

Annual Report

Geothermal Exploration Licenses (GEL) 378, 382, 386

29 October 2013 – 28 October 2014
Licence Year 4 (Term 1)

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REVISION HISTORY

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1 INTRODUCTION

Geothermal Exploration Licences (GEL) 378, 382 & 386 were granted on 29 October 2008. The licences are located in the Cooper and Eromanga Basins, South Australia. This report details the work conducted during Licence Year 4 (Term 1) of the licences (29 October 2013 to 28 October 2014 inclusive), in accordance with Regulation 33 of the *Petroleum and Geothermal Energy Act 2000*.

2 PERMIT SUMMARY

For the duration of the licence year, licensees for Geothermal Exploration Licences (GEL) 378, 382 and 386 were:

- Stuart Petroleum Pty Ltd 100%

The original work commitments associated with GEL 378, 382 and 386 can be seen in Table 1.

Table 1 Original work commitments (incl. variations) by licence year

Licence Year	Licence Dates	Minimum Work Program
Year 1	29 October 2008 – 28 October 2009	Geological & Geophysical Studies
Year 2	29 October 2009 – 28 October 2010	Geological & Geophysical Studies
Year 3	29 October 2010 – 28 October 2013	Geological & Geophysical Studies
Year 4	29 October 2013 – 28 October 2014	Geological & Geophysical Studies
Year 5	29 October 2014 – 28 October 2015	Drill 4 wells

On 31 October 2013, DSD approved a variation to the work program associated with GEL 378, 382 and 386 and the current work commitments can be seen in Table 2.

Table 2 Current work commitments (incl. variations) by licence year

Licence Year	Licence Dates	Minimum Work Program
Year 1	29 October 2008 – 28 October 2009	Geological & Geophysical Studies
Year 2	29 October 2009 – 28 October 2010	Geological & Geophysical Studies
Year 3	29 October 2010 – 28 October 2013	Geological & Geophysical Studies
Year 4	29 October 2013 – 28 October 2014	Geological & Geophysical Studies
Year 5	29 October 2014 – 28 October 2015	Geological & Geophysical Studies

Licence Year 4 concluded on 28 October 2014. 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 3 Final work program and work completed (as of end of current reporting period) by licence year

Licence Year	Minimum Work Program	Actual Work
Year 1	Geological and Geophysical Studies	Geothermal gradients using relevant petroleum exploration well data have been defined
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
Year 3	Geological and Geophysical Studies	Work continued on generation of depth and isopach maps of the Namur Sandstone and the Hutton Sandstone Temperature data analysis was ongoing
Year 4	Geological and Geophysical Studies	Geological and Geophysical Studies

3 REGULATED ACTIVITIES

Pursuant to Regulation 33(2)(a) of the Regulations, an annual report must include:

“a summary of the regulated activities conducted under the licence during the [current reporting] year.”

This information is detailed below in designated sections.

3.1 Drilling and Related Activities

No regulated activities undertaken in the licence reporting period.

3.2 Seismic Data Acquisition

No regulated activities undertaken in the licence reporting period.

3.3 Seismic Data Processing and Reprocessing

No regulated activities undertaken in the licence reporting period.

3.4 Geochemical, Gravity, Magnetic and other surveys

No regulated activities undertaken in the licence reporting period.

3.5 Production and Processing

No regulated activities undertaken in the licence reporting period.

3.6 Pipeline/Flowline Construction and Operation

No regulated activities undertaken in the licence reporting period.

3.7 Preliminary Survey Activities

No regulated activities undertaken in the licence reporting period.

4 COMPLIANCE ISSUES

Pursuant to Regulations 33(2) (b) & (c), an annual report must include:

“a report for the year on compliance with the Act, these regulations, the licence and any relevant statement of environmental objectives,” and

“a statement concerning any action to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, and to minimise the likelihood of recurrence of any such non-compliances.”

Detailed information on the individual instances of non-compliance is provided below in designated sections.

4.1 Licence Non-Compliance

No licence non-compliances identified for GEL 378, 382 & 386

4.2 Regulatory Non-Compliance

No regulatory non-compliances identified for GEL 378, 382 & 386

4.3 Compliance with Statement of Environmental Objectives

No SEO non-compliances identified for GEL 378, 382 & 386

4.4 Management System Audit

Pursuant to Regulation 33(2) (d) under the Act, an annual report must include:

“a summary of any management system audits undertaken during the relevant licence year including information on any failure or deficiency identified by the audit and any corrective actions that has, or will be taken”

No management system audits undertaken.

4.5 Report and Data Submissions

Pursuant to Regulation 33(2) (e) under the Act, an annual report must include:

“a list of all report and data relevant to the operation of the Act generated by the licensee during the licence year”.

Table 4 List of report and data submissions during current licence reporting year

Description	Date Due	Date Submitted	Compliant / Non-Compliant
Combined GEL Annual Report - Year 3	28/12/2013	20/11/2013	Compliant

4.6 Incidents

Pursuant to Regulation 33(2) (f), an annual report must include:

“in relation to any incidents reported to the Minister under the Act and these Regulations during the relevant licence year –

- i) an overall assessment and analysis of the incidents, including the identification and analysis of any trends that have emerged; and
- ii) an overall assessment of the effectiveness of any action taken to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, or to minimise the risk of recurrence of any such non-compliance”.

No reportable incidents occurred during the licence reporting period.

4.7 Threat Prevention

Pursuant to Regulation 33(2) (g) under the Act, an annual report must include:

“a report on any reasonably foreseeable threats (other than threats previously reported on) that reasonably presents, or may present, a hazard to facilities or activities under the licence, and a report on any corrective action that has, or will be taken”.

No applicable activities during the licence reporting period.

4.8 Future Work Program

Pursuant to Regulation 33(2) (h) under the Act, an annual report must include:

“unless the relevant licence year is the last year in which the licence is to remain in force – a statement outlining operations proposed for the ensuing year”.

Area of Activity	Minimum Work Program	Planned Work	Commencement Date
Drilling and related activities	-	-	-
Seismic data and acquisitions	-	-	-
Seismic data processing and reprocessing	-	-	-
Production and Processing	-	-	-
Geochemical, Gravity, Magnetics and other surveys	-	-	-
Pipeline Construction and Operation	-	-	-
Geological and Geophysical studies	Geological and Geophysical studies	Mapping, Temperature data analysis	ongoing

5 EXPENDITURE STATEMENT

Pursuant to Regulation 33(3) under the Act, an annual report must contain:

“An annual report must be accompanied by a statement of expenditure on regulated activities conducted under the licence for the relevant licence year, showing expenditure under each of the following headings:

- a) drilling activities;
- b) seismic activities;
- c) technical evaluation and analysis;
- d) other surveys;
- e) facility construction and modification;
- f) operating and administration expenses (not already covered under another heading)”.

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