

# Australian Industry Participation (AIP) plan Summary – Project Phase

## **1. Project Details**

**Designated project proponent:** AWE Perth Pty Ltd (operating under the Mitsui E&P Australia brand)

**Project name:** Waitsia Gas Project – Stage 2

**Description of the project:** The Waitsia gas field is located in the northern Perth Basin within Petroleum Production Licences L1 and L2 (“L1 and L2”) about 340 km north of Perth and 16 km south east of Dongara, Western Australia. The Waitsia Joint Venture is comprised of AWE Perth Pty Ltd and Lattice Energy Resources (Perth Basin) Pty Ltd with each party owning a 50% participating interest in the Joint Venture. AWE Perth Pty Ltd (Company) is operator of the project for and on behalf of the Waitsia Joint Venture.

The proposed Stage 2 development includes construction of a new gas processing plant and drilling and connection of up to 14 additional wells over an area of 50 square kilometres within a three-year time frame. The plant will export conditioned gas into the DBNGP with operations expected to continue for 16 years (assuming full capacity of up to 250 TJ/d).

When complete, Stage 2 will deliver expanded treatment facilities involving wellheads, flowlines, gathering flowlines, gathering hubs, gas conditioning (CO<sub>2</sub> removal, and water and hydrocarbon dew point control), liquids handling, export compression (if required), custody transfer metering, export pipelines and condensate loadout facilities. This infrastructure will be installed to accommodate future expansion and compression to extend the field life as it matures. Sales Gas will be exported to the Dampier to Bunbury Natural Gas Pipeline (DBNGP).

Company will engage either two or three EPC contractors in a design competition contract to undertake FEED and sufficient design definition to be able to submit EPC contract lump sum pricing for the Project. The successful EPC contractor will assume responsibilities as the procurement entity for all itemised permanent material or service packages. Company’s own procurement will be limited to sourcing materials or services occasionally required to supplement the key goods and services provided by the EPC contractor and providing support to the Drilling Services Contractor. Appointment of a successful EPC contractor will be subject to a positive FID decision on the Project.

**Indicative project timeline for Waitsia Gas Project – Stage 2 is as follows:**

Revise BOD, FEED & EPC Bids	Q1-Q2 2019
FID	Q3-Q4 2019
Award EPC contract	Q3-Q4 2019
Onshore Drilling & Completions	Q4 2019 – Q4 2021
Commence Onsite Construction	Q2-Q3 2020
Facility Completion	Q4 2021 – Q2 2022

**Estimated project value:** >\$500 million

**Project location:** Waitsia Gas Field is located approx. 14 km east-southwest of Dongara, in Mid-West region of WA

**Link to project information:** <https://mitsuiepmidwest.com.au/> and <http://gateway.icn.org.au/> or equivalent.

**Project contact for procurement information:** Keith McGarva, Phone: +61 8 94801339

E-mail: [keith.mcgarva@mepau.com.au](mailto:keith.mcgarva@mepau.com.au)

**Other project proponents involved in the project:** Lattice Energy Resources (Perth Basin) Pty Limited (wholly owned subsidiary of Beach Energy Limited)

## **2. Opportunities to supply Goods and Services**

Under the EPC contract, the EPC contractor will assume responsibilities as the procurement entity for all itemised packages that result in subcontracts. These will be described in further detail in the EPC contractor's own subsequent AIP Plan.

<b>Expected opportunities</b>	<b>Opportunities for Australian entities</b>	<b>Opportunities for non-Australian entities</b>
<b>Supply of Equipment &amp; Permanent Materials</b>		
Supply of Coated Linepipe & Fittings	No	Yes
Provision of fabricated Hubs & Pig Launcher/Receivers	Yes	Yes
Supply of Gas/Diesel Engines and/or Turbines	No	Yes
Supply of Compressors	No	Yes
Supply of Heat Exchangers	No	Yes
Supply of Slugcatcher(s)	Yes	Yes
Supply of Pressure Vessels	Yes	Yes
Supply of Tanks	Yes	Yes
Supply of Columns	No	Yes
Supply of Process Pumps	Yes	Yes
Supply of Instrumentation	Yes	Yes
Supply of Electrical Equipment	Yes	Yes
Supply of Electrical Cabling	Yes	Yes
Supply of Structural Steel & Re-bar	Yes	Yes
Supply of Piping & Fittings	Yes	Yes
Supply of Painting, Insulation & Fireproofing Materials	Yes	Yes
Supply of Valves & Fittings	Yes	Yes
Supply of Membranes & Chemicals	Yes	Yes

<b>Expected opportunities</b>	<b>Opportunities for Australian entities</b>	<b>Opportunities for non-Australian entities</b>
Supply of Control Systems	Yes	Yes
Supply of Buildings	Yes	No
Supply of Fire & Safety Equipment	Yes	Yes
<b>Construction Services</b>		
On-Site Construction labour	Yes	No
Earthworks & Site Preparation	Yes	No
Civil Works & Infrastructure	Yes	No
Provision of Temporary Site Facilities	Yes	No
Provision of Temporary Accommodation Services	Yes	No
Provision of Road & Sea Transportation Services	Yes	Yes
Provision of Waste Management/Disposal Services	Yes	No
Provision of NDT Inspection & Testing Services	Yes	Yes
Provision of Electrical & Instrumentation Services	Yes	Yes
Provision of Painting, Industrial Coating & Insulation Services	Yes	No
Provision of Mechanical Services	Yes	No
Provision of Heavy Lift Crane Hire Services	Yes	No
Provision of Hire Equipment Services (Other)	Yes	No
Supply of Scaffold & Access Equipment	Yes	No
Supply of Concrete	Yes	No
<b>Onsite Drilling &amp; Completions</b>		
Site Earthworks for Well Pads & Access Roads	Yes	No
Drill Rig Services	Yes	No
Provision of Electric Wire Services	Yes	No

<b>Expected opportunities</b>	<b>Opportunities for Australian entities</b>	<b>Opportunities for non-Australian entities</b>
Supply of Oil Country Tubular Goods (OCTG)	Yes	No
Provision of Surface (Mud) Logging Services	Yes	No
Provision of Cementing Services	Yes	No
Provision of Directional Drilling, Logging and Measurements While Drilling	Yes	No
Provision of Well Completion Services	Yes	No
Provision of Drilling Fluids Materials and Services	Yes	No
Provision of Well Test Equipment and Services	Yes	No

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’**

Certain plant and equipment inherent to the design of the gas facility is by nature proprietary to specialist international manufacturers, and for which there is no Australian manufacturer available. It is anticipated that the following items will be procured by the EPC Contractor internationally: Coated Linepipe and Fittings, Gas Turbines or Gas/Diesel Engines, Compressors, Heat Exchangers and Columns.

Other materials may be manufactured in Australia, or supplied competitively through Australian entities, and the EPC Contractor will be required in its AIP Plan to explore the opportunities that exist to maximise participation in the project by Australian entities.

**3. Standards to be used in the project**

- It is a Company 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.
- Company places contractual obligations in respect of applicable design standards on its contractors, who subsequently monitor compliance through their Quality Assurance 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 Company will ensure that full, fair and reasonable opportunity has been provided to Australian companies. Company will ensure that obligations arising under the *Australian Jobs Act 2013 (Cth)* are fulfilled and are included in contracts with procurement entities.
- Both Company and EPC Contractor, if and when acting as a procurement entity, will engage in advance of commencement of tendering activity for key goods and services with the Industry

Capability Network WA (ICNWA) or an independent service provider to determine whether Australian capability and capacity exists for scopes of work equal to or in excess of A\$1 million.

- Where ICNWA or an independent service provider confirms that Australian industry capability exists, procurement entities will advertise relevant scopes of work on an online advertisement platform (e.g. ICN Gateway or equivalent) seeking Australian industry expressions of interest prior to commencing further vendor market engagement.
- The EPC Contractor will be obliged to perform public information activities, including providing supplier briefings to the Australian market on Project opportunities and timings.
- Company will continue conducting regular Mid-West Community information sessions to outline opportunities for local contractors and businesses to be engaged on the Project.
- Both Company and EPC contractor will continue to support government and industry initiatives that have been established to generate local awareness of procurement opportunities and support local businesses to participate effectively.
- Company will ensure the EPC contractor lists the pre-qualification requirements on the ICN Gateway or equivalent web site and subsequently within specific procurement package documentation issued to the market and shortlisted participants.
- The EPC Contractor will ultimately be the entity who will develop the work packages needed to complete the scope of works. The EPC Contractor is required to develop a contracting strategy (which is approved by Company) which outlines the timeframes considered appropriate to tender for and deliver the scope of works. Based on the timeframes outlined in this strategy, tender documents will be released to the market.
- The EPC Contractor will be required to split work packages into smaller discrete scopes to allow Mid-West local contractors and businesses the opportunity to tender and be successful at the procurement stage.
- Also, under the Company's Indigenous Engagement protocols the EPC Contractor will have obligations, including:
  - Consideration of employment of local aboriginal people and businesses where they are appropriately qualified and capable of carrying out the work.
  - Exploring opportunities for capacity building and support for locally owned Indigenous organisations consistent with core business activities.
  - Consideration given to contractors that actively engage with the local Indigenous community.
- Company's contract holders will work closely with the EPC Contractor to identify particular capacity of Australian businesses and where these might be afforded the opportunity to participate in the EPC Contractor's global supply chains. Also, Company through its database of Australian entities will seek opportunities for Project suppliers to integrate with our global supply chains.
- If a contractor with an Australian entity has been unsuccessful in bidding for work on the Project, we will provide the entity an opportunity to attend a debrief session with the Project team post contract award. This opportunity will be outlined in the written notification that is provided to unsuccessful bidders. Feedback will include referrals to relevant training or support programs.
- Company will periodically run an AIP assurance process to ensure appropriate AIP processes are being followed by procurement entity personnel, including engagement with ICNWA or equivalent.

## **5. AIP activities to be undertaken by procurement entities**

Company as part of the tender and award process for the engagement of procurement entities will ensure that the requirements of the Act have been incorporated into the agreement between the parties including the requirements in respect of:

1. The Project AIP Plan;
2. EPC Contractor AIP Contact Officer;
3. EPC Contractor AIP Plan;
4. Online advertisement platform vendor portal;
5. AIP Training;
6. AIP assurance process;
7. AIP reporting; and
8. Project Proponent/EPC Contractor – Unsuccessful bidder feedback.