

<b>From : Peter Devine / Rohan Richardson</b>							
<b>OIM : Rod Dotson</b>							
<b>Well Data</b>							
Country	Australia	Measured Depth	1224.0m	Current Hole Size	311mm	AFE Cost	\$41,512,831
Field		TVD	1212.0m	Casing OD	346mm	AFE No.	5746043
Drill Contractor	DOGC	Progress	174.0m	Shoe MD	652.0m	Daily Cost	\$856,228
Rig	Ocean Patriot	Days from spud	41.87	Shoe TVD	652.0m	Cum Cost	\$41,350,383
Water Depth (LAT)	66.3m	Days on well	2.88	F.I.T. / L.O.T.	2.20sg / 2.20sg	Planned TD	2552.0m
RT-SL(LAT)	21.5m	Current Op @ 0600 Drill ahead from 1320 m.					
RT-ML	87.8m	Planned Op Continue to drill 311 mm (12 1/4") hole.					
Rig Heading	217.0deg						

**Summary of Period 0000 to 2400 Hrs**  
Milled casing swage and RIH check trip to confirm free passage. Made up 311 mm (12 1/4") BHA and RIH to 1050 m. Drilled ahead to 1224 m MD.

<b>Formations</b>			
Name	Top (MD)	Top (TVD)	Comment
Pember Mudstone	1092.5m	1086.4m	0.5 H
Pebble Point Fm	1131.0m	1123.2m	1.3 L
Massacre Shale	1201.0m	1189.5m	0.4 L
Timboon Fm	1214.5m	1202.4m	0.2 L

**Operations For Period 0000 Hrs to 2400 Hrs on 05 Oct 2008**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IC	TU (MIS)	HBHA	0000	0400	4.00	1050.0m	Picked up BHA#13 with Bit#10RR 311 mm (12 1/4") ReedHycalog RSX616M-A16 PDC, 308 mm (12 1/8") near bit stabiliser and 203 mm (8") DC assembly and RIH to 93 m. Attempted to work past swage, unsuccessful. Attempted to POOH, unsuccessful, hung up on bottom of wellhead at 86.5 m. RIH and commenced reaming on swage for 20 min. Worked past swage with low flow rate and 20 RPM, continued to POOH and rack back assembly.
IC	TU (MIS)	HBHA	0400	0530	1.50	1050.0m	Picked up and made up BHA#14 milling assembly: Milling assembly (inc 311 mm (12 1/4") Mill tapered entry shoe and 2 x 311 mm (12 1/4") melon mills at 0.5 m and 3.4 m behind shoe), 308 mm (12 1/8") near bit stabiliser, 2 x 203 mm (8") DC, 308 mm (12 1/8" IBSS), 1 x 203 mm (8") DC and HWDP to surface.
IC	TU (MIS)	M	0530	0700	1.50	1050.0m	Commenced milling swage from 93 m. Worked past with mill shoe and 2 x mills, picked up above swage and attempted to ream down, unsuccessful. Hung up at 93 m with the mill shoe. Continued to mill from 93 m with 3236 L/min (855 GPM), 130 RPM, 4.1-6.8 kNm (3-5 kft.lbs). Once through swage with mill assembly, worked several times until assembly passed with minimal resistance. Pumped Hi-vis sweep, fine swarf returned on ditch magnet. Attempted to POOH, unsuccessful. Hung up on the bottom of the wellhead, attempted to rotate back through, unsuccessful. Worked assembly over swage for 15 min and picked up and worked past wellhead.
IC	TU (MIS)	TO	0700	0830	1.50	1050.0m	Continued to POOH, laid out milling assembly and racked back DC.
IC	TU (MIS)	OA	0830	1000	1.50	1050.0m	Picked up BHA#15 with Bit#10RR2 311 mm (12 1/4") ReedHycalog RSX616M-A16 PDC bit and made up to near bit stabiliser and a stand of DC. RIH past swage without any resistance. POOH without any resistance past swage and wellhead. Continued to POOH and rack back BHA.
IH	U (SCS)	HBHA	1000	1230	2.50	1050.0m	Made up BHA#16 311 mm (12 1/4") Powerdrive X5 assembly with Bit#12 Smith MDi519 PDC. RIH to 212 m, no resistance observed when BHA passed 93 m.
IH	U (SCS)	TI	1230	1430	2.00	1050.0m	Continued to RIH from 212 m to 875 m.
IH	U (SCS)	RW	1430	1630	2.00	1050.0m	Bit hung up at 875 m with 9 t (20 klbs), made up TDS, washed and reamed from 875 m to 1050 m.
IH	U (SCS)	DA	1630	2400	7.50	1050.0m	Drilled ahead 311 mm (12 1/4") hole from 1050 m to 1224 m MD with 4.5-11.3 t (10-25 klbs) WOB, 160 RPM, 3710 L/min (980 GPM) flow rate and 6.8-27.1 kNm (5-20 kft.lbs) torque. Correlated pyrite stringers off pilot hole mud log and drilled with 100 RPM and 3.6-4.5 t (8-10 klbs) WOB.

**Operations For Period 0000 Hrs to 0600 Hrs on 06 Oct 2008**

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
IH	U	DA	0000	0600	6.00	1320.0m	Drilled ahead 311 mm (12 1/4") hole from 1224 m to 1320 m MD with 4.5-11.3 t (10-25 klbs) WOB, 160 RPM, 3710 L/min (980 GPM) flow rate and 6.8-27.1 kNm (5-20 kft.lbs) torque. Correlated pyrite stringers off pilot hole mud log and drilled with 100 RPM and 3.6-4.5

Phse	Cls (RC)	Op	From	To	Hrs	Depth	Activity Description
							t (8-10 klbs) WOB.

WBM Data		Cost Today \$ 39500							
Mud Type:	KCL/GLY	API FL:	4cm <sup>3</sup> /30m	KCl:	11%	Solids:	11.22	Viscosity:	0sec/L
Sample-From:	Pit	Filter-Cake:		Hard/Ca:	620	H2O:	89%	PV:	0.034Pa/s
Time:	22:00	HTHP-FL:		MBT:	5	Oil:		YP:	0.254MPa
Weight:	1.35sg	HTHP-Cake:	1mm	PM:	0.2	Sand:	1.2	Gels 10s:	0.053
Temp:	116.0C°			PF:	0.08	pH:	9	Gels 10m:	0.091
						PHPA:	2ppb	Fann 003:	11
								Fann 006:	14
								Fann 100:	50
								Fann 200:	71
								Fann 300:	87
								Fann 600:	121
Comment	215 bbls of mud loss when conducting shallow hole test on MWD tools at surface. Continued to add heavy premix to active to weight up to 11.3 ppg.								

Bit # 12				Wear	I	O1	D	L	B	G	O2	R
Size:	311mm	IADC#		Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	SMITH	WOB(avg)	5.53mt	No.	Size	Progress	174.0m	Cum. Progress	174.0m			
Type:	PDC	RPM(avg)	190	2	16/32nd"	On Bottom Hrs	5.00h	Cum. On Btm Hrs	5.00h			
Serial No.:	JX7062	F.Rate	3748lpm	3	18/32nd"	IADC Drill Hrs	7.50h	Cum IADC Drill Hrs	7.50h			
Bit Model	MD519BPX	SPP	18443kPa			Total Revs		Cum Total Revs	0			
Depth In	1050.0m	TFA	1.138			ROP(avg)	34.80 m/hr	ROP(avg)	34.80 m/hr			
Depth Out												

Bit # 10RR				Wear	I	O1	D	L	B	G	O2	R
Size:	311mm	IADC#		Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	REED	WOB(avg)		No.	Size	Progress		Cum. Progress	0.0m			
Type:	PDC	RPM(avg)				On Bottom Hrs		Cum. On Btm Hrs	0.00h			
Serial No.:	218713	F.Rate				IADC Drill Hrs		Cum IADC Drill Hrs	0.00h			
Bit Model	RSX616M-A16	SPP				Total Revs		Cum Total Revs	0			
Depth In	1050.0m	TFA	0.000			ROP(avg)	N/A	ROP(avg)	0.00 m/hr			
Depth Out	1050.0m											
Run Comment	Unable to pass through casing swage											

Bit # 10RR2				Wear	I	O1	D	L	B	G	O2	R
Size:	311mm	IADC#		Nozzles		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	REED	WOB(avg)		No.	Size	Progress		Cum. Progress	0.0m			
Type:	PDC	RPM(avg)				On Bottom Hrs		Cum. On Btm Hrs	0.00h			
Serial No.:	218713	F.Rate				IADC Drill Hrs		Cum IADC Drill Hrs	0.00h			
Bit Model	RSX616M-A16	SPP				Total Revs		Cum Total Revs	0			
Depth In	1050.0m	TFA	0.000			ROP(avg)	N/A	ROP(avg)	0.00 m/hr			
Depth Out	1050.0m											
Run Comment	Unable to pass through casing swage											

BHA # 13						
Weight(Wet)	19.05mt	Length	117.4m	Torque(max)	D.C. (1) Ann Velocity	0mpm
Wt Below Jar(Wet)	17.24mt	String	95.25mt	Torque(Off.Btm)	D.C. (2) Ann Velocity	0mpm
		Pick-Up		Torque(On.Btm)	H.W.D.P. Ann Velocity	0mpm
		Slack-Off			D.P. Ann Velocity	0mpm
BHA Run Comment	Trial BHA to attempt to pass casing swage - unsuccessful					

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.30m	311mm		219713	RSX616M-A16
X/O	0.44m	207mm	71mm	646886	
Near Bit Stabiliser	1.80m	210mm	73mm	XM785	12 1/8"
8in DC	9.42m	203mm	73mm	186-0051	
8in DC	9.32m	203mm	73mm	186-0054	
String Stabiliser	2.45m	213mm	213mm	E1158	12 1/8"
8in DC	9.08m	203mm	73mm	186-008	
X/O	1.07m	198mm	71mm	186-0058	
HWDP	83.94m	175mm	78mm		

### BHA # 14

Weight(Wet)	19.05mt	Length	122.1m	Torque(max)	D.C. (1) Ann Velocity	85.94mpm
Wt Below Jar(Wet)	17.24mt	String	95.25mt	Torque(Off.Btm)	D.C. (2) Ann Velocity	0mpm
		Pick-Up		Torque(On.Btm)	H.W.D.P. Ann Velocity	71.99mpm
		Slack-Off			D.P. Ann Velocity	59.14mpm

BHA Run Description Milling assembly

BHA Run Comment Milled casing swage

Equipment	Length	OD	ID	Serial #	Comment
Bit	4.59m	311mm		24649A	Melon Mill
X/O	0.44m	207mm	71mm	646886	
Near Bit Stabiliser	1.80m	210mm	73mm	XM785	12 1/8"
8in DC	9.42m	203mm	73mm	186-0051	
8in DC	9.32m	203mm	73mm	186-0054	
String Stabiliser	2.45m	213mm	213mm	E1158	12 1/8"
8in DC	9.08m	203mm	73mm	186-008	
X/O	1.07m	198mm	71mm	186-0058	
HWDP	83.94m	175mm	78mm		

### BHA # 15

Weight(Wet)	19.05mt	Length	117.4m	Torque(max)	D.C. (1) Ann Velocity	0mpm
Wt Below Jar(Wet)	17.24mt	String	95.25mt	Torque(Off.Btm)	D.C. (2) Ann Velocity	0mpm
		Pick-Up		Torque(On.Btm)	H.W.D.P. Ann Velocity	0mpm
		Slack-Off			D.P. Ann Velocity	0mpm

BHA Run Comment Trial BHA to attempt to pass casing swage - successful

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.30m	311mm		219713	RSX616M-A16
X/O	0.44m	207mm	71mm	646886	
Near Bit Stabiliser	1.80m	210mm	73mm	XM785	12 1/8"
8in DC	9.42m	203mm	73mm	186-0051	
8in DC	9.32m	203mm	73mm	186-0054	
String Stabiliser	2.45m	213mm	213mm	E1158	12 1/8"
8in DC	9.08m	203mm	73mm	186-008	
X/O	1.07m	198mm	71mm	186-0058	
HWDP	83.94m	175mm	78mm		

### BHA # 16

Weight(Wet)	19.05mt	Length	212.0m	Torque(max)	D.C. (1) Ann Velocity	85.94mpm
Wt Below Jar(Wet)	17.24mt	String	95.25mt	Torque(Off.Btm)	D.C. (2) Ann Velocity	0mpm
		Pick-Up		Torque(On.Btm)	H.W.D.P. Ann Velocity	71.99mpm
		Slack-Off			D.P. Ann Velocity	59.14mpm

BHA Run Description Directional / FEWD

Equipment	Length	OD	ID	Serial #	Comment
Bit	0.30m	311mm			Smith MDi519
Powerdrive 900	9.05m	308mm	127mm	090	X5 assy (float, receiver sub and flex sub)
ARC-8	5.87m	231mm	76mm	1854	
In-Line Stabiliser	0.88m	291mm	111mm	242230733	
Telescope HF	8.13m	213mm	76mm	E1158	
NMDC	9.37m	226mm	71mm	SBD4466	
NMDC	8.55m	213mm	71mm	N688	
X/O	0.70m	203mm	67mm	ASQ8065	
HWDP	121.38m	175mm	76mm		
6.375in Jars	9.73m	162mm	70mm	DAH01628	
HWDP	37.30m				

### Survey

MD (m)	Incl Deg (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (m)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1083.00	16.4	122.5	1077.34	49.57	0.38	-30.58	39.72	MWD
1114.21	17.1	121.8	1107.23	58.53	0.72	-35.35	47.32	MWD
1142.54	18.0	121.6	1134.25	67.06	1.02	-39.84	54.59	MWD
1169.34	18.6	122.9	1159.69	75.46	0.74	-44.33	61.70	MWD
1198.96	19.0	121.0	1187.74	84.97	0.76	-49.36	69.78	MWD

### Bulk Stocks

Name	Unit	In	Used	Adjust	Balance	Comment
Barite	mT	0	0	0	153.0	
Gel	mT	0	0	0	33.0	
Cement	mT	0	0	0	46.0	
Fuel	m3	0	11	0	511.9	
Potable Water	m3	34	27	0	351.0	
Drill Water	m3	0	28	0	553.0	

### Personnel On Board

Company	Comment	Pax
Santos		4
DOGC		50
ESS		8
BHI		6
Dowell		2
Rheochem		2
MI Swaco		1
TMT		6
Cameron		1
Santos	Geologist	2
Schlumberger Drilling & Measurements	Directional	6
Premium Casing Services		6
<b>Total</b>		<b>94</b>

HSE Summary				
Events	Num Events	Date of Last	Days Since	Remarks
Abandon Drill	1	05 Oct 2008	0 Days	Abandon drill completed after the simulated fire drill under control. Alarm sounded at 10:31 hrs, initial muster completed at 10:41 hrs, full muster completed at 10:49 hrs.
Environmental Audit	1	03 Sep 2008	32 Days	Rig visit by DPI. Conducted an environmental audit on Santos operation.
Fire Drill	1	05 Oct 2008	0 Days	Simulated a fire in the cement unit room. Alarm sounded at 10:31 hrs, emergency under control at 10:41 hrs. Rescue and fire teams discussed scenario and resolution.
First Aid	1	01 Oct 2008	4 Days	IP struck on upper lip when removing float valve from float sub.
JHA	37	05 Oct 2008	0 Days	Drill crew - 16 Deck Crew - 11 Welder - 6 Mechanic - 4
Lost Time Incident	1	30 May 2008	128 Days	Man had his left hand caught between an 8" drill collar and the casing tongs when he was trying to secure the tong. Preliminary checks on the rig deemed only stitches required and the hand was not broken. The person was medivac'd off the rig @ 23:00hrs. Man was released from Royal Hobart hospital with 12 stitches to the hand (no broken bones).
Medical Treatment Incident	1	13 Aug 2008	53 Days	During lifting operations of 3rd party tooling on the pipe deck, IP was assisting the dogman in attaching slings to the whip-line hook. During this process the hook swung and hit the IP in the side of the hardhat resulting in an injury to the IP's neck. The IP was immobilised as a precautionary measure, treated as per symptoms and in readiness for medivac to hospital for further assessment.
Pre-Tour Meeting	4	05 Oct 2008	0 Days	Discussed upcoming operations and associated hazards prior to each shift starting.
PTW Issued	7	05 Oct 2008	0 Days	5 x hot work 2 x cold work
Safety Audit	1	29 Jul 2008	68 Days	Santos environment audit conducted.
Safety Audit	1	30 Jul 2008	67 Days	EHSMS audit conducted onboard.
Safety Meeting	3	05 Oct 2008	0 Days	Reviewed stop cards for the week and awarded Santos Stop card winner to Hayden S, PCS. Discussed the fire drill and the scenario of a fire in the cement unit room. Reviewed abandon rig scenario. Discussed fire systems on rig.
Santos Induction	1	03 Oct 2008	2 Days	Inducted new personnel to site after DODI rig wide induction.
Stop Observations	46	05 Oct 2008	0 Days	28 - Safe 18 - Corrective Actions
STOP Tour	5	04 Oct 2008	1 Day	Submitted 5 by Diamond supervisor Stop audit.

Shakers, Volumes and Losses Data				Engineer : Kellie Jericho / Carissa Thompson			
Available	383.3m <sup>3</sup>	Losses	76.0m <sup>3</sup>	Equip.	Descr.	Mesh Size	Hours
Active	84.4m <sup>3</sup>	Downhole		Centrifuge 1	MI SW FVS 518		0
Mixing		Surf+ Equip	38.3m <sup>3</sup>	Centrifuge 1	MI SW FVS 518		2
Hole	97.3m <sup>3</sup>	Dumped	34.2m <sup>3</sup>	Centrifuge 2	MI SW FVS 518		2
Slug	0.0m <sup>3</sup>	De-Sander		Shaker 3	MI SW - BEM 650	30/10 270/200	7
Reserve	154.7m <sup>3</sup>	De-Silter		Shaker 3	MI SW - BEM 650	30/10 270/200	24
Kill	0.0m <sup>3</sup>	Centrifuge	3.5m <sup>3</sup>	Shaker 4	MI SW - BEM 650	30/10 200HC x 4	7
Storage	46.9m <sup>3</sup>			Shaker 4	MI SW - BEM 650	30/10 200HC x 4	24
				Shaker 5	MI SW - BEM 650	30/10 200HC x 4	7
				Shaker 5	MI SW - BEM 650	30/10 200HC x 4	24
				Shaker 6	MI SW - BEM 650	30/10 270/200	7
				Shaker 6	MI SW - BEM 650	30/10 270/200	24

Marine								Rig Support		
Weather check on 05 Oct 2008 at 24:00										
Visibility	Wind Speed	Wind Dir.	Pressure	Air Temp.	Wave Height	Wave Dir.	Wave Period	Anchors	Chain out (m)	Tension (mt)
18.5km	31km/h	270.0deg	1010.00bar	13.0C°	0.4m	270.0deg	3sec	1	1353.0	136.08
Roll	Pitch	Heave	Swell Height	Swell Dir.	Swell Period	Weather Comments				
0.5deg	0.4deg	0.50m	1.8m	230.0deg	12sec					
Rig Dir.	Ris. Tension	VDL	Comments							
217.0deg	136.08mt	1087.72mt								
								8	1389.9	86.18

Boats	Arrived (date/time)	Departed (date/time)	Status	Bulks		
Far Grip	17:00 hrs 04/10/08		Running standby, Ocean Patriot	Item	Unit	Quantity
				Fuel	m3	448
				Potable Water	m3	258
				Drill Water	m3	740
				Gel	mt	59
				Cement	mt	84
				Barite	mt	84
				KCl Brine	m3	9
				NaCl Brine	m3	0
				Mud	m3	131
				m3	0	
Nor Captain		17:30 hrs 04/10/08	Portland - Figures not updated due to lack of report.	Item	Unit	Quantity
				Fuel	m3	470
				Potable Water	m3	335
				Drill Water	m3	319
				Gel	mt	42
				Cement	mt	0
				Barite	mt	42
				KCl Brine	m3	41.8
				NaCl Brine	m3	0
				Mud	m3	104

Helicopter Movement				
Flight #	Time	Destination	Comment	Pax
BYV		Essendon	No helicopter on weekend	
BYV		Ocean Patriot	No helicopter on weekend	