

# *Otway Energy*

Annual Report

Term 2, Licence Year 2

*01 January 2013 – 31 December 2013*

*Petroleum Exploration Licence (PEL) 154*

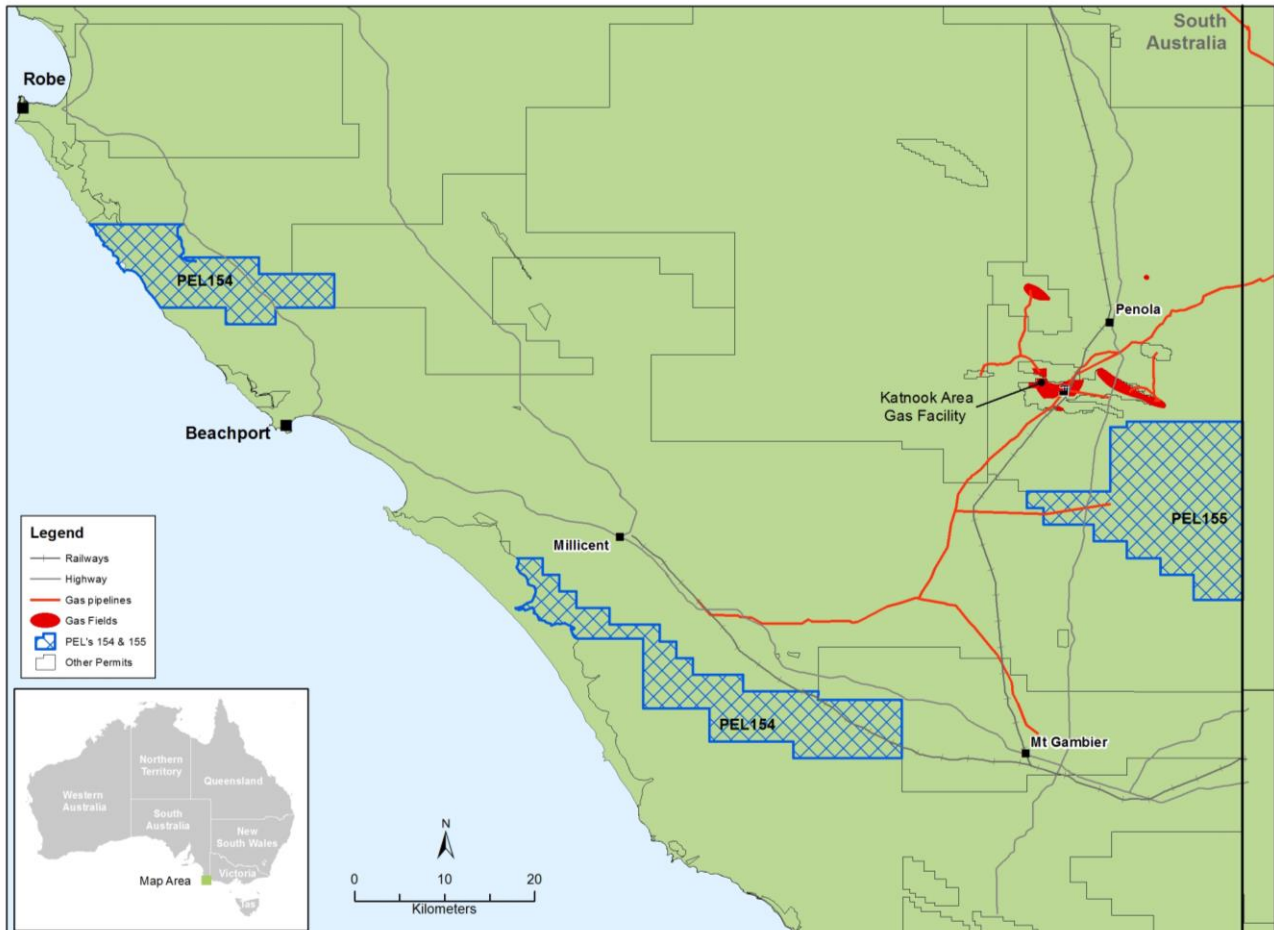
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# 1 Introduction

Petroleum Exploration Licence (PEL) 154 was granted on 30 June, 2003. The licence is located in the Otway Basin, South Australia. This report details the work conducted during Term 2, Licence Year 2 of the licence (01 January 2013 – 31 December 2013 inclusive), in accordance with Regulation 33 of the *Petroleum and Geothermal Energy Act 2000*.



## 2 Permit Summary

At the beginning of the licence year the licensees for Petroleum Exploration Licence (PEL) 154 were:

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

An Instrument of Transfer was entered into the Public Register on 4 December 2013, with Energetica Otway Pty Ltd and Rawson Otway Pty Ltd transferring interests in the licence to Otway Energy Pty Ltd.

At the end of the licence year the licensees for the Petroleum Exploration Licence (PEL) 154 were:

- Otway Energy Pty Ltd 100%

The current work commitments (including all variations) associated with PEL 154 can be seen 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

Term 2, Licence Year 2 concluded on 31 December 2013. The following table displays the minimum work program (after all variations) and the actual work completed up until the end of the current licence period.

**Table 2 Final work program and work completed (as of end of current reporting period) by licence year**

<b>Licence Year</b>	<b>Minimum Work Program</b>	<b>Actual Work</b>
Year 1	<i>Geological and Geophysical studies</i>	<i>Geological and Geophysical studies</i> - <i>Shale gas analysis</i>
Year 2	<i>Geological and Geophysical studies</i>	<i>Geological and Geophysical studies</i> - <i>Prospectivity study</i> - <i>Mapping study</i>
Year 3	<i>Geological and Geophysical studies</i>	
Year 4	<i>Geological and Geophysical studies</i>	
Year 5	<i>One well</i>	

### **3 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 undertaken in the licence reporting period.

#### ***Seismic Data Acquisition***

No regulated seismic data acquisition activities undertaken in the licence reporting period.

#### ***Seismic Data Processing and Reprocessing***

No regulated seismic data processing activities undertaken in the licence reporting period.

#### ***Geochemical, Gravity, Magnetic and other surveys***

No regulated geochemical, gravity, magnetic and other survey activities undertaken in the licence reporting period.

#### ***Production and Processing***

Not applicable

#### ***Pipeline Construction and Operation***

Not applicable

#### ***Preliminary Survey Activities***

Not applicable

## 4 Compliance Issues

### **Licence and Regulatory 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.”*

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

As there were no Regulated Activities conducted during the licence year, no Compliance Report (detailing the Licensee’s compliance with the 2000 Petroleum and Geothermal Energy Act, 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.

### Licence Non-Compliance

**Table 2 List of licence non-compliances for current reporting year**

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

### Regulatory Non-Compliance

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

No.	Date	Activity	Details of Non-Compliance	Rectification of Non-Compliance
1	30/09/2013	Re-submission of Term 2, Year 1 Annual Report	Annual Report was submitted as “Year 8” instead of “Term 2, Year 1”, comments on drilling activities in Term 1 not required, reports on shale gas analysis not provided with Annual Report	Editorial changes made and report re-submitted.
2	20/12/2013	Submission of PEL 154 and PEL 155 Prospectivity Review report	Late submission of report, due Sept 2013	Submitted 10/01/2014
3	20/12/2013	Submission of PEL 154 mapping study report	Late submission of report, due Nov 2013	Submitted 10/01/2014

### Compliance with Statement of Environmental Objectives

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

### **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 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 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”.*

**Table 4 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 Term 2, Year 1 Annual Report	Feb 2013	Sept 2013	Now compliant
Geological and Geophysical studies – PEL 154 and PEL 155 Prospectivity Review report	Sept 2013	Jan 2014	Non-Compliant – late submission
Geological and Geophysical studies – PEL 154 mapping study report	Nov 2013	Jan 2014	Non-Compliant – late submission

### **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 incidents that occurred in relation to PEL 154 during the licence year covered in this Annual Report.

### **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 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 were no perceived threats, and no action taken.

***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”.*

- Geological and Geophysical studies

## **5 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)”.*

Please refer to Appendix 1 for the expenditure statement for the current reporting period.