



**Australian Government**  
**Department of Industry**  
**Tourism and Resources**

## AUSTRALIAN PETROLEUM NEWS

APRIL 2007

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

Twelve new offshore petroleum exploration permits in the Western Australia, Tasmania and the Territory of Ashmore and Cartier islands adjacent areas have been granted. The work program commitments for the awarded permits are valued at A\$1,089 million over the next six years.

These new permits result from the first round of the 2006 Acreage Release that closed on 9 November 2006. Several other release areas from the same round are still being finalised and resulting permits are expected to be announced soon. 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>
WA-390-P	Carnarvon	W06-11	6 February 07	Hess Exploration Energy Ltd,
WA-391-P	Carnarvon	W06-14	13 February 07	OMV Australia Pty Ltd
WA-392-P	Carnarvon	W06-12	19 February 07	Chevron Australia (W06-12) Pty Ltd, Shell Development Australia Pty Ltd, Mobil Australia Resources Company Pty Ltd
WA-393-P	Carnarvon	W06-16	19 February 07	Sweetpea Petroleum Pty Ltd
WA-394-P	Carnarvon	W06-18	21 February 07	Octanex NL, Strata Resources NL

WA-395-P	Carnarvon	W06-15	27 February 07	Holloman Corporation
T/44P	Bass	T06-4	26 February 07	Origin Energy Resources Ltd
T/45P	Bass	T06-2	5 March 07	Rawson Resources Ltd, Hardie Infrastructure Pty Ltd
T/46P	Gippsland	T06-1	6 March 07	Great Artesian Oil & Gas Ltd
T/47P	Bass	T06-3	14 March 07	Tap (Shelfal) Pty Ltd, SPC Production Company Ltd, Jubilant Energy Ltd
AC/P40	Bonaparte	AC06-1	1 March 07	Coogee Resources (Ashmore Cartier) Pty Ltd,
AC/P41	Browse	AC06-2	1 March 07	Shell Development (Australia) Pty Ltd, Nexus Energy Ltd

Permit WA-390-P (released as W06-11) in the Central Exmouth Plateau has been awarded to Hess Exploration Australia Pty Ltd. The company proposed a guaranteed work program of geotechnical studies, 2,000 km of 2D seismic data reprocessing, a new 3D seismic survey of 3,135 km<sup>2</sup>, and 16 exploration wells at an estimated cost of \$500.9 million. The secondary work program consists of geotechnical studies and 3,135 km<sup>2</sup> of 3D seismic data reprocessing at an estimated cost of \$2.8 million. There were ten other bids for this area.

Permit WA-391-P (released as W06-14) in the Barrow Sub-basin has been awarded to OMV Australia Pty Ltd. The company proposed a guaranteed work program of geotechnical studies, 340 km<sup>2</sup> of 3D seismic data reprocessing (PSDM & PSTM) and 800 km of 2D seismic data reprocessing at an estimated total cost of \$3.3 million. The secondary work program consists of three exploration wells and a new 3D seismic survey at an estimated total cost of \$52 million. There was one other bid for this area.

Permit WA-392-P (released as W06-12) in the Central Exmouth Plateau has been awarded to Chevron Australia (W06-12) Pty Ltd, Shell Development (Australia) Pty Ltd, and Mobil Australia Resources Company Pty Ltd. The companies proposed a guaranteed work program of geotechnical studies, 180 km of 2D seismic data reprocessing, a new 3D seismic survey of 1,709 km<sup>2</sup>, and one exploration well at an estimated total cost of \$44.082 million. The secondary work program consists of geotechnical studies, and a new 2D seismic survey of 100 km at an estimated total cost of \$0.56 million. There were four other bids for this area.

Permit WA-393-P (released as W06-16) in the Barrow Sub-basin has been awarded to Sweetpea Petroleum Pty Ltd. The company proposed a guaranteed work program of geotechnical studies, a new 2D seismic survey of 500 km, and one exploration well at an estimated total cost of \$13 million. The secondary work program consists of geotechnical studies, and four exploration wells at an estimated total cost of \$48.5 million. There were two other bids for this area.

Permit WA-394-P (released as W06-18) in the Southern Exmouth Plateau has been awarded to Octanex NL and Strata Resources NL. The companies proposed a guaranteed work program of geotechnical studies, and a new 2D seismic survey of 375 km at an estimated total cost of \$0.7 million. The secondary work program consists of geotechnical studies and one exploration well at an estimated total cost of \$20.6 million. There were no other bids for this area.

Permit WA-395-P (released as W06-15) in the Barrow Sub-basin has been awarded to Holloman Corporation. The company proposed a guaranteed work program of geotechnical studies, a new 3D seismic survey of 70 km<sup>2</sup>, purchase of 3D seismic data, and two exploration wells at an estimated total cost of \$29.7 million. The secondary work program consists of geotechnical studies and two exploration wells at an estimated total cost of \$28.2 million. There was one other bid for this area.

Permit T/44P (released as T06-4) in the Bass Basin has been awarded to Origin Energy Resources Limited. The company proposed a guaranteed work program of geotechnical studies, a new 2D seismic survey of 275 km, a new 3D seismic survey of 235 km<sup>2</sup>, 4000 km of 2D seismic data reprocessing, and one exploration well at an estimated total cost of \$27 million. The secondary work program consists of geotechnical studies, a new 3D seismic survey of 130 km<sup>2</sup>, and one exploration well at an estimated total cost of \$22.5 million. There was one other bid for this area.

Permit T/45P (released as T06-2) in the Bass Basin has been awarded to Rawson Resources Ltd and Hardie Infrastructure Pty Ltd. The companies proposed a guaranteed work program of geotechnical studies, a new 3D seismic survey of 200 km<sup>2</sup> and two exploration wells, at an estimated cost of \$22.3 million. The secondary work program consists of geotechnical studies and one exploration well, at an estimated cost of \$10.6 million.

Permit T/46P (released as T06-1) in the Southern Platform, Gippsland Basin, has been awarded to Great Artesian Oil and Gas Limited. The company proposed a guaranteed work program of geotechnical studies, reprocessing of 500 km of 2D seismic data and new 2D seismic surveying of 500 km, at a total estimated cost of \$1.05 million. The secondary work program consists of geotechnical studies, two exploration wells and a new 2D seismic survey of 500 km, at a total estimated cost of \$8.2 million.

Permit T/47P (released as T06-3) in the Bass Basin has been awarded to Tap (Shelfal) Pty Ltd, SPC Production Company Limited and Jubilant Energy Limited. The companies proposed a guaranteed work program of geotechnical studies, a new 3D seismic survey of 506 km<sup>2</sup>, a new 2D seismic survey of 511 km, and two exploration wells at an estimated total cost of \$33.35 million. The secondary work program consists of geotechnical studies, a new 3D seismic survey of 205 km<sup>2</sup>, and one exploration well at an estimated total cost of \$14.6 million. There were three other bids for this area.

Permit AC/P40 (released as AC06-1) in the Vulcan Sub-basin has been awarded to Coogee Resources (Ashmore Cartier) Pty Ltd. The company proposed a guaranteed work program of geotechnical studies, 450 km<sup>2</sup> of 3D seismic data reprocessing (PSDM & PSTM), and two exploration wells at an estimated total cost of \$39.5 million. The secondary work program consists of geotechnical studies and two exploration wells at an estimated total cost of \$51 million. There was one other bid for this area.

Permit AC/P41 (released as AC06-2) in the Northern Browse Basin has been awarded to Shell Development (Australia) Pty Ltd and Nexus Energy Limited. The companies proposed a guaranteed work program of geotechnical studies, a new 3D seismic survey of 450 km<sup>2</sup>, and three exploration wells at an estimated total cost of \$114.2 million. The secondary work program consists of geotechnical studies at an estimated total cost of \$0.9 million. There were three other bids for this area.

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### **Re-release of 2006 Areas**

Two areas did not receive bids in the first bidding round of the 2006 Acreage Release that closed on 9 November 2006 and have been re-released at the discretion of the relevant Joint Authorities. Bidding for these re-released areas will close on Thursday 10 May 2007. The areas are:

#### **W06-13 and V06-1**

The re-released areas are open to all interested bidders under the work program bidding system. The areas are also open for bidding by any company who wishes to fulfil its obligations under a good standing arrangement after cancellation of an exploration permit.

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### **Summary of Areas Currently Available for Bidding**

Following the close of the 2006 first round release areas on 9 November 2006, the release areas below are the second round areas. Included are re-released first round areas that did not result in a permit being granted.

<b>Release/ round</b>	<b>Areas</b>	<b>Bid Closing Date</b>
2006 Acreage Release, Second Closing Round [14 areas]	NT06-1 to 4; T06-5; W06-1 to 5 and 9 & 10 and 19 & 20	<b>Thursday 10 May 2007</b>
Re-release of 2006 areas (from first close of bidding round) [2 Areas]	W06-13 and V06-1	<b>Thursday 10 May 2007</b>

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)

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## **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 2007 release, at the following events and venues:

**APPEA Adelaide, SA, Australia 15-18 April 2007**  
(Australian Petroleum Production and Exploration Association)

Please visit the Australian booth at the above event.

A delegation from the Department of Industry, Tourism and Resources and Geoscience Australia will visit Korea, Japan and China during May 2007. Cities visited include Seoul (14 May) Tokyo (15-18 May), Beijing (21-22 May) and (Hong Kong 23 May). A delegation will also visit India, Malaysia and Singapore in June/July, exact dates not yet finalised.

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) .

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## **New Production Licence Granted over Stybarrow**

On 19 February 2007, the Commonwealth - Western Australian Joint Authority granted Production Licence WA-32-L to BHP Billiton Petroleum (Australia) Pty Ltd and Woodside Energy Ltd over the Stybarrow field in the Exmouth sub-basin in the offshore Western Australia. The A\$750 million project will involve a subsea development and a floating production, storage and offloading facility. The facility will initially produce about 80,000 barrels a day and will have a storage capacity of 900,000 barrels

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## **Greater Sunrise Treaties Enter into Force**

On 23 February 2003, Australia and Timor-Leste exchanged diplomatic notes that officially brought the Greater Sunrise International Unitisation Agreement (IUA) and the Treaty on Certain Maritime Arrangements in the Timor Sea (CMATS Treaty) into force.

The IUA and the CMATS Treaty together provide the legal and fiscal regimes for the exploration and exploitation of the Greater Sunrise petroleum resources as a single unit for the benefit of both Australia and Timor-Leste.

The Greater Sunrise petroleum field straddles the border of the Joint Petroleum Development Area (JPDA) and an area of Australian jurisdiction. It contains an estimated 295 million barrels of condensate and 8.4 trillion cubic feet of gas. Under the Timor Sea Treaty, the resources are attributed 20.1% to the JPDA and 79.9% to Australian waters.

The major elements of the CMATS Treaty are:

- setting aside the Parties' claims to jurisdiction and maritime boundaries in the Timor Sea for 50 years;
- entry into force of the Greater Sunrise International Unitisation Agreement (IUA); and
- lifting Timor-Leste's share of Greater Sunrise from 18% of the resource (under the IUA) to 50 per cent of total upstream tax revenues (under the CMATS Treaty).

Equal sharing of the upstream revenues from Greater Sunrise under the CMATS Treaty could result in Australia and Timor-Leste each receiving up to US\$10 billion in upstream tax revenue over the life of the project.

In anticipation of the entry into force of the treaties, the Minister for Industry, Tourism and Resources, the Hon Ian Macfarlane MP, initiated the proclamation of legislation that was passed by the Australian Parliament in 2004 to underpin the operation of the IUA. This legislation entered into force on 1 February 2007.

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## **Consolidation of Petroleum Regulations Under the PSLA**

The Department is currently undertaking an exercise to consolidate and streamline regulations under the *Petroleum (Submerged Lands) Act 1967* (PSLA). The work is in direct response to the findings of the 2006 Banks review, which made recommendations in regard to reducing regulatory burdens on industry.

We are reviewing all current single-purpose regulations to identify possible efficiencies, and remove duplication. It is then intended that these be merged into three sets of new regulations responding to the three basic reasons to regulate - safety, environment and resource management.

Stakeholder consultations were undertaken in early 2007 with State and the Northern Territory governments, APPEA and 14 companies active in Commonwealth waters.

Some of the changes are expected to reach the drafting stage during the course of 2007 with the less complex ones possibly being implemented before the end of the year.

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## Geoscience Australia News

### **Government invests in future energy security**

On the 14<sup>th</sup> August 2006 the Australian Prime Minister announced a \$134 million new program funding to Geoscience Australia, as part of the Government's new energy security initiative. Officers from Geoscience Australia can be contacted at the Australia booth at the 2007 APPEA conference in Adelaide. They will be consulting with industry on proposed study areas. Contact Marita Bradshaw if you would like to contribute to this process, Tel: +61 (0)2 62499 452, e-mail:

[Marita.bradshaw@ga.gov.au](mailto:Marita.bradshaw@ga.gov.au)

### **Capel and Faust Basins Seismic Survey 2006**

Geoscience Australia conducted a seismic survey in the Capel and Faust basins, approximately 800 kms due east of Brisbane. These two remote deepwater offshore basins were identified as part of the Australian Government's 2003 - 2007 New Oil initiative, to open up offshore frontier areas for exploration.

The Pacific Titan acquired a grid of approximately 6000 kms of high quality 2D seismic data from 19 November 2006 to 7 January 2007 with a line spacing of approximately 30 kms. The vessel used an 8 km solid seismic streamer, and collected 12 seconds of data with a 12.5 m group interval and 37.5 m shotpoint interval. This data is currently being processed and several lines will be available for viewing at the 2007 APPEA conference in Adelaide.

Magnetic, gravity and long offset refraction and reflection data were also collected during the survey. As with previous surveys in this program, all seismic data will be available at the cost of transfer from Geoscience Australia. Contact Fred Kroh for more information, Tel: +61 (2) 62499183, e-mail: [Fred.Kroh@ga.gov.au](mailto:Fred.Kroh@ga.gov.au)

### **Bight Geological Sampling Survey 2007**

Geoscience Australia have just completed a geological sampling survey in the Bight Basin, using the Marine National Facility R/V *Southern Surveyor* (SS01/2007). The aim of the survey was to improve our understanding of the petroleum geology of the Bight Basin through the acquisition of rock samples and non-seismic geophysical data sets. The survey collected dredge and core samples from potential source rock units of Albian–Santonian age at the edge of the Eyre Terrace, where canyons and seabed faulting allow access to this section.

The survey also targeted potential sites of hydrocarbon seepage, acquiring core and grab samples and geophysical data (such as swath and sub-bottom profiler data) from locations across the Ceduna Sub-basin. The samples will be analysed over the coming months, and the results will be made available in a post-survey report, which will be released as a Geoscience Australia Record in early 2008. Contact Jennifer Totterdell for more information, Tel: +61 (2) 6249 9407, e-mail: [Jennifer.Totterdell@ga.gov.au](mailto:Jennifer.Totterdell@ga.gov.au)

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## Australian Petroleum Statistics

The February 2007 issue of the monthly publication *Australian Petroleum Statistics* is now available. It contains statistics on petroleum production, refining, sales, stocks, imports and exports in Excel format. OECD petrol and diesel prices for the September 2006 quarter are also available. Subscriptions cost \$270 per year or individual issues can be purchased for \$27. Subscriptions and copies, including back issues, can be ordered via e-mailing [psims@industry.gov.au](mailto:psims@industry.gov.au).

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