



# mpex daily

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	June			July	
	15	30	1	15	31
<b>Century Rig-03</b>					
Stuart					Acrasia-4
Beach			Yanergie-1		
<b>Century Rig-07</b>					
Origin	Myall Creek-5	Peterborough-1		Childers Cover-1	
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Arc	Jingemia-7	Hakia-2		Yardarino-7	
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Santos	Andree-3	Lepetian-3		Ongoing Santos wells	
<b>Mitchell Rig-101</b>					
Arrow	Kogan North Development				
<b>Mitchell Rigs-120</b>					
Arrow	Boyne River-2	Styx Basin			
<b>Mitchell Rigs-140</b>					
Metgasco	South Casino CSM Program				
<b>Mitchell Rig-151</b>					
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<b>OD&amp;E Rig-18</b>					
Santos	Fly Lake-16			Ongoing Santos wells	
<b>OD&amp;E Rig-20</b>					
Santos	Carmina-2	Terergie-1		Ongoing Santos wells	
<b>OD&amp;E Rig-30</b>					
Innaminka	Flax-2				
<b>OD&amp;E Rig-32</b>					
Santos	Fly Lake-14			Ongoing Santos	
<b>Sides Rig-68</b>					
InterOil	Black Bass-1				
<b>Parker Rig-246</b>					
Swift	Goss-1				
<b>Hunt Rig-2</b>					
Lakes					Bellarine-1



## **Baraka moves towards action onshore Mauritania**

Baraka Petroleum has deflected a large portion of the risk associated with its 100% equity holding in 10,690km<sup>2</sup> exploration Block 20 onshore Mauritania by farming in a subsidiary of integrated energy giant China National Petroleum Corp to contribute a significant amount of planned exploration costs.

CNPC International handles overseas ventures on behalf of its China-based parent which holds assets to the value of US\$110.5bil, and will fund initial exploration activities in the permit to earn a 65% operating interest. The first wave of exploration will encompass a minimum of 100km seismic and one well on the Herron structure.

As an indication of the recent booming rates associated with the oil industry, the costs of Baraka's planned 200km of 2D seismic as outlined early Sep last year before the company's IPO was \$1.4mil, and the cost of a 3150m well on the Herron structure was \$5mil. CNPC's financial commitment to earn its permit interest is now US\$8.6mil, covering a 'minimum' of 100km of 2D and 'substantial funding' of the Herron-1 well.

Up to 40% of the estimated 420mil bbl Herron structure extends into the Woodside-operated offshore Block 2, where Chevron drilled the Atruche-1 well on trend and about 40km offshore in 1989, encountering oil and gas shows at around 2500m in the Turonian formation.

Baraka's deal with CNPCI keeps the regional equity "in the family" by not introducing a newcomer to the list of major operating companies in the area, which includes Total, Sinopec, CNPC, Petronas Carigali, Repsol and Australian listed companies Woodside, Hardman and Roc.

Under founding Managing Director Max de Vietri, Baraka listed on the ASX May 25 this year, with its IPO based around a suite of assets and applications onshore Mauritania in the Taoudeni basin and Mali, where the company holds a 75% option over five onshore PSCs by spending US\$18mil in the permits over six years.

Baraka's \$17mil IPO launched on Mar 30 closed on an auspicious date – 05/05/05 – and was oversubscribed.

Baraka was steady at \$0.195 after hitting highs of \$0.205 on volumes around 2.1mil in the hours after the announcement.

### **Baraka announcement:**

#### **BARAKA SIGNS US\$8.6 M FARM-OUT AGREEMENT FOR MAURITANIAN COASTAL BLOCK 20 PSC**

Baraka Petroleum Limited is pleased to announce that it has signed a farm-out agreement with CNPCI International (CNPCI), the overseas ventures arm of China's largest oil and gas company China National Petroleum Corporation (CNPC), for the Company's 100% owned coastal exploration block (Block 20) in Mauritania's petroliferous Coastal Basin.

Under the terms of the agreement, CNPCI will acquire a 65% operating interest in Block 20 by funding 100% of the exploration cost, up to US\$8.6 million. This will cover a seismic acquisition program of the Herron structure and will substantially fund the drilling of the planned Herron-1 well. Baraka will retain a 35% interest in the block.

The agreement is subject to the formalities of receiving approval from the Mauritanian Minister of Mines and completion of the parliamentary process granting the tenement rights. Baraka expects the process to be completed in the current parliamentary session, scheduled to be finished in early July.

In announcing the agreement from Beijing, Baraka Petroleum Chairman Shane Doherty said, "Baraka is pleased to be entering into such a significant agreement with a world leader in the exploration and development of oil and gas projects."

"CNPC has proven technical skills and experience necessary to unlock the potential of Block 20 and we look forward to working with them to achieve this goal.

"The agreement is in line with our corporate strategy of preserving our capital and maximising our exploration expenditure by entering into joint venture and farm-out agreements that are beneficial to the Company and its shareholders."

Block 20 covers approximately 10,690km<sup>2</sup> and is considered by the Company to be the most prospective part of the onshore area of the Mauritanian Coastal Basin. It is approximately 180km southeast of Mauritania's first commercial oil discovery, Chinguetti, which is scheduled to produce first oil in 2006 with initial production expected to be 75,000 barrels a day. It is also approximately 200km south of the capital Nouakchott and close to potential gas markets in Nouakchott and Dakar, the capital of the neighbouring nation Senegal, and other surrounding population centres on each side of the Senegal River.

The nearby Atruche-1 Well was drilled by Texaco in 1989 and encountered oil and gas shows below the Turonian Formation. Texaco's investigations ceased when the project was relinquished at the commencement of the Gulf War in 1991.

CNPCI have been looking to expand their presence in Mauritania and this Farm-Out agreement is a logical acquisition for them while allowing the Company to retain a substantial interest in the prospective onshore Coastal Basin block.

CNPCI hold a PSC over Block 12, immediately to the north and adjoining Block 20, and as Operators of the combined area will be able to introduce economies of scale across both projects that will provide improved operational efficiencies.



The Company's corporate strategy to preserve capital while maximising exploration expenditure on the tenements through farm-ins and joint ventures is intended to ensure the Company receives full value for its shareholders.

Website:

[www.barakapetroleum.com](http://www.barakapetroleum.com)

### ABOUT CNPC

China National Petroleum Corporation (CNPC) is one of the world's leading integrated energy companies, whose business operations cover a broad spectrum of upstream and downstream activities, domestic marketing and international trade, technical services, and equipment manufacturing and supply.

In addition to exchanging seismic data held by Baraka over both Blocks, Baraka and CNPCI have been jointly negotiating with service providers to acquire a minimum of 100 km of seismic line in Block 20. The Company expects the joint venture to be in a position to drill an exploration well from second quarter 2006.

One of our more promising exploration leads in Block 20 is in fact a priority target identified by Texaco in 1991.

Commenting on the work program, Baraka's Chief Operating Officer, Dr Satyavan Reymond, said, "We are very pleased to be working with CNPCI to further our aim of finding the first commercial onshore oilfield in Mauritania."

"Our colleagues at CNPCI are intimately familiar with exploration in desert terrain like Mauritania, having found and produced oil from China's north-west Xinjiang province and the Sudan.

"We have established a solid working relationship where our Company's combined experience will benefit the whole Mauritanian exploration program and create further opportunities in other areas.

### ABOUT BARAKA PETROLEUM

Baraka Petroleum Limited is a newly formed Australian public company, established to acquire, consolidate and develop oil and gas assets and activities, located in the potential hydrocarbon basins in West Africa.

Baraka has one of the largest oil and gas exploration assets in West Africa, which has attracted the attention of international petroleum exploration and production companies. The Company has secured rights to explore and develop eight tenement areas covering over 272,000 km<sup>2</sup> in Mauritania and Mali.

The Company recently announced continuing development of its portfolio, by entering into a memorandum of understanding (MOU) with ONAREP, the Morocco Government Petroleum and Energy Department, to study the Cap Juby offshore tenement.

CNPC serves as China's largest producer and supplier of crude oil and natural gas, holding a dominant position in domestic petroleum production, processing, and marketing sectors. At the same time, CNPC is also a major producer and supplier of refined oil products and petrochemicals.

CNPC had Shareholders funds of 595.4 billion Yuan (US\$72 billion), and its total assets are 913.7 billion Yuan (US\$110.5 billion) at December 2004. It has 13 large and giant oil and gas field enterprises, 16 large scale refining and petrochemical companies, 19 marketing companies and a large group of R&D units and technical service and mechanical manufacturing enterprise located in Northeast China, North China, Northwest China and Southwest China. CNPC has nearly 30 oil and gas exploration, development and production projects in the Middle East, North Africa, Middle Asia, Russia, and South America.

Website: [www.cnpc.com.cn/english](http://www.cnpc.com.cn/english)

### Contact

**Shane Doherty**

Chairman

**Baraka Petroleum**

Tel: (08) 9486 7001

Email: [shane@chieftain.net.au](mailto:shane@chieftain.net.au)

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## Two for two in Italy for Po Valley

**Po Valley announces it has encountered gas shows in its second well onshore Italy, with the 53BCF (3P) Sillaro-1 well near Bologna encountering 5m net gas pay over two zones within a 40m gross Pliocene interval from 2193m.**

**The Sillaro field comprises two large anticline structures with reservoirs split over two levels with an estimated 12BCF at 2100m and 41BCF at 2500m.**

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**Sillaro had a proposed total depth of 2800m. The zones have been cased to be tested, along with a deeper zone with gas indications previously considered to be dry.**

**Po Valley's first well, Vitalba-1 near Milan in northern Italy, also encountered gas over three zones for a similar net result of 4.3m total pay.**

**The result was in line with nearby Agnadello-1, which has produced 12.6BCF from a 5m net gas zone to date.**

**Po Valley's \$70mil IPO raised \$20mil in new capital, and was centred around four Italian permits – Cascina san Pietro, Crocetta, San Vincenzo and Casone della Sacca – and one application in Italy incorporating the Sillaro, Vitalba, Santa Maddalena and Pandino fields.**

**The market appears to like how Po Valley is travelling, with the company trading up \$0.13 at \$1.05 on volumes of 1.1mil earlier today.**

### **Po Valley announcement:**

#### **Gas discovery for Po Valley's largest Italian prospect**

Australia's Po Valley Energy (ASX: PVE) has encountered gas over three separate zones in its 100%-owned appraisal well in the Sillaro field in northern Italy.

The ASX-listed petroleum explorer and developer announced today that the Sillaro-1 appraisal well – 30 kilometres west of Bologna and Po Valley's largest gas target in Italy – had discovered gas in the primary Pliocene target, and also gas indications in a deeper target and in shallower sands not previously considered as gas bearing.

Po Valley's Chief Executive, Mr. Michael Masterman, said today Sillaro-1 would now be cased and the well completed to allow testing of all three levels, followed by a three to five day production test later in July.

"Wireline log interpretations from Sillaro-1 show 5 metres of net gas pay in high porosity sands in the primary Pliocene target, between the 2,193 metres and 2,233 metres interval," Mr Masterman said.

"This is an encouraging result with further potential upside from our investigations into gas indications in the shallower Pliocene and deeper Miocene intervals," Mr Masterman said.

#### **Sillaro-1 results**

The target Pliocene zone has an interpreted gross gas pay of 40 metres with the gas held in two groups of thin bed sequences containing a total net pay of approximately 5 metres. The Pliocene well logs show good porosity of 25-32% and no water.

"This thin bed sequence closely correlates with the Budrio-3 well, 300 metres away, which was drilled in 1956," Mr Masterman said. "Additionally, gas indications were interpreted in two shallower upper Pliocene zones (1,742-1,785m and 1,935-1963m) not previously recognized as gas bearing in nearby wells drilled in the 1950s.

"Initial wireline log analysis indicates the deeper Miocene section (between 2,491-2522m) is also interpreted as having possible gas bearing sands but this section has historically been difficult to assess from early log interpretations.

"We expect that production testing will be required to definitely evaluate this interval."

Po Valley will now case Sillaro-1 to its total depth of 2,610 metres to allow testing on the Upper Pliocene, Pliocene, and Miocene levels.

"The commercial focus will be on the Pliocene target interval between 2,193 metres and 2,233 metres as this zone has traditionally generated excellent gas flow rates in the Po Valley," Mr Masterman said.

"These initial results are a positive step forward in the development of the company which in the past 12 months has successfully drilled three fields in the Po Valley – Santa Mandalena, Vitalba, and now Sillaro."

If proved commercially viable, Sillaro-1 is just 50 metres from pipeline infrastructure connecting into Italy's national gas distribution network.

The Sillaro gas discovery follows the discovery of gas by Po Valley in its Vitalba-1 deviation well further north from Sillaro near Milan. This well will be put on production test following completion of the Sillaro test work.

#### **Contact**

**Michael Masterman**  
President and CEO  
**Po Valley Energy**  
Tel: (08) 9278 2533  
Fax: (08) 9278 2525

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## **Anadarko joins Aussie juniors offshore Malta**

**In a second international farm in for the day, Afrex, Sun and Pancontinental have signed a deal with large US independent E&P company Anadarko Petroleum to acquire a large slice of two offshore Malta Exploration Study Agreements, block 3 within the Area 4 ESA and Area 5 ESA.**

**US\$15.4bil company Anadarko must fund 1800km of 2D seismic and at least one exploration well to spud before Jun 30 2008 at the absolute latest to earn a 65% interest in the resulting Production Sharing Contract. Anadarko has an additional four months to exercise an option to increase its interest to 75% upon funding a second well. The interest gained by Anadarko will reduce Pancon to 11.2% and Sun to 7% post drilling of the first well.**

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Anadarko will focus primarily on ESA Area 5, in which the partners recorded a 260km survey in Aug last year where Sun contributed \$325,000 to earn its 20% interest. The first survey further tested the extent of stacked lower Cretaceous and Eocene age reef mound structures delineated in earlier reconnaissance seismic, which threw up a number of targets greater than 70km<sup>2</sup> in areal extent and up to 700m in depth indicating potential for large hydrocarbon potential.

Out of 11 defined prospects and leads, the new seismic will focus on two monsters of particular interest – 455mil-1.22bil bbl Chianti and 968mil-2.55bil bbl Limoncello. The reserve estimate of each prospect is in the mean to P10 range, but both upsides are extraordinary numbers nonetheless. The producing Bouri field in adjacent Libyan waters - a similar stacked reef mound - holds up to 2.5bil bbls oil and 1.9TCF gas recoverable, and currently supplies European markets including Italy and France.

Anadarko held equity in a handful of offshore Australian blocks but has been methodically relinquishing its Australian assets, the most recent withdrawal was a 14.68% stake in Vulcan-Sub block AC-L-2 ahead of a planned exploration drill, which Coogee Resources acquired. In hindsight, it was an astute decision by Anadarko, with the Coot-1 well P&A'd dry in the block late Mar this year.

Sun was trading up \$0.02 at \$0.20 on volumes around 134,000 and Pancontinental was in the hours after the announcement.

### Sun announcement:

#### MALTA PROJECT FARMOUT TO ANADARKO

Sun Resources NL ("Sun Resources") wishes to advise Shareholders that the Malta Joint Venture comprising Sun Resources, Pancontinental Oil & Gas NL ("Pancontinental") and Afrex Limited ("Afrex") as Operator, have concluded a Farmout Agreement ("Agreement") with Anadarko International Energy Company ("Anadarko"), a subsidiary of Anadarko Petroleum Corporation (NYSE:APC), on the joint venture project area which comprises two contiguous Exploration Study Agreements ("ESAs"), Area 4, Block 3 ESA and Area 5 ESA, on the Pelagian Platform in southern Maltese waters abutting Tunisia and Libya.

The Agreement requires Anadarko to carry out at its cost a regional and detailed seismic program in the ESAs in undisputed Maltese waters leading to elections to drill one or two wells on the currently defined Chianti or Limoncello Prospects which have large speculative reserve potential based on current seismic mapping by the current Malta Joint Venture, i.e. the Chianti Prospect, 455 (mean) to 1,223 (P10) million barrels of oil recovered potential and the Limoncello Prospect, 968 (mean) to 2,555 (P10) million barrels of oil recovered potential.

Significant producing oil and gas accumulations in neighbouring Tunisian and Libyan waters are analogues to these prospects; for example in Tunisia – Miskar, 1.5 trillion cubic feet of gas condensate recoverable and Isis, 400 million barrels of oil recoverable, and in Libya – Bouri, 2.5 billion barrels of oil recoverable.

Anadarko, on or before 30 June 2006, after carrying out the acquisition and subsequent interpretation of up to 1,800 line kilometres of 2D seismic on principally Area 5 of the project area, must advise the Malta Joint Venture partners of its election or otherwise to enter into a Production Sharing Contract ("PSC") with them and the Government of Malta to drill a well on either the Chianti or Limoncello Prospect in the first term of the PSC. The drilling of the exploration well is required prior to 31 Dec 2007, but subject to certain conditions no later than June 30, 2008. Anadarko at its discretion may also bring forward the spud date of the well if a drilling rig becomes available at an earlier date. Anadarko on completion of the first well, at no cost to the Malta Joint Venture partners, will have earned a 65% interest in the PSC. Within 120 days of the well outcome, Anadarko has the right, but not the obligation to increase its interest in the PSC to 75% by drilling a second well in the PSC at its cost which could be an appraisal of a discovery made by the first well or a further exploration well on another prospect in the second term of the PSC.

Anadarko is currently in the process of tendering the seismic with the aim to commence the acquisition of seismic as soon as possible. It is anticipated that acquisition of the seismic will take approximately 4 weeks.

Current equities in the Malta Joint venture are;

# Sun Resources NL	20% (reducing to 7% after drilling)
# Pancontinental	32% (reducing to 11.2% after drilling)
* Afrex Limited (Operator)	48% (reducing to 16.8% after drilling)

# ASX Listed

\* Afrex is subject of a current takeover merger by Pancontinental and as a consequence Pancontinental's interest will increase to 80%.

Anadarko is one of the largest independent oil and gas exploration and production companies in the world. It has assets of some US\$20.1 billion and for local comparison is a greater company in asset size than BHP Billiton Limited which has total assets of US\$15.4 billion. In 2004 it was number 354 on the "Fortune 500" list. In that year it produced 190 million barrels of oil equivalent ("BOE") and had proved reserves of 2.37 billion BOE. Anadarko's production base lies in the USA, Canada, Algeria, Venezuela and Qatar and it has an active world wide program of exploration for hydrocarbons. Further information on the company inclusive of the above can be obtained from Anadarko's website [www.anadarko.com](http://www.anadarko.com).

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## Other Announcements

### Vic Pet announcement:

#### FIELD DEVELOPMENT PROJECT, TEXAS, U.S.A

Texas Crude Energy Inc ("TCEI"), the Operator of the Flour Bluff Gas Project, Gulf Coast, Corpus Christi, Texas, has advised that the BG Webb gas development well was opened to the sales gas line of the Joint Ventures gas gathering system for the Flour Bluff Gas Field at 3 pm on 24 June 2005.

The BG Webb-1 well is currently flowing at a rate of 1.7 million cubic feet per day with a flowing pressure of 3500 pounds per square inch through a 10/64" choke.

After flowing for up to a 100 day period the well will be fracture stimulated to increase the current flow rate.

Previous fracture stimulations of wells in the field by the operator have results in a two to four times increase in the pre-stimulation flow rate.

BG Webb-1 is the first gas development well drilled by the Joint Venture on the Flour Bluff gas Field.

The second gas development well drilled on the Flour Bluff gas Field, EFB D-24 has been completed for gas production and is currently awaiting the arrival of a completion rig in the near future to carry out production testing prior to connection to the gas gathering facilities of the Flour Bluff Gas Field.

#### Flour Bluff Gas Field Development Project Background

The Flour Bluff Gas Project is comprised of two parts, the main Flour Bluff Gas Field (West) and Flour Bluff Gas Field (East).

With the drilling results from BG Webb-1, the operator has advised that for the main Flour Bluff Gas Field (West), the interval containing the J sands and the first K sand indicates a proved recoverable reserve of 104 BCF of gas.

For the East Flour Bluff Gas Field with its proved probable, possible and potential total recoverable gas reserve of 67 BCF of gas, the operator's first development well, East Flour Bluff D-24 has successfully targeted 31 BCF of gas while the second East Flour Bluff proposed well East Flour Bluff E-10 will target a remaining 36 BCF of gas.

In conclusion drilling on the Flour Bluff Gas Field (West) to date has provided an initial operator's minimum estimate recoverable reserve of 104 billion cubic feet of gas.

The continuing drilling program which has commenced on Flour Bluff (East) with the successful drilling of the first of two wells, East Flour Bluff D-24, to be followed by the second well East Flour Bluff E-10 is targeting an interpreted additional recoverable gas reserve of 67 BCF of gas.

The potential combined recoverable reserve potential for the western and eastern portions of the Flour Bluff Gas Field currently stands at 171 BCFG. Future deep drilling success may increase the potential recoverable reserves to the order of 200 BCFG.

Commenting on the commencement of gas sales from the BG Webb-1 well, Victoria Petroleum N.L. Managing Director, John Kopcheff said;

"Victoria Petroleum is pleased to have commenced its first gas sales from the first development well in the Flour Bluff Gas Field.

This success is in accordance with our expectations for the Flour Bluff Gas Field Development Project and vindicates our decision to become involved with a successful operator in the area."

"The operator Texas Crude Exploration Inc. is to be commended on the successful drilling and completion for gas production of the BG Webb-1 well."

"With this new gas production, Victoria Petroleum has increased its gas production and revenue from the Flour Bluff Gas Field. This increase in gas production is welcome given the strong gas prices in the US gas market of US\$7.13 per thousand cubic feet equivalent to A\$9.25 per thousand cubic feet."

"Victoria Petroleum looks forward to the further increases in gas production and revenue from the Flour Bluff Gas Field when this well is fracture stimulated and the second development well EFB D-24 is tested and connected to the sales gas line in the near future."

Participants working interest in the Flour Bluff Project through their US wholly owned subsidiaries are:

	Flour Bluff (West)	Flour Bluff (East)
Victoria Petroleum	12.5%	16.67%
Sun Resources NL	12.5%	16.67%
Aurora	12.5%	16.67%
US private investors	62.5%	50.00%

#### Contact

**John Kopcheff**  
 Managing Director  
**Victoria Petroleum N.L.**  
 Tel: (08) 9220 9800  
 Fax: (08) 9220 9801

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### Aurora Oil & Gas announcement:

#### COMMENCEMENT OF SALES PRODUCTION FROM BG WEBB -1 WELL FLOUR BLUFF GAS PROJECT, TEXAS, USA.

Texas Crude Energy Inc ("TCEI"), the Operator of the Flour Bluff Gas Project, has reported that the BG Webb -1 gas well on the West Flour Bluff Gas Field was opened to the sales gas line of the Joint Venture's gas gathering system for the Flour Bluff Gas Project at 3 pm on 24 June 2005.

The second well of the current three well program is awaiting completion for production and this is expected to occur shortly.

The BG Webb -1 well is currently flowing at an initial rate of 1.7 million cubic feet per day through a 10/64" choke. After flowing for up to a 100 day period the well will be temporarily taken offline to fracture stimulate production and then placed back on line.

#### Flour Bluff Project - Background

The Flour Bluff Gas Field is an old South Texas giant gas field, which has produced about one trillion cubic feet of gas with associated condensate since it was discovered in 1934. Production has been predominantly from shallow reservoirs between 1,980 metres and 2,600 metres which are now largely depleted.

The Flour Bluff Development Project aims to develop two sets of known but virtually undeveloped deeper reservoirs between 2,750 metres and 3,600 metres.

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The Flour Bluff field remains the only South Texas giant field which has not been deepened and redeveloped in this way.

The field is a relatively simple structure, divided by faulting into the Flour Bluff field to the west of the fault and the East Flour Bluff field to the east. The major reserve potential (104 BCF) is in the Flour Bluff field, with a further 67 BCF in the East Flour Bluff field.

The initial development program consists of three key wells, each designed to test the extent of gas reserves in critical locations in the Flour Bluff field and the East Flour Bluff field. Two of these wells have been drilled. Each successful well will be completed as a production well.

The first well in the Flour Bluff field, BG Webb -1, was drilled to 4,115 metres in March-April 2005. In May 2005 the well was successfully tested and completed for commercial production from the K-15 sand. The field gas-gathering pipeline has been connected to the well and production commenced on 24 June 2005. Fracture stimulation of the reservoir, with the aim of more than doubling gas production rate, is anticipated to take place after about 100 days of production.

The EFB D-24 well, the second well in the program, is located in the East Flour Bluff gas field.

EFB D-24 has been drilled and tested a four-way dip closure with 3P (Proved plus Probable plus Possible) recoverable reserves of 17.5 BCF (billion cubic feet) of gas and additional potential for a further 14 BCF (total 31.5 BCF). The well has successfully defined gas pay zones in the primary target and is presently being prepared for completion for commercial gas production from several of these zones.

The third well in the program, EFB E-10 is designed to test the shallow "massives" production sands for commercial gas in areas of the structure where the operator believes that significant gas reserves (up to 30 BCF) remain to be extracted using modern directional drilling.

#### Ownership

Aurora Oil and Gas Limited through its wholly owned U.S. subsidiary Corpus Christi Gas LP, holds the Project working interests set out in the following table. Aurora's Net Revenue Interests are 70% of the working interests.

#### Contact

**Alex Neuling**  
Company Secretary  
**Aurora Oil & Gas**  
Tel: (08) 9440 2626  
Fax: (08) 9440 2699

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## Origin announcements:

### South Australian natural gas price path decision

The Essential Services Commission of SA (ESCOSA) has released its final determination on Origin Energy's proposed natural gas price path for the 3-year period 1 July 2005 to 30 June 2008.

The determination applies to "small" customers on standing contracts, that is, residential and small business customers using less than 1 Terajoule (TJ) of gas per year who have not yet taken up a market contract.

The determination provides for an average tariff increase for residential customers on standing contracts of 5.13% for the coming financial year commencing on 1 July 2005, followed by increases of CPI + 1.1% and CPI + 1.8% in the following two financial years.

The price increases were less than Origin applied for on the basis of rising wholesale gas supply costs and retail operating costs.

In being advised of ESCOSA's determination, Origin's General Manager Public and Government Affairs Tony Wood said "Origin is disappointed that ESCOSA has not accepted Origin's pricing proposal and we will consider seeking a further review by the Commission."

"It was and remains Origin's view that the pricing submission presented by Origin last December was a fair and reasonable assessment of existing costs, future movements in "controllable" costs such as gas prices and transmission pipeline and retail operating costs as well as various other costs associated with gas retailing in the SA market."

Mr Wood said "Whilst ESCOSA has accepted some of the arguments we put forward and that is welcomed, we remain concerned that ESCOSA has not allowed for the full cost of providing a reliable gas supply. This reliability is reflected in the price which Origin now pays for gas, particularly in the peak periods and is apparent in the retail operating costs of Origin's retail business, but these costs are not fully recognised in the determination.

The determination as announced by ESCOSA will have a minimal impact on customers, with the average residential price increasing by less than 50 cents per week.

### Origin Energy US Private Placement Debt Issue

Origin Energy today completed the issue of NZD422 million and USD50 million of senior unsecured notes into the US private placement market. The notes were issued in four tranches maturing 2012, 2014, 2017 and 2020. The NZD proceeds from the notes have been used to repay a NZD debt bridge facility established for the acquisition of Contact Energy in October 2004. The USD proceeds from the notes have been fully converted to Australian dollars and all future US dollar and US interest rate exposure arising from the notes has been fully hedged.

Frank Calabria, Chief Financial Officer of Origin Energy said "The issue lengthens the debt maturity profile of the company and provides long term certainty of debt financing at competitive funding margins. Proceeds from the issue have been used to repay existing bridging debt. This issue combined with the company's strong cash flow means that Origin continues to be well placed to take advantage of further growth opportunities."

Joint Lead Arrangers to the issue were Banc of America Securities and Westpac Institutional Bank. Origin Energy Limited is currently rated by Fitch Ratings as A-/Stable and by Standard and Poor's as BBB+/Stable.

#### Contact

**Frank Calabria**  
Chief Financial Officer  
**Origin Energy**  
Ph (02) 8345 5567

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## Sundance Energy announcement:

### Sundance's Price A 22-7-10 Well Commences Drilling

Sundance Energy Australia Limited, ("Sundance"), is pleased to advise that its wholly owned subsidiary, Sundance Energy, Inc.'s second well, in its six to eight well 2005 U.S. drilling program, spudded on 28 June 2005. The Price A 22-7-10 well (the "Price Well") is located in the southern portion of Hughes County, Oklahoma, near the town of Gerty. The Price Well is the third to be drilled by the Company (following Kitson 1 in PEL 88, and the O.L. Hill Well - also in Hughes County) since its successful capital raising and ASX listing on 28 April 2005.

The Price Well is planned to be drilled to a total depth (TD) of 5900 feet (1800 metres) and is expected to take 18 days from spud to TD. Up to 12 potential horizons will be evaluated, including Sundance's primary target formations, the Caney and Woodford Shales. As with its O.L. Hill Well, Sundance's focus will be on gas sands and non-conventional reservoirs, i.e. tight, fractured, gas saturated shales. However, Sundance views all of the identified horizons as prospective given that the acreage surrounding the prospect has had either production, offsetting production, or oil and gas shows from these horizons.

Sundance also advises that gas sales negotiations are in progress with respect to the sale of gas from the Company's O.L. Hill Well. These negotiations are expected to be completed during the next 2-3 weeks, following which time the well is to be fraced and completed for production.

Sundance's Managing Director, Jayme McCoy, said: "It is gratifying to have successfully drilled our first well in this prospect and to have moved to the second well; our 2005 drilling program assumes the ability to maintain a continuous drilling program. We have come away from the O.L. Hill Well with a significant amount of data which will help us to improve our operational efficiencies as we move forward.

This data has led us to changes in some of the drilling procedures we will be employing during the drilling of the Price Well. These changes are pointed at improved penetration rates and well bore conditions."

### WELL DETAILS:

Location: Hughes County, Oklahoma,  
 Approx. 3 miles southwest of Gerty  
 Spud Date: Tuesday 28 June 2005 approx. 2:00 pm CST  
 Days since spud: 1  
 Current Operation: Drilling 13 ¼" surface hole  
 Planned total depth: 5900 feet (1800 metres)

### WELL INTERESTS:

Hughes County	
Sundance*	45.00
US Interests	55.00
*operator	

Contact
<b>Charles Binks</b> Chairman <b>Sundance Energy</b> <b>Australia</b> Tel: (08) 8233 5423

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## Today's Drilling Updates

<b>Flax-2</b>	
<b>Permit</b>	PEL-103
<b>Equity</b>	<b>Innamincka</b> 35.00 Faulconer 65.00
1286m Drilling 8 1/2" production hole section	

<b>Petalonia North-1</b>	
<b>Permit</b>	AC-P8
<b>Equity</b>	<b>Woodside</b> 66.67 Paladin Oil & Gas 33.33
704m POOH prior to running 7" liner and DA to TD in 6" hole	

<b>Yanergie-1</b>	
<b>Permit</b>	PEL-110
<b>Equity</b>	<b>Beach</b> 31.25 Magellan 31.25 Cooper Energy 25.00 Enterprise 12.25
106m and DA	

## Today's International Drilling Updates

<b>Ellis-4</b>	
<b>Location</b>	Ellis County, Oklahoma USA
<b>Equity</b>	<b>Antares</b> 47.00
2133m and DA	

<b>McGlothlin-6</b>	
<b>Location</b>	Archer County, Texas USA
<b>Equity</b>	<b>TNT Engineering</b> Amadeus 85.50
240m and DA	

<b>Pesek-1 R/E</b>	
<b>Location</b>	Lavaca County, Texas USA
<b>Equity</b>	<b>Trio Consulting</b> Amadeus 25.00
Re-entered to a depth of 3352m and DA	

<b>Schwing-1</b>	
<b>Location</b>	Iberville County, Louisiana
<b>Equity</b>	<b>Spartan Operating</b> Amadeus 50.00
Due to spud in July/August 2005	

<b>Yukon-2</b>	
<b>Location</b>	Beaver County, Oklahoma USA
<b>Equity</b>	<b>Antares</b> 87.50
TD 1600m Preparing to run casing after completing the short section from vertical to horizontal. Wireline logs indicate two highly probable gas bearing zones	

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## AUSTRALIAN SHARES

		29th June	Close	Change
Adelphi Energy	ADI	0.245	0.245	0.00%
Audax	ADX	0.145	0.140	3.57%
AED Oil	AED	0.705	0.740	-4.73%
Amadeus	AMU	0.820	0.810	1.23%
Arrow	AOE	0.400	0.390	2.56%
Arc	ARQ	1.960	1.995	-1.75%
Aurora	AUT	0.250	0.250	0.00%
AWE	AWE	2.020	2.040	-0.98%
Anzon	AZA	0.725	0.710	2.11%
Antares Energy	AZZ	0.460	0.465	-1.08%
Bass Strait	BAS	0.145	0.140	3.57%
BHP	BHP	18.130	18.080	0.28%
Baraka Petroleum	BKP	0.195	0.195	0.00%
Bow Energy	BOW	0.125	0.125	0.00%
Beach	BPT	0.665	0.675	-1.48%
Bounty	BUY	0.085	0.085	0.00%
CH4	CHX	1.165	1.165	0.00%
Cooper	COE	0.260	0.255	1.96%
Comet Ridge	COI	0.115	0.105	9.52%
Carparthian	CPN	0.056	0.058	-3.45%
Cue Energy	CUE	0.385	0.400	-3.75%
Cityview	CVI	0.039	0.039	0.00%
Carnarvon	CVN	0.018	0.017	5.88%
Drillsearch	DLS	0.068	0.067	1.49%
Eagle Bay	EBR	0.078	0.077	1.30%
Empire	EGO	0.008	0.009	-11.11%
Enterprise Energy	EPE	0.092	0.093	-1.08%
Essential	EPR	0.072	0.074	-2.70%
Eastern Star	ESG	0.170	0.160	6.25%
Entek Energy	ETE	0.155	0.145	6.90%
Elixir Petroleum Ltd	EXR	0.555	0.575	-3.48%
FAR	FAR	0.090	0.093	-3.23%
Global Pet	GBP	0.490	0.510	-3.92%
Golden Gate	GGP	0.150	0.145	3.45%
Great Artesian	GOG	0.190	0.190	0.00%
Gippsland Offshore	GOP	0.110	0.120	-8.33%
Hardman	HDR	2.170	2.230	-2.69%
Horizon	HZN	0.099	0.097	2.06%
Icon	ICN	0.028	0.028	0.00%
Innamincka Pet	INP	0.620	0.630	-1.59%
Impress	ITC	0.037	0.038	-2.63%
Karoo Gas	KAR	1.610	1.600	0.63%
Kimberley	KBO	0.049	0.050	-2.00%
Longreach	LGO	0.014	0.014	0.00%
Lion Energy	LIO	0.005	0.005	0.00%
Lakes Oil	LKO	0.029	0.030	-3.33%
Magellan	MAG	1.400	1.400	0.00%
Metgasco Ltd	MEL	0.200	0.205	-2.44%
Methanol Aus	MEO	0.086	0.091	-5.49%
Moby Oil & Gas	MOG	0.140	0.135	3.70%
Mosaic Oil	MOS	0.155	0.155	0.00%
Molopo	MPO	0.031	0.031	0.00%
Nido	NDO	0.085	0.085	0.00%
Nuenco	NEO	0.045	0.045	0.00%
Norwest	NWE	0.185	0.190	-2.63%
Nexus	NXS	0.320	0.325	-1.54%
NZOG	NZO	0.885	0.885	0.00%
Oilex	OEX	0.235	0.240	-2.08%
Orchard	OPL	0.565	0.570	-0.88%
Origin	ORG	7.550	7.650	-1.31%
Oil Search	OSH	3.080	3.010	2.33%
Pancon	PCL	0.074	0.077	-3.90%
Planet Gas	PGS	0.170	0.175	-2.86%
PanPacific	PPP	0.125	0.125	0.00%
Pacrim	PRE	0.051	0.052	-1.92%
Petsec	PSA	1.000	0.990	1.01%
Po Valley	PVE	1.040	0.920	13.04%
Qld Gas Co	QGC	0.420	0.420	0.00%
ROC Oil	ROC	1.965	2.030	-3.20%
Roma	RPM	0.065	0.065	0.00%
Sundance	SEA	0.350	0.350	0.00%
Sydney Gas	SGL	0.560	0.545	2.75%
Sunshine	SHG	0.600	0.600	0.00%
Samson Exploration	SSN	0.315	0.315	0.00%
Santos	STO	11.130	11.340	-1.85%
Stuart Pet	STU	0.940	0.950	-1.05%
Strike Oil	STX	0.150	0.130	15.38%
Sun Res	SUR	0.185	0.180	2.78%
Tap Oil	TAP	2.390	2.420	-1.24%
Tomahawk Energy	THK	0.820	0.820	0.00%
Voyager	VOY	0.320	0.325	-1.54%
VicPet	VPE	0.026	0.027	-3.70%
Woodside	WPL	28.820	29.250	-1.47%

## INTERNATIONAL SHARES \*

		29th Jun	Close	Change
ANTRIM ENERGY	AEN.TO	1.47	1.45	1.38%
APACHE CORP	APA	64.57	66.65	-3.12%
ANADARKO PETE	APC	81.12	84.66	-4.18%
BLACK ROCK OIL	BKOFG	0.04	0.04	0.00%
BP PLC ADR	BP	64.40	64.05	0.55%
CONOCOPHILLIPS	COP	58.10	59.52	-2.39%
CHEVRONTEXACO	CVX	57.00	57.25	-0.44%
DANA PETROLEUM	DNX.L	647.00	647.00	0.00%
ENI SPA	E	129.09	128.72	0.29%
ENCANA CORP	ECA	40.62	41.35	-1.77%
EL PASO CORP	EP	11.58	11.66	-0.69%
KERR MCGEE CORP	KMG	76.22	76.68	-0.60%
NEWFIELD EXPL	NFX	39.64	40.52	-2.17%
NEXEN INC	NXY	30.53	31.78	-3.93%
ROYAL DUTCH PETE	RD	65.97	64.45	2.36%
SWIFT ENERGY CO	SFY	35.00	35.33	-0.93%
EXXON MOBIL	XOM	59.09	59.30	-0.35%

\* US Dollars

## EXCHANGE RATES\*

	Today	Yesterday	Change
British Pound (GBP)	0.41980	0.42062	-0.20%
Canadian Dollar (CAD)	0.93971	0.94736	-0.81%
Euro (EUR)	0.63263	0.63155	0.17%
Japanese Yen (JPY)	83.95147	84.10942	-0.19%
New Zealand Dollar (NZD)	1.08906	1.08729	0.16%
U.S Dollar (USD)	0.76313	0.76840	-0.69%

\*AUS Dollars

## OIL PRICES \*

	Today	Yesterday	% change
<b>Petroleum (\$/bbl)</b>			
Nymex Crude	58.15	58.20	-0.05
IPE Crude	57.18	59.30	-2.12
Brent Crude	56.45	56.56	-0.11
West Texas Crude Oil	58.20	60.54	-2.34
Tapis**	59.9	59.6	0.30
<b>Petroleum (c/gal)</b>			
Nymex Heating Oil	162.04	162.04	0.00
Nymex Gasoline	162.48	162.48	0.00
<b>Natural Gas (\$/MMBtu)</b>			
Nymex Henry Hub	6.98	6.98	0.00
Henry Hub	7.04	7.27	-0.23

\* US Dollars

\*\*Tapis Prices are previous two days prices

## INDICES

		Today	Yesterday	%change
All Ordinaries	^AORD	4,226.70	4,222.00	0.11%
ASX Energy	XEJ	9,386.10	9,499.40	-1.19%
DJ Indu Average	^DJI	10,405.63	10,290.78	1.12%
FTSE 100 Index	^FTSE	5,090.40	5,090.40	0.00%
Hang Seng Index	^HSI	14,287.44	14,287.44	0.00%
NASDAQ	^XIC	2,069.89	2,045.20	1.21%
Nikkei 225 Index	^N225	11,583.29	11,513.83	0.60%

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