

Oil & Gas Weekly

5 April, 2009

www.oilers.com.au

Vol 09/13

WTI finishes at US\$52.51 a barrel.

Oil and Gas Prices 2007/9

Start of Month	Oil (WTI)*	Gas (US)**
Jan 07	61.05	6.30
Feb	53.45	6.93
March	61.64	7.26
April	65.87	7.73
May	66.46	7.83
June	65.08	7.88
July	70.68	6.77
Aug	75.48	6.09
Sept	76.70	5.50
Oct	81.66	6.87
Nov	95.93	8.42
Dec	88.71	7.45
Jan 08	97.91	7.84
Feb	88.79	7.74
March	101.38	9.37
April	104.95	9.84
May	118.52	10.91
June	127.71	11.70
July	140.54	13.20
Aug	125.10	9.39
Sept	115.46	7.94
Oct	93.88	7.36
Nov	67.81	6.78
Dec	54.43	6.51
Jan 09	46.34	5.97
Feb	41.68	4.42
Mar	44.76	4.19
April	52.51	3.80

* a barrel, US\$,

** an mcf, US\$

US natural gas futures finish lower at US\$3.80 an mcf.

Oil Prices - WTI

The front month May contract for West Texas Intermediate (WTI) crude oil ended Friday at US\$52.51 a barrel, up US\$0.13 on the previous week's close. The price of WTI is now up 55% from its January low.

The June futures contract closed up almost \$1.00 a barrel at US\$54.10, the September contract was off 40 cents at US\$58.21 and the December contract closed 55 cents down at US\$60.97. The "contango" that existed earlier in the year when traders could buy a January contract for US\$33.00 and sell a February contract for US\$42.00 dollars and pocket all but the \$1 a barrel storage costs in Oklahoma, has virtually disappeared.

The United States is the world's largest consumer of oil accounting for almost 25% of world consumption. With 5 million of its 19 million barrels a day appetite produced domestically, the US is at the same time the world's third largest producer and the largest single importer. Some 40% of those imports come from close to home, from Mexico, Canada and Venezuela.

So it is a measure of the falling demand for oil that the day rate for Aframax tankers that bring crude to the US has dropped some 43% this year to some US\$8,300 a day, barely above the cost of actually running the tankers. An Aframax can carry up to 600,000 barrels of oil.

It is also a measure of both the falling demand for oil in the US and the lower price of WTI that the number of rigs exploring for oil and gas in the United States has fallen from last year's high of 2,031 (don't ask me how Baker Hughes counts them!) to just 1,043 at the end of last week.

With US stocks at 15 year highs and US demand still falling one industry analyst James Williams of the Energy Economist says it is difficult to see prices staying above US\$50.00 a barrel.

It is not a view we share. As we said last week with the industry cutting exploration and development budgets and projects being put on hold, we suspect the supply side shortfalls are going to send the oil price higher when northern hemisphere summer driving demand kicks in.

Oil Prices - Tapis

Tapis, an Asian marker crude for Australasian producers, was higher closing Friday at US\$56.20 a barrel, up US\$1.45 on the previous week's close. For most Australian producers the Tapis price represented an oil price of A\$80.28 a barrel at US\$0.70 cents to the Aussie dollar.

US Natural Gas Price

The price of the April natural gas contract (the Henry Hub benchmark) in the United States ended Friday at US\$3.80 an mcf up just 6 cents on the previous week's close. Henry Hub spot price finished at US\$3.67 an mcf.

<p>Rawson’s short-lived day in the coal seam gas sun.</p>	<p><i>Drilling and Test Results</i></p> <p>Rawson Resources reported a return of gas to the surface and a small flare on the flare line following a drill stem test on its coal seam gas core hole ENSB #1 in ATP 837P. Rawson has a 15% interest in this Walloon coal measures prospect. The operator, unlisted TRUenergy (70%), attempted a second test which had to be abandoned due to down hole conditions. This completed a two hole program. Both wells had approximately 27 metres of coal in the Walloon formation.</p> <p>Desorption tests will now determine whether the coals will flow gas at commercial rates. Punters flirtation with Rawson as a potential coal seam gas bolter was all too brief. Some 958,095 shares traded on Monday for an intraday high of 14 cents. The stock closed Friday at 7.9 cents almost half its Monday high.</p> <p>That just tells us there is a bit of money on the sidelines ready to take a chance on a hot play and gives us confidence that any good news next week from Golden State Resources on Paradox Basin #2 is likely to attract betting of Melbourne Cup proportions (see below).</p>
<p>Kilgore to complete Sandpiper as a producer. No indication of flow rates.</p>	<p>Kilgore Oil & Gas announced that its Sandpiper well in offshore Texas State waters (KOG 11.5% working interest shared 50/50 with Odin Energy) is to be completed as a discovery well. Sandpiper was the last of an 11 well program which resulted in six discovery wells. There is no indication from KOG of flow rates or reserves estimates.</p>
<p>Moree #4 shows not all coal seam gas core holes produce the goods. Orion worst impacted of JV partners.</p>	<p>Eastern Star Gas (50%), on behalf of a JV including Comet Ridge (25%) and Orion Petroleum (25%), has drilled the Moree #4 coal seam gas corehole in PEL 427 in northern NSW.</p> <p>The target Coreena coal seams were thinner than expected in the area and failed to record a gas flow over the 423 to 443 metre interval tested. During drilling total net coal intersected was approximately 5 metres with gas freely desorbing from the coal at surface. The rig will now re-locate to the Kurrabooma #1 location in northern PEL 428.</p> <p>The market really only punished Orion which fell from cents at the close Monday to 13.5 cents on Tuesday after an intraday low of 12 cents. We should have seen this as a “buy on the bad news” opportunity given the upcoming second well and Orion’s strong cash position. But we didn’t. By week’s end OIP had recovered to trade at 15 cents.</p>
<p>Po Valley testing Bezzeca #1 gas well in Italy.</p>	<p>Po Valley has completed the Bezzeca #1 well 20 kms outside Milan in northern Italy with identified potential gas production zones in both the primary Miocene and secondary Pliocene levels. The company is designing an optimal completion and testing program.</p>
<p>Emerald reports first gas sales from Appalachian Basin</p>	<p>Emerald Oil & Gas has reported its first commercial gas production from two of eight wells in Magoffin County, Kentucky being the GV Joseph #6 and the Thomas Keeth #1. Two more of a total of eight wells on its Appalachian Basin gas lease will be turned to sales in April.</p> <p>Emerald has an 80% working interest in all eight wells. The company did not provide any details on the flow rates from the first two wells producing from the Big 6 Formation only that “rates were gradually being increased”.</p>

<p>Many penny hopefuls have no excuses for their predicaments.</p> <p>Not so Bass Strait Oil.</p> <p>Bass took the more traditional path, acquiring acreage, collecting data, baiting the hook and hoping to catch a major as farminee.</p> <p>VIC/P42 and 47 in renewal process.</p> <p>VIC/P41 and VIC/P66 will be marketed to potential farminees.</p> <p>Mapping of Bass Basin leases in process.</p>	<p><i>Bass Strait Oil Company</i></p> <p>The walking wounded of the penny hopefuls have little cash, ropey assets, toxic commitments, questionable management and not much chance of surviving the current market turmoil. Think of Red Sky Energy, Kilgore Oil & Gas, Essential Petroleum, Grand Gulf Energy and you get the picture.</p> <p>But not so Bass Strait Oil and Gas. It has a bit of cash though nowhere near as much as it would like. We always thought its management technically and professionally competent. And while the edge of the Gippsland Basin may look questionable to some we thought it well worth adding to the exploration portfolio. The offshore Gippsland basin after all is Australia's premier oil producing province.</p> <p>Bass Strait approached its task much like juniors did before the car salesmen and property developers came along. It farmed in to or acquired acreage that others overlooked or didn't want, reprocessed old data, shot new seismic then went shopping for farminees with a package of drill ready targets. A very traditional approach.</p> <p>Co-believers in the remaining potential of the Gippsland Basin, Apache Energy came, drilled and unfortunately haven't found anything. Yet!</p> <p>Bass now has a balanced portfolio of assets, a mix of more drill ready targets in VIC/P41,42 and 47, green fields leases covering almost the whole of the Durroon sub Basin of the Bass Basin and two onshore Otway Basin leases.</p> <p>Two leases VIC/P42 and VIC/P47 are undergoing the renewal and relinquishment process which will leave the Bass lead JV with 50% of the former area of both leases covering what Bass regards as the most prospective remaining parts of the permits.</p> <p>Three leases are covered by new 3D seismic and reprocessed old data. With the exception of VIC/P41 where one old well was drilled, the JV has sub surface data from recent wells, in VIC/P42, Zane Grey which returned gas and condensate but no cigar and Apache's farm in well Speke South which was a dry hole.</p> <p>In VIC/P47 Moby was not a fully appraised gas discovery. Gilbert a dry hole followed.</p> <p>There are other targets to drill. Some like SE Tarra we suspect Bass would have preferred to drill ahead of Speke South for example but you can't have it all your own way in this business.</p> <p>VIC/P41 and the newly awarded VIC/P66 are further east in the basin but Bass likes what the data has thrown up hence the application for the newly awarded lease.</p> <p>In the greenfields Bass Basin leases Bass has done what it did elsewhere, reprocessed the old seismic and integrated it with new Targa 2D seismic. When new maps have been prepared and some high potential leads identified Bass will start marketing the prospects.</p> <p>There will be some drilling in the offshore Gippsland Basin this year, the semi subs Kan Tan IV and the Ocean Patriot are said to be drilling wells for Esso, Beach and Nexus. What the area needs is a decent new discovery.</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>Onshore Otway Basin lease needs seismic.</p>	<p>The onshore Otway Basin PEP 167 which Bass holds 100% and PEP 150 where Bass has a 15% farm in right, are both oil targets. Bass doesn't believe there is much potential for onshore gas.</p> <p>Again Bass will collect the data with a 3D seismic shoot and then assess all the data including that collected from old wells such as Windermere #1 and #2 and Port Fairy both in PEP 167 and Lindon #1 and #2 in PEP 150.</p> <p>The targets aren't big but the oil returned to surface at Windermere #1 encourages the company in its belief the potential of the leases has not been fully tested.</p>
<p>BAS doesn't appear to have any "toxic commitments" ahead this year.</p>	<p>So where does BAS stand now. It doesn't have any lease commitments in the next twelve months that it can't meet from present resources, some \$1.2m. Though it will have to raise more cash to do seismic on PEP 167 and on VIC/P66 if it can't attract a farminee to meet the costs.</p> <p>It attracts operator fees of some \$115,000 a quarter which pays some bills.</p> <p>BAS last raised cash from shareholders in March 2008 with an underwritten 1:5 pro rata entitlement issue at 12.5 cents a share that eventually raised \$3.2 million. Much of this was allocated to data collection.</p> <p>And that looks to be the key to what BAS will focus on for the rest of the year, complete the data analysis, firm up leads and when the market takes the inevitable turn for the better try to sell the best prospects to potential farminees.</p>
<p>Perceived lack of prospectivity and high exploration and development costs in the offshore Gippsland a major challenge for BAS.</p>	<p>The problem for Bass and others like sister company Moby Oil who also has assets in the offshore Gippsland Basin, is the high cost of drilling and development. It is going to be some time before cashed up majors will be willing to drill wildcats in a Basin that many within the industry see has little remaining prospectivity. And every duster converts more in the industry to the negative view and makes selling drill ready prospects that much harder.</p> <p>Now even if the technical staff like a prospect company managements will more than likely say no way.</p> <p>It was a pity Pee Jay in the Bass Basin was a duster and a pity too that Spikey Beach did not get drilled. A new discovery anywhere within the traditional areas of the Gippsland Basin or out to the eastern edge or in the Bass Basin itself would give a fillip to exploration there.</p>
<p>BAS will raise cash if it has too but it is not keen on regularly diluting shareholders.</p>	<p>BAS is a company that doesn't like to dilute its current shareholders. That's pretty novel. But with its shares selling at 2 cents anyway it really doesn't have much of a capital raising option.</p> <p>With no drilling activity in prospect and no market interest in its shares that situation is not going to change.</p> <p>We would have to say that we don't much like Bass Strait Oil's partners in a number of the offshore Gippsland Basin leases, the old Eagle Bay now Strategic Energy Resources and Oil Basins. Neither brings a lot of gravitas to the Joint Venture. And certainly no money.</p>
<p>Slow going for next six months.</p>	<p>So it's probably going to be more of the same for the next six months with Bass travelling along under most people's radar unless there is a sudden change of focus which seems unlikely. But it is a good little no nonsense company worth putting on ones watch list.</p>

Options an opportunity for big gains in a recovering market.

Options which we see as offering the most potential include GDNO, VPEO, ERHO and BRUO.

Golden State Resources options have big bang potential.

Junior Oiler Listed Options - Volatile but Profitable Counters

We have included an updated table this week because good gains can be had from highly leveraged company issued exchange traded options.

Just to refresh your memory on the colour coding. Options in yellow are in the money. In other words the head share is greater than the exercise price of the option. We have only three options colour coded yellow in the chart at the moment those of **Red Fork Energy, VicPet and Eromanga Hydro.**

The options colour coded red look to us to be too close to their expiry date to be worth considering.

With the exception of **GDNO**, and possibly **ERHO** we have ruled out trading any options expiring in 2009. We can't see any of the issuing companies doing enough this year to get their share price up to anywhere near the options exercise price.

The options colour coded green look to us to have some trading potential. These include **Victoria Petroleum** and **Buru Energy.**

The options that have the semblance of a market, ie. liquidity, are those of **City View, VicPet, Buru Energy, Orion Petroleum, Golden State Resources, Target Energy** and **Central Petroleum.**

All the listed company options with an asterisk, and that's most of them, have no liquidity, ie. no volume. They just do not trade week in and week out. The quoted price is the last traded price which may or may not reflect the current bids/offers.

The brave might consider putting in silly bids to see if they get hit and then sit on them for some later action. Seems to us to be a bit of a waste of money.

We have excluded the options of **Mosaic Oil (MOSO)** and **Texon Petroleum (TXNO)** because they are too close to their exercise date of May 2009 to be a worth considering.

And we have excluded the options of **Fall River Resources (FRVO)** because this company look s to us to be heading for the knackers yard and we wouldn't want to trade the head shares much less the options.

Golden State Resources options expire at the end of June. The exercise price is 20 cents. With Paradox Basin #2 intersecting the first of no fewer than 8 gas targets this weekend we anticipate the action will hot up considerably next week.

That provides of course that the first target, the Upper Ismay formation, has at least gas or condensate shows.

If Monday's progress drilling report is positive we are looking for the head shares to move towards 20 cents and pull the options from Friday's close to a potential high next week of 4 to 5 cents. And that may be only the beginning given the large number of follow up targets. (See our coverage of **Golden State** in OGW of 29 March 2009)

But as we say it all hinges on the first target being gassy. So pretty high risk but the rewards offered by the leverage of the options could be quite significant.

ASX Listed, Company Issued Options

Company	ASX Ticker	Ex. Price	Ex Date	Head Share Now	Option 12 mth High	Option Now
Adelaide	ADEO	0.25c	Jun 09	0.076	0.054	0.001*
Aust Oil	AOCO	0.20c	Dec 09	0.05	0.035	0.01*
Black Fire	BFEO	0.20c	Jun 10	0.045	0.12	0.002*
Burleson	BURO	0.25c	Aug 10	0.045	0.046	0.01*
Buru Egy	BRUO	0.94c	Oct 10	0.195	0.15	0.013
Central P.	CTPOA	0.25c	Jun 10	0.125	0.175	0.035
City View	CVIO	0.15c	Nov 09	0.01	0.215	0.001
Eden Egy	EDEO	0.20c	Sep 09	0.073	0.245	0.01*
Entek E	ETEO	0.20c	Dec 09	0.065	0.08	0.002*
E'manga	ERHO	0.10c	Jul 09	0.175	0.85	0.15
Exoma	EXEO	0.20c	Mar 11	0.03	0.03	0.004
GB E'gy	GBXO	0.20c	Sep 11	0.05	0.048	0.026*
Jupiter	JPROA	0.08c	Jun 10	0.017	0.08	0.004*
K2 E'gy	KTEOA	0.20c	Sep 09	0.016	0.085	0.002*
Lion E'gy	LIOO	0.35c	Aug 11	0.053	0.05	0.003*
Odin Egy	ODNO	0.20c	Nov 12	0.025	0.038	0.006*
Oil Basins	OBLO	0.20c	Sep 09	0.072	0.04	0.004*
Orion Pet	OIPO	0.30c	Sep 09	0.15	0.05	0.023
Rialto	RIAO	0.60c	Jun 11	0.07	0.20	0.015
Red Fork	RFEO	0.20c	Apr 09	0.46	0.45	0.024*
Red Sky	ROGO	0.30c	Jul 09	0.008	0.015	0.005
Strategic	SEROA	0.15c	Jun 09	0.02	0.005	0.001*
Syngas	SYSO	0.20c	Dec 09	0.03	0.02	0.004*
Target	TEXO	0.25c	Nov 09	0.039	0.075	0.001
VicPet	VPEO	0.25c	Jan 10	0.41	0.255	0.19
West Gas	WGPO	0.25c	Sep 09	0.029	0.023	0.002*

Even though **Buru** options are way out of the money we can see value in trying to pick up a parcel at one cent for the potential they have to go to two or three cents in any revival of interest in the cashed up **Buru**.

And **VicPet** options offer better leverage to the upside than the head shares providing the coal seam gas sector continues to run hot.

“Besbs” and “Bbn” plays may make a comeback.

Upcoming Exploration Wells in 2009 with “Besbs” Opportunities. (Our preferred entries highlighted in red)

It’s also time to re-instate our “Besbs” or “buy early sell before spud” plays. With the market showing signs of life and some drilling ahead there looks to us to be some “besbs” opportunities developing.

Well	Target	Spud Date	Company	Share Price*	Share Price Now
Snatcher #1 Cooper	1 mmbbls?	May/June	ITC 40% VPE 40% B Gas 20%	ITC 3.5c VPE 41.0c	ITC 3.5c VPE 41.0c
Paradox Basin #2 Utah	3 Tcf	Now	GDN 100%	GDN 6.9c	GDN 10.0c
Perlubie South Cooper	12** mmbbls	May	BPT 75% COE 25%	BPT 87.0c COE 30.5c	BPT 87.0c COE 30.5c
Tui Area Taranaki	50 mmbbls	Q3	AWE 42.5% NZO 12.5% PPP 10.0%	AWE \$2.62 NZO \$1.11 PPP \$0.31	AWE \$2.62 NZO \$1.11 PPP \$0.31

* The share price shown in this column is the price of the stock when it first enters the table.

** This is an estimate of the potential recoverable reserves if all six wells in the Cooper Basin back to back program prove successful.

*** Five potentially attractive prospects near to the three existing producing reservoirs containing unrisks aggregate resources of over 50 million barrels (**NZO** Media Release). **AWE** has contracted a rig the Kan Tan IV for a Third Quarter drilling program. Actual decisions on which wells will be drilled subject to JV approval.

Golden State is not exactly a “besbs” play any longer but given the multiple targets in the well from here on in, if the first one disappoints then we get a “bbn” (buy on the bad news) opportunity ahead of the next target.

If the first target return hydrocarbons then the issue will become how long to stay with a rising share/option price. Nice problem to have!

Drillsearch turns up some potential 3D Oil pork pies.

Corporate Activity

If what **Drillsearch Energy** says in its 31 March media release refuting **3D Oil’s** target statement is right then the management of **3D Oil** has some explaining to do. **Drillsearch** has picked up on the fact that a “Major Reserves Upgrade” announced by **3D Oil** on 9 March may in fact be an 8% reserves reduction on the position stated in **TDO’s** prospectus of April 2007.

	<p>And rather than 3D Oil's cash position being \$14.5 million as stated in the company's December cash flow statement, with trade creditors of some \$7.2 million the accurate cash position is closer to \$7.3 million. Or so Drillsearch claims.</p> <p>Drillsearch also notes that 3D Oil has raised \$55 million since it was incorporated in 2003 and spent \$48 million with not a lot to show for it.</p>
<p>A winning week for the junior oilers.</p>	<p><i>Winners and Losers</i></p> <p>Last week 61 companies enjoyed share price gains well down on last week's 88 winners but still a good result.</p> <p>Twenty seven companies' shares were unchanged three more than the 24 of the previous week. More companies are being traded and in greater volume.</p> <p>Forty four companies saw the price of their shares fall, well up on the 19 losers of the previous week.</p> <p>Baraka Petroleum remains suspended from trading though is in negotiations with Cervantes and Zurich Securities, which should lead to its relisting. Grand Gulf continued in a trading halt ahead of an announcement regarding a capital raising.</p> <p>Nexus Energy remains suspended from trading at the request of the company. It is negotiating an asset sale.</p> <p>Pure Energy will be suspended from official quotation from the close of trading on 7 April.</p>
<p>Nido chased up on Friday.</p> <p>Impress starting to make deserved gains.</p>	<p><i>The Winners</i></p> <p>Nido Petroleum earned a please explain from the ASX with a price rise from 8.6 cents to 12.5 cents over the week and on significantly stronger volume. Some 25 million shares traded Friday reaching an intraday and 2009 high of 13 cents before closing at 12.5 cents.</p> <p>The company claimed is was not in possession of any information not released already to the market that could explain the interest. And for once Hotcopperites were bereft of explanations other than the obvious ones of cash flow from production at Galoc and the rising price of oil.</p> <p>The first bullish sign came on Friday 27 March when 11 million shares traded pushing the share price up 5% on the day. Such unexplained volume on a rising price is more often that not an indication of further gains to come. Now whether you can see Friday's massive volume as promising further gains next week is another question.</p> <p>Nido will be presenting at the Excellence in Oil & Gas Conference in Sydney on Monday so perhaps some are expecting a new announcement to accompany the presentation.</p> <p>Impress Energy has had a better week. For us it was only a matter of time given the success of Growler and upcoming resumption of exploration in the Cooper Basin with Snatcher #1 (see above). ITC was up from 3.1 to 3.5 cents. The gains have come on reasonable but as yet not particularly strong volume.</p> <p>Bids out numbered offers 23 to 20 at the close Friday.</p>

<p>Gas sales boost Emerald.</p>	<p>Emerald Oil & Gas jumped from 4.7 cents of Wednesday to a close of 6.3 cents on Friday on the announcement it had commenced gas production in the US (see above). With six more wells to be placed in production all from the same formation and some flow rates to come it's a reasonable bet there may be more upside still for Emerald.</p> <p>Volume of 1,549,117 shares on Friday is unlikely to be repeated next week and we will look for the stock to give up most of Friday's gains before offering an entry point below 5.0 cents.</p>
<p>Csg play Blue Energy starting to climb.</p>	<p>Blue Energy is an overlooked cashed up coal seam gas play with extensive acreage in Queensland. Perhaps the OPES Prime stock still in the hands of the ANZ receiver has been a disincentive to invest in the company. But with csg plays with good assets in short supply the market may be turning to BUL. It rose from 24 cents to 28 cents this past week on strong volume.</p> <p>More to come we suggest.</p>
<p>Ever volatile Eden Energy up then down.</p>	<p>The market seems to like technology plays no matter how way out they seem. Eden Energy's Hythane engine now in operation in buses in India has attracted some market support and the stock has recovered from recent lows of just above 3.0 cents the previous week to this week's intra week high of 9.8 cents. It closed Friday at 7.3 cents. A stock we suggest for the brave or at least adventurous.</p> <p>We wonder why people would continue to support a management that nearly took the company to the wall.</p>
<p>Petsec pushing against 30 cents.</p>	<p>Petsec Energy was stronger this week despite the lousy US natural gas price which doesn't look like recovering any time soon. PSA's hedges will protect from most of the damage this year at least. PSA was up from 24 cents to a close Friday of 29 cents.</p> <p>Some may have worked out what value the sale of First Australian's interest in the Beibu Gulf oil field meant for Petsec and Horizon's holdings there.</p>
<p>Salinas turns the corner.</p>	<p>Salinas Energy has finally broken back above 10 cents closing Friday at 11 cents a 2009 high. Salinas has been very quiet of late so it will be interesting to see what it has to say about production numbers in its next quarterly.</p>
<p>Molopo moves higher.</p>	<p>Cashed up Molopo continued its recent strong run closing the week out at \$1.27.</p>
<p>Mosaic up on oil price perhaps, AED Oil likewise.</p>	<p>Mosaic Oil, like SAE has also moved above 10 cents, up this week from 9.3 cents to 11.0 cents. One presumes that the rising price of oil has had much to do with the slight revival in both counters.</p> <p>And of AED Oil which was up over the week from 63.0 cents to 67.5 cents.</p>
<p>Lakes jumps 50%.</p>	<p>Lakes Oil was up from 3/10 of a cent to half a cent on strong volume earning a please explain from the ASX. It must be the leverage that moves these sorts of counters. Why else would anybody want to put money on such a poorly performed and hugely overpaid management.</p>
<p>AusTex makes gains.</p>	<p>Lastly we were pleased to see AusTex up from 8.5 cents to 11.0 cents as its production program in Oklahoma starts to deliver results. More wells there are being prepared for production.</p>

<p>Linc softer.</p> <p>Marion gives back some gains.</p> <p>Metgasco goes the wrong way for a csg play. Held back by rights issue at 40 cents.</p>	<p><i>The Losers,</i></p> <p>Linc Energy gave up 30 cents this week dropping from \$2.28 to \$1.97. Supporters are hoping the Theresa coal field sale is announced soon though it's difficult to see how the deal could be done on the original terms.</p> <p>Marion Energy gave back some of last week's gains closing at 38.5 cents. There is still no sign of the promised reserves upgrade nor any recent production numbers nor news about a trade sale.</p> <p>Metgasco dropped from 48 cents to 45 cents with trading possibly still influenced by the recent capital raising at 40 cents, both a placement to institutions and now a rights issue.</p> <p>The company gave one of its customary polished presentations to the Coal Seam Methane World Australia gathering in Brisbane during the week. But as is too often the case the positive market interest to flow from such public relations exercises didn't last.</p>
<p>Annels buys Lakes Oil shares and sets off a run on the stock!</p>	<p><i>Directors, Major Shareholders and/or Institutions Buying Selling Shares</i></p> <p>Robert Annels CEO of Lakes Oil picked 19,000,000 shares in the company for \$76,000 in an on market trade at 4 cents a share. We suppose that's a positive but you never know with this perennial under performer.</p>
<p>Kairiki exits Sicily and Romania.</p> <p>Nexus sells 15% interest in AC/P41 to Shell.</p> <p>Otto's HoA with BHP over SC55 farm in lapses.</p> <p>Koreans get a good deal from FAR on interest in Block 22/12.</p>	<p><i>Lease Acquisitions and Farm in Deals</i></p> <p>Kairiki Energy has sold its 30% interest in each of the Sicily Channel exploration permits Pantelleria and Kerkoune to AuDax Resources. The deal absolves Kairiki from a 2009/2010 lease commitment expenses of an estimated US\$14 million and releases KIK from any further obligations with regard to these leases.</p> <p>Kairiki has also assigned its 33.33% interest in its Romanian AMI to New Zealand Oil and Gas for a cash consideration of A\$454,000.</p> <p>Nexus Energy has sold its 15% interest in Browse Basin permit AC/P41 to Shell Development (Australia) Pty Ltd for US\$19 million effective 1 March 2009. As the company states the deal provides an important source of near term funding. AC/P41 contained the Libra discovery.</p> <p>Nexus anticipates that negotiations on additional funding requirement packages and commitment reductions will be completed by Tuesday 14 April paving the way for a resumption of trading in Nexus shares.</p> <p>Otto Energy's Heads of Agreement with BHP Billiton to farm out 60% of its equity in SC 55 offshore the Philippines has lapsed. So too one would think has its chances of raising the full \$31.5 million of capital sought from major shareholders at 7 cents and a three for four rights issue to all shareholders.</p> <p>First Australian Resources has reached agreement to sell its 5% interest in Beibu Gulf Block 22/12 to South Sea Oil Pte Ltd a subsidiary of a private company in South Korea.</p> <p>The sale price of US\$8 million is to be paid in three tranches US\$2 million within 14 days, US\$3 million on approval of an oil field development program and US\$3 million once the field produces a gross 1 million barrels.</p>

<p>Eromanga secures \$10 million funding facility via Fortrend.</p>	<p><i>Capital Raisings</i></p> <p>Eromanga Hydrocarbons has secured a \$10 million funding facility arranged by Fortrend Securities Pty Ltd. In fact the facility does little more than offer Fortrend ERH shares at a wholesale or discounted price (10% discount to the VWAP) which Fortrend can turn around and sell into the retail market.</p> <p>It's a convenient option for ERH, no messy time consuming and costly placement or share purchase plan and the money is available in required amounts over a period of three years. And it is good for Fortrend who will not only get cheap shares but 1 free option for every 5 shares issued with a strike price at the same price as the shares issued.</p> <p>With companies to an extent able to manipulate their shares prices by the timing of announcements these sorts of deals are in our opinion open to abuse. And certainly if we were shareholders we would be a tad pissed at the preference given to Fortrend to buy cheap paper.</p> <p>Capital raisings in this market, unless you are a popular coal seam gas play, have to be done at a savage discount to the market share price sometimes with free options thrown in as a sweetener.</p> <p>This usually takes a share price down to or near the placement or rights issue price level. But shares can recover quite quickly from dips caused by capital raisings offering quite good gains. Particularly so with companies like Golden Gate Petroleum where the funds are going into exploration or appraisal drilling and not used just to keep the company afloat.</p>
<p>Hill departs Westralian Gas. Ross Wecker calls it a day at Innamincka Petroleum. Williams leaves Drillsearch early.</p> <p>Michael Arnett appointed to NGE Chair.</p> <p>Icon Board appointment.</p>	<p><i>Executive Movements</i></p> <p>Mr Geoffrey Hill has resigned as a Director of Westralian Gas and Power.</p> <p>At Innamincka Petroleum, Managing Director Ross Wecker has retired and is to be replaced by Mr David Kinsman, INP's Chief Financial Officer.</p> <p>Mr David Williams finished with Drillsearch Energy on 30 March and has taken up an appointment with Adelaide based Uranium miner Heathgate Resources. It appears Williams had a difference of opinion with the Drillsearch Board over the takeover bid for 3D Oil which he opposed.</p> <p>New Guinea Energy has appointed Mr Michael Arnett as Non Executive Chairman.</p> <p>Dr Hilless appointed non executive Director of Icon Energy. Lets hope he takes an active interest in Icon including its coporate governance.</p>
<p>Golden State's big day Monday.</p>	<p><i>What to Look Out for Next Week</i></p> <p>Obviously we will be looking to Golden State to update the market on drilling at Paraodx Basin #2. As of Friday sellers actually out numbered buyers 93 to 81 so there was some profit taking at the end of the week.</p> <p>Some punters not keen to stick around for the first results.</p> <p>And some of the 6 cents placement shares may also have been staged and why not.</p> <p>A better than 50% profit in a matter of a couple of week's is worth taking.</p>

<p>How will the market treat Otto come Monday.</p> <p>Jumonville #2 getting interesting for Golden Gate and Quest.</p>	<p>Otto Energy will resume trading on Monday.</p> <p>After the lapse of the HoA with BHP Billiton and the revised share placement we could see OEL trade below 5 cents.</p> <p>Golden Gate Petroleum and Quest Petroleum should have more news next week from Jumonville #2. Oil shows in the secondary Miogyp target were one positive from last week suggesting the well may be commercial from just this formation alone if the deeper Cib Haz target disappoints.</p> <p>We will be attending the Excellence in Oil & Gas Conference in Sydney this week courtesy of a Company invitation for which we are very grateful. We will report any highlights in next week's OGW.</p>										
<p>Kurrabooma #4 (testing for coals in NSW area of Surat Bowen Basin – no reports this week)</p> <p>Poseidon #1 (casing run after minor fluid influx)</p> <p>South July #1 (Development well in Egypt for Beach and Santos)</p> <p>Jumonville #2 (follow up to Jumonville #1, should be in primary Cib Haz target next week)</p> <p>Paradox Basin #2 (expect extreme volatility in GDN's share price as this well drills ahead)</p>	<p><i>Current Wells in Australia, PNG, New Zealand, Indonesia, Thailand</i></p> <table border="1" data-bbox="528 685 1485 1196"> <tr> <td data-bbox="528 685 754 936"> <p>Kurrabooma #1</p> <p>OIP 25% ESG 50% COI 25%</p> </td> <td data-bbox="754 685 1485 936"> <p>Second of two csg core holes in PELs 427 and 428 to see if thick coal units intersected in PEL 238 to the south extend north into these permits. ESG is operator. First hole Moree#4 intersected thinner than expected coals. OIP last of the csg plays to gain market attention? To commence this weekend.</p> </td> </tr> <tr> <td data-bbox="528 936 754 1196"> <p>Poseidon #1</p> <p>KAR 49% ConocoPhillips 51%</p> </td> <td data-bbox="754 936 1485 1196"> <p>Aptly named wildcat gas exploration well in ATP 315P in the Browse Basin, first well of a 200 day drilling program targeting “multi trillion cubic feet scale natural gas prospects”. On 1 April at 3,965 metres and running liner cleaner assembly before drilling ahead. Total planned depth of 4,800 metres.</p> </td> </tr> </table> <p><i>Current Wells in USA, Middle East and Africa</i></p> <table border="1" data-bbox="528 1294 1485 1984"> <tr> <td data-bbox="528 1294 754 1552"> <p>South July #1 ST#1</p> <p>BPT 20% STO 40%</p> </td> <td data-bbox="754 1294 1485 1552"> <p>On 31 March at 3,386 m targeting oil in the Rudeis Yusr Member sandstones. Will not test Nubia formation second of well's two primary targets. Has instead sidetracked to test oil shows in the Yusr sands up dip of current location. Running in hole with new bottom line assembly.</p> </td> </tr> <tr> <td data-bbox="528 1552 754 1771"> <p>Jumonville #2</p> <p>GGP 43.33% MDA 15% QPN 6.67%</p> </td> <td data-bbox="754 1552 1485 1771"> <p>Targeting the Camerina and Miogyp formations and 22.5 mboe in the primary target the deeper Cib Haz On 31 March at 12,575 feet and drilling ahead. Planned td of 14,200 feet. Oil shows in Marg Vag, Camerina and Miogyp secondary targets. Cores taken.</p> </td> </tr> <tr> <td data-bbox="528 1771 754 1984"> <p>Paradox Basin #2</p> <p>GDN 100%</p> </td> <td data-bbox="754 1771 1485 1984"> <p>Designed to appraise the gas discoveries in the first well. Located closer to known faults thus thought likely to encounter fracture enhanced porosity. On 3 April at 9,738 feet and drilling ahead at 30 feet per hour. First appraisal zone next week.</p> </td> </tr> </table>	<p>Kurrabooma #1</p> <p>OIP 25% ESG 50% COI 25%</p>	<p>Second of two csg core holes in PELs 427 and 428 to see if thick coal units intersected in PEL 238 to the south extend north into these permits. ESG is operator. First hole Moree#4 intersected thinner than expected coals. OIP last of the csg plays to gain market attention? To commence this weekend.</p>	<p>Poseidon #1</p> <p>KAR 49% ConocoPhillips 51%</p>	<p>Aptly named wildcat gas exploration well in ATP 315P in the Browse Basin, first well of a 200 day drilling program targeting “multi trillion cubic feet scale natural gas prospects”. On 1 April at 3,965 metres and running liner cleaner assembly before drilling ahead. Total planned depth of 4,800 metres.</p>	<p>South July #1 ST#1</p> <p>BPT 20% STO 40%</p>	<p>On 31 March at 3,386 m targeting oil in the Rudeis Yusr Member sandstones. Will not test Nubia formation second of well's two primary targets. Has instead sidetracked to test oil shows in the Yusr sands up dip of current location. Running in hole with new bottom line assembly.</p>	<p>Jumonville #2</p> <p>GGP 43.33% MDA 15% QPN 6.67%</p>	<p>Targeting the Camerina and Miogyp formations and 22.5 mboe in the primary target the deeper Cib Haz On 31 March at 12,575 feet and drilling ahead. Planned td of 14,200 feet. Oil shows in Marg Vag, Camerina and Miogyp secondary targets. Cores taken.</p>	<p>Paradox Basin #2</p> <p>GDN 100%</p>	<p>Designed to appraise the gas discoveries in the first well. Located closer to known faults thus thought likely to encounter fracture enhanced porosity. On 3 April at 9,738 feet and drilling ahead at 30 feet per hour. First appraisal zone next week.</p>
<p>Kurrabooma #1</p> <p>OIP 25% ESG 50% COI 25%</p>	<p>Second of two csg core holes in PELs 427 and 428 to see if thick coal units intersected in PEL 238 to the south extend north into these permits. ESG is operator. First hole Moree#4 intersected thinner than expected coals. OIP last of the csg plays to gain market attention? To commence this weekend.</p>										
<p>Poseidon #1</p> <p>KAR 49% ConocoPhillips 51%</p>	<p>Aptly named wildcat gas exploration well in ATP 315P in the Browse Basin, first well of a 200 day drilling program targeting “multi trillion cubic feet scale natural gas prospects”. On 1 April at 3,965 metres and running liner cleaner assembly before drilling ahead. Total planned depth of 4,800 metres.</p>										
<p>South July #1 ST#1</p> <p>BPT 20% STO 40%</p>	<p>On 31 March at 3,386 m targeting oil in the Rudeis Yusr Member sandstones. Will not test Nubia formation second of well's two primary targets. Has instead sidetracked to test oil shows in the Yusr sands up dip of current location. Running in hole with new bottom line assembly.</p>										
<p>Jumonville #2</p> <p>GGP 43.33% MDA 15% QPN 6.67%</p>	<p>Targeting the Camerina and Miogyp formations and 22.5 mboe in the primary target the deeper Cib Haz On 31 March at 12,575 feet and drilling ahead. Planned td of 14,200 feet. Oil shows in Marg Vag, Camerina and Miogyp secondary targets. Cores taken.</p>										
<p>Paradox Basin #2</p> <p>GDN 100%</p>	<p>Designed to appraise the gas discoveries in the first well. Located closer to known faults thus thought likely to encounter fracture enhanced porosity. On 3 April at 9,738 feet and drilling ahead at 30 feet per hour. First appraisal zone next week.</p>										

<p>Market cap</p> <table border="1"> <tr> <td>Shares *</td> <td>Hi</td> <td>Lo</td> <td>Now</td> </tr> </table> <p>*million and fully diluted</p>	Shares *	Hi	Lo	Now	<p>Junior Oiler Thumbnails</p> <p>Green up on the week, yellow for steady red for down on the week</p> <p>B = Bids O = offers DATV = Daily Average Trading Volume Past Week</p>
Shares *	Hi	Lo	Now		

Tier 1 Companies: Market Caps greater than \$2 billion, Sector Blue Chips

<p>AGL (AGK) \$6,701m</p> <table border="1"> <tr> <td>447</td> <td>15.8</td> <td>10.81</td> <td>14.99</td> </tr> </table> <p>developing strong wind farm asset base</p>	447	15.8	10.81	14.99	<p>Maintains 2009 earnings guidance at \$370 to \$400 million. Strong, profitable, integrated gas and electricity company with both conventional and renewable (wind) energy production. Sold \$3.3 billion in non core assets (PNG and QGC) to eliminate debt. Buying csg assets. B:177/O:148 DATV 1,348,436</p>
447	15.8	10.81	14.99		
<p>Origin (ORG) \$12,537m</p> <table border="1"> <tr> <td>886</td> <td>19.68</td> <td>8.58</td> <td>15.28</td> </tr> </table> <p>buyer interest continues to grow but volumes fall</p>	886	19.68	8.58	15.28	<p>\$116m in sales in Dec qtr. ConocoPhillips joins as 50% partner in Q'ld coal seam gas assets including LNG project. Deal provided A\$6.9 billion up front and set new benchmarks for pricing csg reserves. No debt, large cash balance possibly on the acquisition/merger trail. B:514/O:139 DATV 2,380,340</p>
886	19.68	8.58	15.28		
<p>Oil S'ch (OSH) \$5,925m</p> <table border="1"> <tr> <td>1120</td> <td>6.93</td> <td>2.95</td> <td>5.29</td> </tr> </table> <p>halves exploration budget for 2009 to conserve cash for LNG</p>	1120	6.93	2.95	5.29	<p>US\$130m in sales in Dec qtr down on Sept's US\$197m. Mature oil assets in PNG p'dn boosted by in field development drilling. Future growth lies with PNG LNG project, FID late 2009, first LNG 2013/14. US\$535m in cash, no debt. P'dn of 8.0 to 8.3 mboe in 2009. B:163/O:100 DATV 4,992,606</p>
1120	6.93	2.95	5.29		
<p>Santos (STO) \$10,499m</p> <table border="1"> <tr> <td>602</td> <td>22.34</td> <td>10.10</td> <td>17.44</td> </tr> </table> <p>2008 underlying net profit of \$572m after tax, up 42%</p>	602	22.34	10.10	17.44	<p>Sales of \$648m in Dec qtr down 11% on Sept. Cooper B'sn p'dn higher. Interest in 2 LNG projects in Qld and PNG. New CEO. Exits from mud slide liability in Indonesia so becomes more attractive as t/over target. 2008 p'dn 54-56 mboe estimate. B:453/O:180 DATV 3,206,389</p>
602	22.34	10.10	17.44		
<p>W'dside (WPL) \$26,560m</p> <table border="1"> <tr> <td>666</td> <td>70.0</td> <td>26.81</td> <td>39.88</td> </tr> </table> <p>rising oil price will be reflected in share price</p>	666	70.0	26.81	39.88	<p>Sales of \$1,642m in Dec off 7% on Sept. Will focus on developing LNG projects on NW shelf eg. Pluto and later Browse. Record profit of \$1,786m in 2008. Strong oil p'dn from Enfield and Stybarrow fields, new field start ups at Vincent and Neptune. B:1,089/O:412 DATV 2,712,284</p>
666	70.0	26.81	39.88		

Tier 2 Companies: Market Caps \$250 million to \$2 billion (alphabetically listed)

<p>Arrow (AOE) \$2,084m</p> <table border="1"> <tr> <td>704</td> <td>4.11</td> <td>1.74</td> <td>2.96</td> </tr> </table> <p>buys Tipton W. csg assets from Beach, strong buying interest</p>	704	4.11	1.74	2.96	<p>Sales of \$16.45m in Dec qtr down on \$31.7m in Sept qtr. Cash of \$297m (\$202m in debt). Arrow proposing one of four LNG plants for Gladstone. 2P reserves of 1,177 Pj. Shell in for 30% of Australian upstream assets 10% of Internat. Assets in China, India and Vietnam. B:289/O:105 DATV 3,105,914</p>
704	4.11	1.74	2.96		
<p>Aust W. (AWE) \$1,210m</p> <table border="1"> <tr> <td>462</td> <td>4.52</td> <td>1.68</td> <td>2.62</td> </tr> </table> <p>moving higher, buyers return in strength</p>	462	4.52	1.68	2.62	<p>Sales of \$151m in Dec qtr down 44% on Sept. Cash of \$383m and no debt. Market starting to appreciate revenues now coming from Tui Area Oil Field, BassGas and Casino. Merges with Arc Energy. Plans up to 15 well exploration program in 4 countries in 2009. B:212/O:82 DATV 2,929,501</p>
462	4.52	1.68	2.62		
<p>Beach Pet (BPT) \$ 930m</p> <table border="1"> <tr> <td>1,028</td> <td>1.70</td> <td>0.70</td> <td>0.87</td> </tr> </table> <p>sells Tipton West csg assets, sellers move in</p>	1,028	1.70	0.70	0.87	<p>Sales of \$151m in Dec qtr down 17% on Sept. Wildcats Fermat #1 in offshore Otway Basin and Peejay in Bass Basin both duds. Selling Tipton West csg interest. Sells Tipton West csg assets to Arrow for up to A\$400m removing some of the takeover speculation. B:175/O:229 DATV 7,449,453</p>
1,028	1.70	0.70	0.87		

East Star (ESG) \$661m <table border="1"> <tr> <td>816</td> <td>0.93</td> <td>0.19</td> <td>0.81</td> </tr> </table> raises \$50 million at 55 cents with placement to institutions	816	0.93	0.19	0.81	Sales of just \$36k in the Dec qtr. One of the biggest hoodwinks in the sector! The need for \$50m more cash for just one years expenditure demonstrates how csg chews up the cash. All ESG can hope for is a BG willing to pay big bucks for reserves. Lots of punter support. B:219/O:131 DATV 3,752,807
816	0.93	0.19	0.81		
Karoon (KAR) \$465m <table border="1"> <tr> <td>149</td> <td>4.90</td> <td>1.65</td> <td>3.12</td> </tr> </table> share price hostage to result of Poseidon #1 in WA 315P	149	4.90	1.65	3.12	No sales. \$140m in cash. ConocoPhillips paying US\$200m for multi well program to earn 60% in two leases adjacent to Woodside's large Torosa and Brecknock gas discoveries. Assets offshore Brazil and Peru. Chasing 7 Tcf in first well, 25% chance of success. B:70/O:101 DATV 477,255
149	4.90	1.65	3.12		
NZ Oil (NZO) \$433m <table border="1"> <tr> <td>387</td> <td>1.45</td> <td>0.90</td> <td>1.11</td> </tr> </table> cash, no debt and drilling resuming this year	387	1.45	0.90	1.11	Sales of NZ\$40m in Dec qtr less than half Sept qtr. NZ\$212m in cash, no debt. Derisked play given success of Tui, Pike River coal p'dn and Kupe gas/liquids project development. Ten cent dividend last year. 15% of PPP. Drilling at Tui Q4. Kupe begins p'dn mid year. B:15 /O:12 DATV 107,586
387	1.45	0.90	1.11		
Nexus (NXS) \$m <table border="1"> <tr> <td>645</td> <td>1.97</td> <td>0.31</td> <td>SUS</td> </tr> </table> asset sale and/or corporate offer under consideration	645	1.97	0.31	SUS	No P'dn. \$85m in cash end January. Longtom gas in p'dn mid 2009. Farms out AC/P41 to Mitsui and Shell. Foreshadows divestment of interest in some assets eg AC/P23 and associated Crux liquids project after Mitsui withdraws. C'd even be a play for Nexus itself. B:0/O:0 DATV 0
645	1.97	0.31	SUS		
Roc Oil (ROC) \$256m <table border="1"> <tr> <td>588</td> <td>2.68</td> <td>0.30</td> <td>0.435</td> </tr> </table> changes in management team may result in tighter focus	588	2.68	0.30	0.435	Dec qtr sales of US\$81m down 16% on Sept qtr. Cash of US\$54m. Gross debt of US\$169m. P'dn of 1.26 m barrels up on last qtr. Concludes ANZON takeover. Enjoys 2P reserves of 47 mmboc. P'dn (oil) from six fields in Africa North Sea/Australia/China. B:357/O:165 DATV 3,889,001
588	2.68	0.30	0.435		

Tier 3 Companies: Market Caps \$25m-\$250m (alphabetically listed)

AED Oil (AED) \$105m <table border="1"> <tr> <td>155</td> <td>3.32</td> <td>0.575</td> <td>0.675</td> </tr> </table> auditors question viability as a going concern	155	3.32	0.575	0.675	No sales in Dec qtr (no offtakes). \$270m in gross cash. P'dn in Dec qtr of 193,783 bbls or 2,153 bopd (cf Tui p'dn of 26,000 bopd). SIPC (of China) takes 60% interest in Puffin and Talbot fields for \$600m. Some market concern Puffin p'dn not meeting operating costs. B:71/O:43 DATV 626,597
155	3.32	0.575	0.675		
Amadeus(AMU) \$57m <table border="1"> <tr> <td>208</td> <td>0.72</td> <td>0.22</td> <td>0.31</td> </tr> </table> starting to recover as Longville wells deliver	208	0.72	0.22	0.31	Sales of US\$11.2m in Dec qtr \$5m off Sept result. Cash of US\$3m. US focus. Hurricanes disrupted some p'dn. US\$59 million of debt. Solid performer with 2,200 boe of production with another 250 bopd in prospect from Longville.14.5 mboe in 2P reserves. B:35/O:9 DATV 92,919
208	0.72	0.22	0.31		
Aurora (AUT) \$23m <table border="1"> <tr> <td>225</td> <td>0.52</td> <td>0.10</td> <td>0.10</td> </tr> </table> hitting new lows, Sugarloaf disappoints	225	0.52	0.10	0.10	\$501k in Dec qtr sales. \$8.3m in cash. Aurora like Adelphi has a lot riding on the current exploration program at Sugarloaf onshore Texas. It's an iffy project in our view. North Belridge and Flour Bluff assets fail to meet expectations. 12% stake in Elixir. Heading lower still. B:5/O:7 DATV 26,887
225	0.52	0.10	0.10		
Bow (BOW) \$198m <table border="1"> <tr> <td>179</td> <td>0.95</td> <td>0.16</td> <td>1.105</td> </tr> </table> bolting on csg reserves and takeover potential	179	0.95	0.16	1.105	\$142k in sales Dec qtr. \$6.8m in Dec cash. Latecomer to coal seam gas party. Expanding Q'ld csg exposure underpins share price. Popular with punters after Canaway Ridge (Cooper Basin) csg core hole results impress. Runs on possibility Arrow may be interested. B:153/O:62 DATV 1,610,891
179	0.95	0.16	1.105		
Blue E'gy (BUL) \$125m <table border="1"> <tr> <td>445</td> <td>0.44</td> <td>0.09</td> <td>0.28</td> </tr> </table> csg stock with cash and acreage positions	445	0.44	0.09	0.28	No p'dn. \$13.7 m at end of Dec. Csg play with 100% ownership of assets in Queensland and lots of cash. Acquired new cbm tenements in Qld. Not fully participated in recent interest in csg stocks. ANZ still holds 25% of BUL stock from OPES Prime disaster. Seeking farminee. B:76/O:35 DATV 1,412,819
445	0.44	0.09	0.28		

<p>Buru E'y (BRU) \$32m</p> <table border="1"> <tr> <td>162</td> <td>0.39</td> <td>0.15</td> <td>0.195</td> </tr> </table> <p>buying interest, volume rising, share price takes breather</p>	162	0.39	0.15	0.195	<p>Sales of \$1.4m in Dec qtr. Free cash of \$59.5m. Canning Basin focus on leases acquired from Arc Energy. P'dn (200 bopd) from Blina and Sundown. Will reduce and better focus Canning Basin exploration and development program in light of current economic conditions. B:28/O:13 DATV 580,605</p>
162	0.39	0.15	0.195		
<p>C'narvon (CVN) \$256m</p> <table border="1"> <tr> <td>683</td> <td>0.80</td> <td>0.23</td> <td>0.375</td> </tr> </table> <p>strong p'dn and cash flows, mkt interest gathers strength</p>	683	0.80	0.23	0.375	<p>Dec qtr sales A\$29m down on Sept's A\$31m. Cash of A\$71m. No debt. Over 46% increase in 2P reserves to 16.6 mmbbls. Activity update from Thailand very positive. Looking to break out of trading range. P'dn of 5,400 bopd net to CVN. B:353/O:75 DATV 3,920,804</p>
683	0.80	0.23	0.375		
<p>Central P (CTP) \$36m</p> <table border="1"> <tr> <td>257</td> <td>0.30</td> <td>0.058</td> <td>0.125</td> </tr> </table> <p>new study in the works on Georgina Basin</p>	257	0.30	0.058	0.125	<p>No p'dn. \$6.7m in cash end Dec. Will need more cash to do all it wants to do in 2009. Which partly explains release of recent upbeat studies on helium potential in CTP's leases and most recently csg and gtl potential in Pedirka. Greenfields explorer in NT! B:58/O:43 DATV 356,740</p>
257	0.30	0.058	0.125		
<p>Comet R (COI) \$32m</p> <table border="1"> <tr> <td>105</td> <td>0.32</td> <td>0.04</td> <td>0.30</td> </tr> </table> <p>csg play with upside, interest waned a tad this week</p>	105	0.32	0.04	0.30	<p>No p'dn. \$8m in cash after merger. Transferred US assets to better funded US entity in which it retain a 27.18% interest. Management moves with the assets. Retains extensive Australian cbm leases which are attracting market attention. To merge with Chartwell in April. B:18 /O:24 DATV 330,863</p>
105	0.32	0.04	0.30		
<p>Cooper (COE) \$77m</p> <table border="1"> <tr> <td>252</td> <td>0.87</td> <td>0.20</td> <td>0.305</td> </tr> </table> <p>drilling to resume in Cooper Basin in May, 6 wells</p>	252	0.87	0.20	0.305	<p>Dec qtr sales of A\$7.4m, 28% down on Sept result. \$89m in cash. More success in the Cooper Basin at Perlubie#1 but share price taken down with the falling price of oil. Recovering from recent lows. RAB Capital looks to have been selling stake capping share price. B:52/O:40 DATV 893,059</p>
252	0.87	0.20	0.305		
<p>Cue E'gy (CUE) \$82m</p> <table border="1"> <tr> <td>628</td> <td>0.30</td> <td>0.086</td> <td>0.13</td> </tr> </table> <p>needs cash it doesn't have to meet capex commitments</p>	628	0.30	0.086	0.13	<p>Dec qtr sales of A\$7.65 half Sept qtr result. \$13m in cash. Oyong p'dn gives CUE two producing fields with a third, Maari commenced. Singapore PC's purchases underpin share price. Lower on Zeus disappointment and need for more cash for development projects. B:28/O:33 DATV 330,634</p>
628	0.30	0.086	0.13		
<p>D'search (DLS) \$27m</p> <table border="1"> <tr> <td>1,616</td> <td>0.07</td> <td>0.016</td> <td>0.019</td> </tr> </table> <p>management divided on 3D Oil bid, sellers in control</p>	1,616	0.07	0.016	0.019	<p>\$4.3m in Dec qtr sales. \$8m in cash. Merged with Great Artesian. Has p'dn from Cooper Basin and assets in C'da. New Board and management team paid off debt and restructured the company. P'dn sales volume up 92% on Sept qtr. Makes unwelcome takeover bid for 3D Oil. B:26/O:35 DATV 1,065,152</p>
1,616	0.07	0.016	0.019		
<p>E'monga (ERH) \$28m</p> <table border="1"> <tr> <td>162</td> <td>0.70</td> <td>0.08</td> <td>0.175</td> </tr> </table> <p>no field reports from Brazil this week, update overdue</p>	162	0.70	0.08	0.175	<p>No sales in Dec qtr. \$5m in cash. Operating onshore Brazil with 40 to 50% interest in four blocks in three basins. Market sat up when it reported oil shows in Blocks 330 and Block 430 wells, in the Sergipe Alagoas Basin (Gavea JV). Yet to fully pd'n test discoveries. B:17/O:27 DATV 65,078</p>
162	0.70	0.08	0.175		
<p>Eur. Gas (EPG) \$35m</p> <table border="1"> <tr> <td>199</td> <td>0.83</td> <td>0.155</td> <td>0.165</td> </tr> </table> <p>trending lower, European csg plays not caught on</p>	199	0.83	0.155	0.165	<p>Euro (E)3m in sales in Sept qtr. Elm in cash. Coal seam gas assets in France and Italy have been a long time in the development phase. Has been drilling in France and capex costs likely to require new cash injection. High admin budget. Recent interest disappears. B:11/O:14 DATV 213,613</p>
199	0.83	0.155	0.165		
<p>First Aus (FAR) \$31m</p> <table border="1"> <tr> <td>576</td> <td>0.17</td> <td>0.02</td> <td>0.054</td> </tr> </table> <p>sells Beibu Gulf interest to Korean buyer for US\$8m</p>	576	0.17	0.02	0.054	<p>\$658k in Dec qtr sales. \$6.7m in cash. \$5m in debt (CNs) Small interest in a lots of wells and leases in the US. Offshore Senegal potential company maker (FAR 90%) with Shell now committed to CSEM data acquisition program before deciding whether to drill a well for 70%. B:37/O:58 DATV 2,291,433</p>
576	0.17	0.02	0.054		

<p>Gold Gte (GGP) \$23m</p> <table border="1"> <tr> <td>242</td> <td>0.45</td> <td>0.075</td> <td>0.095</td> </tr> </table> <p>buyers return as Jumonville #2 has oil shows in Miogyp</p>	242	0.45	0.075	0.095	<p>\$4.9m in Dec qtr sales. \$8.7m in cash. In Texas at Padre Island with p'dn and cash flow. But now looking for more high impact wells eg Jumonville #1 onshore Louisiana. Sells another 8% working interest in Bullseye prospect for US\$1.5m. Jumonville #2 nearing target, oil shows. B:15/O:10 DATV 136,024</p>
242	0.45	0.075	0.095		
<p>Golden S (GDN) \$29m</p> <table border="1"> <tr> <td>291</td> <td>0.16</td> <td>0.042</td> <td>0.10</td> </tr> </table> <p>PB#2 will intersect first target zone over weekend</p>	291	0.16	0.042	0.10	<p>No p'dn. \$2.5m in cash end Jan. Became one of the hottest of stocks with upbeat announcements of gas shows in first US well Paradox Basin #1. Those came to little leaving many scarred punters. But traders express interest again as Paradox Basin #2 near first target. B:81/O:93 DATV 5,556,959</p>
291	0.16	0.042	0.10		
<p>Horizon (HZN) \$112m</p> <table border="1"> <tr> <td>830</td> <td>0.48</td> <td>0.10</td> <td>0.135</td> </tr> </table> <p>Maari (JZN 10%)now gearing up for full p'dn</p>	830	0.48	0.10	0.135	<p>No sales. \$10m in cash Horizon had Maari on stream in February long before its offshore China discoveries. Gas interests in PNG. Sells acreage offshore Thailand. Can't really understand why it continues to enjoy a \$100 m market cap. B:39/O:29 DATV 702,469</p>
830	0.48	0.10	0.135		
<p>Icon E'gy (ICN) \$75m</p> <table border="1"> <tr> <td>313</td> <td>0.40</td> <td>0.072</td> <td>0.28</td> </tr> </table> <p>drilling to commence at Lydia csg project on weekend</p>	313	0.40	0.072	0.28	<p>No p'dn. \$4.3m in cash end Dec. Joined the cbm party late. Stitch and two other wells drilled into cbm targets in ATP 626P. Has signed an MOU with Stanwell for csg p'dn beginning 2011. Drilling program about to commence on its Lydia csg leases. Very high admin costs. B:72/O:68 DATV 1,419,583</p>
313	0.40	0.072	0.28		
<p>Innam'ka (INP) \$41m</p> <table border="1"> <tr> <td>191</td> <td>1.30</td> <td>0.13</td> <td>0.215</td> </tr> </table> <p>AGL pays \$15m for csg asset, buyers back, watch volume</p>	191	1.30	0.13	0.215	<p>Dec qtr sales of \$828k. \$3m in cash. First of six wells in production at 200 bopd. P'dn from Flax #1 #2, #3 #4. Weather, infrastructure and incident at Moomba inhibit Dec qtr p'dn. INP targets 1000 bopd eventually. AGL farms in to INP's csg leases paying \$15m. B:47/O:30 DATV 143,049</p>
191	1.30	0.13	0.215		
<p>Kairiki (KIK) \$40m</p> <table border="1"> <tr> <td>439</td> <td>0.33</td> <td>0.038</td> <td>0.10</td> </tr> </table> <p>divests Sicily channel assets to AuDAX</p>	439	0.33	0.038	0.10	<p>No sales. \$2.9m in cash. Interest (40%) in SC 54 offshore the Philippines drives KIK. Never p'dn tested two discoveries there but will issue an evaluation end Q1. Two wells chewed up most of its cash. Issued US\$10m in CNs which raises questions re finances. B:18/O:6 DATV4,331,456</p>
439	0.33	0.038	0.10		
<p>Marion (MAE) \$137m</p> <table border="1"> <tr> <td>361</td> <td>1.41</td> <td>0.11</td> <td>0.38</td> </tr> </table> <p>punters anxiously awaiting promised reserves update</p>	361	1.41	0.11	0.38	<p>Sales of \$910k in Sept qtr up on Sept. \$1.7m in cash. \$36m in debt. Production reported to Utah Oil & Gas Commission indicates well less than 1 mmcf a day total in Nov/Dec from Clear Creek and Helper. Raises concerns MAE Nov guidance of 5 mmcfpd misled market. B:32/O:37 DATV 395,123</p>
361	1.41	0.11	0.38		
<p>MEO (MEO) \$34m</p> <table border="1"> <tr> <td>417</td> <td>0.65</td> <td>0.062</td> <td>0.082</td> </tr> </table> <p>completes Artemis 3D in WA 360P, processing in 90 days</p>	417	0.65	0.062	0.082	<p>No Sales. \$29m in cash end Dec. Three NW Shelf permits one unsuccessfully drilled (Zeus). Tassie Shoal gas to liquids project (methanol and LNG). No more drilling until 2010 and that depends on farm outs. Tends to bang the drum but certainly attracts punter interest. B:81/O:45 DATV 2,341,688</p>
417	0.65	0.062	0.082		
<p>Metgasco (MEL) \$69m</p> <table border="1"> <tr> <td>153</td> <td>1.52</td> <td>0.25</td> <td>0.45</td> </tr> </table> <p>more buyers but less volume, cap raising at 40 cents.</p>	153	1.52	0.25	0.45	<p>No Sales. \$2m in cash end Dec. Csg project in Clarence Moreton Basin in northern NSW. MHA Consultants release updated reserves report. 2P reserves now 298 Pj. Has 6.000 square kms of csg acreage and conventional gas assets. Raising \$15.6m in cash with issue at 40 cents. B:81/O:46 DATV 995,495</p>
153	1.52	0.25	0.45		
<p>Molopo (MPO) \$232m</p> <table border="1"> <tr> <td>183</td> <td>2.09</td> <td>0.41</td> <td>1.27</td> </tr> </table> <p>cashed up, buying interest higher this past week</p>	183	2.09	0.41	1.27	<p>Just \$116k in sales in Dec qtr. \$120m in cash on sale of Gloucester Basin interest to AGL. Will focus on remaining csg assets in Q'ld, shale gas in Canada and mine gas in South Africa. Likely to exit China and sell down other assets. Waiting to see what they do with cash. B:99/O:49 DATV 892,276</p>
183	2.09	0.41	1.27		

<p>Mosaic (MOS) \$69m</p> <table border="1"> <tr> <td>631</td> <td>0.19</td> <td>0.06</td> <td>0.11</td> </tr> </table> <p>buyers back and volume increasing, sp at 2009 highs</p>	631	0.19	0.06	0.11	<p>\$7m in Dec qtr sales. \$15m in cash. Q'ld producer. Looks to have reasonable fundamentals but never seems to get the market attention it probably warrants. Completed its 2008 drilling program with mixed success. Awarded NZ onshore lease in Taranaki Basin. CEO departs. B:70/O:43 DATV 1,638,513</p>
631	0.19	0.06	0.11		
<p>Nido Pet (NDO) \$134m</p> <table border="1"> <tr> <td>1069</td> <td>0.64</td> <td>0.06</td> <td>0.125</td> </tr> </table> <p>Galoc p'dn resumes, buyer interest, huge volumes Friday</p>	1069	0.64	0.06	0.125	<p>Sept qtr sales of \$6m. \$12.2m in cash. Repairs to FPSO mooring system at Galoc completed production resumed at 16,000 bopd. Announces oil in place numbers for Tindaloo and Yakal of a combined 50 mmbbls plus. Seeking to farm out offshore Philippines assets. B:177/O:45 DATV 12,798,558</p>
1069	0.64	0.06	0.125		
<p>Oilex NL (OEX) \$39m</p> <table border="1"> <tr> <td>176</td> <td>1.33</td> <td>0.19</td> <td>0.22</td> </tr> </table> <p>first pd'n in Dec quarter in India, raises \$10 in cash issue</p>	176	1.33	0.19	0.22	<p>No sales. \$20.3m in cash end Jan. Assets in old fields at Cambay in Gujarat State India where a miocene producer has resulted in first production. Also with assets in Indonesia and Oman both with oil discoveries likely to produce this year. All the hard work starting to pay off. B:35/O:24 DATV 254,558</p>
176	1.33	0.19	0.22		
<p>Otto E'gy (OEL) \$47m</p> <table border="1"> <tr> <td>478</td> <td>0.52</td> <td>0.075</td> <td>SUS</td> </tr> </table> <p>\$35m cap raising at 7 cents, resumes trading Monday</p>	478	0.52	0.075	SUS	<p>No sales. \$7.5m in cash. Otto took a risk buying large stake in Galoc. And early commissioning and operational issues could now be company threatening. Assets from Turkey to Italy to Argentina. First commercial gas scheduled in Turkey in H2. Cap raising will slam sp. B:0/O:0 DATV 0</p>
478	0.52	0.075	SUS		
<p>Pan Pacif. (PPP) \$183m</p> <table border="1"> <tr> <td>591</td> <td>0.35</td> <td>0.17</td> <td>0.31</td> </tr> </table> <p>not a lot of interest recently though sp edging back up</p>	591	0.35	0.17	0.31	<p>Dec qtr revenues of \$25m. Cash of \$150m and Tui debt repaid. After tax profit of A\$39.1 million in second half of 2008 representing 0.07 cents a share. Two exploration wells in the Tui area by fourth quarter 2009. Looking for new projects. NZ Oil buys 15% stake. B:18/O:31 DATV 347,066</p>
591	0.35	0.17	0.31		
<p>Petsec (PSA) \$45m</p> <table border="1"> <tr> <td>154</td> <td>1.25</td> <td>0.13</td> <td>0.29</td> </tr> </table> <p>hedged 5 Bcf at more than US\$8.00 an mcf</p>	154	1.25	0.13	0.29	<p>US\$17.4m in Dec qtr sales on 2.1 Bcfe of sales. US\$13.7m in cash. Gross debt of US\$50m. Profitable producer of gas in the US. Targets 7 Bcf of gas in 2009. No drilling in Dec/March qtrs. 2P reserves of 31 Bcf in US, 3.6 mmbbl in China. Extensive GOM lease position. B:49/O:16 DATV 253,907</p>
154	1.25	0.13	0.29		
<p>PoValley (PVE) \$134m</p> <table border="1"> <tr> <td>102</td> <td>2.25</td> <td>1.00</td> <td>1.28</td> </tr> </table> <p>recent interest proved temporary</p>	102	2.25	1.00	1.28	<p>No sales. \$5m in cash. \$10m in debt. Market has some difficulty assessing value of Aussie juniors in Europe but the pedigree of this Italian based would be gas producer has continued to support the share price. High admin costs. Should have Italian gas fields in p'dn mid 2009. B:7/O:7 DATV 12,151</p>
102	2.25	1.00	1.28		
<p>Red Fork (RFE) \$49m</p> <table border="1"> <tr> <td>106</td> <td>0.63</td> <td>0.165</td> <td>0.46</td> </tr> </table> <p>buyers back in volume Friday, sp up 3 cents</p>	106	0.63	0.165	0.46	<p>\$275k in Dec qtr sales. \$2.2m in cash end Dec. Claims to have met its p'dn target of 1 mmcf/d from US assets this year. And reports 2P reserves 42 Bcfe. Stays at these levels due to company's estimate its East Oklahoma asset has a potential 200 bcf of shale gas. B:34/O:16 DATV 553,480</p>
106	0.63	0.165	0.46		
<p>Tap Oil (TAP) \$150m</p> <table border="1"> <tr> <td>156</td> <td>2.21</td> <td>0.49</td> <td>0.96</td> </tr> </table> <p>recovering after some recent selling, looking stronger</p>	156	2.21	0.49	0.96	<p>Revenues of \$12.4m in Dec qtr well down on the \$22.2m of Sept. \$54m in cash and no debt. Tap's Brunei acquisition a positive. Should have a better year as production resumes at Harriet and John Brookes and Woollybutt continues to perform strongly. B:55 /O:31 DATV 377,353</p>
156	2.21	0.49	0.96		
<p>Victoria (VPE) \$183m</p> <table border="1"> <tr> <td>447</td> <td>0.49</td> <td>0.12</td> <td>0.41</td> </tr> </table> <p>profit taking this past week as sp hits all time highs</p>	447	0.49	0.12	0.41	<p>\$2.8m in Dec qtr sales. \$20.5m in cash. Don Juan cbm project in Surat Basin in Q'ld has caught punters attention. Dev program to prove up reserves. Growler oil field exceeds expectations. US asset sale to Adelaide Energy falls through. Looking at other potential buyers. B:90/O:115 DATV 2,052,638</p>
447	0.49	0.12	0.41		

Disclaimer

The information provided in the Oil & Gas Weekly is obtained largely from public sources. The assessments and conclusions are those of the editor, John Campbell, and are liable to change.

While every effort is made to ensure the information and the analysis is as accurate as possible, Sani Pty Ltd accepts no liability for any financial losses caused by its use. Each user will need to consider his/her investment objectives, financial situation and particular individual needs before acting upon the information. Our newsletter is an analytical tool and not a tip sheet.

Remember if you are going to invest in the stock market seek professional advice and do your own research. We do not have an Australian Financial Advisers Licence, which would allow us to make stock recommendations.

John Campbell is a Director of unlisted **Northern Territory Oil Ltd.**

The contents of the Oil & Gas Weekly are covered by copyright laws. If you are receiving this newsletter free from an analyst, broker, financial adviser or just a friend then they are breaking their subscription agreement.

Personal subscribers to the OGW may not copy to others or quote the newsletter unless, as with "Ozequities", we have given them permission to do so. Or they are helping us promote the OGW with one off, once only copies to likely interested parties.

Corporate subscribers may distribute the OGW to up to ten members within their organisation.

Small research operations like the Oil & Gas Weekly and Ozequities depend on the cooperation of their paying subscribers to stay in business. If you pay for and value the information we provide then please do the right thing by us and desist from forwarding the OGW on to others, who in turn forward it on to others.