

-11-

The average hole diameter over the interval 2850 - 3900m (9350 - 12795') was 14 - 14.1", from the wireline logs.

Following the wireline logs at 3900.3m (12796') the drillstring was run in and sections at 3402m (11162') and 3630m (11909') had to be reamed. Reaming was also necessary from 3879m (12726') and drag to 150klb was consistently recorded while reaming to bottom. The drillstring was also stuck several times while reaming and the mud weight was raised to 10.0ppg. The cause was probably the volcanics collapsing near bottom and packing the hole off above the bit. The stabiliser may have been hanging up on ledges also. The hole was not deepened and on the trip out there was 35klb of drag on the first stand with only minor to no drag for the remainder of the trip. Cement plugs were set prior to running the 9.625" casing and DST's.