

Stuart Petroleum Limited



Annual Report
Licence Year 2

29 October 2009 – 28 October 2010

Geothermal Exploration Licences

GELs 378-389

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1 Introduction

Geothermal Exploration Licences (GELs) 378-389 were granted on 29 October, 2008. The licences are located in the Cooper/Eromanga Basins, South Australia. This report details the work conducted during Licence Year 2 of the licences (29 October 2009 – 28 October 2010 inclusive), in accordance with Regulation 33 of the Petroleum Act 2000.

2 Permit Summary

For the duration of the licence year, licensees for Geothermal Exploration Licences (GELs) 378-389 were:

- Stuart Petroleum Limited 100%

The current work commitments (including all variations) associated with GELs 378-389 can be seen in Table 1.

Table 1 Current work commitments by licence year

Licence Year	Licence dates	Minimum Work Program
Year 2	29 October 2009 – 28 October 2010	Geological and Geophysical Studies
Year 3	29 October 2010 – 28 October 2011	Geological and Geophysical Studies
Year 4	29 October 2011 – 28 October 2012	Geological and Geophysical Studies
Year 5	29 October 2012 – 28 October 2013	Drill Exploration Well (non-guaranteed) * One well across consolidated area of multiple GELs

Licence Year 2 concluded on 28th October 2010. The following table displays the minimum work program (after all variations) and the actual work completed up until the end of the current licence period.

Table 2 Final work program and work completed (as of end of current reporting period) by licence year

Licence Year	Minimum Work Program	Actual Work
Year 2	Geological and Geophysical Studies	Geothermal gradients using relevant petroleum exploration well data have been defined Work continued on generation of depth and isopach maps of potential thermal aquifers Review of basement lithology and impact on thermal regimes in aquifers

3 Regulated Activities

Pursuant to Regulation 33(2)(a):

Drilling and Related Activities

No regulated activities undertaken in the licence reporting period.

Seismic Data Acquisition

No regulated activities undertaken in the licence reporting period.

Seismic Data Processing and Reprocessing

No regulated activities undertaken in the licence reporting period.

Geochemical, Gravity, Magnetic and other surveys

No regulated activities undertaken in the licence reporting period.

Production and Processing

No regulated activities undertaken in the licence reporting period.

Pipeline/Flowline Construction and Operation

No regulated activities undertaken in the licence reporting period.

Preliminary Survey Activities

No regulated activities undertaken in the licence reporting period.

4 Compliance Issues

Licence and Regulatory Compliance

Pursuant to Regulations 33(2) (b) & (c):

No licence non-compliances identified for GELs 378-389.

No regulatory non-compliances identified for GELs 378-389.

No SEO non-compliances identified for GELs 378-389.

No regulated or other field activities were conducted in the licences therefore no SEO compliance statement is warranted.

Management System Audits

Pursuant to Regulation 33(2) (d):

No regulated activities undertaken in the licence reporting period.

Report and Data Submissions

Pursuant to Regulation 33(2) (e):

No data submissions during the licence reporting period.

Incidents

Pursuant to Regulation 33(2) (f):

No serious or reportable incidents during the licence reporting period.

Threat Prevention

Pursuant to Regulation 33(2) (g):

No applicable activities during the licence reporting period.

Future Work Program

Pursuant to Regulation 33(2) (h):

Geological and Geophysical Studies

- Depth maps and isopach maps of potential thermal aquifers will be finalised
- Temperature maps at the Top Namur Sandstone and Top Hutton Sandstone will be finalised
- Thermal models incorporating the above data will be developed to define potential drilling targets

5 Expenditure Statement

Pursuant to Regulation 33(3):

Please refer to Appendix 1 for the expenditure statement for the current reporting period.