

## Alcoa Pays ARC A\$40M For Future Canning Basin Discoveries

**A**RC Energy has completed the gas sales agreement (GSA) with Alcoa for the delivery of up to 500 PJ of gas via the proposed Great Northern Pipeline from future discoveries on ARC's interests in the onshore Canning Basin.

Alcoa has paid ARC \$A40 million, which will be used to accelerate its regional Canning Basin exploration program. ARC's Canning Basin exploration program has commenced with the drilling of the Valentine-1 well, with strong gas shows being observed in the secondary objectives of the Anderson and Laurel Formations.

In addition to the commercial benefits to both ARC and Alcoa, the agreement promotes the exploration and development of Western Australia's onshore hydrocarbon resources and represents an innovative and timely response to the WA government's concerns regarding the security of domestic gas supplies.

Commenting on the agreement, Eric Streitberg, ARC managing director, said, "The GSA provides numerous benefits to both Alcoa and ARC, most notably the flexibility to develop Canning Basin gas discoveries quickly and flexibly and with maximum commercial benefit to both parties."

"The agreement will also underpin the infrastructure needed to deliver gas from the Canning Basin. The wide ranging benefits to both Alcoa and ARC of this agreement for the commercialisation of Canning Basin gas are becoming even more apparent as work continues on the operational and commercial framework for the project." ■