

## Lightly Explored Areas

The annual release of areas for offshore petroleum exploration forms a key element of the Australian Government's strategy to continue to promote petroleum exploration in Australia's offshore waters. This includes release of areas already known for petroleum production, areas that are 'lightly explored', as well as opening up of new geological frontiers for oil and gas exploration.

New exploration is the generator of the petroleum industry's project pipeline. Further opportunities for large gas discoveries remain, with the development of new technologies and play concepts, and the advance of exploration into proven basins and frontier areas.

Australia's ongoing position as a global competitor in the resources and energy sector relies crucially on the capacity of Australia and of the industry to be innovative, agile and make discoveries.

While current oil prices and increased competition from overseas markets have softened interest in high risk exploration in less explored areas of Australia's offshore region, the lead time of exploration and the continual improvements in seismic technology encourage companies to continue to actively search for new opportunities. Areas that are 'lightly explored' can offer opportunities to search for new sources of oil and gas outside of the proven hydrocarbon provinces.

For the 2018 Offshore Petroleum Exploration Acreage Release, Geoscience Australia has identified 11 areas, based on publicly available data, that it considers to be 'lightly explored' i.e. where one or more of the following applies:

- the geological knowledge about the area is largely limited to data sets that were acquired more than 10-20 years ago
- there is very limited or no well control available
- no commercial discoveries have been made in the immediate region
- modern seismic data is needed to evaluate the basin architecture and the sedimentary sequences.

In addition, in June 2015, the government announced and implemented its update to the Offshore Petroleum Exploration Guideline: Work-bid in which the government increased flexibility in permit management for titleholder's through administrative adjustments and clarified expectations for work program bidding in lightly explored areas.

While the flexibility has existed in the regime since 2015, the identification of the areas as being lightly explored is aimed at ensuring the Joint Authority's expectations for those areas is clear to assist companies when developing a forward work plan and proposing a work program.

If an area is identified as lightly explored, it indicates the Joint Authority's expectation that work program bids should be focussed on an exploration work program aimed towards de-risking and improving the geological understanding of the area.

It should be noted that despite an area being identified as lightly explored, exploration permits are awarded as part of a competitive bidding process to the applicant who proposes an exploration strategy and work program that will significantly advance the assessment and understanding of the area. The applicant's proposed work program must be logical, coherent, supportable and considered to be commensurate the perceived prospectivity of the area.

In preparing work program bids for a lightly explored area, applicants should consider section one 'obtaining a petroleum exploration permit' of the Offshore Petroleum Exploration Guideline: Work-bid guideline.