

Western Australia

North West Gas Development (Woodside) Agreement Amendment Bill 2014

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Western Australia

LEGISLATIVE ASSEMBLY

**North West Gas Development (Woodside)
Agreement Amendment Bill 2014**

A Bill for

**An Act to amend the *North West Gas Development (Woodside)
Agreement Act 1979*.**

The Parliament of Western Australia enacts as follows:

s. 1

1 **1. Short title**

2 This is the *North West Gas Development (Woodside) Agreement*
3 *Amendment Act 2014*.

4 **2. Commencement**

5 This Act comes into operation as follows —

6 (a) sections 1 and 2 — on the day on which this Act
7 receives the Royal Assent;

8 (b) the rest of the Act — on the day after that day.

9 **3. Act amended**

10 This Act amends the *North West Gas Development (Woodside)*
11 *Agreement Act 1979*.

12 **4. Section 2 amended**

13 In section 2 insert in alphabetical order:

14

15 *the Fourth Supplementary Agreement* means the agreement a
16 copy of which is set out in Schedule 5;

17

18 **5. Section 6A inserted**

19 After section 5A insert:

20

21 **6A. Fourth Supplementary Agreement**

22 (1) The Fourth Supplementary Agreement is ratified.

23 (2) The implementation of the Fourth Supplementary
24 Agreement is authorised.

25 (3) Without limiting or otherwise affecting the application
26 of the *Government Agreements Act 1979*, the Fourth

1 Supplementary Agreement operates and takes effect
2 despite any other Act or law.
3

4 **6. Schedule 5 inserted**

5 After Schedule 4 insert:
6

7 **Schedule 5 — Fourth Supplementary Agreement**

8 [s. 2]

9 2014

10
11 **THE HONOURABLE COLIN JAMES BARNETT**
12 **PREMIER OF THE STATE OF WESTERN AUSTRALIA**

13
14 **AND**

15
16 **WOODSIDE ENERGY LTD.**
17 **ACN 005 482 986**

18
19 **SHELL DEVELOPMENT (AUSTRALIA) PROPRIETARY LIMITED**
20 **ACN 009 663 576**

21
22 **BHP BILLITON PETROLEUM (NORTH WEST SHELF) PTY. LTD.**
23 **ACN 004 514 489**

24
25 **BP DEVELOPMENTS AUSTRALIA PTY. LTD.**
26 **ACN 081 102 856**

27
28 **CHEVRON AUSTRALIA PTY LTD**
29 **ACN 086 197 757**

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31 **JAPAN AUSTRALIA LNG (MIMI) PTY. LTD.**
32 **ACN 006 303 180**

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**NORTH WEST GAS DEVELOPMENT (WOODSIDE)
AGREEMENT 1979**

RATIFIED VARIATION AGREEMENT

[Solicitor's details]

THIS AGREEMENT is made this 20 day of November 2014

BETWEEN

THE HONOURABLE COLIN JAMES BARNETT, M.Ec., M.L.A., Premier of the State of Western Australia, acting for and on behalf of the said State and its instrumentalities from time to time (the"**State**") of the one part

AND

WOODSIDE ENERGY LTD. ACN 005 482 986 of 240 St Georges Terrace, Perth, Western Australia, **SHELL DEVELOPMENT (AUSTRALIA) PROPRIETARY LIMITED** ACN 009 663 576 of Level 3, 2 Victoria Avenue, Perth, Western Australia, **BHP BILLITON PETROLEUM (NORTH WEST SHELF) PTY. LTD.** ACN 004 514 489 of C/- Citco (Australia) Pty Ltd, Level 23, 45 Clarence Street, Sydney, New South Wales, **BP DEVELOPMENTS AUSTRALIA PTY. LTD.** ACN 081 102 856 of Level 8, 250 St Georges Terrace, Perth, Western Australia, **CHEVRON AUSTRALIA PTY LTD** ACN 086 197 757 of Unit 7, 61 Walters Drive, Osborne Park, Western Australia and **JAPAN AUSTRALIA LNG (MIMI) PTY. LTD.** ACN 006 303 180 of Level 50, 600 Bourke Street, Melbourne, Victoria (together collectively called the "**Joint Venturers**") of the other part.

RECITALS

A. The parties to this Agreement are now the parties to the agreement (herein called the "**1979 Agreement**") dated 27 November 1979, the

- 1 execution of which by the State was ratified by the *North West Gas*
2 *Development (Woodside) Agreement Act 1979*, as varied by:
- 3 (a) the agreement dated 15 September 1982 entered into pursuant
4 to the provisions of clause 27 of the 1979 Agreement;
- 5 (b) the agreement dated 3 July 1985 which was ratified by the
6 *North West Gas Development (Woodside) Agreement*
7 *Amendment Act 1985*;
- 8 (c) the agreement dated 23 November 1994 which was ratified
9 by the *North West Gas Development (Woodside) Agreement*
10 *Amendment Act 1994*;
- 11 (d) the agreement dated 29 May 1996 which was ratified by the
12 *North West Gas Development (Woodside) Agreement*
13 *Amendment Act 1996*; and
- 14 (e) the agreement dated 30 May 2002 entered into pursuant to the
15 provisions of clause 27 of the 1979 Agreement.

16 The 1979 Agreement as so varied is hereinafter referred to as the
17 "**Principal Agreement**".

18 **B.** The parties wish to vary the provisions of the Principal Agreement on
19 the terms and conditions set out in this Agreement.

20 **THE PARTIES AGREE AS FOLLOWS:**

21 **1. Ratification and operation**

- 22 (1) This Agreement, other than this clause, does not come into operation
23 except in accordance with subclause (2).
- 24 (2) This Agreement, other than this clause, comes into operation on the
25 day on which it is ratified by an Act of the Parliament of Western
26 Australia ("**Operative Date**") unless, before that day, it terminates
27 under subclauses (4) or (5).
- 28 (3) The State must introduce in the Parliament of Western Australia
29 before 27 November 2014 or a later date agreed between the parties to
30 this Agreement, a Bill to ratify this Agreement and must endeavour to
31 secure its passage as an Act.

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1 (4) If by 30 June 2015 this Agreement has not been ratified by an Act of
2 the Parliament of Western Australia then, unless the parties to this
3 Agreement otherwise agree, this Agreement terminates on that day
4 and no party hereto will have any claim against any other party hereto
5 with respect to any matter or thing arising out of, done, performed, or
6 omitted to be done or performed under this Agreement.

7 (5) The parties agree that if the Principal Agreement is otherwise
8 determined in accordance with its provisions on a day prior to the
9 Operative Date, then this Agreement shall also terminate on and from
10 that day and no party hereto will have any claim against any other
11 party hereto with respect to any matter or thing arising out of, done,
12 performed, or omitted to be done or performed under this Agreement.

13 **2. Variations of the Principal Agreement**

14 The Principal Agreement is hereby varied as follows:

15 (1) in clause 1 by inserting in the appropriate alphabetical positions the
16 following new definitions:

17 "Agreement Area" means at any time during the term (including as
18 extended from time to time) of this Agreement after the Variation
19 Date, the area comprising all of the areas then the subject of the
20 Petroleum Titles listed in the Schedule to this Agreement (an interest
21 in each of which is held by any or all of the Joint Venturers) and all of
22 the areas then the subject of Petroleum Titles (an interest in each of
23 which is held by any or all of the Joint Venturers) derived from the
24 whole or any part of a Petroleum Title listed in the Schedule to this
25 Agreement;

26 "Petroleum Titles" means exploration permits, production licences or
27 retention leases issued or held under any of the *Petroleum and*
28 *Geothermal Energy Resources Act 1967* (WA), the *Petroleum*
29 *(Submerged Lands) Act 1982* (WA) or the *Offshore Petroleum and*
30 *Greenhouse Gas Storage Act 2006* (Cth);

31 "Variation Agreement" means the variation agreement made on or
32 about 25 November 2014 between The Honourable Colin James
33 Barnett, Premier of the State of Western Australia acting for and on
34 behalf of the said State and its instrumentalities from time to time and
35 the Joint Venturers;

- 1 "Variation Date" means the date on which clause 2 of the Variation
2 Agreement comes into operation;
- 3 (2) in clause 1 by in the definition of "overall project" inserting "as
4 modified, expanded or otherwise varied from time to time in
5 accordance with this Agreement" after "this Agreement";
- 6 (3) in clause 9 by:
- 7 (a) deleting "If" and substituting "Subject to subclauses (2), (3)
8 and (4), if";
- 9 (b) deleting "modify expand or otherwise vary their activities
10 substantially from those specified in any approved proposals"
11 and substituting "significantly modify, expand or otherwise
12 vary their activities that are the subject of this Agreement and
13 that may be carried on by them pursuant to this Agreement as
14 part of the overall project"; and
- 15 (c) by inserting before the full stop at the end of the last sentence
16 "provided that the outline to be furnished by the Joint
17 Venturers to the Minister as referred to in Clause 7(4)(a) shall
18 be an outline of the proposed marketing arrangements for
19 natural gas, liquefied natural gas, liquefied petroleum gas,
20 condensate and natural gas for delivery and use in the said
21 State, unless the Minister has notified the Joint Venturers
22 such outline is not required in addition to the said proposals";
- 23 (d) numbering the existing provision as subclause (1) and
24 inserting after it the following new subclauses:
- 25 "(2) In addition to natural gas recovered from a well or
26 wells in the Agreement Area the Joint Venturers may,
27 as part of the overall project, and in accordance with
28 this Agreement utilise at the onshore facilities natural
29 gas recovered from a well or wells outside the
30 Agreement Area in the production of:
- 31 (a) natural gas for delivery and use in the said
32 State;
- 33 (b) condensate;
- 34 (c) liquefied petroleum gas;

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(d) liquefied natural gas for use, supply or sale overseas provided that the Minister has first notified the Joint Venturers that the Minister is satisfied that:

(i) the holder of the Petroleum Title or Petroleum Titles from a well or wells in which natural gas is to be recovered for the production of such liquefied natural gas has provided to the State on terms acceptable to the State a commitment for the delivery and use in the said State of natural gas recovered from wells in such Petroleum Title or Petroleum Titles which is consistent with the Domgas Commitment (as defined in Clause 46A(1)), as that commitment exists at the Variation Date; and

(ii) the production of such liquefied natural gas will not result in a breach by the Joint Venturers of their Domgas Commitment (as defined in Clause 46A(1)).

(3) The utilisation of natural gas recovered from a well or wells outside the Agreement Area as referred to in subclause (2) of this Clause shall, to the extent not already authorised under this Agreement as at the date of the Variation Agreement, be regarded as a significant modification expansion or other variation of the Joint Venturers' activities carried on by them pursuant to this Agreement and may only be made in accordance with proposals submitted and approved or determined under this Agreement in accordance with this Clause 9 and otherwise in accordance with the provisions of this Agreement.

- 1 (4) Notwithstanding any other provisions of this
2 Agreement the Joint Venturers shall not without the
3 Minister's prior consent submit as part of proposals
4 under Clause 9 any proposal for the grant of any
5 lease, licence or other tenure to support the
6 undertaking of operations for the utilisation of natural
7 gas to be recovered from a well or wells outside the
8 Agreement Area as referred to in subclause (2) of this
9 Clause.";
- 10 (4) in clause 46 by deleting subclause (1A) and substituting the following
11 new subclauses:
- 12 "(1A) The parties acknowledge that prior to the Variation Date the
13 Minister has at previous times approved the following
14 quantities of liquefied natural gas (produced from natural gas
15 processed through the onshore facilities) being marketed for
16 use, supply or sale overseas (in addition to the quantity
17 authorised under Clause 44A(3)), namely:
- 18 (a) 140 million tonnes of liquefied natural gas was
19 approved in 1998;
- 20 (b) 11 million tonnes of liquefied natural gas was
21 approved in 2003; and
- 22 (c) 70 million tonnes of liquefied natural gas was
23 approved in 2004.
- 24 (1B) The Joint Venturers shall keep the Minister informed of their
25 intended arrangements for the processing of natural gas to be
26 recovered from a well or wells in the Agreement Area
27 through the onshore facilities during the term (including as
28 extended from time to time) of this Agreement after the
29 Variation Date for the purpose of producing liquefied natural
30 gas for use, supply or sale overseas. Before any
31 arrangements are entered into (whether by the Joint Venturers
32 or otherwise) for the use, supply or sale overseas of such
33 liquefied natural gas (not being liquefied natural gas the
34 subject of the approvals referred to in subclauses (1A) and
35 (1C) of this Clause) the Joint Venturers shall consult with the
36 Minister on, and obtain the Minister's approval of, the
37 quantity of liquefied natural gas (to be produced from the

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1 processing of natural gas to be recovered from a well or wells
2 in the Agreement Area, as that Agreement Area exists at the
3 date of the Minister's approval, through the onshore facilities
4 after the Variation Date) which may, in addition to the
5 quantities of liquefied natural gas the subject of the approvals
6 referred to subclauses (1A) and (1C) of this Clause, be
7 marketed for use, supply or sale overseas.

8 (1C) With effect on the Variation Date, the Minister shall be
9 deemed to have approved pursuant to subclause (1B) of this
10 Clause, in addition to the quantities of liquefied natural gas
11 the subject of approvals referred to in subclause (1A) of this
12 Clause, an additional 86 million tonnes of liquefied natural
13 gas (to be produced from the processing of natural gas to be
14 recovered from a well or wells in the Agreement Area, as the
15 Agreement Area exists as at the Variation Date, through the
16 onshore facilities after the Variation Date) being marketed for
17 use, supply or sale overseas. The Joint Venturers may
18 request of the Minister a reduction in the quantity approved
19 under this subclause (1C) if the Joint Venturers can
20 demonstrate that the quantity of liquefied natural gas to be
21 produced from natural gas recovered from wells in the
22 Agreement Area over the remaining term of this Agreement
23 will be materially less than 86 million tonnes. The Joint
24 Venturers will consult with the Minister in relation to any
25 request under this subclause (1C) and will provide to the
26 Minister all information necessary to enable the Minister to
27 evaluate the request.";

28 (5) by inserting after clause 46 the following new clauses:

29 **"New Domgas Commitment**

30 46A.(1) For the purposes of this Clause and Clause 46B:

31 "Affiliate" means in relation to an entity, any entity which
32 Controls, or is Controlled by, or is under common Control
33 with, that entity;

34 "Control" has the meaning given by subclause (2) and
35 "Controlled" has a corresponding meaning;

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- 1 "Domgas" means natural gas which is produced as part of
2 the overall project from natural gas recovered after the
3 Variation Date from a well or wells in the Agreement Area
4 for delivery and use in the said State but it does not include:
- 5 (a) natural gas which the Minister is satisfied has been,
6 as at the Variation Date, committed for delivery and
7 use in the said State, except to the extent the Minister
8 approves such natural gas being treated as Domgas
9 for the purpose of this Clause;
- 10 (b) natural gas for the operation of, or used in the
11 operation of, the Joint Venturers' Facilities;
- 12 (c) natural gas processed or delivered or to be processed
13 or delivered as the case may be for sale, use or supply
14 overseas and whether or not as liquefied natural gas;
- 15 (d) natural gas sold or delivered or to be sold or delivered
16 as the case may be to any Affiliate of any one or more
17 of the Joint Venturers for any purpose referred to in
18 paragraph (b) or paragraph (c) above;
- 19 "Domgas Commitment" means the Joint Venturers'
20 commitments as set out in this Clause;
- 21 "Domgas Facilities" means the Common Property, Domgas
22 Property and LNG Property required for the production of
23 natural gas for delivery and use in the said State;
- 24 "energy value" means in relation to a quantity of petroleum
25 product the thermal energy value equivalent of that quantity
26 in joules calculated in accordance with good industry
27 practice;
- 28 "Joint Venturers Facilities" means:
- 29 (a) the facilities within the Agreement Area; and
30 (b) the facilities comprising Common Property, Domgas
31 Property and LNG Property; and
32 (c) any facilities connecting the facilities referred to in
33 paragraph (a) to the facilities referred to in
34 paragraph (b),

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1 from time to time used by the Joint Venturers for the
2 recovery, transportation to the onshore facilities and the
3 processing (in accordance with this Agreement) through
4 such facilities of natural gas;

5 "month" means a period of time commencing at the start of
6 any day in one of the calendar months and ending
7 immediately before the start of the corresponding day of the
8 next calendar month or if there is no such day, at the end of
9 the next calendar month;

10 "New Domgas" means at any time during the term
11 (including as extended from time to time) of this Agreement
12 after the Variation Date, the quantity of Domgas which has
13 an energy value equal to the equivalent of at least the
14 Relevant Percentage of the energy value of New Export
15 Gas, as reduced by the quantities of Domgas delivered into
16 the domestic market of the said State in compliance with the
17 Domgas Commitment;

18 "New Domgas Report" means a report referred to in
19 paragraph (h) of subclause (4) of this Clause;

20 "New Export Gas" means at any time during the term
21 (including as extended from time to time) of this Agreement
22 after the Variation Date, the aggregate of the quantities of
23 liquefied natural gas which the Minister has, on or after the
24 Variation Date, approved pursuant to clause 46(1B) for
25 marketing for use, supply or sale overseas (and which
26 aggregate quantity includes but is not limited to the quantity
27 the Minister is deemed to have approved pursuant to
28 Clause 46(1C));

29 "Operational" means that the relevant Domgas Facilities are
30 in operation and producing natural gas for delivery and use
31 in the said State (subject to interruptions in operation due to
32 planned maintenance and outages from unplanned
33 breakdowns);

34 "Relevant Percentage" means:
35 (a) subject to paragraph (b), 15%;

- 1 (b) such lesser percentage as the Minister may approve in
2 accordance with subclause (6) of this Clause;
- 3 (2) An entity Controls another entity if:
- 4 (a) where the second-named entity has a share capital,
5 the first-named entity (alone or with one or more
6 Affiliates) has the power to vote in relation to at least
7 50% of the shares in the second-named entity at a
8 meeting to approve the appointment or removal of a
9 director;
- 10 (b) where the second-named entity does not have a share
11 capital, the first-named entity (alone or with one or
12 more Affiliates) has the power to appoint or remove a
13 majority of the persons who make or participate in
14 making decisions of the second-named entity that
15 affect the whole or a substantial part of the
16 second-named entity's business or financial affairs
17 that significantly affect its financial standing; or
- 18 (c) where the first-named entity (alone or with one or
19 more Affiliates) has the power to control the
20 composition of the board or groups of persons who
21 together can make the decisions described in
22 paragraph (b) above.
- 23 (3) The Joint Venturers shall market and make available New
24 Domgas in accordance with this Clause. The Domgas
25 Commitment shall commence on the Variation Date and will
26 continue until the Minister is satisfied there is no longer an
27 outstanding Domgas Commitment.
- 28 (4) As part of their Domgas Commitment the Joint Venturers
29 must:

30 **Marketing obligations**

- 31 (a) actively and diligently undertake ongoing marketing
32 (whether collectively or otherwise) of New Domgas
33 for sale to a range of buyers in the said State with a
34 view to achieving a reasonably stable and regular
35 supply profile for Domgas over the duration of the

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- 1 term (including as extended from time to time) of this
2 Agreement and avoiding any unreasonable
3 accumulation of New Domgas;
- 4 (b) discharge their ongoing marketing obligations (as
5 specified in paragraph (a)) in good faith, actively and
6 diligently (exercising the degree of skill, prudence
7 and foresight which would reasonably be exercised
8 by a skilled and experienced person engaged in the
9 same type of undertaking) including, without
10 limitation, through employing staff to market
11 Domgas, engaging regularly with potential buyers of
12 Domgas in the said State and assessing demand for
13 Domgas through activities such as market research
14 and discussions with potential buyers;
- 15 (c) negotiate in good faith with any bona fide purchaser
16 of New Domgas as to the price and terms of supply of
17 New Domgas available for sale;
- 18 **Access and Maintenance Obligations**
- 19 (d) apply, or procure the application as the case may be
20 of, available proven technology in developing, or
21 obtaining access as the case may be, to Domgas
22 Facilities for the purpose of the Joint Venturers
23 meeting their Domgas Commitment and regardless of
24 whether or not this may require the refurbishment of
25 existing facilities or the construction of new facilities;
- 26 (e) subject to subclause (16) of this Clause, maintain, or
27 procure the maintenance as the case may be of, the
28 Domgas Facilities in an Operational state at all times
29 to the extent necessary to meet the Domgas
30 Commitment during the currency of this Agreement
31 (including as extended from time to time) after the
32 Variation Date;
- 33 (f) maintain, or procure the maintenance as the case may
34 be of, access to sufficient capacity in the Domgas
35 Facilities to enable the Joint Venturers to meet their
36 Domgas Commitment in accordance with good
37 industry practice (exercising the degree of skill,

1 prudence and foresight which would reasonably be
2 exercised by a skilled and experienced person
3 engaged in the same type of practice) in order to
4 ensure the production and delivery of New Domgas
5 to the domestic market in the said State in compliance
6 with the Domgas Commitment;

7 **Reservation of Agreement Area Natural Gas**

8 (g) reserve, or procure as the case may be, the reservation
9 of a quantity of natural gas to be recovered from a
10 well or wells within the Agreement Area sufficient
11 for the Joint Venturers to meet their Domgas
12 Commitment; and

13 **Provision of New Domgas Reports**

14 (h) subject to the following proviso, each prepare and
15 submit to the Minister on an annual and confidential
16 basis, commencing on the anniversary of the
17 Variation Date, a report ("New Domgas Report")
18 which demonstrates how each of the Joint Venturers
19 have complied with the Domgas Commitment during
20 the previous 12 month period and contains:

21 (i) in relation to liquefied natural gas sold or
22 supplied overseas during the previous
23 12 month period by the Joint Venturer
24 submitting the report, information about
25 the date of the relevant sale or supply
26 contracts, the quantities of liquefied natural
27 gas sold or supplied under such contracts
28 and the dates of sale or supply; and

29 (ii) in relation to Domgas sold or delivered
30 during the previous 12 month period into
31 the domestic market of the said State in
32 compliance with the Domgas Commitment
33 by the Joint Venturer submitting the report,
34 information about the date of the relevant
35 sale or delivery contracts, the quantities of
36 Domgas so sold or delivered under such

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- 1 contracts and the dates of sale or delivery;
2 and
- 3 (iii) information demonstrating that the Domgas
4 Facilities were maintained in an
5 Operational state during the reporting
6 period and detailed information on the Joint
7 Venturers' strategies for maintaining the
8 Domgas Facilities in an Operational state,
9
10 and when required by the Minister consult with the
11 Minister in regard to any reports or reports submitted
12 under this paragraph (h), provided that the Joint
13 Venturers may submit a combined report if they have
14 purported to discharge their obligations under
15 subclause (4)(a), (b) and (c) of this Clause
collectively.
- 16 (5) The Minister may at any time appoint at the cost of the Joint
17 Venturers (subject to an agreed budget) an agreed person
18 (who is both independent of the State and of the Joint
19 Venturers and does not have a conflict of interest with other
20 companies involved in the domestic market in the said State)
21 to advise the Minister on the extent to which the Joint
22 Venturers have performed their obligations under
23 subclause (4) of this Clause. The Joint Venturers will
24 provide all information (if appropriate on a confidential basis)
25 that such person may require, including indicative prices,
26 quantities and qualities of Domgas and technical information
27 relating to the operation of relevant facilities.
- 28 (6) The Minister may at the request from time to time of the Joint
29 Venturers approve a lesser percentage than 15% as the
30 Relevant Percentage:
- 31 (a) if the Minister is satisfied:
- 32 (i) that the domestic gas market in the said
33 State is adequately supplied with natural
34 gas taking in to consideration gas supply
35 projects (as part of which natural gas for
36 delivery and use in the said State will be
37 produced) already developed or in respect

- 1 of which the developers thereof have made
2 a financial investment decision to proceed
3 with the project and the State's then
4 forecasts of future requirements for the
5 delivery and use of natural gas in the said
6 State; and
- 7 (ii) that the Joint Venturers have been meeting
8 their Domgas Commitment; or
- 9 (b) for any other reason acceptable to the Minister if the
10 Minister is satisfied that the Joint Venturers have
11 been meeting their Domgas Commitment.
- 12 (7) The obligations of the Joint Venturers under
13 Clause 46A(4)(a), (b), (c) and (h) shall be a separate and
14 individual obligation of each of the Joint Venturers in
15 proportion to their respective ownership interests in the LNG
16 Venture, but may nevertheless be discharged collectively.
- 17 (8) The provisions of Clause 28 shall not apply to
18 Clause 46A(4)(a), (b), (c), (g) and (h).
- 19 (9) If the Minister considers that if all or any of the Joint
20 Venturers ("affected Joint Venturers") have defaulted in the
21 due performance and observance of the Domgas
22 Commitment and such default is not remedied within a period
23 of 180 days after notice is given by the Minister, or if the
24 default is referred to arbitration then within the period
25 mentioned in subclause (12) of this Clause, the Minister may
26 by notice to the affected Joint Venturers suspend (such
27 suspension to take effect upon the giving of the notice in
28 accordance with Clause 45) in respect of the affected Joint
29 Venturers all or any part of the Minister's approvals referred
30 to in Clause 46(1A) or 46(1C) or given after the Variation
31 Date pursuant to Clause 46(1B) in respect of liquefied natural
32 gas which at the date of such notice has not yet been sold or
33 agreed to be sold under a contract that has already been
34 entered into and is unconditional as at the date of the notice,
35 to the intent that until the suspension is lifted as referred to in
36 subclause (14) of this Clause, the affected Joint Venturers
37 may not themselves or through any other person enter into

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- 1 any arrangements for the use, supply or sale overseas of
2 liquefied natural gas in reliance on such approvals.
- 3 (10) The notice to be given by the Minister in terms of
4 subclause (9) of this Clause shall specify the nature of the
5 default so entitling the Minister to, if not remedied, exercise
6 the right to suspend approvals as referred to in subclause (9)
7 of this Clause.
- 8 (11) If the affected Joint Venturers contest the alleged default
9 referred to in subclause (9) of this Clause they shall within
10 30 days after notice is given by the Minister as provided in
11 subclause (10) of this Clause refer the matter to arbitration.
- 12 (12) The affected Joint Venturers shall comply with any
13 arbitration award within a reasonable time to be fixed by the
14 arbitration award provided that if the question is decided
15 against them and the arbitrator finds that there was a bona
16 fide dispute and they were not dilatory in pursuing the
17 arbitration, the time for compliance with the arbitration award
18 shall not be less than 90 days from the date of such award.
- 19 (13) The exercise by the Minister of rights conferred by this
20 Clause shall be without prejudice to the exercise of rights by
21 the State under Clause 30.
- 22 (14) Where there has been a suspension under subclause (9) of this
23 Clause, the Minister will lift the suspension when the
24 Minister is satisfied that the affected Joint Venturers have
25 remedied the default or implemented a cure plan acceptable
26 to the Minister to remedy the default.
- 27 (15) The Domgas Commitment binds the Joint Venturers in their
28 capacity as LNG Joint Venturers and, to the extent they are
29 Domgas Joint Venturers, in their capacity as Domgas Joint
30 Venturers.
- 31 (16) In the event that the Joint Venturers are in compliance with
32 their obligations under subclause (4) of this Clause, and will
33 have no contracted gas to be supplied, the Joint Venturers
34 may give to the Minister not less than 6 months' notice of
35 their intention to place the Domgas Facilities on a
36 non-Operational status. If the Minister is not satisfied with

1 the Joint Venturers' notification, the Minister will so advise
2 the Joint Venturers within one month after receiving the Joint
3 Venturers' notice. The Minister may then appoint an agreed
4 person in accordance with subclause (5) of this Clause in
5 which case the Domgas Facilities will remain Operational
6 until the agreed person has reported and is of the view that
7 the Joint Venturers are in compliance with their obligations
8 under subclause (4) of this Clause and will have no
9 contracted gas to be supplied and hence the Domgas
10 Facilities can be placed on a non-Operational status.

11 The Minister will inform the Joint Venturers of the agreed
12 person's view within two weeks of receiving the agreed
13 person's report and the agreed person's view will prevail at
14 that time. If the State or the Joint Venturers dispute the view
15 of the agreed person that party may refer the dispute to
16 arbitration pursuant to Clause 38. Nothing in this
17 subclause (16) shall relieve the Joint Venturers from their
18 obligations under subclause (4)(a), (b), (c), (g) and (h) of this
19 Clause.

20 46B. A Joint Venturer may make a request of the Minister to offset
21 all or part of the Domgas Commitment by offering
22 commitments in respect of natural gas and capacity from
23 alternative sources and facilities. Consideration of any such
24 request will be at the discretion of the State.

25 (6) by inserting after clause 47 the following Schedule:

26 **"SCHEDULE**

27 **Petroleum Titles comprising the Agreement Area as at**
28 **the date of the Variation Agreement (Clause 1 definition**
29 **of "Agreement Area")**

30 Production licences: WA-1-L, WA-2-L, WA-3-L, WA-4-L,
31 WA-5-L, WA-6-L, WA-9-L, WA-11-L, WA-16-L,
32 WA-23-L, WA-24-L, WA-30-L, WA-52-L, WA-53-L,
33 WA-56-L.

34 Retention leases: WA-7-R, WA-51-R.

35 Exploration licence: WA-28-P."

s. 6

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EXECUTED as a deed.

SIGNED by **THE HONOURABLE**)
COLIN JAMES BARNETT) [Signature]
in the presence of:)

[Signature] _____
Signature of witness

NICOLA CUSWORTH
Name of witness

EXECUTED by **WOODSIDE**)
ENERGY LIMITED ACN 005 482)
986 by its attorney under power of)
attorney dated 4 September 2013 in)
the presence of:)

[Signature] _____
Signature of witness

[Signature] _____
Signature of attorney

CHERYL DICKSON
Full name of witness (block letters)

ROBERT JAMES COLE
Full name of attorney (block letters)

5 BASS ROAD BULL CREEK WA
Address of witness

By executing this agreement the
attorney states that the attorney has
received no notice of revocation of
the power of attorney

LAWYER
Occupation of witness

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14

EXECUTED by **SHELL**)
DEVELOPMENT)
(AUSTRALIA) PROPRIETARY)
LIMITED ACN 009 663 576 in)
accordance with section 127(1) of the)
Corporations Act 2001 (Cth) by)
authority of its directors:)

[Signature].....
Signature of director

[Signature].....
Signature of ~~director~~/company
secretary*

ANDREW JAMES SMITH.....
Full name of director (block letters)

PETER FRANZ LORBEER.....
Full name of ~~director~~/company
secretary* (block letters)
*delete whichever is not applicable

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EXECUTED by **BHP BILLITON**)
PETROLEUM (NORTH WEST)
SHELF) PTY. LTD.)
ACN 004 514 489 in accordance)
with section 127(1) of the)
Corporations Act 2001 (Cth) by)
authority of its directors:)

[Signature].....
Signature of director

[Signature].....
Signature of director/~~company~~
~~secretary~~*

ROBERT GREGORY JELLIS.....
Full name of director (block letters)

COLIN RUSSELL MARTIN.....
Full name of director/~~company~~
~~secretary~~* (block letters)
*delete whichever is not applicable

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s. 6

EXECUTED by BP)
DEVELOPMENTS AUSTRALIA)
PTY. LTD. ACN 081 102 856 by its)
attorney under power of attorney)
dated 29 August 2014 in the)
presence of:)

[Signature].....
Signature of witness

DAVID McDONALD.....
Full name of witness (block letters)

8 FRANCIS ST SUBIACO.....
Address of witness

GENERAL MANAGER.....
Occupation of witness

[Signature].....
Signature of attorney

CLAIRE HELEN FITZPATRICK.....
Full name of attorney (block letters)

By executing this agreement the attorney states that the attorney has received no notice of revocation of the power of attorney

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EXECUTED by CHEVRON)
AUSTRALIA PTY LTD)
ACN 086 197 757 in accordance with)
section 127(1) of the *Corporations*)
Act 2001 (Cth) by authority of its)
directors:)

[Signature].....
Signature of director

URIEL OSEGUERA.....
Full name of director (block letters)

[Signature].....
Signature of director/~~company~~
secretary*

PETER CARL HAGEN.....
Full name of director/~~company~~
secretary* (block letters)
*delete whichever is not applicable

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EXECUTED by JAPAN)
AUSTRALIA LNG (MIMI) PTY.)
LTD. ACN 006 303 180 in)
accordance with section 127(1) of the)
Corporations Act 2001 (Cth) by)
authority of its directors:)

[Signature].....
Signature of director

[Signature].....
Signature of director/~~company~~
~~secretary~~*

MASASHI SHIRAISHI.....
Full name of director (block letters)

TAKAYUKI OGAWA.....
Full name of director/~~company~~
~~secretary~~* (block letters)
*delete whichever is not applicable

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