

Future overdue for company with sense of humour

ELEVEN years is a long time to be out in the wilderness. A bunch of long-suffering shareholders in a thing called Amskan, and then **Saxon Investment**, know that more than most.

Their shares have been suspended since 1995. But at long last, it will pay shareholders to reacquire themselves with the old dog.

It is coming back as a recapitalised oil and gas explorer called **Oil Basins Ltd**. If all goes according to plan, Oil Basins could rejoin the lists next month.

Patersons Securities and Graeme Menzies' full-throttle legal firm Menzies & Partners are behind the push to get Oil Basins up and running.

The ASX has helped out by way of waivers that will allow the recapitalisation to be by way of a three-for-two rights issue at 20¢ a share with attached options.

That will raise up to \$6.37 million, with Patersons underwriting the minimum requirement for \$2.5 million. A nice feature of the rebirth is that because Amskan/Saxon has been down for so long, its capital structure will remain tight at only 53.1 million shares should the full \$6.37 million be raised.

The three-man board is headed by investment banker Kim McGrath as executive chairman and has Patersons man Neil Doyle and Menzies as non-executive directors.

A former senior exploration/asset manager with **Exxon Mobil**, Geoffrey Geary, will be providing the oil and gas expertise under a technical services agreement.

The name Oil Basins tells us these guys have a sense of humour too, with the prospectus noting that this Oil Basins is not the company of the same name registered in Bermuda that dispenses the 2.5 per cent "Weeks" royalty on **Exxon/BHP Billiton's** Bass Strait production.



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A chunk of that royalty was once holed up in a thing called **Weeks Petroleum** when it was part of the late Robert Holmes a Court's **Bell Resources** empire.

Both McGrath and Doyle were former Holmes a Court lieutenants with responsibility for Weeks Petroleum and its grab bag of assets.

That's enough history. Shareholders waiting 11 years for a return of what is now Oil Basins have seen enough history go by. Their future is overdue.

It could be interesting too, given the tight capital base and the group's exposure to some high-leverage oil and gas exploration plays.

First up the company is acquiring a 7.5 per cent interest



Oil Basins could be back in the oil hunt as early as next month.

in Vic/P41 in Bass Strait, with an option to go with 12.5 per cent.

According to preliminary estimates by the operator, **Bass Strait Oil Company**, the "prospective resources" could range from no recoverable oil up to a maximum of 1.9 billion barrels.

The "no recoverable oil" scenario is an important one to consider, as is the blue-sky potential. That also holds true for the group's proposed acquisition of a 35 per cent interest in the Backreef prospect in Western Australia's Canning Basin.

The range of prospective resources has been put at between zero and 270 million barrels. Unlike the nearby Blina oilfield, Backreef is not a Devonian reef play. It is what Oil Basins calls a high-risk high-reward stratigraphic play-type.

Backreef is ready to drill and it is hoped a rig could be secured in time for the first well to spud in next month or August.