

AWE Accelerates Search For Gas In South East Australia

AWE Ltd has committed to a major new program of offshore petroleum exploration activity in a bid to substantially increase its capacity to supply more gas to the growing southeast Australian energy market.

Managing Director, Bruce Phillips, said AWE and its co-venturers in the offshore Bass and Otway basins are already producing the equivalent of around 30% of Victoria's daily gas needs but aim to be in position to expand production capacity even further.

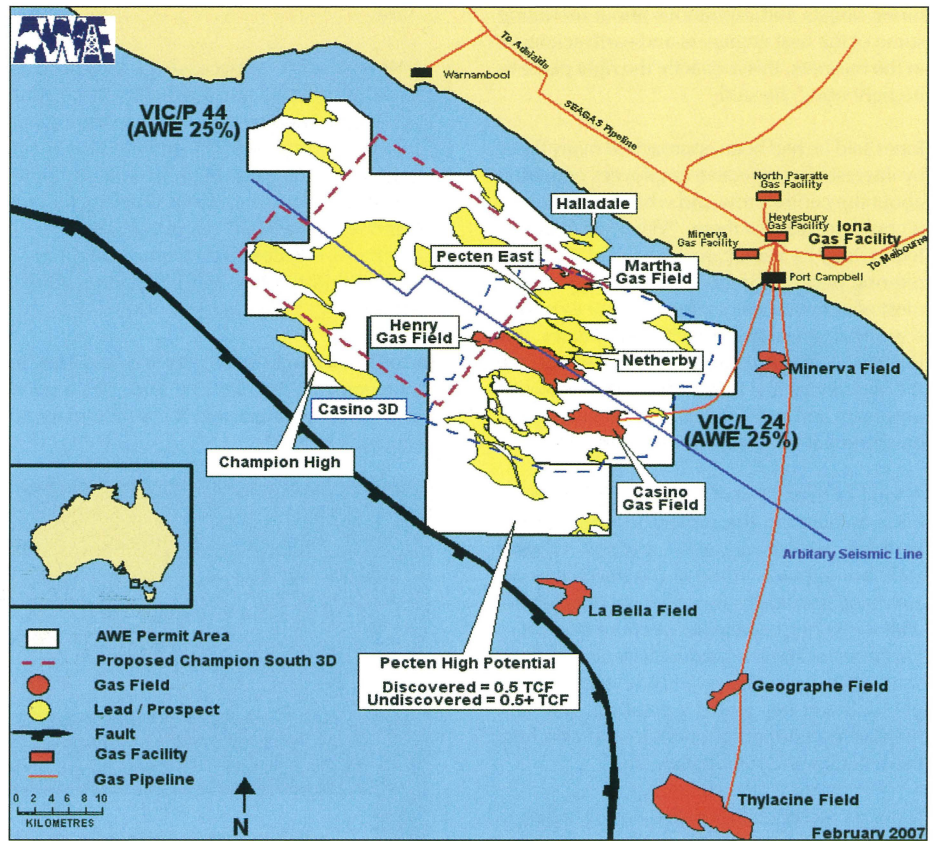
Now AWE and its co-venturers will add to their exploration commitment by conducting a major new 700 km² 3D seismic survey in permit Vic/P 44 in the offshore Otway Basin. The survey, costing \$19 million, will start in May and is expected to lead to the development of a number of prospects and leads which could add substantially to the natural gas inventory of the region.

"This new 3D seismic survey adds to the \$1.1 billion AWE and its co-venturers have spent on petroleum exploration and development in the Bass and Otway basins region over the past five years and adds to the \$40 million already committed to drill the Netherby-1 and Pecten East-1 exploration wells in the Vic P44 area at the end of 2007", Phillips said.

The Otway 3D seismic survey will adjoin an earlier 3D survey area over the Pecten High trend that incorporates the Casino, Henry and Martha gas fields. It will cover the Champion High trend which includes the large Champion South prospect and several adjacent prospects and leads.

Phillips said AWE and its co-venturers currently produce more than 200 TJ of gas per day from the Yolla (AWE 30%) and Casino (AWE 25%) gas fields which contain over 550 PJ of gas and 28 MMbbl of associated LPG and condensate.

In the last three years AWE and its co-venturers have made three new gas discoveries at the Henry and Martha fields in the Otway Basin and the Trefoil field in the Bass Basin, and conducted major 3D and 2D seismic surveys.



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"The Bass and Otway basins acreage held by AWE has potential for significant additional gas reserves", he said. "To date AWE has a 100% success rate in its offshore Otway Basin drilling programme and we are optimistic about the upcoming exploration drilling on the Netherby and Pecten East prospects later in 2007."

"The new 3D seismic survey is designed to delineate additional drilling prospects and extend the gas fairway to the west of the existing Casino, Henry and Martha gas fields. In the Bass Basin, AWE sees potential for gas developments beyond the first stage of the BassGas project where the Yolla oil and gas field is currently producing.

"AWE and its co-venturers have recently delineated the nearby Trefoil gas and condensate field with a large 3D seismic survey and conceptual development studies for the field are underway."

Participants in T/L1 (BassGas project) are AWE (30%), Origin Energy (operator and 42.5%), Wandoo Petroleum (12.5%), CalEnergy (15%). Participants in T/18P (Trefoil field) are AWE (22.6%), Origin Energy (operator and 46.4%), Wandoo Petroleum (12.5%), CalEnergy (18.5%). Participants in VIC/P 44 & Vic L31 (Casino project) are AWE (25%), Santos Limited (operator and 50%), Mittwell Energy Resources Pty Ltd (25%). ■