

## **Australia's huge new liquid asset**

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A potential oil and gas bonanza could follow Australia extending its continental shelf under an agreement with the United Nations.

"I am pleased to announce that Australia, the largest island in the world, has just been dramatically increased in size," Resources Minister Martin Ferguson told reporters in Canberra.

"We have fully explored through the United Nations our entitlements to actually extend our continental shelf."

Mr Ferguson said Australia had explored its entitlements to extend the continental shelf.

The UN had found that Australia's territory should be extended by 2.5 million square kilometres, he said.

"That is an area five times the size of France, 10 times the size of New Zealand, and 20 times the size of the United Kingdom," Mr Ferguson said.

Mr Ferguson could not put a figure on the potential oil and gas reserves contained in the areas.

"The truth of the matter is that they have been hardly explored," he said.

"There has been some exploration ... in terms of gas.

"This is potentially a bonanza. We have got unknown capacity up there."

It also raised questions about what regimes might be needed in the future to encourage exploration, he said.

Mr Ferguson said resource-hungry nations want security over supply by Australia.

"As you can appreciate, when you sit down and talk to countries such as Japan, Korea, India and China, the big issue they want from us is security of supply and that goes to the energy security debate," he said.

"It is also very important in the international debate about energy security," he said.

The expansion did not mean motorists could expect cheaper petrol or LPG, he said.

"As you and I appreciate, LPG and oil prices are part of international outcomes in the same way in which so is the price of iron ore, uranium, coal, nickel and copper," he said. "We are part of a world market."

It was important that Australia got on with exploration because it was not oil-rich, Mr Ferguson said.

"We do need to find another Bass Strait or alternatively develop alternative fuels, such as gas-to-liquids and coal liquids, because the issue of energy security goes squarely to the question of transport fuels."

Mr Ferguson ruled out the exploration of the Antarctic mainland and waters around it.

"We have always acknowledged the Antarctic treaty," he said.

The minister did not immediately rule out exploration of the waters around Macquarie Island, in the Southern Ocean.

He was not immediately available to confirm all details of exploration in the Southern Ocean.