Introduction – a look back and a look forward

Innovation:
- Old ideas in unexplored basins
- New ideas in mature basins
- Borrowed, new ideas and new technologies everywhere

Barry Goldstein
Executive Director
Energy Resources Division
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South Australian State Government
Key events – upstream O&G in South Australia, 2014-19

Forecast for 2020–21

- Resurrect onshore Otway gas production
- CCUS EOR
- New oil & gas discoveries
- Productivity gains
- M&A, divestment
- Offshore Bight exploration
- New O&G Road Map
- Review PGE Act

Productivity gains, increased investment, horizontal wells, acquisitions by Santos and Beach & steady oil price
Grouped Petroleum Retention Licences (PRLs) enable explorers to drill the best prospects first while assuring a multiple of investment above the present value of winning bids for ever smaller licences.

This sustained investment when the price of oil fell in late 2014.

Transfer of PRLs from incumbents to new entrants in lieu of relinquishment avoids investment lag while increasing competitive intellectual capital e.g. Senex to OilEx and Beach to Red Sky/Santos.

CO2019 and OT2019 bids close 29 Nov 2019
Plan to ACcelerate Exploration (PACE) Gas at a Glance

23 applications from 15 companies; nine projects target unrisked 217 PJ with 1,957 PJ follow-up potential. A$271m from industry + $48m PACE grants

- A$5.82m – Senex/Santos Cooper Basin PE and Vanessa pipelines;
- A$6.00m – Beach Energy Otway Basin Haselgrove #3 exploration;
- A$2.00m – Strike/Australian Gasfields Cooper Basin deep coal pilot.
- A$3.96m – Santos/Beach Cooper Basin re-frac stimulation;
- A$6.00m – Santos/Beach Cooper Basin underbalanced drilling;
- A$6.00m – Santos/Beach Cooper Basin Moomba heat recovery;
- A$6.89m – Senex Energy Cooper Basin Gemba 1 exploration;
- A$5.26m – Beach/Cooper Otway Basin Dombey 1 exploration;
- $4.95m – Vintage/Rawson Otway Basin Nangwarry exploration.

A$47.78m

Current PACE gas project status:
- ~10 TJ/day by YE19 in the Cooper Basin (Gemba and Moomba Heat Recovery to come by end Dec 19);
- Gas production to be resurrected in the Otway Basin – could get to >50 TJ/day
REALITY

Trust is the most important lead factor and lag outcome.

A 10–year moratorium on hydraulic fracturing (fracture stimulation or fracking) has been legislated for the Limestone Coast Region in the South East of South Australia.

Communities and constituents will be heard.

Industries and governments have a key role in supporting informed perceptions within communities and Parliaments.
It is no longer enough for those entrusted to steward projects (within industry and government) to be just technically focused.

Engagement towards building trust never ends.

The O&G sector will adapt to benefit from the transition from BAU to a low emissions future.

After Peter Sandman and FutureEye
A web-based roadmap for South Australian onshore and offshore oil & gas is planned. Progressive delivery through to end June 2021.

All will be informed by the roundtable for oil and gas that includes: industry; governments; peak representative organisations for industry, environment protection and aboriginal people; research institutions & individuals.

Roundtable currently has 2398 members from 1267 organisations.

Visit

2018 Fraser Institute global rankings for oil and gas

The Fraser Institute O&G 2018 survey rated South Australia:

- best oil and gas jurisdiction in Australia; Oceania region; southern hemisphere;
- 5th best in world for geological databases; and
- 6th best in world for trade barriers.

“This jurisdiction is proactive with companies at the exploration stage, which is positive for investors.”

2019 survey results expected in Nov-Dec 2019

DEM-ERD aims to simultaneously meet the expectations of both the public and investors

Engagement is never done and dusted