

31 Oct 2009
From: Bryan Houston / Paul Leathem
To: Texas Richards

DRILLING MORNING REPORT # 31
Trefoil-2

| 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 | 0.0m | Shoe TVDBRT | 930.0m | Daily Cost | US\$559,803 |
| Rig | Kan Tan IV | Days from spud | 25.67 | Shoe MDBRT | 930.0m | Cumul. Cost | US\$22,669,964 |
| Wtr Dpth(MSL) | 69.0m | Days on well | 30.13 | FIT/LOT: | / 15.15ppg | | |
| RT-ASL(MSL) | 26.0m | Planned TD MD | 3221.0m | Current Op @ 0600 | Breaking out and laying out fish and fishing assembly. | | |
| RT-ML | 95.0m | Planned TD TVDRT | 3221.0m | Planned Op | Prepare for milling and cutting of 9 5/8" casing. | | |

Summary of Period 0000 to 2400 Hrs

Made 3 runs into the hole with fishing tools, with 11 3/4" overshot & 1st grapple size of 8 3/4". 2nd run with grapple size of 7 1/8" & the 3rd & successful run with grapple size of 7".

Fish #3 at surface.

RIH with fishing BHA #18F & apply right hand rotation. Overpull of 30klbs was taken when string released. POOH no fish. Marks on side of guide indicated tool had gone down beside fish.

Changed overshot guide from 11 3/4" to 15" & RIH same BHA. Latched onto fish with 20klbs weight down. Overpulled 40klbs & allowed jars to bleed off.

HSE Summary

| Events | Num. Events | Days Since | Descr. | Remarks |
|------------------|-------------|------------|---------------------------------------|---------|
| Abandon Drill | 1 | 7 Days | Held abandon drill | |
| Fire Drill | 1 | 7 Days | Main deck - Fire in rubbish container | |
| Permit To Work | 10 | 0 Days | Permits administered | |
| Pre-tour Meeting | 2 | 0 Days | Shift change meetings | |
| Safety Meeting | 2 | 6 Days | Held 2 x General Safety Meeting | |
| STOP Card | 62 | 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 31 Oct 2009

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|------|----------|-----|------|------|-------|---------|---|
| P13 | TP (WB) | G18 | 0000 | 0100 | 1.00 | 2520.0m | POOH with open ended string. No visible marks on DP single. |
| P13 | TP (WB) | G11 | 0100 | 1100 | 10.00 | 2520.0m | Trouble shot topdrive and iron roughneck hydraulic unit. |
| P13 | TP (WB) | G18 | 1100 | 1230 | 1.50 | 2520.0m | Dressed and RIH with 11 1/4" overshot with 8 3/4" grapple on 5" drill pipe. Tagged fish at 75m. 170klbs up wt, 165klbs down wt, overpull of 40lbsk. POOH with same, No Success. |
| P13 | TP (WB) | G18 | 1230 | 1500 | 2.50 | 2520.0m | Dressed 11 3/4" overshot with 7 1/8" grapple and 8 3/8" mill guide. RIH with same on 5" DP to top of fish at 75m. Unsuccessful attempt POOH. |
| P13 | TP (WB) | G18 | 1500 | 1700 | 2.00 | 2520.0m | Dressed same 11 3/4" overshot but with 7 " grapple and 8 3/8" mill guide. RIH with same on 5" DP to top of fish at 75m. Applied right hand rotation with no indications. POOH fish #3. Fish on surface at 16.40hrs. Laid out same. |
| P13 | TP (WB) | G18 | 1700 | 1800 | 1.00 | 2520.0m | Dressed fishing tool BHA #18 for fish #2 with 11 3/4" overshot with 7 3/4" basket grapple and mill control while rig crew rearranged derrick to allow access to 6 3/4" DCs. |
| P13 | TP (WB) | G18 | 1800 | 2000 | 2.00 | 2520.0m | RIH with fishing tool BHA #18 for fish #2 with 11 3/4" overshot with 7 3/4" basket grapple and mill control. Tagged top of fish using rotation with 10klbs down. Overpull of 30klbs when string released. POOH. No luck. Marks on the side of the guide indicated |

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|------|----------|-----|------|------|------|---------|--|
| P13 | TP (WB) | G18 | 2000 | 2400 | 4.00 | 2520.0m | that tool had gone down beside the fish & not over it. Rerun BHA #18 with a 15" guide and same 7 3/4" grapple. Tag top of fish with rotation & 20klbs down. 40klbs overpull on fish & allowed time for jars to bleed down. Held 35klbs on fish while confirm with town operation. Held JSA on rig floor for shearing of pipe. |

Operations For Period 0000 Hrs to 0600 Hrs on 01 Nov 2009

| Phse | Cls (RC) | Op | From | To | Hrs | Depth | Activity Description |
|------|----------|-----|------|------|------|---------|--|
| P13 | TP (WB) | G18 | 0000 | 0500 | 5.00 | 2520.0m | Closed shear rams against 9 5/8" casing from koomey room. Observed flow meter count of 56bbls - correct volume. No loss of block wt observed. Press test seal of shear rams to 500psi through C&K lines. Held for 30 mins - good test. Began overpull & jarring to free stuck casing hanger. At 03.45hrs string came free with between 40 - 70klbs overpull. POOH with fish complete to surface. |
| P13 | TP (WB) | G18 | 0500 | 0600 | 1.00 | 2520.0m | Break out and lay down fishing BHA and fish. |

Operations For Period Hrs to Hrs on
Phase Data to 2400hrs, 31 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) | 176.5 | 15 Oct 2009 | 22 Oct 2009 | 495.00 | 20.625 | 2520.0m |
| Production Casing(1)(P13) | 228 | 22 Oct 2009 | 31 Oct 2009 | 723.00 | 30.125 | 2520.0m |

WBM Data
Cost Today US\$ 819

| | | | | | | | | | |
|--------------|----------------------|--------------|--------------|-----------|-----------|---------------|------|-----------|-------------|
| Mud Type: | KCl POLYMER | API FL: | 4.5cc/30min | Cl: | 42500mg/l | Solids(%vol): | 3% | Viscosity | 62sec/qt |
| Sample-From: | 2 | Filter-Cake: | 1/32nd" | K+C*1000: | 9% | H2O: | 93% | PV | 11cp |
| Time: | 11:00 hrs | HTHP-FL: | 11.0cc/30min | Hard/Ca: | 400mg/l | Oil(%): | | YP | 24lb/100ft² |
| Weight: | 9.40ppg | HTHP-cake: | 2/32nd" | MBT: | 10 | Sand: | .3 | Gels 10s | 11 |
| Temp: | | | | PM: | 0.4 | pH: | 9 | Gels 10m | 15 |
| | | | | PF: | 0.3 | PHPA: | 2ppb | Fann 003 | 10 |
| | | | | | | | | Fann 006 | 11 |
| | | | | | | | | Fann 100 | 23 |
| | | | | | | | | Fann 200 | 29 |
| | | | | | | | | Fann 300 | 35 |
| | | | | | | | | Fann 600 | 46 |
| Comment | Note: Cost is in AUD | | | | | | | | |

BHA # 17F

| | | | | |
|-------------------|-----------|--------------|-----------------|-----------------------|
| Weight(Wet) | Length | 92.4m | Torque(max) | D.C. (1) Ann Velocity |
| Wt Below Jar(Wet) | String | 175000.00klb | Torque(Off.Btm) | D.C. (2) Ann Velocity |
| | Pick-Up | 175000.00klb | Torque(On.Btm) | H.W.D.P. Ann Velocity |
| | Slack-Off | 180000.00klb | | D.P. Ann Velocity |

BHA Run Description 11-3/4" overshot, dressed with 6-3/4" basket grapple

BHA Run Comment

| Equipment | Length | OD | ID | Serial # | Comment |
|------------|--------|---------|--------|----------|---------|
| Overshot | 2.92m | 11.75in | 6.75in | 89384 | |
| X/Over Sub | 1.22m | | | | |
| Pup Joint | 1.52m | | | | |
| Drill Pipe | 9.65m | 5.00in | 4.28in | | |
| Drill Pipe | 9.65m | 5.00in | 4.28in | | |
| Drill Pipe | 9.67m | 5.00in | 4.28in | | |
| Drill Pipe | 9.62m | 5.00in | 4.28in | | |
| Drill Pipe | 9.64m | 5.00in | 4.28in | | |
| Drill Pipe | 9.66m | 5.00in | 4.28in | | |
| Drill Pipe | 9.63m | 5.00in | 4.28in | | |
| Drill Pipe | 9.65m | 5.00in | 4.28in | | |

| Equipment | Length | OD | ID | Serial # | Comment |
|------------|--------|--------|--------|----------|---------|
| Drill Pipe | 9.66m | 5.00in | 4.28in | | |

BHA # 18F

| | | | | |
|-------------------|-----------|--------------|-----------------|-----------------------|
| Weight(Wet) | Length | 88.0m | Torque(max) | D.C. (1) Ann Velocity |
| Wt Below Jar(Wet) | String | 170000.00klb | Torque(Off.Btm) | D.C. (2) Ann Velocity |
| | Pick-Up | 170000.00klb | Torque(On.Btm) | H.W.D.P. Ann Velocity |
| | Slack-Off | 175000.00klb | | D.P. Ann Velocity |

BHA Run Description 11 3/4 overshot dressed with 7 3/4 grapple

BHA Run Comment

| Equipment | Length | OD | ID | Serial # | Comment |
|-------------|--------|---------|--------|-------------|-------------------|
| 6 3/4" DC | 9.26m | 6.75in | 2.87in | 1185 | with 7.75 grapple |
| 6 1/2in DC | 9.47m | 6.75in | 2.87in | 1764 | |
| 6 3/4" DC | 9.20m | 6.75in | 2.87in | 1180 | |
| Accelerator | 3.86m | 6.25in | 2.18in | 5590562071 | |
| Drill Pipe | 9.64m | 5.00in | 4.00in | | |
| Drill Pipe | 9.64m | 5.00in | 4.00in | | |
| Drill Pipe | 9.64m | 5.00in | 4.00in | | |
| Drill Pipe | 9.64m | 5.00in | 4.00in | | |
| Overshot | 1.26m | 11.75in | 3.26in | 21046G | |
| X/O | 1.22m | 8.25in | 2.26in | 1793 | |
| Bumper sub | 1.89m | 6.25in | 2.25in | 626 | |
| Fishing Jar | 3.84m | 6.25in | 2.18in | 15256462034 | |
| 6 3/4" DC | 9.43m | 6.75in | 2.87in | 1178 | |

Bulk Stocks

| Name | Unit | In | Used | Adjust | Balance |
|--------------------|---------|------|------|--------|---------|
| Rig Fuel | m3 | 0 | 7 | 0 | 326.0 |
| Drill Water | m3 | 33 | 5 | 0 | 595.0 |
| Pot Water | m3 | 0 | 24 | 0 | 153.0 |
| Brine | m3 | 0 | 0 | 0 | 71.0 |
| Barite | MT | 17.3 | 0 | 0 | 167.0 |
| Baradefoam-W300 | can | 0 | 0 | 0 | 9.0 |
| Barolift | boxes | 0 | 0 | 0 | 18.0 |
| Bentonite | MT | 0 | 0 | 0 | 81.2 |
| Caustic Soda | pail | 0 | 0 | 0 | 32.0 |
| Lime | sx | 0 | 0 | 0 | 4.0 |
| Soda Ash | sx | 11 | 0 | 0 | 37.0 |
| Sodium Bicarbonate | 25kg sx | 0 | 0 | 0 | 38.0 |
| Shaker Screen 50 | Screens | 0 | 0 | 0 | 8.0 |
| Citric Acid | Sacks | 40 | 0 | 0 | 80.0 |

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 | | | | | 30 | | | 40 | | | 50 | | |
| 2 | Continental Emsco | 6.50 | 1.09 | 97 | | | | | 30 | | | 40 | | | 50 | | |
| 3 | Continental Emsco | 6.50 | 1.09 | 97 | | | | | 30 | | | 40 | | | 50 | | |

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 | 15.15ppg / | 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 |

| Casing | | | |
|--------|-----------|-------------------|---|
| OD | LOT / FIT | Csg Shoe (MD/TVD) | Cementing |
| | | | bbls of mix water. Displaced with 412 bbls of seawater. |

| Personnel On Board | |
|-----------------------|-----------|
| Company | Pax |
| ADA | 5 |
| Maersk | 47 |
| GRN | 3 |
| OMS | 13 |
| Nopsa | 2 |
| Geoservices | 4 |
| Halliburton Cementers | 2 |
| Halliburton | 3 |
| Halliburton (Baroid) | 2 |
| Dril-Quip | 1 |
| Fugro ROV | 3 |
| Swaco | 1 |
| PCS | 3 |
| Smith Services | 2 |
| Others | 3 |
| Total | 94 |

| Mud Volumes, Mud Losses and Shale Shaker Data | | | | Engineer : Mike Lawrance / James Munford | | | |
|---|-----------|-------------|--------|--|----------------|------------------|----------|
| Available | 2782.0bbl | Losses | 0.0bbl | Equipment | Description | Mesh Size | Comments |
| Active | 631.4bbl | Downhole | | Shaker 1 | Brandt VSM 300 | 20 top/100bottom | |
| Mixing | 0.0bbl | Surf+ Equip | 0.0bbl | Shaker 1 | Brandt VSM 300 | 20 top/100bottom | |
| Hole | 1150.6bbl | Dumped | | Shaker 2 | Brandt VSM 300 | 20 top/100bottom | |
| Slug Reserve | 1000.0bbl | De-Gasser | | Shaker 3 | Brandt VSM 300 | 20 top/100bottom | |
| | | De-Sander | | Shaker 3 | Brandt VSM 300 | 20 top/100bottom | |
| Kill | | De-Siljer | | Shaker 4 | Brandt VSM 300 | 20 top/100bottom | |
| | | Centrifuge | | Shaker 4 | Brandt VSM 300 | 20 top/100bottom | |

| Marine | | | | | | | | Rig Support | |
|------------------------|------------|--------------|------------|--------------|--------------|------------------|-------------|-------------|---------------|
| Weather on 31 Oct 2009 | | | | | | | | Anchors | Tension (klb) |
| Visibility | Wind Speed | Wind Dir. | Pressure | Air Temp. | Wave Height | Wave Dir. | Wave Period | | |
| 10.0nm | 15kn | 225.0deg | 1017.0mbar | 12C° | 1.0m | 50.0deg | 3s | 1 | 177.0 |
| Heave | Pitch | Roll | Rig Dir. | Ris. Tension | VDL | Weather Comments | | 2 | 197.0 |
| 0.4m | 0.3deg | 1.0deg | 317.0deg | 240000.00klb | 116684.00klb | | | 3 | 166.0 |
| Swell Height | Swell Dir. | Swell Period | Comments | | | | | 4 | 202.0 |
| 3.0m | 60.0deg | 5s | | | | | | 5 | 231.0 |
| | | | | | | | | 6 | 224.0 |
| | | | | | | | | 7 | 191.0 |
| | | | | | | | | 8 | 203.0 |

| Vessel Name | Arrived (Date/Time) | Departed (Date/Time) | Status | Bulks | | | |
|--------------|---------------------|----------------------|-----------------|---------------|------|------|----------|
| Far Scimitar | | | En-route to KT4 | Item | Unit | Used | Quantity |
| | | | | Rig Fuel | M3 | | 676 |
| | | | | Potable Water | M3 | | 515 |
| | | | | Drill Water | M3 | | 530 |
| | | | | | t | | 0 |
| | | | | Barite | t | | 0 |
| | | | | Bentonite | t | | 0 |
| | | | | Brine | M3 | | 165 |

| Alongside No 27 South Wharf Melbourne untill 20.36hrs Then depart for KT4. | | | | | | | |
|--|--|--|--------------|-------------|------|------|----------|
| Far Fosna | | | Rig standby. | Item | Unit | Used | Quantity |
| | | | | Rig Fuel | M3 | | 530 |
| | | | | Pot Water | M3 | | 572 |
| | | | | Drill Water | M3 | | 362 |
| | | | | Bentonite | t | | 42 |
| | | | | Barite | t | | 0 |

| | | | | Item | Unit | Used | Quantity |
|--|--|--|--|-------|------|------|----------|
| | | | | | t | | 130 |
| 0001 - 19.15 Standby at rig. 19.15 - 21.50 p/s cargo ops 21.50 - 24.00 r/stby | | | | Brine | M3 | | 0 |
| | | | | | | | |
| | | | | | | | |