

Sunshine Encouraged By Lacerta CSG Drilling Campaign

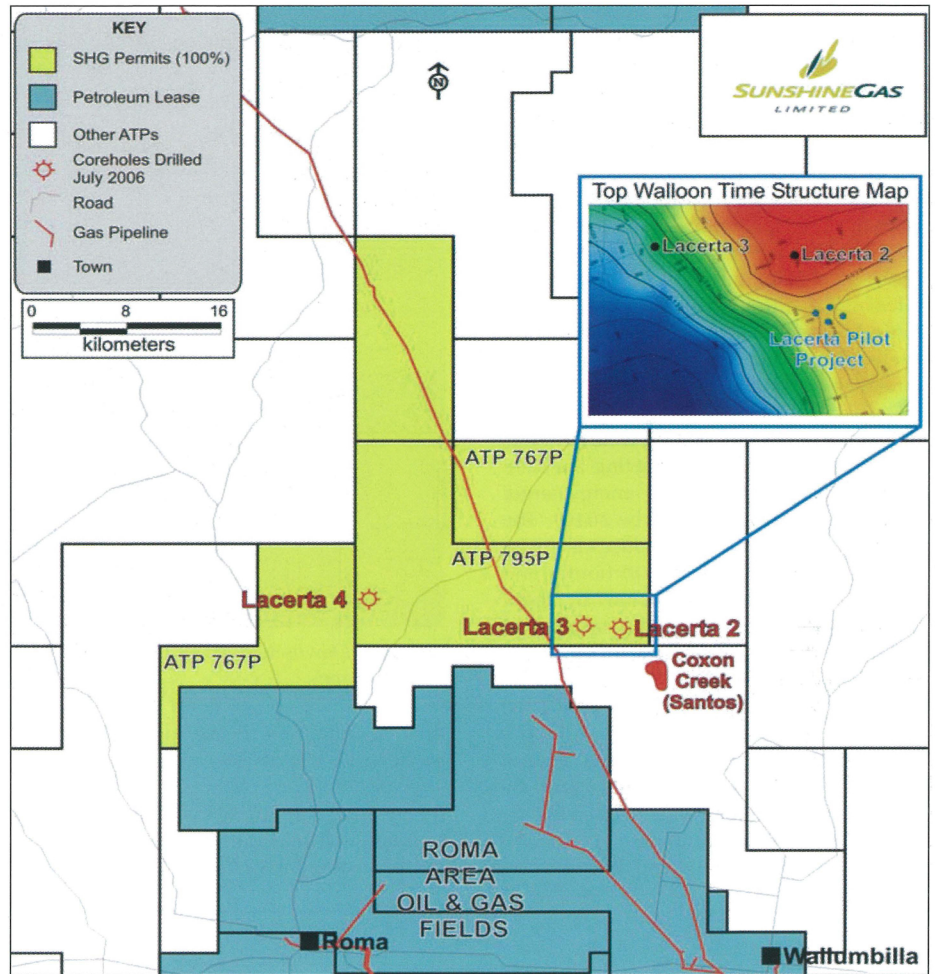
Sunshine Gas has reported “extremely encouraging results” from a four-well Coal Seam Gas pilot drilling programme at its Lacerta field in Queensland.

Managing Director, Tony Gilby, said good free gas flows were recorded during drilling, together with accompanying strong water flows. “This suggests both good gas saturation and permeability to be present in the area of this initial Lacerta CSG pilot”, Gilby said.

He said the next phase of drilling activity on Lacerta will include additional core-hole drilling to delineate the extent of the Lacerta Field, followed by a second pilot well programme in a location that will maximise potential reserves. It is expected that the next core-hole drilling phase will occur in late January, depending on rig availability.

“The initial four Lacerta pilot wells now await completion, which will include the installation of down-hole pumping equipment and surface equipment installation to facilitate production testing of the wells”, Gilby said. “This process is expected to begin in late December, pending equipment and work-over rig availability. Production testing is therefore expected to commence in early January.”

The de-watering and production testing process is designed to test the productivity of the Walloon Coal Seams in the Lacerta area and help to determine the economic viability of the resultant gas flow rates. “This process will also allow commencement of a reserve certification process for the Lacerta CSG prospect. Currently, Sunshine believes the Lacerta CSG prospect contains some 230 Bcf of contingent gas resources.” ■



Lacerta CSG pilot well locations.