



Oil Offshore Sydney ?

Posted by [Big Gav](#) on June 1, 2008 - 6:22am in [The Oil Drum: Australia/New Zealand](#)

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The SMH has an article on a "[Plan to drill for oil off NSW coast](#)", with the would be explorers hoping to have a drilling rig exploring the area in May next year and touting estimates of 1 billion barrel find.

An Australian joint venture is planning to drill off the NSW coast in search of oil and gas in a move that has outraged green groups. The venture says the skyrocketing world oil price has made it feasible to establish a drilling rig 22 kilometres offshore between the Central Coast and Newcastle, The Sunday Telegraph newspaper reports.

One of the firms, Perth-based MEC Resources, says air surveys indicate there is petroleum at the target site. The listed company told the Australian Stock Exchange on Friday: "MEC was reviewing new data from an airborne survey conducted east of Newcastle which detected evidence of petroleum seeps on the sea surface." ... The MEC report estimates undersea reserves of up to 1 billion barrels of oil and enough gas to meet Sydney's needs for a decade. It is seeking shareholder approval to restructure its oil and gas assets to improve access to capital for exploration.

Leaving aside the optimism of the promoters, the bizarre part of this article was the response by the state opposition, who seem to be oblivious to the fact that oil is an internationally traded commodity and think that producing oil locally will make the cost of petrol fall. Now - that might be the case if any political party was actually advocating mandating oil export restrictions or subsidised petrol - however none are and the NSW Liberal party would probably be the very last to adopt such measures even if the left leaning parties proposed them.

Drilling in NSW will send petrol prices down: Opposition

If the venture is successful the public will benefit from a drop in petrol prices, NSW Opposition Leader Barry O'Farrell said. The promise of oil would be welcomed by the public, Mr O'Farrell said. "The beneficiaries are the public," he told reporters in Sydney. "As is evident by the increasing price of oil, we're reliant on international oil cartels and the prices are currently only going in one direction. If we're talking about oil rigs 20 kilometres off the coast, if that offers the hope of increased oil [and] reduced petrol prices, I think the community will welcome it.



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