DAILY GEOLOGICAL REPORT

WELL:	Shenandoah #1	**REPORT No.:**	36	**DAYS FROM SPUD:**	36	**DATE:**	05/09/07
PEL:	EP 98	**00:00 DEPTH:**	1299mKB	**LAST 24hr DEPTH:**	1187mKB	**24 hr Progress:**	112m
LOCATION:	Beetaloo Basin	**RIG:**	Century Rig 7	**KB:** (Final Survey)	232.55m	**13 $^{3}/_{8}$" Csg:**	312m
GEOLOGIST:	J Hulse			**GL:** (Final Survey)	226.75m	**PTD:**	2,900m

NEARBY WELLS: Balmain #1 (Twin)

06:00 Depth/Operation: **1338mKB /** Drill ahead in 12 ¼" Kyalla Shale.
Operations 00:00 to 06:00: Drill ahead 12 ¼" hole in Kyalla Shale.
Previous 24 Hours Operations: Drill ahead 12 ¼" hole with survey (3.5° to 030° True) in Kyalla Shale.

Formation Tops	Actual Depths (m)			Prognosed Depths (m)			Diff to Prog.	Thickness
	MDKB	TVD	TVDSS	MDKB	TVD	TVDSS	H/L	(m)
Undifferentiated Tertiary	5.8	5.8	+227	5.8	5.8	+227	-	45.7
Jinduckin Formation	51.5	51.5	+181.3	54.8	54.8	+178	3.3H	32.7
Tindall Limestone	84.2	84.2	+148.6	83.8	83.8	+149	0.4L	178.8
Antrim Volcanics	263.0	263.0	-30.5	265.3	265.3	-32.5	2.0H	85.0
Bukalara Sandstone	348.0	348.0	-115.5	348.3	348.3	-115.5	0.0	58.0
Hayfield Mudstone	406.0	406.0	-173.5	406.3	406.3	-173.5	0.0	375.9
Hayfield Sand	782.5	782.3	-549.7	782.2	782.2	-549.4	0.3L	(10.5)
Jamison Sandstone	855.0	854.8	-622.2	856.3	856.3	-623.5	1.3H	85.0
Kyalla Formation	940.0	939.8	-707.2	940.8	940.8	-708.0	0.8H	
Moroak Sandstone				1551.8	1551.8	-1319		
Velkerri Formation				1641.8	1641.8	-1409		
Bessie Creek Sandstone				2481.8	2481.8	-2249		
Total Depth				2900.0	2900.0	-2667.2		

Remarks:

Interval (m) ROP (min/m)	**Lithology Description**	**Gas/B'ground Breakdown C1/C2/C3/C4/C5**
Formation: Kyalla Shale		
1180-1260mKB	**Mudstone (80-100%):** Pale – medium green, medium grey – medium brown grey, micromicaceous, trace carbonaceous laminations, firm – moderately hard, sub fissile – sub blocky, trace nodular pyrite, grading to siltstone in part. **Siltstone (trace-20%):** Pale grey, minor dark grey – dark brown, argillaceous – arenaceous, trace – common carbonaceous laminae, moderately hard – hard, sub blocky – sub fissile, weakly – moderately laminar, trace biotite leaves. **Sandstone (trace-10%):** Light grey, abundant siliceous cement, very fine, moderately hard, well consolidated, trace carbonaceous specks, massive, trace mica, trace pyrite, nil visible porosity, no shows. Interval 1220-1230m contains 10%, other intervals are trace only.	1258mKB Tg max 15 unit Bkg gas 1 unit 94/3/2/2/2
Fluorescence	Nil	
Gas Flaring	Nil	
1260-1300mKB	**Mudstone (100%):** Pale green, medium – dark grey, dark grey brown, minor red brown, firm – hard, sub blocky – sub tabular, minor sub fissile, common micromicaceous, weakly – moderately laminar, minor – common strong laminar carbonaceous mudstone grading to siltstone.	1277mKB Tg max 4.2 unit Bkg gas <1 unit 91/3/2/2/1
Fluorescence	Nil	
Gas Flaring	Nil	

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06:00 AM Summary

Formation: KYALLA SHALE

1300-1338mKB	Distinct lithological change from overlying samples, dark grey – dark brown shaly mudstone dominates. **Mudstone (100%):** Dark grey - dark brown, hard – very hard, abundant sub fissile, minor splintery, micromicaceous, weakly – moderately laminar, common – abundant carbonaceous laminae, minor – common silty. Minor light grey green mudstone, soft – firm, massive, trace carbonaceous filaments. **Siltstone (trace):** Light grey, hard, siliceous, weakly laminar, trace carbonaceous specks, arenaceous in part. **Sandstone (trace):** Light grey, very fine, quartzose, well consolidated, abundant siliceous cement, trace carbonaceous specks, grading to siltstone in part, nil visible porosity, no shows.	1306mKB Tg max 2.5 unit Bkg gas <1 unit 91/5/3/1/-
Fluorescence	Nil	
Gas Flaring	Nil	