

ATP 259P Gas Reserves Receive a Further Boost

Gas reserves in the Queensland permit area ATP 259P received yet another boost during August and September with the drilling of three exploration wells, Coolah 1, Barrolka North East 1 and Macadama 3.

Santos Ltd, as Operator for the South West Queensland Unit released the following test results:

Barrolka Field Complex:

During August the gas exploration well Coolah 1 flowed at 58,050 cubic metres per day (2.05 million cubic feet per day) on an open hole flow test. The flow test was conducted at a depth of 2,586 m and tested the open hole section from 2,555 m to 2,586 m in the Permian Toolachee Formation. The flow was recorded through a 13 mm (1/2 inch) surface choke. Coolah 1 is located 12 km south east of Barrolka 1 and approximately 50 km north of the Queensland Gas Centre, Ballera.

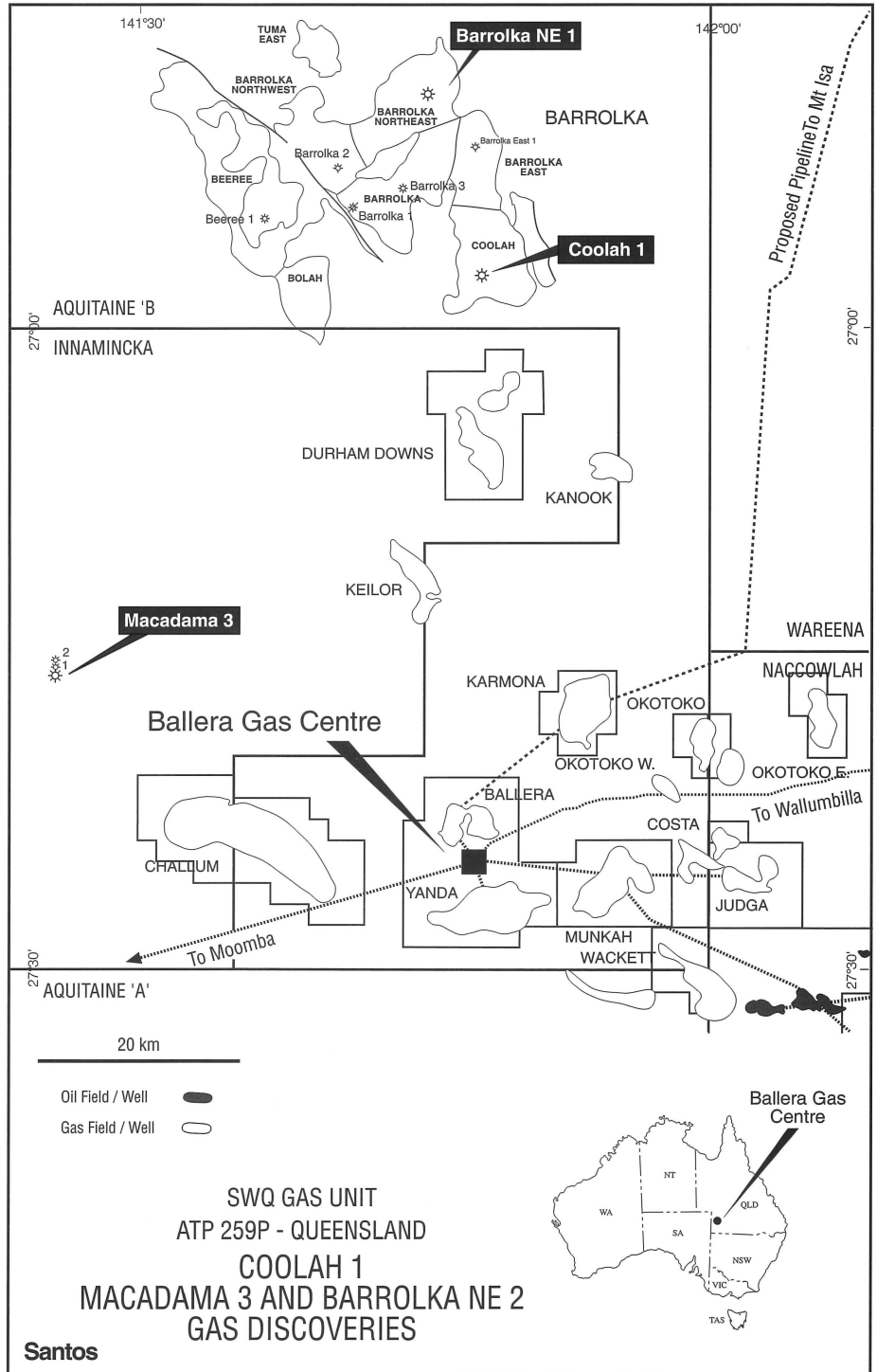
Rod McArdle, General Manager – Queensland & Northern Territory reported that the earlier wells, Barrolka 3 and Beeree 1 had suggested a possible resource of several hundred billion cubic feet of gas associated with the Barrolka Field Complex. Coolah 1, which addresses a separate sub-structure builds on these encouraging results. The company was further encouraged by the drilling and testing of the exploration well, Barrolka North East 1, in early September. This well, which tested a further sub-structure within the Barrolka Field Complex, is located 6km north north east of Barrolka East 1 and some 65 km north of the Ballera Gas Centre. It was the 7th well to be drilled to assess the size and deliverability of the Barrolka Field Complex.

A gas flow of 136,200 cubic metres per day (4.81 million cubic feet per day) was recorded on an open hole flow test. It was conducted at a depth of 2,608 m and tested the open hole section from 2,594 m to 2,608 m in the Permian Toolachee Formation.

Following the Barrolka North East 1 results, Rod McArdle reported that although the Barrolka Complex was still not fully evaluated, it had the potential to be the largest gas resource discovered in Queensland to date.

Macadama Structure

Still in ATP 259P, Macadama 3 was drilled on the Macadama structure and tested the Permian Epsilon Formation where it flowed gas at 56,650 cubic metres per day (2.0



million cubic feet per day) on an open hole drillstem test. The DST was conducted over the interval 2,702 m to 2,721 m and recorded through a 13mm (1/2 inch) surface choke.

As with Macadama 2, the deeper Patchawarra section of Macadama 3 could not be fully evaluated due to poor hole conditions.