



Australian Government

**Department of Industry
Tourism and Resources**

AUSTRALIAN PETROLEUM NEWS

APRIL 2005

2005 Offshore Petroleum Exploration Acreage Release

New acreage for petroleum exploration off the Western Australia, Northern Territory, South Australia and the Territory of Ashmore and Cartier Islands coastlines was released on 12 April 2005 by the Federal Minister for Industry, Tourism and Resources, Ian Macfarlane.

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

The 29 areas being made available for bidding comprise:

- 24 areas off Western Australia;
- 2 areas off the Northern Territory;
- 2 areas off South Australia; and
- 1 area in the Territory of Ashmore and Cartier Islands.

The 2005 release includes five 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 2005 DFA areas are:

- S05-2 located off the South Australia coast in the Otway Basin;
- W05-5 & 6 located off the Western Australia coast in the southern Browse Basin; and
- W05-23 & 24 located in the Bremer Sub-basin, Bight Basin, off the south coast of Western Australia.

New data from recent seismic surveys in the Bremer and Vlaming Sub-basins is now available and relevant to areas W05-21 to 24 which coincide with the survey. This seismic 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.

These areas represent the principal release of offshore acreage this year. 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 15 of the areas close on 20 October 2005 and the remainder on 20 April 2006.

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

Amendment to 2005 Acreage Release CD Information Pack

Due to an error in conversion, the scale bar is incorrect in three figures on the CD for the **Vlaming Sub-basin Release Areas** (W05-21 & W05-22).

Replacement figures can be accessed from the Geoscience Australia Acreage Release web page: www.ga.gov.au/oceans/projects/OG_SpecS_AcreageR.jsp

We apologise for any inconvenience this may cause.

Re-release of 2004 Areas

The following areas from the 31 March 2005 close of bidding round of the 2004 acreage release did not attract any bids and have been re-released:

- T04-3, 4 and 5
- W04-1, 15 and 16
- AC04-1
- NT04-1

These eight 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 October 2005.

Other seminars and meetings will be held in Calgary, Alberta (20-24 June) and Houston, Texas (27-28 June) and possibly other cities in conjunction with our attendance at AAPG.

A delegation also intends to visit Europe in conjunction with AAPG international in Paris in mid September this year.

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

Offshore Petroleum Exploration Incentive for Designated Frontier Areas

Tax Laws Amendment (2004 Measures No 7) Bill containing amendments to the *Petroleum Resource Rent Tax Assessment Act 1987* to implement the frontier petroleum exploration incentive announced on 11 May 2004 received royal assent on Friday 1 April 2005.

For details of the incentive, see the lead article in the May 2004 edition of the Australian Petroleum News.

Award of New Offshore Exploration Permit

A new offshore petroleum exploration permit has been granted in the Victoria adjacent area.

The permit (Vic/P61) was awarded under the work program bidding system for an initial term of six years and results from a bid submitted in the 30 September 2004 close of bidding round.

The permit will be jointly administered by the Australian and Victorian State Governments.

Details of the new permit are set out below.

<u>Permit</u>	<u>Basin</u>	<u>Area No</u>	<u>Grant Date</u>	<u>Successful Applicant(s)</u>
Vic/P61	Otway	V04-1	8 Feb 05	Exoil Limited, Gascorp Australia Ltd, Otway Oil & Gas Pty Ltd and Southern Energy Pty Ltd

The permit has a guaranteed work program comprising purchase and reprocessing of 760km of 2D seismic data, a 450km² 3D seismic survey and the drilling of an exploration well at an estimated total cost of \$15.3 million. The successful applicants also proposed a secondary work program of geotechnical studies and a well at an estimated cost of \$12.5 million. There were no other bids for the area.

A map showing the location of the area is available on the Internet at:
www1.industry.gov.au/acreagereleases2004/Data/Otway%20Victoria/otwayvic_location.htm

New Production Licence Awarded over Casino

Santos, operator of the Casino gas project in the Otway basin, was awarded a production licence in April 2005. Ownership of this \$200 million project consists of Santos Limited 50 per cent, Peedamullah Petroleum 25 per cent and Mittwell Energy Resources 25 per cent. The project is on schedule for gas production to commence in the first quarter 2006. The entire gas reserves from the Casino field have been sold under contract to the company TXU.

Geoscience Australia News

Geophysical Data Supporting Bremer & Vlaming 2005 Areas (W05-21 to 24)

In November 2004, under the new acquisition program, Geoscience Australia acquired 2700km of 2D industry standard seismic data in South Western Australia. This data supports the 2005 acreage release areas in the Bremer & Vlaming Sub-basins, and includes 12 lines in the Bremer Sub-basin, 7 lines in the Mentelle Basin, and 3 lines in the Vlaming Sub-basin. It is the first seismic data acquired in the Mentelle Basin and Bremer Sub-basin in 30 years and in the Vlaming Sub-basin in over a decade.

The data was acquired at a cost of 3.6 million dollars and is now available at the cost of transfer. It can be obtained through Geoscience Australia's Geophysical and Geological Repository: Tel: +61 2 6249 9222 or E-mail: ausgeodata@ga.gov.au.

Replacement figures for 2005 Acreage Release areas in Vlaming Sub-basin

As noted above, due to an error in conversion, the scale bar is incorrect in three figures on the CD for the Vlaming Sub-basin Release Areas (W05-21 & W05-22).

Replacement figures can be accessed from the Geoscience Australia Acreage Release web page: www.ga.gov.au/oceans/projects/OG_SpecS_AcreageR.jsp

We apologise for any inconvenience this may cause.

New Products & Publications

Oil and Gas Resources of Australia

The latest edition of Oil and Gas Resources of Australia (OGRA) 2003 is available for download from the GA website at: www.ga.gov.au/image_cache/GA6111.pdf

A hardcopy of the report is also available for purchase through the Geoscience Australia Sales Centre on +61 2 6249 9966 or freecall (Australia only) 1800 800 173.

OGRA 2003 provides the background for much of the advice on petroleum resources given to the Australian government and is a key source for petroleum exploration, production, service companies, petroleum engineers and geologists, energy analysts, stockbrokers and share investors.

OGRA 2003 continues as a reference on exploration, development and production of Australia's petroleum resources. It covers exploration, reserves, opportunity for growth of oil and gas resources, development, coal-bed methane resources, production, crude oil and shale oil and supporting information and statistics. It includes a forecast of

Australia's crude oil and condensate production from 2004 to 2025, and sustainability indicators for petroleum resources. Information on Australia's petroleum data availability is also included and an estimate of Australia's undiscovered oil and gas potential and a review of developments in geological sequestration of carbon dioxide.

The Appendices describe wells drilled and seismic surveys carried out in 2003. Also included is a chronological listing of offshore and onshore oil and gas discoveries to the end of 2003, listings of all petroleum platforms and pipelines, and a map showing all Australian petroleum exploration and development titles, with a key of title holders and interests as at March 2004.

For further information on OGRA 2003, contact Eugene Petrie: +61 2 6249 9270, or Eugene.Petrie@ga.gov.au.

Oil and Gas Analysis Reports

As part of the Government's spatial data access policy and commitment to making fundamental data sets available over the Internet, Geoscience Australia is constantly updating and improving access to petroleum well data. Oil & Gas Analysis reports are now available for many petroleum wells and can be obtained from the web page: www.ga.gov.au/oracle/apcrc/

Improved access to well header information is also an additional feature. For more information on the improved functionality and obtaining petroleum well data contact David Rowland, Database Management Project Leader: +61 2 6249 9253 or david.rowland@ga.gov.au

Rewrite of the Petroleum (Submerged Lands) Act 1967

The final exposure draft of the Offshore Petroleum Bill and associated Fees and Royalty Bills embodying the rewrite of the Petroleum (Submerged Lands) Act was released in March, as were the draft explanatory memoranda and the updated catalogue of policy changes.

Stakeholders have been given until 3 June 2005 to examine the legislation and submit final comments. The Bills are then expected to be settled with a view to introduction in the Australian Parliament in June 2005. If any industry-member does not currently have copies of the abovementioned documents and wishes to see them, please contact Mr Ilkka Aaltonen, Tel: +61 2 6213 7972, or email: ilkka.aaltonen@industry.gov.au

Australian Petroleum Statistics

The March 2005 issue of *Australian Petroleum Statistics* is now available, containing statistics on petroleum production, refining, consumption and stocks. This issue also contains the comparison of OECD petrol and diesel prices for the December quarter. Subscriptions cost \$270/year or \$27/ issue. Copies can be obtained by contacting Ms Rae Fisher on +61 2 6213 7967, or E-mail at 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.

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

E-mail: petroleum.exploration@industry.gov.au

Website: www.industry.gov.au/petexp

Phone inquiries: +61 2 6213 7920 (Bill Layer)

Facsimile: +61 2 6213 7955

ITR 2005/046