | 2m | 270.0deg | 4s | 1 | 110.0 |
| Roll | Pitch | Heave | Swell Height | Swell Dir. | Swell Period | Weather Comments | | 2 | 113.0 |
| 0.2deg | 0.2deg | 0m | 2m | 180.0deg | 10s | | | 3 | 108.0 |
| Rig Dir. | Ris. Tension | VDL | Comments | | | | | 4 | 109.0 |
| 249.0deg | 0mt | 2070mt | | | | | | 5 | 111.0 |
| | | | | | | | | 6 | 102.0 |
| | | | | | | | | 7 | 114.0 |
| | | | | | | | | 8 | 118.0 |

| Helicopter Movement | | | | |
|---------------------|-----------------|---------------|------------|---------|
| Flight # | Helicopter Type | Arr/Dep. Time | Pax In/Out | Comment |
| XC | S61 | 09:34 / 09:49 | 9 / 10 | |

| Boats | Arrived (date/time) | Departed (date/time) | Status | Bulks | | |
|---------------|---------------------|----------------------|-----------------|---------------|------|----------|
| Lewek Emerald | 18:19 hrs, 20-07-09 | | Stand by at rig | Item | Unit | Quantity |
| | | | | Fuel | M3 | 298 |
| | | | | Potable Water | M3 | 210 |
| | | | | Drill Water | M3 | 0 |
| | | | | Barite | MT | 75 |



| | | | | Item | Unit | Quantity |
|--------------------------|---------------------|--------------------|-----------------------------------|---------------|------|----------|
| | | | | Gel | MT | 46 |
| | | | | Cement | MT | 84 |
| | | | | Brine | M3 | 249.6 |
| Lewek Swift | | 17:15 hrs 03-07-09 | Off hire. Undergoing HRP repairs. | Item | Unit | Quantity |
| | | | | Fuel | M3 | 644.7 |
| | | | | Potable Water | M3 | 305 |
| | | | | Drill Water | M3 | 255 |
| | | | | Barite | MT | |
| | | | | Gel | MT | |
| | | | | Cement | MT | 40.6 |
| | | | | Brine | M3 | 206.67 |
| Pacific Protector | | 05:17 hrs 21-07-09 | In Geelong | Item | Unit | Quantity |
| | | | | Diesel | M3 | 166.2 |
| | | | | Potable Water | M3 | 362 |
| | | | | Drill Water | M3 | 100 |
| | | | | Gel | MT | 0 |
| Yarabah | 05:45 hrs, 20-07-09 | | Stand by at rig | Item | Unit | Quantity |
| | | | | Diesel | M3 | 103.5 |
| | | | | Potable Water | M3 | 309 |