Anzon Australia LIMITED

BASKER - 2

Date : 10 Sep 2005 | **Geology Report Number : 24** | (associated DDR # 36)

Well Details

Depth MDRT:	3,350.0m	Rig:	OCEAN PATRIOT	Date:	10 Sep 2005
Depth TVDBRT:	3,287.0m	RTE amsl:	21.5m	Report Start:	00:00
Depth TVDSS:	3,265.5m	GLE amsl:	155.5m	Report End:	24:00
Progress:	40.0m	Last Csg Size:	9.625in	Days On Location:	35.81
Hole Size:	8.500in	Last Csg Shoe:	2,929.0m	Days since Spud:	27.50
Hole Size Carbide:		F.I.T. / L.O.T.:	13.10ppg / 0.00ppg		

Operations Summary

24hr Summary:	POOH to investigate drop in pump pressure. Laid down washed drill-pipe. Laid down mud motor and AGS. Picked up traditional rotary BHA assembly and tricone bit. RIH to shoe. Slipped and cut drill-line. RIH to bottom and drilled ahead to 3350 mMDRT. Strongly pyritised sandstone noted at 3298 mMDRT. Interbedded fine sandstones and siltstones from 3310mMDRT to 3325 mMDRT with abundant disseminated pyrite and calcite cement. Top of volcanics picked at 3325 mMDRT. Average ROP = 4m/hr. See gas summary for gas details.
Forward Plan:	Drill ahead in 8 1/2" hole to section TD. CBU and POOH to run wireline logs.

WBM Data

Mud Type:	PHPA / KCl / Glycol	Flowline Temp:		Cl:	34000mg/l	Low Gravity Solids:		Viscosity	54sec/qt
Sample From:	Active	MWD Circ Temp:		Hard/Ca:	400mg/l	High Gravity Solids:		PV	17cp
Time:	22:30	Glycol CP Temp:		MBT:	5	Solids (corrected):		YP	34lb/100ft²
Weight:	9.32ppg	Glycol:	2.0%vol	PM:	0.3	H2O:	93%	Gels 10s	12
ECD TD:		Nitrates:		PF:	0.05	Oil:		Gels 10m	16
ECD Shoe:		Sulphites:		MF:	0.3	Sand:		Fann 003	11
ECD Cuttings:		API FL:	4.6cc/30min	pH:	8.4	Barite:		Fann 006	14
KCl Equiv:	5%	API Cake:	1/32nd"	PHPA Excess:				Fann 100	34
								Fann 200	45
								Fann 300	51
								Fann 600	68

Formation Tops

Formation	Prognosed		Actual		Diff.	Thickness MD	Pick Criteria
	MDRT	TVDSS	MDRT	TVDSS	+ / - TVD		
Gippsland Limestone	176.00m	154.00m	177.00m	155.50m	1.50m	1,578.00m	Mud line
Base Pleistocene	599.00m	577.00m					
Lakes Entrance	1,758.00m	1,736.00m	1,755.00m	1,733.50m	-2.50m	333.50m	cuttings
Latrobe Formation	2,092.00m	2,070.00m	2,088.50m	2,066.90m	-3.10m	73.00m	cuttings and LWD
Base Tuna Flounder Channel	2,167.00m	2,145.00m	2,161.50m	2,139.80m	-5.20m	451.50m	cuttings and ROP
K2 Sand Marker	2,601.00m	2,579.00m	2,613.00m	2,591.10m	12.10m	267.00m	LWD
Ma2 Marker	2,875.00m	2,844.00m	2,880.00m	2,850.00m	6.00m	175.50m	Offset wells
Top Reservoir ZC1 marker	3,035.00m	2,989.00m	3,055.50m	3,003.50m	14.50m	48.50m	LWD
Top Zone 2 Sand	3,095.00m	3,043.00m	3,104.00m	3,046.00m	3.00m	115.00m	LWD, cuttings
Top Zone 5	3,208.00m	3,146.00m	3,219.00m	3,148.50m	2.50m	106.00m	LWD
Top Volcanics Unit 1	3,313.00m	3,241.00m	3,325.00m	3,243.00m	2.00m	0.00m	LWD
TD	3,380.00m						

Oil Shows

From	To	Formation	Lithology	White Light			UV Light			Rating
				Stain	Cut	Residue	Fluor.	Cut Fluor.	Residue	
3,100.00m	3,150.00m			nil	nil	nil	light green	nil	nil	very poor
3,235.00m	3,240.00m			Nil	Nil	Nil	Light green	Nil	Dark blue	Poor
3,250.00m	3,255.00m			Nil	Nil	Nil	Pin-point yellow	Nil	Dark-blue	Poor

Anzon Australia LIMITED

Gas

Depth Range	Gas Type	Total Gas	C1 (ppm)	C2 (ppm)	C3 (ppm)	iC4 (ppm)	nC4 (ppm)	C5 (ppm)	C1/C2 (ppm)	C1/C3 (ppm)	C1/C5 (ppm)	* (ppm)	F2* (ppm)	F3* (ppm)
3310.00 - 3320.00	Show	0.10	1175	142	81	13	26	11	8.27	14.51	106.82	30.13	0.5	790.64
Comment:														
3310.00 - 3340.00	Background	0.10	900	90	46	8	15	8	10	19.57	112.5	39.13	0.53	391
Comment:														
3316.00 - 3316.00	Peak	0.30	2145	221	126	21	43	16	9.71	17.02	134.06	33.52	0.49	1,388
Comment:														

F1*: C1 / (nC4 + iC4) **F2*: iC4 + nC4** **F3*: (C2 + C3) / (C5 / (iC4 + nC4))**

Pore Pressure / Wellbore Stability

Estimated Pore Pressure:	8.30
Hole Condition, Cavings:	Normal.
Gas Indicators - BG, TG, CG:	See gas summaty sheet.
Losses:	Nothing abnormal to report.
Remarks:	Nothing abnormal to report.

Survey

MDRT (m)	Incl. (deg)	Corr. Az (deg)	TVDBRT (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
3307.72	26.1	170.4	3248.97	230.7	0.5	-233.7	-2.3	MWD

06:00 Hrs Update

Time:	06:00 Hrs on 11 Sep 2005
Depth:	3378 / 3312
Progress Since Midnight:	28
Drilling Status:	Drilling 8 1/2" hole at 3377m
Formation:	Top Volcanics at 3325mMD.
Lithology:	Volcanics from 3325m. 3325m - 3350m highly altered volcanic commonly weathered to clay. 3350m - 3365m dominantly sandstone from a volcanic source?
ROP:	Ave 5.4 m/hr, Max 13 m/hr, Min 3.3 m/hr.
Gas:	Gas peak 3353-3358m 0.33% C1 3459ppm, C2 346ppm, C3 236ppm, C4 103ppm, C4 41ppm.

Wellsite Geologist(s)

(Days) - M.Woodmansee (Nights) - R.Blackmore

Wireline

Logging Suite Details

Suite No.	1	Anzon Witness:	M.Woodmansee/R.Blackmore
Wireline Depth MDRT:	1006.0	Wireline Company:	Schlumberger
Wireline Shoe Depth MDRT:	1000.1	Wireline Engineer 1:	G.Ruthven
Maximum Deviation:		Wireline Engineer 2:	S.Nakanishi

Detailed Operational Summary

Date	Class	Start Time	End Time	Duration mins	End Depth MDRT	Activity

Logging Suite Details

Suite No.	2	Anzon Witness:	R.Blackmore/M.Woodmansee
Wireline Depth MDRT:	2497.0	Wireline Company:	Schlumberger
Wireline Shoe Depth MDRT:	1000.1	Wireline Engineer 1:	G.Ruthven
Maximum Deviation:		Wireline Engineer 2:	

Detailed Operational Summary

Date	Class	Start Time	End Time	Duration mins	End Depth MDRT	Activity

Anzon Australia LIMITED

Logging Suite Details			
Suite No.	3	Anzon Witness:	R.Blackmore/M.Woodmansee
Wireline Depth MDRT:	2741.0	Wireline Company:	Schlumberger
Wireline Shoe Depth MDRT:	1000.1	Wireline Engineer 1:	N.Sabanegh
Maximum Deviation:		Wireline Engineer 2:	

Detailed Operational Summary

Date	Class	Start Time	End Time	Duration mins	End Depth MDRT	Activity

Lithology Report

Depth Interval		Main Lithology	Lithology %	Qualifier	Description
Depth (mRT)	Depth Range				
3100.0	3110.0	Sst	10		Sandstone, clr, transl, Loose, Sub-angular, to Sub-rounded, Well sorted, Elongated, to Slightly Spherical, 100% siliceous sand, 50% medium grained, 50% coarse grained, 0.5% Pyrite cement, 0.5% Pyrite, 20% porosity, Hydrocarbon shows.
3300.0	3305.0	Sltst	20	arg	Siltstone, dk brn, med brn, Soft, to Firm, sub-blocky, to blocky, 20% siliceous clay, 80% siliceous silt, 0.1% Pyrite,
3300.0	3305.0	Clyst	80	kaol	Claystone, wh-lt gy, Very soft, to Soft, amorphous, to dispersive, 100% siliceous clay, 0.1% Pyrite,
3305.0	3310.0	Sst	50	kaol	Sandstone, wh, transl, Loose, Sub-angular, to Sub-rounded, Poor sorted, Slightly Elongated, to Slightly Spherical, 20% siliceous clay, 80% siliceous sand, 10% very fine grained, 60% fine grained, 30% medium grained, 0.1% Silica cement, 0.1% Pyrite, 10% porosity, no Hydrocarbon shows.
3305.0	3310.0	Sltst	50	arg	Siltstone, dk brn, med brn, Firm, to Moderately hard, sub-blocky, to splintery, 20% siliceous clay, 80% siliceous silt, 0.1% Pyrite, 5% Coal,
3310.0	3315.0	Sst	95	kaol	Sandstone, wh, transl, Loose, Sub-angular, to Sub-rounded, Poor sorted, Slightly Elongated, to Slightly Spherical, 20% siliceous clay, 80% siliceous sand, 30% very fine grained, 60% fine grained, 10% medium grained, 0.1% Calcite cement, 0.1% Pyrite, 10% porosity, no Hydrocarbon shows.
3310.0	3315.0	Sltst	5	arg	Siltstone, dk brn, med brn, Firm, to Moderately hard, sub-blocky, to splintery, 20% siliceous clay, 80% siliceous silt, 0.1% Pyrite,
3315.0	3320.0	Sltst	5	arg	Siltstone, dk brn, med brn, Firm, to Moderately hard, sub-blocky, to splintery, 20% siliceous clay, 80% siliceous silt, 1.0% Pyrite,
3315.0	3320.0	Sst	95	kaol	Sandstone, wh, transl, Loose, Sub-angular, to Sub-rounded, Poor sorted, Slightly Elongated, to Slightly Spherical, 20% siliceous clay, 80% siliceous sand, 30% very fine grained, 60% fine grained, 10% medium grained, 5.0% Calcite cement, 5.0% Pyrite, 15% porosity, no Hydrocarbon shows.
3320.0	3325.0	Sltst	5	arg	Siltstone, dk brn, med brn, Firm, to Moderately hard, sub-blocky, to splintery, 20% siliceous clay, 80% siliceous silt, 1% Pyrite,
3320.0	3325.0	Sst	95	kaol	Sandstone, wh, transl, Loose, to Firm, massive, Sub-angular, to Sub-rounded, Poor sorted, Slightly Elongated, to Slightly Spherical, 20% siliceous clay, 80% siliceous sand, 30% very fine grained, 60% fine grained, 10% medium grained, 5% Calcite cement, 5% Pyrite, 15% porosity, no Hydrocarbon shows.
3325.0	3330.0	Vol	95	kaol	Volcanic, lt gn-gy, wh-lt-gy, Very soft, to Soft, amorphous, to dispersive, 10% calcerous clay, 90% siliceous clay, 1% Pyrite,
3325.0	3330.0	Sst	5	kaol	Sandstone, cl-transl, Loose, Sub-angular, to Sub-rounded, Poor sorted, Slightly Elongated, to Slightly Spherical, 100% siliceous sand, 30% very fine grained, 60% fine grained, 10% medium grained, 5% Pyrite, 5% porosity, no Hydrocarbon shows.
3330.0	3335.0	Sst	5	kaol	Sandstone, cl-transl, Loose, Angular, to Sub-angular, Poor sorted, Elongated, to Slightly Elongated, 100% siliceous sand, 30% very fine grained, 60% fine grained, 10% medium grained, 0.1% Calcite cement, 5% Pyrite, 5% porosity, no Hydrocarbon shows.
3330.0	3335.0	Vol	95	kaol	Volcanic, wh-lt-gy, Soft, to Friable, amorphous, to massive, 10% calcerous clay, 90% siliceous clay, 0.1% Calcite cement, 1% Pyrite,
3335.0	3340.0	Sst	5		Sandstone, cl-transl, Loose, Angular, to Sub-angular, Poor sorted, Slightly Elongated, to Slightly Spherical, 100% siliceous sand, 60% very fine grained, 30% fine grained, 10% medium grained, 0.1% Pyrite, 5% porosity, no Hydrocarbon shows.
3335.0	3340.0	Vol	95	kaol	Volcanic, wh-lt-gy, Very soft, to Soft, amorphous, to dispersive, 100% siliceous clay, 5% Pyrite,
3340.0	3345.0	Sst	5		Sandstone, cl-transl, Loose, Angular, to Sub-angular, Poor sorted, Slightly Elongated, to Slightly Spherical, 100% siliceous sand, 60% very fine grained, 30% fine grained, 10% medium grained, 0.1% Pyrite, 5% porosity, no Hydrocarbon shows.
3340.0	3345.0	Vol	95	kaol	Volcanic, wh-lt-gy, occasionally lt grn-gy, dusky grn., Very soft, to Soft, amorphous, to sub-blocky, 100% siliceous clay, 5% Pyrite,

Anzon Australia LIMITED

Lithology Report					
Depth Interval		Main Lithology	Lithology %	Qualifier	Description
Depth (mRT)	Depth Range				
3345.0	3350.0	Sst	20		Sandstone, cl-transl, Loose, to Friable, sub-blocky, Angular, to Sub-angular, Well sorted, Very Elongated, to Slightly Elongated, 0.1% calcerous clay, 100% siliceous sand, 30% medium grained, 70% coarse grained, 0.5% Pyrite cement, 0.1% Calcite cement, 0.1% Pyrite, 20% porosity, no Hydrocarbon shows.
3345.0	3350.0	Vol	80		Volcanic, wh-lt-gy, grn-blk, Very soft, to Firm, amorphous, to blocky, 100% siliceous clay, 5% Pyrite,
3350.0	3355.0	Sst	70		Sandstone, cl-transl, Loose, to Friable, sub-blocky, Angular, to Sub-angular, Well sorted, Very Elongated, to Slightly Elongated, 0.1% calcerous clay, 100% siliceous sand, 60% medium grained, 40% coarse grained, 0.5% Pyrite cement, 0.1% Calcite cement, 0.1% Pyrite, 20% porosity, no Hydrocarbon shows.
3350.0	3355.0	Vol	20		Volcanic, wh-lt-gy, grn-blk, Very soft, to Firm, amorphous, to blocky, 100% siliceous clay, 5% Pyrite,
3355.0	3360.0	Vol	5		Volcanic, wh-lt-gy, grn-blk, Very soft, to Firm, amorphous, to blocky, 100% siliceous clay, 5% Pyrite,
3355.0	3360.0	Sst	95		Sandstone, cl-transl, Loose, to Friable, sub-blocky, Angular, to Rounded, Moderately sorted, Slightly Elongated, to Very Spherical, 0.1% calcerous clay, 100% siliceous sand, 20% fine grained, 70% medium grained, 10% coarse grained, 0.5% Pyrite cement, 0.1% Calcite cement, 0.1% Pyrite, 20% porosity, no Hydrocarbon shows.