

POLDA BASIN PO2025 RSEL-A BID ASSESSMENT POLICY

The work program valuation methodology varies from basin to basin and bid round to bid round, depending on prospectivity and the area on offer. This document specifies the methodology to be used to select winning bidder for the PO2025 RSEL-A acreage release in the Polda Basin.

Only guaranteed work will be considered in the assessment.

Exploration wells

The well score is uplifted/discounted to account for timing using the discount factors shown in Table 1.

Year	Exploration well factors
1	2
2	1.5
3	1
4	0.9
5	0.8

Table 1. Uplift/discount factors for exploration wells.

The resulting exploration well score is expressed in well equivalents (WEQ):

$$\text{WEQ} = \text{well/s} \times \text{exploration well factor}$$

Seismic

The total seismic acquisition score reflects the value of seismic compared to drilling. It is considered imperative that a minimum amount of seismic is required to locate a well. Wells that are not supported by sufficient seismic may result in those wells not being included in the assessment. The value of each seismic survey is uplifted/discounted using the factors shown in Table 2.

Year	2D	Full fold 3D
1	1	2
2	1	2
3	0.5	1
4	0.5	1
5	0.5	1

Table 2. Seismic surveys uplift/discount factors for 2D and 3D seismic acquisition.

The resulting seismic survey score in WEQ:

$$\text{WEQ} = ((2\text{D line km} \times \text{seismic cost factor})/1000) + (3\text{D square km} \times \text{seismic cost factor})/100))$$

Other data acquisition

The total other data acquisition score reflects the value of other data compared to drilling. The other data acquisition uplift/discount factors are shown in Table 3.

Type of work	Year 1	Year 2	Year 3	Year 4	Year 5
High resolution combined gravity gradiometry and magnetic survey*	1	1	0.9	0.8	0.7
Gravity survey*	0.5	0.40	0.30	0.20	0.10
Aeromagnetic survey*	0.5	0.40	0.30	0.20	0.10
Geochemical survey*	0.5	0.40	0.30	0.20	0.10

* The Poldia Basin, for bid assessment purposes, is designated as a frontier basin.

Table 3. Uplift/discount factors for other data acquisition. Note seismic reprocessing has been excluded as there is no digital seismic available in the PO2025 RSEL-A area.

Geological and geophysical studies are part of normal business operations for a RSEL and are not scored.

The resulting other data acquisition score in WEQ:

$$\text{WEQ} = \text{SUM} (\text{high resolution combined gravity gradiometry and magnetic survey/s} \times \text{other data acquisition factor}) + (\text{gravity survey/s} \times \text{other data acquisition factor}) + (\text{aeromagnetic survey/s} \times \text{other data acquisition factor}) + (\text{geochemical survey/s} \times \text{other data acquisition factor})/1,000,000$$

Final score

The final total bid score in WEQ over the first five-year term:

$$\text{WEQ} = \text{SUM} (\text{total exploration well/s score} + \text{total seismic acquisition score} + \text{total other data acquisition score})$$

PO2025 RSEL-A bid assessment policy

Total bid scores will be ranked, and the highest bid score will progress to the next stage of the assessment.

In the event of equal bids, the application with the better structured technical program which demonstrates net benefit to South Australia will progress to the next stage of the assessment.

Where there is a winning bid, the Executive Director will be informed, and financial checks will be undertaken.

DEM reserves the right not to award a permit should the work program not demonstrate strategic value to South Australia.

Financial resources assessment

Checks on the financial status of the highest bid score/s applicant/s are undertaken and classified as adequate, marginal, or inadequate. The financial assessment includes other licence commitments in South Australia (or if more than one block is to be offered to an applicant, the

commitments in all blocks) with due consideration given to past performance in meeting prior work program commitments. This includes a new company with a director/s of a previously poor performing company. If the applicant is classified as financially inadequate, a minute on the likelihood that capital may be raised, and/or that the work program may be fulfilled will be included.

In the instance than an applicant/s whose financial status is classified as inadequate, the applicant/s may be excluded from being offered the RSEL, and the second highest bidder may be considered. However, if the company is the only bidder for the block and their financial status is classified as inadequate, the RSEL may be offered if there is a reasonable likelihood that capital may be raised, thereby allowing the work program to be fulfilled.

Disclosure of winning bidder

The winning bid will be released to the public in the licence document, while unsuccessful bids are held confidential. The Minister is expected to announce the winning bidders, together with details of work programs, by the end of 2025.

Contact information

Comments and enquiries should be made to:

Director, Geological Survey of South Australia
Department for Energy and Mining

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