

Annual exploration program **2016–17**



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Minister's foreword

The minerals and energy sector is of vital importance to Queensland and is a key driver of jobs and economic growth. The Australian Bureau of Statistics reports that the sector directly contributed more than \$22 billion to the state's economy in 2014-15 and provides jobs for about 60 000 Queenslanders.

The Palaszczuk Government supports the sustainable development of the minerals and energy sector, including opening up ongoing exploration opportunities. Exploration is the key to future resource development, jobs and prosperity.

In 2015, I established two round tables—one with representatives from industry, the other with representatives from the broader resources community. These forums recommended we should continue to provide a clear direction for resource development, and foster better communications.

The inaugural annual exploration program 2016–17 provides much needed strategic direction for exploration in Queensland. It identifies the exploration areas to be released over the next financial year and our priorities for the responsible development of our minerals, petroleum and gas, and coal resources. Publication of an annual exploration program will help resource companies plan and provide additional opportunities for promoting Queensland internationally.

We're committed to building productive relations between the sector and the broader community. In preparing the program, we've consulted with landowners, traditional owners, local governments and key community groups providing information and advice about proposed exploration.

Through the opening up of new exploration opportunities, this program seeks to achieve the best outcomes for all Queenslanders by encouraging investment, creating jobs and further strengthening the state's economy.

The Honourable Dr Anthony Lynham
Minister for State Development and
Minister for Natural Resources and Mines

Contents

Minister's foreword	i
Figures	iii
Tables	iii
Introduction	1
Community engagement	2
Exploration competitive tendering	3
Ongoing engagement and negotiations	4
Forward schedule	5
Minerals exploration tender releases	6
Petroleum and gas exploration tender releases	7
Coal exploration tender releases	8
Future exploration opportunities	10
Expressions of interest	10

Figures

Figure 1: Minerals exploration area	7
Figure 2: Petroleum and gas exploration areas	8
Figure 3: Coal exploration areas	9

Tables

Table 1: Key peak bodies engaged as part of the 2016–17 annual exploration program	2
Table 2: Forward schedule for 2016–17 financial year	6
Table 3: MLR2016/17-1-1	7
Table 4: PLR2016/17-1-1	8
Table 5: PLR2016/17-1-2	8
Table 6: CLR2016/17-1-1	9
Table 7: CLR2016/17-1-2	9
Table 8: CLR2016/17-1-3	9
Table 9: CLR2016/17-1-4	9



Introduction

The Queensland Government is continuing to plan for a strong and internationally competitive minerals and energy exploration tendering process. The Department of Natural Resources and Mines (DNRM) is implementing a statewide annual exploration program to provide a more systematic process for releasing resource exploration tenders supported by engagement activities that provide much needed communication around the existing competitive tendering process.

A key change has been to contact landowners, relevant traditional owners, local government, community groups and peak representative groups first about upcoming competitive tendering processes. The information provided through this engagement enables directly affected stakeholders to be better prepared for future exploration approval processes and negotiations.

The *Annual exploration program 2016–17* provides a forward schedule for exploration opportunities in the upcoming financial year. It provides information about the target commodity and location of each exploration tender area, as well as the timing of each proposed competitive tender process.

This program also includes:

- an outline of future exploration opportunities in Queensland
- details about how resource companies can submit expressions of interest to explore particular areas across the state.

Additional information about the annual exploration program, the exploration competitive tendering processes or resources exploration in general is available at www.dnrm.qld.gov.au/resources-tenders.

Community engagement

As part of preparing the annual exploration program, DNRM officers contacted stakeholders directly affected by the release of seven exploration tender areas. Relevant landowners, traditional owners, local government and key community groups were given information about the proposed exploration tender and approvals processes, including how and when they can have their say. They were also provided a key departmental contact to answer any additional questions or arrange a meeting.

Across the 7 exploration areas, over 70 directly affected stakeholders were contacted, including 62 landowners, 4 native title claimant groups, 5 local governments and 3 community groups.

Meetings were also held with key peak body groups representing the resources industry, agriculture, environment, native title and local government (Table 1).

Table 1: Key peak bodies engaged as part of the 2016–17 annual exploration program

Resource	Australian Petroleum Production and Exploration Association Association of Mining and Exploration Companies Queensland Resources Council Queensland Exploration Council
Agriculture	Agforce Queensland Farmers' Federation
Environment	Environmental Defenders Office (representing Queensland Conservation Council, The Wilderness Society and World Wildlife Fund)
Native title	Queensland South Native Title Services
Local government	Local Government Association of Queensland

DNRM will continue to keep directly affected stakeholders and peak body groups informed by providing:

- notification that the *Annual exploration program 2016–17* has been published
- notification of public notices calling for tenders on released exploration areas
- information on outcomes of the tender process, including who has been awarded as the preferred applicant (if applicable).

At each point of contact with DNRM, directly affected stakeholders and peak body groups will be given the opportunity to ask questions and seek clarity.

The broader community also have access to information about proposed exploration activities—details of the annual exploration program will be published on the DNRM website and a public notice will be published in local newspapers at the start of each exploration competitive tender process. The DNRM website will also be periodically updated to reflect the progress of the different competitive tender processes.

You can keep up to date on the competitive tendering process by subscribing to the resources tenders mailing list (visit www.dnrm.qld.gov.au/resources-tenders).



Exploration competitive tendering

The exploration competitive tendering process is a fair and transparent approach for allocating exploration authorities to applicants that are most capable of exploring and developing the resources within an identified area.

While it is a legislative requirement that petroleum and gas, and coal exploration areas be released through a competitive tender process, this process may also be applied to minerals exploration.

For each exploration area, the competitive tender process begins with a public notice stating that a ‘call for tender’ has commenced and that applications can be submitted to DNRM.

The accompanying tender document sets out evaluation criteria, including the:

- applicant’s proposed community consultation approach
- suitability of the applicant’s proposed exploration work program
- applicant’s technical and financial capability to deliver the proposed work program
- applicant’s history of and commitment to regulatory compliance.

Each tender submission is assessed against the evaluation criteria and ranked accordingly. The assessment process is supported by an independent probity advisor, as well as external technical assessments. The most highly ranked applicant is awarded as the preferred applicant. If applications do not satisfy the evaluation criteria for an area, then a preferred applicant is not awarded.

Preferred applicants have the exclusive right to apply for an exploration authority over the awarded area. The preferred applicant must meet further environmental and other approval requirements before they can be granted an exploration authority and begin exploration. They must also undertake native title negotiations (if applicable) and contact landowners to discuss proposed exploration activities.

Ongoing engagement and negotiations

All resource projects are dependent on community support and a strong social licence to operate for their long-term success and growth. While it is the responsibility of the resource company to comply with all laws and regulations relating to engagement and negotiations, this government considers a strong commitment to social performance and community consultation as integral to successful exploration. Companies must do everything possible, going above and beyond what is required under law, to ensure their performance is without fault and that the community is brought along with them.

At the conclusion of the tendering process, the preferred applicant must engage stakeholders before exploration activities can commence. Effective engagement is critical to establishing good relationships between all parties. Open and early information builds understanding and trust—setting the path for an enduring social licence to operate. Respectful, good faith negotiations and following through on commitments helps to foster positive, long-term working relationships.

Contact is made with landowners and relevant native title claimants to begin discussions and negotiations—for example, land access arrangements and compensation agreements.

Land access laws were introduced in Queensland to balance the competing interests of the resources and agricultural industries.

These laws require that a resource authority holder, and its staff or agents, cannot enter private land to undertake advanced activities unless they have entered into a conduct and compensation agreement or a deferral agreement with the affected landholder. Additionally there is no land entry if the matter has been referred to the Land Court for determination.

These laws also require all resource companies conducting exploration activities to comply with the conditions of the [Land access code](#). The code states best practice guidelines for communication between resource companies and landholders, and imposes mandatory conditions on resource companies conducting activities on land. These mandatory conditions relate to key concerns landholders have regarding access points, use of roads and tracks, weeds and declared pests, items brought onto land and activities conducted around livestock and property.

Australian law also recognises that Indigenous people have rights and interests in land under their traditional laws and customs.

The Commonwealth *Native Title Act 1993* sets out specified processes that must be followed for any ‘future act’ on land or water that would affect native title rights and interests. Applications for most resource authorities are considered future acts and are subject to these native title processes.

For more information about land access and native title processes, visit www.business.qld.gov.au/industry/mining/land-access-environment.



Forward schedule

Table 2 details the annual exploration forward schedule for the 2016–17 financial year. The schedule identifies competitive tender processes for minerals, petroleum, gas and coal exploration, and timing of the tender process.

Further information on each area will be made available once a competitive tender process has been initiated.

Selection of areas for competitive exploration tender considers industry expressions of interest and available or recently relinquished land. DNRM also assesses a range of social, environmental and economic factors to make an informed decision on the viability of an exploration area, including:

- the state's current geological knowledge
- the area's prospectivity
- commercial considerations (e.g. proximity to markets and supporting infrastructure)
- regional and state planning interests (e.g. priority living areas and national parks)
- government strategic plans.

Factors such as the overall development of each basin or resource area, the potential demand for the resource, Queensland's supply of the resource and the expected demand from Queensland's current and potential buyers are also considered.

Table 2: Forward schedule for 2016–17 financial year

Minerals				
Area	Locality	Call for tender	Tender close	Tender outcome
MLR2016/17-1-1	Approx. 8 km south-west of Cloncurry	July–Sept 2016	Jan–Mar 2017	Apr–Jun 2017
Petroleum and gas				
Area	Locality	Call for tender	Tender close	Tender outcome
PLR2016/17-1-1	Approx. 65 km north of Injune	Oct–Dec 2016	Jan–Mar 2017	Apr–Jun 2017
PLR2016/17-1-2	Approx. 40 km south-east of Surat	Oct–Dec 2016	Jan–Mar 2017	Apr–Jun 2017
Coal				
Area	Locality	Call for tender	Tender close	Tender outcome
CLR2016/17-1-1	Approx. 60 km south-east of Middlemount and 50 km north-west of Blackwater	Apr–Jun 2017	Jul–Sep 2017	Oct–Dec 2017
CLR2016/17-1-2	Approx. 20 km north-east of Blackwater and 10 km north of Bluff	Apr–Jun 2017	Jul–Sep 2017	Oct–Dec 2017
CLR2016/17-1-3	Approx. 45 km south-east of Blackwater and 10 km south of Dingo	Apr–Jun 2017	Jul–Sep 2017	Oct–Dec 2017
CLR2016/17-1-4	Approx. 25 km south-east of Middlemount	Apr–Jun 2017	Jul–Sep 2017	Oct–Dec 2017

Minerals exploration tender releases

The North West Minerals Province is a world-class base metals region and currently Australia’s largest copper, lead, zinc and silver producer. The region is supported by local facilities, existing infrastructure and a skilled workforce.

The North West Minerals Province is also recognised as a prospective area with the potential for further discoveries across a range of commodities. However, these opportunities are scarce.

One area (Figure 1) will be released via competitive tender for minerals exploration in the first quarter of the 2016–17 financial year (Table 3). This exploration tender area is located in the northern part of a prospective corridor, with potential for both copper/gold and lead/zinc mineralisation, and potentially rare earth elements.

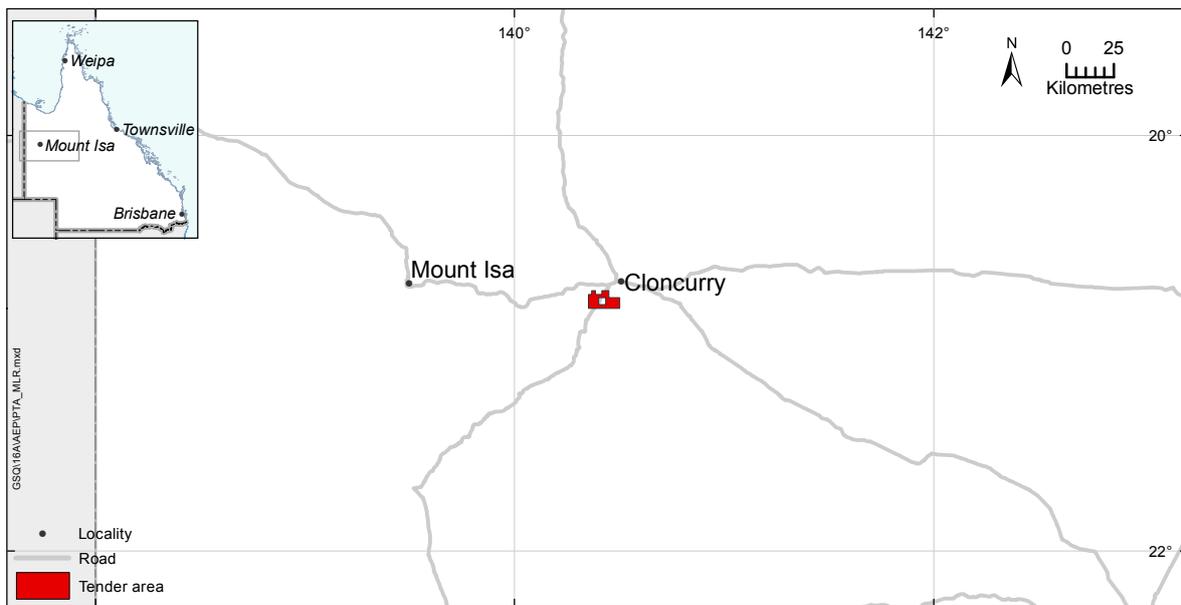


Figure 1: Minerals exploration area

Table 3: MLR2016/17-1-1

Size	102 km ² (32 sub-blocks)
Location	Approx. 8 km south-west of Cloncurry
Basin	North West Minerals Province
Commodity	Minerals
Prospectivity	Forms northern part of a prospective corridor within shale-dominated basin, with potential for both copper/gold and lead/zinc.

Petroleum and gas exploration tender releases

In recent years, significant growth has occurred in the development of Queensland’s coal seam gas (CSG) to liquefied natural gas (LNG) industry. LNG exports are expected to strengthen considerably over the next two years and become the state’s second largest export.

Systematic exploration for petroleum and gas began in the 1960s. Exploration has resulted in the discovery of commercial petroleum areas, such as the Surat and Bowen basins. The Surat Basin and Southern Bowen Basin are now the state’s primary CSG development areas that support domestic gas supply and the CSG to LNG industry.

The Surat and Bowen basins are serviced by established processing facilities, with gas pipelines available to support production for domestic and international markets. The region is well supported by an established network of regional centres and smaller townships, which offer petroleum industry support and essential services. A broad network of telecommunication, transport and energy infrastructure exists.

Two areas (Figure 2) will be released via competitive tender for petroleum and gas exploration in the Surat and Bowen basins in the second quarter of the 2016–17 financial year (tables 4 and 5).

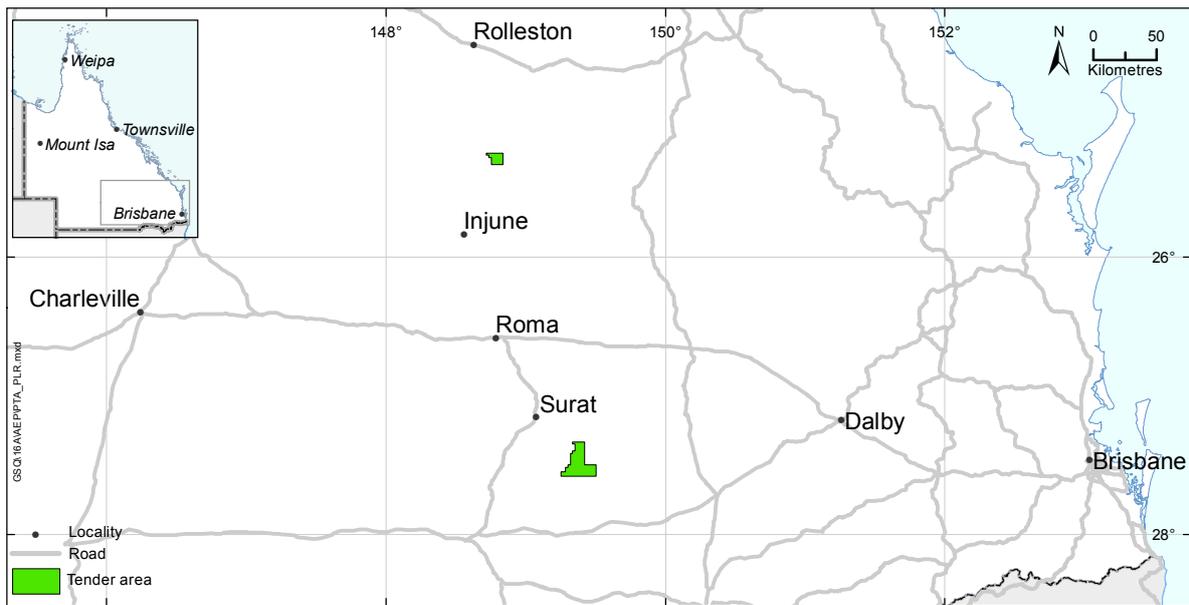


Figure 2: Petroleum and gas exploration areas

Table 4: PLR2016/17-1-1

Size	86 km ² (28 sub-blocks)
Location	Approx. 65 km north of Injune
Basin	Bowen Basin
Commodity	Petroleum and gas (CSG)
Prospectivity	Adjacent to CSG-producing field. Release area has had low to moderate levels of exploration to date. The presence of coal seams at favourable depths indicates high prospectivity for gas.

Table 5: PLR2016/17-1-2

Size	365 km ² (120 sub-blocks)
Location	Approx. 40 km south-east of Surat
Basin	Bowen and Surat basins
Commodity	Petroleum and gas (conventional oil)
Prospectivity	Small conventional field potential on the western flank of the Taroom Trough. Moderate levels of exploration in the area and the in the vicinity of production leases.

Coal exploration tender releases

Queensland has a rich endowment of high-quality coal resources, with more than 34 billion tonnes (raw coal in-situ) identified by drilling operations. Identified resources of coking coal amount to approximately 8.7 billion tonnes, of which around 4 billion tonnes are suitable for open-cut mining. The Bowen Basin contains almost all of Queensland’s hard coking coal and is well supported by infrastructure (including electrified rail links from the coalfields) to allow efficient production and transport of coal. Queensland’s coal is shipped from six terminals, with up to 230 000 tonnes of coal exported annually.

Four areas (Figure 3) will be released via competitive tender for coal exploration in the Bowen Basin in the fourth quarter of the 2016–17 financial year (tables 6, 7, 8 and 9).

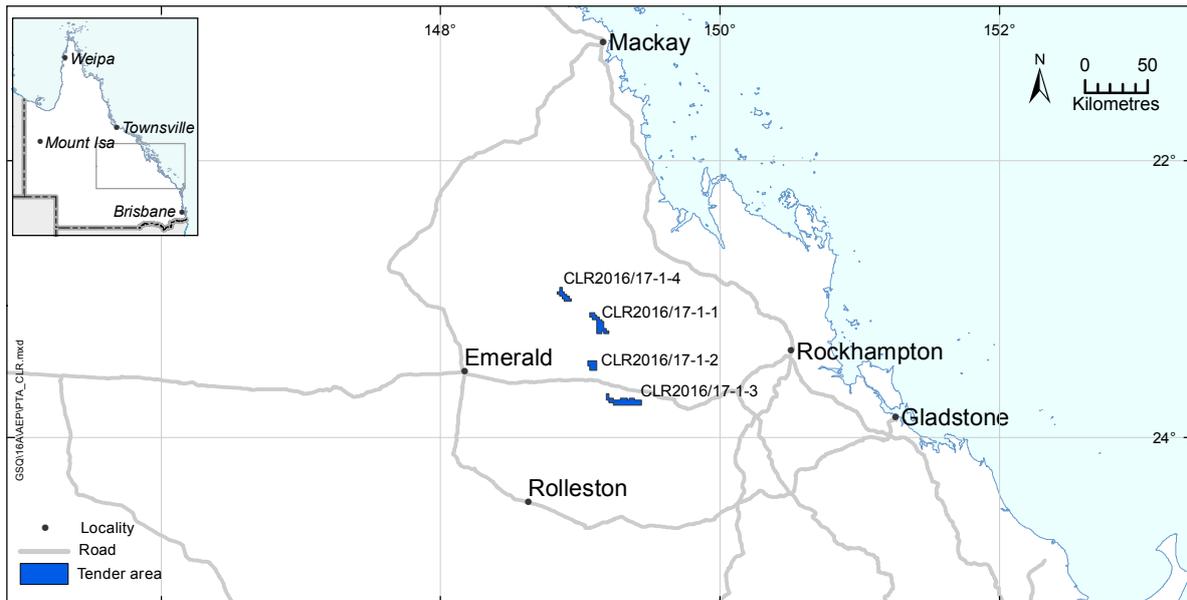


Figure 3: Coal exploration areas

Table 6: CLR2016/17-1-1

Size	86 km ² (27 sub-blocks)
Location	Approx. 60 km south-east of Middlemount and about 50 km north-west of Blackwater
Basin	Bowen Basin
Commodity	Coal (thermal, possible metallurgical)
Prospectivity	Fairhill Formation, Burngrove Formation and German Creek Formation—There has been extremely limited exploration in the area. Area is structurally complex and has abundant intrusions. Active mine nearby.

Table 7: CLR2016/17-1-2

Size	45 km ² (14 sub-blocks)
Location	Approx. 20 km north-east of Blackwater and approx. 10 km north of Bluff
Basin	Bowen Basin
Commodity	Coal (thermal and/or pulverised coal injection)
Prospectivity	Rangal Coal Measures—Limited exploration in and adjacent to the area. Area is structurally complex and coal is likely to be deep. Some old collieries within 10 km.

Table 8: CLR2016/17-1-3

Size	97 km ² (31 sub-blocks)
Location	Approx. 45 km south-east of Blackwater and 10 km south of Dingo
Basin	Bowen Basin
Commodity	Coal (thermal and/or pulverised coal injection)
Prospectivity	Rangal Coal Measures—Limited exploration in the area. Area is structurally complex and coal is likely to be deep.

Table 9: CLR2016/17-1-4

Size	45 km ² (14 sub-blocks)
Location	Approx. 25 km south-east of Middlemount
Basin	Bowen Basin
Commodity	Coal (soft coking and/or thermal)
Prospectivity	Rangal Coal Measures, Burngrove Formation and German Creek Formation—Limited exploration in and adjacent to the area. Has intersected high ash interbedded coal seams. Area is structurally complex.

Future exploration opportunities

The North West Minerals Province Taskforce is a joint government/industry-led initiative to provide recommendations on how to best tackle short-term challenges and address opportunities for the resources industry in the North West Minerals Province.

Members of the taskforce include representatives from region-specific resource companies, economic and industry peak bodies, traditional owners, local government and state government.

The recommendations provided by the taskforce will be considered by government as part of the development of a whole-of-government strategic blueprint for the province.

The Queensland Government is also developing a gas supply and demand action plan. The development of this plan demonstrates the government's commitment to addressing the complex economic and societal challenges currently posed by the rapid development of the Queensland gas sector.

The aims of the gas action plan are to maximise the gas sector's potential, ensure that households and businesses can access enough gas at an affordable price, and, importantly, balance the needs of landholders, local communities and traditional owners, and maintain environmental safeguards.

Expressions of interest

DNRM has established an expression of interest (EOI) process for industry to nominate areas for exploration consideration across the state.

To have an area considered for release in the next annual exploration program, an EOI needs to be submitted via the DNRM website at www.dnrm.qld.gov.au/resources-tenders.

The following information is required to lodge an EOI:

- details of the area
- rationale for interest in the area
- technical or geological reasoning
- commercial or business reasoning
- any other relevant information.

EOIs for the 2017–18 annual exploration program close on 30 September 2016. Any information submitted as part of an EOI is treated as commercial-in-confidence.

To ensure EOIs remain current and reflective of market conditions and applicant interest, EOIs will be valid until the release of the 2017–18 annual exploration program.

If an area has not been included in the 2016–17 program, a new EOI is required.

More information

Please contact us if you have any questions about exploration in your area.

Visit: dnrm.qld.gov.au

Call: 13 QGOV (13 74 68)

Email: resources-tenders@dnrm.qld.gov.au



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