

Gippsland Basin

Introduction

The Gippsland Basin is a world class hydrocarbon province. According to the Victorian Department of Primary Industry, this petroliferous basin hosts discovered oil reserves of four billion barrels of oil and 10TCF of gas reserves. In the 2002/2003 year, the basin accounted for 21 percent of Australia's total gas sales and 17 percent of Australia's crude oil production proving that it is an important supplier to the Australian market.

- world class petroleum province
- produces 20 percent of Australia's crude oil and gas needs
- GOP permits on northern margin of basin – up dip from significant oil and gas discoveries
- access to additional acreage through FALCON® gradiometry applied to outdated seismic data
- oil has migrated to the margin at Lakes Entrance
- Most offshore fields have residual oil legs
- FALCON® and seismic coverage have mapped strong prospects
- three wells planned.

Geological resources

Gippsland Offshore Petroleum Limited (ASX code GOP) was formed in late 2004, primarily to explore the ignored margins of the Gippsland Basin which, by world standards, present many opportunities. Recent drilling on the margin has resulted in the discovery of hydrocarbons (Moby-1 well in 2004).

GOP has farmed into three permits which straddle the East Gippsland coast and the Northern Platform of the Gippsland Basin in Victoria. These are known as VIC-P-47 (Gilbert Block), VIC-P-40(V) and PEP-155 (Marlo Block).

The rationale for GOP farming into these blocks is based on:

- Many of the offshore oil and gas fields are known to be spilling oil off the East Gippsland Coast
- Most of the gas fields have oil legs
- Many residual oil columns are present
- Oil has reached the basin margin at Lakes Entrance.

The overall risk of 1 in 3.8 is low for exploration wells, and is well within the acceptable level for a possible oil accumulation of this size in an area close to the coast and infrastructure.

Advantages and opportunities

Victoria's Bass Strait and Gippsland Basin enjoy many advantages in a proven geological district of world class hydrocarbon reserves.

Expert staff are permanently on hand to plan, deploy and guide exploration strategies in a mature industry.

Rising world oil prices have made Australian reserves all the more valuable, a position reflected in GOP's increasing share price.

Key opportunities hinge on the relatively unexplored terrain on the fringe of the basin, a position likely to be enhanced by the deployment of FALCON® technology.

Logistics and markets

Drilling and recovery facilities in the Bass Strait are measured among world's best off-shore production systems. Discoveries that convert into production will enjoy:

- proximity to major on-shore refining facilities
- ready access to the major markets and distribution networks of Melbourne, regional Victoria, NSW and SA.
- location close to the heart of Australia's premier oil and gas fields
- established infrastructure and a mature industry with a strong history of innovation.