

DAILY GEOLOGICAL REPORT

DGR 01

Date:	16 th September 2008	Licence / State:	VIC/P44
Report Period:	06:00 – 06:00 Hours EST	Rig:	OCEAN PATRIOT
Days From Spud:	01	RT - SEAFLOOR:	87.8m
Current Hole Size:	311mm (12¼")	WATER DEPTH	67.0m MSL
		RT:	20.8m MSL
Depth @ 06:00 Hrs EST:	1657m MDRT	PTD:	2626m MDRT
	1544.7m TVDRT	Sidetrack from	05:00 hrs on 16 th
	-1523.9m SS MSL	Henry 2:	September,2008
24 Hr Progress:	5m		
06:00 – 06:00 EST			
Current Operation:	Drilling 311mm (12¼") directional hole in the Paaratte Formation at 2m/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:
	KGlycol	11.0	62	4.8	10.5	8.4	49k	26/29	

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition
Current	1	Smith	Mill	XR+	311mm (12¼")	15.6	18 Drilling
Previous							

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	1603.4	41	112	1504.7	330.2	121
	MWD	1632.5	42	114	1526.3	349.3	121

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary at 06:00 hrs EST

Henry 2DW1 sidetracked from the Henry 2 well from 1652m at 05:00 hours on 16th September 2008. Continue to drill 311mm (12¼") directional hole sidetracking the well from 1652m to 1657m.

Anticipated Operations:

Drill ahead 311mm (12¼") directional hole sidetracking the well.

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
PEMBER MUDSTONE	1092.5	-1066.1	12.1 Low	31.4 High	1086.7	-1054.0
PEBBLE POINT FM	1132.5	-1101.1	22.1 Low	21.8 High	1113.6	-1079.0
MASSACRE SHALE	1207.0	-1168.3	33.3 Low	18.6 High	1173.9	-1135.0
TIMBOON FM	1222.0	-1181.4	36.4 Low	17.2 High	1184.7	-1145.0
PAARATTE FM	1443.0	-1361.5	28.5 Low	37.0 High	1389.4	-1333.0
				Henry 2		
SKULL CREEK MDST					1686.0	-1543.2
K85 UNCONFORMITY					2014.3	-1693.7
WAARRE A					2014.3	-1693.7
TOTAL DEPTH					2626.9	-1708.7

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
1652 – 1657m 0.8 – 3 m/hr Av: 1.3 m/hr	<p>Henry 2DW1 sidetracked from the Henry 2 well at 05:00 hours on 16th September 2008 from 1652m</p> <p>INTERBEDDED SILTSTONE AND SANDSTONE. SILTSTONE: medium dark grey, medium to dark brownish grey, argillaceous in part, very finely arenaceous in part, rare to common glauconite, trace micro mica, trace carbonaceous flecks, moderately hard, sub blocky. SANDSTONE: off white, very light brownish grey, translucent, clear, very fine to fine grained, trace medium, sub angular to predominately sub rounded, moderately well sorted, common weak calcareous cement, common off white argillaceous matrix, rare glauconite, friable aggregates, poor inferred porosity, no fluorescence.</p>	trace C1

REMARKS:

LWD Sensor Offsets from the Bit:

GR: 11.54m
 Resistivity: 11.49m
 D & I: 19.44m