

What oil shale means for Victoria

Victoria as a major oil and gas province

Victoria, as a major energy province, has well established infrastructure in place for oil and gas production in the Otway Basin. Although some offshore producers in the Bass Strait have been operating for almost 50 years, conventional gas reserves in Victoria are expected to be substantially depleted by 2030, indicating a need for new onshore and offshore energy source discoveries and production technologies, as demand increases.

Victoria's oil shale opportunity

Victoria's manufacturing industry is vulnerable and, without new and secure sources of revenue, commerce will move interstate or overseas and job losses will continue. Mecrus Resources have identified a shale-hosted oil and gas opportunity in Western Victoria, close to existing infrastructure and East Australian markets, differentiating it from remote unconventional basins. It is Mecrus Resources' aim to invest in Victoria's economic development, security and job growth through oil shale exploration and production.

Benefits for all Victorians

There are a number of modelling reports that speculate on the future price of gas in East Australia. With an open market, gas prices are set to increase in the next decade by up to 200%. This would be detrimental to Victorian households and industries that require gas to operate. With sustainable management of oil shale production, Mecrus Resources estimates that its activities would boost the economy, create jobs, and develop and strengthen regional Victorian communities, thus helping to alleviate urban population swell.

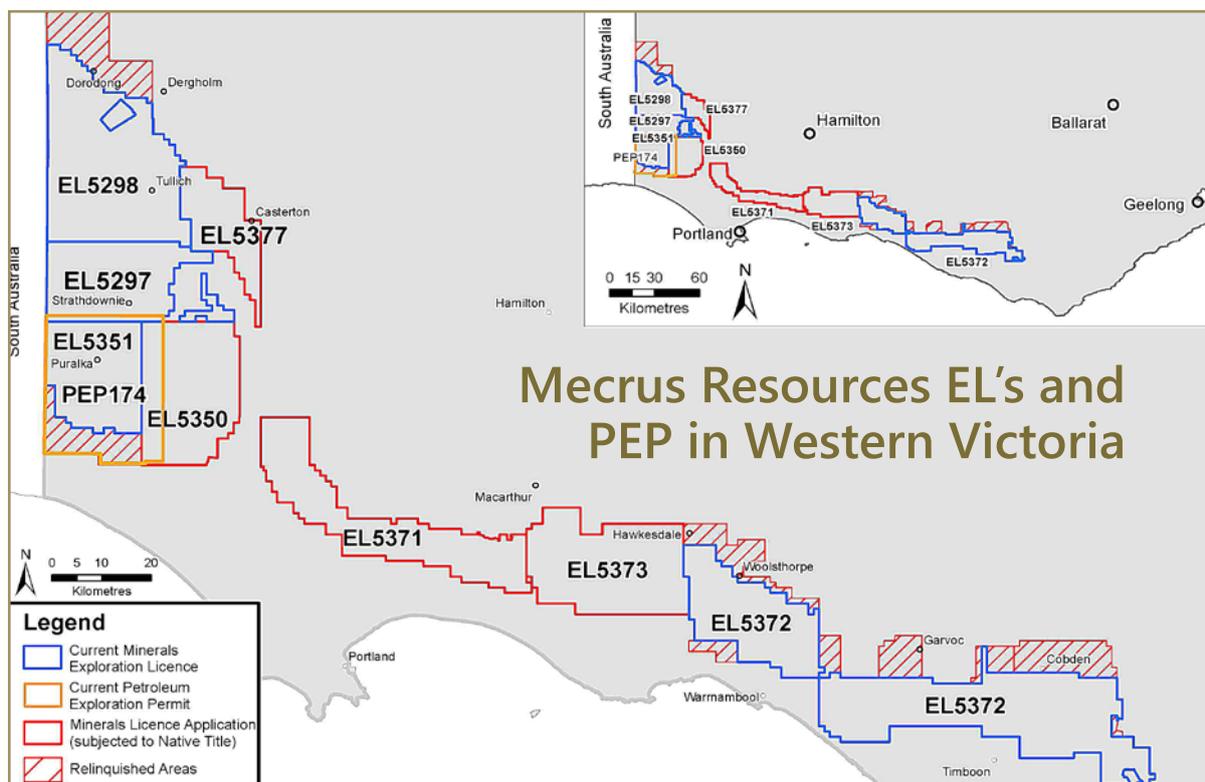
Mecrus Resources and Oil Shale

Mecrus Resources Corporate Social Responsibility

Mecrus Resources values people, cultural heritage, flora and fauna, and adheres to the Australian Minerals Industry Framework for Sustainable Development. As a proud Victorian company and responsible corporate citizen, Mecrus Resources is committed to respect, transparency and working collaboratively with landowners and communities. With its team consisting of passionate and environmentally aware geoscientists, Mecrus Resources seeks to explore Victoria's natural resources sustainably and ethically, for the benefit of all.

Mecrus Resources oil shale exploration

Mecrus Resources currently holds several onshore Exploration Licenses (EL's) and a Petroleum Exploration Permit (PEP) in the Otway Basin in Victoria. The EL's and PEP provide Mecrus Resources with permission to explore for conventional and unconventional oil and gas, including hydrocarbons in oil shale. Mecrus Resources has undertaken systematic and comprehensive reviews of technical information, including geological, hydrogeological, geophysical, and geochemical studies, to discover potential resources and evaluate associated risks.



Frequently Asked Questions

What is oil shale?

Oil shale has been identified by Geoscience Australia as “a fine-grained sedimentary rock containing large amounts of organic matter (kerogen), which can yield substantial quantities of hydrocarbons.”

How does exploration affect communities & landowners?

Exploration involves a long process of testing samples and, if oil shale is believed to exist, further tests – including drilling - are undertaken before proceeding with production. Drilling involves a vertical well approximately 3500 metres kb, followed by a horizontal lateral well approximately 2000 metres across, into the most prospective section of the vertical well. Production related damage to local natural resources - including aquifers, agriculture and livestock - is improbable.

Will Mecrus Resources be using fracking?

Fracking is a technology used to enhance the flow of oil and gas from a well after drilling. When fracking is completed, the well can produce oil and/or natural gas for many years. Fracking is a process by which a mixture of water, sand and chemicals is injected into a cavity to increase flow rates in naturally occurring fractures. Fracking at the deep level of oil shale is not expected to increase seismic activity or have any effect on the surrounding environment or water supply. At this stage, Mecrus Resources is investigating all methods of maximising yields on potential production activities, including alternative technologies.

Frequently Asked Questions

How is exploration and production regulated in Victoria?

With offshore production since 1969, Victoria has in place some of the world's most stringent natural resource legislation and regulation. Mecrus Resources fully complies with these, and has also adopted best practice as advised by the Mineral Council of Australia's Enduring Value Framework. Surface operations to produce unconventional hydrocarbons are identical to that for conventional hydrocarbons. Accordingly, all operations to explore for and produce hydrocarbons would be in accordance with world-class good oilfield practice.

Where can I find out more?

The Mecrus website contains further information on Mecrus Resources initiatives and company news. You can also join the Mecrus mailing list to stay informed of developments at Mecrus Resources. Please visit our website: www.mecrus.com.au

Further reading on oil shale and mineral exploration in Victoria can be found at:

- Minerals Council of Australia:
www.minerals.org.au
- Victoria Energy and Resources:
www.energyandresources.vic.gov.au
- Geoscience Australia:
www.ga.gov.au
- Victoria Onshore Gas:
www.onshoregas.vic.gov.au

Who can I contact at Mecrus Resources?

Mecrus Resources is committed to engaging the people of the community, landowners and stakeholders, and welcomes all enquiries.

Please email: resources@mecrus.com.au