

DAILY GEOLOGICAL REPORT

DGR 13

Date:	7 th September 2008 06:00 EST	Licence / State:	VIC/P44
Report Period:	06:00 – 06:00 Hours EST	Rig:	OCEAN PATRIOT
Days From Spud:	13	RT - SEAFLOOR:	87.8m
Current Hole Size:	311mm (12¼")	WATER DEPTH	67.0m MSL
Depth @ 06:00 Hrs EST:	1063m MDRT	RT:	20.8m MSL
	-1039.9m SS MSL	PTD:	2047m MDRT
24 Hr Progress:	406m	Spud Date:	03:15 hrs 25 th August,08
06:00 – 06:00 EST			
Current Operation:	Drilling 311mm (12¼") hole in the Dilwyn Formation at 36 m/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	9.9	75	4.0	8.5	10.5	66k	21/31	

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition	
Current	3	Hughes	Mill	MXL-1X	311mm (12¼")	4.1	275	Drilling
Previous								

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	998.2	14	148	996.9	20	149
	MWD	1026.5	17	147	1024.1	27	149

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary at 06:00 hrs EST

Complete pressure testing surface equipment. Run in hole with the 311mm (12¼") directional drilling assembly. Tag cement at 620m. Drill cement, the casing shoe and 3m of new formation. Conduct a Leak-Off Test. Equivalent Mud Weight = 2.21sg (18.4ppg). Drill ahead 311mm (12¼") hole from 660m to 1063m.

Anticipated Operations:

Drill ahead 311mm (12¼") directional hole to +/-1400m. Pull out of hole for a PDC bit.

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					1086.7	-1054.0
PEBBLE POINT FM					1113.6	-1079.0
MASSACRE SHALE					1173.9	-1135.0
TIMBOON FM					1184.7	-1145.0
PAARATTE FM					1389.4	-1333.0
SKULL CREEK MDST					1637.1	-1524.0
K85 UNCONFORMITY					1885.8	-1658.0
WAARRE A					1885.8	-1658.0
EUMERALLA FM					1935.8	-1683.0
TOTAL DEPTH					1977.0	-1703.6

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
657 – 720m 9 – 167 m/hr Av: 48 m/hr	<u>CALCAREOUS SILTSTONE</u> : medium to dark brown, brown grey, occasionally light brown, off white, commonly argillaceous, grading to <u>CALCAREOUS CLAYSTONE</u> , common fossil fragments, occasional forams and corals, rare pyrite nodules, dispersive to firm, moderately hard in part, minor soft, amorphous, blocky to sub-blocky.	trace 100/-
	MEPUNGA FORMATION 720m MDRT (-699.2m SS MSL)	
720 – 848m 6 – 286 m/hr Av: 62 m/hr	<u>SANDSTONE</u> : medium to dark orange, yellow orange, rare off white, medium to coarse, very coarse in part, moderately sorted, sub-round to round, weak siliceous cement, rare off white argillaceous matrix, common orange Fe staining, loose, minor friable, good to very good inferred porosity, no fluorescence.	trace 100/-
	DILWYN FORMATION 848m MDRT (-827.1m SS MSL)	
848 – 990m 13 – 284 m/hr Av: 76 m/hr	<u>SANDSTONE WITH MINOR INTERBEDDED SILTSTONE</u> <u>SANDSTONE</u> : clear, translucent, light grey in part, fine to very coarse, poorly sorted, sub angular to predominately sub rounded, trace weak siliceous cement, locally with trace pyritic cement, trace light grey argillaceous matrix, minor nodular pyrite, predominately loose clean quartz grains, fair to good inferred porosity, no fluorescence. <u>SILTSTONE</u> : medium brown to brownish grey, argillaceous, trace lithics, trace carbonaceous specks, trace forams, dispersive to firm, amorphous, sub blocky in part.	trace 100/-

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990 – 1050m 9 – 86 m/hr Av: 37 m/hr	<p>SILTSTONE WITH MINOR INTERBEDDED SANDSTONE.</p> <p><u>SANDSTONE</u>: clear, translucent, light grey, fine to very coarse grained, poor sorting, sub angular to predominately sub rounded, trace weak siliceous cement, minor light brownish grey argillaceous matrix, trace glauconite, trace lithics, poor to fair inferred porosity, no fluorescence.</p> <p><u>SILTSTONE</u>: medium brown, argillaceous, locally very fine arenaceous, minor carbonaceous fragments, trace very fine glauconite, soft to firm, sub blocky.</p>	trace 100/-	

REMARKS:

LWD Sensor Offsets from the Bit:

GR: 11.53m
 Resistivity: 11.48m
 D & I: 19.38m
 HeFar: 36.24m
 Density: 35.19m
 Caliper: 34.81m