

<b>Date:</b>	04 October 2008	<b>Licence / State:</b>	VIC/P44
<b>Report Period:</b>	06:00 – 06:00 Hours EST	<b>Rig:</b>	OCEAN PATRIOT
<b>Days From Spud:</b>	01	<b>RT - SEAFLOOR:</b>	87.8m
<b>Current Hole Size:</b>	311mm (12¼")	<b>WATER DEPTH</b>	67.0m MSL
<b>Depth @ 06:00 Hrs EST:</b>	1050m MDRT	<b>RT:</b>	20.8m MSL
	1045.7m TVDRT	<b>PTD:</b>	~2600m MDRT
	-1024.9m SS MSL	<b>Sidetrack from</b>	03:00 hrs on 3 <sup>d</sup>
<b>24 Hr Progress:</b>	150m	<b>Henry 2:</b>	October,2008
<b>06:00 – 06:00 EST</b>			
<b>Current Operation:</b>	Changing out 311mm (12¼") bit, prior to running in hole.		
<b>Nope Cost (Drill)\$</b>	<b>(C&amp;S)\$</b> 37.4 million	<b>Cost To Date:</b>	
	<b>(P&amp;A)\$</b>		

Casing Data	Hole Size	Depth	Casing Size	Wt:	Type	Shoe Depth	LOT
	914 mm (36")	131.7m	762mm (30")	461 kg/m (310 lb/ft)	Conductor	131.7m	n/a
	445mm (17.5")	657m	340mm (13.375mm)	101 kg/m (68 lb/ft)	L80 BTC	652m	2.21sg (18.4ppg)
	311mm (12.25")						

Mud Data	Type:	Wt:	Visc:	WL:	PH:	KCl:	Cl -:	PV/YP:	Rmf:
21:30hrs	KGlycol	10.4	82	3.8	9.2	10.5	63K	29 / 48	-

Bit Data	No.	Make	Type		Size	Hours	Meters	Condition
<b>Current</b>	2	Reed	PDC	RSX616	311mm (12¼")	-	-	In Hole
<b>Previous</b>	1	Reed	Mill	C11T	311mm (12¼")	22.4	203	0-1-WT-G-E-1-NO-PR

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	996.5	15.3	121	994.1	26.8	132
	MWD	1026.4	15.2	119	1023.0	34.5	130

### OPERATIONS SUMMARY

#### Previous 24 hrs Operations Summary at 06:00 hrs EST

Drill ahead 311mm (12¼") directional hole from 900m to 1050m. Circulate bottoms up. Pull out of hole. Change out Xceed for a Powerdrive X5 and new PDC bit. Shallow test LWD tools and run in hole. Unable to pass obstruction in casing swedge. Pull out of hole.

#### Anticipated Operations:

Change bit, perform LWD shallow test and run in hole. Drill ahead 311mm (12¼") directional hole.

FORMATION	FORMATION TOPS					
	ACTUAL TOP		High / Low	High / Low	PROGNOSED TOP	
	(mMDRT)	(mSS MSL)	Prognosis (m)	Henry 1	(MDmRT)	(mSS MSL)
SEA LEVEL	20.8	0.0			20.8	0.0
HEYTSBURY GP	87.8	-67.0	1.0 High	0.5 High	88.8	-68.0
MEPUNGA FM	720.0	-699.2	0.2 Low	56.1 High	720.0	-699.0
DILWYN FM / WANGERRIP GP	848.0	-827.1	24.1 Low	24.4 High	824.0	-803.0
				<b>Henry 2</b>		
PEMBER MUDSTONE					1092.2	-1066.1
PEBBLE POINT FM					1128.9	-1101.1
MASSACRE SHALE					1199.5	-1168.3
TIMBOON FM					1213.3	-1181.4
PAARATTE FM					1416.1	-1361.5
SKULL CREEK MDST					1669.1	-1543.2
K85 UNCONFORMITY					2071.6	-1693.7
WAARRE A					2071.6	-1693.7
TOTAL DEPTH						

**HYDROCARBON SHOW SUMMARY**

INTERVAL	LITHOLOGY & HYDROCARBON FLUORESCENCE	GAS

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

**GEOLOGICAL SUMMARY**

INTERVAL ROP (m/hr)	LITHOLOGY	GAS (Peak / BG) Composition
900 – 980m 19 – 57 m/hr Av: 34 m/hr	SANDSTONE. <u>SANDSTONE</u> : clear to translucent, pale grey to off white, medium to very coarse, minor fine, poorly sorted, sub-angular to sub-round, weak siliceous cement, no matrix, minor pyrite nodules, loose clean grains, fair to good inferred porosity, no fluorescence.	trace C1
980 – 1050m 3 – 110 m/hr Av: 20 m/hr	INTERBEDDED SANDSTONE AND SILTSTONE. <u>SANDSTONE</u> : clear, translucent, light grey, fine to coarse grained, poor sorting, sub angular to predominately sub rounded, weak siliceous cement, no matrix, trace orange lithics, predominately loose clean quartz grains, fair to good inferred porosity, no fluorescence. <u>SILTSTONE</u> : medium brown, medium dark brown, argillaceous, minor carbonaceous specks, very soft and dispersive, amorphous, minor sub blocky.	trace C1

**REMARKS:**

LWD Sensor Offsets from the Bit:

GR: 11.88m  
Resistivity: 11.83m  
D & I: 19.88m