

Australian Industry Participation (AIP) plan Summary – Project Phase

1. Project Details

Nominated project proponent: Santos WA Northwest Pty Ltd

Project name: Dorado Development

Description of the project: The Dorado oil field contains 158 mmbbls (2C, 100%) of oil. The project will be developed jointly with an equity split of Santos WA Northwest Pty Ltd 60% (operator), Santos WA Southwest Pty Limited 20% and Carnarvon Petroleum Pty Ltd 20%. The offshore resource would be developed with up to 16 wells drilled by a jack-up drilling rig hosted by an unmanned well head platform (WHP). The WHP would be connected back to an adjacent Floating Production, Storage and Offloading facility (FPSO) moored in 95 metres of water adjacent to the Dorado field.

The proposed FPSO unit would have processing facilities to stabilise, store and offload the oil produced and compress and re-inject gas to the reservoir. Santos anticipates the development will be designed to produce approximately 75,000 to 100,000 bpd of stabilised oil on initial plateau which will decline over an estimated 10-15 years field life. Santos is targeting Front End Engineering Design (FEED) entry in Q2 2020 with a Final Investment Decision (FID) in early 2021 and production Ready For Start Up (RFSU) some 3-4 years later. These targets are subject to all necessary joint venture approvals, regulatory approvals and establishing satisfactory commercial arrangements.

Estimated project value: > \$500 million

Project location: The Dorado Development is located in the Bedout Basin in Commonwealth waters, approximately 150km north of Port Hedland, Western Australia. The area encompasses petroleum exploration permit WA-437-P in which Dorado was discovered.

Link to project information: www.Dorado.icn.org.au

Project contact for procurement information: Linus O'Brien, 08 9365 7556,
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Other project proponents involved in the project: Santos WA Southwest Pty Ltd, Carnarvon Petroleum Limited

2. Opportunities to supply Goods and Services

Key goods and services for the project	Opportunities for Australian entities	Opportunities for non-Australian entities
Drilling & Completions		
Drill Rig Services	Yes	Yes
Provision of Electric Wire Services	Yes	Yes
Supply of Oil Country Tubular Goods (OCTG)	Yes	Yes
Provision of Surface (Mud) Logging Services	Yes	Yes
Provision of Tubular Running Services	Yes	Yes
Provision of Rental Equipment and Fishing Services	Yes	Yes
Provision of Cementing Services	Yes	Yes
Provision of Directional Drilling, Logging While Drilling and Measurements While Drilling	Yes	Yes
Provision of Solids Control and Waste Management Services	Yes	Yes

Provision of Conductors and Associated Services	Yes	Yes
Provision of Well Completion Services	Yes	Yes
Provision of Slickline Services	Yes	Yes
Provision of Coiled Tubing Services	Yes	Yes
Provision of Drilling Fluids Materials and Services	Yes	Yes
Provision of Well Test Equipment and Services	Yes	Yes
Supply and Installation of Offshore Hardware		
Well Head Platform Design	Yes	Yes
Well Head Platform Fabrication	Yes	Yes
Well Head Platform Topsides Design Engineering	Yes	Yes
Well Head Platform Topsides Engineering, Procurement and Construction	Yes	Yes
Umbilical, Riser, Flowlines Design and Engineering	Yes	Yes
Infield Rigid Flowline System and Coatings	Yes	Yes
Flexible Flowline and Jumper Fabrication	Yes	Yes
Flexible Riser System Fabrication	Yes	Yes
Umbilical System Fabrication	Yes	Yes
Platform and hardware Installation Services	Yes	Yes
Risers and Flexibles Installation Services	Yes	Yes
Floating Production Storage and Offloading facility (FPSO)		
FPSO Detailed Design Engineering	Yes	Yes
FPSO Topsides and Hull Engineering, Procurement and Construction	Yes	Yes
FPSO Installation, Hook Up and Commissioning	Yes	Yes
Logistics		
Provision of Helicopter Transfer Services	Yes	No
Provision of Vessel Services: AHTS or PSV class	Yes	Yes
Road freight services	Yes	No
Provision of Fuel	Yes	Yes
Subsurface		
Provision of laboratory services for fluid PVT analysis	Yes	Yes
Provision of laboratory services for Crude Assay analysis	Yes	Yes
Provision of laboratory services for core analysis (RCA/SCAL)	Yes	Yes
Provision of Geoscience Studies	Yes	Yes
Seismic Processing Services	Yes	Yes

Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact.

Explanation for item(s) in list above where it is indicated ‘No Opportunities for Australian entities’

Nil

3. Standards to be used in the project

- It is a Santos requirement that standards utilised on the project are either Australian or internationally recognised equivalents, unless otherwise justified due to specific technological, commercial, intellectual property or similar requirements.
- Santos places contractual obligations in respect of applicable design standards on its contractors. It subsequently monitors compliance through its Quality Assurance check processes.
- It is the expectation that Australian entities will have the ability to meet these standards.

4. AIP activities to be undertaken by the Project Proponent

- The activities undertaken by Santos will ensure that full, fair and reasonable opportunity has been provided to Australian companies. Santos will ensure that the obligations arising from the

Australian Jobs Act 2013 are fulfilled and are cascaded to contracts with the Dorado project procurement entities.

- Santos, when acting as a procurement entity, will engage in advance of commencement of tendering activity of key goods and services with the Industry Capability Network WA (ICNWA) to provide advice and determine whether Australian capability and capacity exists for the specific scopes of work.
- Where ICNWA confirms that Australian industry capability exists, procurement entities will advertise relevant scopes of work on ICN Gateway seeking Australian industry expressions of interest prior to commencing further vendor market engagement. Supplier information guides will be available for download from the ICNWA website.
- In conjunction with ICNWA, Santos will provide a briefing/update to industry at appropriate times within the program and where significant milestones are achieved. These times will be aligned to key milestones to allow Australian industry the opportunity to register interest and prove capability. For large and complex packages Santos will generally issue the tender documentation accompanied by presentations and meetings to ensure tenderers are fully cognisant of the requirements.
- Santos will encourage suppliers to connect with the supplier development initiatives of the Federal Government's Entrepreneurs' Programme. Santos will provide ICNWA feedback on companies who registered an EOI but will not proceed to the tender process. ICNWA will inform these unsuccessful companies and advise them of the Entrepreneurs' Programme. Santos will offer a feedback process to any unsuccessful tendering company. This process will include information on the Entrepreneurs' Programme.
- Internal AIP training and alignment sessions will be conducted for senior management, key discipline leads and procurement and contracting personnel covering their responsibilities for implementation of the AIP plan. Attendance records will be kept to confirm attendance at these sessions. Ongoing AIP training and alignment sessions will be offered for newcomers on the Project. Kick-Off Meetings with major contractors to cover their AIP obligations will also be conducted.
- Santos will periodically run an AIP assurance process to ensure appropriate AIP processes are followed by Santos personnel and procurement entity personnel.

5. AIP activities to be undertaken by procurement entities

In relation to other procurement entities Santos will ensure:

- The AIP plan requirements and reporting are embedded into all tender documents
- Santos in their evaluation of supplier tenders will include a review of Australian supplier involvement
- Santos will provide the list of ICN Gateway partial scope expressions of interest to successful contractors
- Undertake engagement with successful contractors to outline all AIP obligations and ensure any resulting sub contract incorporates AIP requirements.
- Other procurement entities will be required contractually to follow all AIP requirements in the plan including the use of ICNWA along with the planned training and reporting requirements.