

# Australian Industry Participation (AIP) plan Summary

## – Project Phase

### **1. Project Details**

**Nominated project proponent:** Arrow Energy Pty Ltd

**Project name:** Surat Gas Project

#### **Description of the project:**

The Surat Gas Project (SGP) in southern Queensland, is Arrow Energy's world-scale project to commercialise the majority of its Surat Basin gas reserves (about five trillion cubic feet (TCF)). Over the full 27-year life of the SGP, Arrow expects to develop around 5 TCF of natural gas.

Arrow has sanctioned the first phase of the SGP. This Australian Industry Participation plan (AIPP) relates to this phase of activity.

The first phase of development, with construction from late-2020, will bring around 300TJ/day of gas to market over 27 years, and will include:

- more than 600 wells with initial development to focus on an expansion between Arrow's current operational areas at Daandine and Tipton and later expansion to the north and south of Daandine, down to Tipton
- construction of Inlet Processing Facilities (IPFs) at Shell-QGC operated David and Harry Field Compression Stations. IPFs will enable Arrow to supply gas from its operational fields to Shell-QGC operated facilities, under a gas sales agreement. The David IPF will be the first delivery point online from late 2021
- use of Arrow's existing compression facilities at Daandine and Tipton, with upgrades to the Tipton Central Gas Processing Facility
- upgrades and connection to water treatment facilities including connection to existing Shell-QGC operated water facilities at David, Broadwater and Glendower Ponds
- upgrades to Arrow's existing water treatment facilities
- use of the Shell-QGC operated Kenya Water Treatment facility and construction of two new brine storage ponds at the facility (by QGC)
- construction of a Beneficial Use Network by 2023 to return a portion of treated water to users with Condamine Alluvium allocations in order to offset any potential impact from drawdown on the Condamine Alluvium and to maximise beneficial use of its treated CSG water. Additional treated water will be beneficially used via the existing SunWater Chinchilla scheme.

Peak construction is anticipated 2021 - 2025.

#### **Subsequent phases**

Arrow's future plans include:

- an additional 1,900 wells and associated gathering to expand across Arrow's Surat tenure areas
- construction of two new Field Compression Stations at Lynwood, south of Arrow's Tipton development and Girrahween, near Miles
- construction of two additional Inlet Processing Facilities (IPFs) at Shell-QGC operated Jammatt and McNulty Field Compression Stations is also planned.

An AIPP will be prepared as required for subsequent development phases, following shareholder approval of this later activity.

**Estimated project value:** >\$500 Million AUD

**Project location:** Dalby Queensland (Surat Basin)

**Link to project information:** <https://www.arrowenergy.com.au/suppliers-contractors>

**Project contact for procurement information:** Jason King, +61 7 3012 4121,  
jason.king@arrowenergy.com.au

**Other project proponents involved in the project:** If applicable, provide the other project proponents' names

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

| <b>Key goods and services for the project</b>    | <b>Opportunities for Australian entities</b> | <b>Opportunities for non-Australian entities</b> |
|--|--|--|
| Oil Country Tubular Goods (OCTG)                 | Yes  | Yes  |
| Electric Submersible Pumps (ESP)                 | Yes  | Yes  |
| Well Head Accessories                            | Yes  | Yes  |
| Down hole Gauge -Analogue and Digital            | Yes  | Yes  |
| Drilling Chemicals                               | Yes  | Yes  |
| High-Density Polyethylene (HDPE) Pipe & Fittings | Yes  | Yes  |
| Well Head Skids                                  | Yes  | Yes  |
| Gensets  | Yes  | Yes  |
| Single Well Pad Electrical Supply                | Yes  | Yes  |
| Choke Valves                                     | Yes  | Yes  |
| Switch Boards                                    | Yes  | Yes  |
| Supply of Inlet Separators                       | Yes  | Yes  |
| Supply of Water Transfer Skid                    | Yes  | Yes  |
| Supply of Equipment Room                         | Yes  | Yes  |
| Surat Off Plot Construction Surat                | Yes  | No   |
| Surat Major Civils – Capital                     | Yes  | No   |
| Surat Specialist Roads                           | Yes  | No   |
| SGP Inlet Processing Facilities                  | Yes  | No   |
| SGP Dams   | Yes  | No   |
| SGP Water Treatment Upgrade                      | Yes  | No   |

| Key goods and services for the project | Opportunities for Australian entities | Opportunities for non-Australian entities |
|--|---------------------------------------|---|
| Engineering Services                   | Yes                                   | Yes                                       |
| Third-party logistics (3PL)            | 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'**

Insert explanation from B.2.2 of the AIP plan (if applicable).

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

Arrow adheres to Australian Standards or (where these do not exist) the Company looks to achieve international best practice standards. Suppliers may also be required to meet conditions for certain activities defined by Queensland Government legislation (e.g. the *Petroleum and Gas Act 2004* or the *Environmental Protection Act 1994*) or Australian Government environmental approvals.

Individual standards requirements will vary significantly between different scopes of work for the Surat Gas Project and will be set out as part of the contracting strategy developed for each work package.

Arrow will also utilise recognised international standards where applicable e.g. American Petroleum Institute (API) and International Organization for Standardization (ISO).

### **4. AIP activities to be undertaken by the Project Proponent**

Arrow will:

- promote project opportunities through industry associations
- engage with vendor identification agencies on project opportunities
- conduct supplier information briefings on project opportunities
- issue media releases where applicable on project developments
- communicate project details and opportunities through a dedicated website
- direct contact suppliers with information on project opportunities
- train Arrow procurement staff on AIP obligations
- recommend suppliers to undertake training and/or accreditation
- run programs to increase indigenous supply chain participation
- provide references for high performing suppliers (if requested)
- keep relevant records and evidence to prove compliance with the AIP plan and ensure its implementation.

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

Arrow will

- utilise the Industry Capability Network (ICN). Industry Capability Network (ICN) is a business network that introduces Australian and New Zealand companies to projects large and small.
- publish standards (where applicable)

All bids are managed via Arrow's Contract Management system. All bidders will receive the same timeframe to respond. All vendors will receive the request for bids at the same time and all bids will close at the same time in the system. All tenders will be viewed in the system to ensure consistency. In the event that additional time has been requested by one bidder, this will be applied to all bidders as well.

Arrow will ensure that all firms invited to tender are given equal opportunity to participate under the same terms, standards and conditions.

Arrow will:

- make tenders available to all selected suppliers at the same time
- allow equal and reasonable time frames for all selected suppliers to respond, where possible
- tenders will be written in English as the primary language
- tenders will not be structured in such a way as to rule out Local suppliers
- tenders will be provided to suppliers free of charge
- assess all tenderers using the same evaluation criteria
- provide relevant contacts for enquiries
- provide feedback to unsuccessful tenderers (if requested).

Arrow will detail the specific evaluation criteria in all tender documents. These criteria will be applied consistently to all tenderers to ensure that a full, fair and equitable assessment process is conducted.

Arrow will require that all suppliers competing for work, are evaluated under the same terms, standards and conditions.