



Australian Government

**Department of Industry
Tourism and Resources**

AUSTRALIAN PETROLEUM NEWS

SEPTEMBER 2007

Award of 19 New Offshore Exploration Permits

Nineteen new offshore petroleum exploration permits in the Western Australia, Tasmania, Victoria and the Northern Territory adjacent areas have been granted. The work program commitments for the awarded permits are valued at A\$1.1 billion over the next six years.

The permits result from both rounds of the 2006 Acreage Release that closed on 9 November 2006 and 10 May 2007. All 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.

<u>Permit</u>	<u>Basin</u>	<u>Area No</u>	<u>Date Granted</u>	<u>Successful Applicant(s)</u>
NT/P73	Bonaparte	NT06-5	27 March 2007	Alpha Oil & Natural Gas Pty Ltd
NT/P74	Arafura	NT06-3	12 July 2007	Samson International (Australia) Pty Ltd
NT/P75	Arafura	NT06-4	12 July 2007	Samson International (Australia) Pty Lt
T/48P	Sorell	T06-5	12 July 2007	Santos Offshore Pty Ltd
VIC/P63	Gippsland	V06-2	29 March 2007	Great Artesian Oil and Gas Ltd
VIC/P64	Gippsland	V06-3	29 March 2007	Great Artesian Oil and Gas Ltd
VIC/P65	Gippsland	V06-4	12 April 2007	Eagle Bay Resources NL
WA-396-P	Browse	W06-8	27 March 2007	Woodside Energy Ltd
WA-397-P	Browse	W06-7	27 March 2007	Woodside Energy Ltd
WA-398-P	Browse	W06-6	1 May 2007	ConocoPhillips Australia Exploration & Karoon

WA-399-P	Carnarvon	W06-17	7 May 2007	Gas Browse Basin Pty Ltd Carnarvon Petroleum & Rialto Energy Ltd
WA-400-P	Carnarvon	W06-13	12 July 2007	Gerald Nelson
WA-401-P	Carnarvon	W06-10	12 July 2007	Gerald Nelson
WA-402-P	Bonaparte	W06-2	12 July 2007	Total E&P Australia
WA-403-P	Bonaparte	W06-3	12 July 2007	Total E&P Australia
WA-404-P	Carnarvon	W06-9	17 July 2007	Woodside Energy & Hess Exploration (Carnarvon) Pty Ltd
WA-405-P	Bonaparte	W06-5	17 July 2007	Reliance Industries Ltd
WA-406-P	Bonaparte	W06-1	17 July 2007	COONC Australia E&P Pty Ltd
WA-407-P	Bonaparte	W06-4	19 July 2007	Goldsbrough Energy

Permit NT/P73 (released as NT06-5) in the North Eastern Bonaparte Basin has been awarded to Alpha Oil & Natural Gas Pty Ltd. The company proposed a guaranteed work program of geotechnical studies and a new 2D seismic survey of 2,000 km at an estimated total cost of \$3.85 million. The secondary work program consists of geotechnical studies and one exploration well at an estimated total cost of \$15.45 million. There was one other bid for this area.

Permit NT/P74 (released as NT06-3) in the Northern Arafura Basin has been awarded to Samson International (Australia) Pty Ltd. The company proposed a guaranteed work program of 1400km 2D seismic and geotechnical studies at an estimated cost of \$2.78 million. The secondary work program consists of two exploration wells and 400km² 3D seismic survey at an estimated cost of \$33 million. There were no other bids for this permit.

Permit NT/P75 (released as NT06-4) in the Northern Arafura Basin has been awarded to Samson International (Australia) Pty Ltd. The company proposed a guaranteed work program of 2200km 2D seismic survey and geotechnical studies at an estimated cost of \$4.18 million. The secondary work program consists of two wells and 700km² 3D seismic survey at an estimated cost of \$35 million. There were no other bids for this permit.

Permit T/48P (released as T06-5) in the Sorell Basin has been awarded to Santos Offshore Pty Ltd. The company proposed a guaranteed work program of 700km 2D seismic survey and geotechnical studies at an estimated cost of \$2.2 million. The secondary work program consists of one well, geotechnical studies and 300km² 3D seismic survey at an estimated cost of \$35.9 million. There were no other bids for this permit.

Permit VIC/P63 (released as V06-2) in the Gippsland Basin has been awarded to Great Artesian Oil and Gas Limited. The company proposed a guaranteed work program of geotechnical studies, 150 km of 2D seismic data reprocessing and two new 2D seismic surveys of 250 km each at an estimated total cost of \$1.05 million. The secondary work program consists of geotechnical studies, a new 2D seismic survey of 500 km and two exploration wells at an estimated total cost of \$8.2 million. There were no other bids for this area.

Permit VIC/P64 (released as V06-3) in the Gippsland Basin has been awarded to Great Artesian Oil and Gas Limited. The company proposed a guaranteed work program of geotechnical studies, 500 km of 2D seismic data reprocessing and two new 2D seismic surveys of 250 km each at an estimated total cost of \$1.05 million. The secondary work program consists of geotechnical studies, a new 2D seismic survey of 500 km and two exploration wells at an estimated total cost of \$8.2 million. There were no other bids for this area.

Permit VIC/P65 (released as V06-4) in the Gippsland Basin has been awarded to Eagle Bay Resources NL. The company proposed a guaranteed work program of geotechnical studies, 50 km of 2D seismic data reprocessing, a new 3D seismic survey of 400 km² and one exploration well at an estimated total cost of \$18.85 million. The secondary work program consists of geotechnical studies, a new 3D seismic survey of 200 km² and one exploration well at an estimated total cost of \$17.75 million. There were no other bids for this area.

Permit WA-396-P (released as W06-8) in the Caswell Sub-basin, Browse Basin, has been awarded to Woodside Energy Ltd. The company proposed a guaranteed work program of geotechnical studies and a new 3D seismic survey of 400km² at an estimated total cost of \$10.7 million. The secondary work program consists of geotechnical studies, a new 3D seismic survey of 250 km² and a new CSEM survey at an estimated total cost of \$9.4 million. There were no other bids for this area.

Permit WA-397-P (released as W06-7) in the Caswell Sub-basin, Browse Basin, has been awarded to Woodside Energy Ltd. The company proposed a guaranteed work program of geotechnical studies, a new 3D seismic survey of 1,250 km² and one exploration well at an estimated total cost of \$69.4 million. The secondary work program consists of geotechnical studies, a new CSEM survey and a new 3D seismic survey of 250 km² at an estimated total cost of \$9.4 million. There were no other bids for this area.

Permit WA-398-P (released as W06-6) in the Caswell Sub-basin, Browse Basin, has been awarded to ConocoPhillips Australia Exploration Pty Ltd and Karoon Gas Browse Basin Pty Ltd. The companies proposed a guaranteed work program of geotechnical studies, a new 3D seismic survey of 1,400 km² and four exploration wells at an estimated total cost of \$114 million. The secondary work program consists of geotechnical studies and two exploration wells at an estimated total cost of \$33 million. There were three other bids for this area.

WA-399-P (released as W06-17) in the Carnarvon Basin has been awarded to Carnarvon Petroleum and Rialto Energy Ltd. The companies proposed a guaranteed work program of geotechnical studies, a new 2D seismic survey of 315 km at an estimated total cost of \$12.8 million. The secondary work program consists of 2 wells and geotechnical studies. There were two other bids for this area.

Permit WA-400-P (released as W06-13) in the Carnarvon Basin has been awarded to Gerald Nelson. Mr Nelson proposed a guaranteed work program of 227km 2D seismic reprocessing; 40km² 3D survey and geological studies at an estimated cost of \$1.29 million. The secondary work program consists of two exploration wells and a 40km² 3D seismic survey. There were no other bids for this permit.

Permit WA-401-P (released as W06-10) in the Carnarvon Basin has been awarded to Gerald Nelson. Mr Nelson proposed a guaranteed work program of 104km 2D seismic reprocessing, 45km² 3D seismic survey and geotechnical studies at an estimated cost of \$1.4 million. The secondary work program consists of two exploration wells and 45km² 3D seismic survey at an estimated cost of \$25 million. There were no other bids for this permit.

Permit WA-402-P (released as W06-2) in the Bonaparte Basin has been awarded to Total E & P Australia. The company proposed a guaranteed work program of 1000km 2D seismic reprocessing, geotechnical studies, 754km² new 3D seismic survey and 3D seismic interpretation at an estimated cost of \$13.2 million. The secondary work program consists of one exploration well and geotechnical studies at an estimated cost of \$59.4 million. There were two other bids for this area.

Permit WA-403-P (released as W06-3) in the Bonaparte Basin has been awarded to Total E & P Australia. The company proposed a guaranteed work program of 1984km² 3D seismic survey, 3D seismic interpretation, geotechnical studies and two exploration wells at an estimated cost of \$144.4 million. The secondary work program consists of geotechnical studies at an estimated cost of \$7.2 million. There was one other bid for this area.

Permit WA-404-P (released as W06-9) in the Carnarvon Basin has been awarded to Woodside Energy Ltd and Hess Exploration (Carnarvon) Pty Ltd. The companies proposed a guaranteed work program of 2748km² 3D survey, geotechnical studies and nine exploration wells at an estimated cost of \$196.2 million. The secondary work program consists of geotechnical studies and one exploration well at an estimated cost of \$21.8 million. There were four other bids for this permit.

Permit WA-405-P (released as W06-5) in the Bonaparte Basin has been awarded Reliance Industries Ltd. The company proposed a guaranteed work program of 3200km 2D reprocessing, geotechnical studies, 500km 2D seismic survey and 600km² 3D seismic survey at an estimated cost of \$9.6 million. The secondary work program consists of geotechnical studies and one exploration well at an estimated cost of \$20.16 million. There was one other bid for this permit.

Permit WA-406-P (released as W06-1) in the Bonaparte Basin has been awarded to CNOOC Australia E&P Pty Ltd. The company proposed a guaranteed work program of 400km² 3D seismic survey, geological studies and five exploration wells at an estimated cost of \$81.3 million. The secondary work program consists of 400km² 3D seismic survey, geological studies and five exploration wells at an estimated cost of \$80.8 million. There were two other bids for this permit.

Permit WA-407-P (released as W06-4) in the Bonaparte Basin has been awarded to Goldsborough Energy. The company proposed a guaranteed work program of geotechnical studies and 1400km 2D seismic survey and 2000km 2D reprocessing at an estimated cost of \$2.75 million. The secondary work program consists of seismic interpretation, geotechnical studies and one exploration well at an estimated cost of \$15.6 million. There were no other bids for this permit.

New Shipping Area Introduced by AMSA

A new shipping route introduced in February 2007 passes west of Mutineer-Exeter, Angel and Legendre. It also passes close to Glomar Shoal which was re-surveyed to confirm the charted depth from the 1968 survey. This shoal was named after the Glomar Challenger, which AMSA believe was one of the first drilling rigs to operate on the North West Shelf.

The new shipping route is presented on the chart at the back of the newsletter. Even though the use of the route is not mandatory, AMSA's available traffic data indicates that almost all shipping, previously passing through the off-shore fields, are now using the new Dampier Shipping Fairway.

Nomination of Areas for the 2008 Offshore Acreage Release

As announced at the 2007 APPEA Conference, the Commonwealth and State/NT governments are calling for nominations from interested parties for vacant offshore areas to be considered for release in 2008.

Nominations are treated as "Commercial-in-Confidence", should be in writing, and be forwarded by **30 September 2007** 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, and the Geoscience Australia research agenda.

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

Re-release of 2006 Areas

The following areas from the 10 May 2007 close of bidding round of the 2006 acreage release have been re-released and will be available for bidding until 18 October 2007.

W06-19 and 20
NT06-1 and 2

These four 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
2007 Acreage Release, First Closing Round [17 areas]	V07-1; AC07-1 to 5; NT07-1 to 2; W07-1 to 7 and 16 to 17.	Thursday, 18 October 2007
2007 Acreage Release, Second Closing Round [17 areas]	V07-2 to 3; NT07-3 to 5; W07-8 to 15 and 18 to 21	Thursday, 17 April 2008
Re-release of 2006 areas (from second close of bidding round) [4 Areas]	NT06-1 and 2 W06-19 and 20	Thursday, 18 October 2007

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

In this newsletter we have a new data set that is ready to order from Geoscience Australia, and news of another that will be available in the coming months. Both data sets are relevant to areas in the 2007 release.

Reprocessed Seismic Data from the Beagle Sub-basin, Areas W07-19 & W07-21

Geoscience Australia has been reviewing Amplitude Versus Offset (AVO) techniques and as part of this study three seismic lines from the Remus 2D Seismic Survey over the Beagle Sub-basin have been reprocessed. These lines cross the 2007 acreage release areas W07-19 and W07-21 and this reprocessed data is available at the cost of transfer (\$300 plus GST). See order form attached at the end of the newsletter for details of the data set. Bids for the Beagle Sub-basin Commonwealth offshore release areas, W07-18 to 21 close on 17 April 2008.

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New Magnetic Survey Data, Offshore Canning Basin, Areas W07-12 to 15

Geoscience Australia, under a contract to Fugro Airborne Surveys Pty Ltd, has acquired new high-resolution magnetic data across current Commonwealth offshore Acreage Release Areas W07-12 to 15 in the Offshore Canning Basin. The survey also covers adjacent State Water Acreage Release Areas (T07-1 to 3), and ties to and in-fills existing onshore and offshore magnetic survey data. The survey aims to improve the understanding of the geology and petroleum potential of the release areas by identifying structural and basement features, including the delineation of intrusive structures and Devonian reef trends. No exploration activities have been undertaken in this offshore area since the 1980's, but several petroleum systems (Permo-Carboniferous, Devonian and Ordovician) are proven to be prospective in the adjacent onshore portion of the basin. Live oil shows were also recorded at multiple levels within the Permian-Devonian section intersected in the Perindi-1 well (1984).

The Survey data covers an area of approximately 31,770 square kilometres and consists of a total of 56,504 line kilometres, comprising 44,633 line kilometres new data (flying height of 60 m asl) and 11,871 line kilometres of previous data. Geoscience Australia will level and merge the new and pre-existing data to achieve a 750 m line spacing and 3000 metre tie line spacing grid across the release areas.

Levelled and merged magnetic data will be released in October 2007 via Geoscience Australia's geophysical online data delivery system (GADDS). Bids for the Commonwealth offshore release areas close on 17 April 2008 (bids for the adjacent State release areas close on 11 October 2007).

For further information, please contact:

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Promotion of Australian (Commonwealth Waters) Offshore Acreage

A delegation from the Department of Industry, Tourism and Resources and Geoscience Australia travelled to Singapore (2 July), Mumbai (3-4 July), New Delhi (6-7 July) and Kuala Lumpur (9 July), provided details of the 2007 acreage release, the operating environment in Australia and responded to technical questions on petroleum exploration in Australia.

A decision on Australian Government participation at NAPE (7-8 February 2008) has yet to be made.

Award of the First Offshore Infrastructure Licence

The *Petroleum (Submerged Lands) Act 1967* was amended in 2000 to allow for the award of infrastructure licences. At the time, there were two scenarios envisaged where infrastructure licences might be used – floating LNG production facilities and the use of production platforms on abandoned fields to process petroleum from nearby producing fields.

The first infrastructure licence was awarded to Woodside in August 2007 (WA-1-IL) for a gas processing platform for the Pluto LNG project. This licence does not fit either of the above scenarios but arose because the Pluto gas field is located under the continental slope where water depth and stability concerns ruled out a platform on the field itself. A sub-sea development with pipeline to the onshore LNG plant was also ruled out for technical reasons. The solution was to locate a platform in shallow water between the field and the coast, thus necessitating an infrastructure licence. The infrastructure licence covers an area within an existing title, thus triggering the third party consultation provisions in the Act.

On 27 July 2007, Woodside's Board gave approval for the development of the \$11.2 billion Pluto LNG Project, only 2 years after the field was discovered. Woodside was also awarded a production licence for the Pluto and Xena fields in August 2007. The Pluto project is capable of being expanded to process third party gas into LNG for export.



New Production Licences Issued

In addition to the Pluto production licence (WA-34-L) (see article above), five other production licences have been issued in recent months. Production licence AC/L7 was issued to Coogee Resources on 20 March 2007 for the Montara oil project in the Timor Sea. The nearby Skua and Swift fields will also be produced to the Montara facility and production licence AC/L8 was issued to Coogee Resources for these fields on 9 August 2007. In the Bonaparte Gulf, production licence WA-33-L was issued to ENI for the Blacktip gas project on 17 August 2007. In Bass Strait, two new production licences, VIC/L27 and VIC/L28, were issued to Anzon Australia and Beach Petroleum for the gas phase of the Basker-Manta-Gummy project on 3 August 2007."

Australian Petroleum Statistics

The June 2007 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 4th quarter, 2006 are also available. Subscriptions cost \$270/year or \$27 per issue. Copies can be obtained by contacting Ms Esther Harvey by Phone +61 2 6276 1104, E-mail: psims@industry.gov.au. Archived issues are now also available electronically.

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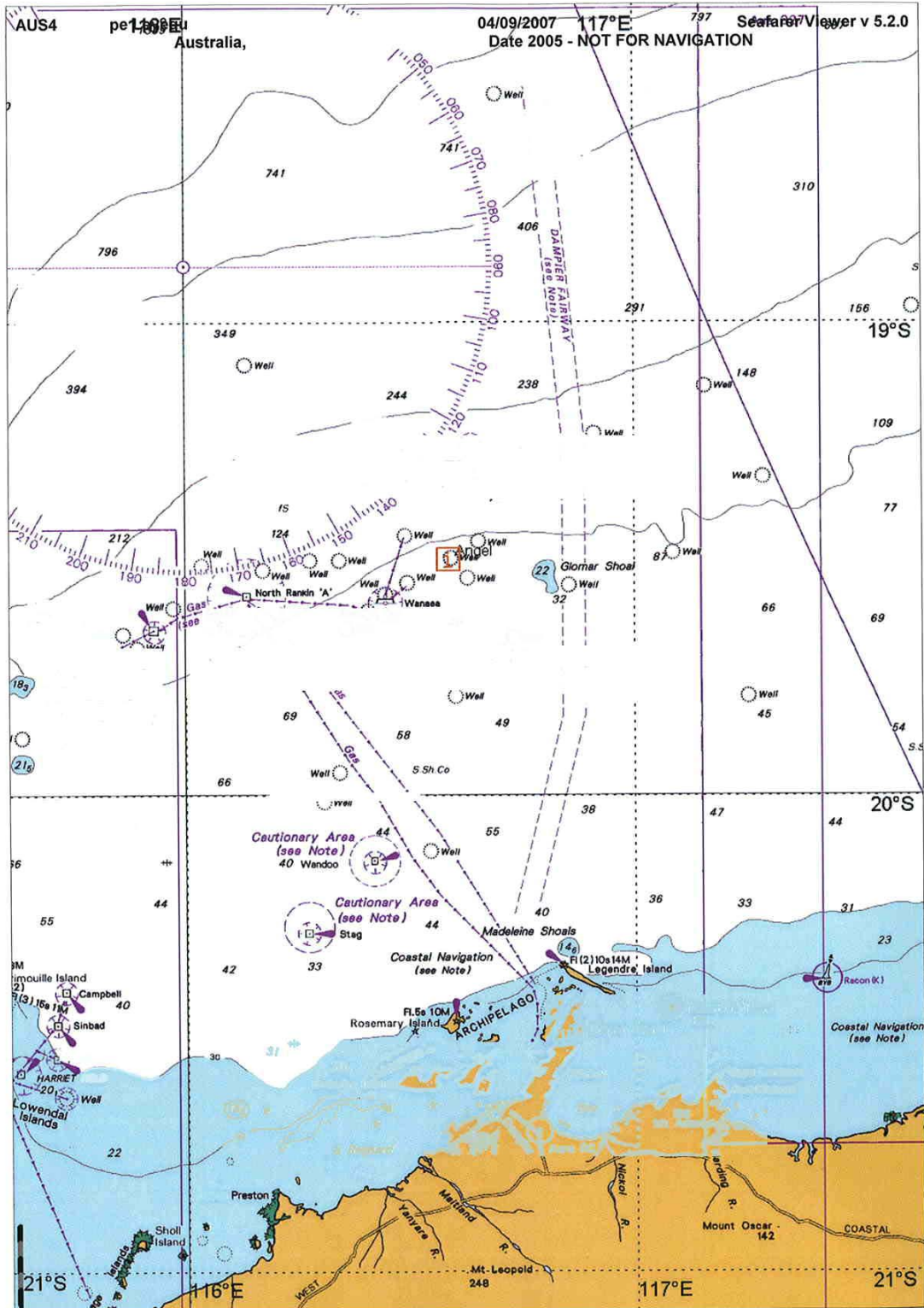
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New Shipping Route Dampier Fairway





Beagle sub basin reprocessing for W07-19 and W07-21

Company: _____

Contact: _____ Phone : _____

Email : _____

Delivery Address: _____

(Not necessary if you have accessed data previously)

Please indicate package required

Remus 2D lines 4, 17 & 29

Full PreSTM stacks

Full PreSTM stacks with Dual Gate AGC Scalars

Near, Middle and Far angle stacks

PreSTM CMP gathers

PreSTM CMP gathers with 4th order NMO and Eta corrections

Velocities, Navigation and observers logs

Cost **\$300 + GST** _____

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