

Australia's Energy Resources: adapting to change

Tom Bernecker,

Director, Energy Resources Advice & Promotion

Geoscience Australia

Explore
Australia.



Australian Conservation Foundation

McKinsey & Company

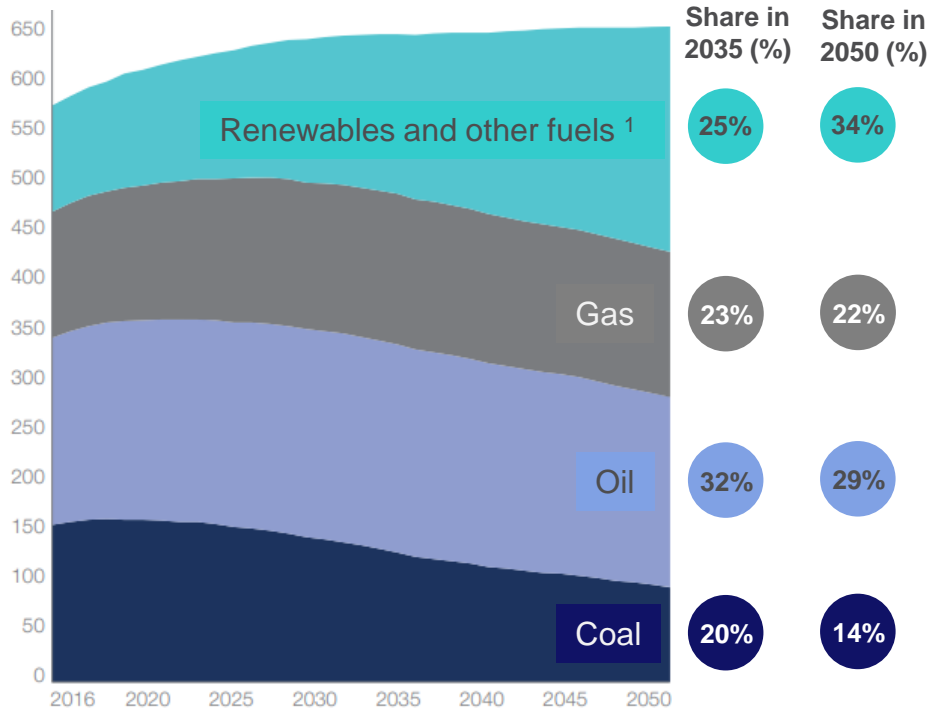
Investor Group on Climate Change

- Industry undergoing a major transition
- Appear prepared to take on emerging challenges
- Overall agreement that the way forward is to embrace low emission technologies
- Hydrogen and carbon capture, utilization and storage are hot topics
- Geoscience Australia and State/Territory Geological Surveys are well positioned to engage with industry and provide new regional-scale data/information in support of enabling Australia's energy transition

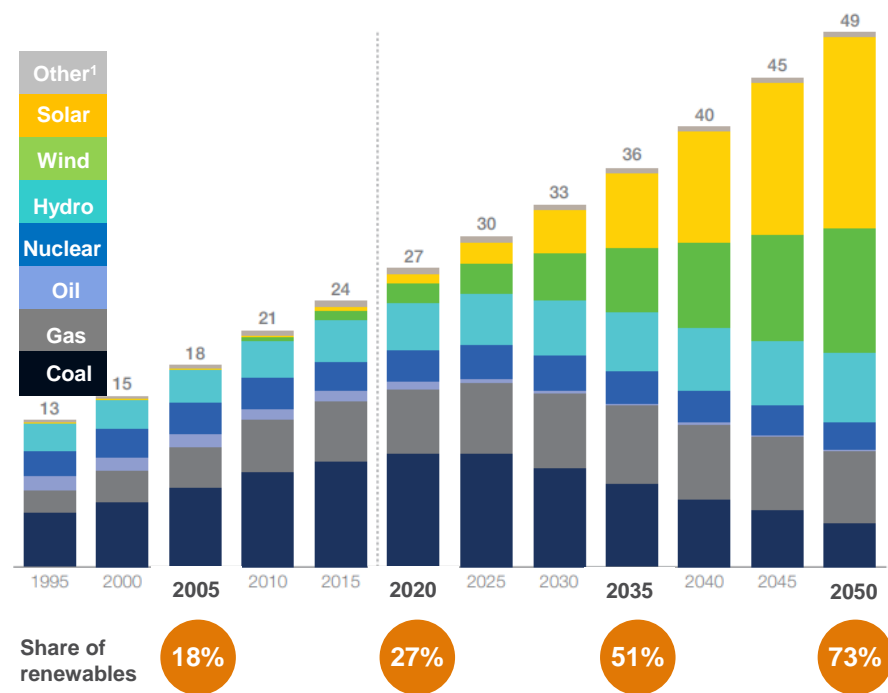


Forecast global energy mix 2019 - 2050

Primary energy demand per fuel (Million TJ)

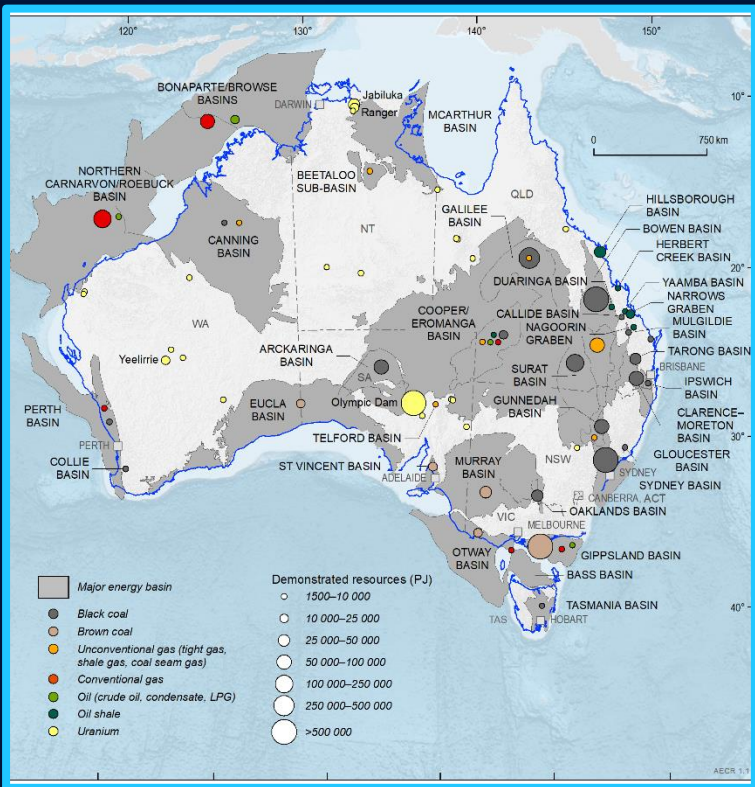


Global power generation (Thousand TWh)



¹ Other includes biomass, geothermal and marine. Source: McKinsey Energy Insights' Global Energy Perspective, January 2019

Australia's Energy Commodity Resources (AECR)

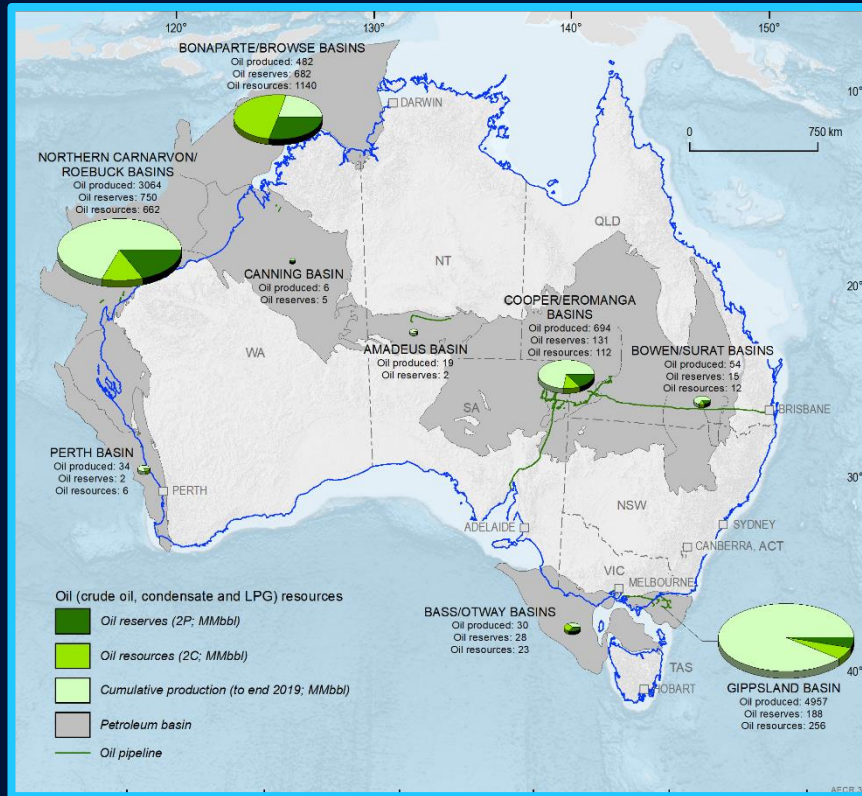


Australian Energy Commodity Resources 2021 edition, Geoscience Australia

- AECR provides a synopsis of the distribution and scale of energy commodity resources across Australia
- Results show that Australia has abundant, high quality energy commodity resources that are expected to last for several decades
- Coal and coal seam gas resources in Eastern Australia
- Natural gas and oil on North West Shelf
- Uranium in South Australia (Olympic Dam)

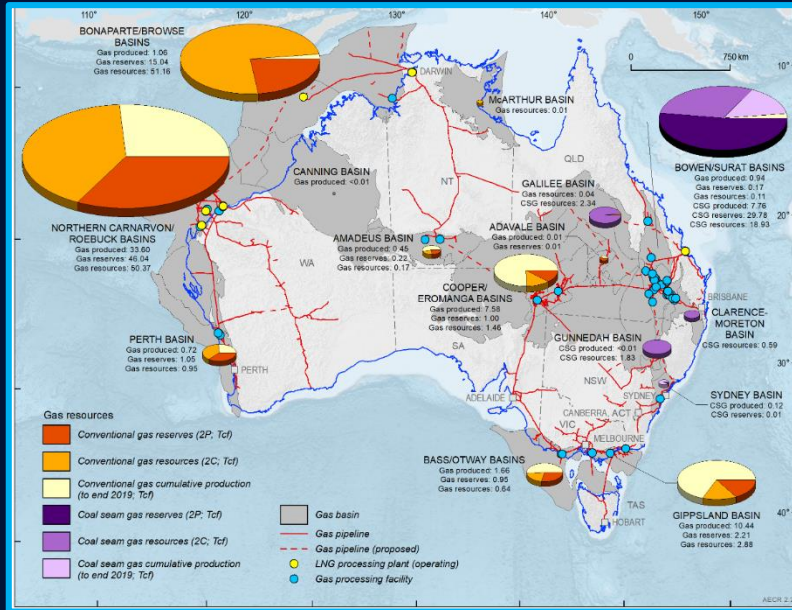
www.ga.gov.au/digital-publication/aecr2021

Australia's Remaining Oil Resources (2019)



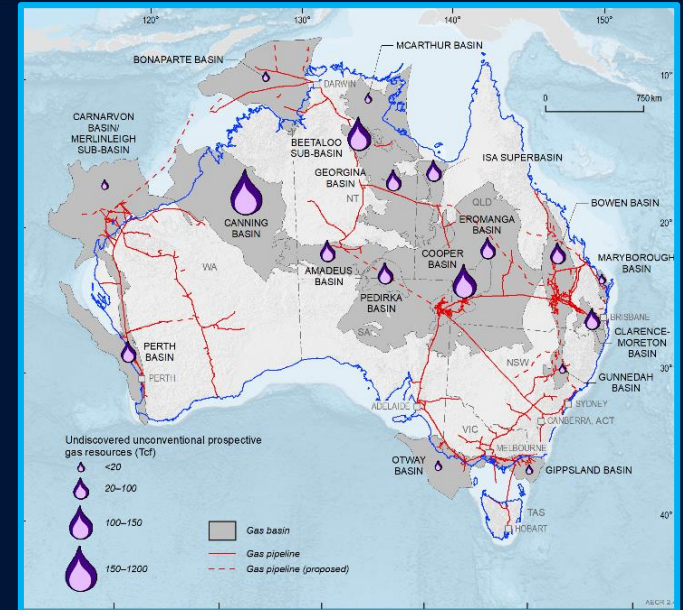
- Australia's oil resources (crude, condensate & LPG) are depleting faster than they are being replenished (5% decline in 2019)
- Remaining oil resources in 2019:
 - 2P reserves = 1,803 MMbbl;
 - 2C resources = 2,210 MMbbl;
 - Resource life = 30 years
- Condensate represents about 70% of our remaining oil resources
- 80% of remaining oil resources located in basins on the North West Shelf

Australia's conventional and unconventional gas resources (2019)



93 per cent of conventional gas resources are located on the North West Shelf

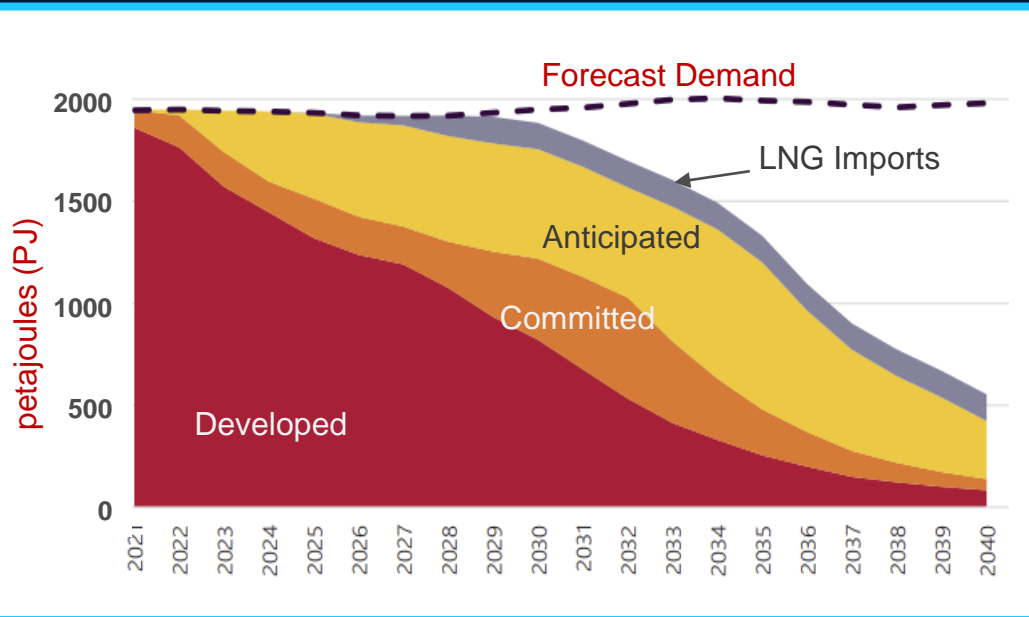
Large coal seam gas reserves in eastern coal basins (2P: 29.8 Tcf)



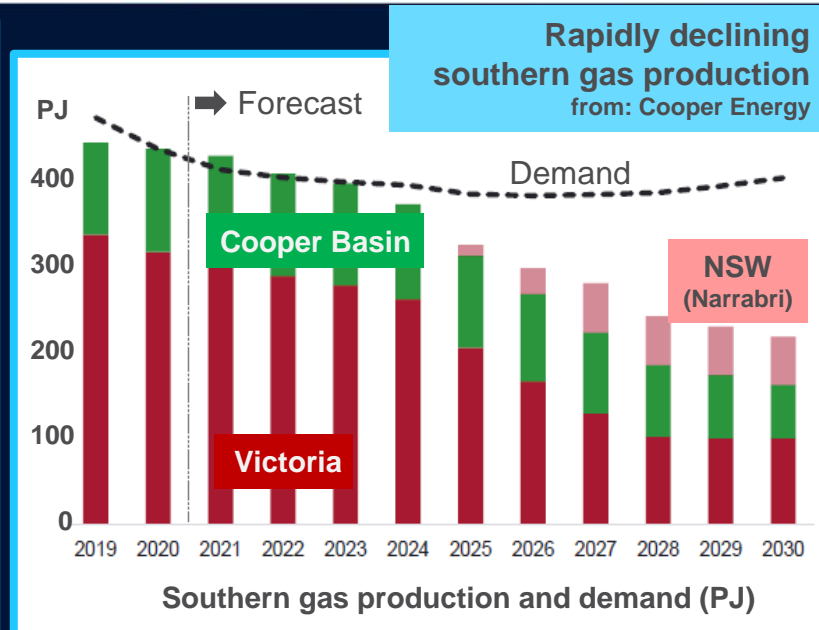
Large untapped unconventional gas potential in several basins

First production testing in Beetaloo Sub-basin completed by Origin Energy

Predicted gas shortfall – SE Australia



Projected eastern and south-eastern Australia gas production (including export LNG), existing, committed and anticipated developments, 2021-2040



Rapidly declining southern gas production from: Cooper Energy

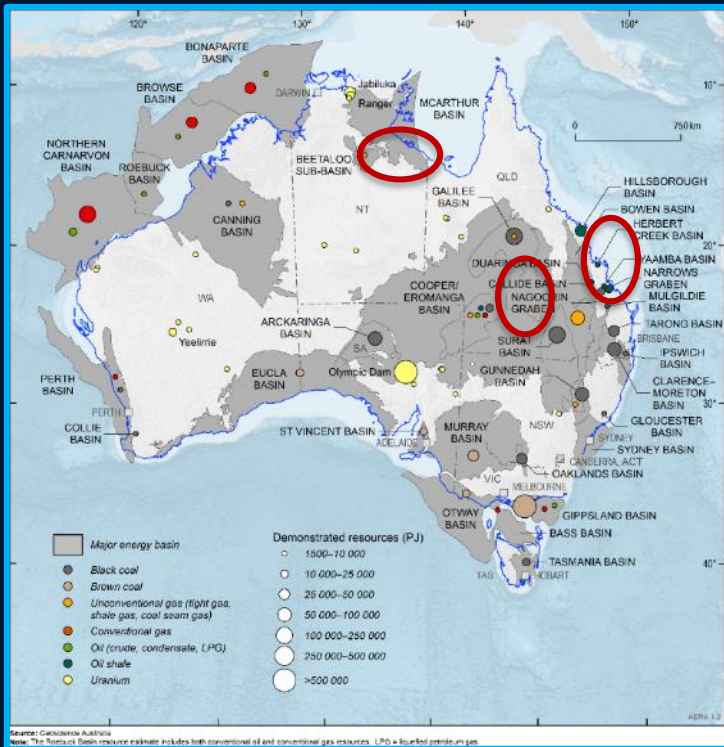
- Declining Victorian production a key driver of expected gas supply shortages
- Expected supply shortfall of 60PJ by 2025

Government initiatives

- Post-Covid 19 response to stimulate economy
- Secure and stable energy supply to enable expansion of domestic manufacturing
- Accelerate the transition to a low carbon economy
- Establish a world class hydrogen export industry
- Strong focus on natural gas as the “ENABLER”

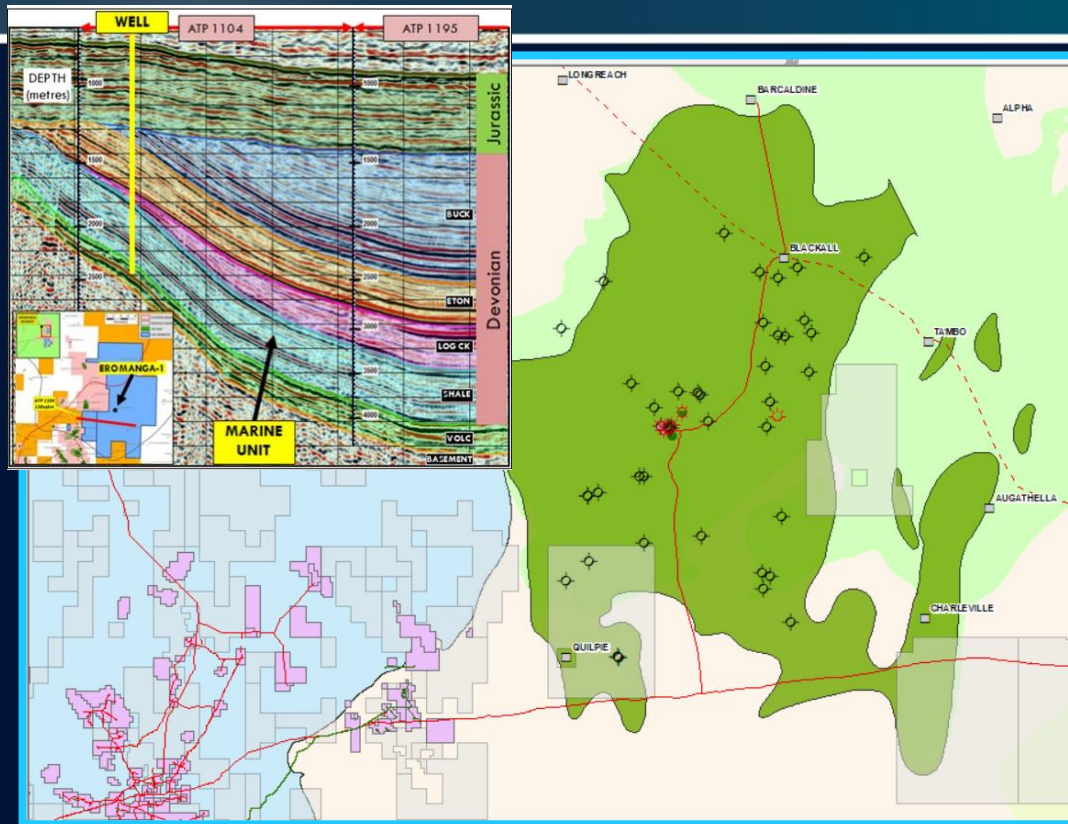


The Strategic Basins Plan



(from: AECR, 2021 edition, Geoscience Australia)

- Part of “gas-fired economic recovery”
- Focus on gas-supply for eastern Australia as well as job creation to expand infrastructure and manufacturing capabilities
- Basins selected according to resource availability and proximity to existing infrastructure
- First three of five basins announced
 - Beetaloo Sub-basin (work completed)
 - North Bowen/Galilee Basin (work in progress)
 - Cooper/Adavale basins (work in progress)
- Through a government directive, Geoscience Australia will take on the responsibility to support the Strategic Basins Plan by providing trusted environmental and geological information
 - Baseline assessments
 - Possible impediments to resource development
- Remaining two basins to be announced



Status:

- Confirmed as prospective with one produced gas field, the Gilmore gas field, discovered in 1964.
- Untested conventional plays include Devonian reefs and salt structures.

Plan:

- Updates geological framework
- Resource Assessment
- Evaluate salt occurrences for hydrogen storage

Government initiative: “Exploring for the Future”



Exploring for the Future (EFTF): Attracting investment into the exploration for and the development of Australia's mineral, groundwater and energy resources . Four of eight projects are focussed on energy commodity resources



Continental-scale project applying a wide range of geoscientific disciplines to improve the knowledge of Australia's mineral, groundwater and energy systems

Australia's Resources Framework



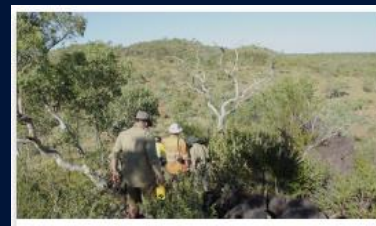
Evaluation of the energy and minerals potential of the Officer Basin and groundwater occurrence in the Musgrave Province. These regions are represented by the deserts of central Australia

Officer-Musgrave



Evaluation of prospectivity and energy resource potential of key underexplored onshore basins with an initial focus on central Australia

Australia's Future Energy Resources



Adding value to energy, mineral and groundwater investigations previously undertaken in this region of NE-Australia

Barkly – Isa - Georgetown

www.ga.gov.au/efft

Australia's Future Energy Resources (AFER)

Evaluating the resource potential for Australia's future energy requirements

GAS (OIL) defining new petroleum systems

GREEN HYDROGEN utilisation of renewable energy

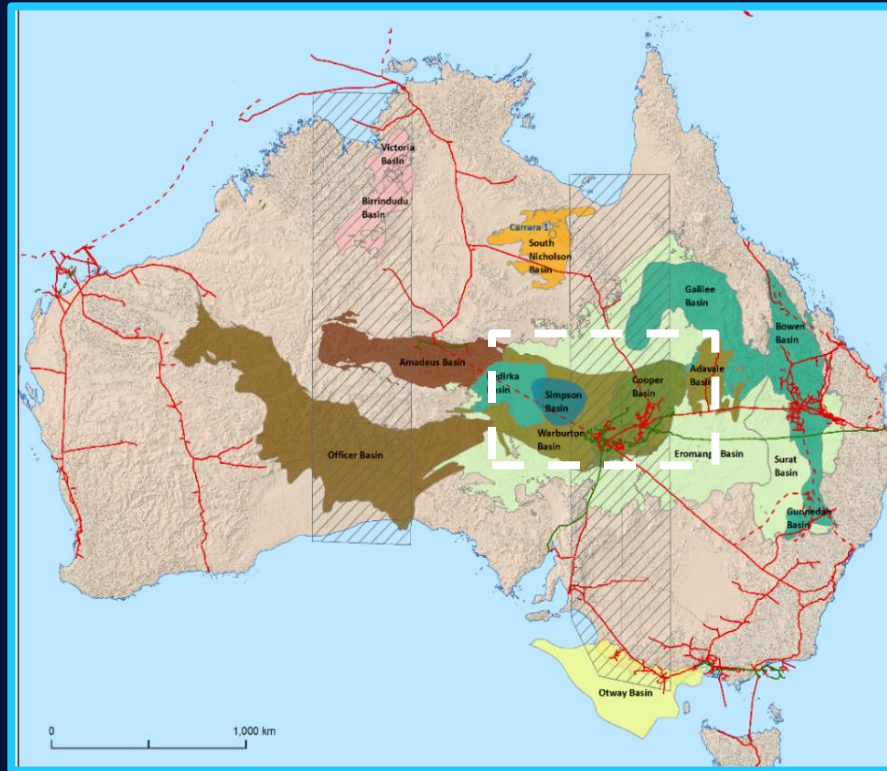
BLUE HYDROGEN petroleum systems + CCS

OIL utilising CO₂ for enhanced oil recovery

Where?

Central Australian basins

Eromanga, Simpson, west Cooper, Pedirka, Warburton



Australia's Future Energy Resources (AFER)



Module 1: Resource Assessments

- Well failure analysis
- Play fairway mapping
- Prospective resources (“yet-to-find”)

Module 3: CO2-enhanced oil recovery in residual oil zones

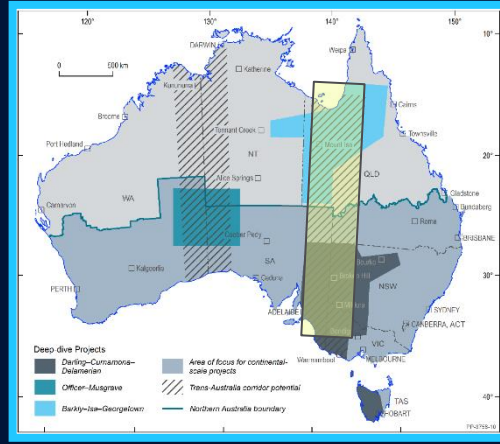
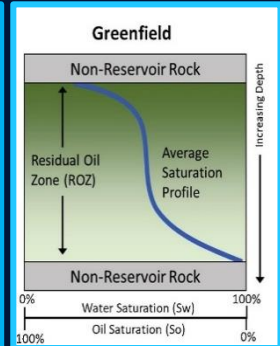
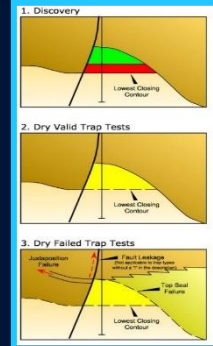
- Evaluation of depleted hydrocarbon fields
- Identification of palaeo-oil columns
- Assessment of CO₂ storage potential

Module 2: Hydrogen

- Natural hydrogen occurrence
- Hydrogen storage
- Hydrogen Economic Fairways Tool

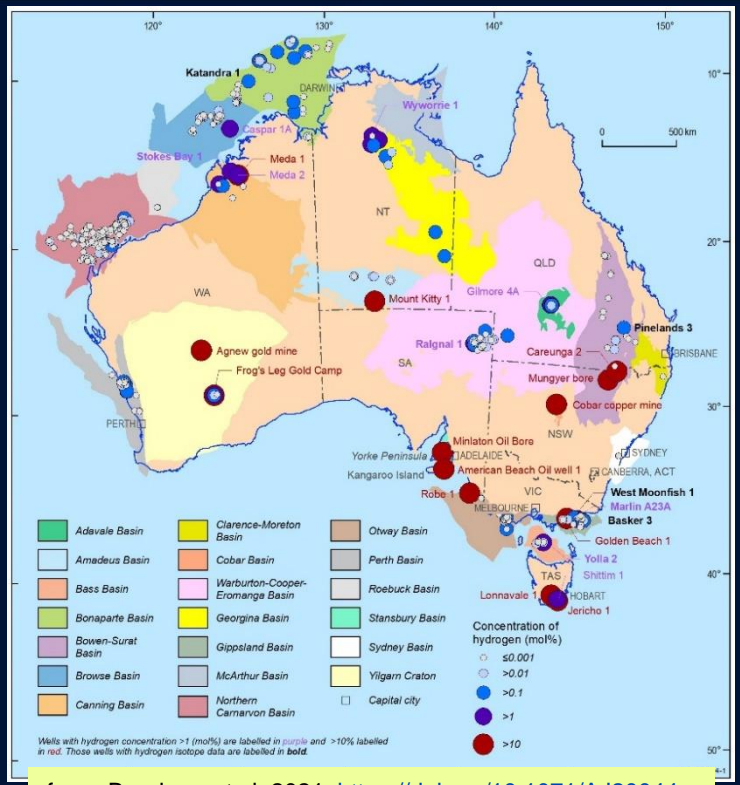
Module 4: Basin Inventory

- Gap analysis – geological knowledge
- Recommendations for future work
- Evaluation of petroleum systems, including source rock characteristics



Hydrogen:

Location map showing exploration well, mine and groundwater samples with measurable concentrations of H₂ (mol%)



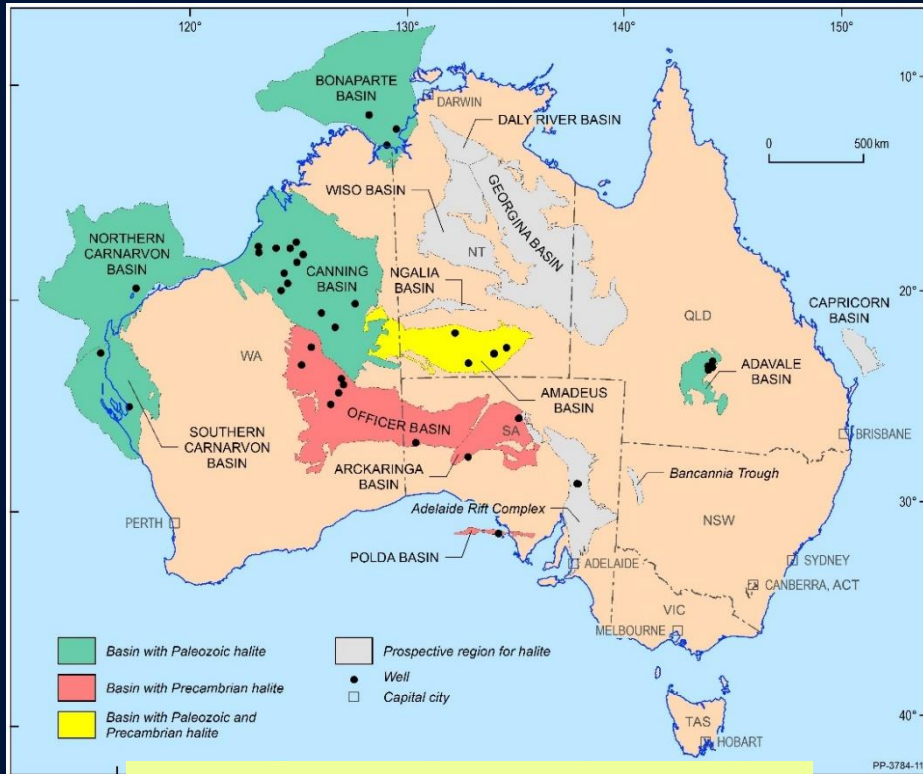
● ≤0.001
● >0.01
● >0.1
● >1
● >10

- H₂-rich natural gases identified as early as 1917 (Yorke Peninsula; Kangaroo Island, SA)
- GA lab identified ~1000 natural gases from 470 wells that penetrated Neoproterozoic to Cenozoic reservoir rocks with detectable H₂ levels of up to 91.9 mol%
- Gases with elevated H₂ contents a mixture of deep inorganic sources and decomposed organic matter at high maturities.
- Opportunity to discover natural H₂ in areas previously not targeted by petroleum exploration

from: Boreham et al, 2021; <https://doi.org/10.1071/AJ20044>

Hydrogen:

Australian basins with major halite discoveries (thickness >100 m)



from: Boreham et al, 2021; <https://doi.org/10.1071/AJ20044>

- Naturally occurring hydrogen can be trapped within or below evaporite accumulations (perfect seal)
- Salt can act as buffer preventing reservoir breaching during prolonged tectonic activity
- Evaporites widely distributed across many sedimentary basins in Australia
- Salt accumulations provide excellent hydrogen storage potential (caverns)
- Important consideration for establishing hydrogen production centers

Hydrogen: Australia's Hydrogen Opportunities Tool



AusH2 - Australia's Hydrogen Opportunities Tool

Access HEFT



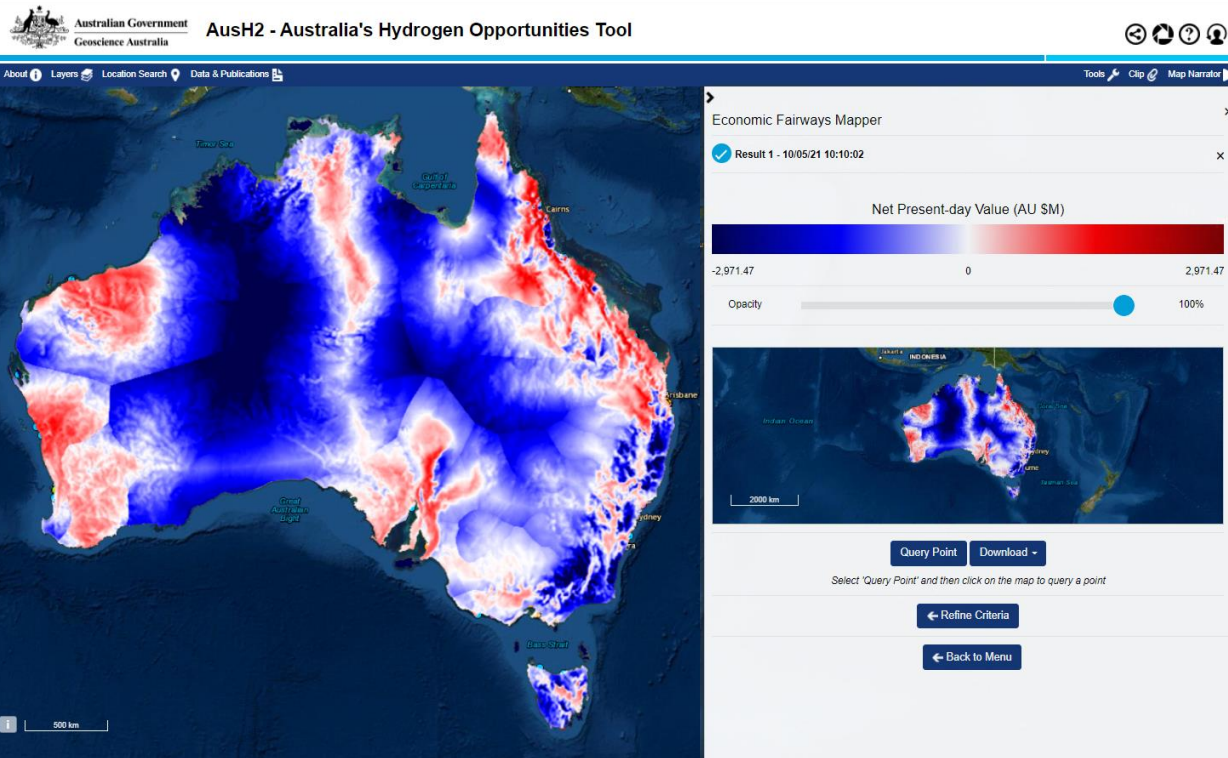
The screenshot displays the AusH2 tool interface. On the left is a map of Australia with various locations marked by colored dots. On the right is a configuration panel with the following sections:

- Energy Input:** Hybrid Wind (onshore) and Solar
- Renewable Energy Capacity Factor (CF):** Hybrid Wind 150m hub height (onshore) and Solar (checked)
- Wind (Onshore):** Weight slider set to 50%
- Solar Photovoltaics:** Weight slider set to 50%
- Hydrogen Plant:** Year of Operations set to 2021
- Electrolysis System Capex:** \$US1200/KW Alkaline (established supplier)
- Water Source:** Desalinated Water
- Desalinated Water Price:** Price slider set to 0.01 AU\$/kgH2
- Amount of Hydrogen Produced:** Plant Capacity slider set to 800 tH2/day
- Plant Operating Life:** Operating Life slider set to 25 years
- Hydrogen End-point:** Nearest Suitable Port
- Company Discount Rate:** (empty)
- Currency:** (empty)
- Target Hydrogen Price:** Target Hydrogen Price (AU\$ per kg) checked, Price slider set to AU\$ 4
- Calculation Mode:** Net Present Value (NPV)

At the bottom left of the map area, the URL <https://portal.ga.gov.au/persona/hydrogen> is displayed in yellow text. A red circle highlights the 'Tools' button in the top right corner of the map area.

Hydrogen Economic Fairway Tool (HEFT)

Hydrogen from Hybrid wind and solar

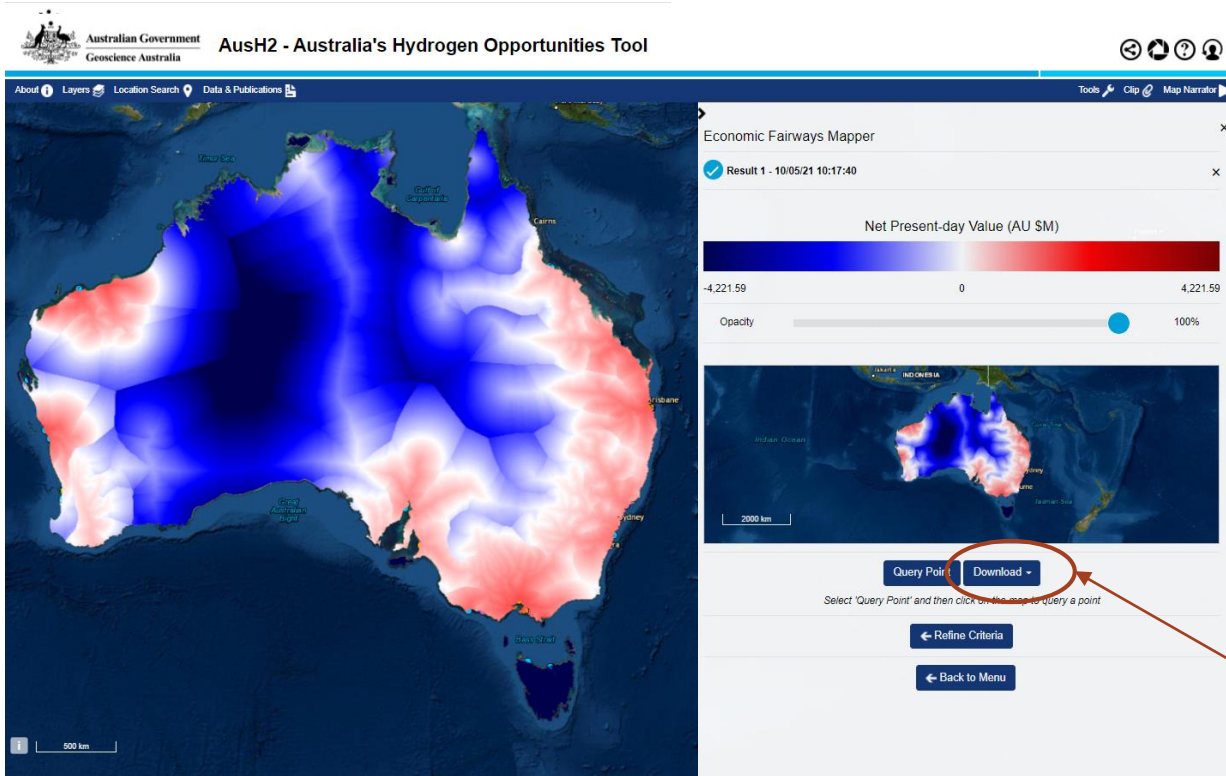


Inputs:

- 50% wind, 50% solar
- Year 2021
- \$US1200/kW electrolyser CAPEX (alkaline)
- Desalinated water
- 800 tH₂/day
- 25 year operating life
- Hydrogen sent to port
- 5% company discount rate
- **AU\$4/kg hydrogen price**

Hydrogen Economic Fairway Tool (HEFT)

Hydrogen from SMR + CCS (steam methane reformation and carbon capture and storage)

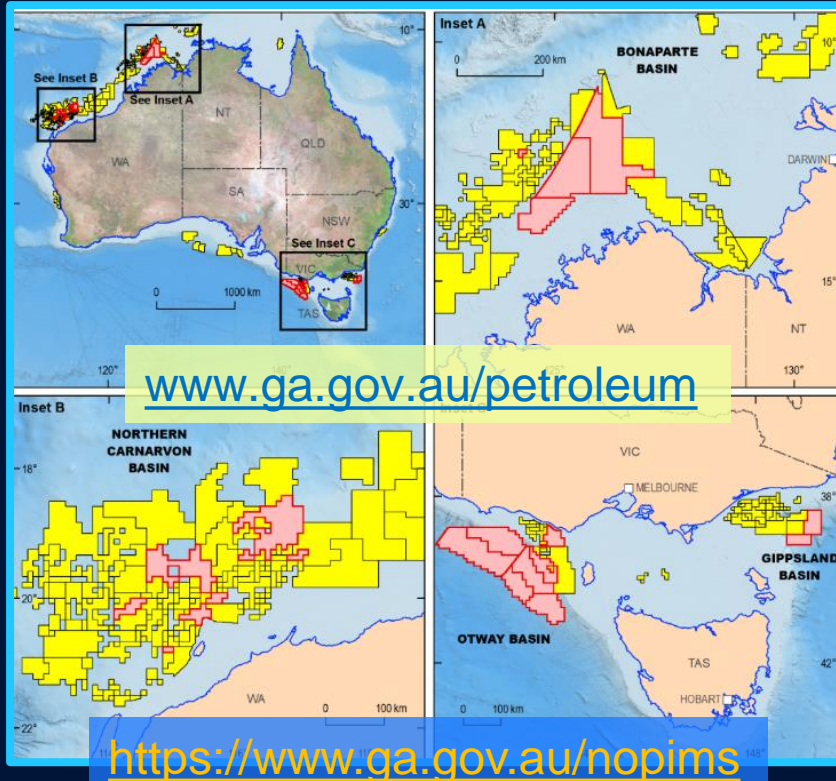


Inputs:

- AU\$5.5/GJ natural gas price
- Desalinated water
- 500 tH₂/day
- 25 year operating life
- Hydrogen sent to port
- 5% company discount rate
- **AU\$3.10/kg hydrogen price**

Download GeoTIFF or PNG

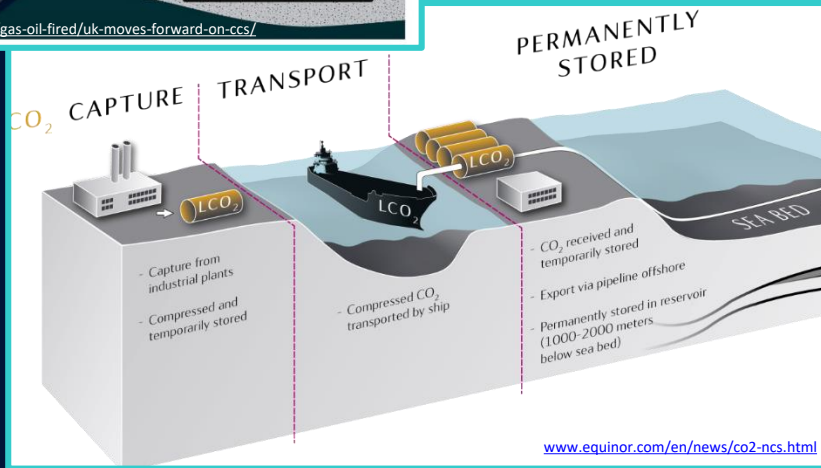
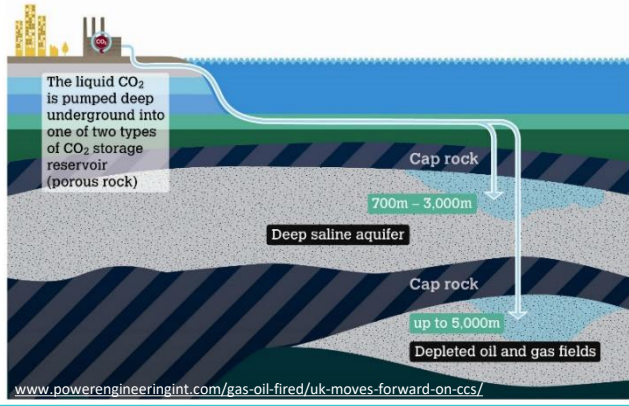
The 2021 offshore acreage release



- 21 areas released on 15 June 2021, closing date for work program bidding: **3 March 2022**
- In 2021, nearly even split between number of release areas on NW Shelf and southern margin
- Three areas host hydrocarbon fields (Prometheus/Rubicon gas; Puffin oil; Cornea gas/oil)
- Release areas on southern margin (Otway/Gippsland) cover underexplored deep-water regions

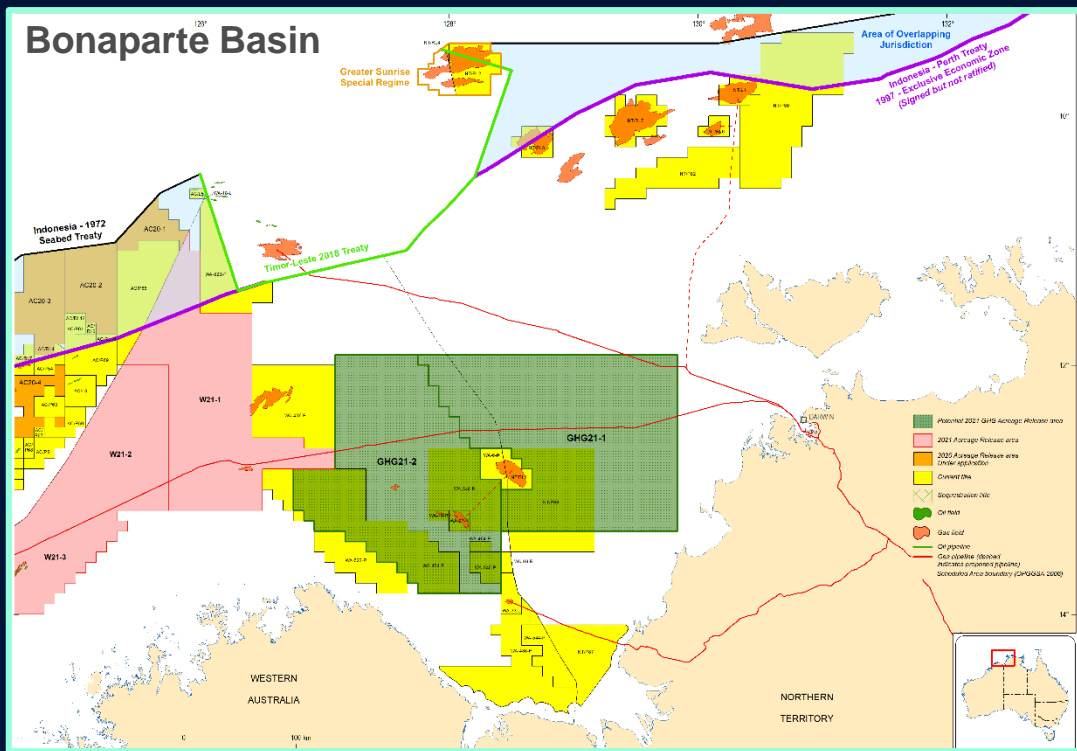
Offshore acreage for greenhouse gas storage

Safely Storing CO₂



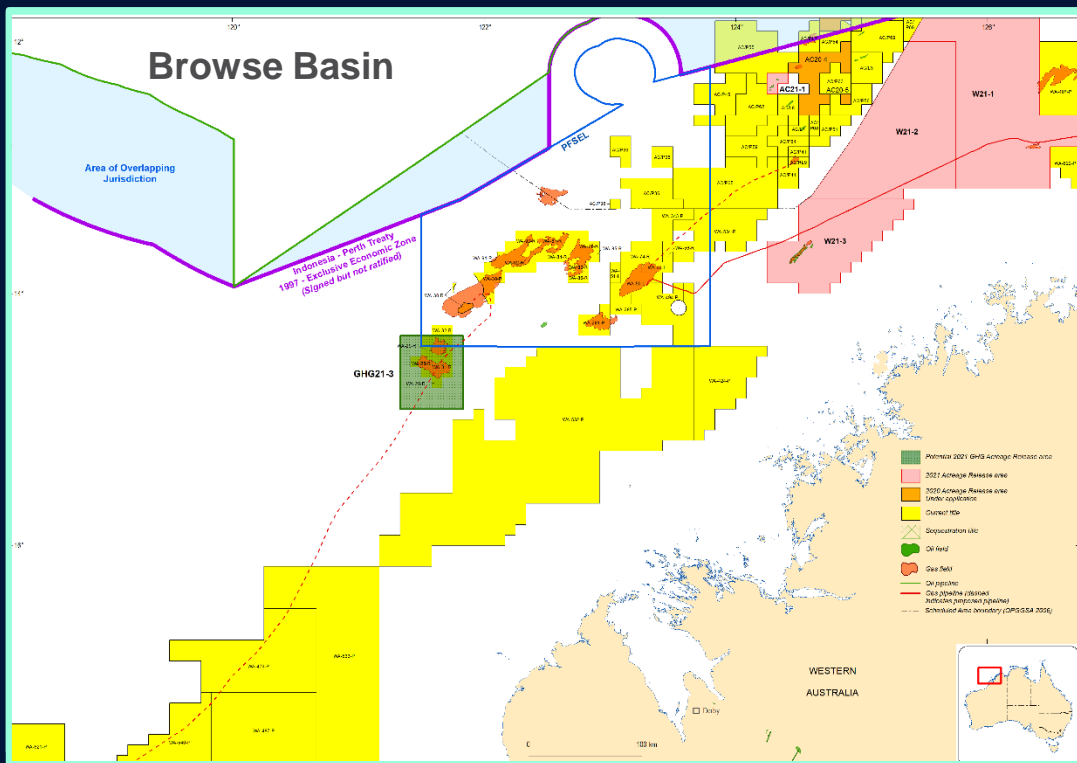
- Nominations for the 2021 Greenhouse Gas (GHG) Acreage Release, covering Commonwealth waters across Australia submitted for public consultation
- Opportunity to obtain acreage to explore for offshore greenhouse gas injection and storage locations
- Support initiatives to accelerate the deployment of carbon capture, use and storage, applying new technology to reduce emissions.
- First set of offshore GHG acreage to be released by end of 2021

Offshore acreage for greenhouse gas storage: area location



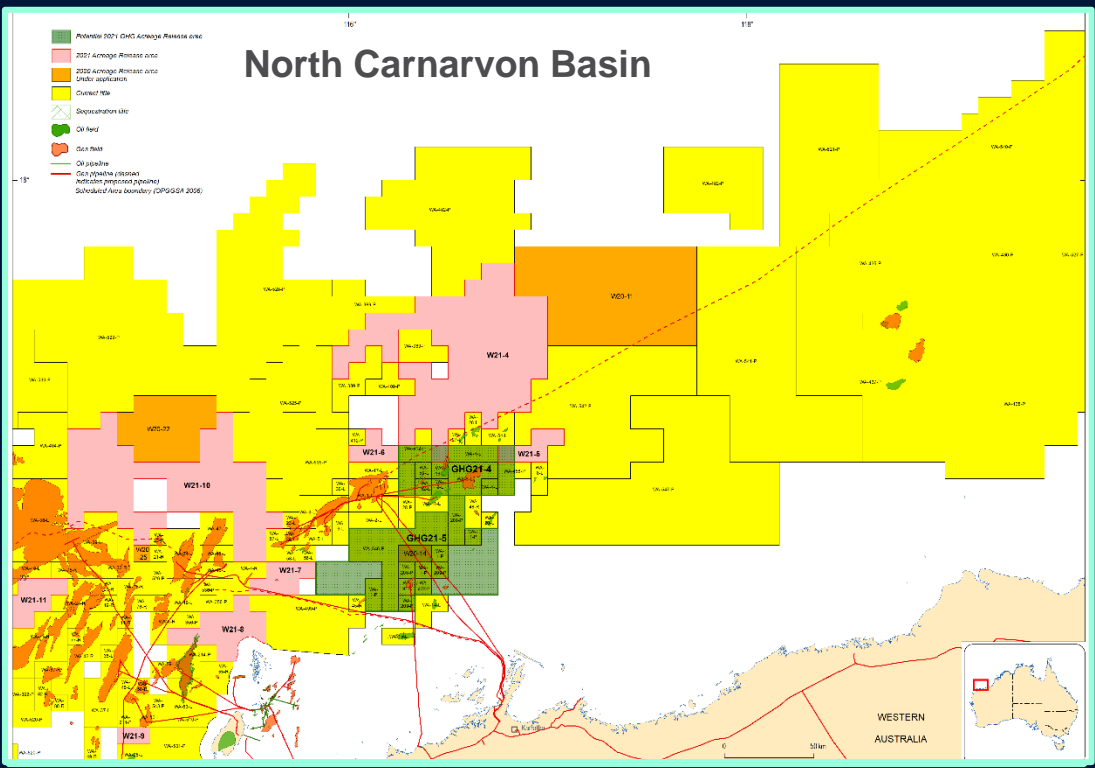
- A total of five areas proposed for release
- Bonaparte Basin (Petrel Sub-basin)
 - Storage in saline aquifers (Jur.-Lwr Cretaceous)
 - CO₂ sources: Darwin processing facilities; Bonaparte field developments
- Browse Basin (Caswell Sub-basin)
 - Storage in saline aquifers (mainly Lwr Cret.)
 - CO₂ sources: gas from future field developments
- Northern Carnarvon Basin
 - Storage in depleted gas fields
 - CO₂ sources: industrial emissions from greater Dampier region

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Summary



- Australia's energy mix is changing rapidly
- The Australian government's energy initiatives, in the short to medium term, are targeting:
 - Speedy recovery from the COVID-19 economic downturn
 - Accelerating Australia's journey towards a low emission economy
- Natural gas is the “enabler” for the economic recovery AND expansion of the renewable energy network
- Assessing the resource potential of the newly required energy commodities, including geological storage of hydrogen and carbon dioxide, supports Australia's transition to a low emission economy



www.ga.gov.au/digital-publication/aecr2021



Australia's energy commodity reserves and resources

www.ga.gov.au/efft

Concise overview of the
Exploring for the Future program

www.ga.gov.au/

Information about Geoscience Australia

