

flows from Permian formations where poor reservoir characteristics are the rule. In the southern part of NSW EPP/1, interesting structural indications were found; however, the thin sedimentary section occurring there is a major detracting factor.

It is worth noting that the South Sydney Basin Area is situated in proximity to the New South Wales industrial market, which is the largest potential gas market in Australia and is still without a gas supply.

2. East Gippsland Basin Area

The oil and gas fields in the offshore Gippsland Basin are by far the largest in Australia having more than 1.5 billion barrels of oil and 6 trillion cubic feet of gas. Similar source and reservoir rocks are thought to exist in the East Gippsland Basin Area and structural-stratigraphic traps are indicated. Eastward from the Barracouta discovery well to the nearest reported commercial hydrocarbon occurrence at the Kingfish field (about 16 miles west of Magellan's permit VIC/P4) the proportion of oil to gas increases rapidly. No drilling has been done in the vicinity of the Tasmanian blocks (T/1P and T/9P) to indicate their hydrocarbon potential.

A sufficiently thick section has been established a few miles south of the Victorian border in T/1P and in the northern part of T/9P and structural closures have been delineated. Drillable water depths where oil field completions can currently be made are present in much of the interesting part of T/1P but the deeper water in T/9P would require advancement in completion techniques before indicated structures would become prospective.

3. Northwest Tasmania Area

Hydrocarbon shows in the Otway Basin have been limited to the Cretaceous section to date. The Tertiary