

Australian Industry Participation (AIP) plan Summary

– Project Phase

1. Project Details

Designated project proponent: Woodside Energy Ltd

Project name: Scarborough Development

Description of the project:

The Scarborough gas field contains 7.3 Tcf (2C, 100%) of gas and is located in the Carnarvon Basin, approximately 375 km west-north-west of the Burrup Peninsula in Western Australia.

The offshore resource would be developed with up to 12 subsea, high-rate gas wells tied back to a semi-submersible floating production unit moored in 900 metres of water close to the Scarborough field.

The proposed ~20,000—25,000 tonne production unit topsides will have processing facilities for gas dehydration and compression to enable the export of gas to shore. Gas would be transported through a ~430 km pipeline to an existing onshore LNG processing facility on the Burrup Peninsula.

Woodside anticipates the upstream development will be designed for 7 – 9 Mtpa capacity (100% project, including 1 Mtpa of domestic gas).

Woodside is targeting front-end engineering and design entry in Q1 2019, a final investment decision in 2020 and ready for start-up of the upstream in 2023. Targets are subject to all necessary joint venture approvals, regulatory approvals and/or appropriate commercial arrangements.

The Scarborough contracting strategy has been developed around four main work elements: Drilling & Completions (D&C); Supply and Installation of Subsea Hardware, including Umbilicals, Risers & Flowlines (SURF); Engineering, Procurement, Construction, Installation & Commissioning of a Semi-Submersible Floating Production Unit (FPU); and Export Pipeline (including line pipe supply and installation and nearshore civils work).

Under each of these work elements, where applicable, the successful Tier 1 contractor(s) will assume responsibilities as the 'Procurement Entity' acting on behalf of Woodside as the 'Project Proponent'.

For all itemised packages that result in a sub-contract to the Procurement Entity, each Procurement Entity will be required to conduct their procurement activities in line with the actions outlined in this plan, providing full, fair and reasonable opportunity for Australian entities to participate where capable and competitive.

Project timeline (indicative):



Estimated project value: >\$500 million

Project location: The proposed upstream development of the Scarborough resource (the proposed development) is located in the Carnarvon Basin, approximately 375 km west-north-west of the Burrup Peninsula in Western Australia.

Link to project information: www.woodside.com.au/supplying_to_woodside/Pages/Australian-Industry-Participation.aspx <http://gateway.icn.org.au/> or equivalent

Project Contact Person	Deanne Combes
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Project Contact E-mail Address	scarborough.aip@woodside.com.au

Other project proponents involved in the project:

Not Applicable.

2. Opportunities to supply Goods and Services

Expected opportunities (sorted by purchasing category)	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
SURF System Engineering, Procurement Construction and Installation (EPCI)		
SURF (Subsea, Umbilical, Riser, Flowlines) Design and Engineering	Yes ¹	Yes ¹

Subsea Tree System, Structures and Manifold Fabrication	Yes ¹	Yes ¹
Subsea Connection System	Yes ¹	Yes ¹
Subsea Production Control System	Yes ¹	Yes ¹
Infield Rigid Flowline System and Coatings	Yes ¹	Yes ¹
Flexible Flowline and Jumper Fabrication	Yes ¹	Yes ¹
Flexible Riser System Fabrication	Yes ¹	Yes ¹
Umbilical System Fabrication	Yes ¹	Yes ¹
Subsea Hardware Installation Services	Yes ¹	Yes ¹
Subsea Risers and Flexibles Installation Services	Yes ¹	Yes ¹
Subsea Engineering Procurement Construction Installation Services		
Subsea Linepipe Procurement	Yes	Yes
Subsea Linepipe Coating & Installation Services	Yes	Yes
Subsea Nearshore Civil Works	Yes	Yes
Subsea Light Well Intervention (LWI) Vessel Services	Yes	Yes
Floating Production Unit (FPU)		
FPU Detailed Design Engineering	Yes ¹	Yes ¹
FPU Topsides and Hull Engineering, Procurement and Construction	Yes ¹	Yes ¹
FPU Transportation to and Installation in field	Yes ¹	Yes ¹
Hook Up and Commissioning	Yes ¹	Yes ¹
Logistics		
Provision of Helicopter Transfer Services	Yes	No
Provision of Vessel Services: AHTS or PSV class	Yes	Yes
Provision of a Supply Base	Yes	Yes
Provision of Road Transportation	Yes	No
Provision of Fuel	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.

*An Australian entity is defined in the Jobs Act as any entity with an ABN or ACN.

¹ Woodside foresees the SURF EPCI and FPU EPC being released as two tendered packages to several Australian entities. Subsequently, the successful contractor(s) will assume responsibilities as the procurement entity for all itemised packages that result in a sub-contract, with the scopes listed as being indicative.

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

Not applicable.

3. Standards to be used in the project

- It is a Woodside 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.
- Woodside 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 Woodside will ensure that full, fair and reasonable opportunity has been provided to Australian companies. Woodside will ensure that obligations arising

under the *Australian Jobs Act 2013 (Cth)* (the Act) are fulfilled and are cascaded down in contracts with procurement entities.

- Woodside, 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) or an independent service provider to determine whether Australian capability and capacity exists for scopes of work equal to or in excess of \$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.
- Where a potential supplier that has been recommended by ICNWA, but not included in the tender list, requests feedback, ICNWA on behalf of the procurement entity will provide such feedback and as appropriate, recommend areas for improvement and referrals to support services such as the Entrepreneur's Programme.
- In conjunction with ICNWA, Woodside will provide a briefing/update to industry at appropriate times within the program where significant milestones are achieved.
- Where required, Woodside will develop AIP training material for its staff to be delivered to contracts and procurement personnel to understand the requirements, use an independent industry capability verification service to access Australian capability, and utilise the online advertisement platform. These training materials will be provided to Woodside's procurement entities as appropriate.
- Woodside will periodically run an AIP assurance process to ensure appropriate AIP processes are followed by Woodside personnel and procurement entity personnel.

5. AIP activities to be undertaken by procurement entities

Woodside 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. Contractor AIP Contact Officer;
3. Contractor AIP Plans;
4. Online advertisement platform Vendor Portal;
5. AIP Training;
6. AIP assurance process;
7. Project Proponent / Contractor - Unsuccessful bidder feedback; and
8. Supplier briefing presentations.