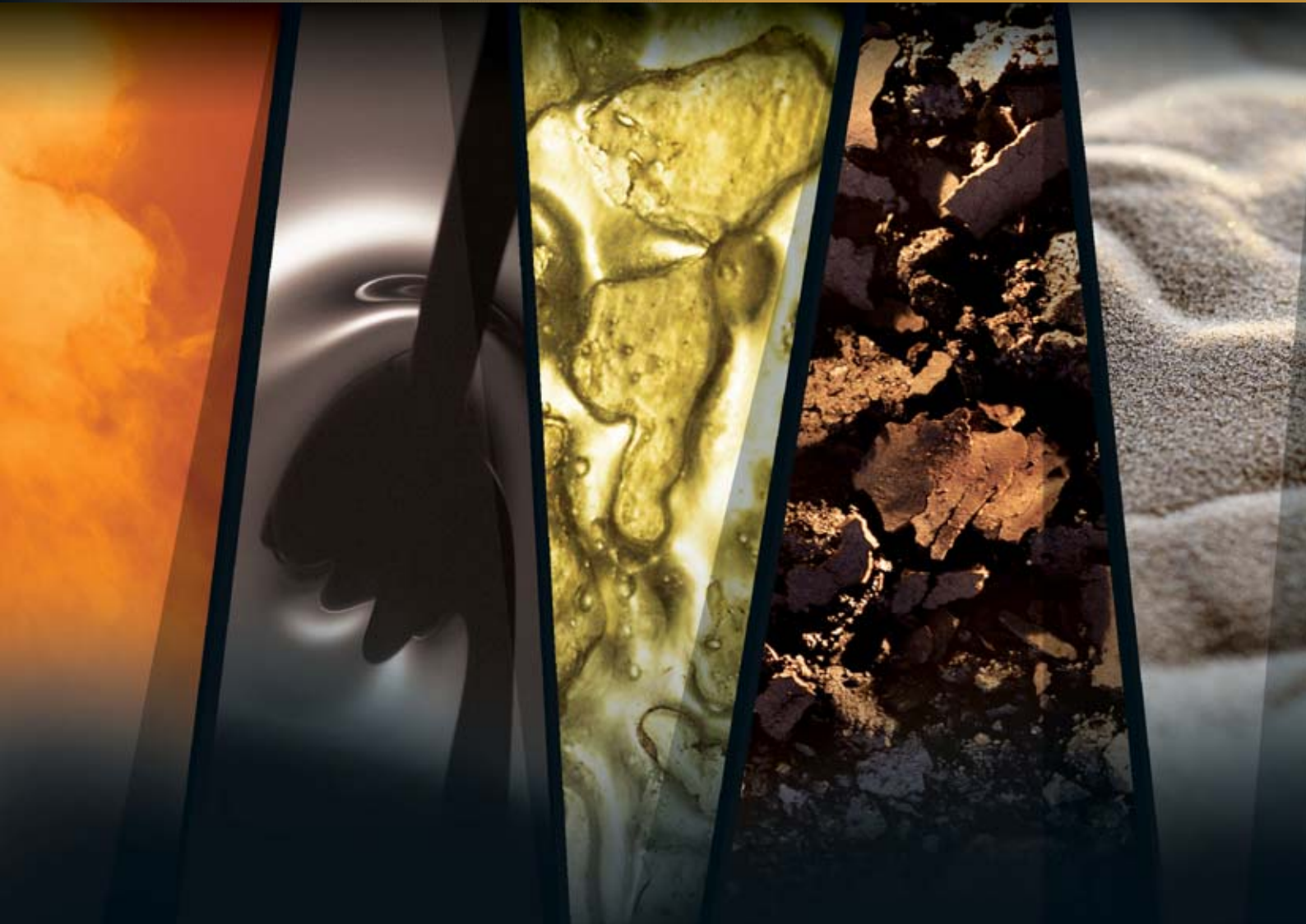


DEPARTMENT OF
PRIMARY INDUSTRIES



Victoria

Rediscover the potential

Victoria, Australia, is a significant player in the earth resources industry and is in the midst of a modern-day resources resurgence.

The state offers an excellent investment environment in which great prospectivity, low sovereign risk, world-class geoscience data and a fair and transparent approvals process combine to make it the perfect platform for business growth.

More than A\$2 billion in new resource projects was committed in 2006, while the state's resources industry turns over A\$4 billion each year.

Victoria has a strong, robust economy and a stable State Government that actively supports and promotes industry and strives to reduce regulatory burden.

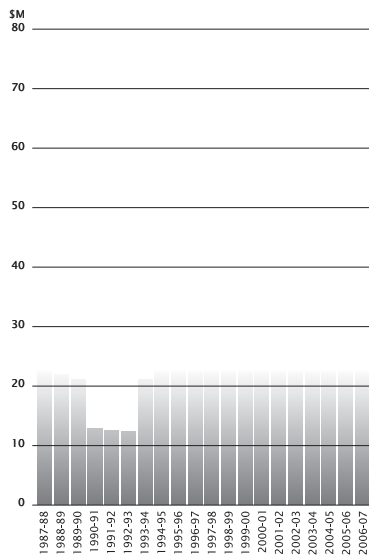
It also boasts a skilled workforce, competitively priced energy, sophisticated infrastructure close to markets and ports, and a relaxed, multicultural lifestyle.

More opportunities for exploration and development

Despite natural mineral endowments and a range of modern exploration techniques, Victoria is largely unexplored. Many mineral deposits exist below 19th century depth limitations or underneath sedimentary cover, offering huge potential for reopening old mining areas or making new discoveries.

The state has excellent prospectivity for gold, brown coal, petroleum products and mineral sands with an emerging geothermal energy sector.

Australian Bureau of Statistics figures show an impressive trend for mineral exploration expenditure in Victoria reaching a record of A\$82.5 million in 2006/7, the highest since records began in 1988.



Annual mineral exploration expenditure in Victoria (1987-2007)

Source: Australian Bureau of Statistics



- Victoria** A Snapshot
- Location **SE Australia**
- Capital City **Melbourne**
- Population **5 million**
- Size **227, 600 sq kilometres**
- Economy **3.6 % annual compound growth over past 10 years**
- Represents **25 % of Australian economy**
- Business Environment **AAA Rating (Moody's Investor Ratings 2007)**
- Access **Melbourne Airport - 24/7 freight airport**
Port of Melbourne - largest and most modern container port in Australia



Commodity snapshot

Gold With the gold price reaching record levels, Victoria's rich gold fields are once again attracting local and international resources industry attention. New discoveries are being made in areas of Victoria mostly untouched by modern exploration. Geological innovation at mines such as Stawell and Fosterville has revealed significant new gold resources and estimates suggest Victoria could contain another 20-80 million ounces of gold with a potential market value of A\$60 billion.

Coal Victoria's brown coal deposits are amongst the worlds largest. In the Latrobe Valley alone there is an estimated 33 billion tonnes of potentially economic resources, including 13 billion tonnes currently unallocated. Its quality (low ash and minerals) is world class and suitable for electricity, conversion to liquid fuels and a variety of other uses. Victoria and the Latrobe Valley have extensive programs to encourage research and development of clean coal and carbon capture and storage technologies. The low cost electricity generated from brown coal provides the powerhouse for Victorian industries.

Mineral sands The discovery of massive deposits of zircon, rutile and ilmenite in the Murray Basin has sparked exploration and development of a new mineral province. Iluka's Douglas mine and mineral separation plant is set to produce 110,000 tonnes of zircon and 70,000 tonnes of rutile valued at A\$120 million each year. New projects are also set to come on stream shortly.

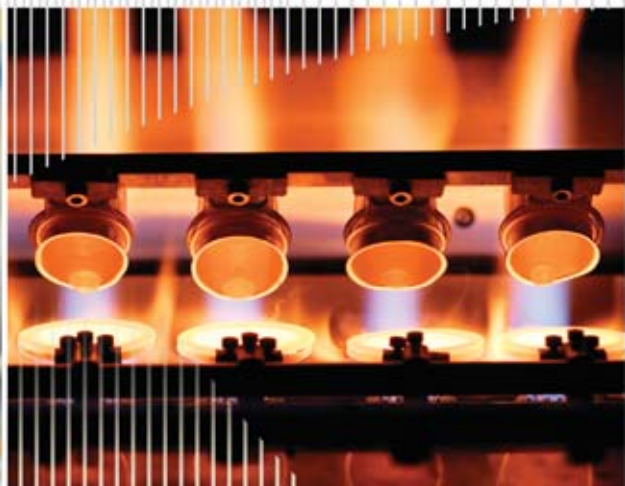
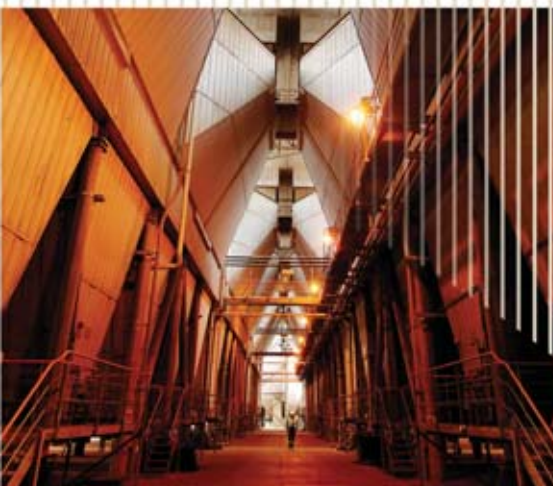
Oil and gas Strong petroleum exploration and development activity in Victoria has attracted nearly A\$2 billion in investment, 1,700 construction jobs and 180 permanent jobs in petroleum field development projects since 2000. Global demand for oil and increasing domestic demand for gas has seen the expansion of the Victorian upstream petroleum sector. Production has expanded in the last five years with oil and gas being produced from the Bass Basin and the Otway Basin. Opportunities lie in the more mature Gippsland Basin, the recently developed Bass and Otway Basins and frontier areas in the western Otway and Sorrell Basins.

Base metals Strong global base metal prices have attracted applications to resume exploration for base metal deposits in eastern Victoria, and prices now suggest deposits, such as those at Benambra, may contain in-situ resources valued at up to US\$2 billion. Though Victoria is regarded as a greenfield area for nickel exploration, geological links between parts of Victoria and the highly prospective Mt Read Volcanics in Tasmania, together with Averbury analogues, provide new incentives for exploration. To assist exploration for nickel, GeoScience Victoria has completed a new study into Victoria's nickel prospectivity.

Geothermal energy The Victorian Government has set a long term target to reduce Victoria's emissions to 60% below 2000 levels, by 2050 and geothermal technology has the potential to provide clean, reliable and renewable energy to Victoria's power supply. Five companies have accepted permits to explore for sources of geothermal energy in Victoria. The companies have proposed work programs worth A\$64 million over five years.

Australia has the lowest sovereign risk in the mining world.

Source: Behre Dolbear and Company



Government committed to economic development

The Victorian Government actively supports and promotes the earth resources sector through a variety of initiatives, including:

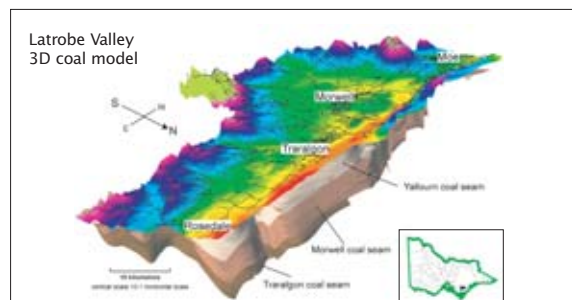
- **Gold Undercover:** a A\$9 million initiative to reduce exploration risk for discovery of gold deposits and enhance online data delivery
- **Rediscover Victoria:** investing A\$5 million to develop a whole-of-state 3D geological model and support a targeted drilling program in conjunction with industry
- **Latrobe Valley Resources:** a A\$1.5 million initiative to encourage new brown coal investment, including the production of export commodities such as low sulphur diesel, methanol, ammonia and urea
- **Energy Technology Innovation Strategy (ETIS):** investing A\$104 million for pre-commercial energy technology developments relating to brown coal development. ETIS will ensure Victoria's total investment in pre-commercial energy and related technologies delivers the best commercial and environmental outcomes.

Transparent, fair approvals

An efficient and effective approvals process is vital to attracting investment. Victoria's approvals process is transparent, fair and predictable and ensures all stakeholders are effectively consulted. Arrangements between native title claimants and the mineral industry have resulted in proforma access agreements for exploration, streamlining access in many areas of Victoria. The fact that over A\$2 billion in new projects was committed in 2006 demonstrates investors can get projects established and are enthusiastic about Victoria's resources.

World-class geoscience data

Victoria is developing a reputation as Australia's technology capital and investors have access to free, world-class and cutting edge geoscience data. The state is developing innovative applications of geoscience information to reduce exploration risk. Additionally, a comprehensive 3D geological model of the entire state will give the industry a better picture of the distribution of Victoria's earth resources, meaning more opportunities for new and existing explorers.



Victoria, a great place to live, work and invest

In 2006, the Australian economy was ranked the world's most resilient for the fifth consecutive year, providing a compelling case for investment. In addition, Australia's democratic society and stable system of government can provide business with the certainty it needs.

Melbourne provides a strong base for innovation with an advanced infrastructure, a highly educated workforce, and world class research institutions. Melbourne's attractive lifestyle, multicultural society and reputation for encouraging innovation and creativity will provide business with significant advantages.

It is a genuinely international city with a vibrant arts scene, a multicultural population, cosmopolitan cafes, restaurants, world renowned sporting events and much more.

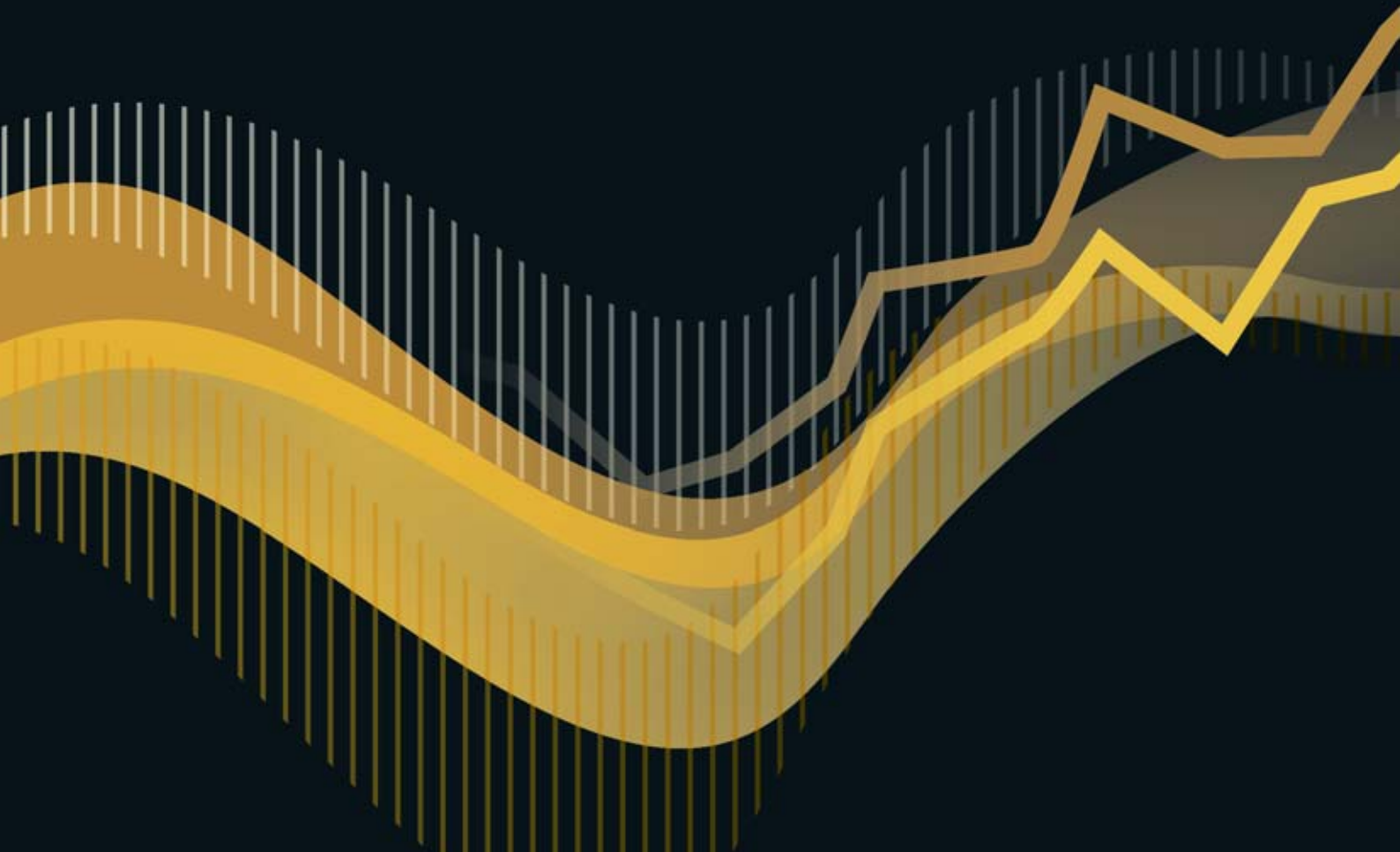


Key reasons to invest in Victoria

- Excellent prospectivity providing more opportunities to explore
- World-class pre-competitive and cutting edge geoscientific data reducing exploration risk
- A State Government which supports resource investment and research and development
- Low sovereign risk, a stable environment and a strong resilient economy
- Highly integrated infrastructure with one of the lowest energy costs in Australia
- Uniquely positioned industry to adapt to a carbon constrained economy
- An enviable lifestyle and access to a skilled work force
- A well established mining services sector
- A clear and consistent approvals process.



www.dpi.vic.gov.au/minpet



To invest in the wealth of mineral and petroleum opportunities
in Victoria, please contact

**Business Development & Technology Branch
Minerals & Petroleum Division
Department of Primary Industries**

Level 16, 1 Spring Street
GPO Box 4440 Melbourne 3001

Tel: + 00 61 3 9 658 4401

Fax: + 00 61 3 9 658 4499

Email: information.centre@dpi.vic.gov.au

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