

Bayu-Undan Gas Export Pipeline Production Cessation

Environment Plan – Notice of Consultation
March 2019

Overview

The Bayu-Undan to Darwin Gas Export Pipeline (the Pipeline) in the Timor Sea is a dry natural gas export pipeline transporting gas from the Bayu-Undan Field (situated in the Joint Petroleum Development Area between Timor-Leste and Australia) to the Darwin liquefied natural gas (DLNG) plant near Darwin, Northern Territory (NT). The Pipeline has been in operation since 2005 with a recently accepted environment plan (EP) in place until September 2023. ConocoPhillips Pipeline Australia is the operator of the Pipeline, on behalf of our joint venture partners Inpex, Santos, Eni, JERA and Tokyo Gas.

Gas production from the Bayu-Undan offshore field is expected to be exhausted around 2022. The DLNG infrastructure owners are currently assessing multiple options to backfill the facility's existing LNG train. One option for new supply of feed gas to DLNG from 2023 is an upstream development that would tie-in to the existing pipeline at Kilometre Point (KP)380. Following a successful tie-in to a new upstream pipeline, the upstream section of pipeline from the Bayu-Undan platform to the tie-in point will be isolated and left in-place pending authorisation of a pipeline decommissioning EP. Activities to tie-in the downstream section of the pipeline to a new upstream gas supply will be subject to separate EP authorisations.

The ratification of the *Treaty Between Australia and the Democratic Republic of Timor-Leste Establishing Their Maritime Boundaries in the Timor Sea* (the Maritime Boundary Treaty) will result in the sections of the Pipeline within Commonwealth and Timor-Leste waters falling under the exclusive jurisdiction of the Commonwealth.

The sections of the Pipeline within Timor-Leste and Commonwealth waters will then be subject to the *Offshore Petroleum and Greenhouse Gas Storage (OPGGs) Act 2006* and subsidiary regulations. The section of pipeline covered in the Production Cessation EP overlaps two jurisdictions and has three associated pipeline licences - Timor-Leste waters (BU-1-PL) and Commonwealth waters (WA-8-PL and NT/PL1).

This notice marks the start of consultation by ConocoPhillips Pipeline Australia to help prepare the Production Cessation Environment Plan prior to its submittal in mid-2019 to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) for assessment under the OPGGS Act 2006.

Pipeline Production Cessation Activity Scope

The activities associated with production cessation of the section of the Bayu-Undan to Darwin gas export pipeline from the Bayu-Undan platform to a tie-in point include:

- Isolation of the pipeline at the tie-in point by either (a) launch of a high-pressure isolation tool (HPIT) from the Bayu-Undan platform pushed with seawater; or (b) local line stop isolation.
- The flowline from the Bayu-Undan Central Production and Processing complex export compressors will be isolated from the export pipeline.
- Once isolated at the tie-in point, either (a) cutting of the pipeline upstream of the platform launch isolation; or (b) cutting downstream of the upstream line stop isolation tool.
- Removing the cut sections of pipeline to a vessel for onshore disposal.
- Installation on the upstream end of the cut pipeline with either (a) a mechanical connector and end cap (for the platform launch isolation method); or (b) a mechanical connector with pig launcher / receiver skid (for the local line stop isolation method) and removal of the upstream line isolation stop tool.

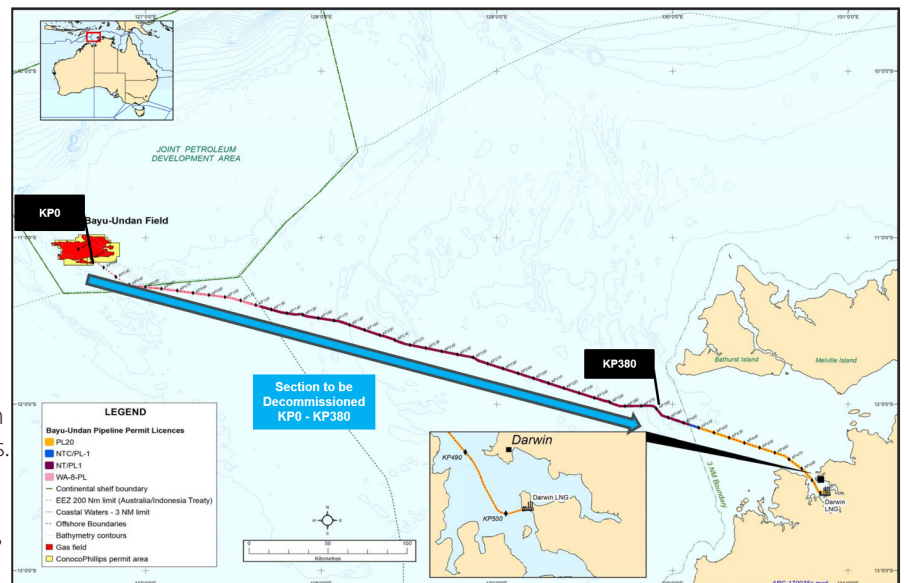


Figure 1: Bayu-Undan Gas Export Pipeline Route

- Sending residual production gas in the pipeline section to the Bayu-Undan platform flare by a seawater pushed pig (for the local line stop isolation method).
- Leaving the isolated, capped and water-filled pipeline section on the seabed pending final decommissioning authorisation.

Subsequent activities at the downstream end of the cut pipeline will be addressed in separate EPs.

Activities associated with final decommissioning of the pipeline section from the the Bayu-Undan platform to the tie-in point will be addressed in a separate EP.

Timing

Pipeline production cessation activities are dependent upon when gas can no longer be economically produced, and could commence as early as 2021 and as late as 2023. The activity duration is expected to be 4-6-weeks, with potential for an earlier isolation.

Production cessation is an interim step towards eventual decommissioning of the Bayu-Undan gas export pipeline. Pipeline decommissioning activities will be considered in a subsequent EP which will be the basis for further consultation.

Consultation

ConocoPhillips understands the importance of thorough, meaningful and ongoing consultation with relevant and interested stakeholders as part of its regulatory commitments and social licence to operate. For Bayu-Undan Operations, consultation has been ongoing through the life of the project.

The next stage of consultation will assist ConocoPhillips in preparing the Bayu-Undan Gas Export Pipeline Production Cessation EP prior to its submittal to NOPSEMA in mid-2019. The initial step in that process is distribution of information (this document) to all interested and relevant stakeholders under NOPSEMA's consultation guidelines.

Full details of the requirements and guidelines for public consultation on EPs is available on the NOPSEA website at www.nopsema.gov.au/environmental-management/assessment-process/environment-plans/. All correspondence received by ConocoPhillips during the consultation period will receive a written response and be considered in the preparation of the EP prior to its formal submittal to NOPSEMA.

Please provide written feedback on the production cessation via email to pipeline2@conocophillips.com by the initial closing date of Tuesday, 9 April 2019.

If you would like information additional to that provided in this documentation or have other queries related to the EP, please contact this email address or telephone External Relations Advisor Michael Marren on (08) 6363 2644.

During and following the initial consultation period, ConocoPhillips will also make further contact with all relevant stakeholders to ensure they are provided opportunity to submit their feedback. A further written communication will also be provided to all relevant and interested stakeholders closer to the submittal of the EP.

About ConocoPhillips

ConocoPhillips is the world's largest independent Energy & Production company based on production and proved reserves. Operations were established in Australia almost two decades ago.

Our Australia and Timor-Leste portfolio includes the Bayu-Undan field in the Joint Petroleum Development Area of the Timor Sea, the Darwin LNG facility in the Northern Territory and Australia Pacific LNG facility in Queensland as well as exploration and appraisal projects in northern Australia including Barossa-Caldita, Greater Poseidon and Greater Sunrise.

The DLNG/Bayu-Undan Project has paid more than US\$20B in revenue to Timor-Leste and Australia with several years left. ConocoPhillips and its joint venturers have invested more than US\$1.6B in exploration across northern Australia.

For more information about ConocoPhillips go to www.conocophillips.com.au