

DAILY GEOLOGICAL REPORT

DGR 02

Date:	17 th September 2008	Licence / State:	VIC/P44
Report Period:	06:00 – 06:00 Hours EST	Rig:	OCEAN PATRIOT
Days From Spud:	02	RT - SEAFLOOR:	87.8m
Current Hole Size:	311mm (12¼")	WATER DEPTH	67.0m MSL
Depth @ 06:00 Hrs EST:	1708m MDRT	RT:	20.8m MSL
	1581.7m TVDRT	PTD:	2626m MDRT
	-1560.9m SS MSL	Sidetrack from	05:00 hrs on 16 th
24 Hr Progress:	51m	Henry 2:	September,2008
06:00 – 06:00 EST			
Current Operation:	Running in hole with new 311mm (12¼") bit at 800m.		
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:
	KGlycol	11.0	59	5.5	12.0	8.2	49k	30/40	0.102Ωm @ 14.8°C

Bit Data	No.	Make	Type		Size	Hours	Meters	Condition
Current	2	Reed	PDC	RSX519M	311mm (12¼")	-	-	In Hole
Previous	1	Smith	Mill	XR+	311mm (12¼")	21.4	56	0-1-WT-G-E-1-NO-BHA

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	1659.2	42	112	1546.4	367	120
	MWD	1687.3	44	112	1566.9	386	120

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary at 06:00 hrs EST

Drill 311mm (12¼") directional hole from 1657m to 1708m. Circulate hole clean. Pull out of hole. Change out bit for a PDC and change Bottom Hole Assembly. Run in hole to casing shoe. Slip and cut drill line. Continue running in hole.

Anticipated Operations:

Run in hole. Drill ahead 311mm (12¼") directional hole to casing depth at +/-2049m.

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
PEMBER MUDSTONE	1092.5	-1066.1	12.1 Low	31.4 High	1086.7	-1054.0
PEBBLE POINT FM	1132.5	-1101.1	22.1 Low	21.8 High	1113.6	-1079.0
MASSACRE SHALE	1207.0	-1168.3	33.3 Low	18.6 High	1173.9	-1135.0
TIMBOON FM	1222.0	-1181.4	36.4 Low	17.2 High	1184.7	-1145.0
PAARATTE FM	1443.0	-1361.5	28.5 Low	37.0 High	1389.4	-1333.0
				Henry 2		
SKULL CREEK MDST	1681.0	-1541.5	1.7 High	1.7 High	1686.0	-1543.2
K85 UNCONFORMITY					2014.3	-1693.7
WAARRE A					2014.3	-1693.7
TOTAL DEPTH					2626.9	-1708.7

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
1657 – 1682m 3 – 50 m/hr Av: 22 m/hr	INTERBEDDED SILTSTONE AND SANDSTONE. <u>SILTSTONE</u> : medium dark grey, medium to dark brownish grey, argillaceous in part, very finely arenaceous in part, rare to common glauconite, trace micro mica, trace carbonaceous flecks, moderately hard, sub blocky. <u>SANDSTONE</u> : off white, very light brownish grey, translucent, clear, very fine to fine grained, trace medium, sub angular to predominately sub rounded, moderately well sorted, common weak calcareous cement, common off white argillaceous matrix, rare glauconite, friable aggregates, poor inferred porosity, no fluorescence.	1 U 98/2/trace
	SKULL CREEK MUDSTONE 1682.0m MDRT 1563.2m MDRT (-1542.4m SS)	
1682 – 1708m 6 – 39 m/hr Av: 14 m/hr	SILTSTONE. <u>SILTSTONE</u> : pale brown, minor medium to dark brown grey, argillaceous, minor pyrite nodules and carbonaceous specks, very soft to dispersive, minor moderately hard, amorphous, sub-blocky to minor blocky.	5 U 97/2/1

REMARKS:

LWD Sensor Offsets from the Bit:

GR: 11.96m

Resistivity: 11.91m
D & I: 19.86m