

23 August 2002

NEW ADELAIDE EDUCATION CENTRE FOR \$16 BILLION AUSTRALIAN OIL AND GAS INDUSTRY

Adelaide has become a new education centre for Australia's \$16 billion oil and gas industry with the official opening of the University of Adelaide's new School of Petroleum Engineering and Management by the Prime Minister, the Hon John Howard MP.

The School will play a major role in easing a critical shortfall in petroleum engineering professionals needed for the burgeoning energy industry in Australasia.

"Today's opening will help fill an urgent void in the specialised field of petroleum engineering with recent data showing the average age of geoscience professionals in this industry is now 47 years - and trending older," Santos Limited's Managing Director, Mr John Ellice-Flint, said today.

"There are currently only 35 undergraduate students studying petroleum engineering in Australia – 25 of whom commenced first year studies in March this year at the University of Adelaide as a direct result of this new School of Petroleum," he said.

"Overall, that's insufficient numbers for the industry's growing needs - but this School can now help redress that shortage."

The School has been established by the University with help of a 20 year commitment by South Australian-based Santos, one of Australia's leading oil and gas exploration groups.

The Federal Government also has contributed \$1 million to the School for the establishment of the Reg Sprigg Chair, in honour of the late Reg Sprigg, an early pioneer of the nation's first oil and gas discoveries.

A new degree in Bachelor of Petroleum Engineering is being offered by the School, as well as post-graduate courses in petroleum engineering.

"Most people think the petroleum industry begins and ends at the petrol pump. Nothing could be further from the truth," Mr Ellice-Flint said.

"Petroleum and the thousands of products that are derived from it form part of our daily lives," he said.

"The establishment of this School is a long-term investment in the petroleum industry in Australasia - with South Australia at the hub of that learning opportunity."

Santos has itself been a pioneer for nearly 50 years in establishing and developing petroleum exploration and production in South Australia, with its modern day activities spread throughout Australia, Indonesia, PNG and the United States.

The industry's production is currently worth in excess of \$16 billion annually.

"It's a growing industry fuelling a growing economy".

Massive growth in energy demand

Mr Ellice-Flint said it was vital the new Adelaide campus opened now.

"Wood was the fuel of the 18th century, coal was the fuel of the 19th century, oil for the 20th century and gas is the fuel of the 21st century," he said.

"By 2030, the American Association of Petroleum Geologists predicts a 30 per cent growth in world demand for oil and gas.

"Against this trend is the fact the number of petroleum professionals is declining to a level where there soon will be a severe shortage of petroleum engineers to service the expanding global industry.

"Our young people must have the opportunity to train in the disciplines that the petroleum industry can count on – and that is exactly the opportunity this School can now service."