

New figures highlight Aussie oil crisis: APPEA

Friday, 7 March 2008

AUSTRALIA'S production of crude oil and condensate is forecast to drop to just 32% of the country's needs by 2017 unless major new discoveries are made, a new study prepared for the peak petroleum industry body has found.

According to the report released by the Australian Petroleum Production and Exploration Association, such a fall in oil production would result in a \$28 billion trade deficit – up from \$13.7 billion today.

APPEA said Australia's crude oil and condensate production has declined from almost 100% of Australia's needs in 2000 to just over 60% today and, without major new discoveries, is forecast to fall to just 32% by 2017.



However, APPEA reiterated its belief that Australia still has considerable potential for new discoveries, with less than a quarter of Australia's 50 potentially hydrocarbon-bearing basins having been explored.

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

"The challenge for Australia is to persuade potential investors to risk money here rather than elsewhere in the world.

"This requires a fiscal framework that takes account of the high costs and high risks involved in exploring these areas and also ensures the availability of baseline geological information."

Robinson said the study, prepared for APPEA's *Industry Strategy – Platform for Prosperity*, provided policymakers with a "compelling" business case for long-term investment by all governments in pre-competitive geoscientific information.

The APPEA 2008 Conference, to be held in Perth next month, will include a session on Frontier Potential, looking at frontier basins in Australia and New Zealand.