

ASX RELEASE  
22<sup>nd</sup> November 2007

## **SAPEX assessing coal seam gas options for Arckaringa Basin project – Chairman**

SAPEX Limited (ASX: “SPX”) is assessing various options – including possible partners – for the ongoing exploration for coal seam gas across the Company’s vast Arckaringa Basin exploration licence areas in South Australia.

SAPEX Chairman, Mr Roger Wilson, told shareholders at today’s annual general meeting in Adelaide today that the Company had invited expressions of interest from a short list of selected companies to partner SAPEX in its exploration for coal seam gas on the Arckaringa Basin tenements.

“We will be evaluating these expressions of interest against each other as well as ‘the go it alone’ option,” Mr Wilson said.

“SAPEX’s objective is to become a significant supplier of energy by successfully converting exploration discoveries into producing properties of oil and gas, coal seam gas and value added ‘coal’ resources,” he said.

“Our petroleum exploration rights cover the entire 65,000 sq kms of the Arckaringa Basin over which no petroleum exploration has been undertaken for more than 20 years. That exploration is our objective and purpose.

“The essential and detailed regulatory preliminaries we have completed in obtaining anthropological and environmental clearances enable us to get contractors on to the ground to undertake the detailed seismic work in the locations we have identified for the first stage of our petroleum exploration program.”

On underground coal gasification, Mr Wilson said SAPEX decided that the prospectivity of its potential coal resources for value adding processes would be more quickly achieved through an association with a partner having established technical capacities and production capabilities.

“Subsequently, we announced SAPEX has entered into a Memorandum of Understanding with the leading company in the Underground Coal Gasification field, Linc Energy Limited, under which Linc will undertake the exploration for one commercial UCG resource in the combined ELs 3325 and 3326 and one resource in PEL 120,” he said.

### **MEDIA CONTACTS:**

**Andrew Andrejewskis**  
**Managing Director - SAPEX**  
**08-8363 3311 or 0417 872 230**

**John Field**  
**Field Public Relations**  
**08-8234 9555 or 0418 819 527**