

Date:	06 August 2006	Licence / State:	P39 (V) / VIC
Report Period:	06:00 - 06:00 Hours	Rig:	Ensign 32
Days from Spud:	8	GL:	2.7m
Current Hole Size:	12.25"	RT:	8.6m
Depth @ 0600 Hrs:	1606m MDRT	PTD:	2281m MDRT (-1338mSS)
	-822m TVDSS	Spud Date:	04:30 hrs 29/07/06
24 Hr Progress:	333m		
Current Operation:	Tripping out of hole to layout Geopilot BHA having drilled 12.25" Tangent section to casing point in the Gippsland Limestone.		
Nope Cost	(Drill)\$	(C&S)\$	Cost To Date:
		(P&A)\$	

Casing Data	Hole Size	Depth	Casing Size	Wt:	Type	Shoe Depth	LOT
(Conductor)		100m	20"			60m	
	17.5"	320m	13.375"	54.5	J55 BTC	317m	EMW= 20.0 ppg
	12.25"		9.625"	47.0	N80 BTC		

Mud Data	Type:	Wt:	Visc:	WL:	PH:	KCI%:	Cl -:	PV/YP:	Rmf:
	KCL	9.45	58	5.8	9.0	6.0	30000	22 / 40	-

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition
(@ 24:00)	1	Reed	Rock T11C	17.5"	0.45	20	0-0-NO-A-O-I-RR-BHA
	2RR1	Reed	Rock T11C	17.5"	2.95	200	1-1-NO-A-0-I-RR-TD
	3	Reed	Rock T11	12.25"	9.6	316	0-0-NO-x-0-I-x-BHA
	4	Hycalog	PDC RSX516S	12.25"	20.25	936	In hole

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	1551.4	70.95	118.07	812.72	1122.61	119.02
	MWD	1580.21	71.07	117.93	822.10	1149.85	118.99
	MWD	1596.1	71.07	117.39	827.25	1164.87	118.97
Projected	MWD	1606	71.07	117.05	830.47	1174.23	118.96

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary:

Drill 12.25" tangent section, holding angle at ~71° in the Gippsland Limestone from 1273m to 1606m with the wellpath maintained as per directional plan. Casing depth of 1606m (-822mSS) reached at 02:30 hrs on 06-08-06. Circulate hole clean at bottom. Pull out of hole to 1408m, observe tight spot (first occurrence of Marl in cuttings). Connect Top Drive and work tight spot at 1408m.

Anticipated operations:

Pull out of hole to layout Geopilot assembly. Run in hole with clean out BHA for wiper trip to bottom prior to running 9.625" casing.

MWD Sensor to Bit: GR=13m, Survey=9m

FORMATION TOPS (Preliminary Field picks)

FORMATION	ACTUAL TOP		High/Low		PROGNOSED TOP	
	(MDmRT)	(TVDmSS)	To Prognosis	To East Reeve-1	(MDmRT)	(TVDmSS)
Jemmy's Point	5.9	2.7	-	-	6	3
Tambo River (Coquina)	143.0	-134.4	30.6m High	30.8m High	180	-165
Gippsland Limestone	235.0	-225.9	5.9m Low	0.2m High	230	-220
Lakes Entrance Formation					1876 **	-960 **
Latrobe Coarse Clastics					2098	-1155
Latrobe N. Asperus (Coal)					2163	-1220
Total Depth					2281	-1338

** Revised Prognosis

HYDROCARBON SHOW SUMMARY

INTERVAL	LITHOLOGY & HYDROCARBON FLUORESCENCE	GAS

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

INTERVAL ROP (min/ft)	LITHOLOGY	GAS (Peak / BG) Composition
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1260-1330m ROP:2.1-3.1 Ave:2.6	<p>INTERBEDDED CALCILUTITE AND CALCARENITE</p> <p>CALCILUTITE: (80-100%) Light grey, off white, brown grey, argillaceous, grading to Argillaceous Calcilutite in part, trace light brown grey lithic fragments, trace glauconite, dominantly soft to firm, dispersive.</p> <p>CALCARENITE: (0-20%) Off white, light brown to brown grey, dominantly fine grained, occasional loose medium grains, grading to Calcilutite in part, trace dark brown lithic fragments, rare glauconite grains, trace fossil fragments of shells fragments, bryozoa, echinoid spine fragments, rare forams, moderately hard to hard.</p>	Traces
1330-1410m ROP:1.8-3.5 Ave: 3.0	<p>CALCILUTITE INTERBEDDED WITH MINOR CALCARENITE</p> <p>CALCILUTITE: (80-90%) Pale grey, light to medium brown grey, argillaceous, minor fossil fragments, trace off white lithic fragments, soft, dispersive.</p> <p>CALCARENITE: (10-20%) Off white, light brown to brown grey, dominantly fine grained, occasional loose medium grains, grading to Calcilutite in part, trace dark brown lithic fragments, rare glauconite grains, trace fossil fragments of shells fragments, bryozoa, echinoid spine fragments, rare forams, moderately hard to hard.</p>	Traces
1410-1480m ROP:2.8-4.5 Ave:3.5	<p>CALCILUTITE INTERBEDDED WITH MARL AND MINOR CALCARENITE</p> <p>CALCILUTITE: (50-60%) Pale brown, pale brown grey, trace off white, argillaceous grading to Marl in part, trace dark grey lithic fragments, soft to firm.</p> <p>MARL: (20-30%) Light to medium grey, argillaceous with occasional light grey argillaceous micro-laminations, soft to dominantly firm, occasional moderately hard, subblocky.</p> <p>CALCARENITE: (10-20%) Light grey, off white, pale grey brown, fine to very fine grained, grading to Calcilutite in part, trace dark grey lithic fragments, trace fossil fragments, moderately hard to friable in part.</p>	Traces

INTERVAL ROP (min/ft)	LITHOLOGY	GAS (Peak / BG) Composition
1480-1563m ROP: 2.7-6.5 Ave: 4.0	<p>CALCILUTITE INTERBEDDED WITH MARL AND MINOR CALCARENITE</p> <p>CALCILUTITE: (40-50%) Pale brown, pale brown grey, trace off white, argillaceous grading to Marl in part, trace dark lithic fragments, soft to firm.</p> <p>MARL: (20-40%) Grey brown, medium grey, light green grey, occasional light grey argillaceous micro-laminations, soft to dominantly firm, occasional moderately hard, subblocky.</p> <p>CALCARENITE: (0-10%) Light grey, off white, pale grey brown, fine to very fine grained, grading to Calcilutite in part, trace dark grey lithic fragments, trace fossil fragments, moderately hard to friable in part.</p>	Traces
1563-1606m ROP: 3.3-6.0 Ave: 3.6	<p>INTERBEDDED MARL AND CALCILUTITE</p> <p>MARL: (30-50%) Grey brown, medium grey, light green grey, occasional light grey argillaceous micro-laminations, soft to dominantly firm, occasional moderately hard, rare pyrite, subblocky.</p> <p>CALCILUTITE: (50-70%) Pale brown, pale brown grey, trace off white, argillaceous grading to Marl in part, trace dark lithic fragments, soft to firm.</p>	Traces