



Australian Government

National Offshore Petroleum Titles Administrator

Delegate of the Titles Administrator for Action

4 February 2016

**APPLICATION FOR APPROVAL OF A DEALING
PETROLEUM PRODUCTION LICENCE AC/L5**

Purpose:

1. To seek your approval of a dealing pursuant to section 493 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act), noting the issues raised; and
2. Request that you approve and sign the attached letter.

Details

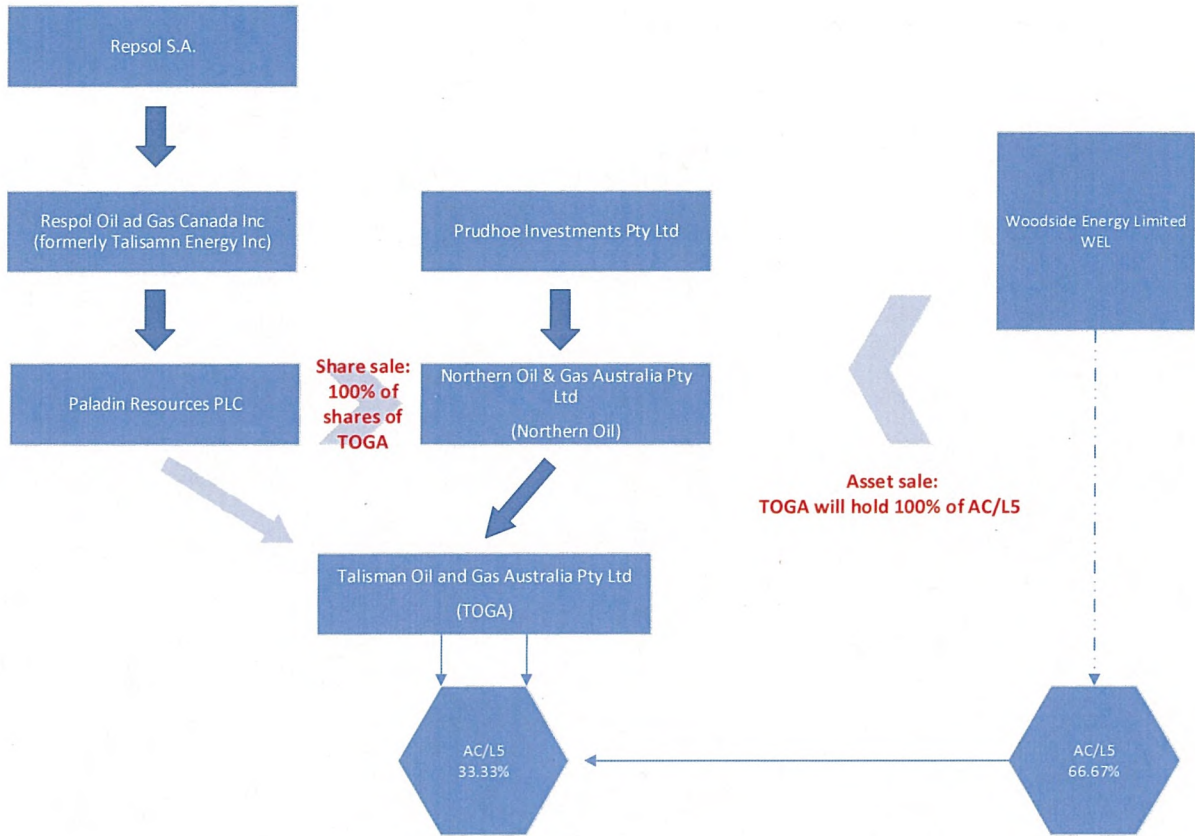
TITLE NUMBER	Petroleum Production Licence AC/L5
NEATS REF	91935D
DOCUMENT NAME	Laminaria-Corallina Sale Agreement
APPLICANT	Northern Oil & Gas Australia Pty Limited (Northern Oil)
LODGED	18 December 2015
BACKGROUND	<p>Petroleum Production Licence AC/L5 is currently owned and operated pursuant to a joint venture between Woodside Energy Ltd (Woodside) (66.67%) and Talisman Oil & Gas Australia Pty Ltd (TOGA) (33.33%). TOGA is a wholly owned subsidiary of Paladin Resources Ltd (Paladin).</p> <p>Northern Oil has agreed to purchase: (1) 100% legal and beneficial ownership of TOGA from Paladin (Share Sale); and (2) the Woodside Assets from Woodside including Woodside's 66.67% interest in AC/L5, 59.90% interest in the AC/L5 Unit Operating Agreement and 100% interest in the Northern Endeavour FPSO. Northern Oil has nominated TOGA to acquire Woodside's interest in the title immediately after the share sale, giving TOGA 100% ownership of the title, although it has retained a contractual right to substitute itself as the acquirer of Woodside's Assets, if done after the share sale, but before the Completion of the purchase from Woodside. (Diagram 1)</p> <p>A more detailed assessment of the dealing is attached for your consideration.</p>
APPLICATIONS PENDING	There are currently no other applications against this title with NOPTA or the Joint Authority that will have any effect on the processing or approval of this application. NOPTA understands that a transfer application to effect the transfer of interest in AC/L5 from Woodside to TOGA will be lodged in 2016.
ISSUES	<p>Production from the AC/L5 oil fields began through the Northern Endeavour FPSO in 1999. s45</p> <p>s45</p> <p>Northern Oil has indicated to NOPTA it intends, as the new operator to continue producing from the fields and is considering an infill drilling campaign in 2017.</p> <p>s47G(1)(a)</p>

	<p>s47G(1)(a) s47G(1)(a) The title contains eight subsea production wells and a gas injection well tied back to the Northern Endeavour FPSO.</p> <p>The share sale will change the parent entity of the titleholder but will not introduce a new registered titleholder for AC/L5, and the asset transfer will change the interests of the parties but no transfer of interest to a new titleholder will be lodged. (A transfer of interest to an existing titleholder is expected to be lodged in 2016). Therefore there is no statutory requirement in the Act for TOGA to provide evidence of its technical and financial capacity to operate</p> <p>s47C s42 s42</p> <p>s45</p> <p>s47C</p> <p>NOPTA has the option to seek further information from the titleholders in relation to the dealing. s47G(1)(a) s47G(1)(a)</p>
FEE(S) PAID	Yes - 15 December 2015
FILE REFERENCE:	Confidential Sale Agreement located in Confidential Dealing Box RET12/03043

Recommendation: That you approve the dealing, s47G(1)(a)
s47G(1)(a)

Prepared by: s22 Reviewed By: s22

Diagram 1: Share sale and Asset Transfer (AC/L5)



**ASSESSMENT OF DEALING(S) UNDER THE OFFSHORE PETROLEUM AND
GREENHOUSE GAS STORAGE ACT 2006****NEATS REFERENCE NUMBER: 91935D**

AFFECTING: Petroleum Production Licence AC/L5

BEING: Laminaria-Corallina Sale Agreement

PURSUANT TO: Section 486 - Table Item (1) of the Act

EXECUTED: 29 September 2015

LODGED: 18 December 2015

LATE LODGEMENT? No

SUPPLEMENTARY INSTRUMENT? Yes – the applicant states that the Sale Agreement contains highly commercially sensitive material that would significantly disadvantage all parties if it became known to other participants in the upstream oil and gas industry.

FIRB APPROVAL? The applicant states that Foreign Investment Review Board approval is not applicable.

EFFECTIVE: 1 July 2015

BETWEEN: Woodside Energy Limited (Woodside)
Paladin Resources Ltd (Paladin)
Northern Oil & Gas Australia Pty Limited (Northern Oil)

WHEREBY: Northern Oil will acquire the following interests in the Laminaria-Corallina project:

- (a) from Paladin, its 100% legal and beneficial ownership of Talisman Oil & Gas Australia Pty Ltd (TOGA) (Share Sale); and
- (b) from Woodside (collectively the Woodside Assets):
 - (i) its 66.67% participating interest under the Joint Operating Agreement (JOA) dated 16 March 1999, including its corresponding undivided interest in Petroleum Production Licence AC/L5;

s45

s45

Accordingly,
upon completion of the SPA and following the lodgement and

registration of a transfer, TOGA will hold a 100% interest in Petroleum Production Licence AC/L5 and each of the JOA and UOA, effectively bringing those agreements to an end.

s45

BACKGROUND:

Petroleum Production Licence AC/L5 is currently owned and operated pursuant to a joint venture between Woodside (66.67%) and Talisman Oil & Gas Australia Pty Ltd (TOGA) (33.33%). TOGA (a wholly owned subsidiary of Paladin) was previously known as Paladin Oil & Gas (Australia) Pty Limited, changing the company's name to TOGA in 2006.

The joint venture between Woodside and TOGA is governed by a Joint Operating Agreement dated 16 March 1999 (JOA) which sets out the terms for the exploration and development of Petroleum Production Licence AC/L5.

Petroleum Production Licence AC/L5 is also the subject of a Unitisation Agreement (UOA) applying to a contiguous field across WA-18-L (held 100% by TOGA). Under the UOA, Woodside holds a 59.9% interest and TOGA holds a 40.1% interest.

COMMENTS AFFECTING ASSIGNED INTEREST: N/A

DETAILS OF INCOMING COMPANY: N/A

INCOMING COMPANY ASSESSMENT FINANCIAL: N/A

INCOMING COMPANY ASSESSMENT TECHNICAL: N/A

TITLE OPERATOR: The operator as defined under the JOA.

EFFECT ON WORK PROGRAM: Not Applicable

APPLICATIONS PENDING: There are currently no other applications with NOPTA or the Joint Authority in relation to this title. NOPTA understands that a transfer application is likely to be lodged in 2016 to effect the transfer of interest in AC/L5 from Woodside to TOGA.

CORRECT FEE RECEIVED: An amount of \$2,950 was received on 15 December 2015, which is the correct fee pursuant to Regulation 11.01 (Schedule 6, Part 1, Division 2, item 116) of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011*.

s22

From: s22
Sent: Thursday, 4 February 2016 5:49 PM
To: s22
Cc:
Subject: 20160204 - ACL5 DEAL DOCs Endorsed by JB
Attachments: s22 has shared 'Laminaria Document Summary 0116'

For Official Use Only

Hi s22

Can you please attach the s22 in the attached email with the brief to Graeme, since it is referred to the briefing note.

Thanks
Jo

From: s22
Sent: Thursday, 4 February 2016 12:00 PM
To: s22 <s22@nopta.gov.au>
Subject: AC/L5 Dealing [DLM=For-Official-Use-Only]

For Official Use Only

Hi s

s22 has provided some financial input in relation to decommissioning.

The documents have been reviewed by s22 and s22 .

Can you please review and endorse for Graeme's approval

[ACL5 DEAL GM BRIEF](#)

[ACL5 DEAL ASSMT - SPA](#)

I have also provided the [ACL5 SPA ORIGINAL CONFIDENTIAL NUMBERED PAGES](#) (Sale Agreement minus attachments and schedules) for reference.

Application documents including Sale Agreement attachments and schedules are located in the [ACL5 DEAL 20151222](#) document set in SharePoint.

Thanks

s22

s22

Senior Titles Officer - NOPTA
Phone: s22

Email: s22

For Official Use Only

For Official Use Only

s22

From: s22
Sent: Wednesday, 3 February 2016 2:35 PM
To: s22
Subject: 20160203 - ACL5 DEAL - FINANCIAL and s22

For Official Use Only

Hi s22

As discussed, we are not able to conduct a financial assessment without further information from the titleholder, provision of which is not required under the legislation.

I have included COPS comments in your brief (below) to Graeme under the issues section. These have been reviewed by s22 and cleared by s22. Let me know if you want to discuss anything further, s22

From: s22
Sent: Tuesday, 12 January 2016 12:04 PM
To: s22 <s22@nopta.gov.au>
Subject: AC/L5 Dealing [DLM=For-Official-Use-Only]

For Official Use Only

Hi s22 ,

s has requested that I ask you to provide a mock financial assessment for Northern Oil & Gas Australia Pty Limited to include with my assessment.

Title number, Permit Year	Petroleum Production Licence AC/L5
Incoming company	No incoming company <i>Northern Oil & Gas Australia Pty Limited is purchasing one of the existing titleholders Talisman Oil & Gas Australia Pty Ltd (TOGA) and then purchasing the remaining interest in the title from the other titleholder Woodside Energy Ltd (66.67%)</i>
% interest being acquired	TOGA's interest will be increasing from 33.33% to 100% TOGA also becomes the wholly owned subsidiary of Northern Oil & Gas Australia Pty Limited
Brief description of related dealings	Refer to ACL5 DEAL ASSMT - SPA
Are there any other farmin agreements in relation to this title?	Not Applicable
Is the transferee involved in farmin agreements in any other titles that you know of?	Not Applicable
Variations/ Suspensions Extensions under application for this title?	Not Applicable

I have also provided the [ACL5 DEAL GM BRIEF](#) and [ACL5 SPA ORIGINAL CONFIDENTIAL NUMBERED PAGES](#) (Sale Agreement minus attachments and schedules) for reference.

Application documents including Sale Agreement attachments and schedules are located in the [ACL5 DEAL 20151222](#) document set in SharePoint.

Thanks

Dawn

s22

Senior Titles Officer - NOPTA

Phone: s22

Email: s22

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s22

From: s22
Sent: Wednesday, 23 December 2015 2:24 PM
To: s22
Subject: 20151223 - ACL5 DEAL ASSMT DOCs Reviewed by s22

For Official Use Only

Thanks s22 . I have marked in a few minor changes and queries, could you please have a look?

Thanks,
s22

From: s22
Sent: Wednesday, 23 December 2015 9:59 AM
To: s22 <s22@nopta.gov.au>
Subject: AC/L5 Dealing Assessment Documents for Review [DLM=For-Official-Use-Only]

For Official Use Only

Hi s22 ,

Can you please review the following documents:

[ACL5 DEAL GM BRIEF](#)
[ACL5 DEAL ASSMT - SPA](#)
[ACL5 DEAL APPVL REG LTR](#)

The Sale Agreement minus attachments and schedules: [ACL5 SPA ORIGINAL CONFIDENTIAL NUMBERED PAGES](#)

Application documents are located in the [ACL5 DEAL 20151222](#) document set in SharePoint.

Thanks

s22

s22
Senior Titles Officer - NOPTA
Phone: s22
Email: s22

For Official Use Only

For Official Use Only

s22

From: s22
Sent: Tuesday, 12 January 2016 4:42 PM
To: s22
Subject: ACL5 DEAL ASSMT - QUERY ST

For Official Use Only

Hi s22 ,

As discussed Jo requested that I ask Vikki to provide a mock financial assessment for Northern Oil & Gas Australia Pty Limited to include with my assessment.

We are unsure what should be included in the mock assessment

[ACL5 DEAL GM BRIEF](#)

[ACL5 DEAL ASSMT - SPA](#)

I have also provided the [ACL5 SPA ORIGINAL CONFIDENTIAL NUMBERED PAGES](#) (Sale Agreement minus attachments and schedules) for reference.

Application documents including Sale Agreement attachments and schedules are located in the [ACL5 DEAL 20151222](#) document set in SharePoint.

Thanks

s22

s22

Senior Titles Officer - NOPTA

Phone: s22

Email: s22

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Checklist:

Transfers and Dealings

This checklist MUST be used in conjunction with the following documents:

- Part 4.3 and 4.6 of the [Offshore Petroleum and Greenhouse Gas Storage Act 2006 \(Cwth\)](#) (the Act) and associated [regulations](#);
- [Offshore Greenhouse Gas and Storage \(Registration Fees\) Act 2006](#)
- [Offshore Petroleum and Greenhouse Gas Storage \(Registration Fees\) Regulations 1990](#)
- [Guideline: Transfers and Dealings Relating to Titles](#)
- [Guideline: Fees on Registration of Transactions](#)
- Delegation under section 695D dated 22 July 2014
- Transfer and Dealings: Administrative Procedures

Templates are also available to assist with the preparation of relevant documents and correspondence.

The checklist should be clipped to the inside cover of the relevant working file and each itemised task ticked off on completion.

Responsible Officer	Acronym
Titles Administration Officer	TAO
Titles Officer	TO
Titles Manager	TM
Titles Administrator	TA

Note: tasks assigned to TAO or TO may be performed by TAO, TO or TM (or Assistant TM)

Version History

Version	Primary Author	Approver	Date Approved
1	s22		
2			

Title Number (s): AC/L5	NEATS Tracking Number: 91935D
Applicant: Northern Oil & Gas Australia Pty Ltd	Date Lodged: 18 December 2015
Application Type: Transfer <input type="checkbox"/> Dealing <input checked="" type="checkbox"/>	
Deed Type (if applicable):	Sale and Purchase Agreement
File Reference:	Application and assessment documents AC/L5 Working File RET12/01016 Registered Supplementary Instrument AC/L5 Register File RET12/00963 Confidential Dealing located in Confidential Dealings Box

Task	Officer Responsible	Completed
PART A – RECEIPT OF APPLICATION & SCREENING (Completion within two days)		
Stamp hardcopy of lodged application and instrument of transfer or dealing (original and copies) with date received (<i>Section 477/492 of the Act</i>).	TAO	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Scan and photocopy any cheques received, provide to corporate the original and a copy of the cheque(s) immediately and place a copy of the cheque(s) on the working file. Email Corporate - attach a copy of the application form (include copy of cheque(s) if applicable) and request notification confirming receipt. <p>The following information should be provided in the email</p> <ul style="list-style-type: none"> Petroleum Title: Applicant: Payer (if not applicant) Application Type: Application Fee Amount: Payment Method: Date of Application: Titles Contact Person: 	TAO TAO	N/A <input checked="" type="checkbox"/>
If the application has not been submitted electronically in NEATS, enter application details into NEATS and generate application reference number.	TAO	<input checked="" type="checkbox"/>
Note the NEATS reference number on the first page of the instrument of transfer or dealing (original and copies)	TAO	<input checked="" type="checkbox"/>
Update WIP (application received; note the tracking number and fees paid).	TAO	<input checked="" type="checkbox"/>
Application Screening: <ul style="list-style-type: none"> Check that the correct application form has been filled out and executed correctly (if not, request applicant to re-submit the form). The original instrument evidencing the transfer/dealing executed by <u>all</u> parties, an additional (certified) copy of the instrument. If a supplementary instrument is lodged, stamp the appropriate dealing documents with 'confidential'. Document screening: Check that the application is compliant with legislation and guidelines – refer to document screening section in the Administrative procedures. 	TO TO TAO TO	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

For non-registered holders of the title transfers, details of: <ul style="list-style-type: none"> • Technical qualifications • Technical advice • Financial resources <i>(refer section 474 of the Act)</i>	TO	N/A
Send letter of acknowledgement to the applicant. If the application fee was not paid, request payment of the application fee in the letter.	TAO	<input checked="" type="checkbox"/>
File the following documents on the working file: <ul style="list-style-type: none"> • application and supporting documents • all related correspondence (including emails) • Scanned electronic copies must also be saved in the relevant directory. 	TO	<input checked="" type="checkbox"/>
PART B – ASSESSMENT		
Check if the application has been made within 90 days after the day on which the last party executed the instrument or within 90 days of grant of the title. Note: the Titles Administrator can allow a longer period if there are sufficient grounds. Section 476 and 491 refers.	TO	<input checked="" type="checkbox"/>
Prepare the draft dealing and/or transfer assessment template.	TO	<input checked="" type="checkbox"/>
Financial assessment required? Send the following to Compliance team to complete a financial assessment: <ul style="list-style-type: none"> • A link to the transfer assessment being prepared for titles, that explains the nature of the transfer, the percentage interest etc. • The remaining work program commitments associated with the title, for which the transferee will become financially responsible. • The balance sheet, statement of cash flows, and profit and loss statement (the company should have provided these with the transfer application) • The transferee’s interests in any other offshore petroleum titles (if you have this information) 	TO	NO Assessment as to NOGA/TOGA’s financial capacity to decommission production facilities requested
Confirm financial assessment completed by Compliance team	TO	<input checked="" type="checkbox"/>
Additional information required? <ul style="list-style-type: none"> • send a Request for Further Information (RFI) (see Procedures – Request for Further Information) - approved by Titles Manager. Note: Section 507 of the Act refers to requests for information. <ul style="list-style-type: none"> • Save received RFI email and/or scan hard copies to electronic folder; ensuring to date stamp and record relevant NEATS number/s on the received documents (received RFI) 	TO TM TO	YES - informal Phone call requesting clarification RE: execution page Email response received
Confirm payment received and notification has been generated.	TO	<input checked="" type="checkbox"/>
PART C – APPROVAL (Section 478 and 487 of the Act)		
<ul style="list-style-type: none"> • Prepare draft approval and registration letter to applicant and GM Briefing for approval. Attach: Assessment templates including any financial assessments and approval and registration letter to applicant 	TO	<input checked="" type="checkbox"/>

<ul style="list-style-type: none"> • Attach Form 2 – Notification of becoming a registered titleholder (if applicable) • Approved by Titles Manager or Assistant Manager Titles • Approved by Titles Administrator (or appropriate delegate) <p><i>Refer to section 695B of the Act re functions of the Titles Administrator and section 695B of the Act re delegations.</i></p>	<p>TO</p> <p>TM</p> <p>TA</p>	<p>N/A</p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>
<p>Approval date:</p> <ul style="list-style-type: none"> • Stamp the instruments (original/copy/supplementary) with the 'Approved' stamp and date. 	<p>TO</p>	<p><input checked="" type="checkbox"/></p>
<p>PART D – REGISTRATION (Section 479 and 494 of the Act)</p>		
<ul style="list-style-type: none"> • Stamp the instruments (original/copy/supplementary) with the 'Registered' stamp • Titles Administrator (or appropriate delegate) to register the instrument. <p><i>Refer to section 65(1) the Act re issue of document, and service of notices, on behalf of the Joint Authority.</i></p>	<p>TO</p> <p>TA</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>
<p>Update NEATS and the WIP as appropriate:</p> <ul style="list-style-type: none"> • Upload registered instruments onto NEATS (note – if supplementary instrument has been lodged, this will go on the register, not the confidential dealing. • 'Complete' the applications on NEATS and WIP 	<p>TO</p> <p>TO</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>
<ul style="list-style-type: none"> • Send approval and registration letter by post and email electronic copy of the letter to applicant • Arrange the return of the original hard copies of the registered instruments, documents, approval letter, receipt of payment and any supporting documentation as appropriate with the applicant: either by regular post, registered post or pick up in person. 	<p>TO</p> <p>TO</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>
<ul style="list-style-type: none"> • Scan all registered instruments and signed letter(s) and save copies in the relevant directories. • File all hard copy and electronic documents and correspondence (including the signed copies of letters and instruments) on the working file and register file and the relevant directory and provide to Titles Administration Officer for audit. • Confidential instruments saved in the dealing folder. • Non-confidential instruments or supplementary instruments saved in the register (instruments) folder. 	<p>TO</p> <p>TO</p> <p>TO</p> <p>TO</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>
<p>Email GIS and Corporate to update their records as appropriate (only applicable for Transfers)</p> <p>Email should include reference or hyperlink(s) to affected title(s)</p>	<p>TO</p>	<p>N/A</p>