



DAILY GEOLOGICAL REPORT

DGR 9

| | | | |
|-------------------------------|---|-------------------------|-----------------------|
| Date: | 22 December 2008 | Licence / State: | VIC/P46 |
| Report Period: | 06:00 – 06:00 hrs AEDT | Rig: | Seadrill: West Triton |
| Days From Spud: | 8 | RT - SEAFLOOR: | 76.7m |
| Current Hole Size: | 311mm (12.25") | WATER DEPTH | 38.7 m MSL |
| | | RT: | 38.0 m MSL |
| Depth @ 06:00 Hrs EST: | 1563m MDRT | PTD: | 4000.0 m MDRT |
| | 1562.25m TVDRT | Spud Date: | 14 December 2008 |
| | -1524.25m SS | | |
| 24 Hr Progress: | 407m | | |
| 06:00 – 06:00 EST | | | |
| Current Operation: | Drilling ahead 12 ¼" hole in the Paaratte Formation at 20m/hr. | | |
| AFE Cost (Drill)\$ | (C&S)\$ | Cost To Date: | |
| | (P&A)\$ | | |

| Casing Data | Hole Size | Depth | Casing Size | Wt: | Type | Shoe Depth | LOT |
|-------------|---------------|-------|----------------|---------|--------|------------|-------------|
| 1 | 914 mm (36") | 119m | 762mm (30") | | X52 | 116m | |
| 2 | 444mm (17.5") | 999m | 340mm(13.375") | 68lb/ft | NT80HE | 987m | 15.0ppg EMW |
| 3 | 311mm(12.25") | | 244mm(9.675") | | | | |

| Mud Data | Type: | Wt: | Visc: | WL: | PH: | KCI: | Cl -: | PV/YP: | Rmf |
|----------|-------------|-----|-------|-----|-----|------|-------|--------|-----|
| 16:00 | KCI Polymer | 9.6 | 78 | 4.4 | 8.5 | 8.5% | 44k | 21/27 | - |

| Bit Data | No. | Make | Type | | Size | Hours | Meters | Condition |
|----------|-----|--------|------|-----------------|----------------|-------|--------|---------------------|
| Present | 4 | Reed | PDC | RSR616M -A10 | 311mm (12.25") | 23.5 | 536 | |
| Last | 3 | Hughes | Rock | GT-1 | 311mm (12.25") | 2 | 28 | 0 0 NO A E I NO BHA |

| Surveys | Type | MD (m) | Inclination | Azimuth (T) | TVD (m) | Offset (m) | Direction (T) |
|---------|------|---------|-------------|-------------|---------|------------|---------------|
| 36 | MWD | 1230.79 | 2.72 | 225.15 | 1230.41 | 15.96 | 225.85 |
| 40 | MWD | 1436.37 | 2.94 | 228.54 | 1435.74 | 25.97 | 226.34 |
| 43 | MWD | 1525.13 | 3.06 | 228.31 | 1524.38 | 30.63 | 226.63 |

| Fluid Loss | Interval MDRT | Total or Rate (bbl) | Remarks |
|------------|---------------|---------------------|----------------------|
| Mud | 1156-1563 | Up to 60bbl/hr | Losses over shakers. |

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary at 06:00 hrs AEDT

Drilled ahead 311mm (12.25") hole 1156-1563m.

Anticipated operations:

Drill ahead 311mm (12.25") hole.

FORMATION TOPS

| FORMATION | ACTUAL TOP | | High / Low | High / Low | PROGNOSED TOP | |
|-------------------------|------------|-------|------------|------------|---------------|---------|
| | (MDmRT) | (mSS) | Prognosis | Normanby-1 | (MDmRT) | (mSS) |
| Heytesbury Group | 76.7 | -38.7 | 0m | 10 High | 76.7 | -38.7 |
| Nirranda Group | 492 | -454 | 49m Low | 145 High | 443.0 | -405.0 |
| Dilwyn Formation | 576 | -538 | 38m Low | 152 High | 538.0 | -500.0 |
| Pember Mudstone | 963 | -925 | 15m Low | 255 High | 948.0 | -910.0 |
| Pebble Point Formation | 1075 | -1037 | 47m Low | 227 High | 1028.0 | -990.0 |
| Timboon Sandstone | 1092 | -1054 | 44m Low | 236 High | 1048.0 | -1010.0 |
| Paarratte Formation | 1245 | -1207 | 22m Low | 251 High | 1223.0 | -1185.0 |
| Skull Creek Mudstone | | | | | 1703.0 | -1665.0 |
| Nullawarre Greensand | | | | | 1823.0 | -1785.0 |
| Belfast C & B Mudstone | | | | | 1878.0 | -1840.0 |
| Belfast A Mudstone | | | | | 2163.0 | -2125.0 |
| Flaxman Formation | | | | | 2938.0 | -2900.0 |
| Waarre Formation Unit C | | | | | 3228.0 | -3190.0 |
| Waarre Formation Unit B | | | | | 3533.0 | -3495.0 |
| Waarre Formation Unit A | | | | | 3588.0 | -3550.0 |
| Eumeralla Formation | | | | | 3988.0 | -3950.0 |
| Total Depth | | | | | 4000.0 | -3962.0 |

HYDROCARBON SHOW SUMMARY

| INTERVAL | LITHOLOGY & HYDROCARBON FLUORESCENCE | GAS |
|------------|--------------------------------------|-----|
| 1156-1530m | Nil | |

| GAS | MD (m) | Peak | Background | Chromatograph |
|----------------|--------|------|------------|---------------|
| Trip Gas | | | | |
| Connection Gas | | | | |

GEOLOGICAL SUMMARY

| INTERVAL ROP (m/hr) | LITHOLOGY | GAS (Peak / BG) Composition % |
|--|---|----------------------------------|
| 1156-1245 10-41.6m/hr 31.5m/hr avg | <p>Timboon Sandstone Sandstone with interbedded Claystone and Siltstone SANDSTONE: (40-80%) Quartzose, clear to translucent, frosted, medium light grey in part, medium to predominantly coarse to very coarse, angular to subrounded, poor to moderate sorting, clean, common coarse nodular pyrite, trace limonite stained quartz, common carbonaceous fragments, common smoky/coarse milky quartz float, disaggregated, fair porosity, no fluorescence. CLAYSTONE: (60-20%) Dark grey to brown black, moderately silty, slightly calcareous in part, common carbonaceous/coaly fragments, micromicaceous, trace muscovite, soft to plastic, massive to blocky in part SILTSTONE: (10-30%) Dark grey to olive, slightly calcareous in part, commonly carbonaceous, common lithic fragments, soft, blocky.</p> | 0.04u BG 100 |

| | | |
|--|--|-------------------------|
| <p>1245-1440m</p> <p>5-48m/hr 32m/hr avg</p> | <p>Paaratte Formation Interbedded Sandstone, Claystone and Siltstone with occasionally thin Coal seams.</p> <p>SANDSTONE: (30-90%) Quartzose, clear to translucent, frosted, grey brown in part, fine to predominantly medium, coarse in part, subangular to subround, rounded in part, moderate sorting, predominantly clean, silty/argillaceous matrix in part, trace pyritic cement and pyrite nodules, trace carbonaceous material, common coarse milky quartz float, disaggregated, poor to fair porosity, no fluorescence.</p> <p>SILTSTONE: (0-45%) Dark grey to olive grey to yellowish grey, locally very argillaceous grades to silty claystone in part, slightly arenaceous, micromicaceous, moderately abundant carbonaceous specks, trace lithic fragments, soft to firm, blocky to subfissile.</p> <p>CLAYSTONE: (10-70%) Dark grey to brown black, locally moderately to very silty grades to argillaceous siltstone in part, locally common carbonaceous material and carbonaceous microlaminae, occasionally white kaolinitic/arenaceous inclusions, micromicaceous, soft, massive to amorphous.</p> <p>COAL: (0-10%) Black, subbituminous, dull to subvitreous lustre, occasionally disseminated pyrite, platy to uneven fracture, brittle, blocky to platy in part.</p> | <p>0.17u BG 100</p> |
| <p>1440-1530m</p> <p>3-42m/hr 18.5m/hr avg</p> | <p>Thinly interbedded Sandstone, Siltstone and Claystone</p> <p>SANDSTONE: (50-90%) Quartzose, clear to translucent, frosted, grey brown in part, fine to predominantly medium, coarse in part, subangular to subround, rounded in part, moderate sorting, predominantly clean, silty/argillaceous matrix in part, trace pyritic cement and pyrite nodules, trace carbonaceous material, trace coal, common coarse milky quartz float, disaggregated, with minor silica cement, occasionally carbonate cemented very fine sandstone aggregates poor to fair porosity, no fluorescence.</p> <p>SILTSTONE: (5-45%) Dark grey to olive grey to yellowish grey, locally very argillaceous grades to silty Claystone in part, slightly arenaceous, micromicaceous, moderately abundant carbonaceous specks, trace lithic fragments, soft to firm, blocky to subfissile.</p> <p>CLAYSTONE: (0-45%) Dark grey to brown black, locally moderately to very silty grades to argillaceous siltstone in part, locally common carbonaceous material and carbonaceous microlaminae, occasionally white kaolinitic/arenaceous inclusions, micromicaceous, soft, massive to amorphous.</p> | <p>0.09u BG 100</p> |
| | | |

REMARKS:

DGR 9 links to DDR 12

Carbide lag check @ 1421m, hole in gauge. 18u TG

LWD Offsets from Bit:

Run 2:

GR: 4.9m
Res: 4.85m
ECD: 4.14m
Survey: 12.96m
Sonic: 22.37m

Geologists: Roman Leslie / Greg Clota