

# Drilling For Shale Gas



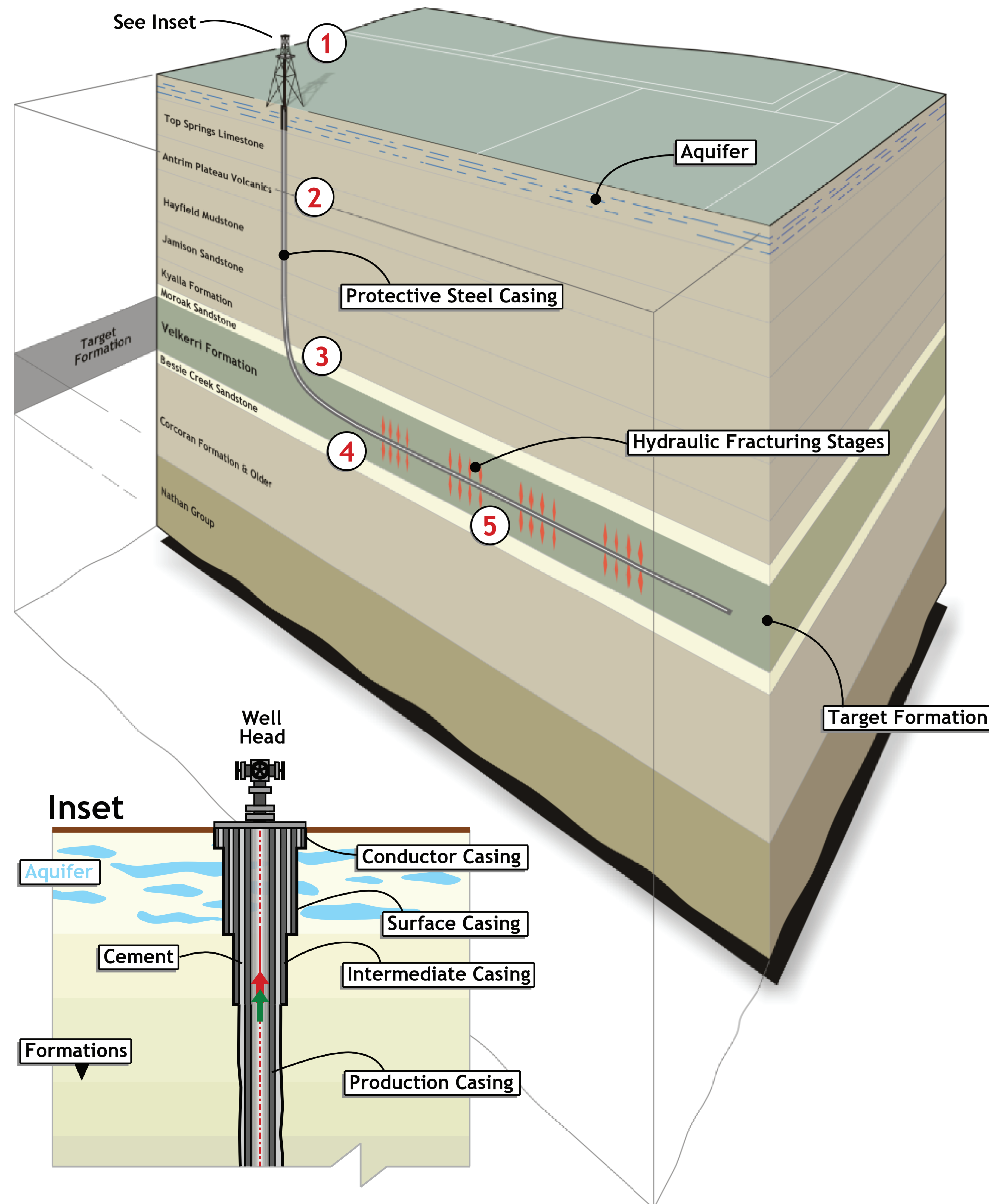
Our exploration program includes drilling both vertical and horizontal wells that target the underground shale rock formations in the Beetaloo Basin.



## Long Reach Horizontal Drilling

### Steps in Horizontal Drilling:

1. Negotiate and agree access, obtain approval and bring in drilling rig and equipment
2. Drill vertical section of well using conventional methods
3. Drill kick-off (curved) section, with the use of a downhole motor mounted directly above the bit, in order to make the turn from vertical to horizontal. Downhole instruments called MWD (measuring while drilling) packages transmit sensor readings upward, allowing operators at the surface to build the angle
4. Drill horizontal wellbore, still using MWD to hold the angle and direction
5. Case off the well with steel casing and cement to allow for completion and fracture stimulation, preparing the well for production



## Vertical Wells and Long Reach Horizontal Wells

- Origin will drill both vertical and horizontal wells during the Exploration Phase/s
- Vertical wells allow a more cost effective assessment of the potential for gas and liquids in the target zones and provide some information on production capability
- Horizontal wells will be required to assess the potential for economic gas and liquid recovery rates
- Horizontal wells are most likely to be required for field development

