

15 Sep 2008 From: B. Openshaw/R. Rossouw

To: R Oliver

DRILLING MORNING REPORT # 46 Longtom-4 H

| Well Data | | | | | | | |
|----------------|-------------|------------------|-----------|-------------------|---|----------------|---------------------|
| Country | Australia | MDBRT | 4648.0m | Cur. Hole Size | 9.500in | AFE Cost | AUD\$81,987,600 |
| Field | Longtom | TVDBRT | 2695.9m | Last Casing OD | 7.000in | AFE No. | LSRDV01/6 |
| Drill Co. | Seadrill | Progress | 0.0m | Shoe TVDBRT | 2590.8m | Daily Cost | AUD\$650,000 |
| Rig | West Triton | Days from spud | 86.94 | Shoe MDBRT | 4647.0m | Cum Cost | AUD\$84,546,400 |
| Wtr Dpth (MSL) | 55.968m | Days on well | 46.02 | FIT/LOT: | 1.68sg / | | |
| RT-MSL | 41.100m | Planned TD MD | 5822.000m | Current Op @ 0600 | | ay down overst | not and nipple down |
| RT-ML | 97.068m | Planned TD TVDRT | 2702.000m | | BOP. | | |
| | | | | Planned Op | Nipple down BOP, perform ROV work and prepare rig for move. | | |

Summary of Period 0000 to 2400 Hrs

Pumped 150 bbl of drill water through landing string. POOH and laid out landing string. RIH with 10in soft bullnose on 5.5in DP, reverse circulated drill water at 92m and POOH. Ran ITC on MTHRT and pressured up to 3000 psi to assist setting of ITC but could not rotate pipe. POOH MTHRT and inspected tool and ITC. Ran 10in soft bullnose, jetted 600 bbl DW at 92m and POOH. Ran MTHRT/ITC, pressured to 2000 psi to assist setting and locked ITC in place. Pressure tested cavity below ITC, unlatched MTHRT and POOH laying down landing string jnts. Laid out 5.5in and 3.5in DP.

| HSE Summary | | | | |
|------------------------|-------------|------------|--|---|
| Events | Num. Events | Days Since | Descr. | Remarks |
| Abandonment | | 6 Days | Held at 11.00 hours. | Rig alarms activated. Smoke from compressor room, all crews mustered at life boat stations while source of smoke was investigated. Smoke generated from foam deluge pump. Good response by all crews. |
| BOP Test | 1 | 8 Days | Pressure tested BOPs. | 14 Days - 21 Sept 08 21 Days - 28 Sept 08 |
| Environmental Incident | | 23 Days | SBM spill to ocean when back-loading to Supply Boat. | |
| First Aid Case | | 19 Days | Third Party received a small laceration to top of right thumb. | |
| PTW issued | 16 | 0 Days | | Permit to work issued for the day. |
| Safety Meeting | | 2 Days | Weekly safety meeting. | Weekly safety meeting. |
| STOP Card | 26 | 0 Days | | Stop cards submitted for the day. |

Operations For Period 0000 Hrs to 2400 Hrs on 15 Sep 2008

| Phse | Cls (RC) | Ор | From | То | Hrs | Depth | Activity Description |
|------|-------------|----|------|------|------|---------|---|
| P21 | Р | F3 | 0000 | 0100 | 1.00 | 4648.0m | Lined up and pumped 150 bbl of drill water through landing string. |
| P21 | Р | G2 | 0100 | 0300 | 2.00 | 4648.0m | Laid out TIW valves and side entry sub, POOH and laid out 7in landing joints and MTHRT. |
| P21 | Р | G8 | 0300 | 0400 | 1.00 | 4648.0m | Changed out elevators, made up 10in soft bullnose and RIH on 5.5in DP to 92m. |
| P21 | Р | F3 | 0400 | 0430 | 0.50 | 4648.0m | Closed annular and reverse circulated 50 bbl of drill water using cement unit pumping at 5 bbl/min. |
| P21 | Р | G8 | 0430 | 0500 | 0.50 | 4648.0m | POOH and laid out jetting bullnose. |
| P21 | Р | G1 | 0500 | 0630 | 1.50 | 4648.0m | Picked up MTHRT and reset tool for Internal Tree Cap. |
| P21 | TP (DH) | C3 | 0630 | 0930 | 3.00 | 4648.0m | M/U ITC onto MTHRT. RIH on 7in tubing to 1m above tubing hanger. Spotted 30 litres of Transaqua HT2 into top cavity of SST. Landed ITC in tubing hanger. Closed annular preventer and pressured up to 3000 psi to assist landing of ITC. Attempted to lock ITC in place, however only able to achieve 1 turn of running string (3.5 to 4.5 turns required). |
| P21 | TP (DH) | C3 | 0930 | 1300 | 3.50 | 4648.0m | Picked up ITC 1m above tubing hanger and then repeated attempt to land & latch ITC without succes. POOH and inspected ITC / running tool. |
| | | | | | | | ITC appeared to have been in fully landed position, however junk seal was missing from the running tool and there was (mud?) solids type debris on ITC & running tool. |
| | | | | | | | Removed wireline guide from bottom of ITC. Prepared ITC & redressed MTHRT for re-running. |
| P21 | TP (DH) | F3 | 1300 | 1400 | 1.00 | 4648.0m | RIH with 10in soft bullnose on 5.5in drill pipe to 92m. Jetted tubing hanger with seawater. Pumped a total of 600 bbls at 1500 gpm. POOH and laid out jetting bullnose. |
| P21 | Р | C3 | 1400 | 1900 | 5.00 | 4648.0m | M/U ITC onto MTHRT. RIH on 7in tubing to 1m above tubing hanger. Spotted 30 litres |



| Phse | Cls (RC) | Ор | From | То | Hrs | Depth | Activity Description |
|------|-------------|----|------|------|------|---------|--|
| | | | | | | | of Transaqua HT2 into top cavity of SST. Landed ITC in tubing hanger. Closed annular preventer and pressured up to 2000 psi to assist landing of ITC. Locked ITC in place with 4-12 turns of running string. Backed out 3.5 turns & confirmed ITC locked in place with 60 klbs overpull. |
| | | | | | | | Pressure test cavity between ITC & TH plug to 500 / 4000psi (5 mins each test) via TCT line. |
| P21 | Р | СЗ | 1900 | 2030 | 1.50 | 4648.0m | Rotated landing string with 6 turns to unlatch MTHRT - shearing torque 13kft-lbs. POOH landing string and laid down same including MTHRT. |
| | | | | | | | Offline: Re-tested cavity between ITC and TH plug via TCT line to 4000 psi/5 min - OK. |
| P21 | Р | G1 | 2030 | 2100 | 0.50 | 4648.0m | Cleared rig floor and laid down tools including Weatherford. |
| P21 | Р | G1 | 2100 | 2400 | 3.00 | 4648.0m | Cleared catwalk of 7in landing string joints. Broke out and laid out 2 x TIW valves and side entry sub used for circulating 7in landing string. Laid out 6 stands of 5.5in DP from derrick and 1 stand of 3.5in DP. |

Operations For Period 0000 Hrs to 0600 Hrs on 16 Sep 2008

| Phse | Cls (RC) | Ор | From | То | Hrs | Depth | Activity Description |
|------|-------------|-----|------|------|------|---------|---|
| P21 | Р | G13 | 0000 | 0230 | 2.50 | 4648.0m | Rigged up 20T slings and pulled diverter. Difficulty pulling diverter - required removal of slings and use of bails to unlodge diverter from housing. |
| P21 | TP (WOW) | G25 | 0230 | 0600 | 3.50 | 4648.0m | WOW: wind 50knts gusting to 60knts. Unable to continue working on BOP, standby boat unable to provide Fast Rescue Craft cover. |
| | | | | | | | Rigged down drill floor hoses and flowline. |

Operations For Period Hrs to Hrs on

| Phase Data to 2400hrs, 15 Sep 2008 | | | | | | |
|------------------------------------|-----------|-------------|-------------|----------|----------|-----------|
| Phase | Phase Hrs | Start On | Finish On | Cum Hrs | Cum Days | Max Depth |
| Production Hole (2)(P12) | 260.5 | 01 Aug 2008 | 11 Aug 2008 | 260.50 | 10.854 | 4648.0m |
| Liner (1)(P19) | 291.5 | 11 Aug 2008 | 23 Aug 2008 | 552.00 | 23.000 | 4648.0m |
| Completion/Recompletion(P22) | 456.5 | 24 Aug 2008 | 12 Sep 2008 | 1,008.50 | 42.021 | 4648.0m |
| Well Test(P24) | 45 | 11 Sep 2008 | 13 Sep 2008 | 1,053.50 | 43.896 | 4648.0m |
| Suspend and Abandon(P21) | 51 | 13 Sep 2008 | 15 Sep 2008 | 1,104.50 | 46.021 | 4648.0m |

| Suspend and Abandon(P21) | | 51 13 Sep 2008 | 15 Sep 2008 | 1,104.50 | 46.021 | 4648.0m | |
|----------------------------------|---|---|--|--|---|--|--|
| General Comments | | | | | | | |
| 00:00 TO 24:00 Hrs ON 15 Sep 200 | 08 | | | | | | |
| Operational Comments | RT above LAT = 41.0 | Rotary table elevation based on Fugro calculations; RT above LAT = 41.062m. RT above MSL/AHD 40.362m. | | | | | |
| Operational Comments | impacting operational 2) Compensator for sa 3) CTU control panel I 4) Link tilt clamps slipp 5) Bail retaining plates plate 6) Number 4 main ger 7) Emergency generaline). 8) Pumping pressure reads 3600psi. 9) Remote controller f 10) Automatic drill pip 11) Auto IBOP on TDS | ment Concerns lead has operating problems, to efficiency. New hydraulic pumple aver sub on TDS not operation that leaking valves, pressure repring on bails - need to rectify the son top drive bent, increasing the need to rectify the son top drive bent, increasing the need to rectify the son top drive bent, increasing the need to rectify the son top drive bent, increasing the need to read generator down. Exciter and generator fuel tank requires modificate the need to read to the need to read to the need to read to the need to the need to read to the need to read to the need to read to the need to rectify the son toperation to the need to rectify the need to | p on order? al resulting in exegulator valve inchis issue. time to change of the cha | ccessive wear on soperable. Parts on but bails by 1/2 hours. (no communication the 2800psi pump processes distorted?? I | aver sub three order. ur. Require near the with tank threessure, cyber | ads. ew retaining rough drain r display | |



General Comments 12) Auto slips not being used as profile of slips not compatible with master bushing. 13) Need to investigate possible misalignment of dolly beams and dolly rollers on Top Drive System. 14) Choke manifold pressure gauges require callibrating.

15) Large pressure discrepancy on operating pressure for annular between rig floor and unit.

| WBM Data | | Cost Today AU | Cost Today AUD\$ 2500 | | | | |
|--------------|-----------------------|--|-----------------------|-----|----------------------|--|--|
| Mud Type: | API FL: | CI: | Solids(%vol): | | Viscosity | | |
| Sample-From: | Filter-Cake: | K+C*1000: | H2O: | 86% | PV YP | | |
| Time: | HTHP-FL: | Hard/Ca: | Oil(%): | | Gels 10s | | |
| Weight: | HTHP-cake: | MBT: | Sand: | | Gels 10m | | |
| Temp: | | PM: | pH: | | Fann 003 Fann 006 | | |
| | | PF: | PHPA: | | Fann 100 Fann 200 | | |
| Comment | No treatments. Back L | oaded 72 pails of LIQUI_VIS, a | nd 48 Sx of N-VIS. | | Fann 300 | | |
| | | ARAZAN D PLU, 40 SX Guar Gu hen we reach Bazzard -1. Contil | | | Fann 600 | | |

| Bulk Stocks | | | | | |
|--------------------|------|----|------|--------|---------|
| Name | Unit | In | Used | Adjust | Balance |
| Drill Water | MT | 0 | 117 | 0 | 140.0 |
| Rig Fuel | m3 | 0 | 5 | 0 | 197.0 |
| POTABLE WATER | MT | 14 | 28 | 0 | 188.0 |
| Cement class \'G\' | MT | 0 | 0 | 0 | 52.0 |
| Bentonite | MT | 0 | 0 | 0 | 45.0 |
| Barite | MT | 0 | 0 | 0 | 65.0 |
| Brine | m3 | 0 | 0 | 0 | 10.0 |
| BLENDED CEMENT | MT | 0 | 0 | 0 | 43.0 |

| Casing | | | |
|---------|-----------|------------------------|---|
| OD | LOT / FIT | Csg Shoe (MD/TVD) | Cementing |
| 30 " | / | 128.80m / 128.80m | 168bbl class G at 15.9ppg, 200% excess. |
| 16 " | / | 750.03m / 750.03m | Lead 516 bbls "G" class at 12.5ppg. Tail 229 bbls "G" class at 15.80 ppg |
| 10 3/4" | / 1.68sg | 2590.78m / 2337.57m | 200bbl class "G" at 15.8ppg, TOC at 1900m |
| 7 " | / | 4647.00m / 2699.37m | Mixed and pumped 138 bbls "HTB" grade cement slurry at 15.0 ppg through perforations at 4560m - 4558m. Theoretical top of cement in 7in liner at 4520m |
| | | | Second cement job "HTB" grade cement slurry at 15.0 ppg through perforations at 2675m - 2673.5m. Theoretical top of cement in 7in liner/10.75in casing at 2569m Theoretical bottom of cement in 7in liner/9.5in hole at 2675m |

| Personnel On Board | | | | | |
|------------------------|-----|--|--|--|--|
| Company | Pax | | | | |
| ADA | 5 | | | | |
| Seadrill | 12 | | | | |
| Seadrill Services. | 39 | | | | |
| Catering | 9 | | | | |
| Halliburton - Sperry | 2 | | | | |
| Baker Hughes Inteq | 2 | | | | |
| Halliburton - Sperry | 2 | | | | |
| Tamboritha | 6 | | | | |
| Expro Group | 7 | | | | |
| Schlumberger (Testing) | 1 | | | | |
| Weatherford | 2 | | | | |
| Cameron | 3 | | | | |
| National OilWell | 2 | | | | |
| Blohm and Voss | 1 | | | | |



| Personnel On Board | | | | | | | |
|-------------------------|----|--|--|--|--|--|--|
| Dril-Quip | 1 | | | | | | |
| Schlumberger (Wireline) | 3 | | | | | | |
| Total | 97 | | | | | | |

| Mud Volume Shaker Data | • | sses and Shale | • | Engineer : Brian Auckram/Kostas Geogiou | | | | | |
|---------------------------------|--------|---|--------|---|-------------|-----------|----------------|--|--|
| Available | 0.0bbl | Losses | 0.0bbl | Equipment | Description | Mesh Size | Comments | | |
| Active Mixing | | Downhole Surf+ Equip | | Shaker 1 | VSM-300 | 280 | Well Complete. | | |
| Mixing | | | 0.0bbl | Shaker 1 | VSM-300 | 280 | , | | |
| Hole | | Pumped Bo Gossor | | Shaker 2 | VSM-300 | 280 | | | |
| Hole Slug Reserve Kill | | Dumped De-Gasser De-Sander De-Silter Centrifuge | | Shaker 2 | VSM-300 | 280 | | | |
| | | Centrifuge | | Shaker 3 | VSM-300 | 280 | | | |
| | | | | Shaker 3 | VSM-300 | 280 | | | |
| | | | | Shaker 4 | VSM-300 | 280 | | | |
|] | | | | Shaker 4 | VSM-300 | 280 | | | |

| | | | | Sila | KEI 4 | V 31VI-300 | |
|------------|--------------|------------|--------------|------------|--------------|------------------------|-------------|
| Marine | | | | | | | |
| Weather on | 15 Sep 2008 | | | | | | |
| Visibility | Wind Speed | Wind Dir. | Pressure | Air Temp. | Wave Height | Wave Dir. | Wave Period |
| 10.0nm | 50kn | 250.0deg | 997.1mbar | 9C° | 3.0m | 240.0deg | 7s |
| Rig Dir. | Ris. Tension | VDL | Swell Height | Swell Dir. | Swell Period | Weather 0 | Comments |
| 24.1deg | 440.00klb | 1865.00klb | 3.3m | 240.0deg | 7s | Wave and swell heights | |
| | | are est | imates. | | | | |
| | | | | | | | |

| Vessel Na | ame Arrived (Date/Time) | Departed (Date/Time) | Status | | Bulks | | |
|-----------------|--|----------------------|----------|---------------|--------------------------|------|----------|
| Pacific Battler | | | At Eden. | Item | Unit | Used | Quantity |
| | | | | Rig Fuel | m3 | | 423.9 |
| | | | | Potable Water | Mt | | 190 |
| | | | | Drill Water | Mt | | 167 |
| | | | | CEMENT G | Mt | | 42 |
| | | | | Barite | Mt | | 42 |
| | | | | Bentonite | Mt | | 42 |
| | | | | SOBM | m3 | | 110 |
| | | | | Brine | m3 | | (|
| Pacific Valkyri | е | | At rig | Item | Unit | Used | Quantity |
| | | | | Rig Fuel | m3 | | 475.3 |
| | | | | Potable Water | Mt | | 323 |
| | | | | Drill Water | m3 | | 277 |
| | | | | CEMENT G | Mt | | C |
| | | | | Barite | Mt | | 70 |
| | | | | Bentonite | Mt | | 34.8 |
| | | | | SOBM | m3 | | (|
| | | | | Base Oil | m3 | | (|
| | | | | Brine | m3 | | (|
| Helicopter | Movement | | | | | | |
| Flight # | Company | Arr/Dep. Time | | Pax In/Out | Comment | | |
| 1 | BRISTOW HELICOPTERS AUSTRALIA PTY LTD | 1245 / 1308 | 1 | 14 / 18 | De-mob of Well Test Crew | | |