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Empire Oil Company

Confident of Gingin's Potential

by Robin Bower

> A gas field in Gingin discovered 30 years ago but unable to produce commercial quantities of gas is Empire Oil Company (WA) NL's hot project for 1998.

The company was floated in January this year raising $4 million at 20c per share (34c in early September). The net present value of the company is $98 million.

The Gingin Gas Field (EP 389) is estimated to hold 500 billion cubic feet of gas.

The Gingin No. 3 well was spudded in late August and was expected to take 52 days to reach its target depth of 4100 metres.

"The maximum capital for each well is $4–5 million. Our cashflow profile is fantastic," said Empire's managing director, Craig Marshall.

Discovered by Wapet in 1964 but dropped in favour of its Dongara gas reserves after encountering difficulties with permeability, the field is now held under licence by Empire and joint venture partner, CalEnergy Gas (UK) Limited.

CalEnergy is earning up to a 50% interest in the field by spending up to $14 million on petroleum appraisal and development activity over a two-year period.

PROJECT SNAPSHOT

PROJECT
Gingin Gas Field
(EP 389)

ESTIMATED RESERVES
500 billion
cubic feet of gas

WELL
Gingin No. 3
Target depth: 4100 m
Drilling commenced
late August 1998

MAXIMUM CAPITAL PER WELL
$4–5 million

JOINT VENTURE PARTNER
CalEnergy Gas (UK) Limited

EARNING INTEREST
Up to 50% by spending
up to $14 million on
petroleum appraisal and
development over a
two-year period

> *"The maximum capital for each well is $4–5 million. Our cashflow profile is fantastic."*

CRAIG MARSHALL
Managing Director
Empire Oil Company (WA) NL

ABOUT THE GINGIN GAS FIELD

Located in the Perth Basin, approximately 80 km north of Perth, the Gingin Gas Field was discovered in 1964. Early appraisal indicated a significant gas resource, but commercial production was not achieved at the time.

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