

## WA Government Gets Tough On Exploration Commitments

A 24,000 km<sup>2</sup> tract of land in the Canning Basin, about 600 km south east of Broome, will be offered for petroleum exploration in a competitive bid as part of the April 2007 acreage release.

West Australian Resources Minister, John Bowler, said the lease had been held by an overseas company for a number of years but due to the lack of development in the area, he had decided to cancel their permit.

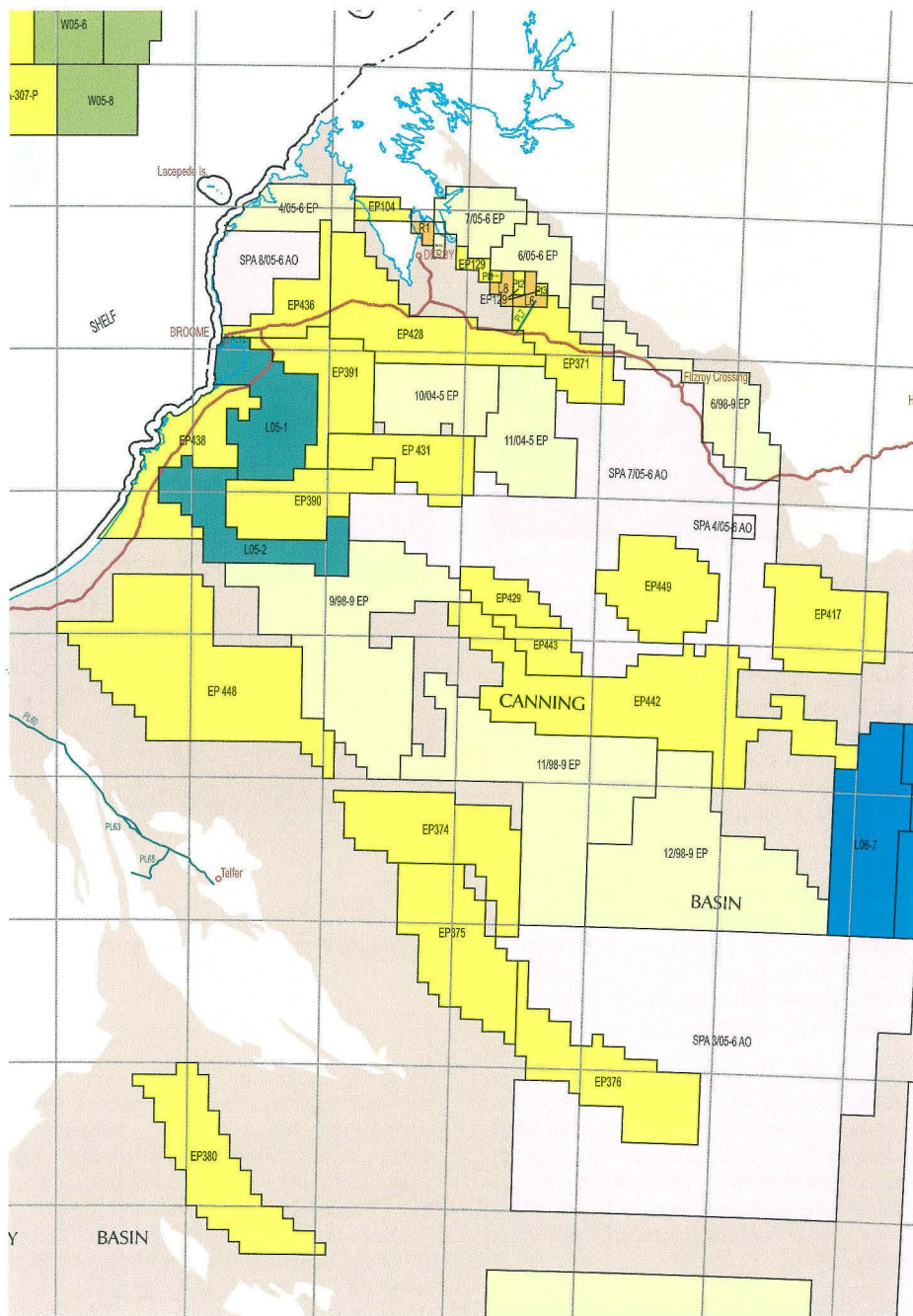
**“Companies that do not perform cannot expect to retain their exploration acreage.”**

“The previous permit holder has not been able to demonstrate the financial capacity necessary to fulfil its exploration commitments”, Bowler said. “The state government has shown considerable tolerance in the past towards the promptness in fulfilling work programs but with increased interest in oil and gas exploration, this will change. Companies that do not perform cannot expect to retain their exploration acreage.”

Bowler said exploration of the 530,000 km<sup>2</sup> Canning Basin was at an all-time high. “The high oil and gas prices have attracted petroleum companies to this under-explored part of Western Australia”, he said.

“The Department of Industry and Resources has released areas periodically for acreage as exploration permits over the past few years. Another release is due in April 2007 and the expiry of this significantly sized block means it can be included in that release.”

Bowler also said no further applications for ‘Special Prospecting Authorities with Acreage Options’ would be received for the Canning Basin. “A potential explorer’s only means of obtaining titles in the Canning Basin is through the competitive bid system when acreage is released or by farming in to existing titles”, he said. ■



A 24,000 km<sup>2</sup> tract of land in the Canning Basin will be put up for a competitive bid in April 2007.