



Australian Government

**Department of Industry
Tourism and Resources**

AUSTRALIAN PETROLEUM NEWS

NOVEMBER 2004

Offshore exploration acreage proposed for release in 2005

The map attached at the end of this edition indicates the areas currently proposed for release in 2005.

This preliminary advice is provided to allow industry greater lead time to assess areas and to facilitate acquisition of speculative seismic data. It should be noted that while the proposed areas have not been finalised and are still subject to change, it is highly unlikely that any additional areas will be added at this stage of the process.

Award of three new offshore exploration permits

Three offshore petroleum exploration permits in Victoria adjacent areas have recently been granted.

All permits were awarded under the work program bidding system for an initial term of six years with a maximum of two renewals each of five years. The permits result from bids for offshore petroleum acreage in the bidding round that closed on 25 March 2004.

The work program commitments for the awarded permits are valued at more than A\$115 million over the next six years. Each component of the work program must be completed in the designated year or earlier.

All three permits result from the 2003 acreage release.

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

<u>Permit</u>	<u>Basin</u>	<u>Area No</u>	<u>Grant Date</u>	<u>Successful Applicant(s)</u>
VIC/P58	Gippsland	V03-2	31 Aug 04	Apache Northwest Pty Ltd.
VIC/P59	Gippsland	V03-3	13 Oct 04	Sita Oil Exploration House Inc
VIC/P60	Gippsland	V03-4	29 Oct 04	Holloman Corporation, Australian -Canadian Oil Royalties Ltd, Robert Thorpe and Ely Sakhai

Permit Vic/P58 (originally released as V03-2) in the Gippsland Basin has been awarded to Apache Northwest Pty Ltd. The company proposed a guaranteed program for the first three years of geological and geophysical studies, purchase of 362 square kilometres of 3D seismic data, acquisition of 400 kilometres of 2D seismic data and one well at an estimated cost of \$10 million. The company also proposed a secondary program of geological and geophysical studies, seismic mapping and interpretation, acquisition of 800 kilometres of 2D seismic data and one well at an estimated cost of \$6.44 million. The permit was awarded on 31 August 2004. There was one other bid for the area.

Permit Vic/P59 (originally released as V03-3) in the Gippsland Basin has been awarded to Sita Oil Exploration House Inc, which proposed a guaranteed program for the first three years of studies and the purchase of 882 square kilometres of 3D seismic data and three wells at an estimated cost of \$70.95 million. The company also proposed a secondary work program of geological and geophysical studies and one well at an estimated cost of \$12.8 million. There were three other bids for the area.

Permit Vic/P60 (originally released as V03-4) in the Gippsland Basin has been awarded to a consortium comprising Holloman Corporation, Australian-Canadian Oil Royalties Ltd, Robert Thorpe and Ely Sakhai which proposed a guaranteed program for the first three years of geological and geophysical studies, reprocessing of existing seismic data, acquisition of 120 square kilometres of new 3D seismic data at an estimated cost of \$2.4 million. The consortium also proposed a secondary work program of geophysical studies and one well at an estimated cost of \$12.4 million. The permit was awarded on 29 October 2004. There were no other bids for the area.

Re-release of 2004 areas

The following areas from the 30 September 2004 close of bidding round of the 2004 acreage release have been re-released:

T04-1
W04-10

These two areas did not attract any bids and, as per normal practice, have been re-released at the discretion of the relevant Joint Authorities.

The policy of re-releasing areas was introduced to enable companies to fulfil their obligations under a good standing arrangement after cancellation of an exploration permit. However, the re-released areas are open to all interested bidders under the work program bidding system.

The areas are now available for bidding until 31 March 2005.

For further details, follow the links from: www.industry.gov.au/petexp.

Areas currently available for bidding

	Areas	Bid Closing Date
2004 Re-release areas	T04-1 and W04-10	31 March 2005
2004 Release areas (2 nd bidding round) [20 areas]	AC04-1 to 4, T04-2 to 5, W04-1 to 5 & W04-15 to 17, NT04-1 to 3 and V04-2	31 March 2005

Further information on these areas and application requirements can be found by visiting website www.industry.gov.au/petexp or by requesting a free CD-ROM by e-mail: petroleum.exploration@industry.gov.au.

Offshore Petroleum Exploration Incentive

The offshore petroleum exploration incentive that was announced by the Government on 11 May 2004 requires an amendment to the *Petroleum Resource Rent Tax Assessment Act 1987* for the incentive to come into force. At this stage, we expect that the Bill implementing the 150% uplift will be introduced into Parliament late this year.

For details of the incentive, see the lead article in the May 2004 edition of the Australian Petroleum News.

Promotion of 2005 Australian offshore acreage

Representatives from the Department of Industry, Tourism and Resources and Geoscience Australia will be available to discuss the 2005 Australian offshore acreage at the following conferences:

NAPE Houston, USA 25-27 January 2005
(North American Prospect Expo)

APPEA Perth, Australia 10 -13 April 2005
(Australian Petroleum Production and Exploration Association)

AAPG Calgary, Alberta, Canada 19-22 June 2005
(American Association of Petroleum Geologists)

Seminars will also be held in Beijing, Tokyo, Seoul and Taiwan in April/May 2005 (dates not set yet).

We would be happy to organise private meetings with companies in conjunction with these events. E-mail: petroleum.exploration@industry.gov.au.

Do you want to advertise in the 2005 Acreage Release Package?

The acreage release package on CD-ROM is now distributed to around 1,100 people in the industry, both domestically and internationally (including USA, Canada, Japan, Korea, China, India, Europe and the UK).

Support industries, such as seismic companies, are able to advertise their products and services that are *applicable to the areas in the release package*.

Companies interested in advertising in the 2005 release package should register their interest (no obligation) by e-mailing: petroleum.exploration@industry.gov.au Advertising is placed on the CD-ROM, and can be hot-linked to your company internet address. The release package may also be accessed on the DITR website which will include the hotlinks.

The cost will be A\$2,200 (incl 10% GST), for the equivalent of up to 4 x A4 pages or A\$1,100 (incl 10% GST) for 2 x A4 pages. Expressions of interest should be received by 24 December 2004, with PDFs of the material to be forwarded to the above e-mail address by 28 January 2005.

Geoscience Australia News

Southwest Frontiers Geophysical Survey

Geoscience Australia's Southwest Frontiers seismic survey commenced on October 20th, and is due to finish by the end of November. The survey aims to collect industry standard seismic data from basins on the south western Australian continental margin that are not currently held under permit. These basins include the Vlaming Sub-basin (Perth Basin), the Mentelle Basin, and the Bremer Sub-basin (western Bight Basin). Veritas's seismic vessel, the M/V Pacific Sword, has been contracted to undertake the survey for Geoscience Australia. The Vlaming-Mentelle leg of the survey was completed on November 4th, with a total of 1400km of seismic data acquired from eight regional lines. This is the first seismic data acquired from the Mentelle Basin since 1972 and from the Vlaming Sub-basin since 1993. Surveying is currently underway in the Bremer sub-basin, with 600km of seismic data acquired from seven seismic lines. It is hoped that a further 900km of seismic data will be acquired from the Bremer Sub-basin area before the survey wraps up shortly. This is the first seismic data to be acquired from the Bremer Sub-basin since 1974. Seismic data from the Southwest Frontiers Survey (including field tapes) with basic on-board processing (Radon de-multiple/DMO/Stack/Migration) will be available at cost of transfer by April 2005. Further information can be obtained from Barry Bradshaw at Geoscience Australia (phone +61 2 6249 9035, fax +61 2 6249 9980, email: barry.bradshaw@ga.gov.au).

New Products

The Australian Petroleum Accumulations (APA) Report 5, 2nd Edition, Bonaparte Basin is the fifth report in a series of twelve. The report series describes the petroleum accumulations identified within Australia's onshore and offshore petroleum bearing sedimentary basins. APA Report 5, Bonaparte Basin was first published in 1989. The second edition has been revised, expanding the updating and contains information on the sixty eight petroleum accumulations discovered in the Bonaparte Basin to

December 2002. The publication includes detailed descriptions of the geology of the basin, its evolution and exploration history, together with technical data on the petroleum accumulations discovered in the basin, to date. The report includes over eighty figures and two colour plates and will be a useful reference source for any explorer interested in the acreage on offer in the Bonaparte Basin. The report is available as a free downloadable .pdf file from the Geoscience Australia website http://www.ga.gov.au/about/corporate/ga_authors/publications_free.jsp#marine

Geoscience Australia Record 2004/06 *Preliminary evaluation of the petroleum potential of Australia's central eastern margin* by A.E. Stephenson & G.J. Burch is now available from the Geoscience Australia Bookshop. The Record includes both hard copy and a CD-ROM containing a .pdf file of the material.

The authors have assessed the petroleum potential of the coast-straddling basins north of Bass Strait to the southern boundary of the Great Barrier Reef Marine Park. A large amount of formerly dispersed geological information has been captured in this Record, which should be of interest to professionals and students working in the area. The basins assessed are the Sydney, Lorne, Nymboida, Ipswich, Clarence-Moreton, Nambour and Maryborough Basins. Whilst some basins have limited oil potential in specific areas, the best petroleum potential in the region is for gas. Given the large population centres along the eastern margin, even small petroleum discoveries in this region would be likely to be economic.

Further information on these and other petroleum related products can be obtained from the Geoscience Australia Sales Centre, phone +61 2 6249 9966, fax +61 2 6249 9960 or email sales@go.gov.au

Review of Fees under the Petroleum (Submerged Lands) Act 1967 (PSLA)

The Division is pleased to advise that as a result of a recent review of the PSLA fees, annual title fees will decrease by 30%. This is the amount of offshore petroleum regulatory expenditure that officials have determined is related to the regulation and administration of safety functions and reflects the transfer of these functions to the National Offshore Petroleum Safety Authority.

There is a small increase in all other non-annual fees to reflect actual and forecast changes in the CPI between March 2003 (when the current fees were introduced) and 1 January 2005.

The Federal Executive Council approved, the new charges (shown in the Schedule below) on 18 November 2004. The revised charges will commence on 1 January 2005.

**SCHEDULE OF FEES - PETROLEUM (SUBMERGED LANDS) ACT 1967
AND RELATED ACTS**

<u>Fee Description</u>	Current Fee	Revised Fee effective 1/1/2005
	(\$)	(\$)
<u>Annual Fees</u>	72	55
Permit - per block (inc GST)	(\$1,500 minimum)	(\$1,100 minimum)
Retention lease - per block (inc GST)	8,600	6,600
Production licence - per block (inc GST)	25,800	19,800
Infrastructure licence - per title (inc GST)	18,000	13,200
Pipeline licence - per km (inc GST)	115	88
<u>Other Fees</u>		
Application fee for exploration permit	3,900	4,040
Application fee for an exploration permit by way of cash bidding	1,560	1,615
Application for exploration permit in respect of surrendered blocks etc	3,900	4,040
Application for renewal of exploration permit	1,560	1,615
Application fee for a retention lease	1,560	1,615
Application fee for retention lease in respect of an unused area under a production licence with an indefinite term	1,560	1,615
Application for a retention lease renewal	1,560	1,615
Application for a production licence	1,560	1,615
Application for a production licence in respect of surrendered blocks etc	3,900	4,040
Application for a production licence in respect of individual blocks	780	810
Application for renewal of a production licence	1,560	1,615
Application for Infrastructure Licence	1,560	1,615
Application for a pipeline licence	3,900	4,040
Application for the variation of a pipeline licence	780	810
Entries in register of devolution of title etc	78	81
Change of company name	78	81
Search fee	16	17
Supply of a certified extract from the register	3.00	3.10
Certificate - evidentiary provision	39	40
Application for a special prospecting authority	780	810
Borrowing data and material	33	34
Minimum fee - transfers & dealings	780	810
Related corporations	3,900	4,040

Australian Petroleum Statistics

The September 2004 issue of the *Australian Petroleum Statistics* monthly publication is now available, containing statistics on petroleum production, refining, consumption, and stocks. This issue also contains the comparison of OECD petrol and diesel prices for the June quarter. The 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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ITR 2004/162

