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WESTGAS DRILLING REACHES TARGET, ASSESSMENT BEGINS

The Kaloorup #2 well reached its target of the sand below the lower Permian coals at 405m, a level shallower than predicted by previous drilling, late on Tuesday 9 March. A suite of electric logs have now been run and will be interpreted to determine precise depth of the gaseous fracture zone found in the BHP well some 40m south of the drill location.

The zone will be tested using a packer system to isolate and progressively reduce the pressure over this part of the well bore. This will have the effect of stimulating the zone to allow the fractures to release any fluids or gasses which may be trapped within the zone. Any discharge will be captured and sent for laboratory analysis.

Should there be no change in the well following this work a fracture program will be designed to enhance any of the natural fractures within the test zone.

STEPHEN THOMAS

DIRECTOR