

DAILY GEOLOGICAL REPORT

DGR 15

Date:	12 August 2006	Licence / State:	P39 (V) / VIC
Report Period:	06:00 - 06:00 Hours	Rig:	Ensign 32
Days from Spud:	14	GL:	2.7m
Current Hole Size:	12.25"	RT:	8.6m
Depth @ 0600 Hrs:	1646m MDRT	PTD:	2281m MDRT (-1338mSS)
	-844m TVDSS	Spud Date:	04:30 hrs 29/07/06
24 Hr Progress:	27m		
Current Operation:	Drilling ahead 8.5" directional hole in the Gippsland Limestone.		
Nope Cost	(Drill)\$	(C&S)\$	Cost To Date:
		(P&A)\$	

Casing Data	Hole Size	Depth	Casing Size	Wt:	Type	Shoe Depth	LOT
(Conductor)		100m	20"			60m	
	17.5"	320m	13.375"	54.5	J55 BTC	317m	EMW= 20.0 ppg
	12.25"	1606m	9.625"	47.0	N80 BTC	1602m	EMW= 16.7 ppg

Mud Data	Type:	Wt:	Visc:	WL:	PH:	KCl%:	Cl -:	PV/YP:	Rmf:
	KCL-PHPA	9.3	53	5.6	9.5	5.5	30000	12 / 21	-

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition
(@ 24:00)	1	Reed	TCI T11C	17.5"	0.45	20	0-0-NO-A-O-I-RR-BHA
	2RR1	Reed	TCI T11C	17.5"	2.95	200	1-1-NO-A-O-I-RR-TD
	3	Reed	TCI T11	12.25"	9.6	316	0-0-NO-x-0-I-x-BHA
	4	Hycalog	PDC RSX516S	12.25"	21.75	971	1-1-ER-A-X-1-NO-TD
	5	Hughes	TC HP11GJ	12.25"	-	-	Clean-out trip
	6	Hycalog	TC HP21G	8.5"	-	-	Drill out trip #1
	7	Reed	PDC RSX272	8.5"	-	-	Drill out trip #2
	8	Hycalog	PDC RSX616M	8.5"	-	-	

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	1551.4	70.95	118.07	812.72	1122.61	119.02
	MWD	1580.21	71.07	117.93	822.10	1149.85	118.99
	MWD	1596.1	71.07	117.39	827.25	1164.87	118.97
	MWD	1647.79	69.84	118.53	844.55	1213.57	118.93

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary:

Continue to circulate hole clean. Pull out of hole to surface and layout stabilisers. Make up 8.5" directional BHA with Geopilot and MWD (GR, Resistivity, Neutron-Density, Surveys) and surface test same. Run in hole to 1575m and tag float collar. Attempt to work through without success. Slip and cut drilling line. Calibrate MWD depth sensor. Troubleshoot MWD pulse detection- change out downlink choke size in standpipe. Wash down carefully from 1575m to 1619m with no hang-ups observed. Drill ahead 8.5" directional hole from 1619m to 1646m.

Anticipated operations:

Drill 8.5" directional hole as per plan.

Sensor Distances:

Surveys 8.95m, Gamma Ray 11.42m, Resistivity 13.78m, Pressure 16.31m, Density 22.1m, Neutron Porosity 26.16m

FORMATION TOPS (Preliminary Field picks)

FORMATION	ACTUAL TOP		High/Low		PROGNOSED TOP	
	(MDmRT)	(TVDmSS)	To Prognosis	To East Reeve-1	(MDmRT)	(TVDmSS)
Jemmy's Point	5.9	2.7	-	-	6	3
Tambo River (Coquina)	143.0	-134.4	30.6m High	30.8m High	180	-165
Gippsland Limestone	235.0	-225.9	5.9m Low	0.2m High	230	-220
Lakes Entrance Formation					1876 **	-960 **
Latrobe Coarse Clastics					2098	-1155
Latrobe N. asperus (Coal)					2163	-1220
Total Depth					2281	-1338

** Revised Prognosis

HYDROCARBON SHOW SUMMARY

INTERVAL	LITHOLOGY & HYDROCARBON FLUORESCENCE	GAS

GAS	MD (m)	Peak	Background	Chromatograph
Trip Gas	-	-	-	-
Connection Gas	-	-	-	-

INTERVAL ROP (min/ft)	LITHOLOGY	GAS (Peak / BG) Composition
--------------------------	-----------	--------------------------------

1606-1640m ROP:3.3-8.0 Ave: 4.0	<p>INTERBEDDED MARL AND CALCILUTITE</p> <p>MARL: (30-80%) Medium to dark grey, light to medium green grey, trace off white lithic fragments, trace fossil fragments, firm to moderately hard, subblocky.</p> <p>CALCILUTITE: (20-70%) Light grey, off white, argillaceous, trace light brown lithic fragments, rare fossil fragments, dominantly moderately hard, minor hard.</p>	Trace
---------------------------------------	---	-------