

FIRST ISSUE OF 2006

Here we are with the first issue of Pex News for 2006. We know that we are already a few months into 2006, but we wanted to give you some time to settle in to the new year and allow ourselves that opportunity as well.

Just to remind you, you will receive Pex News each month of the year and in each issue you will usually find:

- News and information from the admin and accounts staff
- Highlights from all of Pex's publications
- Specials and information on selected offers and products throughout the year
- Each month's publication calendar and upcoming conferences
- Any other news we think may be of interest to subscribers

So please enjoy the first issue for 2006....

FROM THE ACCOUNTS DESK

In the effort of making processing of payments more efficient, we want to remind you to notify us and send in your remittance when making a direct deposit. Also if it is possible, please include the invoice number in the subject of the actual bank deposit, as this also makes it easier for processing.

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For any queries or questions you may have please contact the Accounts Department on (08) 9272 6555.

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QUARTERLY REPORT ANALYSIS - NOW WITH STOCKANALYSIS COMMENTS

Pex Publications is proud to expand its collaboration with joint venture partner StockAnalysis, whose editor Peter Strachan contributed to Pex's Quarterly Report Analysis (QRA) for the first time last quarter (published on 10 February).

Peter has added his concise, insightful comments and summary of each ASX-listed energy company's performance over the last quarterly reporting period, as well as significant activity to look out for in the next few months. He has also highlighted his **Top 5 performers** for the quarter, and the **Top 5 to look out for** in the next quarter.



Peter's contributions build on QRA's existing wealth of information, compiled by sorting through the Quarterly Reports of almost 100 Australian oil & gas companies to compare the latest highlights & activity against that from the previous quarter. See www.pex.com.au/qra_ad.htm for more information about what QRA provides and how to subscribe.

Happy reading!

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Simply send the names to Christine via email, christine@pex.com.au and we will notify you when one of your friends has subscribed.

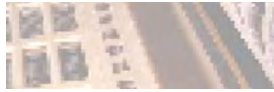
CHECKBOX TRIAL - FINAL REMINDER



Please note to all individuals who haven't already taken advantage of our obligation free trial, we are extending the offer to those who haven't already registered to do so before March 13, 2006. Simply select which publications from the form downloaded from www.pex.com.au/trial_form.htm and return via fax on (08) 9272 5556, email christine@pex.com.au, or contact us on (08) 9272 6555 or post to our reply paid postal address:

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This is the perfect opportunity to sample current issues of some of the other publications we provide which you may be interested in. If you have any questions or require any further information please do not hesitate to contact Christine or Susan on (08) 9272 6555.



FEBRUARY'S PUBLICATION HIGHLIGHTS

LIPSCOMBE REPORT

Woodside further adds to rig inventory taking high-spec semisubmersible Jack Bates for two-year contract in Gulf of Mexico starting ~November on ~US\$340,000 dayrate

Spudding first of 51-well ATP-299-P Tintaburra Block program delayed while seal & top drive problem repaired on first of three Precision Drilling units, rig-735, to enter Australia; rig's first sub-program one new field exploration, two development & 10 delineation wells around Mulberry oilfield [*Santos 89%, Drillsearch 10% & CPC Energy 1%]

Woodside issue Smedvig's West E-drill 6th generation semisubmersible LOI for 3-year term - with Australian operations initial part of assignment - starting Q4 2007 on ~US\$475,000 dayrate; total contract value US \$520mil

Former Transocean heavyweights Bob Scott, Dennis Heagney & Alan Broussard - Executive VP Operations, President/COO & Director Marketing - now forming executive management team for Songa Drilling with Songa Venus due in Australia mid-year

Diamond's Ocean Epoch moving to Australian waters lat this year for one year contract with Shell to conduct its committed 12-well campaign in Browse Basin new award WA-371-P

PEX MONTHLY

They're back: in familiar ground and with a big bid

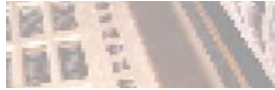
Oil major Shell accelerates its return back to Australian exploration after being awarded the strategically important WA-371-P (ex W05-3) Browse Basin block, on a bid promising almost \$160mil worth of drilling & seismic including 13 wells (12 in obligatory first 3-year term). The mammoth program blew rival bidder Inpex out of the water, the Japanese E&P company so desperate to secure the permit it reportedly resorted to trying high level diplomatic channels.

Advent invents new float plan

Perth-based Advent Energy has changed its \$3-3.5mil IPO plans, the company now progressing towards listing via MEC Resources' Pooled Development Fund (PDF). MEC itself has an IPO and is planning to invest into energy & mineral resources exploration companies through Australian-government registered PDF. The fund said to offer 'most individual investors' advantage of not paying capital gains tax on sale of shares and tax free dividends. MEC will prop up Advent on its way to an eventual ASX-listing either directly or indirectly.

Novel solutions sought to help ease onshore rig shortages

Australian Drilling Services' (ADS) refurbishment of ex-Klumberley Oil Kremco K600 Rig-6 is progressing towards completion in ~3 weeks, with the derrick being cleaned up and refurbished for inspection & recertification, and the generator shack overhauled. The rig's first job, Golden Dynasty's Boundary SE-1 in Canning Basin EP-129, is a touch and go proposition at this time of year, with high rainfall already recorded due to cyclone activity; wet season traditionally runs through until March-April. ADS will put the rig on the market once Golden Dynasty's program is completed. with interest already expressed. Empire Oil & Gas will use Drilling Contractors of Australia (DCA) Rig-7 for its Dune-1 in onshore Carnarvon Basin EP-435, the well scheduled to start late-Feb.



MPEX DAILY

Green light for Pritchard-1 with second farminee on board

Essential has set itself up with a full contingent of farm in partners to enable it to drill another exploration well, minus the risk. Inland Oil Resources (IOR) has joined existing farminee Bass Strait Oil in acquiring an interest in onshore Otway permit PEP-151 by jointly funding the drilling of Pritchard-1, free carrying Essential to the primary objective.

Better late than never for EPP-27 venture

Oilex has finally got its JV affairs finalised for a planned 60% farm in to offshore Otway block EPP-27, only four days late following the two week extension granted by GAOG on Jan 24. The original year 6 drilling deadline was Feb 24, but GAOG announced it had been granted a 12 month extension on the permit late last year, taking the drilling deadline to Feb 24 2007.

Financial windfall for Oil Search following closure of asset sale

Oil Search has announced the completion of the sale of a suite of interests in the PNG Gas Project to AGL as first announced on July 5 last year, with the final sale price falling in Oil Search's favour thanks to upward oil price movements, now valued at around US\$427 mil (A\$580mil) from the originally proposed US\$400mil.

Origin and Contact to form energy industry's newest entity

The oil and gas industry is getting set for another play in the mergers and acquisitions department, but far from the junior end of town, with Origin and its majority owned NZ-based integrated energy company Contact preparing to merge and run as one business known as ContactOrigin.

Bow gets set for new round of drilling

Bow has followed up Beach's Feb 20 announcement to confirm the rig sharing arrangement between the two companies for the services of Hunt Rig-2. Beach will pay three quarters of the costs associated with mobilising the rig to the Eromanga basin for its three exploration and nine appraisal well program, and Bow will have the option of obtaining up to seven additional drilling slots from this year into 2007.

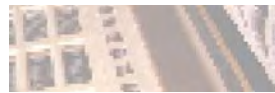
WHO'S DRILLING

Elevated gas readings were encountered, on Arc's Snottygobble-1 in L-1, on penetration of the Dongara sandstones and these extended over an approx 12m interval, with indications of porosity development from drill rate changes and sample description over some 6m.

For Beach's Udacha-1 in PEL-91, DST-1A resulted in a flow of gas to surface in 20 minutes over the interval 2482.5 to 2488m, after DST-1 was aborted due to tool malfunction over 2482 to 2488m.

The wireline logs from Anzon Australia's Manta-2 revealed excellent results confirming some 32.6m oil sand thickness and 27.4m gas sand thickened in the intra Latrobe Group in VIC-L-26.

Two cores were cut through the Primary objective of the Murta oil reservoir of Vic Pet's Mirage-2 in PEL-115 where fluorescence and oil shows were observed.



REENERGY

Osiris serious about applying different geothermal concept

- Osiris Energy entering geothermal exploration industry with three South Australian applications; two in Cooper Basin, one in Otway Basin
- Cooper Basin (Warburton Sub-basin) applications immediately south of Geodynamics' central Australian blocks were Habanero project under appraisal
- Osiris taking alternative approach to most other explorers by looking for resources within sedimentary reservoir rocks instead of granite

Petratherm taking similar, lower risk geothermal approach

- ASX-listed Petratherm taking similar approach to Osiris with its Low Risk Reservoir Development Strategy for Paralana Project in GEL-156, GEL-178 & GEL-180, central SA
- Company says 'it may be possible to develop a circulating fluid cell and subsurface heat exchanger in the sedimentary strata overlying the thermogenic granite at depth'
- If successful, this approach could significantly lower technical risk of developing underground heat exchanger & reduce overall project capital cost

Power Plus to add renewable boost to remote Tassie island

- Renewable energy company Power Plus to provide hybrid wind, solar & diesel system for Maatsuyker Island, Tasmania
- System to be installed on southern end of Tasmanian Parks & Wildlife Service administered island near lighthouse & lighthouse keeper's house
- New diesel generator installed in shed replacing existing unit
- Power supplemented by 12 solar panels installed on roof of generator shed & one 400w wind turbine
- Sea Air turbine, with 1m diameter blade, mounted on single post 8m above ground

STOCKANALYSIS HIGHLIGHTS

StockAnalysis and its subscribers have been watching the oil price with growing interest. Recent weakness has seen some calling a top to the price spiral as new capacity is brought on line. US petrol prices below \$2/gallon signal to some that the 3 year rise is over. StockAnalysis is not so sure. Many people forget that about 35% of the world's oil production is controlled by a cartel, which is likely to act in its best own interest to maintain oil prices close to current levels.

While exploration work takes a breather in the Perth Basin and offshore Mauritania, new programs in the new Cooper Basin are running at full pace, with several new discoveries holding the promise for modest production and reserve potential. Stuart Petroleum appears to have replaced this year's production with a discovery at Toparoa, while Vicpet and its partners, Impress and Roma, are boosting production and targeting new prospects. Beach and Great Artesian are producing 750 BOPD from the newly evaluated Kiana oil field while Beach is gearing up for a big exploration and development program running out to the end of 2006.

All eyes are now turning towards the much delayed, Jacala exploration well, now scheduled for late March. Jacala is the largest, un-drilled prospect in the Carnarvon Basin so Tap Oil, Roc Oil and BHP will be keen to test it.



PUBLISHING CALENDAR MARCH 2006

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT	SUN
27 Feb mpex daily	28 Feb mpex daily RENergy	1 Mar mpex daily StockAnalysis pex monthly	2 mpex daily drilling report	3 mpex daily who's drilling lipscombe report	4	5
6 LABOUR DAY	7 mpex daily	8 mpex daily StockAnalysis	9 mpex daily drilling report	10 mpex daily who's drilling lipscombe report	11	12
13 mpex daily	14 mpex daily	15 mpex daily StockAnalysis RENergy	16 mpex daily drilling report	17 mpex daily who's drilling lipscombe report	18	19
20 mpex daily	21 mpex daily	22 mpex daily StockAnalysis	23 mpex daily drilling report	24 mpex daily who's drilling lipscombe report	25	26
27 mpex daily	28 mpex daily	29 mpex daily StockAnalysis	30 mpex daily drilling report	31 mpex daily who's drilling lipscombe report RENergy	1 Apr	2

Note: Lipscombe Report dates provisional but usually one edition published per week

- OFFICE WILL BE CLOSED MONDAY MARCH 6 FOR LABOUR DAY HOLIDAY IN WA -

UPCOMING CONFERENCES

8th Annual National Power New Zealand

1-3 March 2006. Auckland, New Zealand
www.terrapinn.com/2006/npnz%5Fnz/

US Oil & Gas Downunder Conference

30-31 March 2006. Perth, Australia
www.theajmonline.com

Sustainable Energy 2006 Conference

3-4 May 2006. Brisbane, Australia
www.bcse.org.au

2006 NZ Petroleum Conference

5-6 March 2006. Auckland, New Zealand
www.nzpetroleumconference.org.nz

Wind 2006: The 5th Annual Australian Wind Energy Conference

4-5 April 2006. Adelaide, Australia
www.informa.com.au/wind2006

2006 APPEA Conference

7-10 May 2006. Queensland, Australia
www.appea.com.au/Events/AppeaEvents.asp