



Program sparks Arc

■ By Michael Weir

ARC Energy shares jumped more than 7 per cent yesterday as the Perth-based company revealed detailed plans for its latest drilling program in the onshore Perth Basin near Dongara.

Arc said the Kingia-1 oil prospect would be drilled in late next month or early January, following the completion of the Eremia-2 horizontal well.

Arc and its equal joint venture partner Origin Energy have also agreed to drill the Xyris-1 gas exploration well, east of Hovea, and set aside money for a third well.

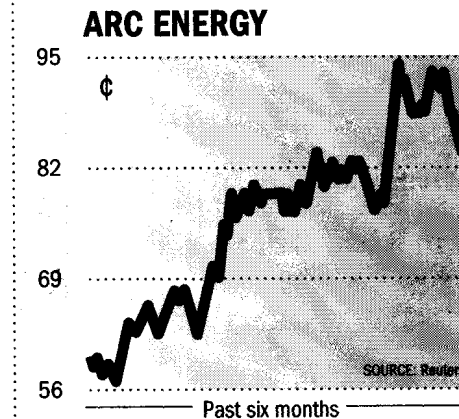
Arc managing director Eric Streitberg said the development of the Hovea and Eremia oilfields had kept the company focused since May and now it was able to look at exploration.

"We will take the exploration program a step at a time, with Kingia being an exciting high-risk, high-reward start to the program," he said.

"Although it would be great to see a continuation of the 100 per cent success rate the area has enjoyed so far, we know that the odds are that we will drill some dry holes, but if and when we do drill them, they will only help us focus on the better parts of what is one of the most prospective areas in onshore Australia."

Arc shares jumped 6¢ to 90¢ yesterday.

Meanwhile, junior nickel explorer Pioneer Nickel is set to list next week after



closing its \$5.5 million initial public offering oversubscribed.

Pioneer is the spin-off of the sulphide nickel assets of Heron Resources.

Its seven nickel sulphide projects are mostly in the highly sought after nickel belts in WA's eastern Goldfields.

Pioneer managing director David Crook said Pioneer had already booked drill rigs to start exploration at its Acra prospect.

He said the drilling would follow up strong downhole electromagnetic targets.

Aeromagnetic and electromagnetic surveys will be completed at two other prospects, Wattle Dam and Higginsville, within two months of listing.