

Date:	07 October 2008	Licence / State:	VIC/P44
Report Period:	06:00 – 06:00 Hours EST	Rig:	OCEAN PATRIOT
Days From Spud:	04	RT - SEAFLOOR:	87.8m
Current Hole Size:	311mm (12¼")	WATER DEPTH	67.0m MSL
		RT:	20.8m MSL
Depth @ 06:00 Hrs EST:	1763m MDRT	PTD:	~2600m MDRT
	1613.6m TVDRT	Sidetrack from	03:00 hrs on 3 rd
	-1592.8m SS MSL	Henry 2:	October,2008
24 Hr Progress:	453m		
06:00 – 06:00 EST			
Current Operation:	Drilling 311mm (12¼") directional hole in the Skull Creek Mudstone at 20m/hr.		
Nope Cost (Drill)\$	(C&S)\$ 37.4 million	Cost To Date:	
	(P&A)\$		

Casing Data	Hole Size	Depth	Casing Size	Wt:	Type	Shoe Depth	LOT
	914 mm (36")	131.7m	762mm (30")	461 kg/m (310 lb/ft)	Conductor	131.7m	n/a
	445mm (17.5")	657m	340mm (13.375mm)	101 kg/m (68 lb/ft)	L80 BTC	652m	2.21sg (18.4ppg)
	311mm (12.25")						

Mud Data	Type:	Wt:	Visc:	WL:	PH:	KCl:	Cl -:	PV/YP:	Rmf:
20:00hrs	8KCl	11.5	77	3.8	8.4	10.1	56K	39 / 58	-

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition	
Current	2	Smith	PDC	MD519	311mm (12¼")	29.4	713	Drilling
Previous								

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	LWD	1687.8	54	121	1572.1	372	123
	LWD	1716.3	56	121	1588.4	396	123

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary at 06:00 hrs EST
Drill ahead 311mm (12¼") directional hole from 1310m to 1763m.
Anticipated Operations:
Drill ahead 311mm (12¼") directional hole to section total depth of +/-2085m.

FORMATION	FORMATION TOPS					
	ACTUAL TOP		High / Low	High / Low	PROGNOSED TOP	
	(mMDRT)	(mSS MSL)	Prognosis (m)	Henry 1	(MDmRT)	(mSS MSL)
SEA LEVEL	20.8	0.0			20.8	0.0
HEYTSBURY GP	87.8	-67.0	1.0 High	0.5 High	88.8	-68.0
MEPUNGA FM	720.0	-699.2	0.2 Low	56.1 High	720.0	-699.0
DILWYN FM / WANGERRIP GP	848.0	-827.1	24.1 Low	24.4 High	824.0	-803.0
				Henry 2		
PEMBER MUDSTONE	1092.5	-1065.6	0.5 High	0.5 High	1092.2	-1066.1
PEBBLE POINT FM	1131.0	-1102.4	1.3 Low	1.3 Low	1128.9	-1101.1
MASSACRE SHALE	1201.0	-1168.7	0.4 Low	0.4 Low	1199.5	-1168.3
TIMBOON FM	1214.5	-1181.6	0.2 Low	0.2 Low	1213.3	-1181.4
PAARATTE FM	1413.0	-1359.2	2.3 High	2.3 High	1416.1	-1361.5
SKULL CREEK MDST	1665.0	-1537.8	5.4 High	5.4 High	1669.1	-1543.2
K85 UNCONFORMITY					2071.6	-1693.7
WAARRE A					2071.6	-1693.7
TOTAL DEPTH						

HYDROCARBON SHOW SUMMARY

INTERVAL	LITHOLOGY & HYDROCARBON FLUORESCENCE	GAS

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

GEOLOGICAL SUMMARY

INTERVAL ROP (m/hr)	LITHOLOGY	GAS (Peak / BG) Composition
	TIMBOON FORMATION 1214.5m MDRT 1202.4m TVDRT (-1181.6m SS)	
1310 – 1413m 1 – 90 m/hr Av: 25 m/hr	INTERBEDDED SANDSTONE AND SILTSTONE. <u>SANDSTONE</u> : clear to translucent, off white, fine to occasionally medium, rare coarse, moderately sorted, sub-angular to sub-round, weak siliceous cement, minor off white argillaceous matrix, occasional to common pyrite nodules, loose, minor friable, very poor visual porosity, poor inferred porosity, no fluorescence. <u>SILTSTONE</u> : medium brown to brown grey, green grey in part, argillaceous, occasional carbonaceous specks and glauconite grains, very soft to dispersive, rare firm, amorphous, rare sub-blocky.	1 U 100/-
	PAARATTE FORMATION 1413.0m MDRT 1380.0m TVDRT (-1359.2m SS)	
1413 – 1450m 16 – 97 m/hr Av: 41 m/hr	SILTSTONE WITH MINOR INTERBEDDED SANDSTONE. <u>SILTSTONE</u> : medium brown, light to medium greenish brown, brown grey, argillaceous, rare nodular pyrite, minor glauconite, rare carbonaceous specks, soft to firm, blocky. <u>SANDSTONE</u> : translucent, clear, off white, greenish grey, fine to medium grained, moderately sorted, sub rounded, minor light grey argillaceous matrix, minor glauconite, rare nodular pyrite, loose in part, poor to fair inferred porosity, no fluorescence.	4 U 99/1/trace/trace

DAILY GEOLOGICAL REPORT

DGR 05

1450 – 1500m 16 – 84 m/hr Av: 40 m/hr	INTERBEDDED SILTSTONE AND SANDSTONE. SANDSTONE: translucent, clear, off white, light grey, greenish grey, fine to coarse grained, poor sorting, sub angular to sub rounded, common brownish grey argillaceous matrix in fine grained aggregates, minor glauconite, common nodular pyrite, friable fine to medium grained aggregates, loose medium to coarse grains, poor to fair inferred porosity, no fluorescence. SILTSTONE: light to medium brown, light to medium greenish brown, brown grey, very finely arenaceous, argillaceous content washing from samples, minor nodular pyrite, rare glauconite, rare carbonaceous specks, soft to firm, blocky.	4 U 97/2/1/trace
1500 – 1665m 14 – 78 m/hr Av: 42 m/hr	SILTSTONE WITH MINOR INTERBEDDED FINE GRAINED SANDSTONE. SANDSTONE: translucent, clear, off white, light grey, fine to medium grained, fair sorting, sub angular to sub rounded, common brownish grey argillaceous matrix, rare glauconite, friable aggregates, poor inferred porosity, no fluorescence. SILTSTONE: light to medium brown, brownish grey, argillaceous, rare glauconite, rare carbonaceous specks, soft to firm, blocky.	68 U / 10 U 97/2/1/trace/trace 1611m
	SKULL CREEK MUDSTONE 1665.0m MDRT 1558.6m TVDRT (-1537.8m SS)	
1665 – 1760m 5 – 79 m/hr Av: 31 m/hr	MASSIVE SILTSTONE WITH MINOR SANDSTONE INTERBEDS. SANDSTONE: off white, very fine, well sorted, sub-angular to sub-round, weak calcareous cement, common off white argillaceous matrix, minor carbonaceous specks, friable, very poor visual porosity, no fluorescence. SILTSTONE: pale to medium brown, common argillaceous, minor arenaceous, occasional carbonaceous specks, very soft to dispersive, firm to moderately hard in part, amorphous, sub-blocky.	12 U 97/2/1/trace/trace

REMARKS:LWD Sensor Offsets from the Bit:

GR: 11.87m

Resistivity: 11.82m

D & I: 19.86m