



**Australian Government**

**Department of Industry  
Tourism and Resources**

## AUSTRALIAN PETROLEUM NEWS

MARCH 2006

---

### **Award of Eight New Offshore Exploration Permits**

Eight new offshore petroleum exploration permits in the Western Australia adjacent areas have been granted. The permits will be jointly administered by the Australian Government and the Government of Western Australia.

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 20 October 2005.

The work program commitments for the awarded permits are valued at more than A\$413 million over the next six years. Each component of the program must be completed in the designated year or earlier.

All permits result from the 2005 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>
WA-369-P	Carnarvon	W05-14	5 January 06	Woodside Energy Ltd, Total E&P Australia and Japan Australia LNG (MIMI) Pty Ltd
WA-370-P	Carnarvon	W05-15	5 January 06	Woodside Energy Ltd, Total E&P Australia and Japan Australia LNG (MIMI) Pty Ltd
WA-371-P	Browse	W05-3	10 January 06	Shell Development (Australia) Pty Ltd
WA-372-P	Carnarvon	W05-17	23 January 06	Holloman Corporation
WA-373-P	Carnarvon	W05-18	23 January 06	Holloman Corporation

WA-374-P	Carnarvon	W05-16	25 January 06	Chevron Australia Pty Ltd, Shell Development (Aust) Pty Ltd and Mobil Australia Resources Company Pty Ltd.
WA-375-P	Bonaparte	W05-2	6 February 06	Goldsborough Energy Pty Ltd
WA-376-P	Bonaparte	W05-1	6 February 06	Goldsborough Energy Pty Ltd

**Permit WA-369-P** (released as W05-14) in the Central Exmouth Plateau, Carnarvon Basin has been awarded to Woodside Energy Ltd, Total E&P Australia and Japan Australia LNG (MIMI) Pty Ltd. The companies proposed a minimum guaranteed work program of studies, an electromagnetic survey and the purchase of 3D seismic data, at an estimated cost of \$2.6 million. The secondary work program consists of studies, seismic data reprocessing and one exploration well, at an estimated cost of \$16.3 million. The permit was granted on 5 January 2006. There was one other bid for the area.

**Permit WA-370-P** (released as W05-15) in the Central Exmouth Plateau, Carnarvon Basin, has been awarded to Woodside Energy Ltd, Total E&P Australia and Japan Australia LNG (MIMI) Pty Ltd. The companies offered a minimum guaranteed work program of studies, 324 km<sup>2</sup> of 3D seismic surveying and 3 exploration wells, with an estimated cost of \$46.6 million. The secondary work program consists of studies, seismic data reprocessing and one exploration well, at an estimated cost of \$16.3 million. The permit was granted on 5 January 2006. There was one other bid for the area.

**Permit WA-371-P** (released as W05-3) in the Browse Basin has been awarded to Shell Development (Australia) Proprietary Limited. The company proposed a guaranteed work program of studies, seismic data reprocessing and 12 exploration wells with an estimated cost of \$148 million. The secondary work program consists of studies and one exploration well, at an estimated cost of \$11 million. The permit was granted on 10 January 2006. There were 7 other bids for the area.

**Permit WA-372-P** (released as W05-17) in the Barrow Sub-basin, Carnarvon Basin, has been awarded to Holloman Corporation. The company offered a minimum guaranteed work program of seismic data purchase, 58 km<sup>2</sup> of 3D seismic surveying and 2 wells, with an estimated cost of \$21.2 million. The secondary work program consists of studies and two exploration wells, at an estimated cost of \$20.2 million. The permit was granted on 23 January 2006. There was one other bid for the area.

**Permit WA-373-P** (released as W05-18) in the Barrow Sub-basin, Carnarvon Basin, has been awarded to Holloman Corporation. The company offered a minimum guaranteed work program of seismic data purchase, 58 km<sup>2</sup> of 3D seismic surveying and 2 wells with an estimated cost of \$21.2 million. The secondary work program consists of studies and two exploration wells, at an estimated cost of \$20.2 million. The permit was granted on 23 January 2006. There was one other bid for the area.

**Permit WA-374-P** (released as W05-16) in the Central Exmouth Plateau, Carnarvon Basin, has been awarded to Chevron Australia Pty Ltd, Shell Development (Australia) Pty Ltd and Mobil Australia Resources Company Pty Ltd. The companies proposed a minimum guaranteed work program of studies, 1800 km<sup>2</sup> of 3D seismic, 2350 km of 2D seismic surveying and two wells, with an estimated cost of \$54.78 million. The secondary work program consists of studies and 3D seismic data reprocessing, at an estimated cost of \$0.3 million. The permit was granted on 25 January 2006. There were 5 other bids for the area.

**Permit WA-375-P** (released as W05-2) in the Bonaparte Basin has been granted to Goldsborough Energy Pty Ltd. The company offered a minimum guaranteed work program of studies and 800 km<sup>2</sup> of 3D seismic surveying with an estimated cost of \$1.75 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 6 February 2006. There were no other bids for the area.

**Permit WA-376-P** (released as W05-1) in the Bonaparte Basin has been granted to Goldsborough Energy Pty Ltd. The company offered a minimum guaranteed work program of studies and 800 km<sup>2</sup> of 3D seismic surveying with an estimated cost of \$1.75 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 6 February 2006. 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](http://www.industry.gov.au/petexp) or by requesting a free CD-ROM by e-mail: [petroleum.exploration@industry.gov.au](mailto:petroleum.exploration@industry.gov.au).

---

## 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 following events and venues:

**APPEA Gold Coast, Australia 7 -10 May 2006**  
(Australian Petroleum Production and Exploration Association)

**AAPG International Perth, Australia 5-8 November 2006**  
(American Association of Petroleum Geologists)

A delegation from Geoscience Australia and the Department of Industry, Tourism and Resources will visit Beijing, Tokyo, Seoul and India in late May/ early June (exact dates not yet set). Other seminars associated with and following PETEX (21-23 November 06) in London are under consideration with a possible visit to Paris afterwards.

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

---

## **Treaty on Certain Maritime Arrangements in the Timor Sea**

On 12 January 2006, Australia's Minister for Foreign Affairs, the Hon Alexander Downer MP, and his East Timorese counterpart, Dr Jose Ramos Horta, signed the *Treaty on Certain Maritime Arrangements in the Timor Sea* (CMATS Treaty).

The CMATS Treaty will provide the necessary legal and fiscal certainty to underpin the development of the Greater Sunrise reservoirs and is a good deal for both Australia and East Timor. While safeguarding Australia's sovereign interests, the Treaty is intended to provide investors with the certainty needed for large-scale resource projects to go ahead. The Government is determined to work with East Timor to ensure the resources in the Greater Sunrise area are developed for the benefit of both nations. Progress of the Greater Sunrise project is a commercial decision for the joint venture.

Text of the CMATS Treaty and the press release issued by Mr Downer after the signing ceremony, are available on the Department of Foreign Affairs and Trade website at [www.dfat.gov.au](http://www.dfat.gov.au)

---

## **New Areas in the Joint Development Area in Timor Sea Now 'Open for Business'**

The remainder of the Joint Petroleum Development Area (JPDA) of the Timor Sea is now open for business. The Australian and East Timorese Governments have finalised a *Petroleum Mining Code* (PMC) and model *Production Sharing Contract* (PSC) for the JPDA of the Timor Sea.

Australia's Minister for Industry, Tourism and Resources, The Hon Ian Macfarlane MP has agreed to the documents on behalf of the Australian Government with East Timorese Prime Minister Mari Alkatiri.

The 2002 *Timor Sea Treaty*, along with the PMC and PSC, governs the exploration, development and exploitation of petroleum within the JPDA. This provides companies with certainty of conditions under which they can take up acreage for exploration and development within the new contract areas currently advertised in the Timor Sea Designated Authority's Acreage Release 2006.

The new PMC and PSC will apply to new contract areas currently advertised in the Timor Sea Designated Authority's Acreage Release 2006. The interim PMC and PSCs will continue to regulate the exploration, development and exploitation of petroleum within existing releases.

The PMC and model PSC may be accessed through the Timor Sea Designated Authority, at [www.timorseada.org](http://www.timorseada.org)

---

## **Offshore Petroleum Bill**

The Offshore Petroleum Bill 2005 (OPB) and associated legislation passed through the Senate on 1 March 2006 without amendment. The OP Act will not become law until it is proclaimed. Proclamation will take place when the States and Northern Territory have updated their 'mirror' offshore legislation which is not expected before next year. In the meantime the PSLA will remain the working legislation for offshore petroleum matters.

The OPB is a rewrite of the PSLA and was undertaken to reduce compliance and administrative costs for both industry and government. With its passage however, the Department will now move to address a range of outstanding policy issues that arose during the rewrite process.

If you wish to be on the circulation list to receive the General Policy Review Bulletin please contact Katrina Di Marco at [katrina.dimarco@industry.gov.au](mailto:katrina.dimarco@industry.gov.au)

---

## **Geoscience Australia News**

### **Bremer Sub-basin Study Report Now Available**

Geoscience Australia's Bremer Sub-basin Study supporting acreage release areas W05-23 and W05-24 is now available. Results of the study are documented in Geoscience Australia (GA) Record 2005/21 "Geology and Petroleum Potential of the Bremer sub-basin, offshore south-western Australia".

This report is available through the Geoscience Australia Sales Centre as a digital DVD record. Phone +61 2 6249 9966, email: [sales@ga.gov.au](mailto:sales@ga.gov.au)

### **Joint Australian-French Research in the Tasman Sea**

Seven GA officers recently participated in a joint French-Australian geological research survey in the Tasman Sea designed to study two large sedimentary basins, the Capel and Faust. The survey took place from 12 to 26 February 2006 between New Caledonia (Noumea) and Sydney using the French research vessel *Marion Dufresne*. Jim Colwell of GA was the chief scientist on board. Participants came from Australian and French institutes, primarily from GA, IFREMER (French institute for marine research) and IRD (French institute for research and development).

The research was designed to investigate unusual geophysical features in the Fairway and Capel sedimentary basins and collect swath bathymetry data along the lower continental slope of eastern Australia from the QLD/NSW border to Sydney. Seven giant (Calypso) piston cores (up to 36 m in length), 5 dredge hauls and 4 heat flow stations were taken in Australia's maritime jurisdiction. Issues being addressed by this work include the nature of diapirs (relatively mobile mass that intrudes into pre-existing rocks eg. salt domes) and a seismic reflector called a 'bottom simulating reflector' which might represent gas hydrate (frozen methane gas). A high thermal gradient in some places indicates the escape of hot fluids from deep in the underlying sediments. All these phenomena are of scientific interest and bear on the long-term petroleum potential of the region.

As an adjunct to the above studies, basement rocks were dredged from ridges on both sides of the Fairway Basin. The dredging has shown that the eastern ridge is granite resulting in the discovery that the origins of the ridges are continental rather than oceanic.

In addition to the scientific research activities, nineteen students and three marine scientists were aboard the vessel under the auspices of the 'University of the Sea', for oceanographic research training. During their time at sea, students representing seven countries (Fiji, Solomon Islands, Indonesia, Sri Lanka, Republic of Korea, New Zealand and Australia) received valuable "hands on" ocean science experience.

For more information contact Jenny Maher on +61 2 6249 9896 or email [jenny.maher@ga.gov.au](mailto:jenny.maher@ga.gov.au).

---

## **Australian Petroleum Statistics**

The January 2006 issue of *Australian Petroleum Statistics* is now available, containing statistics on petroleum production, refining, consumption, stocks, imports and exports. OECD petrol and diesel prices for the September 2005 quarter are also available. 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](mailto:rae.fisher@industry.gov.au). Archived issues are now also available electronically.

---

## **Staff Changes**

After several years as General Manager of the Offshore Resources Branch, John Griffiths has moved to take up the position of General Manager of the International Energy Branch of the Energy and Environment Division of the Department. John's replacement is Bob Pegler who will be already known to many of our readers.

The role of Manager, Offshore Exploration Section has been taken up by Marshall Blain replacing Bill Layer who has moved to a new position within the Division.

---

## **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.

Postal Address: GPO Box 9839, Canberra ACT 2601, Australia

E-mail: [petroleum.exploration@industry.gov.au](mailto:petroleum.exploration@industry.gov.au)

Website: [www.industry.gov.au/petexp](http://www.industry.gov.au/petexp)

Phone inquiries: +61 2 6213 7920 (Marshall Blain)

Facsimile: +61 2 6213 7955