

Date:	06 October 2008	Licence / State:	VIC/P44
Report Period:	06:00 – 06:00 Hours EST	Rig:	OCEAN PATRIOT
Days From Spud:	03	RT - SEAFLOOR:	87.8m
Current Hole Size:	311mm (12¼")	WATER DEPTH	67.0m MSL
Depth @ 06:00 Hrs EST:	1310m MDRT	RT:	20.8m MSL
	1290.4m TVDRT	PTD:	~2600m MDRT
	-1269.6m SS MSL	Sidetrack from	03:00 hrs on 3 rd
24 Hr Progress:	260m	Henry 2:	October,2008
06:00 – 06:00 EST			
Current Operation:	Drilling 311mm (12¼") directional hole in the Timboon Formation at 15 m/hr.		
Nope Cost (Drill)\$	(C&S)\$ 37.4 million	Cost To Date:	
	(P&A)\$		

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:
22:00hrs	KGlycol	11.3	82	3.5	9.0	10.8	63K	34 / 53	-

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition	
Current	2	Smith	PDC	MD519	311mm (12¼")	10.4	260	Drilling
Previous								

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	LWD	1224.7	20	121	1211.9	94	125
	LWD	1255.2	22	124	1240.4	105	125

OPERATIONS SUMMARY

<p>Previous 24 hrs Operations Summary at 06:00 hrs EST</p> <p>Mill obstruction in casing swedge. Pull out of hole laying down mill assembly. Make up 311mm (12¼") bit on drill collars and run in hole, able to pass through casing swedge. Pull out of hole. Make up 311mm (12¼") directional Bottom Hole Assembly and run in hole. Wash from 875m to 1050m. Drill 311mm (12¼") directional hole from 1050m to 1310m.</p> <p>Anticipated Operations:</p> <p>Drill ahead 311mm (12¼") directional hole to section total depth of +/-2085m.</p>
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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
				Henry 2		
PEMBER MUDSTONE	1092.5	-1065.6	0.5 High	0.5 High	1092.2	-1066.1
PEBBLE POINT FM	1131.0	-1102.4	1.3 Low	1.3 Low	1128.9	-1101.1
MASSACRE SHALE	1201.0	-1168.7	0.4 Low	0.4 Low	1199.5	-1168.3
TIMBOON FM	1214.5	-1181.6	0.2 Low	0.2 Low	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
1050 – 1092.5m 8 – 112 m/hr Av: 47 m/hr	SILTSTONE WITH MINOR INTERBEDDED SANDSTONE. <u>SANDSTONE</u> : clear, translucent, light grey, fine to coarse grained, poor sorting, sub angular to predominately sub rounded, weak siliceous cement, common light brown argillaceous matrix in fine grained aggregates, fair inferred porosity, no fluorescence. <u>SILTSTONE</u> : medium brown, medium dark brown, argillaceous, minor carbonaceous specks, soft and dispersive, amorphous, minor sub blocky.	trace C1
	PEMBER MUDSTONE 1092.5m MDRT 1086.4m TVDRT (-1065.6m SS)	
1092.5 – 1131m 13 – 120 m/hr Av: 49 m/hr	<u>SILTSTONE</u> : medium brown, medium dark brown, argillaceous, minor carbonaceous specks, soft to firm, dispersive in part, sub blocky.	trace C1
	PEBBLE POINT FORMATION 1131.0m MDRT 1123.2m TVDRT (-1102.4m SS)	

<p>1131 – 1201m 13 – 127 m/hr Av: 50 m/hr</p>	<p>SANDSTONE WITH MINOR INTERBEDDED SILTSTONE. <u>SANDSTONE</u>: translucent, clear, light grey, fine to very coarse grained, sub angular to predominately sub rounded, poor sorting, trace light brown argillaceous matrix, minor nodular pyrite, rare glauconite, rare carbonaceous fragments, predominately loose quartz grains, friable fine to medium grained aggregates, fair to good inferred porosity, no fluorescence. <u>SILTSTONE</u>: medium to dark brown, medium to dark brownish grey, medium to dark grey, orange brown, argillaceous, locally very finely arenaceous, rare fine grained glauconite, trace carbonaceous flecks, trace nodular pyrite, firm, sub blocky to blocky.</p>	<p>trace C1</p>
	<p>MASSACRE SHALE 1201.0m MDRT 1189.5m TVDRT (-1168.7m SS)</p>	
<p>1201 – 1214.5m 6 – 62 m/hr Av: 26 m/hr</p>	<p>SILTSTONE WITH INTERBEDDED FINE GRAINED SANDSTONE. <u>SANDSTONE</u>: light brown, light brownish grey, off white, very fine to fine grained, trace medium, moderately well sorted, sub angular to sub rounded, abundant light brownish grey argillaceous matrix, minor fine grained glauconite, trace nodular pyrite, trace carbonaceous fragments, friable fine grained aggregates, very poor visual porosity, no fluorescence. <u>SILTSTONE</u>: medium brownish grey, medium grey, argillaceous, very finely arenaceous in part, trace glauconite, trace nodular pyrite, trace lithics, soft to firm, blocky to sub blocky.</p>	<p>trace C1</p>
	<p>TIMBOON FORMATION 1214.5m MDRT 1202.4m TVDRT (-1181.6m SS)</p>	
<p>1214.5 – 1310m 4 – 79 m/hr Av: 33 m/hr</p>	<p>INTERBEDDED SANDSTONE AND SILTSTONE. <u>SANDSTONE</u>: clear to translucent, minor pale grey to off white, fine to medium, occasionally coarse, moderately sorted, sub-angular to sub-round, weak siliceous cement, minor off white argillaceous matrix, generally loose clean grains, minor friable, poor visual porosity, poor to fair inferred porosity, no fluorescence. <u>SILTSTONE</u>: pale brown to brown grey, medium brown grey in part, argillaceous, minor carbonaceous specks, rare glauconite grains, very soft to dispersive, amorphous, rare sub-blocky.</p>	<p>1 U 100/-</p>

REMARKS:LWD Sensor Offsets from the Bit:

GR: 11.87m
Resistivity: 11.82m
D & I: 19.86m