



# COVID-19 Fact Sheet: Work-Bid Exploration Permits

This factsheet should be read in conjunction with the *Offshore Petroleum Exploration Guideline: Work-Bid (July 2019)* ('the Guideline') and the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGSA).

Due to the specific nature of this fact sheet it will be revoked in the future.

## Overview

The offshore petroleum Joint Authorities recognise that the COVID-19 pandemic is having a significant impact on the sector and additional flexibility will be required to assist titleholders to manage and plan their way through the current crisis. By offering flexibility the Joint Authority is seeking to ensure continuity of exploration effort, rather than a reduction of effort by way of exemption from work program commitments.

This fact sheet is designed to provide guidance for titleholders for application. This document also outlines the approach to the 2019 and 2020 acreage release.

## Suspension and Extension applications

Two areas of flexibility are on offer. Where titleholder work programs have been adversely impacted by the COVID-19 pandemic, the Joint Authority regards the COVID-19 pandemic as a *force majeure* event in relation to sections 2.13 and 2.15 of the Guideline. Commercial circumstances as described in 2.15 of the Guideline can be used as *force majeure*.

Section 2.14 of the Guideline ordinarily requires an application to include "*substantial and compelling documentary evidence to demonstrate how the force majeure circumstance has adversely impacted the ability to complete the work program....*"

For COVID-19 pandemic related suspension and extension applications, documentary evidence requirements will be simplified. Demonstration of resource constraints (financial and/or physical) and/or changes to contractual arrangements with third parties (i.e. the inability to secure a staffed vessel) will be sufficient.

Please use the usual application [form](#).

The Joint Authority will generally allow up to a 12 month suspension and extension of the permit title conditions for COVID-19 pandemic related applications, unless exceptional circumstances can be demonstrated by the applicant. Geological and geotechnical studies are expected to be able to continue.

## Renewal Applications

Additional flexibility will be built into the consideration of renewal applications, particularly around expectations for when operational activities will be undertaken, to ensure the work program commitments are achievable at this time and in the near future.

Typically, in accordance with section 3.15(a) of the Guideline, the Joint Authority has placed expectations on titleholders to drill wells within the first three years of the new permit term, when no well was drilled in the previous term. The Joint Authority notes in these challenging times, financial and staffing restraints may limit a titleholder's ability to meet this expectation. As such there will be flexibility when considering proposed alternatives. Requests will be considered on a case by case basis.

## 2019 and 2020 Acreage Releases

The assessment of bids made in the 2019 Acreage Release is proceeding, however the National Offshore Petroleum Titles Administrator (NOPTA) can grant flexibility in the response timeframes for requests for further information.

Section 260 of the OPGGSA provides for a period of 30 days for companies to accept an offer for the grant of a petroleum exploration permit. An additional period of up to 30 days may be given upon written notice to the Titles Administrator via the [extension of offer form](#).

The preparation for the 2020 Acreage Release is proceeding, with public consultation on the nominated areas commencing in April 2020, and bidding to close in March 2021.

## Version History

Version	Date	Comment
1.0	20/04/2020	Commencement of the Fact Sheet