



Australian Government

**Department of Industry
Tourism and Resources**

AUSTRALIAN PETROLEUM NEWS

FEBRUARY 2005

Award of eleven new offshore exploration permits

Eleven new offshore petroleum exploration permits in the Western Australian and Tasmanian adjacent areas have recently been granted. The permits will be jointly administered by the Australian Government and the respective State Governments.

All the permits were awarded under the work program bidding system for an initial term of six years and result from bids submitted in the round that closed on 30 September 2004.

The work program commitments for the awarded permits are valued at more than A\$220 million over the next six years. Each component of the work program must be completed in the designated year or earlier.

Details of the new permits are set out below.

<u>Permit</u>	<u>Basin</u>	<u>Area No</u>	<u>Grant Date</u>	<u>Successful Applicant(s)</u>
T/37P	Bass	T03-1	9 Dec 04	Galveston Mining Corporation Pty Ltd and Exoil Limited
T/38P	Bass	T03-2	9 Dec 04	Galveston Mining Corporation Pty Ltd and Exoil Limited
T/39P	Bass	T03-3	6 Dec 04	Benaris Petroleum BV
WA-354-P	Carnarvon	W04-12	20 Dec 04	Apache Northwest Pty Ltd and BHP Billiton Petroleum Pty Ltd
WA-355-P	Carnarvon	W04-11	20 Dec 04	Apache Northwest Pty Ltd
WA-356-P	Carnarvon	W04-9	20 Dec 04	Apache Northwest Pty Ltd and Kufpec Australia Pty Ltd
WA-357-P	Carnarvon	W04-14	20 Dec 04	Apache Northwest Pty Ltd
WA-358-P	Carnarvon	W04-13	20 Jan 05	OMV Barrow Pty Ltd, Nippon Oil Exploration (Australia) Pty Ltd and Tap Oil Limited
WA-359-P	Carnarvon	W04-6	1 Feb 05	Cue Exploration Pty Ltd and Exoil Limited
WA-360-P	Carnarvon	W04-8	1 Feb 05	Cue Exploration Pty Ltd and Gascorp Australia Ltd

Permit T/37P has a guaranteed work program of studies and 300km² of 3D seismic surveying at an estimated cost of \$3.4 million. The secondary program comprises geotechnical studies and a well at an estimated cost of \$12.4 million. The permit was granted on 9 December 2004. There were no other bids for the area.

Permit T/38P has a guaranteed work program of geotechnical studies and 200km² of 3D seismic surveying at an estimated cost of \$2.4 million. The secondary program comprises geotechnical studies and a well at an estimated cost of \$12.4 million. The permit was granted on 9 December 2004. There were no other bids for the area.

Permit T/39P has a guaranteed work program of seismic data purchase, 1001km of 2D seismic surveying and geotechnical studies at an estimated cost of \$5.5 million. The secondary program comprises 155km² of new 3D seismic, a well and geotechnical studies at an estimated cost of \$17.5 million. The permit was granted on 6 December 2004. The area attracted no other bids.

Permit WA-354-P has a guaranteed work program of 50km² of 3D seismic surveying, seismic data reprocessing and geotechnical studies at an estimated cost of \$0.75 million. The secondary program comprises a well and geotechnical studies at an estimated cost of \$12.25 million. The permit was granted on 20 December 2004. There were no other bids for the area.

Permit WA-355-P has a guaranteed work program of 3D seismic data purchase and geotechnical studies at an estimated cost of \$0.24 million and a secondary program of a well and geotechnical studies at an estimated cost of \$12.05 million. The permit was granted on 20 December 2004. There were no other bids for the area.

Permit WA-356-P has a guaranteed work program of 3D seismic data purchase, 812km² of 3D seismic surveying, geotechnical studies and the drilling of four wells and an estimated total cost of \$37.88 million. The proposed secondary work program comprises data review and the drilling two wells at an estimated cost of \$15.3 million. The permit was granted on 20 December 2004. There were two other bids.

Permit WA-357-P has a guaranteed work program of two wells and data purchase and review at an estimated total cost of \$ 13.05 million and a secondary program of data review and a well at an estimated cost of \$6.1 million. The permit was granted on 20 December 2004. There were no other bids for the area.

Permit WA-358-P has a guaranteed work program of reprocessing 3D seismic data, drilling a well and geotechnical studies at an estimated total cost of \$8.7 million. The proposed secondary program comprises geotechnical studies and a well at an estimated cost of \$8.4 million. The permit was granted on 20 January 2005. There was one other bid for the area.

Permit WA-359-P has a guaranteed work program of geotechnical studies and 250km of 2D seismic surveying at an estimated total cost of \$1.0 million. It also has a secondary program comprising geotechnical studies and a well at an estimated cost of \$15.45 million. The permit was granted on 1 February 2005. There were no other bids for the area.

Permit WA-360-P has a guaranteed work program of studies and 200km² of 3D seismic surveying at an estimated total cost of \$3.1 million and a secondary program comprising geotechnical studies and a well at an estimated cost of \$15.45 million. The permit was granted on 1 February 2005. There were no other bids for the area.

Permit WA-361-P has a guaranteed work program of geotechnical studies and 250km of new 2D seismic at a total estimated total cost of \$1.1 million. The secondary program comprises geotechnical studies and a well at an estimated cost of \$15.45 million. The permit was granted on 1 February 2005. The area attracted no other bids.

Areas currently available for bidding

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

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.

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 our booths at the following conferences:

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)

A delegation from Geoscience Australia and the Department of Industry, Tourism and Resources will visit Beijing, Tokyo, Seoul and Taiwan in late May (exact dates not yet set). Other seminars will be held in Calgary and Houston and possibly other cities in conjunction with our attendance at AAPG.

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

Offshore Petroleum Exploration Incentive for Designated Frontier Areas

Tax Laws Amendment (2004 Measures No 7) Bill contains amendments to the *Petroleum Resource Rent Tax Assessment Act 1987* to implement the frontier petroleum exploration incentive announced on 11 May 2004. The Bill passed the House of Representatives on 10 February 2005 and has now been referred to the Senate Economics Legislation Committee. The Committee proposes to hold a hearing on the Bill on 1 March 2005 in Adelaide with a possible reporting date of 7 March.

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

Geoscience Australia News

Perth Basin Report

Geoscience Australia commissioned CSIRO Petroleum to undertake a geochemical investigation of a number of wells from the Perth Basin, as part of their regional basins studies.

The report, "**OIL MIGRATION AND ACCUMULATION IN THE OFFSHORE PERTH BASIN, WESTERN AUSTRALIA, 2002**", is now open file and available to industry.

The objectives of the investigation were to:

- Measure QGF and GOI values in the Araucaria-1, Gage Roads-1, Gage Roads-2, Houtman-1, Leander Reef-1, Livet-1, and Marri-1 petroleum exploration wells to test for potential palaeo-oil accumulations.

- Evaluate evidence for oil migration pathways.

This report will assist any explorer interested in the Vlaming Basin offshore acreage currently on release and access to this report is through Geoscience Australia's Geological and Geophysical Data Repositories internet site. The report is free if downloaded from the web or at the cost of transfer if ordered.

Contact Geoscience Australia's Repository for more information regarding access to this analysis report, phone 61 (0)2 6249 9222, e-mail ausgeodata@ga.gov.au.

Web site for CSIRO Petroleum: www.dpr.csiro.au/

Rewrite of the Petroleum (Submerged Lands) Act 1967

Release of the final exposure draft of the Offshore Petroleum Bill and associated Fees and Royalty Bills embodying the rewrite of the Petroleum (Submerged Lands) Act is expected to occur by early March. Thereafter, stakeholders, including petroleum industry-members and State and Northern Territory Government officials, will have 3 months in which to examine the legislation and submit final comments. The Bills are then expected to be settled with a view to introduction in the Australian Parliament in June 2005. If passed, the new enactments will not come into effect until all States have ensured that certain minimal compliance requirements in relation to their 'mirror' Acts have been met.

The Bills incorporate a comprehensive reworking of the structure and style of the legislation but seek to implement only a modest number of minor policy changes from the framework set out in the Petroleum (Submerged Lands) Act and incorporated Acts. The purpose of the rewritten legislation is to provide more user-friendly enactments that will reduce compliance costs for the petroleum industry and for the governments that are charged with administering them. However, the management regime for offshore petroleum exploration, production, processing and conveyance is to be unchanged in all its essential features from what is set out in the Petroleum (Submerged Lands) Act. For further information please phone Mr Ilkka Aaltonen on (02) 6213 7972.

Australian Petroleum Statistics

The December 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 September 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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