

## **Policy for Licence suspension**

Licences may be suspended with the agreement of the licensee and PIRSA (Section 90 of the *Petroleum Act, 2000*.)

Genuine *force majeure* circumstances will be considered as sufficient justification for a licence suspension. *Force majeure* refers to an event or effect that cannot be reasonably anticipated or controlled via experience or care. Commercial circumstances that are common risks in the industry would not normally be considered as a basis for *force majeure* (eg changes in oil prices, difficulty in attracting farm-ins, too expensive drilling costs)

Licence suspensions may be approved for the purposes such as of raising capital, for joint venture restructures after a partner withdraws from the permit or difficulty in locating a drilling rig. During the suspension PIRSA will require regular reporting on progress towards resolution of the issue, and PIRSA may withdraw the suspension at any time if it believes that progress is unsatisfactory.

There is no prescribed time limit for a suspension, but suspensions for longer than 1 year are unlikely to be approved.

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4/9/03