

# Linc Energy tests oil potential

THE oil potential of the Arckaringa Basin will be tested after Linc Energy encountered hydrocarbons in a drilling program.

The Brisbane-based company came across oil while drilling for coal seams to underpin its underground coal gasification (UCG) project near Orroroo in the Flinders Ranges recently.

The company now will reprocess its existing seismic exploration data and acquire new seismic and gravity data "in order to better

understand the distribution and thickness of the older pre-Permian sediments that are believed to be the origin of oil found in Maglia-1, as well as identifying potential structural traps".

"Based on that work, a targeted exploration program is planned," the company stated.

"The oil show at Maglia-1 is interpreted to be residual in nature, but represents the most significant find in the history of the Arckaringa Basin, in which Linc Energy

holds over 74,000sq/km with a 100 per cent interest.

"Continued evaluation and appraisal of the Mt Toondina coal measures for underground coal gasification and coal seam gas will occur in parallel with this program as part of Linc Energy's UCG exploration program," the statement read.

Linc chief executive Peter Bond said the oil show was "extremely exciting".

"It takes the prospectivity of this basin for petroleum to the next level," he said.