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South  
Australian  
Chamber  
Of  
Mines &  
Energy

# Rebecca Knol Chief Executive Officer

Great Australian Bight Breakfast

19 March 2019

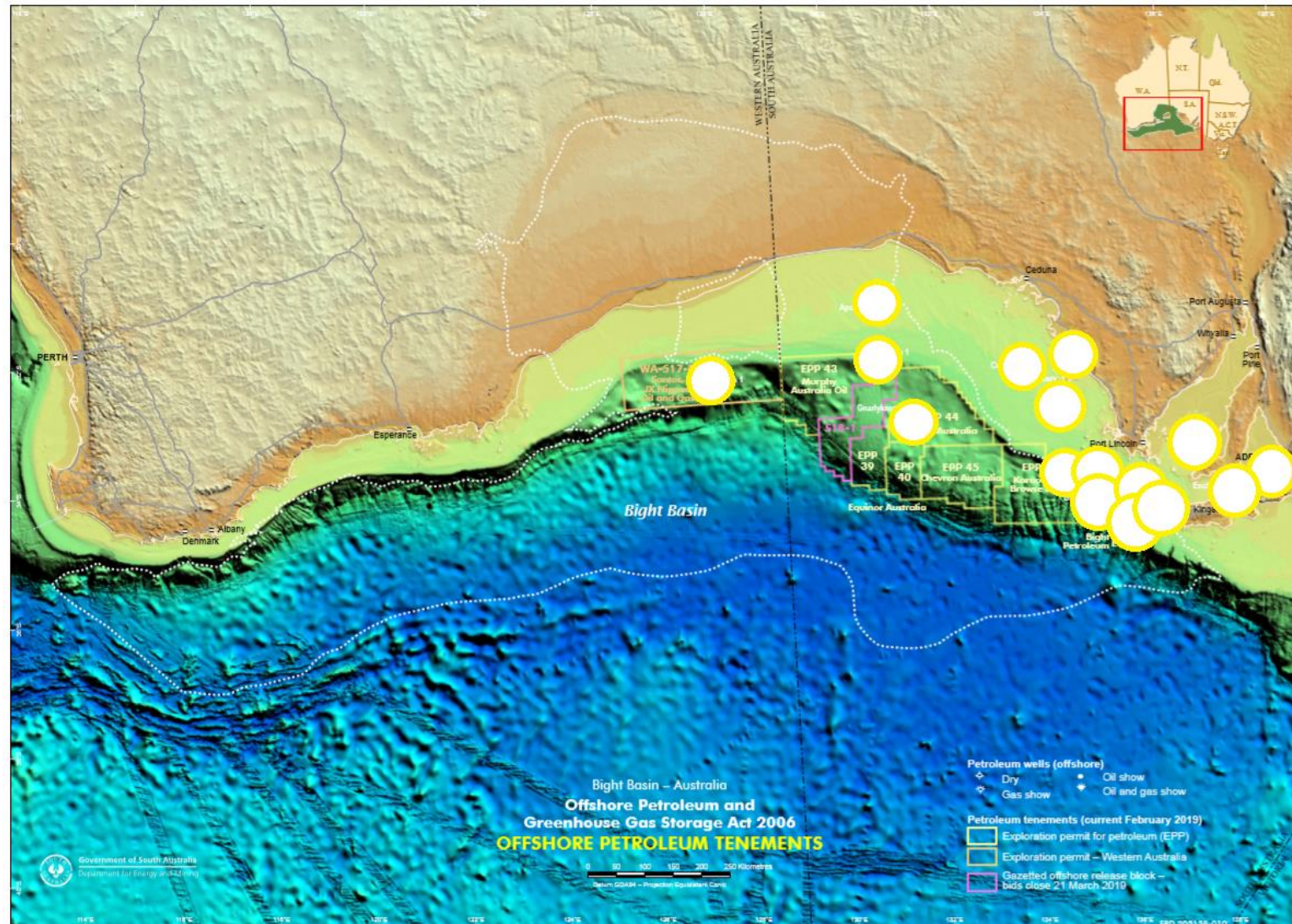
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# The Great Australian Bight

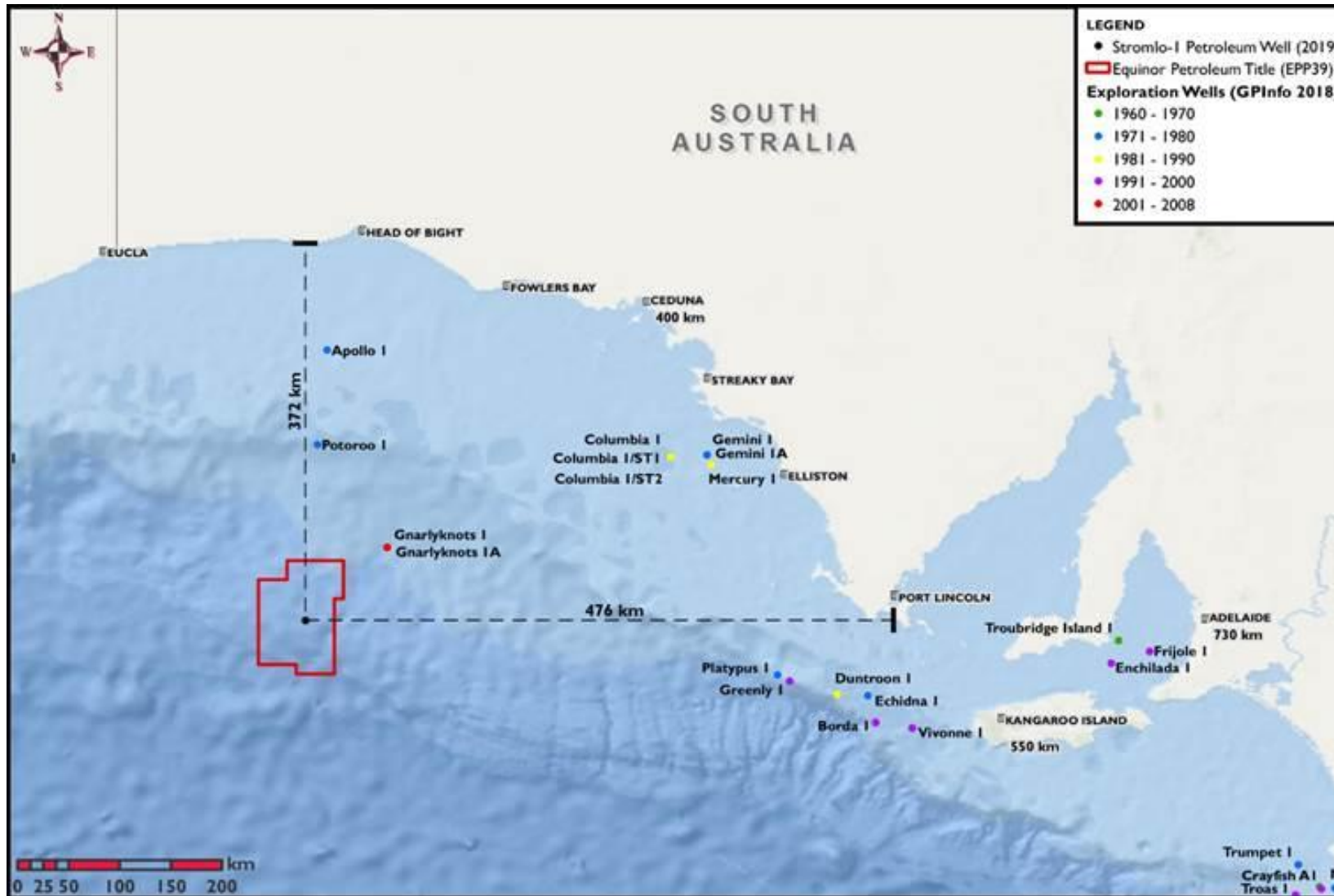
SACOME



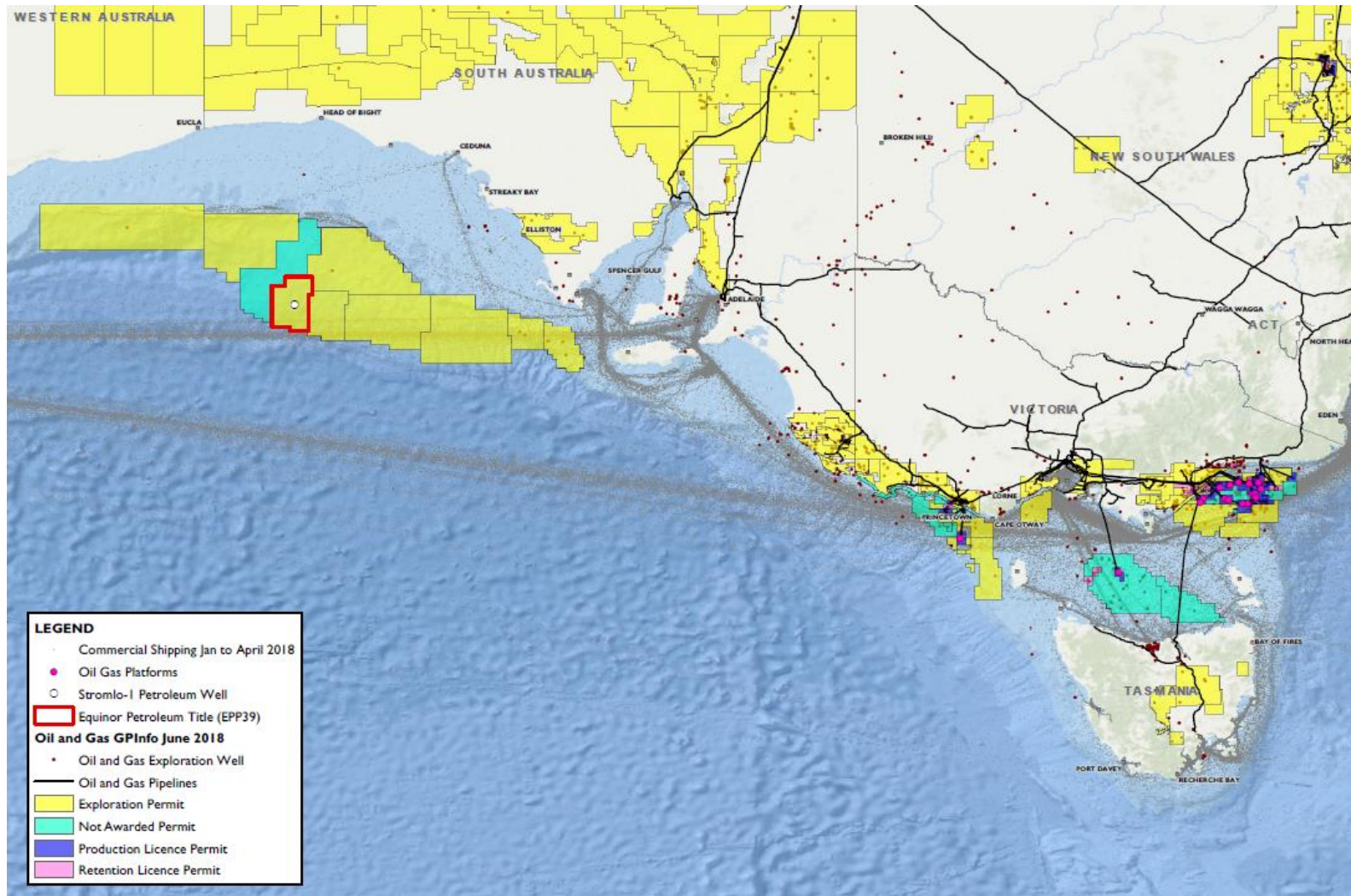
# Offshore petroleum wells in the GAB



# Proposed Equinor petroleum well



# Shipping traffic in the GAB



# The Great Australian Bight

SACOME



# Jone Stangeland

## Country Manager Australia, Equinor

Great Australian Bight Breakfast

19 March 2019

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equinor

# Equinor- Australia

Jone Stangeland- Country Manager

Presentation to SACOME, March 19, 2019

# Stuart Smith

## Chief Executive Officer, NOPSEMA

Great Australian Bight Breakfast

19 March 2019

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# NOPSEMA's role, responsibilities and current activities

**Stuart Smith**  
**Chief Executive Officer**

Adelaide

19 March 2019

- NOPSEMA is the independent regulator for offshore petroleum safety, well integrity and environmental management
- NOPSEMA is **not** responsible for:
  - Determining acreage
  - Awarding petroleum titles
  - Resource promotion
  - Championing economic opportunities

- Petroleum activities have been occurring in the GAB for more than 50 years
- NOPSEMA does not currently have any plans under assessment for activities in the GAB
- NOPSEMA is aware that Equinor has been consulting in relation to proposed exploration drilling

- Titleholders must consult “relevant persons” and demonstrate how “relevant issues” will be addressed
- NOPSEMA will consider all the relevant issues, facts, research and latest technologies in determining approval
- NOPSEMA rarely approves an environment plan without amendment
- If approval is granted, NOPSEMA will then regulate compliance with the relevant plan

- We have an important role in advising proponents and the community about the regulatory regime
- We hold open days, workshops, information sessions and roadshows...
- Part of our role is to ensure the community understands the regulatory regime and how to participate, so they can have their say
- We continue to engage on an ongoing basis with the community and other stakeholders in South Australia

# Questions?

# Matthew Doman

## Director, APPEA

Great Australian Bight Breakfast  
19 March 2019

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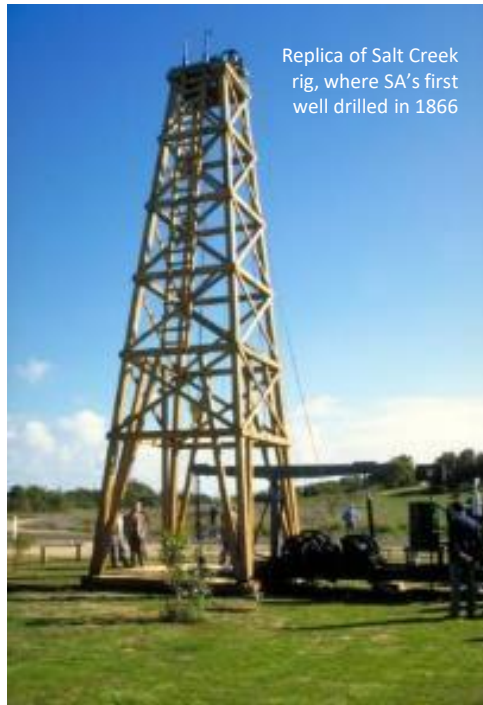
# Opportunities and challenges in the Great Australian Bight

Matthew Doman  
Director, South Australia  
Australian Petroleum Production & Exploration Association

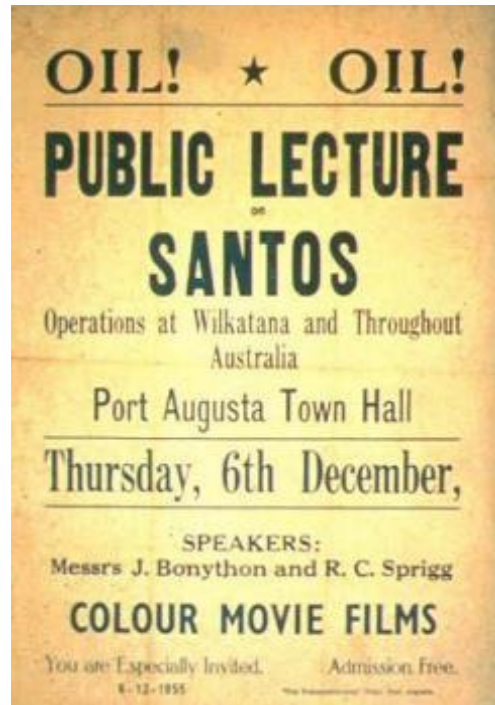


# A South Australian story for over 100 years

- Part and parcel of a growing economy since 1860s, with bipartisan political support



Replica of Salt Creek rig, where SA's first well drilled in 1866



Premier Playford, Innamincka, 1959



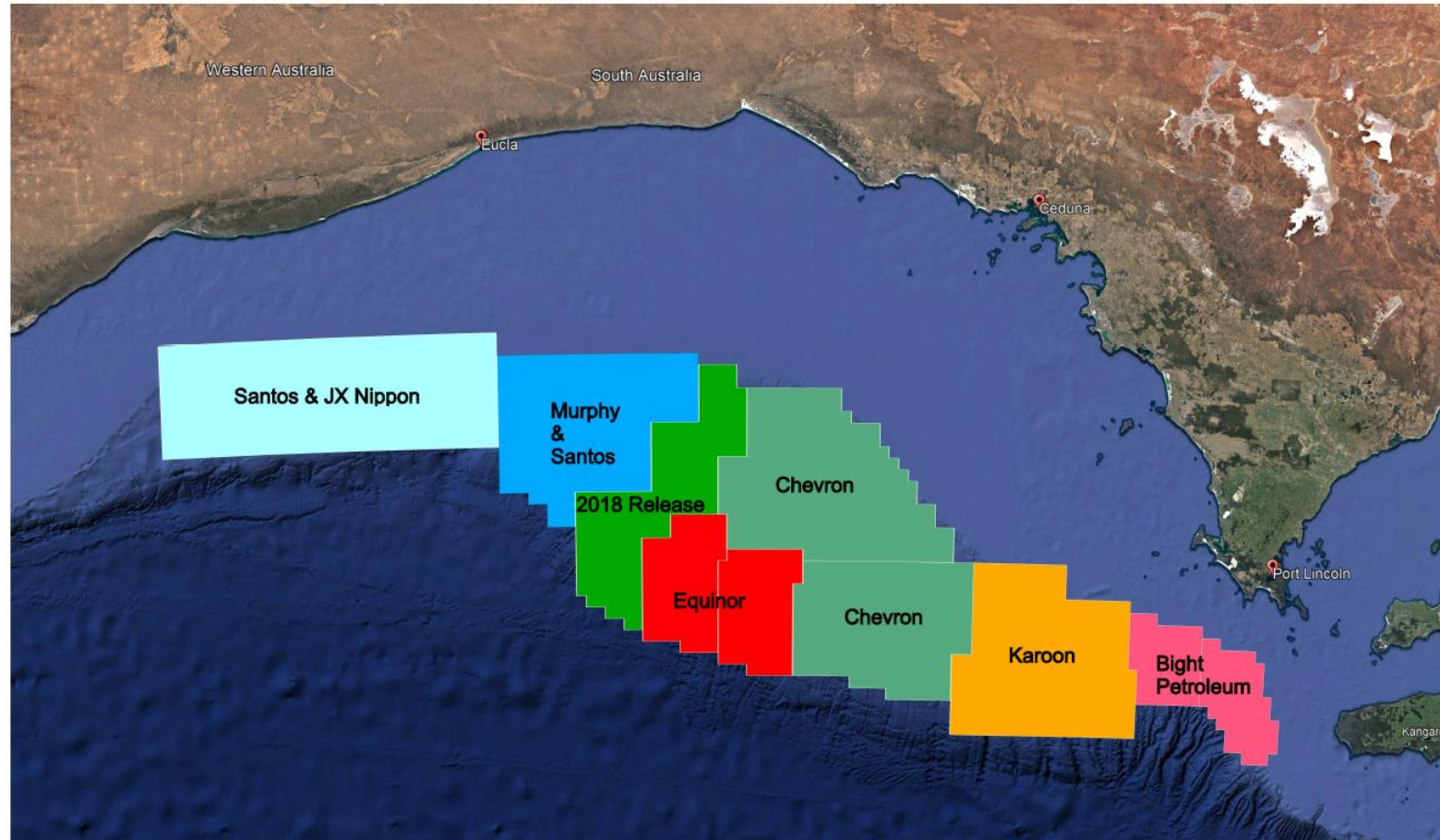
Premier Dunstan, Tirrawarra 1 in 1970



Premier Weatherill, Moomba 191 in 2012

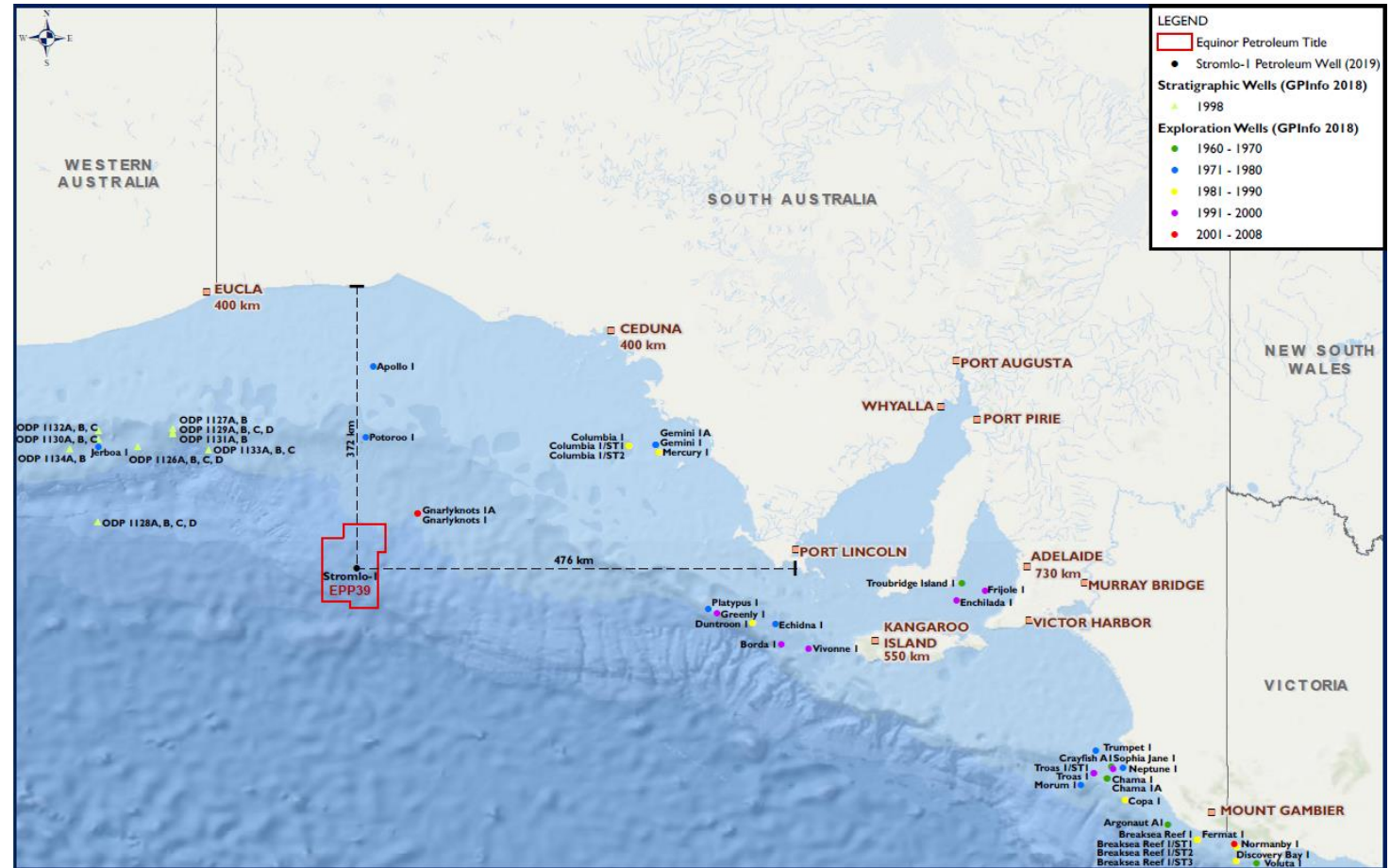
# Great Australian Bight

- **Multiple exploration companies targeting billion barrel prospects**
  - Equinor seeking approval to drill Stromlo-1 well by late 2020
  - Murphy Oil, Santos, Karoon Gas and Bight Petroleum also hold exploration permits
- **Drilling will only proceed after extensive environmental approvals and community consultation**



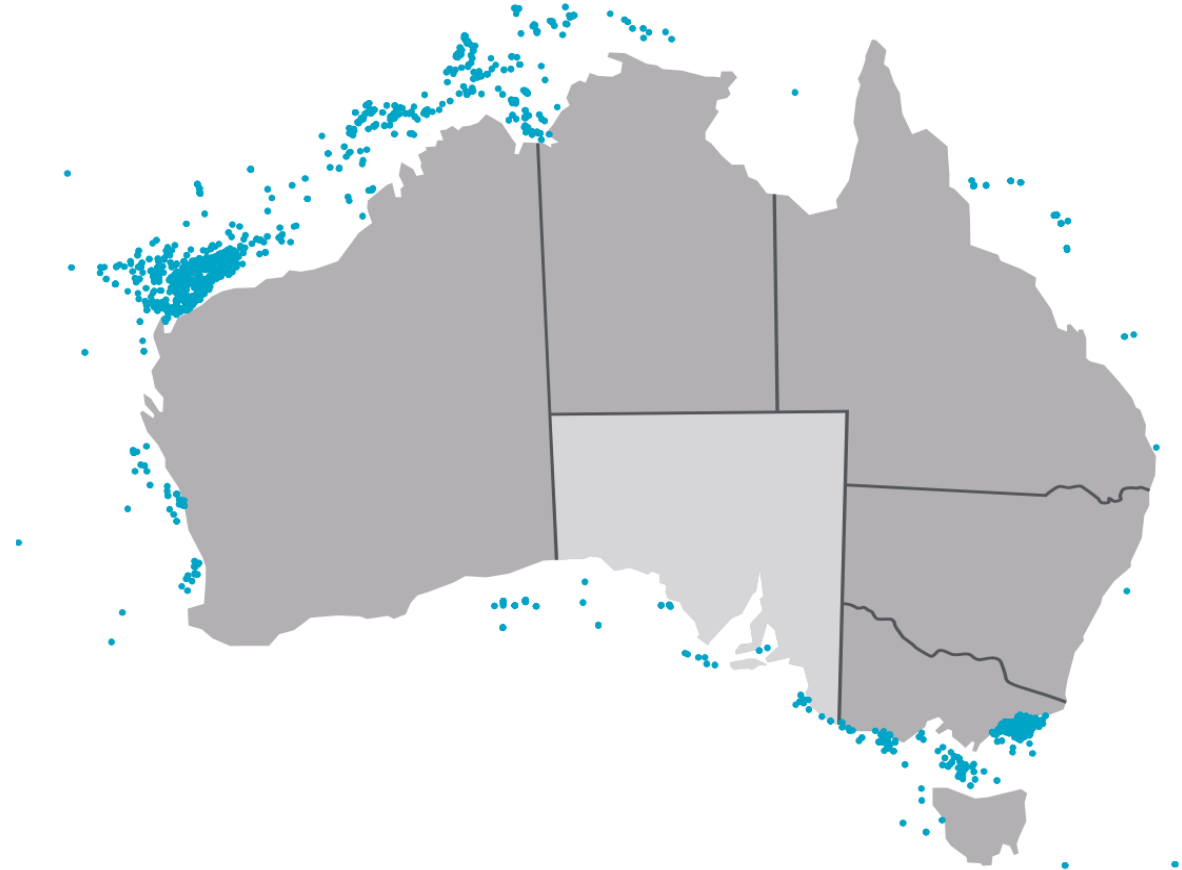
# Great Australian Bight

- **Multiple exploration companies targeting billion barrel prospects**
  - Equinor seeking approval to drill Stromlo-1 well by late 2020
  - Murphy Oil, Santos, Karoon Gas and Bight Petroleum also hold exploration permits
  - Map shows previous offshore wells drilled in region since 1960s, including Gnarlyknots drilled in 2003
- **Drilling will only proceed after extensive environmental approvals and community consultation**



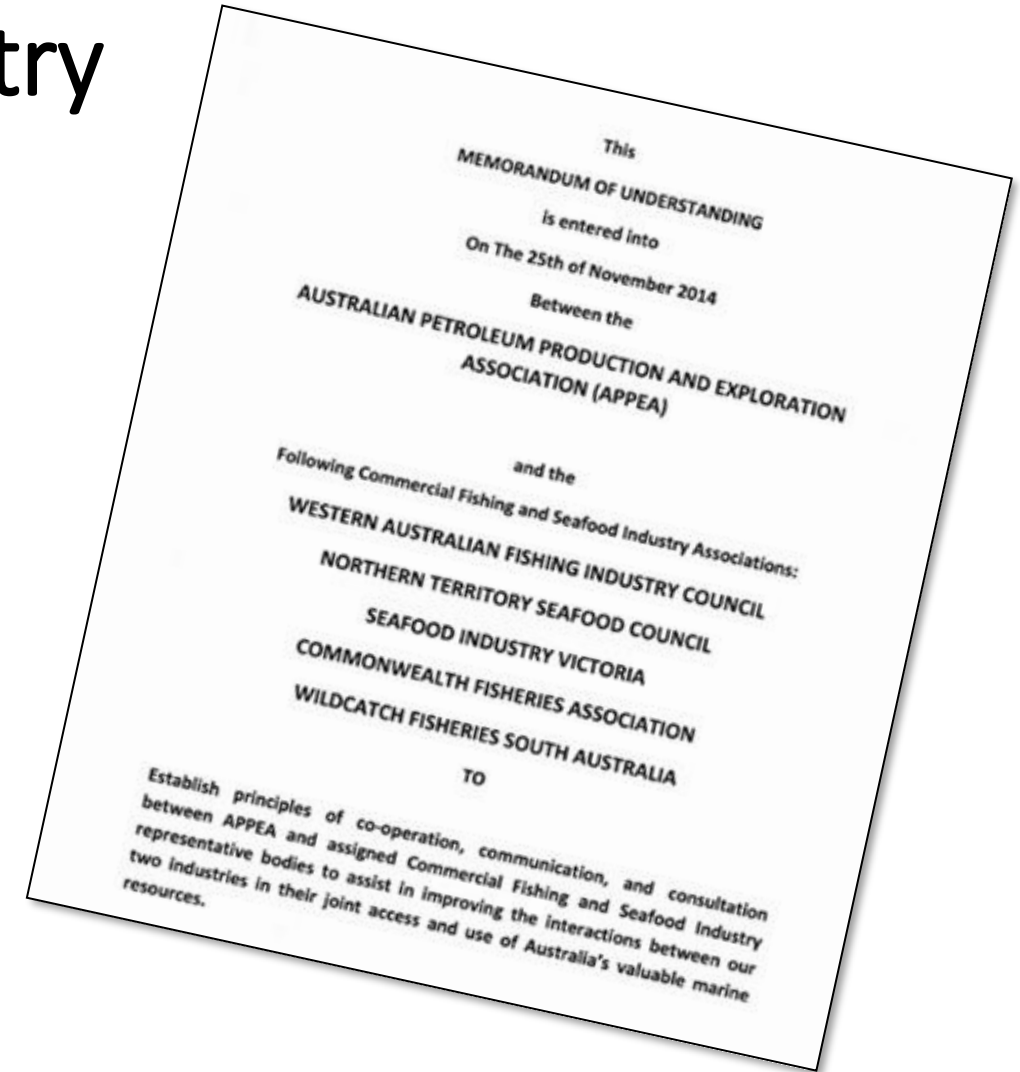
# Australia's offshore petroleum industry

- A strong track record of safe, sustainable operations
  - Over 3,800 wells drilled offshore Australia since exploration began in the early 1960s.
  - The first Australian offshore exploration permit was granted in 1959 in Bass Strait.
  - Over the last 30 years an average 80 wells per year have been drilled.
  - 130 seismic surveys have also been conducted offshore South Australia – 148,841 km of 2D and 45,039 km<sup>2</sup> of 3D surveys.
- Independent, expert national regulator oversees all operations



# Working with the fishing industry

- The oil and gas industry has a long track record of collaboration with the fishing industry:
  - Memorandum of Understanding signed in 2014 between APPEA and five commercial fishing and seafood industry associations across Australia.
  - Focusses on how we work together in relation to access and use of marine resources.
  - Seeks to improve cooperation, communication and consultation.
  - A Petroleum-Fishing Industry Roundtable supports delivery of MOU. This group most recently met in May 2018.
- Roundtable has agreed to work towards re-signing of the MOU in November 2019



# The benefits could be significant

- Local jobs, investment, taxes, royalties and community contributions

## Key findings — BASE CASE



1,361 FTE workers employed in South Australia during construction will be more people employed each year than there were employed at Holden's Elizabeth plant prior to its closure.



\$3.2 billion increase in Australia's real income per annum translates to an average **7.5% increase** for every South Australian full-time worker.



\$5.8 billion in total output per annum equates to a **6% increase** in the size of the South Australian economy in 2016-17.



Average annual output of \$5.8 billion per annum would **transform the Mining and Resources Industry** into South Australia's 2nd largest industry.



At peak production, oil from the development would be easily South Australia's largest export, and be **larger in value terms than the State's top five exports combined** in 2016-17.



\$1.7 billion in Commonwealth and State taxation payments per annum from the development is equivalent to the cost of **three Adelaide Oval redevelopments every year**.

## Key findings — HIGH CASE



2,116 FTE workers employed in South Australia during construction will be equivalent to the number of people employed during peak construction of the Royal Adelaide Hospital.



\$12.6 billion increase in Australia's real income per annum translates to an average **29.5% increase** for every South Australian full-time worker.



\$18.4 billion in real output per annum equates to an **18% increase** in the size of the SA economy in 2016-17.



Average annual output of \$18.4 billion per annum would **increase the size of the Mining and Resources Industry five-fold**, making it South Australia's largest industry.



At peak production, oil from the development would make it easily South Australia's most valuable export, and would be **25% larger than total exports from the State** in 2016-17.



\$7.7 billion in Commonwealth and State taxation per annum is equivalent to the cost of **three new Royal Adelaide Hospital developments every year**.

ACIL Allen, Petroleum Development in the Great Australian Bight, August 2018

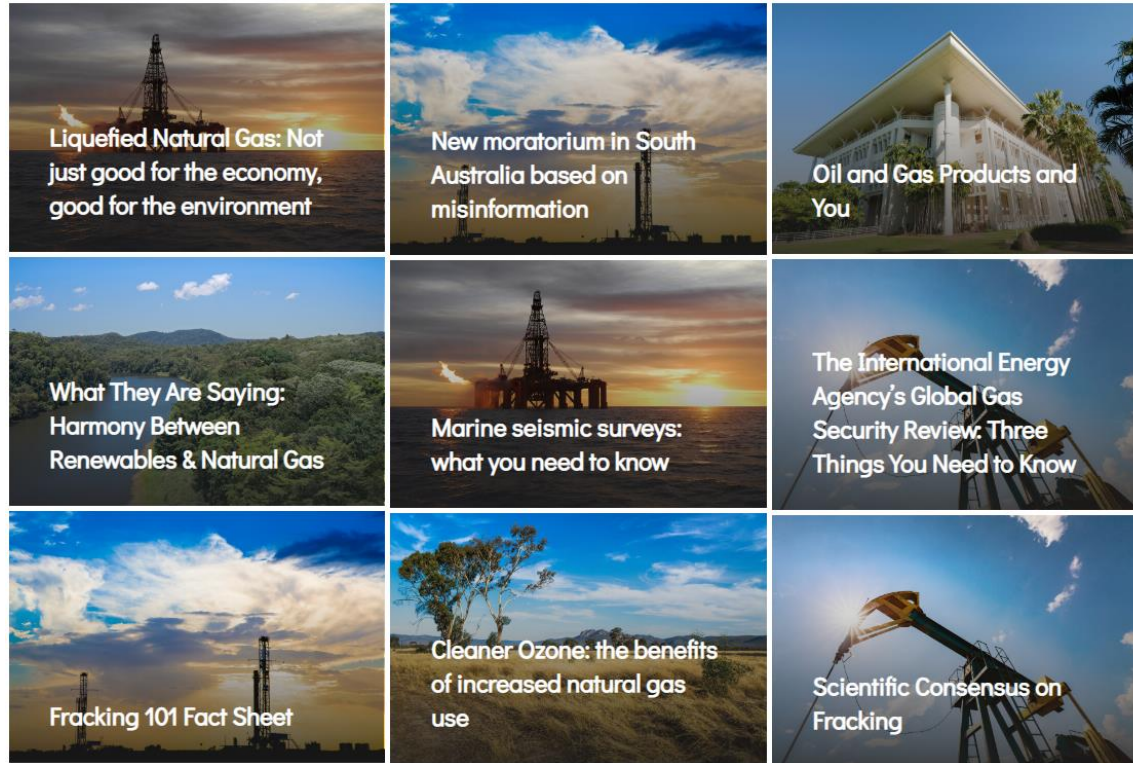
# So why is there a fight for the Bight?

- Genuine concerns and a concentrated campaign seeking to scare and misinform

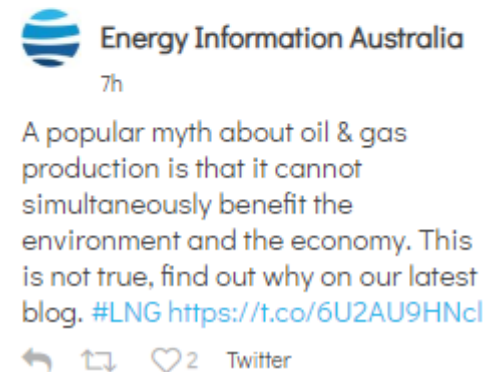
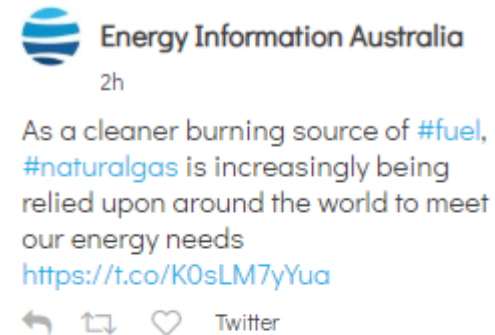


- **Green & activist groups unconstrained by truth**
  - Have a stated aim to end fossil fuel use
  - Ignore clear evidence of co-existence with fishing industry, local businesses and communities
  - Grossly exaggerated claims of environmental risks
    - Both in terms of likelihood and impact of incidents
  - Ignore track record of Australian industry, operating in Australian conditions and under Australian regulations
- **Need for a balanced, sensible and honest discussion based on facts**

# Energy Information Australia



[www.energyinformationaustralia.com.au](http://www.energyinformationaustralia.com.au)



[@energyinfoaus](https://twitter.com/energyinfoaus)

# The path forward

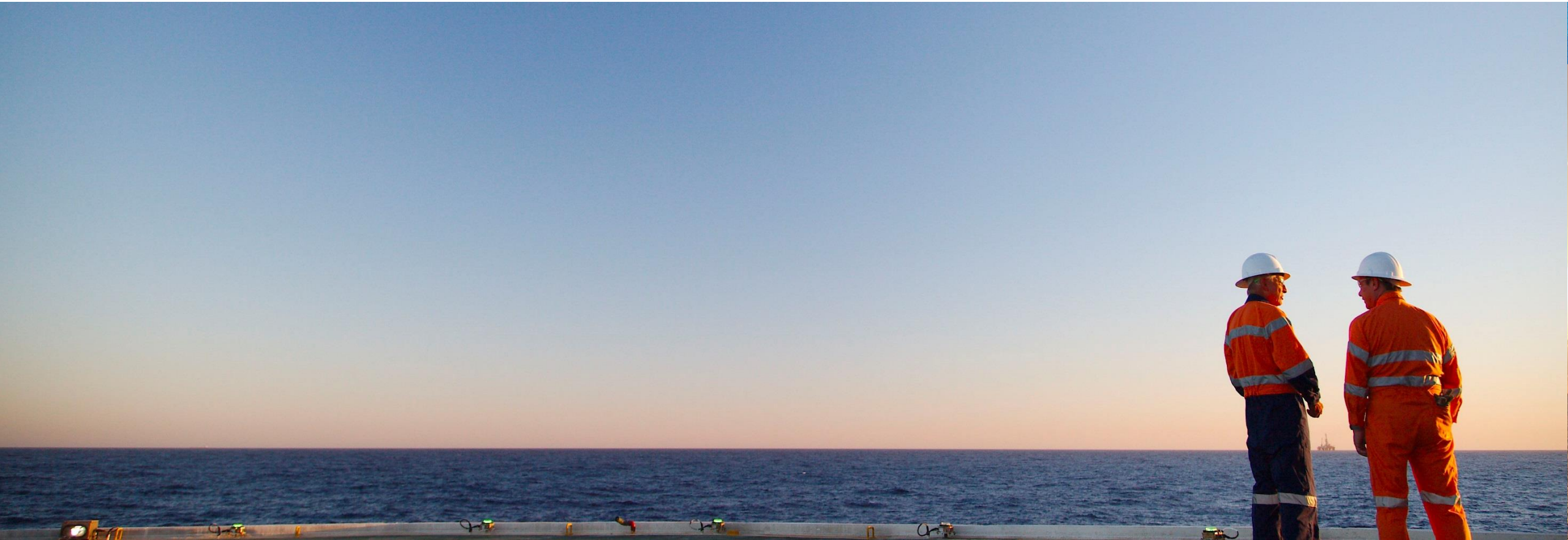
- Increasing the confidence and trust of the communities in which we operate



- › Early **communication** and community engagement
- › Treating everyone with **respect**
- › Committing to our words with **actions**
- › **Protecting** the environment in which we operate
- › **Understanding** the impacts of our activities on fishing, other industries and coastal communities
- › Delivering **lasting benefits** and opportunities to the wider community

# Opportunities and challenges in the Great Australian Bight

Matthew Doman  
Director, South Australia  
Australian Petroleum Production & Exploration Association



# Question & Answer Session



Jone Stangeland  
Country Manager Australia  
Equinor



Stuart Smith  
Chief Executive Officer  
NOPSEMA



Cameron Grebe  
Head of Division - Environment  
NOPSEMA



Matthew Doman  
Director  
APPEA

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