

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

No. 104 of 1979.

AN ACT to ratify an Agreement between the State of Western Australia and Woodside Petroleum Development Pty. Ltd., Woodside Oil Ltd., Mid-Eastern Oil Ltd., North West Shelf Development Pty. Ltd., BP Petroleum Development Australia Proprietary Limited and California Asiatic Oil Co. relating to the production of natural gas and condensate and the establishment of a treatment and liquefaction plant and to matters related thereto.

[Assented to 21st December, 1979.]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the *North West Gas Development (Woodside) Agreement Act, 1979.* Short title.

Interpreta-
tion.

2. In this Act—

“the Agreement” means the Agreement a copy of which is set out in the Schedule to this Act, and includes that Agreement as altered from time to time in accordance with its provisions.

Ratification
of the
Agreement.

3. (1) The Agreement is hereby ratified.

(2) The implementation of the Agreement is authorised, and all the provisions of the Agreement shall operate and take effect notwithstanding any other Act or law.

S. 2.

SCHEDULE.

THIS AGREEMENT made this 27th day of November, 1979, BETWEEN THE HONOURABLE SIR CHARLES WALTER MICHAEL COURT, K.C.M.G., O.B.E., 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 (hereinafter called “the State”) of the one part and WOODSIDE PETROLEUM DEVELOPMENT PTY. LTD. a company incorporated in Western Australia and having its registered office at 13th Floor, Allendale Square, 77 St George’s Terrace, Perth, WOODSIDE OIL LTD. a company incorporated in Victoria and having its registered office at 459 Collins Street, Melbourne, MID-EASTERN OIL LTD. a company incorporated in Victoria and having its registered office at 459 Collins Street, Melbourne, NORTH WEST SHELF DEVELOPMENT PTY. LTD. a company incorporated in Victoria and having its registered office at 155 William Street, Melbourne, BP PETROLEUM DEVELOPMENT AUSTRALIA PROPRIETARY LIMITED a company incorporated in Victoria and having its registered office at BP House, 1 Albert Road, Melbourne and CALIFORNIA ASIATIC OIL CO. a company registered in Western Australia as a foreign company having its registered office in that State care of Messrs. Jackson McDonald and Co., 55 St George’s Terrace, Perth (hereinafter collectively called “the Joint Venturers” in which term shall be included their respective successors and permitted assigns and appointees) of the other part.

WHEREAS:

- (a) the Joint Venturers pursuant to the Petroleum (Submerged Lands) Act 1967 of the Commonwealth and the Petroleum (Submerged Lands) Act, 1967 of

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the State hereinafter together referred to as "the Petroleum (Submerged Lands) Acts" are the holders of permits and have applied for production licences in respect of areas in the offshore Dampier region;

- (b) the Joint Venturers are currently examining the feasibility of developing gas fields in the offshore Dampier region;
- (c) the Joint Venturers have pursuant to a Memorandum of Understanding dated 11th November, 1977 with the State Energy Commission of Western Australia reached a basic agreement relating to the onshore use by the Joint Venturers and the said State Energy Commission of up to 10.5 million cubic metres per day of treated natural gas over a 20 year term which Memorandum of Understanding will (except as otherwise agreed between the Joint Venturers and the said State Energy Commission) if the proposed development referred to in these recitals proceeds, be incorporated into formal gas sales agreements between the said State Energy Commission and each Joint Venturer in proportion to its equity in the project (which agreements shall take effect according to their tenor) and into any formal gas sales agreements which may be made between industrial users in the Pilbara and each Joint Venturer in proportion to its equity in the project;
- (d) the Commonwealth of Australia has approved the sale by the Joint Venturers to customers overseas of up to 6.5 million tonnes per annum of liquefied natural gas over a term of not less than 20 years;
- (e) the Joint Venturers are currently proceeding with related studies which include—
 - (i) the offshore production of natural gas and condensate and a pipeline system to carry it ashore;
 - (ii) the establishment of an onshore treatment and liquefaction plant and associated facilities and infrastructure;
 - (iii) the sale of condensate within Australia and elsewhere;
 - (iv) the sale of liquefied natural gas overseas;
and

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- (v) the sale of treated natural gas within Australia and the pipeline transportation of such gas to industrial customers in the Pilbara;
- (f) the State desires to facilitate the proposed development referred to in these recitals;
- (g) the State and the Joint Venturers recognise the need for employment opportunity for the Western Australian workforce and for participation in the proposed development by suppliers manufacturers contractors and consultants resident in Western Australia.

NOW THIS AGREEMENT WITNESSETH:

Definitions. 1. In this Agreement subject to the context—

“apply”, “approve”, “approval”, “consent”, “certify”, “direct”, “inform”, “notify”, “request” or “require” means apply, approve, approval, consent, certify, direct, inform, notify, request or require in writing as the case may be and any inflexion or derivation of any of those words has a corresponding meaning;

“approved proposal” means any proposal approved under this Agreement;

“associated company” means—

- (a) any company or corporation providing for the purposes of this Agreement capital of not less than \$2 000 000 or the equivalent thereof which is incorporated or formed within the United Kingdom the United States of America the Netherlands or Australia or such other country as the Minister may approve and which—

- (i) is promoted by the Joint Venturers or any of them for all or any of the purposes of this Agreement and in which the Joint Venturers or any of them or some other company or corporation acceptable to the Minister hold not less than a 25% interest or some lesser interest acceptable to the Minister; or

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(ii) is related within the meaning of that term as used in section 6 of the Companies Act, 1961, to one or more of the Joint Venturers or to any company in which the Joint Venturers or any of them or some other company or corporation acceptable to the Minister hold not less than 25% of the issued ordinary share capital; and

(iii) is notified to the Minister by the Joint Venturers or any of them as being such a company;

(b) any company or corporation approved in writing by the Minister;

“Clause” means a clause of this Agreement;

“commencement date” means the date the Bill referred to in Clause 3 comes into operation as an Act;

“Commonwealth” means the Commonwealth of Australia and includes the Government for the time being thereof;

“constructional phase” means the period of this Agreement during which the port facilities, the onshore facilities and any other works required to implement the overall project are in the course of construction and terminating on the date of substantial completion thereof;

“Joint Venturers’ workforce” means the persons (and the dependants of those persons) connected directly with the Joint Venturers’ activities under this Agreement, whether or not such persons are employed by the Joint Venturers;

“Land Act” means the Land Act, 1933;

“local authority” means the council of a municipality that is a city, town or shire constituted under the Local Government Act, 1960;

“Minister” means the Minister in the Government of the State for the time being responsible (under whatsoever title) for the administration of the Act to ratify this Agreement and pending the passing of that Act means the Minister for the time being designated in a notice from the State to the Joint Venturers and includes the successors in office of the Minister;

- “month” means calendar month;
- “offshore Dampier region” means the area of the North West Shelf of Australia offshore Dampier which is held from time to time by the Joint Venturers pursuant to permits or licences granted under the Petroleum (Submerged Lands) Acts and includes the locations known as “North Rankin”, “Angel” and “Goodwyn” declared pursuant to those Acts;
- “onshore facilities” means the treatment plant and other onshore facilities associated with the overall project;
- “operational phase” means the period of this Agreement following the date the treatment plant first comes into operation and produces saleable product of either treated natural gas or liquefied natural gas;
- “overall project” means the project referred to and contemplated in the recitals to this Agreement;
- “person” or “persons” includes bodies corporate;
- “port authority” means the port authority to be created pursuant to subclause (1) of Clause 13;
- “port facilities” means any or all of the facility or facilities to load and ship liquefied natural gas and/or condensate, the general cargo facility, the offshore servicing facility, the construction landing facility (including the land and the ancillary facilities associated with each such facility or facilities), the access channels, swinging basins and mooring basins, navigational aids and associated marine facilities to be constructed by the Joint Venturers in the vicinity of Withnell Bay which port facilities are referred to in Clause 13;
- “public road” means a road as defined by the Road Traffic Act, 1974;
- “Public Works Act” means the Public Works Act, 1902;
- “said State” means the State of Western Australia;
- “special borrowings” means moneys borrowed and/or utilised for the purposes of this Agreement with the special approval of the Australian Loan Council by authorities constituted under the laws of the State and local authorities;
- “State Energy Commission” means the State Energy Commission of Western Australia established pursuant to the State Energy Commission Act, 1945;
- “this Agreement” “hereof” and “hereunder” refers to this Agreement whether as executed or as from time to time added to varied or amended;

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“treatment plant” means the onshore plant to be constructed by the Joint Venturers for the liquefaction and treatment of natural gas and condensate as contemplated in the recitals to this Agreement.

2. In this Agreement—

Interpreta-
tion.

- (a) monetary references are references to Australian currency unless otherwise specifically expressed;
- (b) power given under any clause other than Clause 29 to extend any period or date shall be without prejudice to the power of the Minister under Clause 29;
- (c) marginal notes do not affect the interpretation or construction; and
- (d) reference to an Act unless otherwise specifically expressed includes the amendments to that Act for the time being in force and also any Act passed in substitution therefor or in lieu thereof and the regulations for the time in force thereunder.

3. The State shall—

Initial
obligations
of the State.

- (a) introduce and sponsor a Bill in the Parliament of Western Australia to ratify this Agreement and endeavour to secure its passage as an Act prior to 31st December, 1979 and
- (b) to the extent reasonably necessary for the purposes of this Agreement allow the Joint Venturers to enter upon Crown lands (including, if applicable, land the subject of a pastoral lease).

4. (1) The provisions of this Agreement other than this Clause and Clauses 1, 2, 3, 5 and 6 shall not come into operation until the Bill referred to in Clause 3 has been passed by the Parliament of Western Australia and comes into operation as an Act.

Ratification
and
operation.

(2) If before 31st December, 1979 the said Bill has not commenced to operate as an Act this Agreement will, unless the parties hereto otherwise agree, then cease and determine and neither of the parties hereto will have any claim against the other of them with respect to any matter or thing arising out of, done, performed or omitted to be done or performed under this Agreement.

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(3) On the said Bill commencing to operate as an Act all the provisions of this Agreement shall operate and take effect notwithstanding the provisions of any Act or law.

Initial obligations of the Joint Venturers.

5. (1) The Joint Venturers shall continue their studies to enable them to determine whether the overall project is technically and economically viable and shall endeavour to complete such studies by 30th November, 1979.

(2) The Joint Venturers shall advise the Minister at quarterly intervals commencing from the date of this Agreement as to their progress under subclause (1) of this Clause.

(3) The Joint Venturers shall liaise with the Minister in respect of any studies relevant to the overall project which the Minister may desire to undertake.

Notice of intention to proceed with the overall project.

6. The Joint Venturers shall notify the Minister by 11th December, 1979 (or such later date as the Minister and the Joint Venturers may agree) whether the Joint Venturers intend to proceed with the overall project and shall at the same time furnish to the Minister a summary of the results of their studies.

Proposals.

7. (1) If the Joint Venturers notify the Minister of their intention to proceed with the overall project the Joint Venturers shall within 6 months of the date of such notice (or thereafter within such extended time as the Minister may allow as hereinafter provided) and subject to the provisions of this Agreement, submit to the Minister (having due regard where applicable to the environmental review and management programme previously submitted by the Joint Venturers and the State's responses thereto) their proposals in such reasonable detail as will enable the Minister to administer this Agreement having regard to the overall obligations of the parties hereunder which shall include, as appropriate—plans and specifications, the location, area, lay-out, design, quantities, materials, time programme and phasing for the provision of each of the following matters relating to the overall project, namely—

- (a) the treatment plant;
- (b) roads,
- (c) port facilities having regard to the overall development of the port of Dampier;
- (d) water supply;

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- (e) housing and township requirements including social and engineering services;
- (f) power supply;
- (g) any leases, licences, easements or other tenures of land required from the State;
- (h) airport and heliport;
- (i) any other works services or facilities desired by the Joint Venturers; and
- (j) an environmental management programme as to measures to be taken, in respect of the Joint Venturers' activities under this Agreement, for the protection and management of the environment.

(2) The proposals may with the approval of the Minister be submitted separately and in any order as to the matter or matters mentioned in one or more of paragraphs (a) to (j) of subclause (1) of this Clause. Order of proposals.

(3) The proposals relating to any of the matters mentioned in subclause (1) of this Clause may with the approval of the Minister and that of any third parties concerned instead of providing for the construction of new facilities of the kind therein mentioned provide for the use by the Joint Venturers upon reasonable terms and conditions of any existing facilities of such kind. Use of existing infrastructure.

(4) At the time when the Joint Venturers submit the said proposals they shall furnish to the Minister in addition to the said proposals— Information.

- (a) an outline of the proposed marketing arrangements for natural gas liquefied natural gas and condensate;
- (b) an outline of the proposed method of financing the overall project;
- (c) an outline of the proposed offshore platforms and pipelines; and
- (d) without derogating from the Joint Venturers' obligations under the Petroleum Pipelines Act, 1969, the proposed routes (including outline descriptions) of the Joint Venturers' pipelines if any beyond the treatment plant for natural gas and condensate,

PROVIDED that with respect to paragraphs (a) to (c) of this subclause the Joint Venturers shall not be required to submit to the Minister information in excess of that required to be submitted by the Joint Venturers pursuant to Commonwealth and State legislation from time to time in force.

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Consideration of proposals.

8. (1) On receipt of the said proposals the Minister shall—
- (a) approve of the said proposals either wholly or in part without qualification or reservation; or
 - (b) defer consideration of or decision upon the same until such time as the Joint Venturers submit a further proposal or proposals in respect of some other of the matters mentioned in subclause (1) of Clause 7 not covered by the said proposals; or
 - (c) require as a condition precedent to the giving of his approval to the said proposal that the Joint Venturers make such alteration thereto or comply with such conditions in respect thereto as he (having regard to the circumstances including the overall development of and the use by others as well as the Joint Venturers of all or any of the facilities proposed to be provided) thinks reasonable and in such a case the Minister shall disclose his reasons for such alterations or conditions.

Advice of Minister's decision.

(2) The Minister shall within two months after receipt of the said proposals give notice to the Joint Venturers of his decision in respect to the same.

Consultation with Minister.

(3) If the decision of the Minister is as mentioned in either of paragraphs (b) or (c) of subclause (1) of this Clause the Minister shall afford the Joint Venturers full opportunity to consult with him and should they so desire to submit new or revised proposals either generally or in respect to some particular matter.

Minister's decision subject to arbitration.

(4) If the decision of the Minister is as mentioned in either of paragraphs (b) or (c) of subclause (1) of this Clause and the Joint Venturers consider that the decision is unreasonable the Joint Venturers within 2 months after receipt of the notice mentioned in subclause (2) of this Clause may elect to refer to arbitration in the manner hereinafter provided the question of the reasonableness of the decision.

Arbitration award.

(5) An award made on an arbitration pursuant to subclause (4) of this Clause shall have force and effect as follows—

- (a) if by the award the dispute is decided against the Joint Venturers then unless the Joint Venturers within 3 months after delivery of the award give notice to the Minister of their acceptance of the award this Agreement shall on the expiration of that period of 3 months cease and determine; or

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(b) if by the award the dispute is decided in favour of the Joint Venturers the decision shall take effect as a notice by the Minister that he is so satisfied with and approves the matter or matters the subject of the arbitration.

(6) (a) If prior to approving all or any of the Joint Venturers' proposals submitted pursuant to Clause 7, any application to the Australian Loan Council for special borrowings required in connection with any such proposal has not been approved, the Minister shall so advise the Joint Venturers.

Special borrowings.

(b) The Joint Venturers shall within 2 months of the receipt of the advice referred to in paragraph (a) of this subclause, submit to the Minister a new or revised proposal (either generally or in respect to some particular subject matter) which is not subject to either special borrowings or, unless the Minister consents, the provision of finance by the State or a statutory authority thereof or a local authority and the other provisions of this Clause shall subject to this subclause apply to any such proposals.

(7) Notwithstanding that under subclause (1) of this Clause any proposals of the Joint Venturers are approved by the Minister or determined by arbitration award, unless each and every proposal under this Clause are so approved or determined within 15 months of the date of the notice referred to in Clause 6 or within such extended period if any as the Joint Venturers shall be granted pursuant to the provisions of this Agreement then the Minister may give to the Joint Venturers 12 months notice of intention to determine this Agreement and unless before the expiration of the said 12 months period all the proposals are so approved or determined this Agreement shall cease and determine.

Effect of non-approval of proposals.

9. If the Joint Venturers at any time during the continuance of this Agreement desire to modify expand or otherwise vary their activities substantially from those specified in any approved proposals they shall give notice of such desire to the Minister and within 2 months thereafter shall submit to the Minister proposals in respect of all matters covered by such notice and such of the other matters mentioned in paragraphs (a) to (i) of subclause (1) of Clause 7 and other relevant information as the Minister may require. The provisions of Clause 7 and Clause 8 (other than subclauses (5) and (7) where applicable shall *mutatis mutandis* apply to proposals submitted pursuant to this subclause.

Additional proposals.

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Implementa-
tion of
approved
proposals.

10. The Joint Venturers shall implement the approved proposals in accordance with the terms thereof so that the treatment plant first comes into operation and produces saleable product of either treated natural gas or liquefied natural gas within a period of 5 years from the date they gave notice of intention to proceed under Clause 6.

Additional
proposals
for the
protection
and
management
of the
environment.

11. (1) The Joint Venturers shall in respect of the matters referred to in paragraph (j) of subclause (1) of Clause 7 and which are the subject of approved proposals under this Agreement, carry out an ongoing programme of investigation and monitoring to ascertain the effectiveness of the measures they are taking pursuant to their approved proposals for the protection and management of the environment.

(2) The Joint Venturers shall, during the currency of this Agreement, at yearly intervals commencing from the date when the Joint Venturers' proposals are approved, submit an interim report to the Minister concerning investigations and monitoring carried out pursuant to subclause (1) of this Clause and at 3 yearly intervals commencing from such date submit a detailed report to the Minister on the result of the investigations and monitoring during the previous 3 years.

(3) The Minister may within 2 months of the receipt of the detailed report pursuant to subclause (2) of this Clause notify the Joint Venturers that he requires further detailed proposals to be submitted for the protection and management of the environment.

(4) The Joint Venturers shall within 2 months of the receipt of a notice given pursuant to subclause (3) of this Clause submit to the Minister for his approval detailed proposals as required and the provisions of Clause 8 (other than subclauses (5) (6) and (7)) where applicable shall *mutatis mutandis* apply in respect of such proposals.

(5) The Joint Venturers shall implement the decision of the Minister or an award made on an arbitration as the case may be in accordance with the terms thereof.

Use of local
professional
services
labour and
materials.

12. (1) The Joint Venturers shall, for the purposes of this Agreement, as far as it is reasonable and economically practicable so to do—

(a) use the services of engineers, surveyors, architects and other professional consultants resident and available within the said State;

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- (b) use labour available within the said State;
- (c) when preparing specifications, calling for tenders and letting contracts for works materials plant equipment and supplies ensure that Western Australian suppliers manufacturers and contractors are given reasonable opportunity to tender or quote; and
- (d) give proper consideration and where possible preference to Western Australian suppliers manufacturers and contractors when letting contracts or placing orders for works materials plant equipment and supplies where price quality delivery and service are equal to or better than that obtainable elsewhere.

(2) The Joint Venturers shall in every contract entered into with a third party for the supply of services labour works materials plant equipment and supplies for the purposes of this Agreement require as a condition thereof that such third party shall undertake the same obligations as are referred to in subclause (1) of this Clause.

(3) The Joint Venturers shall from time to time during the currency of this Agreement when requested by the Minister submit a report concerning their implementation of the provisions of this Clause and information concerning the performance of third parties in relation thereto pursuant to subclause (2) of this Clause.

13. (1) The State shall as soon as practicable after the Joint Venturers' proposals have been approved hereunder enact legislation to provide for a port authority to administer the port of Dampier and to be responsible for shipping operations and movements within that port.

Port
authority
legislation.

(2) The Joint Venturers shall, in accordance with the approved proposals, construct at or in the vicinity of Withnell Bay such facilities as may be necessary (including associated offshore facilities and ancillary facilities for storage, handling and shipment appropriate for the purposes for which such facilities are to be constructed) to meet their needs for the following—

Port
facilities.

- (a) to load and ship liquefied natural gas;
- (b) to load and ship condensate;
- (c) to service offshore activities;
- (d) to land onshore construction materials and equipment; and
- (e) to handle general cargo.

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Dredging and
navigational
aids.

(3) The Joint Venturers shall in accordance with the approved proposals dredge access channels, swinging basins and mooring basins and instal navigational aids appropriate for the facilities constructed pursuant to subclause (2) of this Clause.

Cost of
construction
of facilities
and dredging
and
navigational
aids.

(4) (a) The cost of the facilities constructed pursuant to subclause (2) of this Clause and of the dredging and of the installation of the navigational aids referred to in subclause (3) of this Clause shall, subject to the provisions of paragraph (b) of this subclause, be the responsibility of the Joint Venturers.

(b) The cost of any facility to handle general cargo constructed pursuant to subclause (2) of this Clause (in this Clause hereinafter referred to as "the general cargo facility"), which shall at all times be owned by the port authority, shall be met by the port authority out of special borrowings (subject to the provisions of subclause (6) of Clause 8).

Liquefied
natural gas
and
condensate
loading
facilities.

(5) The Joint Venturers shall have the sole use of any facility or facilities to load liquefied natural gas and/or condensate constructed pursuant to subclause (2) of this Clause and shall operate and maintain such facility or facilities at their expense during the currency of this Agreement.

Construction
materials
and
equipment
landing
facility.

(6) Subject to the provisions of subclause (10) of this Clause the Joint Venturers shall at their expense operate and maintain and have priority of use of any facility to land onshore construction materials and equipment constructed pursuant to subclause (2) of this Clause (hereinafter in this Clause referred to as "the construction landing facility") during the constructional phase and such extended period as the Joint Venturers have a continuing use for the construction landing facility pursuant to this Clause. Thereafter the parties hereto shall reach agreement as to whether the Joint Venturers shall—

(a) hand over the construction landing facility to the port authority; or

(b) demolish and remove the construction landing facility and leave the surrounding area in a tidy condition.

General
cargo
facility.

(7) The Joint Venturers shall at their expense operate and maintain to the satisfaction of the port authority and have priority of use of the general cargo facility during the constructional phase. At the end of such phase the port authority shall thereafter operate and maintain the general cargo facility.

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(8) Subject to the provisions of subclause (10) of this Clause the Joint Venturers shall at their expense operate and maintain and have priority of use of any facility to service offshore activities constructed pursuant to subclause (2) of this Clause (hereinafter in this Clause referred to as "the offshore servicing facility") during the currency of this Agreement.

Offshore servicing facility.

(9) The port authority shall operate and maintain the dredged areas and navigational aids referred to in subclause (3) of this Clause during the currency of this Agreement.

Operation and maintenance of dredged areas and navigational aids.

(10) The Joint Venturers shall not unreasonably refuse to permit third parties on reasonable terms and conditions to have access to the offshore servicing facility during the currency of this Agreement and, during the constructional phase the general cargo facility and the construction landing facility PROVIDED ALWAYS THAT the Joint Venturers' operations are not significantly prejudiced thereby.

Third party access.

(11) Where in this Clause the Joint Venturers are given a priority to use the offshore servicing facility and the general cargo facility, that priority shall, if the Harbour Master considers that an emergency or other special circumstance has arisen, be subject to such directions as the Harbour Master may determine.

Special circumstances.

(12) The Joint Venturers shall enter into an agreement with the port authority to pay to the port authority for the use of the port by the Joint Venturers and others on their behalf hereunder such charges as will include a recoup to the port authority of all costs incurred by it in financing providing operating and maintaining facilities under this Clause notwithstanding the provisions of Clause 28 PROVIDED THAT the component of such charge relating to the financing of the general cargo facility will be calculated on the extent of the Joint Venturers' use of that facility but at no time will such calculation be based on a sum less than the total cost of that facility minus \$2 000 000 unless others using that facility (in addition to the Joint Venturers) are subject to a separate component charge for the use of that facility by the port authority.

Charges.

14. (1) The Joint Venturers shall cause to be provided at no cost to the State suitable accommodation where necessary for the Joint Venturers' workforce—

Township and housing.

(a) for the purposes of the constructional phase in Karratha and/or at such other locality as may be specified in the approved proposals and in planning for such accommodation the Joint Venturers shall have regard to and provide for the preservation of the welfare and amenity of Karratha and/or such other existing townships; and

(b) for the purposes of the operational phase, in Karratha.

(2) The State shall, during the currency of this Agreement provide in Karratha and/or such other locality as the State may approve, any school, hospital and police facilities of a permanent nature or any other State facility of a permanent nature that may be required by reason of the Joint Venturers' activities.

(3) If required by the State the Joint Venturers shall advance to the State such funds as the State may require to construct any permanent facility of the type referred to in subclause (2) of this Clause during the constructional phase and upon such facility being utilized by the State during the operational phase the State shall repay such funds to the Joint Venturers on terms and conditions to be agreed between the parties.

(4) The Joint Venturers shall at their cost during the constructional phase, provide at Karratha or such other locality as the State shall approve such temporary school, hospital and police facilities in addition to or in lieu of the facilities of the type referred to in subclause (2) of this Clause as may be necessary by reason of the Joint Venturers' activities hereunder.

(5) The Joint Venturers shall confer with the Minister and the relevant local authority with a view to assisting in the cost of providing appropriate community recreation, civic, social and commercial amenities required for the Joint Venturers' workforce hereunder.

(6) The State shall, in accordance with the Joint Venturers' approved proposals cause to be made available lots of land in Karratha for purchase by the Joint Venturers at prices to be fixed by the State (having regard to the price of similar lots then being made available by the State to others) which will include the cost to the State of developing and servicing such land including the provision of adjacent local head works in respect of water and sewerage.

Roads—
Private
roads.

15. (1) The Joint Venturers shall—

(a) be responsible for the provision of finance for and the construction and maintenance of all private roads which shall be used in their operations hereunder;

(b) at their cost make such provision as shall ensure that all persons and vehicles (other than those engaged upon the Joint Venturers' operations and their invitees and licencees) are excluded from use of any such private roads; and

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- (c) at any place where such private roads are constructed by the Joint Venturers so as to cross any public roads provide adequate grade separation or such other reasonable protection as may be required by the Commissioner of Main Roads.

(2) The State shall construct or cause to be constructed by either the Joint Venturers or others within such period of time as the parties shall agree sealed public roads in accordance with the requirements of the Commissioner of Main Roads connecting the onshore facilities and the port facilities to the existing public road in the vicinity of Dampier. The cost of such construction shall be borne by the Joint Venturers subject to the State contributing such amount as the State considers to be a reasonable proportion thereof not exceeding a total of \$1 000 000. Public roads.

(3) The State shall maintain or cause to be maintained public roads over which it has control (and which may be used by the Joint Venturers) to a standard similar to comparable public roads maintained by the State. In the event that the Joint Venturers' road haulage operations require the use of a public road which is inadequate for the purpose, or results in excessive damage or deterioration of any public road (other than fair wear and tear) the Joint Venturers shall pay to the State the whole or part of the total cost of any upgrading required or of making good the damage or deterioration as may be reasonably required by the Commissioner of Main Roads. Maintenance
of public
roads.

(4) The parties hereto further covenant and agree with each other that— Liability.

- (a) for the purpose of determining whether and the extent to which—

(i) the Joint Venturers are liable to any person or body corporate (other than the State);
or

(ii) an action is maintainable by any such person or body corporate

in respect of the death or injury of any person or damage to any property arising out of the use of any of the roads for the maintenance of which the Joint Venturers are responsible hereunder and for no other purpose the Joint Venturers shall be deemed to be a municipality and the said roads shall be deemed to be streets under the care control and management of the Joint Venturers; and

- (b) for the purposes of this Clause the terms "municipality" "street" and "care control and management" shall have the meanings which they respectively have in the Local Government Act, 1960.

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Airport and
heliport.

16. (1) The Joint Venturers shall confer with the Minister and the Shire of Roebourne with a view to reaching agreement on any upgrading of existing airport facilities and services that may be necessary for the Joint Venturers' operations hereunder.

(2) Any upgrading of facilities and services required pursuant to any agreement entered into under subclause (1) of this Clause shall be implemented by the Shire of Roebourne from funds obtained from special borrowings less any funds made available by the Commonwealth of Australia for that purpose (subject to the provisions of subclause (6) of Clause 8).

Charges.

(3) Any agreement entered into pursuant to subclause (1) of this Clause shall provide that the Joint Venturers shall pay to the Shire of Roebourne for the use of the facilities and services provided under subclause (2) of this Clause such charges as will include a recoup to the Shire of such proportion of all costs incurred by it in financing providing operating and maintaining such facilities and services as shall be attributable to the Joint Venturers use thereof notwithstanding the provisions of Clause 28.

(4) Where pursuant to any approved proposal, the Joint Venturers are permitted to construct a new heliport, such new heliport and the facilities and services associated therewith shall be installed and operated at the cost of the Joint Venturers.

Power—
Conference
as to
requirements
for overall
project.

17. (1) The Joint Venturers shall confer with the State Energy Commission with respect to the Joint Venturers' power requirements for the overall project during the constructional phase and the operational phase.

Karratha.

(2) Power for the housing of the Joint Venturers' workforce in Karratha shall be provided by the State Energy Commission during the currency of this Agreement at the standard conditions of supply from time to time applying in Karratha.

Onshore
facilities
and port
facilities.

(3) The Joint Venturers and the State Energy Commission may enter into arrangements for the provision of power to the onshore facilities and the port facilities during the currency of this Agreement on terms and conditions to be negotiated between them.

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(4) The State Energy Commission shall grant the Joint Venturers access to any integrated system of power supply which the Commission may construct and administer in the Pilbara area. The Joint Venturers are empowered to enter into any arrangements for the sale and exchange of power to or with the State Energy Commission as may be agreed between them.

Access to
Pilbara
Integrated
Power
System.

(5) The State Energy Commission shall utilise to the maximum extent practicable any special borrowings which may be made available for the integration of power supplies in the Pilbara area or for the purposes of this Agreement to satisfy any obligations incurred by the State Energy Commission pursuant to subclauses (2), (3) and (4) of this Clause.

Use of
special
borrowing
powers.

(6) In the event that special borrowings are utilised for the purposes of subclauses (3) and (4) of this Clause any charges agreed between the Joint Venturers and the State Energy Commission pursuant to the said subclauses shall include the recoup to the State Energy Commission of all costs associated with the special borrowings incurred by it (including the repayment of special borrowings) in financing any works required pursuant to subclauses (3) and (4) of this Clause and such recoup shall be paid to the State Energy Commission notwithstanding the provisions of Clause 28.

Charges.

(7) The State Energy Commission may require that the costs associated with the provision of any temporary works required to be constructed by them during the constructional phase to provide for the Joint Venturers' power requirements, shall be met by the Joint Venturers.

Temporary
works.

18. (1) Subject to the provisions of this Clause the State or a statutory body designated by the State (in this Clause referred to as "the designated statutory body") shall arrange for the design and construction of, and shall operate and maintain, all works required during the currency of this Agreement for the supply of water to the Joint Venturers for their purposes hereunder and for the needs of the Joint Venturers' workforce in Karratha or elsewhere and the population consequential thereto. Such works shall consist of permanent works to be constructed and utilised during the currency of the Agreement (in this Clause referred to as "the permanent works"), and works required during the constructional phase only which are additional to the permanent works (in this Clause referred to as "the additional works").

Water—
general.

(2) (a) The costs of the design and construction of the permanent works shall be met from special borrowings (subject to the provisions of subclause (6) of Clause 8).

Design and
construction.

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(b) the costs of the design and construction of the additional works shall be met by the Joint Venturers.

(c) The Joint Venturers shall enter into an agreement with the State or the designated statutory body to pay such charges (in addition to the rates, charges and costs referred to in subclause (3) of this Clause) as will recoup to the State or the designated statutory body all costs incurred by the State or the designated statutory body in financing the permanent works notwithstanding the provisions of Clause 28.

Operation
and
maintenance.

(3) (a) The costs of the operation and maintenance of all works required for the supply of water in Karratha will be met by the State or the designated statutory body.

(b) Rates and charges for water used in Karratha shall be levied from time to time pursuant to the provisions of the Country Areas Water Supply Act, 1947 or such other relevant Act.

(c) The costs of the operation and maintenance of all works required for the supply of water to locations other than those in Karratha shall be recouped to the State or the designated statutory body by the Joint Venturers in a manner to be agreed upon by the Joint Venturers and the State or the designated statutory body.

Desalination.

(4) (a) The Joint Venturers shall investigate the feasibility of using sea water desalination to provide all or part of their potable water requirements for their activities hereunder.

(b) If the Joint Venturers propose to instal a desalination plant for the purpose of paragraph (a) of this subclause the Joint Venturers shall liaise with the State to enable the State to assess the extent (if any) to which it would be required to upgrade and/or augment its existing water sources for the purposes of this Clause.

(c) Any desalination plant installed pursuant to this subclause shall be installed operated and maintained by and at the cost of the Joint Venturers.

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19. (1) The State shall in accordance with the Joint Venturers' approved proposals grant to the Joint Venturers or arrange to have the appropriate authority or other interested instrumentality of the State grant for such periods and on such terms and conditions (including renewal rights) as shall be reasonable having regard to the requirements of the Joint Venturers, leases and where applicable licences easements and rights of way for any purposes related to the Joint Venturers' operations under this Agreement.

Leases
licences
and
easements.

(2) For the purpose of this Agreement in respect of any land sold or leased to the Joint Venturers by the State the Land Act shall be deemed to be modified by:

Modification
of Land Act.

(a) the substitution for subsection (2) of section 45A of the following subsection:

“(2) Upon the Governor signifying approval pursuant to subsection (1) of this section in respect of any such land the same may subject to this section be sold or leased;”;

(b) the deletion of the proviso to section 116;

(c) the deletion of section 135;

(d) the deletion of section 143;

(e) the inclusion of a power to offer for sale or leasing land within or in the vicinity of Karratha (or such other existing town as the Minister shall approve) notwithstanding that such land is not within a townsite as constituted under section 10; and

(f) the inclusion of a power to offer for sale or grant leases or licences for terms or periods and on such terms and conditions (including renewal rights and prices) and in forms consistent with the provisions of this Agreement in lieu of the terms or periods, the terms and conditions, the prices and the forms referred to in the Land Act.

(3) The provisions of this Clause shall not operate so as to prejudice the rights of the State to determine any lease licence or other right or title in accordance with the other provisions of this Agreement.

(4) (a) The Joint Venturers shall lodge with the the Department of Lands and Surveys basic information on survey observations, descriptions and access details related to any permanent survey control marks placed by the Joint Venturers for their purposes pursuant to this Agreement.

Department
of Lands and
Surveys—
basic
information.

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Consultation.

- (b) The Joint Venturers shall before commencing any major control surveys relating to any land or proposed improvement thereto confer with the Department of Lands and Surveys regarding relevant data to be defined and lodged with that Department.

Notification of additional reserves of natural gas.

20. If the Joint Venturers discover reserves of natural gas additional to those required for their commitments contemplated in recitals (c) and (d) of this Agreement during their exploration programme in the offshore Dampier region (carried out under the provisions of the Petroleum (Submerged Lands) Acts), which in the opinion of the Joint Venturers are capable of commercial development the Joint Venturers shall—

- (a) notify the Minister of the extent and nature of such additional reserves;
- (b) having regard to the State's desire for a petrochemical industry to be established in Western Australia, investigate the processing of all or part of such natural gas for use as petrochemical feedstock; and
- (c) enter into discussions with the Minister concerning the utilisation of such natural gas.

Zoning.

21. The State shall ensure that any lands the subject of any Crown Grant lease licence or easement granted to the Joint Venturers under this Agreement shall be and remain zoned for use or otherwise protected during the currency of this Agreement so that the operations of the Joint Venturers hereunder may be undertaken and carried out thereon without any interference or interruption by the State by any State agency or instrumentality or by any local or other authority of the State on the ground that such operations are contrary to any zoning by-law regulation or order.

Rating.

22. The State shall ensure that notwithstanding the provisions of any Act or anything done or purported to be done under any Act, the valuation of all lands (whether of a freehold or leasehold nature) the subject of this Agreement (except as to any part upon which a permanent residence shall be erected or which is occupied in connection with that residence and except as to any part upon which there stands any improvements that are used in connection with a commercial undertaking not directly related to the overall project) shall for rating purposes under the Local Government Act, 1960, be deemed to be on the unimproved value thereof and no such lands shall be subject to any discriminatory rate PROVIDED THAT nothing in this Clause shall prevent the Joint Venturers making the election provided for by section 533B of the Local Government Act, 1960.

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23. Except as provided in this Agreement the State shall not impose nor permit nor authorise any of its agencies or instrumentalities or any local or other authority of the State to impose discriminatory taxes rates or charges of any nature whatsoever on or in respect of the income, titles, property or other assets products materials or services used or produced by or through the operations of the Joint Venturers in the conduct of their business hereunder nor will the State take or permit to be taken by any such State authority any other discriminatory action which would deprive the Joint Venturers of full enjoyment of the rights granted and intended to be granted under this Agreement.

No discrimi-
nation

24. Subject to the performance by the Joint Venturers of their obligations under this Agreement the State shall not during the currency hereof without the consent of the Joint Venturers resume nor suffer nor permit to be resumed by any State instrumentality or by any local or other authority of the State any of the works installations plant equipment or other property for the time being belonging to the Joint Venturers and the subject of or used for the purpose of this Agreement nor any of the works on the lands the subject of any lease or licence granted to the Joint Venturers in terms of this Agreement AND without such consent (which shall not be unreasonably withheld) the State shall not create or grant or permit or suffer to be created or granted by any instrumentality or authority of the State as aforesaid any road right-of-way water right or easement of any nature or kind whatsoever over or in respect of any such lands which may unduly prejudice or interfere with the Joint Venturers' operations hereunder.

No
resumption.

25. The State may as and for a public work under the Public Works Act resume any land required for the purposes of this Agreement and notwithstanding any other provisions of that Act may sell, lease, grant licences easements and rights-of-way or otherwise dispose of such land to the Joint Venturers and the provisions of subsections (2) to (7) inclusive of section 17 and section 17A of that Act shall not apply to or in respect of that land or the resumption thereof. The cost of and incidental to any land resumed at the request of and on behalf of the Joint Venturers by the State shall be paid by the Joint Venturers on demand.

Resumption
for the
purposes of
Agreement.

26. (1) Subject to the provisions of this Clause the Joint Venturers or any of them may at any time—

Assignment.

- (a) assign mortgage charge sublet or dispose of to each other or to an associated company as of right, or to any other company or persons with the consent of the Minister (which consent shall not be unreasonably withheld) the whole or any part of

the rights of the Joint Venturers hereunder (including their rights to or as the holder of any lease licence easement grant or other title) and of the obligations of the Joint Venturers hereunder; and

- (b) appoint as of right an associated company or with the consent of the Minister any other company or person to exercise all or any of the powers functions and authorities which are or may be conferred on the Joint Venturers hereunder;

subject however in the case of an assignment subletting disposition or appointment to the assignee sublessee disponent or the appointee (as the case may be) executing in favour of the State (unless the Minister otherwise determines) a deed of covenant in a form to be approved by the Minister to comply with observe and perform the provisions hereof on the part of the Joint Venturers to be complied with observed or performed in regard to the matter or matters the subject of such assignment subletting disposition or appointment.

(2) Notwithstanding anything contained or anything done under or pursuant to subclause (1) of this Clause the Joint Venturers shall at all times during the currency of this Agreement be and remain liable for the due and punctual performance and observance of all the covenants and agreements on their part contained herein and in any lease licence easement grant or other title the subject of an assignment mortgage subletting disposition or appointment under subclause (1) of this Clause PROVIDED THAT the Minister shall release the Joint Venturers or any of them from such liability where he considers such release will not be contrary to the interests of the State.

Variation.

27. (1) The parties hereto may from time to time by agreement in writing add to substitute for cancel or vary all or any of the provisions of this Agreement or of any lease licence easement grant or other title granted hereunder or pursuant hereto for the purpose of more efficiently or satisfactorily implementing or facilitating any of the objects of this Agreement.

(2) The Minister shall cause an agreement made pursuant to subclause (1) of this Clause in respect of any addition substitution cancellation or variation of the provisions of this Agreement to be laid on the Table of each House of Parliament within 12 sitting days next following its execution.

(3) Either House may, within 12 sitting days of that House after the agreement has been laid before it pass a resolution disallowing the agreement, but if, after the last day on which the agreement might have been disallowed

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neither House has passed such a resolution the agreement shall have effect from and after that last day.

28. This Agreement shall be deemed to be made subject to any delays in the performance of obligations under this Agreement and to the temporary suspension of continuing obligations hereunder which may be occasioned by or arise from circumstances beyond the power and control of the party responsible for the performance of such obligations including delays or any such temporary suspension as aforesaid caused by or arising from act of God *force majeure* earthquakes floods storms tempests washaways fire (unless caused by the actual fault or privity of the party responsible for such performance) act of war or public enemies riots civil commotions strikes lockouts stoppages restraint of labour or other similar acts (whether partial or general) acts or omissions of the Commonwealth shortages or insufficient supply of labour or water or essential materials failure to secure contractors delays of contractors or factors due to overall world economic conditions or factors which could not reasonably have been foreseen PROVIDED ALWAYS that the party whose performance of obligations is affected by any of the said causes shall promptly give notice to the other party of the event or events and shall minimise the effect of the said causes as soon as possible after their occurrence.

29. Notwithstanding any provision of this Agreement the Minister may at the request of the Joint Venturers from time to time extend or further extend any period or vary or further vary any date referred to in this Agreement for such period or to such later date as the Minister thinks fit whether or not the period to be extended has expired or the date to be varied has passed.

30. (1) In any of the following events namely if—

(a) (i) the Joint Venturers make default which the State considers material in the due performance or observance of any of the covenants or obligations to the State herein or in any lease licence easement grant or other title or document granted or assigned under this Agreement on their part to be performed or observed; or

(ii) the Joint Venturers abandon or repudiate their operations under this Agreement

and such default is not remedied or such operations resumed within a period 180 days after notice is given by the State as provided in subclause (2) of this Clause or, if the default (or the materiality thereof) or abandonment is referred to arbitration, then within the period mentioned in subclause (3) of this Clause; or

- (b) the Joint Venturers or any of them go into liquidation (other than a voluntary liquidation for the purpose of reconstruction) and unless within 3 months from the date of such liquidation the interest of that Joint Venturer is assigned to another Joint Venturer or to an assignee approved by the Minister pursuant to Clause 26

the State may by notice to the Joint Venturers determine this agreement.

(2) The notice to be given by the State in terms of subclause (1) of this Clause shall specify the nature of the default or other ground so entitling the State to exercise such right of determination and where appropriate and known to the State the party or parties responsible therefor and shall be given to the Joint Venturers and all such assignees mortgagees chargees and disponees for the time being of the Joint Venturers' said rights to or in favour of whom or by whom an assignment mortgage charge or disposition has been effected in terms of Clause 26 whose name and address for service of notice has previously been notified to the State by the Joint Venturers or any such assignee mortgage chargee or disponee.

- (3) (a) If the Joint Venturers contest the alleged default abandonment or repudiation referred to in paragraphs (a) and (b) of subclause (1) of this Clause the Joint Venturers shall within 60 days after notice given by the State as provided in subclause (2) of this Clause refer the matter in dispute to arbitration.

- (b) The Joint Venturers shall comply with the arbitration award within a reasonable time to be fixed by the arbitration award PROVIDED THAT if the question is decided against the Joint Venturers and the arbitrator finds that there was a *bona fide* dispute and that the Joint Venturers were not dilatory in pursuing the arbitration, the time for compliance with the arbitration award shall not be less than 90 days from the date of such award.

(4) If the default referred to in subclause (1) of this Clause shall not have been remedied after receipt of the notice referred to in subclause (1) of this Clause or within the time fixed by the arbitration award as aforesaid the State instead of determining this Agreement as aforesaid because of such default may itself remedy such default or cause the same to be remedied (for which purpose the State by agents workmen or otherwise shall have full power to enter upon lands occupied by the Joint Venturers and to

make use of all plant machinery equipment and installations thereon) and the actual costs and expenses incurred by the State in remedying or causing to be remedied such default shall be a debt payable by the Joint Venturers to the State on demand.

(5) Notwithstanding the provisions of this Clause, the determination by the State Energy Commission of any contract for the supply of natural gas between the Joint Venturers or any of them and the State Energy Commission, by reason of the established default of the Joint Venturers or any of them under such contract, shall be deemed to be a breach of this Agreement entitling the State to determine this Agreement forthwith by notice to the Joint Venturers. The State shall cause a copy of such notice to be served upon all such assignees, mortgages, chargees and disponees for the time being of the Joint Venturers' said rights to or in favour of whom or by whom an assignment, mortgage, charge or disposition has been effected in terms of Clause 26 whose name and address for service of notice has previously been notified to the State by the Joint Venturers or any such assignee, mortgagee, chargee or disponee.

31. (1) On the cessation or determination of this Agreement—

Effect of
cessation or
determina-
tion of
Agreement.

- (a) except as otherwise agreed by the Minister the rights of the Joint Venturers to in or under this Agreement and the rights of the Joint Venturers or of any assignee of theirs or any mortgagee to in or under any lease, licence, easement, grant or other title or right granted hereunder or pursuant hereto shall thereupon cease and determine but without prejudice to the liability of either of the parties hereto in respect of any antecedent breach or default under this Agreement or in respect of any indemnity given hereunder;
- (b) the Joint Venturers shall forthwith pay to the State all moneys which may then have become payable or accrued due;
- (c) the Joint Venturers shall pay to the relevant body referred to in subclause (12) of Clause 13, subclause (3) of Clause 16, subclause (6) of Clause 17 and subclause (2) of Clause 18, such amounts as will enable the relevant body to repay any unpaid special borrowings together with interest thereon and any other charges in accordance with the terms thereof which would otherwise have been recouped by the relevant body by way of charges;

(d) save as aforesaid and as otherwise provided in this Agreement neither of the parties hereto shall have any claim against the other of them with respect to any matter or thing in or arising out of this Agreement.

(2) Subject to the provisions of subclause (3) of this Clause upon the cessation or determination of this Agreement except as otherwise determined by the Minister all buildings erections and other improvements erected on any land then occupied by the Joint Venturers under any lease, licence, easement, grant or other title made hereunder for the purpose hereof shall become and remain the absolute property of the State without the payment of any compensation or consideration to the Joint Venturers or any other party and freed and discharged from all mortgages and other encumbrances and the Joint Venturers shall do and execute all such deeds documents and other acts matters and things (including surrenders) as the State may reasonably require to give effect to the provisions of this subclause.

(3) In the event of the Joint Venturers immediately prior to the cessation or determination of this Agreement or subsequently thereto desiring to remove any of their fixed or movable plant and equipment or any part thereof from any part of the land occupied by them at the date of such cessation or determination they shall give to the State notice of such desire and thereby shall grant to the State the right or option exercisable within 3 months thereafter to purchase *in situ* such fixed or movable plant and equipment or any part thereof at a fair valuation to be agreed between the parties or failing agreement determined by arbitration hereunder.

Provision of
finance.

32. (1) Where under any provision of this Agreement the Joint Venturers are liable to make payments to the State the Joint Venturers may, subject to the prior consent of the Minister, in lieu of such payments otherwise provide finance or cause finance to be provided to an equal amount to the particular liability in such manner as may be determined by the Minister.

(2) Where under any provision of this Agreement or any approved proposal thereunder the Joint Venturers are liable to make payments to the State for services and facilities to be provided by the State the parties shall subject to the relevant provision or approved proposal enter into an agreement regarding the nature and extent of such payments prior to the commencement of any such work or expenditure.

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33. Nothing in this Agreement shall be construed to exempt the Joint Venturers from compliance with any requirement in connection with the protection of the environment arising out of or incidental to their activities hereunder that may be made by the State or by any State agency or instrumentality or any local or other authority or statutory body of the State pursuant to any Act from time to time in force.

Environ-
mental
protection.

34. Unless the parties otherwise agree the Joint Venturers shall indemnify and keep indemnified the State and its servants agents and contractors in respect of all actions suits claims demands or costs of third parties arising out of or in connection with any work carried out by or on behalf of the Joint Venturers pursuant to this Agreement or arising out of or in connection with the construction maintenance or use by the Joint Venturers or their servants agents contractors or assignees of the Joint Venturers' works or services the subject of this Agreement or the plant apparatus or equipment installed in connection therewith, PROVIDED THAT subject to the provisions of any other relevant Act such indemnity shall not apply in circumstances where the State, its servants, agents, or contractors are negligent in carrying out work for the Joint Venturers pursuant to this Agreement.

Indemnity.

35. (1) The Joint Venturers shall from time to time where appropriate make application to the Commonwealth or to the Commonwealth constituted agency, authority or instrumentality concerned for the grant to them of any licence or consent under the laws of the Commonwealth necessary to enable or permit the Joint Venturers to enter into this Agreement and to perform any of their obligations hereunder.

Common-
wealth
licences and
consents.

(2) On request by the Joint Venturers the State shall make representations to the Commonwealth or to the Commonwealth constituted agency authority or instrumentality concerned for the grant to the Joint Venturers of any licence or consent mentioned in subclause (1) of this Clause.

36. The State shall ensure that without affecting the liabilities of the parties under this Agreement either party shall have the right from time to time to entrust to third parties the carrying out of any portions of the operations which it is authorised or obliged to carry out hereunder.

Subcontract-
ing.

37. (1) The State shall exempt from any stamp duty which but for the operation of this Clause would or might be chargeable on—

Stamp duty
exemption.

(a) this Agreement;

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- (b) any instrument executed by the State pursuant to this Agreement granting to or in favour of the Joint Venturers or any of them or any permitted assignee any lease licence easement or other right or rights;
- (c) any assignment sublease or disposition and any appointment to or in favour of the Joint Venturers or any of them or an associated company of any interest right obligation power function or authority made pursuant to the provisions of this Agreement;
- (d) any instrument securing a charge (or in respect of any such charge, any statement note or memorandum evidencing or showing the amount or containing particulars of the loan the subject of such charge) over the assets of the Joint Venturers or any of them or an associated company for the purpose of this Agreement;
- (e) any insurance policy in the name of the Joint Venturers or any of them or an associated company for the purposes of this Agreement; and
- (f) any agreement relating to the sale of natural gas to which the State Energy Commission is a party

PROVIDED THAT paragraphs (a) (b) (c) (d) and (e) of this subclause shall not apply to any instrument or other document executed or made more than 9 years from the date hereof.

(2) If prior to the date on which the Bill referred to in Clause 3 to ratify this Agreement is passed as an Act stamp duty has been assessed and paid on any instrument or other document referred to in subclause (1) of this Clause the State when such a Bill is passed as an Act shall on demand refund any stamp duty paid on any such instrument or other document to the person who paid the same.

Arbitration.

38. (1) Any dispute or difference between the parties arising out of or in connection with this Agreement the construction of this Agreement or as to the rights duties or liabilities of either party hereunder or as to any matter to be agreed upon between the parties under this Agreement shall in default of agreement between the parties and in the absence of any provision in this Agreement to the contrary be referred to the arbitration of two arbitrators one to be appointed by each party the arbitrators to appoint their umpire before proceeding in the reference and every such arbitration shall be conducted in accordance with the provisions of the Arbitration Act, 1895.

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(2) Except where otherwise provided in this Agreement the provisions of this Clause shall not apply to any case where the State the Minister or any other Minister in the Government of the said State is by this Agreement given a discretionary power.

(3) The arbitrators or umpire (as the case may be) of any submission to arbitration hereunder are hereby empowered upon the application of either of the parties to grant in the name of the Minister any interim extension of any period or variation of any date referred to herein which having regard to the circumstances may reasonably be required in order to preserve the rights of that party or of the parties hereunder and an award may in the name of the Minister grant any further extension or variation for that purpose.

39. The Joint Venturers shall during the currency of this Agreement consult with and keep the State fully informed concerning any action that the Joint Venturers propose to take with the Commonwealth or any Commonwealth constituted agency authority instrumentality or body which in the opinion of the State would adversely affect the overall interest of the State under this Agreement.

Consultation.

40. The liability of each of the Joint Venturers under this Agreement shall be separate and shall, subject to the provisions of Clause 26, be limited to the proportion of that Company's equity from time to time in the overall project.

Liability of
Joint
Venturers.

41. Notwithstanding the provisions of Part V of the Machinery Safety Act, 1974, and recognising the complex specialist and integrated nature of the machinery to be installed in the treatment plant, the Chief Inspector of Machinery upon being satisfied as to the operating standards of the operating company appointed by the Joint Venturers, including training programmes and qualifying levels required for personnel involved, shall authorise the operating company to operate all of the machinery to be installed in the treatment plant.

Treatment
plant—
authority to
operate.

42. The State authorises the Joint Venturers and each of them subject to the provisions of this Agreement and pursuant to recital (c) hereof to sell gas to the State Energy Commission and pursuant to such gas agreements with the State Energy Commission—

Marketing
authorisa-
tion.

- (a) to market gas in the Pilbara to each of their affiliated companies and to major industrial customers who use more than 28 000 cubic metres of gas per day;
- (b) to sell or supply gas to each of their affiliated companies anywhere in Western Australia;

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(c) to construct, finance and operate gas transmission pipelines to each of their customers in the Pilbara.

Gas
Undertakings
Act
exemption.

43. The provisions of the Gas Undertakings Act, 1947 shall have no application to the Joint Venturers when acting pursuant to and in accordance with the provisions of this Agreement and/or any formal gas sales agreements entered into by the Joint Venturers or any of them with the State Energy Commission pursuant to recital (c) of this Agreement.

Gas sales
agreements.

44. Except as otherwise expressly provided in Clauses 42 and 43 the terms and conditions of this Agreement shall not affect the rights and obligations of the Joint Venturers or any of them and the State Energy Commission under any formal gas sales agreements entered into between them pursuant to recital (c) of this Agreement.

Notices.

45. Any notice consent or other writing authorised or required by this Agreement to be given or sent shall be deemed to have been duly given or sent by the State if signed by the Minister or by any senior officer of the Civil Service of the said State acting by the direction of the Minister and forwarded by prepaid post or handed to the Joint Venturers at their respective nominated offices for the time being in the said State and by the Joint Venturers if signed on their behalf by any person or persons authorised by the Joint Venturers or by their solicitors as notified to the State from time to time and forwarded by prepaid post or handed to the Minister and except in the case of personal service any such notice consent or writing shall be deemed to have been duly given or sent on the day on which it would be delivered in the ordinary course of post.

Term.

46. (1) Subject to the provisions of Clause 30 and this Clause, this Agreement shall expire on 31st December, 2010.

(2) The Joint Venturers may, provided they are not in default of their obligations under this Agreement, give notice to the Minister not later than 30th September, 2010, of—

- (a) their desire to have the provisions of this Agreement extended for such period not exceeding 21 years as the Joint Venturers may nominate in such notice; and
- (b) their arrangements for utilisation of natural gas during such period.

(3) The Minister may, if he agrees with the Joint Venturers' arrangements under paragraph (b) of subclause 2 of this Clause, extend the term of this Agreement accordingly.

1979.] *North West Gas Development* [No. 104.
(*Woodside*) *Agreement.*

47. This Agreement shall be interpreted according to the law for the time being in force in the State of Western Australia. ^{Applicable law.}

IN WITNESS WHEREOF this Agreement has been executed by or on behalf of the parties hereto the day and year first hereinbefore mentioned.

SIGNED by the said THE HONOURABLE SIR CHARLES WALTER MICHAEL COURT, K.C.M.G., O.B.E., M.L.A. in the presence of— } CHARLES COURT

ANDREW MENSAROS

.....
Minister for
Industrial Development.

THE COMMON SEAL of WOODSIDE PETROLEUM DEVELOPMENT PTY. LTD. was hereunto affixed by the authority of the Board of Directors and in the presence of— } [C.S.]

R. HARRISON
..... Director.

C. J. McCONVILLE
..... Secretary.

THE COMMON SEAL of WOODSIDE OIL LTD. was hereunto affixed by the authority of the Board of Directors and in the presence of— } [C.S.]

J. G. DONALDSON
..... Director.

L. L. YOUREN
..... Secretary.

THE COMMON SEAL of MID-EASTERN OIL LTD. was hereunto affixed by the authority of the Board of Directors and in the presence of— } [C.S.]

J. G. DONALDSON
..... Director.

L. L. YOUREN
..... Secretary.

THE COMMON SEAL of }
NORTH WEST SHELF }
DEVELOPMENT PTY. LTD. }
was hereunto affixed by the }
authority of the Board of }
Directors and in the presence }
of— }

[C.S.]

R. L. DUPREY
..... Director.

N. D. WRIGHT
..... Secretary.

THE COMMON SEAL of BP }
PETROLEUM DEVELOP- }
MENT AUSTRALIA PROPRI- }
ETARY LIMITED was here- }
unto affixed in the presence }
of— }

[C.S.]

A. W. GORRIE
..... Director.

J. SPICER
..... Secretary.

SIGNED; SEALED
and DELIVERED

by; ROBERT C. ANDRESEN
as the attorney and in the
name of CALIFORNIA ASI-
ATIC OIL CO. UNDER
POWER OF ATTORNEY
dated the 16th day of March,
1979.

[L.S.]
