



**Australian Government**

**Department of Industry  
Tourism and Resources**

## AUSTRALIAN PETROLEUM NEWS

SEPTEMBER 2006

---

### **Prime Minister Announces New Funding for Offshore Exploration**

On 14 August 2006, the Australian Prime Minister announced new program funding of \$134 million for Geoscience Australia as part of the Government's new energy security initiative.

\$76.4 million of the funding will be used to expand Geoscience Australia's 'Big New Oil' program to ensure that the global exploration industry has continued access to further up-to-date pre-competitive data over Australia's vast offshore areas. The program builds on the \$61 million previously provided by the Government to Geoscience Australia for pre-competitive data acquisition and remastering of existing seismic data for use in acreage release areas.

Over the next five years, the expanded program will focus on new frontier offshore areas to be chosen in consultation with the industry. Data will be acquired from offshore areas spanning up to two million square kilometres, more than three times the area covered by the last program. The improved data will be extensively promoted to the exploration industry in Australia and overseas.

The Australian Government has an important role to ensure the national exploration policy framework remains attractive to explorers, that quality geoscientific information is readily accessible to exploration companies, and that the regulatory burden is reduced. All of these elements will be addressed under the new program.

The Prime Minister noted that Australia remains relatively unexplored, particularly for petroleum in frontier offshore areas.

Australia has some 40 offshore basins that display signs of oil potential and half of them remain unexplored. The Government is encouraging further exploration in the hope of the discovery and development of resources the size of those in Bass Strait.

The Government has also committed an extra \$59 million over five years to identify potential on-shore energy sources such as petroleum and geothermal energy. The latest geophysical imaging and mapping techniques will be used to enhance the chances of discovery and reduce the risks to investors. More information on this announcement is available from the Geoscience Australia website at:  
[www.ga.gov.au/news/index.jsp#invest](http://www.ga.gov.au/news/index.jsp#invest)

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

Sixteen new offshore petroleum exploration permits in the Western Australia, South Australia and the Northern Territory adjacent areas have been granted. The work program commitments for the awarded permits are valued at A\$415 million over the next six years.

The permits result from the second round of the 2005 Acreage Release that closed on 20 April 2006. All of the permits will be jointly administered by the Australian Government and the respective State and Northern Territory Governments.

Exploration permits in Australia's offshore areas were awarded under a work program bidding system for an initial term of six years, with a maximum of two renewals each of five years. Under this system, 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.

Summarised details of the permits granted are shown below. Permits marked \* are Designated Frontier Areas which qualify for a tax deduction of 150% of exploration expenditure for Petroleum Resource Rent Tax (PRRT) purposes.

<u>Permit</u>	<u>Basin</u>	<u>Area No</u>	<u>Date Granted</u>	<u>Successful Applicant(s)</u>
* WA-378-P	Browse	W05-5	24 July 06	Woodside Energy Ltd,
* WA-379-P	Bight	W05-24	09 August 06	Plectrum Petroleum plc,
* WA-380-P	Bight	W05-23	09 August 06	Plectrum Petroleum plc,
WA-381-P	Perth	W05-21	09 August 06	Westralian Petroleum Ltd Lempika Pty Ltd Emphazise Pty Ltd
WA-382-P	Perth	W05-22	09 August 06	Westralian Petroleum Ltd Lempika Pty Ltd Emphazise Pty Ltd
WA-383-P	Carnarvon	W05-13	15 August 06	Chevron Australia Pty Ltd Shell Development Pty Ltd
WA-384-P	Carnarvon	W05-19	21 August 06	Octanex NL Strata Resources NL
WA-385-P	Carnarvon	W05-20	21 August 06	Octanex NL Strata Resources NL
WA-386-P	Carnarvon	W05-9	21 August 06	Gascorp Australia Ltd
WA-387-P	Carnarvon	W05-10	21 August 06	Gascorp Australia Ltd
WA-388-P	Carnarvon	W05-11	28 August 06	Oilex NL

				Gujarat State Petroleum Videocon Industries Ltd Bharat Petroleum Corp Ltd Hindustan Petroleum Corp Ltd
WA-389-P	Carnarvon	W05-12	30 August 06	Cue Exploration Pty Ltd
NT/P71	Bonaparte	NT05-2	08 August 06	National Oil & Gas Pty Ltd Australian Natural Gas Pty Ltd Nations Natural Gas Pty Ltd
NT/P72	Bonaparte	NT05-1	08 August 06	National Oil & Gas Pty Ltd Australian Natural Gas Pty Ltd Nations Natural Gas Pty Ltd
SA-35	Otway	S05-1	17 August 06	Exoil Ltd Gascorp Australia Ltd Moby Oil and Gas Ltd National Energy Pty Ltd
* SA-36	Otway	S05-2	17 August 06	Exoil Ltd Gascorp Australia Ltd Moby Oil and Gas Ltd National Energy Pty Ltd

Specific details of the permits awarded are:

**Permit WA-378-P** (released as W05-5) in the Browse Basin off north-west Western Australia has been awarded to Woodside Energy Limited. The company proposed a guaranteed work program of reprocessing 200km of 2D seismic data, the acquisition of 1,116km<sup>2</sup> of new 3D seismic data, and studies at an estimated cost of \$13.2 million. The secondary work program consists of one exploration well, acquisition of 1,000km of new 2D seismic data, and studies at an estimated cost of \$26.8 million. There were two other bids for this area. This is a Designated Frontier Area.

**Permit WA-379-P** (released as W05-24) in the Bremer Sub-basin off southern Western Australia has been awarded to Plectrum Petroleum plc. The company proposed a guaranteed work program of acquiring 1,500 km of new 2D seismic data, seabed sample collections and studies at an estimated cost of \$3.36 million. The secondary work program consists of a Controlled Source ElectroMagnetic (CSEM) survey, one exploration well, and studies at an estimated cost of \$36.79 million. There were no other bids for this area. This is a Designated Frontier Area.

**Permit WA-380-P** (released as W05-23) in the Bremer Sub-basin off southern Western Australia has been awarded to Plectrum Petroleum plc. The company proposed a guaranteed work program of acquiring 1,800km of new 2D seismic data, seabed sample collections and studies at an estimated cost of \$3.36 million. The secondary work program consists of a Controlled Source ElectroMagnetic (CSEM) survey, one exploration well, and studies at an estimated cost of \$36.79 million. There were no other bids for this area. This is a Designated Frontier Area.

**Permit WA-381-P** (released as W05-21) in the Perth Basin has been awarded to Westralian Petroleum Limited, Lempika Pty Ltd, and Emphazise Pty Ltd. The companies proposed a guaranteed work program of 500km 2D seismic reprocessing, Controlled Source ElectroMagnetic (CSEM) survey, studies, and one exploration well at an estimated total cost of \$10.8 million. The secondary work program consists of acquiring 40km<sup>2</sup> of new 3D seismic data, a CSEM survey one exploration well, and studies, estimated to cost \$11.9 million. There were three other bids for this area.

**Permit WA-382-P** (released as W05-22) in the Perth Basin has been awarded to Westralian Petroleum Limited, Lempika Pty Ltd, and Emphazise Pty Ltd. The companies proposed a guaranteed work program of 500km 2D seismic reprocessing, Controlled Source ElectroMagnetic (CSEM) survey, studies, and one exploration well at an estimated total cost of \$10.8 million. The secondary work program consists of acquiring 40km<sup>2</sup> of new 3D seismic data, a CSEM survey, one exploration well, and studies, estimated to cost \$11.9 million. There were three other bids for this area.

**Permit WA-383-P** (released as W05-13) in the Carnarvon Basin off Western Australia has been awarded to Chevron Australia Pty Ltd and Shell Development (Australia) Pty Ltd. The companies proposed a guaranteed work program of reprocessing 865 km of 2D seismic data, acquisition of 1200 km of new 2D seismic data, and studies at an estimated cost of \$1.5 million. The secondary work program consists of studies and acquisition of 225 km<sup>2</sup> of new 3D seismic data, at an estimated cost of \$3.3 million. There were no other bids for this area.

**Permit WA-384-P** (re-release area W05-19) in the Carnarvon Basin has been awarded to Octanex NL, and Strata Resources NL. The companies proposed a guaranteed work program of studies, and the acquisition of 1400 km of new 2D seismic data at an estimated cost of \$2.5 million. The secondary work program consists of studies, and one exploration well, at an estimated cost of \$20.6 million. There were no other bids for this area.

**Permit WA-385-P** (re-release area W05-20) in the Carnarvon Basin has been awarded to Octanex NL, and Strata Resources NL. The companies proposed a guaranteed work program of studies, and the acquisition of 250 km of new 2D seismic data at an estimated cost of \$1.25 million. The secondary work program consists of studies and one exploration well, at an estimated cost of \$20.6 million. There were no other bids for this area.

**Permit WA-386-P** (released as W05-9) in the Carnarvon Basin has been awarded to Gascorp Australia Ltd. The company proposed a guaranteed work program of studies, and the acquisition of 1400 km of new 2D seismic data at an estimated cost of \$2.5 million. The secondary work program consists of studies, and one exploration well at an estimated cost of \$25.6 million. There were no other bids for this area.

**Permit WA-387-P** (released as W05-10) in the Carnarvon Basin has been awarded to Gascorp Australia Ltd. The company proposed a guaranteed work program of studies, and the acquisition of 1400 km of new 2D seismic data at an estimated cost of \$2.5 million. The secondary work program consists of studies and one exploration well at an estimated cost of \$20.6 million. There were no other bids for this area.

**Permit WA-388-P** (released as W05-11) has been granted to Oilex NL, Gujarat State Petroleum Company, Videocon Industries Ltd, Bharat Petroleum Corporation Ltd, and Hindustan Petroleum Corporation Ltd. The companies proposed a guaranteed work program of reprocessing 1000 km of 2D seismic data, acquisition of 1060 km<sup>2</sup> new 3D seismic data, and studies at an estimated cost of \$6.7 million. The secondary work program consists of one exploration well, acquisition of 300 km<sup>2</sup> of new 3D data, and studies, at an estimated cost of \$16.8 million. There were two other bids for this area.

**Permit WA-389-P** (released as W05-12) has been granted to Cue Exploration Pty Ltd. The company proposed a guaranteed work program of studies, and acquisition of 350km<sup>2</sup> of new 3D seismic data, at an estimated cost of \$3.5 million. The secondary work program consists of two exploration wells and studies at an estimated cost of \$30.4 million. There were two other bids for this area.

**Permit (EPP) SA-35** (re-release area S05-1) in the Otway Basin has been awarded to Exoil Limited, Gascorp Australia Limited, Moby Oil and Gas Limited, and National Energy Pty Ltd. The companies proposed a guaranteed work program of studies, 1200 km of 2D seismic data reprocessing, and acquisition of 325 km<sup>2</sup> of new 3D seismic data at an estimated cost of \$4.5 million. The secondary work program consists of studies and one exploration well at an estimated cost of \$20.6 million. There was one other bid for this area.

**Permit (EPP) SA-36** (released as S05-2) in the Otway Basin off South Australia has been awarded to Exoil Limited, Gascorp Australia Limited, Moby Oil and Gas Limited, and National Energy Pty Ltd. The companies have proposed a guaranteed work program of studies, and acquisition of 1,100km of new 2D seismic data at an estimated cost of \$1.9 million. The secondary work program consists of studies and one exploration well at an estimated cost of \$20.6 million. There were no other bids for this area. This is a Designated Frontier Area.

**Permit NT/P71** (re-release area NT05-2) in the Bonaparte Basin has been awarded to National Oil and Gas Pty Ltd, Australian Natural Gas Pty Ltd, and Nations Natural Gas Pty Ltd. The companies have proposed a guaranteed work program of studies, and acquisition of 400km of new 2D seismic data, at an estimated cost of \$1.25 million. The secondary work program consists of studies and one exploration well at an estimated cost of \$20.6 million. There were no other bids for this area.

**Permit NT/P72** (re-release area NT05-1) in the Bonaparte Basin has been awarded to National Oil and Gas Pty Ltd, Australian Natural Gas Pty Ltd, and Nations Natural Gas Pty Ltd. The companies have proposed a guaranteed work program of studies, and acquisition of 250km of new 2D seismic data at an estimated cost of \$1 million. The secondary work program consists of studies, and one exploration well at an estimated cost of \$20.6 million. There were no other bids for this area.

---

## 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 Thursday 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

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:

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

**NAPE Houston, Texas, USA**  
(North American Prospect Expo)

**1-2 February 2007**

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)

---

## **Geoscience Australia News - Data Supporting the 2006 Acreage Release**

### **Preliminary AVO results from 2006 Acreage Release areas**

Geoscience Australia has reprocessed parts of four lines from the 2006 Acreage Release areas W06-7 and W06-11 to determine if modern Amplitude Versus Offset (AVO) compliant processing can identify potential anomalies. The preliminary results from this reprocessing have been presented in order to assist any companies interested in the acreage.

Data from the 1997 2D Zeus Seismic Survey line B97-27M over block W06-11 over the Exmouth Plateau, shows AVO anomalies including one that appears to be at the Jurassic level of the reservoir in the Jansz/Jo supergiant gas field in the adjacent acreage to the north. Block W06-7 in the Caswell Sub-basin shows an AVO anomaly on seismic line P98-035 possibly at a similar stratigraphic zone to the Brecknock South 1 gas discovery 20km to the north.

Digital seismic field data and the reprocessed seismic data containing near, middle and far angle PreSTM stacks and PreSTM CMP gathers across the AVO anomalies are available from Geoscience Australia at the cost of transfer. For further information download the following PDF images at:

[www.ga.gov.au/image\\_cache/GA8481.pdf](http://www.ga.gov.au/image_cache/GA8481.pdf)

[www.ga.gov.au/image\\_cache/GA8480.pdf](http://www.ga.gov.au/image_cache/GA8480.pdf)

E-mail: [fred.kroh@ga.gov.au](mailto:fred.kroh@ga.gov.au); or [paul.williamson@ga.gov.au](mailto:paul.williamson@ga.gov.au)

### **The Northern Arafura Basin Survey Report now available**

Geoscience Australia Record 2006/19, Shallow gas and benthic habitat mapping, Arafura Sea – Geoscience Australia Marine Survey S282, Post-survey report is now available from the Geoscience Australia Sales Centre, Tel: +61 (0)2 6249 9966, E-mail: [sales@ga.gov.au](mailto:sales@ga.gov.au)

### **Seismic Survey location maps for 2006 Acreage 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 survey line location maps. These maps are available for viewing over the web at [www.ga.gov.au/oceans/ss\\_Acreage.jsp](http://www.ga.gov.au/oceans/ss_Acreage.jsp) or can be obtained from the Repository. Tel: +61 (0)2 6249 9222 or e-mail [ausgeodata@ga.gov.au](mailto:ausgeodata@ga.gov.au)

---

## **Update on Progress of the Offshore Petroleum Act**

The *Offshore Petroleum Act 2006* received Royal Assent on 29 March 2006. Once all jurisdictions have updated their mirror Acts the Department of Industry, Tourism and Resources (DITR) will be in a position to proclaim the *Offshore Petroleum Act*.

DITR is addressing outstanding policy issues which were identified during the rewrite. An update of progress on these issues will be presented at the 2006 AMPLA Conference in Melbourne. *The Offshore Petroleum Act: Policy Review Priorities* session will be held on 18 October 2006 from 3:45 to 4:45pm. Major issues to be discussed include resolution of the criminal law provisions; can the registration process be improved? Carbon capture and storage will also be covered. The session provides an opportunity for stakeholders to discuss their concerns face-to-face with DITR. Contact: [katrina.dimarco@industry.gov.au](mailto:katrina.dimarco@industry.gov.au)

---

## **Review of NOPSA Cost Recovery Arrangements**

The Department has reviewed the National Offshore Petroleum Safety Authority's (NOPSA) cost recovery arrangements during its first year of operation. This review was a commitment made to industry by Ian Macfarlane, Minister for Industry Tourism and Resources, and involved broad consultation with the offshore petroleum industry.

A key finding was that some of the regulations were not operating efficiently in practice, causing an administrative burden for the industry and the regulator. The review team recommended two amendments to the *Offshore Petroleum (Safety Levy) Regulations 2004* to be implemented in time for the invoice period commencing January 2007:

- Changes to definitions in the regulations for operators of mobile facilities to bring them in line with definitions in the *Petroleum (Submerged Lands) Act 1967*.
- Change the design of the Pipeline Safety Management Plan (PSMP) Levy so that it is based on the complexity of a pipeline rather than the notional length of the pipeline. The amendment will change the structure of the PSMP levy to align it with the policy for calculating the Safety Case Levy, which reflects the 'fixed cost' associated with assessing a SMS and complexity. The amendment will remove the cross-subsidisation of licensees of single pipelines by licensees with multiple pipelines and cover the cost to NOPSA of assessing a PSMP for a single pipeline.

---

## **Australian Petroleum Statistics**

The June 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 March 2006 quarter are also available. Subscriptions cost \$270/year or \$27 per issue. Copies can be obtained by contacting Ms Rae Fisher Tel: +61 2 6213 7967, E-mail: [rae.fisher@industry.gov.au](mailto:rae.fisher@industry.gov.au) . Archived issues are also available electronically.

---

## **New Acreage Awarded in the JPDA**

On 16 August 2006, the Timor-Leste - Australia Joint Commission gave approval for the Timor Sea Designated Authority (TSDA) to offer contracts for new blocks within the Joint Petroleum Development Area.

The TSDA regulates the Joint Petroleum Development Area (JPDA) on behalf of the Timor-Leste and Australian governments, pursuant to the Timor Sea Treaty.

This was the first acreage release under the new Petroleum Mining Code regime for the JPDA. Eight bids from Australian and international companies were received for the four blocks on offer.

The Joint Commission gave the TSDA approval to enter into Production Sharing Contracts (PSC) with the following successful bidders:

<u>Contract Area</u>	<u>Awarded to</u>
JPDA 06-101	Minza Oil Ltd
JPDA 06-102	Petronas Consortium
JPDA 06-103	Oilex Consortium
JPDA 06-104	Zetex N.V.

It is anticipated that the PSCs will be agreed to and signed by the end of September 2006. Further information on the JPDA acreage release can be found at: [www.timorseada.org](http://www.timorseada.org).

---

## **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 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)  
Telephone: +61 2 6213 6792 (Richard Sams)  
Facsimile: +61 2 6213 7955