

Feds release new acreage

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FEDERAL Resources and Energy Minister Martin Ferguson has announced the release of 35 new offshore petroleum exploration areas in Commonwealth waters.

"The Australian Government is committed to intensifying the mineral, oil and gas exploration effort and the development of new exploration science and technology," Ferguson said at the 2008 APPEA Conference.

"The first step of the exploration cycle is the Australian Government's Offshore Petroleum Exploration Acreage Release program, forming a key part of the Government's strategy to encourage investment in petroleum exploration."



Martin Ferguson
addressing APPEA 2008

Bids for 17 of the new areas close on October 9, with the remaining 18 areas closing on April 9 next year. All bids are assessed under the work program bidding system and will be awarded for an initial term of six years, Ferguson told the conference.

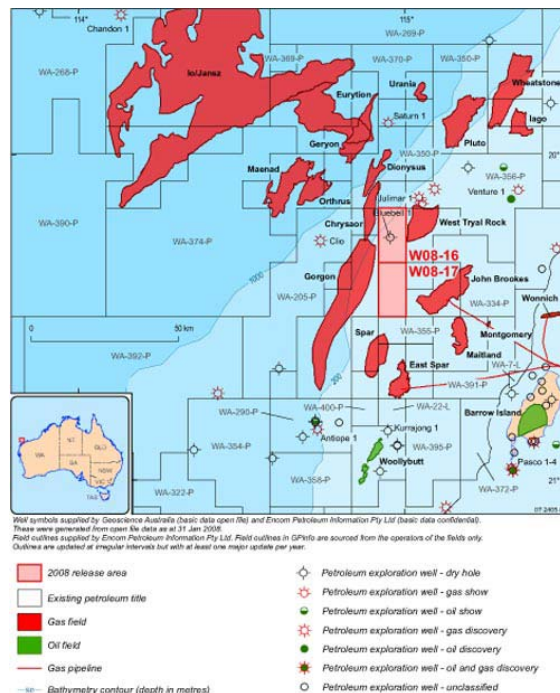
The 2008 release areas are in five basins off the Northern Territory and Western Australian coasts and in the Territory of Ashmore and Cartier Islands.

Located in what Ferguson described as a "prestigious neighbourhood", W08-16 and W08-17 in the Barrow Sub-basin off Western Australia are expected to be hotly contested.

The two 160 square kilometre areas are in an active exploration area with established infrastructure and are surrounded by major oil and gas accumulations. Gorgon lies immediately the west of the blocks; John Brookes and West Tryal rocks are in the adjacent blocks to the east. Pluto and Wheatstone are not far to the northeast.

Also of note are four release areas, W08-7 to W08-10, in the Caswell Sub-basin, which are adjacent to the giant Ichthys gas field, where operator Inpex is carrying out aggressive appraisal drilling programs. In the northern Caswell Sub-basin, the AC08-7 and AC08-8 blocks lie in the Ashmore and Cartier territory, northwest of Ichthys and northwest of the undeveloped Buffon discovery.

The acreage release also includes seven designated frontier areas that are eligible



for the frontier exploration tax incentive of 150% uplift for exploration expenditure.

These are W08-4 and W08-5 in the Bonaparte Basin; W08-13 and W08-15 in the Browse Basin's Bedout Sub-basin; W08-21 and W08-22 in the Carnarvon Basin; as well as W08-24 in the Vlaming Sub-basin off the coast of Bunbury.

Ferguson said encouraging frontier exploration was necessary for Australia's energy security and the Federal Government would be examining ways of increasing activity in frontier basins.

"Exploration is fundamental to the future of the resources sector, and the Government is committed to working with industry and State and Territory Governments to maintain our international competitiveness and ensure the long term growth of this vital Australian industry", he said.

According to Ferguson, government initiatives, such as the provisions of high quality pre-competitive data by Geoscience Australia; tax incentives to encourage exploration in frontier areas; and an improved speculative seismic data acquisition policy have played their part in boosting Australia's attractiveness to explorers.

Recent years have seen a strong and growing interest in Australia's prospectivity from both domestic and international companies, he said.

Geoscience Australia reports a 200% increase in requests for survey data and a 430% increase for well data in preparation for the 2008 Acreage Release.

More than 50% of these requests are from international companies, compared with 13% for 2005.