DAILY GEOLOGICAL REPORT

Report No. 08

REPORT PERIOD: 00:00 – 24:00 hrs, 20/05/2008

WELLSITE GEOLOGISTS: Simon Ward / Bill Leask

RIG:	West Triton	**RT-ML (m):**	77.5	**DEPTH @ 24:00 HRS:**	1766 mMDRT 1618.2 mTVDRT
RIG TYPE:	Jack-up	**RT ELEV. (m, AMSL):**	38.0	**DEPTH LAST REPORT :** (@ 24:00 HRS)	1766 mMDRT 1618.2 mTVDRT
SPUD DATE:	10 May 2008 @ 19:30hrs	**LAST CSG/LINER: (mMDRT)**	340mm (13.375") @ 747.2	**24HR. PROGRESS:**	0m
DAYS FROM SPUD:	10.19	**MW (SG):**	1.12	**LAST SURVEY:**	7.36° @ 1745.7m MDRT, 234.2° Azi 1598.0m TVDRT
BIT SIZE:	311mm (12¼")	**LAST LOT/FIT (SG):**	1.57 @ 754mMD, 705m TVDRT (no leak-off)	**EST. PORE PRESSURE:**	

Operations Summary

24HRS. DRILLING SUMMARY:	Completed laying out BHA and directional and LWD tools (recovered LWD memory data offline). Rigged up Schlumberger. Ran Wireline logs as per program. Suite #1, Run #1: PEX-HRLA-BHC (logged from HUD at 1760m to 1300m); Run #2: MDT-GR (attempted 17 stations between 1574m and 1681.5m, obtained 9 valid pressures, 4 supercharged points, 3 tight, 1 seal failure and took 3 formation fluid samples). POOH and recovered MDT samples at surface. Rigged down Schlumberger Wireline. Made up and RIH with mule shoe on 5½" drill pipe.
CURRENT STATUS @ 06:00HRS: (21-05-2008)	Circulating above plug #1A at 1613m MDRT.
EXPECTED NEXT ACTIVITY:	Continue with P&A program

Cuttings Descriptions

DEPTH (MMDRT) Top	Btm	ROP (M/HR.) Min.-Max. (Ave.)	DESCRIPTIONS (LITHOLOGY / SHOWS)	BG GAS (%) Ave.	Max.
No drilling during the reporting period.					

Gas Data

DEPTH (MMDRT)	TYPE	% Total Gas Min – Max (Avg)	C1 ppm	C2 ppm	C3 ppm	iC4 ppm	nC4 ppm	iC5 ppm	nC5 ppm
N/A**									

Type: P-Peak, C–Connection T–Trip, W-Wiper Trip, BG-Background Gas, FC-Flow Check, *P-Pumps off, SWG-Swab Gas

**Note: No circulation during reporting period.

Oil Show

Depth (mMDRT)	Oil stain	Fluor% / Colour	Fluor Type	Cut Fluor	Cut Type	Res Ring	Gas Peak	BG
N/A								

Calcimetry Data

Sample Depth (mMDRT)	Calcite (%)	Dolomite (%)	Total Carbonate (%)	Sample Depth (mMDRT)	Calcite (%)	Dolomite (%)	Total Carbonate (%)
N/A							

Mud Data @ 1766 mMDRT

Mud Type	MW (SG)	Viscosity (sec/qt)	PV / YP	Cl⁻ (mg/l)
KCl- Polymer	1.12	58	13 / 27	39,000

Tracer Data

Depth	Type	Concentration	Additions Started (Depth / Date)
N/A			No tracer in use

MWD / LWD Tool Data

Tool Type	N/A – No tools in hole
Sub Type	
RT Memory Sample Rate (sec)	
Bit to Sensor Offset (m)	

Flow Rate Range for Pulser Configuration

Provisional Final Formation Tops****

Formation (Seismic Horizon)	Prognosed* (mMDRT)	Prognosed (mSS)	Actual (mMDRT)	Actual (mSS)	Difference (High/Low) (m)	Based on
Mudline	77.0	39.0	77.5	39.5	0.5 L	Tagged with drill string**
Gippsland Limestone	80.0	45.0	-	-	-	
Lakes Entrance Formation	977.85	860.0	982.0	865.3	5.3 L	Change in character of LWD resistivity, lower ROP, siltier cuttings
Top Latrobe Group						
- Gurnard Formation	1531.6	1345.0	1568.5	1385.1	40.1 L	Wireline Logs
- Top N1	1585.5	1398.0	1598.5	1414.5	16.5 L	Wireline Logs
- Top N2.2	NP	-	1622.5	1438.2	-	Wireline Logs
- Top N2.3	1641.2	1453.0	1656.0	1471.3	18.3 L	Wireline Logs
- Top N2.6	1668.5	1480.0	1681.0	1496.0	16.0 L	Wireline Logs
- Top P1	1702.9	1514.0	1715.5	1530.1	16.1 L	Wireline Logs
Total Depth	1790.0	1600.0	1766.0	1580.2	-	Pipe tally

*Prognosed depth (MDRT) assumes a RT elevation of 38m above MSL and is based on **Directional Plan Wardie-1 Rev 06**.

**Seabed actually tagged at 76.8m with drill string due to a mound of cement being present from the adjacent WSH-3 well (Mudline encountered at 77.5mMDRT).

***Surveyed final RT elevation is actually 37.68m (38m is carried in Report headers).

****The “final” tops are based on Wireline Log depths and Final Demag MWD Survey results and may change.

Comments

All Wireline Logging activities and MDT results are recorded in separate reports.

LWD memory data was successfully retrieved, processed and e-mailed to 3D Oil office.

MPSR sample bottles from the MDT were recovered and processed as follows:

The first of the two chambers taken at 1582.4m was partially drained on-site by Petrotech to obtain preliminary oil properties. The remainder of this cylinder plus the second cylinder from this depth were then transferred to Petrotech bottles for sending in to a lab for further analytical work. The single sample from 1593.7mMDRT was transferred by Petrotech and no field analytical work undertaken.

Since midnight, Petrotech completed sample transfers and the requested analyses, though there was insufficient gas from the partially drained 1582.4m sample to allow $C0_2$ and H_2S readings to be taken.

During circulation of bottoms up from 1766m at about 0400hrs, the BHI gas trap had to be shut down due to the shaker header box overflowing. This situation arose because of a high pump rate with only 3 shakers available to process returns. Prior to the shut down of the gas trap the maximum gas while circulating was 0.27% and the circulating back-ground gas level was ca. 0.003%.

During this ciculation, large chunks of coal were present on the shakers, the largest being about 100x90x12 mm with many pieces in the 50x40x30 mm size range. Samples have been taken of the coal chunks.

Wellsite Geologists due to leave rig @ 1500 hrs 21 May 2008.

Wireline Logging crew due to leave the rig on 21 May 2008

Petrotech crew due to leave the rig on 21 May 2008.

This is the FINAL Daily Geological Report for Wardie-1.

----------END OF REPORT----------