ConocoPhillips Australia

Proposed Exploration Activity Overview

2024 - 2028

ConocoPhillips Australia is planning to undertake exploration activities in offshore permits VIC/P79 and T/49P located in Commonwealth waters.

The proposed activities are a continuation of ConocoPhillips Australia's exploration program in the offshore Otway Basin which aims to identify commercially viable natural gas reserves to help meet Australia's energy needs.

About the Otway Exploration Program

ConocoPhillips Australia is proposing to undertake an exploration program that consists of seabed surveys and the drilling of up to six exploration wells in exploration permits VIC/P79 and T/49P located in Commonwealth waters offshore of Victoria and King Island, Tasmania.

ConocoPhillips Australia has commenced preparation of an Environment Plan (EP) that will seek approval for this exploration drilling program to be undertaken. Drilling commencement is dependent on regulatory approval and rig availability. The initial activity will be seabed assessments which will commence no earlier than January 2024.

KEY INFORMATION

- ConocoPhillips Australia is planning to undertake an exploration program in the offshore Otway Basin, off the coast of Victoria and King Island, Tasmania subject to EP acceptance and rig availability. Any decision to proceed to development will be dependent on a conducive investment environment.
- The proposed exploration program will involve seabed surveys and drilling up to a maximum of six exploration wells.
- The exploration program will commence no earlier than January 2024, subject to an accepted EP being in place.
- ConocoPhillips Australia is currently preparing an EP for these activities and will undertake consultation prior to submitting the EP to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) for public comment and assessment.

Have we missed anyone?

If there is someone you believe to be affected by the proposed activities, please have them contact us using the details below.

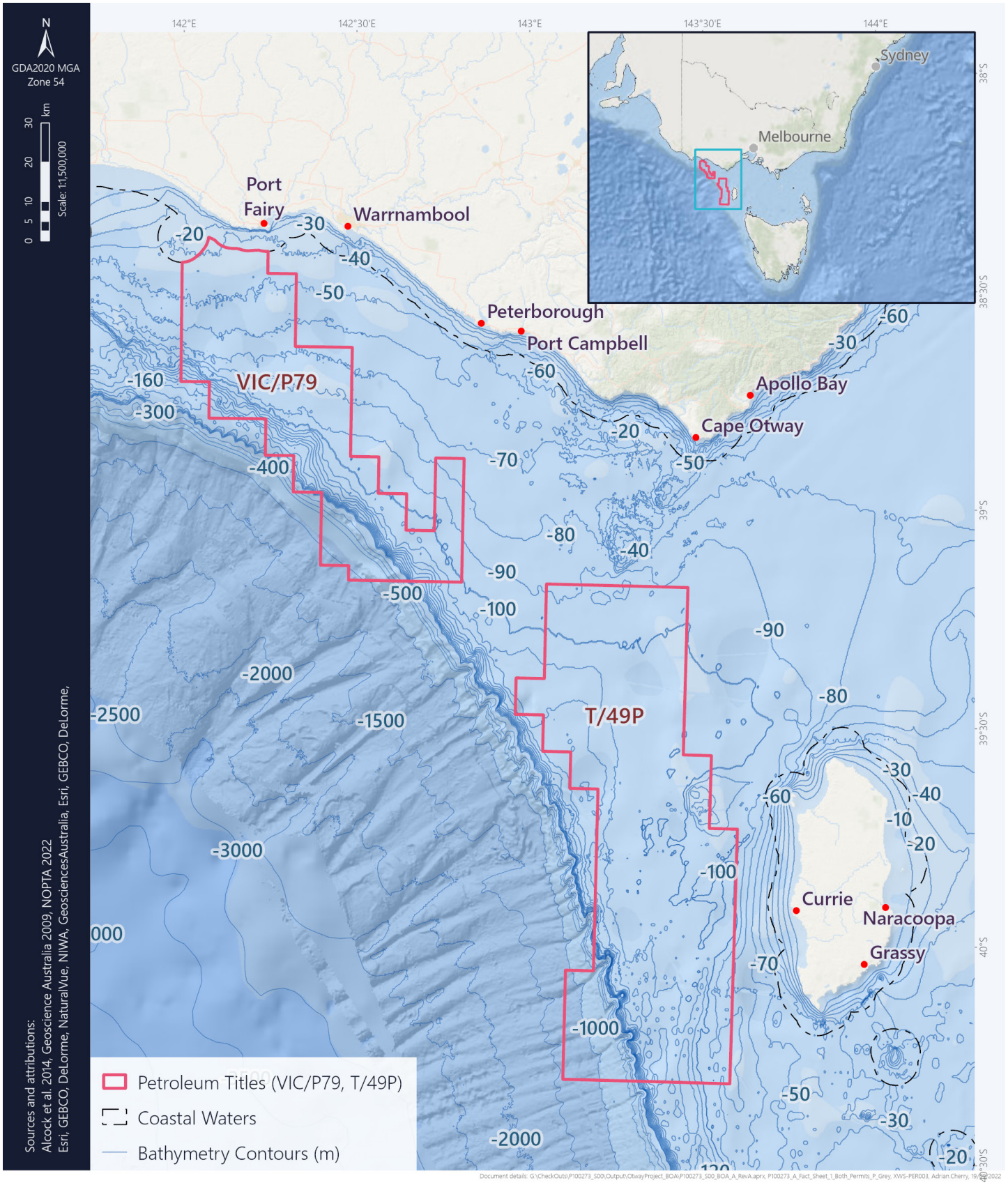
E: otway@conocophillips.com

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Map of Permit Areas



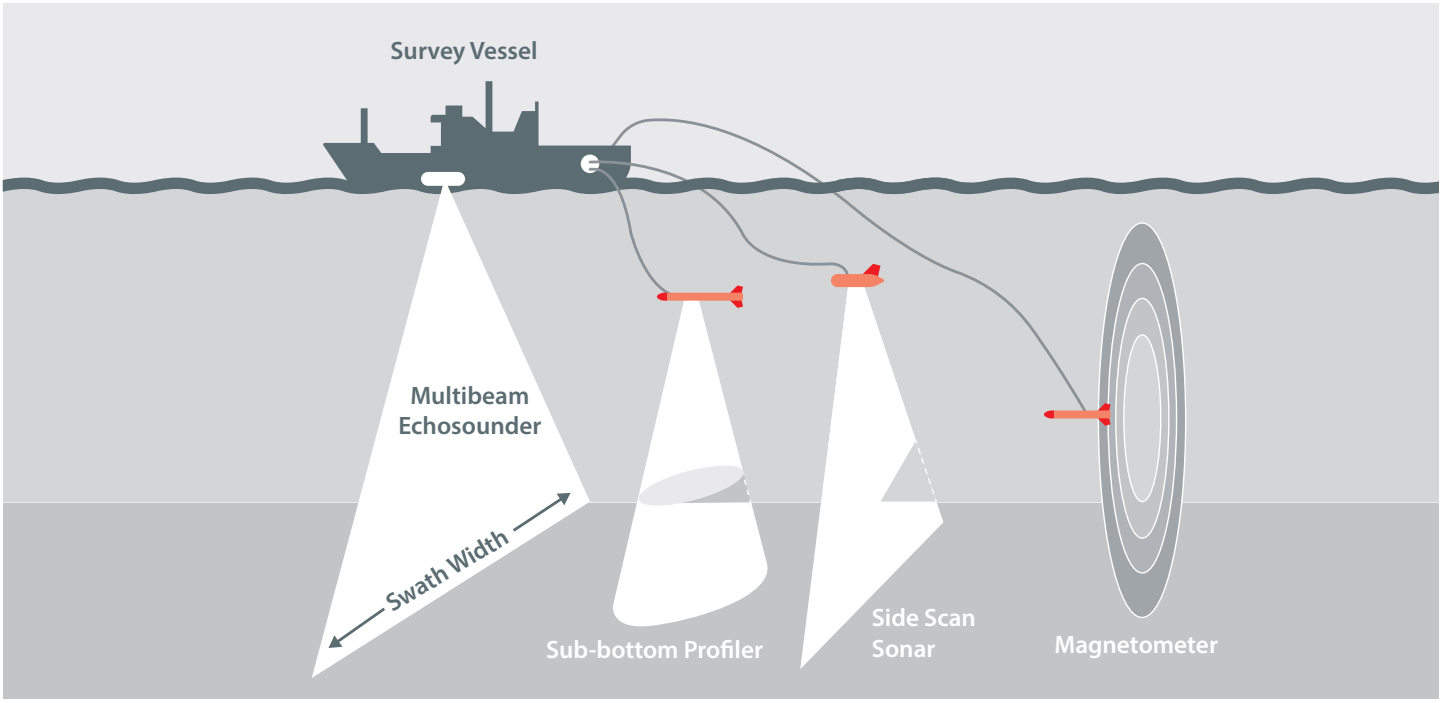
Activity Phases

An overview of the activity phases involved in drilling an exploration well is provided below.

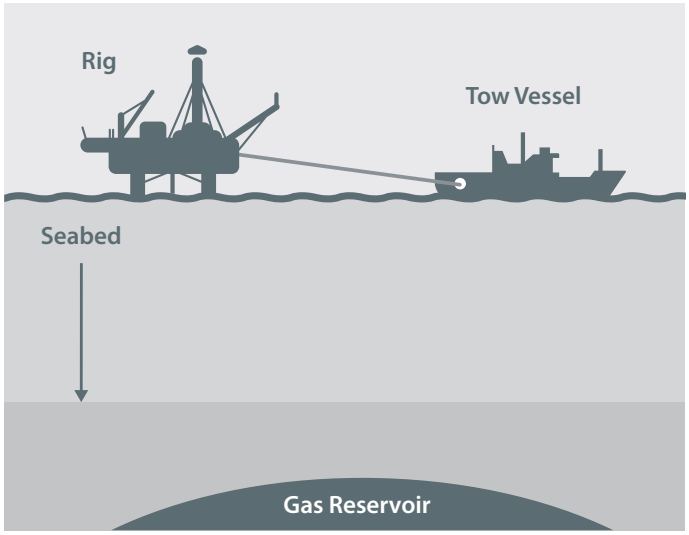
A seabed survey is undertaken across all drilling locations to identify possible hazards and natural features which may impact anchoring. Common seabed survey equipment includes: multi-beam echosounders, side scan sonars, subbottom profilers and magnetometers.

Each well will take a maximum of 90 days to drill but typically takes 30-40 days. The extra time accounts for potential operational delays and environmental constraints like severe weather events. After a well is completed the drilling rig is moved to the next location.

Seabed Survey

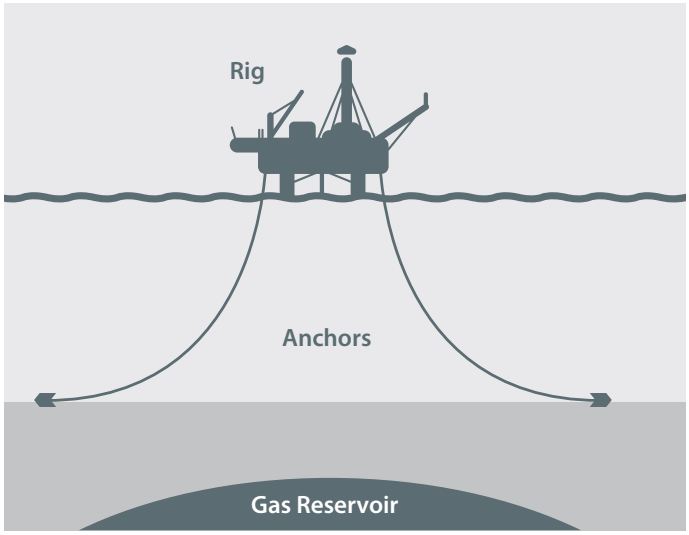


1. Rig towed to site



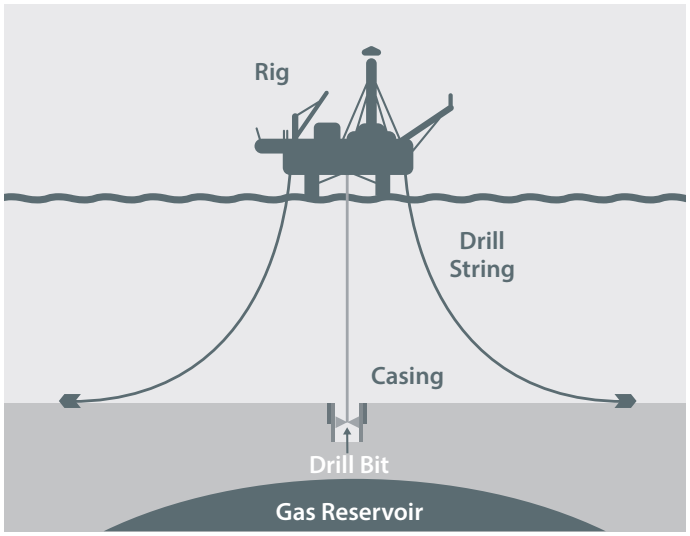
A drilling rig is towed to the drilling location.

2. Anchors laid on seabed



Anchors are laid on the seabed and can be laid prior to or on arrival of the drilling rig.

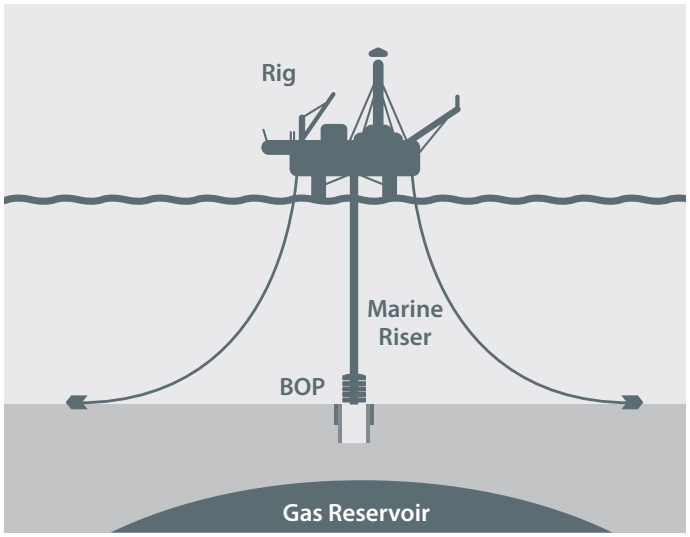
3. Top hole constructed



The top hole is drilled and then cased with cement and steel. The top hole is approximately 1m in diameter.

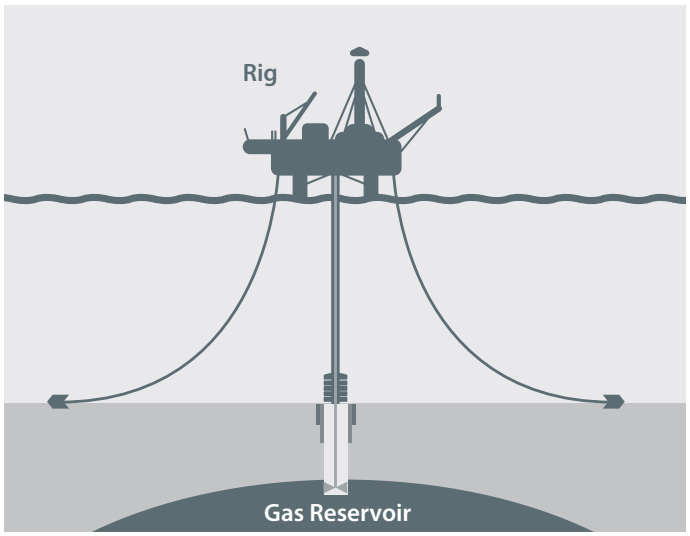
Supply boats will regularly service the rig throughout the drilling process.

4. Marine riser and blow-out preventer (BOP) installed



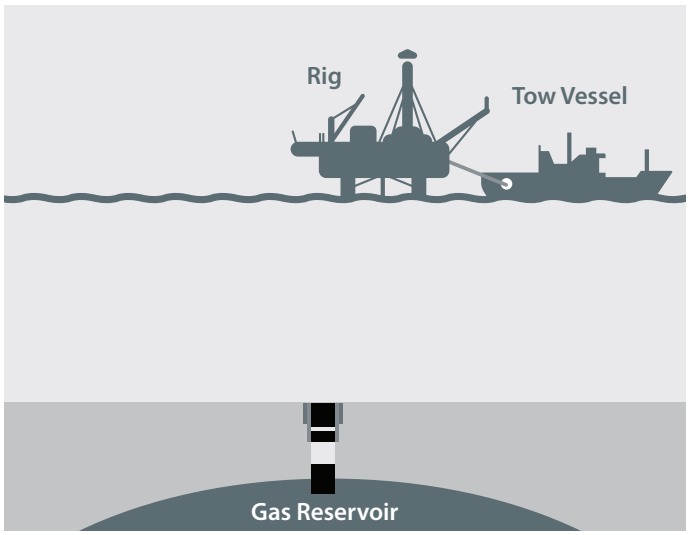
The marine riser returns drilling fluids and cuttings to the drilling rig for reconditioning, recirculation and/or discharge. The BOP is an assembly of specialised safety valves put in place before drilling into the reservoir and is used in the unlikely event of an emergency to control well pressure and prevent a loss of well control release.

5. Drill and construct well to gas reservoir



In the event that a gas reservoir is discovered, the well may be tested by flowing gas to the surface for analysis and then flaring through the flare boom.

6. Well permanently plugged and abandoned



Cement plugs are placed within the well as part of a process called plug and abandonment. The marine riser, BOP and wellhead are removed so no equipment is protruding from the seabed. The anchors are then removed so the drilling rig can be towed to the next drilling location or demobilised from the area on completion of the program.

Regulatory Framework

Offshore petroleum activities are regulated under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGS Act) which requires an accepted EP to be in place for the proposed exploration program.

An EP is a comprehensive document that provides information on the proposed activities and interactions with the marine, socio-economic and cultural heritage environment. The EP will describe and assess the environmental impacts and risks associated with the proposed activities. It also outlines control measures to avoid, minimise and mitigate environmental impacts and risks.

Consultation

As part of EP development ConocoPhillips Australia will undertake consultation in line with a prescribed regulatory process. Information will be provided to authorities, individuals and organisations so that they can understand the potential consequences of the exploration drilling program on things that they value and/or activities they undertake. Feedback provided to ConocoPhillips will be considered in the design and conduct of our activities.

Under the OPGGS Act all records of consultation including emails, phone calls and meetings, are required to be submitted to NOPSEMA with the EP for assessment.

About ConocoPhillips:

ConocoPhillips is the one of the world's largest independent exploration and production companies and has operated in the offshore environment for more than 75 years. We are committed to our role in responsibly accessing, developing and producing oil and natural gas to help meet the world's energy needs.

ConocoPhillips Australia was established almost two decades ago. Headquartered in Brisbane, Queensland, we are a 47.5 percent shareholder in Australia Pacific LNG and operate the LNG facility on Curtis Island. We are also pursuing exploration opportunities in Australia. In Australia we have a proud track record of safety, environmental and social performance and are an active and valued member of the communities in which we operate.



Australia Pacific LNG Facility on Curtis Island.

Questions

and Answers

What is a seabed survey?

Seabed surveys are an important safety and environmental measure undertaken ahead of drilling activities. They typically involve geophysical and geotechnical sampling techniques that identify possible hazards and benthic habitat to inform exploration well and drilling rig anchor placement.

Seabed surveys typically take about a week to complete at each drilling location.

How is a seabed survey different from a seismic survey?

Seabed surveys are designed specifically to map the seabed and directly below the seabed (up to ~100 m), whereas seismic surveys are designed to image the subsurface up to several kilometres below the seabed.

Sound generated from seabed survey sampling techniques is significantly lower in intensity and duration than sound produced from a seismic array.

How will environmental impacts be assessed in the EP?

Exploration activities do not operate to a no-impact standard. Instead, ConocoPhillips Australia is required to define the acceptable level of impact and work below that level. Acceptable levels of impact are established based on relevant up-to-date technical and scientific studies, government advice, and are considerate of the information gathered through the consultation process.

ConocoPhillips Australia will utilise this information to make predictions of the levels of impact we expect to occur and compare those to the previously defined acceptable levels. Our assessment is then scrutinised by NOPSEMA who will determine if the EP demonstrates that the environmental impacts and risks of the activity will be of an acceptable level and that the EP meets all of the requirements of the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009.

How will impacts to commercial fishing and commercial marine users be managed?

The proposed exploration activities will occur in designated Commonwealth and state fishery management areas. The seabed survey and drilling activities require access to relatively small areas for short periods of time. However, these activities may displace commercial fishing activities and other commercial marine users. ConocoPhillips Australia will consult with commercial fishers and other marine users to ensure impacts from displacement are assessed and mitigated.

Will there be exclusion zones?

Yes, two types of exclusion zones will be in place at set times and locations.

Exclusion zone – All vessels will be required to abide by a cautionary zone which covers a 2 km radius around the drilling rig once in position. This zone is to allow for anchors, mooring chains and wire to be placed within the operational area during the drilling program.

Petroleum Safety Zone (PSZ) – The PSZ is a formal 500 m radius safety exclusion zone around each drilling location and will be communicated via a 'Notice to Mariners' by the Australian Hydrographic Office (AHO).

How will impacts to the marine environment be managed?

During preparation of the EP, ConocoPhillips Australia will build on our knowledge and identify current, peer reviewed literature and research on the impacts of our activities to the marine environment, particularly in relation to impacts to marine mammals and commercially fished species. Through relevant persons engagement we will aim to gain a deeper understanding of potential concerns and use this knowledge to help us minimise our impacts and protect ecological, social, economic and cultural values and sensitivities.

What are the typical environmental impacts associated with an exploration program?

Typical impacts associated with exploration activities are provided in the table below. ConocoPhillips Australia will conduct a detailed assessment of impacts specific to the proposed exploration program and unique operating environment. We will present these in the EP along with information on how these impacts will be managed and mitigated.

Aspect	Activity	Impacts
Seabed Disturbance	• Seabed Survey • Drilling	• Seabed samples may be collected during seabed surveys, resulting in localised disturbance of the seabed. • Anchor placement and drilling activities will result in localised seabed smothering and increased turbidity. • Impacts are expected to affect localised areas within a 2 km radius of each well.
Underwater Sound Emissions	• Seabed Survey • Drilling	• Seabed survey activities typically emit levels of sound similar to other vessel activities for short durations (typically ~1 week per drilling location.). • Underwater sound from drilling and support vessel activities has the potential to cause physiological impacts near the source and behavioural impacts to marine fauna within tens of kilometres depending on operations and location.
Atmospheric Emissions	• Seabed Survey • Drilling	• Atmospheric emissions from survey and drilling activities are localised and rapidly disperse in the vicinity of the vessels and rig.
Planned Vessel/Rig Discharges	• Seabed Survey • Drilling	• Routine discharges from support vessels and drilling rigs are similar to passing ships and other vessel discharges, which are managed to relevant standards and expected to disperse rapidly.
Planned Drilling Discharges	• Drilling	• Cement, cuttings and drilling fluid discharges occur during drilling activities resulting in temporary environmental effects out to tens of metres from each well.
Interference with Other Marine Users	• Seabed Survey • Drilling	• Seabed surveys are undertaken by vessels over short durations (typically 1-week per drilling location) and cover small areas. • Drilling rigs are stationary while drilling and are attended by support vessels who monitor a 500 m Petroleum Safety Zone and larger (typically 2 km radius) cautionary area to support safe operations. Notice to Mariners are issued and standard maritime safety precautions are in place.
Light and Visual Amenity	• Drilling	• The drilling rig may be visible from nearby coastlines while in transit and during drilling. • Flaring may be required over a few days at each drilling location and may also be visible from nearby coastlines.

What are the typical environmental risks considered in an EP?

Typical environmental risks that could occur and are assessed in exploration EPs include:

Vessel based risks, which include:

- Loss of material or waste overboard
- Interactions with marine fauna
- Introduction and establishment of invasive marine species

Hydrocarbon related risks, which include:

- Minor loss of containment
- Marine diesel oil releases
- Loss of well control releases

How are oil spill risks managed?

An Oil Pollution Emergency Plan (OPEP) is required to be submitted with the EP to NOPSEMA. The OPEP details the arrangements in place for responding to, monitoring and managing the highly unlikely release of hydrocarbons during the exploration program. The OPEP is based on the most conservative (i.e. worst-case) credible scenarios to ensure that the arrangements in place are adequate for any event.

Why is ConocoPhillips Australia continuing to explore for natural gas?

ConocoPhillips Australia is seeking to identify commercially viable natural gas reserves that can be developed to contribute towards energy security for the Australian east coast domestic market.

As a titleholder, ConocoPhillips Australia has made a commitment to undertake exploration activities within timeframes agreed by the Commonwealth National Offshore Petroleum Titles Administrator (NOPTA).

What happens if ConocoPhillips Australia finds natural gas?

Exploration wells are drilled to confirm the presence or absence of natural gas reserves. Further drilling may be required to determine if commercial quantities of natural gas are present. If it is feasible to develop the discovered gas resource ConocoPhillips Australia would prepare an Offshore Project Proposal (OPP) detailing future development plans that may lead to production of natural gas. The development of the OPP would involve consultation and public comment prior to assessment by NOSPEMA. If an OPP is accepted, individual EPs, including relevant persons consultation, would still be required for subsequent development and production activities.

Contact us

ConocoPhillips Australia values consultation and feedback and invites consultation with individuals, groups and organisations potentially affected by the proposed activities to help inform the development of the EP.

You are invited to provide feedback, request a meeting and ask questions on the proposed activity by contacting us in one of the following ways:

E: otway@conocophillips.com

T: 07 3182 7122

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