

04 May 2008

From: S Corless / R Rossouw To: R Oliver

DRILLING MORNING REPORT # 13 West Seahorse-3

| Well Data | | | | | | | |
|---------------|---------------|------------------|---------|-------------------|------------------------|------------------------|-----------------|
| Country | Australia | MDBRT | 1810.0m | Cur. Hole Size | 12.250in | AFE Cost | US\$ 0 |
| Field | West Seahorse | TVDBRT | 1684.0m | Last Casing OD | 13.375in | AFE No. | |
| Drill Co. | Seadrill | Progress | 418.0m | Shoe TVDBRT | 1034.0m | Daily Cost | US\$750,000 |
| Rig | West Triton | Days from spud | 10.82 | Shoe MDBRT | 1117.0m | Cum Cost | US\$8,579,370 |
| Wtr Dpth(MSL) | 39.5m | Days on well | 12.56 | FIT/LOT: | 1.64sg / | | |
| RT-ASL(MSL) | 38.0m | Planned TD MD | 1870.0m | Current Op @ 0600 | Rig up for | Schlumberger v | vireline logs. |
| RT-ML | 77.5m | Planned TD TVDRT | 1735.0m | Planned Op | Rig up and programm | d run Schlumber ie. | ger logs as per |

Summary of Period 0000 to 2400 Hrs

Drill 12 1/4" hole from 1392m to 1559mMD. Shut well in after driller detected 6bbl gain - no pressures. Open well, flowcheck, circ bottoms up - max gas 0.13%. Drill ahead from 1559m to 1810mMD - final TD of well. Circulate to clean well. POOH to 1530m.

HSE Summary

| Events | Num. Events | Days Since | Descr. | Remarks |
|------------------------|-------------|------------|---|---|
| Abandon Drill | 1 | 0 Days | Abandon drill conducted. | For the drill LB# 1 was made to muster at their alternate station and then moved to their alternate LB.(# 3). |
| Environmental Incident | | 73 Days | 159 litres of BOP fluid spilt into sea. | Hose not connected to diverter overshot when line was pressurized |
| Fire Drill | 1 | 0 Days | Fire drill conducted | Fire was simulated in the emergency generator room. |
| First Aid | | 2 Days | Floorman received minor laceration | While working on the BOP a Floorman was struck in the face by a safety lanyard metal clip and received a small laceration on the right hand side of his nose. |
| Near Miss | | 2 Days | Tugger wire fell onto rig floor during installation | While changing out a damaged tugger wire. A "snake" joining the old and new wires together released just prior to going over the crown sheave. Both cables fell back down to the rig floor. |
| PTW issued | 7 | 0 Days | | Permit to work issued for the day. |
| Safety Meeting | | 1 Day | | Weekly safety meeting held at 1300 saturday and 0045 on sunday morning, |
| STOP Card | 47 | 0 Days | | Stop cards submitted for the day. |
| ToolBox Talk | 5 | 0 Days | Held Tool box talk with crews for related tasks. | Held Pretour safety meetings with crews. |

Operations For Period 0000 Hrs to 2400 Hrs on 04 May 2008

| Phse | Cls (RC) | Ор | From | То | Hrs | Depth | Activity Description |
|------|-------------|----|------|------|-------|---------|--|
| P11 | Р | D4 | 0000 | 0300 | 3.00 | 1559.0m | Directionally drill 12-1/4" hole from 1392m to 1507mMD. |
| P11 | Р | D4 | 0300 | 0530 | 2.50 | 1559.0m | Control drill from 1507m - 1559mMD at 30m/hr for LWD logs. |
| P11 | TP (WB) | P3 | 0530 | 0600 | 0.50 | 1559.0m | Investigate 6bbl gain observed by driller at same time as 0.27% gas peak (0.005% BGG) : Shut well in - no pressure on DP or casing side. Open well and flow check - no flow. |
| P11 | TP (WB) | F4 | 0600 | 0630 | 0.50 | 1559.0m | Circulate bottoms up. Max gas 0.13%. |
| P11 | Р | D4 | 0630 | 1900 | 12.50 | 1810.0m | Drill ahead from 1559m - 1810mMD (TD), control drilling at 30m/hr. |
| P11 | Р | F4 | 1900 | 2200 | 3.00 | 1810.0m | Circulate hole clean at 1050gpm, 2000psi, 150rpm whilst reciprocating string. |
| P11 | Ρ | G8 | 2200 | 2400 | 2.00 | 1810.0m | Flowcheck (static). POOH 10 stnds wet from 1810m to 1530m wiping tight spots at 1610m, 1582m,1572m, 1533m. Pump slug. |

Operations For Period 0000 Hrs to 0600 Hrs on 05 May 2008

| Phse | Cls (RC) | Ор | From | То | Hrs | Depth | Activity Description |
|------|-------------|----|------|------|------|---------|--|
| P11 | Ρ | G8 | 0000 | 0330 | 3.50 | 1810.0m | Continue POOH from 1530m to 30m. Rack back BHA to DC below jars. Flowcheck at shoe and top of BHA. |
| P11 | Р | G6 | 0330 | 0600 | 2.50 | 1810.0m | Lay out Schlumberger LWD and rotary steerable tools. |

Operations For Period Hrs to Hrs on



| Phase Data to | 2400hrs | s, 04 N | <i>l</i> ay 2008 | | | | | | | | | | | |
|--------------------|------------|----------|----------------------|-------------|---------|------------------|-------------|---------|--------------------------------|------------|--------------|----------------------|------|---------------------|
| Phase | | | | | Phase | Hrs | Start 0 | Dn | Finish On | Cu | m Hrs | Cum Days | | Max Depth |
| Mob/Demob(P1) | | | | | | 35 | 22 Apr | 2008 | 23 Apr 20 | 08 | 35.00 | 1.4 | 58 | 0.0 |
| Conductor Casing(| (P3) | | | | | 29 | 24 Apr | 2008 | 25 Apr 20 | 08 | 64.00 | 2.6 | 67 | 125.0 |
| Surface Hole(P4) | | | | | | 31.5 | 23 Apr | 2008 | 30 Apr 20 | 08 | 95.50 | 3.9 | 79 | 1123.0 |
| Surface Casing(P5 | 5) | | | | | 42 | 28 Apr | 2008 | 30 Apr 200 | 08 | 137.50 | 5.7 | 29 | 1123.0 |
| Intermediate Hole | (1)(P7) | | | | | | 25 Apr | | 01 May 20 | | 213.50 | 8.8 | 96 | 1123.0 |
| BOPs/Risers(P6) | | | | | | | 25 Apr | | 02 May 20 | | 244.50 | | | 1123.0 |
| Maintenance / Ser | () | | | | | | 02 Ma | • | 02 May 20 | | 246.00 | 10.2 | | 1123.0 |
| Production Hole (1 |)(P11) | | | | | | 02 Ma | | 04 May 20 | 800 | 301.50 | 12.5 | 63 | 1810.0 |
| WBM Data | | | | | Cost | Toda | - | | | | | | | |
| Mud Type: K | Cl/Polymer | API FL | : 5 | .8cc/30min | CI: | | 360 |)00mg/l | Solids(%vo | ol): | 5% | Viscosity PV | | 44sec 10 |
| Sample-From: | Flowline | Filter-C | Cake: | 1/32nd" | K+C*10 | 000: | | 8% | H2O: | | 92% | YP | | 25lb/100 |
| Time: | 22:00 | HTHP- | FL: 8 | .3cc/30min | Hard/Ca | a: | 2 | 280mg/l | Oil(%): | | | Gels 10s | | |
| Weight: | 1.16sg | HTHP- | cake: | 2/32nd" | MBT: | | | 4 | Sand: | | 0.8 | Gels 10m | | |
| Temp: | 39C° | | | | PM: | | | 0.2 | pH: | | 9 | Fann 003 Fann 006 | | |
| romp. | 000 | | | | PF: | | | | | | | Fann 100 | | |
| - | | | | | | | | 0.15 | | | 2ppb | Fann 200 | | |
| Comment | | | | | | | | | d seepage lo blok to mainta | | | Fann 300 | | |
| | | and 25 | | 29 per 8 hc | | | | | ner premix to | | | Fann 600 | | |
| Bit # 3 | | | | · | Wear | | 1 | 01 | D | L | В | G | 0 | 2 R |
| DIL # 3 | | | | | wear | | 2 | 1 | СТ | | X | | w | |
| | | | | | Bitwear | r Comn | | I | CI | A | ^ | I | vv | |
| Size ("): | 1 | 2.25in | IADC# | M422 | | lozzles | | Dri | lled over las | st 24 hrs | 5 C | alculated o | ver | Bit Run |
| Mfr: | | REED | WOB(avg) | | No. | Siz | | Progr | | 418.0 | _ | Progress | | 684.0r |
| Type: | | PDC | RPM(avg) | 150 | 3 | _ | - /32nd" | - Ŭ | ottom Hrs | 13. | | On Btm Hrs | | 19.0 |
| Serial No.: | 2 | 18662 | F.Rate | 1000gpm | 3 | - | /32nd" | _ | Drill Hrs | 18. | | ADC Drill Hrs | | 26.5 |
| Bit Model | RSX 616 | | SPP | 1900psi | | | | Total | | 10. | | otal Revs | , | 20.0 |
| Depth In | | 23.0m | HSI | 1000000 | | | | ROP(| | 31.19 m | | | | 36.00 m/ł |
| Depth Out | | 20.0m | TFA | 1.107 | | | | | uvg) | 01.1011 | | (v g) | | 00.00 11/1 |
| Bit Comment | | | | | | | | | | | | | | |
| BHA # 3 | | | | | | | | | | | | | | |
| Weight(Wet) | 34 | 5.00klb | Length | | 1 | 73.3m | Torqui | e(max) | | 13000ft-l | hs DC (1 |) Ann Veloc | itv | 299fpr |
| Wt Below Jar(Wet) | | 5.00klb | String | | | .00klb | | e(Off.B | | 6000ft-l | | 2) Ann Veloc | | 285fpr |
| Wit Delow Sal(Wei |) 10 | | | | | | | ` | , | | | .P. Ann Veloc | • | • |
| | | | Pick-Up Slack-Off | | | .00klb .00klb | Torqu | e(On.B | u11) | 9000ft-l | | nn Velocity | City | 205fpr |
| BHA Run Descript | ion | | | | | | Flay C | ollar G | VR-8 Powe | r Pulsa | | , Jar, DC, x/ | n 1 | 205fpr 2 x HW/DP |
| BHA Run Comme | | | 12 1/4 01 | , 1 2000, 1 | BIRCOCH | /or, 1 D | | | vii (0, 1 0 0 0 | or i uloc, | 111120, 20 | , our, DO, A | 0, 1 | |
| | Equipme | nt | | Leng | ath | OD | | D | Serial | # | | Comme | nt | |
| Bit | 1.1. | - | | | - | 12.25ir | | | 218662 | | | | - | |
| Power Drive Unit | | | | | 20m | 8.25ir | | | | | | | | |
| Power drive | | | | | 57m | 8.38ir | | | | | PD Receive | er | | |
| Power drive | | | | | 95m | 8.13ir | | | | | PD flex coll | | | |
| Gamma-Ray | | | | | 22m | 8.25ir | | | | | GVR-8 | | | |
| Power Pulse | | | | | 49m | 8.25ir | | | | | | | | |
| NM Drill Collar | | | | | 65m | 8.00ir | | | | | | | | |
| Drill Collar | | | | 9.4 | 45m | 8.25ir | n | | | | | | | |
| Jar | | | | 9.6 | 58m | 8.19ir | n | | | | | | | |
| Drill Collar | | | | 9.4 | 44m | 8.00ir | n | | | | | | | |
| X/O | | | | | | 0 2510 | 1 | | | | | | | |

8.25in

7.25in

1.22m

112.84m

X/O

HWDP



Survey

| MD | Incl | Azim | TVD | Vsec | N/-S | E/-W | DLS | Tool Type |
|---------|-------|-------|---------|-------|-------|-------|-----------|-----------|
| (m) | (deg) | (deg) | (m) | (deg) | (m) | (m) | (deg/30m) | |
| | | | 0.00 | 0.0 | 0.0 | 0.0 | 0.0 | |
| 1540.81 | 13.0 | 64.1 | 1418.28 | 544.1 | 244.3 | 486.2 | 4.5 | |
| 1570.48 | 10.6 | 59.5 | 1447.32 | 550.2 | 247.1 | 491.6 | 2.6 | |
| 1600.19 | 8.7 | 58.2 | 1476.61 | 555.2 | 249.7 | 495.9 | 1.9 | |
| 1629.88 | 8.7 | 68.1 | 1505.96 | 559.6 | 251.7 | 499.9 | 1.5 | |
| 1658.96 | 8.6 | 72.8 | 1534.71 | 564.0 | 253.2 | 504.0 | 0.7 | |
| 1688.35 | 8.9 | 69.0 | 1563.76 | 568.4 | 254.6 | 508.2 | 0.7 | |
| 1717.96 | 8.6 | 61.4 | 1593.03 | 572.9 | 256.5 | 512.3 | 1.2 | |
| 1747.50 | 8.6 | 54.8 | 1622.23 | 577.3 | 258.9 | 516.0 | 1.0 | |
| 1777.39 | 8.7 | 54.9 | 1651.78 | 581.7 | 261.4 | 519.7 | 0.1 | |
| 1789.31 | 8.8 | 56.0 | 1663.57 | 583.5 | 262.5 | 521.2 | 0.5 | |
| 1810.00 | 8.8 | 56.0 | 1684.01 | 586.7 | 264.2 | 523.8 | 0.0 | |

Bulk Stocks

| Name | Unit | In | Used | Adjust | Balance |
|----------------|------|----|------|--------|---------|
| DRILL WATER | MT | 0 | 162 | 0 | 354.0 |
| Rig Fuel | m3 | 0 | 7 | 0 | 245.0 |
| POTABLE WATER | МТ | 0 | 29 | 0 | 317.0 |
| Cement Class G | МТ | 0 | 0 | 0 | 81.0 |
| Bentonite | МТ | 0 | 0 | 0 | 42.0 |
| Barite | MT | 0 | 0 | 0 | 142.0 |
| Pumps | | | | | |

| Pump Data - Last 24 Hrs | | | | | | | | | Slow Pump Data | | | | | | | | |
|-------------------------|----------------------|---------------|------------|---------|--------------|--------------|---------------|--------------|----------------|-----------------|----------|-----------------|-----|-----|---------------|-----|----------------|
| No. | Туре | Liner (in) | MW (sg) | Eff (%) | SPM (SPM) | SPP (psi) | Flow (gpm) | Depth (m) | SPM1 (SPM) | SPP1Fl (psi) | low1(gpr | n)SPM2 (SPM) | | | SPM3 (SPM) | | Flow3 (gpm) |
| 1 | National 14 P-220 | 6.50 | 1.02 | 97 | 85 | 1900 | 500 | 1060.0 | 30 | 180 | 176 | 40 | 200 | 234 | 50 | 250 | 293 |
| 2 | National 14 P-220 | 6.50 | 1.02 | 97 | 85 | 1900 | 500 | 1060.0 | 30 | 175 | 176 | 40 | 200 | 234 | 50 | 240 | 293 |
| 3 | National 14 P-220 | 6.50 | 1.02 | 97 | | | | | 20 | | 117 | 30 | | 176 | 40 | | 234 |

Cementing

Casing

| OD | LOT / FIT | Csg Shoe (MD/TVD) | |
|------|-----------|-------------------|--|
| 30 " | / | 122.00m / 122.00m | |

Personnel On Board

| Company | Pax |
|--------------------|-----|
| ADA | 8 |
| Seadrill | 13 |
| Seadrill Services. | 36 |
| Catering | 9 |
| Halliburton | 2 |
| Baker Hughes | 6 |
| Halliburton | 2 |
| Dril-Quip | 2 |
| Weatherford | 2 |
| Q Tech | 1 |
| Schlumberger | 12 |
| Maersk | 1 |
| Petrotech | 2 |
| Total | 96 |



| Mud Volu Shaker D | • | d Losses a | nd Shale | | Engii | neer : Eugene | e Edwards/ | Tim Waldhuter | | | | |
|----------------------|--------------|----------------------|--------------|-------------------|------------|---------------|------------|------------------------------|-----------|--------------|------|----------------|
| Available | 3173.9 | bbl Losses | 269 | 9.4bbl | E | quipment | Descr | iption | Mesh Size | Comm | ents | |
| Active | 327.0 | bbl Downho | le 7 | 4.0bbl | Shak | ter 1 | VSM-300 |) | 255 | | | |
| Mixing | 1248.0 | | | 5.4bbl | Shak | er 2 | VSM-300 |) | 145 | | | |
| Hole | 850.9 | | • • | 0.1001 | Shak | | VSM-300 | | 255 | | | |
| | 050.8 | • | | | Shak | er 4 | VSM-300 |) | 255 | | | |
| Slug Reserve | 748.0 | bbl Be-Gas | der | | | | | | | | | |
| Kill | | De-Silte Centrifu | r ge | | | | | | | | | |
| Marine | | | | | | | | | | | | |
| Weather on | 04 May 2008 | 8 | | | | | | | | | | |
| Visibility | Wind Speed | Wind Dir. | Pressure | Air Te | mp. | Wave Height | Wave Dir. | Wave Period | | | | |
| 10.0nm | 18kn | 320.0deg | 1020.0mbar | 100 |) ° | 0.5m | 320.0deg | 3s | | | | |
| Rig Dir. | Ris. Tension | VDL | Swell Height | Swell | Dir. | Swell Period | Weathe | r Comments | | | | |
| 137.2deg | 75.00klb | 2921.00klb | 1.5m | 320.0 | deg | 9s | | d swell heights | | | | |
| | | Com | ments | | | | are e | stimates. | | | | |
| Vessel I | Name A | rrived (Date/ | | eparte ate/Tim | | Sta | itus | | Bu | Ilks | | |
| Pacific Battle | er | | | | | At West Trit | on | Item | ı U | nit | Used | Quantity |
| | | | | | | | | Rig Fuel | | m3 | | 486.368 |
| | | | | | | | | Potable Water Drill Water | | Mt Mt | | 381 341 |
| | | | | | | | | CEMENT G | | Mt | | 0 |
| | | | | | | | | Barite | | Mt | | 66 |
| | | | | | | | | Bentonite | | Mt | | 59 |
| | | | | | | | | MUD | | m3 m3 | | 0 41 |
| Pacific Valky | rie | | | | | On-route W | est Triton | Item | ı U | nit | Used | Quantity |
| | | | | | | | | Rig Fuel | | m3 | | 535.55 |
| I | | | | | | | | Potable Water Drill Water | | Mt m3 | | 381 458 |
| 1 | | | | | | | | CEMENT G | | Mt | | 458 |
| | | | | | | | | Barite | | Mt | | 0 |
| | | | | | | | | Bentonite | | Mt | | 28.8 |
| Campbell Co | ve | | | | | Released | | Item | u U | nit | Used | Quantity |
| | | | | | | | | FUEL Potable Water | | Ltrs Ltrs | | 72000 10700 |
| Sirrus Cove | | | 1 | | | Released | | Item | ı U | nit | Used | Quantity |
| | | | | | | | | FUEL | | Ltrs | | 23850 |
| | | | | | | | | Potable Water | | Ltrs | | 17500 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |