



The Hon Anthony Roberts MP

Minister for Resources and Energy

Special Minister of State

MEDIA RELEASE

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NSW GOVERNMENT FREEZES PETROLEUM EXPLORATION LICENCE APPLICATIONS

Minister for Resources and Energy Anthony Roberts today announced a freeze on the processing of new Petroleum Exploration Licence Applications (PELAs) and an audit of existing Petroleum Exploration Licences (PELs).

To explore for Coal Seam Gas, a proponent must apply for a Petroleum Exploration Licence.

Mr Roberts said the NSW Government will freeze processing new PELAs until 26 September 2014 as it puts in place a more comprehensive application process.

“We want an application process that sends a clear message that the Liberals & Nationals Government will only accept the highest standards,” Mr Roberts said.

“The NSW Government has already refused five PELAs lodged by Grainger Energy which covered 43,100 square kilometres of the Riverina.

“We have also issued a ‘Show Cause’ notice to Leichhardt Resources as to why its three PELs near Moree, across Nowra and between Bylong and Denman, should not be cancelled.”

Mr Roberts said under the Petroleum (Onshore) Act 1991, a petroleum title may be cancelled on a number of grounds, including contravention of conditions, failure to use the title area in good faith for the purpose for which the title was granted and for contraventions of the Act.

“The NSW Government will not rule out rejecting further PELAs or cancelling PELs,” he said.

“It is clear that the PEL application process under the former Labor Government was not up to scratch.

“In 2002 NSW Labor introduced a PEL application fee of just \$1,000.

“The proponent could then hold a PEL across a large area of land, which placed unnecessary and understandable stress across communities.

“In fact, the former Labor Government granted a PEL that blankets Sydney from near Wollongong to the Central Coast for an application fee of just \$1,000.

“This may have been acceptable to the former self-serving Labor Government, but this is not in keeping with the Liberals & Nationals Government’s commitment to the highest standards and having a process from start to finish that meets community expectations.

“Labor handed out 39 PELs during its 16 years in office without due scrutiny and oversight.

“This is one of the worst examples of the former Labor Government failing the people of NSW and we continue to clean up the mess that Labor left behind.

“Effective immediately, the fee for a PELA will rise to \$50,000.

“This sends a clear message that from the very start of the application process, the NSW Government only wants operators in this State that meet the highest standards.”

Mr Roberts said the Liberals & Nationals Government has put in place the most comprehensive regulations for the CSG industry in the country, including:

- A two kilometre exclusion zone around residential and village areas;
- Banned the use of harmful BTEX chemicals;
- Banned evaporation ponds;
- Introduced an Aquifer Interference Policy; and
- A Code of Practice for Well Integrity.

“In addition, the NSW Government has requested an independent study from the Chief Scientist and Engineer into the impacts of Coal Seam Gas on NSW,” he said.