

# EXPLORATION PERMIT

## PRL 14, Flax - South Australia

### Joint Venture

PRL 14

Acer Energy Limited [ACN]

62.5% interest

Operator

AGL Energy Limited [AGL]

37.5% interest

### Overview

- The permit area of 22 km<sup>2</sup> encompasses the Flax oil field, located about 90km northeast of the Moomba facilities.
- The retention license permit was first granted 14 May 2007 for an initial 5 year term to provide security of tenure over the Flax oil field whilst a production testing was undertaken to determine commerciality.
- The Flax field was discovered with the drilling of Flax 1 in January 2004.
- A central production facility has been constructed adjacent to the Flax 1 well.

### ACN appraisal focus

Drilling activity since the granting of the permit has included:

- 5 evaluation wells – Flax 3, 4, 5, 6 and 7.
- 1 exploration wells – Flax East 1 / ST1.
- Fracture stimulation of Flax 3, 4, 5, and 6.

Development activity has included :

- Construction of a Central Processing Facility [CPF] including:
  - Group and test 3-phase separators.
  - 3 x 800 barrel oil storage tanks.
  - Loadout pump & facility.
  - Evaporation ponds.
  - Gas flaring facility.
  - Metering and instrumentation shed.
- Installation of a pipeline gathering system including :
  - Tie backs from Flax 1-6 to the CPF.
- Establishment of an office/camp/workshop facility for personnel accommodation.
- Engineering studies to model field performance and optimize future production.

Activity prior to the granting of the permit included:

- Drilling and fracture stimulation of Flax 1 and 2.



## Future Activity

- Complete the Flax Juniper 2011 3D Seismic Survey and evaluate potential for drilling of wells targeting development, appraisal or exploration opportunities within the PRL.
- Continue to optimize oil production without further capital investment.
- Conduct a Tight Oil Study encompassing the Flax and Juniper discoveries.

