

PRESS RELEASE – October 2006

COE DRILLING SUCCESSFULLY COMPLETES 1500m - 24" & 10" PIPELINE REPLACEMENT PROJECT

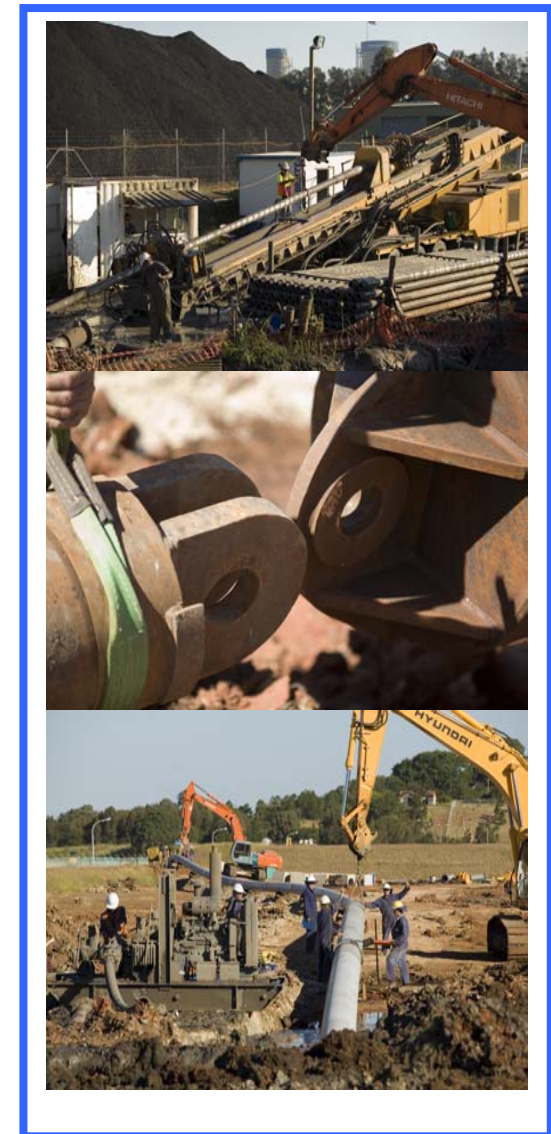
In mid 2005, Caltex Refineries (QLD) Pty Ltd awarded the Construction of the Crude & Bunker Pipeline Replacement Project contract to Coe Drilling Pty Ltd.

THE PROJECT

Caltex Refineries (Qld) Pty Ltd operates the Lytton Refinery at the Port of Brisbane.

The Crude and Bunker Pipeline Replacement Project entailed the replacement of the existing 30 year old pipelines beneath the Boat Passage and mangroves connecting the Tank Farm and wharf at the Brisbane River.

Horizontal Directional Drilling was selected as the preferred construction installation method through the mangroves and beneath the Boat Passage.



CRUDE & BUNKER PIPELINE REPLACEMENT PROJECT BOREHOLE ALIGNMENT

MOBILISATION, DESIGN & ENGINEERING - CONSTRUCTION

Detailed project engineering and design was required to satisfy the client and to confirm that the proposed methodology could achieve a successful installation of the product pipes. Comprehensive management plans were prepared for the project covering OH&S and Environmental Management as well as all aspects of the welding, testing and drilling procedures including project risk analysis, engineering design analysis covering Downhole hydraulic fracture and stress analysis.

Work commenced with mobilisation of the CoeDrill 550 a 250 Ton capacity Drilling Spread to the Fishermans Island HDD Entry site.

The final design of the HDD Crossing involved installing the DN 610 & DN 250 pipelines 32m beneath the surface in Basalt Bedrock. The nature of the overburden sediments at the Fishermans Island end of the crossing suggested a surface to rock conductor casing would be required. This was installed and allowed drilling fluids returns to be maintained during drilling operations on both boreholes.

The HDD Design proposed a single drilling foundation system from which both boreholes would be constructed with borehole separation of 1.5m at HDD Entry and 5.0m at HDD Exit maintained.

Both Crossings were drilled with a 8" Mud Motor and 12.25" TCI Drill Bit whilst using a Vector Magnetics MGS Steering Tool and Paratrack surface Tracking System.

Borehole diameters of 17½" and 32" were prepared prior to installation of the welded tested and coated pipelines.

FABRICATION OPERATIONS

On site at within the Caltex Refinery, Coe Drilling managed the fabrication of the 1500m long DN 610 & DN 250 pipelines using the services of Diversified Construction Corporation.

The works included the welding, x-ray, pre installation hydrostatic testing and joint coating prior to installation.

Once installed both pipelines were again subject to a hydrostatic test procedure.



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