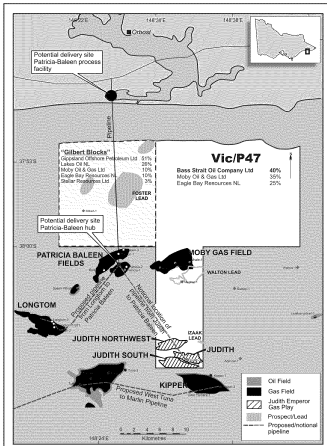
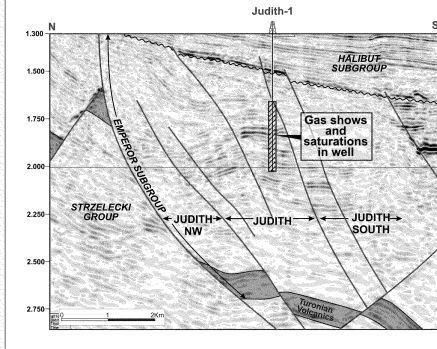


VIC/P47 - FARMIN OPPORTUNITY, OFFSHORE GIPPSLAND BASIN, VICTORIA

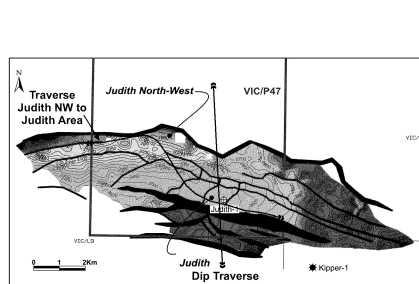
Vic/P47 Prospects, Leads and Infrastructure



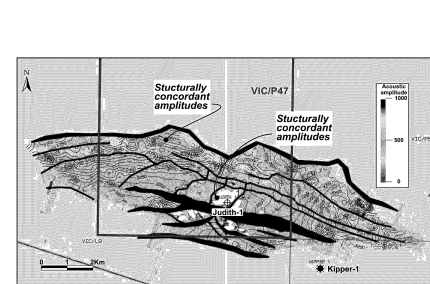
Judith Area - Dip Traverse - G01A



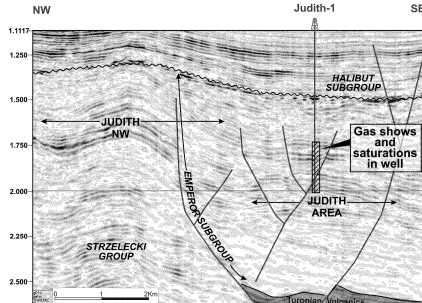
Gas Sand 3 - Depth Map



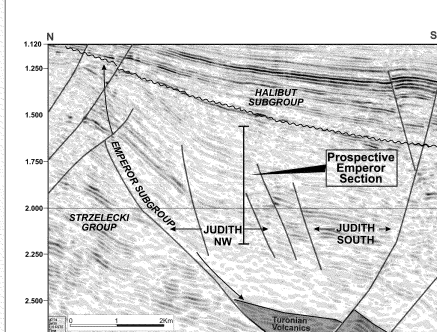
Gas Sand 3 - Amplitude Map



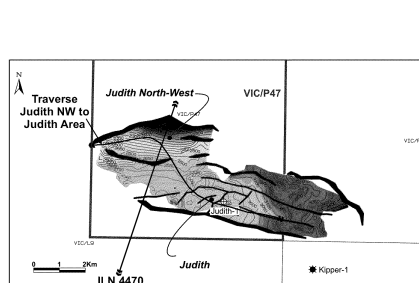
Judith Northwest to Judith Area Tie - Traverse - G01A



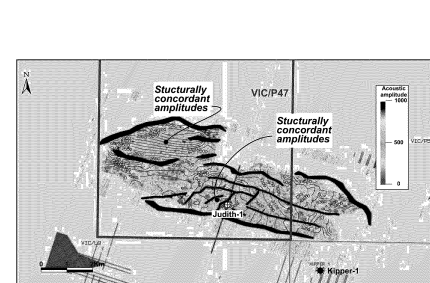
Judith Northwest - Inline 4470 - G01A



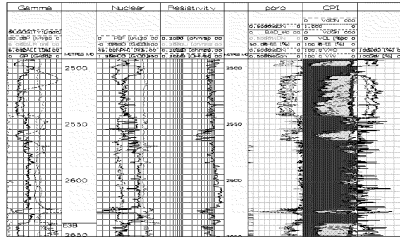
Lower Sand - Depth Map



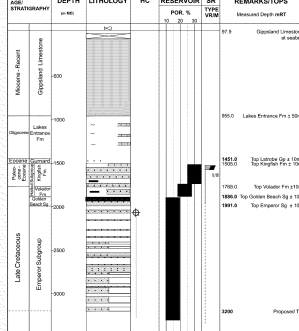
Lower Sand - Amplitude Map



Judith-1 Petrophysics - Typical Gas Sand



Judith-2 Preliminary Prognosis



The joint ventures are seeking parties to earn equity in Vic/P47 by contributing to drilling costs in a Judith appraisal programme. The prospective Judith Gas Accumulation is analogous to the Longton Gas Field located 23km west of Judith. The recent success of the Longton-3 appraisal development well, which flowed at up to 77 Mscfd from the Emperor Subgroup, as well as recent studies by BAS, indicates similar appraisal/development potential at Judith.

Until recently Emperor Subgroup reservoirs were viewed as non-commercial due to their low permeability, as well as market factors. However, appraisal/development success at the analogous Longton Gas Field to the west of Judith and re-evaluation of Judith-1 log results, has demonstrated the commercial potential of these reservoirs. The Vic/P47 joint venture has undertaken a complete review of the Judith Accumulation including 3D seismic-based mapping, petrophysics, paleogeology, incorporation of open file Longton data, prospective resource estimates, field deliverability study and notional development scenarios.

Mapping and Structure
New mapping of Judith based on 3D seismic indicates that the feature can be split into three main appraisal areas within Vic/P47: Judith Area (penetrated by the Judith-1 well), Judith Northwest and Judith South. Closure for all of the Judith features is largely fault dependent. Several horizons, which often show structurally concordant amplitude anomalies, can be mapped. While the Judith features are covered with good quality 3D seismic, complex structuring limits confidence in correlating horizons significantly beyond the well location, particularly across faults with significant throw.

At this stage reservoirs and seals for all areas are inferred from Judith-1 well results, though given the fluvial-lacustrine nature of the sequence, it is anticipated that facies are likely to vary away from the well location.

The 'Judith Area' is defined by the Judith-1 well (Shell, 1989) which encountered interpreted gas-bearing Kipper Shale and Admiral Formation, Emperor Subgroup sediments within a tilted fault block along the Roadside Fault System, on the northern highlands of the Judith Fault. Gas shows in the Emperor Subgroup were coincident with the well passing through the Judith Fault, indicating that the fault is sealing the gas accumulation. In addition, there are potential younger and older gas-bearing horizons, which are suggested by high seismic amplitudes but which were not penetrated by the Judith-1 well.

Judith Northwest is located approximately 4km northwest of the Judith-1 well and shows a similar structural style to the Longton Field. Structure is mapped as a low-dip fault closure on multiple Emperor horizons, several which can be tied from the gas-bearing section of the Judith-1 well. Several events also show structurally concordant amplitude anomalies.

The Judith South feature is located south of the Judith Fault and is composed of a series of tilted fault block closures on multiple Emperor horizons that show strong seismic amplitude anomalies.

Reservoirs
Judith-1 encountered gas-bearing Emperor Subgroup sandstone reservoirs within alluvial/fluvial/deltaic influences of the Kipper Shale and Admiral Formation. Reservoir quality in this sequence varies from porous, high permeability sands above the Judith Fault to marginal below the Judith Fault. Key uncertainties at Judith are reservoir quality, distribution and extent.

Above the Judith Fault, a 38m sandstone exhibits excellent quality with a clean log signature, average porosities of 22% and net to gross of 100%. Within the gas-bearing section of the well below the Judith Fault, reservoirs have lower porosities and permeabilities that are comparable with Admiral Formation reservoirs encountered the Longton wells, with porosities ranging from 15-17%.

Reservoirs at Judith Northwest that have been correlated to Judith-1 are anticipated to have at least similar reservoir qualities, though these may be improved due their presence at much shallower levels. In addition, older better quality reservoirs, unpenetrated at Judith-1, are interpreted to be present at shallower levels in this location.

In order to achieve commercial flow rates in Judith-1 it is anticipated that long lateral completions similar to those undertaken in Longton-3 will be required.

Seals
Strong gas indications at Judith-1 indicate a successful fault seal across the Judith Fault. Paleogeological studies and seismic interpretation, suggest that much of the prospective Judith Accumulation is juxtaposed against a thick Kipper Shale sequence, which also provides cross-fault seal to the Kipper Gas Field to the south. Emperor Subgroup lacustrine shales encountered within Judith-1 are anticipated to form intraformational seals depending upon their thickness and extent.

Resource Estimates and Gas Deliverability
A wide range of in-place resource estimates, from a low side case of ~143 PJ GIIP through to a Greater Judith Area development case of 940 PJ GIIP were considered, as well as ranges for reservoir permeability and delivery pressures. A range of Judith recovery factors have been developed for use in recoverable resource estimations.

A range of gas field delivery models has been constructed based on material balance description of the reservoir and a nodal analysis model of the production system.

It is apparent from logs and offset well data that the permeability of the typical Emperor Subgroup sand at the Judith location would conventionally be classified as a low permeability tight gas reservoir. However, it is anticipated that productivity will be enhanced in the Judith field by drilling long deviated/horizontal wells of the type successfully tested at Longton-3. Such wells connect sands vertically and laterally through the reservoir sequence and also penetrate horizontally along bedding planes to ensure sufficient net sand is exposed to the well bore. By enhancing both connectivity and horizontal penetration, drainage of the field and well productivity are increased.

The likely Judith well performance was benchmarked against Longton well tests, and recovery per well has been benchmarked against other offshore developments for low permeability gas fields.

Notional Development Scenarios
In considering the development options for Judith, the availability of nearby infrastructure has been taken into account, in particular the Patricia Balesen (PB) offshore subsea pipeline, the onshore gas (and in the future condensate), processing facility. The Judith field lies approximately 20km from the PB offshore gas fields.

Two notional development scenarios are considered, the first is delivery of gas to the Patricia Balesen (PB) subsea installation approximately 20 km offshore, and the second is a stand-alone development with a new pipeline to shore and delivery of gas to onshore location, nominally the PB onshore gas plant, but potentially a new facility.

Judith Area Mid Case Scenario
In the mid case GIIP intersected by Judith-1 well. Technical Ultimate Recovery = 185 PJ with plateau production rate 607/d.

Development concept: Extended reach sub-sea wells tied back to PB subsea location, one manifold only. Two production wells initially, 3rd well drilled 6 months before end of plateau production. Wells are all extended reach sub-sea wells.

The key assumption for the Judith Mid Case is that maximum use will be made of existing infrastructure by tying-in Judith gas back to the offshore end of the Patricia Balesen subsea pipeline and all gas will be processed via the upgraded (future) PB onshore gas plant. This development scenario considers that all development wells will be in the Judith Main area and connected via a dairy chain style subsea architecture.

Judith Main plus Northwest Sonoma
In the mid case GIIP intersected by Judith-1 well plus significant updates from the Judith NW. Technical Ultimate Recovery = 413 PJ with plateau production = 1107/d.

Development concept: Extended reach sub-sea wells tied back to shore, two primary production manifolds, one over Judith-1 area and one over Judith NW. Subsea pipeline and umbilical to shore, directionally drilled shore crossing (2 holes). New stand-alone onshore gas processing facility and sales gas pipeline to the Eastern Gas Pipeline (EGP). Four production wells initially, 5' and 6' wells drilled 6 months before end of plateau production. Wells are all extended reach sub-sea wells. A new onshore gas processing plant with a capacity of 120 T/d will be built somewhere between the landfill site and the EGP which lies approximately 20 km to the north.

The key assumption for the Judith Main + NW case is that it will be developed on a stand-alone basis independent of existing infrastructure in the region, with the exception of the EGP which will be the delivery point for the sales gas pipeline.

Appraisal Drilling Programme
Further development planning will require additional certainty from a Judith appraisal drilling programme. Additional well data obtained from appraisal drilling would constrain the log interpretation of Judith-1 and therefore reduce uncertainty ranges in resource estimates. A well evaluation programme may include core, CHT logs, extensive pressure measurements and sampling as well as well testing. Given that prospective resource estimates for the Judith Area and Judith Northwest areas are similar, ideally the appraisal programme would comprise two wells, addressing each of these areas and providing maximum information. A single well programme would likely target Judith NW to determine the upside extent of the feature. Appraisal wells would likely be planned as deviated wells and potentially, Longton-3 style horizontal wells would optimise potential flow rates at each feature.

In the Judith Area, an optimally placed appraisal well would ideally determine the reservoir extent, quality and distribution of previously penetrated prospective gas sands, as well as address additional unpenetrated potential higher and lower within the Judith Fault Block. A well at Judith Northwest towards fault closure would test a feature more structurally similar to Longton, with reservoirs at shallower levels to the Judith-1 location.

It is anticipated that at least two drilling rigs will be active in the Gippsland Basin in 2008, including the West Triton jack-up rig, which is believed to be scheduled for development drilling at Longton. The West Triton would be suitable for appraisal drilling at Judith and BAS are available in 2008.

Farmin opportunity
BAS and its co-venturers are seeking farm-in to contribute to the cost of Judith appraisal drilling in order to earn equity in the project and potentially the P47 permit.

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**VIC/P47
Farmin Opportunity
OFFSHORE GIPPSLAND BASIN
April, 2007**

KEY POINTS

- Farmin opportunity - JV parties seeking funding for 2008 appraisal drilling
- 1989 Judith-1 Emperor Subgroup gas discovery is analogous to Longton Field where commercial flow rates have been demonstrated and field development decision is imminent
- 3D seismic amplitude anomalies indicate undrilled potential above and below gas sands penetrated by Judith-1 well
- Scoping studies support two notional field development scenarios based on prospective resource estimates of 185 PJ and 413 PJ of recoverable gas