



DAILY GEOLOGICAL REPORT

DATE: 05 Jun 2010
 REPORT NO.: 20
 (associated DDR # 20)

WELL: CBM 93-002

| | | | |
|-----------------------------|------------------------------|-------------------------|---------------------------------------|
| RIG | Wallis Rig D 39 | RIG TYPE | Land |
| COMPLETION TYPE | | TARGET | Test gas potential of Purni Formation |
| Depth at Midnight (MD) | 958.2 m | SPUD DATE | 22 May 2010 |
| DAYS SINCE SPUD | 14.67 (Days on well: 19.67) | LAST CASING | 4.500 in @ 523.5 m MD |
| PRESENT DEPTH MD | 977.5 m | BACKGROUND GAS | 17.00 Unit @ 944.0 m |
| 24 Hr Progress | 102.00 m | MAX GAS | 78.00 Unit @ 941.5 m |
| AVERAGE ROP | 42,479.97 m/h | ECD | |
| Operations Status @ 0600hrs | Coring ahead | ESTIMATED PORE PRESSURE | |
| PROGNOSED TD | 1,150.0m MD 1,150.0m TVD | | |

Well Details

| | | | | |
|------------|----------------------------|-----------|---------------|-----------------|
| Latitude: | 25.00° 21.00" 16.10' South | UTM(N/S): | RT - MSL: | 159.30 m RT MSL |
| Longitude: | 135.00° 26.00" 5.30' East | UTM(E/W): | GL Elevation: | 158.0 m |

Operations Summary and General Remarks

| | |
|--------------------|---|
| OPERATION SUMMARY: | Cored from 856 to 958.10 in sandstones of the Purni Formation with occasional coals to 900.61m. Section below 900.61 lacks coals beyond 20cm in thickness but still contains occasional large coal fragments. Total coal cored now 96.5m, total for Purni 100m. |
| HYDROCARBON SHOWS: | Nil, but total gas and C1 increasing below 935m |
| NEXT OPERATION: | Core ahead to TD in top Crown Point |

Lithology Summary

| Interval MDBRT (m) From To | Lithology | % | Description |
|-------------------------------|-------------------------------------|-----|--|
| 859.61 - 862.63 | Interbedded Siltstone and Sandstone | 100 | Interbedded Siltstone and Sandstone 859.61 - 862.63m Mostly interbedded dark grey siltstone and light grey fine sandstone as above, grading up from underlying coal through dark brown carbonaceous claystone |
| 862.63 - 863.30 | Coal | 100 | Coal 862.63 - 863.3m Coal, mostly dull with a few bright zones |
| 863.30 - 864.28 | Sandstone | 100 | Sandstone 863.3 - 864.28m Sandstone, fine, laminated and thinly interbedded and laminated with minor dark grey siltstone. About 70% sandstone |
| 864.28 - 865.51 | Interbedded Coal and Siltstone | 100 | Interbedded Coal and Siltstone 864.28 - 865.51m Interbedded coal, carbonaceous claystone and dark grey siltstone, coal at base and top, sharp contact at base, gradational at top. |
| 865.51 - 868.20 | Siltstone | 100 | Siltstone 865.51 - 868.2m Siltstone, dark grey, with occasional thin bands and laminae of fine sandstone, plus rare thicker beds to 15cm. |
| 868.20 - 871.22 | Coal | 100 | Coal 868.2 - 871.22m Coal, dull, fissile, in part pyritic. Includes 50cm bed of dark grey siltstone grading to carbonaceous claystone above 870.1m. |
| 871.22 - 876.55 | Siltstone | 100 | Siltstone 871.22 - 876.55m Siltstone, mid - dk gy with rare irregular fine sandstone beds, lenticular in part. Becomes more silty upward. |
| 876.55 - 878.81 | Coal | 100 | Coal 876.55 - 878.81m Coal, mostly banded bright, grades to overlying unit |
| 878.81 - 882.24 | Interbedded Siltstone and Sandstone | 100 | Interbedded Siltstone and Sandstone 878.81 - 882.24m Interbedded siltstone and fine sandstone as above, sandstone about 30%, thin bedded and laminated, occasional coal streaks, becoming sandier towards top, more carbonaceous around 880m |
| 882.24 - 885.56 | Sandstone | 100 | Sandstone |



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| Interval MDBRT (m) | | Lithology | % | Description |
|--------------------|--------|--|-----|--|
| From | To | | | |
| | | | | 882.24 - 885.56m Sandstone, coarse, quartzose, abundant white and cream clay matrix, becoming coarser upwards, common biotite. Uniform apart from a few carbonaceous laminae towards the top |
| 885.56 | 886.53 | Interbedded Siltstone & Sandstone | 100 | Interbedded Siltstone & Sandstone 885.56 - 886.53m Interbedded siltstone and sandstone as above, about 50:50, coarsens up from two thin coal to carbonaceous claystone bands near base. |
| 886.53 | 893.54 | Sandstone | 100 | Sandstone 886.53 - 893.54m Sandstone as above, coarse to medium at base coarsening up very slightly to coarse. Possibly crossbedded. |
| 893.54 | 898.05 | Upward Fining Sandstone & Siltstone | 100 | Upward Fining Sandstone & Siltstone 893.54 - 898.05m Upward fining sequence from light grey medium sandstone with common carbonaceous or claystone laminae through interbedded mic-dark grey siltstone and light grey medium to fine sandstone in bands and thin beds to two thin coals grading to carbonaceous claystone. |
| 898.05 | 898.59 | Siltstone | 100 | Siltstone 898.05 - 898.59m Siltstone, mid - dark grey, slightly carbonaceous in part |
| 898.59 | 900.61 | Coal | 100 | Coal 898.59 - 900.61m Coal, banded bright |
| 900.61 | 902.99 | Coal, Carbonaceous Claystone & Siltstone | 100 | Coal, Carbonaceous Claystone & Siltstone 900.61 - 902.99m Mixture of coals grading to carbonaceous claystones at base & over 20cm above 906.8m, interbedded with siltstone and thin beds of medium sandstone. Overlying coals are part of this sequence. |
| 902.99 | 912.83 | Sandstone | 100 | Sandstone 902.99 - 912.83m Sandstone in upward fining sequence from coarse to coarse to medium at top. Occasional thin coal bands at base. |
| 912.83 | 916.29 | Siltstone | 100 | Siltstone 912.83 - 916.29m Siltstone, mid grey, slightly sandy in part, with poorly defined very fine sandstone bands and laminae |
| 916.29 | 919.85 | Sandstone | 100 | Sandstone 916.29 - 919.85m Sandstone, light to mid grey, coarse to medium, with common mid to dark grey siltstone bands and laminae, often irregular and wavy. |
| 919.85 | 930.00 | Sandstone | 100 | Sandstone 919.85 - 930.0m Sandstone, light grey, coarse to medium with occasional very coarse bands (eg at 926m) and rare laminated carbonaceous zones. Rare coal bands and stringers |
| 930.00 | 934.00 | Sandstone | 100 | Sandstone 930.0 - 934.0m Sandstone, coarse to medium as above but strongly fractured during coring at base and top. |
| 934.00 | 940.55 | Sandstone | 100 | Sandstone 934.0 - 940.55m Sandstone, coarse - medium as above, mostly uniform apart from vague cross lamination and abundant carbonaceous laminae around 935m and hard cemented bands to 0.7m at 934 and 937m |
| 940.55 | 945.27 | Sandstone | 100 | Sandstone 940.55 - 945.27m Sandstone, coarse to medium as below, 60%, interbedded and interlaminated with siltstone, dark grey, laminae sometimes discontinuous, and uniform sandstone bands to 0.4m. Scattered clasts of ripped up sediment. |
| 945.27 | 951.39 | Sandstone | 100 | Sandstone 945.27 - 951.39m Sandstone, as at 934.0m, fining up from very coarse to coarse to medium with occasional ripped up coal clasts |
| 951.39 | 953.21 | Siltstone | 100 | Siltstone 951.39 - 953.21m Siltstone grading to very fine sandstone, mid grey, with bands and laminae of light grey fine sandstone, a few coal clasts near base and a few |



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|----------------------------|--------|-----------|-----|--|
| | | | | carbonaceous zones. Quite hard and bedding contacts diffuse. |
| 953.21 | 956.85 | Sandstone | 100 | Sandstone 953.21 - 956.85m Sandstone, very fine, grading to siltstone, occasionally uniform but usually interbedded with light grey fine sandstone as above. |

Gas Readings

| Depth (m) | Total Gas (ppm) | BGG (ppm) | C1 (ppm) | C2 (ppm) | C3 (ppm) | iC4 (ppm) | nC4 (ppm) | iC5 (ppm) | nC5 (ppm) |
|-----------------|-----------------|-----------|----------|----------|----------|-----------|-----------|-----------|-----------|
| 874.20 - 880.20 | 3,000.000 | 1,600.00 | 3 - 11 | 0 - 2 | 0 - 0 | 0 - 0 | 0 - 0 | 0 - 0 | - |

Comment- From coal. CO@232ppm, background

| | | | | | | | | | |
|-----------------|-----------|----------|--------|-------|-------|-------|-------|-------|---|
| 940.20 - 946.20 | 7,900.000 | 1,600.00 | 2 - 11 | 0 - 2 | 0 - 0 | 0 - 0 | 0 - 0 | 0 - 0 | - |
|-----------------|-----------|----------|--------|-------|-------|-------|-------|-------|---|

Comment- From sandstones. CO2 211, background

Prognosis and Preliminary Correlation

| Top | Actual Depth (159.30 m RT MSL) | | | Prognosis | H/L | Pick Criteria | Remarks |
|-----------------------|--------------------------------|--------|---------|-----------|---------|--|---|
| | MD | TVD | TVDSS | MD | | | |
| Eyre Formation | 4.00 | 4.00 | -155.30 | 4.00 | N/A | | |
| Winton Formation | 20.00 | 20.00 | -139.30 | 60.00 | 40.0 H | Top grey claystones | Top may be unweathered Eyre Fmn |
| MacKunda Fm | 198.00 | 198.00 | 38.70 | | N/A | First glauconitic sandstones, slightly calcareous | Top boundary clear, but could contain equivalents of Oodnadatta and Bulldog Formations |
| Cadna-owie Fm | 291.00 | 291.00 | 131.70 | 484.00 | 193.0 H | Top first quartz sandstone | Very thin, indistinguishable from Algebuckina while drilling. Better defined on wireline logs |
| Algebuckina Sandstone | 314.00 | 314.00 | 154.70 | 490.00 | 176.0 H | Second fast drilling break - no change in cuttings | May include Poolowanna Formation and/or other early Mesozoic units |
| Purni Formation | 512.00 | 512.00 | 352.70 | 700.00 | 188.0 H | Reverse drilling break above 5.5m coal | |

Core

| | | | |
|---------------------|-----------------|-------------------|---------|
| Core #: | 58 | Start Depth (MD): | 856.2 m |
| Formation: | Purni Formation | End Depth (MD): | 862.2 m |
| Contractor: | Wallis Drilling | Core Diameter: | 61 mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | Others | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

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| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 59 | Start Depth (MD): | 862.2 m |
| Formation: | | End Depth (MD): | 868.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 60 | Start Depth (MD): | 868.2 m |
| Formation: | | End Depth (MD): | 874.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 61 | Start Depth (MD): | 874.2 m |
| Formation: | | End Depth (MD): | 880.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

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|---------------------|----|-------------------|---------|
| Core #: | 62 | Start Depth (MD): | 880.2 m |
| Formation: | | End Depth (MD): | 886.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 63 | Start Depth (MD): | 886.2 m |
| Formation: | | End Depth (MD): | 892.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

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| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 64 | Start Depth (MD): | 892.2 m |
| Formation: | | End Depth (MD): | 898.4 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 5.9 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 65 | Start Depth (MD): | 898.2 m |
| Formation: | | End Depth (MD): | 904.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.1 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 66 | Start Depth (MD): | 904.2 m |
| Formation: | | End Depth (MD): | 910.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 67 | Start Depth (MD): | 910.2 m |
| Formation: | | End Depth (MD): | 916.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 68 | Start Depth (MD): | 916.2 m |
| Formation: | | End Depth (MD): | 922.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

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| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 69 | Start Depth (MD): | 922.2 m |
| Formation: | | End Depth (MD): | 928.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 70 | Start Depth (MD): | 928.2 m |
| Formation: | | End Depth (MD): | 934.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 71 | Start Depth (MD): | 934.2 m |
| Formation: | | End Depth (MD): | 940.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 72 | Start Depth (MD): | 940.2 m |
| Formation: | | End Depth (MD): | 946.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section

Core

| | | | |
|---------------------|----|-------------------|---------|
| Core #: | 73 | Start Depth (MD): | 946.2 m |
| Formation: | | End Depth (MD): | 852.2 m |
| Contractor: | | Core Diameter: | mm |
| Equipment: | | Barrel Length: | 6.0 m |
| Sleeve Type: | | Amount Recovered: | 6.0 m |
| Encapsulation Type: | | | |

Shipping:

Comments:

Core Description: See Lithology Section



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Well Geologist

Graham McClung