

DAILY GEOLOGICAL REPORT

WELL: Glenaire-1ST1 **REPORT No.:** 42 **DAYS FROM** 42 **DATE:** 20/10/06

SPUD:

 PL:
 PEP 160
 0000 hrs Depth:
 3563 m
 LAST DEPTH:
 3507 m
 PROGRESS:
 54 m

 LOCATION: Otway Basin
 Rig: Ensign 32
 RT elevation:
 76.1 m
 PTD:
 3945 m

Northing: 5 840 813 m N **Easting:** 499 810 m E **Ground Level** 70.0m

NEARBY WELLS: Tullich-1, Mceachern-1, Haselgrove South-1, Heathfield-1

0600 OPS: Drill ahead with 152mm hole to 3564m, POOH due to low ROP.

PREVIOUS 24 Hours Operations: POOH, lay out MWD, RIH, trip gas 3162 units, drill ahead with 152mm hole to 3563m.

Comment: The sandstone interval from 3508-3532m appears to be gas saturated, however the porosity is inferred as being very poor to poor, with most of the sand interval being sufficiently tight as to preclude gas accumulation. The gross sand interval is 24m, with a net effective gas pay of 5.5m. No evidence was seen in the cutting samples of fracturing, and no mud losses were recorded whilst drilling this interval.

The sandstones from 3550-3564m in cutting samples appear to have extremely limited porosity – sufficiently tight as to preclude gas accumulation - no evidence was observed in cutting samples of fracturing and no mud losses were recorded whilst drilling this interval.

| Formation Tops | Wellsite | Wellsite | Prognosed | Depths | Prognosis | |
|------------------------|-------------|----------|-----------|--------|-------------|--|
| (Wellsite) | (mRT) | (mSS) | (mRT) | (mSS) | Diff H/L | |
| Gambier Limestone | 6.1 | 70 | 6 | 70 | 0 | |
| Dilwyn Formation | 29 | 47 | 82 | -6 | 53H | |
| Pember Formation | 320 | -244 | 347 | -271 | 27H | |
| Pebble Point Formation | 380 | -304 | 421 | -345 | 41H | |
| Sherbrook Group | 448 | -372 | 487 | -411 | 39H | |
| Eumeralla Formation | 609 | -533 | 656 | -580 | 47H | |
| Windermere/Katnook Ss | Not Present | n/p | 2034 | -1958 | Not Present | |
| Laira Formation | 1968 | -1892 | 2059 | -1983 | 91H | |
| Pretty Hill Formation | 3508 | -1822 | 3746 | -3670 | 238H | |
| T.D. | | | 3945 | -3869 | | |
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| Interval (m) ROP (ave) min/m | Lithology Description | Gas/Background Breakdown C1/C2/C3/C4/C5 |
|------------------------------------|---|---|
| 3507 – 3508 (8) | SILTY CLAYSTONE, (100%) medium to dark grey to medium brown, abundant very fine altered feldspar grains in part, trace to common black carbonaceous flecks and detritus, common micromica, hard, subfissile. | 130 (89:6:3:1:1) |
| Fluorescence | NIL | |
| 3508 – 3532 (15) | SANDSTONE, (100%) off white, very fine to fine at top becoming very fine to occasionally very coarse at base, dominantly fine at top becoming dominantly medium to coarse at base, angular to subrounded, poorly sorted, strong silica and weak calcareous cements, common white argillaceous matrix, quartzose, common altered feldspars, trace green grey black and brown lithics, trace fine black coaly detritus, hard, nil to poor visual porosity, no oil fluorescence. NIL | 60 – 2332 (93:3:2:1:1) |
| 3532 – 3550 (4) | SILTY CLAYSTONE, (80%) medium to dark grey to medium brown, common very fine altered feldspar grains in part, slightly carbonaceous, trace fine black carbonaceous flecks and detritus in part, common micromica, hard, subfissile. SANDSTONE, (20%) off white, very fine to very coarse, dominantly fine, angular to subrounded, poorly sorted, strong silica and weak calcareous cements, common white argillaceous matrix, quartzose, common altered feldspars, trace green grey black and brown lithics, trace fine black coaly detritus, very hard, no visual porosity, no oil fluorescence. | 65 – 214 (125) (92:4:2:1:1) |
| Fluorescence | NIL | • |



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| 3550 – 3564 (3) | SILTY CLAYSTONE, (30%) medium to dark grey to medium brown, trace very fine altered feldspar grains in part, moderately carbonaceous, trace fine black carbonaceous flecks and detritus in part, common micromica, hard, subfissile. SANDSTONE, (70%) off white, very fine to rarely coarse, dominantly medium, angular to subrounded, poorly sorted, strong silica and weak calcareous cements, common white argillaceous matrix, quartzose, trace to common altered feldspars, trace green grey black and brown lithics, trace fine black coaly | 75 – 256 (120) (92:4:2:1:1) |
|--------------------|---|--------------------------------|
| | detritus, very hard, no visual porosity, no oil fluorescence. | |
| Fluorescence | The sandstone has dull yellow orange mineral fluorescence, no oil fluorescence or | cut. |
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