

response from Canadian industry has been indifferent thus far, even though the project, and the Western Australian market as a whole, offer substantial opportunities for companies willing to invest time and effort.

The second largest oil producing field in Australia is Barrow Island, located off the West Australia coast southwest of Dampier. Production of stabilized crude oil peaked in 1971 and has steadily declined, with production in 1980 of 10 million barrels. A program of continuing exploration and development should, however, offer a sustained market for oil and gas-field equipment.

Currently the most important gas producing area in Australia is the Cooper Basin, lying mainly in South Australia and consisting of 67 known separate structures that have yielded 31 fields: 12 gas condensates fields (three of which are already producing); five combined oil and gas fields, and 14 other fields that have not as yet been sufficiently evaluated. Reserves of natural gas liquids (ethane, propane, butane and condensate) in the Cooper Basin are estimated at 287 million barrels. The Basin's ultimate hydrocarbon potential has been estimated at approximately two billion barrels of oil and condensate, and 190 billion cubic meters (6,709 billion cubic feet) of natural gas. In Western Australia the Dongara gas fields, controlled by the West Australian Petroleum Pty. (Wapet), produce some 2.2 million cubic meters (78 billion cubic feet) a day, but current expectations are that recoverable reserves will be depleted by about 1987.

ii) Oil and Gas Exploration:

Initially, the main offshore exploration activity in Australia was centered on the Bass Strait and the North West Shelf-Exmouth Plateau areas of Western Australia. The Bass Strait is now relatively well developed, however, and future expenditures in existing fields will, over the medium term, be directed toward developing and improving the recovery of existing reserves, so as to extend the life of these fields, rather than their production rate.

The North West Shelf and the Exmouth Plateau both remain tremendously exciting areas. The discoveries of commercial quantities of gas in the North West