2017 Offshore Petroleum Exploration Acreage Release

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Australia’s Resources Policy

- **Expanding our resource base:** Exploring for the Future
- **Improving transparency and governance:** Extractive Industries Transparency Initiative
- **Ensuring a sustainable industry:** Promoting best practice principles and low carbon solutions
- **Improving competitiveness and productivity:** Cutting red tape
- **Developing the North:** Northern Australia Infrastructure Facility
- **Focusing on areas of competitive strength:** Growth Centres

“to improve the business competitiveness and productivity of the sector, promote innovation and encourage the sustainable operation and development of the resource sector in Australia”
The Australian Government continues its work to increase competitiveness of Australia for oil and gas investment.

- Review of Petroleum Resource Rent Tax
- Securing domestic gas supply
- Supporting development of new onshore gas supply
- Better access to data
- Improving environmental consultation and transparency
- Enhancing innovation and fostering growth
- Industry growth centres

Photo: Pluto LNG onshore gas plant © Woodside Energy
Global LNG trade 2016 - 2022

**Global LNG supply**

- Australia: 80 million tonnes (existing 2016: 40, additional by 2022: 40)
- North America: 60 million tonnes (existing 2016: 20, additional by 2022: 40)
- Middle East: 100 million tonnes (existing 2016: 60, additional by 2022: 40)
- Africa: 40 million tonnes (existing 2016: 20, additional by 2022: 20)
- South East Asia: 60 million tonnes (existing 2016: 20, additional by 2022: 40)
- Rest of the world: 20 million tonnes (existing 2016: 0, additional by 2022: 20)

**Global LNG import forecasts**

- Japan: 80 million tonnes (2016 estimate: 60, 2022: 20)
- South Korea: 40 million tonnes (2016 estimate: 20, 2022: 20)
- China: 20 million tonnes (2016 estimate: 10, 2022: 10)
- Emerging Asia: 80 million tonnes (2016 estimate: 40, 2022: 40)
- Europe: 40 million tonnes (2016 estimate: 20, 2022: 20)
- Rest of the world: 20 million tonnes (2016 estimate: 10, 2022: 10)
7 LNG projects in operation

• Offshore natural gas:
  – North-West Shelf Venture, Darwin LNG, Pluto LNG and Gorgon LNG

• Coal bed methane (east coast)
  – Queensland Curtis LNG, Gladstone LNG, Australia-Pacific LNG

3 LNG projects under construction

• Offshore natural gas:
  • Wheatstone LNG, Ichthys LNG, Prelude floating LNG – all due to start in 2017-18

By 2022, 10 LNG plants, 21 trains with 77 mtpa of exports
Oil and Gas in Australia

• Over 50 years since first oil and gas discovery in offshore Gippsland Basin in the south east

• The North West Shelf has become focus of activities

• Northern Carnarvon Basin is now Australia's premier province

• Production from Bonaparte Basin is increasing

• Vast regions remain un- and underexplored offering frontier opportunities.
Pipeline infrastructure

Extensive gas pipeline network connects east coast basins to east coast population centres and export terminals.

Western Australia and the Northern Territory have their own gas distribution networks.

Plans to connect the Northern Territory network to that of the eastern states.
Government Responsibilities

Australian Government (federal)

• National policy and regulation:
  – Allocation of offshore petroleum titles
  – National environmental approvals
  – Fiscal, monetary and taxation policy
  – Foreign investment and trade

State/territory governments (regional)

• Regional regulation:
  – Allocation of onshore petroleum and mining titles in coastal waters (to 3 nautical miles)
  – Collection of onshore royalties
Offshore exploration activity: trends

- Australia not immune to global downturn; experiencing lowest exploration activity in many years
- Strong industry participation in nomination of areas for exploration
- Deepwater drilling in Bight Basin rescheduled for 2017 - 2018
- New oil province discovered on North West Shelf

Source: US Energy Information Administration, APPEA
Offshore Exploration Activity: wells

- Since 2012, 334 wells drilled
- Exploration expenditure has fallen.
- Current focus is on maintaining existing assets/projects
Key investment considerations

- Proximity to markets
- Strong economic resilience and attractive business environment
- Stable, objective-based regulatory regime
  - Security of title with clear role of government, regulators and industry.
  - Pre-competitive data and analysis available online and free.
  - Ongoing efforts to reduce regulatory burden.
Acreage release is the major annual investment opportunity for offshore exploration in Australia.


Please visit www.petroleum-acreage.gov.au for details on how to nominate and current areas available for exploration.
Further Information


