

DRILLING MORNING REPORT # 21
Trefoil-2

21 Oct 2009

 From: John Mcgarrity/ Peter Dane
 To: Texas Richards

| Well Data | | | | | | | |
|---------------|------------|------------------|---------|-------------------|---|-------------|----------------|
| Country | Australia | MDBRT | 2520.0m | Cur. Hole Size | 12.250in | AFE Cost | US\$33,167,745 |
| Field | Trefoil | TVDBRT | 2520.0m | Last Casing OD | 13.375in | AFE No. | Trefoil-2 |
| Drill Co. | Maersk | Progress | 236.0m | Shoe TVDBRT | 930.0m | Daily Cost | US\$571,896 |
| Rig | Kan Tan IV | Days from spud | 15.67 | Shoe MDBRT | 930.0m | Cumul. Cost | US\$16,955,458 |
| Wtr Dpth(MSL) | 69.0m | Days on well | 20.13 | FIT/LOT: | / 15.15ppg | | |
| RT-ASL(MSL) | 26.0m | Planned TD MD | 3221.0m | Current Op @ 0600 | Pulling out of hole at 930m. | | |
| RT-ML | 95.0m | Planned TD TVDRT | 3221.0m | Planned Op | POOH to surface and rack back BHA. Make up Drill-Quip multi-purpose retrieval tool. RIH. Jet wellhead and retrieve wear bushing. Rig up and run 9.625" casing. | | |

Summary of Period 0000 to 2400 Hrs

 Drilled 12.25" hole from 2284m to 2520m.
 Circulated well clean and conditioned mud.
 Wiper trip to old hole at 2267m.

HSE Summary

| Events | Num. Events | Days Since | Descr. | Remarks |
|------------------|-------------|------------|--|---------|
| Abandon Drill | 1 | 4 Days | Held abandon drill | |
| ER Exercises | | 4 Days | International Ship and Port Facility - Drill | |
| Fire Drill | 1 | 9 Days | Main deck - Fire in rubbish container | |
| Permit To Work | 21 | 0 Days | Permits administered | |
| Pre-tour Meeting | 2 | 0 Days | Shift change meetings | |
| Safety Meeting | 2 | 3 Days | Held 2 x General Safety Meeting | |
| STOP Card | 33 | 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 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. |
| P11 | P | D2 | 0600 | 1200 | 6.00 | 2450.0m | Drilled 12.25" hole from 2370m to 2450m. Average Parameters: ROP 13.30m/hr, RPM 110, WOB - 6-10k, flow rate 950 gpm, SPP 3000 psi, Torque 4-12Klbs/ft. |
| P11 | P | D2 | 1200 | 1900 | 7.00 | 2520.0m | Drilled 12.25" hole from 2450m to 2520m. Average Parameters: ROP 10.00m/hr, RPM 110, WOB - 5-10k, flow rate 950 gpm, SPP 2930 psi, Torque 4-15Klbs/ft. |
| P11 | P | F4 | 1900 | 2130 | 2.50 | 2520.0m | Circulated well clean and conditioned mud. |
| P11 | P | P3 | 2130 | 2200 | 0.50 | 2520.0m | Flushed kill and choke lines. |
| P11 | P | G8 | 2200 | 2300 | 1.00 | 2520.0m | POOH on elevators from 2520m to 2267m. Max overpull 20k at 2512m, 2412m, 2383m, 2354m and 2235m. |
| P11 | P | G8 | 2300 | 2400 | 1.00 | 2520.0m | RIH from 2267m to TD at 2520m. Max drag down 15klbs. No Fill. |

Operations For Period 0000 Hrs to 0600 Hrs on 22 Oct 2009

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|------|----------|----|------|------|------|---------|---|
| P11 | P | F4 | 0000 | 0100 | 1.00 | 2520.0m | Circulated bottoms up. |
| P11 | P | F3 | 0100 | 0130 | 0.50 | 2520.0m | Spotted 40 bbls hi-vis pill on bottom. Pumped slug. Flow checked well. Well static. |
| P11 | P | G8 | 0130 | 0500 | 3.50 | 2520.0m | Pulled out of the hole dry from 2520m to 930m at 15 stands/hr. |
| P11 | P | P3 | 0500 | 0600 | 1.00 | 2520.0m | Flow checked well at shoe. Well static. Concurrently serviced rig. |

Operations For Period Hrs to Hrs on

| Phase Data to 2400hrs, 21 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) | 164.5 | 15 Oct 2009 | 21 Oct 2009 | 483.00 | 20.125 | 2520.0m |

General Comments

00:00 TO 24:00 Hrs ON 21 Oct 2009

| | |
|-----------------------------|---|
| Operational Comments | Ditch Magnets: 24 hour metal recovery - 255 grams. Total for section - 830.0 grams. |
| Operational Comments | Flushed choke and kill lines. |
| Operational Comments | Flash Report 039 - While making up a double of 5" DP to the FOSV on top of the cement head (using TDS), the complete assembly slipped downwards approx one (1) metre. |

WBM Data
Cost Today US\$ 70119

| | | | | | | | | | |
|--------------|----------------------|--------------|-------------|-----------|-----------|---------------|------|-----------|-------------------------|
| Mud Type: | KCI POLYMER | API FL: | 3.7cc/30min | Cl: | 43500mg/l | Solids(%vol): | 2% | Viscosity | 53sec/qt |
| Sample-From: | 4 | Filter-Cake: | 1/32nd" | K+C*1000: | 9% | H2O: | 94% | PV | 14cp |
| Time: | 2045 | HTHP-FL: | 7.6cc/30min | Hard/Ca: | 320mg/l | Oil(%): | | YP | 28lb/100ft ² |
| Weight: | 9.30ppg | HTHP-cake: | 2/32nd" | MBT: | 10 | Sand: | | Gels 10s | 10 |
| Temp: | 34C° | | | PM: | 0.5 | pH: | 9.5 | Gels 10m | 15 |
| | | | | PF: | 0.4 | PHPA: | 2ppb | Fann 003 | 10 |
| | | | | | | | | Fann 006 | 12 |
| | | | | | | | | Fann 100 | 28 |
| | | | | | | | | Fann 200 | 35 |
| | | | | | | | | Fann 300 | 42 |
| | | | | | | | | Fann 600 | 56 |
| Comment | Note: Cost is in AUD | | | | | | | | |

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 | 236.0m | Cumul. Progress | 249.0m |
| Type: | PDC | RPM(avg) | 110 | 8 | 13/32nd" | On Bottom Hrs | 12.6h | Cumul. On Btm Hrs | 13.6h |
| Serial No.: | 222369 | F.Rate | 900gpm | | | IADC Drill Hrs | 19.0h | Cumul. IADC Drill Hrs | 20.0h |
| Bit Model | RSX616M | SPP | 2850psi | | | Total Revs | | Cumul. Total Revs | 0 |
| Depth In | 2271.0m | HSI | | | | ROP(avg) | 18.73 m/hr | ROP(avg) | 18.31 m/hr |
| Depth Out | | TFA | 1.037 | | | | | | |

Bit Comment

BHA # 4

| | | | | | | | |
|-------------------|-------------|-----------|--------------|-----------------|-------------|-----------------------|--------|
| Weight(Wet) | 68340.00klb | Length | 252.7m | Torque(max) | 15000ft-lbs | D.C. (1) Ann Velocity | 269fpm |
| Wt Below Jar(Wet) | 36205.00klb | String | 375000.00klb | Torque(Off.Btm) | 6000ft-lbs | D.C. (2) Ann Velocity | 0fpm |
| | | Pick-Up | 370000.00klb | Torque(On.Btm) | 12000ft-lbs | H.W.D.P. Ann Velocity | 176fpm |
| | | Slack-Off | 380000.00klb | | | D.P. Ann Velocity | 176fpm |

BHA Run Description

BHA Run Comment Hours on drilling jars = 139 hrs.

| Equipment | Length | OD | ID | Serial # | Comment |
|-----------------|---------|---------|--------|----------|-------------------------------------|
| Bit | 0.30m | 12.25in | | 222369 | 8x13 Jets Ported float installed |
| Mud Motor | 9.22m | 9.63in | | 963448 | |
| 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 |
|-----------|---------------|---------------|------------|---------------|------------|------------|------------------|-----------|
| 2310.29 | 0.9 | | 2310.03 | 31.3 | 31.3 | 0.0 | 0.3 | MWD |
| 2339.67 | 0.8 | | 2339.41 | 31.8 | 31.8 | 0.0 | 0.3 | MWD |
| 2398.22 | 0.8 | | 2397.96 | 32.6 | 32.6 | 0.0 | 0.0 | MWD |
| 2426.57 | 1.1 | | 2426.30 | 33.1 | 33.1 | 0.0 | 1.1 | MWD |
| 2454.95 | 1.0 | | 2454.68 | 33.6 | 33.6 | 0.0 | 0.4 | MWD |
| 2484.55 | 1.1 | | 2484.27 | 34.1 | 34.1 | 0.0 | 0.3 | MWD |

Bulk Stocks

| Name | Unit | In | Used | Adjust | Balance |
|--------------------|---------|----|------|--------|---------|
| Rig Fuel | m3 | 0 | 33 | 0 | 327.0 |
| Drill Water | m3 | 0 | 120 | 0 | 587.0 |
| Pot Water | m3 | 34 | 34 | 0 | 189.0 |
| Brine | m3 | 68 | 68 | 0 | 79.0 |
| Barite | MT | 0 | 2.3 | 0 | 149.7 |
| Baradefoam-W300 | can | 0 | 0 | 0 | 9.0 |
| Barolift | boxes | 0 | 0 | 0 | 21.0 |
| Bentonite | MT | 0 | 0 | 0 | 48.2 |
| Caustic Soda | pail | 0 | 0 | 0 | 35.0 |
| Lime | sx | 0 | 0 | 0 | 4.0 |
| Soda Ash | sx | 0 | 0 | 0 | 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 | 0 | 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) | SPP1Flow1 (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 | 2515.0 | 30 | 220 | 150 | 40 | 270 | 200 | 50 | 350 | 250 |
| 2 | Continental Emsco | 6.50 | 1.09 | 97 | 60 | 3000 | 300 | 2515.0 | 30 | 240 | 190 | 40 | 290 | 260 | 50 | 350 | 250 |
| 3 | Continental Emsco | 6.50 | 1.09 | 97 | 60 | 3000 | 300 | 2515.0 | 30 | 200 | 150 | 40 | 270 | 200 | 50 | 350 | 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 | 43 |
| GRN | 4 |
| OMS | 15 |
| Geoservices | 4 |
| Halliburton Cementers | 2 |
| Halliburton Directional Drilling | 1 |
| Halliburton | 3 |
| Halliburton (Baroid) | 2 |
| Fugro ROV | 3 |
| Dril-Quip | 2 |
| Swaco | 1 |
| PCS | 6 |
| Others | 3 |
| Total | 95 |

| Mud Volumes, Mud Losses and Shale Shaker Data | | | | Engineer : Mike Lawrance / Kosta Georgiou | | | |
|---|-----------|-----------------------|----------|---|----------------|------------------|--|
| Available | 2982.0bbl | Losses | 539.0bbl | Equipment | Description | Mesh Size | Comments |
| Active | 238.0bbl | Downhole | | Shaker 1 | Brandt VSM 300 | 20 top/100bottom | Note: Inadvertently dumped 419 bbls overboard, investigation in progress. |
| Mixing | 220.0bbl | Surf+ Equip | 113.0bbl | Shaker 1 | Brandt VSM 300 | 20 top/100bottom | |
| Hole | 1178.0bbl | Dumped | 419.0bbl | Shaker 2 | Brandt VSM 300 | 20 top/100bottom | |
| Slug | 31.0bbl | De-Gasser | | Shaker 3 | Brandt VSM 300 | 20 top/100bottom | |
| Reserve | 1315.0bbl | De-Sander | | Shaker 3 | Brandt VSM 300 | 20 top/100bottom | |
| Kill | | De-Silting Centrifuge | 7.0bbl | Shaker 4 | Brandt VSM 300 | 20 top/100bottom | |
| | | | | Shaker 4 | Brandt VSM 300 | 20 top/100bottom | |

| Marine | | | | | | | | | |
|------------------------|--------------|-------------|--------------|------------|--------------|------------------|-------------|---------|---------------|
| Weather on 21 Oct 2009 | | | | | | | Rig Support | | |
| Visibility | Wind Speed | Wind Dir. | Pressure | Air Temp. | Wave Height | Wave Dir. | Wave Period | Anchors | Tension (klb) |
| 10.0nm | 13kn | 222.0deg | 1022.0mbar | 12C° | 1.2m | 222.0deg | 3s | 1 | 264.0 |
| Rig Dir. | Ris. Tension | VDL | Swell Height | Swell Dir. | Swell Period | Weather Comments | | 2 | 119.0 |
| 317.0deg | 240000.00klb | 92460.00klb | 1.5m | 222.0deg | 5s | | | 3 | 148.0 |
| Comments | | | | | | | | 4 | 198.0 |
| | | | | | | | | 5 | 142.0 |
| | | | | | | | | 6 | 117.0 |
| | | | | | | | | 7 | 189.0 |
| | | | | | | | | 8 | 200.0 |

| Vessel Name | Arrived (Date/Time) | Departed (Date/Time) | Status | Bulks | | | |
|---------------|---------------------|----------------------|-----------------|----------|------|------|----------|
| Far Scimitar | | | Enroute to rig. | Item | Unit | Used | Quantity |
| | | | | Rig Fuel | M3 | | 520 |
| Potable Water | M3 | | 525 | | | | |
| 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 | | 324 | | | | |
| Pot Water | M3 | | 463 | | | | |
| Drill Water | M3 | | 362 | | | | |
| Bentonite | t | | 42 | | | | |
| Barite | t | | 20 | | | | |
| | t | | 130 | | | | |
| Brine | M3 | | 65 | | | | |

| Helicopter Movement | | | | |
|---------------------|---------------------|-----------------------|------------|-------------|
| Flight # | Company | Arr/Dep. Time | Pax In/Out | Comment |
| 1 | Bristow Helicopters | 09:07 hrs / 09:15 hrs | 3 / 4 | Crew Change |