

Attn Barbara. 03. 96209938

Could you please forward these faxes to
Barry Messent. ANZON's ops geo. at 02 99225877



Anzon Australia
LIMITED

Basket-4

Date : 10 May 2006

Geology Report Number : 8

(associated DDR # 14)

Well Details

Depth MDRT:	2738.0m	Rig:	OCEAN PATRIOT	Date:	10 May 2006
Depth TVDBRT:	2576.0m	RTE amsl:	21.5m	Report Start:	00:00
Depth TVDSS:	2554.5m	LAT amsl:	154.5m	Report End:	24:00
Progress:	93.0m	Last Csg Size:	13.375in	Days On Location:	12.44
Hole Size:	12.250in	Last Csg. Shoe (TVD):	987.2m	Days since Spud:	72.50
Hole Size Carbide:		Last Csg. Shoe (MD):	998.5m		
		F.I.T. / L.O.T.:	12.50ppg /		

Operations Summary

24hr Summary:	POOH and picked up new insert bit, RIH and drilled the Latrobe Formation interval 2645-2738m MD. 2645-2738 m MDRT Interval of highly interbedded lithologies comprising clean, coarser grained sandstones, with variably argillaceous finer grained sandstones, siltstones, and claystones. Occasional coaly stringers in places. ROP - m/hr m/hr average ROP Background gas %TG
Forward Plan:	Drill ahead the 311mm / 12 1/4" hole section.

WBM Data

Mud Type: PHPA/KCL/Glycol	Flowline Temp:	CI:	42500mg/l	Low Gravity Solids:	Viscosity	81sec/qt
Sample From: Active pit	MWD Circ Temp:	Hard/Ca:	400mg/l	High Gravity Solids:	PV	18cp
Time: 19:30	Glycol CP Temp:	MBT:	5	Solids (corrected):	YP	30lb/100ft ³
Weight: 9.50ppg	Glycol: 3.0%vol	PM:	0.3	H2O:	Gels 10s	9
ECD TD:	Nitrates:	PF:	0.1	Oil:	Gels 10m	13
ECD Shoe:	Sulphites:	MF:	0.6	Sand:	Fann 003	7
ECD Cuttings:	API FL: 4.3cc/30min	pH:	8.8	Barite:	Fann 006	9
KCl Equiv: 8%	API Cake: 1/32nd"	PHPA Excess:			Fann 100	28
					Fann 200	39
					Fann 300	46
					Fann 600	62

Formation Tops

Formation	Prognosed		Actual		Diff.	Thickness (MD)	Pick Criteria
Gippsland Limestone	177.00	155.00	176.00	154.50	0.50	1648.50	Drillfloor
Lake Entrance Fm	1820.00	1725.00	1824.50	1728.50	-3.50	365.50	LWD GR-RES
Latrobe Gp	2190.00	2068.00	2190.00	2065.20	2.80	0.00	LWD GR-RES

Gas

Depth Range	Gas Type	Total Gas (%)	C1 (ppm)	C2 (ppm)	C3 (ppm)	iC4 (ppm)	nC4 (ppm)	C5 (ppm)	C1/C2 (ppm)	C1/C3 (ppm)	F1* (ppm)	F2* (ppm)	F3* (ppm)
2645.00 - 2738.00	Background	0.05	391	27	27	8	9	11	14.48	14.48	35.55	17	83.45
2734.50 -	Gas peak	0.18	1350	240	89	16	10	15	5.62	15.17	90	26	570.27

Comment:
F1*: C1 / C5 F2*: iC4 + nC4 F3*: (C2 + C3) / (C5 / (iC4 + nC4))

Survey

MDRT (m)	Ind. (deg)	Corr. Az (deg)	TVDBRT (m)	V Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
2640.94	27.8	265.8	2489.15	749.9	0.9	-57.3	-747.7	MWD
2669.25	27.2	265.6	2514.26	762.9	0.7	-58.3	-760.7	MWD
2697.88	24.9	266.0	2539.99	775.5	2.4	-59.2	-773.3	MWD
2727.14	22.3	267.4	2566.80	787.2	2.6	-59.9	-785.0	MWD



Anzon Australia

LIMITED

06:00 Hrs Update

Time:	06:00 Hrs on 11 May 2006
Depth:	2764 / 2601
Progress Since Midnight:	26
Drilling Status:	Drilling ahead 311mm (12 1/4") hole at 2764m MDRT
Formation:	Latrobe Group, drilling above the K2 Sandstone.
Lithology:	Highly interbedded, Sandstone, Argillaceous Sandstone, Argillaceous Siltstone, Siltstone and thin Coals. Occasional hard dolomitic cemented Sandstone.
ROP:	1.7 - 44 m/hr 5 m/hr average
Gas:	Background 0.052% C1 283 ppm, C2 37 ppm, C3 29 ppm, IC4 7 ppm, NC4 7 ppm, C5 12 ppm.

Wellsite Geologist(s)

(Days) - Mike Woodmansee

(Nights) - Stuart Duff

Lithology Report

Depth Interval		Main Lithology	Lithology %	Qualifier	Description
Depth (mRT)	Depth Range				
2645.0	2650.0	Sst	60		Sandstone, olive grey overall comprising clear to translucent quartz grains, loose, sub-angular to sub-rounded, moderately sorted, slightly elongated to slightly spherical, 5% siliceous clay, 5% siliceous silt, 90% siliceous sand, 20% fine grained, 60% medium grained, 20% coarse grained, trace of coal/lignite, trace of mica, 20% porosity.
2660.0	2665.0	Clyst	20		Claystone, mostly medium to darker shades of brownish grey and brownish, soft to firm, sub-blocky to dispersive, 85% siliceous clay, 10% siliceous silt, 5% siliceous sand, trace of pyrite, trace of coal/lignite, 1% mica.
2670.0	2675.0	Sst	20	arg	Sandstone, varying light to medium shades greyish brown with minor dark grey, soft to friable, sub-angular to sub-rounded, moderately sorted to well sorted, 30% siliceous clay, 30% siliceous silt, 40% siliceous sand, 40% very fine grained, 50% fine grained, 10% medium grained, trace of coal/lignite, 1% mica, 12% porosity.
2690.0	2695.0	C	5		Coal, black, sub-bituminous to bituminous, firm to hard, conchoidal to blocky.
2705.0	2710.0	Clyst	85	carb	Claystone, mostly medium to darker shades of brownish grey and brownish, minor blackish brown, soft to firm, sub-blocky to dispersive, 90% siliceous clay, 5% siliceous silt, 5% siliceous sand, 5% coal/lignite, 0.5% mica.
2705.0	2710.0	Sst	10		Sandstone, olive grey overall, comprising clear to translucent quartz grains, loose, sub-angular to sub-rounded, poor sorted to moderately sorted, slightly elongated to slightly spherical, 5% siliceous clay, 5% siliceous silt, 90% siliceous sand, 15% fine grained, 30% medium grained, 40% coarse grained, 10% very coarse grained, 5% granular grained, trace of coal/lignite, trace of mica, 20% porosity.
2710.0	2715.0	Sst	15	arg	Sandstone, varying light to medium shades greyish brown with minor dark grey and dark brown, soft to friable, sub-angular to sub-rounded, moderately sorted to well sorted, 30% siliceous clay, 30% siliceous silt, 40% siliceous sand, 40% very fine grained, 50% fine grained, 10% medium grained, 1% coal/lignite, 1% mica, 14% porosity.
2725.0	2730.0	Sst	30		Sandstone, clear to translucent quartz grains, loose, sub-angular to sub-rounded, to moderately sorted, slightly elongated to slightly spherical, 5% siliceous clay, 5% siliceous silt, 90% siliceous sand, 5% very fine grained, 20% fine grained, 65% medium grained, 5% coarse grained, 5% very coarse grained, trace of coal, trace of mica, 20% porosity.

Recorded data
ie Real time
13-4

