

COMMONWEALTH OF AUSTRALIA

Offshore Petroleum and Greenhouse Gas Storage Act 2006

PETROLEUM RETENTION LEASE WA-28-R (R1)

I, **WILLIAM LEE TINAPPLE**, the Delegate of the Designated Authority of the offshore area in respect of the State of Western Australia and on behalf of the Commonwealth – Western Australia Offshore Petroleum Joint Authority,

hereby grant to

BHP Billiton Petroleum (North West Shelf) Pty Ltd

Level 45, 152-158 St Georges Terrace, PERTH WA 6000

BP Developments Australia Pty Ltd

of Level 29, The Tower, Melbourne Central, 360 Elizabeth Street, MELBOURNE VIC 3000

Chevron Australia Pty Ltd

Level 24, QVI Building, 250 St Georges Terrace, PERTH WA 6000

Shell Development (Australia) Proprietary Limited

2 Victoria Avenue, PERTH WA 6000

Woodside Energy Ltd

of Woodside Plaza, 240 St Georges Terrace, PERTH WA 6000

a retention lease for petroleum in respect of the blocks described hereunder, being blocks within the abovementioned offshore area, subject to the conditions set out hereunder to have effect for a period of five (5) years.

INTERPRETATION

In this document, "the Act" means the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and includes any Act with which that Act is incorporated and words used in this document have the same respective meanings as in the Act.

The lessee shall at all times comply with:-

- (a) the provisions of the Act; and
- (b) all directions given to him under the Act and all regulations for the time being in force under the Act.

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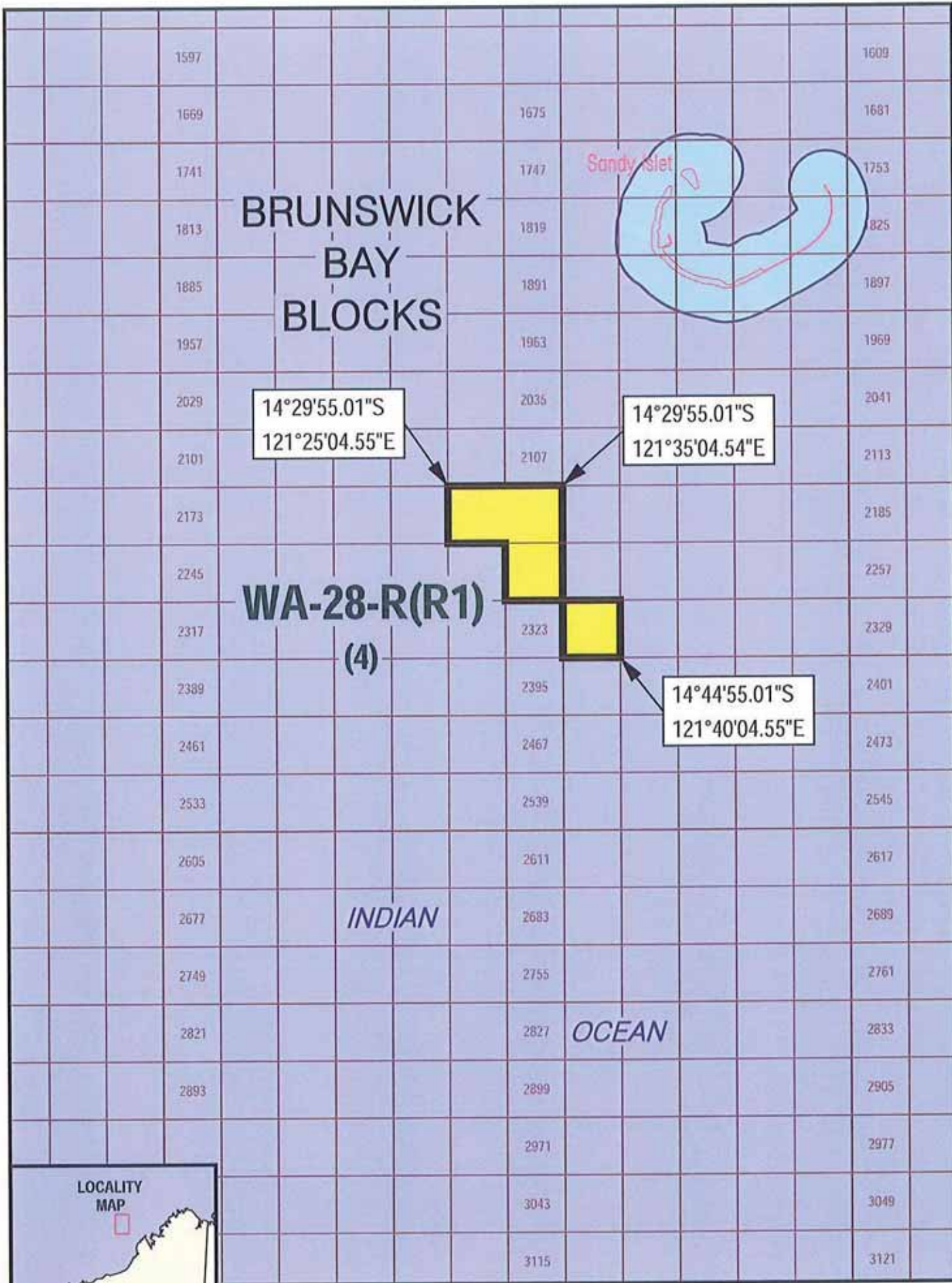
DESCRIPTION OF BLOCKS

The reference hereunder is to the name of the map sheet of the 1:1,000,000 series prepared and published for the purposes of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and to the numbers of graticular sections shown thereon.

BRUNSWICK BAY MAP SHEET

Block No.	Block No.	Block No.	Block No.
2178	2179	2251	2324

Assessed to contain 4 blocks.



Government of Western Australia
Department of Mines and Petroleum

Coordinates hereon are in accordance with Section 156
of the Offshore Petroleum & Greenhouse Gas Storage Act 2006.

The displayed grid defining the 5' x 5' blocks is AGD66 and coordinates shown are GDA94.

CONDITIONS

During the term of the retention lease, the lessees shall carry out the minimum work requirements specified below in, or in relation to the retention lease area, to a standard acceptable to the Designated Authority:

- (1) Within 120 days of this Notice of Intent to grant this retention lease renewal by the Joint Authority, the lessee shall select the development concept likely to be commercially viable at the earliest time. This shall be the concept whereby gas is processed at the Kimberley LNG precinct unless the lessee can demonstrate to the satisfaction of the Joint Authority that an alternative development concept is likely to be commercially viable at an earlier time.
- (2) The lessee shall prepare and submit a report to the Joint Authority on progress against barriers to commercialisation within 30 days of the completion of Year One of the retention lease period.
- (3) The lessee shall prepare and submit a re-evaluation of commercial viability of petroleum production from the Browse Title Areas to the Joint Authority within 30 days of completion of Year Two of the retention lease period.
- (4) The lessee shall undertake activities to achieve the earliest commercialisation of petroleum from fields within the Browse Title Areas. The lessee shall actively seek to remove the barriers to commerciality to achieve the earliest start-up including undertaking sufficient studies and work, and gathering sufficient information to place the Lessee in a position to apply for a Production Licence and make a final investment decision within 180 days of commencement of Year Three of the retention lease term.

The lessee shall actively undertake activities to seek to remove any barriers to the development concept which provides the earliest commercial development, including:

- addressing the remaining uncertainties with respect to LNG plant location and layout;
 - securing land access agreement(s);
 - finalising unitisation and operating agreements to allow the development of the Browse RL resources; and
 - undertaking activities required to obtain necessary leases, licences and easements for port and onshore facilities for the identified earliest development concept.
- (5) The lessee shall undertake all required environmental surveys, data gathering and studies required for the Strategic Assessment Agreement relating to the Kimberley LNG precinct until and unless an alternative development concept is selected.

In order to ensure that these conditions are met, a comprehensive work program is also set out as below to ensure that the commercial barriers are addressed.

Year 1 Work Program - WA-28-R (Calliance)	Expenditure (A\$ million)
<p>Subsurface studies and seismic interpretation, including:</p> <ul style="list-style-type: none"> • Reservoir characterisation; and • Seismic interpretation. <p>Engineering and Design studies for the identified earliest development concept, including:</p> <ul style="list-style-type: none"> • Commence, complete and document the Basis of Design for the full Browse LNG Development; • Deliver +25%/-15% cost estimates; and • Prepare a Project Execution Plan. <p>Geotechnical Studies and Surveys for the identified earliest development concept including:</p> <ul style="list-style-type: none"> • Undertake metocean and related data gathering; and • Undertake geophysical and geotechnical studies necessary for the project, including any required pipeline route surveys; foundations or other work. <p>Environmental Surveys, Studies and Applications, for the identified earliest development concept, including</p> <ul style="list-style-type: none"> • Undertake environmental surveys, data gathering and studies and work required in connection with applications for necessary environmental approvals; and • Prepare an Environmental Impact Statement. <p>Commercial Activities</p> <ul style="list-style-type: none"> • Prepare and submit for review a preliminary Field Development Plan for the identified earliest development concept; • Undertake legal, commercial and any other related activities required to initiate unitisation studies and progress the identified earliest development concept; and • Undertake geosequestration evaluation studies for the identified earliest development concept. <p>Marketing Activities</p> <ul style="list-style-type: none"> • Undertake market analysis and marketing activities to secure binding LNG sale and purchase agreements 	
	37.2

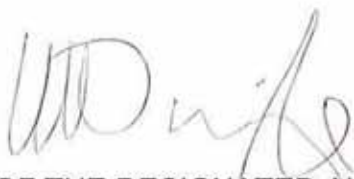
<p>Year 2 Work Program - WA-28-R (Calliance)</p> <p>Subsurface studies and seismic interpretation, including:</p> <ul style="list-style-type: none"> • Complete Reservoir characterisation; and • Complete Seismic interpretation. <p>Engineering and Design studies for the identified earliest development concept including:</p> <ul style="list-style-type: none"> • Commence and complete Front End Engineering and Design studies for the full Browse LNG Development; • Deliver +15%/-10% cost estimates; and • Prepare a final Project Execution Plan <p>Geotechnical Studies and Surveys for the identified earliest development concept, including:</p> <ul style="list-style-type: none"> • Complete any consequential activities following Year 1 work. <p>Environmental Surveys, Studies and Approvals for the identified earliest concept, including</p> <ul style="list-style-type: none"> • Complete any consequential activities following Year 1 work; and • Prepare applications for remaining environmental project approvals. <p>Commercial Activities</p> <ul style="list-style-type: none"> • Prepare and submit for approval a final Field Development Plan for the identified earliest development concept; • Complete all work required for a production licence application and infrastructure licence and pipeline licences and applications for the identified earliest development concept; • Finalise remaining commercial agreements to satisfy the requirements of the post Year 2 commerciality review; and • Complete geosequestration evaluation studies for the identified earliest development concept. <p>Marketing Activities</p> <ul style="list-style-type: none"> • Undertake market analysis and marketing activities to secure binding LNG sale and purchase agreements. 	<p>Expenditure (A\$ million)</p>
	<p>60.5</p>
<p>Year 3 Work Program - WA-28-R (Calliance)</p> <ul style="list-style-type: none"> • Complete any consequential activities following Year 2 work; and • Document Front End Engineering and Design for the full Browse LNG Development for the identified earliest development concept. 	<p>Expenditure (A\$ million)</p>
	<p>18.6</p>

Year 4 Work Program - WA-28-R (Calliance)	Expenditure (A\$ million)
<ul style="list-style-type: none"><li data-bbox="272 394 1177 427">• Continue any work required to commercialise the Browse gas fields.	

Year 5 Work Program - WA-28-R (Calliance)	Expenditure (A\$ million)
<ul style="list-style-type: none"><li data-bbox="272 654 1177 687">• Continue any work required to commercialise the Browse gas fields.	

Dated this 24th December 2009

Made under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* of the Commonwealth of Australia



DELEGATE OF THE DESIGNATED AUTHORITY
Pursuant to the Instrument of Delegation dated 2 February 2009
FOR AND ON BEHALF OF THE COMMONWEALTH –
WESTERN AUSTRALIA OFFSHORE PETROLEUM JOINT AUTHORITY