



PEL 95

Cooper / Eromanga Basin

South Australia

Annual Report

Licence Year 2

Second Renewal Term

30 October 2013 to 29 October 2014

Beach Energy Limited (Operator)

Strike Energy Limited

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1 Introduction

Petroleum Exploration Licence (PEL) 95 was granted to Beach Petroleum NL and Magellan Petroleum (NT) Pty Ltd on 30 October 2001. The licence is located on the southern margin of the Cooper/Eromanga Basin, South Australia.

This Annual Report details the work conducted by the holders of PEL 95 for the 12 months commencing 30 October 2013 which represents Licence Year 2 of the second renewal term. The Annual Report for PEL 95 has been prepared in accordance with Regulation 33 of the *Petroleum and Geothermal Energy Act 2000* (the Act).

2 Licence Summary

PEL 95 was originally granted effective on 30 October 2001 to:

- Beach Petroleum NL (Operator) 50.0%
- Magellan Petroleum (NT) Pty Ltd 50.0%

The first renewal of PEL 95 was awarded on 4 December 2006 (effective from 30 October 2006) to:

- Beach Petroleum Limited (Operator) 50.0%
- Magellan Petroleum (NT) Pty Ltd 50.0%

Strike Energy Limited acquired Magellan's interest in the Licence on 17 March 2010. The current registered interests in PEL 95 are:

- Beach Energy Limited (Operator) 50.0%
- Strike Energy Limited 50.0%

The first renewal of PEL 25 expired on 29 October 2012. The holders of PEL 95 were granted renewal of PEL 95 for a further five year period commencing on 30 October 2012.

There were no changes in licensees or interests during the current year.

Minimum work commitments

The minimum work commitments for PEL 95 are shown in Table 1. There were no work program variations applied for or granted during the current year.

Table 1 - Work Program Commitments by Licence Year

Licence Year	Licence Dates	Minimum Work Program
Year 1	30 Oct 2012 - 29 Oct 2013	Geological and Geophysical studies
Year 2	30 Oct 2013 - 29 Oct 2014	Geological and Geophysical studies
Year 3	30 Oct 2014 - 29 Oct 2015	Geological and Geophysical studies
Year 4	30 Oct 2015 - 29 Oct 2016	Geological and Geophysical studies
Year 5	30 Oct 2016 - 29 Oct 2017	Drill one well

3 Regulated Activities

Pursuant to Regulations 33(3) (a), an Annual Report must include:

“a summary of the regulated activities conducted during the licence year.”

3.1 Drilling and Related Activities

No wells were drilled in PEL 95 during the reporting period.

3.2 Seismic Data Acquisition

No seismic data were acquired in PEL 95 during the reporting period.

3.3 Seismic Data Processing and Reprocessing

No seismic data was processed or reprocessed in PEL 95 during the reporting period.

3.4 Geochemical, Gravity, Magnetic and other Surveys

No other surveys were undertaken in PEL 95 during the reporting period.

3.5 Production and Processing

No production activities were undertaken in PEL 95 during the reporting period.

4 Compliance Issues

Pursuant to Regulations 33(3) (b) & (c), an Annual Report must include:

“A report for the year on compliance with the Act, these regulations, the licence and any relevant statement of environmental objectives;” and

“A statement concerning any action to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, and to minimise the likelihood of recurrence of any such non-compliances.”

4.1 Licence and Regulatory Compliance

The holders of PEL 95 complied with the requirements of the PEL 95 licence, the *Petroleum and Geothermal Energy Act 2000*, the *Petroleum and Geothermal Energy Regulations 2013*.

4.2 Compliance with Statement of Environmental Objectives (SEO).

Beach undertook additional rehabilitation earthworks of Myponga-1 and Noarlunga-1 well sites and associated access tracks during the reporting period and has attained the acceptable Goal Attainment Scoring (GAS) criteria as required for Objective 12 of the Cooper Basin Drilling and Well Operations Statement of Environmental Objectives (SEO).

4.3 Management System Audits

Pursuant to Regulation 33(3) (d), 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 have, or will be taken”.

No Management System Audits were undertaken during the current reporting period that were specific to exploration activities in PEL 95.

4.4 Report and Data Submissions

Pursuant to Regulation 33(3) (e), an annual report must include:

“A list of all reports and data relevant to the operation of the Act generated by the licensee during the licence year”.

A list of the reports and data generated in relation to the operations undertaken during Year 2 of the second renewal of the Licence is provided in Table 2.

Table 2 - Reports and Data Submissions to the Department of State Development

Description of Report/ Data	Date Due	Date Submitted	Compliant/ Non-Compliant
Annual Report for Year 1 of the second renewal term of PEL 95	28 December 2013	17 December 2013	<i>Compliant</i>
Additional Rehabilitation of abandoned well sites and associated access in PEL 94 and PEL 95 (Fatchen Environmental)		14 August 2014	
PACE Project “DPY7-39 Murteree Shale Core” – Marsden-1 well		25 February 2014	

4.5 Incidents

Pursuant to Regulation 33(3) (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 reportable incidents or serious incidents during the reporting period as defined in section 85(1) of the Act.

4.6 Threat Prevention

Pursuant to Regulation 33(3) (g), an annual report must include:

“a report on any reasonably foreseeable threats (other than threats previously reported on) that reasonably presents, or may present, a hazard to facilities or activities under the licence, and a report on any corrective action that has, or will be taken”.

There are no threats foreseeable to any future exploration activities in PEL 95.

4.7 Future Work Program

Pursuant to Regulation 33(3) (h), an annual report must include:

“unless the relevant licence year is the last year in which the licence is to remain in force – a statement outlining operations proposed for the ensuing year”.

The future work for PEL 95 will focus on the geological, geophysical and engineering studies required for the evaluation of a well and for future exploration.

5 Expenditure Statement

Pursuant to Regulation 33(3) (h), an annual report must contain:

“An annual report must be accompanied by a statement of expenditure on regulated activities conducted under the licence for the relevant licence year, 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)”.

An Expenditure Summary for the Licence for the period 30 October 2013 to 29 October 2014 is presented as Appendix 1.