



Australian Government

**Department of Industry
Tourism and Resources**

AUSTRALIAN PETROLEUM NEWS

JUNE 2007

2007 Offshore Petroleum Exploration Acreage Release

New offshore acreage for petroleum exploration off the Western Australia, Northern Territory, Victoria and the Territory of Ashmore and Cartier Islands coastlines was released on 16 April 2007 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 in Adelaide, South Australia.

The 34 areas being made available for bidding comprise:

- 21 areas off Western Australia;
- 5 areas off the Northern Territory;
- 3 areas off Victoria; and
- 5 areas in the Territory of Ashmore and Cartier Islands.

The 2007 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 2007 DFA areas are:

- NT07-1 located on the Troubadour Terrace, Northern Bonaparte Basin off Northern Australia.
- NT07-4 located in the Petrel Sub-basin, Bonaparte Basin also off the North Australia.
- W07-12 to 15 located in the offshore Canning Basin, Western Australia.

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 34 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 17 of the new areas will close on 18 October 2007, and the remaining 17 areas will close on 17 April 2008.

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 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

Energy security initiative

On 14 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 are finalising the planning of this program after recent industry consultations. The final proposed program will be presented to the APPEA Exploration Committee in the near future. Contact Peter Southgate for more information on this program, phone +61 (0)2 62499 206, e-mail peter.southgate@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 19th November 2006 to 7th 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.

Magnetic, gravity and long offset refraction and reflection data were also collected during the survey. Processing of this data is currently being finalised and, as with previous surveys in this program, all seismic data will be available at the cost of transfer from Geoscience Australia at the end of July 2007. Contact Robert Langford from more information, phone +61 (2) 6249 9852, email: robert.langford@ga.gov.au

Geoscience Australia reviewing AVO technology for Acreage Release

Geoscience Australia has been reviewing Amplitude Versus Offset (AVO) techniques. As part of this study three seismic lines from the Remus 2D Seismic Survey over the Beagle Sub-basin are being reprocessed. These seismic lines cross the 2007 acreage release areas W07-19 and W07-21 and this reprocessed data will be available at the cost of transfer through Geoscience Australia's Geophysical and Geological Data Repository in early August. 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

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

Australian Petroleum Statistics

The April 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: esther.harvey@industry.gov.au Archived issues are now also available electronically.

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