DAILY GEOLOGICAL REPORT

Report No. 06

REPORT PERIOD: 00:00 – 24:00 hrs, 18/05/2008

WELLSITE GEOLOGISTS: Simon Ward / Bill Leask

RIG:	West Triton	**RT-ML (m):**	77.5	**DEPTH @ 24:00 HRS:**	1766 mMDRT 1618.2 mTVDRT
RIG TYPE:	Jack-up	**RT ELEV. (m, AMSL):**	38.0	**DEPTH LAST REPORT :** (@ 24:00 HRS)	1446 mMDRT 1306.6 mTVDRT
SPUD DATE:	10 May 2008 @ 19:30hrs	**LAST CSG/LINER: (mMDRT)**	340mm (13.375") @ 747.2	**24HR. PROGRESS:**	320m
DAYS FROM SPUD:	8.19	**MW (SG):**	1.12	**LAST SURVEY:**	7.36° @ 1745.7m MDRT, 234.2° Azi 1598.0m TVDRT
BIT SIZE:	311mm (12¼")	**LAST LOT/FIT (SG):**	1.57 @ 754mMD, 705m TVDRT (no leak-off)	**EST. PORE PRESSURE:**	

Operations Summary

24HRS. DRILLING SUMMARY:	Directionally drilled 311mm (12¼") hole with rotary steerable assembly from 1466m to well TD at 1766m MDRT, control drilling at 30 m/hr for improved LWD acquisition from 1520m onwards. Circulated the hole clean for 3.5 hours, rotating and reciprocating the drill string (substantial amount of fine, sticky cuttings returned over the first two circulations). Commenced POOH but unable to open trip tank for flow check. Replaced faulty trip tank remote valve. POOH from 1766m to 1500m. Encountered 30 kips overpull at 1540m MDRT. Worked through tight spot from 1540m to 1530m MDRT before continuing to trip out.
CURRENT STATUS @ 06:00HRS: (19-05-2008)	Pumping and back-reaming out of the hole to the casing shoe. Bit currently at 850m MDRT.
EXPECTED NEXT ACTIVITY:	Run back in hole from the casing shoe for a wiper/conditioning trip. Circulate. POOH and rig up for wireline logging.

Cuttings Descriptions

DEPTH (MMDRT) Top	Btm	ROP (M/HR.) Min.-Max. (Ave.)	DESCRIPTIONS (LITHOLOGY / SHOWS)	BG GAS (%) Ave.	Max.
1440	1523	37.6–131.0 (103.7)	**Calcilutite (with minor accessory mineral glauconite appearing below 1450m).** **CALCILUTE (100%):** Greenish grey to olive grey, firm to moderately hard, sub-blocky to sub-fissile, variably argillaceous and grading to moderately calcareous Claystone, trace to rare (1%) very fine to medium glauconite pellets and nodules below 1450m, trace foraminifera, slightly silty in parts.	0.05	0.066

Cuttings Descriptions (Cont.)

DEPTH (MMDRT)		ROP (M/HR.) Min.-Max. (Ave.)	DESCRIPTIONS (LITHOLOGY / SHOWS)	BG GAS (%)	
Top	Btm			Ave.	Max.
1523	1565	18.9–50.6 (29.9)	**Latrobe Group (Gurnard Formation):** **Glauconitic calcareous Claystone and Calcilutite.** **CALCAREOUS CLAYSTONE (50-95%):** Light greenish grey to olive grey, becoming brownish grey below 1550m, firm to moderately hard, sub-blocky to sub-fissile, moderately to highly calcareous, 1% very fine to medium glauconite pellets and nodules increasing to 30% fine to coarse nodules by 1550m, trace foraminifera, trace shell and bryozoan fragments. Slightly silty in parts. Trace broken crystalline calcite vein material in parts. **CALCILUTITE (5–50%):** Greenish grey to olive grey, firm to moderately hard, sub-blocky to sub-fissile, argillaceous, grading to Claystone, rare (1%) very fine to medium glauconite pellets and nodules, trace foraminifera, slightly silty in parts.	0.05	0.094
1565	1575	28.9–31.0 (29.9)	**Latrobe Group:** **Siltstone with minor Sand and Coal.** **SILTSTONE (55-75%):** Medium brown grey to olive grey to brown, firm to hard, blocky, slightly carbonaceous, non to slightly calcareous. **CALCILUTITE (20%):** Light grey to greenish grey, firm to hard, grading to calcareous Claystone, silty. **LOOSE SAND (5%):** Very fine to coarse grained, poorly sorted, sub-rounded to rounded, clear translucent quartz. **COAL (0–20%):** Dark brown to black, glossy in parts along fractures, hard, brittle, silty in parts.	0.10	0.23
1575	1600	22.5–34.5 (29.8)	**Interbedded Coal, Siltstone and minor Sandstone (including inferred thick coal seam at 1582.5–1587.5mMDRT).** **COAL (60%):** Dark brown to black, glossy in parts along fractures, hard, brittle, silty in parts. **SILTSTONE (25–35%):** Medium brown grey to olive grey to brown, firm to hard, blocky, slightly carbonaceous to coaly in parts, non to slightly calcareous. ***Moderate to poor oil show (see below).*** **CALCILUTITE (10%):** Light grey to greenish grey, firm to hard, grading to calcareous Claystone, silty; inferred uphole contamination. **LOOSE SAND (Trace – 5%):** Fine to very coarse grained, poorly sorted, sub-rounded to rounded, clear translucent quartz. Minor glauconite, trace pyrite clusters. Trace pyritised quartz. Minor lithic fragments. No shows.	0.50	0.69

Cuttings Descriptions (Cont.)

DEPTH (MMDRT)		ROP (M/HR.) Min.-Max. (Ave.)	DESCRIPTIONS (LITHOLOGY / SHOWS)	BG GAS (%)	
Top	Btm			Ave.	Max.
1600	1634	11.7–34.7 (29.8)	**Interbedded Siltstone and Sandstone.** **(Thick low-gamma beds at 1600–1606m and 1614–1619m have same LWD character as coal seams above and below, but coal is only 5–10% of cuttings).** **SILTSTONE (40% increasing downhole to 80%):** Medium brown grey to olive grey to dark brown, firm to hard, blocky, slightly carbonaceous to coaly in parts, non to slightly calcareous. **LOOSE SAND (15–30%):** Pale grey to brownish grey, very fine upper to very coarse upper, dominantly medium grained, poorly sorted, sub-rounded to rounded, clear quartz, minor lithics, minor calcite grains, minor glauconite, common sub-angular clear quartz granules. **COAL (0–10%):** Dark brown to black, glossy in parts along fractures, hard, brittle, silty in parts. **CALCAREOUS CLAYSTONE (5–20%):** Light grey to greenish grey, firm to hard, moderately to highly calcareous, silty. *(This lithology persists as 5–10% of samples to TD and probably represents uphole contamination.)*	0.20	0.40
1634	1657	6.5–33.6 (27.3)	**Interbedded Coal, Siltstone and Sandstone.** **COAL (10–75%):** Dark brown to black, glossy in parts along fractures, hard, brittle, silty in parts. **SILTSTONE (15–40%):** Medium brown grey to olive grey to dark brown, firm to hard, blocky, slightly carbonaceous to coaly in parts, non to slightly calcareous; in parts grading to carbonaceous very fine Sandstone. **LOOSE SAND (5–30%):** Pale grey to brownish grey, very fine upper to coarse upper, dominantly medium grained, poorly sorted, sub-rounded to rounded clear quartz, minor lithics, minor glauconite, common sub-angular to sub-rounded clear quartz granules. **CALCAREOUS CLAYSTONE (5–20%):** as above.	0.10	0.25
1657	1664	26.7–31.0 (29.7)	**Sandstone.** **LOOSE SAND (85%):** White to pale grey, fine lower to granular, bimodal, dominantly fine to medium and very coarse grained, very poorly sorted, sub-rounded to sub-angular clear to frosted quartz, trace muscovite, trace lithics, trace glauconite. **SILTSTONE (5%):** as above. **COAL (5%):** as above. **CALCAREOUS CLAYSTONE (5%):** as above.	0.03	0.04

Cuttings Descriptions (Cont.)

DEPTH (MMDRT)		ROP (M/HR.) Min.-Max. (Ave.)	DESCRIPTIONS (LITHOLOGY / SHOWS)	BG GAS (%)	
Top	Btm			Ave.	Max.
1664	1676	1.5–33.5 (27.8)	**Interbedded Siltstone, Coal and carbonaceous Claystone; thick coal seam inferred from LWD logs at 1670–1676.5m.** **SILTSTONE (5–45%):** Pale yellowish brown speckled dark brown to black with carbonaceous material; also dusky yellowish brown with abundant carbonaceous material and laminae, blocky to sub-fissile, non calcareous, locally with common muscovite. **COAL (30–80%):** Dark brown to black, glossy in parts along fractures, hard, brittle, silty in parts. **CARBONACEOUS CLAYSTONE (5–10%):** Dark yellowish brown to brownish grey, firm, elongate sub-fissile, commonly with dark polished faces. **LOOSE SAND (5-10%):** as above. **CALCAREOUS CLAYSTONE (5–20%):** as above.	0.05	0.14
1676	1702	4.2–32.8 (28.9)	**Sandstone.** **LOOSE SAND (50–95%):** White to very pale yellow, very fine to granule, dominantly very coarse upper to coarse upper grained, very poorly sorted, angular fragments to sub-rounded, sub-spherical, transparent to translucent quartz. **CALCAREOUS CLAYSTONE (5–40%):** as above. **COAL (0–5%):** as above. **SILTSTONE (0–5%):** as above.	0.01	0.02
1702	1729	20.5–35.1 (29.5)	**Interbedded Siltstone and Sandstone; Coal seams inferred from LWD logs, but only up to 5% of cuttings in some samples.** **LOOSE SAND (35–75%):** Light grey, fine upper to granule, dominantly very coarse to granule grained (clear bimodal sorting in some samples), very poorly sorted, angular fragments to sub-angular, rarely rounded grains, sub-spherical, transparent to translucent quartz. **SILTSTONE (15–60%):** Pale yellowish brown speckled with black coal and carbonaceous material, firm to moderately hard, sub-blocky to fissile, commonly microlaminated, with irregular coal fragments, rarely very fine sandy; rarely with scattered fine glauconite nodules; also loose mammilated grayish green glauconite ovoid nodules (medium to coarse sand-size). **CALCAREOUS CLAYSTONE (5%):** as above. **COAL (5%):** as above.	0.005	0.007

Cuttings Descriptions (Cont.)

Depth (mMDRT) Top	Btm	ROP (m/hr.) Min.-Max. (Ave.)	Descriptions (Lithology / Shows)	BG Gas (%) Ave.	Max.
1729	1740	18.4–33.6 (28.9)	**Coarse – granular Sandstone, in upper part of a 20m thick bed.** **LOOSE SAND (85–95%):** Light yellowish grey, coarse upper to granule grained, moderately to poorly sorted, common angular fragments, dominantly sub-rounded, rarely well rounded, sub-spherical, transparent to translucent quartz, trace pinkish quartz. Trace coarse sandstone aggregate, hard, trace light yellow clay, inferred silica cemented, but overgrowths not confirmed, non calcareous, poor visible porosity. No shows. **SILTSTONE (Trace–5%):** as above. **CALCAREOUS CLAYSTONE (5%):** as above.	0.004	0.005
1740	1766	29.5–67.1 (55.3)	**Medium–coarse Sandstone, in beds up to 20m thick; Siltstone bed indicated on logs at 1749.5–1753m not confirmed by cuttings.** **LOOSE SAND (100%):** Very light grey, very fine to very coarse grained, dominantly medium to coarse, very poorly sorted, angular to sub-rounded, sub-spherical, transparent to translucent quartz. No shows.	0.004	0.004

Gas Data

Depth (mMDRT)	Type	% Total Gas Min – Max (Avg)	C1 ppm	C2 ppm	C3 ppm	iC4 ppm	nC4 ppm	iC5 ppm	nC5 ppm
1446–1523	BG	0.032–0.066 (0.05)	387	1–3	0–2	0	0	0	0
1523–1575	BG	0.03–0.23 (0.07)	541	1–18	1–21	0–7	0–6	0–2	0–1
1575–1621	BG**	0.2–0.65 (0.5)	3026	46	17	7	6	7	4
1585.5	P	1.20	8893	94	55	12	11	5	3
1590	P	0.693	5331	74	28	13	11	16	10
1598	P	0.685	5654	72	18	7	5	6	4
1604	P	0.614	4927	73	13	3	2	3	2
1615	P	0.579	4342	93	12	3	2	4	3
1621–1678	BG	0.01–0.25 (0.10)	668	49	9	1	1	1	0
1644	P	0.253	1779	147	24	2	2	1	1
1673	P	0.132	962	120	21	1	1	0	0
1678–1766	BG	0.004–0.02 (0.006)	19	2	1	0	0	0	0

Type: P-Peak, C–Connection T–Trip, W-Wiper Trip, BG-Background Gas, FC-Flow Check, *P-Pumps off, SWG-Swab Gas

**Note: Background gas through interval 1575–1621m estimated from trend through closely spaced peaks. Gas breakdown is average values for the interval, including peaks.

Oil Show

Depth (mMDRT)	Oil stain	Fluor% / Colour	Fluor Type	Cut Fluor	Cut Type	Res Ring	Gas Peak	BG
1570–1585	-	1% pale greenish yellow pinpoint	In Siltstone	Bright green blue	Fast streaming to blooming	Moderately wide bright green blue fluorescing residual ring	1.20%	0.5
1585–1605	-	1% dull pinkish orange		Moderately bright blue white	Slow blooming	Thin very pale green blue fluor residual ring	0.69	0.5
1605–1610	-	10% moderately bright to dull, yellow to orange		Bluish white (also from SLTST with no direct fluor)	Very slow blooming	Thin pale blue fluor residual ring	0.61	0.5
1610–1645	-	Trace–2% dull orange-yellow; also bright light greenish yellow, or dull pinkish orange	Most if not all mineral fluor.	bluish white, mainly from siltstone with no direct fluor	Slow diffuse	Very thin pale blue fluor residual ring	0.25	0.1
1645–1766	-	Very minor trace dull yellowish orange		nil	nil	nil		

Calcimetry Data

Sample Depth (mMDRT)	Calcite (%)	Dolomite (%)	Total Carbonate (%)	Sample Depth (mMDRT)	Calcite (%)	Dolomite (%)	Total Carbonate (%)
N/A***							

***See note in "Comments" below.

Mud Data @ 1766 mMDRT

Mud Type	MW (SG)	Viscosity (sec/qt)	PV / YP	Cl^- (mg/l)
KCL / Polymer	1.12	54	15 / 30	38,000

Tracer Data

Depth	Type	Concentration	Additions Started (Depth / Date)
N/A			No tracer in use

MWD / LWD Tool Data

Tool Type	Powerdrive / GVR / Stethoscope		
Sub Type	Gamma	Resistivity	Survey
RT Memory Sample Rate (sec)	5	5	N/A
Bit to Sensor Offset (m)	10.51	10.98 D 11.15 M 11.28 S	17.68
Flow Rate Range for Pulser Configuration		600–1200 gpm	

Provisional Formation Tops

Formation (Seismic Horizon)	Prognosed* (mMDRT)	Prognosed (mSS)	Actual (mMDRT)	Actual (mSS)	Difference (High/Low) (m)	Based on
Mudline	77.0	39.0	77.5	39.5	0.5 L	Tagged with drill string**
Gippsland Limestone	80.0	45.0				
Lakes Entrance Formation	977.85	860.0	982	865.3	5.3 L	Change in resistivity character, slightly lower ROP, change to siltier cuttings
Top Latrobe Group						
- Gurnard Formation	1531.6	1345.0	1523	1341.4	3.6 H	Slight increase in gamma, change in cuttings
- Top N1	1585.5	1398.0				
- Top N2.3	1641.2	1453.0	1653	1468.6	15.6 L	Shale below coaly couplet indicated on gamma log
- Top N2.6	1668.5	1480.0	1677.5	1492.8	12.8 L	High gamma peak above thick sand bed
- Top P1	1702.9	1514.0				
Total Depth	1790.0	1600.0	1766	1580.2		

*Prognosed depth (MDRT) assumes a RT elevation of 38m above MSL and is based on **Directional Plan Wardie-1 Rev 06**.

**Seabed actually tagged at 76.8m with drill string due to a mound of cement being present from the adjacent WSH-3 well (Mudline encountered at 77.5mMDRT).

***Surveyed final RT elevation is actually 37.68m (38m is carried in Report headers).

Comments

Control drilled at 30m/hr from 1520–1743m.

BHI Autocalcimeter remained unserviceable, so no calcimetry analyses undertaken.
10m sample interval 1440–1520m, 5m sample interval 1520–1766m (TD).

Schlumberger wireline tools have all been surface tested and are on the catwalk ready for rigging up.

MPSR sample from West Seahorse-3 processed by Petrotech at 16:00 hrs.
Circulation stopped 20:34 hrs.

Mud samples 2x 1 litre collected at TD by BHI.
Packaging of all samples for shipment off rig is underway.
30ml filtrate sample from Latrobe interval collected by Mud Engineers.

----------END OF REPORT----------