



Western Australia

# **Natural Gas (Canning Basin Joint Venture) Agreement Act 2013**

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# **Natural Gas (Canning Basin Joint Venture) Agreement Act 2013**

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### **Defined terms**



Western Australia

## **Natural Gas (Canning Basin Joint Venture) Agreement Act 2013**

**An Act to ratify, and authorise the implementation of, an agreement between the State and Buru Energy Limited, Diamond Resources (Fitzroy) Pty Ltd, Diamond Resources (Canning) Pty Ltd and Mitsubishi Corporation relating to the evaluation, development and exploitation of natural gas resources in the Canning Basin region of the State, to ratify a further agreement for the termination of that agreement, and for incidental and other purposes.**

*[Long title amended: No. 12 of 2018 s. 4.]*

The Parliament of Western Australia enacts as follows:

**s. 1**

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**1. Short title**

This is the *Natural Gas (Canning Basin Joint Venture) Agreement Act 2013*.

**2. Commencement**

This Act comes into operation as follows —

- (a) sections 1 and 2 — on the day on which this Act receives the Royal Assent;
- (b) the rest of the Act — on the day after that day.

**3. Terms used**

In this Act —

**2015 variation agreement** means the agreement a copy of which is set out in Schedule 2;

**scheduled agreement** means the agreement a copy of which is set out in Schedule 1;

**termination agreement** means the agreement a copy of which is set out in Schedule 3;

**the Agreement** means the scheduled agreement as varied from time to time in accordance with its terms and by the 2015 variation agreement.

*[Section 3 amended: No. 1 of 2016 s. 4; No. 12 of 2018 s. 5.]*

**4. Ratification and authorisation**

- (1) The scheduled agreement is ratified.
- (2A) The 2015 variation agreement is ratified.
- (2) The implementation of the Agreement is authorised.

*[Section 4 amended: No. 1 of 2016 s. 5.]*

**4A. Ratification of termination agreement**

The termination agreement is ratified.

*[Section 4A inserted: No. 12 of 2018 s. 6.]*

**5. State empowered under clause 30**

The State has power in accordance with clause 30 of the Agreement.

**6. Effect on other laws**

- (1) The Agreement operates and takes effect despite any enactment or other law.
- (1A) The termination agreement operates and takes effect despite any enactment or other law.
- (2) If a provision of the scheduled agreement, the 2015 variation agreement or the termination agreement expressly or by implication purports to modify or exclude the application or operation of an enactment for a purpose or in relation to a person or thing, the application or operation of the enactment is modified or excluded for that purpose, or in relation to that person or thing, to the extent or for the period mentioned in the provision or necessary for the provision to have effect.
- (3) This section does not limit or otherwise affect the application of the *Government Agreements Act 1979*.

*[Section 6 amended: No. 1 of 2016 s. 6; No. 12 of 2018 s. 7.]*

**Schedule 1 — Natural Gas (Canning Basin Joint Venture)  
Agreement 2012**

[s. 3]

**2012**

**THE STATE OF WESTERN AUSTRALIA**

**and**

**BURU ENERGY LIMITED**

**ACN 130 651 437**

**DIAMOND RESOURCES (FITZROY) PTY LTD**

**ACN 145 113 177**

**DIAMOND RESOURCES (CANNING) PTY LTD**

**ACN 145 113 186**

**and**

**MITSUBISHI CORPORATION**

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**NATURAL GAS (CANNING BASIN JOINT VENTURE)  
AGREEMENT 2012**

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[Solicitor's details]



**THIS AGREEMENT** is made this seventh day of November 2012

**BETWEEN**

**THE HONOURABLE COLIN JAMES BARNETT**, MEd., 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 first part

**AND**

**BURU ENERGY LIMITED** ACN 130 651 437 of Level 2, 97 William Street, Perth, Western Australia, **DIAMOND RESOURCES (FITZROY) PTY LTD** ACN 145 113 177 of Level 36, 120 Collins Street, Melbourne, Victoria and **DIAMOND RESOURCES (CANNING) PTY LTD** ACN 145 113 186 of Level 36, 120 Collins Street, Melbourne, Victoria (hereinafter collectively called **the Joint Venturers** in which term shall be included their successors and permitted assigns) of the second part

**AND**

**MITSUBISHI CORPORATION** of 3-1, Marunouchi 2-Chome, Chiyoda-Ku, Tokyo, Japan (**Guarantor**) of the third part.

**WHEREAS:**

- A.** The Joint Venturers are the registered and beneficial holders of the petroleum exploration permits listed in the Schedule and granted under the *Petroleum and Geothermal Energy Resources Act 1967* (WA).
- B.** The Joint Venturers are actively exploring the Title Areas for petroleum including for the purposes of:
  - (a) evaluating the technical and economic viability of the natural gas resources within the Title Areas (which areas are prospective for both conventional and unconventional resources); and
  - (b) proving up sufficient reserves of natural gas to underpin the establishment and sustained operation of firstly the Domgas Project (as hereinafter defined) and secondly the production of liquefied natural gas for export to overseas purchasers.

- C. The State, for the purposes of:
- (a) encouraging accelerated expenditure by the Joint Venturers in the continuing exploration and evaluation of natural gas resources within the Title Areas; and
  - (b) promoting industrial development in Western Australia generally; and
  - (c) promoting energy security in the said State in particular,
- desires to facilitate the establishment of the Domgas Project and, if the Joint Venturers so wish, of the LNG Project upon and subject to the terms of this Agreement.

**NOW THIS AGREEMENT WITNESSES:**

**1. Definitions**

In this Agreement subject to the context:

**Aboriginal Heritage Act** means the *Aboriginal Heritage Act 1972* (WA).

**advise, apply, approve, approval, consent, certify, direct, notice, notify, request, or require**, means advise, apply, approve, approval, consent, certify, direct, notice, 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 a proposal approved or deemed to be approved under this Agreement.

**Canning Basin** means the Canning Basin region of the said State.

**Commencement Date** means the day after the day on which the Ratifying Act comes into operation.

**Commonwealth** means the Commonwealth of Australia and includes the Government for the time being thereof.

**Contaminated Sites Act** means the *Contaminated Sites Act 2003* (WA).

**DBNGP corridor** has the meaning given to it in the DBP Act.

**DBNGP Land Access Minister** means the corporation sole created by section 29(1) of the DBP Act.

**DBP Act** means the *Dampier to Bunbury Pipeline Act 1997* (WA).

**Domgas** means natural gas for delivery and use in the said State. It does not include natural gas to be exported or used in the production of natural gas to be exported.

**Domgas Commitment** means the Joint Venturers' commitment in respect of Domgas set out in clause 8 and to submit proposals for, and establish and operate, a Domgas Project in accordance with approved proposals pursuant to clauses 11, 12 and 13.

**Domgas Project** means the treatment of natural gas obtained from within the Title Areas and, subject to this Agreement, from other areas, to produce Domgas and, if the Joint Venturers so wish, condensate and the conveyance of Domgas through the Domgas Project Pipeline into the domestic gas pipeline network and all related activities for that purpose including:

- (a) the construction, operation and maintenance of Domgas Project Treatment Plants, the Domgas Project Pipeline (subject to clause 34) and any necessary pipeline connections joining a Domgas Project Treatment Plant to the Domgas Project Pipeline and the Domgas Project Pipeline to the abovementioned domestic gas pipeline network; and
- (b) other ancillary activities, services and facilities permitted to be undertaken, provided or constructed as the case may be by the Joint Venturers as part of such project in accordance with this Agreement.

For the avoidance of doubt, the Domgas Project does not include:

- (a) pre-treatment plants, wells, in-field and intra-field pipelines and flow lines; or
- (b) any extension of the Domgas Project Pipeline the construction of which extension, the State (after consulting the Joint Venturers) does not consider is a significant modification, expansion or other variation of the Domgas Project Pipeline.

**Domgas Project Operation Date** means the date upon which Domgas produced as part of the Domgas Project is first delivered through the Domgas Project Pipeline (other than for construction or commissioning purposes) into the Western Australian domestic gas market using the relevant connecting domestic gas pipeline network.

**Domgas Project Pipeline** means a pipeline (as defined in the Pipelines Act (as modified by this Agreement)) commencing from a Domgas Project Treatment Plant at a location in the Title Areas agreed between the Minister and the Joint Venturers pursuant to clause 10 and extending to and connecting to the domestic gas pipeline network near Port Hedland or near Dampier in the said State (unless the State otherwise approves another location in the north west region of the said State, in which case near such other location) to convey Domgas and which pipeline is, or is to be (as the case may be), the subject of approved proposals pursuant to clauses 11 and 12 and includes any extension thereto or enlargement thereof that may be approved in accordance with clause 13.

**Domgas Project Pipeline Corridor** means prior to the grant of the Domgas Project Pipeline Easement, the land for the route of the Domgas Project Pipeline, access roads and other infrastructure and works which is agreed between the Minister and the Joint Venturers pursuant to clause 10 and, after the grant of the Domgas Project Pipeline Easement, the land from time to time the subject of the Domgas Project Pipeline Easement.

**Domgas Project Pipeline Easement** means the easement granted or to be granted (as the case may be) to the Joint Venturers under the Pipelines Act (as modified by this Agreement) and in accordance with clause 15(1)(b), as varied in accordance with clauses 15(7) or 15(8), and according to the requirements of the context describes the area of land from time to time the subject of the easement.

**Domgas Project Pipeline Licence** means the licence granted or to be granted (as the case may be) to the Joint Venturers under the Pipelines Act (as modified by this Agreement) and in accordance with clause 15(1)(a) for the construction, operation and maintenance of the Domgas Project Pipeline, as varied from time to time in accordance with the Pipelines Act (as modified by this Agreement).

**Domgas Project Treatment Plant** means the treatment plant within the Title Areas for the production of Domgas as part of the Domgas Project referred to in the above definition of Domgas Project Pipeline which treatment plant is, or is to be (as the case may be), the subject of approved proposals pursuant to clauses 11 and 12 and any other treatment plant within the Title Areas for the production of Domgas as part of the Domgas Project which treatment plant is the subject of approved proposals pursuant to clauses 11 and 12 or clause 13 and includes any expansion of any such treatment plant that may be approved in accordance with clause 13.

**Environmental Protection Act** means the *Environmental Protection Act 1986* (WA).

**Government agreement** has the meaning given in the *Government Agreements Act 1979* (WA).

**Land Act** means the *Land Administration Act 1997* (WA).

**Land Act Minister** means the Minister for Lands, a body corporate under section 7 of the Land Act.

**Law** includes any applicable requirement of any statute, regulation, proclamation, ordinance or by-law, present or future, and whether State, Commonwealth or otherwise.

**laws relating to native title** means laws applicable from time to time in Western Australia in respect of native title and includes the *Native Title Act 1993* (Commonwealth).

**local government** means a local government established under the Local Government Act.

**Local Government Act** means the *Local Government Act 1995* (WA).

**LNG Precinct** means:

- (a) the Burrup Peninsula region of the said State; or
- (b) the strategic industrial area known at the date of this Agreement as the Ashburton North Strategic Industrial Area near Onslow in the said State; or

- (c) such other liquefied natural gas precinct in the north west region of the said State which the State may approve for the purposes of this Agreement and which at the date of such approval has been established or the establishment of which the State has approved.

**LNG Production Facility** means a processing plant (whether owned by the Joint Venturers or by a third party) within the Relevant LNG Precinct for the production of liquefied natural gas for export.

**LNG Project** means the conveyance through the LNG Project Pipeline of natural gas obtained from within the Title Areas and, subject to this Agreement, from other areas to the LNG Production Facility (or to a third party pipeline for conveyance to the LNG Production Facility) for the production from it for export of liquefied natural gas and, if the Joint Venturers so wish, condensate and all related activities for that purpose including:

- (a) the treatment (if required) of natural gas to be conveyed through the LNG Project Pipeline to a standard suitable for conveyance through the LNG Project Pipeline; and
- (b) the construction, operation and maintenance of LNG Project Treatment Plants, the LNG Project Pipeline and any necessary pipeline connections joining a LNG Project Treatment Plant to the LNG Project Pipeline and the LNG Project Pipeline to the LNG Production Facility (or to a third party pipeline for conveyance of the natural gas to the LNG Production Facility); and
- (c) other ancillary activities, services and facilities permitted to be undertaken, provided or constructed as the case may be by the Joint Venturers as part of such project in accordance with this Agreement.

For the avoidance of doubt, the LNG Project does not include:

- (a) pre-treatment plants, wells, in-field and intra-field pipelines and flow lines; or
- (b) any extension of the LNG Project Pipeline the construction of which extension, the State (after consulting the Joint Venturers) does not consider is a significant modification, expansion or other variation of the LNG Project Pipeline.

**LNG Project Operation Date** means the date upon which natural gas obtained from within the Title Areas is first conveyed through the LNG Project Pipeline (other than for construction or commissioning purposes) to the LNG Production Facility (or into the relevant connecting third party pipeline for conveyance to the LNG Production Facility).

**LNG Project Pipeline** means a pipeline (as defined in the Pipelines Act (as modified by this Agreement)) commencing from a location in the Title Areas agreed between the Minister and the Joint Venturers pursuant to clause 20 and extending to and connecting to the LNG Production Facility (or to a third party pipeline for conveyance to the LNG Production Facility) which pipeline is, or is to be (as the case may be), the subject of approved proposals pursuant to clauses 21 and 22 and includes any extension thereto or enlargement thereof that may be approved in accordance with clause 23. For the avoidance of doubt, the LNG Project Pipeline must be a separate pipeline to the Domgas Project Pipeline.

**LNG Project Pipeline Corridor** means prior to the grant of the LNG Project Pipeline Easement, the land for the route of the LNG Project Pipeline, access roads and other infrastructure and works which is agreed between the Minister and the Joint Venturers pursuant to clause 20 and, after the grant of the LNG Project Pipeline Easement, the land from time to time the subject of the LNG Project Pipeline Easement.

**LNG Project Pipeline Easement** means the easement granted or to be granted (as the case may be) to the Joint Venturers under the Pipelines Act (as modified by this Agreement) and in accordance with clause 15(2)(b), as varied in accordance with clauses 15(9) or 15(10), and according to the requirements of the context describes the area of land from time to time the subject of the easement.

**LNG Project Pipeline Licence** means the licence granted or to be granted (as the case may be) to the Joint Venturers under the Pipelines Act (as modified by this Agreement) and in accordance with clause 15(2)(a) for the construction, operation and maintenance of the LNG Project Pipeline, as varied from time to time in accordance with the Pipelines Act (as modified by this Agreement).

**LNG Project Treatment Plant** means a plant within the Title Areas for the treatment as part of the LNG Project of natural gas to a standard suitable for conveyance through the LNG Project Pipeline which treatment plant is, or is to be (as the case may be), the subject of approved proposals pursuant to clauses 21 and 22 or 23 and includes any expansion of such treatment plant that may be approved in accordance with clause 23.

**Minister** means the Minister in the Government of Western Australia for the time being responsible for the administration of the Ratifying Act 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 that Minister.

**natural gas** includes liquefied petroleum gas, liquefied natural gas and compressed natural gas.

**Petrochemical feed stocks** means ethane, propane, butane and condensate obtained from natural gas or other petroleum obtained from within the Title Areas.

**Petroleum Act** means the *Petroleum and Geothermal Energy Resources Act 1967* (WA).

**Petroleum Act Minister** means the Minister in the Government of Western Australia for the time being responsible for the administration of the Petroleum Act and includes the successors in office of that Minister.

**Petroleum Act Department** means the department in the Government of Western Australia for the time being principally responsible for assisting the Petroleum Act Minister in the administration of the Petroleum Act.

**Petroleum Titles** means, subject to clause 14(3):

- (a) the petroleum exploration permits granted under the Petroleum Act and listed in the Schedule, including any extensions or renewals thereof; and
- (b) any other petroleum exploration permits granted under the Petroleum Act which are approved by the Minister as Petroleum Titles pursuant to clause 14(2), including any extensions or renewals thereof; and



- (c) each petroleum exploration permit granted under section 37A of the Petroleum Act in respect of a petroleum exploration permit which prior to such grant was a Petroleum Title, including any extensions or renewals thereof; and
- (d) any petroleum drilling reservations granted under the Petroleum Act which are approved by the Minister as Petroleum Titles pursuant to clause 14(2), as extended; and
- (e) each petroleum retention lease granted under the Petroleum Act in respect of one or more blocks within a petroleum exploration permit or a petroleum drilling reservation which, in each case, is a Petroleum Title, including any renewals of such petroleum retention lease; and
- (f) each petroleum production licence granted under the Petroleum Act in respect of one or more blocks within a petroleum exploration permit, petroleum drilling reservation or a petroleum retention lease which, in each case, is a Petroleum Title, excluding petroleum production licences granted pursuant to applications STP-PRA 004 and 005.

**Pipeline Easements** means:

- (a) subject to clause 34, the Domgas Project Pipeline Easement; and
- (b) subject to clauses 35(6) and 39(6), the LNG Project Pipeline Easement.

**Pipeline Licences** means:

- (a) subject to clause 34, the Domgas Project Pipeline Licence; and
- (b) subject to clauses 35(6) and 39(6), the LNG Project Pipeline Licence.

**Pipelines Act** means the *Petroleum Pipelines Act 1969* (WA).

**Pipelines Act Minister** means the Minister in the Government of Western Australia for the time being responsible for the administration of the Pipelines Act and includes the successors in office of that Minister.

**Plan** means the plan marked "A" initialled by or on behalf of the parties hereto for the purpose of identification.

**Port** means a port established under the *Port Authorities Act 1999* (WA).

**private roads** means the roads referred to in clause 17 and any other roads (whether within or outside the Pipeline Easements) constructed by the Joint Venturers in accordance with approved proposals or agreed by the parties to be a private road for the purposes of this Agreement.

**Project Pipelines** means;

- (a) subject to clause 34, the Domgas Project Pipeline; and
- (b) subject to clauses 35(6) and 39(6), the LNG Project Pipeline.

**Project Titles** means:

- (a) the Domgas Project Pipeline Easement; and
- (b) the LNG Project Pipeline Easement; and
- (c) any leases, licences or other easements granted to the Joint Venturers in accordance with clause 15(3); and
- (d) any DBP Act section 41(2)(b) approvals or DBP Act section 34 access rights granted to the Joint Venturers pursuant to this Agreement.

**Ratifying Act** means the Act that ratifies this Agreement.

**Relevant LNG Precinct** means the LNG Precinct agreed between the Minister and the Joint Venturers pursuant to clause 20.

**said State** means the State of Western Australia.

**Suspension Period** means the period commencing on the Commencement Date and expiring on 31 January 2020.

**this Agreement, hereof and hereunder** refer to this Agreement, whether in its original form or as from time to time added to, varied or amended.

**Title Areas** means the areas which from time to time during the continuance of this Agreement are the subject of the Petroleum Titles.

**2. Interpretation**

- (1) In this Agreement:
- (a) monetary references are references to Australian currency unless otherwise specifically expressed;
  - (b) power given under any clause other than clause 37 to extend any period or date shall be without prejudice to the power of the Minister under clause 37;
  - (c) clause headings do not affect interpretation or construction;
  - (d) words in the singular shall include the plural and words in the plural shall include the singular according to the requirements of the context;
  - (e) one gender includes the other gender;
  - (f) a covenant or agreement by more than one person binds, and is enforceable against, those persons jointly and each of them severally;
  - (g) reference to an Act 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 being in force thereunder;
  - (h) reference in this Agreement to any other document includes that document as from time to time added to, varied or amended and notwithstanding any change in the identity of the parties;
  - (i) reference to a clause or schedule is a reference to a clause or schedule to this Agreement, and a reference to a subclause or paragraph is a reference to the subclause of the clause or paragraph of the clause or subclause as the case may be in, or in relation to, which the reference is made;
  - (j) a reference to this Agreement includes the Plan and any recital, schedule or annexure;
  - (k) "including" means "including, but not limited to"; and
  - (l) reference to a "person" includes a body corporate.

- (2) Nothing in this Agreement shall be construed:
- (a) to exempt the State or the Joint Venturers from compliance with or to require the State or the Joint Venturers to do anything contrary to any law relating to native title or any lawful obligation or requirement imposed on the State or the Joint Venturers as the case may be pursuant to any law relating to native title; or
  - (b) to exempt the Joint Venturers from compliance with any requirement in connection with the protection of the environment arising out of or incidental to its activities under this Agreement that may be made by or under the Environmental Protection Act, the Contaminated Sites Act, the Petroleum Act (as modified by this Agreement) or the Pipelines Act (as modified by this Agreement); or
  - (c) to exempt the Joint Venturers from compliance with the provisions of the Aboriginal Heritage Act (as modified by this Agreement).

**3. Ratification and operation**

- (1) The State shall introduce and sponsor a Bill in the State Parliament of Western Australia prior to 31 December 2012 or such later date as may be agreed between the parties hereto to ratify this Agreement. The State shall endeavour to secure the timely passage of such Bill as an Act.
- (2) The provisions of this Agreement other than this clause and clauses 1 and 2 will not come into operation until the day after the day on which the Bill referred to in subclause (1) has been passed by the State Parliament of Western Australia and commences to operate as an Act.
- (3) If by 31 December 2013 the said Bill has not commenced to operate as an Act then, unless the parties hereto otherwise agree, this Agreement will then cease and determine and no party hereto will have any claim against any other party hereto with respect to any matter or thing arising out of, done, performed, or omitted to be done or performed under this Agreement.

- (4) On the day after the day on which the said Bill commences to operate as an Act all the provisions of this Agreement will operate and take effect despite any enactment or other law.

**4. Initial obligations of the State**

- (1) The State shall subject to the adequate protection of the environment (including flora and fauna) and the land affected (including improvements thereon) arrange for the issue of requisite authority under any one or more of (as determined by the State in its discretion):

- (a) section 91 of the Land Act; or
- (b) section 7 of the Pipelines Act; or
- (c) section 182 of the Land Act,

to allow the Joint Venturers to enter upon Crown land within the meaning of the Land Act or the Pipelines Act as the case may be (including, if applicable, land the subject of a pastoral lease but excluding land within a Port or the DBNGP corridor) with plant and equipment to carry out all works to the extent reasonably necessary for the purposes of undertaking its obligations under clause 5(1)(b)(ii).

- (2) For the purposes of paragraph (c) of subclause (1), section 182 of the Land Act shall apply as if the Domgas Project is a proposed public work for which the Land Act Minister is under that section authorised to take interests in land within the meaning of that section.
- (3) The Joint Venturers acknowledge that they shall be responsible for obtaining in a form and substance acceptable to the Minister all unconditional and irrevocable consents of each person whose consent the relevant grantor (acting with the concurrence of the Minister) requires for the grant of any requisite authority referred to in subclause (1).

**5. Initial obligations of the Joint Venturers**

- (1) The Joint Venturers shall:
- (a) continue to explore and evaluate the Title Areas in accordance with their obligations under the Petroleum Act (as

modified by this Agreement) as holders of the relevant Petroleum Titles; and

- (b) in addition undertake field and office geological, geophysical, geotechnical, engineering and environmental investigations, appraisals and studies and in due course marketing and finance studies and other matters necessary for them:
  - (i) to prove up sufficient reserves of natural gas within the Title Areas to underpin the establishment and sustained operation of a technically and economically viable Domgas Project; and
  - (ii) subject to subparagraph (i), to finalise and to submit to the Minister the detailed proposals referred to in clause 11.
- (2) The Joint Venturers shall keep the State fully informed in writing at 6 monthly intervals from the Commencement Date as to the progress and results of their investigations, appraisals, studies and other matters undertaken by them under subclause (1)(b) and supply to the Minister such information in relation thereto as the Minister may request from time to time.
- (3) The Joint Venturers shall co-operate with the State and consult with the representatives or officers of the State regarding matters referred to in subclauses (1) and (2) and any other relevant studies in relation to those subclauses that the Minister may reasonably request the Joint Venturers to undertake.
- (4) For the purposes of this Agreement in relation to the undertaking or proposed undertaking of the Domgas Project or the LNG Project the Aboriginal Heritage Act applies as if it were modified by:
  - (a) the insertion before the full stop at the end of section 18(1) of the words:

"and the expression "the Joint Venturers" means the persons from time to time comprising "the Joint Venturers" in their capacity as such under the agreement made on or about 6 November 2012 between The Honourable Colin James Barnett, Premier of the State of Western Australia acting for and on behalf of the said State and its instrumentalities from time to time, Buru Energy Limited ACN 130 651 437,

Diamond Resources (Fitzroy) Pty Ltd ACN 145 113 177, Diamond Resources (Canning) Pty Ltd ACN 145 113 186 and Mitsubishi Corporation, as varied from time to time, in relation to the use or proposed use of land pursuant to that agreement after and in accordance with approved proposals under that agreement and in relation to the use of that land before any such approval of proposals where the Joint Venturers have the requisite authority to enter upon and so use the land";

- (b) the insertion in sections 18(2), 18(4), 18(5) and 18(7) of the words "or the Joint Venturers as the case may be" after the words "owner of any land";
- (c) the insertion in section 18(3) of the words "or the Joint Venturers as the case may be" after the words "the owner";
- (d) the insertion of the following sentences at the end of section 18(3):

"In relation to a notice from the Joint Venturers the conditions that the Minister may specify can as appropriate include, among other conditions, a condition restricting the Joint Venturers' use of the relevant land to after the approval or deemed approval as the case may be under the abovementioned agreement of all the Joint Venturers submitted detailed proposals for the Domgas Project or the LNG Project (as each is defined in the above-mentioned agreement), as the case may be, or in the case of additional proposals submitted or to be submitted by the Joint Venturers to after the approval or deemed approval under that agreement of such additional proposals, and to the extent so approved." and

- (e) the insertion in sections 18(2) and 18(5) of the words "or it as the case may be" after the word "he".

The Joint Venturers acknowledge that nothing in this subclause nor the granting of any consents under section 18 of the Aboriginal Heritage Act will constitute or be construed as constituting the approval of any proposals submitted or to be submitted by the Joint Venturers under this Agreement or as the grant or promise of any land tenure for the purposes of this Agreement.

**6. Community development plan**

- (1) In this clause, the term "community and social benefits" includes:
  - (a) assistance with skills development and training opportunities to promote work readiness and employment for persons living in the north west region of the said State; and
  - (b) regional development activities in the north west region of the said State including partnerships and sponsorships; and
  - (c) contribution to any community projects, town services or facilities having regard to the impact of the Domgas Project or the LNG Project as the case may be on towns or communities in the north west region of the said State.
- (2) The Joint Venturers acknowledge the need for community and social benefits flowing from this Agreement.
- (3) The Joint Venturers agree that, prior to the time at which they submit any proposals pursuant to clause 11 and, if required by the Minister, prior to the time at which they submit any proposals pursuant to clauses 13, 21 or 23, they shall:
  - (a) prepare a plan which describes the Joint Venturers' proposed strategies for achieving community and social benefits in connection with the developments proposed; and
  - (b) submit to the Minister the plan prepared pursuant to subclause (3)(a) and confer with the Minister in respect of the plan.
- (4) The Minister shall within one month after receipt of a plan submitted under subclause (3)(b), either notify the Joint Venturers that the Minister approves the plan as submitted or notify the Joint Venturers of changes which the Minister requires be made to the plan. If the Joint Venturers are unwilling to accept the changes which the Minister requires they shall notify the Minister to that effect and either party may refer to arbitration hereunder the question of the reasonableness of the changes required by the Minister.
- (5) The effect of an award made on an arbitration pursuant to subclause (4) shall be that the plan submitted by the Joint Venturers pursuant to subclause (3)(b) shall, with such changes required by the



Minister under subclause (4) as the arbitrator determines to be reasonable (with or without modification by the arbitrator), be deemed to be the plan approved by the Minister under this clause.

- (6) During the currency of this Agreement, the Joint Venturers shall implement the plan approved or deemed to be approved by the Minister under this clause.
- (7) The Joint Venturers shall at least annually report to the Minister about the Joint Venturers' implementation of the plan approved or deemed to be approved by the Minister under this clause.
- (8) At the request of either of them made at any time and from time to time, the Minister and the Joint Venturers shall confer as to any amendments desired to any plan approved or deemed to be approved by the Minister under this clause and may agree to amendment of the plan or adoption of a new plan. Any such amended plan or new plan will be deemed to be the plan approved by the Minister under this clause.

**7. Local industry participation plan**

- (1) In this clause, the term "local industry participation benefits" means:
  - (a) the use and training of labour available within the said State; and
  - (b) the use of the services of engineers, surveyors, architects and other professional consultants, experts, specialists, project managers and contractors available within the said State; and
  - (c) the procurement of works, materials, plant, equipment and supplies from Western Australian suppliers, manufacturers and contractors.
- (2) The Joint Venturers acknowledge the need for local industry participation benefits flowing from this Agreement.
- (3) The Joint Venturers agree that they shall prepare and, in accordance with clause 11(8)(c), provide to the Minister a plan which contains in connection with the development proposed or to be proposed as the case may be pursuant to clause 11:
  - (a) a clear statement on the strategies which the Joint Venturers will use, and require a third party as referred to in

clause 27(2) to use, to maximise the uses and procurement referred to in subclause (1); and

- (b) detailed information on the procurement practices the Joint Venturers will adopt, and require a third party as referred to in clause 27(2) to adopt, in calling for tenders and letting contracts for works, materials, plant, equipment and supplies and how such practices will provide full fair and reasonable opportunity for suitably qualified Western Australian suppliers, manufacturers and contractors to tender or quote for works, materials, plant, equipment and supplies; and
- (c) detailed information on the methods the Joint Venturers will use, and require a third party as referred to in clause 27(2) to use, to have their respective procurement officers promptly introduced to Western Australian suppliers, manufacturers and contractors seeking such introduction; and
- (d) details of the communication strategies the Joint Venturers will use, and require a third party as referred to in clause 27(2) to use, to alert Western Australian engineers, surveyors, architects and other professional consultants, experts, specialists and project managers and Western Australian suppliers, manufacturers and contractors to services opportunities and procurement opportunities respectively as referred to in subclause (1).

It is acknowledged by the Joint Venturers that the strategies of the Joint Venturers referred to in subclause (3)(a) will include strategies of the Joint Venturers in relation to the supply of services, labour, works, materials, plant and equipment or supplies for the purposes of this Agreement.

- (4) During the currency of this Agreement the Joint Venturers shall implement the plan provided in compliance with this clause.
- (5) At the request of either of them made at any time and from time to time, the Minister and the Joint Venturers shall confer as to any amendments desired to any plan provided in compliance with this clause and may agree to the amendment of the plan or the provision of a new plan in substitution for the one previously provided.

- (6) The provisions of subclauses (3) and (4) shall apply *mutatis mutandis* to any development proposed or to be proposed as the case may be pursuant to clauses 13, 21 or 23 (unless the Minister otherwise requires).

**8. Domgas Commitment**

- (1) The parties acknowledge for the purposes of this clause and clauses 10 and 11 that it is their common aspiration that the Joint Venturers will, subject to the proving up of sufficient reserves of natural gas within the Title Areas, prior to the date that is 25 years after the Domgas Project Operation Date progressively and continuously make available for sale into the Western Australian domestic gas market a quantity of Domgas (produced as part of the Domgas Project from natural gas obtained from within the Title Areas) that is equivalent to at least 1,500 petajoules of natural gas.
- (2) The Joint Venturers shall no later than 31 March 2016 commence to market Domgas (to be produced as part of the Domgas Project from natural gas obtained from within the Title Areas) on an ongoing basis for sale into the Western Australian domestic gas market and Petrochemical feed stocks for sale as contemplated by clause 28.
- (3) In the event liquefied natural gas for export is being produced, or is to be produced, from natural gas obtained from within the Title Areas, the Joint Venturers shall be obliged to market and make available for sale into the Western Australian domestic gas market a quantity of Domgas (produced from natural gas obtained from within the Title Areas) which at any time during the currency of this Agreement (including as extended from time to time) is equal to the equivalent of at least the Relevant Percentage of the aggregate energy value of liquefied natural gas which at that point in time has been produced for export from natural gas obtained from within the Title Areas.

The parties acknowledge that for the purpose of this subclause the energy value of:

- (a) Domgas (produced after the Commencement Date from natural gas obtained from within the Title Areas) sold by any one or more of the Joint Venturers into the Western Australian domestic gas market; and

- (b) Petrochemical feed stocks produced and sold by any one or more of the Joint Venturers in compliance with clause 28,

shall be counted towards the Joint Venturers' Domgas Commitment as set out in this subclause.

For the purpose of this subclause:

**Domestic Gas Reservation Policy** means the State's policy on securing domestic gas supplies as published in August 2012 in the Strategic Energy Initiative: *Energy 2031*, as revised or replaced from time to time including legislatively;

**energy value** means in relation to a quantity of petroleum product the thermal energy equivalent of that quantity in joules calculated in accordance with good industry practice;

**Relevant Percentage** means 15% or such greater or lesser percentage as may be specified in, or applying for the purposes of, the Domestic Gas Reservation Policy at the Relevant Time; and

**Relevant Time** means:

- (a) the date on which the Minister first gives consent pursuant to clause 19 for the commercialisation of natural gas obtained from within the Title Areas as liquefied natural gas for export; or
- (b) the date on which agreement between the Minister and the Joint Venturers is first reached pursuant to clause 20 on all matters required by that clause to be agreed between them,

whichever occurs first.

- (4) The parties acknowledge that it is their common expectation that the Joint Venturers will expand their Domgas Project in accordance with this Agreement so as to allow them to supply additional Domgas as contemplated by subclause (3).
- (5) As part of their Domgas Commitment the Joint Venturers agree:
- (a) to reserve or procure the reservation from time to time of natural gas within the Title Areas sufficient for the sustained operation of the Domgas Project in accordance with approved

proposals and otherwise for them to meet their Domgas Commitment generally; and

- (b) to discharge their abovementioned ongoing marketing obligations in good faith, actively and diligently (exercising the degree of skill, prudence and foresight which would reasonably be exercised by a skilled and experienced person engaged in the same type of undertaking) including assessing through activities such as market research and discussions with potential buyers demand for such Domgas and Petrochemical feed stocks; and
  - (c) to provide the Minister at least every 12 months (unless the Minister requests otherwise) after 31 March 2016 with a report as to the performance of their Domgas Commitment.
- (6) The Minister may at any time appoint at the cost of the Joint Venturers (subject to an agreed budget) an agreed person who is independent of the parties and does not have any conflict of interest with other companies involved in the Western Australian domestic gas industry to advise the Minister of the extent to which the Joint Venturers have actively and diligently undertaken ongoing marketing in accordance with this clause. The Joint Venturers will provide on a confidential basis to such person, information on their marketing activities including indicative prices, quantities and qualities of Domgas and Petrochemical feed stocks offered for sale.
- (7) The provisions of clause 36 shall not apply to this clause.
- (8) Subject to clause 19 and the provisions of this Agreement relating or otherwise relevant to the submission and approval of proposals, nothing in this Agreement is to be construed as preventing or restricting the Joint Venturers from commercialising, by the production of Domgas as part of the Domgas Project, more natural gas from within the Title Areas than is required to be reserved for that purpose pursuant to subclause (5)(a).

**9. Joint Venturers' continuing exploration obligation**

- (1) The Joint Venturers shall notwithstanding the submission and approval of proposals for the establishment and operation of the Domgas Project continue to actively explore the Title Areas for natural gas in accordance with the Petroleum Act (as modified by this

Agreement) with a view to commercialising such natural gas as Domgas and, if the Joint Venturers so wish, liquefied natural gas for export.

- (2) The Joint Venturers shall keep the State fully informed in writing at 6 monthly intervals from the date of approval or deemed approval of all of their proposals submitted under clause 11(1) as to the progress and results of the exploration undertaken by them under subclause (1) and supply to the Minister such information in relation thereto as the Minister may request from time to time.
- (3) The Joint Venturers shall co-operate with the State and consult with the representatives or officers of the State regarding matters referred to in subclauses (1) and (2).

**10. Domgas Project Pipeline Corridor**

- (1) During their investigations, appraisals and studies required under clause 5 (but not earlier than 31 December 2014) the Joint Venturers shall consult with the Minister to seek the agreement of the Minister (after the Minister consults the Pipelines Act Minister and (if relevant) the DBNGP Land Access Minister and the Commissioner of Main Roads) as to:
  - (a) the diameter of the Domgas Project Pipeline having regard to (but not limited to) the parties' aspirations as set out in clause 8(1), proven reserves of natural gas within the Title Areas and information provided by the Joint Venturers pursuant to clause 5; and
  - (b) where the Domgas Project Pipeline will begin and end; and
  - (c) the route for the Domgas Project Pipeline and associated access roads to be within the Domgas Project Pipeline Corridor; and
  - (d) the land required to be included in the Domgas Project Pipeline Easement for that route as well as for associated infrastructure and works and areas from which stone, sand, clay and gravel may be taken.

In seeking such agreement on the matters referred to in paragraphs (b), (c) and (d), regard shall be had to achieving a balance between engineering matters including costs, the nature and use of

any lands concerned and interests therein and the costs of acquiring the land (all of which shall be borne by the Joint Venturers). The parties acknowledge that the width of the Domgas Project Pipeline Corridor may need to vary along its route to accommodate the Domgas Project Pipeline, access roads and associated infrastructure and works and areas from which stone, sand, clay and gravel may be taken.

- (2) The Minister and the Joint Venturers may from time to time before the submission of proposals vary their agreement pursuant to subclause (1).
- (3) The Joint Venturers acknowledge that they shall be responsible for obtaining in a form and substance acceptable to the Minister all unconditional and irrevocable consents of each person whose consent the Land Act Minister (acting with the concurrence of the Minister) requires for:
  - (a) the grant of the Domgas Project Pipeline Easement; and
  - (b) the inclusion of additional land in the Domgas Project Pipeline Easement as referred to in clause 15(8).
- (4) The provisions of clause 42 shall not apply to subclauses (1) or (2).
- (5) An application under the Pipelines Act for the same purpose (or in the Minister's opinion substantially the same purpose) as the Domgas Project Pipeline may only be made by the Joint Venturers after agreement has been reached by them with the Minister in accordance with subclause (1).
- (6) The Joint Venturers acknowledge that they shall be responsible for applying (consistent with the matters agreed by them with the Minister pursuant to clause 10) under the Pipelines Act for the grant to them of the Domgas Project Pipeline Licence.

**11. Joint Venturers to submit proposals for Domgas Project**

- (1) Subject to the Environmental Protection Act and the other provisions of this Agreement, the Joint Venturers shall submit to the Minister by 30 June 2016 to the fullest extent reasonably practicable their detailed proposals (including plans where practicable and specifications where reasonably required by the Minister and any other details normally required by a local government in whose areas any works are to be

situated) with respect to undertaking of the Domgas Project, which proposals shall include the location, area, layout, design, materials and time program for the commencement and completion of construction or the provision (as the case may be) of each of the following matters namely:

- (a) the Domgas Project Treatment Plant at the commencement of the Domgas Project Pipeline and other Domgas Project Treatment Plants (if any);
- (b) the Domgas Project Pipeline within the Domgas Project Pipeline Corridor;
- (c) the pipeline connections to connect the Domgas Project Pipeline to each Domgas Project Treatment Plant to be constructed and to the domestic gas network in the said State;
- (d) associated infrastructure and works to be within the Domgas Project Pipeline Corridor;
- (e) temporary works in relation to the construction and testing of any Domgas Project Treatment Plant and the Domgas Project Pipeline;
- (f) accommodation for the Joint Venturers' construction workforce in the vicinity of the Domgas Project Pipeline Corridor;
- (g) water supply;
- (h) electricity supplies;
- (i) telecommunications;
- (j) construction and permanent road access including within the Domgas Project Pipeline Corridor;
- (k) any other works, services or facilities required by the Joint Venturers; and
- (l) leases, licences or easements under the Land Act or DBP Act section 41(2)(b) approval or DBP Act section 34 access right required by the Joint Venturers from the State.



- (2) The Joint Venturers may only submit proposals under subclause (1) if:
- (a) a plan as referred to in clause 6 has been approved by the Minister; and
  - (b) the Minister and the Joint Venturers have reached agreement pursuant to clause 10 on all matters required to be agreed between them by that clause; and
  - (c) the Joint Venturers have applied under the Pipelines Act for the grant to them of the Domgas Project Pipeline Licence and such application is current.
- (3) Proposals pursuant to subclause (1):
- (a) must specify the matters agreed between the Minister and the Joint Venturers pursuant to clause 10 and must not be contrary to or inconsistent with such agreed matters;
  - (b) must specify the capacity (expressed in terajoules per day) of the Domgas Project Pipeline proposed to be constructed; and
  - (c) must specify the capacity of each Domgas Project Treatment Plant proposed to be constructed; and
  - (d) must specify the term of the Domgas Project; and
  - (e) must provide for the construction of the Domgas Project Pipeline to be commenced within 12 calendar months after approval of all of the Joint Venturers' proposals or grant of the Domgas Project Pipeline Licence (whichever is the later) and completed, and first transmission of natural gas to commence, within 2 years thereafter; and
  - (f) must provide for the construction of all other proposed facilities, infrastructure and works to commence not later than 12 months after the approval of all of the Joint Venturers' proposals and to be completed and operational within 3 years thereafter.

The parties also acknowledge that proposals pursuant to subclause (1) shall contemplate the construction, operation and maintenance of the Domgas Project Pipeline, access roads and associated infrastructure and works within the Domgas Project Pipeline Corridor subject to and

in accordance with the safety cases and such other plans and requirements from time to time of the Pipelines Act and regulations under the Pipelines Act.

- (4) Each of the proposals submitted pursuant to subclause (1) may with the consent of the Minister and that of any other parties concerned instead of providing for the construction of new facilities or equipment or the provision of new services of the kind therein mentioned provide for the use by the Joint Venturers of any existing facilities equipment or services of such kind (other than the pipe or system of pipes, being part of the LNG Project Pipeline) belonging to the Joint Venturers or, upon terms and conditions agreed between the Joint Venturers and the other parties of any other existing facilities equipment or services of such kind.
- (5) The Joint Venturers may with the consent of the Minister propose, as part of their proposals under this clause or under clause 13 the construction, establishment, provision, enlargement or extension as the case may be as part of the Domgas Project of facilities, equipment or services (other than the pipe or system of pipes, being part of the Domgas Project Pipeline) for use as part of the LNG Project (whether current or proposed).
- (6) Each of the proposals pursuant to subclause (1) may with the approval of the Minister, or must if so required by the Minister, be submitted separately and in any order as to the matter or matters mentioned in one or more of paragraphs (a) to (l) of subclause (1), and until all of its proposals under this clause have been approved the Joint Venturers may withdraw and may resubmit any proposal but the withdrawal of any proposal shall not affect the obligations of the Joint Venturers to submit a proposal under this clause in respect of the subject matter of the withdrawn proposal.
- (7) The Joint Venturers shall, whenever any of the following matters referred to in this subclause are proposed by the Joint Venturers (whether before or during the submission of proposals under this clause), submit to the Minister details of any services (including any elements of the project investigations, design and management) and any works, materials, plant, equipment and supplies that they propose to consider obtaining from or having carried out or permitting to be obtained from or carried out outside Australia, together with their

reasons therefor and shall, if required by the Minister consult with the Minister with respect thereto.

- (8) At the time when the Joint Venturers submit the last of the said proposals pursuant to this clause, they shall:
- (a) furnish to the Minister's reasonable satisfaction evidence:
    - (i) that the Joint Venturers are financially capable of undertaking the operations to which the said proposals refer; and
    - (ii) that the Joint Venturers are ready to embark upon and proceed to carry out the operations referred to in the said proposals including with respect to connecting the Domgas Project Pipeline to the domestic gas pipeline network; and
    - (iii) that the Pipelines Act Minister is ready to, upon the Minister's approval of the said proposals, grant the Domgas Project Pipeline Licence; and
    - (iv) that the Pipelines Act Minister is ready to, upon the Minister's approval of the said proposals, grant all consents required under the Pipelines Act or regulations made thereunder for the commencement of pipeline construction; and
    - (v) the DBNGP Land Access Minister is ready to, upon the Minister's approval of the said proposals, grant any DBP Act section 41(2)(b) approval and DBP Act section 34 access right required by the Joint Venturers; and
    - (vi) that the Joint Venturers hold, or the readiness of relevant authorities and agencies to, upon the Minister's approval of their proposals, grant approvals, consents, licences or other rights required to implement the proposals; and
  - (b) furnish to the Minister the consents required by the Land Act Minister (acting with the concurrence of the Minister) for the grant of the Domgas Project Pipeline Easement as referred to in clause 10(3)(a); and

(c) furnish to the Minister the local industry participation plan referred to in clause 7(3).

(9) The provisions of clause 36 shall not apply to this clause.

**12. Consideration of Domgas Project proposals**

(1) In respect of each proposal pursuant to clause 11(1) the Minister shall subject to the Environmental Protection Act:

- (a) approve of the proposal 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 clause 11(1) not covered by the said proposal or until such time as clause 11(8) has been complied with by the Joint Venturers; 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) think reasonable and in such a case the Minister shall disclose his reasons for such conditions,

PROVIDED ALWAYS that where implementation of any proposals hereunder have been approved pursuant to the Environmental Protection Act subject to conditions or procedures, any approval or decision of the Minister under this clause shall if the case so requires incorporate a requirement that the Joint Venturers make such alterations to the proposals as may be necessary to make them accord with those conditions or procedures.

(2) The Minister shall within 2 months after the later of:

- (a) receipt of proposals pursuant to clause 11(1);
- (b) where the proposals are to be assessed under Part IV of the Environmental Protection Act, service on the Minister of an

authority under section 45(7) of the Environmental Protection Act;

- (c) where a proposal will or may require the State to do any act which affects any native title rights and interests, completion of all processes required by laws relating to native title to be undertaken by the State before that act may be done by the State,

give notice to the Joint Venturers of his decision in respect to the proposals.

- (3) If the decision of the Minister is as mentioned in either of paragraphs (b) or (c) of subclause (1) 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.
- (4) If the decision of the Minister is as mentioned in either of paragraphs (b) or (c) of subclause (1) 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) may elect to refer to arbitration in the manner hereinafter provided the question of the reasonableness of the decision provided that any requirement of the Minister pursuant to the proviso to subclause (1) shall not be referable to arbitration hereunder.
- (5) An award made on an arbitration pursuant to subclause (4) 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
  - (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 the Minister is so satisfied with and approves the matter or matters the subject of the arbitration.
- (6) Notwithstanding any provision of this Agreement or that the plan required to be approved pursuant to clause 6 has not been approved or that the agreement required to be reached between the Minister and

the Joint Venturers pursuant to clause 10 has not been so reached or that under this clause any proposals of the Joint Venturers are approved by the Minister or determined by arbitration award, unless each and every matter required pursuant to clause 11 is so approved or determined by 30 June 2018, the Minister may give the Joint Venturers 6 months notice of intention to determine this Agreement and unless before the expiration of the said 6 months period all the detailed proposals and matters are so approved or determined this Agreement shall on the expiration of that period cease and determine subject to the provisions of clause 39.

- (7) Subject to and in accordance with the Environmental Protection Act and any approvals and licences required under that Act the Joint Venturers shall implement the approved proposals in accordance with the terms thereof.
- (8) Notwithstanding clause 35 the Minister may during the implementation of approved proposals approve variations to those proposals.

**13. Expansion of Domgas Project**

- (1) If the Joint Venturers at any time during the currency of this Agreement desire to:
  - (a) extend or enlarge the Domgas Project Pipeline or a Domgas Project Treatment Plant or increase the capacity of that pipeline or treatment plant beyond that specified in the approved proposals; or
  - (b) connect an existing or proposed pipeline to the Domgas Project Pipeline; or
  - (c) otherwise to significantly modify, expand or otherwise vary their activities that are the subject of this Agreement and that may be carried on by them pursuant to this Agreement as part of the Domgas Project beyond those activities specified in the then approved proposals,

they shall give notice of such desire to the Minister and furnish to the Minister with that notice an outline of their proposals in respect thereto (including such matters mentioned in clauses 10 and 11(1) as are relevant or as the Minister otherwise requires).

- (2) The Minister shall within one month after receiving a notice under subclause (1) advise the Joint Venturers whether or not he approves in-principle the proposed extension, enlargement, increase, connection or other modification, expansion or variation. An in-principle approval by the Minister under this subclause may be given subject to conditions including a condition requiring variations or additions to this Agreement provided that any such condition shall not without the consent of the Joint Venturers require variations of:
- (a) the term of any Petroleum Titles or rentals or royalties payable thereunder; or
  - (b) the rates or method of calculating royalty on petroleum produced from the Petroleum Titles.

The Minister shall afford the Joint Venturers full opportunity to consult with the Minister in respect of any decision of the Minister under this subclause.

- (3) If the Minister gives in-principle approval under subclause (2) the Joint Venturers may but not otherwise submit detailed proposals in respect thereof provided that the provisions of clause 5 (other than subclause (1)(a) and (1)(b)(i)) and (if the proposals are to include an extension or enlargement of the Domgas Project Pipeline) clause 10 shall mutatis mutandis apply prior to submission of detailed proposals in respect thereof.
- (4) Subject to the Environmental Protection Act and the provisions of this Agreement the Joint Venturers shall submit to the Minister within a reasonable timeframe (as determined by the Minister) after the giving of the Minister's in-principle approval, detailed proposals in respect thereof in accordance with any conditions of that approval otherwise that in-principle approval shall lapse.
- (5) The provisions of clause 11 (other than subclause (3)(d), with the reference in subclause (8)(a)(iii) being read as a reference to the Pipelines Act Minister being ready to vary the Domgas Pipeline Licence to accord with the approved proposals, with the reference in subclause (8)(b) being read as a reference to clause 10(3)(b) and the reference in subclause (8)(c) being read as a reference to clause 7(3) as applying pursuant to clause 7(6)) and of clause 12 (other than subclauses (5)(a) and (6)) shall mutatis mutandis apply to detailed proposals submitted pursuant to this clause. The Joint Venturers may

withdraw such proposals at any time before approval thereof or, where any decision of the Minister in respect thereof is referred to arbitration, within 3 months after the award by notice to the Minister that it shall not be proceeding with the same. In that event the Minister's in-principle approval shall lapse.

- (6) Subject to and in accordance with the Environmental Protection Act and any approvals or licences required under that Act, the Joint Venturers shall implement approved proposals pursuant to this clause in accordance with the terms thereof.

#### **14. Petroleum Titles**

- (1) For the purposes of this Agreement and without limiting the operation of other subclauses, the application of the Petroleum Act and the regulations made thereunder in relation to Petroleum Titles is, and the rights and obligations of the holders from time to time of Petroleum Titles are, specifically modified during the continuance of this Agreement as follows:

- (a) section 41 of the Petroleum Act shall not apply to an application made during the Suspension Period under section 40 of the Petroleum Act for the renewal of a petroleum exploration permit; and
- (b) an application made under section 40 of the Petroleum Act during the Suspension Period for the renewal of a petroleum exploration permit must be in respect of all of the blocks in respect of which the permit is then in force unless the Petroleum Act Minister (acting with the concurrence of the Minister) otherwise consents to the application being made in respect of a lesser number of blocks;
- (c) an application made under section 40 of the Petroleum Act during the Suspension Period for the renewal of a petroleum exploration permit may not be made earlier than 6 calendar months before the date of expiration of the permit; and
- (d) in relation to section 97:
- (i) section 97(3) shall not apply:
- (A) during the Suspension Period in respect of a petroleum exploration permit; and



- (B) to a petroleum exploration permit that is renewed during the Suspension Period in respect of that renewed term; and
- (ii) without restricting a permittee's right to make applications in respect of a variation, suspension or exemption under section 97(1)(g), the permittee may, at any time during the first 9 months of the final year of the term of a petroleum exploration permit that has been renewed during the Suspension Period, make an application pursuant to section 97(1)(g) for:
  - (A) a variation or suspension of the minimum work commitments relating to that renewed term of the petroleum exploration permit; or
  - (B) an exemption from compliance with the minimum work commitments relating to that renewed term of the petroleum exploration permit,

notwithstanding that at the time of making such application the permittee has not complied with or is unlikely to be able to comply with the relevant minimum work commitments. In such case the Petroleum Act Minister is (in addition to his or her powers under section 97(1)) empowered, if he or she (after consulting the Minister) considers it appropriate in all the circumstances, to vary or suspend the commitments or exempt the permittee from the commitments with such variation, suspension or exemption having, to the extent the Petroleum Act Minister considers appropriate, retrospective operation in relation to the non-compliance or likely non-compliance; and

- (e) in relation to a petroleum exploration permit to be renewed or renewed (as the case may be) during the Suspension Period:
  - (i) in the determination of the minimum work commitments for any renewed term of the permit, the Petroleum Act Minister shall have regard to the

- permittee's obligations under clauses 5 and 9(1) of this Agreement; and
- (ii) in determining compliance with the minimum work commitments for such renewed term of the permit, the Petroleum Act Minister may credit appraisal work carried out on any gas discovery in the petroleum permit area of that permit or in an adjacent petroleum permit area of a petroleum exploration permit that is also a Petroleum Title if in each case the Petroleum Act Minister considers that such crediting is consistent with and facilitates the objects of the Agreement; and
  - (f) the Petroleum Act Minister shall not (without the concurrence of the Minister) give his consent under section 98 of the Petroleum Act to an application for the surrender of all or some of the blocks in respect of which a petroleum exploration permit or petroleum drilling reservation is then in force; and
  - (g) the rights of the Joint Venturers (or any of them) as the holder or holders of any Petroleum Title (including to apply for and be granted another Petroleum Title or otherwise in respect of any such other Petroleum Title) may only be assigned, mortgaged, charged, sublet or otherwise disposed of (including by transfer) in accordance with clause 33; and
  - (h) the Petroleum Act Minister may only exercise his powers under and in accordance with section 99 of the Petroleum Act in respect of a Petroleum Title with the concurrence of the Minister.
- (2) The Minister (after consulting the Petroleum Act Minister) may, at any time after 31 March 2016, approve any petroleum exploration permit or petroleum drilling reservation held solely by any one or more of the Joint Venturers, the land the subject of which is wholly within the Canning Basin, and which is not then a Petroleum Title, as a Petroleum Title for the purposes of this Agreement and subject to such of the existing conditions of the title as the Petroleum Act Minister (with the concurrence of the Minister) determines but otherwise as from the date of Minister's approval subject to the

provisions of this Agreement. However, the Minister may not approve a petroleum exploration permit or a drilling reservation as a Petroleum Title for the purposes of this Agreement unless the Minister is satisfied that:

- (a) the land the subject of the title is prospective for natural gas; and
  - (b) such approval would more efficiently or satisfactorily implement or facilitate the objects of this Agreement.
- (3) The Joint Venturers may with the prior consent of the Minister (after consulting the Petroleum Act Minister) withdraw the whole (but not part only) of a Petroleum Title from this Agreement and upon such withdrawal (to be effective upon the date of the Minister's consent):
- (a) the title shall cease to be a Petroleum Title and to have the benefit of the rights and privileges conferred by, and be subject to the obligations and restrictions imposed by, this Agreement; and
  - (b) any modification of the Petroleum Act made by this Agreement in relation to the title shall cease to apply; and
  - (c) the title shall continue in force under and subject to the Petroleum Act for the balance of its then current term.

In considering an application by the Joint Venturers pursuant to this subclause, the Minister shall consider (without limitation) whether the withdrawal of the Petroleum Title may prejudice or otherwise compromise the objects of this Agreement.

- (4) The Joint Venturers shall be responsible for obtaining the grant to them (or such of them as are the holders of the then existing relevant Petroleum Title) under the Petroleum Act of any petroleum production licences or retention leases (which upon grant will be Petroleum Titles) including if required for the purposes of the Domgas Project or the LNG Project, of any extensions or renewals of petroleum exploration permits or petroleum retention leases and extensions of any petroleum drilling reservations and the grant of such petroleum production licences or retention leases, extensions or renewals of petroleum exploration permits or petroleum retention leases or extensions of petroleum drilling reservations may not be

sought as part of proposals submitted by the Joint Venturers under this Agreement.

- (5) The Joint Venturers shall lodge with the Petroleum Act Department in respect of all Petroleum Titles
- (a) such periodical reports and returns as may be required by, or prescribed, by the Petroleum Act or regulations made thereunder in respect of the Petroleum Titles (including any reports and returns required by administrative guidelines that by direction are applicable to the Petroleum Titles); and
  - (b) reports on drilling operations and drill holes where the main purpose of the drilling was to discover or prove up natural gas reserves within the Title Areas in compliance with the Joint Venturers' obligations under clause 5; and
  - (c) if requested by the Minister but not more frequently than annually, a report for consideration by the Minister which is a summary of the status of and prospects for gas discovery and reserves together with a list of any activities carried out during the year or since the period of the last report (whichever is greater) and, if requested by the Minister will provide further details and results of those activities in accordance with guidelines on reporting as specified in the Petroleum Act or applied to the Petroleum Titles from time to time,

and the Joint Venturers acknowledge that any notifications and particulars provided to the Petroleum Act Department under section 44(1) of the Petroleum Act in relation to the land the subject of the Petroleum Titles may be provided by that department to the Minister.

**15. Pipeline Licences and Project Titles**

- (1) Not later than 3 months after all of the Joint Venturers' proposals submitted pursuant to clause 11(1) have been approved or deemed to be approved the State shall in accordance with the approved proposals cause to be granted to the Joint Venturers:
- (a) under and subject to the Pipelines Act (as modified by this Agreement), a licence for the Joint Venturers to construct, operate and maintain the Domgas Project Pipeline on such

terms and conditions as the Pipelines Act Minister may, consistent with this Agreement and approved proposals, consider reasonable; and

- (b) under and subject to the Pipelines Act (as modified by this Agreement), an easement for the Joint Venturers to construct, operate, inspect, maintain and repair within the Domgas Project Pipeline Corridor the Domgas Project Pipeline, access roads and associated infrastructure and works within that corridor on such terms and conditions as the Land Act Minister may consistent with this Agreement and approved proposals, consider reasonable; and
  - (c) under and subject to the DBP Act, any section 41(2)(b) approval and section 34 access right to be granted pursuant to such approved proposals in respect of the connection of the Domgas Project Pipeline to the domestic gas pipeline network on such terms and conditions as the DBNGP Land Access Minister may, consistent with this Agreement and approved proposals, consider reasonable.
- (2) Not later than 3 months after all of the Joint Venturers proposals' submitted pursuant to clause 21(1) have been approved or deemed to be approved the State shall in accordance with the approved proposals cause to be granted to the Joint Venturers:
- (a) under and subject to the Pipelines Act (as modified by this Agreement), a licence for the Joint Venturers to construct, operate and maintain the LNG Project Pipeline on such terms and conditions as the Pipelines Act Minister may, consistent with this Agreement and approved proposals, consider reasonable; and
  - (b) under and subject to the Pipelines Act (as modified by this Agreement), an easement for the Joint Venturers to construct, operate, inspect, maintain and repair within the LNG Project Pipeline Corridor the LNG Project Pipeline, access roads and associated infrastructure and works within such corridor on such terms and conditions as the Land Act Minister may consistent with this Agreement and approved proposals, consider reasonable; and

- (c) under and subject to the DBP Act, any section 41(2)(b) approval and section 34 access right to be granted pursuant to such approved proposals in respect of the connection of the LNG Project Pipeline to the domestic gas pipeline network (if such connection has been approved as part of the approved proposals for the LNG Project) on such terms and conditions as the DBNGP Land Access Minister may, consistent with this Agreement and approved proposals, consider reasonable.
- (3) Subject to subclause (4), the State shall on application made by the Joint Venturers to the Minister in such manner as the Minister may determine, no later than 3 months after approval of the Joint Venturers' approved proposals for the grant of such titles, in accordance with the Joint Venturers' approved proposals cause to be granted to the Joint Venturers for such periods and on such terms and conditions including rentals and renewal rights as the Minister (after consulting the Land Act Minister) may, consistent with this Agreement and the approved proposals, consider reasonable having regard to the requirements of the Joint Venturers leases, licences and other easements under, and except as provided in this Agreement, subject to the Land Act for all or any of the Joint Venturers' operations under this Agreement.
- (4) A Project Title may only be determined:
  - (a) by the expiration of its term (including as extended from time to time); or
  - (b) by the Joint Venturers surrendering the title with the consent of the Minister (after consulting the Land Act Minister or the DBNGP Land Access Minister as the case requires); or
  - (c) under, pursuant to or as otherwise provided in this Agreement.
- (5) A Project Title may not be forfeited or otherwise determined except in accordance with this Agreement.
- (6) If additional proposals are approved or deemed approved in accordance with:
  - (a) clause 13 in relation to the Domgas Project Pipeline; or
  - (b) clause 23 in relation to the LNG Project Pipeline,

then the State shall cause the Pipelines Act Minister (if necessary) to, under and subject to the Pipelines Act (as modified by this Agreement), vary the terms and conditions of the applicable Pipeline Licence (including if required as to the area of the licence) as the Pipelines Act Minister may, consistent with this Agreement and approved proposals, consider reasonable.

- (7) The Joint Venturers shall, if the Minister so requires, within 6 months after the Domgas Project Operation Date or such longer period allowed by the Minister surrender in accordance with the provisions of the Pipelines Act the area of the Domgas Project Pipeline Easement down to 30 metres in width or such other width (generally or in relation to any part of such easement) approved or required by the Minister as the case may be (after consulting the Joint Venturers, the Land Act Minister, the Pipelines Act Minister and (if relevant) the Commissioner of Main Roads) which allows for the safe operation of the Domgas Project Pipeline then constructed or approved for construction under approved proposals.
- (8) If additional proposals are approved in accordance with clause 13 for the extension or enlargement of the Domgas Project Pipeline outside the then Domgas Project Pipeline Corridor, the Land Act Minister shall include the area of land within which such construction is to occur in the Domgas Project Pipeline Easement by endorsement and subclause (7) applies *mutatis mutandis* to such additional area of land. The area of land may be included notwithstanding that the survey of the land has not been completed but subject to correction to accord with the survey when completed. Such survey shall be undertaken at the Joint Venturers' expense.
- (9) The Joint Venturers shall, if the Minister so requires, within 6 months after the LNG Project Operation Date or such longer period allowed by the Minister surrender in accordance with the provisions of the Pipelines Act the area of the LNG Project Pipeline Easement down to 30 metres in width or such other width (generally or in relation to any part of such easement) approved or required by the Minister as the case may be (after consulting the Joint Venturers, the Land Act Minister, the Pipelines Act Minister and (if relevant) the Commissioner of Main Roads) which allows for the safe operation of the LNG Project Pipeline then constructed or approved for construction under approved proposals.

- (10) If additional proposals are approved in accordance with clause 23 for the extension or enlargement of the LNG Project Pipeline outside the then LNG Project Pipeline Corridor, the Land Act Minister shall include the area of land within which such construction is to occur in the LNG Project Pipeline Easement by endorsement and subclause (9) applies mutatis mutandis to such additional area. The area of land may be included notwithstanding that the survey of the land has not been completed but subject to correction to accord with the survey when completed. Such survey shall be undertaken at the Joint Venturers' expense.
- (11) For the purposes of this Agreement, in respect of the Project Pipelines, the Pipeline Licences and the Pipeline Easements, the Pipelines Act and the regulations made thereunder are specifically modified during the continuance of this Agreement as follows:
- (a) by deleting paragraph (c) in the definition of "pipeline" under section 4;
  - (b) by substituting for section 10 the following section:

"The Minister shall, on request made pursuant to clause 15(1)(a) or clause 15(2)(a) (as the case may be) of the agreement made on or about 6 November 2012 between The Honourable Colin James Barnett, Premier of the State of Western Australia acting for and on behalf of the said State and its instrumentalities from time to time, Buru Energy Limited ACN 130 651 437, Diamond Resources (Fitzroy) Pty Ltd ACN 145 113 177, Diamond Resources (Canning) Pty Ltd ACN 145 113 186 and Mitsubishi Corporation, as varied from time to time, grant a licence under this Act and in accordance with the provisions of that agreement and cause to be published in the *Government Gazette* a notice that the licence has been granted."; and
  - (c) in section 15 by:
    - (i) deleting the words "other than a variation with respect to the licence area" in subsection (1); and
    - (ii) substituting for subsection (5) the following subsection:



"After considering particulars of any matters submitted to him under subsection (4), the Minister may:

- (a) in accordance with the agreement made on or about 6 November 2012 between The Honourable Colin James Barnett, Premier of the State of Western Australia acting for and on behalf of the said State and its instrumentalities from time to time, Buru Energy Limited ACN 130 651 437, Diamond Resources (Fitzroy) Pty Ltd ACN 145 113 177, Diamond Resources (Canning) Pty Ltd ACN 145 113 186 and Mitsubishi Corporation, as varied from time to time, vary the licence (including with respect to the licence area); or
  - (b) refuse to vary the licence."; and
- (d) by inserting a new section 16A as follows:

"Without limiting the powers of the Minister under section 15, the Minister may vary a licence to the extent he or she thinks reasonable for the purposes of:

- (a) satisfying a condition relevant to the licence that is specified in a consent given under clause 34 of the agreement made on or about 6 November 2012 between The Honourable Colin James Barnett, Premier of the State of Western Australia acting for and on behalf of the said State and its instrumentalities from time to time, Buru Energy Limited ACN 130 651 437, Diamond Resources (Fitzroy) Pty Ltd ACN 145 113 177, Diamond Resources (Canning) Pty Ltd ACN 145 113 186 and Mitsubishi Corporation, as varied from time to time;
- (b) giving effect to any variations determined in accordance with clause 39(6)(c)(ii) of the agreement referred to in paragraph (a); and

- (c) ensuring that in the event the area of an easement granted pursuant to the agreement referred to in paragraph (a) is reduced by surrender, the licence area coincides with the reduced area."; and
- (e) by inserting at the end of section 16 the following paragraphs:
  - "The Minister for Lands shall:
    - (a) on request made pursuant to clause 15(1)(b) or clause 15(2)(b) (as the case may be) of the agreement made on or about 6 November 2012 between The Honourable Colin James Barnett, Premier of the State of Western Australia acting for and on behalf of the said State and its instrumentalities from time to time, Buru Energy Limited ACN 130 651 437, Diamond Resources (Fitzroy) Pty Ltd ACN 145 113 177, Diamond Resources (Canning) Pty Ltd ACN 145 113 186 and Mitsubishi Corporation, as varied from time to time, grant an easement under this Act and in accordance with the provisions of the agreement; and
    - (b) if additional proposals are approved under clause 13 or clause 23 (as the case may be) of that agreement which proposals contemplate the extension or enlargement of an easement granted pursuant to the clauses referred to in paragraph (a) above, include the additional area of land within the applicable easement by endorsement in accordance with the provisions of the agreement.

For the avoidance of doubt, an easement granted pursuant to the agreement may:

- (i) in respect of its initial area or in respect of any additional area included within the easement be granted or varied (as the case may be) so as to include terms and conditions providing for the surrender of land contained within the easement as

contemplated by the provisions of the agreement; and

- (ii) include the right, subject to compliance with the *Environmental Protection Act 1986* and in accordance with the agreement, for the grantee to take stone, sand, clay and gravel from the area of the easement for the purpose of constructing, operating and maintaining the pipeline the subject of that easement."; and

(f) in section 19 by:

- (i) deleting subsections (1), (2) and (3); and
- (ii) inserting at the end of subsection (4) the following paragraphs:

"The requirements of this subsection shall also apply to:

- (i) an extension or enlargement of the area of an easement; and
- (ii) the reduction of the area of an easement by surrender.

The Minister for Lands is empowered, notwithstanding any other Act, to prescribe by administrative guidelines such additional procedural requirements (including the form of any document or instrument that he or she considers reasonably necessary) to document, notify, record or register the dealings relating to easements as contemplated by the agreement made on or about 6 November 2012 between The Honourable Colin James Barnett, Premier of the State of Western Australia acting for and on behalf of the said State and its instrumentalities from time to time, Buru Energy Limited ACN 130 651 437, Diamond Resources (Fitzroy) Pty Ltd ACN 145 113 177, Diamond Resources (Canning) Pty Ltd ACN 145 113 186 and

Mitsubishi Corporation, as varied from time to time."; and

- (g) by deleting sections 24, 26, 27 and 28; and
- (h) by inserting at the end of section 57(1) the following sentence:

"For the avoidance of doubt, this subsection applies to a pipeline constructed under this Act and pursuant to the agreement made on or about 6 November 2012 between The Honourable Colin James Barnett, Premier of the State of Western Australia acting for and on behalf of the said State and its instrumentalities from time to time, Buru Energy Limited ACN 130 651 437, Diamond Resources (Fitzroy) Pty Ltd ACN 145 113 177, Diamond Resources (Canning) Pty Ltd ACN 145 113 186 and Mitsubishi Corporation, as varied from time to time, and such application is subject to clause 39 of that agreement."

**16. Construction and operation of Project Pipelines**

- (1) Subject to and in accordance with approved proposals and the Pipeline Licences and in compliance with the Pipelines Act (as modified by this Agreement) and other applicable Laws, the Joint Venturers shall in a proper and workmanlike manner and in accordance with recognised standards for pipelines of a similar nature operating under similar conditions construct the Project Pipelines, access roads and associated infrastructure and works within the relevant Project Titles.
- (2) The Joint Venturers shall:
  - (a) from the date occurring 6 months before the date for completion of construction of the Domgas Project Pipeline specified in its time program for the commencement and completion of construction of the Domgas Project Pipeline submitted under clause 11(1) and approved under clause 12, keep the Minister fully informed as to:
    - (i) the progress of that construction and its likely completion; and
    - (ii) the likely Domgas Project Operation Date; and

- (b) on the Domgas Project Operation Date, notify the Minister that the first transport of Domgas produced as part of the Domgas Project through the Domgas Project Pipeline (other than for construction or commissioning purposes) and delivery of such gas into the Western Australian domestic gas market using the relevant connecting domestic gas pipeline network has occurred.
- (3) The Joint Venturers shall:
  - (a) from the date occurring 6 months before the date for completion of construction of the LNG Project Pipeline specified in its time program for the commencement and completion of construction of the LNG Project Pipeline submitted under clause 21(1) and approved under clause 22, keep the Minister fully informed as to:
    - (i) the progress of that construction and its likely completion; and
    - (ii) the likely LNG Project Operation Date; and
  - (b) on the LNG Project Operation Date, notify the Minister that the first delivery of natural gas obtained from within the Title Areas through the LNG Project Pipeline (other than for construction or commissioning purposes) to the LNG Production Facility (or into the relevant connecting third party pipeline for delivery to the LNG Production Facility) has occurred.
- (4) The Joint Venturers shall during the continuance of this Agreement:
  - (a) keep the Project Pipelines and associated infrastructure and works constructed under this Agreement in an operable state;
  - (b) ensure that the Project Pipelines and associated infrastructure and works constructed under this Agreement are operated in a safe and proper manner in compliance with all applicable Laws from time to time; and
  - (c) without limiting subclause (2)(b) and clause 26, ensure that the obligations imposed under the Pipelines Act (as modified by this Agreement) and the Pipeline Licences are complied

with in connection with the Project Pipelines and associated infrastructure and works constructed under this Agreement.

- (5) The Joint Venturers shall provide crossings for livestock and also for any roads, other railways, conveyors, pipelines, transmission lines and other utilities which in respect of a proposed crossing of land the subject of a Pipeline Easement or other Project Title existing at the date of the grant of the relevant Pipeline Easement or other Project Title or in respect of land subsequently included in such Pipeline Easement or other Project Title at the date of such inclusion. In addition for the purposes of livestock and infrastructure such as roads, railways, conveyors, pipelines, transmission lines and other utilities proposed to cross the land the subject of a Pipeline Easement or other Project Title the Joint Venturers shall:
- (a) if applicable, give their consent to, and otherwise facilitate, the grant by the State or any agency, instrumentality or other authority of the State of any lease, licence, easement or other title over land the subject of the Pipeline Easement or other Project Title so long as such grant does not in the Minister's opinion unduly prejudice or interfere with the activities of the Joint Venturers under this Agreement; and
  - (b) on reasonable terms and conditions allow access for the construction and operation of such crossings and associated infrastructure,

provided that in forming his opinion under this clause the Minister must consult with the Joint Venturers.

- (6) Subject to clause 34, the Joint Venturers shall at all times be the holders of the Pipeline Licences and the Pipeline Easements other Project Titles and (without limiting clause 41 shall at all times own manage and control the use of the Project Pipelines and associated infrastructure and works constructed under this Agreement.
- (7) Subject to clause 34, the Joint Venturers shall not at any time without the prior consent of the Minister (given after consulting the Pipelines Act Minister) dismantle, sell or otherwise dispose of any part or parts of the Project Pipelines and associated infrastructure and works constructed under this Agreement, or permit this to occur, other than for the purpose of maintenance, repair, upgrade or renewal.

- (8) The Joint Venturers shall not at any time without the prior consent of the Minister (given after consulting with the Pipelines Act Minister) dismantle, sell or otherwise dispose of any part or parts of any Domgas Project Treatment Plant and associated infrastructure and works constructed under this Agreement or of any LNG Treatment Plant and associated infrastructure and works constructed under this Agreement, or permit this to occur, other than for the purpose of maintenance, repair, upgrade or renewal.

**17. Roads**

- (1) The Joint Venturers shall:
- (a) be responsible for the cost of the construction and maintenance of all private roads which will be used in their activities hereunder;
  - (b) at their own cost erect signposts and take other steps that may be reasonable in the circumstances to prevent any persons and vehicles other than those engaged upon the Joint Venturers' activities and their invitees and licensees from using those private roads; and
  - (c) at any place where any private roads are constructed by the Joint Venturers so as to cross any railways or public roads, provide at their cost such reasonable protection and signposting as may be required by the Commissioner of Main Roads or the Public Transport Authority, as the case may be.
- (2) The State shall maintain or cause to be maintained those public roads under the control of the Commissioner of Main Roads or a local authority which may be used by the Joint Venturers for the purposes of this Agreement to a standard similar to comparable public roads maintained by the Commissioner of Main Roads or a local authority, as the case may be.
- (3) In the event that for or in connection with the Joint Venturers' activities hereunder the Joint Venturers or the Joint Venturers' workforce uses or wishes to use a public road (whether referred to in subclause (2) or otherwise) which is inadequate for the purpose, or any use by the Joint Venturers or the Joint Venturers' workforce of any public road results in excessive damage to or deterioration thereof (other than fair wear and tear), the Joint Venturers shall pay to the

State or the local authority, as the case may require, the whole or an equitable 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, having regard to the use of such public road by others.

- (4) Where a road constructed by the Joint Venturers for their own use is subsequently required for public use, the State may, after consultation with the Joint Venturers and so long as resumption thereof shall not unduly prejudice or interfere with the activities of the Joint Venturers under this Agreement, resume and dedicate such road as a public road. Upon any such resumption the State shall pay to the Joint Venturers such amount as is reasonable.

**18. Access obligations in respect of the Project Pipelines**

- (1) The Joint Venturers shall comply with and observe the Laws for the time being in force in the said State with respect to the provision of access by persons to the Project Pipelines or either of them (including use by persons of the services provided by the Project Pipelines or either of them).
- (2) Nothing in this Agreement shall be taken to limit the rights of the State to regulate access to the Project Pipelines or either of them (including use by persons of the services provided by the Project Pipelines or either of them).

**19. Commercialisation of natural gas from the Title Areas**

- (1) The Joint Venturers shall not after the Commencement Date, without the prior consent of the Minister, sell, dispose or otherwise commercialise or permit the commercialisation of natural gas obtained from the Title Areas other than by means of infrastructure and activities comprising the Domgas Project or the LNG Project provided that:
  - (a) the Minister may not unreasonably withhold his consent to the commercialisation of such natural gas as Domgas; and
  - (b) the Minister may not consent to the commercialisation of such natural gas for the production of liquefied natural gas for export before all proposals for the Domgas Project have been submitted pursuant to clause 11 and approved or deemed to be approved pursuant to clause 12 except on the basis that



natural gas obtained from the Title Areas is commercialised, by the production of Domgas as part of the Domgas Project, before such natural gas is commercialised by the production of liquefied natural gas for export.

- (2) The Joint Venturers shall provide to the Minister an outline of any proposed commercialisation arrangement for which the Minister's consent is required under subclause (1).
- (3) If so required by the Minister, the Joint Venturers shall provide to the Minister further particulars of the proposed commercialisation arrangement.
- (4) The Minister shall afford the Joint Venturers full opportunity to consult with the Minister in respect of any decision of the Minister under this clause.

**20. LNG Project Pipeline Corridor**

- (1) Not earlier than 31 December 2014 and not less than 12 months before they intend to submit proposals under clause 21 the Joint Venturers shall consult with the Minister to seek the agreement of the Minister (after the Minister consults the Pipeline Act Minister and (if relevant) the DBNGP Land Access Minister and the Commissioner of Main Roads) as to:
  - (a) the diameter of the LNG Project Pipeline; and
  - (b) where the LNG Project Pipeline will begin and end; and
  - (c) the route for the LNG Project Pipeline and associated access roads to be within the LNG Project Pipeline Corridor; and
  - (d) the land required to be included in the LNG Project Pipeline Easement for that route as well as for associated infrastructure and works and areas from which stone, sand, clay and gravel may be taken; and
  - (e) the Relevant LNG Precinct.

In seeking such agreement on the matters referred to in paragraphs (b), (c) and (d), regard shall be had to achieving a balance between engineering matters including costs, the nature and use of any lands concerned and interests therein and the costs of acquiring the land (all of which shall be borne by the Joint Venturers). The

parties acknowledge that the width of the LNG Project Pipeline Corridor may need to vary along its route to accommodate the LNG Project Pipeline, access roads and associated infrastructure and works and areas from which stone, sand, clay and gravel may be taken.

- (2) The Minister and the Joint Venturers may from time to time before the submission of proposals vary their agreement pursuant to subclause (1).
- (3) The Joint Venturers acknowledge that they shall be responsible for obtaining in a form and substance acceptable to the Minister all unconditional and irrevocable consents of each person whose consent the Land Act Minister (acting with the concurrence of the Minister) requires for:
  - (a) the grant of the LNG Project Pipeline Easement; and
  - (b) the inclusion of additional land in the LNG Project Pipeline Easement as referred to in clause 15(10).
- (4) The provisions of clause 42 shall not apply to subclauses (1) or (2).
- (5) An application under the Pipelines Act for the same purpose (or in the Minister's opinion substantially the same purpose) as the LNG Project Pipeline may only be made by the Joint Venturers after agreement has been reached by them with the Minister in accordance with subclause (1).
- (6) The Joint Venturers acknowledge that they shall be responsible for applying (consistent with the matters agreed by them with the Minister pursuant to clause 20) under the Pipeline Act for the grant to them of the LNG Project Pipeline Licence.

**21. Joint Venturers may submit proposals for an LNG Project**

- (1) Subject to the Environmental Protection Act and the other provisions of this Agreement, the Joint Venturers shall submit to the Minister within 18 months after the date on which agreement between the Minister and the Joint Venturers is reached pursuant to clause 20 on all matters required to be agreed between them by that clause to the fullest extent reasonably practicable their detailed proposals (including plans where practicable and specifications where reasonably required by the Minister and any other details normally required by a local government in whose areas any works are to be

situated) with respect to undertaking of the LNG Project, which proposals shall include the location, area, layout, design, materials and time program for the commencement and completion of construction or the provision (as the case may be) of each of the following matters namely:

- (a) LNG Project Treatment Plants (if any);
- (b) the LNG Project Pipeline within the LNG Project Pipeline Corridor;
- (c) the pipeline connections within the LNG Project Pipeline Corridor to connect the LNG Project Pipeline to any LNG Project Treatment Plant and to the LNG Production Facility (or relevant third party pipeline for delivery to the LNG Production Facility);
- (d) associated infrastructure and works to be within the LNG Project Corridor;
- (e) temporary works in relation to the construction and testing of any LNG Project Treatment Plant and the LNG Project Pipeline;
- (f) accommodation for the Joint Venturers' construction workforce in the vicinity of the LNG Project Pipeline Corridor;
- (g) water supply;
- (h) electricity supplies;
- (i) telecommunications;
- (j) construction and permanent road access including within the LNG Project Pipeline Corridor;
- (k) any other works, services or facilities required by the Joint Venturers; and
- (l) leases, licences or easements under the Land Act or DBP Act section 41(2)(b) approvals or DBP Act section 34 access rights required by the Joint Venturers from the State.

- (2) The Joint Venturers may only submit proposals under subclause (1) if:
- (a) a plan as referred to in clause 6 has been approved by the Minister (if the Minister requires such a plan be prepared); and
  - (b) the Minister and the Joint Venturers have reached agreement pursuant to clause 20 on all matters required to be agreed between them by that clause; and
  - (c) the Joint Venturers have applied under the Pipelines Act for the grant to them of the LNG Project Pipeline Licence and such application is current; and
  - (d) all proposals required by clause 11 to be submitted for the Domgas Project have been submitted in accordance with that clause.
- (3) Proposals submitted pursuant to subclause (1):
- (a) must specify the matters agreed between the Minister and the Joint Venturers pursuant to clause 20 and must not be contrary to or inconsistent with such agreed matters; and
  - (b) must specify the capacity (expressed in terajoules per day) of the LNG Project Pipeline proposed to be constructed; and
  - (c) must specify the term of the LNG Project; and
  - (d) must specify the capacity of each LNG Project Treatment Plant proposed to be constructed; and
  - (e) must provide for the construction of the LNG Project Pipeline to be commenced within 12 calendar months after approval of all of the Joint Venturers' proposals or grant of the LNG Project Pipeline Licence (whichever is the later) and completed, and first transmission of natural gas to commence, within 2 years thereafter; and
  - (f) must provide for the construction of all other proposed facilities, infrastructure and works to commence not later than 12 months after the approval of all of the Joint Venturers' proposals and completed and operational within 3 years thereafter.

The parties also acknowledge that proposals pursuant to subclause (1) shall contemplate the construction, operation and maintenance of the LNG Project Pipeline and access roads and associated pipeline infrastructure within the LNG Project Pipeline Corridor subject to and in accordance with the safety cases and such other plans and requirements from time to time of the Pipelines Act and regulations under the Pipelines Act.

- (4) Each of the proposals submitted pursuant to subclause (1) may with the consent of the Minister and that of any other parties concerned instead of providing for the construction of new facilities or equipment or the provision of new services of the kind therein mentioned provide for the use by the Joint Venturers of any existing facilities equipment or services of such kind belonging to the Joint Venturers (other than the pipe or system of pipes, being part of the Domgas Project Pipeline) or, upon terms and conditions agreed between the Joint Venturers and the other parties of any other existing facilities equipment or services of such kind.
- (5) The Joint Venturers may with the consent of the Minister propose, as part of their proposals under this clause or under clause 23 the construction, establishment, provision, enlargement or extension as the case may be as part of the LNG Project of facilities, equipment or services (other than the pipe or system of pipes, being part of the LNG Project Pipeline) for use as part of the Domgas Project (whether current or proposed).
- (6) Each of the proposals submitted pursuant to subclause (1) may with the approval of the Minister, or must if so required by the Minister, be submitted separately and in any order as to the matter or matters mentioned in one or more of paragraphs (a) to (l) of subclause (1), and until all of their proposals under this clause have been approved the Joint Venturers may withdraw and may resubmit any proposal but the withdrawal of any proposal shall not affect the obligations of the Joint Venturers to submit a proposal under this clause in respect of the subject matter of the withdrawn proposal.
- (7) The Joint Venturers shall, whenever any of the following matters referred to in this subclause are proposed by the Joint Venturers (whether before or during the submission of proposals under this clause), submit to the Minister details of any services (including any elements of the project investigations, design and management) and

any works, materials, plant, equipment and supplies that they propose to consider obtaining from or having carried out or permitting to be obtained from or carried out outside Australia, together with their reasons therefor and shall, if required by the Minister consult with the Minister with respect thereto.

- (8) At the time when the Joint Venturers submit the last of the said proposals pursuant to this clause, they shall:
- (a) furnish to the Minister's reasonable satisfaction evidence:
    - (i) that the Joint Venturers are financially capable of undertaking the operations to which the said proposals refer; and
    - (ii) that the Joint Venturers are ready to embark upon and proceed to carry out the operations referred to in the said proposals; and
    - (iii) that the Pipelines Act Minister is ready to, upon the Minister's approval of the said proposals, grant the LNG Project Pipeline Licence; and
    - (iv) that the Pipelines Act Minister is ready to, upon the Minister's approval of the said proposals, grant all consents required under the Pipelines Act or regulations made thereunder for the commencement of pipeline construction; and
    - (v) the DBNGP Land Access Minister is ready to, upon the Minister's approval of the said proposals, grant any DBP Act section 41(2)(b) approval and DBP Act section 34 access right required by the Joint Venturers; and
    - (vi) that the Joint Venturers hold, or the readiness of relevant authorities and agencies to, upon the Minister's approval of their proposals, grant approvals, consents, licences or other rights required to implement the proposals; and
  - (b) furnish to the Minister the consents required by the Land Act Minister (acting with the concurrence of the Minister) for the

grant of the LNG Project Pipeline Easement as referred to in clause 20(3)(a); and

- (c) furnish to the Minister (if required by the Minister) the local industry participation plan referred to in clause 7(3) as applying pursuant to clause 7(6).

**22. Consideration of LNG Project proposals**

- (1) In respect of each proposal submitted pursuant to clause 21(1) the Minister shall subject to the Environmental Protection Act:
  - (a) approve of the proposal 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 clause 21(1) not covered by the said proposal or until such time as clause 21(8) has been complied with by the Joint Venturers; 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) think reasonable and in such a case the Minister shall disclose his reasons for such conditions,

PROVIDED ALWAYS that where implementation of any proposals hereunder have been approved pursuant to the Environmental Protection Act subject to conditions or procedures, any approval or decision of the Minister under this clause shall if the case so requires incorporate a requirement that the Joint Venturers make such alterations to the proposals as may be necessary to make them accord with those conditions or procedures.

- (2) The Minister shall within 2 months after the later of:
  - (a) receipt of proposals pursuant to clause 21(1);

- (b) where the proposals are to be assessed under Part IV of the Environmental Protection Act, service on the Minister of an authority under section 45(7) of the Environmental Protection Act;
  - (c) where a proposal will or may require the State to do any act which affects any native title rights and interests, completion of all processes required by laws relating to native title to be undertaken by the State before that act may be done by the State; and
  - (d) approval pursuant to clause 12 of all proposals required by clause 11 to be submitted for the Domgas Project,
- give notice to the Joint Venturers of his decision in respect to the proposals.
- (3) If the decision of the Minister is as mentioned in either of paragraphs (b) or (c) of subclause (1) 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.
  - (4) If the decision of the Minister is as mentioned in either of paragraphs (b) or (c) of subclause (1) 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) may elect to refer to arbitration in the manner hereinafter provided the question of the reasonableness of the decision provided that any requirement of the Minister pursuant to the proviso to subclause (1) shall not be referable to arbitration hereunder.
  - (5) An award made on an arbitration pursuant to subclause (4) shall have force and effect as follows:
    - (a) if by the award the dispute is decided against the Joint Venturers then the decision shall take effect as a notice by the Joint Venturers that they accept the award; or
    - (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 the Minister is so satisfied with and approves the matter or matters the subject of the arbitration.



- (6) Subject to and in accordance with the Environmental Protection Act and any approvals and licences required under that Act the Joint Venturers shall implement the approved proposals in accordance with the terms thereof.
- (7) Notwithstanding clause 35, the Minister may during the implementation of approved proposals approve variations to those proposals.

**23. Expansion of LNG Project**

- (1) If the Joint Venturers at any time during the currency of this Agreement desire to:
  - (a) extend or enlarge the LNG Project Pipeline or a LNG Project Treatment Plant or increase the capacity of that pipeline or treatment plant beyond that specified in the approved proposals; or
  - (b) connect an existing or proposed pipeline to the LNG Project Pipeline; or
  - (c) otherwise to significantly modify, expand or otherwise vary their activities that are the subject of this Agreement and that may be carried on by them pursuant to this Agreement as part of the LNG Project beyond those activities specified in the then approved proposals,

they shall give notice of such desire to the Minister and furnish to the Minister with that notice an outline of their proposals in respect thereto (including such matters mentioned in clauses 20 and 21(1) as are relevant or as the Minister otherwise requires).

- (2) The Minister shall within one month after receiving a notice under subclause (1) advise the Joint Venturers whether or not he approves in-principle the proposed extension, enlargement, increase, connection or other modification, expansion or variation. An in-principle approval by the Minister under this subclause may be given subject to conditions including a condition requiring variations or additions to this Agreement provided that any such condition shall not without the consent of the Joint Venturers require variations of:
  - (a) the term of any Petroleum Titles or rentals or royalties payable thereunder; or

- (b) the rates or method of calculating royalty on petroleum produced from the Petroleum Titles.

The Minister shall afford the Joint Venturers full opportunity to consult with the Minister in respect of any decision of the Minister under this subclause.

- (3) If the Minister gives in-principle approval under subclause (2) the Joint Venturers may but not otherwise submit detailed proposals in respect thereof provided that the provisions of clause 5 (other than subclauses (1)(a), (1)(b)(i)) and (if the proposals are to include an extension or enlargement of the LNG Project Pipeline) clause 20 shall mutatis mutandis apply prior to submission of detailed proposals in respect thereof.
- (4) Subject to the Environmental Protection Act and the provisions of this Agreement, the Joint Venturers shall submit to the Minister within a reasonable timeframe (as determined by the Minister) after the giving of the Minister's in-principle approval, detailed proposals in respect thereof in accordance with any conditions of that approval otherwise that in-principle approval shall lapse.
- (5) The provisions of clause 21 (other than subclauses (3)(c), with the reference in subclause (8)(a)(iii) being read as a reference to the Pipelines Act Minister being ready to vary the LNG Project Pipeline Licence to accord with the proposals once approved and with the reference in clause 21(8)(b) being read as a reference to clause 20(3)(b)) and of clause 22 (other than subclause (6)) shall mutatis mutandis apply to detailed proposals submitted pursuant to this clause. The Joint Venturers may withdraw such proposals at any time before approval thereof or, where any decision of the Minister in respect thereof is referred to arbitration, within 3 months after the award by notice to the Minister that it shall not be proceeding with the same. In that event the Minister's in-principle approval shall lapse.
- (6) Subject to and in accordance with the Environmental Protection Act and any approvals or licences required under those Acts, the Joint Venturers shall implement approved proposals pursuant to this clause in accordance with the terms thereof.

**24. Treatment, use and delivery of gas from other areas**

- (1) In addition to natural gas from the Title Areas, the Joint Venturers may, as part of the Domgas Project process and use natural gas from areas other than the Title Areas provided they have the prior consent of the Minister.
- (2) In addition to their obligations as referred to in clause 18 concerning third party access to the LNG Project Pipeline, the Joint Venturers may use the LNG Project Pipeline to convey natural gas obtained by them from areas outside the Title Areas (including natural gas purchased by them from any third party) to the LNG Production Facility (or to a third party pipeline for conveyance to the LNG Production Facility) for the production from it of liquefied natural gas for export provided that they have the prior consent of the Minister.
- (3) The Minister's consent may be given subject to conditions including a condition requiring variations or additions to this Agreement provided that any such condition shall not without the consent of the Joint Venturers require variations of:
  - (a) the term of this Agreement or of any of the Project Titles; or
  - (b) the rentals or licence or easement fees payable under any of the Project Titles.

The Minister shall afford the Joint Venturers full opportunity to consult with him in respect of any decision of the Minister under this subclause.

**25. Compliance with Laws**

- (1) In the construction, operation, maintenance and use of the Project Pipelines the Joint Venturers shall at all times comply with, observe and perform the provisions of this Agreement, the Pipelines Act (as modified by this Agreement), the Pipeline Licences and any other applicable Laws for the time being in force in the said State.
- (2) In the construction, operation, maintenance and use of any other facility or infrastructure, work, installation, plant, machinery, equipment or service provided or controlled by the Joint Venturers, the Joint Venturers shall throughout the currency of this Agreement comply with and observe the provisions of this Agreement and subject thereto the Laws for the time being in force in the said State.

**26. Maintenance**

Throughout the currency of this Agreement the Joint Venturers shall at all times keep and maintain in good repair and working order and condition (which obligation includes, where necessary, replacing or renewing all parts which are worn out or in need of replacement or renewal due to their age or condition) all facilities and other infrastructure, works, installations, roads, plant machinery and equipment for the time being the subject of this Agreement.

**27. Use of local labour professional services and materials**

- (1) Except as otherwise agreed by the Minister the Joint Venturers shall, for the purposes of this Agreement in connection with the developments proposed or to be proposed as the case may be pursuant to clauses 11, 13, 21 or 23:
  - (a) except in those cases where the Joint Venturers can demonstrate it is not reasonable and economically practicable so to do, use labour available within the said State (using all reasonable endeavours to ensure that as many as possible of the workforce be recruited from the north west region of the said State) or if such labour is not available then, except as aforesaid, use labour otherwise available within Australia;
  - (b) as far as it is reasonable and economically practicable so to do, use the services of engineers, surveyors, architects and other professional consultants experts and specialists, project managers, manufacturers, suppliers and contractors resident and available within the said State, or if such services are not available within the said State, then, as far as practicable as aforesaid, use the services of such persons otherwise available within Australia;
  - (c) during design and when preparing specifications, calling for tenders and letting contracts for works, materials, plant, equipment and supplies (which shall at all times, except where it is impracticable so to do, use or be based upon Australian Standards and Codes) ensure that suitably qualified Western Australian and Australian suppliers, manufacturers and contractors are given full, fair and reasonable opportunity to tender or quote;
  - (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 or, subject to the foregoing, give that consideration and, where possible, preference to other Australian suppliers, manufacturers and contracts; and

- (e) if, notwithstanding the foregoing provisions of this subclause, a contract is to be let or an order is to be placed with other than a Western Australian or Australian supplier, manufacturer or contractor, give proper consideration and, where possible, preference to tenders, arrangements or proposals that include Australian participation where price, delivery and service are otherwise equal or better.
- (2) Except as otherwise agreed by the Minister, the Joint Venturers shall, in every contract entered into with a third party where the third party has an obligation or right to procure the supply of services, labour, works, materials, plant, equipment or supplies for the purposes of this Agreement require as a condition thereof that such third party shall undertake:
- (a) the same obligations as are referred to in subclause (1) and shall report to the Joint Venturers concerning such third party's implementation of that condition; and
  - (b) procurement activities in accordance with each local industry participation plan provided under clauses 11(8)(c), 13, 21(8)(c) or 23 as may be amended in accordance with clause 7(5).
- (3) The Joint Venturers shall:
- (a) in respect of developments the subject or to be the subject (as the case may be) of proposals submitted under clause 11, submit a report to the Minister at quarterly intervals from the date specified in clause 3(4) to the date of the first submission of proposals under clause 11 and thereafter at monthly intervals until commissioning of the developments and thereafter as requested by the Minister from time to time; and
  - (b) in respect of development the subject or to be the subject (as the case may be) or proposals submitted under clause 21,

submit a report to the Minister at quarterly intervals from the commencement of consultation under clause 20 to the date of the first submission of proposals under clause 21 and thereafter at monthly intervals until commissioning of the developments and thereafter as requested by the Minister from time to time; and

- (c) in respect of developments the subject or to be the subject (as the case may be) of proposals submitted under clauses 13 or 23 as the case may be submit a report to the Minister at quarterly intervals from the date on which it gives notice under clause 13(1) or 23(1) as the case may be to the date of the first submission of proposals in connection with that notice under clauses 13 or 23 as the case may be and thereafter at monthly intervals until commissioning of the developments the subject of the proposals approved pursuant to clause 13 or 23 as the case may be and thereafter as requested by the Minister from time to time,

concerning their implementation of the provisions of this clause and of the relevant local industry participation plan provided in connection with the development, together with a copy of any report received by the Joint Venturers pursuant to subclause (2) during that month or longer period as the case may be provided that the Minister may agree that any such reports need not be provided in respect of contracts of such kind or value as the Minister may from time to time determine.

- (4) The Joint Venturers shall keep the Minister informed on a regular basis as determined by the Minister from time to time or otherwise as reasonably required by the Minister during the currency of this Agreement of any services (including any elements of the project investigations, design and management) and any works, materials, plant, equipment and supplies that they may be proposing to obtain from or have carried out or permit to be obtained from or carried out outside Australia, together with their reasons therefor and shall, as and when required by the Minister, consult with the Minister with respect thereto.

**28. Petrochemical feed stocks**

The Joint Venturers acknowledge the potential economic value to Western Australia of the processing of Petrochemical feed stocks. Accordingly during the continuance of this Agreement the Joint Venturers shall, in accordance with clause 8(4), market and make available for sale Petrochemical feed stocks to any then existing or proposed producer of petrochemicals within the said State.

**29. No discriminatory charges**

Except as provided in this Agreement the State must not impose, nor shall it permit or authorise any local government or any agency, instrumentality or other authority of the State to impose, discriminatory taxes, rates or charges of any nature whatsoever on or in respect of the titles, property or other assets, products, materials or services used or produced by or through the activities of the Joint Venturers in the conduct of the Domgas Project or the LNG Project nor will the State take or permit to be taken by any such State agency, instrumentality or other authority any other discriminatory action which would deprive the Joint Venturers of full enjoyment of the rights granted or intended to be granted under this Agreement. In the application of this clause the conferral of rights upon parties to other Government agreements shall be disregarded.

**30. Taking of land for the purposes of this Agreement**

- (1) The State is hereby empowered, as and for a public work under Parts 9 and 10 of the Land Act and the *Public Works Act 1902* (WA), to take for the purposes of this Agreement any land (other than any part of a Port or of the DBNGP corridor) which in the opinion of the Joint Venturers is necessary for either or both of the Domgas Project and the LNG Project and which the Minister determines is appropriate to be taken for either or both or the Domgas Project and the LNG Project (except any land the taking of which would be contrary to the provisions of a Government agreement entered into before the submission of the proposals relating to the proposed taking) and notwithstanding any other provisions of those Acts may lease, license or grant an easement of that land to the Joint Venturers.
- (2) In applying Parts 9 and 10 of the Land Act and the *Public Works Act 1902* (WA) for the purposes of this Clause -
  - (a) "land" in those Acts includes a legal or equitable estate or interest in land;

- (b) sections 170, 171, 172, 173, 174, 175 and 184 of the Land Act do not apply; and
  - (c) the Land Act applies as if it were modified in section 177(2) by inserting -
    - (i) after "railway" the following -

"or land is being taken pursuant to a Government agreement as defined in section 2 of the *Government Agreements Act 1979 (WA)*"; and
    - (ii) after "that Act" the following -

"or that agreement as the case may be".
- (3) The Joint Venturers shall pay to the State on demand the costs of or incidental to any land taken at the request of and on behalf of the Joint Venturers including but not limited to any compensation payable to any holder of native title or of native title rights and interests in the land.

**31. No taking of land**

Subject to the performance by the Joint Venturers of their obligations under this Agreement the State shall not, during the currency of this Agreement, without the consent of the Joint Venturers, take or suffer or permit to be taken by any local government or by any agency, instrumentality or other authority of the State any of the facilities, other infrastructure, 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 or any of the works on the lands the subject of the Project Titles 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 agency, instrumentality or other authority of the State 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' activities under this Agreement.

**32. Commonwealth licences and consents**



- (1) The Joint Venturers shall from time to time 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.
- (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).

**33. Assignment**

- (1) Subject to the provisions of this clause a Joint Venturer may at any time assign, mortgage, charge, sublet or dispose of to another Joint Venturer as of right or to any other person with the consent of the Minister the whole or any part of its rights hereunder (including its rights as the holder, together with the other Joint Venturers, of the Pipeline Licences, the Pipeline Easements and other Project Titles) and of its obligations hereunder subject however in the case of an assignment or disposition to the assignee or disponent (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 Venturer to be complied with, observed or performed in regard to the matter or matters the subject of such assignment or disposition. However, the assignment and disposition rights conferred by this subclause are subject to each Joint Venturer (post such assignment or disposition) being a legal and beneficial holder of one or more Petroleum Titles and to the Joint Venturers from time to time together continuing to be the sole legal and beneficial holders of each of the Petroleum Titles.
- (2) Subject to the provisions of this clause a Joint Venturer may at any time assign, mortgage, charge, sublet or dispose of (including by transfer) to another Joint Venturer as of right or to any other person with the consent of the Minister the whole or any part of its legal and beneficial holding of a Petroleum Title subject however in the case of an assignment or disposition:

- (a) to the assignee or disponent (as the case may be) being a Joint Venturer or becoming in accordance with this clause a Joint Venturer upon or contemporaneously with such assignment or disposition; and
  - (b) to the assignor or disponent ceasing to be a Joint Venturer upon or contemporaneously with such assignment or disposition if, following such assignment or disposition, the assignor or disponent will not be a legal and beneficial owner (by itself or together with one or more other Joint Venturers) of a Petroleum Title; and
  - (c) to the assignee or disponent 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 Venturer to be complied with, observed or performed in regard to the matter or matters the subject of such assignment or disposition.
- (3) Notwithstanding anything contained in or anything done under or pursuant to subclauses (1) or (2) the Joint Venturer will 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 its part contained in this Agreement provided that the Minister may agree to release the Joint Venturer from such liability where the Minister considers such release will not be contrary to the interests of the State.
- (4) The Minister must consult with:
- (a) the Pipelines Act Minister before granting any consent under subclause (1) in respect of a Pipeline Licence; and
  - (b) the Land Act Minister before granting any consent under subclause (1) in respect of the Pipeline Easements or other Project Titles granted under the Land Act; and
  - (c) the DBNGP Land Access Minister before granting any consent under subclause (1) in respect of any Project Titles granted under the DBP Act; and
  - (d) the Petroleum Act Minister before granting any consent under subclause (2) in respect of a Petroleum Title.

- (5) Notwithstanding the provisions of the DBP Act, the Land Act, the Petroleum Act or the Pipelines Act insofar as the same may apply, but subject to subclause (4):
- (a) no assignment, mortgage, charge, sublease or disposition (including by transfer) made or given of or over the Petroleum Titles, the Pipeline Licences, the Pipeline Easements or other Project Titles in accordance with the provisions of subclauses (1) or (2) and the terms of consent thereunder; and
  - (b) no transfer, assignment, mortgage or sublease made or given in exercise of any power contained in any such mortgage or charge,

shall require any approval or consent other than such consent as may be necessary under subclauses (1) or (2) and no equitable mortgage or charge shall be rendered ineffectual by the absence of any approval or consent (otherwise than as required by this clause).

**34. Sale or other disposal of Domgas Project Pipeline**

- (1) The Joint Venturers may after the Domgas Project Operation Date and with the prior consent of the Minister at the time (after consulting the Pipelines Act Minister and the DBNGP Land Access Minister) sell or otherwise dispose of the whole or part of their rights to and as the holder of the Domgas Project Pipeline (together with the Domgas Project Pipeline Licence, the Domgas Project Pipeline Easement and other Project Titles granted to the Joint Venturers in accordance with approved proposals for the Domgas Project and which are reasonably required for the continued operation, maintenance, inspection or repair of the Domgas Project Pipeline) on the basis of:
- (a) the Domgas Project Pipeline and associated facilities and other infrastructure to be sold or otherwise disposed of being excluded from the scope of the Domgas Project; and
  - (b) this Agreement ceasing to apply to the Domgas Project Pipeline, the abovementioned associated facilities and other infrastructure, the Domgas Project Pipeline Licence, the Domgas Project Pipeline Easement and other abovementioned Project Titles.

- (2) The Minister's consent under subsection (1) may be given subject to conditions including any one or more of the following, namely:
- (a) variations of the Joint Venturers' approved proposals with respect to the Domgas Project to reflect the proposed sale or disposal;
  - (b) variations of the Domgas Project Pipeline Licence;
  - (c) variations of the Domgas Project Pipeline Easement and other abovementioned Project Titles;
  - (d) that the Domgas Project Pipeline continue to be used to convey Domgas;
  - (e) that the Domgas Project Pipeline is to be expanded, its capacity increased or subject to additional maintenance or repair works;
  - (f) that a third party is to be given or is to retain certain access and usage rights in relation to the Domgas Project Pipeline;
  - (g) that the Domgas Project Pipeline is to be subject to a particular third party access or gas transmission regime;
  - (h) that this Agreement be varied (if necessary) to accommodate the proposed sale or disposal;
  - (i) that this Agreement be determined; and
  - (j) that the Joint Venturers, the transferee or disponent (as the case may be) and the State (if necessary) enter into a contractual arrangement by which the Joint Venturers and the transferee or disponent agree to comply with and facilitate satisfaction of the terms and conditions of the Minister's consent.
- (3) Neither a decision by the Minister under subclause (1) nor any condition imposed by the Minister under subclause (2) shall be referable to arbitration hereunder.

**35. Variation or determination of Agreement by agreement**

- (1) The parties to this Agreement 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 for the purpose of more efficiently or satisfactorily implementing or facilitating any of the objects of this Agreement.

- (2) The Minister shall cause any agreement made pursuant to subclause (1) 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 neither House has passed such a resolution the agreement shall have effect from and after that last day.
- (4) Subject to subclause (5), the Joint Venturers may not earlier than 31 December 2015 or later than 31 March 2016, give notice to the State that they do not intend to submit proposals for the Domgas Project for any one or more of the following reasons:
  - (a) the Joint Venturers have been unable to prove up sufficient reserves of natural gas within the Title Areas to underpin the establishment and sustained operation of a technically and economically viable Domgas Project; or
  - (b) the Joint Venturers' preparatory work under clause 5(1)(b) leads them to conclude that the production of natural gas to underpin the establishment and sustained operation of a Domgas Project is not technically viable; or
  - (c) the Joint Venturers' preparatory work under clause 5(1)(b) leads them to conclude that the establishment and sustained operation of a Domgas Project is otherwise not economically viable.

Upon the Joint Venturers giving the abovementioned notification in accordance with this subclause this Agreement shall cease and determine.

- (5) The Joint Venturers' right to give notice under subclause (4) is subject to:
  - (a) the Joint Venturers having first consulted the Minister in regard thereto including as to the reasons why they propose to give such notice; and

- (b) 21 days having elapsed since they so consulted the Minister; and
  - (c) the Minister and the Joint Venturers having not already reached agreement pursuant to clause 10 or clause 20 as the case may be on all matters in clause 10 or clause 20 as the case may be required to be agreed between them; and
  - (d) the Minister having not granted an extension of the date specified in clause 11(1) for the submission by the Joint Venturers of proposals under clause 11.
- (6) The parties may at any time after the LNG Project Operation Date by mutual agreement determine this Agreement in relation to the LNG Project provided that no matter in connection with a failure by the parties to agree under this subclause (6) shall be referable to arbitration hereunder.

**36. Force majeure**

Subject to clauses 8(7) and 11(9), this Agreement shall be deemed to be made subject to any delays in the performance of the obligations under this Agreement and to the temporary suspension of continuing obligations under this Agreement that may be caused by or arise from circumstances beyond the power and control of the party responsible for the performance of those obligations including (without limiting the generality of the foregoing) delays or any such temporary suspension as aforesaid caused by or arising from act of God, force majeure, earthquakes, floods, storms, tempest, cyclones, washaways, fire (unless caused by the actual fault or privity of the party responsible for such performance) act of war, act of 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 of labour or essential materials, reasonable failure to secure contractors, delays of contractors, factors due to overall world economic conditions or factors due to action taken by or on behalf of any government or governmental authority (other than the State or any agency, instrumentality or other authority of the State) or factors that could not reasonably have been foreseen provided always that the party whose performance of obligations is affected by any of the said causes must promptly give notice to the other party or parties of the

event or events and shall use its best endeavours to minimise the effects of such causes as soon as possible after the occurrence.

**37. Power to extend periods and dates**

- (1) Notwithstanding any provision of this Agreement but subject to subclauses (2) and (3), 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.
- (2) The date specified in clause 11(1) for the submission of proposals under it may only be extended once pursuant to this clause and for a period not exceeding 18 months.
- (3) The Minister may not extend:
  - (a) the Suspension Period; or
  - (b) the date or notice period specified in clause 12(6); or
  - (c) the dates specified in clause 35(4).

**38. Determination of Agreement by the State**

- (1) If:
  - (a)
    - (i) the Joint Venturers make default which the State considers material in the due performance or observance of any of the covenants, conditions or obligations of the Joint Venturers in this Agreement or in the Pipeline Licences, the Pipeline Easements or other Project Titles; or
    - (ii) the Joint Venturers abandon or repudiate this Agreement or abandon or repudiate their activities under this Agreement,

and such matter is not remedied within a period of 180 days after notice is given by the State as provided in subclause (2) or if the matter is referred to arbitration, then within the period mentioned in subclause (3); or

- (b) any of the Joint Venturers 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 the relevant Joint Venturer is assigned to an assignee in accordance with clause 33(1),

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

- (2) The notice to be given by the State to the Joint Venturers in terms of subclause (1)(a) must 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 mortgagees, chargees and sublessees for the time being of the Joint Venturers' said rights to or in favour of whom or by whom a mortgage, charge or sublease has been effected in terms of clause 33, whose name and address for service of notice has previously been notified to the State by the Joint Venturers or by any such mortgagee, chargee or sublessee.
- (3)
  - (a) If the Joint Venturers contest the alleged default or other ground referred to in subclause (1)(a) the Joint Venturers shall within 60 days after notice given by the State as provided in subclause (2) refer the matter in dispute to arbitration.
  - (b) If the question is decided against the Joint Venturers, the Joint Venturers must comply with the arbitration award within a reasonable time to be fixed by that award provided that if 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)(a) has not been remedied within a period of 180 days after receipt of the notice referred to in that subclause 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.

**39. Effect of cessation or determination of Agreement**

- (1) Subject to subclause (6), on the cessation or determination of this Agreement:
- (a) subject to subclause (2) and 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 any mortgagee or chargee to any works constructed under this Agreement or to, in or under the Pipeline Licences, the Pipeline Easements and the other Project Titles (if then still current) shall thereupon cease and determine but without prejudice to the liability of any of the parties hereto in respect of any antecedent breach or default under this Agreement or in respect of any guarantee or indemnity given under this Agreement; and
  - (b) except as otherwise agreed by the Minister any pending application for the Domgas Project Pipeline Licence or the LNG Project Pipeline Licence shall be deemed to have been terminated; and
  - (c) the Joint Venturers shall forthwith pay to the State all money which may then have become payable or accrued due; and
  - (d) the Joint Venturers must, subject to paragraph (a) and subclause (3) and in compliance with subclause (4), in respect of the land the subject of the Pipeline Licences or the Project Titles as the case may be held by the Joint Venturers immediately before such cessation or determination and at the Joint Venturers' expense:
    - (i) decommission and remove all facilities and other infrastructure established or constructed on such land under this Agreement or otherwise under the Pipeline Licences, the Pipeline Easements or the other Project Titles as the case may be; and
    - (ii) reinstate and rehabilitate such land; and

- (e) save as aforesaid and as otherwise provided in this Agreement none of the parties shall have any claim against the other of them with respect to any matter or thing in or arising out of this Agreement.
- (2) In relation to Petroleum Titles then in force:
- (a) the benefit of the rights and privileges conferred by this Agreement, and any modification by this Agreement of any Act or law shall cease to apply; and
  - (b) such title being a petroleum exploration permit shall continue in force under and subject to the Petroleum Act (including, subject to the exception referred to below, compliance with any works programme to which it is subject in accordance with clause 14) and if it has been renewed during the Suspension Period with the benefits of the modifications of the Petroleum Act referred to in clause 14(1)(a) and (b) for the lesser of the balance of its remaining term and the period of 6 months commencing on the date after the expiration or earlier cessation of this Agreement; and
  - (c) such title being a petroleum drilling reservation, retention lease or a production licence shall continue in force under and subject to the Petroleum Act for the balance of its remaining term.

In relation to a petroleum exploration permit, if the balance of its remaining term would but for the reduction in its term as referred to in paragraph (b) otherwise have been more than 6 months, then the Joint Venturers shall only be required to comply with the abovementioned works programme to the extent it was required to be undertaken prior to the expiry of its reduced term.

- (3) The Joint Venturers' obligations under subclause (1)(d) shall not apply to the extent:
- (a) in respect of facilities or other infrastructure established or constructed under the authority of a Pipeline Easement or other Project Title granted under the Land Act, the Land Act Minister gives notice to the Joint Venturers within 6 months after the cessation or determination of this Agreement that the Land Act Minister does not require the Joint Venturers to

- decommission and remove such facilities or other infrastructure; and
- (b) in respect of facilities or other infrastructure established or constructed under the authority of a Pipeline Licence, the Pipelines Act Minister gives notice to the Joint Venturers within 6 months after the cessation or determination of this Agreement that it does not require the Joint Venturers to decommission and remove such facilities or other infrastructure; and
- (c) in respect of facilities or other infrastructure established or constructed under the authority of Project Title granted under the DBP Act, the DBNGP Land Access Minister gives notice to the Joint Venturers within 6 months after the cessation or determination of this Agreement that the DBNGP Land Access Minister does not require the Joint Venturers to decommission and remove such facilities or other infrastructure.
- (4) In carrying out any works required by subclause (1)(d) the Joint Venturers must at all times comply with all relevant Laws (including the Environmental Protection Act, the Contaminated Sites Act and the Pipelines Act), this Agreement, and subject thereto, the provisions of the relevant Pipeline Licences, Pipeline Easements and Project Titles.
- (5) Upon the cessation or determination of this Agreement except as otherwise agreed by the Minister, the facilities and other infrastructure the subject of a notice from the Land Act Minister as referred to in subclause (3)(a) or the subject of a notice from the Pipelines Act Minister as referred to in subclause (3)(b) or the subject of a notice from the DBNGP Land Access Minister as referred to in subclause (3)(c) shall become and remain (to the extent they have not already become so) the absolute property of the State without payment of any compensation to the Joint Venturers or any other party and freed and discharged from all mortgages and encumbrances and the Joint Venturers shall do and execute all such deeds, documents and other acts, matter and things (including surrenders) as the State may require to give effect to the provisions of this subclause.
- (6) On the determination of this Agreement in relation to the LNG Project by mutual agreement of the parties as referred to in clause 35(6):

- (a) the rights of the Joint Venturers in and under, this Agreement to continue to undertake the LNG Project under and pursuant to this Agreement shall thereupon cease and determine but without prejudice to the liability of any of the parties hereto in respect of any antecedent breach or default under this Agreement or in respect of any guarantee or indemnity given under this Agreement; and
- (b) the Joint Venturers shall forthwith pay to the State all money which may then have become payable or accrued due in respect of the LNG Project; and
- (c) in respect of the LNG Project Pipeline Licence, the LNG Project Pipeline Easement and other Project Titles (granted to the Joint Venturers in accordance with approved proposals for the LNG Project) then in force:
  - (i) the benefit of the rights and privileges conferred by this Agreement, and any modification by this Agreement of any Act or law shall cease to apply; and
  - (ii) the LNG Project Pipeline Licence shall continue in force under and subject to the Pipelines Act with such variations as the Pipelines Act Minister (with the concurrence of the Minister and after consulting the Joint Venturers) considers reasonable; and
  - (iii) the LNG Project Pipeline Easement shall continue in force under and subject to the Pipelines Act with such variations as the Land Act Minister (with the concurrence of the Minister and after consulting the Pipeline Act Minister and the Joint Venturers) considers reasonable; and
  - (iv) the other abovementioned Project Titles granted under the Land Act shall continue in force under and subject to the Land Act with such variations as the Land Act Minister (with the concurrence of the Minister and after consulting the Joint Venturers) considers reasonable; and

- (v) the other abovementioned Project Titles granted under the DBP Act shall continue in force under and subject to the DBP Act with such variations as the DBNGP Land Access Minister (with the concurrence of the Minister and after consulting the Joint Venturers) considers reasonable.

**40. Indemnity**

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 relating to its activities hereunder or arising out of or in connection with the construction maintenance or use by the Joint Venturers or their servants agents contractors, sublessees or assignees of the Joint Venturers' facilities, other infrastructure, 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 relevant Act such indemnity will 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.

**41. Subcontracting**

Without affecting the liabilities of the parties under this Agreement each of the State and the Joint Venturers will have the right from time to time to entrust to third parties the carrying out of any portions of the activities which it is authorised or obliged to carry out hereunder.

**42. Arbitration**

- (1) Except as provided in this Agreement, any dispute or difference between the State and the Joint Venturers arising out of or in connection with this Agreement, the construction of this Agreement or as to the rights duties or liabilities of either of them under this Agreement or as to any matter to be agreed upon between them under this Agreement must, in default of agreement between them and in the absence of any provision in this Agreement to the contrary, be referred to and settled by arbitration under the provisions of the *Commercial Arbitration Act 1985* (WA) each party may be

represented before the arbitrator by a duly qualified legal practitioner or other representative.

- (2) Any party to a dispute may appeal to the Supreme Court of Western Australia on any question of law arising out of an interim or final award in an arbitration.
- (3) Except where otherwise provided in this Agreement, the provisions of this clause will not apply to any case where the State, the Minister or any other Minister in the Government of the State is by this Agreement given either expressly or impliedly a discretionary power.
- (4) The arbitrator of any submission to arbitration under this Agreement is hereby empowered upon the application of either the State or the Joint Venturers, to grant in the name of the Minister any interim extension of any period or variation of any date referred to herein (which the Minister would otherwise be permitted to make pursuant to clause 37) which having regard to the circumstances may reasonably be required in order to preserve the rights of that party or of the parties to the arbitration and an award may in the name of the Minister grant any further extension or variation for that purpose.

**43. Consultation**

- (1) The Joint Venturers must during the currency of this Agreement consult with and keep the State fully informed on a confidential basis concerning any action that the Joint Venturers propose to take with any third party (including the Commonwealth or any Commonwealth constituted agency, authority, instrumentality or other body) which might significantly affect the overall interest of the State under this Agreement.
- (2) The Joint Venturers must during the currency of this Agreement consult with and keep the State fully informed with respect to significant events that might materially affect the establishment and sustained operation of, and ownership of, the Domgas Project or the LNG Project by the Joint Venturers.

**44. Notices**

Any notice consent or other writing authorised or required by this Agreement to be given or sent by the State to the Joint Venturers or to the Guarantor will be deemed to have been duly given or sent if signed by the Minister or by any senior officer of the Public Service

of the State acting by the direction of the Minister and forwarded by prepaid post or handed to the Joint Venturers or to the Guarantor as the case may be at their addresses or its address as hereinbefore set forth or other address in the said State nominated by the Joint Venturers or by the Guarantor as the case may be to the Minister and by the Joint Venturers or by the Guarantor to the State if signed on their or its behalf by any person or persons authorised by the Joint Venturers or by the Guarantor as the case may be or by their or its 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.

**45. Mitsubishi Corporation guarantee of subsidiaries' performance**

Notwithstanding any addition to or deletion or variation of the provisions of this Agreement or any time or other indulgence granted by the State or by the Minister to the Joint Venturers or to either or both of Diamond Resources (Fitzroy) Pty Ltd or Diamond Resources (Canning) Pty Ltd whether or not notice thereof is given to the Guarantor by the State, the Guarantor hereby guarantees to the State the due performance by each of those companies of all of their obligations to be performed hereunder. The Minister may agree to release the Guarantor from this guarantee where the Minister is reasonably satisfied that those companies have the financial capacity to perform their obligations under this Agreement. Except as provided in a release given under this clause, the guarantee given under this clause shall continue notwithstanding the cessation or determination of this Agreement.

**46. Term of Agreement**

- (1) Subject to the provisions of clauses 38 and 39 and of this clause, this Agreement shall expire on the later of the date occurring 25 years after date on which the last of the Joint Venturers' proposals submitted pursuant to clause 11 for the Domgas Project shall have been approved or determined pursuant to clause 12.
- (2) The Joint Venturers may, provided there is no default the subject of a notice of default given by the State to the Joint Venturers under clause 38 which has not been remedied, give notice to the Minister

not earlier than 2 years before the expiration of the term referred to in subclause (1), of:

- (a) their desire to have the provisions of this Agreement extended for a further period of up to 25 years; and
  - (b) their plans for the continued undertaking of the Domgas Project during such period.
- (3) The Minister may, if he is satisfied that the Joint Venturers intend to continue to undertake the Domgas Project during such period, extend the term of this Agreement accordingly.

**47. Applicable law**

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



**SCHEDULE**

**PETROLEUM EXPLORATION PERMITS**

(Petroleum Titles at the date of this Agreement)

| <b>No. *</b> | <b>Blocks</b> |
|--------------|---------------|
| EP371 (R1)   | 45            |
| EP391 (R2)** | 30            |
| EP428        | 79            |
| EP431        | 52            |
| EP436        | 30            |

\*     The location of the abovementioned petroleum exploration permits as at the date of this Agreement is shown on the Plan.

\*\*    Subject to applications STP-PRA 004 and 005 for petroleum production licence.

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

[Signature]

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

[Signature]

Witness:  
Name: Nicole Henderson

EXECUTED by BURU ENERGY )  
LIMITED ACN 130 651 437 in )  
accordance with section 127 of the )  
*Corporations Act 2001* )  
(Commonwealth): )

[Signature]

Signature of director:  
Name of director: Graham Douglas  
Riley

[Signature]

Signature of director:  
Name of director: Peter Vernon  
Jones

EXECUTED by DIAMOND )  
RESOURCES (FITZROY) PTY LTD )  
ACN 145 113 177 in accordance with )  
section 127 of the *Corporations* )  
*Act 2001* (Commonwealth): )

[Signature]

Signature of director:  
Name of director: Masaru Saito

[Signature]

Signature of director:  
Name of director: Masayuki Moroi

EXECUTED by DIAMOND )  
 RESOURCES (CANNING) PTY LTD )  
 ACN 145 113 186 in accordance with )  
 section 127 of the *Corporations* )  
*Act 2001* (Commonwealth): )

[Signature]

Signature of director:  
 Name of director: Masaru Saito

[Signature]

Signature of director:  
 Name of director: Masayuki Moroi

SIGNED for and on behalf of )  
 MITSUBISHI CORPORATION in the )  
 presence of: )

[Signature]

Signature of witness:  
 Name: Kazuyuki Mori

[Signature]

Signature of duly authorised  
 representative  
 Name: Jun Yanai  
 Title: Executive Vice President  
 Chief Executive Office for Energy  
 Business Group

**Schedule 2 — 2015 variation agreement**

[s. 3]

**2015**

**THE STATE OF WESTERN AUSTRALIA**

**and**

**BURU ENERGY LIMITED**  
**ACN 130 651 437**

**DIAMOND RESOURCES (FITZROY) PTY LTD**  
**ACN 145 113 177**

**DIAMOND RESOURCES (CANNING) PTY LTD**  
**ACN 145 113 186**

**and**

**MITSUBISHI CORPORATION**

---

**NATURAL GAS (CANNING BASIN JOINT VENTURE)**  
**AGREEMENT 2012**

**RATIFIED VARIATION AGREEMENT**

---

State Solicitor's Office  
141 St George's Terrace  
Perth WA 6000  
Telephone: (08) 9264 1888

**THIS AGREEMENT** is made this    1<sup>st</sup>    day of    July    2015

**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 (hereinafter called the **State**) of the first part

**AND**

**BURU ENERGY LIMITED** ACN 130 651 437 of Level 2, 88 William Street, Perth, Western Australia, **DIAMOND RESOURCES (FITZROY) PTY LTD** ACN 145 113 177 of Level 36, 120 Collins Street, Melbourne, Victoria and **DIAMOND RESOURCES (CANNING) PTY LTD** ACN 145 113 186 of Level 36, 120 Collins Street, Melbourne, Victoria (hereinafter collectively called **the Joint Venturers** in which term shall be included their successors and permitted assigns) of the second part

**AND**

**MITSUBISHI CORPORATION** of 3-1, Marunouchi 2-Chome, Chiyoda-Ku, Tokyo, Japan (**Guarantor**) of the third part.

**RECITALS:**

- A.**     The State, the Joint Venturers and the Guarantor are parties to the agreement ratified by the *Natural Gas (Canning Basin Joint Venture) Agreement Act 2013* (WA). This agreement is referred to in this Agreement as the "**Principal Agreement**".
- B.**     The State, the Joint Venturers and the Guarantor wish to vary the Principal Agreement on the terms set out in this Agreement.

**THE PARTIES** agree as follows:

**1.       Ratification and operation**

- (1)     This Agreement, other than this clause, does not come into operation except in accordance with subclause (2).
- (2)     This Agreement, other than this clause, comes into operation on the day on which it is ratified by an Act of the Parliament of Western Australia ("**Operative Date**") unless, before that day, it terminates under subclauses (4) or (5).

- (3) The State must introduce in the Parliament of Western Australia before 30 September 2015 or a later date agreed between the parties to this Agreement, a Bill to ratify this Agreement and must endeavour to secure its passage as an Act.
- (4) If by 31 March 2016 this Agreement has not been ratified by an Act of the Parliament of Western Australia then, unless the parties to this Agreement otherwise agree, this Agreement terminates on that day and no party hereto will have any claim against any other party hereto with respect to any matter or thing arising out of, done, performed, or omitted to be done or performed under this Agreement.
- (5) The parties agree that if the Principal Agreement is otherwise determined in accordance with its provisions on a day prior to the Operative Date, then this Agreement shall also terminate on and from that day and no party hereto will have any claim against any other party hereto with respect to any matter or thing arising out of, done, performed, or omitted to be done or performed under this Agreement.

**2. Variations of Principal Agreement**

The Principal Agreement is hereby varied as follows:

- (1) in clause 1 in the definition of "Suspension Period" by deleting "2020" and substituting "2022";
- (2) in subclause (2) of clause 8 by deleting "2016" and substituting "2018";
- (3) in subclause (1) of clause 10 by deleting "2014" and substituting "2016";
- (4) in subclause (1) of clause 11 by deleting "2016" and substituting "2018";
- (5) in subclause (6) of clause 12 by deleting "2018" and substituting "2020";
- (6) in subclause (1) of clause 20 by deleting "2014" and substituting "2016"; and



|                                   |                                  |
|-----------------------------------|----------------------------------|
| <u>[Signature]</u>                | <u>[Signature]</u>               |
| Signature of director:            | Signature of director:           |
| Name of director: Masaki Fujiwara | Name of director: Masayuki Moroi |

**EXECUTED** by **DIAMOND RESOURCES )**  
**(CANNING) PTY LTD** ACN 145 113 186 in )  
accordance with section 127 of the *Corporations )*  
*Act 2001* (Commonwealth):

|                                   |                                  |
|-----------------------------------|----------------------------------|
| <u>[Signature]</u>                | <u>[Signature]</u>               |
| Signature of director:            | Signature of director:           |
| Name of director: Masaki Fujiwara | Name of director: Masayuki Moroi |

**SIGNED** for and on behalf of **MITSUBISHI )**  
**CORPORATION** in the presence of: )  
)

|                       |   |
|-----------------------|---|
| Signature of witness: | <u>[Signature]</u>                          |
| Name: MASAKI FUJIWARA | Signature of duly authorised representative |
| <u>[Signature]</u>    | Name: Makoto Tsurusaki                      |
|                       | Title: Senior Vice President                |
|                       | Division COO, E&P Business Division         |
|                       | Energy Business Group                       |

*[Schedule 2 inserted: No. 1 of 2016 s. 7.]*



**Schedule 3 — Termination agreement**

[s. 3]

*[Heading inserted: No. 12 of 2018 s. 8.]*

**2017**

**THE HONOURABLE MARK McGOWAN  
PREMIER OF THE STATE OF WESTERN AUSTRALIA**

**and**

**BURU ENERGY LIMITED  
ACN 130 651 437**

**DIAMOND RESOURCES (FITZROY) PTY LTD  
ACN 145 113 177**

**DIAMOND RESOURCES (CANNING) PTY LTD  
ACN 145 113 186**

**and**

**MITSUBISHI CORPORATION**

---

**NATURAL GAS (CANNING BASIN JOINT VENTURE)  
AGREEMENT 2012**

**TERMINATION AGREEMENT**

---

[Solicitor's details]

**THIS AGREEMENT** is made this 27th day of November 2017

**BETWEEN**

**THE HONOURABLE MARK McGOWAN**, BA LLB, 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 (State) of the one part,

**AND**

**BURU ENERGY LIMITED** ACN 130 651 437 of Level 2, 16 Ord Street, West Perth, Western Australia, **DIAMOND RESOURCES (FITZROY) PTY LTD** ACN 145 113 177 of Level 36, 120 Collins Street, Melbourne, Victoria and **DIAMOND RESOURCES (CANNING) PTY LTD** ACN 145 113 186 of Level 36, 120 Collins Street, Melbourne, Victoria (hereinafter collectively called the **Joint Venturers** in which term shall be included their successors and permitted assigns) of the second part

**AND**

**MITSUBISHI CORPORATION** of 3-1, Marunouchi 2-Chome, Chiyoda-Ku, Tokyo, Japan (**Guarantor**) of the third part.

**WHEREAS:**

- A. The State, the Joint Venturers and the Guarantor are now the parties to the agreement dated 7 November 2012, which agreement was ratified by the *Natural Gas (Canning Basin Joint Venture) Agreement Act 2013* (WA), and as varied by agreement dated 1 July 2015 is referred to in this Agreement as the **Principal Agreement**.
- B. The State, the Joint Venturers and the Guarantor wish to terminate the Principal Agreement in the manner and on the terms set out in this Agreement.

**NOW THIS AGREEMENT WITNESSES:**

**1. Definitions**

In this Agreement subject to the context:

**Operative Date** has the meaning given in clause 3(2).

**Petroleum Act** means the *Petroleum and Geothermal Energy Resources Act 1967* (WA).

**Petroleum Minister** means the Minister responsible for the administration of the Petroleum Act.

**Petroleum Titles** has the same meaning as in the Principal Act and at the date of this Agreement comprises the titles listed in the Schedule.

**Ratifying Act** means the Act of the Parliament of Western Australia to ratify this Agreement referred to in clause 3.

**this Agreement, hereof and hereunder** refer to this Agreement, whether in its original form or as from time to time added to, varied or amended.

## 2. Interpretation

In this Agreement:

- (a) clause headings do not affect interpretation or construction;
- (b) words in the singular shall include the plural and words in the plural shall include the singular according to the requirements of the context;
- (c) a reference to one gender includes the other genders;
- (d) a covenant or agreement by more than one person binds, and is enforceable against, those persons jointly and each of them severally;
- (e) a reference to a "person" includes a body corporate;
- (f) a reference to an Act 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 being in force thereunder;
- (g) a reference to any document includes that document as from time to time added to, varied or amended and notwithstanding any change in the identity of the parties;

- (h) a reference to a clause or schedule is a reference to a clause in or schedule to this Agreement, and a reference to a subclause or paragraph is a reference to the subclause of the clause or paragraph of the clause or subclause as the case may be in, or in relation to, which the reference is made;
- (i) a reference to this Agreement includes all recitals, schedules and annexures; and
- (j) "including" means "including, but not limited to".

**3. Ratification and operation**

- (1) This Agreement, other than this clause and clauses 1 and 2, does not come into operation except in accordance with subclause (2).
- (2) This Agreement, other than this clause and clauses 1 and 2, comes into operation on the day after the date on which it is ratified by an Act of the Parliament of Western Australia (**Operative Date**) unless, before that day, it terminates under subclauses (4) or (5).
- (3) The State must introduce in the Parliament of Western Australia before 31 March 2018, or a later date agreed between the parties to this Agreement, a Bill to ratify this Agreement and must endeavour to secure its passage as an Act.
- (4) If by 31 December 2018 or such later date agreed between the parties to this Agreement, this Agreement has not been ratified by an Act of the Parliament of Western Australia then, unless the parties to this Agreement otherwise agree, this Agreement terminates on that day and no party hereto will have any claim against any other party hereto with respect to any matter or thing arising out of, done, performed, or omitted to be done or performed under this Agreement.
- (5) The parties agree that if the Principal Agreement is otherwise determined in accordance with its provisions on a day prior to the Operative Date, then this Agreement shall also terminate on and from that day and no party hereto will have any claim against any other party hereto with respect to any matter or thing arising out of, done, performed, or omitted to be done or performed under this Agreement.

**4. Termination of Principal Agreement**

- (1) Subject to this clause, the Principal Agreement is hereby terminated with effect on and from the Operative Date and, except as otherwise provided in this Agreement, neither the State nor the Joint Venturers shall have any claim against the other with respect to any matter or thing in or arising out of the Principal Agreement.
- (2) Notwithstanding subclause (1) the Joint Venturers shall remain liable for any antecedent breach or default under the Principal Agreement and in respect of any indemnity given under the Principal Agreement.
- (3) Notwithstanding subclause (1) the Guarantor shall remain liable in respect of any guarantee given under the Principal Agreement in relation to any antecedent breach or default by Diamond Resources (Fitzroy) Pty Ltd or Diamond Resources (Canning) Pty Ltd under the Principal Agreement.
- (4) On and from the Operative Date:
  - (a) each Petroleum Title shall continue in force only under and, except as provided in this subclause, subject to the provisions of the Petroleum Act and, for the avoidance of doubt, each Petroleum Title shall cease to have the benefit of the rights and privileges conferred by, and be subject to the obligations or restrictions imposed by, the Principal Agreement;
  - (b) any modification of the Petroleum Act made by the Principal Agreement in relation to a Petroleum Title shall cease to apply and each Petroleum Title shall continue in force under and subject to the Petroleum Act for the balance of its term as extended in accordance with paragraphs (c) and (d) below;
  - (c) the State shall cause the Petroleum Minister to enter as soon as reasonably practicable a memorial in the register referred to in section 70 of the Petroleum Act recording that Petroleum Titles EP 371, EP428, EP431 and EP 436 shall continue in force until 30 July 2023 and the year end for each work requirement relating to these titles shall be suspended and extended for the additional period of 4 years and such extension of the term of the titles and variation of

work requirements shall be effective for all purposes on and from the date of entry of the memorial in the register;

- (d) the State shall cause the Petroleum Minister to enter as soon as reasonably practicable a memorial in the register referred to in section 70 of the Petroleum Act recording that Petroleum Title EP 391 shall continue in force until 31 January 2024 and the year end for each work requirement relating to this title shall be suspended and extended for the additional period of 4 years and such extension of the term of the title and variation of work requirement shall be effective for all purposes on and from the date of entry of the memorial in the register;
  - (e) in relation to the STP-LNA-0006 declaration of location over the Valhalla-Asgard Field affecting Petroleum Title EP371 the period in which application may be made for a retention lease under section 48A of the Petroleum Act or a production licence under section 50 of the Petroleum Act shall end on 30 June 2021; and
  - (f) for the avoidance of doubt, clauses 39 and 45 of the Principal Agreement will not survive termination of the Principal Agreement.
- (5) On and from the Operative Date the Joint Venturers will indemnify and keep indemnified the State and the State's employees, 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 the Joint Venturers pursuant to the Principal Agreement or relating to its operations under the Principal Agreement or arising out of or in connection with the construction, maintenance or use by the Joint Venturers or their employees, agents, contractors, assignees or sublessees of the Joint Venturers' works or services the subject of the Principal Agreement. This indemnity shall remain in force for a period ending on the date which is 20 years after the Operative Date.

**5. Mitsubishi Corporation guarantee of subsidiaries' performance**

The Guarantor hereby guarantees to the State the due performance by each of Diamond Resources (Fitzroy) Pty Ltd and Diamond Resources (Canning) Pty Ltd of all of their obligations under this Agreement.

**6.      Applicable law and submission to jurisdiction**

This Agreement is to be interpreted according to the law for the time being in force in the State of Western Australia and the parties to this Agreement submit to the jurisdiction of the courts of Western Australia in relation to any action or proceeding to settle any dispute or question arising out of or in connection with this Agreement.

**SCHEDULE**

**Petroleum Titles**

| <b>Petroleum Exploration Permits No.</b> | <b>Blocks</b> |
|--|---------------|
| EP371*                                   | 45            |
| EP391                                    | 26            |
| EP428                                    | 79            |
| EP431                                    | 52            |
| EP436                                    | 30            |

- \*Includes STP-LNA-0006 Declaration of Location over the Valhalla-Asgard Field

**EXECUTED** as a deed.

**SIGNED** by the **HONOURABLE** )  
**MARK McGOWAN** in the )  
presence of: )

[Signature]  
.....  
Signature of witness

[Signature]  
.....

NADEEN LYN ROBERTS  
.....  
Name of witness

**EXECUTED** by **BURU** )  
**ENERGY LIMITED** )  
ACN 130 651 437 in accordance )  
with section 127 of the )  
*Corporations Act 2001* )  
(Commonwealth): )

[Signature]  
.....  
Signature of director:  
Name of director: Eric Streitberg

[Signature]  
.....  
Signature of company secretary:  
Name of company secretary:  
Shane McDermott



**EXECUTED by DIAMOND**            )  
**RESOURCES (FITZROY) PTY**       )  
**LTD ACN 145 113 177 in**           )  
accordance with section 127 of the   )  
*Corporations Act 2001*            )  
(Commonwealth):                   )

[Signature]  
.....  
Signature of director:

Masashi Shiraishi  
.....  
Name of director:

[Signature]  
.....  
Signature of director:

Tadashi Hara  
.....  
Name of director:

**EXECUTED by DIAMOND**            )  
**RESOURCES (CANNING) PTY**       )  
**LTD ACN 145 113 186 in**           )  
accordance with section 127 of the   )  
*Corporations Act 2001*            )  
(Commonwealth):                   )

[Signature]  
.....  
Signature of director:

Masashi Shiraishi  
.....  
Name of director:

[Signature]  
.....  
Signature of director:

Tadashi Hara  
.....  
Name of director:

**SIGNED** for and on behalf of )  
**MITSUBISHI CORPORATION** )  
in the presence of: )

[Signature]  
.....  
Signature of witness:

[Signature]  
.....  
Signature of duly authorised  
representative:

Tadashi Hara  
.....  
Name of witness:

Fuminori Hasegawa  
.....  
Name:

Senior Vice President  
Division COO,  
Energy Business Division A  
.....  
Title:

*[Schedule 3 inserted: No. 12 of 2018 s. 8.]*



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**Notes**

- <sup>1</sup> This is a compilation of the *Natural Gas (Canning Basin Joint Venture) Agreement Act 2013* and includes the amendments made by the other written laws referred to in the following table.

**Compilation table**

| <b>Short title</b>  | <b>Number and year</b> | <b>Assent</b> | <b>Commencement</b>  |
|---|------------------------|---------------|--|
| <i>Natural Gas (Canning Basin Joint Venture) Agreement Act 2013</i>               | 2 of 2013              | 25 Jun 2013   | s. 1 and 2: 25 Jun 2013<br>(see s. 2(a));<br>Act other than s. 1 and 2:<br>26 Jun 2013 (see s. 2(b)) |
| <i>Natural Gas (Canning Basin Joint Venture) Agreement Amendment Act 2016</i>     | 1 of 2016              | 28 Feb 2016   | s. 1 and 2: 28 Feb 2016<br>(see s. 2(a));<br>Act other than s. 1 and 2:<br>29 Feb 2016 (see s. 2(b)) |
| <i>Natural Gas (Canning Basin Joint Venture) Agreement (Termination) Act 2018</i> | 12 of 2018             | 21 Aug 2018   | s. 1 and 2: 21 Aug 2018<br>(see s. 2(a));<br>Act other than s. 1 and 2:<br>22 Aug 2018 (see s. 2(b)) |

## **Defined terms**

*[This is a list of terms defined and the provisions where they are defined.*

*The list is not part of the law.]*

| <b>Defined term</b>           | <b>Provision(s)</b> |
|-------------------------------|---------------------|
| 2015 variation agreement..... | 3                   |
| scheduled agreement.....      | 3                   |
| termination agreement .....   | 3                   |
| the Agreement.....            | 3                   |