2021 QUEENSLAND EXPLORATION PROGRAM

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Queensland Government

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1. Introduction

The 2021 Queensland exploration program (QEP) provides a schedule of exploration opportunities for greenhouse gas (GHG) storage areas and petroleum and gas for release in December 2021.

By releasing a forward schedule of exploration opportunities, resource companies are able to plan their investment and exploration activities.

In addition, the QEP includes an extensive communication and engagement program to help other interested parties be aware of, and prepare for, exploration and mining activities in their areas.

This document provides information on the areas that will be made available for exploration via a competitive tender process—including when and how to submit a tender, as well as land access, native title and other requirements in Queensland.

The Department of Resources (the department) implements the program and provides information about the competitive tendering process and the rights and obligations of stakeholders and explorers.

Additional information about the QEP, the tendering process and resource exploration in general is available at www.business.qld.gov.au/industries/mining-energy-water/resources/geoscience-information/exploration-incentives

This QEP does not include coal exploration areas, but these may be included in a future program. Minerals exploration tenure remains open to direct application, though future land releases may also include tenders for minerals exploration.

2. Selection of tender areas

The selection of tender areas is based on a range of factors. The tender areas included in the QEP were selected following Expressions of Interest (EOI) processes conducted between 2 October 2020 and 26 February 2021 for minerals, coal and petroleum/gas commodities, and between 10 March 2021 and 7 May 2021 for greenhouse gas storage areas.

During these processes, resource companies were able to submit EOIs to the department nominating areas for future exploration. EOIs received were then shortlisted and reviewed for inclusion in the QEP.

The shortlisting process involved assessing potential exploration areas against a range of social, environmental and economic factors, including:

- environmental, regional and state planning interests (e.g., priority living areas and national parks)
- commercial and market considerations (e.g., if multiple EOIs were received over the same area (competitive tension), proximity to markets and supporting infrastructure)
- overlapping tenure (e.g., where a resource tenure already exists over an EOI area)
- the area's prospectivity
- the state's current geological knowledge
- government strategic direction.

Other factors such as the overall development of each basin or resource area, the existing demand for the resource, Queensland's supply of the resource, and the expected demand from Queensland's current and potential consumers were also considered.

Whilst not all of the EOIs have been included in this QEP, where appropriate, these areas will be considered in the development of a future land release program. Feedback on the areas not included in this QEP will be provided to the relevant EOI submitters.

Applications for exploration permits for minerals (other than coal) continue to be accepted directly for available land via MyMinesOnline https://myminesonline.business.qld.gov.au

3. Release schedule

The release schedule in Table 1 identifies the competitive tender processes for petroleum/gas and greenhouse gas storage exploration tender areas, and indicative timing of each tender process.

Prospective tenderers and other interested parties should also subscribe to the department's resources tenders mailing list at www.business.qld.gov.au/industries/mining-energy-water/resources/geoscience-information/exploration-incentives/competitive-tendering to receive an alert when these tenders open on QTenders.

Table 1: QEP release schedule

Tender release	Commodity / area	Tender open	Tender close	Tender outcome
QLR2021-1	GHG storage (4 areas)	December 2021	March 2022	May 2022
PLR2021-1	Petroleum/gas (8 areas)	December 2021	March 2022	May 2022

Maps showing the location of the areas included in the tender releases, and information on individual tender areas, are in Sections 4 and 5 of this document. The maps also include relevant geological basins (the basin boundaries shown are indicative only).

Further details on the tender areas will be provided in the call for tender document which is made available via QTenders https://qtenders.hpw.qld.gov.au when the competitive tender process is opened.

Note: The tender areas included in each release may vary from the areas identified in this document.

4. Greenhouse gas storage tender releases

The Queensland Government's Climate Action Plan 2030[1] provides a roadmap for the state to reach emissions and renewables targets:

- 50 per cent renewable energy target by 2030
- 30 per cent emissions reduction below 2005 levels by 2030 and
- Zero net emissions by 2050.

Based on 2019 data, Queensland is almost halfway to reaching the 2030 emissions reduction target, having reduced emissions by 14 per cent since 2005.

The Climate Action Plan 2030 identifies exploring opportunities to decarbonise operations of the resources industry and the use of Carbon Capture and Storage (CCS) to assist decarbonising the economy[2] as possible options to assist achieving these targets.

CCS has the potential to make an important contribution to emissions reduction in Queensland. CCS is designed to capture carbon dioxide (CO_2) emissions from fossil fuel-based electricity generation, industrial processes, mining operations, or directly from the atmosphere. The CCS process involves capturing CO_2 from a source and injecting the captured CO_2 into underground geological formations or structures for permanent storage.

Queensland has a tenure framework in place under the *Greenhouse Gas Storage Act 2009*, that allows for exploration, appraisal, and development of potential CO_2 storage sites.

Further information on exploration permits for greenhouse gas storage is available at www.business.qld.gov.au/industries/mining-energy-water/resources/petroleum-energy/authorities-permits/applying/greenhouse-gas/exploration-permit

4.1 GHG storage exploration areas

QLR2021-1 includes four areas and will provide successful tenderers with the opportunity to investigate potential sites for CO_2 storage within the geological basins underlying the tender areas. Tender areas are within the Surat / Bowen, Galilee and Eromanga basins.

[1] www.des.qld.gov.au/climateaction

[2] www.des.qld.gov.au/climateaction/about/future-economy

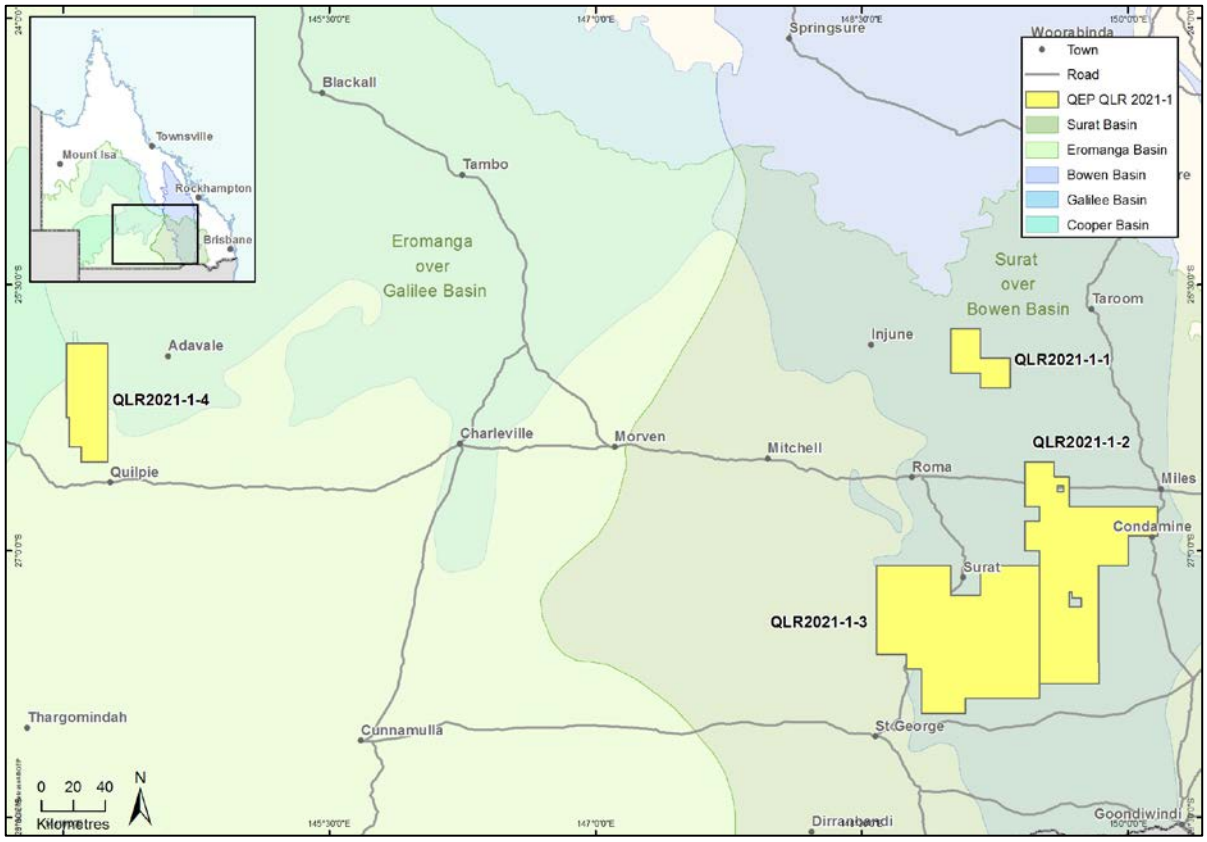

Figure 1: Greenhouse Gas Storage areas – QLR2021-1

Table 2: QLR2021-1 tender release

QLR2021-1-1	**Size**	771 km^2 (250 sub-blocks)
	Location	73 km southwest of Taroom
	Basin	Surat/Bowen
	Commodity/area	Greenhouse Gas Storage
QLR2021-1-2	**Size**	5286 km^2 (1732 sub-blocks)
	Location	70 km southwest of Miles
	Basin	Surat
	Commodity/area	Greenhouse Gas Storage
QLR2021-1-3	**Size**	6846 km^2 (2250 sub-blocks)
	Location	78 km northeast of St George
	Basin	Surat
	Commodity/area	Greenhouse Gas Storage
QLR2021-1-4	**Size**	1615 km^2 (525 sub-blocks)
	Location	50 km northwest of Quilpie
	Basin	Galilee and Eromanga
	Commodity/area	Greenhouse Gas Storage

5. Petroleum and gas exploration tender releases

The completion of three Liquid Natural Gas (LNG) production facilities at Curtis Island has transformed the Queensland gas sector over the past decade. Investment in excess of $70 billion has been underpinned by long term supply agreements with many countries in the Indo–Pacific region.

Queensland's total gas produced including conventional gas and coal seam gas (CSG) for the 2020 calendar year was 1513 Petajoules (PJ)[3], with exports of 22.4 million tonnes of LNG in 2020.[4]

The key export markets for LNG from Queensland include China, Japan, Korea, Singapore, and Malaysia.

The International Energy Agency (IEA) produces an annual World Energy Outlook (WEO) Report, in which it provides an overview and analysis of likely future global demand for energy. The 2021 WEO Report[5] indicates global gas demand is expected to be nearly 14 per cent higher in 2030 than in 2020. Queensland's exports will continue to focus on Japan, Korea and China, together with other destinations in Asia.

The domestic demand for gas in Australia is highlighted by the Australian Energy Market Operator in its most recent Gas Statement of Opportunity which sees a need for additional gas volumes from Queensland to support our southern neighbours' demand in the face of declining southern production.

Under this QEP, tender areas will be released for petroleum and gas exploration to support both domestic supply and the liquefied natural gas (LNG) export industry. To specifically support the domestic market, some tender areas will be conditioned for domestic only supply.

Australian market supply condition (AMSC)

The projected supply and demand in Australia's East Coast gas market is finely balanced. As part of the Queensland Government's commitment to unlocking additional gas supply for the domestic market, some tender areas will be released subject to an Australian market supply condition (AMSC). This condition ensures that any gas produced from those areas is supplied exclusively to the domestic market.

The selection of areas to which the AMSC applies was based on a range of factors including areas of higher prospectivity, proximity to infrastructure, and market interest. Two areas proposed for release subject to the AMSC in the 2021 QEP are identified in Table 3.

5.1 Petroleum/gas exploration areas

PLR2021-1 includes eight tender areas across the Bowen, Bowen/Surat, Eromanga and Adavale basins. The tender areas provide opportunities for CSG and other unconventional gas, and for conventional oil and gas exploration. The areas are also supported by a network of regional centres and existing infrastructure, providing access to labour and essential services.

The Surat and Bowen basins are serviced and connected by established energy infrastructure (including pipelines, compression and processing facilities) with access to both the east coast domestic and export gas markets.

[3] Energy Quest Energy Quarterly Report March 2021, note figure excludes Queensland Cooper Basin production
[4] Gladstone Ports Corporation Trade Statistics www.gpcl.com.au/trade-statistics
[5] www.iea.org/reports/world-energy-outlook-2021

The Eromanga Basin is the lateral equivalent of the Surat Basin and has potential for additional oil and gas discoveries. The basin contains currently producing oil and gas fields and is serviced by a number of pipelines and associated infrastructure.

The Adavale Basin is a large basin in central Queensland providing untapped exploration potential. The area has historically produced commercial gas and proved the existence of a petroleum system in the Gilmore gas field. Investment in the Basin presents an opportunity to investigate an under-explored province that benefits from nearby petroleum pipeline infrastructure.

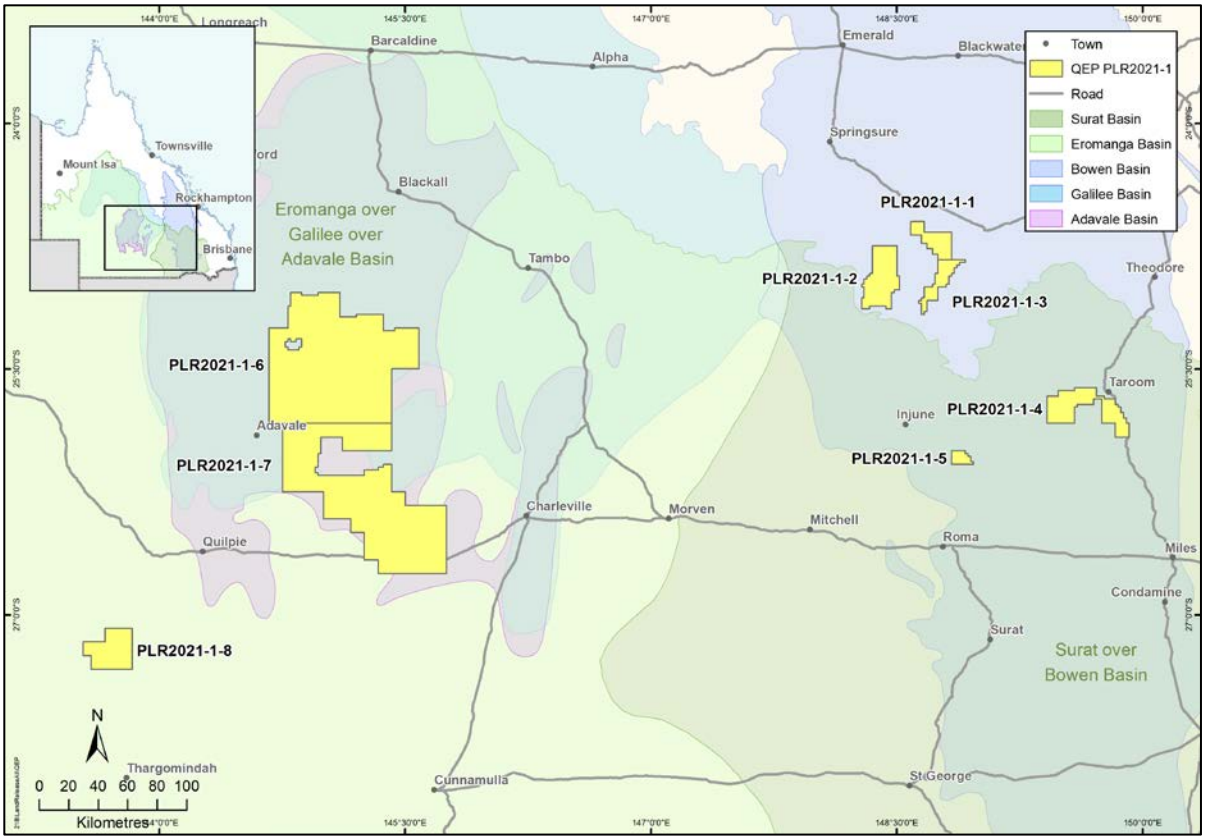

Figure 2: Petroleum and gas exploration areas – PLR2021-1

Table 3: PLR2021-1 tender release

PLR2021-1-1	**Size** **Location** **Basin** **Commodity/area** **AMSC**	343 km^2 (110 sub-blocks) 92 Km southeast of Springsure Bowen Coal seam gas Yes
PLR2021-1-2	**Size** **Location** **Basin** **Commodity/area**	727 km^2 (234 sub-blocks) 94 km south of Springsure Bowen Coal seam gas
PLR2021-1-3	**Size** **Location** **Basin** **Commodity/area**	308 km^2 (99 sub-blocks) 115 km southeast of Springsure Bowen Coal seam gas
PLR2021-1-4	**Size** **Location** **Basin** **Commodity/area**	775 km^2 (251 sub-blocks) 15 km west of Taroom Bowen/Surat Coal seam gas
PLR2021-1-5	**Size** **Location** **Basin** **Commodity/area** **AMSC**	102 km^2 (33 sub-blocks) 55 km north of Roma Bowen/Surat Coal seam gas Yes
PLR2021-1-6	**Size** **Location** **Basin** **Commodity/area**	6226 km^2 (2012 sub-blocks) 118 km south of Blackall Adavale Conventional / unconventional gas
PLR2021-1-7	**Size** **Location** **Basin** **Commodity/area**	5283 km^2 (1719 sub-blocks) 104 km west of Charleville Adavale Conventional / unconventional gas
PLR2021-1-8	**Size** **Location** **Basin** **Commodity/area**	656 km^2 (215 sub-blocks) 88 km southwest of Quilpie Eromanga Conventional oil

6. Community engagement

Following the positive response to early engagement with stakeholders during previous exploration programs, the 2021 QEP will continue with a similar approach. The department will provide directly affected stakeholders and other key stakeholders with advanced notice of competitive tendering processes for exploration tender areas.

The department has informed directly affected stakeholders, including native title representatives, local governments and key community groups of the 12 exploration tender areas, including landholders' rights and explorers' obligations.

This engagement reached native title parties, local governments, regional natural resource management groups and landholders. The department also engaged with the GasFields Commission Queensland, the Land Access Ombudsman and peak body groups representing the resources industry, agriculture, environment, native title and local governments (See Table 4).

Table 4: Key peak body groups

Resources	Australian Petroleum Production & Exploration Association Association of Mining and Exploration Companies Queensland Resources Council Queensland Exploration Council
Agriculture	AgForce Queensland Queensland Farmers' Federation
Environment	Environmental Defenders Office Regional natural resource management groups
Native title	Queensland South Native Title Services North Queensland Land Council
Local government	Local Government Association of Queensland
Government authorities	GasFields Commission Queensland Land Access Ombudsman

The department will continue to inform directly affected stakeholders and key peak body groups by providing:

- notification of the opening of tender processes (gazettal of each 'call for tenders')
- information on outcomes of each tender process, including who has been appointed as the preferred tenderer for each exploration tender area (if applicable).

At each point of contact with the department, directly affected stakeholders and peak body groups will be given the opportunity to ask questions and seek clarification.

The broader community also has access to information about proposed exploration activities. Details of the QEP and tender processes will be published at www.business.qld.gov.au/industries/mining-energy-water/resources/geoscience-information/exploration-incentives/exploration-program

7. Land access, native title, environmental and other requirements

Resource projects are dependent on a strong social license to operate. Regulatory frameworks govern access to land by resource projects and ensure that the rights of landholders and native title representatives are considered at each stage of the resource development process.

7.1 Land access laws

Queensland's land access laws provide a balance between economic development and landholder rights.

These laws mean that a resources authority holder, and its staff or agents, cannot generally enter private land to undertake advanced activities unless they have entered into one of the following:

- a Conduct and Compensation Agreement
- a Deferral Agreement, or
- an Opt-Out Agreement with the affected landholder.

Resource companies conducting exploration activities must also comply with the conditions of the Land Access Code 2016, which provides best practice guidelines for communication between resource companies and landholders and imposes mandatory conditions on resource companies conducting activities on land.

These mandatory conditions relate to key concerns landholders have regarding induction into the landholder's specific land access conditions, access points, use of roads and tracks, activities conducted around livestock and property, weeds and declared pests, camps, items brought onto land and gates, grids and fences.

For more information about land access, refer to www.business.qld.gov.au/industries/mining-energy-water/resources/landholders/accessing-private-land/land-access-code.

A Land Access Ombudsman was established in 2018 as an independent, impartial body to help landholders and resource companies resolve alleged breaches of conduct and compensation agreements and make good agreements. For more information about the Land Access Ombudsman, refer to www.lao.org.au.

The GasFields Commission Queensland is an independent statutory body that facilitates stakeholder connections as well as engaging with and informing the community about aspects of Queensland's petroleum and gas industry. For more information about GasFields Commission Queensland, refer to https://gasfieldscommissionqld.org.au.

7.2 Native Title

Australian law recognises that Aboriginal peoples and Torres Strait Islanders have rights and interests in land under their traditional laws and customs.

The *Commonwealth Native Title Act 1993* sets out processes that must be followed for any 'future act' on land or water that would affect native title rights and interests. Applications for most resource authorities are considered future acts and are subject to these native title processes.

For more information on native title processes, visit www.business.qld.gov.au/industries/mining-energy-water/resources/minerals-coal/authorities-permits/applying/native-title/mining-resources.

7.3 Environment

Resource exploration companies must comply with environmental obligations stated in the *Environmental Protection Act 1994* and other relevant legislation before commencing any on-ground activity.

The Department of Environment and Science (DES) stipulates environmental obligations such as the requirement to apply for an environmental authority (EA) to undertake an environmentally relevant activity.

Further information, including pre-lodgement services made available by DES on environmental matters, is available on www.business.qld.gov.au/running-business/environment/licences-permits/applying

The *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) provides the Australian Government's framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places – defined in the EPBC Act as matters of national environmental significance (MNES).

The EPBC Act applies when a proposal has the potential to have a significant impact on MNES.

Further information on whether the EPBC Act applies to a proposal is available from the Department of Agriculture, Water and the Environment www.awe.gov.au/environment/epbc

7.4 Water access regulations

Water plans are developed under the *Water Act 2000* (the Water Act) to sustainably manage and allocate water resources in specific areas and for specific water resources in Queensland. There are also some groundwater resources managed as underground water areas established under the Water Regulation 2016. A water plan may apply to:

- rivers, lakes and springs
- overland flow
- underground water.

Water plans are tailored for each plan area to balance the needs of water users (e.g., towns, agriculture and other industries) and the environment.

Potential tenderers should make themselves familiar with the Water Act requirements established in the relevant water plan for their area of interest. Further information is available by searching for water planning at www.business.qld.gov.au

8. Competitive tendering process

The competitive tendering process is a fair and transparent approach for allocating exploration authorities to individuals or companies that are most capable of exploring and developing the resources in an identified tender area.

Petroleum and gas, coal and greenhouse gas storage exploration areas are required by legislation to be released through a competitive tender process.

Information on competitive tendering is available at: www.business.qld.gov.au/industries/mining-energy-water/resources/geoscience-information/exploration-incentives

Tender bids must be submitted to the department via the QTenders website https://qtenders.hpw.qld.gov.au/

The competitive tendering process begins with the publication of a gazette notice stating that a call for tenders has commenced and specifying the tender areas that will be included in the process.

The gazette notice is accompanied by a tender document that sets out details of the tender and the evaluation criteria used to assess submissions. Generally, the evaluation criteria relate to the:

- appropriateness of the tenderer's proposed exploration work program
- tenderer's technical, management and financial capability to deliver the proposed work program
- tenderer's history of, and commitment to, compliance with relevant resources, environmental, health, safety, cultural heritage and native title requirements
- tenderer's proposed community consultation approach.

Other evaluation criteria may also be included in the tender document and used in the assessment process.

Each tender submission is assessed against the evaluation criteria and ranked accordingly.

The assessment process is supported by a probity advisor, technical and financial assessments, and environmental compliance assessments by the Department of Environment and Science.

The assessment of submissions also includes the tenderer's disclosure relating to disqualification in accordance with *Mineral and Energy Resources (Common Provisions) Act 2014* (MERCP Act).

When the evaluation process is complete, a tenderer may be appointed as the preferred tenderer for a tender area, subject to certain conditions. It is also possible that a preferred tenderer may not be appointed due to, for example, the inability of a tenderer to satisfactorily meet the tender conditions.

Preferred tenderers then have the exclusive right to apply for an exploration authority over the awarded tender area. The preferred tenderer must meet further environmental, native title and any other approval requirements before they can be granted an exploration authority.

Once an exploration authority has been granted, the preferred tenderer must complete land access requirements and, depending on any applicable land use constraints, meet other approval requirements prior to commencing on-ground exploration activities.

An outline of the competitive tendering assessment process is provided in Figure 3.

Figure 3: Competitive Tendering Assessment process

9. Expression of interest process

The department has an Expression of Interest (EOI) process for industry to nominate areas in Queensland to be released for exploration. EOIs are an important component to the development of the exploration program.

To receive information on a future EOI process, subscribe to the resources tenders mailing list at www.business.qld.gov.au/industries/mining-energy-water/resources/geoscience-information/exploration-incentives

The following information is generally required to lodge an EOI submission:

- details of the area
- rationale for interest in the area
- technical or geological reasoning
- commercial or business reasoning
- other relevant information.

All information submitted as part of an EOI will be treated as commercial-in-confidence.