

DAILY GEOLOGICAL REPORT

DGR 01

Date:	26 th August 2008 – 06:00 EST	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:	914mm (36")	WATER DEPTH	67.0m MSL
Depth @ 06:00 Hrs EST:	131.7m MDRT	RT:	20.8m MSL
	-110.9m SS MSL	PTD:	2047m MDRT
24 Hr Progress:	43.9m	Spud Date:	03:15 hrs 25 th August,08
06:00 – 06:00 EST			
Current Operation:	Making up the 445mm (17 ½") Bottom Hole Assembly.		
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")		340mm (13.375mm)	101 kg/m (68 lb/ft)			
	311mm (12.25")						

Mud Data	Type:	Wt:	Visc:	WL:	PH:	KCl:	Cl -:	PV/YP:	Rmf:
	PHG Sweeps	8.8							

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition	
Current								
Previous	1	Reed	Mill	Y11	660mm (26") / 914mm (36") H/O	2.7	43.9	TBA

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary at 06:00 hrs EST

Start of Henry 2 from the time of the last anchor up from the Netherby 1 location at 10:00hrs on 24th August 2008. The rig Ocean Patriot towed to the Henry 2 location and anchors run. The 914mm (36") drilling assembly was made up and run into the hole tagging the seabed at 87.8mRT. **Henry 2 was spudded at 03:15hrs on 25th August 2008.** Drill 914mm (36") hole from seabed at 87.8m to 131.7m with PHG mud sweeps pumped at mid stand and at connections. Wiper trip to 97m. No drag or fill. Pull out of hole. Run and land the 762mm (30") casing and Permanent Guide Base. Circulate and cement casing. Pull out of the hole with the conductor running tool. Break out the 914mm (36") hole opener and the 660mm (26") bit. Make up the 445mm (17½") bottom hole assembly.

Anticipated Operations:

Drill the 445mm (17 ½") hole section to +/- 610m.

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	1 High	0.5 High	90	-68
MEPUNGA FM					721	-699
DILWYN FM / WANGERRIP GP					825	-803
PEMBER MUDSTONE					1082	-1054
PEBBLE POINT FM					1109	-1079
MASSACRE SHALE					1169	-1135
TIMBOON FM					1180	-1145
PAARATTE FM					1387	-1333
SKULL CREEK MDST					1641	-1524
K85 UNCONFORMITY					1890	-1658
WAARRE A					1890	-1658
EUMERALLA FM					1943	-1683
TOTAL DEPTH					2047	-1733

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
87.8 – 131.7m	Returns to the seafloor during the drilling of the 914mm (36") hole section.	

REMARKS: