

DAILY GEOLOGICAL REPORT

DGR 18

Date:	12 th September 2008	Licence / State:	VIC/P44
Report Period:	06:00 – 06:00 Hours EST	Rig:	OCEAN PATRIOT
Days From Spud:	18	RT - SEAFLOOR:	87.8m
Current Hole Size:	311mm (12¼")	WATER DEPTH	67.0m MSL
		RT:	20.8m MSL
Depth @ 06:00 Hrs EST:	1951m MDRT	PTD:	2047m MDRT
	1712.1m TVDRT		
	-1691.3m SS MSL	Spud Date:	03:15 hrs 25 th August,08
24 Hr Progress:	204m		
06:00 – 06:00 EST			
Current Operation:	Drilling 311mm (12¼") directional hole in the Skull Creek Mudstone at 10 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:
	KGlycol	11.0	62	3.8	8.5	8.3	59k	31/47	

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition	
Current	5	Hughes	Mill	MXL-1X	311mm (12¼")	28.4	344	Drilling
Previous								

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	1895.5	59	118	1684.3	558	119
	MWD	1924.2	60	119	1698.7	582	119

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary at 06:00 hrs EST

Drill 311mm (12¼") directional hole from 1747m to 1951m.

Anticipated Operations:

Drill ahead 311mm (12¼") directional hole to total depth. Circulate hole clean. Pull out of hole. Run in hole with the cementing mule shoe and set abandonment / sidetrack plugs.

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
SKULL CREEK MDST	1682.0	-1543.2	19.2 Low	97.8 High	1637.1	-1524.0
K85 UNCONFORMITY					1885.8	-1658.0
WAARRE A					1885.8	-1658.0
EUMERALLA FM					1935.8	-1683.0
TOTAL DEPTH					1977.0	-1703.6

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
1740 – 1840m 6 – 32 m/hr Av: 13 m/hr	<u>SILTSTONE</u> : medium grey, medium dark grey, medium to dark brownish grey, argillaceous with clay component easily washed from samples, very finely arenaceous, trace lithics, trace glauconite, soft to firm, dispersive, blocky.	8 U 96/3/1
1840 – 1940m 6 – 27 m/hr Av: 10 m/hr	<u>SILTSTONE</u> : medium dark grey, medium to dark brownish grey, argillaceous, minor carbonaceous fragments/specks, rare nodular pyrite, minor to common glauconite, rare Limestone fragments, moderately hard to locally hard, sub blocky.	12 U 95/4/1 CO2 from 1820m 40ppm increasing to 450ppm

REMARKS:

LWD Sensor Offsets from the Bit:

GR: 11.54m
 Resistivity: 11.49m
 D & I: 19.44m
 HeFar: 36.29m
 Density: 35.25m
 Sonic: 34.86m