

DAILY GEOLOGICAL REPORT

DGR 02

Date:	27 th August 2008 – 06:00 EST	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:	445mm (17½")	WATER DEPTH	67.0m MSL
Depth @ 06:00 Hrs EST:	581m MDRT -560.2m SS MSL	RT:	20.8m MSL
24 Hr Progress:	449m	PTD:	2047m MDRT
06:00 – 06:00 EST		Spud Date:	03:15 hrs 25 th August,08
Current Operation:	Drilling ahead 445mm (17½") hole in the Heytsbury Group at 30 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")		340mm (13.375mm)	101 kg/m (68 lb/ft)			
	311mm (12.25")						

Mud Data	Type:	Wt:	Visc:	WL:	PH:	KCl:	Cl -:	PV/YP:	Rmf:
	PHG Sweeps	8.8			9.5				

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition
Current	2	Hughes	Mill	MXL-1V	445mm (17½")	-	In Hole
Previous	1	Reed	Mill	Y11	660mm (26") / 914mm (36") H/O	2.7	43.9

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary at 06:00 hrs EST

Make up the 445mm (17½") bottom hole assembly. Run in hole. Tag the top of cement at 129m. Drill the cement and shoe to 131.7m. Drill ahead 445mm (17½") hole from 131.7m to 216m. Pick up remaining drill collars and jars. Drill ahead 445mm (17½") hole from 216m to 581m sweeping the hole mid stand and at connections.

Anticipated Operations:

Drill the 445mm (17½") hole section to +/- 657m. Pull out of hole. Run 340mm (13 3/8") casing.

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	1 High	0.5 High	89.3	-68
MEPUNGA FM					720.3	-699
DILWYN FM / WANGERRIP GP					824.3	-803
PEMBER MUDSTONE					1081.3	-1054
PEBBLE POINT FM					1108.3	-1079
MASSACRE SHALE					1168.3	-1135
TIMBOON FM					1179.3	-1145
PAARATTE FM					1386.3	-1333
SKULL CREEK MDST					1640.3	-1524
K85 UNCONFORMITY					1889.3	-1658
WAARRE A					1889.3	-1658
EUMERALLA FM					1942.3	-1683
TOTAL DEPTH					2046.3	-1733

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
131.7 – 581m	Returns to the sea floor.	

REMARKS: