

SPE Has Strong Links in New Zealand and Australia E&P Industry

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President's Forum: www.spe.org



As I move further into my year as president, I have been refining my key message as follows: inherent in, and fundamental to, SPE's mission is the notion of and adherence to a number of values and principles. These include that SPE is a *member* organization, as opposed to a *corporate* organization, and *individuals* are members of SPE. These individuals belong to SPE to develop and broaden their skills as *oil and gas professionals* in a *worldwide industry* as well as to network with other individuals (technical specialists). Inevitably, each individual member brings to SPE a measure of his/her company self-interest and

culture, and this adds to the diversity of SPE's international membership. Corporate culture benefits SPE directly: companies sponsor SPE initiatives and exhibit at SPE events, and they allow their employees time and funds to participate in SPE committees and activities. Thus, SPE benefits not only from an altruistic desire on the part of individuals to further technology dissemination, but also from companies wishing to be seen to engage in the Society's activities and to support its mission.

Early October saw me in New Zealand and Australia. I was delighted to find that these SPE values and principles are very well understood here. Volunteerism is perceived by both individuals and companies to offer great value, and all sections have very active board members.

I began this trip with a visit to New Plymouth in New Zealand. This section is small, with 82 members, including 16 young professionals. Typically, between 15 and 30 members regularly attend lunch meetings, which are organized jointly with the New Zealand Institute of Professional Engineers. No university in New Zealand offers a petroleum engineering course, so there are no student members. However, the section sponsors scholarship programs for engineering students at three New Zealand universities.

I then flew to Australia, where I visited the Queensland Section in Brisbane, the South Australian Section in Adelaide, and the Western Australian Section in Perth. Membership in all six Australian sections, including New South Wales/Australian Capital Territory, Victoria and Tasmania, and Northern Territory, totals some 1,500.

Australia is Huge (with a capital H indeed) and each section has a different focus. For example, 75% of the Queensland Section members work in the booming coalbed methane (CBM) business. There are plans to build four liquefaction plants to start CBM exports to Japan and China. However, the business is dominated by small and medium-sized independent companies, and they are currently finding it difficult to raise funds for further developments due to the credit crunch.

Another interesting development in that region is underground coal gasification (UCG). Linc Energy, which is seeking to utilize UCG and gas-to-liquid technologies as a means of converting coal deposits into liquid fuel, is at the forefront of Australian UCG development.

My next stop was Adelaide, home to the South Australian Section, founded in 1982 and thus the oldest of the Australian sections. The other five Australian sections were set up between 1983 and 1990. In addition to its monthly meetings, the South Australian Section organizes such activities as Education Day, where 70 high school students are exposed to our industry, and an annual math competition with the Math Association.

Finally, I visited the Western Australian Section in Perth, which is the largest of the Australian sections with 756 members, an impressive 231 of whom are

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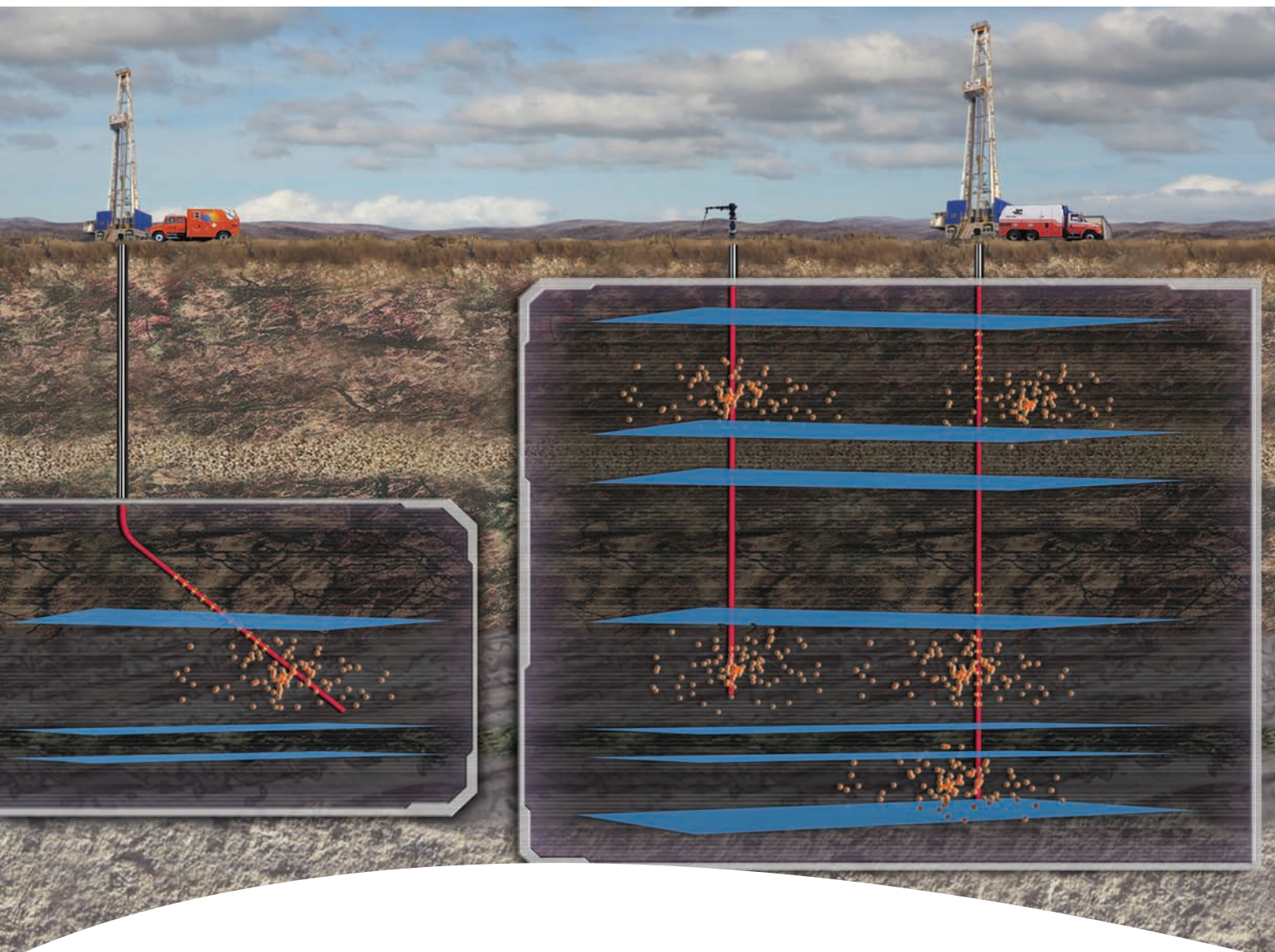
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young professionals. The section produces a very impressive regional magazine, offers four short courses each year, and organizes many events, some with the Petroleum Exploration Society of Australia.

Student members in Australia total 673, affiliated to five sections. The Australian (and New Zealand) sections all have plenty of funds so they are active sponsors of students in their local regions and sometimes, as in the case of the Western Australian Section, help with donations such as a car for the Earth Sciences Dept. at Perth University.

My stay in Perth coincided with a Australia/New Zealand/Papua New Guinea (A/NZ/PNG) Council meeting, which includes section board representatives from all three countries. Several SPE regions have formed councils, which provide a framework for sections within that area to pursue common interests, collaborate, and exchange information. While councils are advisory in nature and have no governing authority over the participating sections, they are proving very successful in dealing with regional issues and with local technical and/or professional associations.

The A/NZ/PNG Council, chaired by Rod Bresnehan, is currently working on the idea of a cooperative network of regional speakers—a topic raised by many sections I visited. The council is exploring appropriate ways to cooperate with the national society Engineers Australia (EA) on different programs, including certification/chartered status. Tom Gouldie of the South Australian Section is the leading force behind this campaign.

The council also advises bodies such as the Australian Petroleum Production and Exploration Association and the

Australian Securities Exchange on reserves issues. Currently, the Australian government offers companies the choice of reporting according to the SPE reserves definitions as grounded in the Petroleum Resources Management System (PRMS) or to use SEC rules. Most companies use SPE's PRMS.

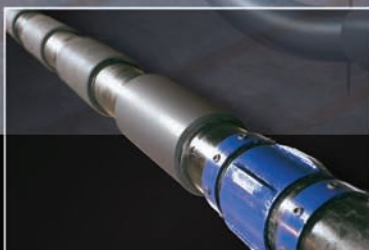
I was also pleased to attend the 3-day SPE Asia Pacific Oil and Gas Conference and Exhibition in Perth. It was a great conference: well organized, with sessions suitable for delegates at all stages of their career. It covered special-interest topics such as CO₂, and the VIPs gave refreshingly thought-provoking keynote speeches. Don Voelte (CEO Woodside) and Roy Krzywosinsky (Managing Director Chevron Australia) and the Western Australia Premier Colin Barnett generated headline news in the Australian media. Premier Barnett proposed a trans-continental pipeline from west Australia to the market in the east, while Chevron's Krzywosinsky came down hard on government's plans for a CO₂ emissions trading scheme (ETS) that will make the LNG industry bear the full costs and therefore compromise the growth of that industry. He threatened to stop two major projects (Gordon and Wheatstone) if government pushes through the ETS. His statements were echoed by Voelte, who warned government that Woodside will cut spending if the ETS materializes. Krzywosinsky also made a plea for tax breaks, considering the high costs of the projects. These debates are sure to continue for some time yet.

Next month I will share my experiences from my trip to Abu Dhabi. In the meantime, as usual, please share any thoughts and ideas through the President's Forum at www.spe.org. **JPT**

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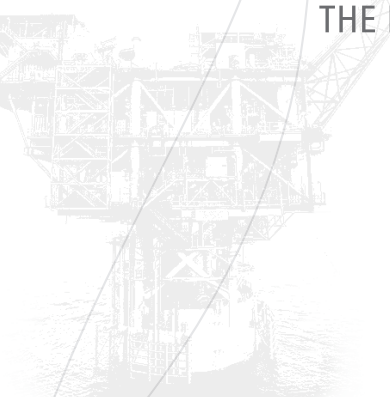
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