



18 May 2016

More exploration needed to avoid uncertainty

There is an urgent need to address the severe decline in Queensland exploration experienced over the last five years.

APPEA Director for Queensland Chris Lamont said the decline in petroleum exploration in the state is leading a national decline in exploration activity for both onshore and offshore activity.

“We have a clear need for more exploration activity but a plethora of regulatory restrictions and uncertainty are frustrating the industry in ensuring there is the necessary activity in exploration to meet future energy needs,” Mr Lamont said.

Once a shining light for gas exploration Queensland is now undertaking less exploration than it did 15 years ago.

The Australian Bureau of Statistics has confirmed that onshore petroleum exploration fell 27.8 per cent in the December 2015 quarter, the largest contribution to this decrease was Queensland down 35.1 per cent.

“Analysis of exploration activity confirms that falling commodity prices are just one of the factors responsible for declining exploration,” Mr Lamont said.

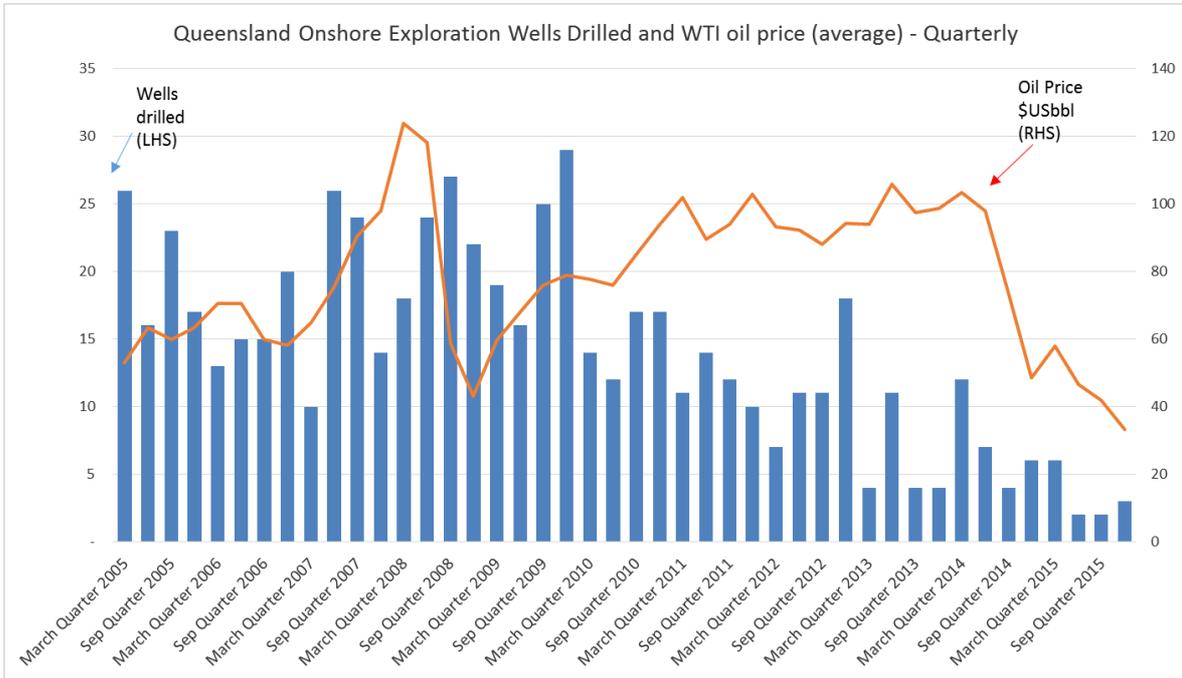
“It is evident that exploration activity in Queensland was falling well before the relatively recent decline in the global oil price.”

Factors explaining the decline in exploration activity include: regulatory creep; a lack of highly prospective new acreage; data gaps; diminished access to capital; and constraints on access.

The industry in Queensland has demonstrated it is highly innovative and competitive, creating an export stream that continues to provide employment for more than 13,000 employees and hundreds of millions in royalty dollars for the state.

“Queensland’s exploration industry is of critical importance to the state’s energy security and is an essential ingredient for future employment and business growth,” Mr Lamont said.

“It is vital that Queensland has a vibrant and active exploration sector not just to identify future natural gas sources, but in identifying the most cost effective and productive areas from which to source supply.”



Source: APPEA, Federal Reserve Bank of St.Louis

Media contact: Chris Ward 0408 033 422or cward@appea.com.au