

<b>Date:</b>	15 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>	12	<b>RT - SEAFLOOR:</b>	87.8m
<b>Current Hole Size:</b>	216mm (8 ½")	<b>WATER DEPTH</b>	67.0m MSL
		<b>RT:</b>	20.8m MSL
<b>Depth @ 06:00 Hrs EST:</b>	2080m MDRT	<b>PTD:</b>	2627m MDRT
	1716.6m TVDRT	<b>Sidetrack from</b>	03:00 hrs on 3 <sup>rd</sup>
	-1695.8m SS MSL	<b>Henry 2:</b>	October,2008
<b>24 Hr Progress:</b>	30m		
<b>06:00 – 06:00 EST</b>			
<b>Current Operation:</b>	Drilling ahead 216mm (8 ½") directional hole at 25m/hr.		
<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")	2050m	244mm (9 5/8") / 273mm (10 ¾")	70 kg/m / 82.8 kg/m	L80	2042.7m	n/a

Mud Data	Type:	Wt:	Visc:	WL:	PH:	KCl:	Cl -:	PV/YP:	Rmf:
18:00hrs	WFW	9.9	60	3.0	7.0	-	85K	13 / 31	-

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition	
<b>Current</b>	3	Smith	PDC	MDI616	216mm (8 ½")	0.8	30	In Hole
<b>Previous</b>								

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	2029.1	78	120	1707.3	683	122
	MWD	2060.9	81	120	1712.9	714	122

### OPERATIONS SUMMARY

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

Make up the 216mm (8½") Bottom Hole Assembly. Shallow test LWD tools. Run in hole and tag top of cement at 2021m. Circulate bottoms up. Inspect the top drive. Drill the shoe track and displace mud system to DIF mud (Drill In Fluid). Drill ahead 216mm (8½") directional hole from 2050m to 2080m.

#### Anticipated Operations:

Drill ahead 216mm (8½") directional hole to total depth of +/-2627m.

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	1092.5	-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	1413.0	-1359.2	2.3 High	2.3 High	1416.1	-1361.5
SKULL CREEK MDST	1665.0	-1537.8	5.4 High	5.4 High	1669.1	-1543.2
K85 UNCONFORMITY	2040.0	-1688.7	5.0 High	5.0 High	2071.6	-1693.7
WAARRE A	2040.0	-1688.7	5.0 High	5.0 High	2071.6	-1693.7
TOTAL DEPTH					2627.0	-1703.2

**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
2050 – 2080m 11 – 75 m/hr Av: 55 m/hr	<p>MASSIVE SANDSTONE WITH RARE SILTSTONE.</p> <p><u>SANDSTONE</u>: off white, clear to translucent, fine to minor medium, moderately well sorted, sub-angular to sub-round, moderately siliceous cement, common off white argillaceous matrix, common lithics and carbonaceous specks, rare silty laminations, loose, friable, poor visual porosity, poor to occasionally fair inferred porosity, no fluorescence.</p> <p><u>SILTSTONE</u>: medium to occasionally dark brown, brown grey in part, minor argillaceous, occasional carbonaceous specks, firm to moderately hard, blocky to sub-blocky.</p>	<p>195 U / 130 U 96/3/1/Tr/Tr 2072m</p> <p>CO2: 49ppm 2067m</p>

**REMARKS:**

LWD Sensor Offsets from the Bit: (216mm (8½") hole section)

Xceed-Ecoscope-MWD

- GR: 9.71m
- Res: 12.75m
- D&I: 20.56m
- Por: 13.16m
- Den: 10.97m
- Caliper: 11.33m
- PWD: 9.87m