



AUSTRALIAN PETROLEUM NEWS

December 2011

Highlights

- **2012 Acreage Release Proposed Areas**
- **NOPTA/NOPSEMA Commencement: 1 January 2012**
- **New Industry Notification Requirements**
- **NOPSA Operational Effectiveness Review Outcomes**
- **Geology of the Northern Perth Basin**
- **Exploration Investment Opportunities**
- **Exploration Permits Granted**

2012 Offshore Petroleum Exploration Acreage Release

Industry participation in the identification of areas to include in the *Offshore Petroleum Exploration Acreage Release* (the Release) is essential to ensuring the right mix of areas to meet future exploration demand. The 2012 Release area nomination process was heavily subscribed by industry; thank you to all organisations involved in this process. Nomination of areas for inclusion in the 2013 Release will be sought from 13 May to 31 July 2012.

The Minister for Resources and Energy, the Hon Martin Ferguson AM MP, will announce the 2012 Release at the Australian Petroleum Production and Exploration Association (APPEA) conference in Adelaide, South Australia (13 to 16 May 2011).

Following the Minister's announcement, the 2012 Release website will be launched at www.petroleum-acreage.gov.au. This website will contain release area details, including geological and prospectivity assessments, geoPDFs and information on available supporting data, Special Notices listing third party considerations, details of the offshore regulatory environment and Joint Authority expectations in relation to bidding and permit administration. This information will also be available on USB from the Commonwealth booth at the APPEA conference.

A map outlining the areas that have been short listed for inclusion in the 2012 Release can be found at the end of this edition of Australian Petroleum News (APN). Please note that the proposed areas and associated boundaries have not been finalised and are subject to change prior to the launch of the Release by the Minister. Any work undertaken by companies in relation to future bids prior to the launch of the Release in May 2012, is done so at own commercial risk and cost. Without prejudice to the content of the 2012 Release, shape files of areas defined in the map associated with this edition of APN are available on request from: petroleum.exploration@ret.gov.au.

NOPTA and NOPSEMA Commencement: 1 January 2012

The National Offshore Petroleum Titles Administrator (NOPTA) for the offshore petroleum and greenhouse gas storage industries, and the expanded National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), commence operations from 1 January 2012.

NOPTA will be a branch of the Resources Division of the Department of Resources, Energy and Tourism (RET). It will act as a single point of entry for all matters pertaining to offshore titles administration in Australian waters. Key functions will be to:

- provide information, assessments, analysis, reports and advice to members of the Offshore Petroleum Joint Authorities;
- manage the collection, administration and release of data;
- facilitate life of title administration, including Joint Authority consideration of changes to permit conditions, and approval and registration of transfers and dealings associated with offshore petroleum permits; and
- maintain the registers of petroleum and greenhouse gas storage titles in accordance with the legislation.

NOPTA's head office will be in Perth, with an additional office based in Melbourne.

Perth Office

GPO Box 7871, WA 6850
Level 11, 58 Mounts Bay Road
PERTH WA 6000

Melbourne Office

GPO Box 4634, VIC 3001
Level 1, 451 Little Bourke St
Melbourne VIC 300

The existing National Offshore Petroleum Safety Authority (NOPSA) will be expanded to become NOPSEMA - the regulator of occupational health and safety, integrity of facilities, wells and well related equipment, environmental management and day-to-day petroleum and greenhouse gas storage activities in Commonwealth offshore areas. NOPSEMA will operate from the existing NOPSA premises in Perth and Melbourne.

Specifics of the implementing legislation and associated Acts and Regulations, including changes to the submission of documents under the Regulations from 1 January 2012, can be found in the General Policy Review at: www.ret.gov.au/offshoreresourceslegislation. If you would like to receive the Review please email: petroleum.exploration@ret.gov.au.

January 2012 Notification Requirements

With the amendments to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* coming into effect from 1 January 2012, titleholders need to be aware that there will be a number of requirements to notify NOPTA and NOPSEMA of certain matters. These are set out below. Note that, in this news item, 'titleholder' refers to each individual member of a group of titleholders.

1. Subsection 286A(1) – Notification of being a registered title holder as at 1 January 2012 and contact details – Form 1
2. Subsection 286A(2) – Notification of becoming a registered title holder after 1 January 2012 – Form 2
3. Subsections 286A(3) and (4) – Notification of ceasing to be a registered titleholder (no form)
4. Subsection 286A(5) – Notification of change of contact details – Form 3
5. Section 774 – Multiple titleholders – Nomination of single registered titleholder for the service of documents – Form 4

6. Subsection 744(5)- Revocation of a nomination of Single Registered Holder for Service of Documents - Form 5
7. Section 775B – Nomination for eligible voluntary action by multiple titleholders – Form 6

To assist titleholders, the respective forms for these notification requirements will be located at: <http://www.ret.gov.au/resources/nopta/Pages/NOPTAForms.aspx>. Inquiries should be directed to the NOPTA Titles Team at titles@nopta.gov.au.

Second NOPSA Operational Effectiveness Review

On 8 December 2011, the Minister for Resources and Energy, the Hon Martin Ferguson AM MP, tabled the report of the Second Triennial Review of the Operational Effectiveness of the National Offshore Petroleum Safety Authority (NOPSA) in Parliament. The review examined NOPSA's activities and legislated functions and engagement with stakeholders, particularly in relation to safety case development and early engagement with operators.

Overall, the Review concluded that NOPSA has firmly established itself as a respected, effective and competent offshore petroleum safety regulator and is well prepared for the significant structural change in transitioning to the National Offshore Petroleum Safety and Environmental Management Authority from 1 January 2012. Other key findings from the report include:

- A recommendation to establish protocols for progressing significant offshore petroleum developments that cross jurisdictional boundaries as the key to assuring seamless regulation;
- Support for the safety case as the over-arching model for safety on a facility;
- A recommendation to equip the regulator with a wider range of compliance tools as a policy priority;
- A focus on a holistic, whole-of-life approach to engagement with stakeholders by the regulator; and
- Recommending that industry organisations assist with ensuring members are fully informed of safety case processes and content requirements.

The Government will review and respond to the Report's recommendations and findings in the first half on 2012. The Report is available on the Department of Resources, Energy and Tourism website www.ret.gov.au and the 2011 NOPSAs Operational Review website: www.nopsareview.gov.au.

Geoscience Australia: Opening the Northern Perth Basin

In September and October, a team of scientists and technicians from Geoscience Australia completed a marine survey in the offshore northern Perth Basin. The aim of the survey was to find evidence of natural hydrocarbon seepage, to underpin a prospectivity assessment of acreage release area W11-18.

Approximately 3500 km² of the continental margin off Geraldton, Western Australia, was covered using the Australian Government's Marine National Facility, the RV Southern Surveyor. The survey was equipped with a remotely operated vehicle (ROV) supplied by research collaborators from the Royal Netherlands Institute for Sea Research and the University of Ghent in Belgium; the first time this type of equipment has been deployed for such research purposes in Australian waters.

Approximately 3000 line km of multibeam bathymetry and sub-bottom profiler data, 1500 line km of sidescan sonar data, and 100 sediment samples were collected during the survey. Preliminary assessment of these data in the northernmost part of the study area, in approximately 500 m water depth, revealed pockmarks on the seabed and 'flares' in the water column. Carbonate blocks and other interesting features were also observed in this area with the ROV. These acoustic and seabed features are located over a major fault system with evidence of recent tectonic movement, in a zone of palaeo-oil generation and migration.

Together these features are analogous with known natural hydrocarbon seepage sites in the Timor Sea. Sediment and biological samples from this area are currently being analysed for further indicators of seepage.

Data from the Northern Perth Basin Marine Survey, and from existing research into release area W11-18, are available at cost of transfer from Geoscience Australia, with reports and research papers associated with this work scheduled to be released over coming months. For further information please email: Andrew.Jones@ga.gov.au.

Exploration Investment Opportunities

The second round of the *2011 Offshore Petroleum Exploration Acreage Release* remains open for bidding until 12 April 2012. Two areas from the first round of the *2011 Release* have also been re-released for industry consideration; bidding for these areas also closes on 12 April 2012.

Exploration work undertaken in re-release acreage may fulfil Good Standing Arrangement obligations, which have been entered into by a company following the cancellation or expiry in default of an exploration permit.

| Release/Round | Areas | Bid Closing Date |
|--------------------------------------|---|---|
| Re-Release Acreage | W11-14 V11-1 | Thursday 12 April 2012 4pm local standard time |
| 2011 Acreage Release Second Round | NT11-1 & NT11-2 W11-2 to W11-9 W11-16 to W11-18 | |

Applications, together with supporting data, should be submitted by 4pm local time on the closing date to the Titles Manager of the **National Offshore Petroleum Titles Administrator**, at either the Perth or Melbourne office. Further information on bid submission requirements is outlined in the *Requirements of Bid and Renewal Applications Guideline* available online at www.ret.gov.au/offshoreresourceslegislation.

Further information on areas available for bidding can be found at <http://www.petroleum-acreage.gov.au>.

Pre-competitive geological data associated with release areas may be available and industry is invited to contact Geoscience Australia, which offers secure access to the latest seismic and geological data supporting the Acreage Release; for bookings please email: biu@ga.gov.au.

New Exploration Permits Granted

On 18 November, Minister for Resources and Energy, the Hon Martin Ferguson AM MP, announced the award of nine new offshore exploration permits. The grant of these permits follows assessment of the second round of the 2010 Acreage Release; bids lodged in relation to the first round of the 2011 Acreage Release are under consideration by the Joint Authority.

In awarding the permits, Minister Ferguson noted the essential role of exploration in ensuring a robust future for the industry in Australia and highlighted the need to ensure that the highest standards of safety for both workers and the environment are applied from early exploratory activities right through to production and transport.

“Safety is top of mind for government, regulators and industry and that is why the Commonwealth Government is establishing the National Offshore Petroleum Safety and Environmental Management Authority to commence operations from 1 January 2012 and further strengthen our existing regulatory framework.” Minister Ferguson said.

PERMITS GRANTED

WA-466-P (released as W10-3) in the Rowley Sub-basin of the Roebuck Basin off Western Australia has been awarded to Woodside Energy Ltd and Shell Development (Australia) Pty Ltd. The companies proposed a guaranteed work program of 3590 km² 3D seismic surveying and three exploration wells to an estimated value of \$128.2m. The secondary work program consists of 2000 km² 3D seismic reprocessing, geotechnical studies and an exploration well to an estimated value of A\$37.9m. There were three other bids for this area.

WA-462-P (released as W10-4) in the Rowley Sub-basin of the Roebuck Basin off Western Australia has been awarded to Woodside Energy Ltd and Shell Development (Australia) Pty Ltd. The companies proposed a guaranteed work program of 3585 km² new 3D seismic surveying, geotechnical studies and an exploration well to an estimated value of A\$58.1m. The secondary work program consists of 2000 km² 3D seismic reprocessing, geotechnical studies and an exploration well to an estimated value of A\$37.9m. There were three other bids for this area.

WA-464-P (released as W10-5) in the Rowley Sub-basin of the Roebuck Basin off Western Australia has been awarded to Woodside Energy Ltd and Shell Development (Australia) Pty Ltd. The companies proposed a guaranteed work program of 3595 km² new 3D seismic surveying and four exploration wells to an estimated value of A\$163.2m. The secondary work program consists of 2000 km² 3D reprocessing, geotechnical studies and one exploration well to an estimated value of A\$37.9m. There were three other bids for this area.

WA-465-P (released as W10-8) in the Beagle Sub-basin, the Carnarvon Basin, off Western Australia has been awarded to Woodside Energy Ltd. The company proposed a guaranteed work program of geotechnical studies and 1211 km² 3D seismic surveying to an estimated value of A\$9m. The secondary work program consists of an exploration well and geotechnical studies to an estimated value of A\$37.9m. There was one other bid for this area.

WA-467-P (released as W10-9) in the Beagle Sub-basin, the Carnarvon Basin, off Western Australia has been awarded to Woodside Energy Ltd. The company proposed a guaranteed work program of 351 km² of new 3D seismic surveying and geotechnical studies to an estimated value of A\$3.8m. The secondary work program consists of one exploration well and geotechnical studies to an estimated value of A\$36.5m. There were three other bids for

WA-461-P (released as W10-23) in the Exmouth Sub-basin of the Carnarvon Basin off Western Australia has been awarded to Woodside Energy Ltd and Mitsui E&P Australia Pty Limited. The company proposed a guaranteed work program comprising licensing of 480 km² of new multi-client 3D seismic data, 395 km² 3D seismic reprocessing, 157 km² new 2D surveying and geotechnical studies to an estimated value of A\$7.8m. The secondary work program consists of 480 km² 3D seismic reprocessing, geotechnical studies and one exploration well to an estimated value of A\$36.9m. There were two other bids for this area.

WA-463-P (released as W10-24) in the Exmouth Sub-basin of the Carnarvon Basin off Western Australia has been awarded to Woodside Energy Ltd and Mitsui E&P Australia Pty Limited. The companies proposed a guaranteed work program comprising of licensing of 283 km² of new multi-client 3D seismic data, 217 km² 3D seismic reprocessing, 104 km of new 2D seismic surveying and geotechnical studies to an estimated value of A\$5.4m. The secondary work program consists of 283 km² 3D seismic reprocessing, geotechnical studies and an exploration well to an estimated value of A\$36.7m. There were three other bids for this area.

WA-460-P (released as W10-25) in the Exmouth Sub-basin of the Carnarvon Basin off Western Australia has been awarded to Cottesloe Oil and Gas Pty Ltd, Strike Energy Limited and WHL Energy Limited. The companies proposed a guaranteed work program comprising geotechnical studies, 92 km 2D reprocessing, 9.5 km new 2D seismic surveying and 81 km² new 3D seismic surveying to an estimated value of A\$1.2m. The secondary work program consists of one exploration well and geotechnical studies to an estimated value of A\$60.2m. There was one other bid for this area.



WA-459-P (released as W10-1) in the Petrel Sub-basin of the Bonaparte Basin off Western Australia and the Northern Territory has been awarded to Santos Oil and Gas Pty Ltd. The company proposed a guaranteed work program comprising geotechnical studies, 300 km new 2D seismic surveying and 865 km 2D seismic reprocessing to an estimated value of A\$3.5m. The secondary work program consists of one exploration well and geotechnical studies to an estimated value of A\$20.5m. There were two other bids for this area.

Advertising Opportunity: 2012 Offshore Petroleum Exploration Acreage Release

Petroleum exploration support industries are invited to advertise products and services relevant to the short listed *2012 Offshore Petroleum Exploration Acreage Release* areas in the associated Release information package.

The 2012 Release will be launched by the Commonwealth Resources & Energy Minister at APPEA 2012 in May, following which the information package will be available on-line and in USB form. The product will also be distributed to interested parties, both domestically (visit the Commonwealth booth at APPEA) and internationally, including dissemination to exploration and investment companies in Japan, China, India, Korea, Taiwan and the USA. The 2011 information package can be found at: www.petroleum-acreage.gov.au.

Advertising is provided on a cost-recovery basis and is \$550 (GST inclusive) per A4 page. To take advantage of this opportunity, please e-mail petroleum.exploration@ret.gov.au to obtain additional information and a supplier form. Please note that advertisements (in PDF and word form) must be received no later than COB Wednesday 29 February 2012.

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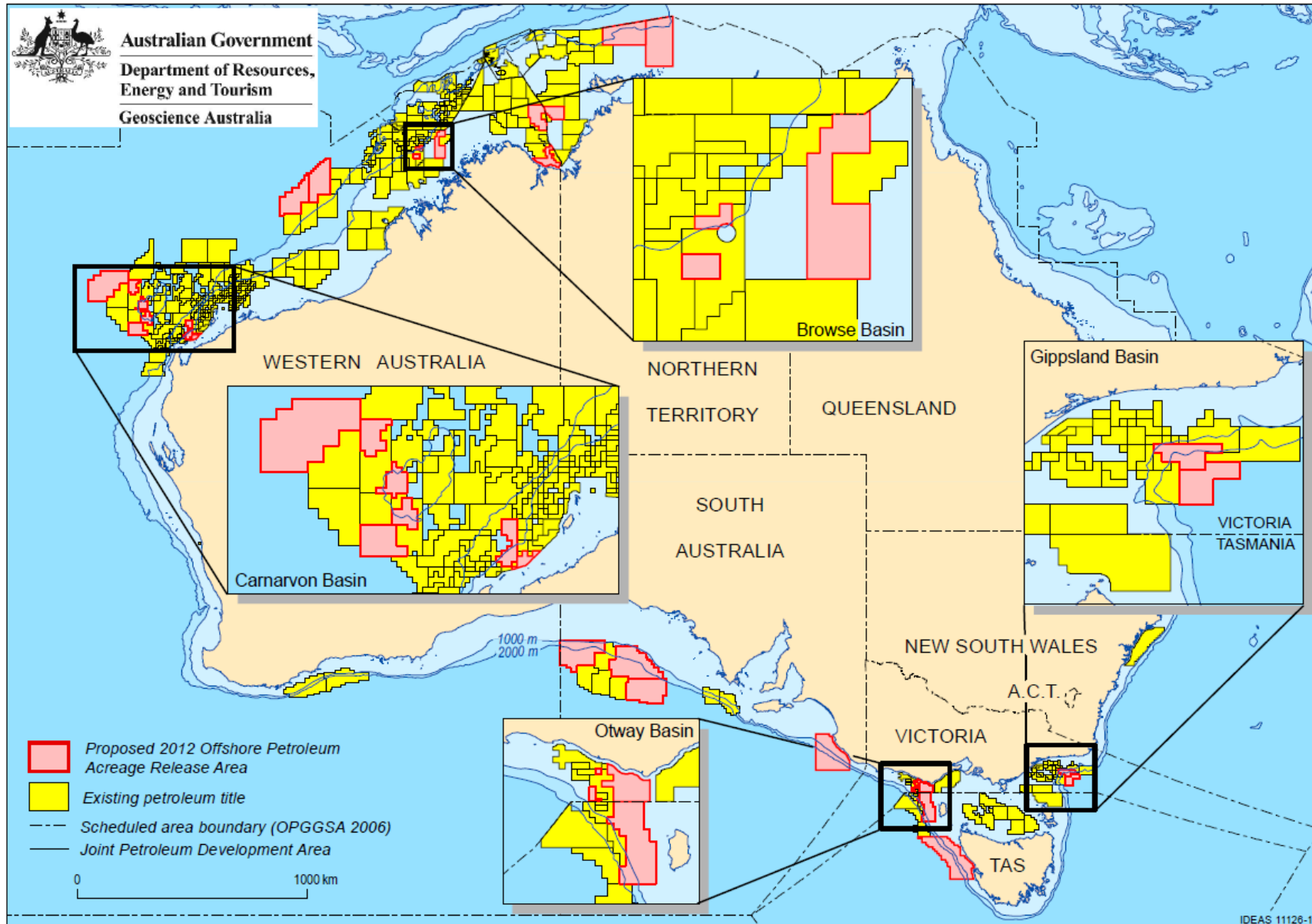
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Information provided in this newsletter does not replace or amend information provided in the Offshore Petroleum Legislation, Regulations and Guidelines, which are available at: www.ret.gov.au/offshoreresourceslegislation. In all matters relating to the administration of offshore petroleum titles, companies are responsible for ensuring their work complies with Australian Law.



Areas short listed for inclusion in the 2012 Offshore Petroleum Exploration Acreage Release, as at 22 December 2011.