

|                               |  |                         |                                     |
|-------------------------------|--|-------------------------|-------------------------------------|
| <b>Date:</b>                  | 7 <sup>th</sup> August 2008 – 06:00 EST                        | <b>Licence / State:</b> | VIC/P44                             |
| <b>Report Period:</b>         | 06:00 – 06:00 Hours EST  | <b>Rig:</b>             | OCEAN PATRIOT                       |
| <b>Days From Sidetrack:</b>   | 05   | <b>RT - SEAFLOOR:</b>   | 86.9m                               |
| <b>Current Hole Size:</b>     | 311mm (12 ¼")  | <b>WATER DEPTH</b>      | 66.1m MSL                           |
| <b>Depth @ 06:00 Hrs EST:</b> | 1944m MDRT   | <b>RT:</b>              | 20.8m MSL                           |
|                               | 1681.7m TVDRT  | <b>PTD:</b>             | 2504m MDRT                          |
|                               | (-1660.9m SS MSL)  | <b>Sidetrack from</b>   | 21:00 hrs on 2 <sup>nd</sup> August |
| <b>24 Hr Progress:</b>        | 0m   | <b>Netherby 1:</b>      | 2008                                |
| <b>06:00 – 06:00 EST</b>      |  |                         |                                     |
| <b>Current Operation:</b>     | Running 244mm (9 5/8") casing at 1319m (93 of 136 joints run). |                         |                                     |
| <b>Nope Cost (Drill)\$</b>    | <b>(C&amp;S)\$</b> 25.4 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")   | 130.9m | 762mm (30")                    | 461 kg/m (310 lb/ft) | Conductor | 130.9m     |                  |
|             | 445mm (17.5")  | 647.5m | 340mm (13.375")                | 101 kg/m (68 lb/ft)  | L80       | 642.2m     | 2.12sg (17.7ppg) |
|             | 311mm (12.25") | 1944m  | 244mm (9 5/8") / 273mm (10 ¾") | 70 kg/m (47lb/ft)    |           |            |                  |
|             | 216mm (8½")    |        |                                |                      |           |            |                  |

| Mud Data | Type:  | Wt:  | Visc: | WL: | PH: | KCl: | Cl -: | PV/YP: | Rmf: |
|----------|--------|------|-------|-----|-----|------|-------|--------|------|
|          | 8% KCl | 11.0 | 85    | 3.8 | 9.5 | 9.0  | 48k   | 30/47  | -    |

| Bit Data        | No. | Make | Type | Size   | Hours        | Meters | Condition |                     |
|-----------------|-----|------|------|--------|--------------|--------|-----------|---------------------|
| <b>Current</b>  |     |      |      |        |              |        |           |                     |
| <b>Previous</b> | 1   | Reed | PDC  | RSX616 | 311mm (12¼") | 15.6   | 294       | 1-5-BT-G-X-IN-CT-TD |

| Surveys   | Type | MD (m) | Inclination | Azimuth (T) | TVD (m) | Offset (m) | Direction (T) |
|-----------|------|--------|-------------|-------------|---------|------------|---------------|
|           | LWD  | 1919.6 | 80          | 123         | 1677.6  | 585        | 118           |
| Projected | LWD  | 1944.5 | 81          | 123         | 1681.8  | 609        | 118           |

### OPERATIONS SUMMARY

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

Make up casing running tool and rack back. Retrieve wear bushing. Rig up and run 244mm (9 5/8") L80 70kg/m (47 lb/ft) casing (93 of 136 joints run).

#### **Anticipated Operations:**

Run and cement 244mm (9 5/8") / 273mm (10¾") casing. Pressure test Blow Out Preventers. Make up 216mm (8 ½") Bottom Hole Assembly and run in hole.

| FORMATION                   | FORMATION TOPS |           |               |            |               |           |
|-----------------------------|----------------|-----------|---------------|------------|---------------|-----------|
|                             | ACTUAL TOP     |           | High / Low    | High / Low | PROGNOSED TOP |           |
|                             | (mMDRT)        | (mSS MSL) | Prognosis (m) | Netherby 1 | (MDmRT)       | (mSS MSL) |
| SEA LEVEL                   | 20.8           | 0.0       |               |            | 20.8          | 0.0       |
| HEYTSBURY GP                | 86.9           | -66.1     |               | -          | 87.0          | -65.0     |
| MEPUNGA FM                  | 674.0          | -653.2    | 9.8 High      | -          | 685.0         | -663.0    |
| DILWYN FM /<br>WANGERRIP GP | 778.0          | -757.2    | 6.2 Low       | -          | 773.0         | -751.0    |
| PEMBER MUDSTONE             | 1004.5         | -979.6    | 22.4 High     | -          | 1027.0        | -1002.0   |
| PEBBLE POINT FM             | 1069.0         | -1042.2   | 17.2 Low      | -          | 1051.0        | -1025.0   |
| MASSACRE SHALE              | 1139.0         | -1110.4   | 17.4 Low      | -          | 1123.0        | -1093.0   |
| TIMBOON FM                  | 1155.0         | -1125.4   | 21.4 Low      | -          | 1135.0        | -1104.0   |
| PAARATTE FM                 | 1346.0         | -1293.6   | 9.6 Low       | -          | 1337.0        | -1284.0   |
| SKULL CREEK MDST            | 1561.0         | -1469.5   | 15.5 Low      | 0.2 High   | 1555.0        | -1454.0   |
| K85 UNCONFORMITY            | 1898.0         | -1652.7   | -             | 0.1 Low    | NP            | NP        |
| WAARRE "A"                  | 1929.0         | -1658.5   | 0.5 High      | 3.6 High   | 1939.0        | -1659.0   |
| EUMERALLA FM                |                |           |               |            | NP            | NP        |
| TOTAL DEPTH                 |                |           |               |            | 2504          | -1622.0   |

**HYDROCARBON SHOW SUMMARY**

| INTERVAL | LITHOLOGY & HYDROCARBON FLUORESCENCE | GAS |
|----------|--------------------------------------|-----|
|          |                                      |     |

| GAS | MD (m) | Peak | Background | Chromatograph |
|-----|--------|------|------------|---------------|
|     |        |      |            |               |

**GEOLOGICAL SUMMARY**

| INTERVAL<br>ROP (m/hr) | LITHOLOGY | GAS (Peak / BG)<br>Composition |
|------------------------|-----------|--------------------------------|
|                        |           |                                |
|                        |           |                                |

**REMARKS:**