

NOTICE OF FILING

Details of Filing

Document Lodged: Affidavit - Form 59 - Rule 29.02(1)
Court of Filing: FEDERAL COURT OF AUSTRALIA (FCA)
Date of Lodgment: 2/07/2025 7:58:22 AM AWST
Date Accepted for Filing: 2/07/2025 7:58:27 AM AWST
File Number: WAD36/2025
File Title: ASSET ENERGY PTY LTD ACN 120 013 390 v THE COMMONWEALTH
MINISTER FOR INDUSTRY AND SCIENCE AS THE RESPONSIBLE
COMMONWEALTH MINISTER OF THE COMMONWEALTH-NEW
SOUTH WALES OFFSHORE PETROLEUM JOINT AUTHORITY & ANOR
Registry: WESTERN AUSTRALIA REGISTRY - FEDERAL COURT OF AUSTRALIA



Sia Lagos

Registrar

Important Information

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The date of the filing of the document is determined pursuant to the Court's Rules.



Form 59
Rule 29.02(1)

Affidavit

Federal Court of Australia
District Registry: Western Australia
Division: General

No. WAD 36 of 2025

Asset Energy Pty Ltd (ACN 120 013 390)

Applicant

The Commonwealth Minister for Industry and Science, as the Responsible Commonwealth Minister of the Commonwealth-New South Wales Offshore Petroleum Joint Authority and another
Respondents

Affidavit of: Graeme Albert Waters

Address: Department of Industry, Science and Resources
Level 10, 58 Mounts Bay Road
Perth WA 6850

Occupation: National Offshore Petroleum Titles Administrator, and Offshore Infrastructure Registrar

Date: 2 July 2025

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4	Annexure "GAW-3" being copy of the advice that NOPTA provided to the Joint Authority regarding the First Application on 17 October 2023.	5(c)	22-41

Filed on behalf of: The first respondent

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5	Annexure "GAW-4" being copy of the advice that NOPTA provided to the Joint Authority regarding the Second Application on 17 October 2023.	5(c)	42-60
6	Annexure "GAW-5" being copy of the advice that NOPTA provided to the Joint Authority regarding the First Application on 4 December 2024.	5(d)	61-77
7	Annexure "GAW-6" being copy of the advice that NOPTA provided to the Joint Authority regarding the Second Application on 4 December 2024.	5(d)	78-94

I, **Graeme Albert Waters** of Level 10, 58 Mounts Bay Road, Perth in the State of Western Australia, say on oath:

A. NOPTA and Functions of the Titles Administrator

1. The National Offshore Petroleum Titles Administrator (the **Titles Administrator**) is established under section 695A of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) (the **Act**). Section 695A mandates that the Titles Administrator must be an SES (senior executive service) employee of the Department of Industry, Science and Resources (the **Department**) who is specified in a written instrument made by the Secretary. I am the SES employee in the Department so appointed by the Secretary as the Titles Administrator. I was appointed to this position on or around 18 October 2011 and have held it since that time.
2. The Titles Administrator is assisted by APS employees in the Department (section 695E of the Act). Together the Titles Administrator and supporting staff make up the branch of the Department known as **NOPTA**. In this Affidavit, references to NOPTA are to the NOPTA Branch.
3. The role of the Titles Administrator is established under section 695A of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) (the **Act**). The functions of the Titles Administrator, set out in section 695B of the Act, include (but are not limited to):
 - (a) providing information, assessments, analysis, reports, advice and recommendations to the responsible Commonwealth Minister and to the responsible State Minister of a Joint Authority in relation to the performance of the functions, or the exercise of the powers, of a Joint Authority;
 - (b) such other functions as are conferred on the Titles Administrator by or under the Act relating to the administration of petroleum and greenhouse gas titles such as keeping registers of titles; and data and information management; and
 - (c) to do anything incidental to or conducive to the performance of its functions.

B. Advice provided to the Joint Authority on NSW/PEP-11

4. As the Titles Administrator, it is my usual practice to advise a Joint Authority with respect to submissions it has received, in line with my statutory function of providing advice, prior to the Joint Authority making a decision regarding a petroleum or greenhouse gas title. In preparing the advice, I am assisted by APS employees in the NOPTA Branch.
5. In accordance with my usual practice, I provided advice, prepared with the assistance of the NOPTA Branch, to the Commonwealth-New South Wales Offshore Petroleum **Joint Authority** regarding the applications made by Asset Energy Pty Ltd and Bounty Oil & Gas NL (together, the **Applicant**), as the titleholders of Petroleum Exploration Permit NSW/PEP-11 (the **Permit**) for variation, suspension and extension of the Permit. I provided advice to the Joint Authority on:
 - (a) 29 April 2020 (regarding the First Application), which considered the submissions received from the Applicant as well as information provided to NOPTA by other parties, a copy of which (without attachments) is annexure GAW-1 to this affidavit;
 - (b) 31 January 2022 (regarding the First Application), which considered the submissions received from the Applicant as well as information NOPTA had obtained from other parties, a copy of which (without attachments) is annexure GAW-2 to this affidavit;
 - (c) 17 October 2023 (regarding the First Application and separately regarding the Second Application), which considered the submissions received from the Applicant as well as information relating to other applications considered by NOPTA. Copies of the advice (without attachments) are annexures GAW-3 and GAW-4 to this affidavit; and
 - (d) 4 December 2024 (regarding the First Application and separately regarding the Second Application), which considered the submissions received from the Applicant as well as other information provided to NOPTA by other parties. Copies of the advice (without attachments) are annexures GAW-5 and GAW-6 to this affidavit (together, the **December Advice**).

C. Regulatory Submissions: ATARs and DDRs

6. In considering the Titleholders' submissions and advising on their applications in the December Advice, assisted by the NOPTA Branch, I had regard to information provided to it in regulatory submissions from other titleholders of other petroleum titles, namely Annual Titles Assessment Reports (**ATARs**) and Daily Drilling Reports (**DDR**s). I also had regard to the final cost of one well as reported to the Australian Stock Exchange (**ASX**) by the relevant titleholder, which NOPTA cross-checked against the relevant DDRs for that petroleum title. I used this information to estimate the likely cost of drilling the exploration well proposed by the Applicant, when considering the Applicant's response to a concern expressed by the Commonwealth Minister for Industry and Science (as the Commonwealth member of the Joint Authority) that the Applicant may not have accurately estimated the proposed well cost.



7. ATARs are required to be submitted to the Titles Administrator under Part 3 of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011 (RMA Regulations)*. ATARs detail the work undertaken by a titleholder during a 12-month reporting period, including the amount of their actual expenditure on that work.
8. DDRs are required to be submitted to the Titles Administrator by a petroleum titleholder under Regulation 7.12 of the RMA Regulations. The information to be provided in the report is prescribed in the RMA Regulations and includes the well name and location, drilled depth, water depth, and estimated daily and cumulative well costs.

D. Protection of confidentiality

9. The information in the ATARs was '*permanently confidential*' under regulation 8.02(2) of the RMA Regulations, because:
 - (a) ATARs are reports given under Part 3 of the RMA Regulations.
 - (b) Information contained in such a report is excluded information, pursuant to regulation 1.06(3)(m).
 - (c) 'Excluded information' is 'permanently confidential information', pursuant to regulation 8.02(2).
10. As described above, in addition to the ATARs, in providing the December Advice, I also relied on information submitted in DDRs. The DDRs contained details of well costs and indications of hydrocarbons, which is commercially sensitive information. Accordingly, I considered that the disclosure of the DDRs which were relied on to prepare the December Advice could reasonably be expected to adversely affect the business, commercial or financial affairs of the titleholders that had provided the DDRs. In the December Advice, I referred to the information in the ATARs and DDRs (which had been relied on to prepare the Advice) as '*permanently confidential information*'. That was a reference to the classification of information as 'permanently confidential information' under the RMA Regulations.
11. Under regulation 8.02(3) of the RMA Regulations, the Titles Administrator may classify "documentary information" as "permanently confidential information" if the Titles Administrator considers the information to be a "trade secret" (sub-paragraph (a)), or "information the disclosure of which would, or could reasonably be expected to, adversely affect the person's business, commercial or financial affairs" (sub-paragraph (b)).
12. I understand that ATARs and DDRs can only be shared in accordance with the provisions of the Act regarding the sharing of "documentary information", in Part 7.3 of the Act. That is because:




- (a) Section 712, in Part 7.3 of the Act, applies to “documentary information”. Under section 711, “documentary information” is defined to mean “information contained in an applicable document”.
- (b) An “applicable document” is defined to include “a report, return or other document that relates to a block and was given to the Titles Administrator under (i) Chapter 2 or this Chapter; or (ii) regulations made for the purposes of section 698”: paragraph (ac) of the definition in section 711).
- (c) ATARs and DDRs are reports, returns or other documents within paragraph (ac) of the definition of “applicable document”.

13. This means that ATARs and DDRs must not be made publicly known or the information made available to a person (other than a Minister), unless the Titles Administrator does so in accordance with the regulations (section 712(2)(c) of the Act) or for the purposes of the administration of the Act or the regulations (section 712(2)(d) of the Act). The information that I had regard to in considering the Titleholders' submissions and advising on their applications in the December Advice, which had been provided in ATARs and DDRs, was not provided to the Joint Authority.

Sworn by the deponent
at Melbourne in the State of Victoria this
2nd day of July 2025

Before me:



Kate Ervin
Australian Legal Practitioner


Graeme Albert Waters

Rule 29.02

**Annexure Certificate
GAW-1**

Federal Court of Australia
District Registry: Western Australia
Division: General

No. WAD 36 of 2025

Asset Energy Pty Ltd (ACN 120 013 390)

Applicant

**The Commonwealth Minister for Industry and Science, as the Responsible Commonwealth
Minister of the Commonwealth-New South Wales Offshore Petroleum Joint Authority and another**

Respondents

This is the Annexure marked "GAW-1" referred to in the affidavit of Graeme Albert Waters sworn at Melbourne on 2 July 2025.

Before me:



.....
Kate Ervin
Australian Legal Practitioner

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Australian Government

National Offshore Petroleum Titles Administrator

Delegates of the Commonwealth-New South Wales Offshore Petroleum Joint Authority for Decision
29 April 2020

**APPLICATION FOR A VARIATION AND SUSPENSION OF WORK PROGRAM COMMITMENTS AND
EXTENSION OF PERMIT TERM – PETROLEUM EXPLORATION PERMIT NSW/PEP-11**

Purpose: To inform the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority (**the Joint Authority**) in relation to an application made under section 264 and 265 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (**the Act**) and the *Offshore Petroleum Exploration Guideline: Work-bid* (**the Guideline**).

TITLE	Petroleum Exploration Permit NSW/PEP-11 (PEP-11) Title location map: Figure 1 . Current work program: Table 1 .
TITLEHOLDERS	Asset Energy Pty Ltd (Asset) Bounty Oil & Gas NL (Bounty)
TIMING OF APPLICATION	Validly submitted 23 January 2020 – prior to the end of Permit Year 4 (12 February 2020).
APPLICATION DETAIL	<ul style="list-style-type: none"> • NEATS Ref Z4NMT2 • 24 month suspension of Permit Year 4 work program • 24 month extension of the permit term. • secondary term variation of Permit Year 5 <p>The suspension and extension have been applied for on <i>force majeure</i> grounds. NOPTA has assessed it on its merits.</p> <p>Proposed work program: Table 2.</p>
SECTIONS OF THE ACT	Sections 264 and 265 of the Act .
RELEVANT GUIDELINE	Paragraphs 2.6 - 2.8, 2.13 - 2.15, 2.28 and 2.29 of the Guideline .
NOPTA ADVICE	<ol style="list-style-type: none"> 1. Approve 24 months suspension to Permit Year 4 and a corresponding 24 months extension of the permit term in accordance with the Act and on merit. 2. Approve a secondary variation to Permit Year 5 in accordance with the Act and Guideline. 3. Convey the following to the applicant, via NOPTA: <ol style="list-style-type: none"> i) Condition 1 of the title remains in force, as such monthly reporting is still required; and that ii) The Joint Authority expects that the titleholders will meet with NOPTA within 12 months of this letter to discuss progress on approvals and contracting. <p>A draft letter to the titleholder (Attachment 1) and a draft instrument (Attachment 2) reflecting the recommendations are provided with this assessment for your review.</p>
DECISION DUE	State Delegate: 12 May 2020 Commonwealth Delegate: 14 May 2020
APPLICATION OVERVIEW	Asset has made an application for a 24 month suspension of Permit Year 4 with a corresponding extension to the permit term and a secondary term variation to Permit Year 5 to replace the

acquisition of 500 km² of 3D seismic data with post well studies. Asset states that during 2019 it went through a change in its board with a corresponding change to its exploration strategy – to prioritise exploration drilling over the acquisition of new 3D seismic data prior to drilling. Asset states that it has previously drilled in the permit using 2D data, resulting in the New Seaclem-1 exploration well (2010).

Asset is claiming *force majeure* circumstances around the activities of MEC Resources Ltd (MEC), the parent company of Asset, and that the legal matters relating to this has caused significant delays to progress on the work program commitments in PEP-11. It considers that a 3D seismic data acquisition in the area near Newcastle is not acceptable to the local community. It also states that there is a significant need for gas on the east coast of Australia, and that it considers that drilling an exploration well has substantial community benefit.

The changes in the board and control of the company over recent years has impacted on the direction and progress of the work program. In early 2019, before entering Permit Year 4, the previous board of Asset applied to vary the work program commitments in Permit Years 4 and 5 in order to conduct the 3D seismic survey (planned for Permit Year 5) prior to drilling an exploration well. NOPTA's advice on that application was sent to the Joint Authority on 25 March 2019.

On 23 October 2019, Asset's new board withdrew the application before the Joint Authority had made its decision, as drilling was now preferred to seismic acquisition. In its application Asset states that the internal conflicts have now resolved to a point where the work program can progress, and the new strategy is to drill an exploration in PEP-11.

Asset has provided documentary evidence that it is in negotiations with a drilling support contractor (AddEnergy; [Attachment 3](#)) to deliver a well proposal and that it has been in communication with rig operators to contract a rig (COSL; [Attachment 4](#)). Asset is considering either the COSL Prospector (currently in New Zealand), or the Ocean Onyx, which at the time of submission of the application was expected to arrive in Australian waters for an eight – nine well campaign commencing in April 2020 for Beach Energy. At this stage no contract has been signed as Asset is awaiting approval for the requested suspension and extension of the permit. Asset has also provided a schedule for the suspended Permit Year 4 activities ([Figure 2](#)).

PRIOR USAGE RIGHT	No
OTHER CONSIDERATIONS	<p><u>Acquisition report and data – Baleen 2D HR Seismic Survey 2018</u> The titleholder failed to submit the complete survey acquisition report and data by the negotiated due date under regulation 7.16. As of the date of this advice the Titleholder has complied with all data submission requirements, noting –</p> <ul style="list-style-type: none"> • the initial submission was completed four months after the extended due date • once followed up, the Titleholder was extremely responsive and worked quickly to remove any grounds for cancellation • NOPTA will be writing to the Titleholder to emphasise the importance of meeting regulatory timeframes and expectations in relation to their next regulatory submission.

	<p>The completion of this submission removed any grounds for cancellation under section 274 of the Act.</p> <p>Monthly reporting Asset has been submitting the monthly progress reports as expected by the Joint Authority. These reports have been briefly outlining the discussions Asset has been having with various providers regarding accessing a rig for drilling in PEP-11.</p> <p>Financial Capacity A review of the financial capacity of the titleholders to undertake the work program activities and based on publicly available information has been completed at the request of the Joint Authority (Attachment 5).</p> <p>Detailed information with respect to the titleholders is also provided. (Attachment 6).</p>
<p>ASSESSMENT OF APPLICATION</p> <p>Permit Year 4 Suspension and Extension of the permit term NOPTA does not consider Asset’s internal board issues and dispute with parent entity MEC as <i>force majeure</i> circumstances as outlined by paragraph 2.13 of the Guideline. Nevertheless, these issues have impacted on the direction of the exploration strategy and the timing to plan and drill an exploration well.</p> <p>The decision to withdraw the previous application in late 2019 resulted in PEP-11 entering Permit Year 4 and the titleholders committing to drill less than four months from the end of that permit year. This decision left insufficient time in Permit Year 4 to deliver an exploration well, and there is merit in provision of additional time to enable drilling.</p> <p>NOPTA has assessed this application on its merits taking into account the usual timeframes that are required to successfully carry out the planning and drilling of an exploration well. The schedule provided by Asset (Figure 2) appears to present a reasonable estimation of the key activities required to deliver an exploration well in normal circumstances. NOPTA acknowledges that Asset has allowed for a generous amount of time relating to the Joint Authority decision making process for this application and advises that any extension of this aspect of the timeframe will adversely impact the remainder of the schedule. The current inability of operators to undertake offshore petroleum operations due to the COVID-19 pandemic has also been considered.</p> <p>NOPTA considers that Asset has provided reasonable supporting evidence that it has been progressing plans to drill in PEP-11, based on the information provided by AddEnergy and COSL, and the descriptions of activity in its monthly reports to NOPTA.</p> <p>Since the application was submitted, there has been a significant increase in uncertainty relating to future rig availability and contract opportunities due to the restrictions associated with the COVID-19 pandemic. On 20 April 2020 Beach announced to the ASX that it had terminated the contract for the Ocean Onyx with a view to agreeing a new contract in due course. Beach’s preliminary assessment is that its offshore drilling campaign is unlikely to commence until the 2021 financial year. Similarly, the COSL Prospector is expected to depart from New Zealand waters in late April 2020 after its drilling campaign for OMV was terminated. Asset advised in its monthly report to NOPTA on 20 April 2020 that COSL has extended its offer to May 2021.</p>	

NOPTA considers that it is reasonable for the titleholder to not financially commit to contracts at the current time with respect to drilling and preparation of an environment plan prior to receiving a decision on this application. The duration of the requested period of suspension and extension is lengthy and NOPTA advises that it would be reasonable to expect Asset to meet with NOPTA to discuss the progress towards obtaining relevant approvals and contracting within 12 months from the approval of this application.

Permit Year 5 Secondary Work Program Variation

NOPTA considers that the proposed variation to replace the acquisition of 3D seismic data with post well studies in Permit Year 5 is logical and warranted given that there is a guaranteed well commitment in Permit Year 4. From the proposed schedule it appears that only two months are likely to be available to evaluate the well results before entering Permit Year 5. NOPTA expects that a full year of evaluation will generally be required to incorporate drilling results into the interpretation of the prospectivity of the permit.

NOPTA advises that Asset's variation request is reasonable and is in accordance with the Act and the Guideline that relates to secondary work program variations.

NOPTA CONTACT:	Jagath Munasinghe Assistant Manager Titles	Tel: (03) 8199 0322	Email: titles@nopta.gov.au
ENDORSED BY	Graeme Waters Titles Administrator	Signature:	

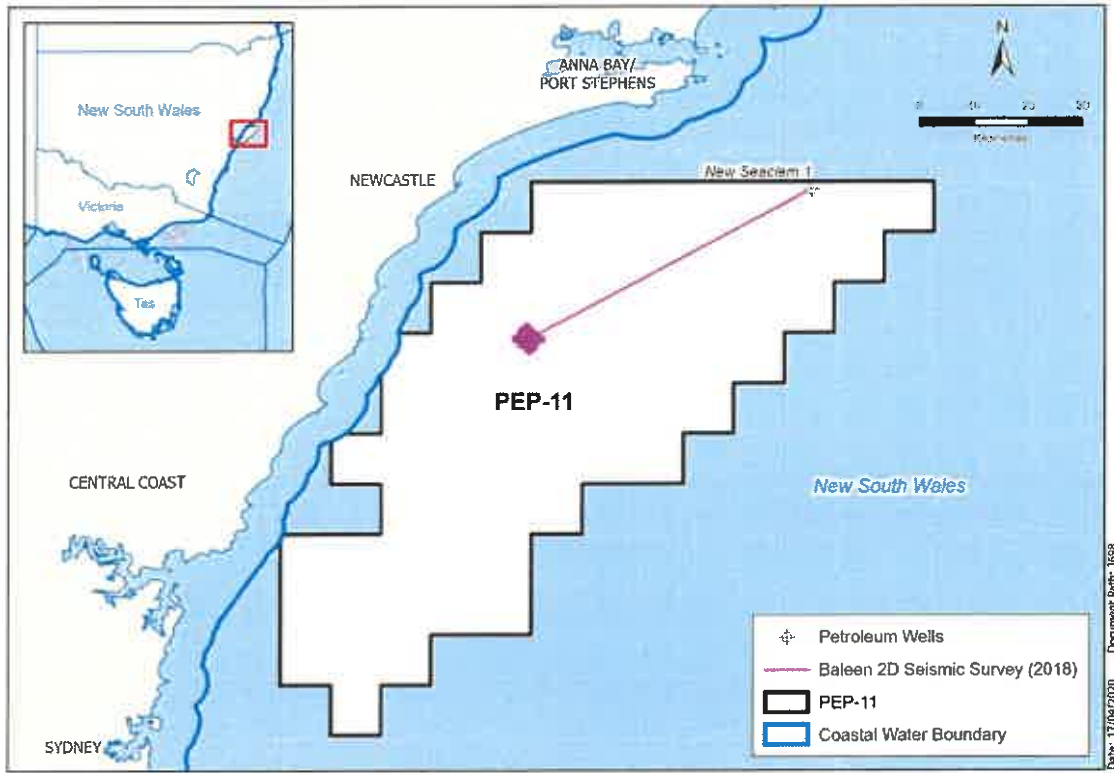


Figure 1: PEP-11 location map (source: NOPTA)

Table 1: Current work program and work completed

Year	Permit Year Starts	Permit Year Ends	Activity Description	Actual Work Completed
1	13/08/2012	12/08/2013	2,000 km seismic reprocessing Geotechnical studies	<ul style="list-style-type: none"> Reprocessed 61.5 km 2D Vintage Data (Dayboro Geo) Prior to renewal of the permit reprocessed 1,308 line km 2D Vintage Data (CSIRO, 2009), 75 line km 2D Vintage Data (Co-sail, 2009), and 1,463 km Baleen 2D Survey (Fugro, 2010). This work was claimed against the Year 1 commitment Review of data for Fish Prospect
2	13/08/2013	12/02/2019	200 km 2D seismic survey Geotechnical studies <u>9/2/2015</u> - 12 month suspension approved on <i>force majeure</i> grounds <u>18/1/2016</u> - Variation of Additional Condition 2 and 12 month suspension and extension of Permit Years 2&3 approved <u>8/01/2018</u> – 30 months suspension and extension of Permit Years 2&3	<ul style="list-style-type: none"> Baleen 2D HR Seismic Survey completed in 2018. A total of 205.4 line km acquired Petroleum play elements and risk factor study Prospects and leads analysis
3	13/08/2015	12/02/2019	Geotechnical studies	<ul style="list-style-type: none"> Permit Year 3 ran in conjunction with Permit Year 2. Work as described above
4	13/02/2019	12/02/2020	One exploration well	<ul style="list-style-type: none"> Commenced preparation for drilling ATAR due 12 September 2020
5	13/02/2020	12/02/2021	500 km ² 3D seismic survey	

Table 2: Proposed revised work program

Year	Permit Year Starts	Permit Year Ends	Activity Description	Indicative Expenditure (\$ AUD)
1	13/08/2012	12/08/2013	2,000 km seismic reprocessing Geotechnical studies	250,000
2	13/08/2013	12/02/2019	200 km 2D seismic survey Geotechnical studies	2,000,000
3	13/08/2015	12/02/2019	Geotechnical studies	350,000
4	13/02/2019	12/02/2022	One exploration well	15,000,000
5	13/02/2022	12/02/2023	Post well studies	250,000

Rule 29.02

**Annexure Certificate
GAW-2**

Federal Court of Australia
District Registry: Western Australia
Division: General

No. WAD 36 of 2025

Asset Energy Pty Ltd (ACN 120 013 390)

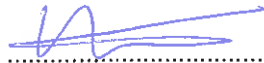
Applicant

**The Commonwealth Minister for Industry and Science, as the Responsible Commonwealth
Minister of the Commonwealth-New South Wales Offshore Petroleum Joint Authority** and another

Respondents

This is the Annexure marked "GAW-2" referred to in the affidavit of Graeme Albert Waters sworn at Melbourne on 2 July 2025.

Before me:



.....
Kate Ervin
Australian Legal Practitioner

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Ministers of the Commonwealth-New South Wales Offshore Petroleum Joint Authority for Decision

31 January 2021

APPLICATION FOR A VARIATION AND SUSPENSION OF WORK PROGRAM COMMITMENTS AND EXTENSION OF PERMIT TERM OF PETROLEUM EXPLORATION PERMIT NSW/PEP-11. ADDITIONAL ADVICE FOLLOWING NOTICE OF INTENTION TO REFUSE

Purpose: To inform the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority (**the Joint Authority**) in relation to an application made under sections 264 and 265 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (**the Act**) and the Offshore Petroleum Exploration Guideline: Work-bid (**the Guideline**).

TITLE	Petroleum Exploration Permit NSW/PEP-11 (PEP-11)		
TITLEHOLDERS	Asset Energy Pty Ltd (Asset) Bounty Oil & Gas NL (Bounty)		
APPLICATION DETAILS	<ul style="list-style-type: none"> • 24 months suspension of the Permit Year 4 work program. • 24 months extension of the permit term. • Secondary term work program variation of Permit Year 5. Validly submitted on 23 January 2020 NEATS REFERENCE: Z4NMT2		
RELEVANT SECTIONS OF THE ACT AND GUIDELINE	Section 264 and 265 of the Act . Items 2.6-2.8, 2.13-2.15, 2.28 and 2.29 of the Offshore Petroleum Exploration Guideline: Work-bid (the Guideline)		
DATE OF NOTICE OF INTENTION TO REFUSE (NOIR)	16 December 2021	DATE OF TITLEHOLDER RESPONSE	22 January 2022. Note: The titleholders were given an extension of 7 days to make a submission by the Joint Authority.
REASONS GIVEN IN NOIR	The Joint Authority informed the titleholders of PEP-11 (the Applicant) that it has taken into account the following matters in forming its intention to refuse the application. <ol style="list-style-type: none"> 1. The Guideline describes circumstances which usually constitute <i>force majeure</i>; the Applicant has not provided sufficient information to meet those criteria and therefore should not be treated as such. The internal company issues quoted by the Applicant are common risks in the industry and do not support reasons for a suspension and extension of the conditions on the title. Corporate restructuring is also not grounds for failing to carry out activities under a petroleum exploration permit within the approved period. 2. The Joint Authority is not satisfied the Applicant has, or will have, access to adequate financial resources to allow it to fulfil obligations under the title conditions. Through the response dated 6 August 2020 to a Request for Further Information (the RFI), the Applicant indicated 		

	<p>that its intention is to undertake capital raising activities by entities within its corporate structure, and then rely on these funds. Through the RFI, the Applicant also indicated it also intends to rely of (<i>sic</i>) tax credits. The Joint Authority does not consider there is sufficient certainty that the capital raising activities will provide the funding required to progress the work program in a timely manner and in the timeframe of the permit conditions.</p> <p>3. The Joint Authority also considered the public interest in this permit, including taking into account the high levels of community opposition to the application.</p> <p>Please refer to the NOIR (Attachment A) for the full notice of the intended decision.</p>
<p>SUMMARY OF TITLEHOLDER'S SUBMISSION</p>	<p>On 22 January 2022, Asset made a submission in relation to the NOIR. The full submission can be found at Attachment B.</p> <p>Asset's submission raises the following matters:</p> <ol style="list-style-type: none"> 1. The application was validly submitted, and the applicants provided additional information on request. 2. The applicants submit that the decision is in conflict with the recommendations made to the JOA on or about April 2020 by NOPTA. (Reference FOI disclosure.) 3. The applicants submitted all other monthly technical assessment reports and other reports in a timely manner. 4. The applicants continued to pay all annual levy fees as invoiced and including the sum of \$ 10,000 for the year 2021/2022. 5. Accordingly, which was at all times, the applicants had a binding contract with the Commonwealth of Australia (C of A) where the C of A was not entitled to and had not issued any notice of breach of the terms and conditions of PEP-11 and where the applicants had a legitimate expectation that they could proceed with such matters as sourcing a rig to test drill the Baleen area for natural gas. 6. NOPTA and the C of A had in their possession the applicants monthly and other ATAR reports and the applicants have provided clear evidence that they have funded bona fide work to obtain relevant environmental and safety case approvals while sourcing a rig centred on the Diamond Offshore rig operating in the Otway Basin while NOPTA failed to give a decision in a reasonably timely manner in the period from the date of the application until 16 December 2021 a period of approximately 24 months from the date of the application. 7. Statements by the relevant Minister in that period namely the Hon Keith Pitt MHR gave the applicant no reason to expect the extension would not be granted. 8. The applicants submit that the extension refusal is unprecedented absent serious breaches (<i>sic</i>) of the environmental and safety regulations which has not occurred. Relevantly the PEP 11 applicants completed the New Seaclem-1 gas exploration well in PEP 11 in late 2010 in full compliance with environmental safety and reporting

	<p>obligations and have demonstrated that they are able to conduct such operations in consultation with community and other stakeholders.</p> <p>9. The applicants conducted a 206 line km 2D survey at the Baleen Prospect/Lead in 2018 again in full compliance with environmental safety and reporting obligations and again demonstrated that they are able to conduct such operations in consultation with community and other stakeholders such as the local fishing industry.</p> <p>10. As to the specific grounds referred to in your notice since NOPTA and the Joint Authority have not given the applicants the documents upon which it based its decision the applicants are not able to address the grounds except in a preliminary way and ask that all documents relied upon by the Joint Authority; NOPTA and the C of A be provided to the applicants so that further submissions may be made after such provision.</p> <p>10.1. As to paragraph 2:</p> <p><u>10.1.1.</u> the MEC/Advent Group and the joint venture including Bounty Oil & Gas NL have invested in excess of \$30 million in PEP-11 exploration</p> <p><u>10.1.2.</u> The BPH/Advent group raised \$9m million before issue expenses in January 2021 towards a drill test in PEP-11. MEC and BPH are listed on ASX.</p> <p><u>10.1.3.</u> Bounty Oil & Gas NL raised \$ 4.15 million before issue expenses in the period September 2020 to October 2021 towards its 15% direct share of expenses for a drill test in PEP-11. Bounty is an ASX listed company.</p> <p><u>10.1.4.</u> This initial funding was readily available from equity investors where the Joint Authority was still considering the application (prior to the Prime Ministers press conference of March 2021), where the Federal Government was pursuing an enhanced gas and cogeneration strategy for the Hunter Region and planning gas fired electricity generation. The Joint Authority would obviously be aware of this strategy and market interest in sourcing gas reserves for such project.</p> <p>10.2. NOPTA and the Joint Authority should also be aware that the vast bulk of offshore exploration is conducted by joint venture and that much capital is sourced from farm in partners. An example in the last 8 years is the Carnarvon Petroleum/Santos Limited joint venture resulting in the 150,000 to potential 300,000 bopd Dorado development offshore WA. Such farm in capital method depends on secure tenure and the decision here is destructive not only of the shareholder's funds but renders farm ins impossible. (In this regard Advent has been engaged with substantial international hydrocarbon companies including from North America). The Metgasco decision where validly issued CSG drilling permits were cancelled in the onshore Clarence Moreton Basin has effectively destroyed hydrocarbon exploration in onshore NSW.</p>
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	<p>10.3. Accordingly, the applicants have been blocked from advancing funding while the Joint Authority considered this matter and where its motivations are neatly summarised in the Federal Government Media Release of 16 December 2021 on the same date as your notice. The applicant rejects this ground.</p> <p>11. As to ground 3; the applicants have seen no evidence on this point and submit that much of the "high levels of community opposition" revolve around the misleading statements of groups such as the Surfrider Alliance Group based in Sydney and the political interests of the members of the House of Representatives listed and quoted in the Prime Ministers statement of 15th December 2021 annexed hereto. Aspects of that Statement are factually incorrect suggesting the PEP-11 permit covers 8,200 m2 (sic) whereas it covers approximately 4,200 km². Further the Permit does not extend to Wollongong. (These and other factual inaccuracies have continued to be made by Government members despite the errors being corrected) The purported 60,000 signature petition has been rejected by the Parliament as not meeting the required Parliamentary standard and a Parliamentary Enquiry raised serious issues about the nature of the information on which the petition was based).</p> <p>12. The reference in the Statement to the "pristine beaches and waters" omits the fact that Newcastle is one of the main coal export ports in the world and at times 30-40 coal carriers steam through or are anchored in the PEP-11 areas of interest.</p> <p>13. Since the Joint Authority's decision relies on community opposition such grounds could be used to defeat any PEP in C of A jurisdiction waters, and would further weaken Australia's energy independence, in any event properly conducted community research has shown there is in fact community support for such projects.</p> <p>The Applicant states that NOPTA has not provided any copy of the evidence or materials upon which it relied to make the decisions: in paras 1-3 or distinguished the relevant matters it took into consideration and has not afforded the applicants a hearing or appropriate opportunity to examine that evidence or challenge the process and linkage between that evidence and the decision. In the Applicant's view, the Joint Authority has therefore not provided the applicants with procedural fairness and the decision is void due to failure to comply with natural justice.</p> <p>It further states that the titleholders have jointly invested approximately \$30 million in drilling and exploration in PEP-11 and respectfully submit that the decision be reversed. If the Joint Authority does not reverse the decision the Applicant requires a copy of all documents and communications created or transmitted in connection with the Joint Authority decision and the Federal Government Joint Media Release of 16 December 2021.</p>
NOPTA ADVICE	The information provided in the submission made by Asset in response to the NOIR (Attachment B) has not fully addressed the reasons provided by the Joint Authority for intending to refuse the application.

	<p>NOPTA's advice in relation to the reasons for intending to refuse is provided below:</p> <p><u>Force majeure</u> No new information or documentary evidence has been submitted by the Applicant to demonstrate <i>force majeure</i> grounds in accordance with sections 2.13 and 2.14 of the Guideline.</p> <p><u>Financial resources</u> The titleholders have raised in excess of \$13.15 million (before issue expenses) since September 2020 demonstrating an ability to raise capital to progress well planning and environmental approvals.</p> <p>No evidence has been provided that the titleholders currently have the financial resources available to fulfil the work program obligations required by the title conditions.</p> <p>The Applicant's submission claims that its ability to access funding alternatives (such as attracting farm in partners) has been adversely impacted during the period that the Joint Authority has considered the current application but have not provided evidence to support this.</p> <p><u>Other Matters</u> The Applicant has not submitted any new information in relation to the merit of the application for the Joint Authority to consider ahead of making a decision.</p> <p>If the Joint Authority is not satisfied that the information provided in the response to the NOIR has adequately addressed the reasons for intending to refuse the application and decide to refuse the application, the Joint Authority must, by written notice given to the applicant, notify the applicant of the refusal.</p> <p>Draft letters to the applicant are attached to this advice (Attachments C and D).</p>
DECISION DUE	<p>State Member: 14 February 2022 Commonwealth Member: 16 February 2022</p>
<p>NOPTA'S REVIEW OF THE APPLICANT'S SUBMISSION AGAINST THE NOIR</p> <p><u>1 - Force majeure</u> Asset has not provided any further information to support its request for a suspension and extension on the ground of <i>force majeure</i>. NOPTA maintains its assessment outlined in the advice to the Joint Authority of 29 April 2020, that the application does not meet the grounds for <i>force majeure</i> as outlined in the Guideline.</p> <p><u>2- Financial position of the titleholders</u> Paragraphs 10 – 10.3 of the Asset submission relate to the financial resources available and the ability to raise capital. No documentary evidence was provided to support these statements. NOPTA has been able to validate a number of the references to funds raised through publicly available information as detailed below.</p>	

The submission refers to capital raising activities undertaken by a range of companies associated with the titleholders and in particular Asset. Asset is a wholly owned subsidiary of Advent Energy Limited (**Advent**) an unlisted public entity. Advent's shareholders include BPH Energy Limited (**BPH**) and MEC Resources Limited (**MEC**).

NOPTA confirms that BPH raised \$9 million through a placement of 69,230,769 fully paid ordinary shares at an issue price of \$0.13 (13 cents) per share (section 10.1.2 of Asset submission). The use of funds identified by BPH included approximately \$5.75 million to invest in Advent to be used to progress well planning, engineering and environmental approvals for drilling at the Baleen drill target in PEP-11.

NOPTA notes that

- BPH securities (ASX: BPH) are currently voluntarily suspended on the ASX to 31 January 2022 and have been since 9 December 2021, pending the release of an announcement with respect to the participation of its investee Advent Energy Limited in a Farm out Agreement.
- MEC securities (ASX: MMR) are currently voluntarily suspended on the ASX to 31 January 2022 and have been since January 2020. MEC is in current discussions with the ASX to be readmitted to trading status.

Bounty raised \$4.15 million before issue expenses in the period September 2020 to October 2021 towards its 15% direct share of expenses for a drill test in PEP-11. Bounty is an ASX listed company (section 10.1.3 of Asset submission).

NOPTA confirms that Bounty raised

- \$1.43 million before issue expense from the issuance of shares in the year to 30 June 2021, for further project development and general working capital.
- In October 2021, Bounty raised \$2.74 million, before issue expenses, to fund acquisition of 25% interest in Carnarvon Basin permits and general working capital.

NOPTA notes that Bounty's (ASX: BUY) securities status on the ASX is listed as currently trading.

3 - Public interest

In Asset's submission it provides that it does not agree with the Joint Authority's assessment about public opposition towards hydrocarbon exploration offshore New South Wales, they claim that misleading statements and inaccuracies have contributed to public opposition. The submission references the content of the Prime Ministers statement of 16 December 2021.

The submission provides no documents or further information of how the proposed activities contribute to the public interest.

Other matters raised by the submission

Permit administration

Asset has raised several matters relating to the administration of the permit. NOPTA is satisfied that at the time of this review that the titleholders have complied with the conditions of the permit, submitted the required Annual Titles Assessment Reports (ATARs) and data and paid the required fees and annual levies relating to PEP-11.


NOPTA has not sought or received any advice from NOPSEMA in relation to the decommissioning status of the New Seaclem-1 exploration well (2010), noting that should this application be

refused, the permit will continue in force on the basis of a suspension and extension application submitted on 4 February 2021 and the provision of subsection 265A (1) of the Act.

Procedural fairness

The submission states that the Joint Authority has not provided the Applicant with procedural fairness as it has not provided evidence which its intended decision was based on. The Applicant claims that the decision is void due to failure to comply with natural justice. The NOIR stated the Joint Authority has considered the Application, including the additional material provided on 18 February 2020, 12 March 2020 and 6 August 2020.

In the event of a decision by the Joint Authority to refuse the application the Applicant requests a copy of all documents and communications created or transmitted in connection with the Joint Authority decision and the Federal Government Joint Media Release of 16 December 2021.

RELATED MATTERS	<p>A second suspension and extension application relating to PEP-11 was validly submitted on 4 February 2021. Assessment of that application was put on hold by NOPTA until a decision was made on the current application.</p> <p>Under sub-section 265A (1) of the Act, if a petroleum exploration permittee applies for a suspension of any of the conditions to which the permit is subject, and the permit would, apart from that provision, expire before the Joint Authority decides on the application, the permit continues in force until the Joint Authority makes a decision on the application.</p>		
NOPTA CONTACT	Jagath Munasinghe A/g Titles Manager	Tel: (03) 8199 0322	Email: titles@nopta.gov.au
ENDORSED BY	Graeme Waters Titles Administrator	Signature: 	

Attachments

- Attachment A: Notice of Intension to Refuse
- Attachment B: Titleholder Response to the NOIR
- Attachment C: Draft Refusal Letter
- Attachment D: Draft Approval Letter

Rule 29.02

**Annexure Certificate
GAW-3**

Federal Court of Australia
District Registry: Western Australia
Division: General

No. WAD 36 of 2025

Asset Energy Pty Ltd (ACN 120 013 390)

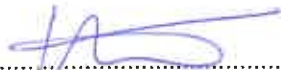
Applicant

**The Commonwealth Minister for Industry and Science, as the Responsible Commonwealth
Minister of the Commonwealth-New South Wales Offshore Petroleum Joint Authority and another**

Respondents

This is the Annexure marked "GAW-3" referred to in the affidavit of Graeme Albert Waters sworn at Melbourne on 2 July 2025.

Before me:



.....
Kate Ervin
Australian Legal Practitioner

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Commonwealth-New South Wales Offshore Petroleum Joint Authority
17 October 2023


APPLICATION FOR VARIATION AND SUSPENSION OF CONDITIONS OF PERMIT
AND EXTENSION OF THE PERMIT TERM
PETROLEUM EXPLORATION PERMIT PEP-11

Purpose: To inform the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority (the Joint Authority) in relation to an application made under section 264 and 265 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act).

Details:

TITLE	Petroleum Exploration Permit NSW/PEP-11 (PEP-11) PEP-11 location map: Figure 1 Current work program and work completed: Table 1
TITLEHOLDERS	Asset Energy Pty Ltd (Asset Energy) Bounty Oil & Gas NL (Bounty)
VALIDLY SUBMITTED	Validly submitted 23 January 2020 – prior to the end of Permit Year 4 (12 February 2020).
APPLICATION TYPE	NEATS Ref: Z4NMT2 (the First Application) <ul style="list-style-type: none"> • Secondary term variation of the Permit Year 5 work program commitments to replace the acquisition of 500 km² of 3D seismic data with post well studies; and • 60-month suspension of the Permit Year 4 work program and a corresponding 60-month extension of the permit term.
SECTIONS OF THE ACT	Sections 264 and 265 of the Act .
RELEVANT GUIDELINES	Application Assessment (refer to Appendix A) Items 5.17-5.23, items 5.24-5.26 (<i>force majeure</i> grounds) and items 5.39-5.40 (secondary work program variation) of the <i>Guideline: Offshore petroleum exploration - work-bid (Effective 2 March 2022)</i> (the Work-bid Guideline) ¹
REQUEST FOR FURTHER INFORMATION OR DOCUMENTARY EVIDENCE PROVIDED WITH APPLICATION	Refer to Appendix B
NOPTA ADVICE	NOPTA has assessed the First Application and considers that: <ul style="list-style-type: none"> • <i>force majeure</i> grounds exist for a 60-month suspension of the Permit Year 4 work program and a corresponding 60-month extension of the permit term in accordance with the Act and with consideration to the expectations of the Work-bid Guideline and the merits of the First Application. • sufficient grounds exist to support the requested secondary term work program variation to the Permit Year 5 work program in accordance with the Act and with consideration to the expectations of the Work-bid Guideline and the merits of the First Application. • Asset Energy and Bounty have sufficient technical advice available to enable them to carry out the operations and works that will be authorised by the permit and discharge their current obligations. • Asset Energy (with the support of Advent Energy and its shareholder, BPH Energy) and Bounty have available current funding to meet the immediate activity (preparation and submission of an environment plan (EP)) in support of the work program obligation, and current and likely future funding, of the magnitude and timing to fund the drilling of the exploration well in the future.

¹ Equivalent to items 2.6-2.12, 2.13-2.15, and 2.28-2.29 of *Offshore Petroleum Exploration Guideline: Work-bid (effective 1 July 2019 to 1 March 2022)*.

	<ul style="list-style-type: none"> Public interest considerations raised by Asset Energy are for the Joint Authority to consider. From a technical perspective, NOPTA considers that without drilling a prospect, there is no known petroleum pool, and therefore there is insufficient evidence currently to comment on the potential of PEP-11 in the context of Australia's energy security. <p>In accordance with the Act and with consideration to the expectations of the guidelines and the merits of the application, NOPTA recommends the Joint Authority:</p> <ol style="list-style-type: none"> Approve the secondary term variation of the Permit Year 5 work program commitments to replace the acquisition of 500 km² of 3D seismic data with post well studies; and Approve a 60-month suspension of the Permit Year 4 work program; and a corresponding 60-month extension of the permit term. <p>In making this recommendation, NOPTA considers the public interest matters raised are for the Joint Authority to consider.</p> <p>Should the Joint Authority approve the First Application, a draft letter to the titleholders (Attachment A) and draft instrument (Attachment B) is provided with this assessment for your review. Monthly reporting is currently an additional condition of the permit and will continue should the First Application be approved.</p> <p>Should the Joint Authority refuse the First Application, a draft procedural fairness letter to the titleholders (Attachment C) is provided with this assessment for your input and review.</p> <p>Please note that Asset Energy requests in its letter of 18 April 2023: <i>"As a matter of procedural fairness Asset Energy requests that the Joint Authority provide Asset Energy with the opportunity to file or make submissions:</i></p> <ol style="list-style-type: none"> <i>On any financial criteria or formula the Joint Authority will apply to assess the Applications;</i> <i>On any information that the Joint Authority has or may have available to it or rely on to form the view that the Applications are not in the public interest; and</i> <i>On any other criteria or information required by the Joint Authority not otherwise addressed in this letter."</i> 		
JOINT AUTHORITY TO NOTE	<p>The status of PEP-11 is active. The permit was due to expire on 12 February 2021. Under sub-section 265A(1) of the Act, if a petroleum exploration permittee applies for a suspension of any of the conditions to which the permit is subject, and the permit would, apart from that provision, expire before the Joint Authority decides on the application, the permit continues in force until the Joint Authority makes a decision on the application.</p> <p>On 4 February 2021, a second suspension and extension application relating to PEP-11 was validly submitted (the Second Application). Assessment of the Second Application was put on hold by NOPTA until a decision was made on the First Application.</p> <p>If the First Application is approved NOPTA will seek confirmation from the titleholders on whether they wish to proceed with the Second Application.</p>		
PRIOR USAGE RIGHT	No.		
NOPTA CONTACT	Jo Bell	Tel: (08) 6424 5301	Email: titles@nopta.gov.au
ENDORSED BY	Graeme Waters Titles Administrator	Signature: 	

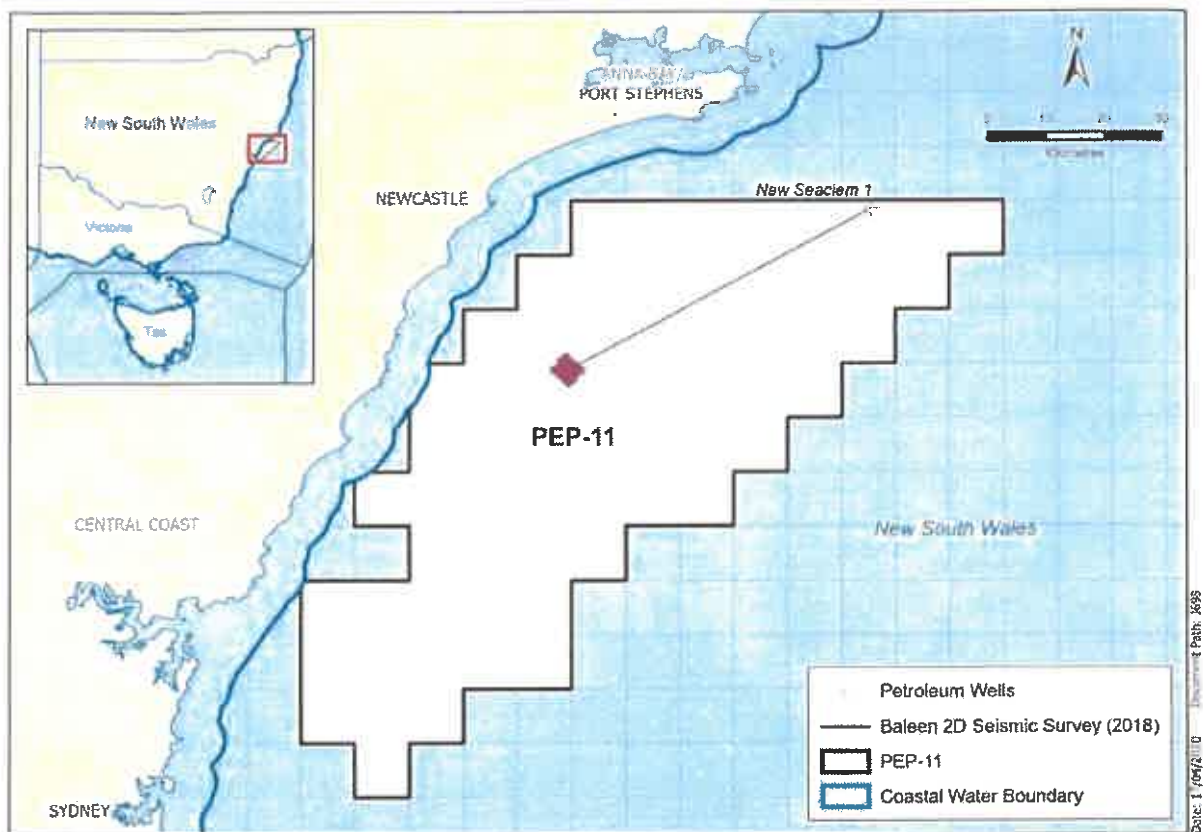


Figure 1: PEP-11 location map (source: NOPTA)

Table 1: Current work program and work completed.

Year	Permit Year Starts	Permit Year Ends	Activity Description	Actual Work Completed
1	13/08/2012	12/08/2013	2,000 km seismic reprocessing Geotechnical studies	<ul style="list-style-type: none"> • Reprocessed 61.5 km 2D Vintage Data (Dayboro Geo). • Prior to renewal of the permit reprocessed 1,308 line km 2D Vintage Data (CSIRO, 2009), 75 line km 2D Vintage Data (Co-sail, 2009), and 1,463 km Baleen 2D Survey (Fugro, 2010). This work was claimed against the Permit Year 1 commitment. • Review of data for Fish Prospect.
2	13/08/2013	12/02/2019	200 km 2D seismic survey Geotechnical studies <u>9/2/2015</u> - 12mth suspension approved on <i>force majeure</i> grounds. <u>18/1/2016</u> - Variation of Additional Condition 2 and 12mth suspension and extension of Permit Years 2&3. <u>8/01/2018</u> - 30mth suspension and extension of Permit Years 2&3.	<ul style="list-style-type: none"> • Baleen 2D HR Seismic Survey completed in 2018. A total of 205.4 line km acquired. • Petroleum play elements and risk factor study. • Prospects and leads analysis.
3	13/08/2015	12/02/2019	Geotechnical studies	Permit Years 2 and 3 ran in conjunction. Work described above.
4	13/02/2019	12/02/2020	One exploration well	Well planning including sourcing/securing contracts for long lead items and EP preparation work.
5	13/02/2020	12/02/2021	500 km ² 3D seismic survey	<i>NOTE: This application requests to vary out this item and replace it with post well studies.</i>

APPENDIX A – ASSESSMENT REPORT

1. BACKGROUND

In January 2020, Asset Energy applied to the Joint Authority for the First Application to allow an additional 24 months to drill an exploration well and remove the requirement for a seismic survey.

The Joint Authority refused the First Application on 26 March 2022 and NOPTA advised Asset Energy of the Joint Authority's decision on 30 March 2022.

On 1 June 2022, Asset Energy filed an application for judicial review in the Federal Court².

On 25 November 2022, the Hon Virginia Bell AC delivered the report of her *Inquiry into the Appointment of the Former Prime Minister to Administer Multiple Departments* to the Prime Minister, the Hon Anthony Albanese MP (the Bell Report)³.

On 14 February 2023, the Federal Court of Australia made orders setting aside the decision on the First Application made by the Joint Authority in relation to PEP-11 and the decision has been remitted to the Joint Authority.

On 3 March 2023, Asset Energy advised the Joint Authority that it would be making a further submission given that more than 3 years had passed since the First Application was made.

On 23 March 2023, NOPTA wrote to Asset Energy offering the following options for progressing the First and Second Applications:

Option 1: Submit a new consolidated application.

Option 2: Provide updated information in support of the applications.

On 18 April 2023, Asset Energy confirmed that it would pursue Option 2 and provided a further submission in support of the applications.

Additional materials provided by Asset Energy in support of the First Application are outlined at **Appendix B**.

2. APPLICATION OVERVIEW

The titleholders initially requested a 24-month suspension of Permit Year 4 with a corresponding extension to the permit term and a secondary term variation to Permit Year 5 to replace the acquisition of 500 km² of 3D seismic data with post well studies.

Following the Federal Court's order to set aside the decision on the First Application, the titleholders updated the First Application increasing the requested suspension and extension period from 24 months to 60 months citing *force majeure* grounds (refer to 18 April 2023 and 28 June 2023 letters in **Appendix B**).

In its letter of 18 April 2023, Asset Energy noted among other things that:

*Asset Energy draws the Joint Authority's attention to the facts outlined in Asset Energy v Commonwealth Minister for Resources [2023] FCA 86 and Bell Report. The Joint Authority ought to be mindful that: (a) there should have been no need for individuals who have been affected by an adverse government decision to have had to incur additional costs in seeking (i) to ascertain whether a decision was made by the correct minister; and (ii) judicial review of that decision....."*⁴

The total outstanding estimated Permit Years 4 and 5 expenditure is **A\$15.25 million**. Proposed changes from the current work program in bold font (**Table A1**).

² *Asset Energy v Commonwealth Minister for Resources [2023] FCA 86*

³ <https://www.ministriesinquiry.gov.au/system/files/2022-11/ministries-inquiry-report.pdf>

⁴ Please refer to the letter of 18 April 2023 for the full statement

Table A1: Proposed revised work program

Permit Year	Permit Year Starts	Permit Year Ends	Minimum Work Requirements	Estimated Expenditure A\$
1	13/08/2012	12/08/2013	2,000 km seismic reprocessing Geotechnical studies	250,000
2	13/08/2013	12/02/2019	200 km 2D seismic survey Geotechnical studies	2,000,000
3	13/08/2015	12/02/2019	Geotechnical studies	350,000
4	13/02/2019	12/02/2025	One exploration well	15,000,000*
5	13/02/2025	12/02/2026	Post well studies	250,000

*Commitment activity indicative values used in the assessment of the financial resources.

3. ASSESSMENT OF APPLICATION AGAINST THE GUIDELINES

In conducting the assessment, NOPTA has considered the expectations outlined in Part 5 of the Work-bid Guideline.

Secondary Work Program Variation

NOPTA considers that the proposed variation to replace the acquisition of 3D seismic data with post well studies in Permit Year 5 is logical and warranted given that there is a guaranteed well commitment in Permit Year 4. NOPTA expects that a full year of post well evaluation will generally be required to incorporate drilling results into the interpretation of the prospectivity of the permit.

NOPTA advises that Asset Energy's variation request is reasonable and is in accordance with the Act and the Work-bid Guideline that relates to secondary work program variations.

Suspension and Extension

NOPTA agrees that additional time is required to drill the Permit Year 4 exploration well commitment and to conduct an evaluation of the well results in Permit Year 5.

NOPTA considers that the delay in undertaking the work program activities due to uncertain tenure of title associated with the court proceedings, and other matters outlined in the background section of this advice is outside of the titleholders' control and constitutes *force majeure* grounds. The requested suspension and extension application is in accordance with the Act and the Work-Bid Guideline and should be approved.

Duration and timeline

Asset Energy has provided an indicative project plan of the activities expected to be undertaken between Q2 2023 and Q1 2026 (Figure A1). NOPTA considers that the basic structure of the plan is reasonable, but advises that the certain activities such as submission of the EP and committing to any significant expenditure is reliant Asset Energy receiving security of title:

- 12-20 months for engineering work, Environmental Plan (EP) preparation and approval, drilling preparation and well execution (subject to rig availability and weather), followed by
- 12 months of post well evaluation.

NOPTA further notes on 21 September 2022, the Federal Court set aside NOPSEMA's decision to accept the Barossa Development Drilling and Completions Environment Plan (Document No: BAD-200-0003 Revision 3, dated 11 February 2022)⁵. This decision was appealed by Santos⁶ (Barossa Case) and the judgement to dismiss the appeal was handed down on 2 December 2022. Following the Barossa Case, NOPSEMA updated its guidance on stakeholder engagement.

⁵ Tipakalippa v National Offshore Petroleum Safety and Environmental Management Authority (No 2) [2022] FCA 1121

⁶ Santos NA Barossa Pty Ltd v Tipakalippa [2022] FCAFC 193

NOPTA has seen over 14 related *force majeure* work program suspension and extension applications related to the Barossa Case and the need to provide sufficient time to submit new or revised EPs in line with the new guidance material.

NOPTA considers the requested suspension and extension period to be reasonable considering the uncertainties around the timing of decision-making and it will be likely to be sufficient to prepare and potentially submit an EP. However, NOPTA notes that the time remaining on the requested suspension and extension period is unlikely to provide enough time to drill a well. Should this First Application be approved a further period of suspension and extension will therefore likely be required.

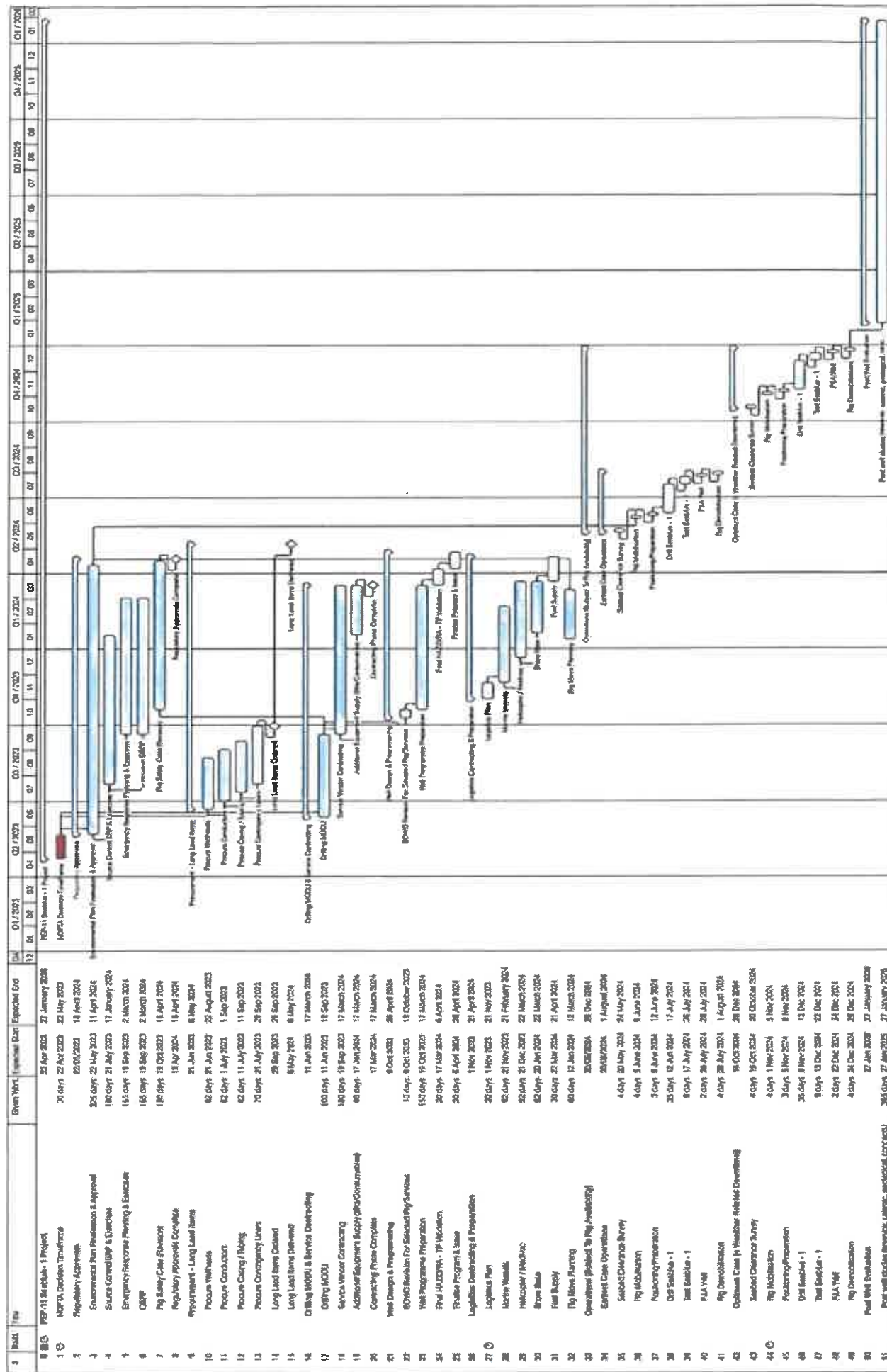


Figure A.1. Titleholders' indicative project plan (source: Modified from 18 April 2023 RFI response).

OFFICIAL: SENSITIVE

4. OTHER CONSIDERATIONS

4.1 PUBLIC INTEREST

Asset Energy has provided various detailed submissions (refer to **Appendix B**) on the merits of considering public interest and has provided the following summary in its letter of 18 April 2023:

- (a) section 264 of the Act confers a power on the Joint Authority to vary, suspend, or exempt a permittee from compliance with permit conditions. That power should not be used for the ulterior purpose of terminating a permit due to transitory public opposition as happened in the lead up to the May 2022 Commonwealth Election.
- (b) it is in the public interest for New South Wales (NSW), and Australia to have an increase in gas supply even factoring in the Commonwealth Government's February 2023 commitment to net-zero carbon emissions by 2050.
- (c) the public interest is best served by knowing what resources are off the coast of NSW and to determine the potential for carbon sequestration and acquiring additional data on the post rifting regional Permo-Triassic sequences. Such information can then be used to inform the broader debate and policy analysis about whether such resources ought to be extracted.
- (d) any analysis concerning the public interest and PEP-11 needs to be cognisant of the limited statutory rights conferred by a gas exploration permit.
- (e) the proposed work on PEP-11 will have no visual impairment on the NSW coastline, no impact on recreational activities, and a very limited environmental impact. This is because the work will be occurring some 25 kilometres off the coast of Newcastle over the course of approximately six weeks.
- (f) the titleholders are willing to work with the Joint Authority to enable PEP-11 to develop in a way which balances competing interests.
- (g) the extent to which there is genuine public opposition to PEP-11 is, in any event, contestable.
- (h) the proposed amendments to the work program reduce the environmental and social impact of exploration work on PEP-11.
- (i) the grant of any new exploration permit may take up to two years. Such a delay will only exacerbate the growing shortfall of gas supply in the east coast market.

Asset Energy also provided addition information on the east coast gas market and public interest factors in its letter of 28 June 2023.

Public interest is a matter for the Joint Authority to consider. From a technical perspective, NOPTA considers without drilling a prospect, there is no known petroleum pool, and therefore insufficient evidence to comment on the potential of PEP-11 in the context of Australia's energy security.

4.2 TECHNICAL ADVICE AND FINANCIAL RESOURCES AVAILABLE

While subsection 264(2AA) of the Act does not apply to this application (the application was made prior to section 264(2AA) of the Act coming into force), the decision-makers may choose to take into account substantively the same considerations under the general discretion of subsection 264(2) of the Act if they wish.

Section 264(2) of the Act states:

Variation, suspension or exemption

- (2) The Joint Authority may, by written notice given to the permittee, lessee or licensee:
 - (a) vary; or
 - (b) suspend; or
 - (c) exempt the permittee, lessee or licensee from compliance with any of the conditions to which the permit, lease, or licence is subject, on such conditions (if any) as are specified in the notice.

Section 264(2AA) of the Act states:

(2AA) In making a decision under subsection (2), the Joint Authority may have regard to:

- (a) whether the technical advice and financial resources available to the permittee, lessee or licensee are sufficient to:
 - (i) carry out the operations and works that will be authorised by the permit, lease, or licence if the condition of the permit, lease or licence is varied or suspended or the permittee, lessee or licensee is exempt from compliance with the condition; and
 - (ii) discharge the obligations that will be imposed under this Act, or a legislative instrument under this Act, in relation to the permit, lease, or licence if the condition of the permit, lease or licence is varied or suspended or the permittee, lessee or licensee is exempt from compliance with the condition; and
- (b) any other matters prescribed by the regulations; and
- (c) any other matters the Joint Authority considers relevant.

Should the decision makers wish to consider the technical advice and financial resources available to the permittee, NOPTA's assessment below has been drafted having regard to applicable provisions of the most recent and current policy guidance, including:

- Items 5.8-5.11 (Applicant's technical and financial capacity) of the Work-bid Guideline.
- Items 6.4-6.16 of the [Guideline: Applicant suitability \(Effective 2 March 2022\)](#)
- The [Factsheet: Financial Resources](#).

Table A2. Summary of assessment of the technical advice and financial resources available

Applicant	Technical Advice	Financial Resources
Asset Energy Pty Ltd (Asset Energy)	Sufficient	Sufficient
Bounty Oil & Gas NL (Bounty)	Sufficient	Sufficient

NOPTA is satisfied that Asset Energy and Bounty have sufficient financial resources and technical advice available (Table A2) to enable the titleholders to carry out the operations and works that will be authorised by the permit and discharge their current obligations.

4.2.1 Asset Energy

Asset Energy is an Australian registered 100% owned subsidiary of Advent Energy Limited (Advent Energy), an Australian registered, unlisted public company (Figure A2). Advent Energy is an oil and gas exploration and development company with onshore and offshore exploration and near-term development assets in Australia.

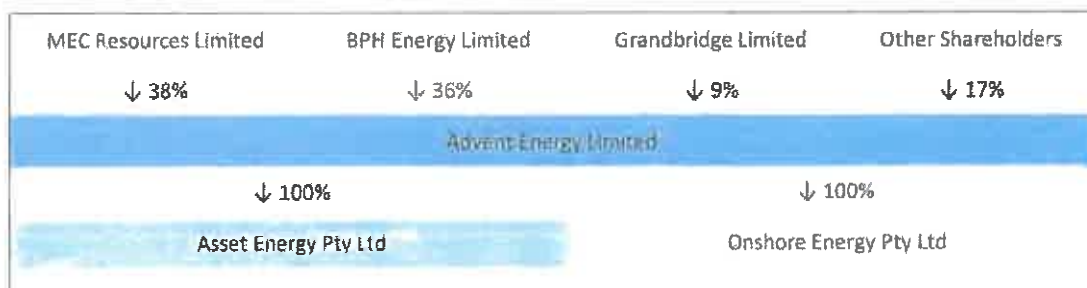


Figure A2. Asset Energy corporate structure (applicant entity highlighted in light blue) (source: NOPTA).

Advent Energy assets include 85% interest in PEP-11 through wholly owned subsidiary Asset Energy. Advent has a 2% interest in hydrogen technology company Clean Hydrogen Technologies Corporation and an onshore Bonaparte Basin retention licence (Northern Territory). Advent Energy also holds a ~15% interest in MEC Resources Limited as a result of a debt for equity conversion.

Advent Energy majority shareholders include two Australian Stock Exchange (ASX) listed entities MEC Resources Limited (38%) and BPH Energy Limited (36%) along with unlisted Grandbridge Limited (Figure A3).

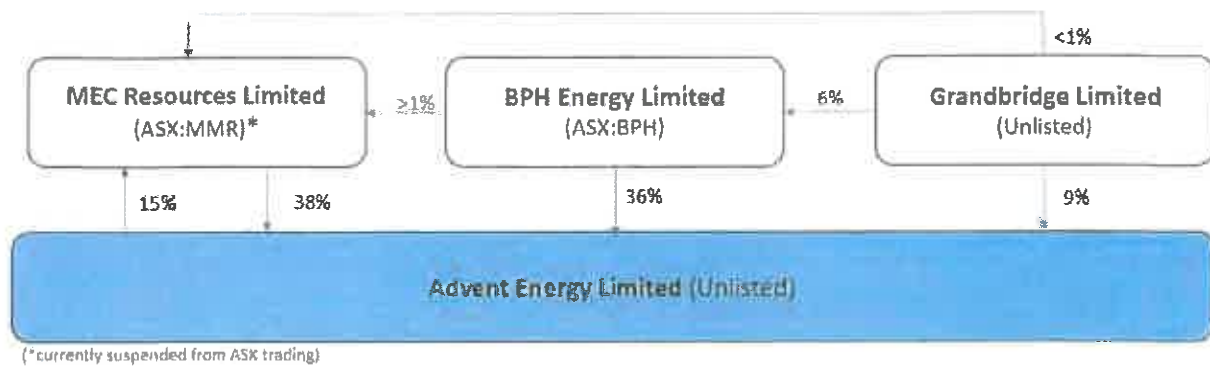


Figure A3. Ownership interests between Advent Energy and its major shareholders (source: NOPTA)

MEC Resources Limited is an Australian registered, ASX listed entity, currently suspended from quotation (market capitalisation not available as at 17 October 2023). MEC Resources Limited was formed to invest in a variety of industries, including companies in the energy and mineral resources sector. It is registered as a Pooled Development Fund under the *Pooled Development Fund Act (1992)*. MEC Resources Limited's current major investment is in unlisted Australian oil and gas exploration investee company, Advent Energy.

MEC Resources Limited has been suspended from quotation on the ASX since 17 January 2020 at its own request. Since then, it has submitted various responses to the ASX in dealing with additional information requisitions from the ASX from time to time. There are two primary requirements for MEC Resources to be relisted on the ASX:

1. That Advent Energy be successful in the extension of its PEP11 oil and gas exploration lease; and
2. MEC Resources Limited be successful in its appeal to reinstate its status as a Pooled Development Fund,

the ASX could consider conditions for reinstatement on the basis of continuation of MEC Resources Limited's existing business.

The first of these requirements is contingent on the Joint Authority approving either the First Application or the Second Application. On 15 March 2023, the second of these requirements was satisfied as MEC Resources Limited had its Pooled Development Fund status reinstated after a successful action in the Australian Administrative Appeals Tribunal. The application also states that MEC Resources Limited currently has a draft prospectus for relisting on the ASX that is being reviewed by its corporate lawyers (Steinepreis Paganin).

BPH Energy Limited is an Australian registered, ASX listed entity (market capitalisation A\$25.52 million as at 17 October 2023). The principal activities of BPH Energy Limited are investments in biotechnology and oil and gas exploration entities. BPH Energy Limited has 51.82% equity interest in Diagnostic Array Systems Pty Ltd, a 35.8% interest in Advent Energy (oil and gas exploration), a 20% interest in Molecular Discovery Systems Limited (biomedical research), a 16.8% in Cortical Dynamics Limited (medical device neurotechnology) and an 8% interest in Clean Hydrogen Technologies Corporation (under a loan conversion agreement).

Financial Resources

NOPTA's assessment is based on the information provided with the application and publicly available financial information (*Advent Energy Limited Annual Financial Report 2023; MEC Resources Limited Annual Report 2023 and BPH Energy Limited Annual Report 2023*).

NOPTA assesses applicants against several financial indicators and an applicant does not necessarily have to meet all the indicator thresholds (*Financial resources Fact Sheet, Attachment B: Financial indicators and threshold values*), for NOPTA to consider the applicant satisfies the financial resource requirements at that point in time. Consideration is also given to whether funds are available to meet the immediate work program obligations within the title. The current funds available to Advent Energy include:

- A\$26,437 cash and cash equivalents as at 30 June 2023.
- Shareholder support (e.g., shareholder loans of A\$6.2 million⁷ as at 30 June 2023).

⁷ Loans are from shareholders, MEC Resources and BPH Energy. MEC Resources loan will only be recoverable by the issue of shares in Advent Energy in certain circumstances.

In terms of the financial indicators, Advent Energy meets the going concern, current ratio, net assets, gross gearing and restoration cover thresholds used to assess financial capacity. Advent Energy does not meet the commitment and cash cover thresholds. The cash cover threshold is considered where a work program has a guaranteed well commitment and is assessed as to whether an applicant will have sufficient funds to not only meet its share of the drilling costs but in addition a minimum contingency (50%).

NOPTA notes should this application be approved, it is likely that the immediate activity in support of the work program obligation is the preparation and submission of an EP, rather than drilling a well (NOPTA expects the titleholders would likely require a further suspension and extension to drill the well). NOPTA has therefore taken this into account in assessing the financial resources available to Advent Energy and does not consider the cash cover threshold an issue in the current application.

In addition to the above considerations, NOPTA reviews an applicant’s demonstrated track record in raising funds or securing farm-in partners to meet guaranteed work program obligations within the last 10 years. If reliant on securing future funding the company (or the directors of that company) should, within the onshore or offshore petroleum industry:

- have been successful in attracting financing or farm-in partners on more than one occasion and at least once in the last 10 years; and/or
- scale of previous fund raising should be consistent with future funding requirements for the title under consideration (have raised funding in line with that required for next activity).

Asset Energy’s share of the guaranteed work program outstanding commitment is **A\$12.75 million**. Advent Energy expects to be able to raise significant new capital for its share of the PEP-11 project and that at least one of its Directors has significant experience in capital raising including for petroleum exploration drilling (a copy of a letter confirming Advent Energy’s commitment to provide Asset Energy with the capital was provided). Advent Energy states that its funding strategy is to utilise a combination of future capital raising supported by its current shareholders. A multi-stage capital raising program is proposed with capital raised through both ASX listed and unlisted securities offerings with the primary source to be BPH Energy Ltd (copy of letter provided confirming its commitment to raise funds in support of the drilling program within PEP-11).

Asset Energy provided a timeline of activities to up to drilling the exploration well, this included the timing and method of raising funds and use of these funds (**Figure A4**).



Figure A4. PEP-11 extended activities and funding (source: Application)

Use of funds: In addition to the drilling of the exploration well cost the use of funds includes Advent Energy's operational costs of between \$1 million to \$1.5 million per annum temporarily increasing by an estimated \$3 million to fund the proposed exploration well as the team is expanded for detailed planning and regulatory compliance in advance of drilling.

Asset Energy advises that the future estimated costs for the EP are minimal (\$41k) as the costs for preparation of the EP and associated studies (~\$400k) have already been paid (prior to 30 June 2023). The final payment for the EP preparation is to be paid upon submission of the EP to NOPSEMA. A copy of the draft EP was provided to NOPTA.

Based on Advent Energy's prior experience of drilling in PEP-11 in 2010, it anticipates that a booking deposit of \$3 million will be required. After the booking of the rig, the safety case revision preparation will commence. This is estimated to cost between \$350k and \$500k. The total cost of long lead purchases is anticipated to be in the order of \$2.5 million and will be spread over multiple payments, typically four tranches of 25% of the cost, subject to negotiation with individual providers of the long lead equipment.

Funding: Advent Energy provided details of a three phased capital raising in support of the drilling of the exploration well. Note all timings for raising funds are aligned with an approval of this application.

1. Offer Information Statement (Advent Energy)⁸, A\$7.4 million raised over an approximate 9-month period (contributing to Advent Energy Limited's operational costs (A\$1.5 million), and EP costs (A\$41k).
 - a. This amount is proposed to include **A\$2.67 million from BPH Energy**; A\$1.5 million from MEC Resources and A\$3.2 million from Advent Energy shareholders and the public.
2. Pre-Initial Public Offering (Advent Energy Limited), A\$27.6 million raised over an approximate 6-month period (contributing to Advent Energy's operational costs (maximum A\$4.5 million), rig booking deposit (A\$3 million), Safety case revision preparation (A\$500k) and long lead purchases (A\$2.5 million)).
 - a. This amount is proposed to include **A\$12 million from BPH Energy**; \$3.6 million from MEC Resources and \$12 million placement to professional investors.
3. Initial Public Offering (Advent Energy), A\$38 million raised over an approximate 6-month period (contributing to Advent Energy's operational costs (maximum A\$4.5 million) and drilling costs)
 - a. This amount is proposed to include **A\$10 million from BPH Energy**; \$6 million from MEC Resources and A\$22 million from Initial Public Offering prospectus.

In total BPH Energy intends to contribute a total of **A\$24.67 million**. BPH Energy states it is due to receive an estimated A\$15 million from the exercise of options in September 2024⁹. BPH Energy has a history of funding Advent Energy both through equity and loans and has provided a written commitment to that effect. NOPTA considers that funding identified from MEC Resources will require reinstatement to the ASX to enable the magnitude of funding stated to be raised. Whilst a draft prospectus for MEC Resources relisting on the ASX is being prepared the timing of this remains uncertain.

Advent Energy is dependent on its shareholders MEC Resources and BPH Energy to provide financial support. The current funds available to each at 30 June 2023 include:

- | MEC Resources | BPH Energy |
|---|---|
| <ul style="list-style-type: none"> ▪ A\$223,509 cash and cash equivalents. | <ul style="list-style-type: none"> ▪ A\$5.6 million cash and cash equivalents. |

In terms of the financial indicators, MEC Resources meets the going concern (Director's opinion)¹⁰, net assets, gross gearing and restoration cover thresholds used to assess financial capacity. MEC Resources does not meet the current ratio. BPH Energy meets the going concern, current ratio, net assets, gross gearing and restoration

⁸ Advent Energy has prepared an *Offer Information Statement Disclosure Document* for registration with ASIC (submission subject to decision on current application) to raise up to \$7,377,000 prior to end 2023/24 (Asset Energy Letter dated 28 June 2023)

⁹ Asset Energy Letter dated 2 October 2023

¹⁰ The 2023 *Director's Report* for MEC Resources notes that MEC Resources will require additional funding in the next 12 months to enable it to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due. The continuing viability of MEC Resources is dependent upon operating cash requirements not exceeding historical levels; creditors continuing not to demand repayment of amounts due to them; and the Directors being successful in obtaining future funding (raising additional capital or issuing debt) in which MEC Resources has demonstrated a history of success.

cover thresholds used to assess financial capacity. MEC Resources notes that its interest in Advent Energy is a non-controlling interest. Both shareholders' investment in Advent Energy is equity accounted. Therefore, the commitment for PEP-11 has not been recognised in either entity's financial statements and the commitment and cash cover thresholds have therefore not been applied.

NOPTA does not consider that Advent Energy currently has the financial resources to fund its share of an exploration well. NOPTA considers that Advent Energy (with the support of its shareholder, BPH Energy) has available current funding to meet the immediate activity (preparation and submission of an EP) in support of the work program obligation, and the current and likely future funding, of the magnitude and timing to fund the drilling of the exploration well in the future.

In coming to this conclusion, NOPTA has taken the following factors into consideration:

- 1) the current funds available include:
 - A\$26,437 (Advent Energy) and A\$5.6 million (BPH Energy) cash and cash equivalents as at 30 June 2023.
- 2) the immediate activity in support of the work program obligation is the submission of an EP, allowing for time to execute its capital raising strategy to fund the drilling of the exploration well.
- 3) the ability (including demonstrated track record) to secure future funding of the magnitude required of Advent Energy and its shareholders MEC Resources and BPH Energy during the past three years includes equity raised (net of transaction costs; not including extinguishment of debt):
 - Advent Energy: a total of A\$2.2 million through shares issued during the 2022 financial year.
 - MEC Resources: a total of A\$314k through a placement to qualified institutional and sophisticated investors during the 2023 financial year.
 - BPH Energy: a total of A\$15.7 million (over three years) through share placements and exercise of options (largest of these was a share placement of A\$9 million (before transaction costs), February 2021).
 - September 2023 share placement raised A\$1.9 million (A\$1.5 million of which is intended for funding exploration and development of oil and gas investments).
- 4) Advent Energy and its shareholders have previously funded an exploration well (2010; PEP-11) raising over A\$55 million in a four-phase stepped process of which the majority (A\$34 million) was funded by BPH Energy.
 - BPH Energy in 2009/2010 was \$15.1 million; BPH Energy in 2010/2011 was \$18.9 million.
 - MEC in 2009/2010 was \$13.2 million.
 - Advent Energy in 2010 \$7.5 million.

Technical Advice

Asset Energy has provided documents detailing the technical advice available to it to meet the obligations associated with the exploration work program for PEP-11. Asset Energy relies on the technical personnel of its parent company, Advent Energy.

As noted above, Advent Energy is an unlisted oil and gas exploration and development company that has offshore and onshore titles in Australia. It has demonstrated its ability to fulfil work program commitments across its exploration permits, including acquisition of seismic surveys, interpretation of this data and drilling of one exploration well in 2010 in the offshore Sydney Basin.

It has provided details of its key staff, stating extensive experience in offshore oil and gas exploration within Australia and globally, offshore and onshore drilling campaigns, preparation and submission of regulatory documents to NOPSEMA, reservoir engineering and field development.

Advent Energy has also demonstrated that it is able to access relevant external technical advice as required through specialist service companies. Advent Energy commissioned the provision of well management services for the Sea Blue-1 offshore well from Add Energy in 2020. Add Energy is headquartered in Stavanger, Norway and has a proven record as a provider of engineering and software services to the energy industry, particularly relating to drilling and well management.

More recently, Advent Energy has issued a 'Letter of Intent' to Aztech Well Construction Services Pty Ltd (**Aztech**) for the provision of drilling project management for the Sea Blue-1 well. Aztech are a Perth based consultancy with extensive experience managing offshore drilling.

Based on the merits of the application, at this point in time, Asset Energy, via support from its parent company Advent Energy, and through its access to appropriate service companies, is assessed to be technically competent to project manage and carry out offshore petroleum operations. It also has sufficient technical advice to carry out the operations and works that will be authorised by the permit and to discharge its obligations in accordance with the requirements of the Act and expectations of the Guidelines.

Asset Energy Suitability Summary

Based on the information provided, NOPTA considers that Asset Energy (with the support of Advent Energy, MEC Resources and BPH Energy):

- has sufficient technical advice to carry out the work program that will be authorised by the permit, and
- has the financial resources available to fund its share of the immediate activity (preparing and submitting an EP) in the next 12 months for PEP-11.

4.2.2 Bounty

Bounty Oil & Gas N.L. is an independent Australian oil and gas explorer and producer. It was formed in 1999 and listed on the ASX in February 2002 (market capitalisation A\$10.96. million as at 17 October 2023). The principal activity of the group is oil production and oil and gas exploration and development. Bounty's secondary activity is investment in listed securities.

Bounty has oil production from its interest (2%) in the Naccowlah Block, southwest Queensland and expects to commence oil production from the Surat Basin, southeast Queensland in 2023. Bounty has the potential to earn a 25% (with options to earn up to 50%) interest in the Cerberus Project, offshore Carnarvon Basin in Western Australia. Bounty has a 15% interest in PEP-11 in the offshore Sydney Basin, and a 23.23% interest in several tenements (Post Permian JV) in onshore South Australia.

Financial Resources

NOPTA assessment is based on the information provided with the application and publicly available financial information (*Bounty Oil & Gas N.L. Annual Report 2022*; *Bounty Oil & Gas N.L. – Interim Financial Report – 31 December 2022* (unaudited); and *Bounty Oil and Gas NL Annual Report 2023*).

NOPTA assesses applicants against several financial indicators and an applicant does not necessarily have to meet all the indicator thresholds (*Financial resources Fact Sheet, Attachment B: Financial indicators and threshold values*), for NOPTA to consider the applicant satisfies the financial resource requirements at that point in time. Consideration is also given to whether funds are available to meet the immediate work program obligations within the title. The current funds available to Bounty include:

- A\$1.2 million cash and cash equivalents as at 30 June 2023.
- revenue from continuing operations (A\$1.8 million for year ended 30 June 2023)
- nil borrowings as at 30 June 2023.

In terms of the financial indicators, Bounty meets the going concern, net assets, commitment cover, gross gearing and restoration cover thresholds used to assess financial capacity. Bounty does not meet the current ratio, commitment and cash cover thresholds. The cash cover threshold is considered where a work program has a guaranteed well commitment and is assessed as to whether an applicant will have sufficient funds to not only meet its share of the drilling costs but in addition a minimum contingency (50%).

NOPTA notes should this application be approved, it is likely that the immediate activity in support of the work program obligation is the preparation and submission of an EP, rather than drilling a well (NOPTA expects the titleholders would likely require a further suspension and extension to drill the well). NOPTA has therefore taken this into account in assessing the financial resources available to Bounty and does not consider the cash cover threshold an issue in the current application.

In addition to the above considerations, NOPTA reviews if the applicant has a demonstrated track record in raising funds or securing farm-in partners to meet guaranteed work program obligations within the last 10 years. If reliant on securing future funding the company (or the directors of that company) should, within the onshore or offshore petroleum industry:

- have been successful in attracting financing or farm-in partners on more than one occasion and at least once in the last 10 years; and/or
- scale of previous fund raising should be consistent with future funding requirements for the title under consideration (have raised funding in line with that required for next activity).

Bounty's share of the guaranteed work program outstanding commitment is A\$2.25 million. Bounty states that its funding strategy is to utilise a combination of revenue from continuing operations and future capital raising. Bounty expects to be able to raise significant new capital for its share of the PEP-11 project and that its Directors have significant experience financing petroleum production operations and development drilling in Australia and Canada and offshore petroleum exploration in Australia and Tanzania.

NOPTA does not consider that Bounty currently has the financial resources to fund its share of an exploration well. NOPTA however considers that Bounty has available a combination of current and likely future funding, of the magnitude and timing, to meet the immediate activity (preparation and submission on an EP) in support of the work program obligation, and to fund the drilling of the exploration well in the future.

In coming to this conclusion, NOPTA has taken the following factors into consideration:

- 1) the current funds available include:
 - A\$1.2 million cash and cash equivalents as at 30 June 2023.
 - revenue from continuing operations (A\$1.8 million for year ended 30 June 2023)
 - nil borrowings as at 30 June 2023.
- 2) the immediate activity in support of the work program obligation is the submission of an EP, allowing for time to execute its capital raising strategy to fund the drilling of the exploration well.
- 3) the ability (including demonstrated track record) to secure future funding of the magnitude required of Bounty during the past three years includes equity raised (net of transaction costs):
 - October 2021: A\$2.3 million through a placement to qualified institutional and sophisticated investors to fund its acquisition of 25% interest in Carnarvon Basin permits and general working capital.
 - September 2020: A\$1.4 million share issue to shareholders and sophisticated investors to fund its working capital and project development.

Technical Advice

Bounty has provided documents detailing the technical advice available to it to meet the obligations associated with the exploration work program for PEP-11. Bounty has stated that it will assist Asset Energy with technical resources as required.

As noted above, Bounty is an ASX-listed oil and gas exploration and development company that has offshore and onshore titles in Australia, including producing assets in onshore Australia. It has demonstrated its ability to fulfil work program commitments across its exploration permits, including acquisition of seismic surveys, interpretation of this data and participation in drilling offshore exploration wells.

It has provided details of its key staff, stating extensive experience in offshore oil and gas exploration within Australia and globally, offshore and onshore drilling campaigns, seismic interpretation, reservoir engineering and field development.

Based on the merits of the application, at this point in time, Bounty is assessed to be technically competent to project manage and carry out offshore petroleum operations. It also has sufficient technical advice to carry out the operations and works that will be authorised by the permit and to discharge its obligations in accordance with the requirements of the Act and expectations of the Guidelines.

Bounty Suitability Summary

Based on the information provided, NOPTA considers that Bounty:

- has sufficient technical advice to carry out the work program that will be authorised by the permit, and

- has the financial resources available to fund its share of the immediate activity (preparing and submitting an EP) in the next 12 months for PEP-11.

APPENDIX B – ADDITIONAL MATERIALS

Information provided with or incorporated into NOPTA's advice to the Joint Authority in relation to the First Application dated 29 April 2020

Asset Energy's 18 February 2020 response to request for information dated 5 February 2020

- Response Cover Letter
- AEA-TEN-Asset Energy Well Management Rev
- Extended proposal to asset energy for COSL prospector

Asset Energy's 12 March 2020 response to request for information dated 27 February 2020

- Response Cover letter
- ADD Energy schedule
- Copy of resource plan asset
- Email

Information provided to the Joint Authority via email (with accompanying letter) on 7 August 2020

Asset Energy's 6 August 2020 response to JA request for information dated 2 July 2020

- Response Cover Letter
- Appendix 2A placement 2407 20
- BPH Annual Report 2011
- BPH announcement 230720 NRRI
- BPH Advent Energy Funding Update 12 April 2010
- BPH Advent Energy Limited Investment Update 070410
- BPH BPH Corporate Completion of Non Renounceable Offer 030910
- BPH Underwriting details raised \$11.5 m
- BPH Update on Advent placement \$14.4 m
- Funding Commitment Advent 060820 1

Provided to the Joint Authority on 31 January 2022 as Attachment B to NOPTA's advice to the Joint Authority in relation to the First Application dated 31 January 2021

Asset Energy's 22 January 2022 submission in response to the Notice of intention to refuse (NOIR) dated 16 December 2021

- NOIR response submission

Information received after federal court order to set aside Joint Authority decision.

Information provided to the Joint Authority via email on 18 April 2023

Asset Energy's 18 April 2023 response to request for further information dated 23 March 2023

- Response Cover Letter
- Annexures

Information provided to the Joint Authority via email on 29 June 2023 (sent as Part 1 and Part 2)

Asset Energy's 28 June 2023 response to request for further information dated 22 May 2023

- Response Cover letter
- Annexure 1
- Annexure 2
- Annexure 3
- Annexure 4

Information provided to the Joint Authority via email on 30 August 2023

Asset Energy's 29 August 2023 response to request for further information dated 2 August 2023

- Response Cover Letter

Information provided to the Joint Authority via email on 3 October 2023

Asset Energy's 3 October 2023 response to request for clarification dated 12 September 2023

- Clarification Letter

Attachments 1 of 3 (emailed to Joint Authority on 3 October 2023)

- Seablue-1 EP 1 Introduction.pdf
- Seablue-1 EP 2 Description of the Activity
- Seablue-1 EP 3 Stakeholder Consultation
- Seablue-1 EP 5 Ecological Receptor Assessment

Attachments 2 of 3 (emailed to Joint Authority on 3 October 2023)

- Seablue-1 EP 6 Social, Cultural and Heritage Receptor Assessment
- Seablue-1 EP 7 Oil Spill Response Activities
- Seablue-1 EP 8 Implementation Strategy
- Seablue-1 EP 9 Acronyms Glossary
- Seablue-1 EP Appendix A EIA Tools Rev A
- Seablue-1 EP Appendix B Scoping Out Table
- Seablue-1 EP Appendix C Consultation Report
- Seablue-1 EP Appendix D Sensative Information Report
- Seablue-1 OPEP

Attachments 1 of 3 (emailed to Joint Authority on 3 October 2023)

- Seablue-1 EP Appendix E Spill Risk Report
- Seablue-1 EP Appendix F Light Modelling Report
- Seablue-1 OSMP

Rule 29.02

Annexure Certificate GAW-4

Federal Court of Australia
District Registry: Western Australia
Division: General

No. WAD 36 of 2025

Asset Energy Pty Ltd (ACN 120 013 390)

Applicant

**The Commonwealth Minister for Industry and Science, as the Responsible Commonwealth
Minister of the Commonwealth-New South Wales Offshore Petroleum Joint Authority and another**

Respondents

This is the Annexure marked "GAW-4" referred to in the affidavit of Graeme Albert Waters sworn at Melbourne on 2 July 2025.

Before me:



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Kate Ervin
Australian Legal Practitioner

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Commonwealth-New South Wales Offshore Petroleum Joint Authority
17 October 2023


**APPLICATION FOR SUSPENSION OF CONDITIONS OF PERMIT
AND EXTENSION OF THE PERMIT TERM
PETROLEUM EXPLORATION PERMIT PEP-11**

Purpose: To inform the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority (the **Joint Authority**) in relation to an application made under section 264 and 265 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the **Act**).

Details:

TITLE	Petroleum Exploration Permit NSW/PEP-11 (PEP-11) PEP-11 location map: Figure 1 Current work program and work completed: Table 1
TITLEHOLDERS	Asset Energy Pty Ltd (Asset Energy) Bounty Oil & Gas NL (Bounty)
VALIDLY SUBMITTED	Validly submitted 4 February 2021.
APPLICATION TYPE	NEATS Ref: NDZHVN (the Second Application) • 60-month suspension of the Permit Year 4 work program and a corresponding 60-month extension of the permit term.
SECTIONS OF THE ACT	Sections 264 and 265 of the Act .
RELEVANT GUIDELINES	Application Assessment (refer to Appendix A) Items 5.17-5.23, items 5.24-5.26 (<i>force majeure</i> grounds) and items 5.39-5.40 (secondary work program variation) of the <i>Guideline: Offshore petroleum exploration - work-bid (Effective 2 March 2022)</i> (the Work-bid Guideline) ¹
REQUEST FOR FURTHER INFORMATION OR DOCUMENTARY EVIDENCE PROVIDED WITH APPLICATION	Refer to Appendix B
NOPTA ADVICE	NOPTA has assessed the Second Application and considers that: <ul style="list-style-type: none"> • <i>force majeure</i> grounds exist for a 60-month suspension of the Permit Year 4 work program and a corresponding 60-month extension of the permit term in accordance with the Act and with consideration to the expectations of the Work-bid Guideline and the merits of the Second Application. • Asset Energy and Bounty have sufficient technical advice available to enable them to carry out the operations and works that will be authorised by the permit and discharge their current obligations. • Asset Energy (with the support of Advent Energy and its shareholder, BPH Energy) and Bounty have available current funding to meet the immediate activity (preparation and submission of an environment plan (EP)) in support of the work program obligation, and current and likely future funding, of the magnitude and timing to fund the drilling of the exploration well in the future. • Public interest considerations raised by Asset Energy are for the Joint Authority to consider. From a technical perspective, NOPTA considers that without drilling a prospect, there is no known petroleum pool, and therefore there is insufficient evidence currently to comment on the potential of PEP-11 in the context of Australia's energy security.

¹ Equivalent to items 2.6-2.12, 2.13-2.15, and 2.28-2.29 of *Offshore Petroleum Exploration Guideline: Work-bid (effective 1 July 2019 to 1 March 2022)*.

	<p>In accordance with the Act and with consideration to the expectations of the guidelines and the merits of the application, NOPTA recommends the Joint Authority:</p> <ol style="list-style-type: none"> 1. Approve a 60-month suspension of the Permit Year 4 work program; and a corresponding 60-month extension of the permit term. <p>In making this recommendation, NOPTA considers the public interest matters raised are for the Joint Authority to consider.</p> <p>Should the Joint Authority approve the Second Application, a draft letter to the titleholders (Attachment A) and draft instrument (Attachment B) is provided with this assessment for your review. Monthly reporting is currently an additional condition of the permit and will continue should the Second Application be approved.</p> <p>Should the Joint Authority refuse the Second Application, a draft procedural fairness letter to the titleholders (Attachment C) is provided with this assessment for your input and review.</p> <p>Please note that Asset Energy requests in its letter of 18 April 2023: <i>"As a matter of procedural fairness Asset Energy requests that the Joint Authority provide Asset Energy with the opportunity to file or make submissions:</i></p> <ol style="list-style-type: none"> (a) <i>On any financial criteria or formula the Joint Authority will apply to assess the Applications;</i> (b) <i>On any information that the Joint Authority has or may have available to it or rely on to form the view that the Applications are not in the public interest; and</i> (c) <i>On any other criteria or information required by the Joint Authority not otherwise addressed in this letter."</i> 		
JOINT AUTHORITY TO NOTE	<p>The status of PEP-11 is active. The permit was due to expire on 12 February 2021. Under sub-section 265A(1) of the Act, if a petroleum exploration permittee applies for a suspension of any of the conditions to which the permit is subject, and the permit would, apart from that provision, expire before the Joint Authority decides on the application, the permit continues in force until the Joint Authority makes a decision on the application.</p> <p>Under sub-section 265A(2) of the Act, if the Joint Authority refuses the application, the permit continues in force until the end of:</p> <ol style="list-style-type: none"> (a) the period of 2 months that began when notice of the refusal was given to the permittee; or (b) such longer period as the Joint Authority allows. <p>If a petroleum exploration permit continues in force during a period under subsection 265A(2), the permittee is not entitled to make an application during that period for a suspension of any of the conditions to which the permit is subject.</p>		
PRIOR USAGE RIGHT	No.		
NOPTA CONTACT	Jo Bell	Tel: (08) 6424 5301	Email: titles@nopta.gov.au
ENDORSED BY	Graeme Waters Titles Administrator	Signature: 	

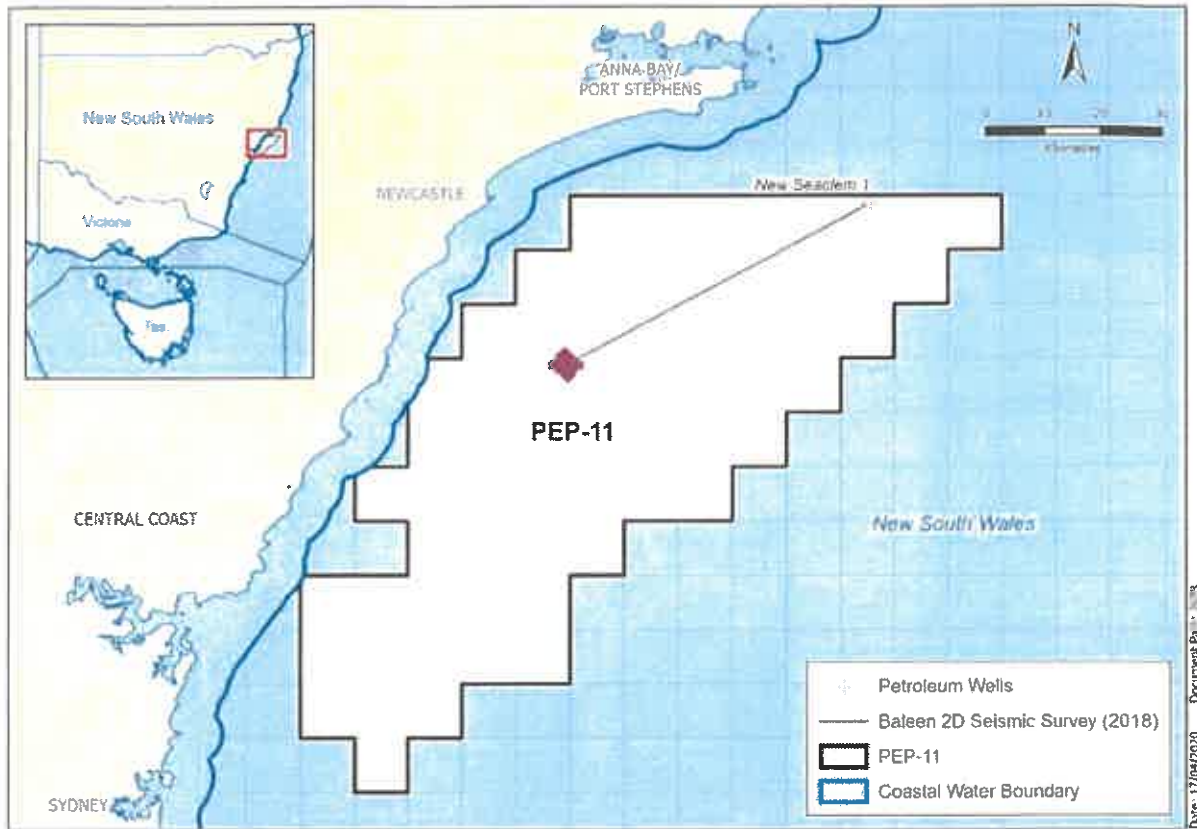


Figure 1: PEP-11 location map (source: NOPTA)

Table 1: Current work program and work completed.

Year	Permit Year Starts	Permit Year Ends	Activity Description	Actual Work Completed
1	13/08/2012	12/08/2013	2,000 km seismic reprocessing Geotechnical studies	<ul style="list-style-type: none"> • Reprocessed 61.5 km 2D Vintage Data (Dayboro Geo). • Prior to renewal of the permit reprocessed 1,308 line km 2D Vintage Data (CSIRO, 2009), 75 line km 2D Vintage Data (Co-sail, 2009), and 1,463 km Baleen 2D Survey (Fugro, 2010). This work was claimed against the Permit Year 1 commitment. • Review of data for Fish Prospect.
2	13/08/2013	12/02/2019	200 km 2D seismic survey Geotechnical studies <u>9/2/2015</u> - 12mth suspension approved on <i>force majeure</i> grounds. <u>18/1/2016</u> – Variation of Additional Condition 2 and 12mth suspension and extension of Permit Years 2&3. <u>8/01/2018</u> – 30mth suspension and extension of Permit Years 2&3.	<ul style="list-style-type: none"> • Baleen 2D HR Seismic Survey completed in 2018. A total of 205.4 line km acquired. • Petroleum play elements and risk factor study. • Prospects and leads analysis.
3	13/08/2015	12/02/2019	Geotechnical studies	<ul style="list-style-type: none"> • Permit Years 2 and 3 ran in conjunction. Work described above.
4	13/02/2019	12/02/2020	One exploration well	<ul style="list-style-type: none"> • Well planning including sourcing/securing contracts for long lead items and EP preparation work.
5	13/02/2020	12/02/2021	500 km ² 3D seismic survey	

APPENDIX A – ASSESSMENT REPORT

1. BACKGROUND

In January 2020, Asset Energy applied to the Joint Authority for the First Application to allow an additional 24 months to drill an exploration well and remove the requirement for a seismic survey.

In February 2021, Asset Energy applied to the Joint Authority for the Second Application to provide a further 24 months to drill an exploration well (in addition to the 24 months applied for in the First Application).

The Joint Authority refused the First Application on 26 March 2022 and NOPTA advised Asset Energy of the Joint Authority's decision on 30 March 2022.

On 1 June 2022, Asset Energy filed an application for judicial review in the Federal Court².

On 25 November 2022, the Hon Virginia Bell AC delivered the report of her *Inquiry into the Appointment of the Former Prime Minister to Administer Multiple Departments* to the Prime Minister, the Hon Anthony Albanese MP (the Bell Report)³.

On 14 February 2023, the Federal Court of Australia made orders setting aside the decision on the First Application made by the Joint Authority in relation to PEP-11 and the decision has been remitted to the Joint Authority.

On 3 March 2023, Asset Energy advised the Joint Authority that it would be making a further submission given that more than 3 years had passed since the First Application was made.

On 23 March 2023, NOPTA wrote to Asset Energy offering the following options for progressing the applications:

Option 1: Submit a new consolidated application.

Option 2: Provide updated information in support of the applications.

On 18 April 2023, Asset Energy confirmed that it would pursue Option 2 and provided a further submission in support of the applications.

Additional materials provided by Asset Energy in support of the applications are outlined at **Appendix B**.

2. APPLICATION OVERVIEW

The titleholders initially requested a 24-month suspension of Permit Year 4 with a corresponding extension to the permit term citing delays in the outcome of the First Application and challenges related to the COVID-19 pandemic.

Following the Federal Court's order to set aside the decision on the First Application, the titleholders updated the Second Application increasing the requested suspension and extension period from 24 months to 60 months citing *force majeure* grounds (refer to 18 April 2023 and 28 June 2023 letters in **Appendix B**).

In its letter of 18 April 2023, Asset Energy noted among other things that:

*Asset Energy draws the Joint Authority's attention to the facts outlined in Asset Energy v Commonwealth Minister for Resources [2023] FCA 86 and Bell Report. The Joint Authority ought to be mindful that: (a) there should have been no need for individuals who have been affected by an adverse government decision to have had to incur additional costs in seeking (i) to ascertain whether a decision was made by the correct minister; and (ii) judicial review of that decision....."*⁴

² *Asset Energy v Commonwealth Minister for Resources [2023] FCA 86*

³ <https://www.ministriesinquiry.gov.au/system/files/2022-11/ministries-inquiry-report.pdf>

⁴ Please refer to the letter of 18 April 2023 for the full statement

The total outstanding estimated Permit Years 4 and 5 expenditure is A\$18.5 million. Proposed changes from the current work program in bold font (Table A1).

Table A1: Proposed revised work program

Permit Year	Permit Year Starts	Permit Year Ends	Minimum Work Requirements	Estimated Expenditure A\$
1	13/08/2012	12/08/2013	2,000 km seismic reprocessing Geotechnical studies	250,000
2	13/08/2013	12/02/2019	200 km 2D seismic survey Geotechnical studies	2,000,000
3	13/08/2015	12/02/2019	Geotechnical studies	350,000
4	13/02/2019	12/02/2025	One exploration well	15,000,000*
5	13/02/2025	12/02/2026	500 km ² 3D Seismic Survey	3,500,000

*Commitment activity indicative values used in the assessment of the financial resources.

3. ASSESSMENT OF APPLICATION AGAINST THE GUIDELINES

In conducting the assessment, NOPTA has considered the expectations outlined in Part 5 of the Work-bid Guideline.

Suspension and Extension

NOPTA agrees that additional time is required to drill the Permit Year 4 exploration well commitment and to conduct an evaluation of the well results.

NOPTA considers that the delay in undertaking the work program activities due to uncertain tenure of title associated with the court proceedings, and other matters outlined in the background section of this advice is outside of the titleholders' control and constitutes *force majeure* grounds. The requested suspension and extension application is in accordance with the Act and the Work-Bid Guideline and should be approved.

Duration and timeline

Asset Energy has provided an indicative project plan of the activities expected to be undertaken between Q2 2023 and Q1 2026 (Figure A1). NOPTA considers that the basic structure of the plan is reasonable, but advises that the certain activities such as submission of the EP and committing to any significant expenditure is reliant Asset Energy receiving security of title:

- 12-20 months for engineering work, Environmental Plan (EP) preparation and approval, drilling preparation and well execution (subject to rig availability and weather), followed by
- 12 months of post well evaluation.

NOPTA further notes on 21 September 2022, the Federal Court set aside NOPSEMA's decision to accept the Barossa Development Drilling and Completions Environment Plan (Document No: BAD-200-0003 Revision 3, dated 11 February 2022)⁵. This decision was appealed by Santos⁶ (Barossa Case) and the judgement to dismiss the appeal was handed down on 2 December 2022. Following the Barossa Case, NOPSEMA updated its guidance on stakeholder engagement.

NOPTA has seen over 14 related *force majeure* work program suspension and extension applications related to the Barossa Case and the need to provide sufficient time to submit new or revised EPs in line with the new guidance material.

NOPTA considers the requested suspension and extension period to be reasonable considering the uncertainties around the timing of decision-making and it will be likely to be sufficient to prepare and potentially submit an EP. However, NOPTA notes that the time remaining on the requested suspension and extension period is unlikely to provide enough time to drill a well. Should this Second Application be approved a further period of suspension and extension will therefore likely be required.

⁵ Tipakalippa v National Offshore Petroleum Safety and Environmental Management Authority (No 2) [2022] FCA 1121

⁶ Santos NA Barossa Pty Ltd v Tipakalippa [2022] FCAFC 193

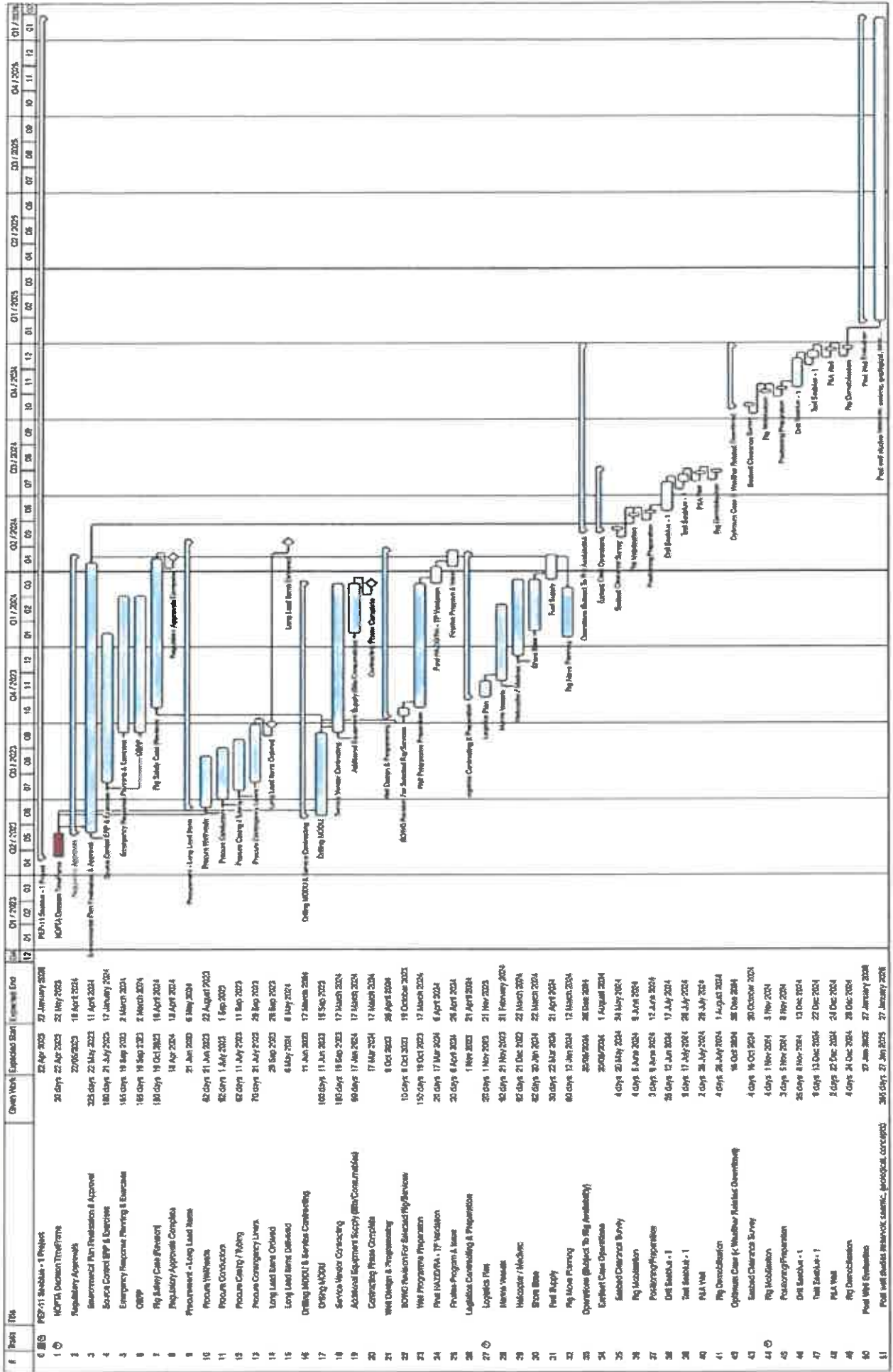


Figure A1. Titleholders' indicative project plan (source: Modified from 18 April 2023 RFI response).

OFFICIAL: SENSITIVE

4. OTHER CONSIDERATIONS

4.1 PUBLIC INTEREST

Asset Energy has provided detailed submissions (refer to **Appendix B**) on the merits of considering public interest and has provided the following summary in its letter of 18 April 2023:

- (a) section 264 of the Act confers a power on the Joint Authority to vary, suspend, or exempt a permittee from compliance with permit conditions. That power should not be used for the ulterior purpose of terminating a permit due to transitory public opposition as happened in the lead up to the May 2022 Commonwealth Election.
- (b) it is in the public interest for New South Wales (NSW), and Australia to have an increase in gas supply even factoring in the Commonwealth Government's February 2023 commitment to net-zero carbon emissions by 2050.
- (c) the public interest is best served by knowing what resources are off the coast of NSW and to determine the potential for carbon sequestration and acquiring additional data on the post rifting regional Permo-Triassic sequences. Such information can then be used to inform the broader debate and policy analysis about whether such resources ought to be extracted.
- (d) any analysis concerning the public interest and PEP-11 needs to be cognisant of the limited statutory rights conferred by a gas exploration permit.
- (e) the proposed work on PEP-11 will have no visual impairment on the NSW coastline, no impact on recreational activities, and a very limited environmental impact. This is because the work will be occurring some 25 kilometres off the coast of Newcastle over the course of approximately six weeks.
- (f) the titleholders are willing to work with the Joint Authority to enable PEP-11 to develop in a way which balances competing interests.
- (g) the extent to which there is genuine public opposition to PEP-11 is, in any event, contestable.
- (h) the proposed amendments to the work program reduce the environmental and social impact of exploration work on PEP-11.
- (i) the grant of any new exploration permit may take up to two years. Such a delay will only exacerbate the growing shortfall of gas supply in the east coast market.

Asset Energy also provided addition information on the east coast gas market and public interest factors in its letter of 28 June 2023.

Public interest is a matter for the Joint Authority to consider. From a technical perspective, NOPTA considers without drilling a prospect, there is no known petroleum pool, and therefore insufficient evidence to comment on the potential of PEP-11 in the context of Australia's energy security.

4.2 TECHNICAL ADVICE AND FINANCIAL RESOURCES AVAILABLE

While subsection 264(2AA) of the Act does not apply to this application, the decision-makers may choose to take into account substantively the same considerations under the general discretion of subsection 264(2) of the Act if they wish.

Section 264(2) of the Act states:

Variation, suspension or exemption

- (2) The Joint Authority may, by written notice given to the permittee, lessee or licensee:
 - (a) vary; or
 - (b) suspend; or
 - (c) exempt the permittee, lessee or licensee from compliance with;
 any of the conditions to which the permit, lease, or licence is subject, on such conditions (if any) as are specified in the notice.

Section 264(2AA) of the Act states:

(2AA) In making a decision under subsection (2), the Joint Authority may have regard to:

- (a) whether the technical advice and financial resources available to the permittee, lessee or licensee are sufficient to:
 - (i) carry out the operations and works that will be authorised by the permit, lease, or licence if the condition of the permit, lease or licence is varied or suspended or the permittee, lessee or licensee is exempt from compliance with the condition; and
 - (ii) discharge the obligations that will be imposed under this Act, or a legislative instrument under this Act, in relation to the permit, lease, or licence if the condition of the permit, lease or licence is varied or suspended or the permittee, lessee or licensee is exempt from compliance with the condition; and
- (b) any other matters prescribed by the regulations; and
- (c) any other matters the Joint Authority considers relevant.

Should the decision makers wish to consider the technical advice and financial resources available to the permittee, NOPTA's assessment below has been drafted having regard to applicable provisions of the most recent and current policy guidance, including:

- Items 5.8-5.11 (Applicant's technical and financial capacity) of the Work-bid Guideline.
- Items 6.4-6.16 of the Guideline: Applicant suitability (Effective 2 March 2022)
- The Factsheet: Financial Resources.

Table A2. Summary of assessment of the technical advice and financial resources available

Applicant	Technical Advice	Financial Resources
Asset Energy Pty Ltd (Asset Energy)	Sufficient	Sufficient
Bounty Oil & Gas NL (Bounty)	Sufficient	Sufficient

NOPTA is satisfied that Asset Energy and Bounty have sufficient financial resources and technical advice available (Table A2) to enable the titleholders to carry out the operations and works that will be authorised by the permit and discharge their current obligations.

4.2.1 Asset Energy

Asset Energy is an Australian registered 100% owned subsidiary of Advent Energy Limited (Advent Energy), an Australian registered, unlisted public company (Figure A2). Advent Energy is an oil and gas exploration and development company with onshore and offshore exploration and near-term development assets in Australia.



Figure A2. Asset Energy corporate structure (applicant entity highlighted in light blue) (source: NOPTA).

Advent Energy assets include 85% interest in PEP-11 through wholly owned subsidiary Asset Energy. Advent has a 2% interest in hydrogen technology company Clean Hydrogen Technologies Corporation and an onshore Bonaparte Basin retention licence (Northern Territory). Advent Energy also holds a ~15% interest in MEC Resources Limited as a result of a debt for equity conversion.

Advent Energy majority shareholders include two Australian Stock Exchange (ASX) listed entities MEC Resources Limited (38%) and BPH Energy Limited (36%) along with unlisted Grandbridge Limited (Figure A3).

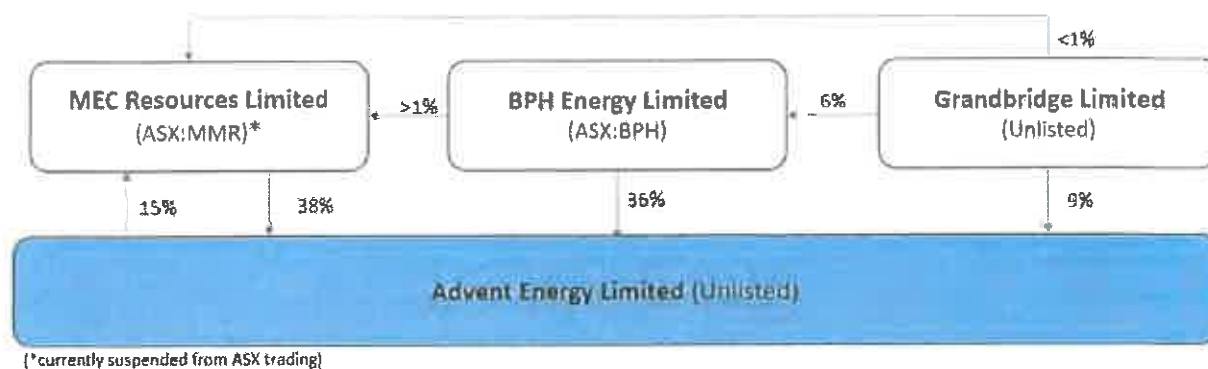


Figure A3. Ownership interests between Advent Energy and its major shareholders (source: NOPTA)

MEC Resources Limited is an Australian registered, ASX listed entity, currently suspended from quotation (market capitalisation not available as at 17 October 2023). MEC Resources Limited was formed to invest in a variety of industries, including companies in the energy and mineral resources sector. It is registered as a Pooled Development Fund under the *Pooled Development Fund Act (1992)*. MEC Resources Limited's current major investment is in unlisted Australian oil and gas exploration investee company, Advent Energy.

MEC Resources Limited has been suspended from quotation on the ASX since 17 January 2020 at its own request. Since then, it has submitted various responses to the ASX in dealing with additional information requisitions from the ASX from time to time. There are two primary requirements for MEC Resources to be relisted on the ASX:

1. That Advent Energy be successful in the extension of its PEP11 oil and gas exploration lease; and
2. MEC Resources Limited be successful in its appeal to reinstate its status as a Pooled Development Fund,

the ASX could consider conditions for reinstatement on the basis of continuation of MEC Resources Limited's existing business.

The first of these requirements is contingent on the Joint Authority approving either the First Application or the Second Application. On 15 March 2023, the second of these requirements was satisfied as MEC Resources Limited had its Pooled Development Fund status reinstated after a successful action in the Australian Administrative Appeals Tribunal. The application also states that MEC Resources Limited currently has a draft prospectus for relisting on the ASX that is being reviewed by its corporate lawyers (Steinepreis Paganin).

BPH Energy Limited is an Australian registered, ASX listed entity (market capitalisation A\$25.52 million as at 17 October 2023). The principal activities of BPH Energy Limited are investments in biotechnology and oil and gas exploration entities. BPH Energy Limited has 51.82% equity interest in Diagnostic Array Systems Pty Ltd, a 35.8% interest in Advent Energy (oil and gas exploration), a 20% interest in Molecular Discovery Systems Limited (biomedical research), a 16.8% in Cortical Dynamics Limited (medical device neurotechnology) and an 8% interest in Clean Hydrogen Technologies Corporation (under a loan-conversion agreement).

Financial Resources

NOPTA's assessment is based on the information provided with the application and publicly available financial information (*Advent Energy Limited Annual Financial Report 2023*; *MEC Resources Limited Annual Report 2023* and *BPH Energy Limited Annual Report 2023*).

NOPTA assesses applicants against several financial indicators and an applicant does not necessarily have to meet all the indicator thresholds (*Financial resources Fact Sheet, Attachment B: Financial indicators and threshold values*), for NOPTA to consider the applicant satisfies the financial resource requirements at that point in time. Consideration is also given to whether funds are available to meet the immediate work program obligations within the title. The current funds available to Advent Energy include:

- A\$26,437 cash and cash equivalents as at 30 June 2023.
- Shareholder support (e.g., shareholder loans of A\$6.2 million⁷ as at 30 June 2023).

⁷ Loans are from shareholders, MEC Resources and BPH Energy. MEC Resources loan will only be recoverable by the issue of shares in Advent Energy in certain circumstances.

Use of funds: In addition to the drilling of the exploration well cost the use of funds includes Advent Energy's operational costs of between \$1 million to \$1.5 million per annum temporarily increasing by an estimated \$3 million to fund the proposed exploration well as the team is expanded for detailed planning and regulatory compliance in advance of drilling.

Asset Energy advises that the future estimated costs for the EP are minimal (\$41k) as the costs for preparation of the EP and associated studies (~\$400k) have already been paid (prior to 30 June 2023). The final payment for the EP preparation is to be paid upon submission of the EP to NOPSEMA. A copy of the draft EP was provided to NOPTA.

Based on Advent Energy's prior experience of drilling in PEP-11 in 2010, it anticipates that a booking deposit of \$3 million will be required. After the booking of the rig, the safety case revision preparation will commence. This is estimated to cost between \$350k and \$500k. The total cost of long lead purchases is anticipated to be in the order of \$2.5 million and will be spread over multiple payments, typically four tranches of 25% of the cost, subject to negotiation with individual providers of the long lead equipment.

Funding: Advent Energy provided details of a three phased capital raising in support of the drilling of the exploration well. Note all timings for raising funds are aligned with an approval of this application.

1. Offer Information Statement (Advent Energy)⁸, A\$7.4 million raised over an approximate 9-month period (contributing to Advent Energy Limited's operational costs (A\$1.5 million), and EP costs (A\$41k).
 - a. This amount is proposed to include **A\$2.67 million from BPH Energy**; A\$1.5 million from MEC Resources and A\$3.2 million from Advent Energy shareholders and the public.
2. Pre-Initial Public Offering (Advent Energy Limited), A\$27.6 million raised over an approximate 6-month period (contributing to Advent Energy's operational costs (maximum A\$4.5 million), rig booking deposit (A\$3 million), Safety case revision preparation (A\$500k) and long lead purchases (A\$2.5 million)).
 - a. This amount is proposed to include **A\$12 million from BPH Energy**; \$3.6 million from MEC Resources and \$12 million placement to professional investors.
3. Initial Public Offering (Advent Energy), A\$38 million raised over an approximate 6-month period (contributing to Advent Energy's operational costs (maximum A\$4.5 million) and drilling costs)
 - a. This amount is proposed to include **A\$10 million from BPH Energy**; \$6 million from MEC Resources and A\$22 million from Initial Public Offering prospectus.

In total BPH Energy intends to contribute a total of **A\$24.67 million**. BPH Energy states it is due to receive an estimated A\$15 million from the exercise of options in September 2024⁹. BPH Energy has a history of funding Advent Energy both through equity and debt and has provided a written commitment to that affect. NOPTA considers that funding identified from MEC Resources will require reinstatement to the ASX to enable the magnitude of funding stated to be raised. Whilst a draft prospectus for MEC Resources relisting on the ASX is being prepared the timing of this remains uncertain.

Advent Energy is dependent on its shareholders MEC Resources and BPH Energy to provide financial support. The current funds available to each at 30 June 2023 include:

- | MEC Resources | BPH Energy |
|---|---|
| <ul style="list-style-type: none"> • A\$223,509 cash and cash equivalents. | <ul style="list-style-type: none"> • A\$5.6 million cash and cash equivalents. |

In terms of the financial indicators, MEC Resources meets the going concern (Director's opinion)¹⁰, net assets, gross gearing and restoration cover thresholds used to assess financial capacity. MEC Resources does not meet

⁸ Advent Energy has prepared an *Offer Information Statement Disclosure Document* for registration with ASIC (submission subject to decision on current application) to raise up to \$7,377,000 prior to end 2023/24 (Asset Energy Letter dated 28 June 2023)

⁹ Asset Energy Letter dated 2 October 2023

¹⁰ The 2023 *Director's Report* for MEC Resources notes that MEC Resources will require additional funding in the next 12 months to enable it to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due. The continuing viability of MEC Resources is dependent upon operating cash requirements not exceeding historical levels; creditors continuing not to demand repayment of amounts due to them; and the Directors being successful in obtaining future funding (raising additional capital or issuing debt) in which MEC Resources has demonstrated a history of success.

the current ratio. BPH Energy meets the going concern, current ratio, net assets, gross gearing and restoration cover thresholds used to assess financial capacity. MEC Resources notes that its interest in Advent Energy is a non-controlling interest. Both shareholders investment in Advent Energy is equity accounted. Therefore, the commitment for PEP-11 has not been recognised in either entity's financial statements and the commitment and cash cover thresholds have therefore not been applied.

NOPTA does not consider that Advent Energy currently has the financial resources to fund its share of an exploration well. NOPTA considers that Advent Energy (with the support of its shareholder, BPH Energy) has available current funding to meet the immediate activity (preparation and submission of an EP) in support of the work program obligation, and the current and likely future funding, of the magnitude and timing to fund the drilling of the exploration well in the future.

In coming to this conclusion, NOPTA has taken the following factors into consideration:

- 1) the current funds available include:
 - A\$26,437 (Advent Energy) and A\$5.6 million (BPH Energy) cash and cash equivalents as at 30 June 2023.
- 2) the immediate activity in support of the work program obligation is the submission of an EP, allowing for time to execute its capital raising strategy to fund the drilling of the exploration well.
- 3) the ability (including demonstrated track record) to secure future funding of the magnitude required of Advent Energy and its shareholders MEC Resources and BPH Energy during the past three years includes equity raised (net of transaction costs; not including extinguishment of debt):
 - Advent Energy: a total of A\$2.2 million through shares issued during the 2022 financial year.
 - MEC Resources: a total of A\$314k through a placement to qualified institutional and sophisticated investors during the 2023 financial year.
 - BPH Energy: a total of A\$15.7 million (over three years) through share placements and exercise of options (largest of these was a share placement of A\$9 million (before transaction costs), February 2021).
 - September 2023 share placement raised A\$1.9 million (A\$1.5 million of which is intended for funding exploration and development of oil and gas investments).
- 4) Advent Energy and its shareholders have previously funded an exploration well (2010; PEP-11) raising over A\$55 million in a four-phase stepped process of which the majority (A\$34 million) was funded by BPH Energy.
 - BPH Energy in 2009/2010 was \$15.1 million; BPH Energy in 2010/2011 was \$18.9 million.
 - MEC in 2009/2010 was \$13.2 million.
 - Advent Energy in 2010 \$7.5 million.

Technical Advice

Asset Energy has provided documents detailing the technical advice available to it to meet the obligations associated with the exploration work program for PEP-11. Asset Energy relies on the technical personnel of its parent company, Advent Energy.

As noted above, Advent Energy is an unlisted oil and gas exploration and development company that has offshore and onshore titles in Australia. It has demonstrated its ability to fulfil work program commitments across its exploration permits, including acquisition of seismic surveys, interpretation of this data and drilling of one exploration well in 2010 in the offshore Sydney Basin.

It has provided details of its key staff, stating extensive experience in offshore oil and gas exploration within Australia and globally, offshore and onshore drilling campaigns, preparation and submission of regulatory documents to NOPSEMA, reservoir engineering and field development.

Advent Energy has also demonstrated that it is able to access relevant external technical advice as required through specialist service companies. Advent Energy has commissioned the provision of well management services for the Sea Blue-1 offshore well from Add Energy in 2020. Add Energy is headquartered in Stavanger, Norway and has a proven record as a provider of engineering and software services to the energy industry, particularly relating to drilling and well management.

More recently, Advent Energy has issued a 'Letter of Intent' to Aztech Well Construction Services Pty Ltd (Aztech) for the provision of drilling project management for the Sea Blue-1 well. Aztech are a Perth based consultancy with extensive experience managing offshore drilling.

Based on the merits of the application, at this point in time, Asset Energy, via support from its parent company Advent Energy, and through its access to appropriate service companies, is assessed to be technically competent to project manage and carry out offshore petroleum operations. It also has sufficient technical advice to carry out the operations and works that will be authorised by the permit and to discharge its obligations in accordance with the requirements of the Act and expectations of the Guidelines.

Asset Energy Suitability Summary

Based on the information provided, NOPTA considers that Asset Energy (with the support of Advent Energy, MEC Resources and BPH Energy):

- has sufficient technical advice to carry out the work program that will be authorised by the permit, and
- has the financial resources available to fund its share of the immediate activity (preparing and submitting an EP) in the next 12 months for PEP-11.

4.2.2 Bounty

Bounty Oil & Gas N.L. is an independent Australian oil and gas explorer and producer. It was formed in 1999 and listed on the ASX in February 2002 (market capitalisation (A\$10.96 million as at 17 October 2023). The principal activity of the group is oil production and oil and gas exploration and development. Bounty's secondary activity is investment in listed securities.

Bounty has oil production from its interest (2%) in the Naccowlah Block, southwest Queensland and expects to commence oil production from the Surat Basin, southeast Queensland in 2023. Bounty has the potential to earn a 25% (with options to earn up to 50%) interest in the Cerberus Project, offshore Carnarvon Basin in Western Australia. Bounty has a 15% interest in PEP-11 in the offshore Sydney Basin, and a 23.23% interest in several tenements (Post Permian JV) in onshore South Australia.

Financial Resources

NOPTA assessment is based on the information provided with the application and publicly available financial information (*Bounty Oil & Gas N.L. Annual Report 2022*; *Bounty Oil & Gas N.L. – Interim Financial Report – 31 December 2022* (unaudited); and *Bounty Oil and Gas NL Annual Report 2023*).

NOPTA assesses applicants against several financial indicators and an applicant does not necessarily have to meet all the indicator thresholds (*Financial resources Fact Sheet, Attachment B: Financial indicators and threshold values*), for NOPTA to consider the applicant satisfies the financial resource requirements at that point in time. Consideration is also given to whether funds are available to meet the immediate work program obligations within the title. The current funds available to Bounty include:

- A\$1.2 million cash and cash equivalents as at 30 June 2023.
- revenue from continuing operations (A\$1.8 million for year ended 30 June 2023)
- nil debt as at 30 June 2023.

In terms of the financial indicators, Bounty meets the going concern, net assets, commitment cover, gross gearing and restoration cover thresholds used to assess financial capacity. Bounty does not meet the current ratio, commitment and cash cover thresholds. The cash cover threshold is considered where a work program has a guaranteed well commitment and is assessed as to whether an applicant will have sufficient funds to not only meet its share of the drilling costs but in addition a minimum contingency (50%).

NOPTA notes should this application be approved it is likely that the immediate activity in support of the work program obligation is the preparation and submission of an EP, rather than drilling a well (NOPTA expects the titleholders would likely require a further suspension and extension to drill the well). NOPTA has therefore taken this into account in assessing the financial resources available to Bounty and does not consider the cash cover threshold an issue in the current application.

In addition to the above considerations, NOPTA reviews if the applicant has a demonstrated track record in raising funds or securing farm-in partners to meet guaranteed work program obligations within the last 10 years. If reliant on securing future funding the company (or the directors of that company) should, within the onshore or offshore petroleum industry:

- have been successful in attracting financing or farm-in partners on more than one occasion and at least once in the last 10 years; and/or
- scale of previous fund raising should be consistent with future funding requirements for the title under consideration (have raised funding in line with that required for next activity).

Bounty's share of the guaranteed work program outstanding commitment is A\$2.25 million. Bounty states that its funding strategy is to utilise a combination of revenue from continuing operations and future capital raising. Bounty expects to be able to raise significant new capital for its share of the PEP-11 project and that its Directors have significant experience financing petroleum production operations and development drilling in Australia and Canada and offshore petroleum exploration in Australia and Tanzania.

NOPTA does not consider that Bounty currently has the financial resources to fund its share of an exploration well. NOPTA however considers that Bounty has available a combination of current and likely future funding, of the magnitude and timing, to meet the immediate activity (preparation and submission on an EP) in support of the work program obligation, and to fund the drilling of the exploration well in the future.

In coming to this conclusion, NOPTA has taken the following factors into consideration:

- 1) the current funds available include:
 - A\$1.2 million cash and cash equivalents as at 30 June 2023.
 - revenue from continuing operations (A\$1.8 million for year ended 30 June 2023)
 - nil debt as at 30 June 2023.
- 2) the immediate activity in support of the work program obligation is the submission of an EP, allowing for time to execute its capital raising strategy to fund the drilling of the exploration well.
- 3) the ability (including demonstrated track record) to secure future funding of the magnitude required of Bounty during the past three years includes equity raised (net of transaction costs):
 - October 2021: A\$2.3 million through a placement to qualified institutional and sophisticated investors to fund its acquisition of 25% interest in Carnarvon Basin permits and general working capital.
 - September 2020: A\$1.4 million share issue to shareholders and sophisticated investors to fund its working capital and project development.

Technical Advice

Bounty has provided documents detailing the technical advice available to it to meet the obligations associated with the exploration work program for PEP-11. Bounty has stated that it will assist Asset Energy with technical resources as required.

As noted above, Bounty is an ASX-listed oil and gas exploration and development company that has offshore and onshore titles in Australia, including producing assets in onshore Australia. It has demonstrated its ability to fulfil work program commitments across its exploration permits, including acquisition of seismic surveys, interpretation of this data and participation in drilling offshore exploration wells.

It has provided details of its key staff, stating extensive experience in offshore oil and gas exploration within Australia and globally, offshore and onshore drilling campaigns, seismic interpretation, reservoir engineering and field development.

Based on the merits of the application, at this point in time, Bounty is assessed to be technically competent to project manage and carry out offshore petroleum operations. It also has sufficient technical advice to carry out the operations and works that will be authorised by the permit and to discharge its obligations in accordance with the requirements of the Act and expectations of the Guidelines.

Bounty Suitability Summary

Based on the information provided, NOPTA considers that Bounty:

- has sufficient technical advice to carry out the work program that will be authorised by the permit, and

- has the financial resources available to fund its share of the immediate activity (preparing and submitting an EP) in the next 12 months for PEP-11.

APPENDIX B – ADDITIONAL MATERIALS

Application submission in regard of the Second Application validly submitted 4 February 2021

- [Application Form](#)
- [Application Submission](#)
- [Request for Additional Information \(RFI\) dated 17 February 2021](#)
- [Applicant email response to RFI](#)
 - [Applicant Response to Q1 of RFI](#)
 - [Applicant Response to Q2 of RFI](#)

Information provided with or incorporated into NOPTA's advice to the Joint Authority in relation to the First Application dated [29 April 2020](#)

Asset Energy's [18 February 2020](#) response to request for information dated [5 February 2020](#)

- [Response Cover Letter](#)
- [AEA-TEN-Asset Energy Well Management Rev](#)
- [Extended proposal to asset energy for COSL prospector](#)

Asset Energy's [12 March 2020](#) response to request for information dated [27 February 2020](#)

- [Response Cover letter](#)
- [ADD Energy schedule](#)
- [Copy of resource plan asset](#)
- [Email](#)

Information provided to the Joint Authority via email (with [accompanying letter](#)) on [7 August 2020](#)

Asset Energy's [6 August 2020](#) response to JA request for information dated [2 July 2020](#)

- [Response Cover Letter](#)
- [Appendix 2A placement 2407 20](#)
- [BPH Annual Report 2011](#)
- [BPH announcement 230720 NRR1](#)
- [BPH Advent Energy Funding Update 12 April 2010](#)
- [BPH Advent Energy Limited Investment Update 070410](#)
- [BPH BPH Corporate Completion of Non Renounceable Offer 030910](#)
- [BPH Underwriting details raised \\$11.5 m](#)
- [BPH Update on Advent placement \\$14.4 m](#)
- [Funding Commitment Advent 060820 1](#)

Provided to the Joint Authority on 31 January 2022 as Attachment B to NOPTA's advice to the Joint Authority in relation to the First Application dated [31 January 2021](#)

Asset Energy's [22 January 2022](#) submission in response to the Notice of intention to refuse (NOIR) dated [16 December 2021](#)

- [NOIR response submission](#)

[Information received after federal court order to set aside Joint Authority decision.](#)

Information provided to the Joint Authority via email on [18 April 2023](#)

Asset Energy's [18 April 2023](#) response to request for further information dated [23 March 2023](#)

- [Response Cover Letter](#)
- [Annexures](#)

Information provided to the Joint Authority via email on 29 June 2023 ([sent as Part 1 and Part 2](#))

Asset Energy's [28 June 2023](#) response to request for further information dated [22 May 2023](#)

- [Response Cover letter](#)
- [Annexure 1](#)

- [Annexure 2](#)
- [Annexure 3](#)
- [Annexure 4](#)

Information provided to the Joint Authority via email on **30 August 2023**

Asset Energy's 29 August 2023 response to request for further information dated 2 August 2023

- [Response Cover Letter](#)

Information provided to the Joint Authority via email on **3 October 2023**

Asset Energy's 3 October 2023 response to request for clarification dated 12 September 2023

- [Clarification Letter](#)

Attachments 1 of 3 (emailed to Joint Authority on 3 October 2023)

- [Seablue-1 EP 1 Introduction.pdf](#)
- [Seablue-1 EP 2 Description of the Activity](#)
- [Seablue-1 EP 3 Stakeholder Consultation](#)
- [Seablue-1 EP 5 Ecological Receptor Assessment](#)

Attachments 2 of 3 (emailed to Joint Authority on 3 October 2023)

- [Seablue-1 EP 6 Social, Cultural and Heritage Receptor Assessment](#)
- [Seablue-1 EP 7 Oil Spill Response Activities](#)
- [Seablue-1 EP 8 Implementation Strategy](#)
- [Seablue-1 EP 9 Acronyms Glossary](#)
- [Seablue-1 EP Appendix A EIA Tools Rev A](#)
- [Seablue-1 EP Appendix B Scoping Out Table](#)
- [Seablue-1 EP Appendix C Consultation Report](#)
- [Seablue-1 EP Appendix D Sensative Information Report](#)
- [Seablue-1 OPEP](#)

Attachments 1 of 3 (emailed to Joint Authority on 3 October 2023)

- [Seablue-1 EP Appendix E Spill Risk Report](#)
- [Seablue-1 EP Appendix F Light Modelling Report](#)

[Seablue-1 OSMP](#)

Rule 29.02

**Annexure Certificate
GAW-5**

Federal Court of Australia
District Registry: Western Australia
Division: General

No. WAD 36 of 2025

Asset Energy Pty Ltd (ACN 120 013 390)

Applicant

**The Commonwealth Minister for Industry and Science, as the Responsible Commonwealth
Minister of the Commonwealth-New South Wales Offshore Petroleum Joint Authority** and another

Respondents

This is the Annexure marked "GAW-5" referred to in the affidavit of Graeme Albert Waters sworn at
Melbourne on 2 July 2025.

Before me:



.....
Kate Ervin
Australian Legal Practitioner

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Ref: 18308/21920/81045671



**APPLICATION FOR VARIATION AND SUSPENSION OF CONDITIONS OF PERMIT
AND EXTENSION OF THE PERMIT TERM
PETROLEUM EXPLORATION PERMIT PEP-11**

Purpose: To inform the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority (the **Joint Authority**) in relation to an application made under sections 264 and 265 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the **OPGGGS Act**).

Details:

TITLE	Petroleum Exploration Permit NSW/PEP-11 (PEP-11) PEP-11 location map: Figure 1
TITLEHOLDERS	Asset Energy Pty Ltd (Asset Energy) Bounty Oil & Gas NL (Bounty) (together the titleholders)
APPLICATION DETAILS	NEATS Ref: Z4NMT2 (the First Application) as amended 18 April 2023. <ul style="list-style-type: none"> Secondary term variation of the Permit Year 5 work program commitments to replace the acquisition of 500 km² of 3D seismic data with post well studies; and 60 months suspension of the Permit Year 4 work program and corresponding 60 months extension of the permit term.
SECTIONS OF THE OPGGS ACT	Sections 264 and 265 of the OPGGS Act .
RELEVANT GUIDELINES	Items 5.17-5.23, items 5.24-5.26 (<i>force majeure</i> grounds) and items 5.39-5.40 (secondary work program variation) of the <i>Guideline: Offshore petroleum exploration - work-bid (Effective 2 March 2022)</i> ¹ (the Work-bid Guideline) ²
NOPTA'S INITIAL ADVICE	17 October 2023 – Approve (Attachment A)
MINISTER HUSIC LETTER TO NOPTA	17 September 2024 (Attachment B)
MINISTER HUSIC'S PRELIMINARY VIEW SENT	18 September 2024 (Attachment C) - delivered and read 18 September 2024
TITLEHOLDERS RESPONSE	On 10 October 2024, the Hon Ed Husic MP, Minister for Industry and Science agreed to extend the 18 October 2024 deadline for making a submission on any matters that the titleholders may consider relevant to the decision to 15 November 2024 (Attachment D). On 15 November 2024, Asset Energy, on behalf of the registered titleholders responded (the Response) to Minister Husic's 'Statement of Reasons for Preliminary View' requesting that the preliminary view be reconsidered (Attachment E). NOPTA's assessment is included at Appendix A .
NOPTA ADVICE	NOPTA has reviewed the titleholder's 15 November 2024 response to Minister Husic's 'Statement of Reasons for Preliminary View' and the materials outlined in Appendix B . A summary of NOPTA's assessment at Appendix A is below.


¹ https://www.nopta.gov.au/_documents/guidelines/Offshore-Petroleum-Exploration-Permit-Guideline.pdf

² Equivalent to items 2.6-2.12, 2.13-2.15, and 2.28-2.29 of *Offshore Petroleum Exploration Guideline: Work-bid (effective 1 July 2019 to 1 March 2022)*.

1. **Proper function of the Joint Authority under sections 264 and 265 of the OPGGS Act.**
 - The Response raises new matters relating to the proper function of the Joint Authority under sections 264 and 265 of the OPGGS Act. These matters are for the Joint Authority to consider.
2. **Public interest and the Applicant's submissions.**
 - NOPTA's previous comments on public interest in its advice of 17 October 2023 remains unchanged. The additional public interest considerations raised in the Response are matters for the Joint Authority to consider.
3. **Conditions of the permit - Timeframe to complete the proposed permit conditions**
 - NOPTA is of the view that the period of suspension and extension specified in the First Application is now no longer sufficient. If the Joint Authority decides to approve the application, the better alternative is to grant an appropriate length of suspension and corresponding extension of the term of the permit effective from the date of the final decision of the Joint Authority, as suggested by the titleholders in paragraph 16(b) of the Response.
 - NOPTA is of the opinion that 24 months from the date of the decision to complete the guaranteed Permit Year 4 exploration well commitment in line with the schedule at **Figure A1** in **Appendix A** is a tight but not unreasonable timeframe.
4. **Financial uncertainty - Proposed cost of the exploration well**
 - NOPTA agrees with the titleholders (paragraph 19 (e) of the Response) that the cost to drill the exploration well will be determined by the market.
 - Using information available to NOPTA, it is estimated that the cost of the Seablue-1 exploration well is approximately \$A36 million using a jack-up rig or A\$53 million using a semi-submersible rig.
5. **Titleholder's ability to raise capital - Capital raising capacity**
 - Asset Energy (with the support of Advent Energy and its shareholder, BPH Energy) and Bounty do not have current funding in support of the Permit Year 4 work program obligation, however, have likely future funding of the magnitude and timing required to fund the Permit Year 4 obligation and the Permit Year 5 proposed work program activity.
6. **Proposed condition – Capital**
 - The Response proposes a new condition relating to Capital raising. The purpose and application of the proposed condition is unclear, and in these circumstances, there is a real risk that the proposed condition, if imposed, may not be enforceable.
7. **Proposed further condition - Blocks**
 - The Response proposes a new condition prohibiting activities on certain blocks of the permit. This would be inconsistent with the rights conferred by an exploration permit under section 98 of the OPGGS Act and is therefore not likely to be within the power of the Joint Authority.

In relation to NOPTA's advice of 17 October 2023, NOPTA remains of the opinion that:

1. *Force majeure* grounds exist for a suspension of the Permit Year 4 work program and a corresponding extension of the permit term.
2. Sufficient grounds exist to support the requested secondary term work program variation to the Permit Year 5 work program.
3. Asset Energy and Bounty have sufficient technical advice available to enable them to carry out the operations and works that will be authorised by the permit and discharge their current obligations.

	<p>4. Asset Energy (with the support of Advent Energy and its shareholder, BPH Energy) and Bounty do not have current funding in support of the Permit Year 4 work program obligation, however, have likely future funding of the magnitude and timing required to fund the Permit Year 4 obligation and the Permit Year 5 proposed work program activity.</p> <p>5. Public interest matters are for the Joint Authority to consider.</p> <p>Should the Joint Authority approve the First Application, a draft letter to the titleholders (Attachment F) and draft instrument (Attachment G) is provided with this assessment for your review.</p> <p>Monthly reporting is currently an additional condition of the permit and will continue should the First Application be approved.</p>	
<p>JOINT AUTHORITY TO NOTE</p>	<p>The status of PEP-11 is active. The permit was due to expire on 12 February 2021. Under sub-section 265A(1) of the OPGGS Act, if a petroleum exploration permittee applies for a suspension of any of the conditions to which the permit is subject, and the permit would, apart from that provision, expire before the Joint Authority decides on the application, the permit continues in force until the Joint Authority makes a decision on the application.</p> <p>On 4 February 2021, a second suspension and extension application relating to PEP-11 was validly submitted (the Second Application). Assessment of the Second Application was put on hold by NOPTA until a decision was made on the First Application.</p> <p>If the First Application is approved NOPTA will seek confirmation from the titleholders on whether they wish to proceed with the Second Application.</p> <p>Under sub-section 265A(2) of the OPGGS Act, if the Joint Authority refuses <u>both</u> applications, the permit continues in force until the end of:</p> <p>(a) the period of 2 months that began when notice of the refusal was given to the permittee; or</p> <p>(b) such longer period as the Joint Authority allows.</p> <p>Sub-section 265A(3) provides that if a petroleum exploration permit continues in force during a period under subsection 265A(2) of the OPGGS Act, the permittee is not entitled to make an application during that period for a suspension of any of the conditions to which the permit is subject.</p>	
<p>PRIOR USAGE RIGHT</p>	<p>No.</p>	
<p>NOPTA CONTACT</p>	<p>Jo Bell Director Petroleum Exploration, Greenhouse Gas Storage and Acreage Release</p>	<p>Tel: (08) 6424 5301 Email: titles@nopta.gov.au</p>
<p>ENDORSED BY</p>	<p>Graeme Waters Titles Administrator</p>	<p>Signature: </p>

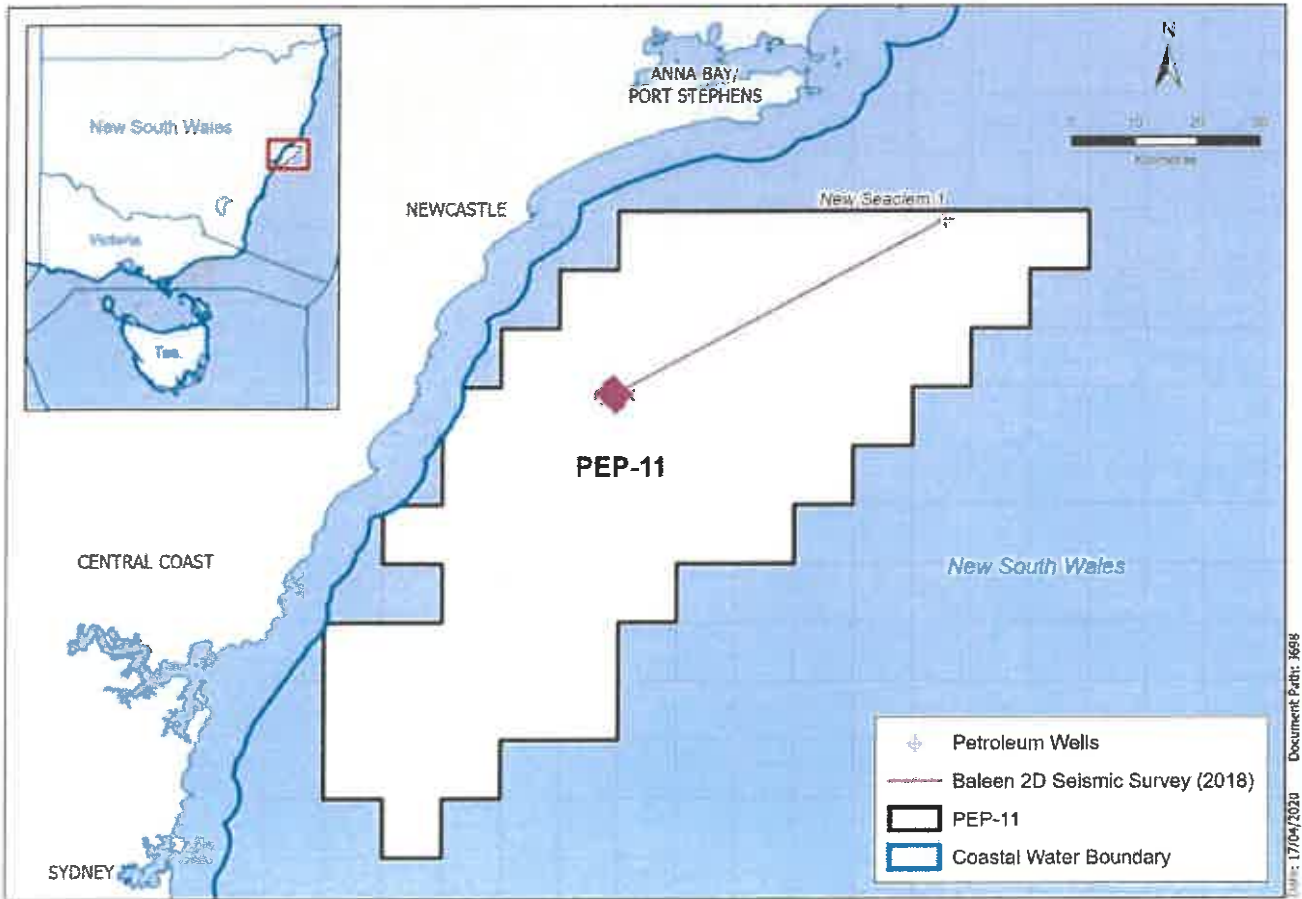


Figure 1: PEP-11 location map (source: NOPTA)

APPENDIX A – ASSESSMENT REPORT

1. BACKGROUND

In January 2020, Asset Energy applied on behalf of the titleholders to the Joint Authority for the First Application to allow an additional 24 months to drill an exploration well and remove the requirement for a seismic survey.

On 29 April 2020, NOPTA provided advice in relation to the First Application to the Joint Authority recommending approval.

On 4 February 2021, the Second Application was validly submitted and was put on hold by NOPTA until a decision was made on the First Application.

On 16 December 2021, the Joint Authority advised NOPTA of its intention to refuse the First Application and NOPTA issued a Notice of intention to refuse (**NOIR**) to the titleholders.

On 31 January 2022, NOPTA provided advice in relation to the First Application and the titleholders' submission in response to the NOIR to the Joint Authority recommending approval.

The Joint Authority refused the First Application on 26 March 2022 and NOPTA advised the titleholders of the Joint Authority's decision on 30 March 2022.

On 1 June 2022, Asset Energy filed an application for judicial review in the Federal Court³ in relation to the First Application.

On 14 February 2023, the Federal Court of Australia made orders setting aside the decision on the First Application made by the Joint Authority in relation to PEP-11 and the decision was remitted to the Joint Authority.

On 3 March 2023, Asset Energy on behalf of the titleholders advised the Joint Authority that it would be making a further submission given that more than 3 years had passed since the First Application was made.

On 23 March 2023, NOPTA wrote to the titleholders offering the following options for progressing the First and Second Applications:

Option 1: Submit a new consolidated application.

Option 2: Provide updated information in support of the applications.

On 18 April 2023, the titleholders confirmed that they would pursue Option 2 and provided a further submission in support of the applications. The requested suspension and extension timeframes were amended to 60 months to address the time elapsed from the submission of the applications.

Additional materials provided by the titleholders in support of the First Application are outlined at **Appendix B**.

On 17 October 2023, NOPTA provided the following advice to the Joint Authority in relation to the First Application:

NOPTA has assessed the First Application and considers that:

- *force majeure* grounds exist for a 60 month suspension of the Permit Year 4 work program and a corresponding 60 month extension of the permit term in accordance with the OPGGS Act and with consideration to the expectations of the Work-bid Guideline and the merits of the First Application.

³ *Asset Energy Pty Ltd v Commonwealth Minister for Resources [2023] FCA 86*

- sufficient grounds exist to support the requested secondary term work program variation to the Permit Year 5 work program in accordance with the OPGGS Act and with consideration to the expectations of the Work-bid Guideline and the merits of the First Application.
- Asset Energy and Bounty have sufficient technical advice available to enable them to carry out the operations and works that will be authorised by the permit and discharge their current obligations.
- Asset Energy (with the support of Advent Energy and its shareholder, BPH Energy) and Bounty have available current funding to meet the immediate activity (preparation and submission of an environment plan in support of the work program obligation, and current and likely future funding, of the magnitude and timing to fund the drilling of the exploration well in the future.
- Public interest considerations raised by Asset Energy are for the Joint Authority to consider. From a technical perspective, NOPTA considers that without drilling a prospect⁴, there is no known petroleum pool, and therefore there is insufficient evidence currently to comment on the potential of PEP-11 in the context of Australia's energy security.

On 17 September 2024, Minister Husic wrote to NOPTA, advising that he had formed a preliminary view that the applications be refused for the reasons set out in the *'Statement of Reasons for Preliminary View'*.

Minister Husic requested that NOPTA provide the titleholders with a copy of the *'Statement of Reasons for Preliminary View'* with attachments to give the titleholders an opportunity to consider his preliminary view and to provide any further information or comment in response to the statement before Minister Husic notifies the Hon Courtney Houssos MLC, Minister for Natural Resources, in her capacity as the responsible NSW Minister for the Joint Authority, under section 59(3) of the OPGGS Act of his decision on the applications.

Minister Husic confirmed that Minister Houssos consented to Minister Husic's preliminary views being provided to the titleholders for their response.

On 15 November 2024, the titleholders provided a response to the *'Statement of Reasons for Preliminary View'*.

2. ASSESSMENT OF TITLEHOLDER RESPONSE AGAINST REASONS GIVEN IN THE STATEMENT OF REASONS FOR PRELIMINARY VIEW

NOPTA has assessed the following matters raised in the titleholder's response dated 15 November 2024 (**the Response**) to the reasons given in the Minister Husic's *'Statement of Reasons for Preliminary View'* dated September 2024:

Proper function of the Joint Authority under sections 264 and 265 of the OPGGS Act.

Paragraph 3 in the Response raises new matters relating to the proper function of the Joint Authority under sections 264 and 265 of the OPGGS Act. These matters are for the Joint Authority to consider.

Public interest and the Applicant's submissions.

Paragraphs 4-13 in the Response relate to matters outlined in the *'Statement of Reasons for Preliminary View'* regarding public interest. NOPTA's previous advice to the Joint Authority on the public interest submission in the assessment of the First Application of 17 October 2023 remains unchanged. From a technical perspective, NOPTA considers that without drilling a prospect, there is no known petroleum pool, and therefore there is insufficient evidence currently to comment on the potential of PEP-11 in the context of Australia's energy security.

The additional public interest considerations raised by the titleholders in the response to the *'Statement of Reasons for Preliminary View'* are matters for the Joint Authority to consider. NOPTA confirms that in relation to paragraph 6 of the Response, that:

- a) the proposed exploration well is located entirely within Commonwealth waters; and

⁴ the word 'prospect' is a technical petroleum industry term as defined in the Society of Professional Engineers International *Glossary of Terms Used in Petroleum Reserves/Resources Definitions* - <https://www.spe.org/en/industry/terms-used-petroleum-reserves-resource-definitions/>

- b) without drilling a well and making a petroleum discovery (and the Joint Authority declaring a location under section 131 of the OPGGS Act), there is no mechanism under the OPGGS Act for a titleholder to move to a production licence.

Conditions of the permit - Timeframe to complete the proposed permit conditions

Paragraphs 14-18 in the Response relate to matters outlined in the ‘*Statement of Reasons for Preliminary View*’ regarding the title conditions of the permit (PEP-11) and the timeframe to complete the proposed work commitments.

In the Response, the titleholders outline (paragraph 17) among other things that the environment plan for the purposes of drilling Seablue-1 well within PEP-11 is essentially ready to be submitted and the preparedness of the titleholders to submit the environment plan is a factor that weighs in favour of the First and Second Applications being granted. NOPTA notes that the titleholders state that “*Asset has directly spent over \$880,000 on preparing the environmental plan and associated studies*” and considers the development of a draft environment plan by the titleholders to be a positive factor in terms of facilitating timeliness of the completion of the work program commitments.

The titleholders also discuss (paragraph 18) among other things that delays in environment plan approvals have been reduced and have provided analysis of the time taken for NOPSEMA to accept environment plans with respect to offshore drilling, to support this assertion. Further the titleholders state that no applications for suspension or extension of work permit conditions have been refused due to the *Tipakalippa* decision. NOPTA confirms that since the date of the *Tipakalippa* decision, there have been no applications refused based on titleholders not having adequate time to complete work commitments, due to the increased time to develop and submit an environment plan in line with the new NOPSEMA guidance materials.

NOPTA considers the new matters raised in the Response (paragraphs 14 and 15) regarding decision making timeframes impacting on the ability to complete the proposed work program within the 60 month timeframe originally requested on 18 April 2023 to be reasonable and of a *force majeure* nature, given that this was a matter outside of the control of the titleholders.

In relation to the mechanism to amend the work program, the titleholders have presented two options (paragraph 16) being:

- (a) *The Joint Authority can ensure that an appropriate extension is granted under s 265 of the OPGGS Act. This is consistent with NOPTA’s recommendations given on 17 October 2023 that the relevant suspension and extension as contained in the Applications be granted for 60-months.*
- (b) *Alternatively, the timeframes in Annexure 3 of Titleholder’s letter dated 18 April 2023 can be extended by an appropriate amount depending on when a final decision with respect to the Applications is made (be it 6 months, 12 months, or 18 months etc.). This letter should be read as amending the First Application and Second Application to provide for such flexibility.*

NOPTA’s interpretation of sections 264 and 265 of the OPGGS Act is that (as submitted by the titleholders in paragraph 16(a) of the Response) the Joint Authority may suspend the conditions of a permit under section 264 and extend the term of the permit under section 265 of the OPGGS Act for a period that it considers appropriate to complete work program activities.

NOPTA’s interpretation is that the Joint Authority may decide to suspend the conditions and extend the term of the permit for a period longer than that originally sought by the applicant without requiring a variation of the application or the submission of a fresh application, although the applicant is not precluded from making a variation of the application.

NOPTA is of the view that the period of suspension and extension specified in the First Application is now no longer sufficient due to the time taken for a decision to be made on the application. If the Joint Authority decides to approve the application, NOPTA’s view is that the better alternative is to grant an appropriate length of suspension and corresponding extension of the term of the permit effective from the date of the final decision of the Joint Authority, as suggested by the titleholders in paragraph 16(b) of the Response.

Based on the indicative project plan (**Figure A1**) provided to NOPTA on 18 April 2023, NOPTA maintains its previous advice that the basic structure of that plan is reasonable. NOPTA is of the opinion that 24 months from the date of the decision to complete the guaranteed Permit Year 4 exploration well commitment in line with the schedule at **Figure A1** is a tight but not unreasonable timeframe and should enable the titleholders to:

- Submit an environment plan for consideration by NOPSEMA - noting above that the titleholders have stated in the Response that they are essentially ready to submit an environmental plan for the purposes of drilling the Seablue-1 well.
- Undertake rig and well planning activities in parallel with NOPSEMA's environment plan assessment process
- Allow some contingency for the timing of delivery of the rig.
- Drill the exploration well.

In accordance with Condition 4 of the permit, and section 4.22 of the Work-bid Guideline, the Permit Year 5 work program commitment is not a guaranteed work program commitment at this time⁵ and the proposed variation to Permit Year 5, if approved, would provide the titleholders with a further 12 months to conduct post-well studies. NOPTA considers the 12 month period is sufficient time for the titleholder to complete post-well studies to satisfy the proposed Permit Year 5 work program commitment.

The proposed changes reflecting NOPTA's recommendation above that the Joint Authority grant the variation and suspension and extension for a period of 24 months from the date of the Joint Authority's decision are shown in bold font (**Table A1**).

Table A1: Proposed revised work program

Permit Year	Permit Year Starts	Permit Year Ends	Minimum Work Requirements	Estimated Expenditure A\$
1	13/08/2012	12/08/2013	2,000 km seismic reprocessing Geotechnical studies	250,000
2	13/08/2013	12/02/2019	200 km 2D seismic survey Geotechnical studies	2,000,000
3	13/08/2015	12/02/2019	Geotechnical studies	350,000
4	13/02/2019	TBC[^]	One exploration well	15,000,000*
5	TBC[#]	TBC⁺	Post well studies	250,000

[^] This date will be 2 years from the date of the Joint Authority's decision

^{*} Commitment activity indicative values used in the assessment of the financial resources.

[#] This date will be 2 years and one day from the date of the Joint Authority's decision

⁺ This date will be 3 years from the date of the Joint Authority's decision

⁵ The Guideline: Offshore petroleum exploration - work-bid provides: "4.22. Permit Years 4, 5, and 6 are referred to as the secondary term. Each year's work program becomes guaranteed upon entry and the minimum work requirements must commence and be completed within the permit year."

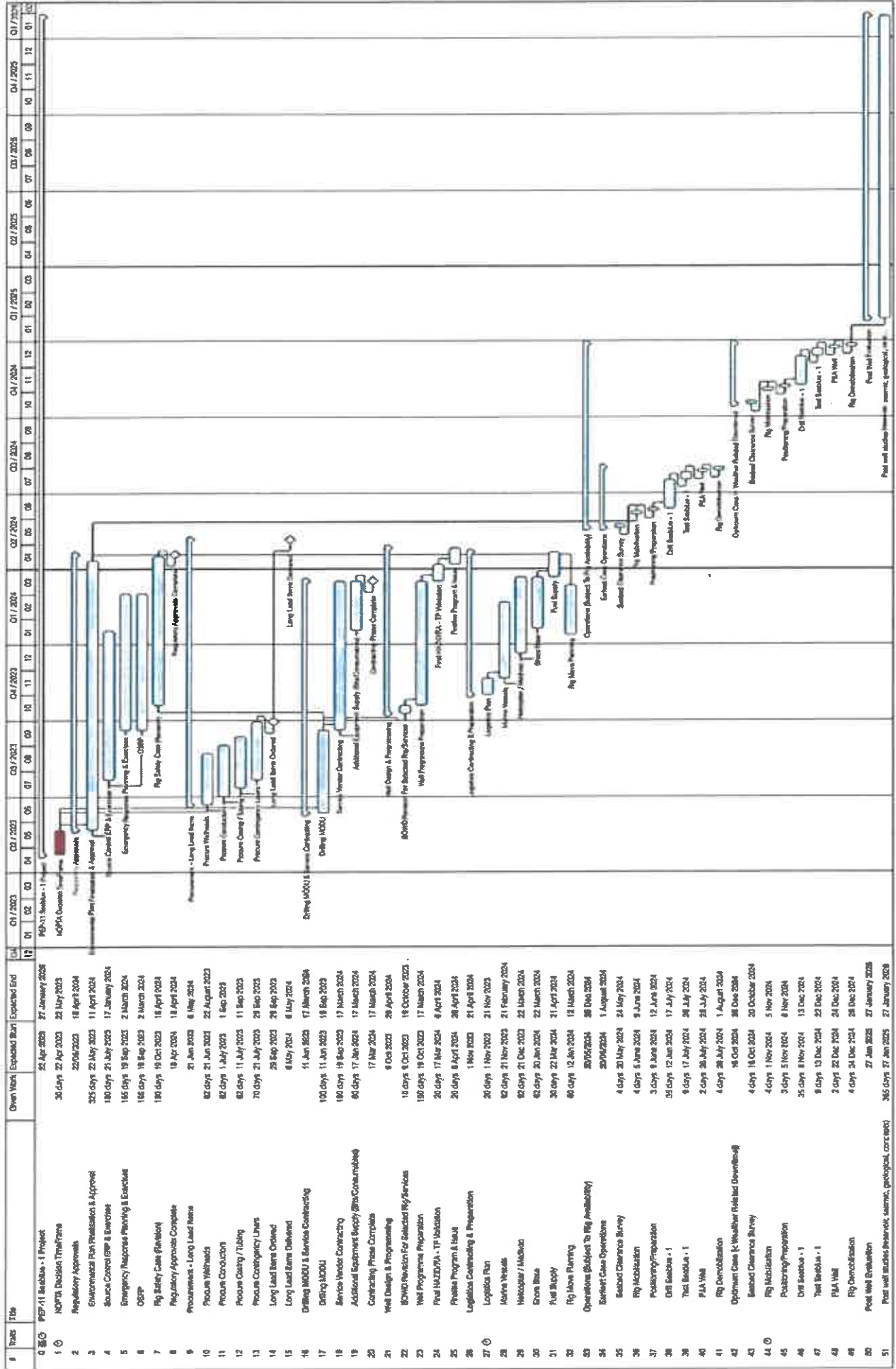


Figure A1. Titleholders' indicative project plan (source: Modified from 18 April 2023 RFI response).

Financial uncertainty - Proposed cost of the exploration well

Paragraph 19 in the Response outlines reasons (a) to (f) as to why the Joint Authority should not refuse the First and Second Applications based on the information presented to Minister Husic which suggested the applicant may not have accurately estimated the proposed well cost, and the actual cost may be substantially higher.

Paragraph 19(a), (b), (c), (d) relate to the use of indicative cost estimates within work programs for Exploration Permits. While the observations made are accurate, they do not address the likely cost that will be associated with drilling the proposed well within the timeframes presented in the application and as such do not address any matters related to financial uncertainty.

NOPTA agrees with the titleholders (paragraph 19(e) of the Response) that the cost to drill the exploration well will be determined by the market. The titleholders' position is that it can be accepted that this figure may prove to be greater than an indicative cost of \$20 million. The titleholders did not identify in the Response any issues with the methodology used by the Minister in determining the proposed well cost.

Based on permanently confidential information provided to NOPTA via regulatory submissions from titleholders (Annual Titles Assessment Reports and Daily Drilling Reports) NOPTA is aware of actual expenditure incurred on operational activities such as drilling a well. In relation to reported actual drilling costs incurred in the period between 2018 and 2023 and using the schedule provided by the titleholders on 18 April 2023⁶ at **Figure A1**, NOPTA has estimated the average cost per day of conducting an exploration drilling operation. NOPTA estimates that the cost of the Seablue-1 exploration well (48 days⁷) is \$A36 million using a jack-up rig or A\$53 million using a semi-submersible rig.

Paragraph 19(f) relates to the titleholders plans to raise sufficient capital to cover the costs associated with drilling the proposed well. These matters are considered in the following section.

Titleholder's ability to raise capital - Capital raising capacity

Published guidance on how an applicant's financial resources will be assessed is provided in both the *Guideline: Applicant Suitability*⁸ (**the Suitability Guideline**) and Work-bid Guideline.

In assessing any applicant's financial resources, consideration is given to the current and future funds available to an applicant to carry out the operations and works that will be or are authorised by the permit, lease or licence and discharge the obligations that will be imposed under the OPGGS Act, or a legislative instrument under the OPGGS Act, in relation to the permit, lease or licence.

The Suitability Guideline and Work-bid Guideline do not require in place funding to deliver the entire work program, titleholders can rely on their ability to raise additional funding (future funds). Therefore, a titleholder's demonstrated track record in raising funds or securing farm-in partners to meet guaranteed work program obligations is considered where funding is not currently in place.

The Work-bid Guideline also outlines that where future funding proposals have previously been identified to fund work program commitments, the progress that has been made to date will be considered.

Capital raising capacity

Paragraph 20 set out the titleholders reasoning in relation to both why the Joint Authority should not reject the application based on the ability to raise capital and the basis on which the Joint Authority should be satisfied in relation to their ability to raise capital.

⁶ The schedule referenced at paragraph 65 of the 'Statement of Reasons for Preliminary View' was provided by the titleholder on 27 March 2020, NOPTA has used the schedule provided by the titleholders on 18 April 2023.

⁷ NOPTA did not include the days allocated to seabed clearance or flow testing in its cost estimate.

⁸ <https://www.nopta.gov.au/documents/guidelines/Applicant-Suitability-Guideline.pdf>

Paragraph 20(a) argues that the financial burden associated with the proposed work program will not be materially different to the existing work program and as such there has been no increase in financial burden and that such matters fall outside the purpose of the power contained in section 264 of the OPGGS Act.

Paragraph 20(b) asserts that the work-bid exploration permit regime is to provide a mechanism for exploration which is suitable to smaller, capital-poor junior explorers. While junior explorers have successfully used the work-bid exploration permit to successfully gain acreage and raise capital to undertake exploration it would not be accurate to describe this as the purpose of the acreage release system and is not a matter that is relevant to the application under consideration.

Paragraph 20(c) relates to the titleholders' ability to raise capital:

- NOPTA considers the proposed term sheets to be a less reliable indication of potential to raise equity in the future, noting one term sheet expired March 2021.
- Demand for gas is identified as supporting a market for capital raising. While gas demand may be supportive NOPTA views other factors such as track record of the company and its executives, route to market and exploration prospectivity will also be important factors in determining the success of any capital raising.
- The Response references a plan to raise ~\$73 million over three tranches, the success of this plan will be impacted upon by a range of factors.

Paragraph 20(d) proposes a condition to be imposed on the permit that the drilling of the exploration well cannot occur unless the Titleholders have sufficient capital. NOPTA's view is that, even if within power of the Joint Authority to make, the condition would need to be sufficiently certain to be enforceable. The purpose and application of the proposed condition is considered to be unclear, and in these circumstances, there is a real risk that the proposed condition, if imposed, may not be enforceable. NOPTA further considers the condition to be unnecessary as without adequate funding the titleholders will not be able to complete the work program commitment.

Paragraph 20(e) asserts that the Statement of Reasons does not address fully the chain of inferential reasoning contained in NOPTA's recommendation. This statement is not specific and as such has not been directly addressed.

Paragraph 20(f) raises further matters in relation to the titleholders' capital raising ability:

- The Response (paragraph 20(f)(i)) notes that Advent Energy continues to receive funding offers from brokers regarding PEP-11. No evidence in support of these was provided as part of either of the titleholder's monthly reports (December 2023 & January 2024) or the Response.
- The Response (paragraph 20(f)(ii)) identified that the titleholders and their funding entities have continued to raise funding since the previous advice was provided. NOPTA has verified the following additional capital raisings, Bounty Oil & Gas' additional equity raised in January 2024: A\$1.2 million (before costs) and additional equity raised by MEC Resources and BPH Energy between February and November 2024 of A\$7.8 million.
- The Response (paragraph 20(f)(iii)) provides detail of the capital raising identified in paragraph 20(f)(ii) for FY2019/20 to FY2024/2025. NOPTA notes that the amounts identified in the table provided are before cost capital raisings. In addition, NOPTA can confirm the majority (approximately 60%) of the amounts raised were planned to be allocated to the funding for exploration development of oil and gas investments.
- The Response (paragraph 20(f)(iv)) identified an update to the progress on the reinstatement of MEC Resources to the ASX. NOPTA notes MEC Resources was reinstated to the ASX on 2 December 2024. MEC Resources completed a capital raising in support of its reinstatement to quotation on the ASX, raising a total of ~A\$3.1 million.
- The Response (paragraph 20(f)(v)) notes current cash and cash equivalent resources available to the titleholders of A\$9.2 million. Based on the most recent publicly available information⁹ NOPTA notes the funding entities had ~\$9.5 million in cash and cash equivalents resources.

⁹ BPH Energy Ltd September 2024 Quarter Operations Report and Appendix 4C; MEC Resources Pre-Reinstatement Disclosure (ASX Announcement), 29 November 2024 and Appendix 4C; and Bounty Oil and Gas NL Quarterly Activities Report and Appendix 5B - September 2024.

Update to financial indicators assessment

NOPTA notes that there has been no change to MEC or Bounty Oil & Gas between FY2023 and FY2024. However, Advent Energy (parent entity of Asset Energy) for FY2024 does not meet the current and gearing ratios (an increase in an unsecured loan payable to its shareholder, BPH Energy) and continues not to meet the commitment and cash cover thresholds.

NOPTA assesses applicants against several financial indicators and an applicant does not necessarily have to meet all the indicator thresholds (*Financial resources Fact Sheet¹⁰, Attachment B: Financial indicators and threshold values*), for NOPTA to consider the applicant satisfies the financial resource requirements at that point in time.

Impact of the Response on previous assessment

NOPTA's advice remains unchanged based on the Response by the titleholders of PEP-11 to the Statement of Reasons.

NOPTA does not consider that the PEP-11 titleholders have the current financial resources to fund an exploration well.

The titleholders have a demonstrated track record in raising funds (raised A\$55 million in a four-phase stepped process over a similar timeframe), of the magnitude required to fund the drilling of the exploration well and within the term of the extension of title (24 months), based on NOPTA's estimated well costs of \$A36 million for a jack-up rig or A\$53 million for a semi-submersible rig.

Asset Energy has formulated a funding strategy to raise circa **A\$73 million** in a three-phased process to fund an exploration well. The approach and magnitude of capital raising are consistent with the funding activities undertaken previously. The amount that will ultimately be raised under the proposed capital raising will be subject to conditions at the time the entities approach the market.

NOPTA considers that the titleholders have the capacity to raise sufficient funds in the future to meet the Permit Year 4 work program obligation, and the Permit Year 5 proposed work program activity, however, the precise timing and quantum of final funds raised are uncertain and could impact upon the titleholders' ability to complete activities in line with the proposed work program.

Proposed condition – Capital

The titleholders propose (paragraph 20 (d)) that a new condition is imposed on the permit so that that the drilling of the exploration well cannot occur unless the titleholders have sufficient capital (inclusive of any rig deposit) prior to the commencement of drilling of the Seablue-1 well to cover the costs of the drilling campaign.

NOPTA acknowledges the power of the Joint Authority under section 99 of the OPGSS Act to grant an exploration permit subject to whatever conditions that the Joint Authority thinks appropriate.

NOPTA's view is that, even if within power of the Joint Authority to make, the condition would need to be sufficiently certain to be enforceable. The purpose and application of the proposed condition is considered to be unclear, and in these circumstances, there is a real risk that the proposed condition, if imposed, may not be enforceable. NOPTA further considers the condition to be unnecessary as without adequate funding the titleholders will not be able to complete the work program commitment.

Proposed further condition - Blocks

The titleholders propose (paragraphs 21-23) the imposition of a further condition to address public interest concerns, that no drilling occur closer than 15 kms from the coastline or otherwise within 10 graticular blocks that are the subject of PEP-11.

¹⁰ <https://www.nopta.gov.au/documents/fact-sheets/fact-sheet-financial-resources.pdf>

NOPTA acknowledges the power of the Joint Authority under section 99 of the OPGSS Act to grant an exploration permit subject to whatever conditions that the Joint Authority thinks appropriate. However, the proposed condition prohibiting activities on certain blocks of the permit would be inconsistent with the rights conferred by an exploration permit under section 98 of the OPGGS Act and is therefore not likely to be within the power of the Joint Authority.

Should the titleholders wish to relinquish the 10 blocks referred to in the proposed condition, subsection 269(1) table item 1 of the OPGGS Act provides a mechanism by which the registered holder of an exploration permit may apply for consent to surrender some or all of the blocks to which the permit is in force.

APPENDIX B – ADDITIONAL MATERIALS

Information provided with or incorporated into NOPTA's advice to the Joint Authority in relation to the First Application dated **29 April 2020**

Asset Energy's 18 February 2020 response to request for information dated 5 February 2020

- [Response Cover Letter](#)
- [AEA-TEN-Asset Energy Well Management Rev](#)
- [Extended proposal to asset energy for COSL prospector](#)

Asset Energy's 12 March 2020 response to request for information dated 27 February 2020

- [Response Cover letter](#)
- [ADD Energy schedule](#)
- [Copy of resource plan asset](#)
- [Email](#)

Information provided to the Joint Authority via email (with **accompanying letter**) on **7 August 2020**

Asset Energy's 6 August 2020 response to JA request for information dated 2 July 2020

- [Response Cover Letter](#)
- [Appendix 2A placement 2407 20](#)
- [BPH Annual Report 2011](#)
- [BPH announcement 230720 NRRI](#)
- [BPH Advent Energy Funding Update 12 April 2010](#)
- [BPH Advent Energy Limited Investment Update 070410](#)
- [BPH BPH Corporate Completion of Non Renounceable Offer 030910](#)
- [BPH Underwriting details raised \\$11.5 m](#)
- [BPH Update on Advent placement \\$14.4 m](#)
- [Funding Commitment Advent 060820 1](#)

Provided to the Joint Authority on **31 January 2022** as Attachment B to NOPTA's advice to the Joint Authority in relation to the First Application dated **31 January 2021**

Asset Energy's 22 January 2022 submission in response to the Notice of intention to refuse (NOIR) dated 16 December 2021

- [NOIR response submission](#)

Information received after federal court order to set aside Joint Authority decision.

Information provided to the Joint Authority via email on **18 April 2023**

Asset Energy's 18 April 2023 response to request for further information dated 23 March 2023

- [Response Cover Letter](#)
- [Annexures](#)

Information provided to the Joint Authority via email on **29 June 2023** (sent as **Part 1** and **Part 2**)

Asset Energy's 28 June 2023 response to request for further information dated 22 May 2023

- [Response Cover letter](#)
- [Annexure 1](#)
- [Annexure 2](#)
- [Annexure 3](#)
- [Annexure 4](#)

Information provided to the Joint Authority via email on **30 August 2023**

Asset Energy's 29 August 2023 response to request for further information dated 2 August 2023

- [Response Letter \(includes Annexures 1-3\)](#)

Information provided to the Joint Authority via email on 3 October 2023

Asset Energy's 3 October 2023 response to request for clarification dated 12 September 2023

- [Clarification Letter](#)

Attachments 1 of 3 (emailed to Joint Authority on [3 October 2023](#))

- [Seablue-1 EP_1 Introduction.pdf](#)
- [Seablue-1 EP_2 Description of the Activity](#)
- [Seablue-1 EP_3 Stakeholder Consultation](#)
- [Seablue-1 EP_5 Ecological Receptor Assessment](#)

Attachments 2 of 3 (emailed to Joint Authority on [3 October 2023](#))

- [Seablue-1 EP_6 Social, Cultural and Heritage Receptor Assessment](#)
- [Seablue-1 EP_7 Oil Spill Response Activities](#)
- [Seablue-1 EP_8 Implementation Strategy](#)
- [Seablue-1 EP_9 Acronyms Glossary](#)
- [Seablue-1 EP Appendix A EIA Tools Rev A](#)
- [Seablue-1 EP Appendix B Scoping Out Table](#)
- [Seablue-1 EP Appendix C Consultation Report](#)
- [Seablue-1 EP Appendix Sensitive Information Report](#)
- [Seablue-1 OPEP](#)

Attachments 1 of 3 (emailed to Joint Authority on [3 October 2023](#))

- [Seablue-1 EP Appendix E Spill Risk Report](#)
- [Seablue-1 EP Appendix F Light Modelling Report](#)
- [Seablue-1 OSMF](#)

The above information was also provided via email to the Joint Authority with NOPTA's advice dated 17 October 2024.

Information received after Minister Husic's 'Statement of reasons for preliminary view' was sent to the applicants

Information provided to the Joint Authority via email on 15 November 2024

Titleholders' 15 November 2024 response to Minister Husic's 'Statement of reasons for preliminary view' (emailed to Joint Authority on [15 November 2024](#))

- [Email](#)
- [Response letter](#)

Appendices A to J (emailed to Joint Authority on [15 November 2024](#))

- [Email](#)
- [Appendix A - Australian Government, Future Gas Strategy \(May 2024\)](#)
- [Appendix B - ACCC Gas Inquiry 2017-2030 Interim Report \(September 2024\)](#)
- [Appendix C - AEMO, 2024 Integrated System Plan: A roadmap for the energy transition \(June 2024\)](#)
- [Appendix D - Energy Quest, Impact of no investment on gas supply \(September 2024\)](#)
- [Appendix E - Australian Energy Producers, Media release: Exploration exit a blow to Victoria's energy security as gas supply dwindles \(September 2024\)](#)
- [Appendix F - University of Queensland Gas & Energy Transition Research Centre, Australia needs a new plan on gas \(September 2024\)](#)
- [Appendix G - NSW Legislative Assembly Report, Minerals Legislation Amendment \(Offshore Drilling and Associated Infrastructure Prohibition\) Bill 2023](#)
- [Appendix H - Titleholders' Draft Environmental Plan](#)
- [Appendix I - NOPSEMA Timing Analysis](#)
- [Appendix J - Well Cost Analysis](#)

Rule 29.02

Annexure Certificate GAW-6

Federal Court of Australia
District Registry: Western Australia
Division: General

No. WAD 36 of 2025

Asset Energy Pty Ltd (ACN 120 013 390)

Applicant

**The Commonwealth Minister for Industry and Science, as the Responsible Commonwealth
Minister of the Commonwealth-New South Wales Offshore Petroleum Joint Authority and another**

Respondents

This is the Annexure marked "GAW-6" referred to in the affidavit of Graeme Albert Waters sworn at Melbourne on 2 July 2025.

Before me:



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Kate Ervin
Australian Legal Practitioner

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Ref: 18308/21920/81045671



**APPLICATION FOR SUSPENSION OF CONDITIONS OF PERMIT
AND EXTENSION OF THE PERMIT TERM
PETROLEUM EXPLORATION PERMIT PEP-11**

Purpose: To inform the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority (**the Joint Authority**) in relation to an application made under sections 264 and 265 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (**the OPGGS Act**).

Details:

TITLE	Petroleum Exploration Permit NSW/PEP-11 (PEP-11) PEP-11 location map: Figure 1
TITLEHOLDERS	Asset Energy Pty Ltd (Asset Energy) Bounty Oil & Gas NL (Bounty) (together the titleholders)
APPLICATION DETAILS	NEATS Ref: NDZHAVN (the Second Application) as amended 18 April 2023. • 60 months suspension of the Permit Year 4 work program and corresponding 60 months extension of the permit term.
SECTIONS OF THE OPGGS ACT	Sections 264 and 265 of the OPGGS Act .
RELEVANT GUIDELINES	Items 5.17-5.23 and items 5.24-5.26 (<i>force majeure</i> grounds) of the <i>Guideline: Offshore petroleum exploration - work-bid (Effective 2 March 2022)</i> ¹ (the Work-bid Guideline) ² . <i>COVID-19 Fact Sheet: Work-bid Exploration Permits</i> ³ (the COVID-19 Fact Sheet) which took effect on 20 April 2020 and ended on 31 January 2021.
NOPTA'S INITIAL ADVICE	17 October 2023 – Approve (Attachment A)
MINISTER HUSIC LETTER TO NOPTA	17 September 2024 (Attachment B)
MINISTER HUSIC'S PRELIMINARY VIEW SENT	18 September 2024 (Attachment C) - delivered and read 18 September 2024
TITLEHOLDERS RESPONSE	On 10 October 2024, the Hon Ed Husic MP, Minister for Industry and Science agreed to extend the 18 October 2024 deadline for making a submission on any matters that the titleholders may consider relevant to the decision to 15 November 2024 (Attachment D). On 15 November 2024, Asset Energy, on behalf of the registered titleholders responded (the Response) to Minister Husic's 'Statement of Reasons for Preliminary View' requesting that the preliminary view be reconsidered (Attachment E). NOPTA's assessment is included at Appendix A .
NOPTA ADVICE	NOPTA has reviewed the titleholder's 15 November 2024 response to Minister Husic's 'Statement of Reasons for Preliminary View' and the materials outlined in Appendix B . A summary of NOPTA's assessment at Appendix A is below.

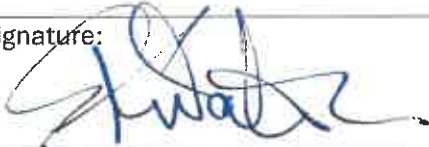
¹ https://www.nopta.gov.au/_documents/guidelines/Offshore-Petroleum-Exploration-Permit-Guideline.pdf

² Equivalent to items 2.6-2.12, 2.13-2.15, and 2.28-2.29 of *Offshore Petroleum Exploration Guideline: Work-bid (effective 1 July 2019 to 1 March 2022)*.

³ https://www.nopta.gov.au/_documents/fact-sheets/fact-sheet-COVID19-exploration-permits-20200416.pdf

1. **Proper function of the Joint Authority under sections 264 and 265 of the OPGGS Act.**
 - The Response raises new matters relating to the proper function of the Joint Authority under sections 264 and 265 of the OPGGS Act. These matters are for the Joint Authority to consider.
2. **Public interest and the Applicant's submissions.**
 - NOPTA's previous comments on public interest in its advice of 17 October 2023 remains unchanged. The additional public interest considerations raised in the Response are matters for the Joint Authority to consider.
3. **Conditions of the permit - Timeframe to complete the proposed permit conditions**
 - NOPTA is of the view that the period of suspension and extension specified in the Second Application is now no longer sufficient. If the Joint Authority decides to approve the application, the better alternative is to grant an appropriate length of suspension and corresponding extension of the term of the permit effective from the date of the final decision of the Joint Authority, as suggested by the titleholders in paragraph 16(b) of the Response.
 - NOPTA is of the opinion that 24 months from the date of the decision to complete the guaranteed Permit Year 4 exploration well commitment in line with the schedule at **Figure A1 in Appendix A** is a tight but not unreasonable timeframe.
4. **Financial uncertainty - Proposed cost of the exploration well**
 - NOPTA agrees with the titleholders (paragraph 19 (e) of the Response) that the cost to drill the exploration well will be determined by the market.
 - Using information available to NOPTA, it is estimated that the cost of the Seablue-1 exploration well is approximately \$A36 million using a jack-up rig or A\$53 million using a semi-submersible rig.
5. **Titleholder's ability to raise capital - Capital raising capacity**
 - Asset Energy (with the support of Advent Energy and its shareholder, BPH Energy) and Bounty do not have current funding in support of the Permit Year 4 work program obligation, however, have likely future funding of the magnitude and timing required to fund the Permit Year 4 obligation.
6. **Proposed condition – Capital**
 - The Response proposes a new condition relating to Capital raising. The purpose and application of the proposed condition is unclear, and in these circumstances, there is a real risk that the proposed condition, if imposed, may not be enforceable.
7. **Proposed further condition - Blocks**
 - The Response proposes a new condition prohibiting activities on certain blocks of the permit. This would be inconsistent with the rights conferred by an exploration permit under section 98 of the OPGGS Act and is therefore not likely to be within the power of the Joint Authority.
8. **The unique position of the Second Application**
 - Paragraphs 24 and 25 in the Response relate to considerations for the Second Application in relation to the *COVID-19 Fact Sheet: Work-Bid Exploration Permits (dated April 2020)*⁴ (**COVID-19 Fact Sheet**).
 - NOPTA confirms that 49 applications were made under the provisions set out in the COVID-19 Fact Sheet that have been considered and were approved. The Second Application is the only application made under the COVID-19 Fact Sheet that remains undecided.

⁴ <https://www.nopta.gov.au/documents/fact-sheets/fact-sheet-COVID19-exploration-permits-20200416.pdf>

	<p>In relation to NOPTA's advice of 17 October 2023, NOPTA remains of the opinion that:</p> <ol style="list-style-type: none"> 1. <i>Force majeure</i> grounds exist for a suspension of the Permit Year 4 work program and a corresponding extension of the permit term. 2. Asset Energy and Bounty have sufficient technical advice available to enable them to carry out the operations and works that will be authorised by the permit and discharge their current obligations. 3. Asset Energy (with the support of Advent Energy and its shareholder, BPH Energy) and Bounty do not have current funding in support of the Permit Year 4 work program obligation, however, have likely future funding of the magnitude and timing required to fund the Permit Year 4 obligation. 4. Public interest matters are for the Joint Authority to consider. <p>Should the Joint Authority approve the Second Application, a draft letter to the titleholders (Attachment F) and draft instrument (Attachment G) is provided with this assessment for your review.</p> <p>Monthly reporting is currently an additional condition of the permit and will continue should the Second Application be approved.</p>	
JOINT AUTHORITY TO NOTE	<p>The status of PEP-11 is active. The permit was due to expire on 12 February 2021. Under sub-section 265A(1) of the OPGGS Act, if a petroleum exploration permittee applies for a suspension of any of the conditions to which the permit is subject, and the permit would, apart from that provision, expire before the Joint Authority decides on the application, the permit continues in force until the Joint Authority makes a decision on the application.</p> <p>Under sub-section 265A(2) of the OPGGS Act, if the Joint Authority refuses both applications, the permit continues in force until the end of:</p> <ol style="list-style-type: none"> (a) the period of 2 months that began when notice of the refusal was given to the permittee; or (b) such longer period as the Joint Authority allows. <p>Sub-section 265A(3) provides that if a petroleum exploration permit continues in force during a period under subsection 265A(2) of the OPGGS Act, the permittee is not entitled to make an application during that period for a suspension of any of the conditions to which the permit is subject.</p>	
PRIOR USAGE RIGHT	No.	
NOPTA CONTACT	Jo Bell Director Petroleum Exploration, Greenhouse Gas Storage and Acreage Release	Tel: (08) 6424 5301 Email: titles@nopta.gov.au
ENDORSED BY	Graeme Waters Titles Administrator	Signature: 

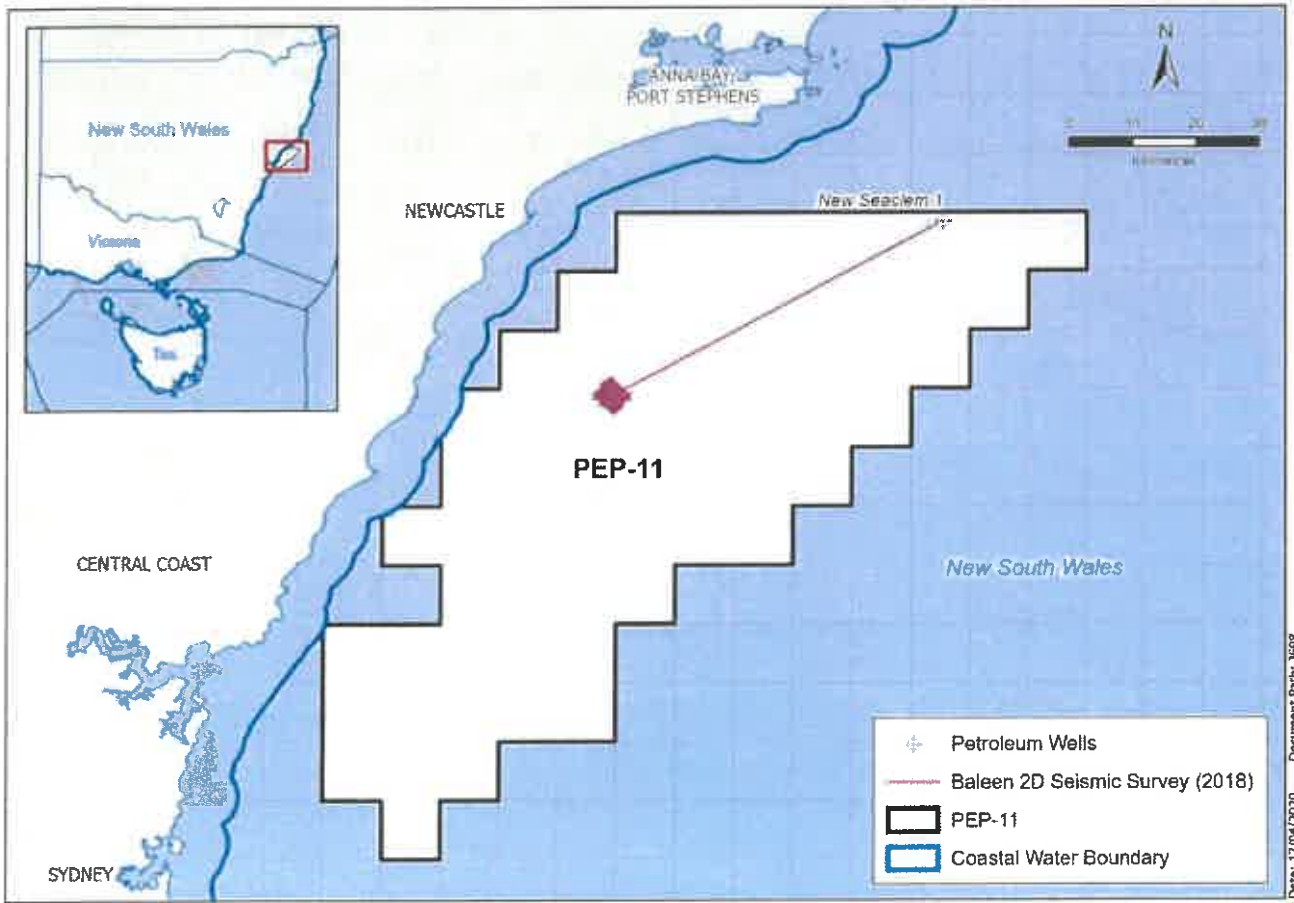


Figure 1: PEP-11 location map (source: NOPTA)

APPENDIX A – ASSESSMENT REPORT

1. BACKGROUND

In January 2020, Asset Energy applied on behalf of the titleholders to the Joint Authority for a variation of Permit Year 5, and a suspension of Permit Year 4 with a corresponding extension of the permit term (**the First Application**) to allow an additional 24 months to drill an exploration well and remove the requirement for a seismic survey.

On 29 April 2020, NOPTA provided advice in relation to the First Application to the Joint Authority recommending approval.

On 4 February 2021, the Second Application was validly submitted and was put on hold by NOPTA until a decision was made on the First Application.

On 16 December 2021, the Joint Authority advised NOPTA of its intention to refuse the First Application and NOPTA issued a Notice of intention to refuse (**NOIR**) to the titleholders.

On 31 January 2022, NOPTA provided advice in relation to the First Application and the titleholders' submission in response to the NOIR to the Joint Authority recommending approval.

The Joint Authority refused the First Application on 26 March 2022 and NOPTA advised the titleholders of the Joint Authority's decision on 30 March 2022.

On 1 June 2022, Asset Energy filed an application for judicial review in the Federal Court⁵ in relation to the First Application.

On 14 February 2023, the Federal Court of Australia made orders setting aside the decision on the First Application made by the Joint Authority in relation to PEP-11 and the decision was remitted to the Joint Authority.

On 3 March 2023, Asset Energy on behalf of the titleholders advised the Joint Authority that it would be making a further submission given that more than 3 years had passed since the First Application was made.

On 23 March 2023, NOPTA wrote to the titleholders offering the following options for progressing the First and Second Applications:

- Option 1:** Submit a new consolidated application.
- Option 2:** Provide updated information in support of the applications.

On 18 April 2023, the titleholders confirmed that they would pursue Option 2 and provided a further submission in support of the applications. The requested suspension and extension timeframes were amended to 60 months to address the time elapsed from the submission of the applications.

Additional materials provided by the titleholders in support of the First Application are outlined at **Appendix B**.

On 17 October 2023, NOPTA provided the following advice to the Joint Authority in relation to the Second Application:

NOPTA has assessed the Second Application and considers that:

- *force majeure* grounds exist for a 60 month suspension of the Permit Year 4 work program and a corresponding 60 month extension of the permit term in accordance with the OPGGS Act and with consideration to the expectations of the Work-bid Guideline and the merits of the Second Application.

⁵ *Asset Energy Pty Ltd v Commonwealth Minister for Resources* [2023] FCA 86

- Asset Energy and Bounty have sufficient technical advice available to enable them to carry out the operations and works that will be authorised by the permit and discharge their current obligations.
- Asset Energy (with the support of Advent Energy and its shareholder, BPH Energy) and Bounty have available current funding to meet the immediate activity (preparation and submission of an environment plan in support of the work program obligation, and current and likely future funding, of the magnitude and timing to fund the drilling of the exploration well in the future.
- Public interest considerations raised by Asset Energy are for the Joint Authority to consider. From a technical perspective, NOPTA considers that without drilling a prospect⁶, there is no known petroleum pool, and therefore there is insufficient evidence currently to comment on the potential of PEP-11 in the context of Australia's energy security.

On 17 September 2024, Minister Husic wrote to NOPTA, advising that he had formed a preliminary view that the applications be refused for the reasons set out in the '*Statement of Reasons for Preliminary View*'.

Minister Husic requested that NOPTA provide the titleholders with a copy of the '*Statement of Reasons for Preliminary View*' with attachments to give the titleholders an opportunity to consider his preliminary view and to provide any further information or comment in response to the statement before Minister Husic notifies the Hon Courtney Houssos MLC, Minister for Natural Resources, in her capacity as the responsible NSW Minister for the Joint Authority, under section 59(3) of the OPGGS Act of his decision on the applications.

Minister Husic confirmed that Minister Houssos consented to Minister Husic's preliminary views being provided to the titleholders for their response.

On 15 November 2024, the titleholders provided a response to the '*Statement of Reasons for Preliminary View*'.

2. ASSESSMENT OF TITLEHOLDER RESPONSE AGAINST REASONS GIVEN IN THE STATEMENT OF REASONS FOR PRELIMINARY VIEW

NOPTA has assessed the following matters raised in the titleholder's response dated 15 November 2024 (**the Response**) to the reasons given in the Minister Husic's '*Statement of Reasons for Preliminary View*' dated September 2024:

Proper function of the Joint Authority under sections 264 and 265 of the OPGGS Act.

Paragraph 3 in the Response raises new matters relating to the proper function of the Joint Authority under sections 264 and 265 of the OPGGS Act. These matters are for the Joint Authority to consider.

Public interest and the Applicant's submissions.

Paragraphs 4-13 in the Response relate to matters outlined in the '*Statement of Reasons for Preliminary View*' regarding public interest. NOPTA's previous advice to the Joint Authority on the public interest submission in the assessment of the Second Application of 17 October 2023 remains unchanged. From a technical perspective, NOPTA considers that without drilling a prospect, there is no known petroleum pool, and therefore there is insufficient evidence currently to comment on the potential of PEP-11 in the context of Australia's energy security.

The additional public interest considerations raised by the titleholders in the response to the '*Statement of Reasons for Preliminary View*' are matters for the Joint Authority to consider. NOPTA confirms that in relation to paragraph 6 of the Response, that:

- a) the proposed exploration well is located entirely within Commonwealth waters; and
- b) without drilling a well and making a petroleum discovery (and the Joint Authority declaring a location under section 131 of the OPGGS Act), there is no mechanism under the OPGGS Act for a titleholder to move to a production licence.

⁶ the word 'prospect' is a technical petroleum industry term as defined in the Society of Professional Engineers International *Glossary of Terms Used in Petroleum Reserves/Resources Definitions* - <https://www.spe.org/en/industry/terms-used-petroleum-reserves-resource-definitions/>

Conditions of the permit - Timeframe to complete the proposed permit conditions

Paragraphs 14-18 in the Response relate to matters outlined in the ‘Statement of Reasons for Preliminary View’ regarding the title conditions of the permit (PEP-11) and the timeframe to complete the proposed work commitments.

In the Response, the titleholders outline (paragraph 17) among other things that the environment plan for the purposes of drilling Seablue-1 well within PEP-11 is essentially ready to be submitted and the preparedness of the titleholders to submit the environment plan is a factor that weighs in favour of the First and Second Applications being granted. NOPTA notes that the titleholders state that “Asset has directly spent over \$880,000 on preparing the environmental plan and associated studies” and considers the development of a draft environment plan by the titleholders to be a positive factor in terms of facilitating timeliness of the completion of the work program commitments.

The titleholders also discuss (paragraph 18) among other things that delays in environment plan approvals have been reduced and have provided analysis of the time taken for NOPSEMA to accept environment plans with respect to offshore drilling, to support this assertion. Further the titleholders state that no applications for suspension or extension of work permit conditions have been refused due to the *Tipakalippa* decision. NOPTA confirms that since the date of the *Tipakalippa* decision, there have been no applications refused based on titleholders not having adequate time to complete work commitments, due to the increased time to develop and submit an environment plan in line with the new NOPSEMA guidance materials.

NOPTA considers the new matters raised in the Response (paragraphs 14 and 15) regarding decision making timeframes impacting on the ability to complete the proposed work program within the 60 month timeframe originally requested on 18 April 2023 to be reasonable and of a *force majeure* nature, given that this was a matter outside of the control of the titleholders.

In relation to the mechanism to amend the work program, the titleholders have presented two options (paragraph 16) being:

- (a) *The Joint Authority can ensure that an appropriate extension is granted under s 265 of the OPGGS Act. This is consistent with NOPTA’s recommendations given on 17 October 2023 that the relevant suspension and extension as contained in the Applications be granted for 60-months.*
- (b) *Alternatively, the timeframes in Annexure 3 of Titleholder’s letter dated 18 April 2023 can be extended by an appropriate amount depending on when a final decision with respect to the Applications is made (be it 6 months, 12 months, or 18 months etc.). This letter should be read as amending the First Application and Second Application to provide for such flexibility.*

NOPTA’s interpretation of sections 264 and 265 of the OPGGS Act is that (as submitted by the titleholders in paragraph 16(a) of the Response) the Joint Authority may suspend the conditions of a permit under section 264 and extend the term of the permit under section 265 of the OPGGS Act for a period that it considers appropriate to complete work program activities.

NOPTA’s interpretation is that the Joint Authority may decide to suspend the conditions and extend the term of the permit for a period longer than that originally sought by the applicant without requiring a variation of the application or the submission of a fresh application, although the applicant is not precluded from making a variation of the application.

NOPTA is of the view that the period of suspension and extension specified in the Second Application is now no longer sufficient due to the time taken for a decision to be made on the application. If the Joint Authority decides to approve the application, NOPTA’s view is that the better alternative is to grant an appropriate length of suspension and corresponding extension of the term of the permit effective from the date of the final decision of the Joint Authority, as suggested by the titleholders in paragraph 16(b) of the Response. Based on the indicative project plan (**Figure A1**) provided to NOPTA on 18 April 2023, NOPTA maintains its previous advice that the basic structure of that plan is reasonable. NOPTA is of the opinion that 24 months from the date of the decision to complete the guaranteed Permit Year 4 exploration well commitment in line

with the schedule at **Figure A1** is a tight but not unreasonable timeframe and should enable the titleholders to:

- Submit an environment plan for consideration by NOPSEMA - noting above that the titleholders have stated in the Response that they are essentially ready to submit an environmental plan for the purposes of drilling the Seablue-1 well.
- Undertake rig and well planning activities in parallel with NOPSEMA's environment plan assessment process
- Allow some contingency for the timing of delivery of the rig.
- Drill the exploration well.

In accordance with Condition 4 of the permit, and section 4.22 of the Work-bid Guideline, the Permit Year 5 work program commitment is not a guaranteed work program commitment at this time⁷. Therefore, the time required to complete the Permit Year 5 work program commitment of 500 km² 3D Seismic Survey has not been taken into consideration.

The proposed changes reflecting NOPTA's recommendation above that the Joint Authority grant the variation and suspension and extension for a period of 24 months from the date of the Joint Authority's decision are shown in bold font (**Table A1**).

Table A1: Proposed revised work program

Permit Year	Permit Year Starts	Permit Year Ends	Minimum Work Requirements	Estimated Expenditure A\$
1	13/08/2012	12/08/2013	2,000 km seismic reprocessing Geotechnical studies	250,000
2	13/08/2013	12/02/2019	200 km 2D seismic survey Geotechnical studies	2,000,000
3	13/08/2015	12/02/2019	Geotechnical studies	350,000
4	13/02/2019	TBC[^]	One exploration well	15,000,000*
5	TBC[#]	TBC⁺	500 km ² 3D Seismic Survey	3,500,000

* This date will be 2 years from the date of the Joint Authority's decision

* Commitment activity indicative values used in the assessment of the financial resources.

This date will be 2 years and one day from the date of the Joint Authority's decision

+ This date will be 3 years from the date of the Joint Authority's decision

⁷ The Guideline: Offshore petroleum exploration - work-bid provides: "4.22. Permit Years 4, 5, and 6 are referred to as the secondary term. Each year's work program becomes guaranteed upon entry and the minimum work requirements must commence and be completed within the permit year."

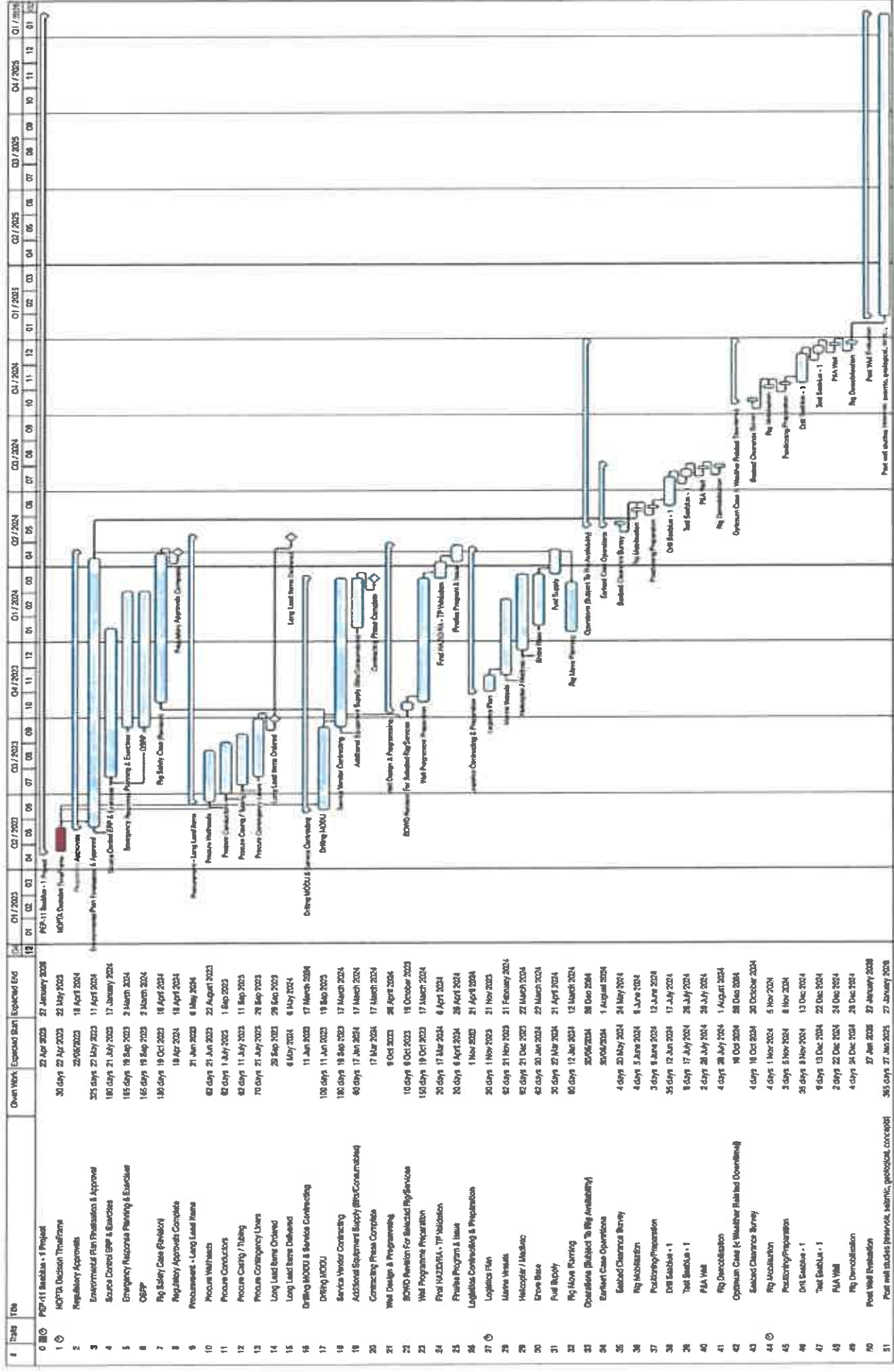


Figure A1. Titleholders' indicative project plan (source: Modified from 18 April 2023 RFI response).

Financial uncertainty - Proposed cost of the exploration well

Paragraph 19 in the Response outlines reasons (a) to (f) as to why the Joint Authority should not refuse the First and Second Applications based on the information presented to Minister Husic which suggested the applicant may not have accurately estimated the proposed well cost, and the actual cost may be substantially higher.

Paragraph 19(a), (b), (c), (d) relate to the use of indicative cost estimates within work programs for Exploration Permits. While the observations made are accurate, they do not address the likely cost that will be associated with drilling the proposed well within the timeframes presented in the application and as such do not address any matters related to financial uncertainty.

NOPTA agrees with the titleholders (paragraph 19(e) of the Response) that the cost to drill the exploration well will be determined by the market. The titleholders' position is that it can be accepted that this figure may prove to be greater than an indicative cost of \$20 million. The titleholders did not identify in the Response any issues with the methodology used by the Minister in determining the proposed well cost.

Based on permanently confidential information provided to NOPTA via regulatory submissions from titleholders (Annual Titles Assessment Reports and Daily Drilling Reports) NOPTA is aware of actual expenditure incurred on operational activities such as drilling a well. In relation to reported actual drilling costs incurred in the period between 2018 and 2023 and using the schedule provided by the titleholders on 18 April 2023⁸ at **Figure A1**, NOPTA has estimated the average cost per day of conducting an exploration drilling operation. NOPTA estimates that the cost of the Seablue-1 exploration well (48 days⁹) is \$A36 million using a jack-up rig or A\$53 million using a semi-submersible rig.

Paragraph 19(f) relates to the titleholders plans to raise sufficient capital to cover the costs associated with drilling the proposed well. These matters are considered in the following section.

Titleholder's ability to raise capital - Capital raising capacity

Published guidance on how an applicant's financial resources will be assessed is provided in both the *Guideline: Applicant Suitability*¹⁰ (**the Suitability Guideline**) and Work-bid Guideline.

In assessing any applicant's financial resources, consideration is given to the current and future funds available to an applicant to carry out the operations and works that will be or are authorised by the permit, lease or licence and discharge the obligations that will be imposed under the OPGGS Act, or a legislative instrument under the OPGGS Act, in relation to the permit, lease or licence.

The Suitability Guideline and Work-bid Guideline do not require in place funding to deliver the entire work program, titleholders can rely on their ability to raise additional funding (future funds). Therefore, a titleholder's demonstrated track record in raising funds or securing farm-in partners to meet guaranteed work program obligations is considered where funding is not currently in place.

The Work-bid Guideline also outlines that where future funding proposals have previously been identified to fund work program commitments, the progress that has been made to date will be considered.

Capital raising capacity

Paragraph 20 set out the titleholders reasoning in relation to both why the Joint Authority should not reject the application based on the ability to raise capital and the basis on which the Joint Authority should be satisfied in relation to their ability to raise capital.

⁸ The schedule referenced at paragraph 65 of the 'Statement of Reasons for Preliminary View' was provided by the titleholder on 27 March 2020, NOPTA has used the schedule provided by the titleholders on 18 April 2023.

⁹ NOPTA did not include the days allocated to seabed clearance or flow testing in its cost estimate.

¹⁰ https://www.nopta.gov.au/_documents/guidelines/Applicant-Suitability-Guideline.pdf

Paragraph 20(a) argues that the financial burden associated with the proposed work program will not be materially different to the existing work program and as such there has been no increase in financial burden and that such matters fall outside the purpose of the power contained in section 264 of the OPGGS Act.

Paragraph 20(b) asserts that the work-bid exploration permit regime is to provide a mechanism for exploration which is suitable to smaller, capital-poor junior explorers. While junior explorers have successfully used the work-bid exploration permit to successfully gain acreage and raise capital to undertake exploration it would not be accurate to describe this as the purpose of the acreage release system and is not a matter that is relevant to the application under consideration.

Paragraph 20(c) relates to the titleholders' ability to raise capital:

- NOPTA considers the proposed term sheets to be a less reliable indication of potential to raise equity in the future, noting one term sheet expired March 2021.
- Demand for gas is identified as supporting a market for capital raising. While gas demand may be supportive NOPTA views other factors such as track record of the company and its executives, route to market and exploration prospectivity will also be important factors in determining the success of any capital raising.
- The Response references a plan to raise ~\$73 million over three tranches, the success of this plan will be impacted upon by a range of factors.

Paragraph 20(d) proposes a condition to be imposed on the permit that the drilling of the exploration well cannot occur unless the Titleholders have sufficient capital. NOPTA's view is that, even if within power of the Joint Authority to make, the condition would need to be sufficiently certain to be enforceable. The purpose and application of the proposed condition is considered to be unclear, and in these circumstances, there is a real risk that the proposed condition, if imposed, may not be enforceable. NOPTA further considers the condition to be unnecessary as without adequate funding the titleholders will not be able to complete the work program commitment.

Paragraph 20(e) asserts that the Statement of Reasons does not address fully the chain of inferential reasoning contained in NOPTA's recommendation. This statement is not specific and as such has not been directly addressed.

Paragraph 20(f) raises further matters in relation to the titleholders capital raising ability:

- The Response (paragraph 20(f)(i)) notes that Advent Energy continues to receive funding offers from brokers regarding PEP-11. No evidence in support of these was provided as part of either of the titleholder's monthly reports (December 2023 & January 2024) or the Response.
- The Response (paragraph 20(f)(ii)) identified that the titleholders and their funding entities have continued to raise funding since the previous advice was provided. NOPTA has verified the following additional capital raisings, Bounty Oil & Gas' additional equity raised in January 2024: A\$1.2 million (before costs) and additional equity raised by MEC Resources and BPH Energy between February and November 2024 of A\$7.8 million.
- The Response (paragraph 20(f)(iii)) provides detail of the capital raising identified in paragraph 20(f)(ii) for FY2019/20 to FY2024/2025. NOPTA notes that the amounts identified in the table provided are before cost capital raisings. In addition, NOPTA can confirm the majority (approximately 60%) of the amounts raised were planned to be allocated to the funding for exploration development of oil and gas investments.
- The Response (paragraph 20(f)(iv)) identified an update to the progress on the reinstatement of MEC Resources to the ASX. NOPTA notes MEC Resources was reinstated to the ASX on 2 December 2024. MEC Resources completed a capital raising in support of its reinstatement to quotation on the ASX, raising a total of ~A\$3.1 million.
- The Response (paragraph 20(f)(v)) notes current cash and cash equivalent resources available to the titleholders of A\$9.2 million. Based on the most recent publicly available information¹¹ NOPTA notes the funding entities had ~\$9.5 million in cash and cash equivalents resources.

¹¹ BPH Energy Ltd September 2024 Quarter Operations Report and Appendix 4C; MEC Resources Pre-Reinstatement Disclosure (ASX Announcement), 29 November 2024 and Appendix 4C; and Bounty Oil and Gas NL Quarterly Activities Report and Appendix 5B - September 2024.

Update to financial indicators assessment

NOPTA notes that there has been no change to MEC or Bounty Oil & Gas between FY2023 and FY2024. However, Advent Energy (parent entity of Asset Energy) for FY2024 does not meet the current and gearing ratios (an increase in an unsecured loan payable to its shareholder, BPH Energy) and continues not to meet the commitment and cash cover thresholds.

NOPTA assesses applicants against several financial indicators and an applicant does not necessarily have to meet all the indicator thresholds (*Financial resources Fact Sheet¹², Attachment B: Financial indicators and threshold values*), for NOPTA to consider the applicant satisfies the financial resource requirements at that point in time.

Impact of the Response on previous assessment

NOPTA's advice remains unchanged based on the Response by the titleholders of PEP-11 to the Statement of Reasons.

NOPTA does not consider that the PEP-11 titleholders have the current financial resources to fund an exploration well.

The titleholders have a demonstrated track record in raising funds (raised A\$55 million in a four-phase stepped process over a similar timeframe), of the magnitude required to fund the drilling of the exploration well and within the term of the extension of title (24 months), based on NOPTA's estimated well costs of \$A36 million for a jack-up rig or A\$53 million for a semi-submersible rig.

Asset Energy has formulated a funding strategy to raise circa **A\$73 million** in a three-phased process to fund an exploration well. The approach and magnitude of capital raising are consistent with the funding activities undertaken previously. The amount that will ultimately be raised under the proposed capital raising will be subject to conditions at the time the entities approach the market.

NOPTA considers that the titleholders have the capacity to raise sufficient funds in the future to meet the Permit Year 4 work program obligation, however, the precise timing and quantum of final funds raised are uncertain and could impact upon the titleholders' ability to complete activities in line with the proposed work program.

Proposed condition – Capital

The titleholders propose (paragraph 20 (d)) that a new condition is imposed on the permit so that that the drilling of the exploration well cannot occur unless the titleholders have sufficient capital (inclusive of any rig deposit) prior to the commencement of drilling of the Seablue-1 well to cover the costs of the drilling campaign.

NOPTA acknowledges the power of the Joint Authority under section 99 of the OPGSS Act to grant an exploration permit subject to whatever conditions that the Joint Authority thinks appropriate.

NOPTA's view is that, even if within power of the Joint Authority to make, the condition would need to be sufficiently certain to be enforceable. The purpose and application of the proposed condition is considered to be unclear, and in these circumstances, there is a real risk that the proposed condition, if imposed, may not be enforceable. NOPTA further considers the condition to be unnecessary as without adequate funding the titleholders will not be able to complete the work program commitment.

Proposed further condition - Blocks

The titleholders propose (paragraphs 21-23) the imposition of a further condition to address public interest concerns, that no drilling occur closer than 15 kms from the coastline or otherwise within 10 graticular blocks that are the subject of PEP-11.

¹² <https://www.nopta.gov.au/documents/fact-sheets/fact-sheet-financial-resources.pdf>

NOPTA acknowledges the power of the Joint Authority under section 99 of the OPGSS Act to grant an exploration permit subject to whatever conditions that the Joint Authority thinks appropriate. However, the proposed condition prohibiting activities on certain blocks of the permit would be inconsistent with the rights conferred by an exploration permit under section 98 of the OPGSS Act and is therefore not likely to be within the power of the Joint Authority.

Should the titleholders wish to relinquish the 10 blocks referred to in the proposed condition, subsection 269(1) table item 1 of the OPGSS Act provides a mechanism by which the registered holder of an exploration permit may apply for consent to surrender some or all of the blocks to which the permit is in force.

The unique position of the Second Application

Paragraphs 24 and 25 in the Response relate to considerations for the Second Application in relation to the COVID-19 Fact Sheet: Work-Bid Exploration Permits (dated April 2020)¹³ (COVID-19 Fact Sheet).

NOPTA confirms that 49 applications were made under the provisions set out in the COVID-19 Fact Sheet that have been considered and were approved. The Second Application is the only application made under the COVID-19 Fact Sheet that remains undecided.

¹³ https://www.nopta.gov.au/_documents/fact-sheets/fact-sheet-COVID19-exploration-permits-20200416.pdf

APPENDIX B – ADDITIONAL MATERIALS

Application submission in regard of the Second Application validly submitted 4 February 2021

- [Application Form](#)
- [Application Submission](#)
- [Request for Additional Information \(RFI\) dated 17 February 2021](#)
- [Applicant email response to RFI](#)
 - [Applicant Response to Q1 of RFI](#)
 - [Applicant Response to Q2 of RFI](#)

Information provided to the Joint Authority in relation to the First Application that is relevant to the Second Application

Information provided with or incorporated into NOPTA's advice to the Joint Authority in relation to the First Application dated **29 April 2020**

Asset Energy's *18 February 2020* response to request for information dated [5 February 2020](#)

- [Response Cover Letter](#)
- [AEA-TEN-Asset Energy Well Management Rev](#)
- [Extended proposal to asset energy for COSL prospector](#)

Asset Energy's *12 March 2020* response to request for information dated [27 February 2020](#)

- [Response Cover letter](#)
- [ADD Energy schedule](#)
- [Copy of resource plan asset](#)
- [Email](#)

Information provided to the Joint Authority via email (with [accompanying letter](#)) on **7 August 2020**

Asset Energy's *6 August 2020* response to JA request for information dated [2 July 2020](#)

- [Response Cover Letter](#)
- [Appendix 2A placement 2407 20](#)
- [BPH Annual Report 2011](#)
- [BPH announcement 230720 NRR1](#)
- [BPH Advent Energy Funding Update 12 April 2010](#)
- [BPH Advent Energy Limited Investment Update 070410](#)
- [BPH_BPH Corporate Completion of Non Renounceable Offer 030910](#)
- [BPH Underwriting details raised \\$11.5 m](#)
- [BPH Update on Advent placement \\$14.4 m](#)
- [Funding Commitment Advent 060820 1](#)

Provided to the Joint Authority on 31 January 2022 as Attachment B to NOPTA's advice to the Joint Authority in relation to the First Application dated **31 January 2021**

Asset Energy's *22 January 2022* submission in response to the Notice of intention to refuse (NOIR) dated [16 December 2021](#)

- [NOIR response submission](#)

Information received after federal court order to set aside Joint Authority decision.

Information provided to the Joint Authority via email on **18 April 2023**

Asset Energy's *18 April 2023* response to request for further information dated [23 March 2023](#)

- [Response Cover Letter](#)
- [Annexures](#)

Information provided to the Joint Authority via email on 29 June 2023 (sent as [Part 1](#) and [Part 2](#))

Asset Energy's [28 June 2023](#) response to request for further information dated [22 May 2023](#)

- [Response Cover letter](#)
- [Annexure 1](#)
- [Annexure 2](#)
- [Annexure 3](#)
- [Annexure 4](#)

Information provided to the Joint Authority via email on [30 August 2023](#)

Asset Energy's [29 August 2023](#) response to request for further information dated [2 August 2023](#)

- [Response Letter \(includes Annexures 1-3\)](#)

Information provided to the Joint Authority via email on [3 October 2023](#)

Asset Energy's [3 October 2023](#) response to request for clarification dated [12 September 2023](#)

- [Clarification Letter](#)

Attachments 1 of 3 (emailed to Joint Authority on [3 October 2023](#))

- [Seablue-1 EP_1 Introduction.pdf](#)
- [Seablue-1 EP_2 Description of the Activity](#)
- [Seablue-1 EP_3 Stakeholder Consultation](#)
- [Seablue-1 EP_5 Ecological Receptor Assessment](#)

Attachments 2 of 3 (emailed to Joint Authority on [3 October 2023](#))

- [Seablue-1 EP_6 Social, Cultural and Heritage Receptor Assessment](#)
- [Seablue-1 EP_7 Oil Spill Response Activities](#)
- [Seablue-1 EP_8 Implementation Strategy](#)
- [Seablue-1 EP_9 Acronyms Glossary](#)
- [Seablue-1 EP Appendix A EIA Tools_Rev A](#)
- [Seablue-1 EP Appendix B Scoping Out Table](#)
- [Seablue-1 EP Appendix C Consultation Report](#)
- [Seablue-1 EP Appendix Sensitive Information Report](#)
- [Seablue-1 OPEP](#)

Attachments 1 of 3 (emailed to Joint Authority on [3 October 2023](#))

- [Seablue-1 EP Appendix E Spill Risk Report](#)
- [Seablue-1 EP Appendix F Light Modelling Report](#)
- [Seablue-1 OSMP](#)

The above information was also provided via email to the Joint Authority with NOPTA's advice dated 17 October 2024.

Information received after Minister Husic's 'Statement of reasons for preliminary view' was sent to the applicants

Information provided to the Joint Authority via email on 15 November 2024

Titleholders' [15 November 2024](#) response to Minister Husic's 'Statement of reasons for preliminary view' (emailed to Joint Authority on [15 November 2024](#))

- [Email](#)
- [Response letter](#)

Appendices A to J (emailed to Joint Authority on [15 November 2024](#))

- [Email](#)
- [Appendix A - Australian Government, Future Gas Strategy \(May 2024\)](#)
- [Appendix B - ACCC Gas Inquiry 2017-2030 Interim Report \(September 2024\)](#)
- [Appendix C - AEMO, 2024 Integrated System Plan: A roadmap for the energy transition \(June 2024\)](#)
- [Appendix D - Energy Quest, Impact of no investment on gas supply \(September 2024\)](#)
- [Appendix E - Australian Energy Producers, Media release: Exploration exit a blow to Victoria's energy security as gas supply dwindles \(September 2024\)](#)
- [Appendix F - University of Queensland Gas & Energy Transition Research Centre, Australia needs a new plan on gas \(September 2024\)](#)
- [Appendix G - NSW Legislative Assembly Report, Minerals Legislation Amendment \(Offshore Drilling and Associated Infrastructure Prohibition\) Bill 2023](#)
- [Appendix H - Titleholders' Draft Environmental Plan](#)
- [Appendix I - NOPSEMA Timing Analysis](#)
- [Appendix J - Well Cost Analysis](#)