

**FINGAL 41B
DRILL STEM TEST
FINAL REPORT
“F” ZONE COAL SEAM
OPEN HOLE INTERVAL 405 – 407.9 mGL
JUNE 27, 2007**

**Prepared for:
Pure Energy Resources Limited**



**Prepared by:
Focal Petroleum Engineering Pty Ltd.**

July 11, 2007

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Pure Energy Resources Limited
P.O. Box 952
SOUTH PERTH, WA 6951

Attention: Mr. Steve Beardsall

Dear Sir

Re: Fingal 41b Coal "F" Drill Stem Test Report

The following is a summary of the results obtained from the Drill Stem Test conducted on June 27, 2007 over the "F" Coal, open hole interval from circa 405 – 407.9 mGL.

The DST was conducted through the drillpipe and coring bit, using an off bottom inflatable packer. Prior to testing, circa 345 meters of water was displaced from the drillpipe with air to allow inflow from the reservoir to occur.

The test was comprised of a one hour flow and a 35 minute shut-in period. The fluid recorder observed a negligible (zero) increase in pressure during the flow period, indicating no measurable inflow from the reservoir. Immediately after shut-in, the bottomhole pressures began to decline indicating the reservoir pressure was lower than the 55 meters of hydrostatic head in the drill pipe. Therefore, the test was terminated after only 35 minutes of shut-in and based on discussions with Pure personnel, a re-test of the F seam was not conducted. The following report is a qualitative analysis of the F seam.

During the inflation of the isolation packers, a long and slow falloff in pressure was noted below the packer suggesting that the permeability within the test interval is low and that the reservoir is extremely under-pressured.

Comments and Conclusions

- The pressure response observed during the initial falloff and shut-in period suggested a reservoir with low flow capacity to water. A water injection rate was incorporated into the flow period in order to provide some qualitative analysis of the data.
- The net pay of nine ft (2.9 m) was obtained from the core samples. A default porosity of 2% was used for the interpretation.
- The last measured pressure during the shut-in period was 62.8 psia at recorder run depth (RRD). The minimum estimate of reservoir pressure (P_i) of 49.1 psia was extrapolated from the late-time semi-log plot. These pressures are the range for reservoir pressure of the F seam. The subject zone is extremely under-pressured with a formation gradient between 0.037 and 0.048 psi/ft.
- The pressure derivative suggested that wellbore storage was overcome by what appears to be fracture flow (half slope trend) effects that lasted for the duration of the test. This could be attributed to a small fracture created in the very near wellbore area as a result of the over balance pressure of the hydrostatic column (circa 580 psi) in the wellbore during drilling.

If further clarification of the test interpretation is required, please contact the undersigned on (08) 94749622.

Yours faithfully,

FOCAL PETROLEUM ENGINEERING PTY LTD

Ryan Gee

WELL TEST CONSULTANT

Terry Primeau

MANAGING DIRECTOR

LIST OF FIGURES

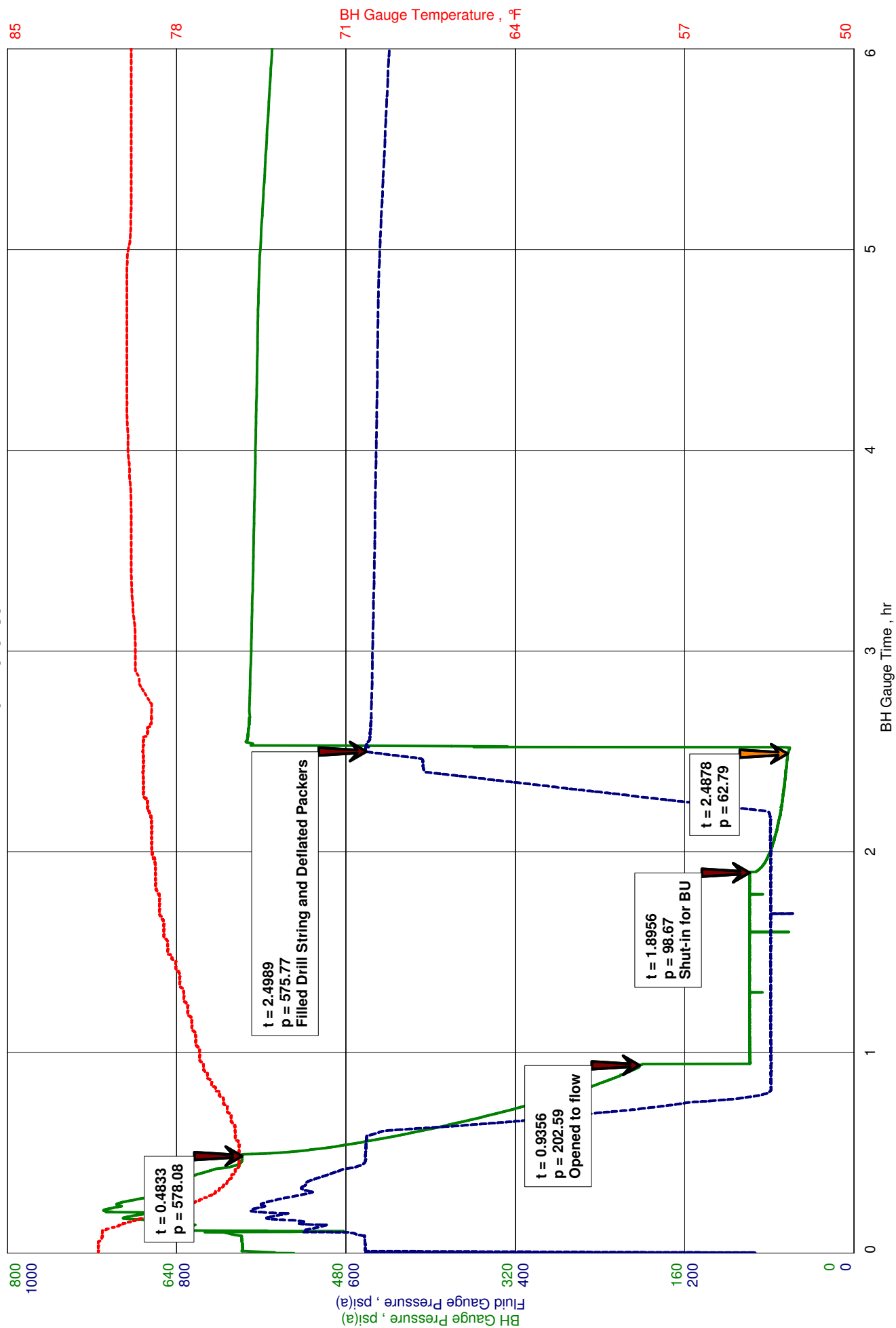
Figure 1 – Validata Plot

Figure 2 – Strip Chart

Figure 3 – Conventional Log-Log Plot

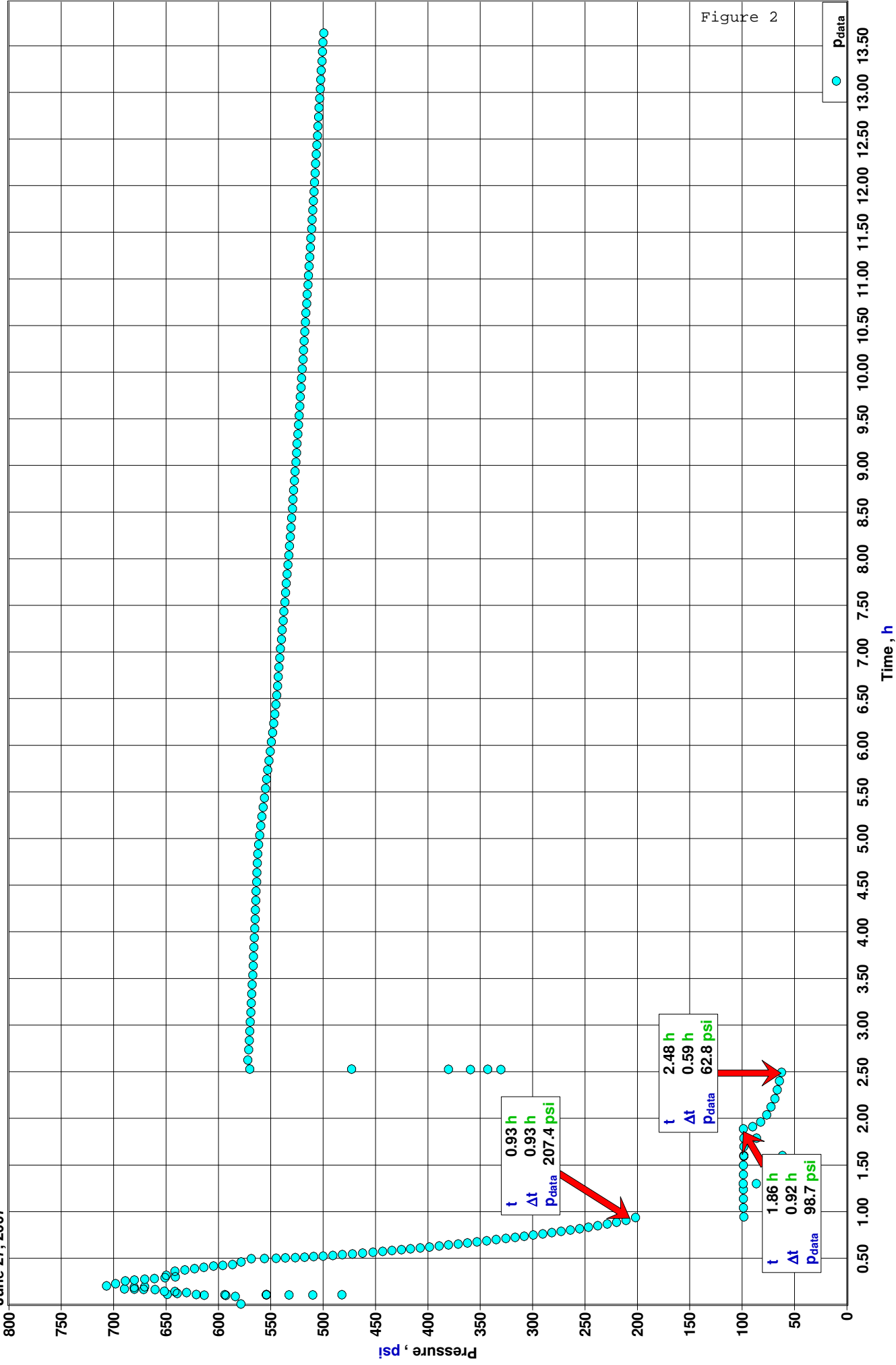
Figure 4 – Conventional Semi-Log Plot

Validata



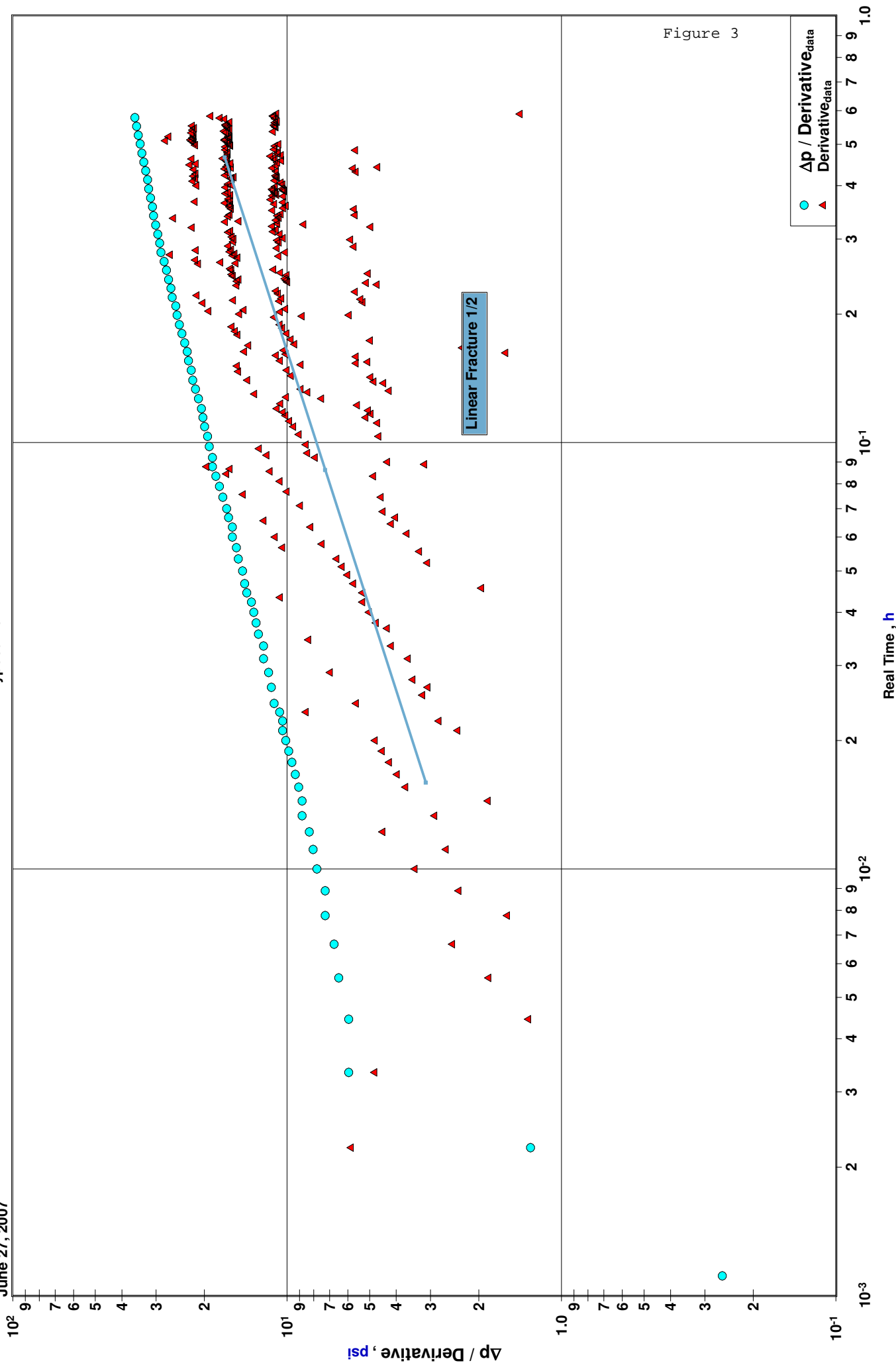
Fingal 41B
F Seam
Packer Depth @ 404.7 mGL
June 27, 2007

Strip Chart Total Test



Fingal 41B
F Seam
Packer Depth @ 404.7 mGL
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Diagnostic Analysis Typecurve



Fingal 41B
F Seam
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Diagnostic Analysis

