

# Otway Energy Limited

Suite 104, Level 1, 84 Pitt Street  
Sydney, NSW, 2000, Australia  
phone: (02) 9221 0361  
fax: (02) 9221 0361  
www.otwayenergy.com  
ABN 34 142 620 657

## ANNUAL REPORT - PEL 154

## LICENCE TERM 2, YEAR 1

FOR THE PERIOD

*1<sup>ST</sup> JANUARY 2012 – 31<sup>ST</sup> DECEMBER 2012*

*OTWAY BASIN, ONSHORE SOUTH AUSTRALIA*

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## INTRODUCTION

Petroleum Exploration Licence 154 covers an area of 1,404 square kilometres of the onshore part of the Otway Basin in South Australia. It was granted on 30<sup>th</sup> June, 2003 and renewed for a period of 5 years on 3<sup>rd</sup> April 2012. The licence is located in the Otway Basin, South Australia. This report details the work conducted during Licence Term 2, Year 1 of the licence **covering the period 1<sup>st</sup> January 2012 to 31<sup>st</sup> December 2012**, inclusive, in accordance with Regulation 33 of the Petroleum and Geothermal Act 2000.

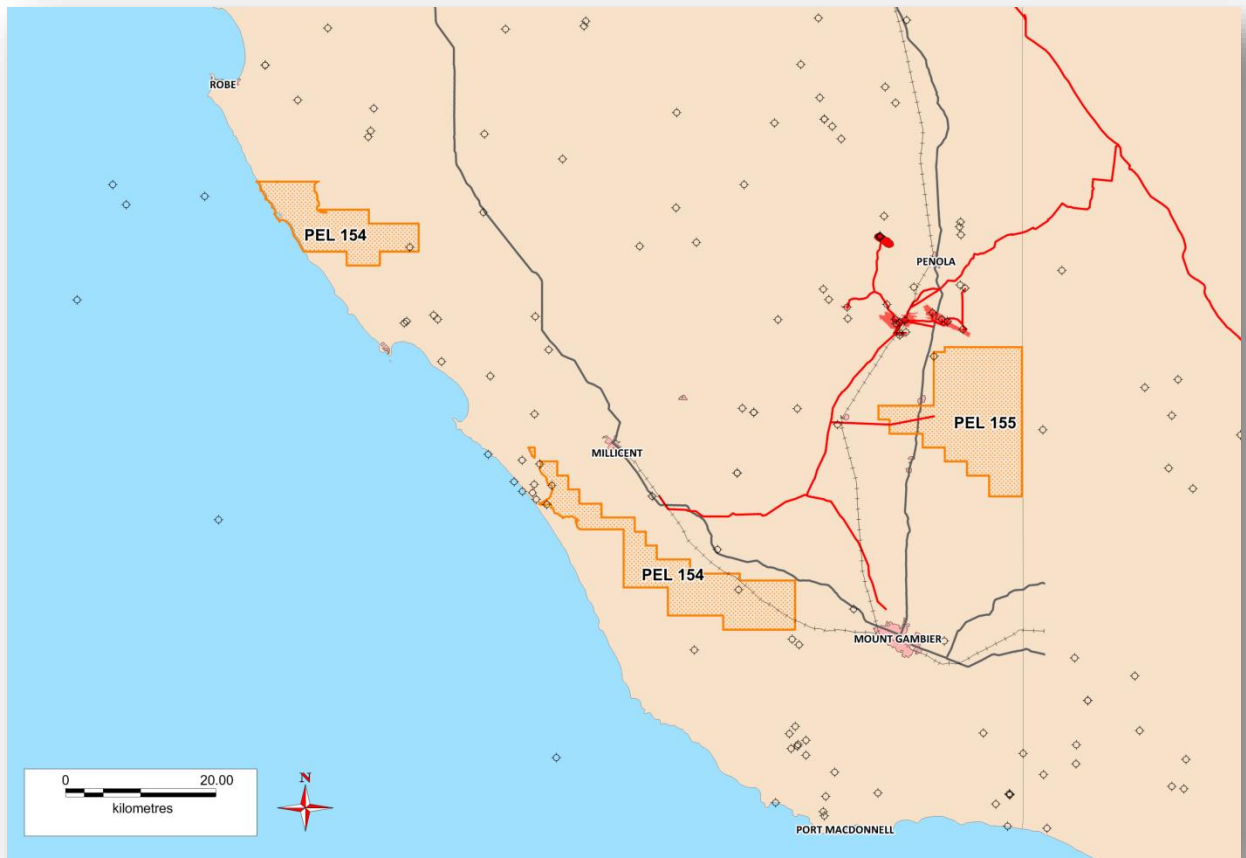


Figure 1. Location of PEL 154

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## ASSOCIATED FACILITIES LICENCE

No Associated Facilities Licences have been granted in relation to PEL 154.

## PERMIT SUMMARY

At the beginning of the period covered by this report, the licensees on title for Petroleum Exploration Licence PEL 154 were:

- *Energetica Otway Pty Ltd* 62.5% interest
- *Rawson Otway Pty Ltd* 37.5% interest

At the end of the period covered by this report, the licensees on title for Petroleum Exploration Licence PEL 154 were:

- *Energetica Otway Pty Ltd* 62.5% interest
- *Rawson Otway Pty Ltd* 37.5% interest

The current (i.e., at the end of the period covered by this report) work commitments (including all variations) associated with PEL 154 are listed in [Table 1](#).

**Table 1** Current work commitments by licence year

Licence Year	Licence dates	Minimum Work Program
Year 1	1 January 2012 - 31 December 2012	Geological and Geophysical Studies
Year 2	1 January 2013 - 31 December 2013	Geological and Geophysical Studies
Year 3	1 January 2014 - 31 December 2014	Geological and Geophysical Studies
Year 4	1 January 2015 - 31 December 2015	Geological and Geophysical Studies
Year 5	1 January 2016 - 31 December 2016	One well

[Table 2](#) tabulates the minimum work program (after all variations) and the actual work completed up until the end of the period covered by this report.

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**Table 2. 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	Geological and Geophysical studies - shale gas analysis
Year 2	Geological and geophysical studies	
Year 3	Geological and geophysical studies	
Year 4	Geological and geophysical studies	

By an Instrument from the Minister's Delegate dated 3<sup>rd</sup> April 2012, PEL 154 was renewed for a period of five years. The renewed licence terms commenced with effect from 1<sup>st</sup> January 2012. The instrument set the expiry date of Licence to be 31<sup>st</sup> December 2016.

## REGULATED ACTIVITIES

Pursuant to Regulation 33(2)(a) under the Act, 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.

## DRILLING AND RELATED ACTIVITIES

No regulated drilling activities were carried out during the period covered by this report.

## SEISMIC DATA ACQUISITION

No Regulated seismic data acquisition activities were carried out during the period covered by this report.

## SEISMIC DATA PROCESSING AND REPROCESSING

No Regulated seismic data processing activities were carried out during the period covered by this report.

## GEOCHEMICAL, GRAVITY, MAGNETIC AND OTHER SURVEYS

No regulated geochemical, gravity, magnetic and other survey activities were carried out during the period covered by this report.

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## PRODUCTION AND PROCESSING

Not applicable.

## PIPELINE CONSTRUCTION AND OPERATION

Not applicable.

## PRELIMINARY SURVEY ACTIVITIES

No Preliminary Survey Activities were conducted during the period covered by this report.

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## COMPLIANCE ISSUES

### LICENCE AND REGULATORY COMPLIANCE

*Pursuant to Regulations 33(2) (b) & (c)*, The Licencee has, to the best of its knowledge, complied with all the relevant conditions under the Petroleum and Geothermal Energy Act 2000 and the Petroleum and Geothermal Energy Regulations 2000.

As there were no Regulated Activities conducted during the quarter, no Compliance Report (detailing the Licencee's compliance with the 2000 Petroleum and Geothermal Energy Act 2000, its Regulations, the terms and conditions of the Licence, and the agreed Statements of Environmental Objectives governing field operations undertaken during the permit term) has been compiled.

Detailed information on the individual instances of non-compliance are provided below in designated sections and summarised in [Table 3](#) and [Table 4](#).

#### Licence Non-Compliance

There was one licence non-compliance during the period covered by this report.

**Table 3** List of licence non-compliances for current reporting year

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

#### Regulatory Non-Compliance

**Table 4** List of regulatory non-compliances for current reporting year

No.	Date	Activity	Details of Non-Compliance	Rectification of Non-Compliance
1	3/09/2012	Submission of Year 4, Year 5, Year 6 & Year 7 Annual Reports	Annual Reports were submitted with the incorrect dates	Clarification of correct dates with DMITRE in light of permit extensions and suspensions



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## COMPLIANCE WITH STATEMENT OF ENVIRONMENTAL OBJECTIVES

No regulated environmental activities were undertaken during this report period. Thus, no SEO's are reported.

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## MANAGEMENT SYSTEM AUDITS

This report acknowledges that 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 external management system audits were conducted in the current licence interim reporting period.

## REPORT AND DATA SUBMISSIONS

Pursuant to Regulation 33(2) (e) under the Petroleum and Geothermal Energy Act 2000, a list of all reports and data relevant to the operation of the Petroleum and Geothermal Energy Act 2000 generated by the licensee during the licence year is given in [Table 5](#).

**Table 5** List of report and data submissions during current licence reporting year

Description of Report/Data	Date Due	Date Submitted	Compliant / Non-Compliant
Re-Submission of Year 4, Year 5, Year 6 & Year 7 Annual Reports		3/09/2012	Now Compliant upon adjustment of dates
Geophysical and Geochemical studies - Shale Gas Analysis		Submitted in Year 9 Permit year (2013 calendar year)	

## INCIDENTS

This interim report recognises that 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”.*

There were no incidents that occurred in relation to PEL 154 during the interim reporting period.

**Table 6 List of incidents during current licence reporting year**

<b>Date of Incident</b>	<b>Activity</b>	<b>Incident Description</b>	<b>Type of Loss</b>	<b>Action to Rectify &amp; Effectiveness of Action</b>	<b>Date Reported / Reported to Whom</b>

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## THREAT PREVENTION

Pursuant to Regulation 33(2) (g) under the Act, requiring the reporting of reasonably foreseeable threats, *no reasonably foreseeable threats (other than threats previously reported on) are currently recognized or known that reasonably present, or may present, a hazard or hazards to activities under the licence.*

## FUTURE WORK PROGRAM

Pursuant to Regulation 33(2) (h) under the Act, requiring reporting on future regulated activities, the following regulated activities are planned for the second year of the second term (i.e., from to 1<sup>st</sup> January 2013 to December 2013):

1. Geological and geophysical studies

## EXPENDITURE STATEMENT

Pursuant to Regulation 33(3) under the Act, this report has appended hereto, as Appendix 1, an expenditure statement, *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 interim reporting period.

This report was digitally submitted on 15<sup>th</sup> May 2013 to the Petroleum and Geothermal Group (addressed to Barry Goldstein, Director) by email to the following email address:  
[dmire.compliance@sa.gov.au](mailto:dmire.compliance@sa.gov.au).