

This year's Good Oil Conference in Perth had a surprisingly strong attendance, potentially buoyed by recent exploration successes. Stu Nicholls from STX was the man of the hour following its "staggering" discovery in the Perth Basin and there was a full house for his presentation where he told the audience how he got it right. Below are some key attending companies to keep an eye on, most of which have near term exploration catalysts:

- **Cooper Energy (COE, Buy, Val'n: \$0.70/share)** spudded the conventional Dombey-1 well in the onshore Otway Basin. Dombey-1 will test a similar stratigraphic section to the nearby Haselgrove discovery and is targeting 35 Bcf. The well is expected to take 47 days to drill. The Sole Gas Project timing sounds like it is slipping a little, and we now believe start up may be Oct/Nov, one month later than we forecast. As we have previously stated, a three month delay has an immaterial impact on our valuation, as it is a deferral of sales, not a loss of sales. COE MD, David Maxwell was the recipient of this year's John Doran Award – a well-deserved acknowledgement.
- **Strike Energy (STX, market cap: \$390m).** With 58m of net pay, pressure of around 6,800 psi permeability of 102 mD and CH₄ content of 92%, the planets are aligned for the Kingia Sandstone to flow at a very strong rate when it is tested in the coming weeks. We expect a flow in excess of 100 mmscf/d, and expect that the flow may be equipment constrained. As a reminder the Waitsia-4 well flowed at a maximum rate of 90 mmscf/d. BPT, WPL and others will be watching STX closely..
- **Central Petroleum (CTP, market cap: \$146m).** CTP stands out in the smaller cap names as it has production, 2P reserves and exploration upside. Project Range in the Surat Basin has a 270 PJ (135 PJ net to CTP) of high quality 2C Contingent Resource, which will be a relatively low cost development in an area surrounded by Shell, Arrow and APLNG. Given the neighbours, and STO's need for gas, we believe Range should command a very good price if CTP was to sell it. The Dukas-1 well preliminary result was encouraging, but the need for a larger capacity rig might prove problematic, as we aren't certain there is a rig in country that will be able to handle the pressure encountered here.
- **Vintage Energy (VEN, market cap: \$33m).** There is no shortage of near-term drilling catalysts in VEN, with a two-well program underway at Albany in the Galilee Basin, the Nangwarry-1 well to be drilled in the Otway Basin late 2019, and a well in the Cooper/Eromanga Basin late 2019. The Albany-1 well in the Galilee Basin was drilled in 2018 and flowed 250 mcsf/d from the top 10% of the reservoir. Flow testing the Albany-2 and ST1 wells will take place toward the end of 2019. The VEN team, including former BPT heavyweights Neil Gibbins and Reg Nelson, have an excellent history in onshore exploration and production in these parts of Australia.
- **Elixir Energy (EXR, market cap: \$26m).** One to keep an eye on, EXR is a coal seam gas explorer in the south of Mongolia, near the border of China. EXR has a seven million acre Production Sharing Contract (PSC), with a risked prospective resource of 7.6 Tcf and is commencing a drilling program in the December quarter. EXR may be a good way to play the China gas thematic – something that has been missing since the departure of Sino Gas from the ASX. The EXR team is technically astute, and includes Stephen Keleman (former manager of STO's CSG business), Neil Young (ex-STO management, and has worked in Mongolia for the last eight years), and the ever humble Richard Cottee (Non-exec Chairman).