

AN OVERVIEW FOR INVESTORS

Release of Offshore Petroleum
Exploration Areas Australia
2002



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Purpose of this Overview

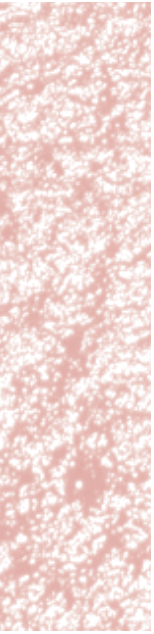
This book provides information to intending investors in the Australian petroleum (oil and gas) sector, and to general readers on the Australian investment framework for petroleum.

It has been produced in the Australian Government Department of Industry, Tourism and Resources by the Petroleum and International Energy Division, in consultation with the Mines Departments in the six States and the Northern Territory.

Material contained in this handbook is part of the 2002 Offshore Petroleum Acreage Release Package, which is available on CD-ROM or at internet address: www.industry.gov.au/petexp.

The producers of this release package welcome any comments or suggestions you have on its content. Please e-mail your comments to: petroleum.exploration@industry.gov.au.





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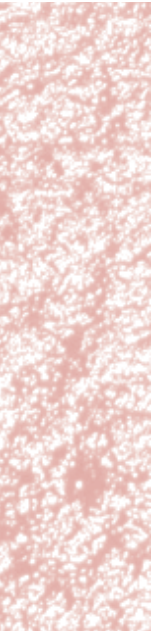
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Why invest in Australia?

Although Australia is a relatively small producer in a global sense, there is good potential for large discoveries of both oil and gas.

There are extensive areas of potential petroleum-bearing sedimentary basins, including a continental shelf around twice the land area of the continent itself. In spite of this huge area, most parts of Australia remain under-explored. The outlook for significant oil and condensate-rich gas discoveries remains optimistic and there are significant investment opportunities available.

Some of the attributes which make Australia attractive for petroleum investment include:

- extensive opportunities to explore in prospective basins;
- the regular release of new exploration acreage covering a range of regions from mature to frontier;
- access at low cost to a comprehensive, high quality geoscientific data base;
- expanding physical infrastructure, sophisticated technical and services support, and a highly educated workforce and pool of skilled petroleum professionals;
- an internationally competitive profit-related tax system that recognises the risks of exploration;
- closeness to markets in the growing economies of Asia and the Pacific;
- continuing government initiatives in geoscientific mapping;
- an attractive policy and legal framework for oil and gas development, conducive to companies of all sizes;
- security of title with the right to retain and/or develop a discovery, subject to meeting the specified terms of a retention lease or a production licence;
- transparent, predictable and practical regulatory requirements covering all stages of operations;
- a welcoming attitude toward foreign investment with no mandatory local equity requirements;
- government facilitation of investment, including fast-tracking of approvals processes for major projects;
- an open and competitive economy, including a deregulated banking and foreign exchange arrangements and a sophisticated capital market; and
- a good record of industrial harmony.

Not the least of our attractions is Australia as a place to live and work. Australia has a very high standard of living and a long-standing democratic culture based on the rights of the individual and the rule of the law. It has a high degree of social harmony, is politically stable and enjoys a quality of life that is among the best in the world.





Australia - a Petroleum and Mining Nation

Australia has an enviable history in the successful development of its abundant natural resources. It has a long mining tradition and is well aware of the significant benefits that resource development offers our economy and trade.

The minerals and petroleum industries continue to generate a high proportion of the nation's export income. In 2000-01, mineral and petroleum exports totalled \$A56.5 billion, amounting to over 63 per cent of Australia's total exports of goods and services.

There is continuing high potential for further large discoveries of both oil and gas. As offshore exploration only began in earnest in the late 1960s, Australia remains under-explored. Our vast sedimentary basins hold significant opportunities for exploration success and there are many reasons for petroleum exploration and development companies to invest in these opportunities. Table 1 below sets out Australia's estimated petroleum resources, demonstrating Australia's credentials as a producer of both oil and gas.

The Australian petroleum industry is entrepreneurial, innovative and has achieved significant success. It is made up of a number of small, medium and large companies, many of whom operate on the international scene. Australia's sophisticated legal framework, petroleum tenement system, favourable taxation regime and investment environment explain Australia's consistent high ranking in international investment surveys.

In 2000-01, Australia produced around 84 per cent of its liquid petroleum needs in net terms and all of its gas needs (refer to Table 2 below for petroleum production figures). The market value of crude oil and gas production in 2000-01 was around \$A20 billion, with exports valued at over \$A11.6 billion. As most oil found to date in Australia has been of a lighter grade, Australia needs to import lubricating oils, grease and bitumen or crudes that are suitable for refining into these products.



Table 1: Australia's Estimated Petroleum Resources

	Economic Demonstrated Resources (1)	Sub-economic Demonstrated Resources (2)
Crude Oil (million barrels)	1429	236
Condensate (million barrels)	1775	390
LPG (million barrels)	1648	553
Sales Gas (trillion cubic feet)	78	36

(1) Economic Demonstrated Resources are resources judged to be economically extractable and for which the quality and quantity are computed partly from specific measurements, and partly from extrapolation for a reasonable distance on geological evidence.

(2) Sub-economic Demonstrated Resources are similar to Economic Demonstrated Resources in terms of certainty of occurrence and, although considered to be potentially economic in the foreseeable future, these resources are judged to be sub-economic at present.

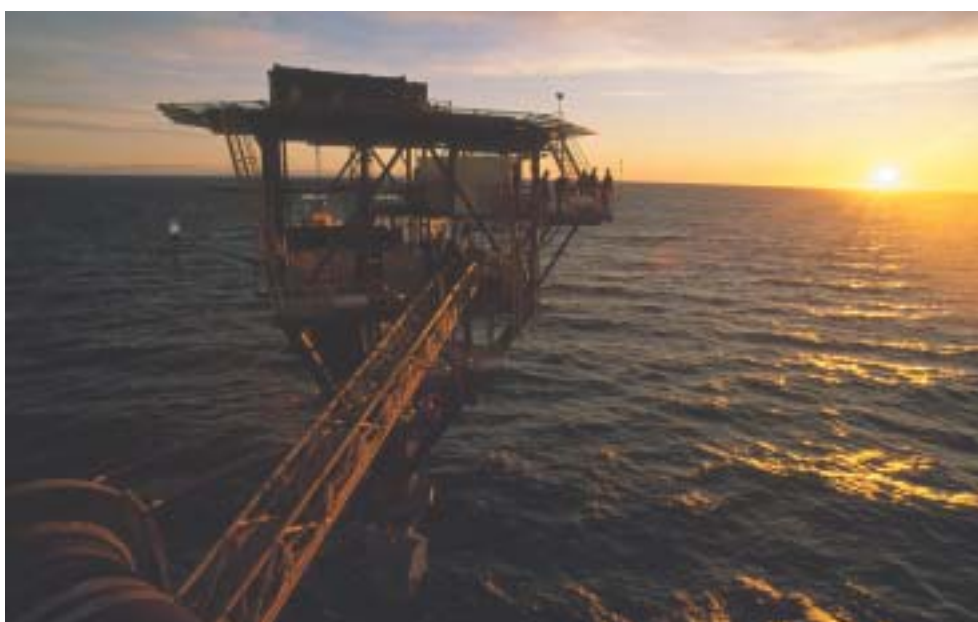
Source: Estimates as at 1 January 2000 published in the *Oil and Gas Resources of Australia 2000* (in accordance with the McKelvey classification), by Geoscience Australia, Department of Industry, Tourism and Resources, 2001.

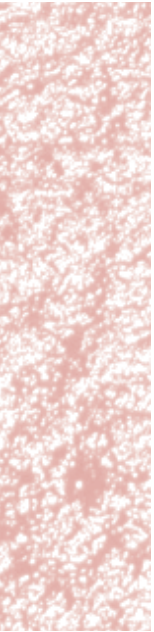
Table 2: Petroleum Production in Australia – Financial Year 2000-2001

Crude Oil (million barrels)	Condensate (million barrels)	LPG (million barrels)	Natural Gas (1) (million cubic metres)
199.2	44.3	25.5	31,524

(1) Commercial sales plus field and plant usage.

Source: *Australian Petroleum Statistics* Issue No. 61, August 2001, published by the Petroleum and International Energy Division, Department of Industry, Tourism and Resources, Canberra.



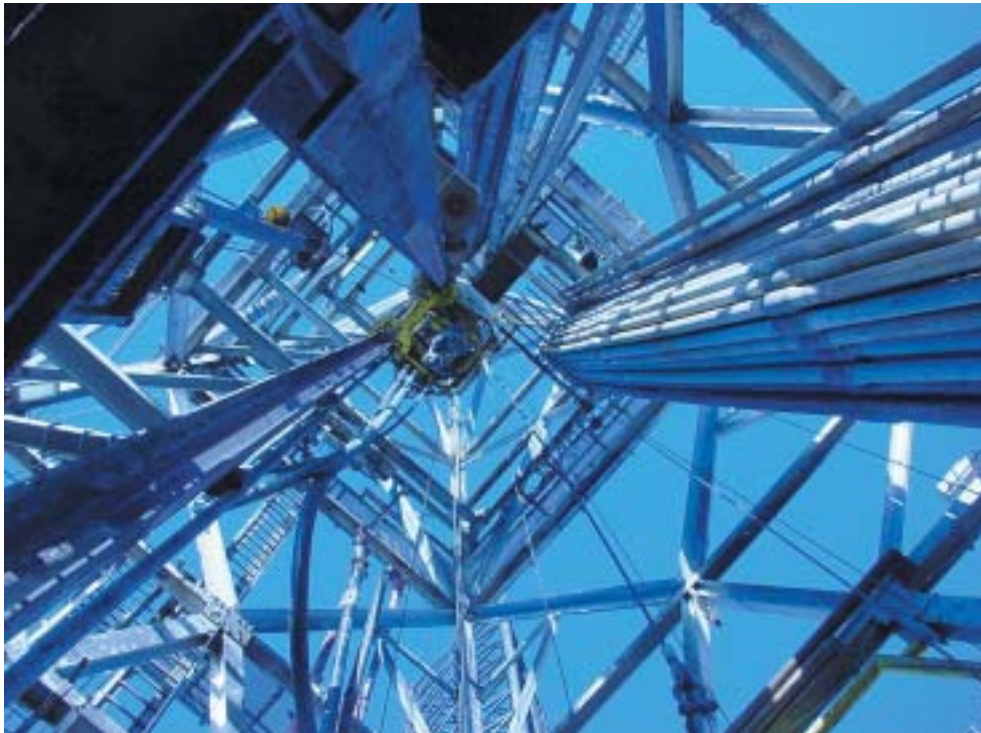


There have been continuing discoveries of both oil and gas in offshore Australia. About 95.7 per cent of Australia's oil and 79.3 per cent of gas production is from offshore resources located in Bass Strait, the North West Shelf and the Timor Sea. It is also in the offshore areas that most of the undiscovered resources are thought to exist.

Over the last 20 years, the natural gas industry has grown from a relatively small base to being Australia's third primary energy source after coal and oil. Natural gas demand is increasing and currently accounts for about 20 per cent of Australia's primary energy needs. It meets 34 per cent of the industrial energy requirements and 28 per cent of the energy requirements of the commercial and residential sector. The gas industry has strong growth potential, particularly the industrial, minerals processing and electricity generating sectors.

Utilising the large quantities of natural gas found on Australia's North West Shelf, Australia has developed a world class Liquefied Natural Gas (LNG) export facility which currently supplies over 8 per cent of world LNG trade and 10.5 per cent of the Asia-Pacific market trade, with exports valued at \$A2.6 billion per annum. The main LNG facility has three liquefaction trains with a total LNG capacity of 8 million tonnes a year. Almost all of the North West Shelf LNG is exported to Japan for use in power generation and for industrial, commercial and domestic heating. Plans to further expand the North West Shelf project to meet expected growing demand in Asia are well advanced, with a new 4.2 million tonne per annum train committed to last year.

Australia's large natural gas reserves have created the potential to be a key world site for the development of a Gas to Liquids (GTL) industry. As a large user of natural gas, GTL offers Australia a significant opportunity to commercialise its large undeveloped gas reserves. Australia has already been identified as an attractive location for several potential GTL projects. Those publicly announced projects at various stages of development include: Syntroleum's Sweetwater Project (specialty products); Methanex (methanol); GTL Resources' Australian Methanol Plant; Sasol Chevron's GTL fuels project; Japan DME Limited project (di-methyl ether/methanol); and Methanol Australia's project.



Significant expansion and integration of Australia's domestic gas transmission and distribution network in recent years, particularly in south eastern Australia, has facilitated growth in established gas markets and introduced gas into new regional centres (see map). This is enhancing basin-on-basin competition in the supply of gas that will be beneficial to gas consumers and encourage the development of new industries as well as increase opportunities to commercialise gas discoveries.

New transmission pipeline projects valued at about \$A9 billion are proposed in the period to 2005. The Tasmanian Pipeline Project from Longford in Victoria to Bell Bay in northern Tasmania is expected to bring gas to Tasmania by mid-2002. Two pipeline projects are currently proposed to bring Bass Strait (Otway and Bass Basins) gas to Western Victoria and South Australia. In addition, a number of proposals are being evaluated to bring Timor Sea and PNG gas to south eastern Australian gas markets. These pipeline projects will further integrate the pipeline network and enable gas from new upstream developments to be transported to domestic gas markets.





Australia - a Great Place to Invest

Australia is a great place to live and work, with a wealth of opportunities for investors.

In a rapidly changing world marked by increased globalisation, new technology and the uptake of e-commerce and internet technologies, Australia's economic performance is among the best in the world and the outlook continues to remain bright.

The Australian economy was the fastest growing of the world's developed nations in 2001. A report released by the Organisation for Economic Cooperation and Development in November 2001 forecast that Australia's GDP will grow by 3.2 per cent in real terms in 2002.

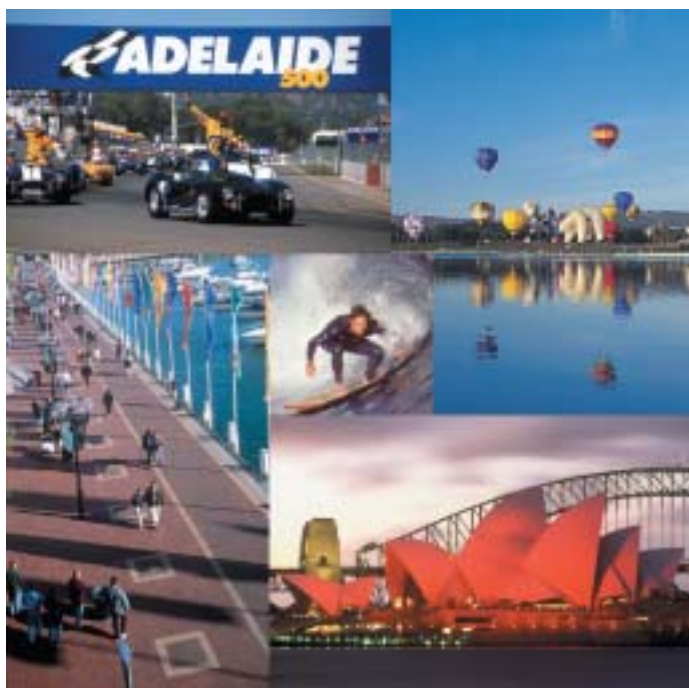
Australia is an extremely cost-competitive location. Low property, construction and R&D costs, coupled with competitive wages, transport and utility costs, are key reasons why Australia has been chosen as a key investment location by many companies.

With further advantages such as high productivity, a stable business environment, and access to highly skilled people and innovative technologies, it's no surprise that over 400 multinational companies have chosen to call Australia 'home'.

Australia's highly multicultural society is characterised by a culture that is open, tolerant, and appreciative of its rich cultural diversity. The Australian population is an eclectic mix of people representing more than 200 nations.

With Australia's immigration system covering a range of business needs, companies can bring specialist management and technical staff into Australia on either a temporary or permanent basis. Expatriates find Australia to be a very attractive and affordable posting, offering quality cultural activities and unparalleled leisure opportunities.

As a 'window' to the Asia-Pacific region, the Australian business environment is highly regarded by the international business community. This follows almost two decades of major reforms opening up the economy and improving our international competitiveness.



With a regulatory framework that keeps pace with financial market developments, you'll find an internationalised currency, no foreign exchange controls, and a highly effective regime for intellectual property rights.

Australia has a very high standard of living and a longstanding democratic culture based on respect for the rule of law. Australia is home to one of the world's most stable democracies, with a high degree of social harmony, and a quality of life amongst the best in the world.

Petroleum and Geoscience Datasets

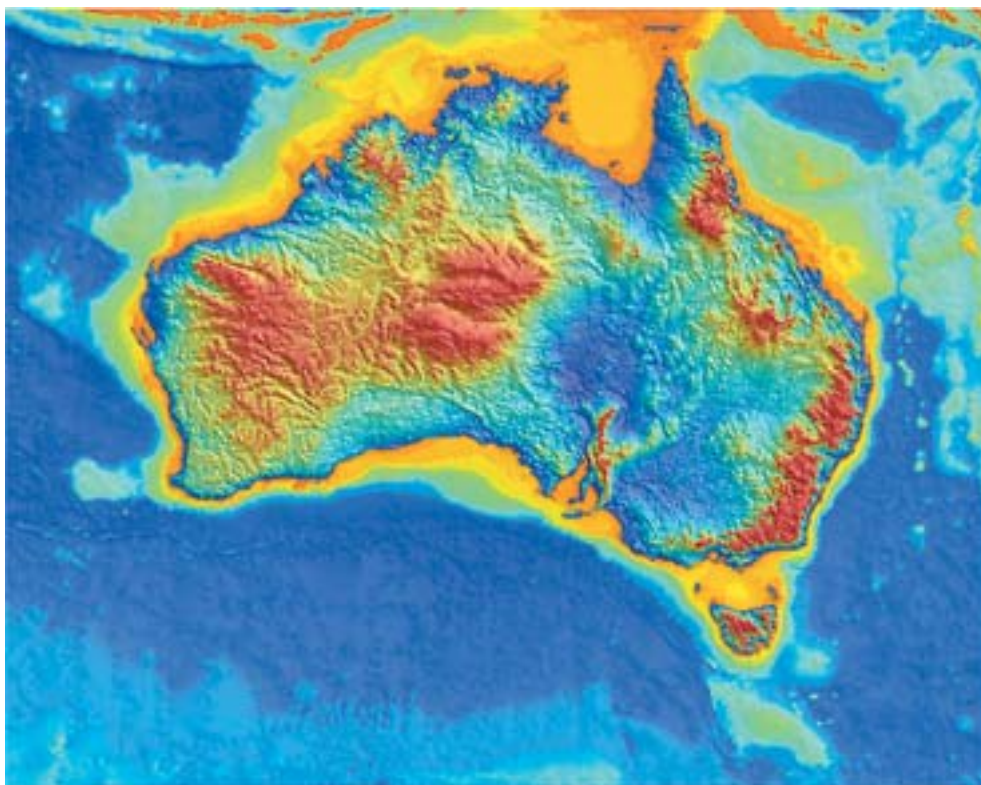
A great aid to exploring in Australia is easy access to major geoscientific datasets. These are available free or at nominal cost and include:

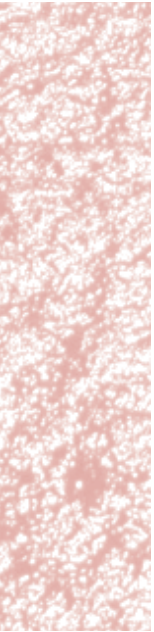
- government-generated geoscientific maps and datasets
- company reports of previous exploration
- open file exploration database
- GIS and relational database managements systems.

Government Geoscience Maps and Datasets

The Commonwealth, State Governments and the Northern Territory each have a range of highly developed datasets that are publicly available. These typically include petroleum occurrences, resources, geological features and tenement boundaries. An increasing amount of this data is available in digital formats. Details of the material available from each State can be obtained from the contacts listed under Key Sector Contacts.

Geoscience Australia (formerly the Australian Geological Survey Organisation) is the national geological survey agency. It undertakes major studies designed to reduce exploration risk and promote the petroleum prospectivity of Australia's under-explored sedimentary basins through the provision of pre-competitive geoscience information. It has been carrying out this work since the early 1980s and has extensive databases, data sets and reports from many areas, particularly offshore. Databases maintained by Geoscience Australia include the National Petroleum Database (PEDIN) and the Petroleum Information Management System (PIMS). For more information and details of current projects see Geoscience Australia's web site: www.ga.gov.au.





Mapping programs undertaken by Commonwealth and State/Northern Territory geological surveys have generated a comprehensive geological and geophysical coverage of Australia. The continent is covered by geological maps at 1:250 000 scale and selected mineral provinces at more detailed scales (1:100 000, 1:50 000 and 1:25 000). Province and State/Territory-wide maps are available at scales from 1:500 000 to 1:2 million, and at 1:2.5 million and 1:5 million scale for the Australian continent.

Standard series maps are accompanied by reports or explanatory notes and recent maps are available in digital formats. Other map products, in the form of thematic maps and atlases, include mineral deposit, metallogenic, regolith landform, stream sediment geochemistry maps, and are available at a range of scales and formats, some suitable for use in geographic information system (GIS).

Most of the continent is covered by regional airborne magnetic and gamma-ray spectrometric surveys. Located stacked profile and contour maps are available in 1:250 000 map sheet areas for most surveys. Pixel maps of the magnetic data are available at continental (1:10 million and 1:5 million) and individual state-wide (1:1-1:2 million) scales. Gridded digital data are also available for the entire country and standard 1:1 million sheet areas of 6 degrees by 4 degrees.



More than 6 million line km (covering 30 per cent of the country) of high resolution airborne magnetic and gamma-ray spectrometric data (100-500m line spacing, 60-80m sensor height) are available in digital and image map formats.

A gravity database of Australia, with a nominal station spacing of 11 km, is available as gravity anomaly maps (at scales of 1:5 million, 1:1 million and 1:250 000) as well as a gridded (1.5 minute) gravity anomaly dataset. More detailed data, including new surveys at 2 to 4 km station spacing, conducted by the Commonwealth and States/Northern Territory, are available for selected provinces.

Open File Exploration Database

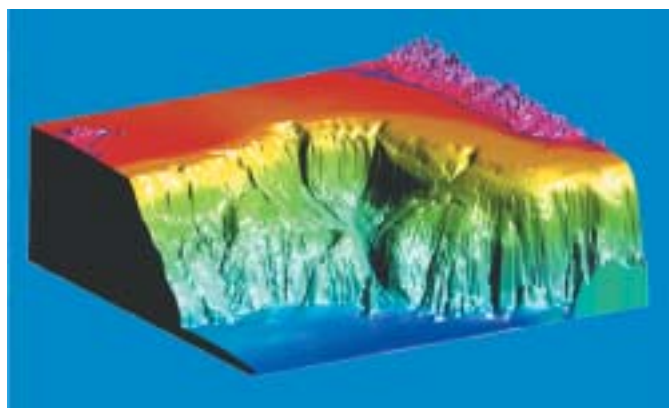
Most petroleum legislation in Australia requires companies to submit data and technical reports on their exploration activities as part of their obligations following the grant of an exploration title. Under Australia's offshore petroleum legislation (*Petroleum (Submerged Lands) Act 1967*) basic data resulting from exploration activities are generally available two years after submission and interpretative data may be made available five years after submission. Data from certain non-exclusive 3D seismic surveys may remain confidential for 8 years provided 2D data derived from the 3D dataset is also submitted.

The bulk of data from operations on Australia's continental shelf, comprising seismic and well survey information and cores, cuttings and reports, is stored by Geoscience Australia at its data repository, and in relevant State repositories.

Geoscience Australia provides access to data through PIMS, which holds information about its repository data, and is available via the Internet (www.ga.gov.au), giving on-line access for loan requests and interrogation of data holdings.

Information Systems and Integrated Access to Data

The Commonwealth and all States currently provide (or have under advanced stage of development) national or state-wide multi-user databases based on GIS and Relational Database Management Systems to provide integrated geoscience information systems for exploration and associated land use management. These information systems provide integrated geological, geophysical, geochemical and titles datasets and mineral deposit datasets on a national, State-wide or mineral province basis. The systems can be accessed at the offices of geological survey or mining authorities and data are available in various formats (UNIX and PC) on different media including CD-ROM. Information on Australia's resource datasets can be obtained through the Australian Spatial Data Directory (ASDD) on www.environment.gov.au/net/asdd. ASDD is effectively a metadata catalogue to spatial data that points to resource data held in a number of catalogues (nodes) hosted by various government and private agencies. Government databases are readily available to explorers, normally at a nominal fee to cover handling and administrative costs.





Recent Geoscience Initiatives

Easy access to high quality geo-scientific information is one of the hallmarks of exploring in Australia. To maintain this quality, the Commonwealth, State and Northern Territory Governments have commenced several major initiatives to support exploration in the 21st century. These programs are aimed at encouraging diversity of participants in the Australian minerals and petroleum sector.

The National Geoscience Agreement (NGA) inter-governmental (Commonwealth, States and Northern Territory) cooperative agreement facilitates the provision of pre-competitive geoscience information to encourage and underpin exploration in minerals and petroleum.

In September 2001, the Commonwealth Government announced a new Spatial Data Access and Pricing Policy providing free access to its on-line fundamental spatial data. Spatial data not available on-line is now provided at the marginal cost of transfer. The policy also removes restrictions on commercial use or value-adding activities related to Commonwealth spatial data.

At the same time, the Commonwealth Government announced the merger of AUSLIG, Australia's national mapping agency, with Geoscience Australia. The merger enhances the ability to acquire, process, analyse and disseminate fundamental spatial information in one form or another.

Geoscience Australia collaborated with its State and Northern Territory counterparts to establish a national geoscience portal which was launched in November 2001. The portal, www.geoscience.gov.au, provides one point of entry to fundamental geoscience data and information. Investors and explorers can access geoscience information at a national level and further refine their searches down to regional and local scales via pathways to the relevant State and Territory datasets.



These initiatives to improve access to base level information will greatly assist explorers.

Commonwealth funding is continuing for the analysis of previously collected geophysical data to support the definition of the outer limit of Australia's marine jurisdiction under the United Nations Convention of the Law of the Sea. This work will control the extent of Australia's continental shelf beyond our Exclusive Economic Zone, parts of

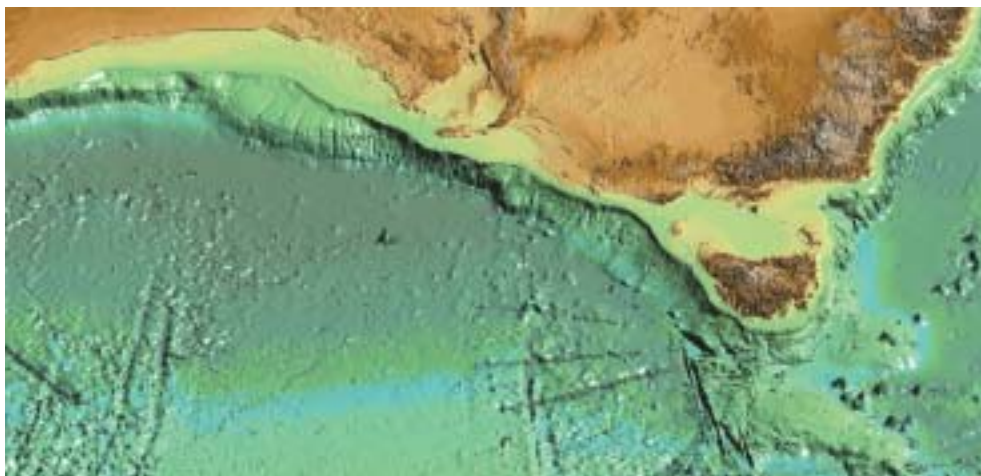
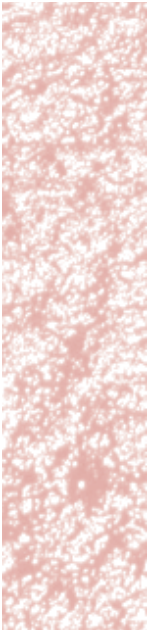
which may have significant medium to long-term potential for petroleum exploration.

In addition, most States are actively involved in geoscience mapping initiatives aimed at attracting additional investment in mineral and petroleum exploration. These initiatives include:

- the South Australian Targeted Exploration Initiative (TEISA) (a four year \$A23.2 million program of airborne geophysical surveys, drilling, mapping and database development);
- increased funding for the Victorian Initiative for Minerals and Petroleum (a three year \$A7 million program of geophysical and aeromagnetic surveys, petroleum and minerals information management, mapping and data packaging);

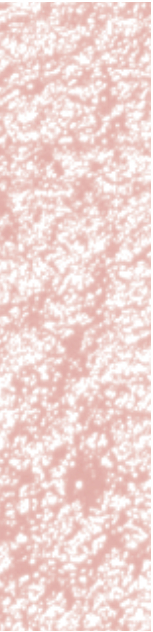
- the Queensland Prospectivity Plus exploration initiative (a four year \$A8 million program and upgrade and promotion of Queensland's prospectivity, which includes the capture of geophysical data);
- the New South Wales Discovery 2000 (a \$A35 million program over six years of geophysical, geological and related information system development to promote the minerals and petroleum industries);
- increased funding for the Northern Territory Department of Business, Industry and Resource Development (a five year \$A16 million program for airborne geophysical surveys, drilling, geological mapping and data packaging); and
- under the Regional Minerals Program, the Commonwealth Government has allocated over \$A4 million to studies which will add to the geological knowledge of the north west Tasmania region. This includes work such as sequence stratigraphy and biostratigraphic review of the Bass Basin to enhance the petroleum prospectivity of sedimentary basins in Bass Strait and off the West Coast of Tasmania.

These programs have given a major boost to exploration through the provision of modern regional high resolution airborne magnetic, radiometric (and gamma-ray), gravity, seismic and geochemical survey data, and accelerated the conversion and provision of geoscience information using advanced information technology.



Research and Innovation

The petroleum industry is highly dependent on leading edge technology and innovation. In a uniquely Australian model, the Commonwealth Government actively supports this innovation through the Cooperative Research Centre (CRC) Program, which brings together industry, tertiary institutions and research organisations such as CSIRO and Geoscience Australia.



Petroleum Cooperative Research Centre

The Australian Petroleum CRC is developing a wide range of applied research tools for industry, including the Geotrack exploration software; the GENESIS software package for drilling analysis and well design for minimising risk and costs; a program evaluating the mechanical and chemical effects that drilling fluids have on sedimentary formations downhole and hence avoid costly wellbore instability and collapse; and GEODISC, a program researching the potential for geological sequestration of CO₂ to reduce greenhouse gas emissions. Refer to website: www.apcrc.com.au for further information.

Cooperative Research Centre for Welded Structures

Established on 1 July 1999, the CRC for Welded Structures (CRC-WS) is assisting the petroleum and gas industries in researching the design, construction, maintenance and decommissioning of welded structures. For example, natural gas pipelines with thinner walled, higher strength steel have been developed with input from the CRC-WS and were used in the recently completed \$A450 million Eastern Gas Pipeline Project. Industry has calculated that innovations from the CRC-WS have produced savings of over \$A10 million for this single project alone. Refer to website: www.crcws.com.au for further information.

Virtual Centre of Economic Micropalaeontology and Palynology

In 2001, Geoscience Australia established the Virtual Centre of Economic Micropalaeontology and Palynology (VCEMP) to document and define biozones. The Centre has already had a profound effect on how palynological work is being done and has the potential to save the industry time and money. The British Geological Survey and the University of Western Australia collaborated extensively with the Centre at the outset and have formally joined as partners. Refer to website www.ga.gov.au/oceans/projects/20010917_28.jsp for further information.

Australia's Petroleum Potential

Geoscience Australia's current assessment of the amount of oil and gas likely to be discovered in the future in Australia is shown in Table 3.

Limitations in knowledge, however, mean that the assessment of undiscovered petroleum resources is limited to those accumulations whose existence is conceivable and which might be brought into production over the next 30 years. Hence, there may be other accumulations that we cannot conceive of or assess. There may also be considerable additional petroleum in accumulations that would - if discovered - be regarded as uneconomic to produce using existing technology.

Geoscience Australia has been reviewing its assessment methodology and has adopted the internationally benchmarked US Geology Survey (USGS) World Petroleum Assessment (2000) to represent the ultimate potential volumes from Australia's major offshore hydrocarbon bearing basins.

It should be noted that the level of exploration drilling in Australia is relatively low compared with other regions in the world. By the end of 2000, just over 8000 exploration and development wells had been drilled in Australia's vast onshore and offshore areas (see Table 4 below). Australia has about 16 million square kilometres of sedimentary basins. By comparison over 60,000 wells have been drilled in the Gulf of Mexico - an area smaller than the Carnarvon Basin off the north-west coast of Australia. By any measure, Australia is under-explored.



Table 3: Assessments of Australia's Undiscovered Resources of Crude Oil, Gas and Condensate, April 2001

	Unit	Probability 95 per cent	Average	5 per cent
Crude oil	million barrels	1577	5030	9846
Condensate	million barrels	1740	6035	11870
Gas	trillion cubic feet	33	114	228

Source: Powell, 2001 APPEA Journal.

Table 4: Petroleum Exploration and Development Wells Drilled in Australia as at 31 December 2000

	Exploration	Development	Total
Onshore	4243	1976	6219
Offshore	1190	645	1835
Total	5433	2621	8054

Source: Geoscience Australia, Department of Industry, Tourism and Resources, 2001.



Roles and Responsibilities of Government

Under Australian law, petroleum rights are owned by government but leased to private individuals. Australian governments neither undertake petroleum projects nor engage in commercial petroleum exploration and development. The private sector initiates exploration and development while government has four main roles in relation to the petroleum sector:

- it establishes the macroeconomic environment (broad economic policy);
- it provides a regulatory framework for exploration, development, project approval processes, safety, environmental assessment and revenue collection;
- it reduces commercial risk in minerals and petroleum exploration by collecting and disseminating geo-scientific information; and
- it looks for ways to remove impediments to the industry's competitiveness.

In the Australian federal system both the national government ('the Commonwealth') and the State and Territory governments have important roles affecting petroleum exploration and development:

- the Commonwealth is responsible for broad economic policy and international matters, including personal and company income tax, interest rates, the overall level of government spending, foreign investment guidelines, trade and customs, commercial corporations and international agreements;
- onshore and in coastal waters the States and Territories own and allocate petroleum rights, administer petroleum operations, including occupational health and safety, and collect royalties on petroleum produced; and
- seaward of the first three nautical miles of the territorial sea, to the outer limits of Australia's continental shelf, petroleum rights are held by the Commonwealth, but day-to-day administration is carried out jointly with the relevant adjacent State or Territory.

Because of their shared interest in the contribution of the petroleum sector to national economic wellbeing, the Commonwealth and State and Territory governments hold regular formal consultations, through the Ministerial Council on Mineral and Petroleum Resources. They do this with a view to ensuring coordination of policy, standards and regulatory requirements in a wide range of areas.

Petroleum exploration and development in the Timor Sea Joint Petroleum Development Area will be governed by a Treaty which will come into force on East Timor's independence (see section on this Area later in this publication). Acreage in this Area is managed by the Timor Gap Joint Authority and conditions may vary from the administrative arrangements described elsewhere in this publication.



Economic Policies and Regulatory Reforms

For well over a decade, Australia has been pursuing a comprehensive program to open its economy to the world. These reforms seek to increase Australia's economic efficiency and international competitiveness.

Measures taken have included:

- deregulation of the financial system;
- reduction in tariffs (generally moving toward a 0 to 5 per cent level);
- liberalisation of foreign investment guidelines;
- removal of export controls on all mineral and petroleum commodities, except uranium and related nuclear materials;
- reforms to the company taxation and resource taxation arrangements, with the company tax rate now among the lowest in the region;
- floating of the currency (since November 1983);
- industrial relations reforms which increase flexibility and productivity through a greater enterprise focus;
- waterfront and shipping reform;
- maintenance of low inflation;
- stimulation of competition throughout the whole economy, for example in electricity and gas supply, transmission and distribution, and in the provision of legal services;
- encouragement of quality, efficiency and world's best practice throughout the economy;
- regular systematic review of all functions of government with a view to cutting the time and cost of decision-making processes, improving service delivery, and avoiding duplication of effort by the Commonwealth and States;
- fast-tracking of international business travel through flexible temporary business entry visas; and
- a mechanism to facilitate the approvals process for major projects.

The Australian Government is committed to continuing its program of reform to build intrinsic competitiveness throughout the whole economy, including its services to the resource industries. As a result, Australia is one of the best countries in the world in which to explore and develop petroleum resources.



Foreign Investment Guidelines



Australia's foreign investment policy is designed to encourage investment consistent with the needs of the Australian community. The policy recognises the substantial contribution foreign investment has made, and will continue to make, to the development of Australia's industries and resources.

Foreign companies granted a new petroleum exploration permit by the Commonwealth, State or Northern Territory governments are not required to seek approval under foreign investment policy to take up the exploration permit. Moreover, proposals to acquire an interest in an existing petroleum exploration permit (through, for example, "farm-in" or "farm-out" arrangements or a rearrangement of interests in an exploration joint venture agreement) are exempt from examination under the *Foreign Acquisitions and Takeovers Act 1975* (the FATA).

Generally, foreign companies include companies that have an aggregate 40 per cent or higher level of foreign ownership, or where one foreign corporation or person and their associates has a 15 per cent or higher share in the company. Foreign companies are required to notify the Foreign Investment Review Board (FIRB) of proposals to participate in new petroleum development activities where the total proposed investment is \$A10 million or more. New development projects will normally be allowed to proceed unless judged contrary to the national interest. Investments in new businesses valued at between \$A10 million and \$A100 million will normally be approved without detailed examination. Proposals over \$A100 million require more detailed examination but are normally approved unless considered contrary to the national interest.

Proposals to acquire assets or a 15 per cent or higher share in companies involved in petroleum production or exploration come within the scope of the FATA where the target business has total assets of \$A50 million or more. Acquisition of assets, or shares in companies with assets between \$A50 million and \$A100 million will be normally approved without detailed examination. Proposals involving investments in excess of \$A100 million require more detailed examination but are usually approved unless considered contrary to the national interest.

Where there is a proposed purchase or expansion of an existing project, any foreign company will require approval from the Government for the investment where land is required to be purchased, or a lease is required over land for a period of greater than five years, in order to accommodate the project.

Further information on the Government's foreign investment policy may be obtained from:

The Executive Member
Foreign Investment Review Board
c/- The Treasury
Langton Crescent
PARKES ACT 2600
AUSTRALIA

Facsimile: +61 2 6263 2940
Telephone: +61 2 6263 3795

Arrangements for International Business Visas



A *Business (Short Stay) (subclass 456)* visa enables genuine business people who need to visit Australia for business, or for a mix of business and tourism, to visit Australia for up to three months. Business purposes include: official visits; attending meetings; training; building inspections or equipment installation.

Applicants should contact the Australian overseas mission in order to obtain the application form 456 – *Application for a Business (Short Stay)* visa. The 456 application form is also available from the Department of Immigration and Multicultural Affairs (DIMA) website at www.immi.gov.au/allforms/temp-bus.htm. Applications must be lodged at an Australian overseas visa office.

The visa may be valid for multiple or single journeys and is valid for a stay of up to three months on each arrival. The travel validity for the multiple journey visa is either one year, or five years, or life of your passport (up to a maximum of ten years). This visa attracts a Visa Application Charge of \$A60.

The visa may be valid for multiple or single journeys and is valid for a stay of up to three months on each arrival. The travel validity for the multiple journey visa is either one year, or five years, or life of your passport (up to a maximum of ten years). This visa attracts a Visa Application Charge of \$A60.

General Information on Business Electronic Travel Authorities

A Business Electronic Travel Authority (ETA) is available to passport holders from over thirty countries and locations. There are two types of Business ETA available. Eligibility can be checked at the DIMA website at: www.eta.immi.gov.au. Passport holders from countries with whom Australia does not have an ETA arrangement should apply for a *Business (Short Stay) (subclass 456)* visa.

Business ETA – Short Validity 977

This ETA can be obtained from travel agencies or airlines when making travel bookings. There is no Australian government charge for this service.

This ETA can also be applied for over the Internet at the DIMA website at: www.eta.immi.gov.au. This attracts an Internet service charge of \$A20.

This ETA is valid for a single journey to Australia for a three month stay, and is valid for travel within twelve months from the date of issue. There is no visa application charge applicable to this ETA.

Business ETA – Long Validity 956

This ETA can be obtained from travel agencies or airlines when making travel bookings. This ETA is not available via the Internet.

This ETA allows for a stay of up to three months, permits multiple journeys and is valid for the duration of the applicant's passport, up to a maximum of ten years. Visa application charge is \$A60.



What can Invest Australia do for you?



Invest Australia is the Australian Government's national investment, promotion and facilitation agency. With fifteen locations around the globe, *Invest Australia's* investment specialists will assist you to identify investment opportunities and help in finding the right joint venture partner or strategic ally.

If you're an investor, *Invest Australia* offers a range of programs and initiatives designed to assist your investment process and guide you through government approvals quickly and

efficiently. You may also be eligible for grants to undertake pre-feasibility or feasibility studies.

There are special programs to assist you to set up your regional headquarters or invest in either our capital cities or regional areas.

Prospective investors should contact *Invest Australia* to discuss their investment plans and requirements and take advantage of the services we offer.

Major Projects Facilitation

Invest Australia facilitates new investment by providing a single contact point within the Commonwealth Government for major investments.

Tailoring the Major Project Facilitation service to address the nature and complexity of your project, *Invest Australia* can provide you with information, advice and support to achieve prompt decisions on necessary government approvals.

By facilitating relationships with key Commonwealth agencies and the State Government involved in approvals processes for your project, *Invest Australia* will also identify areas where government assistance may be available.

Information on other relevant Commonwealth issues, for example on matters such as taxation and competition policy can also be provided by *Invest Australia*.

Regional Investment

The Regional Australia Investment team, in partnership with State and Territory agencies, works with communities to encourage institutional investors, venture capitalists and/or project financiers to invest in regional Australia.

RHQ - Regional Headquarters Program

The establishment of regional headquarters and operations of overseas companies can be a harrowing task.

Invest Australia's Regional Headquarters program is designed to assist you in making an informed decision when choosing your Asia Pacific regional headquarters and/or operating centre. The RHQ program provides access to tailored immigration agreements and offers ongoing support to companies considering expansion within Australia.

Feasibility Study Fund

Invest Australia understands what it takes to make a decision when assessing a potential investment's commercial viability and is committed to making sure you make the right decision.

Invest Australia can provide financial assistance, in conjunction with State and Territory Governments, to eligible companies to undertake a pre-feasibility study of a potential investment project.

A grant of up to \$A100,000 is available for any one study. The size of the grant available is linked to the funding commitment of your company, the total cost of the study and the projected value of capital investment.

Strategic Investment Coordination

The Australian Government will consider the provision of investment incentives to strategic investment projects in limited and special circumstances where the project would generate significant net economic and employment benefits for Australia.

The importance of regional development to Australia and the impact of the Government's broader taxation reforms will also be taken into consideration when assessing projects for incentives.

Incentives include grants, tax relief or the provision of infrastructure services. Incentives are considered on a case-by-case basis, taking into account a published set of eligibility criteria.

Other Government Assistance

Invest Australia works closely with prospective investors to access a range of government programs relevant to their needs, such as:

- research and development grants;
- export development;
- training and education; and
- infrastructure.

Contact

Senior Manager
Investment Attraction Projects
Invest Australia
GPO Box 9839
CANBERRA ACT 2601
AUSTRALIA

Facsimile: +61 2 6213 7843
Telephone: +61 2 6213 7560
E-mail: investaustralia@industry.gov.au

Invest Australia has offices in Canberra, Perth, Sydney, Melbourne, New York, San Francisco, Chicago, London, Frankfurt, Tokyo, Beijing, Shanghai, Hong Kong, Taipei and Singapore.

In areas where *Invest Australia* does not have offices, assistance can be sought from the local Australian Embassy or High Commission, or the Australian Trade Commission office.

To obtain further information on *Invest Australia* and its international contacts visit its website at: www.investaustralia.gov.au.



Local Content in Petroleum Developments

The Commonwealth Government has an interest in facilitating opportunities for Australian industry to participate in the development and operation of petroleum projects in Australia.

In April 2001, Australian Industry Ministers launched the *Australian Industry Participation Framework*, that provides a unified approach to maximising Australian industry participation in major investment projects. Further details at www.aip.gov.au.

In relation to enhancing local content levels, Commonwealth Government's policy is that project developers should provide a full, fair and reasonable opportunity for Australian firms to bid for the supply of goods and services. However, the Government does not mandate levels of local content. It recognises that decisions on the supply of goods and services are properly made by the project developer as the success of new projects is critically dependent on being internationally competitive and fully responsive to market forces.

In Australia, relevant industry organisations work together to facilitate participation of local industry in resources and energy projects. Industrial Supplies Offices (ISO) have a central role in matching local capability with the needs of industry. ISONET is a national body coordinating the work of ISO offices in every State and Territory of Australia and New Zealand.

ISOs and ISONET are independently managed, non-profit organisations financially supported by Australian, New Zealand and State/Territory Governments.

The ISO network assists purchasers to identify the capability of local industry. Its services include:

- identifying Australian capability to match specified criteria within the purchaser's time frame;
- identifying, assessing and encouraging local companies with potential for licensed manufacture of overseas technologies, joint ventures or other partnering arrangements; and
- providing assistance to companies/organisations during all stages of the tendering process.



For information on ISONET please contact:

Executive Director
ISONET Limited
PO Box 130
DEAKIN WEST ACT 2600
AUSTRALIA

Facsimile: +61 2 6285 2842
Telephone: +61 2 6285 2033
Internet: www.iso.net.au

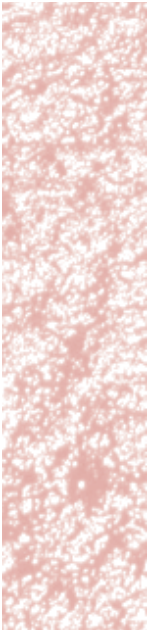
The petroleum industry plays a direct role in the facilitation of Australian industry involvement in petroleum and gas projects through the Australian Petroleum Production and Exploration Association (APPEA). APPEA has developed the Australian Competitive Energy (ACE) guide, which seeks to develop best practice guidance for the petroleum industry to address a range of issues, including the introduction of Australian industry participation management systems. The Commonwealth Government has endorsed the *APPEA/ACE Best Practice Guide for Maximising Australian Industry Participation in Petroleum Exploration and Production*. This Guide is also drawn to the attention of developers seeking production licences.

For further information on the APPEA/ACE Guide please contact:

APPEA
Level 3
24 Marcus Clarke Street
CANBERRA ACT 2600

Facsimile: 61 2 6247 0548
Telephone: 61 2 6247 0960
Internet: www.appea.com.au/ace
E-mail: ace@appea.com.au

APPEA also provides an annual update of details of new petroleum projects being considered by developers and organises seminars and workshops which bring suppliers and developers together.





Petroleum Taxation Arrangements

Australia has an internationally competitive profit-related tax system for petroleum that recognises the risks of exploration.

Resource Charges

Petroleum production projects operating in Australia are subject to a resource charge, which aims to provide the Australian community with a fair and reasonable return from the development of non-renewable petroleum resources.

Australia's fiscal arrangements are among the more competitive petroleum taxation regimes applied worldwide and provide a community return commensurate with the petroleum industry's assessment of Australia's prospectivity.



Petroleum Resource Rent Tax

In 1988, the Australian Government introduced a profit based Petroleum Resource Rent Tax (PRRT) to replace royalties and crude oil excise in most areas of Commonwealth waters because it recognised the need for a stable and internationally competitive petroleum taxation regime. To further enhance international competitiveness the Government also introduced company wide exploration deductibility in 1990.

The PRRT applies to petroleum projects in Australia's offshore areas beyond coastal waters, with the exception of North West Shelf production licence areas and associated exploration permits (ie exploration permits WA-1-P and WA-28-P and production licences derived from these two permits).

PRRT is assessed on a project basis. It is applied at a rate of 40 per cent to a project's net income (ie after project expenditure and exploration expenditures transferable from other PRRT liable areas have been deducted). All project offshore petroleum production is included in the income base, and all project expenditures are deductible.

Undeducted expenditures compound at the following rates:

- **expenditures incurred more than five years** before the commencement year of a project production licence compound at a rate equal to the Gross Domestic Product (GDP) deflator;
- undeducted **exploration expenditures** incurred less than five years before the commencement year of a project production licence compound at the Australian long-term bond rate (LTBR) plus 15 percentage points (currently about 21 per cent); or
- undeducted **general expenditures** incurred less than five years before the commencement year of a project production licence compound at the LTBR plus five percentage points (currently about 11 per cent).

Projects can access **wider exploration deductibility**, where certain undeducted exploration expenditures are transferable between projects. To be eligible to receive a wider exploration deduction:

- the project must be making a taxable profit;
- the company must have held an interest in the transferring area and the receiving project from the time the expenditure was incurred until the time of the transfer (an interest is defined as the entitlement to receive receipts from the sale of petroleum recovered in relation to the project);
- transfers must go to the project that has the most recent production licence.

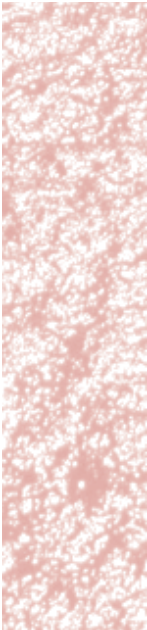
Project closing down costs are deductible, including environmental restoration of a project site. PRRT liability for a project is not influenced by changes in ownership or farm-in agreements. Joint Venturers will be assessed on an individual participant basis.

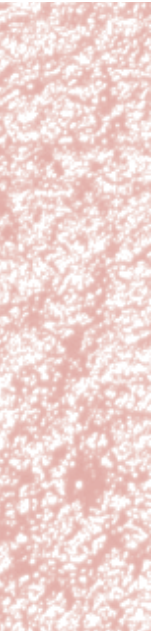
PRRT payments are deductible for **company tax** purposes. PRRT instalments are payable quarterly, in the year of tax liability.

For gas feedstock in integrated gas to liquids, when no relevant 'arms length' market price exists, the Commissioner of Taxation will determine the gas transfer price using established financial formulae.

The Department of Industry, Tourism and Resources' petroleum taxation website is located at www.industry.gov.au/PetTax. This website includes:

- a guide to taxation of offshore petroleum production;
- the relevant legislation, such as the *Petroleum Resource Rent Tax Assessment Act 1987*, the *Petroleum Resource Rent Legislation Amendment Act 1991*;
- copies of the explanatory memoranda relating to the above legislation;
- secondary petroleum taxation statistics;
- a downloadable PRRT model;
- the website also has a 'what's new' section, which will contain the latest happenings in the world of petroleum taxation; and
- a simple example of a PRRT calculation.





Excise and Royalty

Crude oil excise and state royalties apply onshore and in coastal waters, and Commonwealth Royalty and crude oil excise apply to the North West Shelf project. The rate of excise depends on the annual rate of production of crude oil, the date of petroleum reservoir's discovery and the date on which production commenced. Royalty is levied at a rate of between 10 and 12.5 per cent of net wellhead value of all petroleum produced.

Further information on resource charges, the PRRT, crude oil excise and royalty arrangements can be obtained from:

General Manager
Offshore Petroleum Safety, Environment and Taxation Branch
Petroleum and International Energy Division
Department of Industry, Tourism and Resources
GPO Box 9839
CANBERRA ACT 2601
AUSTRALIA

Facsimile: +61 2 6213 7950

Telephone: +61 2 6213 7924

Further information on state royalties are available from the relevant State or Northern Territory Mines Department - refer Appendix B.



General Taxation Arrangements

The following description of taxation arrangements applicable to petroleum exploration and development in Australia is provided as a guide only. It contains general information that may not be applicable in all circumstances. Potential investors in petroleum exploration and development in Australia are advised to seek professional advice on how the Australian taxation system will affect their particular projects.

Australian Taxation Reform

The *Review of Business Taxation* reported to the Government in September 1999. Many of the recommendations have been implemented, some will be implemented at a later date, and some have been deferred pending further consultation with industry. The indirect tax reforms, 'The New Tax System', were implemented on 1 July 2000.

Indirect Taxation

The main features of The New Tax System include:

- the introduction of a broad based Goods and Services Tax (GST) at a rate of 10 per cent;
- the abolition of a range of indirect taxes including the Wholesales Sales Tax (WST) and some State and Territory taxes; and
- reform to personal income taxation.

The GST applies to the supply of most goods and services consumed in Australia. Businesses with annual turnover of \$A50,000 or more are required to register for the GST. Registered businesses are able to claim input tax credits for any GST included in their costs of production. Goods and services that are exported are GST-free which means that the exporter can claim an input tax credit for the GST included in the price of the goods and services used to produce the exports even though they do not include GST on the price of the exports.

Some other supplies, including most financial supplies, supplies of residential rents and residential premises and some supplies of precious metals are input taxed. This means that GST is not included in the final price but input tax credits are not available for the input to producing the supply.

The New Tax System also introduced the Australian Business Number (ABN). The ABN is a single number for each business entity. It will eventually be used as a single identifying number for dealings with government at all levels. The ABN enables registered companies to participate in the GST system (for example, to claim their input tax credits), among other things.

Another feature of The New Tax System is the 'Pay as You Go' (PAYG) system. PAYG is a single, integrated system for reporting and paying tax on business and investment income, and withholding amounts. It replaced 11 different systems, such as the provisional tax, superannuation fund instalments and 'Pay as You Earn' systems, simplifying taxation arrangements for companies.

The Australian Taxation Office (ATO) has issued a series of industry publications explaining The New Tax System, including one dealing with relevant issues for the Mining and Energy sectors, called *Mining and Energy and The New Tax System*.

This publication and other relevant information can be accessed in electronic form from the ATO's website, www.ato.gov.au.



Company Taxation

One of the key changes of recent business tax reforms has been the reduction in the company tax rate to 30 per cent from 2001-02.

Accelerated depreciation has been abolished for any new plant and equipment acquired after 21 September 1999 with assets to be written-off over their effective life. For assets acquired or commenced construction after 21 September 1999, the Uniform Capital Allowance regime enables taxpayers to use the effective life schedule that applied at the time the asset was acquired or commenced construction, provided that it is used or ready for use within five years. Companies may also elect to self-assess the effective life of their plant and equipment if their circumstances mean that the Tax Commissioner's depreciation schedule is not appropriate.

As recommended by the Review of Business Taxation, the Commissioner of Taxation is undertaking a review of the effective life depreciation schedule. The Commissioner released a final ruling on 21 December 2000 outlining the factors being considered in the review. This information can be found at the ATO web site: www.ato.gov.au.

A number of additional special deductions are available for companies involved in petroleum exploration and development activities:

- immediate deduction of petroleum exploration and prospecting expenditures;
- immediate deduction of operating costs;
- until 30 June 2001, capital expenditure on certain petroleum transport facilities can be deducted in equal instalments over ten years, after that date such expenditure will be deducted over the effective life of the asset;



- immediate deduction of capital and current environmental protection expenditure (except for plant which is subject to depreciation) on pollution control or waste management incurred on or after 19 August 1992;
- a deduction for Environment Impact Statement capital costs over ten years or the life of the project, whichever is the lesser;
- immediate deduction of certain mine-site rehabilitation costs including, subject to meeting eligibility requirements, expenditure associated with the removal of offshore platforms incurred on or after 1 July 1991; and
- deductions for exploration and allowable capital expenditure will be deductible without limit, with any excess to contribute to a tax loss for the year (applies to 1999/2000 and subsequent tax years).

Capital Gains Tax

As a part of the New Business Tax System, the Government introduced a number of capital gains tax (CGT) reforms, including:

- indexation of the cost base for calculating CGT for all taxpayers frozen at 30 September 1999;
- for individuals, only 50 per cent of capital gains being taxed with the result that the highest rate of tax for individuals will effectively be 24.25 per cent for assets held for at least one year;
- for superannuation funds, only two thirds of capital gains being taxed, effectively meaning a concessional tax rate of 10 per cent for assets held for at least one year;
 - alternatively, individuals and superannuation funds may elect to be taxed on the whole of the difference between the disposal price and the frozen indexed cost base;
- improving the current small business concessions, so that individuals owning a small business (net assets of \$A5 million or less) will be liable to tax on a maximum of 25 per cent of their capital gains when they sell the business;
- introducing for small business, a full exemption from capital gains tax on the disposal of a business asset which has been held continuously for 15 years and where the taxpayer is at least 55 years of age and intends to retire, or is incapacitated;
- introducing CGT roll-over relief for scrip-for-scrip takeovers.

For companies there is no specific CGT discount and any capital gains are included as assessable income and taxed at the company tax rate.

A capital loss can be used to reduce the amount of any capital gains in the immediate or subsequent years of income but is not deductible from assessable income.

Dividend Imputation

Australia has a dividend imputation system (introduced in 1987) for company taxation. The basis of the imputation system of company taxation is that Australian resident individuals who receive assessable dividends from a company are entitled to a rebate for the tax paid by the company on its income. In effect the resident individual includes the gross amount of the dividend in their assessable income and receives an imputation credit for the amount of company tax paid with respect to that dividend. Since 1 July 2000, excess imputation credits can be refunded to resident individuals and complying superannuation funds.

In general, franked dividends are exempt from dividend withholding tax.



Double Taxation Agreements and Foreign Tax Credits

Australia has comprehensive agreements with a number of countries that aim to eliminate double taxation. There are two main methods for relieving double taxation that are adopted in these agreements. First, the taxing rights over certain classes of income are reserved entirely to the country of residence of the person deriving the income. Second, all other income may be taxed by the country in which the income has its source; if the country of residence of the recipient also taxes that income, it is generally required to grant a credit against its tax for the tax levied by the source country.

A key aspect of the revenue allocation rules is the rule whereby the country of source is granted an unrestricted right to tax the business profits of a permanent establishment situated within the country. Conversely, the country of source may not tax business profits emanating from it if there is no permanent establishment; in such cases, the exclusive right to tax the profits is assigned to the country of residence.

Non-residents are liable for tax on dividend, interest and royalty income. This tax is withheld before the income is remitted overseas.

The Australian Government is reviewing its double taxation agreements to ensure that Australia remains an internationally competitive place to invest.

Payroll Tax

The States and Territories levy payroll tax. The rate of the tax, and how it is levied, varies between States, with 6 per cent the average rate. Smaller operations, defined in most States, as operations with an annual wages bill of less than \$A600,000, are exempt. Most States levy payroll tax on employee non-cash fringe benefits.

Further information on payroll tax can be obtained from the relevant State Revenue Office.

Fringe Benefits Tax

A benefit provided by an employer to an employee in respect of their employment is a fringe benefit. Employers are required to pay fringe benefits tax (FBT) on the value of certain fringe benefits provided to employees. From the 1999-00 FBT year, employers are required to report on group certificates the grossed-up taxable value of an employee's fringe benefits where the value of the benefits exceeds \$A1,000. This will be used to determine liability for tax surcharges (such as the Medicare levy surcharge) and income-related obligations such as child support.

The FBT year is from 1 April to 31 March, and payments are made in quarterly instalments. However, instalments do not have to be paid by employers whose FBT liability in the previous year was less than \$A3,000. Such employers need only pay on an annual basis.

The FBT rate is equal to the top marginal personal tax rate plus the Medicare levy, which is currently 48.5 per cent. There is a full FBT exemption for the provision of remote area housing benefits.

Further Information on General Taxation Matters

Inquiries on general taxation matters should be directed to the Australian Taxation Office in the relevant State capital city. Alternatively, information can be found on the ATO website. Contact details for the ATO are set out in Appendix D.

Petroleum Law in Australia

The legal framework within which petroleum exploration and development activity takes place in Australia is a result of certain agreements and the division of responsibilities between the Commonwealth Government and the State/Northern Territory Governments under the Australian Constitution.

Responsibility for Australia's offshore areas beyond three nautical miles from the territorial sea baseline rests with the Commonwealth, whereas onshore and in the three nautical miles seaward of the baseline (referred to as 'coastal waters') petroleum operations are the responsibility of the individual State and Territory Governments.

Offshore petroleum operations beyond coastal waters are governed by Commonwealth legislation known as the *Petroleum (Submerged Lands) Act 1967*. Within this legal framework, the Commonwealth and the States/Northern Territory jointly administer and supervise industry activities through a Joint Authority arrangement. Each Joint Authority comprises the Commonwealth Minister and the relevant State/NT Minister. In addition, the relevant State/NT Minister administers some day-to-day operations in accordance with the Act.

The legislation provides for orderly exploration for and development of petroleum resources, and sets out a basic framework of rights, entitlements and responsibilities of governments and industry.

The more important matters covered in the legislation are:

- issue of invitations to apply for exploration permits;
- issue of permits to successful applicants, and determination of conditions of the title;
- granting of retention leases over currently non-commercial discoveries;
- granting of production and pipeline licences to successful explorers;
- granting of infrastructure licences for various processing activities;
- renewal of titles (where appropriate);
- approval of applications for the registration of legal transactions, including farmouts and transfers of titles, preparation and issue of special prospecting authorities, access authorities, authorities for scientific investigations, variations of title conditions, exemption from title commitments, cancellation of titles for non-compliance with the conditions of the title; and
- issue of directions and regulations.

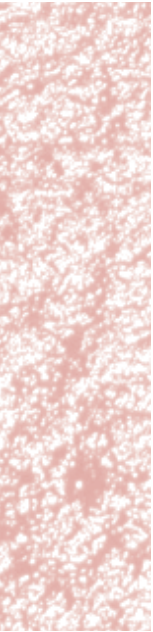
Exploration permits are normally issued under a work program system.

Except for environmentally sensitive areas (such as the Great Barrier Reef Marine Park) petroleum operations are permitted on most parts of the continental shelf. Of course, operations must comply with the requirements and standards set by law, and factors such as navigation, fisheries and environment are carefully considered, particularly where petroleum production is proposed.

Additional information on matters coming within the Commonwealth's responsibilities in offshore exploration and development is set out in:

- the *Petroleum (Submerged Lands) Act 1967*, as amended from time to time, the associated Explanatory Memoranda and Second Reading Speeches;
- the Petroleum (Submerged Lands) Regulations issued under the Act (notably in relation to management of the environment, safety and pipelines);
- a Schedule to the Directions issued under the Act - "Specific Requirements as to Offshore Petroleum Exploration and Production";





- the *Petroleum (Submerged Lands) Fees Act 1994* and Regulations;
- the *Petroleum Resource Rent Tax Act 1987* and company taxation legislation; and
- Administrative Guidelines issued to assist with the administration of the legislation.

Most of these documents can be viewed on the web site: www.industry.gov.au/petexp.

For further information contact:

General Manager
Petroleum Exploration and Development Branch
Petroleum and International Energy Division
Department of Industry, Tourism and Resources
GPO BOX 9839
CANBERRA ACT 2601
AUSTRALIA

Facsimile: +61 2 6213 7955

Telephone: +61 2 6213 7928

E-mail: petroleum.exploration@industry.gov.au

In Australia's onshore areas and within coastal waters, petroleum operations are governed by the legislation of States and Territories. A two-stage system of exploration permit and production licence has generally been adopted. However, the minimum area, initial term of the permits, and charges and royalties levied vary from State to State.

Further information on matters in areas of State/Northern Territory responsibilities can be obtained from the relevant State or Northern Territory Mines Department - see Appendix B.



Offshore Petroleum Titles

Petroleum industry activities in Australia, beyond coastal waters, are governed by Commonwealth legislation - the *Petroleum (Submerged Lands) Act 1967*. The legislation currently makes provision for five types of title to be granted to companies:

- exploration permits - provide exclusive rights to undertake seismic surveys and drilling in a defined area;
- retention leases - granted to holder of exploration permit, where a discovery is not currently commercial but is expected to become so;
- production licences - granted to holder of exploration permit or retention lease, for the recovery of petroleum following a commercial discovery;
- infrastructure licences - granted to enable the construction of offshore facilities for the storage and processing of petroleum; and for the construction of facilities for the recovery of petroleum in areas outside a production licence; and
- pipeline licences - granted for the transport of petroleum by pipeline between facilities or to processing plants.

In areas not covered by titles, companies may be granted a special prospecting authority to undertake seismic or other geophysical or geochemical survey work. This is a non-exclusive right to explore an area prior to the invitation for applications for an exploration permit. A special prospecting authority over an area does not provide any rights in relation to the award of an exploration permit.

Exploration Permits

Prospective acreage is released each year and is available for bidding under a work program bidding system.

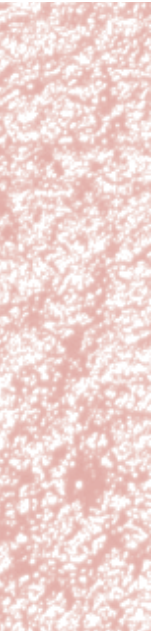
The work program bidding system is the usual method of awarding offshore exploration permits in Australia. Under this system, an applicant is required to propose an exploration program over six years. The first three years of the program is known as the "minimum guaranteed work program", and all program components in the first three years must be completed to avoid cancellation of the permit. The applicant also

identifies a "secondary" work program to cover the second three years of the permit, this work is guaranteed on a year to year basis which provides a greater degree of flexibility for the permittee.

Exploration permits are issued for an initial term of six years, and may be renewed for further five year periods. At each renewal 50 per cent of the permit area must be relinquished.

There is also provision for a cash bidding system. It has only been used for a limited number of highly prospective areas and has not been used at all since 1992.





Production Licences and Retention Leases

Upon discovering petroleum, a permittee must notify the authorities, giving details of the discovery. Before applying for a retention lease or production licence, the permittee must identify the block or blocks which cover the area of a discovery.

A location is declared over the discovery and the permittee may undertake further exploration and/or appraisal activities within the location blocks to determine more accurately the nature of the discovery. The permittee may also apply to vary the size of the location, or even to have the location revoked, if the discovery is thought to be ultimately non-commercial.

If the discovery is considered by the permittee to be commercial, the permittee may apply for a production licence. The permittee has two years after the declaration of a location (or a possible further two years in special circumstances) in which to apply for a production licence, and provide details of development proposals for the area. Production licences are issued for the duration of production plus a period of five years.

If a permittee makes a non-commercial discovery that has a reasonable chance of becoming commercially viable within the next fifteen years, an application may be made for a retention lease rather than a production licence. As with a production licence, the permittee has two years (or a possible further two years in special circumstances) after declaration of the location in which to apply for a retention lease, and provide an assessment of the commercial prospects of development.

Retention leases are issued for five years, with renewal periods of five years. At the time of application for a grant and at each renewal of a retention lease, the lessee must demonstrate that the discovery is likely to become commercially viable within the next fifteen years.

Where a location is not revoked and if the permittee does not apply for a production licence or a retention lease within the specified time, the exploration permit in respect of the blocks covered by the location will be terminated.

Where production facilities require a pipeline to transport petroleum to shore or other facilities, a pipeline licence will be granted indefinitely. But it will be terminated if no construction occurs or it is not used for a continuous period of at least five years.

An infrastructure licence enables a company to carry out certain petroleum activities, such as conversion of gas to LNG or methanol, to store and process petroleum.



Titleholders' Obligations

The legislation provides that all titleholders must carry out operations according to good oilfield practice, including carrying out operations in a manner which is safe and prevents the escape of petroleum into the environment. In order to retain title, conditions of work must be met and annual rental fees paid. Additional information on matters relating to the Commonwealth's offshore petroleum legislation is contained in:

- the *Petroleum (Submerged Lands) Act 1967*, as amended from time to time, the associated Explanatory Memoranda and Second Reading Speeches;
- the Petroleum (Submerged Lands) Regulations issued under the Act (notably on Environment, Fees and Safety);
- a Schedule to the Directions issued under the Act - "Specific Requirements as to Offshore Petroleum Exploration and Production";
- Administrative Guidelines issued to assist with the administration of the legislation; and
- Prospective applicants should be aware of the Special Notices that are set out in the 'Guidance Notes for Applicants' section of the 2002 Acreage Release Package.

Most of these documents can be viewed on the web site: www.industry.gov.au/petexp.

For further information on petroleum exploration and development matters contact:

General Manager
Petroleum Exploration and Development
Branch
Petroleum and International Energy Division
Department of Industry, Tourism and
Resources
GPO Box 9839
CANBERRA ACT 2601
AUSTRALIA

Facsimile: +61 2 6213 7955
Telephone: +61 2 6213 7928
E-mail:
petroleum.exploration@industry.gov.au





Environment Protection Requirements

Australian Governments require petroleum companies to conduct their activities in a manner that meets a high standard of environmental protection.

The petroleum industry's environmental record in Australia, particularly in offshore areas, has been exemplary. It could be expected that any petroleum proposal in offshore areas would be approved provided high environmental standards are met. The objective based Environment Regulations (outlined below) provide companies with flexibility in how to meet environmental protection requirements.

Australian Regulatory Environment

Onshore (and coastal waters)

In Australia, the State and Territory Governments own and administer petroleum rights over land and coastal waters (landward of three nautical miles). In these areas, although the Commonwealth Government has some responsibilities regarding environmental protection, the State and Territory Governments are the main authorities for environmental management of most projects. Although the law and the process varies amongst the States and the Northern Territory, the basic elements are similar for identifying, planning and managing likely environmental impacts.

Offshore

The Commonwealth has jurisdiction for the regulation of petroleum activities in waters beyond the three nautical mile limit. Day-to-day administration and environmental regulation is, however, carried out by the relevant State Designated Authority.



Regulation of Offshore Petroleum Projects in Commonwealth Waters

Current Commonwealth Government legislation relevant to environmental management of offshore petroleum exploration and development activities includes:

- *Petroleum (Submerged Lands) Act 1967* (PSLA) and its Regulations;
- *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act);
- *Australian Heritage Commission Act 1975*;
- *Environment Protection (Sea Dumping) Act 1981*;
- *Protection of the Sea (Prevention of Pollution from Ships) Act 1983*; and
- *Historic Shipwrecks Act 1976*.

Of particular relevance to the oil and gas industry are the dual requirements of the PSLA and EPBC Acts. Under these two Acts, there are four main environmental approvals that may be required for petroleum industry activities. These are:

- an Environment Plan under the *Petroleum (Submerged Lands) (Management of Environment) Regulations 1999*
 - this is required for every activity;
- approval under Chapter 4 of the EPBC Act to undertake an activity that may potentially affect a matter of National Environmental Significance (NES);
- approval under the Chapter 5, Division 3, of the EPBC Act to undertake activities that may interfere with cetaceans (eg whales)
 - this is only required at locations and during times that cetaceans are likely to be present; and
- approvals under Chapter 5, Division 4, of the EPBC Act to carry out activities in a Commonwealth Marine Reserve.

These processes are explained below.

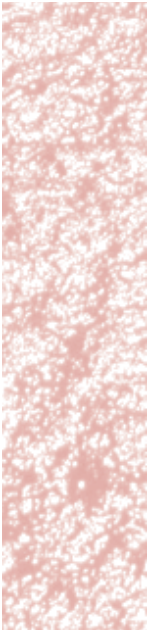
Some activities that were underway when the EPBC Act came into operation are still being assessed under a predecessor Act, the *Environment Protection (Impact of Proposals) Act 1974*. The EPBC Act replaced this Act for all new activities after July 2000.

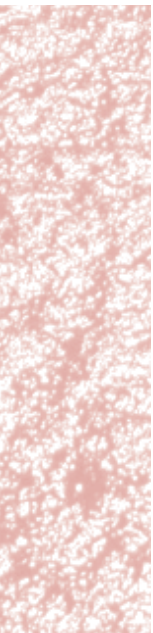
Petroleum (Submerged Lands) Act 1967

Under the PSLA, the Commonwealth Minister for Industry, Tourism and Resources administers petroleum exploration and development activities in Australia's offshore areas (seaward of three nautical miles), with the 'Designated Authority' for day to day environmental administration being the relevant State/Territory Minister for Mines (or equivalent). These activities are subject to the environmental conditions specified in the Act and associated Regulations.

The PSLA contains a broad requirement for titleholders to operate in accordance with "good oil-field practice". Specific environmental provisions relating to work practices essentially require operators to control and prevent the escape of wastes and petroleum.

The Act also requires that activities are carried out in a manner that does not unduly interfere with other rights or interests, including the conservation of the resources of the sea and sea-bed. In some cases, where there are particular environmental sensitivities or multiple use issues it may be necessary to apply special conditions to an exploration permit area. The holder of a petroleum title





must maintain adequate insurance against expenses or liabilities arising from activities in the title, including expenses related to clean-up or other remedying of the effects of the escape of petroleum.

Environment Regulations under the PSLA

The *Petroleum (Submerged Lands) (Management of Environment) Regulations 1999* (the Regulations) provide an objective based regime for the management of environmental performance for Australian offshore petroleum exploration and production activities in areas of Commonwealth jurisdiction. Key objectives of the Regulations include:

- encouraging industry to continuously improve its environmental performance;
- to adopt best practice to achieve agreed environment protection standards in industry operations; and
- to ensure operations are carried out in a way that is consistent with the principles of ecologically sustainable development.

A key feature of the Regulations is the requirement that an operator submit an Environment Plan to the relevant State/Northern Territory Designated Authority before commencing any petroleum activity. An accepted Environment Plan will establish the legally binding environmental management conditions that must be met by the operator of an offshore petroleum activity. An Environment Plan must:

- be appropriate for the nature and scale of the activity;
- demonstrate that the environmental effects and risks of the activity will be reduced to as low as reasonably practicable;

- demonstrate that the environmental effects and risks of the activity will be of an acceptable level;
- provide for appropriate environmental performance objectives, environmental performance standards and measurement criteria;
- include an appropriate implementation strategy (including an oil spill contingency plan) and monitoring, recording and reporting arrangements.

The Environment Regulations and a Guideline on the preparation and submission of an Environment Plan can be accessed on www.industry.gov.au/petexp.

Environment Protection and Biodiversity Conservation Act 1999

The EPBC Act regulates assessment and approval of proposed actions that may significantly affect a matter of National Environmental Significance (NES). Unlike the PSLA, the assessment and approval is undertaken by the Commonwealth Environment Minister. While the EPBC Act may prevent an action occurring, it does not replace the need for an Environment Plan to be approved under the PSLA (Management of Environment) Regulations before an action can proceed.

The EPBC Act places the onus on the proponent for ensuring an action is either approved or does not affect a matter of NES. The Commonwealth can, however, trigger the process itself. If a person is unsure whether approval is required, they should refer the action to the Commonwealth Environment Minister for clarification as to whether the action would be a 'controlled action' under the EPBC Act. If an activity is not judged as a controlled action, the proponent is free to carry out the activity, provided it is done within the parameters specified in the original referral. Information on referral of an activity under the EPBC Act, as well as guidelines and referral pro formas can be found at www.ea.gov.au/epbc/assessapprove/referrals/index.html.

Matters of NES identified within the EPBC Act that trigger the Commonwealth assessment and approvals regime are:

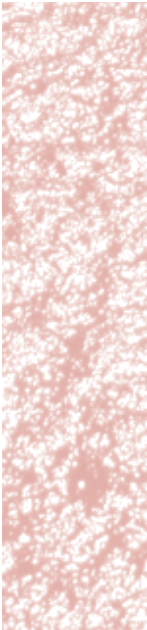
- nationally threatened species and ecological communities;
- migratory species;
- Commonwealth marine areas;
- World Heritage properties;
- Ramsar wetlands; and
- nuclear actions (including uranium mining).

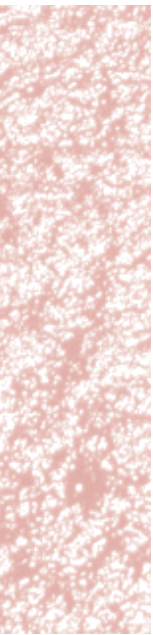
For offshore petroleum activities, the first three matters of NES are the most relevant.

Actions that invoke the requirements of the EPBC Act must not be carried out unless approved by:

- the Environment Minister under the Act, and undertaken in accordance with any conditions; or
- another Commonwealth decision-maker through a management plan under the Act; or
- a State in accordance with a bilateral agreement under the Act.

As of April 2002, there were no accredited management plans or bilateral agreements in place impacting on assessment or approval of petroleum industry actions in Commonwealth waters.





If the Commonwealth Environment Minister decides that an activity requires assessment, this could be by:

- assessment on preliminary documentation;
- public environment report;
- an environmental impact statement;
- a public inquiry; or
- an accredited process (ie accreditation on a project-by-project basis).

If granted, final approval by the Environment Minister may be with or without conditions. As a minimum, undertakings specified by the proponent in its documentation generally become conditions of approval.

Details of the new environment legislation and the steps to gain environment approval are provided in the pamphlet *An Overview of the Environment Protection and Biodiversity Conservation Act*, published in October 1999 by Environment Australia. This, and other documents related to the EPBC Act, are available on the internet at www.environment.gov.au/epbc.

The Commonwealth is currently examining the interaction between the PSLA, its Environment Regulations and the EPBC Act. The intended outcome of this examination is to deliver greater certainty of process and outcomes for environmental regulation of petroleum exploration activity, streamline environmental approval processes, and reduce compliance costs for industry.

Other Approvals

Cetaceans

A general environmental approval or clearance from the NES triggers under the EPBC Act does not cover interactions with cetaceans (eg whales). A separate permit is required when an action may interfere with a cetacean. Information on interactions with cetaceans and the steps to obtain a cetacean permit can be found at www.ea.gov.au/coasts/species/cetaceans/index.html.

Further, Environment Australia has developed cetacean interaction guidelines for the petroleum industry. The guidelines were approved by the Commonwealth Environment Minister following consultation with industry, government and conservation groups. They aim to provide guidance on interactions with whales and other larger cetaceans during offshore seismic exploration activities. Management guidelines in the document lay down specific procedures to be followed when undertaking seismic surveys. Procedures that apply according to the circumstances of the action include, amongst other things: soft start procedures; visual observations; stop work procedures; aerial surveys; and reporting and recording procedures. The guidelines can be found at www.ea.gov.au/coasts/species/cetaceans/index.html#guide.

Commonwealth Marine Reserves

There are currently 13 Marine Reserves in Commonwealth waters. Approval is required if an action is to be undertaken within a Commonwealth Reserve. Commonwealth Reserves allow uses that are consistent with the management plan in operation for the reserve, which may include exploration and production of petroleum. Approval requires assessment of the action proposed against the management plan in effect, with a recommendation going to the Governor-General. Information on undertaking activities within a Reserve can be found in the individual Management Plan for each Reserve.

Plans of management for current reserves, as well as information on new reserve proposals, can be found at: www.ea.gov.au/coasts/mpa/commonwealth.html.

Further Information

A report was published in February 2001 that provides up-to-date information on the petroleum industry's potential impacts on the marine environment and the regulatory framework. Entitled *Review of Environmental Impacts of Petroleum Exploration and Appraisal Activities in Commonwealth Waters*, the report was prepared by URS Australia under the oversight of a Reference Group including representatives of PSLA Designated Authorities and the exploration industry. The report can be found at: www.industry.gov.au/PetroleumEnvironment.

The report will be the basis for a Strategic Environmental Impact Assessment (SEIA) of offshore petroleum exploration and appraisal activities. The SEIA will examine petroleum activities and their potential impacts on different marine environments. This should provide additional guidance on the types of activities that may trigger the approvals processes under the EPBC Act.

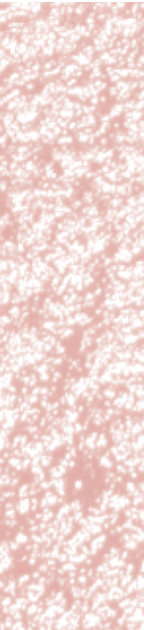
Further information on offshore petroleum environmental assessment processes can be found at:

Manager
Petroleum Environment Section
Petroleum and International Energy Division
Department of Industry, Tourism and Resources
GPO BOX 9839
CANBERRA ACT 2601
AUSTRALIA

Facsimile: +61 2 6213 7945

Telephone: +61 2 6213 7934

E-mail: petr_envr@industry.gov.au or Environment Australia (see Appendix A)





The Native Title Act and Petroleum Titles

The original Native Title Act 1993 (the NTA) was passed by Federal Parliament in 1993 and commenced on 1 January 1994. Following extensive amendments passed by Parliament in 1998, the amended Act commenced on 30 September 1998. All references to the NTA are to the 1993 Act as amended.

In summary, the Native Title Act:

- recognises native title rights and sets down some basic principles in relation to native title in Australia;
- provides for the validation of 'past acts' and 'intermediate period acts' which may be invalid because of the existence of native title, and confirms the extinguishment of native title in some circumstances;
- provides processes for the grant of valid titles in which native title rights are protected; and
- provides a process by which claims for native title and compensation can be determined.

Native title is taken into account in the granting of mining and petroleum tenures where the grant may affect native title. The NTA provides a regime for the grant of valid titles for exploration, mining and prospecting on lands or waters where indigenous people may have native title rights and interests. On land covered by an 'exclusive possession' land title, including that listed in Schedule 1 of the NTA (eg agricultural or commercial leasehold), the States and Territories have confirmed by legislation that native title has been permanently extinguished.

Offshore, the NTA grants certain procedural rights to native title parties in respect to petroleum industry activities. While the NTA provides that any offshore activities are valid, registered native title claimants and representative bodies must be notified of an activity. It is likely that, should a native title claim be recognised, the native title holders will have a right to compensation for the



effect of the activities on their rights. On the current state of the law, it is not possible to predict the likely quantum of any compensation. It is important to note that the "right to negotiate" provisions onshore do not apply to any activity that is on the seaward side of the low water mark.

On 11 October 2001, a majority decision of the High Court of Australia found that native title could exist, in a limited form, within the limits of Australia's Territorial Sea. The High Court found, however, that native title was non-commercial and non-exclusive, ie it could not confer possession or occupation of the sea and seabed to the exclusion of others.

The Commonwealth consults with registered native title claimants and regional bodies regarding acreage releases. It is recommended, however, that individual companies initiate their own consultative processes to ensure they comply with the NTA.

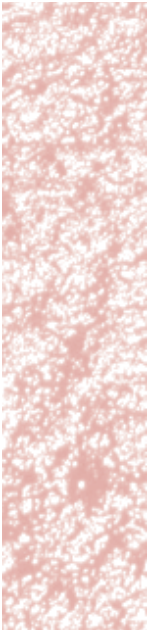
For further information contact:

General Manager
Petroleum Exploration and Development Branch
Petroleum and International Energy Division
Department of Industry, Tourism and Resources
GPO BOX 9839
CANBERRA ACT 2601
AUSTRALIA

Facsimile: +61 2 6213 7955

Telephone: +61 2 6213 7928

E-mail: petroleum.exploration@industry.gov.au or the native title contacts at Appendix A.





Timor Sea Joint Petroleum Development Area

Following separation of East Timor from Indonesia in 1999, East Timor and Australia have been developing arrangements to apply in the former Zone of Cooperation with Indonesia.

While a number of matters of detail remain to be resolved, Australia and the United Nations Transitional Administration in East Timor have agreed on the framework of a Treaty to come into effect when East Timor becomes independent, which is expected in May 2002.

The Treaty will provide for the continuation of the joint exploration and development of petroleum resources in the Joint Petroleum Development Area, with the upstream revenue being shared 90 per cent to East Timor and 10 per cent to Australia.

By continuing to provide an attractive regime for exploration and development, the Treaty will underpin on-going exploration and development in the Area.

Under previous arrangements with Indonesia, over \$US700 million has been spent on exploration and several significant petroleum discoveries made. Petroleum has been produced from the Elang-Kakatua fields since July 1998.

More recently, a joint venture led by Phillips Petroleum has committed some \$US1400 million to the development of the first phase of the Bayu-Undan project. Further developments in the area are under active consideration, including the second phase of Bayu-Undan which would involve the transmission of gas by pipeline to Darwin, and the development of the Greater Sunrise field which extends into the Area.

Further information on the Area and associated arrangements can be obtained from the Department of Industry, Tourism and Resources Website, at www.industry.gov.au/TimorSea.

Information on exploration and production in the Area is also available from the Timor Gap Joint Authority. Contact details are:

The Executive Directors
Timor Gap Joint Authority for the Zone of Co-operation
8th Floor, NT House
22 Mitchell Street
DARWIN NT 0800
AUSTRALIA

Telephone: +61 8 8941 1861
Facsimile: +61 8 8981 7365
E-mail: darwinoffice@timorgap.org.au
Web Page: www.timorgap.org.au

Appendix A

Key Sector Contacts

Commonwealth Government

Head of Division
Petroleum and International Energy Division
Department of Industry, Tourism and Resources
(GPO Box 9839, CANBERRA ACT 2601)
20 Allara Street,
CANBERRA ACT 2600
AUSTRALIA

Telephone: +61 2 6213 7946
Facsimile: +61 2 6213 7955
Web Page: www.industry.gov.au/petexp
E-mail:
petroleum.exploration@industry.gov.au

Chief, Petroleum and Marine Division
Geoscience Australia
(GPO Box 378, CANBERRA ACT 2601)
Cnr Hindmarsh Drive & Jerrabomberra Avenue
SYMONSTON ACT 2609
AUSTRALIA

Telephone: +61 2 6249 9111
Facsimile: +61 2 6249 9983
Web Page: www.ga.gov.au

Research Group Leader
Petroleum Technical Advice Group
Geoscience Australia
(GPO Box 378, CANBERRA ACT 2601)
Cnr Hindmarsh Drive & Jerrabomberra Avenue
SYMONSTON ACT 2609
AUSTRALIA

Telephone: +61 2 6249 9111
Facsimile: +61 2 6249 9983
Web Page: www.ga.gov.au

The Executive Member
Foreign Investment Review Board
The Treasury
Parkes Place
PARKES ACT 2600
AUSTRALIA

Telephone: +61 2 6263 2111
Facsimile: +61 2 6263 2940
Telex: AA62010

Head of Division
Invest Australia
Department of Industry, Tourism and Resources
(GPO Box 9839, CANBERRA ACT 2601)
20 Allara Street
CANBERRA ACT 2600
AUSTRALIA

Telephone: +61 2 6213 6700
Facsimile: +61 2 6213 6705
Web Page: www.investaustralia.gov.au

Environment Assessment Branch
Environment Protection Group
Environment Australia
(PO Box 787, CANBERRA ACT 2601)
John Gorton Building
PARKES ACT 2600
AUSTRALIA

Telephone: +61 2 6274 1444
Facsimile: +61 2 6274 1620
Web Page: www.ea.gov.au

Native Title Division
Attorney-General's Department
Robert Garran Offices
BARTON ACT 2600
AUSTRALIA

Telephone: +61 2 6250 6666
Facsimile: +61 2 6250 5400
Web Page: www.nttf.gov.au

National Native Title Tribunal
Principal Registry, Commonwealth Law Courts
Level 4, 1 Victoria Ave
PERTH WA 6000
AUSTRALIA

Telephone: +61 8 9268 7272
Facsimile: +61 8 9268 7299
Web Page: www.nntt.gov.au

Appendix B

Key Sector Contacts - State and Territory Mines Departments

(Note: Address details and special requirements for lodging applications for acreage are in the 'Guidance Notes for Applicants' publication)

New South Wales

Director
Resource Planning and Development
Department of Mineral Resources
Minerals and Energy House
(PO Box 536, ST LEONARDS NSW 1590)
29-57 Christie Street
ST LEONARDS NSW 2065
AUSTRALIA

Telephone: +61 2 9901 8888
Facsimile: +61 2 9901 8777
Web Page: www.minerals.nsw.gov.au

Victoria

Manager
Petroleum Development
Department of Natural Resources and Environment
(PO Box 500, EAST MELBOURNE VIC 3002)
7th Floor, 250 Victoria Parade
EAST MELBOURNE VIC 3002
AUSTRALIA

Telephone: +61 3 9412 5084
Facsimile: +61 3 9412 5156
Web Page: www.nre.vic.gov.au

Queensland

Director
Resource Development Division
Department of Natural Resources and Mines
Queensland Minerals and Energy Centre
(GPO Box 194, BRISBANE QLD 4001)
61 Mary Street
BRISBANE QLD 4000
AUSTRALIA

Telephone: +61 7 3237 1581
Facsimile: +61 7 3237 0470
Web Page: www.nrm.qld.gov.au

Western Australia

Director
Petroleum Division
Department of Mineral and Petroleum Resources
Mineral House
100 Plain Street
EAST PERTH WA 6004
AUSTRALIA

Telephone: +61 8 9222 3333
Facsimile: +61 8 9222 3515
Web Page: www.mpr.wa.gov.au

South Australia

Director
Petroleum Group
Department of Primary Industries and Resources
(PO Box 1671, ADELAIDE SA 5001)
Level 7, 101 Grenfell Street
ADELAIDE SA 5000
AUSTRALIA

Telephone: +61 8 8463 3000
Facsimile: +61 8 8463 3229
Web Page: www.pir.sa.gov.au

Tasmania

Director of Mines
Mineral Resources Tasmania
(PO Box 56, ROSNY PARK TAS 7018)
30 Gordons Hill Road
ROSNY PARK TAS 7018
AUSTRALIA

Telephone: +61 3 6233 8333
Facsimile: +61 3 6233 8338
Web Page: www.mrt.tas.gov.au

Northern Territory

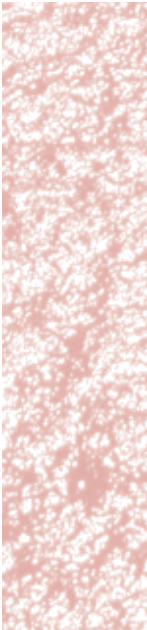
Director of Energy
Department of Business, Industry and Resource
Development
(GPO Box 3000, DARWIN NT 0801)
L4, Centrepoint Building
The Mall
DARWIN NT 0800
AUSTRALIA

Telephone: +61 8 8999 5511
Facsimile: +61 8 8999 5530
Web Page: www.dbird.nt.gov.au

Timor Sea Joint Petroleum Development Area

The Executive Directors
Timor Gap Joint Authority for the
Zone of Co-operation
8th Floor, NT House
22 Mitchell Street
DARWIN NT 0800
AUSTRALIA

Telephone: +61 8 8941 1861
Facsimile: +61 8 8981 7365
Web Page: www.timorgap.org.au





Appendix C

Key Sector Contacts - Private Sector Groups and Associations

Executive Director
Australian Petroleum Production and Exploration Association Ltd
(GPO Box 2201, CANBERRA ACT 2601)
Level 3
24 Marcus Clarke Street
CANBERRA ACT 2600
AUSTRALIA
Telephone: +61 2 6247 0960
Facsimile: +61 2 6247 0548
Web Page: www.appea.com.au

Executive Director
Australian Institute of Petroleum Ltd
(GPO Box 279, CANBERRA ACT 2601)
Level 2, 24 Marcus Clarke Street
CANBERRA ACT 2600
AUSTRALIA
Telephone: +61 2 6247 3044
Facsimile: +61 2 6247 3844
Web Page: www.aip.com.au

Chief Executive
The Australian Gas Association
(GPO Box 323, CANBERRA ACT 2601)
Level 3
40 Blackall Street
BARTON ACT 2600
AUSTRALIA
Telephone: +61 2 6272 1555
Facsimile: +61 2 6272 1566
Web Page: www.gas.asn.au

President
C/- Federal Secretariat
Petroleum Exploration Society of Australia
PO Box 721
WEST PERTH WA 6872
Telephone: +61 2 9957 3199
Facsimile: +61 2 9905 8178
Web Page: www.pesa.com.au

Appendix D

Key Sector Contacts - Taxation Matters (Commonwealth)

Inquiries on petroleum-specific matters may be directed to:

Mining and Petroleum National Specialisation Leader

Australian Tax Office

6 Gladstone St

MOONEE PONDS VIC 3039

AUSTRALIA

Telephone: +61 3 9275 4891

Facsimile: +61 3 9275 5094

Web Page: www.ato.gov.au

General inquiries about Australia's taxation system should be addressed to the Australian Taxation Office at any of the following addresses:

NEW SOUTH WALES

GPO Box 9990,

SYDNEY NSW 2001

AUSTRALIA

Telephone: +61 2 9374 2111

QUEENSLAND

GPO Box 9990,

BRISBANE QLD 4001

AUSTRALIA

Telephone: +61 7 3213 5111

WESTERN AUSTRALIA

GPO Box 9990,

PERTH WA 6848

AUSTRALIA

Telephone: +61 8 9268 5111

SOUTH AUSTRALIA

GPO Box 800,

ADELAIDE SA 5001

AUSTRALIA

Telephone: +61 8 8208 3111

VICTORIA

GPO Box 9990,

MOONEE PONDS VIC 3039

AUSTRALIA

Telephone: +61 3 9285 1111

NORTHERN TERRITORY

Cnr Mitchell & Briggs Streets

DARWIN NT 0800

AUSTRALIA

Telephone: +61 8 8943 9000

TASMANIA

GPO Box 9990,

HOBART TAS 7001

AUSTRALIA

Telephone: +61 3 6221 0111

AUSTRALIAN CAPITAL TERRITORY

GPO BOX 9990,

CANBERRA ACT 2601

AUSTRALIA

Telephone: +61 2 6216 3111



Appendix E

Australia - General Facts

Area (km ²):	7,682,000 (land area) 12,000,000 (offshore area)
Population (million):	19.2 (as at November 2000)
System of Government:	Federation ('Commonwealth') of six States - New South Wales, Victoria, Queensland, Western Australia, South Australia, Tasmania - and two mainland Territories - Northern Territory and Australian Capital Territory Parliamentary democracy based on Westminster system; Federal Parliament consisting of House of Representatives and Senate
Capital:	Canberra (population 300,000)
Main cities (population million):	Sydney (4.0), Melbourne (3.5), Brisbane (1.5), Perth (1.3), Adelaide (1.1), Hobart (0.2), Darwin (0.08)
Official language:	English
Gross Domestic Product (\$A million):	670,029 (2000-01)
Exchange rate:	\$A1 = \$US0.51 for December 2001
GDP per capita:	\$A34,769 (2000-01)
Primary petroleum exports: (excluding refined products) (2000-01)	\$A11.6b of which LNG comprised \$A2.67b
Primary petroleum imports: \$A billion (excluding refined products) (2000-01)	\$A8.68b