



AUSTRALIAN PETROLEUM NEWS

AUGUST 2003

Award of new offshore exploration permits.

A total of nine new offshore exploration permits in the Western Australia, Tasmania and Northern Territory adjacent areas have recently been granted.

The work program commitments for the awarded permits are valued at over A\$193 million over the next six years. The permits range from small tracts close to producing oil fields, through to large, deepwater frontier areas.

Four of the permits result from bids for offshore petroleum acreage in the bidding round that closed on 10 April 2003. The award of further permits from this round is expected to be announced soon. The other permits are the last to be awarded from the round that closed on 24 October 2002.

Details of the latest offshore exploration permits awarded are set out below.

<u>Permit No</u>	<u>Basin</u>	<u>Area No</u>	<u>Date Granted</u>	<u>Successful Applicant(s)</u>
NT/P65	Bonaparte	NT02-1	22 April 2003	National Oil and Gas Pty Ltd Australian Natural Gas Pty Ltd Nations Natural Gas Pty Ltd
NT/P66	Bonaparte	NT02-4	26 June 2003	Nexus Energy Australia NL
T/34P	Otway	T02-1	17 July 2003	Woodside Energy Ltd Origin Energy Resources Ltd
WA-341-P	Browse	W01-3	29 May 2003	Batavia Oil & Gas Pty Ltd, Hawkestone Oil Pty Ltd, Alpha Oil & Natural Gas Pty Ltd Goldsborough Energy Pty Ltd
WA-342-P	Browse	W01-4	29 May 2003	Batavia Oil & Gas Pty Ltd Hawkestone Oil Pty Ltd Alpha Oil & Natural Gas Pty Ltd Goldsborough Energy Pty Ltd
WA-343-P	Browse	W01-2	11 June 2003	National Gas Australia Pty Ltd
WA-344-P	Browse	W01-6	11 June 2003	National Gas Australia Pty Ltd
WA-345-P	Carnarvon	W02-14	11 July 2003	OMV Timor Sea Pty Ltd OMV Petroleum Pty Ltd

Permit NT/P65 has a guaranteed program for the first three years of geological and geophysical studies, seismic reprocessing and 750km of new 2D seismic surveying at an estimated cost of \$1.7m. The consortium also proposed a secondary program of geological and geophysical studies and a well at an estimated cost of \$15.45m. There were no other bids for the area.

Permit NT/P66 has a guaranteed program for the first three years of seismic reprocessing, 2000km of new 2D seismic surveying, 200km² of new 3D seismic surveying and a well at an estimated cost of \$17.55m. The company has also proposed a secondary program of geological and geophysical studies and a well at an estimated cost of \$13.2m. There were no other bids for the area.

Permit T/34P has a guaranteed program for the first three years of geological and geophysical studies, 452 km² of new 3D seismic surveying and a well at an estimated cost of \$40.0m. The consortium also proposed a secondary program of geological and geophysical studies, 1036 km of 2D seismic surveying and geological and geophysical studies at an estimated cost of \$3.7m. There was one other bid for the area.

Permit WA-341-P has a guaranteed program for the first three years of geological and geophysical studies, seismic reprocessing and 400km of new 2D seismic surveying at an estimated cost of \$1.4m. The consortium also proposed a secondary program of geological and geophysical studies and 1 well at an estimated cost of \$15.45m. There were no other bids for the area.

Permit WA-342-P has a guaranteed program for the first three years of geological and geophysical studies, seismic reprocessing and 500km of new 2D seismic surveying at an estimated cost of \$1.4m. The consortium also proposed a secondary program of geological and geophysical studies and a well at an estimated cost of \$15.45m. There was one other bid for the area.

Permit WA-343-P has a guaranteed program for the first three years of geological and geophysical studies and 300km of new 2D seismic surveying at an estimated cost of \$1.05m. The company also proposed a secondary program of geological and geophysical studies and a well at an estimated cost of \$18.4m. There were no other bids for the area.

Permit WA-344-P has a guaranteed program for the first three years of geological and geophysical studies and 200km of new 2D seismic surveying at an estimated cost of \$0.7m. The company also proposed a secondary program of geological and geophysical studies and a well at an estimated cost of \$18.3m. There were no other bids for the area.

Permit WA-345-P has a guaranteed program for the first three years of 50km of new 2D seismic surveying and geological and geophysical studies at an estimated cost of \$0.35m. The companies also proposed a secondary program of a well, geological and geophysical studies and 100km of new 2D seismic surveying at an estimated cost of \$7.4m. There were no other bids for the area.

Permit WA-346-P has a guaranteed program for the first three years of seismic data purchase, 120km² of new 3D seismic surveying and geological and geophysical studies at an estimated cost of \$4.04m. The company also proposed a secondary program of geological and geophysical studies and a well at an estimated cost of \$17.45m. There were no other bids for the area.

The permits are awarded for a term of six years under the work program bidding system, and each component of the programs 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, T02-3 & 4, W02-1 to 5, 6, 9 & 11, S02-1 to 3, 6, to 8.	25 September 2003
2003 Release areas (1st bidding round) [18 areas]	V03-1, T03-4, W03-7 to 15 and NT03-1 to 7.	25 September 2003
2003 Release areas (2nd 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

The policy to re-release areas not successfully bid on was adopted to enable permit holders to maintain their good standing after a permit is cancelled. At the same time, the re-released areas are open to all interested bidders under the work program bidding system.

Further information on these areas and application requirements can be found by visiting our website (www.industry.gov.au/petexp) or requesting a free CD-ROM.

Nominations closed for the 2004 Offshore Acreage Release

Thank you to all those companies who nominated acreage to be released in 2004. Nominations for the 2004 release closed on 31 July 2003.

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

An indication of the areas proposed for release in the 2004 offshore acreage release will be announced through this newsletter around late November 2003. While these areas are still subject to change, it is highly unlikely that other areas will be added at that time. Details on the proposed areas will not be provided prior to the 2004 release date of 24 March 2004.

LNG in Korea: Opportunities for Growth

A new report which examines the opportunities for growth in the Republic of Korea's LNG market has been released. The objective in this report is to assess the potential growth in natural gas demand in Korea over the period to 2015. Korea's current and projected gas supply situation over the medium to longer term is also reviewed. Potential sources of LNG supply in the Asia Pacific market, including Australia, are examined, as well as the feasibility of pipeline natural gas supply to Korea from the Russian Federation.

The report found Korean natural gas demand is projected to grow by 5 per cent a year to reach 33 million tonnes in 2015, compared with 18 million tonnes in 2002. This demand growth will create opportunities for Australia's LNG industry.

Publication date: 21 August 2003

For copies of *LNG in Korea: Opportunities for Growth* please visit the ABARE web site www.abareconomics.com or contact +61 2 6272 2010.

Update on Commonwealth Petroleum (Submerged Lands) (Datum) Regulations

The *Petroleum (Submerged Lands) (Datum) Regulations 2002*, which implement the adoption of the Geocentric Datum of Australia (GDA) under the Commonwealth *Petroleum (Submerged Lands) Act 1967* (the PSL Act), commenced 12 months ago.

Since then, all new and renewed titles issued to industry-members under the PSL Act have been required to show the GDA as the datum for describing the location of points on the Earth's surface.

Certain transitional arrangements have also been in force, including provisions applicable to industry-members submitting to the regulator documents that mention geographic coordinates.

However, the date 12 months after the Regulations came into effect marks a new milestone. From 29 August 2003, a document showing geographic coordinates which is submitted to the regulator for a purpose under the PSL Act must generally be referenced to the GDA in order to serve its intended purpose. The document must also specify the GDA as the datum. Exceptions include documents prepared for another purpose, eg internal company documents which are submitted as attachments, and documents prepared before 29 August 2003.

The Regulations can be accessed on the Internet through <http://scaleplus.law.gov.au>. On the index page, click on "Statutory rules – Current Consolidations" and then choose the index line "Pe". Scrolling down, the *Petroleum (Submerged Lands) (Datum) Regulations 2002* can then be easily located.

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Australian Petroleum Statistics

The *Australian Petroleum Statistics* monthly publication is now available via e-mail in Microsoft Excel format, with the June 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.

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