

INVESTMENT REQUIRED FOR THE FUTURE

The Queensland Exploration
Scorecard and the QEC

QUPEX LUNCH ADDRESS | 7 FEB 2023

QEC Deputy Chair, Stephen Kelemen

DISCLAIMER

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ABOUT QEC

Exploration arm & non-profit initiative of the QRC, est 2010

Focused on investment attraction to Qld resource industry and promotion of exploration

QEC Leadership Team oversee the work of the Secretariat to ensure objectives are met

The QEC supports explorers on their pathway to production



QUEENSLAND EXPLORATION COUNCIL

LEADERSHIP TEAM



Kim Wainwright
Chair



Stephen Kelemen
Deputy Chair, Oil & Gas



Darren Walker
Deputy Chair, Minerals

OUR MEMBERS

96 member companies across all commodities including producers, small-mid explorers, professional services and consultants.

O&G members include:



WHAT WE DO



INFORM

FACILITATE

MONITOR

CONNECT

INCENTIVISE

LEVERAGE

Provide info & links to promote exploration

Bring together project proponents & investors

Track industry health via Exploration Scorecard

Events for members and industry

Benefits for members

Partner with related organisations

KEY INITIATIVES – ESG FOR EXPLORERS

LAUNCHING
SOON!

WORLD-CLASS ESG, MADE EASY FOR EXPLORERS

- **What is ESG?** – factsheet, existing frameworks and FAQs
- **Not a tick & flick** – ESG is a key part of your corporate culture – QEC ESG Explorer's Guidance Framework
- **Explorers acing ESG** – showcase your ESG credentials by submitting a case studies or view case studies from QEC members

KEY INITIATIVES – QE-CONNECT

NEW
WEBSITE
COMING
SOON!



PROMOTING QLD EXPLORATION & SUPPORTING INDUSTRY

- QE-Connect.com.au amalgamates QEC and QUREX websites
- Delivers on QRIDP Explorer relevant actions
- Featuring QEC's ESG Toolbox for Explorers
- Critical Minerals showcase – home to a mapping tool showing projects, explorer profiles, plus a suite of factsheets, with live ASX and commodity pricing

KEY INITIATIVES – EVENTS FOR INDUSTRY & INVESTORS



- Quarterly Investment Showcase
- Annual Tech Summit
- Annual Breakfast & Exploration Scorecard Launch
- Bi-annual Member Briefings and networking sessions



QEC KEY INITIATIVES – QLD EXPLORATION SCORECARD



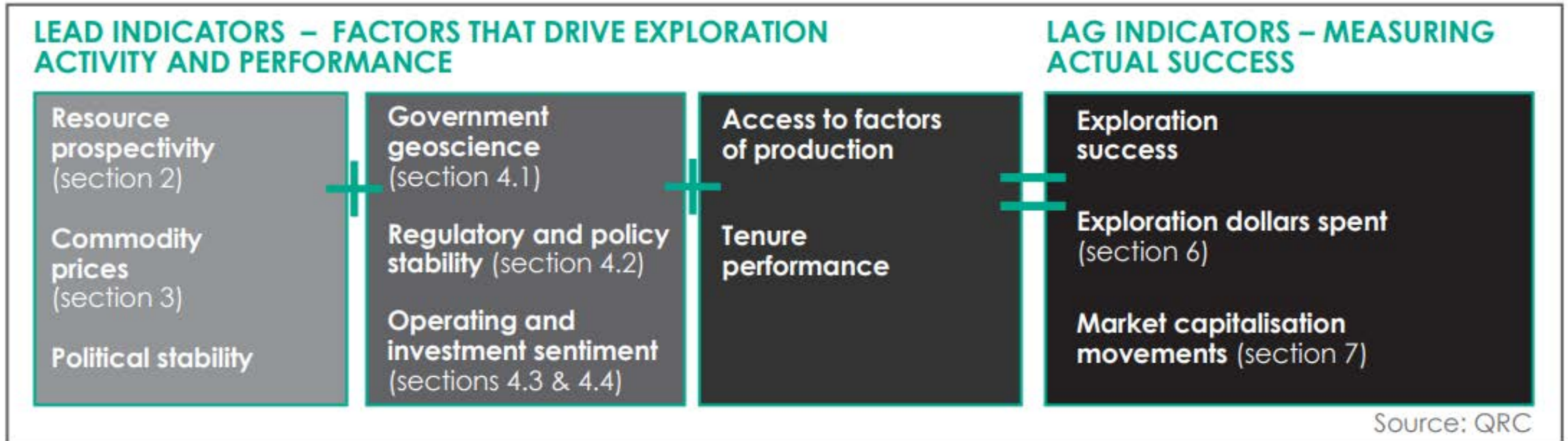
INVESTMENT REQUIRED FOR THE FUTURE

12th annual publication, tracks sentiment across 16 exploration policy categories and key indicators, driven by:

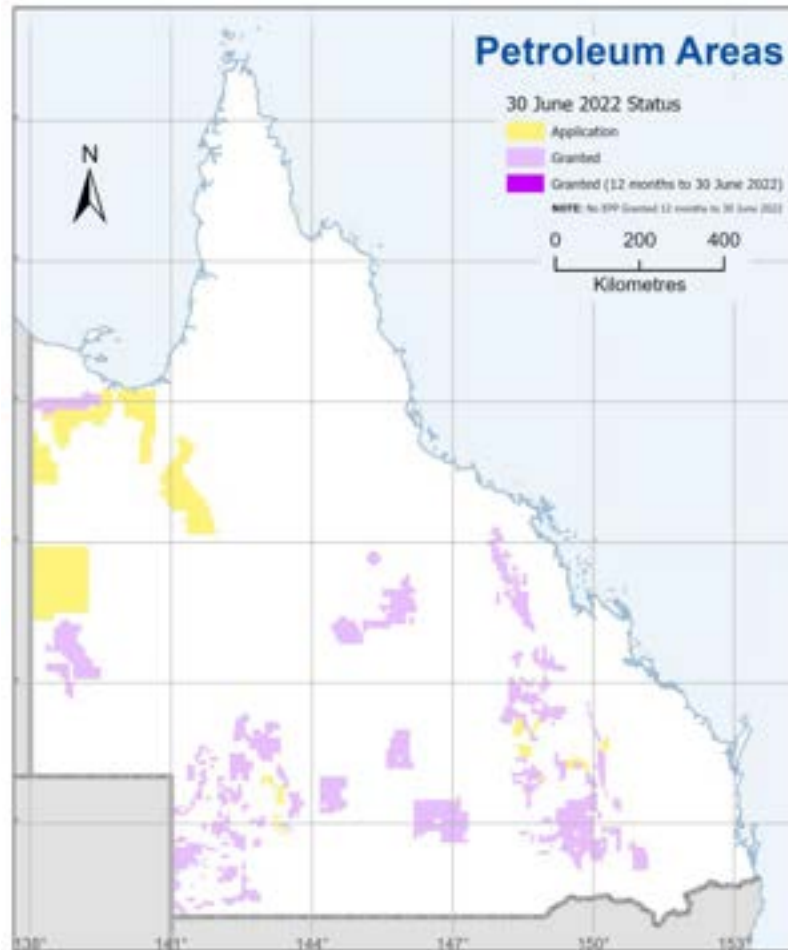
- Queensland's resource prospectivity and endowment;
- the price of key commodities;
- explorer and investor confidence; and
- policy and regulatory stability.

SCORECARD STRUCTURE

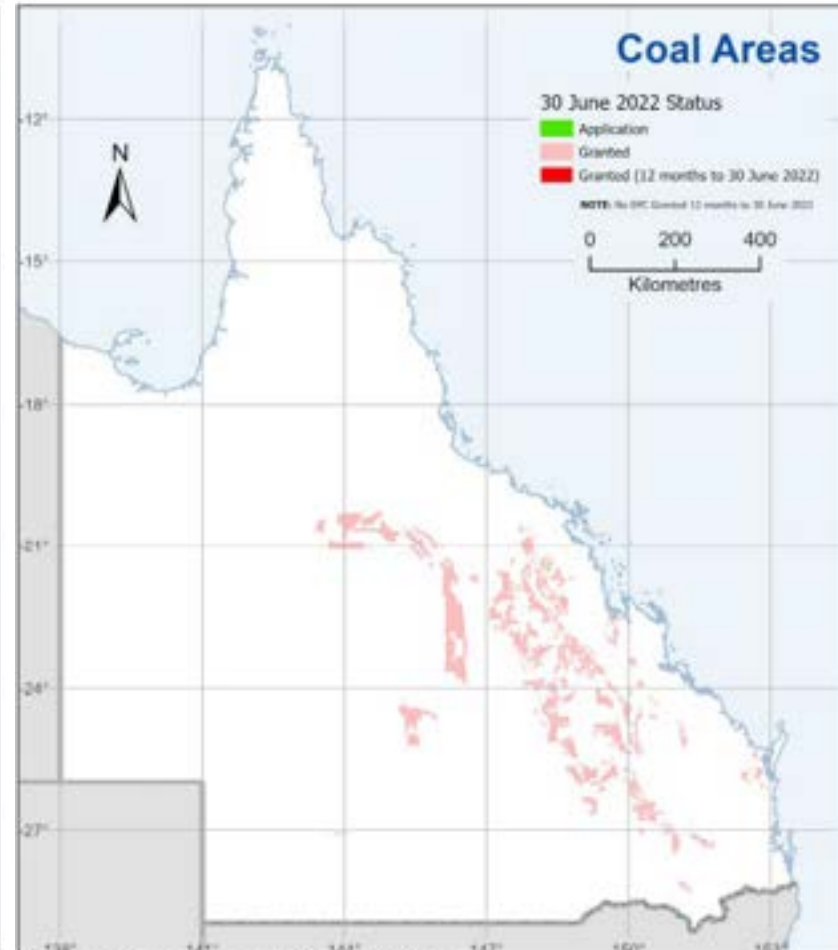
FIGURE 1: SCORECARD STRUCTURE



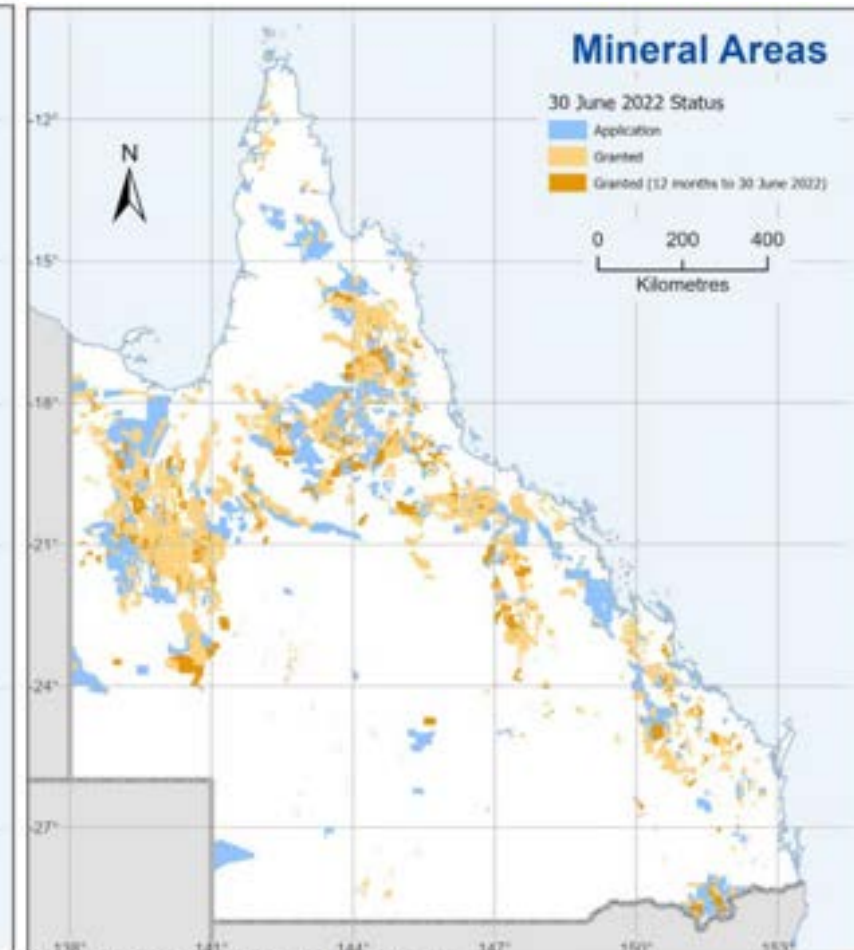
EXPLORATION TENURE STATUS – JUNE 2022



Source: Department of Resources

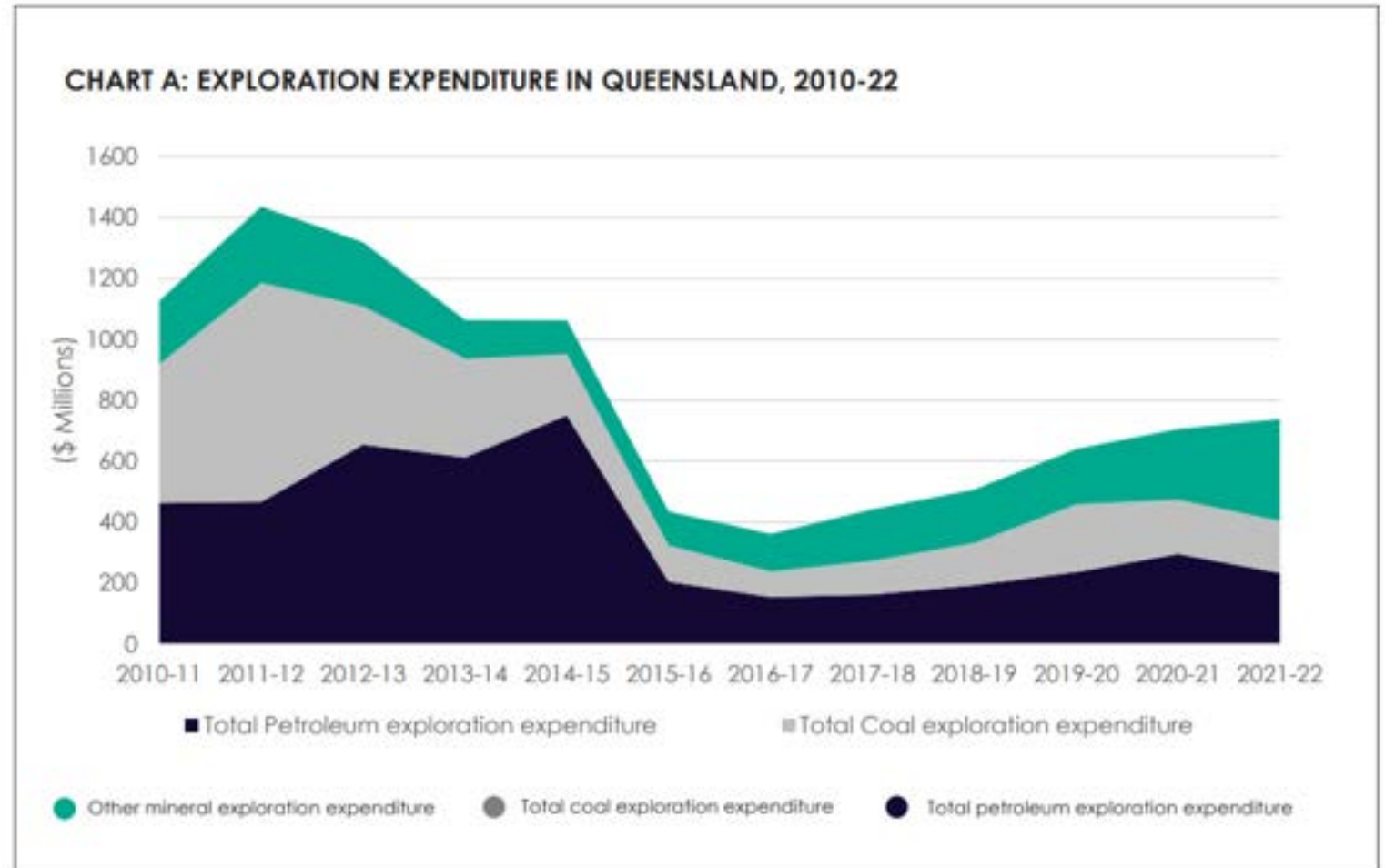


Source: Department of Resources



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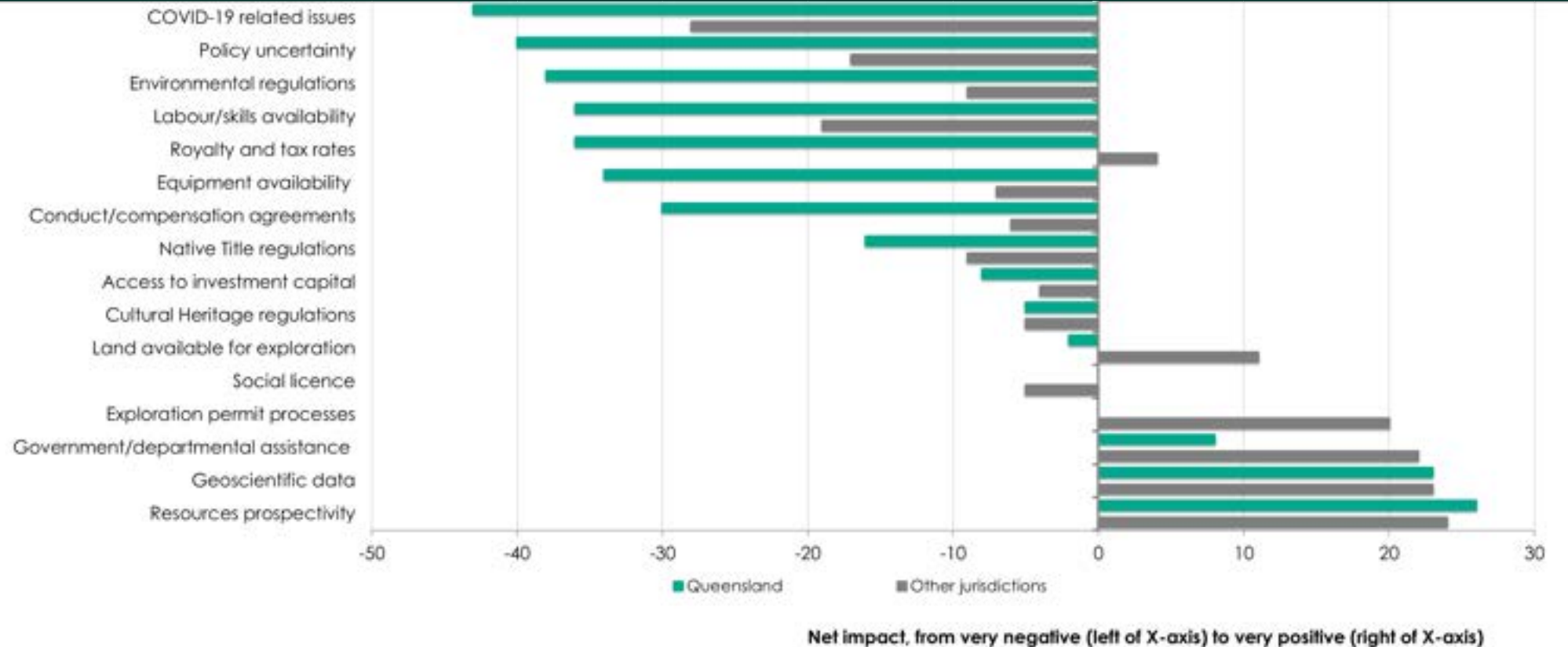
EXPLORATION EXPENDITURE IN QLD 2010-2022



Source: ABS Mineral and Petroleum Exploration, Australia.

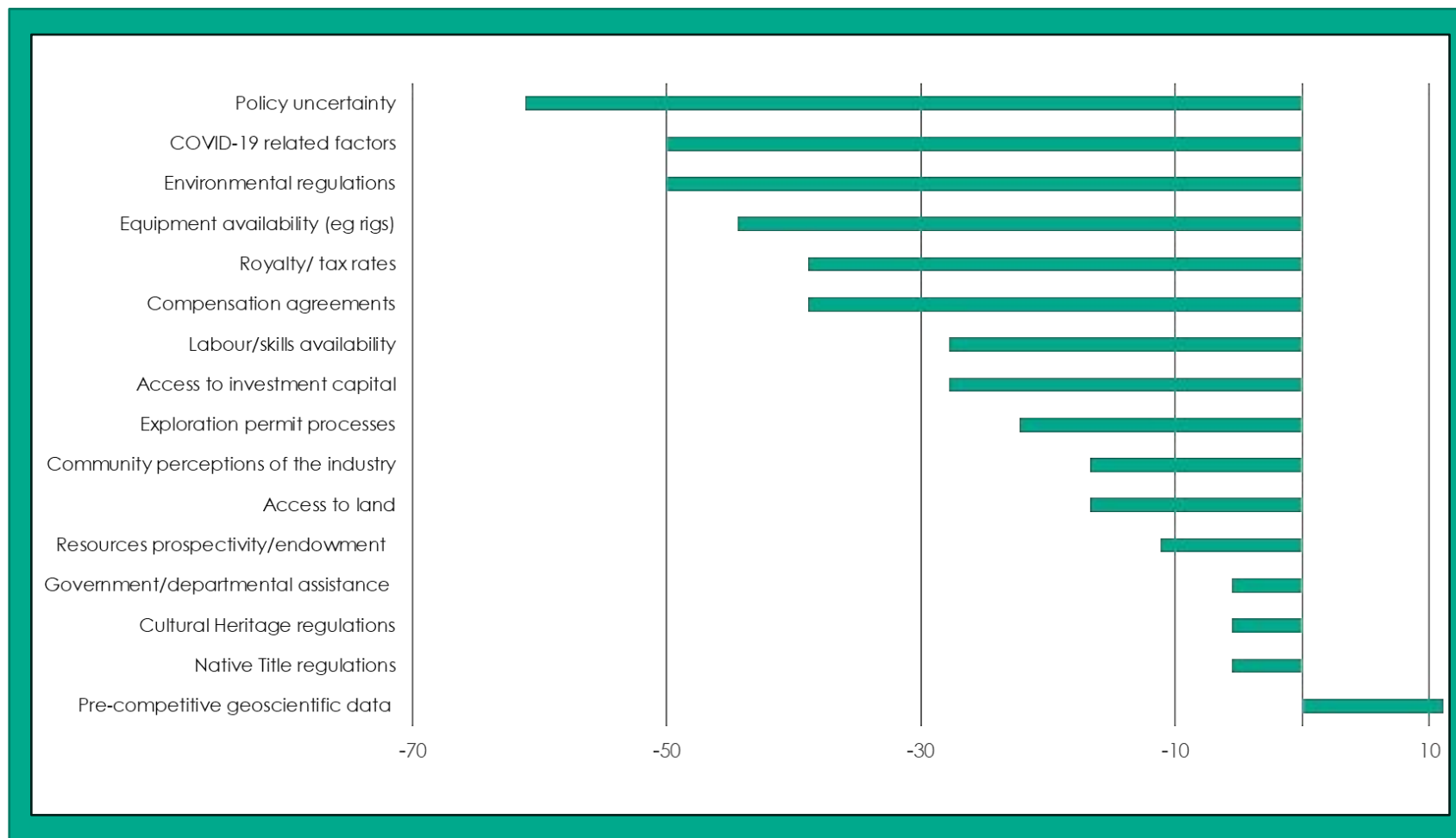
Note: The material reduction in petroleum exploration expenditure in 2015-16 was driven by the 2015 oil price crash

EXPLORATION SENTIMENT RANKING 2021-22



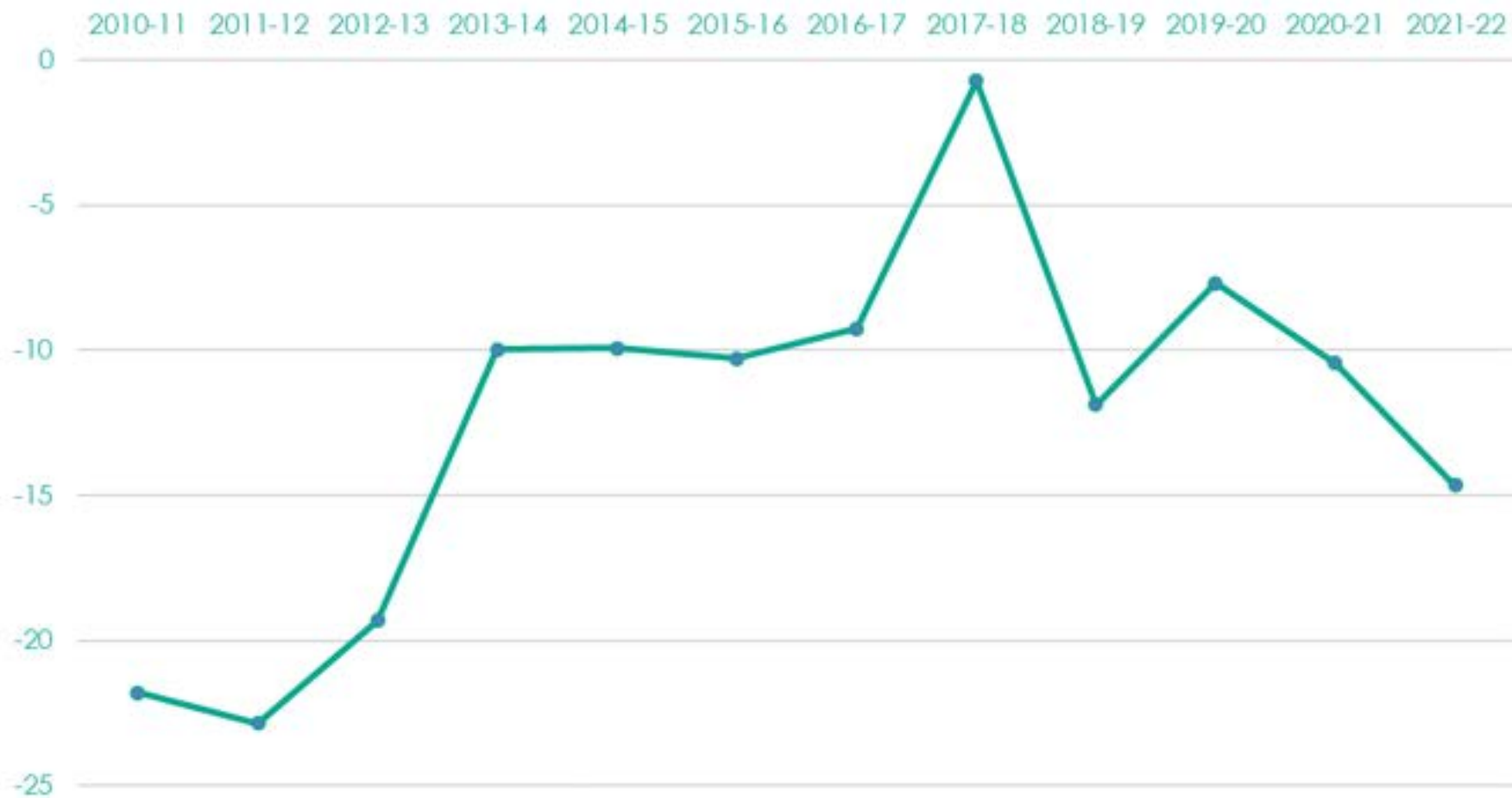
PETROLEUM INDUSTRY SENTIMENT RANKINGS

- **Prospectivity & Endowment** – Driven by Petroleum scoring mildly negative, while coal and minerals explorers remained very positive.
- **Social licence** – Coal industry respondents were neutral, minerals positive & petroleum respondents negative.
- **Access to investment**– In 2021 was good news story, but since dropped to negative, driven by coal & petroleum response.
- **Policy Uncertainty** – Negative sentiment felt very strongly by coal & petroleum.

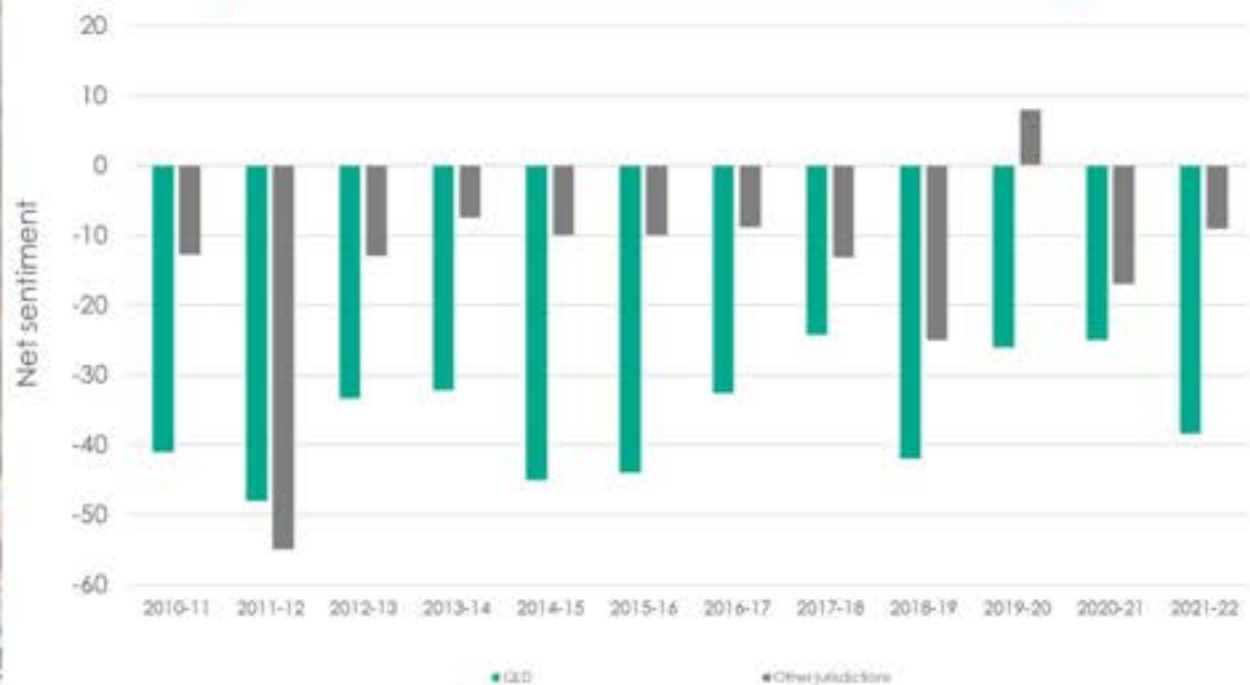


KEY SCORECARD THEMES OVER SCORECARD HISTORY

AVERAGE SENTIMENT ACROSS ALL SCORECARD CATEGORIES



ENVIRONMENTAL REGULATIONS



POLICY UNCERTAINTY



EQUIPMENT AVAILABILITY

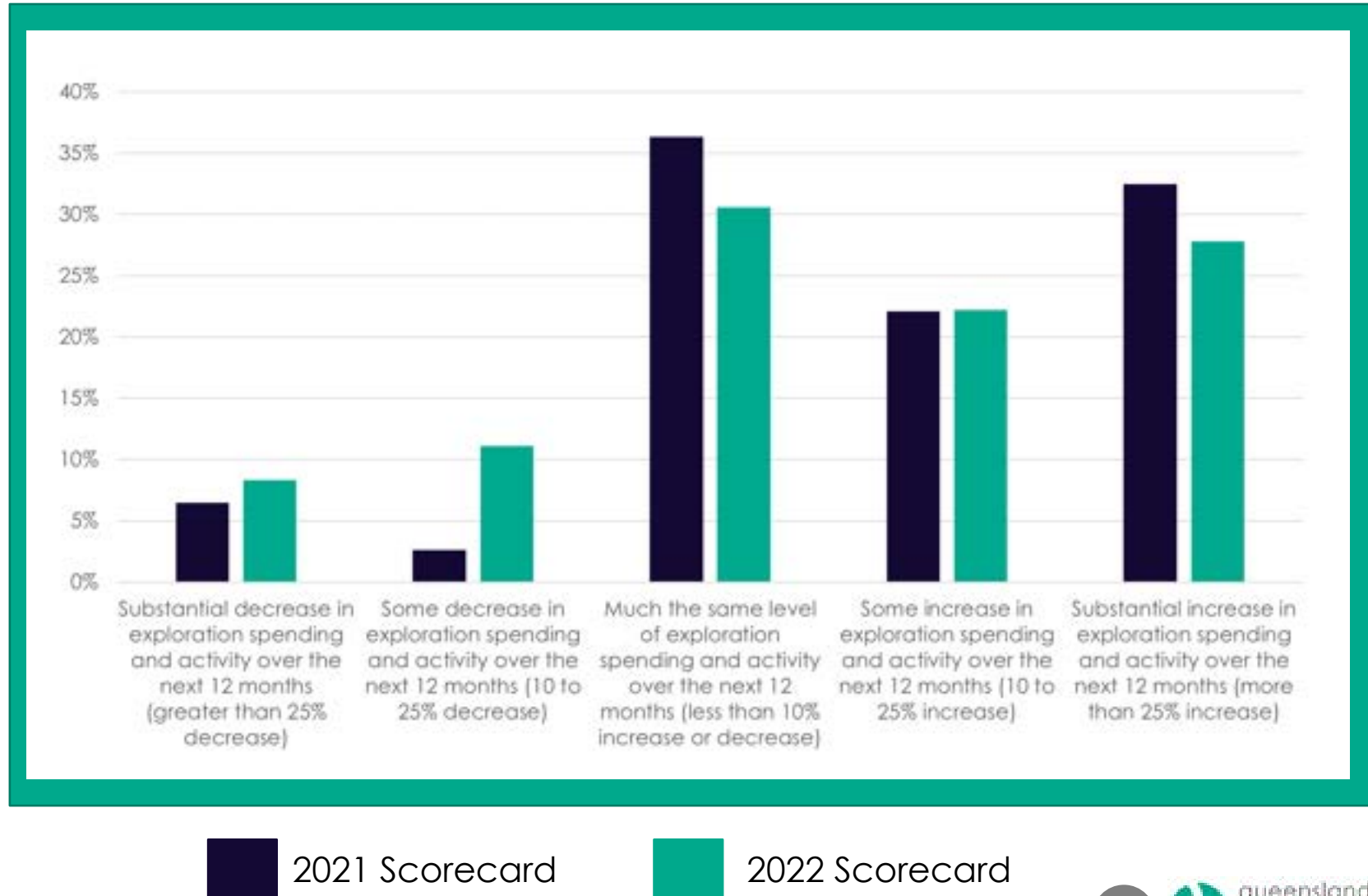


LABOUR/SKILLS AVAILABILITY



12 MONTH OUTLOOK FOR EXPLORATION EXPENDITURE, 2021-22

- The 12-month outlook for exploration expenditure is quite positive.
- Almost half of explorer survey respondents forecasting an increase in spend of at least 10%
- More than a quarter indicate an increase of more than 25% in 2022-23.



GLOBAL AVERAGE BENCHMARK LNG PRICES AND QUEENSLAND PETROLEUM EXPLORATION SPEND, 2002-03 TO 2021-22

- Europe's energy crisis, the invasion of Ukraine and impacted energy markets saw record petroleum prices. The Scorecard's benchmark spot LNG price up by 224% to US\$26/ Mmbtu.
- Queensland petroleum exploration expenditure did not build on the growth of 2020-21, with exploration declining by 21% to \$236 million in 2021-22.
- Qld petroleum exploration activity remains critical to domestic gas market supply



COPPER EXPLORATION SPEND VS PETROLEUM

CHART 3.2: GLOBAL AVERAGE BENCHMARK COPPER PRICES & QUEENSLAND EXPLORATION SPEND, 2002-03 TO 2021-22



Source: Office of the Chief Economist, Resources and Energy Quarterly; Market Index; ABS 5368.0

CHART 3.4: GLOBAL AVERAGE BENCHMARK LNG PRICES AND QUEENSLAND PETROLEUM EXPLORATION SPEND, 2002-03 TO 2021-22



Source: METI; JOGMEC; ABS 8412.0

Note: Petroleum exploration expenditure includes appraisal activities, but excludes developmental and production activities.

DOWNLOAD OUR
SCORECARD

[Queensland-Exploration-
Scorecard-2022.pdf](#)
[\(qrc.org.au\)](#)



JOIN US

MEMBERSHIP TIERS AVAILABLE:

- Full membership \$1683 + GST
(including producer, explorer, contractor, legal, financial, brokering and communications companies)
- Individual Membership \$233 + GST
(self-employed individual not representing any organisation in their dealings with QEC, not in partnership with others or employing others)



For more information about joining visit
www.queenslandexploration.com.au
and download the **membership proposal**