

## Plans Drawn Up To Commercialise 'Exciting' PNG Douglas Gas Find

Austral Pacific Energy Ltd has announced that the PPL 235 joint venture is about to embark on studies designed to evaluate the options for commercialising its "exciting" Douglas gas discovery in Papua New Guinea, with a significant resource of potentially several hundred Bcf.

Austral Pacific Chief Executive Officer, Rick Webber, said the gas is contained in a large structure with a maximum area of over 40 km<sup>2</sup>. The Douglas-1 well reached a target depth of 1978 m on 26 May. "The drilling and wireline logging results have now been fully evaluated and the conclusion drawn by the joint venture's technical committee is that the Douglas well appears to be an exciting gas discovery."

Webber said the discovery is also expected to lower the exploration risk for other identified

prospects and leads in the licence area. "It is the joint venture's current intention to proceed with a detailed feasibility study to determine a commercialisation strategy for this resource."

"The excellent results obtained from the drilling record, wireline logs and, in particular from the Multi-Formation Tester, indicate that there are two reservoirs (Alene and Toro) of sweet gas with good deliverability and likely moderate condensate content. The joint venture had initially considered conducting flow testing on the Douglas-1 well but, given the logs and MFT, as well as the knowledge obtained from data from nearby wells, we believe [the JV] has a sound understanding of the envelope within which the formation and fluid properties lie such that incurring the costs of flow testing would not be warranted at this time."

Webber said the joint venture is also planning to acquire additional seismic in the licence to determine the extent of the Douglas resource, to define appraisal well locations on the Douglas structure, and to define exploration drilling locations on other prospects. "We are planning to bring forward to the fourth quarter of 2006 [the JV's] commitment to acquire and process 50 km of new 2D seismic. The new seismic data, when integrated with the existing data base, will elevate the joint venture's understanding of the prospectivity of the licence [area] and will be critical in determining the best locations for future drilling, and enable the joint venture to maximise the return on its investment."

Austral Pacific has a 35% interest in PPL 235, the other joint venture participant being Rift Oil PLC (65%). ■