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2009

THE HONOURABLE COLIN JAMES BARNETT
PREMIER OF THE STATE OF WESTERN AUSTRALIA

AND

CHEVRON AUSTRALIA PTY. LTD
ABN 29 086 197 757

CHEVRON (TAPL) PTY. LTD
ABN 18 081 647 047

MOBIL AUSTRALIA RESOURCES COMPANY PTY. LIMITED
ABN 38 000 113 217

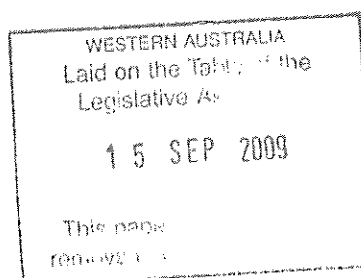
AND

SHELL DEVELOPMENT (AUSTRALIA) PROPRIETARY LIMITED
ABN 14 009 663 576

VARIATION AGREEMENT

GORGON GAS PROCESSING AND INFRASTRUCTURE PROJECT AGREEMENT 2003

State Solicitor's Office
Commercial
141 St Georges Terrace
Perth WA 6000
Telephone : (08) 9264 1888
Ref: SSO 1557-07



THIS AGREEMENT is made

9TH

this day of

SEPTEMBER

2009

BETWEEN

THE HONOURABLE COLIN JAMES BARNETT MEd. MLA, Premier of the State of Western Australia, acting for and on behalf of the said State and its instrumentalities from time to time (State)

AND

CHEVRON AUSTRALIA PTY. LTD. ABN 29 086 197 757 of Level 24 QV1 Building, 250 St Georges Terrace, Perth, Western Australia, **CHEVRON (TAPL) PTY. LTD** ABN 18 081 647 047 of Level 24 QV1 Building, 250 St Georges Terrace, Perth, Western Australia, **MOBIL AUSTRALIA RESOURCES COMPANY PTY. LIMITED** ABN 38 000 113 217 of 12 Riverside Quay, Southbank, Melbourne, Victoria and **SHELL DEVELOPMENT (AUSTRALIA) PROPRIETARY LIMITED** ABN 14 009 663 576 of Level 28 QV1 Building, 250 St Georges Terrace, Perth, Western Australia (together with their successors and permitted assigns collectively called "the Joint Venturers").

RECITALS

- A. The State and the Joint Venturers are the parties to an agreement made on 9 September 2003, the execution of which by the State was ratified by the *Barrow Island Act 2003*. This agreement is referred to in this Agreement as the "State Agreement".
- B. The State and the Joint Venturers wish to vary the State Agreement on the terms and conditions set out in this Agreement.

THE PARTIES AGREE AS FOLLOWS:

- 1. Subject to the context, the words and expressions used in this Agreement have the same meanings respectively as they have in and for the purpose of the State Agreement.
- 2. The Minister for State Development shall cause this Agreement to be laid upon the Table of each House of Parliament within 12 sitting days after its execution by all the parties.
- 3. If neither House of Parliament, within 12 sitting days of the House after this Agreement has been laid upon the Table of the House, has passed a resolution disallowing this Agreement, this Agreement shall have effect from and after the last day on which this Agreement might have been disallowed.
- 4. The State Agreement is hereby varied as follows:

(1) in clause 1 by –

- (a) in the definition of "DCLM" deleting "Department of Conservation and Land Management referred to in section 32" and substituting "department in the Government of the State principally assisting the CALM Act Minister in the administration of";
- (b) deleting the definition of "Executive Director"; and
- (c) inserting in their appropriate alphabetical positions the following new definitions:

"Approval Date" means the date of approval under clause 8 of complete detailed proposals submitted under clause 7;

"DCLM CEO" means the chief executive officer of DCLM;

"Relevant Date" means the later of the Approval Date and the Variation Date;

"Variation Date" means the date on which the variation agreement made on or about 10 September 2009 between the State and the Joint Venturers to vary this Agreement has effect in accordance with its provisions;

(2) in clause 11:

- (a) by in subclause (1):
 - (i) deleting "\$40 million" and substituting "\$60 million"; and
 - (ii) inserting "(excluding the Northwest Flatback Turtle Conservation Program, the Threatened and Priority Species Translocation and Reintroduction Program and State initiatives referred to in clause 11A for recruitment to the Northwest Shelf Flatback Turtle Population)" after "for ongoing programs";
- (b) by in subclause (2) deleting "\$37 million" and substituting "\$57 million";
- (c) by in subclause (6):
 - (i) deleting "10mtpa" and substituting "15mtpa"; and
 - (ii) deleting "\$40 million" and substituting "\$60 million";

(3) by inserting after clause 11 the following new clause:

"Funding of Additional Conservation Programs"

- 11A. (1) The State shall cause the DCLM CEO, in consultation with the Joint Venturers, to establish:
- (a) the Northwest Shelf Flatback Turtle Conservation Program; and

- (b) the Threatened and Priority Species Translocation and Reintroduction Program,

so that DCLM may commence to implement these programs as soon as practicable after the Relevant Date.

- (2) (a) The Joint Venturers shall during the term of this Agreement pay to the State the following amounts (indexed in accordance with subclause (5)) to cover all costs (including without limitation the costs referred to in subclause (7)(e)(i) and a contribution to corporate support costs and the costs of salaries including labour and other costs of the officers, agents and contractors engaged therein) of the DCLM CEO and DCLM in establishing and implementing the Northwest Shelf Flatback Turtle Conservation Program, namely:
 - (i) an initial amount of \$1.5 million within one month after the Relevant Date or upon establishment in accordance with subclause (6) of the special purpose account referred to in paragraph (b), whichever is the later;
 - (ii) further amounts each of \$1.5 million within one month after each of the following 4 anniversaries of the Relevant Date;
 - (iii) further amounts each of \$1 million within one month after each of the following 25 anniversaries of the Relevant Date; and
 - (iv) subject to paragraph (c), further amounts each of \$1 million within one month after each of the following further 30 anniversaries of the Relevant Date.
 - (b) Each amount payable under this subclause is to be paid into a special purpose account to be established and operated by the DCLM CEO for the Northwest Shelf Flatback Turtle Conservation Program.
 - (c) The further amounts referred to in paragraph (a)(iv) shall only be payable if at the end of 30 years after the Relevant Date, the CALM Act Minister, after reviewing the objectives of the Northwest Shelf Flatback Turtle Conservation Program, its effectiveness to that date and planned ongoing program of activities, notifies the Joint Venturers that in the CALM Act Minister's reasonable opinion there is a need for it to continue.
- (3) (a) The Joint Venturers shall pay to the State within one month after demand, such amounts not exceeding in

aggregate the maximum amount calculated in accordance with paragraph (e) as may from time to time be demanded by the State to fund DCLM's activities in respect of the Northwest Shelf Flatback Turtle Intervention Program.

- (b) The State may only commence making demand under paragraph (a) if the Advisory Committee determines that monitoring clearly demonstrates that the Project is having a significant impact on the Northwest Shelf Flatback Turtle Population.
- (c) The amounts payable by the Joint Venturers under this subclause are in addition to any amounts payable by them under subclauses (2) or (4) or under clause 11.
- (d) Each amount payable under this subclause is to be paid into a special purpose account to be established and operated by the DCLM CEO for funding DCLM's activities in respect of the Northwest Shelf Flatback Turtle Intervention Program.
- (e) The maximum amount payable by the Joint Venturers under paragraph (a) shall be limited for 2009 to an amount of \$5,344,051.44 and for each subsequent calendar year (the "year of adjustment") to an amount indexed annually on 1 January (commencing on 1 January 2010) in accordance with the following formula:

$$A = \frac{B \times C}{D}$$

Where:

A means the adjusted limit applicable under this paragraph for the year of adjustment;

B means the adjusted limit that was applicable under this paragraph for the calendar year immediately preceding the year of adjustment less all amounts paid by the Joint Venturers under paragraph (a) during that immediately preceding calendar year;

C means the Consumer Price Index All Groups Perth Western Australia published by the Australian Bureau of Statistics for the 3 month period immediately preceding 1 January in the year of adjustment; and

D means the Consumer Price Index All Groups Perth Western Australia published by the Australian Bureau of Statistics for the 3 month period immediately

preceding 1 January of the year prior to the year of adjustment.

- (4) (a) The Joint Venturers shall during the term of this Agreement pay to the State the following amounts (indexed in accordance with subclause (5)) to cover all costs (including without limitation a contribution to corporate support costs and the costs of salaries including labour and other costs of the officers, agents and contractors engaged therein) of the DCLM CEO and DCLM in establishing and implementing the Threatened and Priority Species Translocation and Reintroduction Program, namely:
 - (i) an initial amount of \$1.3 million within one month after the Relevant Date or upon establishment in accordance with subclause (6) of the special purpose account referred to in paragraph (b), whichever is the later;
 - (ii) further amounts each of \$1.3 million within one month after each of the following 4 anniversaries of the Relevant Date; and
 - (iii) further amounts each of \$0.5 million within one month after each of the following further 7 anniversaries of the Relevant Date.
 - (b) Each amount payable under this subclause is to be paid into a special purpose account to be established and operated by the DCLM CEO for the Threatened and Priority Species Translocation and Reintroduction Program.
- (5) Each payment to be made under subclauses (2) and (4) shall be adjusted immediately prior to payment (unless adjustment would result in a reduction in the payment) on the same basis set out in clause 11(3), and subject to clause 11(4), save that the references to "2004" shall be read as references to "2007" and the references to "instalment" shall be read as references to the relevant payment.
- (6) Each special purpose account under subclauses (2), (3) and (4) shall be established under the *Financial Management Act 2006* and shall be subject to arrangements for governance, consultation and reporting in relation thereto to be agreed between the Minister and the CALM Act Minister, in consultation with the Joint Venturers, as soon as practicable after the Variation Date.
- (7) (a) For the purposes of the Northwest Shelf Flatback Turtle Conservation Program the State shall also cause the DCLM CEO, in consultation with the Joint Venturers, to establish to the Minister's satisfaction:

- (i) an advisory committee:
 - (A) to which each of the CALM Act Minister, the Joint Venturers and the Commonwealth Minister shall be entitled to appoint one representative (and to remove and replace their respective representative as seen fit);
 - (B) and in addition to which the CALM Act Minister and the Joint Venturers shall jointly appoint an independent chairperson (and to remove and replace that chairperson as seen fit); and
 - (ii) a scientific panel of experts in the field of turtle conservation.
- (b) The quorum necessary for meetings of the Advisory Committee shall be 3 members of the Advisory Committee, one of whom must be the chairperson appointed under subclause (7)(a)(i)(B). A member present at a meeting of the Advisory Committee will be entitled to one vote on each resolution of the Advisory Committee proposed at the meeting and any such resolution will require only a simple majority of votes cast in favour of it at the meeting to be passed. In the event of an equal number of votes being cast in favour of and against a resolution, the chairperson appointed under subclause (7)(a)(i)(B) shall have a casting vote in addition to the chairperson's ordinary vote as a member of the Advisory Committee. The Advisory Committee may otherwise determine its own procedures for the convening and holding of its meetings.
- (c) The role of the Advisory Committee is to:
- (i) provide advice and make recommendations to the DCLM CEO on the general objectives and timeframes for delivery of the ongoing activities to be undertaken as part of the Northwest Shelf Flatback Turtle Conservation Program and otherwise as to the establishment, development and implementation of that program as requested by the DCLM CEO;
 - (ii) to receive and consider on an annual basis a report from the DCLM CEO on the implementation of the Northwest Shelf Flatback Turtle Conservation Program and

activities proposed to be undertaken as part of it during the following 3 years; and

- (iii) at the request from time to time of the State, consider and advise the State whether or not in the Advisory Committee's view (having regard to the advice of the scientific panel) the Project is having a significant impact on the Northwest Shelf Flatback Turtle Population.
- (d) The role of scientific panel is to provide expert scientific advice to the Advisory Committee to assist it in undertaking its abovementioned role.
- (e)
 - (i) Only the remuneration and allowances (including for travel and other incidental expenses incurred) of members of the scientific panel and of the independent chairperson as referred to in paragraph (a) for their services in that regard is to be paid from the funds to be advanced by the Joint Venturers in accordance with subclause (2).
 - (ii) If the CALM Act Minister, the Joint Venturers or the Commonwealth Minister appoint a representative to the Advisory Committee as referred to in paragraph (a) then they shall be responsible for the separate funding of the remuneration and allowances (including for travel and other incidental expenses incurred) of their representative.
- (f) The DCLM CEO shall, in establishing the Northwest Shelf Flatback Turtle Conservation Program and in developing the ongoing program of activities to be undertaken as part of it, have regard to advice provided by the Advisory Committee but otherwise, subject to the CALM Act, may develop the program of activities to be undertaken as part of it and cause the DCLM to implement the program as the DCLM CEO may see fit.

- (8) In this clause:

"Advisory Committee" means the advisory committee established pursuant to subclause (7) as constituted from time to time;

"Commonwealth Minister" means the Minister in the Government of the Commonwealth for the time being responsible for the administration of the *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth);

"Northwest Shelf Flatback Turtle Conservation Program"

means an ongoing program of activities (excluding any activities to be undertaken by the Joint Venturers in compliance with conditions of approval of the Project (including the Domgas Project) under this Agreement or State or Commonwealth legislation including the EP Act or the *Environment Protection and Biodiversity Conservation Act 1999* (C'wlth)) to be developed by the DCLM CEO and implemented by the DCLM to increase the conservation and protection of the Northwest Shelf Flatback Turtle Population including:

- (a) surveying, monitoring and research;
- (b) reducing interference to key breeding and feeding locations; and
- (c) establishing information and education programs;

"Northwest Shelf Flatback Turtle Intervention Program"

means a program of activities (in addition to the Northwest Shelf Flatback Turtle Conservation Program) to be developed by the DCLM CEO and implemented by the DCLM (except to the extent required to be undertaken by the Joint Venturers in compliance with conditions of approval of the Project (including the Domgas Project) under this Agreement or State or Commonwealth legislation including the EP Act or the *Environment Protection and Biodiversity Conservation Act 1999* (C'wlth)) to improve recruitment to the Northwest Shelf Flatback Turtle Population.

"Northwest Shelf Flatback Turtle Population" means the flatback turtles of the summer breeding Northwest Shelf Management Unit that nest along the Pilbara and south west Kimberley coasts (including Barrow Island and Mundabullangana) which is distinct from the winter nesting rookeries of the Bonaparte Gulf (eg Cape Domett). It is unknown where the northern boundary of the Northwest Shelf Management Unit is located. Turtles of the Northwest Shelf Management Unit also use feeding grounds from at least Exmouth Gulf in the southern Pilbara to Melville Island in the Northern Territory; and

"Threatened and Priority Species Translocation and Reintroduction Program" means a ongoing program to be developed by the DCLM CEO and implemented by DCLM to translocate and reintroduce selected threatened species of fauna from Barrow Island to other suitable habitat within Australia including monitoring and management of such fauna populations and habitats."; and

(4) in clause 12 –

(a) by in subclause (4):

- (i) inserting "(a)" before the existing provision;
- (ii) deleting "The" and substituting "Subject to paragraph (b)"; and
- (iii) inserting the following new paragraph:
 - "(b) (i) In addition to amounts payable by them under paragraph (a) the Joint Venturers shall pay to DCLM within one month of the Relevant Date or upon establishment in accordance with subparagraph (ii) of the special purpose account referred to in it, whichever is the later, an amount of \$2.5 million (indexed in accordance with subparagraph (v)) towards DCLM's costs under subclause (1) for auditing and surveillance of marine activities during dredging and marine construction undertaken by the Joint Venturers as part of their Project and ongoing auditing of the marine environment response and recovery.
 - (ii) The abovementioned amount is to be paid into a special purpose account established by DCLM specifically for the funding of DCLM's abovementioned costs. The account shall be established under the *Financial Management Act 2006* and shall be subject to arrangements for governance, consultation and reporting to be agreed between the Minister and the CALM Act Minister, in consultation with the Joint Venturers, as soon as practicable after the Variation Date.
 - (iii) As and when DCLM reimburses itself from that account, DCLM shall notify the Joint Venturers of the date and amount of reimbursement and the Joint Venturers with such substantiation as the Joint Venturers may reasonably request of DCLM's abovementioned costs being so reimbursed.
 - (iv) Upon the determination or earlier expiration of this Agreement the State shall cause to be repaid to the Joint Venturers the balance of the abovementioned amount remaining after DCLM has reimbursed itself for all costs incurred to that date.
 - (v) The amount payable under subparagraph (i) shall be adjusted immediately prior to payment (unless adjustment would result in a reduction in the payment) on the same

basis set out in clause 11(3), and subject to clause 11(4), save that the references to "2004" shall be read as references to "2007" and the references to "instalment" shall be read as references to the amount payable."

(b) by inserting after subclause (5) the following new subclause:

"(6) (a) Without prejudice to any other obligations of the Joint Venturers in respect of any breach of quarantine in their operations, the Joint Venturers shall after the Relevant Date:

(i) pay to DCLM full cost recovery to cover all costs of DCLM (to include a contribution to corporate support costs and the cost of salaries, including labour on-costs and the other costs of officers, DCLM agents and contractors engaged therein); and

(ii) provide within facilities on Barrow Island and from normal support services all food and accommodation, office and laboratory facilities, transport to and from Barrow Island and dedicated motor vehicles, plus any other services and facilities agreed by DCLM and the Joint Venturers,

reasonably required by DCLM to eradicate, in the event the Joint Venturers fail to do so, viable non-indigenous species introduced to Barrow Island after commencement of the Project other than through natural causes.

(b) To the extent DCLM claims reimbursement from the Joint Venturers, DCLM shall provide such substantiation as the Joint Venturers may reasonably request of DCLM's costs under paragraph (a)(i).

(c) The amounts payable by the Joint Venturers under this subclause are in addition to any amounts payable by them under any other provisions of this Agreement.

(d) The maximum amount payable by the Joint Venturers under paragraph (a)(i) shall be limited for 2009 to an amount of \$10,688,102.89 and for each subsequent calendar year (the "year of adjustment") to an amount indexed annually on 1 January (commencing on 1 January 2010) in accordance with the following formula:

$$A = \frac{B \times C}{D}$$

Where:

A means the adjusted limit applicable under this paragraph for the year of adjustment;

B means the adjusted limit that was applicable under this paragraph for the calendar year immediately preceding the year of adjustment less all amounts paid by the Joint Venturers under paragraph (a)(i) during that immediately preceding calendar year;

C means the Consumer Price Index All Groups Perth Western Australia published by the Australian Bureau of Statistics for the 3 month period immediately preceding 1 January in the year of adjustment; and

D means the Consumer Price Index All Groups Perth Western Australia published by the Australian Bureau of Statistics for the 3 month period immediately preceding 1 January of the year prior to the year of adjustment.

5. Governing Law

This Agreement is to be interpreted according to the law for the time being in force in the State of Western Australia.

EXECUTED by CHEVRON (TAPL) PTY LTD in accordance with section 127(1) of the Corporations Act 2001 (Cth) by authority of its directors:



Signature of director

Roy J. Krzywosinski
Managing Director

Name of Director (block letters)

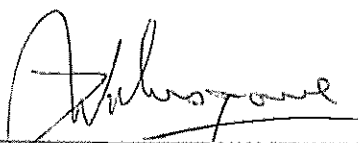


Signature of director/company secretary*
*delete whichever is not applicable

C.D. Beckett

Name of director/company secretary*
(block letters) *delete whichever is not applicable


EXECUTED by MOBIL AUSTRALIA RESOURCES COMPANY PTY LIMITED by its undersigned Attorney who has not received any notice of revocation of the Power of Attorney under which this deed is signed



Signature of Attorney

Luke P Musgrave

Name of Attorney (block letters)




Signature of Witness

PIERS B WILLIAMS

Name of Witness (block letters)

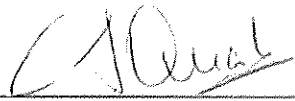
EXECUTED by SHELL DEVELOPMENT)
(AUSTRALIA) PROPRIETARY LIMITED)
by its undersigned Attorney who has not)
received any notice of revocation of the Power)
of Attorney under which this deed is signed)



Signature of Attorney

AC CALITZ

Name of Attorney (block letters)



Signature of Witness

CHEK J. QUAH

Name of Witness (block letters)