



ABN 46 112 138 780

21st November, 2012

PHILIPPINE DRILLING – JACOB-1 UPDATE Drilling Progress

SERVICE CONTRACT 44 (100%), Onshore Cebu, Philippines

JACOB-1

Since the last report Jacob-1, drilling has progressed to a depth of 519.1 metres at which depth mud circulation was lost and mud which was in the hole lost to the formation. Currently conducting operations to quell fluid losses to the formation and regain circulation.

Slight mud losses also occurred at a depth of 507.1 metres. The mud losses indicate permeability development within the limestone – possibly fractures. We do not know what the fluid content is within the fractures (oil or water) due to the total mud loss and no returns to surface. These intervals will be further evaluated by wireline logs once total depth has been reached.

The forward plan is to regain full circulation, drill ahead and evaluate the remaining section of the limestone reef and the underlying Cebu Coal Measures, which are interpreted from seismic data to be present at this location. Jacob-1 will be drilled to a total depth between 1,000-1,300 metres.

Dennis Morton
Managing Director

Ph: +61-2-8298 3682
dennis@gas2grid.com

Patrick Sam Yue Phone: +61-2-8298 3668
Director psy@gas2grid.com

Office:
Level 11; 10 Bridge Street,
Sydney, NSW, 2000
Tel: +61 2 8298 3688 Fax: 8298 3699

P.O. Box R1911
Royal Exchange, 1225
www.gas2grid.com