

Stuart Petroleum



Annual Report

Licence Year 1
(Renewal)

5th November 2006 - 4th November 2007

Petroleum Exploration Licence 93

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1 Introduction

Renewal of Petroleum Exploration Licence (PEL) 93 was granted on 5th November 2006. The licence is located in the Cooper/Eromanga Basin area of South Australia. This report details the work conducted during Licence Year 1 (Renewal) of the licence (5th November 2006 - 4th November 2007 inclusive), in accordance with Regulation 33 of the Petroleum Act 2000.

2 Permit Summary

Petroleum Exploration Licence (PEL) 93 (1st Renewal) was awarded to:

- Stuart Petroleum Limited 70%
- Cooper Energy Limited 30%

The original work commitments associated with the awarding of PEL 93 can be seen in Table 1.

Table 1 Original work commitments by licence year

Licence Year	Licence dates	Minimum Work Program
Year 1	5 th November 2006 – 4 th November 2007	Geological and Geophysical studies
Year 2	5 th November 2007 – 4 th November 2008	Geological and Geophysical studies
Year 3	5 th November 2008 – 4 th November 2009	Geological and Geophysical studies
Year 4	5 th November 2009 – 4 th November 2010	Geological and Geophysical studies
Year 5	5 th November 2010 – 4 th November 2011	Drill one exploration well

Table 2 Final work program commitments by licence year

Licence Year	Licence dates	Minimum Work Program
Year 1	5 th November 2006 – 4 th November 2007	Geological and Geophysical studies
Year 2	5 th November 2007 – 4 th November 2008	Geological and Geophysical studies
Year 3	5 th November 2008 – 4 th November 2009	Geological and Geophysical studies
Year 4	5 th November 2009 – 4 th November 2010	Geological and Geophysical studies
Year 5	5 th November 2010 – 4 th November 2011	Drill one exploration well

Renewal Licence Year 1 concluded 4th November 2007. 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	Drilled two exploration wells.
Year 2	Geological and Geophysical studies	-
Year 3	Geological and Geophysical studies	-
Year 4	Geological and Geophysical studies	-
Year 5	Drill one exploration well	-

3 Regulated Activities

Regulation 33(2)(a)

Drilling and Related Activities

1. Rainbird 1
Exploration well
Contractor – Hunt Energy & Mineral Company Australia Pty Ltd
Date spudded – 7th August 2007
Rig release date – 21st August 2007
Plug and abandon

2. Patron 1
Exploration well
Contractor – Century Resources
Date spudded – 20th September
Rig release date – 2nd October
Plug and abandon

Seismic Data Acquisition

No regulated activities undertaken in the licence reporting period.

Seismic Data Processing and Reprocessing

1. Worrior 3D Inversion
Contractor – DownUnder Geosolutions

Geochemical, Gravity, Magnetic and other surveys

No regulated activities undertaken in the licence reporting period

Pipeline 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

Regulations 33(2) (b) & (c)

No licence non-compliances identified for PEL 93.

Regulatory non-compliances identified were:

- 1) Submission of Annual Report.

Details of these are reported in Table 5.

No SEO non-compliances identified for PEL 93.

Details reported in Table 6 &8.

Licence Non-Compliance

Table 4 List of licence non-compliances for current reporting year

No.	Stated Commitment	Reason for Non-Compliance	Rectification of Non-Compliance
-	-	-	-

Regulatory Non-Compliance

Table 5 List of regulatory non-compliances for current reporting year

No.	Date	Activity	Details of Non-Compliance	Rectification of Non-Compliance
1	02/03/2007	Submission of Annual Report	Annual report for the licence year was not submitted by the due date.	Annual reports are now reported in a more systematic manner. All reports are for calendar year.

Compliance with Statement of Environmental Objectives

Table 6 Environmental Objectives in relation to the drilling of Rainbird 1 and Patron 1.

Cooper Basin Drilling & Well Operations SEO – November 2003

Objective	Compliant/Non-Compliant
Objective 1: Minimise risk to public & third party risks	Compliant/Achieved
Objective 2: Minimise disturbance & soil contamination	Compliant/Achieved
Objective 3: Avoid introduction of pest species	Compliant/Achieved
Objective 4: Minimise disturbance to drainage patterns; avoid contamination of surface and shallow groundwaters	Compliant/Achieved
Objective 5: Avoid disturbance to sites of cultural & heritage significance	Compliant/Achieved
Objective 6: Minimise loss of aquifer pressures and avoid aquifer contamination	Compliant/Achieved
Objective 7: Minimise disturbance to native vegetation & fauna	Compliant/Achieved
Objective 8: Minimise air pollution & greenhouse gas emissions	Compliant/Achieved
Objective 9: Maintain/enhance partnerships in community	Compliant/Achieved
Objective 10: Avoid or minimise disturbance to Stakeholders & associated infrastructure	Compliant/Achieved
Objective 11: Optimise waste reduction & recovery	Compliant/Achieved
Objective 12: Remediate & rehabilitate operational areas to agreed standards	Compliant/Achieved
Objective 13: Avoid disturbance to rare, endangered & vulnerable species	Compliant/Achieved
Objective 14: Avoid impacts on high biological value or wilderness value areas	Compliant/Achieved
Objective 15: Avoid flowline, process storage & loading facility spills	Compliant/Achieved
Objective 16: In the event of a process fluid spill, minimise the impacts on biota, soils surface water & groundwater	Compliant/Achieved
Objective 17: Minimise fire risk at facility, prevent spread of any fires to wellhead	Compliant/Achieved
Objective 18: Avoid transportation spills	Compliant/Achieved
Objective 19: In the event of a transportation spill, minimise the likelihood of its spread, minimise impacts of fire resulting; cleanup & remediation of oil affected land to accepted Soil Health Index (SHI)	Compliant/Achieved
Objective 20: Formation water cleaned to no visible oil before disposal	Compliant/Achieved
Objective 21 : Minimise work force hazards	Compliant/Achieved

Management System Audits

Regulation 33(2) (d)

No Management System Audits undertaken.

Report and Data Submissions

Regulation 33(2) (e)

Table 7 List of report and data submissions during current licence reporting year

Description of Report/Data	Date Due	Date Submitted	Compliant / Non-Compliant
Final Stack Data – 2005 Warra Ridge Reprocessing	01/12/2006	28/12/2005	Compliant
Seismic Interpretation Report – 2005 Warra Ridge Reprocessing	01/12/2006	21/03/2006	Compliant
Final Well Report – Dalray 1	09/12/2006	07/12/2006	Compliant
Palynology Report – Dalray 1	-	06/02/2007	N/A
Final Well Report – Tawriffic East 1	18/04/2007	13/02/2007	Compliant
Annual Report	28/02/2007	02/03/2007	Non-Compliant
Activity Notification – Rainbird 1	17/07/2007	06/03/2007	Compliant
ERC – Rainbird 1	-	04/05/2007	Compliant
Activity Notification – Patron 1	30/08/2007	25/07/2007	Compliant
Heritage Survey (WAC) – Patron 1	-	August 2007	Compliant
Daily Drilling & Geological Reports – Rainbird 1	07/08 - 21/08/2007	07/08 - 21/08/2007	Compliant
Open Hole Wireline Logs – Rainbird 1	21/09/2007	28/08/2007	Compliant
Daily Drilling & Geological Reports – Patron 1	20/09 - 02/10/2007	20/09 - 02/10/2007	Compliant
Open Hole Wireline Logs – Patron 1	02/11/2007	08/10/2007	Compliant

Incidents

Regulation 33(2) (f)

Table 8 List of incidents during current licence reporting year

Date of Incident	Activity	Incident Description	Type of Loss	Action to Rectify & Effectiveness of Action	Date Reported / Reported to Whom
-	-	-	-	-	-

Threat Prevention

Regulation 33(2) (g)

No threats to facilities or activities have been identified which are not already covered in the relevant Environmental Risks and Compliance Reports.

Future Work Program

Regulation 33(2) (h)

Table 9 Current Licence Period (Year 2) planned

Area of Activity	Minimum Work Program	Actual Work	Commencement Date
Drilling and related activities	-	-	-
Seismic data and acquisition	-	-	-
Seismic data processing and reprocessing	-	-	-
Production and Processing	-	-	-
Geochemical, Gravity, Magnetic and other surveys	-	-	-
Pipeline Construction and Operation	-	-	-
Geological and Geophysical studies	Geological and Geophysical studies	Will incorporate well results into seismic mapping and prospect inventory	Ongoing

Expenditure Statement

Pursuant to Regulation 33(3)

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

APPENDIX 1 Expenditure Statement

Commercial in Confidence