

**CRC-1**

|                      |             |                              |                             |                           |                      |
|----------------------|-------------|------------------------------|-----------------------------|---------------------------|----------------------|
| <b>Date :</b>        | 23 Feb 2007 | <b>Well Site Manager :</b>   | Kevin Murphy                | <b>Rig Manager :</b>      | Agus Nugroho         |
| <b>Report Number</b> | 9           | <b>Drilling Supervisor :</b> | Kevin Murphy / Brian Assels | <b>Drilling Company :</b> | Century Drilling Ltd |
| <b>Easting</b>       | 657913      | <b>Northing</b>              | 5733761                     | <b>Geologist :</b>        | 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:      | 1245.0m | Casing MD:   | 512.0m  | Last BOP Test: | 19 Feb 2007 |
| Rig:       | CDL Rig 11     | True Vertical Depth: | 1245.0m | Casing TVD:  | 512.0m  | FIT/LOT:       | / 13.30ppg  |
| RT - AMSL: | 50.00m         | 24 Hr Progress:      | 136.0m  | TOL MD:      |         | Last LTI:      | 04 Jan 2006 |
| RT - GL:   | 5.20m          | Days From Spud:      | 8.54    | Liner MD:    |         | LTI Free Days: | 275         |
| Datum:     | GDA 94         | Days On Well:        | 21.54   | Liner TVD:   |         |                |             |

Current Ops @ 0600: RIH with core barrel.  
 Planned Operations: Cut core #2, POH and recover core. RIH PDC drill bit and drill ahead.

**Summary of Period 0000 to 2400 Hrs**

Drill 6-3/4" hole with WLS from 1109m to 1245m. Circ BH sample, WLS, Wiper trip, RIH, POH to core. LO bit and MU core barrel.

**HSE Summary**

| Event (# Of)                   | Date of last | Days Since | Short Description  |
|--------------------------------|--------------|------------|--|
| Alcohol & drug screening ( 2 ) | 23 Feb 2007  | 0 Days     | Personnel blow into alcoholizer  |
| BOP Drill ( 1 )                | 23 Feb 2007  | 0 Days     | Hold drill while tripping out of hole.   |
| Fire Drill ( 1 )               | 23 Feb 2007  | 0 Days     | Rig fire drill held.   |
| Hazard Observation ( 1 )       | 23 Feb 2007  | 0 Days     | Metal stakes used to tie down flare line secured with rope - not resolved.   |
| Hazard Observation ( 3 )       | 23 Feb 2007  | 0 Days     | 1. Comms hut generator needs to be turned around for access - done, 2. light @ mud tank cent pump needs repair - to be actioned, 3. no reverse beeper on Century ute - to be ordered & installed |
| Permit To Work ( 2 )           | 23 Feb 2007  | 0 Days     | Various.   |
| Pre-Tour Meetings ( 2 )        | 23 Feb 2007  | 0 Days     | Correct use of power tools & Racking back DP on rig floor  |

**Operations For Period 0000 Hrs to 2400 Hrs on 23 Feb 2007**

| Phse | Cls | Op  | From | To   | Hrs  | Depth   | Activity Description   |
|------|-----|-----|------|------|------|---------|--|
| PH1  | P   | DA  | 0000 | 0100 | 1.00 | 1119.0m | Drill 6-3/4" hole f/ 1109m - 1119m.  |
| PH1  | P   | SVY | 0100 | 0130 | 0.50 | 1119.0m | Circ and WLS @ 1107m - misrun (part exposed - cant read deviation)   |
| PH1  | P   | DA  | 0130 | 0300 | 1.50 | 1138.0m | Drill 6-3/4" hole f/ 1119m - 1138m.  |
| PH1  | P   | SVY | 0300 | 0330 | 0.50 | 1138.0m | Circ and WLS @ 1126m - misrun (part exposed - cant read deviation)   |
| PH1  | P   | DA  | 0330 | 0700 | 3.50 | 1177.0m | Drill 6-3/4" hole f/ 1138m - 1177m.  |
| PH1  | P   | SVY | 0700 | 0730 | 0.50 | 1177.0m | Circ and WLS @ 1165m - 1 deg, S53E (corr)  |
| PH1  | P   | DA  | 0730 | 0830 | 1.00 | 1196.0m | Drill 6-3/4" hole f/ 1177m - 1196m.  |
| PH1  | P   | RS  | 0830 | 0900 | 0.50 | 1196.0m | Conduct rig service.   |
| PH1  | P   | DA  | 0900 | 1200 | 3.00 | 1240.0m | Drill 6-3/4" hole f/ 1196m - 1240m.  |
| PH1  | P   | CS  | 1200 | 1230 | 0.50 | 1240.0m | Circ BH sample.  |
| PH1  | P   | DA  | 1230 | 1300 | 0.50 | 1245.0m | Drill 6-3/4" hole f/ 1240m - 1245m.  |
| PH1  | P   | SVY | 1300 | 1330 | 0.50 | 1245.0m | Circ Bottoms up - conduct WLS @ 1233m - 1-3/4 deg N33E (corr).   |
| PH1  | P   | WT  | 1330 | 1630 | 3.00 | 1245.0m | Pump slug, rack kelly, POH on wiper trip to 951m (up to 15k overpull). RIH to 1233m. PU kelly and wash to 1245m. |
| PH1  | P   | CMD | 1630 | 1700 | 0.50 | 1245.0m | Circulate bottoms up.  |
| PH1  | P   | TO  | 1700 | 2100 | 4.00 | 1245.0m | Pump slug, rack kelly, POOH. Hole good.  |
| PH1  | P   | DA  | 2100 | 2130 | 0.50 | 1245.0m | BO Bit, LO stabilizers and pony DC.  |
| PH1  | P   | LOG | 2130 | 2400 | 2.50 | 1245.0m | MU R core bit on 80 ft core barrel. Space out inner barrel - problems with space out.                            |

**Operations For Period 0000 Hrs to 0600 Hrs on 24 Feb 2007**

| Phse | Cls | Op   | From | To   | Hrs  | Depth   | Activity Description  |
|------|-----|------|------|------|------|---------|---|
| PH1  | P   | HBHA | 0000 | 0130 | 1.50 | 1245.0m | PU and MU core barrel. Problems with space out - necessitated moving lower stabilizer to top of barrel. (Lost ~1.5 hrs) |
| PH1  | P   | TI   | 0130 | 0400 | 2.50 | 1245.0m | RIH core barrel on coring BHA and 3-1/2" DP. RIH to 500m.   |

**Operations For Period 0000 Hrs to 0600 Hrs on 24 Feb 2007**

| Phse | Cls | Op | From | To   | Hrs  | Depth   | Activity Description                       |
|------|-----|----|------|------|------|---------|--|
| PH1  | P   | SC | 0400 | 0430 | 0.50 | 1245.0m | Hang blocks, Slip drilling line.           |
| PH1  | P   | TI | 0430 | 0600 | 1.50 | 1245.0m | Con't RIH with core barrel to cut Core #2. |

**WBM Data**

|                               |                      |                |                        |             |           |                            |        |          |    |
|-------------------------------|----------------------|----------------|------------------------|-------------|-----------|----------------------------|--------|----------|----|
| Daily Chemical Costs: \$ 1210 |                      |                | Cost To Date: \$ 22560 |             |           | Engineer : Peter N ARONETZ |        |          |    |
| Mud Type:                     | Water Based          | Flowline Temp: | 40.2C°                 | Cl:         | 11300mg/l | Low Gravity Solids:        | 2.9    | Gels 10s | 3  |
| Description:                  | KCl / PHPA / POLYMER | Nitrates:      | 0mg/l                  | Hard/Ca:    | 100mg/l   | High Gravity Solids:       | 0      | Gels 10m | 3  |
| Sample From:                  | Past Shale Shakers   | Sulphites:     | 200mg/l                | MBT:        | 2         | Solids (corrected):        | 2.9    | Fann 003 | 3  |
|                               |                      | API FL:        | 8.8cm³/30min           | PM:         | 1.1       | H2O:                       | 97.1%  | Fann 006 | 4  |
| Time:                         | 16:55                | API Cake:      | 1/32nd"                | PF:         | 0.98      | Oil:                       | 0.0%   | Fann 100 | 17 |
| Weight:                       | 8.80ppg              | PV             | 12cp                   | MF:         | 3.35      | Sand:                      | .75 %  | Fann 200 | 24 |
| ECD TD:                       | 9.25ppg              | YP             | 18lb/100ft²            | pH:         | 11.2      | Barite:                    | 0      | Fann 300 | 30 |
| ECD Shoe:                     |                      | Fluoroscene    | 3.850ppm               | PHPA Added: | 0.67ppb   | CaCO3 Added:               | 4.3ppb | Fann 600 | 43 |
| Viscosity                     | 56sec/qt             |                |                        |             |           |                            |        |          |    |
| KCl Equiv:                    | 1.6%                 |                |                        |             |           |                            |        |          |    |

**Comment:** Continue fluid recycling from sump to maintain SFC volume.  
Fluoresceine addition stopped with start of check trip @ 1300 hrs.

**Shakers, Volumes and Losses Data**

| Available | 728bbl | Losses           | 179bbl | Equip. | Descr.             | Mesh Size     | Hours |
|-----------|--------|------------------|--------|--------|--------------------|---------------|-------|
| Active    | 486bbl | Downhole         | 0bbl   | 1      | Lin. Motion SHAKER | 3 x 50        | 17    |
| Hole      | 186bbl | Shakers & Equip. | 99bbl  | 2      | Lin. Motion SHAKER | 3 x 50        | 17    |
| Slug      |        | Dumped           | 10bbl  | 3      | De-Sander          | 2 x 8" Cones  | 13    |
|           |        |                  |        | 4      | De-Silter          | 12 x 4" Cones | 13    |
| Reserve   | 56bbl  | Centrifuges      |        |        |                    |               |       |
|           |        | Desander         | 43bbl  |        |                    |               |       |
|           |        | De-Silter        | 27bbl  |        |                    |               |       |
| Built     | 250bbl |                  |        |        |                    |               |       |

**Comment:** Continue fluid recycling from sump to maintain SFC volume.  
Pit volumes recorded without drill string in hole.

| Bit Data          |                    |               |      |                |                                 |                                |
|-------------------|--------------------|---------------|------|----------------|---------------------------------|--------------------------------|
| <b>Bit # 3RR1</b> |                    |               |      |                |                                 |                                |
| Size ("):         | 6.750              | IADC#         | Core | <b>Nozzles</b> | <b>Drilled over last 24 hrs</b> | <b>Calculated over Bit Run</b> |
| Mfr:              | Corpro Systems Ltd | WOB(avg)      | klb  |                | Progress                        | m Cum. Progress 0.0m           |
| Type:             | PDC                | RPM(avg)      |      |                | On Bottom Hrs                   | NaN Cum. On Btm Hrs 0.00       |
| Serial No.:       | 083719             | RPM (DH)(avg) |      |                | IADC Drill Hrs                  | NaN Cum IADC Drill Hrs 0.00    |
| Bit Model         | MCP662             | F.Rate        | gpm  |                | Total Revs                      | Cum Total Revs 0               |
| Depth In          | 1245.0m            | SPP           | psi  |                | OB-ROP(avg)                     | Cum. OB-ROP(avg) 0.00m/hr      |
| Depth Out         |                    | TFA           | 0    | HSI            | HSI                             |                                |

| Bit Data          |               |   |          |                |                                 |           |                    |                                |   |   |    |    |
|-------------------|---------------|---|----------|----------------|---------------------------------|-----------|--------------------|--------------------------------|---|---|----|----|
| <b>Bit # 2RR1</b> |               |   |          |                |                                 |           |                    |                                |   |   |    |    |
|                   |               |   |          | Wear           | I                               | O1        | D                  | L                              | B | G | O2 | R  |
|                   |               |   |          |                | 2                               | 1         | NO                 | A                              | X | I | NO | CP |
| Size ("):         | 6.750         | IADC#   |          | <b>Nozzles</b> | <b>Drilled over last 24 hrs</b> |           |                    | <b>Calculated over Bit Run</b> |   |   |    |    |
| Mfr:              | Stealth Tools | WOB(avg)                                      | 5.0klb   | 5 x 12/(32nd") | Progress                        | 136.0m    | Cum. Progress      | 326.0m                         |   |   |    |    |
| Type:             | PDC           | RPM(avg)                                      | 120      |                | On Bottom Hrs                   | 12.80     | Cum. On Btm Hrs    | 19.00                          |   |   |    |    |
| Serial No.:       | 6972          | RPM (DH)(avg)                                 | 120      |                | IADC Drill Hrs                  | 10.50     | Cum IADC Drill Hrs | 21.00                          |   |   |    |    |
| Bit Model         | M565          | F.Rate  | 250.0gpm |                | Total Revs                      | 42582     | Cum Total Revs     | 84520                          |   |   |    |    |
| Depth In          | 918.5m        | SPP   | 600.0psi |                | OB-ROP(avg)                     | 10.62m/hr | Cum. OB-ROP(avg)   | 17.16m/hr                      |   |   |    |    |
| Depth Out         | 1245.0m       | TFA   | 0.552    | HSI            | HSI                             |           |                    |                                |   |   |    |    |
| Bit Run Comment   |               | 2RR1 RIH after Core #1, pulled to cut Core #2 |          |                |                                 |           |                    |                                |   |   |    |    |

| BHA Data          |         |                            |        |                 |     |                       |      |
|-------------------|---------|----------------------------|--------|-----------------|-----|-----------------------|------|
| <b>BHA # 5</b>    |         |                            |        |                 |     |                       |      |
| Weight(Wet)       | 25.0klb | Length                     | 283.0m | Torque(max)     |     | D.C. (1) Ann Velocity | 0fpm |
| Wt Below Jar(Wet) | 20.0klb | String                     |        | Torque(Off.Btm) |     | D.C. (2) Ann Velocity | 0fpm |
|                   |         | Pick-Up                    |        | Torque(On.Btm)  |     | H.W.D.P. Ann Velocity | 0fpm |
|                   |         | Slack-Off                  |        | Jar Hours       | 1.5 | D.P. Ann Velocity     | 0fpm |
| BHA Run Comment   |         | Core #1 in Pember Mudstone |        |                 |     |                       |      |

| Equipment     | Length     | OD     | ID     | Serial #    | Hours | Comment  |
|---------------|------------|--------|--------|-------------|-------|--|
| Core Bit      | 1 x 0.26m  | 6.75in | 2.75in | 083719      | 1.5   | 6-3/4 stabs at btm, mid 6m, mid 13m, mid 20m , top 27m |
| Core Barrel   | 1 x 27.06m | 4.75in | 2.75in |             | 1.5   |  |
| Pony DC       | 1 x 2.90m  | 4.75in | 2.25in | 502-A32     | 27.5  |  |
| NMDC          | 1 x 9.19m  | 4.75in | 2.31in | 471-1       | 27.5  |  |
| 4.75" DC      | 16 x 9.43m | 4.75in | 2.31in |             | 27.5  |  |
| Drilling Jars | 1 x 9.37m  | 4.75in | 2.31in | 380-4773-03 | 27.5  |  |
| 4.75" DC      | 3 x 9.50m  | 4.75in | 2.31in |             | 27.5  |  |
| 3 1/2" HWDP   | 6 x 9.14m  | 3.50in | 2.12in |             | 60    |  |
| Total Length: | 283.00m    |        |        |             |       |  |

| BHA Data          |         |                                     |         |                 |              |                       |        |
|-------------------|---------|-------------------------------------|---------|-----------------|--------------|-----------------------|--------|
| <b>BHA # 4</b>    |         |                                     |         |                 |              |                       |        |
| Weight(Wet)       | 25.0klb | Length                              | 260.6m  | Torque(max)     | 5000.0ft-lbs | D.C. (1) Ann Velocity | 266fpm |
| Wt Below Jar(Wet) | 20.0klb | String                              | 78.0klb | Torque(Off.Btm) | 2000.0ft-lbs | D.C. (2) Ann Velocity | 0fpm   |
|                   |         | Pick-Up                             | 78.0klb | Torque(On.Btm)  | 3000.0ft-lbs | H.W.D.P. Ann Velocity | 184fpm |
|                   |         | Slack-Off                           | 76.0klb | Jar Hours       | 48.5         | D.P. Ann Velocity     | 184fpm |
| BHA Run Comment   |         | POOH due to reaching core point #2. |         |                 |              |                       |        |

| Equipment         | Length     | OD     | ID     | Serial #     | Hours | Comment |
|-------------------|------------|--------|--------|--------------|-------|---------|
| Bit               | 1 x 0.26m  | 6.75in |        | 6972         | 46    |         |
| Near Bit Stab     | 1 x 1.51m  | 6.75in | 2.43in | 5475-1       |       |         |
| Pony DC           | 1 x 2.90m  | 4.75in | 2.25in | 502-A32      | 48.5  |         |
| String Stabiliser | 1 x 1.54m  | 6.75in | 2.06in | 5415-2       |       |         |
| NMDC              | 1 x 9.19m  | 4.75in | 2.31in |              | 48.5  |         |
| 4.75" DC          | 1 x 9.49m  | 4.75in | 2.31in |              | 48.5  |         |
| String Stabiliser | 1 x 1.54m  | 6.75in | 2.00in | 475-3        |       |         |
| 4.75" DC          | 15 x 9.43m | 4.75in | 2.31in |              | 48.5  |         |
| Drilling Jars     | 1 x 9.37m  | 4.75in | 2.31in | 380-47763-03 | 48.5  |         |
| 4 3/4 DC          | 3 x 9.50m  | 4.75in | 2.31in |              | 48.5  |         |
| 3 1/2" HWDP       | 6 x 9.14m  | 3.50in | 2.12in |              | 81    |         |
| Total Length:     | 260.59m    |        |        |              |       |         |

| Survey    |                |                   |            |                 |                     |            |            |                   |
|-----------|----------------|-------------------|------------|-----------------|---------------------|------------|------------|-------------------|
| MD<br>(m) | Incl.<br>(deg) | Corr. Az<br>(deg) | TVD<br>(m) | 'V' Sect<br>(m) | Dogleg<br>(deg/30m) | N/S<br>(m) | E/W<br>(m) | Tool Type         |
| 603.00    | 0.25           | 112.00            | 603.0      | 1.90            | 0.23                | -1.90      | 4.70       | Hofco single shot |
| 908.00    | 1.00           | 42.00             | 908.0      | 0.17            | 0.09                | -0.17      | 7.10       | Hofco single shot |
| 1165.00   | 1.00           | 127.00            | 1164.9     | -0.15           | 0.16                | 0.15       | 10.39      | Hofco single shot |
| 1233.00   | 1.75           | 33.00             | 1232.9     | -0.66           | 0.92                | 0.66       | 11.43      | Hofco single shot |

| Summary              |        |
|----------------------|--------|
| Company              | Pax On |
| Upstream Petroleum   | 4      |
| Century Drilling Ltd | 26     |
| BHI                  | 2      |
| Corpro Systems Ltd   | 1      |
| RMN Drilling Fluids  | 1      |
| Total on Rig         | 34     |

| Bulk Stocks           |             |    |      |        |          |  |
|-----------------------|-------------|----|------|--------|----------|--|
| Name                  | Unit        | In | Used | Adjust | Balance  |  |
| AMC Biocide G         | 25L can     | 0  | 1    | 0      | 11.0     |  |
| AMC Defoamer          | 25L can     | 0  | 0    | 0      | 12.0     |  |
| AMC PAC-R             | 25kg sack   | 0  | 0    | 0      | 61.0     |  |
| AMC PHPA              | 25kg sack   | 0  | 4    | 0      | 22.0     |  |
| AUS-BEN               | 25kg sack   | 6  | 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      |  |
| Caustic Soda          | 25kg pail   | 0  | 0    | 0      | 36.0     |  |
| Citric Acid           | 25kg sack   | 0  | 0    | 0      | 37.0     |  |
| Cement - Class A      | 40kg sack   | 0  | 0    | 0      | 0.0      |  |
| 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      | 10.0     |  |
| KCl                   | 25kg sack   | 0  | 0    | 0      | 230.0    |  |
| 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  | 4    | 0      | 26.0     |  |
| Sodium Sulfite        | 25kg sack   | 0  | 0    | 0      | 48.0     |  |
| Xanthan Gum           | 25kg sack   | 0  | 0    | 0      | 43.0     |  |
| Xtra-sweep            | 12lb box    | 0  | 0    | 0      | 5.0      |  |
| Diesel fuel           |             | 0  | 2600 | 0      | 23,200.0 |  |
| Calcium Carbonate 40µ | 25 kg sacks | 0  | 40   | 0      | 266.0    |  |

| 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       | 8.90     | 97      | 120 | 600.00    | 250.00     | 1196.0         |                | 1.  | 70  | 250.00    |            |
|                         |         |            |          |         |     |           |            |                |                | 2.  | 100 | 380.00    |            |
| 2                       | GD PZ-7 | 5.50       | 8.90     | 97      | 0   |           |            | 1196.0         |                | 1.  | 70  | 260.00    |            |
|                         |         |            |          |         |     |           |            |                |                | 2.  | 100 | 380.00    |            |
| 3                       | GD PZ-7 | 5.51       |          | 97      | 0   |           |            |                |                | 1.  |     |           |            |
|                         |         |            |          |         |     |           |            |                |                | 2.  |     |           |            |