



Browse LNG gets the drill

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CONOCOPHILLIPS and Melbourne-based Karoon Gas plan to this week spud (begin drilling) the first well in a \$150million drilling program aimed at discovering the next massive gas field in the Browse Basin offshore Western Australia.

In what is shaping as a pivotal year for companies with liquefied natural gas export ambitions, ConocoPhillips (51per cent) and Karoon (49 per cent) have plans for up to five wells, with each likely to cost \$30 million - making the program one of the biggest single gas exploration efforts seen in Australian waters.

The partners have high expectations. Their WA-315-P permit is close to the 12 trillion cubic feet Ichthys gas field discovered by Inpex and Total and is near Woodside's Torosa, Calliance and Brecknock fields, which are thought to contain about 18tcf.

Karoon's shares have risen sharply in anticipation of the drilling program. Since bottoming at \$1.64 in October, they closed at \$2.80 on Friday.

Although the company floated five years ago, ostensibly as a coal-bed methane gas exploration company, the Browse Basin acreage and the fact ConocoPhillips is its partner has aroused interest.

With the state's hard-rock industry closing mines and laying off thousands of workers, WA is hoping the oil and gas sector will provide some economic relief during the current upheaval.