

CRC-1

| | | | | | |
|----------------------|-------------|------------------------------|-----------------------------|---------------------------|----------------------|
| Date : | 27 Feb 2007 | Well Site Manager : | Kevin Murphy | Rig Manager : | Agus Nugroho |
| Report Number | 13 | Drilling Supervisor : | Kevin Murphy / Brian Assels | Drilling Company : | Century Drilling Ltd |
| Easting | 657913 | Northing | 5733761 | Geologist : | Dave Horner |

Well Details

| | | | | | | | |
|------------|----------------|----------------------|---------|--------------|---------|----------------|-------------|
| Country: | Australia | Current Hole Size: | 6.75in | Casing O.D.: | 7.625in | Planned TD: | 2250.0m |
| Field: | Otway (Naylor) | Measured Depth: | 1723.0m | Casing MD: | 512.0m | Last BOP Test: | 19 Feb 2007 |
| Rig: | CDL Rig 11 | True Vertical Depth: | 1723.0m | Casing TVD: | 512.0m | FIT/LOT: | / 13.30ppg |
| RT - AMSL: | 50.00m | 24 Hr Progress: | 197.0m | TOL MD: | | Last LTI: | 04 Jan 2006 |
| RT - GL: | 5.20m | Days From Spud: | 12.54 | Liner MD: | | LTI Free Days: | 279 |
| Datum: | GDA 94 | Days On Well: | 25.54 | Liner TVD: | | | |

Current Ops @ 0600: Drill 6-3/4" hole at 1771m.
 Planned Operations: Drill ahead to core point (#4) in Belfast Mudstone.

Summary of Period 0000 to 2400 Hrs

Drill 6-3/4" hole with WLS f/ 1526m to 1723m.

HSE Summary

| Event (# Of) | Date of last | Days Since | Short Description |
|--------------------------------|--------------|------------|--|
| Alcohol & drug screening (2) | 27 Feb 2007 | 0 Days | Personnel blow into alcoholizer |
| Equipment Incident (1) | 26 Feb 2007 | 1 Day | Key from hydromatic sprocket fell out causing drill string control problem. |
| Hazard Observation (1) | 27 Feb 2007 | 0 Days | One Haz-Ob: Gurni washing of accumulator unit presents electrical hazard to personnel as no wall between koomie and generators - not closed out. |
| Inspection (2) | 27 Feb 2007 | 0 Days | Visually inspect d/line, d/man, brakes, koomey, BOP stack and Koomey pressures. |
| Permit To Work (1) | 27 Feb 2007 | 0 Days | Diesel gurney within 45m of wellhead. |
| Pre-Tour Meetings (2) | 27 Feb 2007 | 0 Days | Loading/unloading using forklift & Operating rig floor winch |

Operations For Period 0000 Hrs to 2400 Hrs on 27 Feb 2007

| Phse | Cls | Op | From | To | Hrs | Depth | Activity Description |
|------|-----|-----|------|------|-------|---------|---|
| PH1 | P | DA | 0000 | 0630 | 6.50 | 1587.0m | Drill 6-3/4" f/ 1526m to 1587m. |
| PH1 | P | SVY | 0630 | 0700 | 0.50 | 1587.0m | Circ, flow check and run WLS @ 1574m. 1-1/2 deg @ S34E (uncorrected). |
| PH1 | P | DA | 0700 | 0900 | 2.00 | 1606.0m | Con't drill 6-3/4" hole f/ 1587m to 1606m. |
| PH1 | P | RS | 0900 | 0930 | 0.50 | 1606.0m | Rig service |
| PH1 | P | DA | 0930 | 2030 | 11.00 | 1703.0m | Con't drill 6-3/4" hole f/ 1606m to 1703m. |
| PH1 | P | SVY | 2030 | 2100 | 0.50 | 1703.0m | Circ, flow check and run WLS @ 1691m. 2 deg @ S61W (uncorrected). |
| PH1 | P | DA | 2100 | 2400 | 3.00 | 1723.0m | Con't drill 6-3/4" hole f/ 1703m to 1723m. |

Operations For Period 0000 Hrs to 0600 Hrs on 28 Feb 2007

| Phse | Cls | Op | From | To | Hrs | Depth | Activity Description |
|------|-----|----|------|------|------|---------|--------------------------------------|
| PH1 | P | DA | 0000 | 0600 | 6.00 | 1771.0m | Drill 6 3/4" Hole F/- 1723m To 1771m |

| WBM Data | | | | | | | | | |
|----------------------------------|----------------------|----------------|--------------|---------------------------|-----------|----------------------|----------------------------|----------|----|
| Daily Chemical Costs: \$ 2272.00 | | | | Cost To Date: \$ 32632.00 | | | Engineer : Peter N ARONETZ | | |
| Mud Type: | Water Based | Flowline Temp: | 44.7C° | pH: | 10.8 | Low Gravity Solids: | 3.10% | Gels 10s | 4 |
| Description: | KCl / PHPA / POLYMER | Nitrates: | 0mg/l | PM: | 1.75 | High Gravity Solids: | 0.00% | Gels 10m | 4 |
| Sample From: | Past Shale Shakers | Sulphites: | 180mg/l | PF: | 1.3 | Solids (corrected): | 3.10% | Fann 003 | 4 |
| | | API FL: | 6.5cm³/30min | MF: | 3.86 | H2O: | 96.9% | Fann 006 | 5 |
| Time: | 22:15 | API Cake: | 1/32nd" | Cl: | 12800mg/l | Oil: | 0.0% | Fann 100 | 21 |
| Weight: | 8.90ppg | PV | 13cp | Hard/Ca: | 140mg/l | Sand: | .75 % | Fann 200 | 28 |
| ECD TD: | 9.40ppg | YP | 20lb/100ft² | MBT: | 3.50 | Barite: | 0.00lb/bbl | Fann 300 | 33 |
| ECD Shoe: | | Fluoroscene | 7.875ppm | KCl Equiv: | 2.6% | CaCO3 Added: | 4.1ppb | Fann 600 | 46 |
| Viscosity | 54sec/qt | | | PHPA Added: | 1.24ppb | | | | |
| | | | | Fluoresceine: | | | | | |

Comment: Fluid recycled from sump begins to resemble more closely fluid discharged earlier in this interval. This allows a reduction of chemical addition. Working towards a 10ppm Fluoresceine concentration, when advice was received from Chris Boreham (GA) to allow F/C to level out at 5ppm. After 800g this morning, no further F/C additions today, final HACH reading is 7.875ppm. Receive advice from geologist, that a request to increase fluid density can be expected any time soon.

| Shakers, Volumes and Losses Data | | | | | | | |
|----------------------------------|--------|------------------|--------|--------|--------------------|-----------------|-------|
| Available | 835bbl | Losses | 201bbl | Equip. | Descr. | Mesh Size | Hours |
| Active | 563bbl | Downhole | 5bbl | 1 | Lin. Motion SHAKER | 1 x 84 & 2 x 50 | 24 |
| Hole | 221bbl | Shakers & Equip. | 110bbl | 2 | Lin. Motion SHAKER | 1 x 84 & 2 x 50 | 24 |
| | | | | 3 | De-Sander | 2 x 8" Cones | 24 |
| Slug | | Dumped | 30bbl | 4 | De-Silter | 12 x 4" Cones | 24 |
| Reserve | 51bbl | Centrifuges | | | | | |
| | | Desander | 21bbl | | | | |
| | | De-Silter | 35bbl | | | | |
| Built | 200bbl | | | | | | |

| Bit Data | | | | | | | | |
|-------------|---------------|---------------|-----------|----------------|--------------------------|-------------------------|--------------------|-----------|
| Bit # 2RR2 | | | | | | | | |
| Size ("): | 6.750 | IADC# | | Nozzles | Drilled over last 24 hrs | Calculated over Bit Run | | |
| Mfr: | Stealth Tools | WOB(avg) | 8.0klb | 5 x 12/(32nd") | Progress | 197.0m | Cum. Progress | 453.0m |
| Type: | PDC | RPM(avg) | 110 | | On Bottom Hrs | 16.20 | Cum. On Btm Hrs | 35.90 |
| Serial No.: | 6972 | RPM (DH)(avg) | 110 | | IADC Drill Hrs | 22.50 | Cum IADC Drill Hrs | 49.00 |
| Bit Model | M565 | F.Rate | 270.0gpm | | Total Revs | 104700 | Cum Total Revs | 237000 |
| Depth In | 1270.0m | SPP | 1100.0psi | | OB-ROP(avg) | 12.16m/hr | Cum. OB-ROP(avg) | 12.62m/hr |
| Depth Out | | TFA | 0.552 | HSI | HSI | | | |

| BHA Data | | | | | | | |
|-------------------|-----------------------------|-----------|----------|-----------------|---------------|-----------------------|--------|
| BHA # 6 | | | | | | | |
| Weight(Wet) | 25.0klb | Length | 260.6m | Torque(max) | 12000.0ft-lbs | D.C. (1) Ann Velocity | 288fpm |
| Wt Below Jar(Wet) | 20.0klb | String | 102.0klb | Torque(Off.Btm) | 2000.0ft-lbs | D.C. (2) Ann Velocity | 0fpm |
| | | Pick-Up | 98.0klb | Torque(On.Btm) | | H.W.D.P. Ann Velocity | 199fpm |
| | | Slack-Off | 94.0klb | Jar Hours | 109.5 | D.P. Ann Velocity | 199fpm |
| BHA Run Comment | Units for torque not ft-lbs | | | | | | |

| Equipment | Length | OD | ID | Serial # | Hours | Comment |
|-------------------|------------|--------|--------|--------------|-------|---------|
| Bit | 1 x 0.26m | 6.75in | | 6972 | 95 | |
| Near Bit Stab | 1 x 1.51m | 6.75in | 2.43in | 5475-1 | 109.5 | |
| Pony DC | 1 x 2.90m | 4.75in | 2.25in | 502-A32 | 109.5 | |
| String Stabiliser | 1 x 1.54m | 6.75in | 2.06in | 5415-2 | 109.5 | |
| NMDC | 1 x 9.19m | 4.75in | 2.31in | | 109.5 | |
| 4.75" DC | 1 x 9.49m | 4.75in | 2.31in | | 109.5 | |
| String Stabiliser | 1 x 1.54m | 6.75in | 2.00in | 475-3 | 109.5 | |
| 4.75" DC | 15 x 9.43m | 4.75in | 2.31in | | 109.5 | |
| Drilling Jars | 1 x 9.37m | 4.75in | 2.31in | 380-47763-03 | 109.5 | |
| 4 3/4 DC | 3 x 9.50m | 4.75in | 2.31in | | 109.5 | |
| 3 1/2" HWDP | 6 x 9.14m | 3.50in | 2.12in | | 141 | |
| Total Length: | 260.59m | | | | | |

| Survey | | | | | | | | |
|-----------|----------------|-------------------|------------|-----------------|---------------------|------------|------------|-------------------|
| MD (m) | Incl. (deg) | Corr. Az (deg) | TVD (m) | 'V' Sect (m) | Dogleg (deg/30m) | N/S (m) | E/W (m) | Tool Type |
| 1370.00 | 1.75 | 29.00 | 1369.8 | -4.25 | 0.03 | 4.25 | 13.58 | Hofco single shot |
| 1467.00 | 2.00 | 48.00 | 1466.8 | -6.67 | 0.21 | 6.67 | 15.56 | Hofco single shot |
| 1574.00 | 1.50 | 156.00 | 1573.8 | -6.64 | 0.80 | 6.64 | 17.52 | Hofco single shot |
| 1691.00 | 2.00 | 252.00 | 1690.7 | -4.61 | 0.67 | 4.61 | 16.20 | Hofco single shot |

| Summary | |
|----------------------|--------|
| Company | Pax On |
| Upstream Petroleum | 4 |
| Century Drilling Ltd | 25 |
| BHI | 2 |
| Corpro Systems Ltd | 1 |
| RMN Drilling Fluids | 1 |
| Total on Rig | 33 |

| Bulk Stocks | | | | | | |
|-----------------------|-------------|----|------|--------|----------|--|
| Name | Unit | In | Used | Adjust | Balance | |
| AMC Biocide G | 25L can | 0 | 0 | 0 | 10.0 | |
| AMC Defoamer | 25L can | 0 | 0 | 0 | 10.0 | |
| AMC PAC-R | 25kg sack | 0 | 2 | 0 | 51.0 | |
| AMC PHPA | 25kg sack | 0 | 7 | 0 | 3.0 | |
| AUS-BEN | 25kg sack | 0 | 0 | 0 | 38.0 | |
| AUS-DEX | 25kg sack | 0 | 0 | 0 | 0.0 | |
| AUS-GEL | 25kg sack | 0 | 0 | 0 | 171.0 | |
| Baryte | 25kg sack | 0 | 0 | 0 | 686.0 | |
| CaCl | 25kg sack | 0 | 0 | 0 | 2.0 | |
| Calcium Carbonate 40µ | 25 kg sacks | 0 | 0 | 0 | 971.0 | |
| Caustic Soda | 25kg pail | 0 | 0 | 0 | 36.0 | |
| Citric Acid | 25kg sack | 0 | 1 | 0 | 36.0 | |
| Cement - Class A | 40kg sack | 0 | 0 | 0 | 0.0 | |
| Fluoresceine (5 kg) | 1 kg | 0 | 0 | 0 | 0.0 | |
| Fluoresceine (1 pint) | 1 pint | 0 | 0 | 0 | 8.0 | |
| Kwik-seal C | 40lb sack | 0 | 0 | 0 | 30.0 | |
| 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 | 8.0 | |
| KCl | 25kg sack | 0 | 6 | 0 | 354.0 | |
| 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 | 30.0 | |
| Soda Ash | 25kg sack | 0 | 8 | 0 | 4.0 | |
| Sodium Sulfite | 25kg sack | 0 | 1 | 0 | 41.0 | |
| Xanthan Gum | 25kg sack | 0 | 2 | 0 | 34.0 | |
| Xtra-sweep | 12lb box | 0 | 0 | 0 | 5.0 | |
| Diesel fuel | | 0 | 3200 | 0 | 15,600.0 | |

| Pumps | | | | | | | | | | | | | |
|-------------------------|---------|------------|----------|---------|-----|-----------|------------|----------------|----------------|-----|-----|-----------|------------|
| Pump Data - Last 24 Hrs | | | | | | | | Slow Pump Data | | | | | |
| No. | Type | Liner (in) | MW (ppg) | Eff (%) | SPM | SPP (psi) | Flow (gpm) | Depth (m) | Ck. Line (psi) | SPM | | SPP (psi) | Flow (gpm) |
| 1 | GD PZ-7 | 5.50 | 9.00 | 97 | 75 | 1100.00 | 157.00 | 1713.0 | | 1. | 70 | 450.00 | |
| | | | | | | | | | | 2. | 100 | 680.00 | |
| 2 | GD PZ-7 | 5.50 | 9.00 | 97 | 75 | 1100.00 | 157.00 | 1713.0 | | 1. | 70 | 450.00 | |
| | | | | | | | | | | 2. | 100 | 700.00 | |
| 3 | GD PZ-7 | 5.51 | | 97 | 0 | | | | | 1. | | | |
| | | | | | | | | | | 2. | | | |