

Statement of Reasons

Petroleum Act 1984

Determination and reasons for determination as to appropriate person to hold permit or licence

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Permit or licence being *Retention Licence 1 (RL1)*
applied for

Date of determination 4 April 2024

1. Background

- (a) The Applicant has applied for the renewal of a permit or licence under the *Petroleum Act 1984* (the Act).
- (b) Section 15A of the Act requires me to be satisfied that the Applicant, and any associated entity of the Applicant, is an appropriate person to hold a permit or licence under the Act. In making that determination, I must have regard to the matters set out in section 15A(1) and, where necessary, section 15A(2).
- (c) Section 15A(5) provides that I must publish, on the Agency's website, the reasons why I have determined that an Applicant, and any associated entity of the Applicant, is or is not an appropriate person to hold a licence or permit under the Act.
- (d) This document contains my determination and my reasons.

Statement of Reasons

2. Determination

- (a) I am *satisfied* that the Applicant, and any associated entity of the Applicant, is an appropriate person to hold a licence or permit under the Act.

3. Reasons for determination

- (a) I have had regard to the matters set out in section 15A.
- (b) Where there is a reference to a director, I have taken into consideration any person concerned in the management of the body corporate as is required by section 15A(3).
- (c) The table below sets out the matters referred to in section 15A(1). I set out in that table the material factors that are relevant to each such matter.

Section in Act	Matter	Material factors
15A(1)(a)	<p>The Applicant or associated entity's record of compliance with the prescribed legislation, including:</p> <ul style="list-style-type: none"> (i) whether the Applicant or entity has contravened any of the prescribed legislation; and (ii) the seriousness of any contraventions; and (iii) the length of time since the contraventions (if any) occurred; and (iv) any other matter the Minister considers relevant. 	<p><i>The Applicant has not contravened the prescribed legislation.</i></p> <p><i>The associated entity, as the Operator of RL, has not complied with the minimum work program commitments, which is a condition of the retention licence as per section 40 of the Act.</i></p> <p><i>However, the associated entity demonstrated that it experienced force majeure events that led to delays in completing the minimum work program commitments.</i></p> <p><i>I consider that the delay with completing the work program commitments is not of a sufficiently material nature to prevent the associated entity from being determined an appropriate person to hold a licence.</i></p>
15A(1)(b)	<p>Whether the Applicant or associated entity has held a licence or other authority under the prescribed legislation where that licence or authority has been suspended or revoked.</p>	<p><i>The Applicant holds a retention licence under the prescribed legislation.</i></p> <p><i>The retention licence, RL1, has not been suspended or revoked.</i></p> <p><i>The Applicant also held EP386 onshore in Western Australia. The Western Australian Minister of Resources refused an application to suspend and extend the permit conditions, and the Applicant has referred the decision to the Supreme Court of WA.</i></p>

		<p><i>The associated entity holds offshore petroleum exploration permit PEP 11 through a wholly owned subsidiary. A decision to refuse to grant an extension of term by the then Prime Minister was quashed by the Federal Court in February 2023.</i></p>
15A(1)(c)	<p>Whether in the opinion of the Minister, the action or thing to be authorised by the permit or licence is or will be under the control of a technically competent person.</p>	<p><i>The Applicant provided for its associated entity, as the Operator of the licence:</i></p> <ul style="list-style-type: none"> • <i>CVs and Personal Resumes of its directors and technical staff</i> • <i>The Well Operations Management Plan (Weaber-4)</i> • <i>The Well Operations Management Plan for the New Seaclam-1 well in offshore exploration permit PEP-11</i> • <i>Asset Energy's Basis of Well Design, Seablue-1 well (fka Baleen-1)</i> • <i>Details of the Well Integrity Management System</i> <ul style="list-style-type: none"> ○ <i>Well Integrity Management Plan</i> ○ <i>Well Engineering Management System</i> ○ <i>Well Engineering standards.</i> <p><i>The Applicant and associated entity are known to the department and the documents provided are acceptable for the management of well integrity and control.</i></p> <p><i>All key personnel have extensive experience in the oil and gas industry.</i></p> <p><i>For these reasons, I am of the opinion that the action or thing will be under the control of a technically competent person.</i></p>

15A(1)(d)	Whether in the opinion of the Minister, the Applicant or associated entity is of good repute, having regard to character, honesty and integrity.	<p><i>The Applicant and associated entity provided a statement that they consider themselves to be of good repute, having regard to character, honesty and integrity.</i></p> <p><i>Evidence of this is provided by the associated entity's activities under the prescribed legislation to date.</i></p> <p><i>For these reasons, I am of the opinion that the Applicant and associated entity is of good repute.</i></p>
15A(1)(e)	Whether the Applicant or associated entity has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty	<p><i>The Applicant and associated entity have not, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.</i></p> <p><i>No evidence has been discovered to establish that this is not the case.</i></p>
15A(1)(f)	<p>Whether the Applicant or associated entity, within the previous 3 years:</p> <p>(i) was an undischarged bankrupt; or</p> <p>(ii) applied to take the benefit of any law for the relief of bankrupt or insolvent debtors; or</p> <p>(iii) entered into an arrangement with the Applicant or entity's creditors or made an assignment of the Applicant or entity's remuneration for their benefit.</p>	<p><i>None of these events has occurred within the previous 3 years.</i></p> <p><i>No evidence has been discovered to establish that this is not the case.</i></p>
15A(1)(g) 15A(3)	Whether the Applicant or associated entity is or was a director of a body corporate that is the subject of a winding-up order or for which a controller or administrator has been appointed within the previous 3 years	<p><i>None of these events has occurred within the previous 3 years.</i></p> <p><i>No evidence has been discovered to establish that this is not the case.</i></p>
15A(1)(h)	Whether the Applicant has demonstrated to the Minister the financial capacity to comply with the Applicant's obligations under the permit or licence.	<p><i>When considering the Applicant's financial capacity, consideration was given to:</i></p> <ul style="list-style-type: none"> <i>• The associated entity's audited financial statements for the periods ended 30 June 2022 and 30 June 2023.</i> <i>• BPH Energy's March and December 2023 Quarter Operations Reports.</i>

		<p>BPH Energy is an investor in the associated entity.</p> <ul style="list-style-type: none"> • MEC Resources Limited Annual Report to Shareholders ending 30 June 2023. MEC Resources Limited is an investor in the associated entity. • The associated entity's record raising capital for gas exploration projects. <p>An independent probity report was obtained for the associated entity and its directors, and no adverse details were reported.</p> <p>The associated entity has a minimal risk of failure, and low risk of late payment, in accordance with the probity report.</p> <p>The associated entity is the Operator of RL1 and parent company to the Applicant. It has the financial benefit of its investors and has demonstrated a record of raising capital for its gas exploration projects.</p> <p>For these reasons, the Applicant has demonstrated the financial capacity to comply with its obligations under the licence.</p>
15A(1)(i)	Whether the Applicant or associated entity is in partnership, in connection with the action that is the subject of the permit or licence, with a person whom the Minister does not consider to be an appropriate person having regard to the matters listed in section 15A(1) (being the matters above) and section 15A(2) (being the matters below).	<p>The Applicant and associated entity are not in partnership with any other person.</p> <p>The term 'partnership' does not include Joint Ventures.</p>
15A(1)(j)	Any other matters the Minister considers relevant in determining whether a person is an appropriate person to hold a permit or licence.	<i>I do not consider that any other matters are relevant.</i>
<i>If the Applicant or entity is not a body corporate, the matters below do not need to be considered.</i>		
15A(2)(a) 15A(3)	Whether a director of the Applicant or associated entity: (i) has contravened the prescribed	Mr David Leslie Breeze is the sole director of Onshore Energy Pty Ltd (the Applicant).

	<p>legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked; or</p> <p>(ii) is or has been the director of another body corporate that has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked</p>	<p><i>The applicant is a subsidiary of Advent Energy Limited (the associated entity). The directors and persons concerned in the management of the associated entity are:</i></p> <ul style="list-style-type: none"> • <i>Mr David Leslie Breeze, Executive Director</i> • <i>Mr Anthony Huston, Non-Executive Director</i> • <i>Mr Stephen Keleman, Non-Executive Director</i> • <i>Mr Steve James, Non-Executive Director</i> • <i>Mr David John Moore, Drilling and Engineering Manager</i> • <i>Mr Andrew Joseph Hogan, Operations Advisor and Contracts Manager</i> <p><i>The directors have not contravened the prescribed legislation or held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p> <p><i>The directors are not and have not been a director of another body corporate that has contravened the prescribed legislation.</i></p> <p><i>The directors are not and have not been a director of another body corporate that has held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p> <p><i>The rationale for the Western Australian Minister of Resources refusal of an application to suspend and extend the permit conditions of EP386 is unknown, however, the Applicant has referred the decision to the Supreme Court of WA and this is ongoing.</i></p>
15A(2)(b) 15A(3)	<p>In the case of a body corporate that is the subsidiary of another body or company (the parent company) – whether:</p> <p>(i) the parent company or a director of the parent company has contravened the prescribed legislation or has held a licence</p>	<p><i>The parent company is Advent Energy Limited. The directors and persons concerned in the management of the parent company are:</i></p> <ul style="list-style-type: none"> • <i>Mr David Leslie Breeze, Executive Director</i> • <i>Mr Anthony Huston, Non-Executive Director</i>

	<p>or other authority under the prescribed legislation that has been suspended or revoked; or</p> <p>(ii) a director of the parent company is or has been the director of another body corporate that has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked.</p>	<ul style="list-style-type: none"> • Mr Stephen Keleman, Non-Executive Director • Mr Steve James, Non-Executive Director • Mr David John Moore, Drilling and Engineering Manager • Mr Andrew Joseph Hogan, Operations Advisor and Contracts Manager <p><i>Neither the parent company nor the directors have not contravened the prescribed legislation or held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p> <p><i>The directors of the parent company are not and have not been a director of another body corporate that has contravened the prescribed legislation.</i></p> <p><i>The directors are not and have not been a director of another body corporate that has held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p> <p><i>The rationale for the Western Australian Minister of Resources refusal of an application to suspend and extend the permit conditions of EP386 is unknown, however, the Applicant has referred the decision to the Supreme Court of WA and this is ongoing.</i></p>
15A(2)(c) 15A(3)	The record of compliance with the prescribed environmental legislation of any director of the Applicant or associated entity.	<p><i>The directors and any persons concerned in the management of the Applicant and associated entity have been involved with the following businesses requiring compliance with the prescribed environmental legislation:</i></p> <ul style="list-style-type: none"> • Advent Energy Limited • Onshore Energy Pty Ltd • Asset Energy Pty Ltd • Aotearoa Offshore Limited <p><i>I am not aware of any breach of the prescribed legislation.</i></p>
15A(2)(d)	Whether in the opinion of the Minister, a director of the Applicant	<i>The Applicant and associated entity have provided a statement that it</i>

15A(3)	or associated entity is of good repute, having regard to character, honesty and integrity.	<i>considers the directors to be of good repute, having regard to character, honesty and integrity.</i> <i>There is no evidence available that suggests otherwise.</i> <i>For this reason, I am of the opinion that each director is of good repute.</i>
15A(2)(e) 15A(3)	Whether a director of the Applicant or associated entity has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.	<i>No director nor any person concerned in the management has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.</i> <i>No evidence has been discovered to establish that this is not the case.</i>
15A(2)(f)	Whether the Applicant or associated entity is the subject of a winding up order or has had a controller or administrator appointed within the previous 3 years.	<i>None of these events has occurred within the previous 3 years.</i> <i>No evidence has been discovered to establish that this is not the case.</i>

- (d) In making my determination I have had regard to each of the matters noted above.
- (e) In making my determination I have had regard to documents that include the following:
- (i) Advent Energy Limited Annual Financial Report for the period ending 30 June 2022
 - (ii) Advent Energy Limited Annual Financial Report for the period ending 30 June 2023
 - (iii) BPH Energy March 2023 Quarter Operations Report
 - (iv) BPH Energy December 2023 Quarter Operations Report
 - (v) MEC Resources Limited Annual Report to Shareholders ending 30 June 2023
 - (vi) million comprehensive report for Advent Energy Limited
 - (vii) Advent Energy Limited's statement of technical and financial capacity
 - (viii) CVs and Personal Resumes for Directors, management and key technical personnel
 - (ix) Technical capability, including details of key personnel, management systems and operations management
 - (x) Department of Industry, Tourism and Trade information and data
 - (xi) Application for the renewal of a retention licence and supporting information
 - (xii) Search of online information.

Dated this ^{4th} 4 day of April 2024

Made under the *Petroleum Act 1984* of the Northern Territory of Australia



JAMES ROBERT PRATT
Senior Executive Director Energy Development
Delegate of the Minister for Mining
Under an Instrument of Delegation dated 3 July 2023