Otway Exploration Drilling Program

Project update

ConocoPhillips Australia is continuing to plan and prepare for exploration activities in the Otway Basin with the aim of identifying commercially viable natural gas reserves to help meet Australia's energy needs and enable the global energy transition.

Changes to the activity

We listened to your feedback and have reduced the operational area and introduced new activity limitations for the proposed Otway Exploration Drilling Program.

The development of the Environment Plan involved extensive consultation, the completion of environmental assessments across the broadest possible spatial and temporal extents, and consideration of public comment feedback. During this process ConocoPhillips Australia has continued to narrow and refine the scope of the proposed activity and operational areas in light of the feedback received and as a result of the maturation of subsurface data.

This has led to the identification of several activity limitations that can now be applied to further refine the scope and bounds of the Otway Exploration Drilling Program.

The revised activity limitations further demonstrate how ConocoPhillips Australia's proposed Otway Exploration Drilling Program meets the objectives of Australia's robust environment regulations.

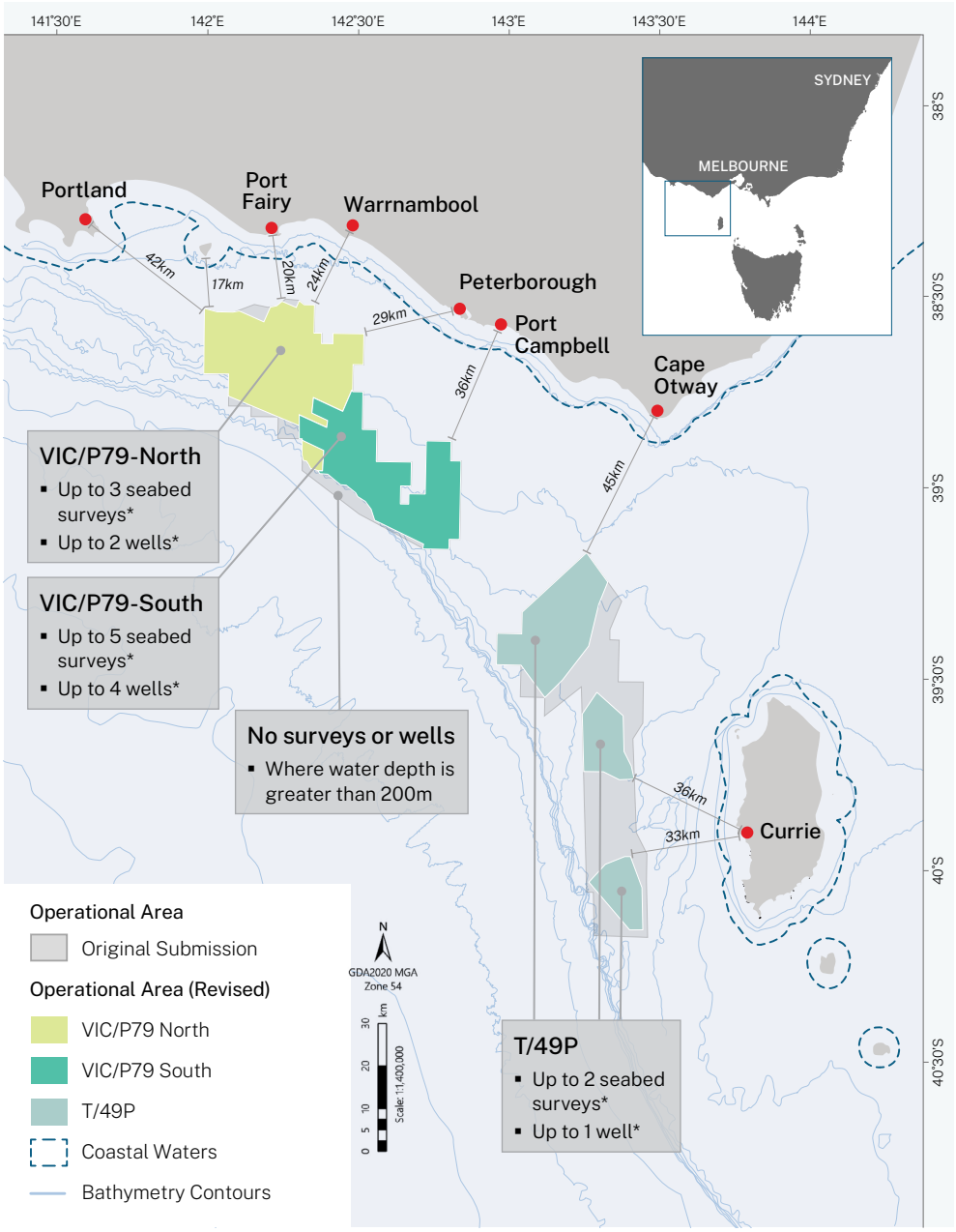
Our activity limitations are designed to minimise a range of impacts and risks.

We're not just focused on reducing the overall effects of our operations but also on specifically addressing issues like those associated with operating in shallower waters and near coastal regions and islands.

By implementing these measures, we're working to minimise disturbances to various marine species such as seals, sharks, whales and dolphins, and seabirds like penguins and shearwaters, particularly in biologically important areas.

These efforts extend to mitigating impacts on other coastal and marine users while also respecting cultural values and sensitivities, including those related to Deen Maar, short-finned eels (Kooyang), whales (Karntubul), including southern right whales (Koontapool), pygmy blue whales (Wuuloc) and seals (Korn Moorn).

Updated exploration activity locations



Sources and attributions: Alcock et al. 2014, Geoscience Australia 2023, NOPTA 2024. Esri, TomTom, Garmoin, FAO, NOAA, USGS, Esri, TomTom, FAO, NOAA, USGS

As at 24 June, 2024

CHANGES MADE TO THE OPERATIONAL AREA

Operational Area	Original Area (km²)	Reduced Area (km²) August 2023	Reduced Area (km²) June 2024
VIC/P79	2384.4	2330.9	2139.4
T/49P	2579.3	2176.6	1132.0

This represents a reduction of:

↓34% in operational areas since they were initially described

Activity scope June 2024

Maximum number of wells capped at: 6

Maximum number of seabed surveys capped at: 9

*The maximum number of seabed surveys and wells is capped as shown above, with some allowance for flexible allocation of surveys and wells within the operational areas. See page 3 for further details.

Minimum distance between a well drilled in VIC/P79-North and a well drilled in VIC/P79-South: 5km

Cap on the number of wells drilled within any 12-month period: 3

Activities limited in waters deeper than 125m: 125m

Narrowing of range of operations within water depth of 53m to 200m

Reduction in Drill Stem Tests with Flaring **from 6 to 4**: 4

Reduction in Vertical Seismic Profiling Tests **from 6 to 2**: 2

Reduction in Vertical Seismic Profiling **from 20 to 12 hours**: 12hrs

Reduction in flaring per well **from 120 to 100 hours**: 100hrs

Activity Limitations

1 Operational area focus:

We are narrowing our operational areas to water depths ranging from **53 m to 200 m**.
This is aimed at:

- Reducing impacts associated with activities in shallower waters.
- Minimising proximity to sensitive coastal receptors, such as coastal communities, National Heritage Places, islands, biologically important areas for marine fauna, and cultural values and sensitivities.
- Limiting activities in deeper waters where underwater sound travels further.

2 Distance between wells:

To mitigate cumulative impacts, we're implementing a **minimum distance of 5 km** between a well drilled in VIC/P79-North and a well drilled in VIC/P79-South. This helps limit the number of wells that can be drilled in close proximity to one another across the two areas during this campaign.

3 Activity limits based on water depth:

Activities in waters deeper than 125m are limited to two seabed surveys and the drilling of one well, along with support activities. This ensures a balance between operational needs and minimising impacts on marine fauna, particularly from underwater sound, which travels further in deeper locations.

4 Limits on the number of seabed surveys and wells within each area:

The **number of seabed surveys and wells that may be completed within each of the three operational areas (VIC/P79-North, VIC/P79-South, and T/49P) have been reduced** to minimise impacts within each area. These adjustments have been made as a result of the ongoing processing of subsurface data and the selection of some areas with a high probability of success. Our objective is to confirm resources with the least number of wells, thereby reducing environmental impacts and risks.

5 Limits on Vertical Seismic Profiling and Drill Stem Tests (flaring):

The **number and duration of Vertical Seismic Profiling (VSP) and Drill Stem Tests (DST) have been reduced** to minimise impacts on sound and light sensitive species. VSP tests, which emit impulsive sound, have been **reduced from 6 to 2** and the duration of VSP source activation at full power at each well has been **reduced from 20 hours to 12 hours**. DSTs, which involve flaring, have been **reduced from 6 to 4** and the duration of flaring has been **reduced from 120 hours per well to 100 hours per well**. These adjustments have been made as a result of the ongoing processing of subsurface data which now supports a reduced testing program.

6 Reduction in cumulative impact:

To reduce cumulative impacts **we are capping the number of wells drilled within any 12-month period to 3 wells** and limiting activities in each of the operational areas as shown on page 2.

7 Flexible allocation of surveys and wells within the cap:

The maximum number of seabed surveys are capped at 9 the maximum number of wells is capped at 6:

- VIC/P79-North – **up to 3 seabed surveys and up to 2 wells**
- VIC/P79-South – **up to 5 seabed surveys and up to 4 wells**
- T/49P – **up to 2 seabed surveys and 1 well**

This means, for example, if we survey 5 locations and drill 4 wells in VIC/P79-South we would drop one survey and one well elsewhere to stay within the cap. Decision on where seabed survey and well locations will be within each area are continuing to be developed and will be informed by ongoing analysis and additional data generated throughout the drilling program.

Glossary

Drill Stem Tests

After the well has been drilled, a drill stem test can be used to evaluate a well's flow potential and hydrocarbon composition. The reservoir section would be cased and cemented prior to performing a drill stem test. The procedure is used for isolating and testing the pressure, permeability and productive capacity of a geological formation during the drilling of a well.

Flaring

Flaring is a controlled process to combust hydrocarbons produced during drill stem testing operations via the rig flare boom. The duration of flaring per well will be less than 100 hours per well over multiple events. ConocoPhillips Australia will minimise the total flaring time by continuously monitoring the reservoir and production parameters during the well test to ensure that flaring will cease as soon as the required data has been collected.

Seabed Surveys

Seabed surveys are different from a seismic survey. They are designed specifically to map the seabed and directly below the seabed (up to approximately 100 metres), whereas seismic surveys are designed to image the subsurface up to several kilometres below the seabed. Sound generated from seabed survey equipment is significantly lower in intensity and duration than sound produced from a seismic array.

Seabed surveys will be conducted by one or two vessels travelling at slow speeds during data acquisition or stationary during geotechnical sampling.

Vertical Seismic Profiling

ConocoPhillips Australia is not proposing to conduct a marine seismic survey. The Otway Exploration Drilling Program involves seabed surveys and exploratory drilling only.

We understand, however, that some short-term temporary activities associated with drilling may be confused with seismic surveys. This includes a short term, localised well test called vertical seismic profiling. The sound source used during vertical seismic profiling is operated at full power for a maximum of 12 hours in the immediate vicinity of each of the two wells that require this appraisal test.

The assessment of impacts of vertical seismic profiling (detailed in Environment Plan Section 6.7, Underwater Sound Emissions - Impulsive), demonstrates that there will be negligible to minor residual environmental impacts from this activity.

Wells

Exploration wells will be drilled using a single semi-submersible mobile offshore drilling unit (MODU, rig or drilling rig). Drilling each well typically takes between 30-40 days and may take up to a maximum of 90 days depending on weather and operational delays.

What's Next?

The Otway Exploration Drilling Program Environment Plan is currently under assessment and ConocoPhillips Australia will continue to communicate with relevant persons, organisations, and authorities and provide updates of any changes or new information as it becomes available.

Further narrowing and refinements to the proposed activity should be expected as we mature our subsurface understanding, refine our assessments, and engage in ongoing consultation with relevant persons, organisations, and authorities.

Acknowledgement

ConocoPhillips Australia acknowledges the Aboriginal and Torres Strait Islander peoples as the First Nations Peoples and Traditional Custodians of this land, and we pay our respects to Elders past and present. We celebrate the Aboriginal and Torres Strait Islander peoples' long histories, rich cultures and connection to the land, water and air.

Artwork by Wakka Wakka artist, David Williams for the ConocoPhillips Reconciliation Action Plan.



Contact Us

If you would like more information, you can contact us in any of the following ways:

E: otway@conocophillips.com
T: 07 3182 7122

PO Box 1243, Milton, QLD, 4064

conocophillips.com.au