



Australian Government

**Department of Industry
Tourism and Resources**

AUSTRALIAN PETROLEUM NEWS

JUNE 2006

2006 Offshore Petroleum Exploration Acreage Release

New offshore acreage for petroleum exploration off the Western Australia, Northern Territory, Tasmania, Victoria and the Territory of Ashmore and Cartier Islands coastlines was released on 10 May 2006 by the Federal Minister for Industry, Tourism and Resources, The Hon Ian Macfarlane MP.

The announcement coincided with the Annual Conference of the Australian Petroleum Production and Exploration Association (APPEA) which was held on the Gold Coast in Queensland.

The 36 areas being made available for bidding comprise:

- 20 areas off Western Australia;
- 5 areas off the Northern Territory;
- 5 areas off the Tasmania;
- 4 areas off Victoria; and
- 2 areas in the Territory of Ashmore and Cartier Islands.

The 2006 release includes six Designated Frontier Areas (DFAs) that are subject to the frontier tax concession incentive announced in May 2004. The frontier tax concession recognises the risks companies take in exploring Australia's remote offshore areas. It does this by immediately increasing the value of exploration deductions for petroleum resource rent tax (PRRT) determination from 100 to 150 percent provided they are incurred in DFAs.

The 2006 DFA areas are:

- NT06-1 to 4 located in the Northern Arafura Basin off Northern Australia.
- W06-5 located off the North Western Australia coast in the northern Bonaparte Basin.
- T06-5 located off the north western coast on Tasmania in the northern Sorell Basin.

New data for the Northern Arafura Basin is now available and relevant to areas NT06-1 to 4. This data results from the funding for Geoscience Australia's petroleum program announced in May 2003. See Geoscience Australia News, below, for the latest information on available data.

Geoscience Australia provides free online access to a range of vital information to petroleum explorers such as data in relation to existing infrastructure and key geological information.

The 36 areas represent the principal release of offshore acreage this year; see map at the end of this newsletter. They will be subject to the work program bidding system and any subsequent exploration permits will be awarded for an initial term of six years.

Exploration permits arising from this release can be renewed for a maximum of two five year terms, subject other legislative requirements.

Bids for 22 of the new areas will close on 9 November 2006, and the remaining 14 areas will close on 10 May 2007

Information on the release areas and application requirements can be found by visiting website www.industry.gov.au/petexp or requesting the CD-ROM by e-mailing petroleum.exploration@industry.gov.au.

Nomination of Areas for the 2007 Offshore Acreage Release

The Commonwealth and State/NT governments are now calling for nominations from interested parties for vacant offshore areas to be considered for release in 2007.

Nominations are treated as "Commercial-in-Confidence", should be in writing, and be forwarded by **31 July 2006** to the relevant State/NT Department or the General Manager, Offshore Resources Branch, at the address below.

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

In considering which areas to release, we look at whether there is a new geoscientific story or a new market development that might generate the interest of potential bidders. We also look at synergies with other industry activities such as drilling programs, speculative survey proposals, the Geoscience Australia research agenda and the Australian Offshore Petroleum Strategy.

The shortlisted areas proposed for release will be advised to industry around November/December, through the *Australian Petroleum News*.

Award of Five New Offshore Exploration Permits

Five new offshore petroleum exploration permits in the Western Australia, Tasmania 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 and Northern Territory 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 20 October 2005.

The work program commitments for the awarded permits are valued at more than A\$112 million over the next six years. Each component of the program must be completed in the designated year or earlier.

The permits result from both the 2004 and 2005 acreage releases.

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>
T/42P	Bass	T04-3	24 February 06	Bass Strait Oil Co. Ltd,
T/43P	Bass	T04-4	24 February 06	Bass Strait Oil Co. Ltd,
WA-377-P	Browse	W05-4	7 March 06	Nexus Energy Aust NL,
AC/P38	Bonaparte	AC04-1	14 February 06	Eni Australia Ltd,
AC/P39	Bonaparte	AC05-1	7 April 06	Natural Gas Corp Pty Ltd, Auralandia NL, Gascorp Inc.

Permit T/42P (released as T04-3), in the Bass Basin off Tasmania, has been awarded to Bass Strait Oil Company Ltd. The company proposed a minimum guaranteed work program of studies and 525 km of new 2D seismic surveying, with an estimated cost of \$1.39 million. The secondary work program consists of studies and one exploration well, at an estimated cost of \$15.6 million. There was one other bid for the area.

Permit T/43P (released as T04-4), in the Bass Basin off Tasmania, has been awarded to Bass Strait Oil Company Ltd. The company proposed a minimum guaranteed work program of studies and 575 km of new 2D seismic surveying, at an estimated cost of \$1.46 million. The secondary work program consists of studies and one exploration well, at an estimated cost of \$15.6 million. There was one other bid for the area.

Permit WA-377-P (released as W05-4), in the Browse Basin, has been awarded to Nexus Energy Australia NL. The company proposed a guaranteed work program of studies, the purchase of 150 sq km of 3D seismic data and one exploration well, at an estimated cost of \$21.3 million. The secondary work program consists of studies and one exploration well, at an estimated cost of \$20.3 million. There were three other bids for the area.

Permit AC/P38 (released as AC04-1), in the Bonaparte Basin, has been awarded to Eni Australia Limited. The company proposed a guaranteed work program of studies and 1000 sq km of 3D seismic data reprocessing, at an estimated cost of \$2.8 million. The secondary work program consists of studies and one exploration well, at an estimated cost of \$20.3 million. There was one other bid for the area.

Permit AC/P39 (released as AC05-1), in the Bonaparte Basin, has been awarded to Auralandia N.L., National Gas Corporation Pty Ltd and Gascorp Inc. The companies proposed a guaranteed work program of studies and one exploration well, at an estimated cost of \$12.9 million. The secondary work program consists of studies, at an estimated cost of \$0.6 million. There was one other bid 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 April 2006 close of bidding round of the 2005 acreage release have been re-released and will be available for bidding until 9 November 2006.

W05-6, 7 and 8

These three 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. The re-released areas are open to all interested bidders under the work program bidding system.

Summary of Areas Currently Available for Bidding

Release/ round	Areas	Bid Closing Date
2006 Acreage Release, First Closing Round [22 areas]	AC06-1 & 2; NT06-5; V06-1 to 4; T06-1 to 4; W06-6 to 8 and 11 to 18.	Thursday, 9 November 2006
2006 Acreage Release, Second Closing Round [14 areas]	NT06-1 to 4; T06-5; W06-1 to 5 and 9 & 10 and 19 & 20	Thursday, 10 May 2007

Re-release of 2005 areas (from second close of bidding round) [3 Areas]	W05-6 to 8	Thursday, 9 November 2006
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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 .

Geoscience Australia News - Data Supporting New Acreage Release Areas

Northern Arafura Basin

As part of its Big New Oil program Geoscience Australia carried out a study of the petroleum potential of the Arafura Basin. This research has resulted in an improved understanding of the petroleum potential of this frontier region and a number of new datasets are now available. These datasets include the Arafura Seepage Survey post-cruise report (GeoCat no. 64003), an audit of wells in the Arafura Basin, (GA Record 2006/02) and a report on analysis of samples from Arafura Basin wells including biostratigraphy, organic petrology, fluid inclusions (GOI), organic geochemistry and geohistory modelling (GA record 2006/06). These data are available from the Geoscience Australia Sales Centre, phone +61 (0)2 6249 9966, e-mail sales@ga.gov.au . A report on the petroleum geology of the Arafura Basin (Geocat no. 63995) will be available in mid June and more information on this product and Geoscience Australia's Arafura Basin study is available from Heike Struckmeyer, phone +61 (0)2 6249 9646, e-mail heike.struckmeyer@ga.gov.au .

Seismic Survey location maps for 2006 release areas

To assist explorers in locating geophysical survey data over the 2006 acreage release areas the Geophysical and Geological Data Repository have compiled interactive line location maps. These maps are available for viewing over the web at www.ga.gov.au/oceans/ss_Acreage.jsp or can be obtained from the Repository phone +61 (0)2 6249 9222, e-mail ausgeodata@ga.gov.au .

Geoscience Australia reviewing AVO technology

Geoscience Australia has been reviewing Amplitude Versus Offset (AVO) techniques. As part of this study, sections of two seismic lines from the 2D Zeus Seismic Survey over the Exmouth Plateau have been reprocessed. These seismic lines cross the 2006 acreage release area W06-11 and this reprocessed data is now available at the cost of transfer through Geoscience Australia's Geophysical and Geological Data Repository, phone +61 (0)2 6249 9222, e-mail ausgeodata@ga.gov.au . For more information on Geoscience Australia's studies into AVO techniques contact Fred Kroh, phone +61 (0)2 6249 9183, e-mail fred.kroh@ga.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:

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

NAPE Houston, Texas, USA **1-2 February 2007**
(North American Project Expo)

A delegation from Geoscience Australia and the Department of Industry, Tourism and Resources has commenced the Asian visit. They have already visited Tokyo and Seoul and are currently visiting Beijing, Taipei and Kuala Lumpur. Other seminars to North America, Europe and India are under consideration.

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

National Offshore Petroleum Safety Authority – First Year of Operations

The National Offshore Petroleum Safety Authority (NOPSA) was established to work with the industry, workforce and other authorities to ensure all health and safety risks from offshore petroleum operations are properly managed; administer offshore petroleum safety regulation; and, establish and maintain a legislative framework which encourages continuous improvement in the management of health and safety offshore.

NOPSA regulates health and safety at over 60 ‘permanent’ facilities, both floating and fixed, with a further five to ten vessels, mainly drilling rigs and construction type vessels, being active at any one time. During 2005, NOPSA investigated 144 accidents or dangerous occurrences, assessed 94 safety cases and took formal enforcement action 27 times.

In addition, NOPSA has produced Safety Case Guidelines, implemented a program of planned inspections which consider the risk control measures in place in relation to major accident events and OHS matters and accredits training courses for health and safety representatives.

Looking forward, NOPSA is putting two national programs in place to focus industry attention on key health and safety issues in relation to facility integrity and lifting operations.

Other key communication tools include a series of **Safety Alerts** which report on safety improvement issues arising from NOPSA's investigative and assessment activities, and the monthly **CEO Newsletter**, aimed at keeping industry informed of NOPSA operations, and regular meetings with operators, industry associations, and workforce representatives.

More information about NOPSAs can be accessed at the website www.nopsa.gov.au or you can subscribe to receive via monthly email the NOPSAs CEO Newsletter by sending an email titled "newsletter subscription" to info@nopsa.gov.au .

Australian Petroleum Statistics

The March 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 December 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 . Archived issues are now also available electronically.

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.

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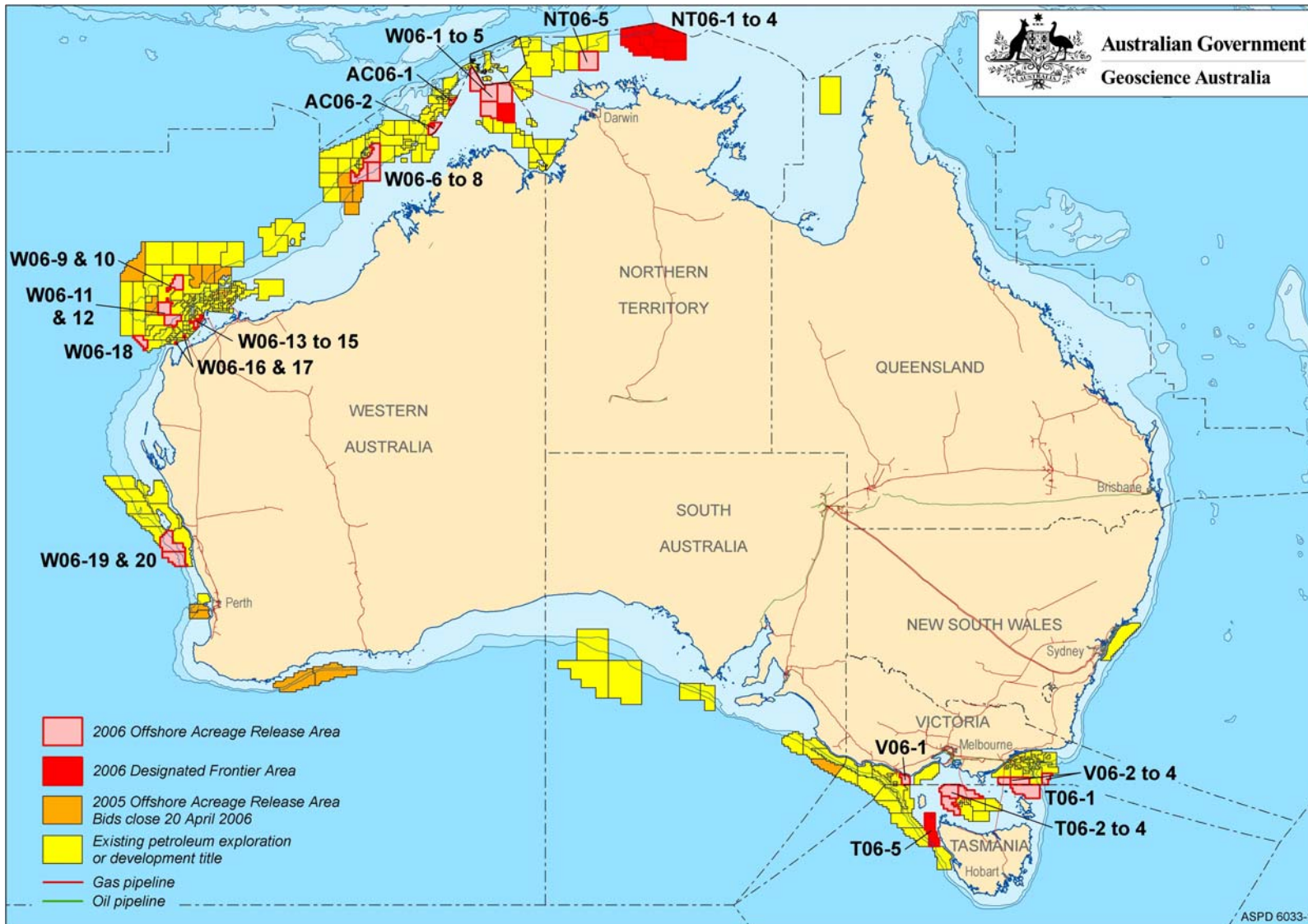
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Australian Government
Geoscience Australia



- 2006 Offshore Acreage Release Area
- 2006 Designated Frontier Area
- 2005 Offshore Acreage Release Area
Bids close 20 April 2006
- Existing petroleum exploration
or development title
- Gas pipeline
- Oil pipeline