

20 Oct 2009

 From: John Mcgarrity/ Peter Dane
 To: Texas Richards

DRILLING MORNING REPORT # 20
Trefoil-2

| Well Data | | | | | | | |
|---------------|------------|------------------|---------|-------------------|--|-------------|----------------|
| Country | Australia | MDBRT | 2284.0m | Cur. Hole Size | 12.250in | AFE Cost | US\$33,167,745 |
| Field | Trefoil | TVDBRT | 2284.0m | Last Casing OD | 13.375in | AFE No. | Trefoil-2 |
| Drill Co. | Maersk | Progress | 13.0m | Shoe TVDBRT | 930.0m | Daily Cost | US\$562,563 |
| Rig | Kan Tan IV | Days from spud | 14.67 | Shoe MDBRT | 930.0m | Cumul. Cost | US\$16,383,562 |
| Wtr Dpth(MSL) | 69.0m | Days on well | 19.13 | FIT/LOT: | / 15.15ppg | | |
| RT-ASL(MSL) | 26.0m | Planned TD MD | 3221.0m | Current Op @ 0600 | Drilling 12.25" hole. Depth at 06:00 hrs: 2370m. | | |
| RT-ML | 95.0m | Planned TD TVDRT | 3221.0m | Planned Op | Drill 12.25" hole to section TD at 2520m. | | |

Summary of Period 0000 to 2400 Hrs

POOH with 12.25" BHA to surface.
 Made up Halliburton SSR cement head stand.
 Made up 9.625" casing hanger assembly.
 RIH with 12.25" drilling assembly to 2165m.
 Washed from 2165m to 2271m.
 Drilled 12.25" hole from 2271m to 2284m.

HSE Summary

| Events | Num. Events | Days Since | Descr. | Remarks |
|------------------|-------------|------------|--|---------|
| Abandon Drill | | 3 Days | Held abandon drill | |
| ER Exercises | | 3 Days | International Ship and Port Facility - Drill | |
| Fire Drill | | 8 Days | Main deck - Fire in rubbish container | |
| Permit To Work | 18 | 0 Days | Permits administered | |
| Pre-tour Meeting | 2 | 0 Days | Shift change meetings | |
| Safety Meeting | 2 | 2 Days | Held 2 x General Safety Meeting | |
| STOP Card | 34 | 0 Days | Number of STOP Cards submitted | |

FORMATION

| Name | Top |
|----------------------------|----------|
| Upper Angahook | 1162.00m |
| Angahook Volcanics Equiv | 1331.00m |
| Lower Angahook | 1569.00m |
| Demons Bluff | 1850.00m |
| Eastern View Coal Measures | 2105.00m |

Operations For Period 0000 Hrs to 2400 Hrs on 20 Oct 2009

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|------|----------|-----|------|------|------|---------|---|
| P11 | P | G6 | 0000 | 0100 | 1.00 | 2271.0m | POOH with BHA from 72m to surface. |
| P11 | P | G6 | 0100 | 0130 | 0.50 | 2271.0m | Tested mud motor at 700 gpm, 500 psi. Good test. |
| P11 | P | G6 | 0130 | 0230 | 1.00 | 2271.0m | Broke out bit for inspection. IADC bit grade 1-1-BT-N-X-I-CT-PP. Checked all 12.25" stabilisers - Ok. Racked back stand. Halliburton MWD downloaded tool. |
| P11 | P | G11 | 0230 | 0330 | 1.00 | 2271.0m | Serviced TDS. |
| P11 | P | G5 | 0330 | 0530 | 2.00 | 2271.0m | Made up Halliburton SSR cement head stand and installed FOSV. Attempted to rack back in derrick on starboard side, no success. Racked back same on Port side in derrick. |
| P11 | P | G5 | 0530 | 0600 | 0.50 | 2271.0m | Held JSA. Prepared to make up 9.625" casing hanger assembly. |
| P11 | P | G5 | 0600 | 0800 | 2.00 | 2271.0m | Picked up and made up 9.625" casing hanger assembly. Made up Halliburton SSR plugs to assembly. Racked back assembly in derrick. |
| P11 | P | G6 | 0800 | 1230 | 4.50 | 2271.0m | Held JSA. RIH with 12.25" BHA. Directional driller checked bearing gap and orientation of motor 0.78 deg. Changed out Halliburton MWD pulser and plugged into tool and down linked data. Scribed motor and RIH to 167m. |
| P11 | P | G6 | 1230 | 1300 | 0.50 | 2271.0m | Shallow tested MWD at 800 gpm, 1000 psi. Good test. |
| P11 | P | G6 | 1300 | 1400 | 1.00 | 2271.0m | Made up BHA and RIH from 167m to 252m. Installed diverter packer. |

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|------|----------|----|------|------|------|---------|--|
| P11 | P | G8 | 1400 | 2030 | 6.50 | 2271.0m | RIH with 12.25" BHA on 5" drill pipe from 252m to 2165m. Filled pipe every 20 stands. Installed Geoservices and Halliburton MWD geolograph lines. |
| P11 | P | F1 | 2030 | 2300 | 2.50 | 2271.0m | Took 20k down weight at 2165m. Washed down from 2165m with 900 gpm, 2680 psi. Tight spots at 2174m, 2181m, 2185m, 2217m and 2242m. Washed down with 10klbs constant weight. RIH from 2242m to 2271m without additional weight. |
| P11 | P | D2 | 2300 | 2400 | 1.00 | 2284.0m | Drilled 12.25" hole from 2271m to 2284m. Average Parameters: ROP 13.00m/hr, RPM 110, WOB - 10-12k, flow rate 950 gpm, SPP 2850 psi, Torque 4-12Klbs/ft. |

Operations For Period 0000 Hrs to 0600 Hrs on 21 Oct 2009

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|------|----------|----|------|------|------|---------|--|
| P11 | P | D2 | 0000 | 0600 | 6.00 | 2370.0m | Drilled 12.25" hole from 2284m to 2370m. Average Parameters: ROP 14.30m/hr, RPM 110, WOB - 10-20k, flow rate 950 gpm, SPP 3050 psi, Torque 7-25Klbs/ft. |

Operations For Period Hrs to Hrs on
Phase Data to 2400hrs, 20 Oct 2009

| Phase | Phase Hrs | Start On | Finish On | Cumul. Hrs | Cumul. Days | Max Depth |
|--------------------------|-----------|-------------|-------------|------------|-------------|-----------|
| Mob/Demob(P1) | 69.5 | 21 Sep 2009 | 04 Oct 2009 | 69.50 | 2.896 | 0.0m |
| Conductor Hole(P2) | 46.5 | 04 Oct 2009 | 06 Oct 2009 | 116.00 | 4.833 | 155.0m |
| Conductor Casing(P3) | 37 | 06 Oct 2009 | 08 Oct 2009 | 153.00 | 6.375 | 155.0m |
| Surface Hole(P4) | 68 | 08 Oct 2009 | 11 Oct 2009 | 221.00 | 9.208 | 935.0m |
| Surface Casing(P5) | 36 | 11 Oct 2009 | 12 Oct 2009 | 257.00 | 10.708 | 935.0m |
| BOPs/Risers(P6) | 61.5 | 12 Oct 2009 | 15 Oct 2009 | 318.50 | 13.271 | 935.0m |
| Production Hole (1)(P11) | 140.5 | 15 Oct 2009 | 20 Oct 2009 | 459.00 | 19.125 | 2284.0m |

General Comments

00:00 TO 24:00 Hrs ON 20 Oct 2009

| | |
|-----------------------------|---|
| Operational Comments | Ditch Magnets: 24 hour metal recovery - 125 grams. Total for section - 575.0 grams. |
| Operational Comments | Flushed choke and kill lines. |

WBM Data
Cost Today US\$ 64719

| | | | | | | | | | |
|--------------|----------------------|--------------|-------------|-----------|-----------|---------------|------|-----------|-------------|
| Mud Type: | KCI POLYMER | API FL: | 4.1cc/30min | Cl: | 44000mg/l | Solids(%vol): | 3% | Viscosity | 57sec/qt |
| Sample-From: | 4 | Filter-Cake: | 1/32nd" | K+C*1000: | 9% | H2O: | 93% | PV | 16cp |
| Time: | 2045 | HTHP-FL: | 8.3cc/30min | Hard/Ca: | 340mg/l | Oil(%): | | YP | 31lb/100ft² |
| Weight: | 9.50ppg | HTHP-cake: | 2/32nd" | MBT: | 15 | Sand: | | Gels 10s | 11 |
| Temp: | 31C° | | | PM: | 0.5 | pH: | 9.5 | Gels 10m | 16 |
| | | | | PF: | 0.5 | PHPA: | 2ppb | Fann 003 | 10 |
| | | | | | | | | Fann 006 | 12 |
| | | | | | | | | Fann 100 | 30 |
| | | | | | | | | Fann 200 | 38 |
| | | | | | | | | Fann 300 | 47 |
| | | | | | | | | Fann 600 | 63 |
| Comment | Note: Cost is in AUD | | | | | | | | |

Bit # 3

| | Wear | I | O1 | D | L | B | G | O2 | R |
|-------------------|---------|----------|----------|----------------|----------|---------------------------------|--------|--------------------------------|------------|
| | | 1 | 1 | BT | N | X | I | CT | PP |
| Bitwear Comments: | | | | | | | | | |
| Size ("): | 12.25in | IADC# | M432 | Nozzles | | Drilled over last 24 hrs | | Calculated over Bit Run | |
| Mfr: | REED | WOB(avg) | 13.00klb | No. | Size | Progress | 0.0m | Cumul. Progress | 1336.0m |
| Type: | PDC | RPM(avg) | 100 | 8 | 13/32nd" | On Bottom Hrs | | Cumul. On Btm Hrs | 45.1h |
| Serial No.: | 222369 | F.Rate | 1000gpm | | | IADC Drill Hrs | 63.0h | Cumul. IADC Drill Hrs | 128.4h |
| Bit Model | RSX616M | SPP | 2800psi | | | Total Revs | 454000 | Cumul. Total Revs | 1827027 |
| Depth In | 935.0m | HSI | | | | ROP(avg) | N/A | ROP(avg) | 29.62 m/hr |
| Depth Out | 2271.0m | TFA | 1.037 | | | | | | |
| Bit Comment | | | | | | | | | |

| Bit # RR#3 | | | | Wear | I | O1 | D | L | B | G | O2 | R |
|-------------------|---------|----------|----------|----------------|----------|---------------------------------|------------|-----------------------|--------------------------------|------------|----|---|
| Bitwear Comments: | | | | | | | | | | | | |
| Size ("): | 12.25in | IADC# | M432 | Nozzles | | Drilled over last 24 hrs | | | Calculated over Bit Run | | | |
| Mfr: | REED | WOB(avg) | 15.00klb | No. | Size | Progress | 13.0m | Cumul. Progress | | 13.0m | | |
| Type: | PDC | RPM(avg) | 110 | 8 | 13/32nd" | On Bottom Hrs | 1.0h | Cumul. On Btm Hrs | | 1.0h | | |
| Serial No.: | 222369 | F.Rate | 900gpm | | | IADC Drill Hrs | 1.0h | Cumul. IADC Drill Hrs | | 1.0h | | |
| Bit Model | RSX616M | SPP | 2850psi | | | Total Revs | | Cumul. Total Revs | | 0 | | |
| Depth In | 2271.0m | HSI | | | | ROP(avg) | 13.00 m/hr | ROP(avg) | | 13.00 m/hr | | |
| Depth Out | | TFA | 1.037 | | | | | | | | | |
| Bit Comment | | | | | | | | | | | | |

| BHA # 4 | | | | | | | |
|-------------------|-------------|-----------|--------------|-----------------|-------------|-----------------------|--------|
| Weight(Wet) | 68340.00klb | Length | 252.7m | Torque(max) | 12000ft-lbs | D.C. (1) Ann Velocity | 269fpm |
| Wt Below Jar(Wet) | 36205.00klb | String | 360000.00klb | Torque(Off.Btm) | 6000ft-lbs | D.C. (2) Ann Velocity | 0fpm |
| | | Pick-Up | 350000.00klb | Torque(On.Btm) | 4000ft-lbs | H.W.D.P. Ann Velocity | 176fpm |
| | | Slack-Off | 360000.00klb | | | D.P. Ann Velocity | 176fpm |

BHA Run Description

BHA Run Comment Hours on drilling jars = 118 hrs.

| Equipment | Length | OD | ID | Serial # | Comment |
|-----------------|---------|---------|--------|----------|------------------------|
| Bit | 0.30m | 12.25in | | 222369 | 8x13 Jets |
| Mud Motor | 9.22m | 9.63in | | 963448 | Ported float installed |
| String Stab | 1.86m | 12.25in | 3.00in | 701049 | |
| LWD Tools | 12.08m | 8.00in | | | |
| NM Drill Collar | 4.80m | 8.00in | | 246906 | |
| String Stab | 1.88m | 12.25in | 3.00in | 231931 | |
| Drill Collar | 84.74m | 8.25in | 2.88in | | |
| Drilling Jars | 9.68m | 8.00in | | 17621339 | |
| Drill Collar | 18.63m | 8.25in | 2.88in | | |
| X/Over Sub | 1.09m | 6.75in | | | |
| HWDP | 141.54m | 5.00in | 3.00in | | |

Survey

| MD (m) | Incl (deg) | Azim (deg) | TVD (m) | Vsec (deg) | N-S (m) | E-W (m) | DLS (deg/30m) | Tool Type |
|-----------|---------------|---------------|------------|---------------|------------|------------|------------------|-----------|
| 2253.19 | 0.6 | | 2252.94 | 30.6 | 30.6 | 0.0 | 0.0 | MWD |
| 2281.35 | 0.8 | | 2281.10 | 30.9 | 30.9 | 0.0 | 0.7 | MWD |

Bulk Stocks

| Name | Unit | In | Used | Adjust | Balance |
|--------------------|---------|-----|------|--------|---------|
| Rig Fuel | m3 | 0 | 10 | 0 | 360.0 |
| Drill Water | m3 | 341 | 0 | 0 | 707.0 |
| Pot Water | m3 | 17 | 27 | 0 | 189.0 |
| Brine | m3 | 68 | 55 | 0 | 79.0 |
| Barite | MT | 61 | 0 | 0 | 152.0 |
| Baradefoam-W300 | can | 0 | 0 | 9 | 9.0 |
| Barolift | boxes | 0 | 0 | 3 | 21.0 |
| Bentonite | MT | 0 | 0 | 0 | 48.2 |
| Caustic Soda | pail | 0 | 4 | 32 | 35.0 |
| Lime | sx | 0 | 0 | -50 | 4.0 |
| Soda Ash | sx | 0 | 2 | 11 | 56.0 |
| Sodium Bicarbonate | 25kg sx | 0 | 0 | 0 | 39.0 |
| Rig Fuel | m3 | 0 | 0 | 0 | 561.0 |
| Drill Water | m3 | 0 | 0 | 0 | 266.0 |
| Potable Water | m3 | 0 | 0 | 0 | 208.0 |
| Shaker Screen 50 | Screens | 0 | 0 | 8 | 8.0 |

| Pumps | | | | | | | | | | | | | | | | | |
|-------------------------|-------------------|------------|---------|---------|-----------|-----------|------------|----------------|------------|------------|-------------|------------|------------|-------------|------------|------------|-------------|
| Pump Data - Last 24 Hrs | | | | | | | | Slow Pump Data | | | | | | | | | |
| No. | Type | Liner (in) | MW (sg) | Eff (%) | SPM (SPM) | SPP (psi) | Flow (gpm) | Depth (m) | SPM1 (SPM) | SPP1 (psi) | Flow1 (gpm) | SPM2 (SPM) | SPP2 (psi) | Flow2 (gpm) | SPM3 (SPM) | SPP3 (psi) | Flow3 (gpm) |
| 1 | Continental Emsco | 6.50 | 1.09 | 97 | 60 | 3000 | 300 | 2331.0 | 30 | 200 | 150 | 40 | 260 | 200 | 50 | 320 | 250 |
| 2 | Continental Emsco | 6.50 | 1.09 | 97 | 60 | 3000 | 300 | 2331.0 | 30 | 200 | 190 | 40 | 190 | 260 | 50 | 330 | 250 |
| 3 | Continental Emsco | 6.50 | 1.09 | 97 | 60 | 3000 | 300 | 2331.0 | 30 | 180 | 150 | 40 | 260 | 200 | 50 | 330 | 260 |

| Casing | | | |
|---------------|-----------|-------------------|--|
| OD | LOT / FIT | Csg Shoe (MD/TVD) | Cementing |
| 30 " | / | 153.00m / 153.00m | 30" Cement Job: Pumped 50 bbls spacer ahead. Mixed 260 bbls of 15.8ppg (53 MT) class G cement with 155 bbls of seawater. Displaced with 72.4 bbls of seawater. |
| 13.38 | / | 930.00m / 930.00m | 13 3/8" Cement Job: Pumped 50 bbls of spacer ahead. Mixed 436 bbls (35 MT) of 11.5 ppg lead cement with 368 bbls of mix water. Mixed 67 bbls (14 MT) of 15.8 ppg tail cement with 40 bbls of mix water. Displaced with 412 bbls of seawater. |
| 13.38 | / | 930.00m / 930.00m | |

| Personnel On Board | |
|---------------------------------|-----------|
| Company | Pax |
| ADA | 6 |
| Maersk | 44 |
| GRN | 4 |
| OMS | 15 |
| Geoservices | 4 |
| Halliburton Cementers | 2 |
| Haliburton Directional Drilling | 1 |
| Halliburton | 3 |
| Halliburton (Baroid) | 2 |
| Fugro ROV | 3 |
| Dril-Quip | 2 |
| Swaco | 1 |
| PCS | 6 |
| Others | 3 |
| Total | 96 |

| Mud Volumes, Mud Losses and Shale Shaker Data | | | | Engineer : Mike Lawrance / Kosta Georgiou | | | |
|--|----------|-----------|----------------|---|--|--|--|
| Available | Losses | Equipment | Description | Mesh Size | Comments | | |
| 2887.4bbl | 336.0bbl | Shaker 1 | Brandt VSM 300 | 20 top/80bottom | Electrician repaired shakers - all ok. | | |
| 98.0bbl | 4.0bbl | Shaker 1 | Brandt VSM 300 | 20 top/80bottom | | | |
| 305.0bbl | 327.0bbl | Shaker 2 | Brandt VSM 300 | 20 top/80bottom | | | |
| 1171.4bbl | | Shaker 2 | Brandt VSM 300 | 20 top/80bottom | | | |
| 5.0bbl | | Shaker 3 | Brandt VSM 300 | 20 top/80bottom | | | |
| 1308.0bbl | | Shaker 3 | Brandt VSM 300 | 20 top/80bottom | | | |
| | | Shaker 4 | Brandt VSM 300 | 20 top/80bottom | | | |
| | | Shaker 4 | Brandt VSM 300 | 20 top/80bottom | | | |
| | 5.0bbl | | | | | | |

| Marine |
|---------------|
|---------------|

| Weather on 20 Oct 2009 | | | | | | | | Rig Support | |
|------------------------|---------------------|----------------------|-----------------|---------------|--------------|------------------|-------------|-------------|---------------|
| Visibility | Wind Speed | Wind Dir. | Pressure | Air Temp. | Wave Height | Wave Dir. | Wave Period | Anchors | Tension (klb) |
| 10.0nm | 16kn | 245.0deg | 1014.0mbar | 11C° | 1.5m | 245.0deg | 3s | 1 | 258.0 |
| Rig Dir. | Ris. Tension | VDL | Swell Height | Swell Dir. | Swell Period | Weather Comments | | | |
| 317.0deg | 240000.00klb | 157487.00klb | 1.5m | 245.0deg | 5s | | | | |
| Comments | | | | | | | | 2 | 115.0 |
| | | | | | | | | 3 | 145.0 |
| | | | | | | | | 4 | 198.0 |
| | | | | | | | | 5 | 139.0 |
| | | | | | | | | 6 | 119.0 |
| | | | | | | | | 7 | 192.0 |
| | | | | | | | | 8 | 190.0 |
| Vessel Name | Arrived (Date/Time) | Departed (Date/Time) | Status | Bulks | | | | | |
| Far Scimitar | 08:30 hrs 13/10/09 | 08:45 hrs 17/10/09 | Enroute to rig. | Item | Unit | Used | Quantity | | |
| | | | | Rig Fuel | M3 | | 523 | | |
| | | | | Potable Water | M3 | | 530 | | |
| | | | | Drill Water | M3 | | 196 | | |
| | | | | | t | | 55 | | |
| | | | | Barite | t | | 0 | | |
| | | | | Bentonite | t | | 0 | | |
| | | | | Brine | M3 | | 165 | | |
| Far Fosna | 06:00 hrs 17/10/09 | | Standby Rig | Item | Unit | Used | Quantity | | |
| | | | | Rig Fuel | M3 | | 333 | | |
| | | | | Pot Water | M3 | | 466 | | |
| | | | | Drill Water | M3 | | 362 | | |
| | | | | Bentonite | t | | 42 | | |
| | | | | Barite | t | | 0 | | |
| | | | | | t | | 130 | | |
| | | | | Brine | M3 | | 65 | | |