

Date:	17 October 2008	Licence / State:	VIC/P44
Report Period:	06:00 – 06:00 Hours EST	Rig:	OCEAN PATRIOT
Days From Spud:	14	RT - SEAFLOOR:	87.8m
Current Hole Size:	216mm (8 ½")	WATER DEPTH	67.0m MSL
		RT:	20.8m MSL
Depth @ 06:00 Hrs EST:	2648.0m MDRT	PTD:	2627m MDRT
	1724.7m TVDRT	Sidetrack from	03:00 hrs on 3 rd
	-1703.9m SS MSL	Henry 2:	October, 2008
24 Hr Progress:	127m		
06:00 – 06:00 EST			
Current Operation:	Laying out the 216mm (8½") directional drilling assembly.		
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")	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:
14:00hrs	DIF	10.0	42	3.2	9.5	-	95K	11 / 31	-

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition	
Current	3	Smith	PDC	MDI616	216mm (8 ½")	52.1	598	In Hole
Previous								

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	2627.3	93.8	119	1726.1	1279	121
Projection	MWD	2648.0	94.1	119	1724.7	1299	121

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary at 06:00 hrs EST

Drill ahead 216mm (8½") directional hole from 2521m to 2634m. Circulate for a sample. Drill ahead from 2634m to 2648m. Circulate sample. Sample confirms upper Waarre "A" formation. **Total depth reached at 12:00hrs on 16/10/08.** Circulate shakers clean. Wiper trip to the casing shoe at 2043m. Run in hole. Circulate hole clean. Pull out of hole.

Anticipated Operations:

Pull out of hole laying out the LWD tools. Make up and run in hole with the casing scraper assembly.

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	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	2648.0	-1703.9	0.9 Low		2627.7	-1703.0

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
2520 – 2640m 5 – 165 m/hr Av: 38 m/hr	SANDSTONE: clear to translucent, pale grey, very fine to dominantly fine, rare medium, moderately well sorted, sub-angular to sub-round, moderately calcareous cement, minor to common off white to pale grey argillaceous matrix, minor carbonaceous specks, loose, minor friable, poor visual porosity, poor to fair inferred porosity, no fluorescence.	100-200 U 96/3/1/tr/tr CO2: 430-875ppm
2640 – 2648m 23 – 56 m/hr Av: 39 m/hr	SANDSTONE WITH INTERBEDDED SILTSTONE. SANDSTONE: clear, translucent, light grey in part, very fine to predominately fine to medium grained, moderately well sorted, sub angular to predominately sub rounded, weak siliceous and minor calcareous cement, minor light grey argillaceous matrix which easily washes from samples, minor carbonaceous specks / flecks, trace fine grained glauconite, rare lithics, friable to predominately loose clean quartz grains, fair to good inferred porosity, no fluorescence. SILTSTONE: medium grey, argillaceous, common fine grained glauconite, trace lithics, soft to firm, dispersive in part, occasionally sub blocky.	12 U 94/4/1/1/tr CO2: 800-947ppm

REMARKS: