

Oil & Gas Royalty Return

petroleum.dpc.sa.gov.au

Oil & Gas Royalty Return is designed to provide freehold landowners & perpetual leaseholders, who have a producing oil or gas field underlying their property, a share of royalty collected from oil and gas producers where production has occurred in South Australia.

The State Government will provide freehold landowners and perpetual leaseholders with a 10% share of royalty collected from new discoveries. Payment will be in proportion to the subsurface extent of the field below the property.

Importantly, any new or existing compensation arrangements relating to access, disruption or impacts between landowners and resource companies will continue without change.

PROCESS



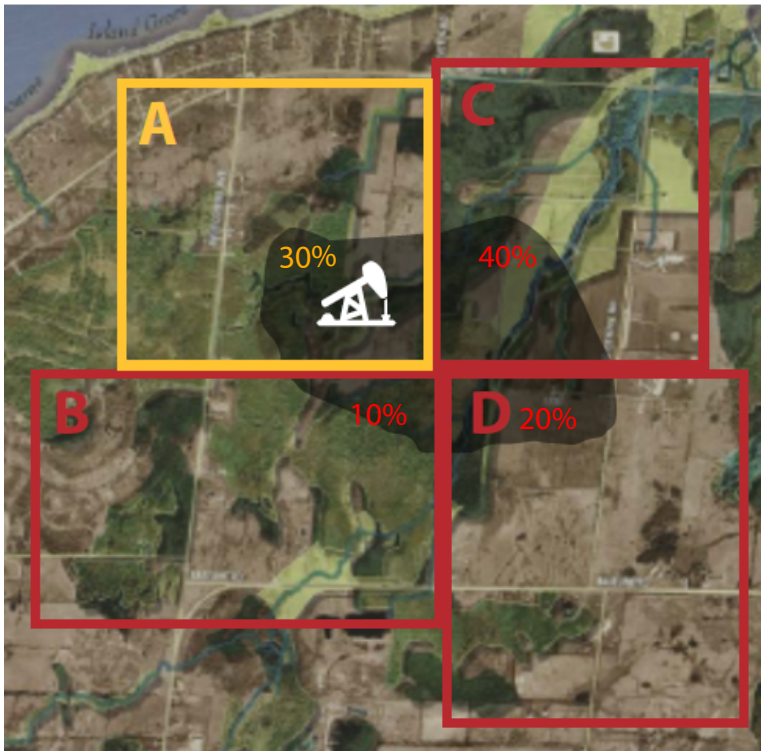
PRODUCTION OCCURS FROM AN OIL OR GAS DISCOVERY

PRODUCER SUBMITS A RETURN AND ROYALTY IS PAID TO THE GOVERNMENT



RETURN AND ROYALTY ARE REVIEWED TO ENSURE ACCURACY

LAND OWNERSHIP VERIFIED AND PAYMENTS MADE BASED ON 10% OF ROYALTY



Subsurface extent of gas field



Well/surface facilities

HOW IT WORKS

Landowner A

As the well is situated on this property, the freehold landowner or perpetual leaseholder will continue to receive compensation from the resource company for access and disruption to the land.

The owner will now also receive a share of the royalty as the field underlies their property, in proportion to the percentage of the underlying field.

Landowners B, C & D

These freehold landowners or perpetual leaseholders will receive a share of the royalties in proportion to the percentage of the underlying field beneath their properties.

Compensation agreements will also continue where landowners have access agreements in place for associated activities such as roads or pipelines with the resource company.