

SAFETY, QUALITY, AND EFFICIENCY

We are very pleased to let you know that in the past year Benthic achieved a number of significant milestones. Most importantly, we maintained our outstanding safety record. This has been achieved while setting new records in operational productivity and undisturbed sample recovery. Since July 2006, operating from our Singapore Operations Base, PROD1 has successfully completed deployments in Australia's Timor Sea, Browse Basin and Exmouth Basin in water depths ranging from 22m to 570m. Seabed conditions varied from very soft silts to well cemented limestone. PROD1 landed and safely operated in extreme environments from hummocky coralline reef to steep seabed slopes of up to 16°.

HIGH QUALITY DATA – FIELD PROVEN

Exmouth Basin – Australia

New operational productivity record for PROD1

In January 2007, in water depths between 300m and 400m, PROD1 completed more than 750m of investigative rotary drilling, sampling and in situ testing in 43 boreholes for FPSO anchor sites, manifolds, and a riser termination structure. Despite the arrival of an untimely cyclone, a new operational productivity record was achieved with an average 90m of sampling and sounding achieved per operational day peaking at 130m in a single 24 hour period.

Browse Basin – Australia

PROD achieves 100m continuous core in limestone



In August 2006 Benthic Geotech completed a safe and successful drilling, coring, piston sampling and in situ testing programme in the Browse Basin, northwest Australia. PROD1's coring system achieved a near-continuous sampling profile down to 100m below the seabed in limestone formation.

During the campaign, PROD1 proved its capability to work on extreme seabeds. PROD1 was designed to operate, without modification, on seabed slopes to 20 deg. In deepwater, PROD completed boring and soundings at a location where the seabed slope was greater than 16 deg. In water depths as shallow as 22m, safe and successful deployments of PROD were repeatedly undertaken, proving PROD's shallow water capability and demonstrating the versatility of the system compared to ship mounted systems.

Browse Basin – Australia

PROD completes rapid deep water investigation

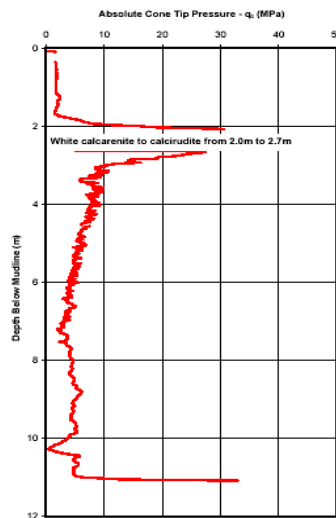
Benthic Geotech further demonstrated its deep water capabilities when it completed a very rapid drilling, sampling and in situ testing programme in water depths of greater than 500m at a remote location in the Browse Basin, North West Shelf, Australia. Of particular significance was the use of PROD's soft soil feet which were utilised to ensure that no artificial surcharge effects were created in the near surface soils ensuring that accurate and precise data was produced.



Timor Sea – Australia PROD proves to be the ideal tool for a FPSO geotechnical investigation.

PROD's versatility and reliability were clearly demonstrated in July 2006 when Benthic Geotech completed a 15 borehole programme at the Puffin Field in the Timor Sea, Australia. Water depths were approximately 100m.

PROD's versatility in switching between CPT and piston sampling in soft soils and rotary core sampling in hard layers was essential in producing full data profiles and gaining a complete understanding of the site. This ability enabled the client to modify the programme as understanding of the site increased with each borehole.



WHO'S NEW AT BENTHIC?

People

To support increased activity from our Singapore Operations Base, two new employees joined the Benthic team.

Ronnie Yu – Operations Base Manager

Ronnie has more than thirty years experience in the offshore oil services sector including survey and investigation roles working in Egypt, India, China, Philippines, Indonesia, Vietnam, Malaysia and Thailand. Ronnie spent 12 recent years as Resident Survey Manager for Oceaneering International in Balikpapan, Indonesia.

Nazri Samsuri – Geotechnical Engineer

Nazri started his career as a Geotechnical Engineer with Somehsa Geosciences. He has considerable experience in offshore soil investigation and associated laboratory tests from programmes in South East Asia and West Africa. Nazri has been part of the team for previous PROD deployments in Australia, New Zealand, and South Korea.

As part of its continuing organic growth Benthic is pleased to announce three important new management appointments.

Kazim Reza – Chief Financial Officer

Kazim joined Benthic Geotech in February 2007 after having spent 14 years in the Oilfield sector with Schlumberger, followed by 9 years in the Telecommunication sector. His oilfield roles involved working in countries within Europe, the Middle East, and South East Asia.

Greg Fyffe – Business Development Manager

Greg joined Benthic Geotech in April 2007 having spent 8 years in various roles spanning the oil industry supply chain. His career started with Schlumberger where he spent 4 years working as a field engineer and later as an oilfield base manager. Greg holds a Bachelor of Engineering (Petroleum) from UNSW and an MBA from the AGSM.

Angus Nichols – Design Manager

Angus joined Benthic Geotech in December 2006. He has spent the last 14 years in a variety of R&D, design and product development roles mainly in the mineral processing and appliance industry. Early in his career, Angus worked as part of the original Design Team for PROD1.

WHAT'S NEW AT BENTHIC?

PROD2 and PROD3 under construction

By April 2008 Benthic Geotech is aiming to finalise commissioning of PROD2 and by July 2008 expects to commence operations with PROD3.

The units will operate from our Singapore Operations Base and new bases to shortly be established in Europe and the US.

The newer PROD units will carry the full range of Benthic Geotech in situ testing tools, take continuous 75mm dia samples to seabed penetrations of 75m in water depths to 3000m on slopes to 20 degrees.

SPECIALIST MARINE GEOTECHNICAL SURVEY

SYDNEY - SINGAPORE - HOUSTON

CONTACT:

Peter Williamson - Chief Executive Officer
peter.williamson@bgt.com.au

Greg Fyffe - Business Development Manager
greg.fyffe@bgt.com.au