



Australian Government

**Department of Industry
Tourism and Resources**

AUSTRALIAN PETROLEUM NEWS

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Offshore Exploration Acreage Proposed for Release in 2006

The map attached at the end of this edition indicates the areas currently proposed for release in 2006. 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. The final areas will be announced by Minister Macfarlane on 8 May 2006 corresponding with the APPEA annual conference on the Gold Coast, Queensland.

Award of 8 New Offshore Exploration Permits

7 new offshore petroleum exploration permits in the Victoria, Western Australia, Northern Territory and the Territory of Ashmore and Cartier Islands adjacent areas have been granted. The permits will be jointly administered by the Australian Government and the respective State Governments.

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 31 March 2005.

The work program commitments for the awarded permits are valued at more than A\$180 million over the next six years. Each component of the program must be completed in the designated year or earlier.

The Northern Territory permit is located over a Designated Frontier Area which allows an immediate uplift to 150 per cent for exploration expenditure deductions against petroleum resource rent tax.

All permits result from the 2004 acreage release.

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

<u>Permit</u>	<u>Basin</u>	<u>Area No</u>	<u>Date Granted</u>	<u>Successful Applicant(s)</u>
Vic/P62	Otway	V04-2	13 September 05	Trident Energy Limited
WA-368-P	Perth	W04-17	01 August 05	Nexus Energy Australia NL
NT/P69	Bonaparte	NT04-2	10 October 05	ConocoPhillips Australia Exploration Pty Ltd and Santos Offshore Pty Ltd
NT/P70	Northern Bonaparte	NT04-3	10 October 05	Australian Oil and Gas Corporation
AC/P35	Bonaparte	AC/04-2	18 October 05	Natural Gas Corporation Pty Ltd, Auralandia NL, and Gascorp Inc.
AC/P36	Northern Browse	AC/04-3	18 October 05	Finder Exploration Pty Ltd
AC/P37	Northern Browse	AC/04-4	18 October 05	Finder Exploration Pty Ltd

Permit Vic/P62 (released as V04-2) in the Otway Basin has been awarded to Trident Energy Limited. The company proposed a guaranteed work program of studies, and 420km of new 2D seismic data acquisition at an estimated cost of \$1.77 million. The secondary work program consists of studies and one exploration well at an estimated cost of \$8.4 million. The permit was granted on 13 September 2005. There were no other bids for the area.

Permit WA-368-P (released as W04-17) in the offshore Perth Basin has been awarded to Nexus Energy Australia NL. The company proposed a guaranteed work program of studies, acquisition of 300km² of new seismic data and one exploration well with an estimated cost of \$9.05 million. The secondary work program consists of studies and one exploration well estimated to cost \$5.4 million. The permit was granted on 1 August 2005. There were two other bids for the area.

Permit NT/P69 (released as NT04-2) in the Bonaparte Basin has been awarded to ConocoPhillips Australia Exploration Pty Ltd and Santos Offshore Pty Ltd. The companies proposed a guaranteed work program of one exploration well, acquisition of 1,000km² of new 3D seismic data, reprocessing of 5,000km of 2D seismic data and studies, at an estimated cost of \$37 million. The secondary work program consists of one exploration well and studies at an estimated cost of \$23 million. The permit was granted on 10 October 2005. There were two other bids for the area.

Permit NT/P70 (released as NT04-3) in the Northern Bonaparte Basin has been awarded to Australian Oil and Gas Corporation. The company proposed a guaranteed work program of 300km² of 3D, and 700km of 2D seismic data acquisition and studies at an estimated cost of \$3.85 million. The secondary work program consists of one exploration well and studies with an estimated cost of \$15.45 million. The permit was granted on 10 October 2005. There were no other bids for the area.

Permit AC/P35 (released as AC/04-2) in the Bonaparte Basin has been awarded to Natural Gas Corporation Pty Ltd, Auralandia NL, and Gascorp Inc. The companies proposed a guaranteed work program of studies, and acquisition of 250km² of new seismic data estimated to cost \$3.4 million. The secondary work program consists of studies, and one exploration well at an estimated cost of \$15.6 million. The permit was granted on 18 October 2005. There were no other bids for the area.

Permit AC/P36 (released as AC/04-3) in the Northern Browse Basin has been awarded to FINDER Exploration Pty Ltd. The company has proposed a guaranteed work program of licensing 4,064km² of 3D multi-client seismic data, and studies at an estimated cost of \$13.95 million. The secondary work program consists of one exploration well and studies with an estimated cost of \$10.2 million. The permit was awarded on 18 October 2005. There were no other bids for the area.

Permit AC/P37 (released as AC/04-4) in the Northern Browse Basin has been awarded to Apache Northwest Pty Ltd. The company has proposed a guaranteed work program of purchasing 415km² of 3D multiclient seismic data, one exploration well and studies with an estimated cost of \$15 million. The secondary work program consists of acquiring 500km² of new 3D seismic data, one exploration well and studies estimated to cost \$18.8 million. The permit was awarded on 18 October 2005. There were no other bids for the area.

Under the work program bidding system for the award of exploration permits in Australia's offshore areas, applicants are required to nominate a guaranteed minimum 'dry hole' exploration program for each of the three years of the permit term and a secondary program for the remaining three years. Each component of the program must be completed in the designated year or earlier. Permits are granted for an initial term of six years.

Re-release of 2005 Areas

The following areas from the 20 October 2005 close of bidding round of the 2005 acreage release have been re-released:

S05-1
W05-19 & W05-20
NT05-1 & NT05-2

These five 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 available for bidding until 20 April 2006.

Summary of Areas Currently Available for Bidding

Release/ round	Areas	Bid Closing Date
2005 Acreage Release, Second Closing Round [14 areas]	S05-2, W05-5, 6 ,7 ,8 ,9 ,10, 11, 12 & 13 W05-21, 22, 23 & 24	Thursday, 20 April 2006
Re-release of 2005 areas (from first close of bidding round) [5 Areas]	S05-1 W05-19 & W05-20 NT05-1 & NT05-2	Thursday, 20 April 2006

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

Amendment to 2005 Acreage Release CD Information Pack

A mistake has been identified in regard to the closing date for S05-1 on the 2005 acreage release publication CD ROM. Closing dates for bids on areas appear in numerous locations within the publication. The correct date for S05-1 was 20 October 2005 but 2006 was given erroneously in one location in the “Gold Book” at the top of the first page of the Otway Basin Section.

We apologise for any inconvenience this may have caused.

Nominations Closed for the 2006 Offshore Acreage Release

Thank you to all those companies who nominated acreage to be released in 2006. Nominations for the 2006 release closed on 31 August 2005.

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 short listing.

Promotion of Australian Offshore Acreage

Representatives from the Department of Industry, Tourism and Resources and Geoscience Australia will be available to discuss Australian offshore acreage releases, including the forthcoming 2006 release, at the **North American Prospect Expo (NAPE)** in Houston (Texas), 1 to 3 February 2006. Please visit the Australian booth at this event. In addition, we would be happy to arrange private meetings with exploration companies either before or after the Expo.

If you wish to arrange a meeting, please contact us by E-mail :
petroleum.exploration@industry.gov.au

Do you want to advertise in the 2006 Acreage Release Package?

The acreage release package on CD-ROM is now distributed to around 1,300 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 2006 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 2005, with PDFs of the material to be forwarded to the above e-mail address by 07 January 2006.

Fifth Meeting of the Ministerial Council on Mineral and Petroleum Resources (MCMPR)

The MCMPR was established by COAG in 2001 with responsibility for the minerals and upstream petroleum sector. The MCMPR consists of the Australian Government Minister for Industry, Tourism and Resources and State and Territory Ministers with responsibility for minerals and petroleum. New Zealand and Papua New Guinea have observer status.

The fifth meeting of the Ministerial Council on Mineral and Petroleum Resources is scheduled for 25 November in Adelaide. The meeting will be chaired by the South Australian Minister for Mineral Resources Development, the Hon Paul Holloway MLC. Ministers will consider a range of minerals matters however the priorities for this meeting will be consideration of a regulatory framework for carbon dioxide capture and geological storage (CCS) and progress on implementation of the Council's National Mine Safety Framework (NMSF). If endorsed, this set of regulatory principles for CCS will be the first key step toward the adoption of appropriate regulatory regimes for CCS in Australia. The principles will provide industry with an investment climate conducive to the uptake of CCS and enhance community confidence in the technology to ensure integrity of abatement through long term storage of CO₂. Mine safety remains a high priority for the Council and Ministers will consider progress on implementation of its NMSF in the light of a number of State reviews of mine safety and industry initiatives.

For the first time in many years, the meeting will be conducted against the background of favourable market conditions for Australian exports of minerals and energy. While Ministers will no doubt welcome the optimistic outlook over the longer term, the Council remains committed to ensuring that the Australian resources sector remains a competitive and sustainable contributor to Australia's national well being.

Geoscience Australia News

Australian Frontier Basins Workshop, 13 & 14 October 2005

Representatives from over a dozen different exploration companies, Australian and international, attended the Australian Frontier Basins Workshop at Geoscience Australia on the 13 & 14 October 2005. The Albany Port Authority was also represented, as was the Western Australia Geological Survey.

The workshop presented results of the Australian Government's new petroleum initiative at the mid-way point in the program. The 2003-04 Budget included \$25 million to generate new geoscience data in offshore frontier areas and to preserve the seismic data archive. Geoscience Australia is undertaking a program of seismic acquisition, geological sampling and oil seep detection studies in a number of Australia's frontier basins. Data acquired through the initiative was presented to attendees of this workshop, including interpretation results of the new seismic data acquired from the Southwest margin, plus results from hydrocarbon seeps studies in the Arafura Sea.

A highlight of the workshop was the presentation of the results of the Bremer Sub-basin study. The Bremer is the first Australian frontier basin offered for acreage release in the new program. It is an investment opportunity developed and documented with new seismic and geological sample data sets. Bidding closes on the Bremer Sub-basin release areas (W05-23 & 24) on 20 April 2006. The release areas are also Designated Frontier Areas for taxation purposes.

Results from a geological sampling survey of the Bremer Sub-basin in February and March 2004 have been documented in GA Record 2005/05, which is now available from the Geoscience Australia Sales Centre. It includes a GIS that provides key spatial data sets, such as the new 225 metre bathymetry grid, and dredge sample locations with analytical results included in the attribute tables. A CD-ROM containing workshop presentations on the final results of the Bremer Sub-basin study is also available - to obtain a copy contact Barry Bradshaw (Barry.Bradshaw@ga.gov.au).

The second day of the workshop was dedicated to other projects within the Big New Oil Program, including studies in the Arafura Basin, Offshore Canning Basin and Northern Lord Howe Rise, as well as results obtained from hydrocarbon seeps studies in Northern Australia.

For more information contact Jenny Maher on +61 2 6249 9896 or email jenny.maher@ga.gov.au.

Australian Petroleum Statistics

The September 2005 issue of *Australian Petroleum Statistics* is now available, containing statistics on petroleum production, refining, consumption, stocks, imports and exports. This issue also contains the comparison of OECD petrol and diesel prices for the June 2005 quarter. Subscriptions cost \$270/year or \$27 per issue. Copies can be obtained by contacting

Ms Rae Fisher by Phone +61 2 6213 7967, E-mail: rae.fisher@industry.gov.au.

Archived issues are now also available electronically.

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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.

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