Overview of the offshore petroleum exploration and development framework

Authorities and Consents

- Special Prospecting Authority over an area which is not covered by and exploration permit, retention lease or production licence Max period 180 days
- Access Authority to an existing petroleum titleholder for activities other than drilling a well outside their existing title
- Petroleum Scientific
 Investigation Consent to
 organisations undertaking
 scientific research, including
 exploration activities

Acreage release Areas are announced by the responsible Commonwealth Minister for Resources Invitation for work program bids The Joint Authority issues an invitation through the Government Gazette for explorers to bid on release areas in the bidding rounds Bid assessment Bids are assessed by NOPTA who provides advice to the Joint Authority. The Joint Authority agrees on the successful applicants. NOPTA, on behalf of the Joint Authority, offers permits to successful applicants who accept or reject the offer **Exploration permit granted** NOPTA grants permit on behalf of the Joint Authority Six year exploration permit in force · Three year guaranteed primary work program Three year secondary work program and each year is guaranteed upon entry

Discontinued

Permit does not continue due to:

- Surrender conditional to work commitments
- Cancellation titleholder should consider good standing requirements
- · Expiry not renewed

Discovery made

The exploration program is successful and a discovery is made. Titleholder can apply to the Joint Authority for a declaration of a location over the discovery

Exploration permit renewed

Titleholder applies to renew the permit. Can renew 50% of the title area in most cases

- 50% relinquishment of permit area
- · Renewal for five years
- · Maximum two renewals

Location declared

Within a set timeframe, holder can apply for a retention lease or production licence

Not yet commercial

Retention Lease may be granted over the block(s) in the location if the discovery is not currently commercially viable, but is likely to be within 15 years

Commercially viable Production licence

Production licence may be granted over the block(s) covering a commercial discovery

Retention Lease in force

- For five years with work program
- May reapply for further Retention
 Leases but have to prove not commercially viable, but likely to be within 15 years

Production Licence in force

- For life of field while producing
- May be terminated if production ceases for more than five years

Prior to producing approvals are required for a:

- · Field Development Plan
 - Rate of Recovery
 - · Pipeline Licence
- Infrastructure Licence