

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Budget Estimates 2008-09

2 June 2008

Question: BR-6
Topic: Shale oil
Proof Hansard Page: E73

Senator Joyce asked:

Senator JOYCE—Where I am heading to is competitiveness of alternative products. What is your knowledge of Australia's shale oil reserves and what do you believe to be the current volume of Australian shale oil reserves?

Mr Hartwell—I think this is more a technical question that we could certainly direct to our colleagues from Geoscience Australia. We are aware, depending on various prices, that there are considerable shale oil reserves, but I might ask my Geoscience Australia colleagues if they can provide you with a better answer.

Dr Foster—In relation to shale oil reserves, we would have to take that on notice. As you know, that is a state issue onshore but we will be able to furnish you with that detail.

Senator JOYCE—Can you also furnish for us who actually has the leases on those reserves at the moment?

Dr Foster—That would come through the Queensland government. We can get that information for you.

Mr Hartwell—That is quite right. Most shale oil reserves are certainly onshore so they do not fall under Commonwealth jurisdiction.

Answer:

Resources and production

Shale oil deposits of commercial interest occur predominantly in a series of basins in eastern and central Queensland. These deposits are high quality and are relatively easy to mine and process compared to carbonate-bearing oil shales elsewhere in the world. There are also minor oil shale deposits in New South Wales, Tasmania and Western Australia.

In 2002, Geoscience Australia estimated that Australia's Economic Demonstrated Resources of shale oil at 4.6 Gigalitres (29 million barrels). At the time it was emphasised

that this could increase significantly if further research and development into processing was undertaken and further evaluation made of the extensive [previously subeconomic] deposits, particularly in central Queensland. Increased interest in shale oil over the last 12 months may lead to a marked increase in Economic Demonstrated Resources of shale oil in Geoscience Australia's next evaluation of national resources.

From 2000 to 2004, a demonstration-scale processing plant at the Stuart deposit near Gladstone in central Queensland produced more than 1.5 million barrels of oil. This closed when the Stuart project, as well as seven shale oil prospects, was bought out by Queensland Energy Resources Ltd, a private US company in 2004.

Leases

QUEENSLAND

Bandanna Coal Pty Ltd

Projects:

South Duaringa Oil Shale Project	96km SW of Rockhampton, QLD
Mt Bison Oil Shale Project	105km NW of Rockhampton, QLD
North Proserpine Oil Shale Project	216km ESE of Townsville, QLD
Plevna Oil Shale Project	289km SE of Townsville, QLD
Toolabuc Oil Shale Project	364km SW of Townsville, QLD

Blue Ensign Technologies Ltd

Julia Creek Oil Shale Project	14km ENE of Julia Creek, QLD
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Esso Australia Resources Pty Ltd – Australian Oil-Shale Holdings Ltd

Rundle Oil Shale Prospect	29km NW of Gladstone, QLD
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Greenvale Mining N.L

Lowmead Oil Shale Project	50km SSE of Gladstone, QLD
Alpha Oil Shale Project	260km NE of Charleville, QLD
Nagoorin Oil Shale Project	56km SE of Gladstone, QLD

Queensland Energy Resources Ltd

Nagoorin South Oil Shale Prospect	64km S of Gladstone, QLD
Stuart Oil Shale Operation	15km NW of Gladstone, QLD
Block Creek Oil Shale Prospect	NW of Rockhampton, QLD
Boundary Flat Lagoons Oil Shale Prospect	NW of Rockhampton, QLD
Condor Oil Shale Prospect	13km SE of Proserpine, QLD
Duaringa Oil Shale Prospect	122km WNW of Rockhampton, QLD
Herbert Creek Oil Shale Prospect	N of Rockhampton, QLD
Yaamba Oil Shale Prospect	34km NW of Rockhampton, QLD

Xtract Energy Plc

Julia Creek Oil Shale Project	130km ENE of Cloncurry, QLD
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Wirralie Mines Pty Ltd

Bungobine (Mt Coolon) Oil Shale Prospect	200km west of Mackay, QLD
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TASMANIA

Boss Energy Ltd

Latrobe Oil Shale Project

14km SSE of Devonport, TAS

WESTERN AUSTRALIA

Balladonia Energy Ltd

Balladonia Oil Shale Prospect

53km SSW of Norseman, WA