



## **Permit Terms and Variation Sought**

WA-322-P was granted on 22 March 2002. WA-329-P was granted on 5 September 2002. Variations of the Permits have been granted, such that Year-4 of each Permit ended on 21 November 2007.

Year-5 for each permit presently has a minimum work requirement of one well. Year-5 for each permit commenced on 22 November 2007.

Prior to entering Year-5, United sought a variation of the permit terms for WA-322-P so that the future obligations would be (subject to approval) as follows:

Year-5	Data review Acquire interpreted data from the prior permit holder
Year-6	One well

United has also sought a variation of the permit terms for WA-329-P so that the future obligations would be (subject to approval) as follows:

Year-5	Data review Acquire interpreted data from the prior permit holder
Year-6	One well

In essence, United has sought to move the Year-5 well obligation for each permit to Year-6 and to be relieved of the Year-6 obligation currently applicable to WA-322-P to acquire further 500 kms of 2D seismic.

## **Technical Matters**

United has only relatively limited data relating to the permits. United does not have sufficient technical information to make an informed decision to commit to a well. More time to assess prospectivity is needed and has been sought.

Under the terms of the original agreement with BHPB and Apache, BHPB and Apache are required to provide copies of new data in the possession of BHPB and Apache relating to the permits. While this obligation does not extend to providing interpretation and analysis of such data, BHPB and Apache have offered to sell this interpretative data to the United (see below).

BHPB and Apache, either individually (in the case of WA-322-P) or collectively (in the case of WA-329-P), have acquired a substantial amount of 3D seismic over both permits being part of the HCA04A 3D seismic survey. This includes approximately 640 km<sup>2</sup> of 3D within WA-322-P and 107 km<sup>2</sup> in WA-329-P. The 3D seismic acquired in WA-322-P was well in excess of the Year 6 permit obligations to acquire 500 kms of 2D seismic.

In addition, Octanex and Strata hold the reprocessed Swell-Baylis 3D dataset of some 800 km<sup>2</sup> in WA-329-P.

BHPB and Apache have offered to sell to United various studies undertaken in relation to each permit. The studies which they are willing to make available comprise the following:

*WA-322-P:*

- Summary of regional reservoir models & play intervals
- Detailed loop-level seismic horizons for key play intervals, including depth converted horizons and amplitude extractions on HCA04 3D
- Results of reservoir quality & hydrocarbon charge modelling studies
- Rock physics work, modelling of DHI response and interpretation of potential DHIs in the acreage
- Volumetric assessments of identified leads
- All work is included in a summary presentation that could form the basis for a farmout effort

*WA-329-P:*

- Regional stratigraphic model, structural context & potential play intervals
- Seismic interpretation at nine key horizons on reprocessed Swell-Baylis 3D
- Summary of potential amplitude-driven play concepts in Barrow Group
- Updated Triassic play seismic interpretation & prospectivity summary

United has agreed to negotiate the purchase this information, provided the permit variation requests are granted.

Once the information and data has been made available to United, United will be in a significantly improved position to assess the exploration potential of the Permits and to make an informed decision concerning their exploration program in Year-5 and whether to enter Year-6 and to accept a well obligation.

WA-322-P presently includes an obligation to acquire 500 km of 2D data in Year-6. As noted above, WA-322-P has been covered by a comprehensive 3D survey – the HCA04A 3D survey. In light of the extent of this 3D survey, United considers the acquisition of further 2D seismic is pointless as it will add nothing further to an understanding of the exploration potential for the permit.

Accordingly United has requested the authorities that the HCA04A 3D survey conducted within the area of WA-322-P be credited as having met the Year-6 obligation for WA-322-P.

### **Summary and Conclusion**

United has lodged documentation for the reassignment of WA-322-P and WA-329-P (both subject to approvals).

United has sought to vary the obligation attaching to each permit by shifting the Year-5 well obligation to Year-6. Subject to the variation request being granted, United plans to purchase from BHPB a comprehensive suite of interpretation and studies as completed by BHPB.

United considers there is no technical purpose in acquiring any further 2D seismic over WA-322-P as the existing 3D survey is more than sufficient data to carry out further interpretative work.

Coupled with the data required to be made available as part of the assignment process, and subject to approval of variation request, United expects to be in possession of a considerable amount of data and information which it will need to analyse.

A map showing the location of the Permits is shown above.

By Order of the Board

A handwritten signature in black ink, appearing to read 'D.B. Hill', with a stylized, cursive script.

**D.B. Hill**  
Secretary

23 November 2007