



Approvals Performance Report

In the second quarter of 2011, DMP received record levels of mineral and petroleum tenure and activity applications reflecting high levels of mineral exploration and mining interest and activity across Western Australia.

During this period, 1022 mineral tenure applications were received comprising 601 Exploration Licences, 230 Prospecting Licences, 153 Miscellaneous Licences, 27 Mining Leases and 11 General Purpose Leases. The Department finalised 96% of the 601 mineral exploration licence applications within 65 business days.

Similarly, the petroleum sector was active with nearly double the number of petroleum exploration permit applications compared to the previous quarter.

The graph below shows the increasing trend in the number of mineral exploration licence applications finalised by the Department since first quarter 2010. Over the last 18 months the number of mineral exploration licence applications finalised has progressively increased driven by high levels of gold and uranium exploration activity.

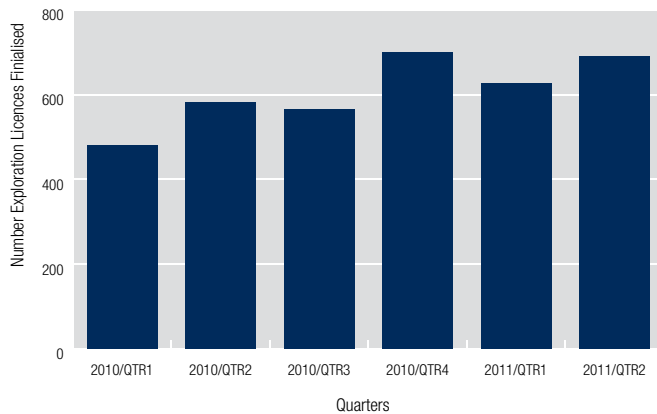


Figure 1 | **Exploration Licences Finalised**

The Department received 68 petroleum environment plans for planned petroleum activities in both State and Commonwealth jurisdictions. Of petroleum environmental plans submitted, 98% were finalised within 30 business days. However, petroleum tenure applications were below normal performance targets. The Department will implement actions to elevate petroleum tenure application performance during the second half of 2011.

A record 708 applications for approval of mineral exploration activity (programmes of work) and 115 mining proposals were received by the Department during the second quarter. Seventy-eight percent of programme of work applications and 79% of mining proposals were finalised within 30 business days. The increasing trend in the number of programmes of work received by the Department in the 2010/11 financial year is illustrated below.

Number of Programme of Works (PoWs) received

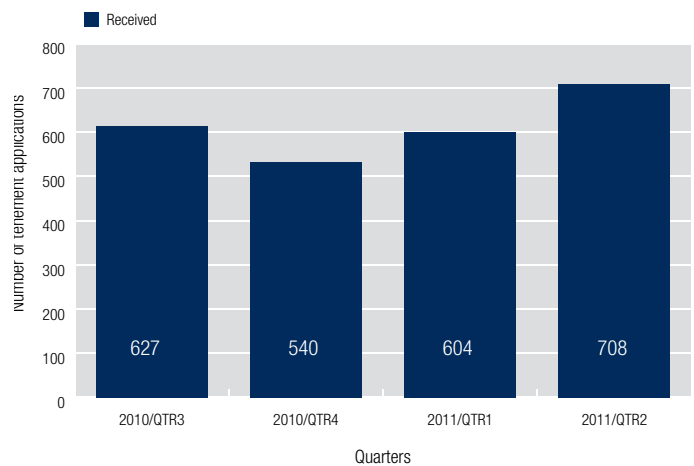


Figure 2 | **POWs - Received**

Online lodgement systems – Minerals and Petroleum

Since the introduction of online lodgement for mineral tenure applications in late March 2011, 224 applications were lodged online in the report period. This represents 22% of the total number of applications received. With respect to programme of works, 54% of the 708 submitted were lodged online. The graph below shows the trend in continued uptake of online lodgement by industry over the last 12 months. Feedback from proponents regarding the use of the online application system has been positive. The Department is working closely with industry proponents to further refine online lodgement services.

The Department has continued to expand electronic lodgement capability during the quarter with further upgrades of the Petroleum and Geothermal Register (PGR). A recent addition to the online system is the delivery of a change of company name facility with a governance structure which includes automatic checks of currency and ABN/ACN certification. This replaces the previous eForms lodgement system and provides a user friendly seamless lodgement and approval process for industry users.

Modules are currently under development for Assessment Tracking Workflow and online lodgement of Petroleum Drilling Applications and Field Development Plans. PGR continues to provide functionality that is not only a first for DMP but also the oil and gas industry and other petroleum regulatory agencies in Australia. The PGR provides services that can be accessed from anywhere in the world.

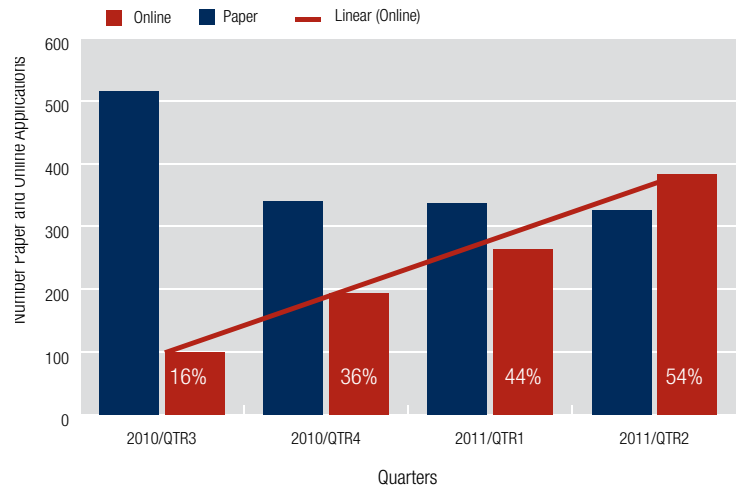


Figure 3 | POW's - Percentage Online Applications

APPROVALS DATA TABLE – SECOND QUARTER 2011

The below table provides information regarding the number of mining and petroleum applications received by the Department of Mines and Petroleum (DMP) during the specified period. DMP timeline target, approval performance measures and number of applications carried over to the next quarter are provided for key approval processes. The timeline target applies to processes completed by DMP and does not include, for example, the time taken for assessment by other government agencies or where the assessment process is put on hold while additional information is being sought from applicants. As part of the WA approval reform process Government is developing systems to provide a whole of project approval timeline for key approval processes.

| Minerals Sector | | | | | | | | |
|--|---------------------------------|--|---------------------------|------------------------|--|--|------------------------------------|----------------------------------|
| | Timeline target (business days) | No. carried over from previous quarter | No. applications received | Total No. finalised | No. refused, lapsed, rejected or withdrawn within timeline | Total no. finalised within timeline target | % finalised within timeline target | No. carried over to next quarter |
| Tenure Applications | | | | | | | | |
| Data used to assess performance against the timeline target only applies to applications received since 1 January 2009 (when the tracking of applications commenced). The total number of applications in the system have been separated into two categories – those received since 1/1/2009 and those received prior. | | | | | | | | |
| Prospecting Licence | 65 | 1499 | 230 | 320 | 48 | 294 | 92% | 1409 |
| - pre 1/1/09 | | 339 | | 56 | | | | 283 |
| Exploration Licence | 65 | 3328 | 601 | 687 | 306 | 662 | 96% | 3242 |
| - pre 1/1/09 | | 953 | | 105 | | | | 848 |
| Mining Lease | 65 | 182 | 27 | 15 | 10 | 14 | 93% | 194 |
| - pre 1/1/09 | | 1042 | | 56 | | | | 986 |
| Others (i.e. Miscellaneous Licence, General Purpose Lease, Retention Licence) | 65 | 325 | 164 | 55 | 26 | 55 | 100% | 434 |
| - pre 1/1/09 | | 261 | | 9 | | | | 252 |
| Programme of Work | 30 | 354 | 708 | 698 | 42 | 542 | 78% | 364 |
| Mining Proposal | 30 | 129 | 115 | 80 | 11 | 63 | 79% | 164 |
| Native Veg. Clearing Permits | 90 calendar days | 60 | 75 | 84 | 9 | 70 | 83% | 51 |
| Note: DMP assesses native vegetation clearing permit applications from the resources sector via a delegation from Department of Environment and Conservation (DEC). DEC target timelines include 100% of applications within 90 calendar days and 80% within 60 calendar days. | | | | | | | | |
| Mine Safety Approvals | | | | | | | | |
| Project Management Plan | 30 | 4 | 14 | 11 | 0 | 9 | 82% | 7 |
| Petroleum and Geothermal Sector | | | | | | | | |
| | Timeline target (business days) | No. carried over from previous quarter | No. applications received | Total number finalised | No. refused, rejected or withdrawn within timeline | Total no. finalised within timeline target | % finalised within timeline target | No. carried over to next quarter |
| Tenure Applications | | | | | | | | |
| Includes grant or renewal of Exploration Permits, Production Licences and Retention Leases; grant, renewal or variation of Pipeline Licences; "Surveys" also incorporate Special Prospecting/Access Authorities and Scientific Investigations. | | | | | | | | |
| Exploration Permit | 120 | 33 | 39 | 8 | 3 | 2 | 25% | 64 |
| Production Licence Retention Lease | 90 | 15 | 8 | 2 | 0 | 0 | 0% | 21 |
| Pipeline Licence | 90 | 19 | 2 | 6 | 0 | 3 | 50% | 15 |
| Well | 40 | 23 | 11 | 21 | 6 | 10 | 48% | 13 |
| Survey | 40 | 49 | 12 | 19 | 0 | 8 | 42% | 42 |
| Environmental Approvals | | | | | | | | |
| Incorporates environmental plans and oil spill contingency plans in both Commonwealth and State jurisdictions. | | | | | | | | |
| Environmental Plans | 30 | 38 | 68 | 61 | 28 | 60 | 98% | 45 |

Footnote: The Department receives referrals and requests from other agencies for advice. For example, The Department received 112 referrals from the Western Australian Planning Commission for comment on land development proposals that may affect access to resources during the 2Q 2011.