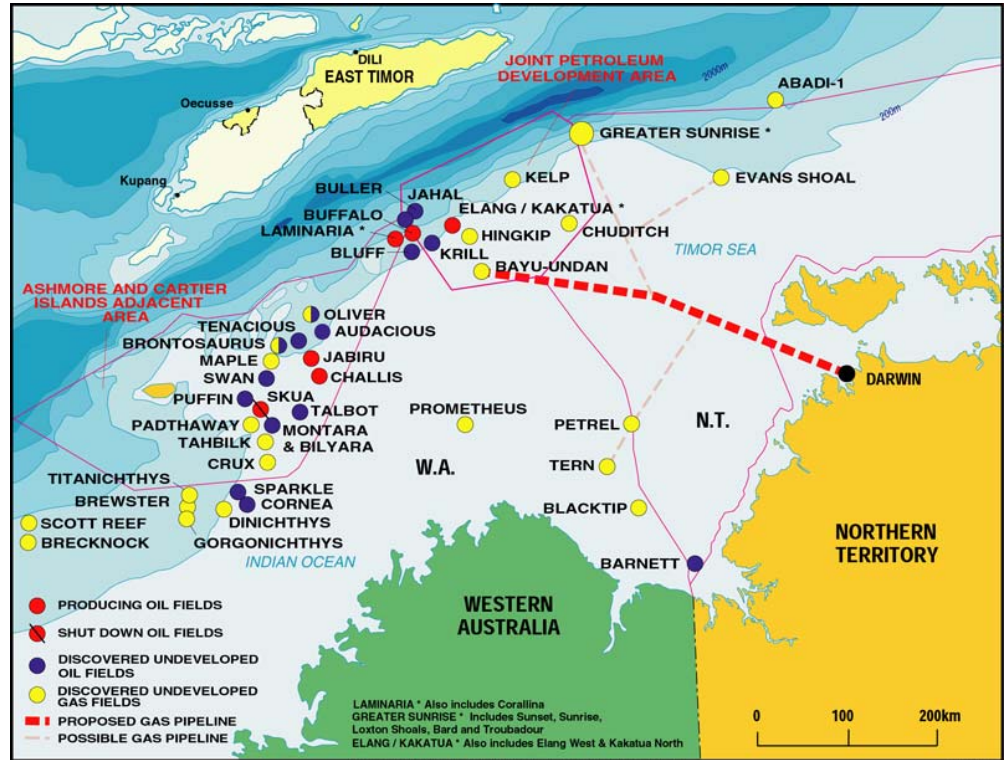


Oil & Gas

BUFFALO



Timor Sea Oil & Gas fields

LOCATION

The Buffalo field is in the Timor Sea, in production licences WA-19L and WA-21L, about 560 km north-west of Darwin.

PARTICIPANTS

Effective from June 2001, title is held by Nexen Petroleum Australia Pty Ltd (100%).

On 28 November 2000, BHP announced it had agreed to sell its interest in the field to InterOil Corporation. However, Nexen Petroleum recently exercised its pre-emptive rights to purchase BHP's interests in the field, which has given Nexen 100% ownership of the field.

The field is small, with original oil reserves most likely to be 32 million barrels (5.1 Giga Litres).

HISTORY

BHP Petroleum Pty Ltd discovered the field in late 1996 and announced in September 1998 that the field would be developed. The production licence was granted in September 1999.

PRODUCTION

First oil production started 29 December 1999. The field has reached a net peak production of 52,000 barrels of oil per day and is currently producing at 23,600 bopd. At 30 June 2002 the field had produced 2.3 Giga Litres of oil. Remaining net proven plus probable reserves were 2.78GL of oil. Project life is expected to be about three years.

PROJECT

Expected gross capital cost is A\$150 million (US\$88 million).

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