

# Statement of Reasons

## *Petroleum Act 1984*

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

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Applicant	<i>Helium Australia Pty Ltd</i> ACN 078 104 006 GPO Box 292 Brisbane QLD 4001 <a href="https://centralpetroleum.com.au/">https://centralpetroleum.com.au/</a> Phone: 07 3181 3800
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Associated entities	<i>Central Petroleum Limited</i> ACN 083 254 308 GPO Box 292 Brisbane QLD 4001 <a href="https://centralpetroleum.com.au/">https://centralpetroleum.com.au/</a> Phone: 07 3181 3800
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Permit or licence being applied for	<i>Retention Licences RL3 and RL4</i>
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Date of determination	<b>3</b> January 2024
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#### 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.

## 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"> <li>(i) whether the Applicant or entity has contravened any of the prescribed legislation; and</li> <li>(ii) the seriousness of any contraventions; and</li> <li>(iii) the length of time since the contraventions (if any) occurred; and</li> <li>(iv) any other matter the Minister considers relevant.</li> </ul>	<p><i>Central Petroleum Limited submitted evidence of warning letters from the Northern Territory Department of Environment, Parks and Water Security (DEPWS), one warning letter from the Australian Department of Science (DES), and one infringement issued by the former Department of Primary Industry and Resources (DPIR)</i></p> <p><i>The warning letters are for incidents occurring from 2019 to 2023.</i></p> <p><i>The DEPWS warning letters were for offences under the Petroleum (Environment) Regulations 2016:</i></p> <ul style="list-style-type: none"> <li>• <i>regulation 31 - non-compliance with an approved plan</i></li> <li>• <i>regulation 36 and regulation 37 - records to be kept and making prescribed records available</i></li> <li>• <i>regulation 33 - notification of an incident.</i></li> </ul> <p><i>The DES warning letter was issued under section 430 of the Environmental Protection Act 1994, for contravention of a condition of an authority.</i></p> <p><i>The DPIR infringement was issued under regulation 39 of the PER for conducting an activity not specified</i></p>

		<p>in the approved Environment Management Plan.</p> <p><i>These incidents fall within the category of persuasive non-compliance and the issuing of warning letters and an infringement are considered proportionate compliance and enforcement tools. None of the incidents resulted in environmental harm and are not considered to be serious in nature with no culpability.</i></p>
15A(1)(b)	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><i>Helium Australia Pty Ltd has held a licence or other authority under the prescribed legislation, being RL3 and RL4, and partially holds EP82. That licence or authority has not been suspended or revoked.</i></p> <p><i>Central Petroleum Limited has partially held a licence or other authority under the prescribed legislation being EP105, EP112 and EP125 in the Northern Territory. It has also held ATP909, ATP912 and ATP2031 in Queensland. That licence or authority has not been suspended or revoked.</i></p> <p><i>Central Petroleum Limited has been the operator of a licence or other authority under the prescribed legislation, being EP115, L6, L7, OL3, OL4, OL5, RL3 and RL4. That licence or authority has not been suspended or revoked.</i></p> <p><i>It holds applications EP92, EP111, EP124, EP129, EP130, EP132, EP133, EP137, EP147, EP149, EP152, EP160, and EP296 in the Northern Territory.</i></p>
15A(1)(c)	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><i>Central Petroleum Limited has submitted sufficient evidence to demonstrate its capacity as having the technical capabilities to manage operations of RL3 and RL4 on behalf of its subsidiary Helium Australia Pty Ltd.</i></p>

		<p><i>It has provided CVs of all directors and key management personnel, well operations management plans, created well barrier independent validation reports and undertaken well integrity checks on existing wells.</i></p> <p><i>The applicant and associated entity are known to the department and the documents provided are acceptable.</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 have provided a statement that they consider themselves to be of good repute having regard to character, honesty and integrity.</i></p> <p><i>Evidence has not been discovered to the contrary during due diligence checks.</i></p> <p><i>For these reasons, I am of the opinion that the Applicant or 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	<i>The Applicant or entity has not, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.</i>
15A(1)(f)	<p>Whether the Applicant or associated entity, within the previous 3 years:</p> <ul style="list-style-type: none"> <li>(i) was an undischarged bankrupt; or</li> <li>(ii) applied to take the benefit of any law for the relief of bankrupt or insolvent debtors; or</li> <li>(iii) entered into an arrangement with the Applicant or entity's creditors or made an assignment of the</li> </ul>	<i>None of these events has occurred within the last 3 years.</i>

	Applicant or entity's remuneration for their benefit.	
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	<i>None of these events has occurred within the last 3 years.</i>
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 the associated entity's:</i></p> <ul style="list-style-type: none"> <li><i>Statement from Chartered Accountant, Damian Galvin</i></li> <li><i>Audited financial statements of 31 December 2022</i></li> <li><i>2023 Annual Report.</i></li> </ul> <p><i>The applicant will have the benefit of the associated entity's financial capacity that will enable it to comply with its obligations under the licences.</i></p> <p><i>Independent probity reports were obtained for the applicant and the associated entity, and no adverse details were reported.</i></p> <p><i>For these reasons, the Applicant has demonstrated the financial capacity to comply with its obligations under the permit or licence.</i></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><i>The Applicant or associated entity are not in partnership with any other person.</i></p> <p><i>Partnership does not include JVs.</i></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>
15A(2)(a) 15A(3)	<p>Whether a director of the Applicant or associated entity:</p> <p>(i) has contravened the prescribed 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 Helium Australia Pty Ltd and its directors are:</i></p> <ul style="list-style-type: none"> <li><i>• Michael McCormack</i></li> <li><i>• Katherine Hirschfeld AM</i></li> <li><i>• Leon Devaney.</i></li> </ul> <p><i>The directors have not contravened the prescribed legislation.</i></p> <p><i>The directors have not 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 applicant is a subsidiary of the associated entity. Refer to 15A(2)(b) for details about the directors and persons concerned in the management of the associated entity.</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 <b>parent company</b>) – whether:</p> <p>(i) the parent company or a director of the parent company has contravened the prescribed legislation or has held a licence or other authority under the</p>	<p><i>The parent company is Central Petroleum Limited, and the directors and any persons concerned in the management of the parent company are:</i></p> <ul style="list-style-type: none"> <li><i>• Leon Devaney, Managing Director &amp; Chief Executive Officer</i></li> <li><i>• Michael McCormack, Independent Non-Executive Chair</i></li> </ul>



	<p>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"> <li>• Katherine Hirschfeld AM, Non-Executive Director</li> <li>• Agu Kantsler, Non-Executive Director</li> <li>• Stephen Gardiner, Non-Executive Director</li> <li>• Troy Harry, Non-Executive Director</li> <li>• Leon Devaney, Chief Executive Officer</li> <li>• Ross Steward Evans, Chief Operating Officer</li> <li>• Damian Galvin, Chief Financial Officer</li> <li>• Daniel White, Group General Counsel and Company Secretary</li> </ul> <p><i>The parent company has contravened the prescribed legislation as previously described at 15A(1)(a).</i></p> <p><i>The directors of the parent company have not contravened the prescribed legislation.</i></p> <p><i>The parent company and the directors of the parent company have not 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 have not been a director of another body corporate that has contravened the prescribed legislation.</i></p> <p><i>The directors of the parent company 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>
15A(2)(c)	The record of compliance with the prescribed	<i>The directors and any persons concerned in the management have</i>

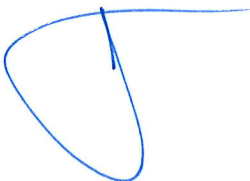
15A(3)	environmental legislation of any director of the Applicant or associated entity.	<p>been involved with the following companies requiring compliance with the prescribed environmental legislation:</p> <ul style="list-style-type: none"> <li>• Merlin Energy Pty Ltd;</li> <li>• Frontier Oil &amp; Gas Pty Ltd;</li> <li>• Ordiv Petroleum Pty Ltd;</li> <li>• Central Petroleum (NT) Pty Ltd;</li> <li>• Central Petroleum Mereenie Pty Ltd ATF the Central Petroleum Mereenie Unit Trust; and</li> <li>• Central Petroleum Eastern Pty Ltd.</li> </ul> <p>I am not aware of any breach of the prescribed legislation by a director of the applicant or associated entity.</p>
15A(2)(d) 15A(3)	Whether in the opinion of the Minister, a director of the Applicant or associated entity is of good repute, having regard to character, honesty and integrity.	<p>The Applicant and associated entity submit that they consider the directors to be of good repute, having regard to character, honesty and integrity and as evidenced by their longstanding reputation in the industry.</p> <p>Evidence has not been discovered to the contrary during due diligence checks.</p> <p>For these reasons, I am of the opinion that each director is of good repute.</p>
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.	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.
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.	None of these has occurred within the past 3 years.



- (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) *Statement of Financial Capacity from Chartered Accountant, Damian Galvin*
  - (ii) *Independently reviewed financial statements from the half yearly report to 31 December 2022 for Central Petroleum Limited*
  - (iii) *2023 Central Petroleum Limited Annual Report*
  - (iv) *million comprehensive reports for Helium Australia Pty Ltd and Central Petroleum Limited*
  - (v) *Statement of Appropriate Person for Central Petroleum Limited and Helium Australia Pty Ltd*
  - (vi) *CVs for management and key technical personnel*
  - (vii) *Central Petroleum Limited's Organisational Chart*
  - (viii) *Correspondence from the Department of Environment, Parks and Water Security and the Australian Department of Environment and Science*
  - (ix) *Department of Industry, Tourism and Trade information and data*
  - (x) *Letters of non-compliances for Central Petroleum Limited.*
- (f) *In making my decision I have considered the nature and seriousness of the non-compliances with the prescribed legislation, and the length of time since they occurred. These were predominantly administrative in nature and did not result in environmental harm or impact.*

Dated this 3 of January 2024

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



JAMES ROBERT PRATT

Senior Executive Director Energy Development