



PEL 145
Willochra Basin
South Australia

Annual Report
Licence Year 1

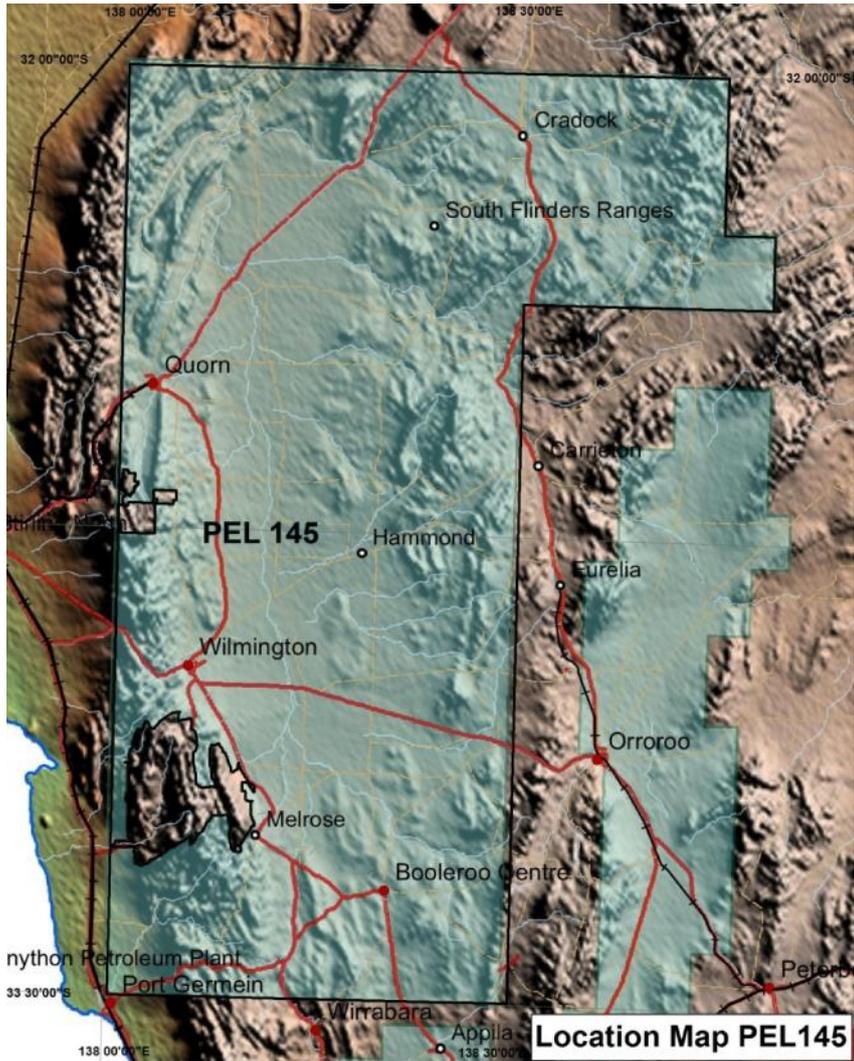
February 21, 2011 to February 20, 2012

Greenpower Energy Limited

2011- 2012 Annual Report

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reportable incidents (as defined by the Petroleum and Geothermal Energy Act or Regulations). During the reporting period, a desk top study of PEL 145 was completed.

This activity represents the Year 1 work obligation. There were no wells drilled and there was no production

2. Licence Summary

The Licensee of Petroleum Exploration Permit PEL145 is:

Greenpower Energy Limited – 100% interest

Table 1 Current Work Commitments

Year of Term of Licence	Licence Dates	Minimum Work Requirements
Year 1	21 February 2011- 20 February 2012	Geological and geophysical studies
Year 2	21 February 2012- 20 February 2013	Geological and geophysical studies
Year 3	21 February 2013- 20 February 2014	Gravity Survey
Year 4	21 February 2014- 20 February 2015	30km 2D seismic survey Drill 6 core holes
Year 5	21 February 2015- 20 February 2016	Drill 1 well

Licence year 1 concluded on 20 February 2012. The following table sets out the minimum work programme and the actual work completed to the end of the current licence period.

Table 2 Final Work Programme & Work Completed as at end of current reporting period.

Year of Term of Licence	Minimum Work Requirements	Actual Work Programme
Year 1	Geological and geophysical studies	Acquisition of Geology, Gravity, TMI, DTM data. Desktop study using geophysical and some drill data to outline subcrop of prospective ligneous formation
Year 2	Geological and geophysical studies	N/A
Year 3	Gravity Survey	N/A
Year 4	30km 2D seismic survey Drill 6 core holes	N/A
Year 5	Drill 1 well	N/A

3. Regulated Activities

Pursuant to Regulations 33(2) (a), an Annual Report must include:

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

The *Activities* conducted by Greenpower Energy Limited under Petroleum Exploration License PEL145 were Desktop Studies, comprising geophysical studies, concluding in the outline of a concealed Tertiary basin containing ligneous sediments.

4. Compliance

Pursuant to Regulations 33(2) (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

There were no instances during the current reporting period in which the Operator of PEL 145 failed to comply with the requirements of the Act and the *Petroleum and Geothermal Energy Regulations 2000* (the Regulations).

4.2 Statement of Environmental Objectives (SEO) Compliance

There were no instances during the current reporting period in which the Operator of PEL 145 failed to comply with relevant SEOs.

5 Management System Audits

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 Management System Audits were undertaken during the current reporting period that were specific to exploration activities on PEL 145

6 Report and Data Submissions

Pursuant to Regulation 33(2) (e) under the Act, 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 and samples submitted in relation to the operations undertaken during the current reporting period for PEL 145 is provided in Table 4.

Table 3 List of Reports, Data and Sample Submissions to PIRSA (now DMITRE)

Description of Report / Data	Date Due	Date Submitted	Compliant / Non-compliant

7 Incidents

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 reportable incidents within PEL 145 during the reporting period.

8 Threat Prevention

Pursuant to Regulation 33(2) (g) under the Act, an annual report must include:

“a report on any reasonably foreseeable threats (other than threats previously reported on) that reasonably present, 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 foreseeable threats associated with PEL 145.

9 Future Work Program

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

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The desktop study completed during the first year of grant of PEL145 identified a subcropping Tertiary ligneous horizon in the south of the tenement. No intensive geophysical surveys have yet been carried out over this area. As a precursor to carrying out any geophysical surveys, Greenpower will focus on gathering all available data over the ligneous subcropping area. The SARIG database hosts a large dataset of water bores covering the whole of the PEL. Greenpower will examine the data from these water bores to determine which have been drilled sufficiently deep to penetrate the subcropping Tertiary ligneous horizon identified during year one. The horizon will be modelled from available data and preparations made for appropriate geophysical surveys to be carried out during year three of the grant. The remainder of the previously defined prospective area of PEL145 will be examined for subcropping Tertiary basins.

10 Expenditure Statement

Pursuant to Regulation 33(3) under the Act, 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)”.

The Expenditure Statement for the Report Period is included in Appendix 2.

Appendix 1

Annual Compliance Report for PEL 145- Licence Year 1

Introduction

Pursuant to Regulation 33 (2) of the Act, Greenpower Energy Limited, as Operator of PEL 145 South Australia, herewith submits its report on compliance with:

- the *Petroleum and Geothermal Energy Act 2000*
- the *Petroleum and Geothermal Energy Regulations 2000*

• **Compliance with Petroleum and Geothermal Energy Act 2000 and PEL Conditions**

There were no instances of non-compliance with either the *Petroleum and Geothermal Energy Act* or the terms of the Licence during Year 1 of PEL 145.

• **Compliance with Petroleum and Geothermal Regulations 2000 and Applicable SEOs**

Drilling Operations

No drilling operations took place in PEL 145 during Licence Year 1

Seismic Operations

There were no seismic field operations or any reprocessing of existing seismic data during Licence Year 1 in PEL 145.