

**Basker-3**

Date : 16 Apr 2006

Geology Report Number : 15

(associated DDR # 20)

Well Details

| | | | | | |
|--------------------|----------|------------------|---------------|-------------------|-------------|
| Depth MDRT: | 3386.0m | Rig: | OCEAN PATRIOT | Date: | 16 Apr 2006 |
| Depth TVDBRT: | 2711.0m | RTE amsl: | 21.5m | Report Start: | 00:00 |
| Depth TVDSS: | 2689.5m | LAT amsl: | 152.9m | Report End: | 24:00 |
| Progress: | 104.0m | Last Csg Size: | 13.375in | Days On Location: | 18.27 |
| Hole Size: | 12.250in | Last Csg Shoe: | 999.1m | Days since Spud: | 46.81 |
| Hole Size Carbide: | | F.I.T. / L.O.T.: | 12.50ppg / | | |

Operations Summary

| | |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 24hr Summary: | <p>Ran in hole with new PDC bit. Drilled ahead from 3282.0 mMDRT to 3386.0 mMDRT in interbedded Sandstone, Claystone and Siltstone with trace Coal.</p> <p>Drilling ahead at midnight.</p> <p>3282.0 - 3318.0 mMDRT Claystone and Sandstone ROP = 3.0 - 33.0 m/hr Average = 9.3 m/hr Background Gas = 0.07 %</p> <p>3318.0 - 3386.0 mMDRT Siltstone, Claystone, Sandstone and trace Coal ROP = 2.0 - 35.0 m/hr Average = 11.0 m/hr Background Gas = 0.05 %</p> |
| Forward Plan: | Drill ahead to 9 5/8" casing point. Circulate hole clean. POOH to run casing. |

WBM Data

| | | | | | | |
|---------------------------|---------------------|--------------|-----------|----------------------|-----------|-------------------------|
| Mud Type: KCL/PHPA/Glycol | Flowline Temp: | Cl: | 43000mg/l | Low Gravity Solids: | Viscosity | 71sec/qt |
| Sample From: Active pit | MWD Circ Temp: | Hard/Ca: | 280mg/l | High Gravity Solids: | PV | 18cp |
| Time: 22:00 | Glycol CP Temp: | MBT: | 7.5 | Solids (corrected): | YP | 35lb/100ft ² |
| Weight: 9.55ppg | Glycol: 3.3%vol | PM: | 0.2 | H2O: | Gels 10s | 9 |
| ECD TD: | Nitrates: | PF: | 0.05 | Oil: | Gels 10m | 14 |
| ECD Shoe: | Sulphites: | MF: | 0.7 | Sand: | Fann 003 | 8 |
| ECD Cuttings: | API FL: 4.8cc/30min | pH: | 9 | Barite: | Fann 006 | 11 |
| KCl Equiv: 7% | API Cake: 1/32nd" | PHPA Excess: | | | Fann 100 | 33 |
| | | | | | Fann 200 | 44 |
| | | | | | Fann 300 | 53 |
| | | | | | Fann 600 | 71 |

Formation Tops

| Formation | Prognosed | | Actual | | Diff. + / - TVD | Thickness MD | Pick Criteria |
|--------------------|-----------|----------|----------|----------|--------------------|-----------------|------------------|
| | MDRT | TVDSS | MDRT | TVDSS | | | |
| Seafloor | 177.00m | 155.50m | 174.40m | 152.90m | -2.60m | 2037.60m | Driller's Depth |
| Lakes Entrance | 2247.00m | 1817.00m | 2212.00m | 1790.20m | -26.80m | 458.00m | LWD |
| Latrobe Group | 2700.00m | 2136.00m | 2670.00m | 2118.20m | -17.80m | 72.00m | LWD and cuttings |
| Base T-F Channel | 2760.00m | 2186.00m | 2742.00m | 2172.90m | -13.10m | 488.00m | Cuttings and LWD |
| Top K2 Sandstone | 3246.00m | 2568.50m | 3230.00m | 2554.30m | -14.20m | 0.00m | LWD based on B-5 |
| Ma2 Sandstone | 3552.00m | 2832.50m | | | | | |
| Reservoir Zone 0 | 3709.00m | 2976.00m | | | | | |
| Reservoir Zone 1.2 | 3802.00m | 3057.00m | | | | | |
| Reservoir Zone 2 | 3809.00m | 3064.00m | | | | | |
| Reservoir Zone 4 | 3859.00m | 3107.00m | | | | | |
| Reservoir Zone 6.2 | 3974.00m | 3207.00m | | | | | |
| Reservoir Zone 7 | 4030.00m | 3257.00m | | | | | |
| Top Volcanics | 4042.00m | 3267.00m | | | | | |
| TD | 4109.00m | 3319.00m | | | | | |



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) | F1* (ppm) | F2* (ppm) | F3* (ppm) |
|-------------------|------------|---------------|----------|----------|----------|-----------|-----------|----------|-------------|-------------|-----------|-----------|-----------|
| 3282.00 - | Trip gas | 0.50 | 4071 | 270 | 39 | 101 | 106 | 247 | 15.08 | 104.38 | 16.48 | 207 | 258.96 |
| Comment: | | | | | | | | | | | | | |
| 3282.00 - 3318.00 | Background | 0.07 | 496 | 27 | 20 | 10 | 6 | 15 | 18.37 | 24.8 | 33.07 | 16 | 50.13 |
| Comment: | | | | | | | | | | | | | |
| 3318.00 - 3386.00 | Background | 0.05 | 454 | 29 | 12 | 9 | 6 | 10 | 15.66 | 37.83 | 45.4 | 15 | 61.5 |
| Comment: | | | | | | | | | | | | | |

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

Survey

| MDRT (m) | Incl. (deg) | Corr. Az (deg) | TVDBRT (m) | 'V' Sect (deg) | Dogleg (deg/30m) | N/S (m) | E/W (m) | Tool Type |
|----------|-------------|----------------|------------|----------------|------------------|---------|---------|-----------|
| 3299.91 | 30.0 | 135.2 | 2636.10 | 1814.5 | 0.5 | -1189.4 | 1370.3 | MWD |
| 3328.65 | 29.9 | 136.3 | 2661.00 | 1928.8 | 0.6 | -1199.7 | 1380.3 | MWD |
| 3356.78 | 30.2 | 137.4 | 2685.36 | 1842.8 | 0.7 | -1210.0 | 1390.0 | MWd |
| 3385.48 | 29.9 | 137.9 | 2710.22 | 1857.0 | 0.4 | -1220.6 | 1399.6 | MWD |

06:00 Hrs Update

| | |
|--------------------------|--------------------------------------------------|
| Time: | 06:00 Hrs on 17 Apr 2006 |
| Depth: | 3443/2760 |
| Progress Since Midnight: | 57 |
| Drilling Status: | Drilling 311mm (12 1/4") hole @3443m MDRT. |
| Formation: | Latrobe Group |
| Lithology: | Interbedded Sandstone, Siltstone with trace Coal |
| ROP: | ROP = 2.0 - 25.0 m/hr Average = 9.0 m/hr |
| Gas: | Background Gas = 0.07 % |

Wellsite Geologist(s)

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

Lithology Report

| Depth Interval | | Main Lithology | Lithology % | Qualifier | Description |
|----------------|-------------|----------------|-------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Depth (mRT) | Depth Range | | | | |
| 2955.0 | 2960.0 | Clyst | 100 | slyt | Claystone, olv gy, rare brnish gy, very soft, amorphous, 70% siliceous clay, 30% siliceous silt, trace of pyrite, trace of glauconite, trace of coal. |
| 3290.0 | 3295.0 | Clyst | 20 | | Claystone, olv gy, rare grnish gy, firm, sub-blocky to splintery, 5% calcareous clay, 95% siliceous clay, trace of calcite cement, trace of pyrite. |
| 3290.0 | 3295.0 | Sst | 80 | | Sandstone, clr-transl., loose, sub-angular to sub-rounded, well sorted, slightly elongated to slightly spherical, 100% siliceous sand, 10% fine grained, 70% medium grained, 20% coarse grained, trace of pyrite cement, trace of silica cement, trace of pyrite, 20% porosity, no hydrocarbon show. |
| 3310.0 | 3315.0 | Clyst | 80 | slyt | Claystone, lt brnish gy, mott lt gy / lt brn, very soft to soft, amorphous to sub-blocky, 75% siliceous clay, 20% siliceous silt, 5% siliceous sand, trace of pyrite, trace of glauconite, trace of coal. |
| 3310.0 | 3315.0 | Clyst | 20 | | Claystone, olv gy, ocasionally grnish gy, firm, sub-blocky to splintery, 5% calcareous clay, 95% siliceous clay, trace of calcite cement, trace of pyrite. |
| 3320.0 | 3325.0 | C | 1 | | Coal, bly, dull blk, firm, blocky, 5% siliceous silt. |
| 3320.0 | 3325.0 | Sltst | 10 | | Siltstone, brnish gy, occ brnish blk, soft, sub-blocky to sub-fissile, 10% siliceous clay, 90% siliceous silt, trace of calcite cement, trace of pyrite, 0.5% coal, trace of mica. |
| 3320.0 | 3325.0 | Clyst | 89 | slyt | Claystone, lt brnish gy, mott lt gy / lt brn, very soft to soft, amorphous to sub-blocky, 75% siliceous clay, 20% siliceous silt, 5% siliceous sand, trace of pyrite, trace of glauconite, trace of coal. |
| 3375.0 | 3380.0 | C | 5 | | Coal, dk blk-dull blk, occ dk brn, hard to moderately hard. |
| 3375.0 | 3380.0 | Sltst | 90 | arg | Siltstone, brnish gy, occ brnish blk, lt gy, very soft to firm, amorphous to dispersive, 40% siliceous clay, 60% siliceous silt, trace of pyrite, 0.5% coal, trace of mica. |
| 3375.0 | 3380.0 | Sst | 5 | | Sandstone, clr-transl, wh, loose, sub-angular to sub-rounded, poor sorted, slightly elongated to slightly spherical, 100% siliceous sand, 20% medium grained, 30% coarse grained, 40% very coarse grained, 10% granular grained, trace of pyrite, 15% porosity, no hydrocarbon show. |