

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

## 1. Project Details

**Nominated project proponent:** Santos NSW (Eastern) Pty Ltd

**Project name:** Narrabri Gas Project

**Description of the project:** Subject to Government and regulatory approvals, the Narrabri Gas Project involves the development of coal seam gas through the progressive drilling of up to 850 wells drilled and connected back to Leewood Gas and Water Treatment facility located approximately 30km south of Narrabri. Post appraisal, the Narrabri Gas Project will include development drilling, construction of surface facilities and supporting infrastructure. The Narrabri gas field contains an estimated 1.8 TCF of natural gas. The project will be developed jointly with an equity split of Santos NSW (Eastern) Pty Ltd 80% and EnergyAustralia Narrabri Gas Pty Ltd 20%. Santos anticipates full development of the field will produce approximately 200TJ/d gas to service the NSW market via pipeline over an estimated 25-year field life. Santos intends to undertake a self-managed approach and act as the procurement entity for the project. With contracting strategies to be developed, Santos will engage market to secure the goods and/or services required with an emphasis of engaging businesses local to the Narrabri region where capability allows. Subject to business and regulatory approvals, Development FEED and Detailed Design is planned to commence Q4, 2020 with the majority of procurement activity to take place post FID anticipated in H1, 2022. Goods and services required for the project are grouped into five core segments 1) Drilling & Completions, 2) Field Development, 3) Pipeline Development, 4) Facilities Development, and 5) Logistics & Operations Support.

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

**Project location:** The Narrabri Gas Development is located in the Gunnedah Basin, approximately 600km north west of Sydney. The area encompasses petroleum exploration licence PEL 238. Operations will be located on around 1000ha of the 95,000 hectare Project area. The Project area is mostly located on state land in a section of the Pilliga set aside by the NSW Government for uses including logging and extractive industries.

**Link to project information:** <https://narrabrigasproject.com.au/>

**Project contact for procurement information:** Stephen Caine, (07) 3838 5602, [stephen.caine@santos.com](mailto:stephen.caine@santos.com)

**Other project proponents involved in the project:** EnergyAustralia Narrabri Gas Pty Ltd

## 2. Opportunities to supply Goods and Services

<b>Expected opportunities (Development Project)</b>	<b>Opportunities for Australian entities</b>	<b>Opportunities for non-Australian entities</b>
<b>Drilling &amp; Completions</b>		
Provision of Drill Rig Services	Yes	Yes
Provision of Workover Rig Services	Yes	Yes
Provision of Directional Drilling Services	Yes	No
Provision of Cementing Services	Yes	No
Provision of Solids Control and Waste Management Services	Yes	No
Provision of Drilling Fluids Materials and Services	Yes	No
Provision of Open Hole Logging Services	Yes	No

Provision of Wellsite Logistics Services	Yes	No
Supply of Oil Country Tubular Goods (OCTG)	Yes	Yes
Supply of PCPs (Artificial Lift)	Yes	No
Supply of Wellheads	Yes	No
<b>Field Development</b>		
Field Civils Services	Yes	No
Gathering Network Construction Services	Yes	No
Well Connect Services	Yes	No
Supply of Wellhead Skids	Yes	Yes
Supply of Wellhead Skid MCCs	Yes	No
Supply of HDPE Pipe & Associated Fittings	Yes	No
Supply of LPDs & HPVs	Yes	No
Supply of Fibre Optic & Electrical Cable	Yes	No
<b>Pipeline Development</b>		
Supply of Carbon Steel Line Pipe	Yes	Yes
Supply of HV Cable	Yes	No
Supply of HV Substation Package	Yes	No
HV Substation SMPE&I Construction Services	Yes	No
Pipeline Construction Services	Yes	No
<b>Facilities Development</b>		
BCS-01: Supply Compressor Package(s)	Yes	Yes
BCS-01: Supply Gas Metering Skid	Yes	No
BCS-01: Supply TEG Package	Yes	Yes
BCS-01: Supply CO2 Removal Packages	Yes	Yes
BCS-01: SMPE&I Construction & Plant Modification Services	Yes	No
BCS-01: Control System Upgrade Services	Yes	No
WTF: Supply ROP Packages	Yes	No
WTF: SMPE&I Construction Services	Yes	No
WTF: Pond Construction Services	Yes	No
<b>Logistics &amp; Operations Support</b>		
Freight, Logistics & Distribution 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'**

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 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 is provided to Australian entities in complying with obligations arising from the Australian Jobs Act 2013.
- Santos intends to utilise the ICN Gateway (or equivalent) to provide information on tender opportunities for the supply of key goods and services as opportunities arise. Santos intends to

engage ICN NSW (or selected provider) to determine Australian entity capability and capacity for such opportunities in advance of tendering for the goods or services.

- Santos will review and consider interest registered via the ICN Gateway (or equivalent) as well as known suppliers in determining a bid list for work scopes. For selected entities, Santos will ensure fair and reasonable opportunity to bid. This includes release of tender documentation to all participants at the same time and governing tender terms and conditions which require all bidders to be treated equally with respect to the timeframe for tender submissions. When determining reasonable and realistic durations from tender release to tender submission, Santos will ensure due consideration in determining reasonable timeframes required for all respondents.
- Santos will provide a briefing/update to industry at appropriate times within the program where significant milestones are achieved with a key focus on local industry, community and indigenous participation; Santos may conduct such events in conjunction with ICN NSW (or equivalent). 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 tender documentation accompanied by presentations and meetings to ensure tenderers are fully cognisant of requirements.
- A supplier information guide will be developed and made available for download from the ICN NSW (or equivalent) website. Such guide will incorporate general project information, Santos qualification requirements, and the process in which Australian entities should undertake to register interest against scope of work advertised (being via the ICN Gateway or selected alternate platform).
- Santos will encourage suppliers to connect with the supplier development initiatives of the Federal Government's Entrepreneurs' Programme. Santos will provide ICN NSW (or equivalent) feedback on companies who registered an EOI but do not proceed to the tender process. ICN NSW (or equivalent) 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 training and alignment sessions will be conducted with Santos 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.

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

- Santos intends to act as the procurement entity and will ensure effective implementation of AIP plan actions through a planned and considered roll-out within the procurement function. Internal routine auditing will be undertaken to ensure compliance.