



Basker-3

Date : 03 Apr 2006

Geology Report Number : 2

(associated DDR # 7)

Well Details

| | | | | | |
|--------------------|----------|------------------|---------------|-------------------|-------------|
| Depth MDRT: | 1112.0m | Rig: | OCEAN PATRIOT | Date: | 03 Apr 2006 |
| Depth TVDBRT: | 1007.2m | RTE amsl: | 21.5m | Report Start: | 00:00 |
| Depth TVDSS: | 985.7m | GLE amsl: | 152.9m | Report End: | 24:00 |
| Progress: | 0.0m | Last Csg Size: | 13.375in | Days On Location: | 5.27 |
| Hole Size: | 17.500in | Last Csg Shoe: | 999.1m | Days since Spud: | 33.81 |
| Hole Size Carbide: | | F.I.T. / L.O.T.: | / | | |

Operations Summary

| | |
|---------------|--|
| 24hr Summary: | Landed out BOP on Basker-3 wellhead and pull tested. Pressure tested BOP and ancilliary equipment. Made up 311 mm (12 1/4") directional BHA and RIH. Drilled out shoe track. |
| Forward Plan: | Drill 3 m of new formation. Perform FIT. Drill ahead in Gippsland Limestone Formation. |

WBM Data

| | | | | | | | | | |
|---------------|-----------------|-----------------|-------------|--------------|-----------|----------------------|-----|-----------|-------------------------|
| Mud Type: | KCL/PHPA/Glycol | Flowline Temp: | | Cl: | 44000mg/l | Low Gravity Solids: | | Viscosity | 74sec/qt |
| Sample From: | Active pit | MWD Circ Temp: | | Hard/Ca: | 280mg/l | High Gravity Solids: | | PV | 18cp |
| Time: | 22:00 | Glycol CP Temp: | | MBT: | 5 | Solids (corrected): | | YP | 47lb/100ft ² |
| Weight: | 9.60ppg | Glycol: | 3.5%vol | PM: | 0.02 | H2O: | 91% | Gels 10s | 13 |
| ECD TD: | | Nitrates: | | PF: | 0.01 | Oil: | 0% | Gels 10m | 18 |
| ECD Shoe: | | Sulphites: | | MF: | 0.65 | Sand: | .6 | Fann 003 | 13 |
| ECD Cuttings: | | API FL: | 4.0cc/30min | pH: | 8.7 | Barite: | | Fann 006 | 17 |
| KCl Equiv: | 8% | API Cake: | 1/32nd" | PHPA Excess: | | | | Fann 100 | 44 |
| | | | | | | | | Fann 200 | 56 |
| | | | | | | | | Fann 300 | 65 |
| | | | | | | | | Fann 600 | 83 |

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 | 0.00m | Driller's Depth |
| Lakes Entrance | 2198.20m | 1817.00m | | | | | |
| Latrobe Group | 2608.80m | 2136.00m | | | | | |
| Reservoir Zone 0 | 3689.90m | 2976.00m | | | | | |
| Reservoir Zone 1.2 | 3794.20m | 3057.00m | | | | | |
| Reservoir Zone 2 | 3801.90m | 3064.00m | | | | | |
| Reservoir Zone 4 | 3935.80m | 3167.00m | | | | | |
| Reservoir Zone 6.2 | 3987.30m | 3207.00m | | | | | |
| Reservoir Zone 7 | 4051.60m | 3257.00m | | | | | |
| Top Volcanics | 4064.50m | 3267.00m | | | | | |
| Reservoir Zone 8 | 4107.00m | 3300.00m | | | | | |
| TD | 4131.40m | 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) |
|-------------------|------------|---------------|----------|----------|----------|-----------|-----------|----------|-------------|-------------|-----------|-----------|-----------|
| 1112.00 - 1140.00 | Background | 0.20 | 2045 | 32 | 26 | 8 | 8 | 10 | 63.91 | 78.65 | 204.5 | 16 | 92.8 |

Comment:

F1*: C1 / C5

F2*: iC4 + nC4

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



06:00 Hrs Update

| | |
|--------------------------|---|
| Time: | 06:00 Hrs on 04 Apr 2006 |
| Depth: | 1163/1049 |
| Progress Since Midnight: | 47 |
| Drilling Status: | Drilling ahead 311mm (12 1/4") hole at 1163m MDRT |
| Formation: | Gippsland Limestone |
| Lithology: | Marl |
| ROP: | ROP = 1.5-40.4 m/hr (17.0 m/hr) |
| Gas: | Background Gas = 0.2 % |

Wellsite Geologist(s)

(Days) - R. Blackmore (Nights) -

Lithology Report

| Depth Interval | | Main Lithology | Lithology % | Qualifier | Description |
|----------------|-------------|----------------|-------------|-----------|--|
| Depth (mRT) | Depth Range | | | | |
| 1120.0 | 1140.0 | MRL | 100 | | MARL, lt olv-gy, grn-gy, Very soft, to Soft, amorphous, to dispersive, 50% calcerous clay, 5% calcerous silt, 45% siliceous clay, 0.1% Foram, 0.1% Glauconite, 0.1% Lithic Fragments, 0.1% Coal, Hydrocarbon shows.no Hydrocarbon shows. |