

AUSTRALIAN PETROLEUM NEWS

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INDUSTRY
TOURISM
RESOURCES

Nomination of areas for the 2004 Offshore Acreage Release

The Commonwealth and State/NT governments are now calling for nominations from interested parties for vacant offshore areas to be considered for release in 2004.

Nominations are treated as "Commercial-in-Confidence", should be in writing, and be forwarded by 31 July 2003 to the relevant State/NT Department or the General Manager, Offshore Resources Branch, at the address below.

While expressing interest does not guarantee inclusion in the release, all nominations are considered seriously and are subjected to a rigorous phase of assessment and shortlisting.

In considering which areas to release, we look at whether there is a new geoscientific story, or a new market development, that might generate the interest of potential bidders. We also look at synergies with other industry activities such as drilling programs, spec survey proposals, the Geoscience Australia research agenda and the Australian Offshore Petroleum Strategy .

The shortlisted areas proposed for release will be advised to industry around November/December, through the *Australian Petroleum News*.

2003 Offshore Petroleum Exploration Acreage Release

New acreage for petroleum exploration off the Northern Territory, Western Australia, the Territory of Ashmore and Cartier Islands, Victoria, Tasmania and South Australia coastlines was released on 24 March 2003 by the Federal Minister for Industry, Tourism and Resources, Ian Macfarlane.

A total of 35 areas have been made available for open bidding by the petroleum exploration industry. This is the principal release of offshore acreage this year, with 18 areas closing for bidding on 25 September 2003 and the remaining 17 closing for bidding on 25 March 2004. They will be subject to the work program bidding system and any subsequent exploration permits will be awarded for an initial term of six years, with a maximum of two renewal periods each of 5 years.

Information on the release areas and application requirements can be found by visiting our website at www.industry.gov.au/petexp or requesting a free CD-ROM by e-mailing petroleum.exploration@industry.gov.au.

2002 Offshore Petroleum Exploration Acreage Re-Release

In general, any area that does not attract a successful bid may be re-released about two months after the original closure date for applications for that area. This year the 23 areas set out in the table on the following page are being re-released. Official gazette notices will be appearing in the relevant Government Gazettes in the near future. Bids for these areas will close on 25 September 2003.

The re-released areas are open to all interested bidders under the work program bidding system.

Award of offshore exploration permit in the Victorian adjacent area from the 24 October 2002 closing round

A new offshore exploration permit has been awarded from the closing round of 24 October 2002, details of which are set out below.

<u>Permit No</u>	<u>Basin</u>	<u>Area No</u>	<u>Date Granted</u>	<u>Successful Applicant</u>
Vic/P54	Gippsland	V02-2	08/04/03	Liberty Petroleum Corporation

In Vic/P54, during the first three years, the permittee will carry out a minimum guaranteed work program of geological and geophysical studies, 320km² of 3D seismic surveying and three exploration wells at an indicative cost of approximately \$A38 million. The secondary work program during the remaining 3 years of the initial permit term comprises geological and geophysical studies and an exploration well with a total indicative cost in excess of \$A10 million.

Permits are awarded for a term of six years under the work program bidding system, and each component of the program must be completed in the designated year or earlier.

Areas currently available for bidding

	Areas	Bid Closing Date
2002 Re-release areas	AC02-1, NT02-2 & 3, NT02-6 to 9, W02-1 to 5, 6, 9, 11, SA02-1 to 3, 6 to 8 and T02-3 & 4.	25 September 2003
2003 Release areas (1 st bidding round) [18 areas]	V03-1, T03-4, W03-7 to 15 and NT03-1 to 7.	25 September 2003
2003 Release areas (2 nd bidding round) [17 areas]	V03-2 to 4, T03-1 to 3, S03-1 to 2, W03-1 to 6 and AC03-1 to 3.	25 March 2004

Further information on any of these areas can be obtained by requesting a free CD-ROM by e-mailing petroleum.exploration@industry.gov.au, or by visiting our website at www.industry.gov.au/petexp.

Government announces new funding for Geoscience Australia

(Media Statement by Minister for Industry, Tourism and Resources, Ian Macfarlane, 13 May 2003)

Major investment in offshore oil exploration

Petroleum exploration in Australia received a major boost with the injection of an extra \$61 million into Geoscience Australia as part of the Federal Government's commitment to encouraging exploration in Australia's offshore waters.

The Minister for Industry, Tourism and Resources, Ian Macfarlane, announced the new funding which will be used over four years to provide vital geological and seismic data to companies considering oil exploration in Australian waters.

"Without major new discoveries, Australia's oil production is expected to fall by 40 per cent over the next ten years. This additional funding is an investment in maintaining an acceptable degree of national energy self-sufficiency," said Mr Macfarlane.

90 per cent of all oil exploration success in Australia since World War 2 has been directly underpinned by geoscience information and advice given by Geoscience Australia.

"The scientific data gathered and interpreted through the Geoscience Australia oil program is vital to attracting new private sector exploration investment. Geoscience Australia is the first stop for potential investors in our long-term energy security," he said.

The \$61 million funding will be divided into two pools.

The first, \$36 million, will be new core funding for Geoscience Australia's oil program. Importantly, this funding will be on-going. This enables the Government to provide basic geological data concerning Australia's offshore petroleum reserves free of charge – further proof of the importance the Government places on attracting investment.

"The Howard Government's commitment to unlocking this resource potential is on the table. We've responded to the call to maintain this free service. It's now up to the exploration industry to respond with similar vigour," said Mr Macfarlane.

"The industry talks of the need to find a new Bass Strait. The Howard Government is providing substantial support, free-of-charge, to help them in the search," he said.

The balance of \$25 million will fund Geoscience Australia's new Seismic Data Acquisition program for remote, untested frontier areas.

It will also enable the copying of more than half a million data tapes held by Geoscience Australia onto modern storage media. Preservation is necessary to ensure valuable seismic data is not lost because of the deterioration of old technology tapes.

Carbon Sequestration Leadership Forum

A Carbon Sequestration Leadership Forum is to be held in Virginia (USA) on 23-25 June 2003. The forum, at Ministerial level, is being organised by the US Department of Energy (DOE). Australia, Brazil, Canada, China, Colombia, the European Commission, India, Italy, Japan, Mexico, Norway, the Russian Federation, South Africa and the United Kingdom have been invited to participate.

The US intends that the Forum will address policies and environmental and technical issues associated with the development of geo-sequestration as a viable greenhouse response measure. It will also design a pathway for the development and trialling of sequestration technologies for the capture of greenhouse gas emissions at source and identify relevant research projects. Individual countries would then be able to nominate projects they would lead with other countries joining activities which fitted their national agendas. Participation in the Forum is voluntary. The US envisages that the Forum would be formalised under a Charter and meet twice a year. By bringing together key countries the Forum has the potential to give greater focus to international work in this area, which is being undertaken in several countries including Australia, Canada, the UK, Norway and Japan.

The Australian Government welcomes the US initiative and will be sending a high level delegation to the Forum. In addition, a representative from the Australian Petroleum Production & Exploration Association (APPEA) will be attending on behalf of the Australian petroleum industry. Australian research in recent years shows that underground sequestration offers great potential in conjunction with other greenhouse response measures to address Australia's future greenhouse gas emissions.

ChevronTexaco has proposed Australia's first large scale carbon sequestration project in the oil and gas industry in conjunction with the proposed Gorgon development. The offshore Gorgon gas fields are located approximately 200 kilometres west of Dampier, on the northwest coast of Western Australia. As part of the Gorgon development concept, saline aquifers under Barrow Island are being considered for carbon sequestration.

For further information, please contact John Karas, Manager - Coal Industry, Resources Division, Department of Industry, Tourism and Resources, telephone +61 2 6213 7815, E-mail John.Karas@industry.gov.au.

Australian Petroleum Statistics

The Australian Petroleum Statistics monthly publication is now available via e-mail in Microsoft Excel format, with the March 2003 edition out now. The publication contains statistics on petroleum production, refining, consumption, and stocks. Also available in the January issue are petrol prices and taxes in OECD Countries for the September quarter. Subscriptions cost \$270 annually or \$27 per issue. Copies can be obtained by contacting Ms Rae Fisher on +61 2 6213 7967, or alternatively by e-mail at rae.fisher@industry.gov.au. Archived issues are now also available electronically.

Staff Changes

We welcome Rangarajan Parimala who has joined the Offshore Resources Branch on a secondment for 6 months from the Northern Territory Government. Ranga will be helping with a variety of projects, including the preparation of protocols to improve Commonwealth-State/NT administration under the *Petroleum (Submerged Lands) Act 1967*.

Are you on our distribution list?

If you or your colleagues would like to receive future annual Offshore Petroleum Exploration Acreage Releases on CD-ROM and/or be notified when new editions of this Newsletter are issued, simply forward your address, phone/fax and e-mail details to the e-mail address below.

There is no charge for this service or the CD-ROM. This distribution list is not used for purposes other than notifying registered parties of relevant petroleum issues, as indicated above.

This occasional newsletter was prepared by the Resources Division, Department of Industry, Tourism and Resources, Canberra, Australia.

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