

Yolla, Thylacine Spur Tasmanian Exploration Bonanza

The \$750 million Yolla/BassGas and \$1.1 billion Thylacine/Otway gas development projects in Tasmanian administered waters have helped launched a new wave of exploration activity off the coastline of the Apple Isle.

Mineral Resources Tasmania Petroleum Registrar, Chris Boron, said the state had issued a record 18 exploration acreage releases. He said the number of offshore exploration permits released had increased from four in 2002 to 18 in 2007.

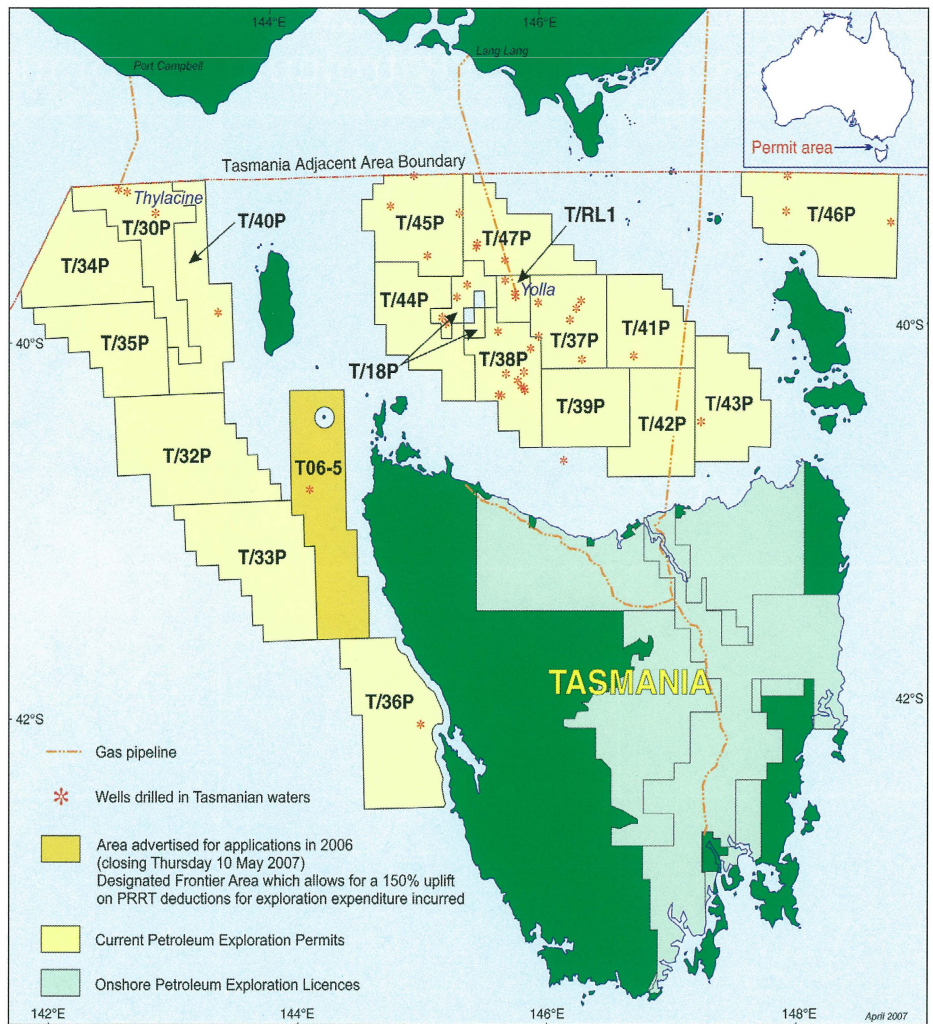
He said oil companies including 3D Oil Limited, Origin Energy, Woodside, Santos, Benaris, Great Artesian Oil and Gas, Rawson Resources and Tap Oil all have exploration commitments over the next 24 months. Further details about company activities were recently published in *PESA News* February/March 2007, pages 19/20.

Since then, 3D Oil listed on the Australian Stock Exchange on 23 May 2007 and is a 100% equity holder and operator of T41/P permit in the south east Bass Basin. The company is in the process of securing a seismic vessel to acquire 2,200 km of 2D seismic data to fulfill the year two work commitment. Several leads have been identified and the new seismic will be used to high-grade prospects as future drilling candidates.

Origin Energy has interests in two exploration permits in the Otway Basin T/30P (30.75%) and T/34P (30.75%), and two permits in the Bass Basin T/18P (operator 46.4% decreasing to 39%, subject to government approval) and T/44P (operator and 100%). In T/30P, where the Thylacine field is, and T/34P interpretation of the Aragorn 3D seismic survey was ongoing during the March 2007 quarter, covering an area of about 3,000 km² after it was acquired by PGS' Ramform Victory in 2006 for operator Woodside.

In T/18P, the interpretation of the Shearwater 3D and 2D seismic survey acquired over the Trefoil discovery and surrounding exploration leads continued during the quarter. Origin has entered into a farmin agreement with AWE Petroleum Pty Ltd under which Origin will assign to AWE a 7.4 % interest in the permit for a carry of a proportion of Origin's forward exploration expenditure in the permit. The arrangement is subject to government approvals. Origin acquired a new permit T/44P (operator and 100%) in February 2007 on the basis of a work programme bid for gazetted area T06-4. Planning for the Year 1 seismic programme is in progress.

During the March 2007 quarter Tap Oil obtained T/47-P (operator and 40%). This permit contains the static Cormorant oil discovery and will be



assessed with new 2D and 3D seismic data in 2007 ahead of drilling two wells", Tap's March quarter report said.

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Boron said Tasmania's basins and its offshore production infrastructure are strategically positioned near the growing southeast Australian gas markets. "The Tasmanian government encourages exploration and development in its adjacent waters even though the state of Victoria accrues the financial benefits of Tasmania's current gas projects", he said.

These included GST from gas and condensate sales and GST on the construction of two onshore gas plants, construction employment and on-going permanent onshore plant employment, security of supply for Victorian gas consumers.

The Yolla/BassGas development will supply 10% of Victorian gas demand for 15 years and much longer with future tie-in of nearby discoveries. The Thylacine/Otway gas development will provide more than 10% of current annual demand in southeastern Australia for the next 10 years with potential for much longer.

Both of these developments are reported by industry and government as hubs for future exploration and development from areas of the Bass and Otway basins in Tasmanian administered waters. Yolla and Thylacine, will pipe gas to onshore plants at Lang Lang and Port Campbell, respectively. Boron said Tasmanian administered waters are the new emerging energy hub for the gas hungry mainland southeast Australian market. ■