



KEEP AN EYE OUT FOR RENERGY

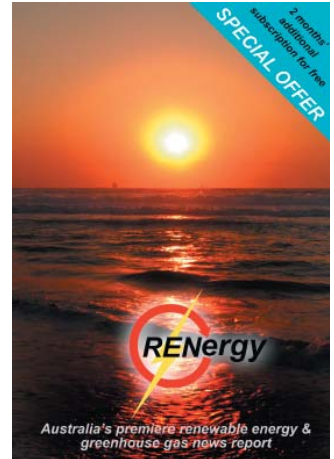
We feel it's an appropriate time for Pex subscribers of all persuasions to be keeping an eye on alternative energy sources for a number of reasons. Here's just a few:

- World oil prices have risen dramatically
- Biofuels production is tipped to significantly rise in Australia over the next few years
- Debate moves ahead on nuclear power as an Australia energy alternative

Fortunately we can cover your information requirements on all those topics as well as the ever-growing field of renewable energy - both from the policy & project perspective.

As many observers have concluded, the looming potential threats from fossil fuel shortages & increased climate change will require a contribution from both old & new energies; so allow Pex to help keep you informed about both these forms.

Look out for our RENERgy promotional brochure (pictured right) which we will be sending out in June.



TERMS & CONDITIONS LETTER - CLARIFICATION

In the last month or so you may have received a letter from us reminding you of our Terms & Conditions of subscription, and seeking your support in enforcing them. Just to clarify a point, the letters were mailed to ALL our subscribers and we were in no way attempting to single out any particular individuals or companies. The letter was sent in response to us becoming aware of a few, isolated instances where our products had been forwarded to non-subscribers, and we understand that the vast majority of our subscribers do the right thing and abide by our Terms & Conditions.

If you are in any doubt as to what our subscription Terms & Conditions are and would like to see them, please email oilinfo@pex.com.au

REMINDER ON EMAIL ACCOUNTS

We have noticed a regular increase in the number of delivery failures when we send out email publications. We would like to take this time to remind everyone that if you are receiving subscriptions via email, please make sure that your email accounts have enough space in them to receive new emails.

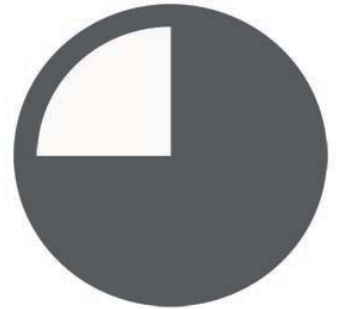
This is of particular concern with free email accounts such as Hotmail, Yahoo and others, but all are encouraged to regularly monitor their email level, so that you can receive your subscription effortlessly.

Also if you have recently changed your email address or any of your other contact details please contact Susan on (08) 9272 6555 so that our records can be updated.



QUARTERLY REPORT ANALYSIS

Quarterly Report Analysis (QRA) now offers readers **even more analysis**. Highly regarded StockAnalysis editor Peter Strachan adds his **insightful commentary** about each ASX-listed company's performance over the last quarterly reporting period, as well as significant activity to look out for concerning each company in the next few months. Additionally Peter will highlight his **Top 5 performers** for the quarter, and the **Top 5 to look out for** in the next quarter.



Peter's expertise adds even more value to QRA, which each quarter- soon after the report submission period ends - sorts through the Quarterly Reports of almost 100 Australian oil & gas companies to compare the latest highlights & activity against that from the previous quarter. This gives readers a great deal of insight into the performance of each company over the quarter, and where they are headed in the next three months.

We then put all that dynamic information into one indexed, interactive & searchable package which also covers:

- Each company's highlights of the current quarter's report
- Changes since last quarter for each company
- Share price movement charted from one quarter to the next
- Summary list of Market Capital and Cash At Hand
- Company contacts & websites

So whether you're a company executive or manager, stockbroker, investor, or anyone else that needs to be in touch with how those in the industry are performing - let Quarterly Report Analysis manage the mountain of information for you.

When it comes to subscribing for this great publication, you have a couple of options. These are:

- One QUARTER via email: \$99.00
- One QUARTER via mail: \$124.00
- OR**
- A whole YEAR via email: \$300.00
- A whole YEAR via mail: \$400.00



For more information or if you wish to subscribe, visit the website at www.pex.com.au or phone Susan on (08) 9272 6555.

QUARTER 3 TO MARCH 2006 - OUT NOW!



MAY'S PUBLICATION HIGHLIGHTS

LIPSCOMBE REPORT

Apache contracting Sedco-703 for five months (no options) starting February at US\$400,000 dayrate, setting new regional benchmark for standard water depth floater

Theo-1 results [WA-155-P: BHP Billiton 40%, *Apache 31.5% & Inpex 28.5%] come in on downside of expectations; closer to 9m oil discovery Van Gogh-1 (2km to east) in same permit than 46.8mil bbl Vincent (3km SW) in WA-271-P [*Woodside 60% & Mitsui 40%]

Songa Offshore securing office space in Perth & registering company in Australia, planning to be fully established in August for upcoming Songa Venus contract

Ocean Patriot breaking from Basker-Manta development program to drill Nexus' sole-risk Longtom-3 in VIC-P-54 before returning to Anzon's 5th & final option, another Basker development well; rig will then mobilise for 9-well NZ program

Ocean Bounty started 3-well Mutineer/Exeter development program with Mutineer-12 spudding 12 May [WA-26-L/WA-27-L: *Santos 33.4%, Kufpec 33.4%, Nippon 25% & Woodside 8.2%]

Chevron & Santos in rig share agreement to bring Songa Mercur to Australia for firm 270 days starting Q4; rig will fulfil Chevron's shallow water drilling needs with bid package for another 'Scope B' work rig to be issued

PEX MONTHLY

Swap you a jackup for a floater

In a classic 'win-win situation' deal that doesn't happen too frequently in the industry, Apache & Tap have finalised a rig swap arrangement between floater Ocean Bounty & jackup Ensco-106 to match rig availability & suitability for their two wells.....

Coogee eying potential IPO to fund development

Good results from Coogee Resources' 2-well program completed last month, using the Ocean Bounty, have led to accelerated plans for development of combined ~38mil bbl Montara & adjacent oilfields starting Q4. However a rig hasn't been secured for further drilling, and more exploration wells are likely before the Montara project gets to the development drilling stage...

Weather puts dampener on rig debuts

Mosaic has signed an LOI for one firm & three contingent wells to joining an informal Australian Drilling Services Rig-1 sharing club. Final locations haven't been approved yet, but ATP-471-P Bainbilla Block & PL-119 Downlands are likely. Bow Energy puts its hand up for a slot in September, with at least two other wells planned from up to 35 leads & prospects.....

Nexus puts forward a hairy-chested Crux program

Nexus sets out a very aggressive program for its proposed Crux gasfield appraisal wells, Crux-A & Crux-B in AC-P-23, with the company saying drilling is possible from June but more likely Q3. The planned 3955m wells are expected to take 78 days total, including testing; Crux-1A in 170m water and Crux-B in 155m. It's hard to imagine Nexus securing a new-to-the-coast floater given the costs and tight rig market worldwide, which leaves the most likely option of the company securing slots from a rig already in the region.....



MPEX DAILY

Saxon sets up Gippsland interest ahead of corporate makeover

Moby Oil and Gas has provided an option for listed shell company Saxon Investment Group to join the Bass Strait Oil-operated VIC-P-41 joint venture, with Saxon able to earn a 5% permit interest from Moby by paying \$333,333 to the company by Jul 31 this year. Saxon can then opt to participate in a farm-in agreement by paying 12.5% of an exploration well (capped at \$1.65mil of the ~\$13mil well) plus its 5% share of other costs incurred by the JV between May 1 2006 and the date of the next commitment well.

Logs reveal promising potential in latest oil find

Roc and its offshore China JV partners Horizon, Petsec and FAR are likely to be counting the seconds until the Typhoon Chanchu-related rough weather abates sufficiently to allow the resumption of operations at the Wei-6-12S-1 well. Interim logging results have thrown up some tantalising possibilities which the partners are keen to appraise at the earliest possible convenience.

Cambay reserves increase adds interest to development program

Reservoir studies conducted by Oilex at its 45% operated Cambay field onshore Gujarat State in Western India have resulted in a very positive outcome for the JV in the lead up to first drilling action. The JV has announced an increase in expected oil and gas reserves for the two main objective horizons in the Western High Trend and the eastern flank.

Slight splutter with Chinguetti production

Hardman has reported a slight hiccup in production from the Chinguetti field offshore Mauritania, which has dropped by around 21,000BOPD from its Mar average of 66,000BOPD (hardman share 10,900BOPD) due to a combination of factors that are not scheduled to be rectified until later this year. Until such time the listed partners, which also included operator Woodside and Roc, will have to be content with the lesser average production rate of 45,000BOPD

WHO'S DRILLING

Gas shows were observed at Vic Pet's Lightning-1 in PEL-115 with the coals overlying the target sands in the Patchawarra Formation over the interval 1909 to 1962m while DST-1 for Vic Pet's Jindivik-1, in the same permit, recovered a small volume of water from the underlying Murta sands over the interval 1314 to 1335m.

Strong fluorescence shows were recorded over the interval 1355.5 to 1358.3m in the Namur sandstones for Beach's Silver Sands-1 in PEL-92 while DST-2 over the interval 1622 to 1636m didn't flow anything to surface but 18.5 bopd and 21.5 bbls of water were later recovered.

Santos' Mulberry-16 encountered good oil shows over the Birkhead reservoir and wireline logs were completed. Logging indicated approximately 6m of net oil pay in the middle Birkhead reservoir unit while Origin's Ogilvie Creek-2 flowed gas to surface at a final rate of 5.1 MMcfd during DST-2 over the interval 1843 to 1870m in PL-174.

Interpretation of wireline log data for Stuart's Padulla-3 indicated the presence of oil pay in the Murta Formation and approximately 1m of oil pay in the Cadna-Owie formation while a 675m gross horizontal section was drilled of which 635m was net bearing LK1a sandstone for AED Oil's Puffin-7 in AC-P-22.



REENERGY

Baynton latest wind farm in Guardians' sights

- Stanwell's proposed 200MW Baynton Wind Farm, SE of Bendigo in Victoria, latest project to attract community opposition
- Developer Stanwell says preliminary studies point to a wind farm with an installed capacity of about 200MW, producing approximately 650GWh annually
- Plans reportedly for a 35 kilometre long wind farm between towns of Tooborac and Sodonía
- Project, currently in pre-feasibility stage, could be operational in 2008 'if the appropriate commercial incentives were in place' according to Stanwell

Axion lining up Victoria's first commercial biodiesel plant

- Axiom Energy to construct \$50mil biodiesel manufacturing facility at Gellong Port in Victoria
- 150mil litres a year plant, using plant oils & animal fats as feed, expected to be fully operational by middle of next year
- Preliminary lease agreement reached with Toll Holdings & Terminals for 1ha site at Geelong Port, including facilities for handling & storage of bulk liquid feedstock and product

Ararat renewable energy park plans revived by State Government

- Plans for \$6mil renewable energy park on council land 3.5km from Ararat, in south-west Victoria, revived again
- Initial proposal, put on hold after Federal Government's decision not to extend MRET, now potentially more feasibly given positive Victorian Government policy
- In November last year Bracks Government announced the Victoria was 'looking at introducing a state based scheme to increase the uptake of wind and other renewable energy sources'

STOCKANALYSIS HIGHLIGHTS

StockAnalysis has been on top of recent exploration developments in the Beibu Gulf, affecting Roc Oil, First Australian, Petsec and Horizon Oil. Our timely analysis of Horizon's interest in the Beibu Gulf, points to a bright future for the company and its partners, perhaps overshadowing its 10% interest in the Maari oilfield development as its lead project. The Tom Tom drums are also beating out news on a couple of high impact exploration plays in the US Gulf Coast region, where Antares Energy, Adelphi and Aurora Energy each pay a part.

Meanwhile, the US natural gas price has slumped below US\$6/Btu, putting pressure on high cost producers extracting gas from coal bed methane, shale reservoirs along with other unconventional gas plays. Following a mild winter, gas inventories are at high levels, however predictions of an equally wild cyclone season in the Gulf of Mexico will keep the market on edge.

The Casino gas project and the Cliff Head oilfield came on stream during the quarter, while Chinguetti has had some teething problems, which will act to focus minds ahead of any attempt to get the giant Tiof project up and running. As always, StockAnalysis will continue to search out ways to make money for subscribers. There will undoubtedly be more opportunities to trade and invest as this active quarter of drilling gets down to business and StockAnalysis expects to be in the thick of it, digging out the deals for its subscribers.



PUBLISHING CALENDAR JUNE 2006

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

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

- OFFICE WILL BE CLOSED MONDAY JUNE 5 FOR FOUNDATION DAY HOLIDAY IN WA -

UPCOMING CONFERENCES

SEAAOC

18-21 June 2006. Darwin, Australia
www.seaaoc.com

WA State Energy Outlook Conference

22-23 June 2006. Perth, Australia
www.informa.com.au/waenergy2006

East Coast Gas Developments

18-19 July 2006. Sydney, Australia
www.informa.com.au/eastcoastgas

Excellence in Upstream Energy 2006

31 July - 1 August 2006. Sydney, Australia
www.resourcefulevents.com.au

RIU Good Oil Conference 2006

5-6 September 2006. Perth, Australia
www.riuconferences.com.au

Hydrogen, Fuel Cells and Alternative Transport Energies Conference

10-13 September 2006. Perth, Australia
www.dpi.wa.gov.au/ecobus/1199.asp

East Coast Gas Developments

The definitive
industry briefing

18–19 July 2006
Sydney Marriott Hotel

Hear presentations from an outstanding
line-up of speakers including:

Tony Wood, General Manager Public & Government Affairs,
Origin Energy

Matthew Arnold, Manager Gippsland Gas Marketing,
ExxonMobil Australia

Mick McCormack, CEO,
Australian Pipeline Trust

Rod Ward, General Manager Development,
Delta Electricity

Supporting Publication



TO REGISTER | Tel (+ 61 2) 9080 4307 | Email registration@informa.com.au
Fax (+61 2) 9290 3844 | Web www.informa.com.au/eastcoastgas