

**NORTH WEST GAS
DEVELOPMENT (WOODSIDE)
AGREEMENT AMENDMENT
ACT 1994**

No. 95 of 1994

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

[Assented to 30 December 1994.]

The Parliament of Western Australia enacts as follows:

Short title

1. This Act may be cited as the *North West Gas Development (Woodside) Agreement Amendment Act 1994*.

Commencement

2. This Act comes into operation on such day as is fixed by proclamation.

Principal Act

3. In this Act the *North West Gas Development (Woodside) Agreement Act 1979** is referred to as the principal Act.

[* *Act No. 104 of 1979.*

*For subsequent amendments see 1993 Index to
Legislation of Western Australia, Table 1, p. 146.]*

Section 2 amended

4. Section 2 of the principal Act is amended by deleting the definition of "the Supplementary Agreement" and substituting the following definitions —

"

"the First Supplementary Agreement" means the agreement a copy of which is set out in Schedule 2;

"the Second Supplementary Agreement" means the agreement a copy of which is set out in Schedule 3.

".

Section 4 amended

5. Section 4 of the principal Act is amended by inserting before "Supplementary" in each place where it occurs the following —

" First ".

Section 5 inserted

6. After section 4 of the principal Act the following sections are inserted —

“

Second Supplementary Agreement

5. (1) The Second Supplementary Agreement is ratified.

(2) The implementation of the Second Supplementary Agreement is authorized.

(3) Without limiting or otherwise affecting the application of the *Government Agreements Act 1979*, the Second Supplementary Agreement shall operate and take effect notwithstanding any other Act or law.

Commonwealth Trade Practices Act 1974

6. (1) The doing of anything that is referred to in an agreement as authorized for the purposes of section 51 (1) (b) of the *Trade Practices Act 1974* of the Commonwealth is authorized for those purposes.

(2) In subsection (1), “**agreement**” means an agreement the implementation of which is authorized by this Act.

”

Schedule 3 added

7. After Schedule 2 to the principal Act the following Schedule is added —

“

SCHEDULE 3

THIS AGREEMENT is made the 23rd day of November 1994

B E T W E E N

THE HONOURABLE RICHARD FAIRFAX COURT, B.Com., M.L.A., Premier of the State of Western Australia, acting for and on behalf of the Government of the said State and its instrumentalities from time to time (hereinafter called the "State") of the one part

AND

WOODSIDE PETROLEUM DEVELOPMENT PTY. LTD. ACN 006 325 631 a company incorporated in Victoria and having its registered office at Level 40, 385 Bourke Street, Melbourne (hereinafter called "WPD"), **WOODSIDE OIL LTD.** ACN 005 482 986 a company incorporated in Victoria and having its registered office at Level 40, 385 Bourke Street, Melbourne (hereinafter called "Woodoil"), **MID-EASTERN OIL LTD.** ACN 004 538 210 a company incorporated in Victoria and having its registered office at Level 40, 385 Bourke Street, Melbourne (hereinafter called "Mid-Eastern"), **SHELL DEVELOPMENT (AUSTRALIA) PROPRIETARY LIMITED** ACN 009 663 576 a company incorporated in Queensland and having its registered office in Victoria at Level 18, Shell House, 1 Spring Street, Melbourne (hereinafter called "SDA"), **BHP PETROLEUM (NORTH WEST SHELF) PTY. LTD.** ACN 004 514 489 (formerly called BHP Petroleum Pty. Ltd.) a company incorporated in Victoria and having its registered office at Level 19, BHP Petroleum Plaza, 120 Collins Street, Melbourne (hereinafter called "BHP Petroleum"), **BP DEVELOPMENTS AUSTRALIA LTD.** ARBN 007 507 959 a company organised and existing under the laws of the State of Louisiana, United States of America and registered in Australia as a foreign company and having its registered office in Victoria at care of BP Australia Limited, 33rd Floor, The Tower Melbourne

Central, 360 Elizabeth Street, Melbourne (hereinafter called "BPDAL"), **CHEVRON ASIATIC LIMITED** ARBN 009 473 090 (formerly called California Asiatic Oil Company) a corporation organised and existing under the laws of the State of Delaware, United States of America and registered in Australia as a foreign company and having its registered office in Western Australia at 27th Floor, 44 St George's Terrace, Perth, (hereinafter called "Chevron") and **JAPAN AUSTRALIA LNG (MIMI) PTY. LTD.** ACN 006 303 180 a company incorporated in Victoria and having its registered office at Level 33, 385 Bourke Street, Melbourne (hereinafter called "MIMI") of the other part.

WHEREAS:

- (a) the State of the one part entered into an agreement (hereinafter called the "1979 Agreement") dated 27 November 1979 with WPD, Woodoil, Mid-Eastern, North West Shelf Development Pty. Ltd., BP Petroleum Development Australia Proprietary Limited and Chevron of the other part (which agreement was ratified by and is scheduled to the North West Gas Development (Woodside) Agreement Act 1979);
- (b) by Deed of Assignment dated 20 January 1981 North West Shelf Development Pty. Ltd. assigned to SDA and BHP Petroleum in equal shares the whole of its right title interest and obligations in and under the 1979 Agreement with effect on and from 29 September 1980;
- (c) by endorsement dated 21 January 1981 to the said Deed of Assignment North West Shelf Development Pty. Ltd. was discharged and released with effect on and from 29 September 1980 from all its obligations undertakings duties and liabilities arising out of the 1979 Agreement;
- (d) by an agreement (hereinafter called the "1982 Agreement") dated 15 September 1982 between the parties hereto (other than BPDAL and MIMI) and BP Petroleum Development Australia Proprietary Limited entered into pursuant to the provisions of clause 27 of the 1979 Agreement, the 1979 Agreement was varied in certain respects;
- (e) by Deed of Assignment dated 15 September 1983 BP Petroleum Development Australia Proprietary Limited assigned to BPDAL the whole of its right title and interest in and under the 1979 Agreement, as amended, with effect from that date;

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- (f) by Deed dated 4 May 1984 BP Petroleum Development Australia Proprietary Limited was released and discharged with effect from 15 September 1983 from all liabilities and obligations arising under the 1979 Agreement, as amended;
- (g) by an agreement (hereinafter called the "1985 Agreement") dated 3 July 1985 between the parties hereto (other than MIMI), which agreement was ratified by and is scheduled to the North West Gas Development (Woodside) Agreement Amendment Act 1985, the 1979 Agreement was further varied;
- (h) the 1979 Agreement as varied by the 1982 Agreement and the 1985 Agreement is hereinafter referred to as the "Principal Agreement";
- (i) by Deed of Assignment dated 2 August 1985 WPD, Woodoil and Mid-Eastern assigned to BHP Petroleum one-sixth of their rights and obligations as LNG Joint Venturers under the Principal Agreement with effect from that date;
- (j) by Deed of Assignment dated 2 August 1985 WPD, Woodoil and Mid-Eastern assigned to SDA one-sixth of their rights and obligations as LNG Joint Venturers under the Principal Agreement with effect from that date;
- (k) by Deed of Assignment dated 2 August 1985 WPD, Woodoil and Mid-Eastern assigned to MIMI one-third of their rights and obligations as LNG Joint Venturers under the Principal Agreement with effect from that date;
- (l) by three releases, each dated 2 August 1985, pursuant to clause 26 of the Principal Agreement the Minister in the Government of the State for the time being responsible for the administration of the North West Gas Development (Woodside) Agreement Act 1979 released WPD, Woodoil and Mid-Eastern from their liabilities and obligations as LNG Joint Venturers under the Principal Agreement in respect of the interests the subject of the assignments referred to in recitals (i), (j) and (k) hereof; and
- (m) the parties hereto desire to vary the Principal Agreement in manner hereinafter set out.

NOW THIS AGREEMENT WITNESSES:

1. Unless the context otherwise requires the words and expressions used in this Agreement have the same meanings respectively as they have in and for the purpose of the Principal Agreement.
2. The State shall introduce and sponsor a Bill in the Parliament of Western Australia to ratify this Agreement and shall endeavour to secure its passage as an Act on or before 31 December 1994.
3. The provisions of this Agreement other than this clause and clauses 1 and 2 shall not come into operation unless and until -

- (a) legislation abolishing the State Energy Commission and establishing an Electricity Corporation and a Gas Corporation have been passed by the Parliament of Western Australia and come into operation as Acts;
- (b) the agreements referred to in paragraphs (i) - (vi) of the definition of Disaggregation Contracts in clause 4(1) are entered into; and
- (c) the Bill to ratify this Agreement referred to in clause 2 has come into operation as an Act,

in each case on or before 1 January 1995 or such later date as may be agreed by the parties hereto.

4. The Principal Agreement is hereby varied as follows -
 - (1) Clause 1 -

by inserting, in the appropriate alphabetical positions, the following definitions -

"Commission Contracts" mean those agreements for the sale and purchase of natural gas dated 30 September 1980, entered into by each Domgas Joint Venturer as seller and the State Energy Commission as buyer, as varied from time to time;

"Disaggregation Contracts" means those agreements for the sale and purchase of First Priority Gas entered into by each Domgas Joint Venturer as seller and the several Replacement Buyers as buyers, as varied from time to time, and being as at the Disaggregation date agreements (each for terms of up to 12 years)

entered into by each Domgas Joint Venturer with:

- (i) the Electricity Corporation (for electricity generation in the South West) for a daily contract quantity of approximately 120 TJ per day;
- (ii) the Electricity Corporation (for electricity generation in the Pilbara) for a daily contract quantity of approximately 12 TJ per day;
- (iii) the Gas Corporation for a daily contract quantity of approximately 95 TJ per day;
- (iv) Alcoa of Australia Limited for a daily contract quantity of approximately 170 TJ per day;
- (v) Hamersley Iron Pty. Limited for a daily contract quantity of approximately 14 TJ per day; and
- (vi) Robe River Mining Co. Pty, Ltd. and each other Robe River Iron Associates participant for an aggregate daily contract quantity of approximately 4 TJ per day;

"Disaggregation date" means 1 January 1995 or such later date as the parties to this Agreement may agree;

"Electricity Corporation" means the Electricity Corporation of Western Australia constituted by the Electricity Corporation Act 1994;

"Export Gas" means natural gas withdrawn from the Licence Areas for the purposes and up to the quantity referred to in subclause (3) of Clause 44A;

"First Priority Gas" means sufficient proven reserves of natural gas in the Licence Areas to deliver the balance as at the Disaggregation date of the 3023 PJ the subject of the Commission Contracts and which balance became as at the Disaggregation date the subject of the agreements referred to in paragraphs (i) - (vi) of the definition of Disaggregation Contracts;

"Fuel Gas" means natural gas produced from the Licence Areas for:

- (a) the operation of production wells, production facilities, platforms, pipelines, plant, machinery and other equipment for the production, transportation, handling or processing of natural gas from the Licence Areas;
- (b) gas lift operations, repressuring, pressure maintenance or cycling operations within the Licence Areas;

"Gas Corporation" means the Gas Corporation of Western Australia constituted by the Gas Corporation Act 1994;

"Licence Areas" means the areas specified in Production Licences WA-1-L, WA-2-L, WA-3-L, WA-4-L, WA-5-L and WA-6-L issued pursuant to the Petroleum (Submerged Lands) Act 1967 of the Commonwealth;

"LNG Contracts" means the agreements for the sale and purchase of liquefied natural gas dated 3 July 1985 entered into by each LNG Joint Venturer as seller and the buyers therein named, as varied from time to time;

"Permit Areas" means the areas specified in Exploration Permits WA-28-P and WA-33-P issued pursuant to the Petroleum (Submerged Lands) Act 1967 of the Commonwealth;

"Pilbara" means the areas constituting the shires of East Pilbara, Ashburton, Roebourne and Port Hedland;

"Replacement Buyers" means:

- (a) each of:
 - (i) Electricity Corporation;
 - (ii) Gas Corporation;
 - (iii) Alcoa of Australia Limited;
 - (iv) Hamersley Iron Pty Limited; and

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- (v) Robe River Mining Co. Pty. Ltd.
and each other Robe River Iron
Associates participant,

as buyers of portions of First Priority Gas
together with their respective successors
and permitted assigns as such buyers;
and

- (b) any other person who becomes a buyer of
any portion of First Priority Gas as such
a buyer;

"South West" means all areas of the State of
Western Australia other than the Pilbara;

"Third Priority Gas" means sufficient proven
reserves of natural gas in the Licence Areas
and the Permit Areas to deliver 2041 PJ which
are additional to the reserves dedicated to First
Priority Gas and Export Gas;.

- (2) Clause 20 -

by deleting "contemplated in recitals (c) and (d)
of this Agreement" and substituting the
following -

"in respect of First Priority Gas and Export
Gas".

- (3) By deleting subclause (5) of clause 30.

- (4) Clause 37 subclause (1) -

by deleting paragraph (f) and substituting the
following paragraph -

"(f) the agreements referred to in paragraphs
(i) - (vi) of the definition of
Disaggregation Contracts in Clause 1".

- (5) Clause 42 -

by deleting clause 42 and substituting the
following clause -

"42. In accordance with and for the purposes
only of section 51(1)(b) of the Trade
Practices Act 1974 of the Commonwealth,
the State authorises:

- (a) each Domgas Joint Venturer:
 - (i) to sell natural gas to each of the relevant Replacement Buyers pursuant to the agreements referred to in paragraphs (i) - (vi) of the definition of Disaggregation Contracts in Clause 1 on such terms, including as to price, and subject to such conditions as may be agreed between the Domgas Joint Venturers and each such Replacement Buyer;
 - (ii) to sell or supply natural gas to each of their affiliated companies anywhere in Western Australia; and
 - (b) marketing arrangements between each Domgas Joint Venturer and the Electricity Corporation whereby, in the Pilbara, the Electricity Corporation is not until 30 June 2005 to:
 - (i) sell natural gas purchased from the Gas Corporation being gas purchased by the Gas Corporation pursuant to the agreement referred to in paragraph (iii) of the definition of Disaggregated Contracts in Clause 1 or any Domgas Joint Venturer (to the extent such gas is withdrawn from the Licence Areas); or
 - (ii) use any gas described in subparagraph (i) other than for satisfying its requirements from time to time in respect of electricity generation and distribution business."
- (6) Clause 43 -
- by deleting "formal gas sales agreements entered into by the Joint Venturers or any of

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them with the State Energy Commission pursuant to recital (c) of this Agreement" and substituting the following -

"of the agreements referred to in paragraphs (i) - (vi) of the definition of Disaggregation Contracts in Clause 1".

(7) Clause 44 -

by deleting "State Energy Commission under any formal gas sales agreements entered into between them pursuant to recital (c) of this Agreement" and substituting the following -

"relevant Replacement Buyers under any of the agreements referred to in paragraphs (i) - (vi) of the definition of Disaggregation Contracts in Clause 1".

(8) Clause 44A -

by deleting clause 44A and substituting the clause set forth in the Schedule to this Agreement.

5. If prior to the date on which this Agreement comes into operation stamp duty has been assessed and paid on any agreement referred to in paragraph (f) of subclause (1) of Clause 37 of the Principal Agreement (as inserted by this Agreement) the State when this Agreement comes into operation shall on demand refund the stamp duty paid on any such agreement to the person who paid the same.

THE SCHEDULE

- 44A. (1) Subject to the reservation set out in subclause (3) of this Clause, the Joint Venturers shall at all times during the term of this Agreement and any extensions thereof so exercise the rights conferred upon or vested in them by this Agreement and shall so operate or make use of all onshore facilities so as to ensure that the priorities set out in subclauses (2) and (4) of this Clause are observed and performed.
- (2) As the first priority, First Priority Gas shall be reserved for delivery and use in Western Australia subject only to the reservations in the

**Commission Contracts and the Disaggregation
Contracts in relation to Fuel Gas.**

- (3) Subject to the first priority referred to in subclause (2) of this Clause, each Joint Venturer expressly reserves the right and is entitled to withdraw from the Licence Areas a quantity of natural gas not exceeding (when aggregated with the quantities withdrawn for the same purpose by all of the Joint Venturers) 198,000,000,000 cubic metres of natural gas for sale, use or supply outside Australia and to operate Common Property for that purpose.

Such aggregate amount includes quantities of gas withdrawn from the Licence Areas from which liquefied natural gas has been produced, sold and delivered under the LNG Contracts.

- (4) Subject to the first priority in relation to First Priority Gas referred to in subclause (2) of this Clause and the reservation of Export Gas referred to in subclause (3) of this Clause, Third Priority Gas, in such quantities as are commercially producible, shall be reserved for and sold, used or supplied only for consumption in Western Australia.
- (5) All other sales, uses and disposals by the Joint Venturers or any of them of natural gas produced from:
- (a) the Licence Areas shall rank in priority after and be subject to the priorities and reservations referred to in subclauses (2), (3) and (4) of this Clause;
 - (b) the Permit Areas shall rank in priority after and be subject to the reservation referred to in subclause (4) of this Clause.
- (6) (a) To enable the State to be satisfied that the Joint Venturers will continue to be able to meet their commitments and obligations in respect of Third Priority Gas, the Joint Venturers shall deliver to the State the information referred to in paragraph (b):
- (i) by 30 June of each year during the term of this Agreement;

- (ii) within 30 days of any material changes to the information most recently provided; and
 - (iii) within 30 days of a request from the State in circumstances where the State reasonably considers that the Joint Venturers may not be able to satisfy their commitments and obligations in relation to Third Priority Gas.
- (b) The information to be provided by the Joint Venturers to the State in accordance with paragraph (a) is as follows:
 - (i) a statement of the extent and nature of the current reserves of natural gas within the Licence Areas and the Permit Areas which are capable of commercial development; and
 - (ii) a statement of all commitments of the Joint Venturers in respect of the sale of gas (other than the gas referred to in subclause (3) of this Clause) outside Western Australia that are known or could be reasonably expected to be entered into during the following 12 months.
- (c) If the State so requests following the receipt of information in accordance with paragraph (a), the Joint Venturers and the State shall meet within 30 days from the date of such request to discuss any concerns of the State.

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

SIGNED by the said)	
THE HONOURABLE RICHARD)	R F Court
FAIRFAX COURT in the)	
presence of:)	

**MINISTER FOR RESOURCES
DEVELOPMENT**

Colin Barnett

THE COMMON SEAL of)
WOODSIDE PETROLEUM)
DEVELOPMENT PTY. LTD. is) C.S.
affixed in accordance with)
its articles of association)
in the presence of:)

Director D C K Allen

Secretary M R Morrison

THE COMMON SEAL of)
WOODSIDE OIL LTD. is)
affixed in accordance with) C.S.
its articles of association)
in the presence of:)

Director D C K Allen

Secretary M R Morrison

THE COMMON SEAL of)
MID-EASTERN OIL LTD. is)
affixed in accordance with) C.S.
its articles of association)
in the presence of:)

Director D C K Allen

Secretary M R Morrison

SIGNED, SEALED AND)
DELIVERED)
by JAMES RICHARD HARRISON) J R Harrison
as the attorney and in the)
name of **SHELL DEVELOPMENT**)
(AUSTRALIA) PROPRIETARY)
LIMITED under Power of)
Attorney dated 22 November) S B McCarthy
1994 in the presence of:)

THE COMMON SEAL of BHP)
 PETROLEUM (NORTH WEST)
 SHELF) PTY. LTD.) C.S.
 was hereunto affixed by authority)
 of the Board of Directors:)

Director D Curry

Director J N Dynon

THE COMMON SEAL of BP)
 DEVELOPMENTS AUSTRALIA.) C.S.
 LTD was hereunto affixed:)

by:
 Company Secretary C Beckett

attest:
 Director R Morrison

THE COMMON SEAL of)
 CHEVRON ASIATIC LIMITED) C.S.
 was hereunto affixed by)
 authority of the Board of)
 Directors in the presence)
 of:)

Director R I Wilcox

Assistant Secretary C M Cox

THE COMMON SEAL of)
 JAPAN AUSTRALIA LNG)
 (MIMI) PTY. LTD. was hereunto)
 affixed by authority of the) C.S.
 Board of Directors in the)
 presence of:)

Director J Okada

Secretary M Sweeney