



27 September 2007

ASX Limited
Company Announcements Office
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SC54 Operations Update

Kairiki is pleased to announce an operational update on SC54.

Seismic Acquisition Operations

a. **3D acquisition**

Following the preliminary interpretation of the Abukay 3D data, the SC54 JV plans to extend the 640km² Abukay 3D seismic survey westwards by a further 165km² to ensure full coverage of the large scale Princesa fan targets and the Pagasa turbidite play fairway in SC54 (see figure below). The survey is expected to start on September 30th and take approximately 20 days.

b. **2D acquisition**

SC54 is a large block covering some 5376km². To date the evaluation of SC54 has been largely focused in the northern third of the block, driven by the 3D coverage of the Abukay survey, whilst the southern portion of the block remains largely unexplored. Given a 2D survey is scheduled for permits contiguous with SC 54, the joint venture has elected to take advantage of the presence of the seismic vessel and acquire a further 454km of 2D data over the less explored southern part of the block. This survey is expected to provide the JV with an initial analysis of the prospectivity of this part of the block and is expected to commence in November.

3D Final processed products and evaluation status

Kairiki advises that we anticipate receiving the final processed products from the initial 640km² Abukay 3D survey in early October. These more refined processed volumes are key to advancing the current lead inventory, particularly in assessing the reservoir architecture of Coron North and the range of deepwater fan and channel targets in the inventory (see figure below). We anticipate analysis of these final volumes will result in a risked and ranked prospects and leads inventory by early December 2007. We anticipate delivery of the final processed products from the additional 165km² 3D extension about to be acquired (as per above) in March 2008.

We are greatly encouraged by the potential of the diverse inventory we see to date in SC54 and keenly await delivery of these final processed products, essential to further maturing these targets into a high-graded drill-ready commercially attractive prospect portfolio.

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