

**DAILY GEOLOGICAL REPORT**DATE: 28 Dec 2011
REPORT NO.: 40
(associated DDR # 40)**WELL: Surprise 1**

RIG	Hunt Rig #3	RIG TYPE	Land
COMPLETION TYPE		TARGET	Lower Stairway Sandstone
Depth at Midnight (MD)	2,696.0 m	SPUD DATE	
DAYS SINCE SPUD	0.00 (Days on well: 39.29)	LAST CASING	7.000 in @ 2,426.00 m MD
PRESENT DEPTH MD	2,696.0 m	BACKGROUND GAS	30.00 Unit @ 2,616.0 m
24 Hr Progress	81.00 m	MAX GAS	1,167.00 Unit @ 2,676.0 m
AVERAGE ROP	4.00 m/h	ECD	
Operations Status @ 0600hrs	drilling ahead at 2715m. Sandstone and claystone	ESTIMATED PORE PRESSURE	
PROGNOSSED TD	3,928.0m MD 2,551.0m TVD		

Well Details

Latitude:	23.00° 42.00' 50.76" South	UTM(N/S):	7377073N m N	RT - MSL:	3.66 m RT GL
Longitude:	129.00° 59.00' 36.09" East	UTM(E/W):	601261E m E	GL Elevation:	545.0 m

Operations Summary and General Remarks

OPERATION SUMMARY:	drilled rotating and sliding to geosteer into target
LITHOLOGY SUMMARY:	Sandstone and claystone
HYDROCARBON SHOWS:	poor to good oil shows. Good continuous stream of oil on surface of possum belly 2-3cm wide, mud discoloured pale brown over shakers, black oil on shakers after drilling break at 2676m
NEXT OPERATION:	continue geosteering to target zone

Lithology Summary

Interval MDBRT (m) From To	Lithology	%	Description
2,616.00 - 2,697.00	Sandstone and claystone	50-100	Sandstone light brown- grey brown, occ clear wh grs where loose and coarse, friable to hard, occasionally loose, very fine to fine, occ m-c, well srted, sangular to subrounded, common silica cement, silty, trace bituminous carbonaceous matter, poor visible porosity, 50-100% dull yel fluorescence, nil to slow blooming diffuse pale blu wh cut, weak to occasionally strong blu/wh residual ring and film.
	Sandstone and claystone	0-50	medium-dark grey, hard, blocky to subfissile, silty, grades to siltstone, micromicaceous.

Gas Readings

Depth (m)	Total Gas (Units)	BGG (Units)	C1 (ppm)	%C1 (%)	C2 (ppm)	%C2 (%)	C3 (ppm)	%C3 (%)	iC4 (ppm)	%iC4 (%)	nC4 (ppm)	%nC4 (%)	iC5 (ppm)	%iC5 (%)	nC5 (ppm)	%nC5 (%)	He (ppm)	Hydro- carbons (ppm)
2,644.00	212.000		-		-		-		-		-		-		-			
Gas Type	Connection		Comment-															
2,650.00	325.000		- 1,636	10.00	- 1,201	8.00	- 3,003	19.00	- 1,539	15.00	- 4,038	20.00	- 1,860	13.00	- 2,482	15.00		
Gas Type	Peak		Comment-															
2,653.00	278.000		-		-		-		-		-		-		-			
Gas Type	Connection		Comment-															
2,663.00	533.000		-		-		-		-		-		-		-			
Gas Type	Connection		Comment-															
2,672.00	374.000		-		-		-		-		-		-		-			
Gas Type	Connection		Comment-															
2,676.00	1,167.000		- 1,423	2.00	- 2,299	4.00	14,179	24.00	- 7,057	12.00	17,284	30.00	- 7,917	14.00	- 7,990	14.00		
Gas Type	Peak		Comment-															
2,682.00	171.000		-		-		-		-		-		-		-			

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Gas Type Connection			Comment-															
2,696.00		33.00	- 199	13.00	- 137	9.00	- 281	18.00	- 131	11.00	- 380	21.00	- 183	12.00	- 272	16.00		
Gas Type Background			Comment- 2616-2697m															

Oil Shows

Depth 2,616.00m - 2,685.00m

Rating:	Fair	White Light Stain:	light brown
Percentage:	100	White Light Cut:	nil
Lithology:	Sandstone	White Light Residue:	colourless
Speed:		UV Fluoresce:	dull -mod bri yellow
Intensity:		UV Cut Fluoresce:	imm blmg-diffuse pale blu/wh
Description:	It brn gry-lt brown, occ clr to trnsl wh, fri -hd, vf-f occ m-vc lags, mod well srted, sa-rdd, crs grs are smoky blu wh, silty ip, arg ip, tr dk lithics, tr fine carb mat, pr vis por	UV Residue:	thin to occ strong bri blu wh to yel/wh ring/film

Depth 2,685.00m - 2,697.00m

Rating:	Poor	White Light Stain:	light brown
Percentage:	50	White Light Cut:	no vis
Lithology:	Sandstone	White Light Residue:	colourless
Speed:		UV Fluoresce:	dull yel
Intensity:		UV Cut Fluoresce:	v weak, nil to slow blu/wh
Description:	light brown- grey brown, occ clear wh grs where loose and coarse, friable to hard, occasionally loose, very fine to fine, occ m-c, well srted, sangular to subrounded, common silica cement, silty, trace bituminous carbonaceous matter, poor visible porosity	UV Residue:	pale blu/wh thin film

Prognosis and Preliminary Correlation

Top	Actual Depth (3.66 m RT GL)			Prognosis	H/L	Pick Criteria	Remarks
	MD	TVD	TVD(GL)	MD			
Undiff Pertinjarra	778.46	778.46	774.80	758.46	20.0 L		
Parkes	1,294.46	1,294.46	1,290.80	1,302.46	8.0 H	Lith	Lithology change
Mereenie Fm	1,760.00	1,760.00	1,756.34	1,782.46	22.5 H	ROP	ROP and Lithology Change
Stokes	2,275.00	2,275.00	2,271.34	2,449.46	174.5 H	E-log	Lithology Change
Stairway FM	2,447.00	2,447.00	2,443.34	2,579.46	132.5 H	E-log	Lithology Change
Horn Valley Siltstone	2,561.00	2,561.00	2,557.34	2,654.46	93.5 H	E-log	Lithology Change
Pacoota Sst	2,613.00	2,613.00	2,609.34	2,692.46	79.5 H	Lith	Clean water wet P1

Well Geologist

Lindsay Cullen/Mike Harrison