

**Basker-5**

Date : 16 Mar 2006

Geology Report Number : 7

(associated DDR # 15)

Well Details

| | | | | | |
|--------------------|----------|------------------|---------------|-------------------|-------------|
| Depth MDRT: | 2,828.0m | Rig: | OCEAN PATRIOT | Date: | 16 Mar 2006 |
| Depth TVDBRT: | 2,641.5m | RTE amsl: | 21.5m | Report Start: | 00:00 |
| Depth TVDSS: | 2,620.0m | GLE amsl: | 153.6m | Report End: | 24:00 |
| Progress: | 455.0m | Last Csg Size: | 13.375in | Days On Location: | 11.35 |
| Hole Size: | 12.250in | Last Csg Shoe: | 989.0m | Days since Spud: | 18.60 |
| Hole Size Carbide: | | F.I.T. / L.O.T.: | 15.10ppg / | | |

Operations Summary

| | |
|---------------|--|
| 24hr Summary: | <p>Drilled ahead through Latrobe Group interbedded Sandstone, Siltstone and Claystone. Top of K2 Sandstone at 2767.0 mMDRT.</p> <p>2373.0 - 2500.0 mMDRT Massive Sandstone with minor Siltstone and Claystone beds. ROP = 7.3 - 119.0 m/hr, Average = 42.0 m/hr, Background Total Gas = 0.2 %</p> <p>2500.0 - 2640.0 mMDRT Interbedded Siltstone with Claystone and Sandstone beds. ROP = 8.3 - 124.6 m/hr, Average = 31.1 m/hr, Background Total Gas = 0.06 %</p> <p>2640.0 - 2767.0 mMDRT Finely interbedded Siltstone with Claystone with minor thin Sandstone. ROP = 4.1 - 138.0 m/hr, Average = 27.4 m/hr, Background Total Gas = 0.08 %</p> <p>2767.0 - 2830.0 mMDRT Massive Sandstone, with Claystone becoming dominant at the base of the section. ROP = 1 - 128 m/hr, Average = 15 m/hr, Background Total Gas = 0.1 %</p> |
| Forward Plan: | Drill ahead through Latrobe Group. |

WBM Data

| | | | | | | |
|---------------------------|---------------------|--------------|-----------|----------------------|-----------|-------------------------|
| Mud Type: KCL/PHPA/Glycol | Flowline Temp: | Cl: | 43000mg/l | Low Gravity Solids: | Viscosity | 79sec/qt |
| Sample From: Active pit | MWD Circ Temp: | Hard/Ca: | 300mg/l | High Gravity Solids: | PV | 22cp |
| Time: 20:30 | Glycol CP Temp: | MBT: | 5 | Solids (corrected): | YP | 43lb/100ft ² |
| Weight: 9.65ppg | Glycol: 3.0%vol | PM: | 0 | H2O: 91% | Gels 10s | 11 |
| ECD TD: | Nitrates: | PF: | 0.02 | Oil: 0% | Gels 10m | 22 |
| ECD Shoe: | Sulphites: | MF: | 0.6 | Sand: 2 | Fann 003 | 10 |
| ECD Cuttings: | API FL: 4.8cc/30min | pH: 9 | Barite: | | Fann 006 | 13 |
| KCl Equiv: 8% | API Cake: 1/32nd" | PHPA Excess: | | | Fann 100 | 42 |
| | | | | | Fann 200 | 57 |
| | | | | | Fann 300 | 65 |
| | | | | | Fann 600 | 87 |

Formation Tops

| Formation | Prognosed | | Actual | | Diff. + / - TVD | Thickness MD | Pick Criteria |
|--------------------|-----------|-----------|-----------|-----------|--------------------|-----------------|----------------|
| | MDRT | TVDSS | MDRT | TVDSS | | | |
| Ma2 Sandstone | | | | | | | |
| Base T-F Channel | | | 2,292.00m | 2,154.70m | 2,154.70 | 475.00m | LWD logs |
| K2 Sandstone | | | 2,767.00m | 2,568.80m | 2,568.80 | 0.00m | LWD logs |
| Seafloor | 177.00m | 155.50m | 175.10m | 153.60m | -1.90m | 1,659.90m | |
| Lakes Entrance | 1,884.30m | 1,779.00m | 1,835.00m | 1,757.30m | -21.70m | 378.00m | LWD & cuttings |
| Latrobe Group | 2,238.80m | 2,086.00m | 2,213.00m | 2,085.00m | -1.00m | 79.00m | LWD & cuttings |
| Reservoir Zone 0 | 3,267.80m | 2,973.00m | | | | | |
| Reservoir Zone 1.2 | 3,347.80m | 3,042.00m | | | | | |
| Reservoir Zone 2 | 3,357.10m | 3,050.00m | | | | | |
| Reservoir Zone 4 | 3,413.80m | 3,099.00m | | | | | |
| Reservoir Zone 5 | 3,491.50m | 3,166.00m | | | | | |
| Reservoir Zone 6.2 | 3,535.50m | 3,204.00m | | | | | |
| Reservoir Zone 7 | 3,573.80m | 3,237.00m | | | | | |
| Volcanics Unit 1 | 3,584.20m | 3,246.00m | | | | | |
| Reservoir Zone 8 | 3,617.80m | 3,275.00m | | | | | |
| TD | 3,689.60m | 3,337.00m | | | | | |



| 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) | C1/C5 (ppm) | * (ppm) | F2* (ppm) | F3* (ppm) |
| 2373.00 - 2500.00 | Background | 0.10 | 346 | 23 | 10 | 7 | 9 | 16 | 15.04 | 34.6 | 21.62 | 21.62 | 0.78 | 33 |
| Comment: | | | | | | | | | | | | | | |
| 2500.00 - 2640.00 | Background | 0.06 | 379 | 27 | 12 | 6 | 11 | 12 | 14.04 | 31.58 | 31.58 | 22.29 | 0.55 | 55.25 |
| Comment: | | | | | | | | | | | | | | |
| 2640.00 - 2767.00 | Background | 0.08 | 656 | 94 | 49 | 13 | 15 | 13 | 6.98 | 13.39 | 50.46 | 23.43 | 0.87 | 308 |
| Comment: | | | | | | | | | | | | | | |
| 2767.00 - 2830.00 | Background | 0.10 | 329 | 57 | 26 | 7 | 15 | 24 | 5.77 | 12.65 | 13.71 | 14.95 | 0.47 | 76.08 |
| Comment: | | | | | | | | | | | | | | |

F1*: C1 / (nC4 + iC4) 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 | |
| 2558.72 | 27.9 | 129.1 | 2407.37 | 708.9 | 0.6 | -444.8 | 552.0 | MWD | |
| 2587.30 | 27.8 | 128.5 | 2432.63 | 722.3 | 0.3 | -453.1 | 562.5 | MWD | |
| 2615.75 | 29.3 | 129.1 | 2457.62 | 735.9 | 1.6 | -461.6 | 573.1 | MWD | |
| 2644.49 | 28.4 | 129.1 | 2482.79 | 749.7 | 1.0 | -470.4 | 583.8 | MWD | |
| 2673.48 | 27.3 | 128.4 | 2508.43 | 763.3 | 1.2 | -478.9 | 594.4 | MWD | |
| 2702.49 | 27.4 | 128.8 | 2534.20 | 776.6 | 0.2 | -487.1 | 604.8 | MWD | |
| 2731.26 | 28.7 | 129.1 | 2559.60 | 790.1 | 1.4 | -495.6 | 615.3 | MWD | |
| 2759.69 | 30.7 | 130.0 | 2584.29 | 804.2 | 2.2 | -504.6 | 626.2 | MWD | |
| 2788.16 | 33.0 | 129.3 | 2606.47 | 819.2 | 2.5 | -514.2 | 637.7 | MWD | |
| 2816.36 | 33.2 | 128.2 | 2632.09 | 834.6 | 0.6 | -523.8 | 649.8 | MWD | |

| 06:00 Hrs Update | |
|--------------------------|--|
| Time: | 06:00 Hrs on 17 Mar 2006 |
| Depth: | 2845 / 2656 |
| Progress Since Midnight: | 17 |
| Drilling Status: | Drilling 311mm (12 1/4") hole @2845m MDRT |
| Formation: | Latrobe Formation. Currently drilling the interbedded Claystone, Siltstone and Sandstone package immediately below the K2 Sand. |
| Lithology: | Claystone (1) light to dark grey, very soft and amorphous, slightly silty and carbonaceous in part, trace very fine pyrite and glauconite. Claystone (2) dark grey, firm to sub hard, blocky to splintery, calcareous and homogenous. |
| ROP: | 1.3 - 10.5 m/hr Average 2.6 m/hr |
| Gas: | Background 0.1% C1 226 ppm, C2 26 ppm, C3 11 ppm, iC4 5 ppm, nC4 17 ppm, C5 31 ppm. |

| Wellsite Geologist(s) | |
|-----------------------|------------------------|
| (Days) - M.Woodmansee | (Nights) - R.Blackmore |

| Lithology Report | | | | | |
|------------------|-------------|----------------|-------------|-----------|---|
| Depth Interval | | Main Lithology | Lithology % | Qualifier | Description |
| Depth (mRT) | Depth Range | | | | |
| 2370.0 | 2380.0 | Sst | 80 | | Sandstone, cl-trans, Loose, Sub-angular to Sub-rounded, Well sorted, Slightly Elongated to Slightly Spherical, 5% siliceous clay, 95% siliceous sand, 60% fine grained, 30% medium grained, 10% coarse grained, 0.1% Pyrite, 0.1% Glauconite, 15% porosity, no Hydrocarbon shows. |
| 2420.0 | 2430.0 | Sst | 100 | | Sandstone, cl-trans, Loose, Sub-angular to Well Rounded, Well sorted, Slightly Elongated to Very Spherical, 100% siliceous sand, 40% medium grained, 50% coarse grained, 10% very coarse grained, 0.1% Pyrite, 25% porosity, no Hydrocarbon shows. |
| 2450.0 | 2460.0 | Clyst | 5 | | Claystone, lt gy, rare sl grnsh gy, Very soft, amorphous, 85% siliceous clay, 15% siliceous sand, 90% very fine grained, 10% fine grained, 0.1% Glauconite. |
| 2450.0 | 2460.0 | Siltst | 5 | | Siltstone, brnsh gy, Very soft to Soft, amorphous to sub-blocky, 15% siliceous clay, 85% siliceous silt, 0.1% Pyrite, 0.1% Coal. |
| 2570.0 | 2580.0 | Siltst | 2 | | Siltstone, lt brnsh gy, Soft to Friable, sub-blocky, 15% siliceous clay, 85% siliceous silt, |

| Lithology Report | | | | | |
|------------------|-------------|----------------|-------------|-----------|--|
| Depth Interval | | Main Lithology | Lithology % | Qualifier | Description |
| Depth (mRT) | Depth Range | | | | |
| | | | | | 0.1% Pyrite, 0.1% Coal, 0.1% Glauconite. |
| 2660.0 | 2670.0 | Sst | 10 | | Sandstone, cl, transl, lt brn, dk gy, Loose, Sub-angular to Sub-rounded, Poor sorted, Slightly Elongated to Slightly Spherical, 100% siliceous sand, 5% very fine grained, 30% fine grained, 50% medium grained, 10% coarse grained, 5% very coarse grained, 0.1% Pyrite, 15% porosity, no Hydrocarbon shows. |
| 2660.0 | 2670.0 | Siltst | 90 | arg | Siltstone, dk grn-gy, lt brn-grn, Very soft to Soft, amorphous to dispersive, 40% siliceous clay, 60% siliceous silt, 0.1% Pyrite, 1% Glauconite. |
| 2670.0 | 2680.0 | Clyst | 90 | slty | Claystone, lt olv gy, lt gy, Very soft to Soft, amorphous to dispersive, 80% siliceous clay, 20% siliceous silt, 0.1% Pyrite, 0.1% Glauconite. |
| 2680.0 | 2690.0 | Clyst | 5 | carb | Claystone, med brn-lt brn, blk, Soft to Moderately hard, sub-blocky to sub-fissile, 95% siliceous clay, 5% siliceous silt, 0.1% Pyrite, 20% Coal. |
| 2700.0 | 2705.0 | Sst | 10 | | Sandstone, cl-trans, Loose, Sub-angular to Rounded, Poor sorted, Slightly Spherical to Slightly Elongated, 100% siliceous sand, 40% very fine grained, 40% fine grained, 20% medium grained, 0.1% Pyrite, 10% porosity, no Hydrocarbon shows. |
| 2770.0 | 2780.0 | Sst | 100 | | Sandstone, cl-trans, occ yel, occ gy, occ brn, occ wh, Loose, Sub-angular to Sub-rounded, Poor sorted to Very Poor sorted, Slightly Elongated to Slightly Spherical, 100% siliceous sand, 5% very fine grained, 20% fine grained, 20% medium grained, 40% coarse grained, 10% very coarse grained, 5% granular grained, 0.1% Pyrite cement, 0.1% Pyrite, 25% porosity, no Hydrocarbon shows. |
| 2780.0 | 2790.0 | Sst | 100 | | Sandstone, cl-trans, occ yel, occ gy, occ brn, occ wh, Loose, Sub-angular to Sub-rounded, Poor sorted to Very Poor sorted, Slightly Elongated to Slightly Spherical, 100% siliceous sand, 10% fine grained, 20% medium grained, 40% coarse grained, 20% very coarse grained, 10% granular grained, 0.1% Pyrite cement, 0.1% Dolomite cement, 1% Pyrite, 25% porosity, no Hydrocarbon shows. |
| 2800.0 | 2810.0 | Clyst | 10 | | Claystone, med gy, med dk gy, Very soft to Firm, amorphous to sub-blocky, 100% siliceous clay, 1% Pyrite, 0.1% Foram. |
| 2800.0 | 2810.0 | Sst | 90 | | Sandstone, cl-trans, wh, Loose, Sub-angular to Sub-rounded, Moderately sorted, Slightly Elongated to Slightly Spherical, 10% siliceous clay, 90% siliceous sand, 10% fine grained, 55% medium grained, 30% coarse grained, 5% very coarse grained, 0.1% Pyrite cement, 0.3% Pyrite, 20% porosity, no Hydrocarbon shows. |
| 2810.0 | 2820.0 | Clyst | 15 | | Claystone, med gy, med dk gy, Very soft to Firm, amorphous to sub-blocky, 100% siliceous clay, 1% Pyrite, 0.1% Foram. |