

Media Release

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REPORT HOLDS KEY TO TACKLING PETROLEUM DEFICIT: APPEA

A new expert report highlights the need for governments in Australia to strengthen their financial commitment to geoscientific research in the interests of stemming our growing trade deficit in petroleum products and increasing revenue to state and federal budgets.

Australian Petroleum Production & Exploration Association (APPEA) today released a study by Dr Trevor Powell, one of the nation's leading geoscientists. APPEA Chief Executive Belinda Robinson says Dr Powell's report is a "must read" for national, State and Territory energy and economic policymakers.

"What we know is that Australia's crude oil and condensate production is declining from nearly 100 percent of Australia's needs in 2000 to just over 60% today and, without major new discoveries, an anticipated 32% by 2017," Ms Robinson said.

"This translates into a decline in the petroleum and petroleum products (excluding LNG) trade balance from a surplus of \$0.9 billion in 2000, to a deficit of \$13.7 billion today and projected at \$28 billion in 2017. This should have every Australian concerned, but what we don't know, is how much oil is out there."

Ms Robinson says one of the great advantages Australia has over other 'mature' oil producing regions is that less than a quarter of Australia's 50 hydrocarbon basins have been explored – presenting governments with an opportunity to attract explorers.

"This leaves a lot of unexplored territory that may produce the next Australian oil and gas province," Ms Robinson said. "Who knows what valuable treasures lie beneath these areas that we know so little about."

"If we are to rein in our burgeoning trade deficit in petroleum, we need to find more oil and the most promising areas are the high risk, 'frontier' sedimentary basins.

"The challenge for Australia is to persuade potential investors to risk money here rather than elsewhere in the world. This requires a two-pronged approach. The first is to ensure that the fiscal framework takes account of the high-costs and high-risks involved in exploring these areas. The second is to ensure the availability of baseline geological information."

Ms Robinson says Dr Powell's report, commissioned as a result of APPEA's Industry Strategy, *Platform for Prosperity*, provides policymakers with a compelling business case for long-term investment by all governments in pre-competitive geoscientific information.

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To download the report and exec summary, go to: www.appea.com.au

Belinda Robinson is available for interview – bio details available.