



A wholly owned subsidiary of Drillsearch Energy Limited

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PEL 106

COOPER/EROMANGA BASIN

SOUTH AUSTRALIA

ANNUAL REPORT

PERMIT YEAR 5

9TH APRIL 2007 TO 8TH OCTOBER 2008

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## INTRODUCTION

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Petroleum Exploration Licence (PEL) 106 was granted to the Great Artesian Oil and Gas on 9<sup>th</sup> April 2003. The licence is located in the Cooper Basin, South Australia. This report details the work conducted during Licence Year Five (9<sup>th</sup> April 2007 to 8<sup>th</sup> October 2008 inclusive), in accordance with Regulation 33 of the Petroleum Act 2000.

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### *Associated Facilities Licences*

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Associated Facilities Licences (AFLs) were applied for during the Permit Year Four. AFLs 71 to 81 were granted on 11 December 2006. The granting of the AFLs permitted the acquisition of the Spinel seismic survey. After completion of the survey a request to surrender the AFLs was lodged on 4 October 2007. The offer to surrender the AFLs was granted on 10 October 2007.

## PERMIT SUMMARY

Petroleum Exploration Licence PEL 106 was awarded to:

- **Great Artesian Oil & Gas (GAOG) 100%**

The original work commitments associated with the awarding of PEL 106 can be seen in Table 1.

TABLE 1. ORIGINAL WORK COMMITMENTS FOR TERM 1 BY LICENCE YEAR

Licence Year	Licence dates	Minimum Work Program
Year 1	09/04/2003 – 08/04/2004	2 wells; 100 km 2D seismic; geological and geophysical review; seismic processing
Year 2	09/04/2004 – 08/04/2005	2 wells; 100 km 2D seismic or detailed 3D seismic program
Year 3	09/04/2005 – 08/04/2006	3 wells; 100 km 2D seismic or detailed 3D seismic program
Year 4	09/04/2006 – 08/04/2007	3 wells
Year 5	09/04/2007 – 08/04/2008	3 wells

Beach Petroleum Limited, Traditional Oil Exploration N.L. (a wholly owned subsidiary of Bandanna Energy Limited), Everdue Pty Ltd and Kompliment Pty Ltd (both wholly owned subsidiaries of Blue Energy Limited), Magellan Petroleum Limited, Rawson Resources Limited and Red Sky Energy Limited held equitable interests in the portions of PEL 106 (Table 2).

TABLE 2. EQUITABLE INTERESTS BLOCKS IN PEL106

Holder	Nature of Equitable Interest Held
<b>Beach Farmin Block</b>	Under the terms of a Letter Agreement dated 18 October 2004, Beach acquired an exclusive right to explore by funding 150 km of 2D seismic and at least one well per annum during permit life or farmin period. Under the terms of an Amendment Letter Agreement dated 23 November 2005 and 26 May 2006, Beach will earn a 50% participating interest in the Beach Farmin Block by funding 3 wells and 145 sq km of 3D seismic. Further Amendments were agreed on 1 July 2008 and 9 September 2008.

Holder	Nature of Equitable Interest Held
<b>Smegsy Block</b>	Under the terms of a Farmin Agreement and JOA signed on 10 March 2004, Traditional funded a 25% interest of the Smegsy-1. Subsequently modified by a Farmin Agreement dated 1 September 2005, Traditional funds 25% of a total of 4 wells in PEL 106 in order to earn 12.5% in a subsequent commercial discovery and obtain relief from funding 100% of the cost of drilling an exploration well in ATP 539 as part of a Farmin Agreement dated 10 March 2004.
<b>Rosscro Block</b>	In accordance with a Letter Agreement dated 1 September 2005, Traditional Oil elected to fund 25% of Rosscro-1 in order to earn a 12.5% interest in any subsequent PPL in the event of a commercial discovery. Under the terms of a Farmin Agreement dated 27 October 2005, Kompliment Pty Ltd funded 75% of Rosscro-1 drilling costs in order to earn a 37.5% interest on similar terms.
<b>Paranta Block</b>	Under terms of a Farmin Agreement dated 26 October 2005 and 1 March 2006, Everdue Pty Ltd elected to fund the Cadenza-1. The Paranta Block Farmin expired on 6 December 2006. Everdue still retains rights to earn an interest in the Cadenza discovery.
<b>Spinel Block</b>	Under the terms of a Farmin Agreement dated 29 May 2006, Kompliment Pty Ltd agreed to fund 350 sq km of 3D seismic and drill at least one well in order to earn a 50% interest in any discovery and a right to continue exploration involving the funding up to additional three wells for a 50% participating interest within the Spinel Block 3D seismic program foot-print. The Spinel Farmin Agreement expired on 8 October 2008 with no interest being earned.
<b>Paprika Block</b>	In accordance with a Letter Agreement dated 1 September 2005, Traditional Oil elected to fund 25% of Paprika-1. Under the terms of a Farmin Agreement dated 29 May 2006, Kompliment Pty Ltd agreed to fund 100% of Paprika-1 in order to earn a 37.5% interest in a subsequent commercial discovery. In accordance with a Letter Agreement dated 1 September 2005, Traditional Oil elected to fund 25% of Paprika-1 in order to earn a 12.5% interest in any subsequent PPL in the event of a commercial discovery.

<b>Red Sky Survey Block</b>	<p>In accordance with a Heads of Agreement, dated 30 May 2006, amended 14 August 2006 and revised 31 January 2007, Red Sky will have the option to drill one prospect located in PEL 106, subject to other pre-existing rights. Red Sky will fully fund one well in order to earn a 50% interest in any subsequent PPL in the event of a commercial discovery. The Red Sky interests in PEL106 expired on 8 October 2008.</p>
<b>Udacha Block</b>	<p>In accordance with the Unitisation and Operating agreement dated 20 January 2006 the following companies have interests in the Udacha Block:</p> <p>Magellan Petroleum - 30%, Beach Petroleum - 15%, Traditional Oil Exploration P/L - 12.5%, Rawson Resources - 10% and Great Artesian Oil and Gas - 32.5%.</p>

Several variations to the original work program have been approved by PIRSA.

1) A request to offset the Permit Year One deficit of 10 km of new seismic acquisition with Permit Year Two seismic acquisition was submitted to PIRSA on 1 June 2004. The variation in the work program of PEL 106 was granted on 9 June 2004.

2) A request to combine Years 2 and 3 minimum work programs was made to PIRSA on 22 March 2005 (a variation so that the remaining exploration well to be drilled during Year 2 be deferred until Year 3). The variation in the work program of PEL 106 was granted 29 March 2005.

3) A request to seek a variation in the PEL106 work program for Permit Year 3 was submitted to PIRSA on 15 November 2005 (a variation to drill 3 wells, a 3D seismic program and 100 km of 2D seismic). The variation in the work program was granted on 23 November 2005.

4) A request to seek a variation in the PEL 106 work program for Permit Year 5 in order to have the Spinel Seismic Survey replace three wells in the year was sent to PIRSA on 18 May 2007. The variation in the work program was granted on 30 May 2007.

The licence was suspended for a six month period from and including 12 October 2007 to 11 April 2008. The new expiry date of the permit (Licence Year Five) is 8 October 2008.

The following table (Table 3) displays the minimum work program (after all variations) and the actual work completed up until the end of the current licence period.

TABLE 3. FINAL WORK PROGRAM AND WORK COMPLETED (AS OF END OF CURRENT REPORTING PERIOD) BY LICENCE YEAR

<b>Licence Year</b>	<b>Minimum Work Program</b>	<b>Actual Work</b>
Year 1	2 wells; 90 km 2D seismic; geological & geophysical review; seismic reprocessing	Nutmeg-1 & Paranta-1; 90 km Paranta 2D seismic; 379 km seismic reprocessing
Year 2	1 well; 110 km 2D seismic or detailed 3D seismic	Smegsy-1; 245 km of 2D seismic (177 km Malleus SS and 68 km Lena SS)
Year 3	3 wells; 100 km 2D seismic or detailed 3D seismic	Rosco-1; Udacha-1 & Middleton-1; Karla 2D SS (136.5 km) & Paranta 3D SS (82.5 km <sup>2</sup> )
Year 4	3 wells	Cadenza-1, Paprika-1 & Tennyson-1
<b>Year 5</b>	<b>495 km<sup>2</sup> 3D Seismic Survey</b>	<b>Spinel 3D Seismic Survey (495 km<sup>2</sup>)</b>  <b>Ficus 2D Seismic Survey (28.84 km ) and 182 km seismic reprocessing</b>

## REGULATED ACTIVITIES

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Pursuant to Regulation 33(2)(a) under the Act .

### DRILLING AND RELATED ACTIVITIES

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No actual drilling took place in PEL106 during the reporting period. However, quite a bit of preliminary work was conducted in preparation for drilling.

In September 2007 Great Artesian carried out Work Area Clearances over three potential drill-sites, in fulfilment of its obligations under the Native Title Act, The Cultural Heritage Act and the Indigenous Land Use Agreement. Work Area Clearances were conducted over two additional sites in January 2008 in preparation for a drilling program that was expected to start in October-November 2008. Notices were sent to PIRSA and other stakeholders in anticipation of this work. No drilling or ground disturbing activities ever eventuated.

Beach Petroleum Limited, in fulfilment of its farmin obligations carried out further preparatory work in advance of drilling the Brownlow-1 and Canunda-1 wells that were spudded after the current reporting period. Work Area Clearances were conducted over the Brownlow and Canunda leases and access roads on 13 August 2008. Earthworks for the preparation of access roads and leases commenced on 14 September 2008.

### SEISMIC DATA ACQUISITION

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#### Spinel 3D

Great Artesian Oil & Gas completed acquisition of the Spinel 3D Seismic Survey during the current reporting period. The bulk of this work was conducted during the previous reporting period. Work commenced on the Spinel 3D Seismic Survey on the 15 December 2006. Covering a total of 495 sq km of portions of PELs 106 and 91, this survey was the largest exploration 3D seismic program ever undertaken in this region of the Cooper Basin. Cleanup of campsites and collection of survey pegs was completed in May 2007.

• <i>Survey name</i>	<i>Spinel Seismic Survey</i>
• <i>Operator</i>	<i>Great Artesian Oil and Gas</i>
• <i>Contractor</i>	<i>Terrex Seismic</i>
• <i>2D or 3D survey</i>	<i>3D survey</i>
• <i>Recording start date</i>	<i>29 January 2006</i>
• <i>Recording end date</i>	<i>15 April 2007</i>
• <i>Line length (km)/area (km<sup>2</sup>)</i>	<i>1559.04 km/495 km<sup>2</sup></i>

#### Ficus 2D

Ficus 2D Seismic Survey, operated by Beach Petroleum, was conducted in PEL107, PEL92 and PEL106. . Acquisition commenced on the 27 April was completed on the 2 August 2007. Heavy rain on May 14 and 15 flooded the recording crew's campsite and shut down all operations. Personnel were evacuated to Moomba by helicopter and subsequently stood-down and repatriated until the weather cleared and roads re-opened. Recording activities re-commenced on the afternoon of June 11. Uphole drilling and logging program was completed on 2 August 2007.



- *Survey name* *Ficus Seismic Survey*
- *Operator* *Beach Petroleum Limited*
- *Contractor* *Terrex Seismic*
- *2D or 3D survey* *2D survey*
- *Recording start date* *12 May 2007*
- *Recording end date* *13 June 2007*
- *Line length (km)/area (km<sup>2</sup>)* *28.84 km (for PEL106)*

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## SEISMIC DATA PROCESSING AND REPROCESSING

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### Spinel 3D

The processing contractor for the Spinel 3D was Velseis Processing Pty. Ltd. During processing the 2007 Spinel 3D data (495.9 km<sup>2</sup>) were merged with the 2005 Paranta 3D (82.5 km<sup>2</sup>) and 2002 Raven-Moonanga 3D (81.9 km<sup>2</sup>), to generate one consistent dataset of 623.6 km<sup>2</sup>. The data processing was undertaken with the "Promax" data processing system and included pre-stack time migration. The processing commenced in February 2007 and was completed by December 2007.

A comprehensive suite of tests was carried out which included amplitude recovery, deconvolution, linear noise removal and pre-stack time migration.

- *Survey name* *Spinel 3D Seismic Survey*
- *Processing contractor* *Velseis Processing*
- *Line length (km)/area (km<sup>2</sup>)* *623.6 km<sup>2</sup>*

### Ficus 2D

The processing contractor for the Ficus 2D was Velseis Processing Pty Ltd. In PEL106 18 lines were processed, approximately 182.51 km of 2D land seismic data for Great Artesian from July 2007 to April 2008.

- *Survey name* *Ficus 2D Seismic Survey*
- *Processing contractor* *Velseis Processing*
- *Line length (km)/area (km<sup>2</sup>)* *182.51 km*

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## GEOCHEMICAL, GRAVITY, MAGNETIC AND OTHER SURVEYS

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No regulated activities undertaken in the licence reporting period.

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## PRODUCTION AND PROCESSING

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No regulated activities undertaken in the licence reporting period.

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## PIPELINE CONSTRUCTION AND OPERATION

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No regulated activities undertaken in the licence reporting period.

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## PRELIMINARY SURVEY ACTIVITIES

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## COMPLIANCE ISSUES

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### **Licence and Regulatory Compliance**

Pursuant to Regulations 33(2) (b) & (c)

Detailed information on the individual instances of non-compliance is provided below in designated sections.

#### LICENCE NON-COMPLIANCE

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There were no instances of licence non-compliance arising from operations in PEL106 during the permit year.

#### REGULATORY NON-COMPLIANCE

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There were no instances of regulatory non-compliance arising from operations in PEL106 during the permit year.

### COMPLIANCE WITH STATEMENT OF ENVIRONMENTAL OBJECTIVES

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#### **Drilling**

No actual drilling took place in PEL106 during the reporting period. However, quite a bit of preliminary work was conducted in preparation for drilling. The drilling activities will be assessed during the next reporting period. For more details refer to Drilling and Related Activities on p. 7.

#### **Seismic**

Great Artesian Oil & Gas finished recording the Spinel 3D seismic survey on 15 April 2007. An assessment of Great Artesian's performance in achieving the environmental objectives was defined in the last year annual report (PEL106, Annual Report, Permit Year Four - April 9th 2006 to April 8th 2007).

Ficus 2D Seismic Survey consisted of three individual areas, located in PEL 107, 106 & 91. Only four of 10 seismic lines intersected permit border and were partly located in PEL106. At the completion of the Ficus survey, an assessment of the impacts from the survey was undertaken against a set of GAS criteria. GAS audits were taken along three seismic lines at 33 locations. Most of these locations were in PEL107. However locations along one of the line were near border and in PEL107. The results of the audit against the GAS criteria for that line are presented as a bar chart below (Figure 1).

One Environmental Monitor Point was established for the Ficus Seismic Survey. The point is located in PEL107. The strategies for achieving each of the SEO objectives during the recording the Ficus 2D survey are outlined in the Table 4.

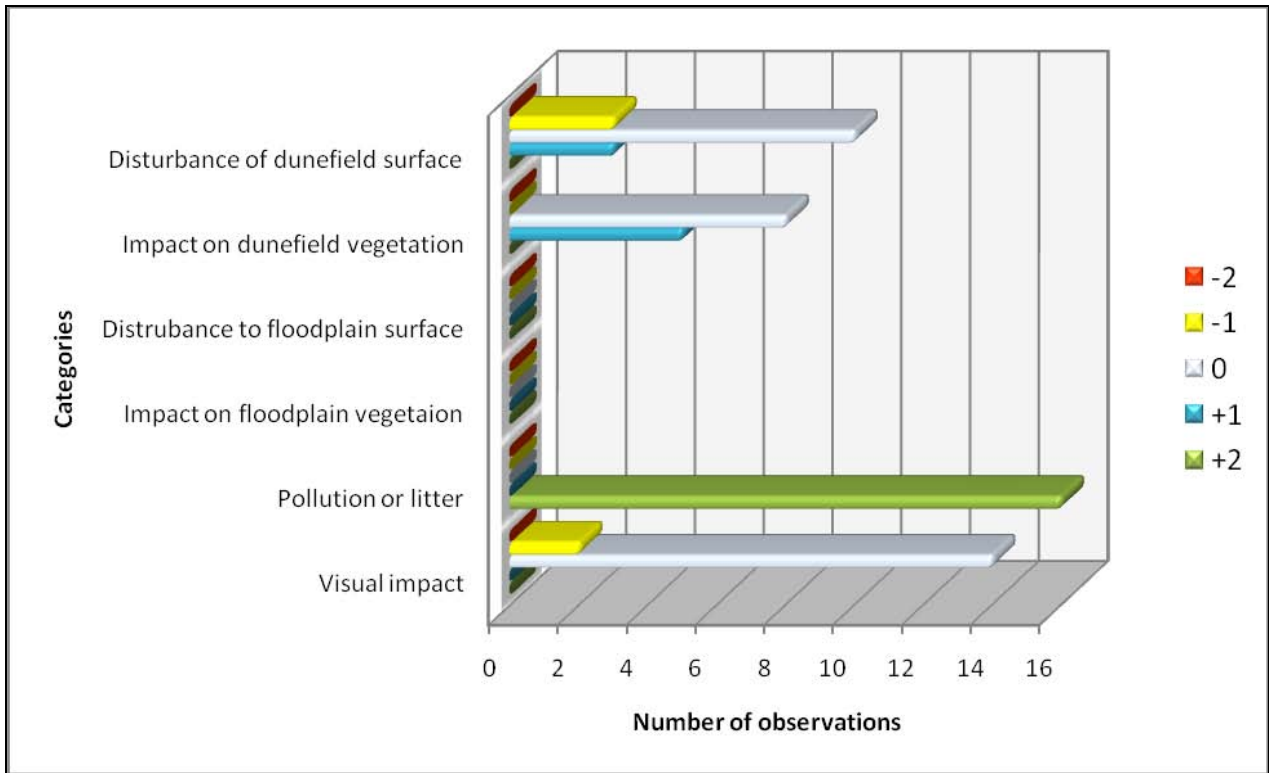


FIGURE 1. GAS AUDIT OF THE FICUS SEISMIC SURVEY, PEL 106, 107 & 91.

TABLE 4. COMPLIANCE WITH SEO FOR COOPER SEISMIC OPERATIONS FOR FICUS SEISMIC SURVEY

<b>Environmental Objective</b>	<b>Assessment Criteria</b>	<b>Compliance / Non-Compliance</b>	<b>Performance in Achieving Objective</b>
<p>Objective 1: <i>Minimise the visual impact of operations.</i></p>	<p><u>Campsite and survey line preparation</u></p> <p>Proposed survey lines and campsites have been appropriately located and prepared to minimise the visual impact. The attainment of 0, +1 or +2 GAS criteria for 'visual impact' objective listed in Appendix 3.</p>	<p><i>Compliant</i></p>	<p>GAS audits were taken after the Ficus survey. GAS scores were recorded at 33 locations along three seismic lines. The line relating to activities in PEL106 was located almost entirely in PEL107. This line had 16 survey points. For two sites along this line the level of visual impact was greater than is usually expected, resulting in a GAS score of "-1".</p> <p>Overall visual impact was as little as might be expected for this kind of operation and natural rehabilitation processes are expected to restore the viewscape in the short to medium term.</p>

Environmental Objective	Assessment Criteria	Compliance / Non-Compliance	Performance in Achieving Objective
<p>Objective 2:</p> <p><i>Minimise disturbance to and contamination of soil resources.</i></p>	<p><u>Campsite and survey line preparation</u></p> <p>Attainment of 0, +1 or +2 GAS criteria for 'Minimise impacts to land surface' objective, as listed in Appendix 3.</p> <p>Proposed survey lines and campsites have been appropriately located and prepared to minimise the disturbance to soil resources.</p> <p>Fuel Storage and Handling No refuelling occurs outside designated refuelling/servicing areas. Spills or leaks are immediately reported and clean up actions initiated. Records of spill events and corrective actions are maintained in accordance with company procedures. Appropriate spill response equipment is available on site.</p>	<p><i>Compliant</i></p>	<p>Refer to the comments above in relation to the performance in achieving Objective 1.</p> <p>Disturbance to soil was kept to a minimum. Three GAS scores of -1 were recorded for disturbance to Dunefield Land Surfaces. All occurrences were unavoidable and are expected to rehabilitate by natural processes.</p> <p>There were no incidents of soil contamination arising from the survey activities.</p>

Environmental Objective	Assessment Criteria	Compliance / Non-Compliance	Performance in Achieving Objective
<p><b>Objective 3:</b></p> <p><i>Minimise disturbance to native vegetation and fauna.</i></p>	<p><u>Campsite and survey line preparation</u></p> <p>The attainment of either 0, +1 or +2 GAS criteria for 'Impact on native vegetation' objective listed in Appendix 3.</p> <p>No mature trees are removed. Vehicle access to survey lines is to be via existing access tracks or pre-existing survey lines, except where they have rehabilitated. Other temporary access tracks may be utilised where such use is likely to result in less environmental impact than other options.</p> <p>Fuel and Chemical Storage and Management Refer to assessment criteria for objective.</p> <p>Fire Danger Season restrictions and education</p> <p>All personnel are fully informed on the fire danger season and associated restrictions.</p>	<p><i>Compliant</i></p>	<p>GAS audits were taken in dunefield environment at 16 sites.</p> <p>Disturbance to vegetation was kept to a minimum.</p> <p>Three GAS scores of -1 were recorded for disturbance to dunefield vegetation. All occurrences were unavoidable and are expected to rehabilitate by natural processes.</p> <p>The GAS scores of +1 and 0 for "impact on vegetation" were recorded in all other locations, indicating there were no instances where the disturbance was greater than is usual for these types of operations.</p>

Environmental Objective	Assessment Criteria	Compliance / Non-Compliance	Performance in Achieving Objective
<p><b>Objective 4:</b></p> <p><i>Avoid disturbance to sites of cultural and heritage significance.</i></p>	<p>The following is one possible procedure to achieve the objective.</p> <p>Appropriately trained and experienced cultural/heritage advisors have scouted proposed survey line locations and access tracks. The operator has a mechanism in place to appropriately report and respond to any sites discovered during survey operations.</p> <p>Any sites identified have been flagged and subsequently avoided.</p> <p>Note: Where a negotiated agreement or determination for heritage is in place, compliance with the negotiated agreement or determination takes precedence over the above criteria. The EIR details this possible procedure.</p>	<p><i>Compliant</i></p>	<p>Great Artesian has an agreement with the Dieri Aboriginal Corporation (DAC) Native Title Claimant group which specifies the requirements for scouting proposed seismic lines to identify and avoid areas of heritage value and archaeological significance.</p> <p>Joint site visits were carried out with representatives from the Native Title Claimant group.</p> <p>Proposed line locations and access routes were agreed and given heritage clearance.</p> <p>Areas of significance were recorded and marked as exclusion zones.</p>

<p><b>Objective 5:</b></p> <p><i>Minimise disturbance to livestock, pastoral infrastructure and landholders.</i></p>	<p>The attainment of 0, +1 or +2 GAS criteria for 'Impact on infrastructure' objective listed in Appendix 3.</p> <p>No reasonable concerns raised by stakeholders are left unresolved.</p> <p>The extent to which the relevant sections of the Petroleum Act and Regulations have been followed and implemented and in particular in relation to landowner liaison and notification.</p>	<p><i>Compliant</i></p>	<p>Great Artesian maintained regular contact with the pastoral lessees prior to and while undertaking survey operations.</p> <p>None of the seismic lines interfered with cattle watering points and cattle were not present in significant numbers due to prevailing drought conditions.</p> <p>No issues of concern have been raised by the landowner in relation to these activities.</p>
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Environmental Objective	Assessment Criteria	Compliance / Non-Compliance	Performance in Achieving Objective
<p><b>Objective 6:</b></p> <p><i>Avoid the introduction or spread of exotic species and implement control measures as necessary.</i></p>	<p>Weeds or feral animals are not introduced into, or spread, in operational areas.</p>	<p><i>Compliant</i></p>	<p>Machinery and vehicles used for line preparation and survey recording were already working in the Cooper Basin prior to commencing of the Ficus survey.</p>
<p><b>Objective 7:</b></p> <p><i>Minimise disturbance to drainage patterns and avoid contamination of surface waters and shallow groundwater resources.</i></p>	<p><u>Campsite and survey line preparation</u></p> <p>Campsites and survey lines/traverses are located and constructed to avoid diversion of water flows.</p> <p>The attainment of 0, +1 or +2 GAS criteria for 'disturbance to land surface' objective listed in Appendix 3.</p> <p>No uncontrolled flows to surface from aquifers intersected in upholes /shallow boreholes. There is no unnecessary interference with natural drainage features.</p> <p><u>Fuel Storage and Handling</u></p> <p>No spills occur outside of areas designed to contain them.</p> <p>Refuelling occurs at least 1km from watercourses or sensitive ecological environments (wetlands). Appropriate spill response equipment is available on site. Spills or leaks are immediately reported and clean up actions initiated promptly.</p>	<p><i>Compliant</i></p>	<p>The seismic lines recorded during the Ficus survey did not traverse any watercourses or surface waters.</p>

<b>Environmental Objective</b>	<b>Assessment Criteria</b>	<b>Compliance / Non-Compliance</b>	<b>Performance in Achieving Objective</b>
<p><b>Objective 8:</b> <i>Optimise waste reduction and recovery.</i></p>	<p>Wastes are segregated, burnt or transported to an Environment Protection Authority (EPA) approved waste disposal facility for recycling or burial in accordance with approved procedures.</p> <p>0, +1 or +2 GAS criteria are attained for 'Negligible survey markers and rubbish in situ' objective listed in Appendix 3.</p>	<p><i>Compliant</i></p>	<p>Every GAS score in relation to "Pollution and litter" (control) at each of the 16 sites was "+2", indicating no litter was observed on any part of the survey.</p>

## MANAGEMENT SYSTEM AUDITS

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Pursuant to Regulation 33(2) (d)

No management system audits were undertaken during the licence year in relation to exploration activities on PEL 106.

## REPORT AND DATA SUBMISSIONS

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Pursuant to Regulation 33(2) (e)

TABLE 5. LIST OF REPORT AND DATA SUBMISSIONS DURING CURRENT LICENCE REPORTING YEAR

Description of Report/Data	Date Due	Date Submitted	Compliant / Non-Compliant
PEL 106 Year Four Annual Report (including PEL 106 Regional Bypassed Pay Study and PEL 106 Rehabilitation Progress Report)	8/06/2007	6/06/2007	Compliant
CD containing Paranta Block JV Interpretative Petrophysical Project including Log Plots	N/A	08/06/2007	N/A
CD containing Spinel Seismic Survey Environmental Report	N/A	12/06/2007	Compliant
CD containing Replacement of PEL 106 Year Four Annual Report	N/A	27/06/2007	N/A
Paranta 3D Seismic Survey Final Interpretation Report	17/09/2007	14/09/2007	Compliant
<b><u>Spinel Seismic Survey data submission</u></b>			
Shot point location data	15/04/2008	15/01/2008	Compliant
Seismic field data	15/04/2008	15/01/2008	Compliant
Seismic support data	15/04/2008	15/01/2008	Compliant
Uphole data (onshore)	15/04/2008	15/01/2008	Compliant
Itemised field tape listing	15/04/2008	15/01/2008	Compliant
Raw stack data – if generated as part of the processing sequence	15/04/2008	n/a	n/a
Filtered and final migrated stack data	15/04/2008	31/03/2008	Compliant
2D data subset	15/04/2008	31/03/2008	Compliant
Final processed (grid) bin coordinates	15/04/2008	31/03/2008	Compliant
Velocity data	15/04/2008	31/03/2008	Compliant
Itemised process tape listing	15/04/2008	31/03/2008	Compliant
Final Operations Report (including Recording, Navigation and Processing)	15/04/2008	31/03/2008	Compliant
Final Interpretation Report	08/01/2009	31/03/2008	Compliant

Description of Report/Data	Date Due	Date Submitted	Compliant / Non-Compliant
<b><u>Ficus Seismic Survey data submission</u></b>			
Shot point location data	30/09/2008 <sup>1</sup>	19/08/2008	Compliant
Seismic field data	30/09/2008	19/08/2008	Compliant
Seismic support data	30/09/2008	19/08/2008	Compliant
Uphole data (onshore)	30/09/2008	19/08/2008	Compliant
Itemised field tape listing	30/09/2008	19/08/2008	Compliant
Raw and final stack data (if generated as part of the processing sequence)	30/09/2008	24/09/2008	Compliant
Raw and final migrated stack data	30/09/2008	24/09/2008	Compliant
Filtered and final migrated stack data	30/09/2008	24/09/2008	Compliant
Fully annotated image of final processed migrated data	30/09/2008	24/09/2008	Compliant
Shot point to CDP relationship	30/09/2008	24/09/2008	Compliant
Itemised process tape listing	30/09/2008	24/09/2008	Compliant
Final Operations Report	30/09/2008	24/09/2008	Compliant
<b><u>Proposed drilling data submission for Brownlow-1</u></b>			
Landholder notification with regards to proposed drilling of Brownlow-1	24/08/2008	15/07/2008	Compliant
Notification of proposal to construct access roads and lease pads for Brownlow-1	24/08/2008	15/07/2008	Compliant
Notification of proposed Drilling Operations for Brownlow-1	28/09/2008	09/09/2008	Compliant
Well Proposal for Brownlow-1	28/09/2008	09/09/2008	Compliant
Drilling program for Brownlow-1	28/09/2008	29/09/2008	Compliant
<b><u>Proposed drilling data submission for Canunda-1</u></b>			
Landholder notification with regards to proposed drilling of Canunda-1	7/09/2008	15/07/2008	Compliant
Notification of proposal to construct access roads and lease pads for Canunda-1	7/09/2008	15/07/2008	Compliant
Notification of proposed Drilling Operations for Canunda-1	24/10/2008	02/10/2008	Compliant
Well Proposal for Canunda-1	24/10/2008	02/10/2008	Compliant
Drilling program for Canunda-1	24/10/2008	02/10/2008	Compliant
<b>Permit Year Five Annual Report</b>	08/12/2008	05/12/2008	Compliant

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<sup>1</sup> The original due date for the submission of the field and processed data for Ficus seismic survey was 13/06/2008. An extension was granted by PIRSA on 01/09/2008 and new due date is 30/03/2008.

## INCIDENTS

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Pursuant to Regulation 33(2) (f)

No incidents have been reported during the PEL 106 Licence Year 5.

## THREAT PREVENTION

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Pursuant to Regulation 33(2) (g)

No threats have been identified to the proposed exploration activities for PEL 106 for this permit year.

## FUTURE WORK PROGRAM

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Pursuant to Regulation 33(2) (h) under the Act

The PEL106 permit was renewed for a further 5 years and the commitment work program is specified in Table 6. Two exploration wells, Brownlow and Canunda were drilled ahead of schedule in October-November 2008. At the time of writing the Canunda and Brownlow wells have been cased and suspended as gas discoveries. It is expected that these wells will be completed and tested during the next twelve months. Completion and testing of the Cadenza and Paprika wells will, most likely, be carried out at the same time. Further geological and geophysical studies are planned for this permit year.

TABLE 6. WORK COMMITMENTS FOR TERM 2 BY LICENCE YEAR

<b>Licence Year</b>	<b>Licence dates</b>	<b>Minimum Work Program</b>
Year 1	09/10/2008 – 08/10/2009	Geological and Geophysical Studies
Year 2	09/10/2009 – 08/10/2010	Geological and Geophysical Studies
Year 3	09/10/2010 – 08/10/2011	Geological and Geophysical Studies
Year 4	09/10/2011 – 08/10/2012	Geological and Geophysical Studies
Year 5	09/10/2012 – 08/10/2013	Drill one well and Geological and Geophysical Studies

## EXPENDITURE STATEMENT

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Pursuant to Regulation 33(3) under the Act

Commercial in Confidence