



PIPELINE LICENCE No 25

WHEREAS in conformity with the provisions of an Act of Parliament of our State of Queensland called the Petroleum Act 1923 (hereinafter called "**the Act**"), **BOYNE SMELTERS LIMITED** ACN 010 061 935 (hereinafter called "**the Licensee**"), has made application to me for a Licence for the construction and operation of a pipeline within our said State (hereinafter called "**the Pipeline**") between the "terminal points" as defined in this Licence and WHEREAS the Governor in Council has consented to the grant of a Pipeline Licence to the said Licensee for the purpose of conveyance thereby of gaseous petroleum and associated liquid petroleum as defined in the Act under and subject to the terms and conditions hereinafter mentioned and to the terms conditions exceptions reservations and provisoes contained in the Act and Regulations made or to be made thereunder NOW KNOW YE that in consideration of the premises and of the yearly Licence fee terms conditions and agreements hereinafter contained on the part of the Licensee to be paid observed and performed I DO HEREBY GRANT unto the Licensee FULL LICENCE AND AUTHORITY on and from the date hereof under and subject to the provisions of the Act to construct and operate at the sole cost of the Licensee the Pipeline within our said State for the conveyance thereby of gaseous petroleum and associated liquid petroleum as defined in the Act between the aforementioned terminal points.

PROVIDED ALWAYS and these Presents are upon the following conditions that is to say -

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Licence unless the context otherwise indicates or requires, the terms used shall have the meanings respectively assigned to them by Section 2 of the Act and the following terms shall have and include the meanings set against them respectively, that is to say -

"access agreement" has the meaning assigned to that term in the Act.

"access principles" means the tariff setting principles, indicative tariff schedule and indicative access conditions.

"the Act" means the Petroleum Act 1923 and any Act amending or in substitution for this Act and all Proclamations and Regulations issued or made thereunder.

"commencement of construction" means when copies of construction plans are submitted to the State Mining Engineer pursuant to Regulation 237 (3) of the Petroleum Regulations (Land) 1966.

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"Completion" means completion of construction and commissioning of the Pipeline so that gas is capable of being transported through the Pipeline.

"Complete" and **"Completed"** shall be construed accordingly.

"Cubic Metre" means with respect to oil, gas or water produced with the oil and gas, the amount of oil, gas or water in one cubic metre of space at an absolute pressure of 101.325 kilopascals and at a temperature of 15 degrees Celsius;

"the Department" means the Department of Mines and Energy of our said State;

"Environmental Management Plan" means the environmental management plan prepared by the applicant and approved as acceptable by the Department.

"Force Majeure" the term "event of force majeure" means an event whether of a kind hereinafter specified or otherwise which is not reasonably in the control of the Licensee and which could not have been prevented, overcome or remedied by the exercise by the Licensee of a standard of foresight, care and diligence consistent with that of a prudent and competent person under the circumstances including decrees of Government, an act of God, industrial disturbance, act of public enemy, war, blockade, public riot, lightning, earthquake, fire, storm and flood.

"GJ" means gigajoule of gas.

"Government" means the Minister and any other minister, instrumentality, agency or department of the Government of the State of Queensland.

"MAOP" means maximum allowable operating pressure of the Pipeline as determined in accordance with Australian Standard 2885 "Pipelines - Gas and Liquid Petroleum".

"Materials" means all pipe, valves, pipe coating and other materials required to construct the Pipeline.

"Minister" means the Minister for Mines and Energy for the State of Queensland and includes where the context permits or allows a nominee or nominees of the Minister and a person or persons authorised by the Minister for a particular purpose.

"Operations Manual" or **"Manual"** means the manual referred to in clause 6.6.

"Operator" means the operator of the Pipeline.

"the Pipeline" means the pipeline in accordance with the specified configuration together with all ancillary equipment and works connected therewith for which this Licence has been granted and extending between the terminal points referred to herein;

"pipeline crossing" means a crossing made by the Pipeline on, over or under any railway, tramway or road and in, on, over, through or across any waterway (including any foreshore or land referred to in subsection 11 of Section 78 of the Act);

"review event" means:

- (a) for the purposes of Condition 23, the day being twenty years from the issue of this licence, or such other events as the Licensee and the Minister may agree; and

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- (b) for the purposes of the Access Principles for the pipeline, the days or events specified in Schedule 2.

"route of the Pipeline" has the meaning assigned to that term in clause 4.

"SGP" means the State Gas Pipeline from Wallumbilla to Gladstone and Rockhampton.

"specified configuration" means the configuration for the Pipeline specified in SCHEDULE 1.

"terminal points" means the points defining the extent of the Pipeline as specified in SCHEDULE 1.

- 1.2 Except as otherwise provided in this Licence, any changes, revisions, amendments or alterations made to any code or standard referred to in this Licence which:

- (a) relate to operational matters shall apply to the Pipeline; or
- (b) relate to non-operational matters shall apply only to additions or alterations made to the Pipeline,

after the effective date of such change, revision, amendment or alteration.

2. GENERAL

2.1 LEGISLATION

This Licence shall be subject to the provisions of all applicable Legislation.

2.2 NATIVE TITLE

Nothing in this Licence shall, and no activities, operations, or other acts on the part of the Licensee, its employees, agents or assistants, under the terms of this Licence are to affect, impair or extinguish any native title rights or interests (if any) which may exist over any part of the land to which the Licence extends in accordance with clause 4.

2.3 CULTURAL HERITAGE

The Licensee shall have regard to and comply with all relevant provisions of the Cultural Record (Landscapes Queensland and Queensland Estate) Act 1987.

3. USE OF PIPELINE

The Pipeline shall be owned by the Licensee and, when constructed, used by the Licensee for the conveyance thereby of gaseous petroleum as defined in the Act and associated liquids and for no other purpose whatsoever unless the Minister, with the approval of the Governor in Council, shall otherwise approve.

4. PROPOSED ROUTE OF PIPELINE

Until the date of Completion and the lodgement by the Licensee with the State Mining Engineer of the plan and description of the actual location of such Pipeline as provided in Clause 9 hereof, this Licence shall extend to all lands of every description whatsoever as are situated within the boundaries as described in the attached BLOCK IDENTIFICATION

SCHEDULE and comprised in the easements, licences, or other rights granted or to be granted to the Licensee in respect of the land on which the Pipeline is to be constructed. Such land is hereinafter called the "route of the Pipeline" and the Pipeline shall be constructed within the boundaries of the route of the Pipeline. The Pipeline shall be constructed in such a way that the centreline of the Pipeline is not less than five (5) metres from the nearest boundary of the route of the Pipeline unless otherwise approved by the State Mining Engineer.

5. CONSTRUCTION OF PIPELINE

5.1 The Licensee shall design, construct and Complete the Pipeline in accordance with:

- (a) the specified configuration;
- (b) Australian Standard 2885 "Pipelines - Gas and Liquid Petroleum" as current at the commencement of construction and such other codes and standards as approved by the State Mining Engineer. Any additions or alterations to the Pipeline after Completion must be carried out in accordance with the then current Australian Standard 2885 "Pipelines - Gas and Liquid Petroleum".

5.2 The Pipeline shall be constructed of electric resistance welded pipes, or such other pipes as may be agreed between the Licensee and the Minister, manufactured in accordance with the requirements of the American Petroleum Institute Specifications for Line Pipe 5L current at the time of order of the pipe.

5.3 The MAOP for the Pipeline shall be 5000 kPa as defined by and tested in accordance with Australian Standard 2885 "Pipelines - Gas and Liquid Petroleum" with the maximum operating temperature not exceeding the Pipeline material or coating specifications.

6. OPERATION

6.1 The Licensee shall from Completion and until this Licence is terminated:

- (a) operate and maintain the Pipeline or cause the Pipeline to be operated and maintained in accordance with Australian Standard 2885, all applicable legislation and regulations and otherwise in accordance with industry best practices; and
- (b) not without the prior written permission of the Minister discontinue the operation of the Pipeline except to effect repairs or for maintenance or other reason consistent with accepted practice in the operation of pipelines.

6.2 The obligations of the Licensee under this Licence shall not be affected if a third party is permitted to be the Operator.

6.3 The measurement, monitoring and recording of the throughput of the Pipeline shall be conducted to standards and accuracy conforming with normal industry practice.

- 6.4 A control system for the operation and maintenance of the Pipeline, including a leak detection system, an agreed line failure shutdown system and facilities for the control of mainline valves sufficient for the isolation of the Pipeline in the event of an emergency, shall be installed and operational at all times.

The maximum operating pressure of 3000 kPa and minimum supply pressure of 1700 kPa shall be controlled by the SGP.

- 6.5 No section of the Pipeline shall be brought into operation by the Licensee before such section has been satisfactorily inspected and tested in accordance with Australian Standard 2885. The Licensee shall submit to the State Mining Engineer a detailed testing programme prior to the commencement of any tests. A full report on the results of such tests shall be submitted to the State Mining Engineer not more than twenty-one (21) days after the completion of such tests.

- 6.6 The Pipeline shall be operated in accordance with an Operations Manual which shall include emergency response procedures. The Manual shall be developed by the Licensee prior to Completion and shall be amended as the need arises.

The Manual shall be consistent with accepted industry practices and reasonably acceptable to the State Mining Engineer and shall set out the procedures to be followed and actions to be taken, and shall identify the persons to be responsible for following these procedures and taking these actions in the event of an emergency arising during the Pipeline operations by reason of -

- . the escape or ignition of petroleum;
- . serious injury to a person;
- . a vehicle or aircraft failing to arrive at its destination when it is expected to arrive, unless a report has been made as to the reason for the non-arrival;
- . a vehicle or aircraft sending a distress signal;
- . a person lost; or
- . any other emergency associated with the operations.

7. INSPECTION

The Licensee shall permit an inspector appointed by the Minister to inspect the Pipeline or any section thereof both during construction and after completion of construction and during operation as required by the Act or any applicable regulations.

8. CORROSION

- 8.1 The Pipeline shall be effectively protected against internal and external corrosion. Details of the corrosion prevention and monitoring systems used and installed shall be submitted to the State Mining Engineer.

- 8.2 The Licensee shall follow procedures that will allow accurate assessment of any corrosion taking place within the Pipeline and shall keep records of all readings and results which shall be made available in a readily readable form for inspection when required.

- 8.3 The Pipeline shall be capable of being inspected internally by a device which will accurately measure pipe wall thickness throughout the full length of the pipeline to the greatest extent practicable. Internal inspection using such a device or other method of inspection as approved by the State Mining Engineer shall be carried out within five years of the completion of the pipeline and thereafter at intervals agreed between the Licensee and the State Mining Engineer or, if not agreed, as directed by the State Mining Engineer after having regard to pipeline industry practice and the operational characteristics of the Pipeline. If operational measurements indicate concern about the level of corrosion protection an inspection shall be carried out as soon as reasonably practicable thereafter but in any case within two years thereafter, or as directed by the State Mining Engineer.
- 8.4 Should corrosion be detected the Licensee shall take adequate measures to prevent further corrosion and shall ensure that the original MAOP is maintained unless otherwise approved by the State Mining Engineer.

9. ACTUAL PIPELINE ROUTE

The Licensee shall lodge with the State Mining Engineer within nine (9) months of Completion or such later date as the State Mining Engineer may in writing approve -

- (a) (i) A key plan or plans approved by the Chief Surveyor of the Department and drawn to a scale of not less than 1:250 000 showing the actual route of the Pipeline as laid.
- (ii) A series of plans included in a Pipeline Location Book giving a description of the lands, easements, licences and rights of way acquired by the Licensee for the purposes of the Pipeline and of all pipeline crossings included in such actual route. Each plan shall be indexed and referenced to the key plan and shall show the location of the Pipeline with respect to property boundaries. Where plans are required to be examined and registered by any other authority they shall be lodged in duplicate with the State Mining Engineer immediately upon registration.

The State Mining Engineer shall notify the Licensee in writing of his acceptance of the plans referred to and their registration in the proper office of the Department whereupon this Licence shall be restricted to the lands, easements, licences, rights of way and pipeline crossings hereinbefore in this clause referred to; and

- (b) A final report by the Licensee upon the construction of the Pipeline together with a plan and longitudinal section to an appropriate scale, showing the location of the Pipeline in relation to roads, railways, rivers and streams, fences, property boundaries, underground pipes and cables, electricity transmission lines and other structures adjacent to the Pipeline and showing the exact location of compressor stations, storage tanks, treatment facilities, metering arrangements, communication towers, valves and scraper traps along the Pipeline. Full details of significant ethnological and archaeological sites identified in the vicinity of the Pipeline shall be provided in the report provided that all reasonable steps will be taken to keep such information confidential in accordance with applicable law.

10. ENVIRONMENT

- 10.1 The Licensee shall, so far as reasonably practical, protect flora and fauna during construction and operation of the Pipeline and shall comply with any reasonable specific requirements as directed by the State Mining Engineer from time to time. Top soil, when removed or disturbed, is to be replaced and precautions are to be taken to prevent erosion of the soil surface and the spreading of seeds of noxious weeds.

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- 10.2 The Pipeline, or any section of it, may be inspected from time to time by an Environmental Officer of the Department.
- 10.3 (a) Prior to commencement of construction of the Pipeline the Licensee shall, cause a survey to be carried out over the route of the Pipeline to determine if any areas of ethnological or archaeological importance exist.
- (b) During construction of the Pipeline the Licensee shall:
- (i) ascertain whether any areas of ethnological or archaeological importance exist where the Pipeline is to be constructed; and
 - (ii) ensure that any areas of ethnological or archaeological importance are avoided by detouring the Pipeline to an area that has been confirmed to not contain any areas of importance; or
 - (iii) obtain, approval from the Department of Environment and Heritage to interfere with any area of importance prior to any such interference.
- 10.4 The Licensee shall:
- (a) comply with the APEA Code of Environmental Practice - Onshore;
 - (b) comply with the Environmental Management Plan as approved by the Department.

11. PERIOD OF LICENCE

This Licence shall be for a period of 35 years from the date hereof and for such longer periods mutually agreed to by the Minister and the Licensee to the extent the Pipeline is still operational and providing gas transportation services at the end of such term.

12. LICENCE FEE

- 12.1 The Licensee shall pay an annual licence fee in advance to the Minister within 14 days after the date of this Licence and on each anniversary of the date of this Licence occurring during the term of this Licence.
- 12.2 The annual licence fee payable in respect of the first year of the Licence shall be \$1,000.00.
- 12.3 The annual licence fee payable in respect of each subsequent year of this Licence shall be determined as follows:

$$F = F_1 \times \left[1 + 0.75 \times \left[\frac{C_2 - C_1}{C_1} \right] \right]$$

Where:

"F" = the annual licence fee in dollars payable in respect of the relevant year of this Licence for which the licence fee is to be calculated and determined;

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- "F₁" = the licence fee in dollars payable in respect of the immediately preceding year of this Licence.
- "C₁" = the Index Number most recently published as at the date of commencement of the year of this Licence immediately preceding the year for which the licence fee is to be calculated and determined.
- "C₂" = the Index Number most recently published as at the date of commencement of the relevant year of this Licence for which the licence fee is to be calculated and determined.

PROVIDED ALWAYS that the annual licence fee payable in respect of any year of this Licence shall not be less than the annual licence fee payable in respect of the immediately preceding year of this Licence.

The words "Index Number" mean the All Groups Consumer Price Index (Weighted Average of the Eight Capital Cities) published from time to time by the Australia Bureau of Statistics. In the event that the All Groups Consumer Price Index for the Weighted Average of the Eight Capital Cities shall be discontinued or modified the Minister shall specify an index in substitution therefor that reasonably approximates the former index.

- 12.4 A reference to a year of this Licence is a reference to a calendar year commencing on the date of this Licence or any anniversary of such date.
- 12.5 The licence fees shall be payable to the Minister at the office of the Department situated at 61 Mary Street, Brisbane, or such other place as may be directed in writing.

13. ACCESS PRINCIPLES

The Licensee shall comply with the access principles (as varied in accordance with the Act).

14. INSURANCE

- 14.1 The Licensee shall, to the extent available on reasonable commercial terms, effect and maintain all insurances in relation to the construction and operation of the Pipeline including without limitation the following insurances:
- (a) public liability insurance;
 - (b) insurance in respect of any loss or damage to the Pipeline;
 - (c) statutory workers' compensation insurance for the employees of the Licensee and the Operator (if the Operator is not the Licensee).

15. FINANCIAL RECORDS

- 15.1 The Licensee shall maintain adequate financial, accounting and other records in relation to the construction and operation of the Pipeline and the transactions in relation to the Pipeline or this Licence in accordance with Australian accounting standards and shall ensure that those records are audited annually in accordance with all applicable accounting and auditing standards and are sufficient for the detailed audit of Capital Costs. The Licensee shall allow the Minister, his employees or agents to have access to and make copies of those records at all reasonable times upon reasonable notice to enable the Minister to audit Capital Costs, to ensure compliance with this Licence, the access principles and all relevant legislation and to verify the accuracy of any statement furnished pursuant to section 59 (2) of the Act by the producer of petroleum conveyed through the Pipeline.

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- 15.2 The Licensee shall in accordance with the Act supply all information to the Minister which it is required to under the Act.

16. OWNERSHIP & ASSIGNMENT

The Licensee must not directly or indirectly transfer, assign, lease, sublease, mortgage, sub-licence or create a trust in relation to this Licence or any land or easement or right of way over land acquired for use for the Pipeline without the written consent of the Minister.

17. CONTRACTS

Gas Transportation Agreements shall be in accordance with the Act and other relevant legislation.

18. FORCE MAJEURE

- 18.1 If the Licensee, by reason of an event of force majeure, is wholly or partially unable to perform its obligations under this Licence in relation to the construction, operation or maintenance of the Pipeline it shall give to the Minister prompt written notice of the event of force majeure with reasonably full particulars of the event, whereupon the obligations of the Licensee to the extent that they are affected by the event of force majeure shall be suspended for so long as the event renders the Licensee unable to so perform its obligations.

- 18.2 The Licensee shall take all reasonable steps to avoid or remove the event of force majeure and resume performance of its obligations under this Licence.

19. SURRENDER OF LICENCE

The Licensee may surrender this License at any time by giving to the Minister six (6) months notice in writing of its intention so to do, but such surrender shall not relieve or exempt the Licensee from complying with the provisions of the Act and with the terms and conditions of this Licence to the date of actual surrender thereof.

20. CANCELLATION OF LICENCE - AFTER COMPLETION

If at any time during the currency of this Licensee shall commit a breach of any of the provisions of the Act or any term or condition herein contained or implied and on its part to be performed or observed and if such breach shall continue for the space of one (1) calendar month (or such longer period as the Minister may approve) after written notice shall have been given by the Minister to the Licensee (and to any mortgagee of this License if at the time of the giving of such notice it has been mortgaged by the Licensee) THEN the Minister may cancel the Licence notwithstanding that cancellation thereof has not been imposed in respect of any prior breach of any of such provisions terms or conditions by the Licensee.

21. SURRENDER, CANCELLATION OR EXPIRATION OF TERM

Upon the surrender, cancellation or expiration of the term of this Licence:

- (a) the Licensee may, and, after considering all matters which the Minister considers relevant including, without limitation, the relevant landholders' views, the Minister may, direct the Licensee to, remove all surface equipment associated with the Pipeline within a period of six (6) months or such greater period as determined by the Minister. If the Licensee fails to remove the equipment within the specified time all right, title and interest in the equipment will vest in the corporation sole or its nominee. The Licensee shall, following removal of such surface equipment, to the satisfaction of the Minister progressively rehabilitate the surface of the specified area, as nearly as may be to its state and condition prior to the commencement of operations under this Licence unless otherwise mutually agreed to between the Minister and the Licensee; and
- (b) sub-surface pipelines and equipment shall be decommissioned in accordance with the Australian Standard 2885 "Pipelines - Gas and Liquid Petroleum" or in a manner requested by the Licensee and approved by the State Mining Engineer.

22. VARIATION OF LICENCE CONDITIONS

The conditions of this Licence may be varied from time to time by the Minister with the consent of the Licensee. Any such variation affecting the route of the pipeline shall be notified in the Gazette and shall take effect upon the pipeline of such notification.

23. REVIEW OF LICENCE CONDITIONS

- 23.1 This clause applies if the review event specified in paragraph (a) of the definition of that term in this Licence happens.
- 23.2 Within 3 months after the review event happens, the Minister must review the terms and conditions of this Licence and advise the Licensee of any proposed variations to such terms and conditions.
- 23.3 The Minister and the Licensee shall confer with a view to agreeing on the variations (if any) to be made to the terms and conditions of this Licence as soon as practicable after the Minister has given advice to the Licensee in accordance with clause 22.2.
- 23.4 If, within 6 months after the review event happens, the Minister and the Licensee have not agreed on the variations (if any) to be made to the terms and conditions of this Licence, such terms and conditions shall be varied as notified in writing by the Minister to the Licensee and such variations shall be deemed to have been made upon such notification being given.
- 23.5 The Minister may, where he considers it appropriate, issue to the Licensee, in place of this Licence, a pipeline licence on the terms and conditions of this Licence as varied in accordance with this clause.

24. NOTICES

Any notice, certificate, report or other writing authorised or required by this Licence to be given or sent shall be deemed to have been duly given or sent by the Minister if delivered in writing personally or forwarded by prepaid post to each of the holders of the Licence at the registered office or principal office in the said State of each such holder and by the Licensee if signed by each of the holders of the Licence by the authorised officer of each such holder and delivered in writing personally or forwarded by prepaid post to the Minister at his office in Brisbane in the said State and any such notice consent requirement or writing sent by prepaid post shall be deemed to have been delivered on the day on which it would be delivered in the ordinary course of post.

25. EXCLUSIVITY

The grant of this Licence shall not preclude the grant of any other pipeline licences which may detract from the benefit of this Licence.

26. ROAD USE

The Licensee shall advise the Department of Transport of the State of Queensland and all relevant local authorities of the highways and roads that are intended to be used by vehicles engaged in major operations associated with the construction of the Pipeline.

27. STAMP DUTY

The Licensee shall pay all stamp duty on this Licence and any document executed under it.

28. INVALIDITY

If any term, clause or provision of this Licence shall be or be deemed or judged to be invalid for any reason, such invalidity shall not affect the validity or operation of any other term, clause or provision of this Licence except to the extent necessary to give effect to such invalidity.

SCHEDULE 1

SPECIFIED CONFIGURATION

PIPELINE

A single high pressure gas pipeline constructed from high strength pipe of 168.3 mm outside diameter with a 60.3 mm outside diameter branch line, between the Terminal Points nominated below.

The pipe specification is to comply with API 5L X 42 and to be externally coated with HDPE.

The Pipeline is to be designed in accordance with Australian Standard AS2885 - 1987 Pipelines - Gas and Liquid Petroleum.

The MAOP of the whole of the pipeline is to be 5000 kPa(g).

TERMINAL POINTS

Inlet QAL meter station located on the SGP.

Branch Outlet At the Boyne Smelters Limited wharf approach on South Trees Island.

Outlet At the Boyne Smelters Limited plant site on Boyne Island.

MAINLINE ISOLATION

Mainline isolation is provided at the Inlet and the Outlet.

Branch line isolation is provided at the take off from the main line.

MAINLINE VALVES

No mainline valves are provided on the pipeline other than the isolation at the Inlets and Outlet.

INLET STATIONS

One (1) Inlet metering with a design pressure of 5000 kPa(g) will be provided at the Inlet Terminal Point. Metering is to comply with the requirements of ANSI Standards for custody transfer metering.

OUTLET STATIONS

Outlet metering shall be provided to enable leak detection and line failure systems to operate.

COMPRESSOR STATIONS

The pipeline does not include any compressor stations.

SCHEDULE 2

REVIEW EVENT FOR ACCESS PRINCIPLES

- (1) Each of the following days or events are review events for the access principles applying to the Pipeline:
 - (a) an amendment of this licence, if the Minister decides the amendment warrants a review event;
 - (b) a day decided by the Minister after application by the licensee for a review of the access principles for the Pipeline;
 - (c) a day decided by the Minister after application by the facility users of the Pipeline for a review of the access principles for the Pipeline;
 - (d) each 10th anniversary of the first determination by the Minister of the Maximum tariff and conditions for access under clause 4.8 of the access principles;
 - (e) each 10th anniversary of a review event.
- (2) A day cannot be decided by the Minister pursuant to a request under subclause (1) (b) unless the Minister is satisfied that:
 - (a) the facility users have been consulted on the request; and
 - (b) there are reasonable grounds for the access principles to be reviewed.
- (3) A day cannot be decided by the Minister pursuant to a request under subclause (1) (c) unless the Minister is satisfied that:
 - (a) the licensee has been consulted on the request; and
 - (b) there are reasonable grounds for the access principles to be reviewed.
- (4) Subclause (1) (d) or (e) only applies if there has not been a review event in the previous 10 years.

Granted this Twenty-third day of May, 1996 by the Honourable **TOM GILMORE**,
Minister for Mines and Energy.

A handwritten signature in black ink, appearing to read 'Tom Gilmore', is written over a horizontal dotted line. The signature is stylized with large, flowing loops.

BLOCK IDENTIFICATION SCHEDULE

ROCKHAMPTON MINING DISTRICT

All the land within the boundaries of the Blocks and Sub-Blocks as defined and as shown on Department of Mines and Energy Block Identification Map - Series B and as set out hereunder -

11 SUB-BLOCKS

BLOCK IDENTIFICATION MAP - SERIES B

ROCKHAMPTON

Blocks	Sub-Blocks
3328	h, j, k, o, p, t, u, z
3329	v
3400	e
3401	a

ENDORSEMENTS

DEED OF AGREEMENT

BETWEEN

THE SECRETARY FOR MINES
(Pipeline Owner)

AND

BOYNE SMELTERS LIMITED
(BSL)

FOR

THE CONSTRUCTION AND OPERATION
OF AN OUTLET STATION

DEED OF AGREEMENT is made the First day of May 1996.⁷

BETWEEN:

THE SECRETARY FOR MINES a corporation sole established by the Petroleum Act 1923 (hereinafter referred to as "the Pipeline Owner")

AND:

BOYNE SMELTERS LIMITED (ACN 010 061 935) (hereinafter referred to as "BSL")

WHEREAS:

- A. BSL wishes to transfer into the BSL Pipeline Gas which has been transported on their behalf along the State Gas Pipeline.
- B. The Pipeline Owner ^{owned} ~~owns~~ the State Gas Pipeline until 1 July 1996 on which date it was ~~transferred~~ ^{transferred} to PET Australia Pty limited (ACN 072 948 541) ("PET").
- C. The Pipeline Owner is agreeable that BSL construct a metering station and an outlet station on the State Gas Pipeline's QAL Meter Station site for the purpose of permitting Gas to be transferred from the State Gas Pipeline to the BSL Pipeline.
- D. After the completion of the Commissioning Period of the Boyne Metering Station and Boyne Outlet Station ownership of the Boyne Metering Station shall vest in the Pipeline Owner.
- E. After the ownership of the Boyne Metering Station has vested in the Pipeline Owner, the Pipeline Owner shall maintain and operate the Boyne Metering Station and BSL shall be permitted to transfer contracted gas to the BSL Pipeline.
- F. BSL shall maintain the ownership of the Boyne Outlet Station and shall maintain the station in good operating condition.
- G. ^{The terms of this Agreement were finalised before the sale of the State Gas Pipeline to PET and it is executed after completion of the sale, with PET's consent, to accurately record the parties' agreement.}
It is hereby agreed as follows:

1. DEFINITIONS AND INTERPRETATIONS

"Act" means the Petroleum Act 1923.

"Access Principles" means the access principles (as defined in the Act) for the State Gas Pipeline at any time and from time to time approved or decided under the Act.

"Boyne Metering Station" and "BMS" means the pipework, metering skid, spares and associated facilities that are to be constructed and commissioned by BSL located in the QAL Meter Station between the outlet on the State Gas Pipeline and the fence to the BOS as generally shown in Schedule 2.

"Boyne Outlet Station" and **"BOS"** is that portion of the BSL Pipeline that is located within the QAL Meter Station including the external access to the BOS, a new gate in the existing QAL Meter Station fence and any additional fencing required to fully isolate the area of the BOS from the remainder of the QAL Meter Station generally as shown in Schedule 2.

"BSL Pipeline" means the pipeline owned by BSL which extends from and includes the BOS to the BSL plant located at Boyne Island.

"Commissioning Period" means the period which begins when Gas is first delivered to the Boyne Outlet Station and shall end on the day determined by the Pipeline Owner

"Contracted Gas" means Gas transported along the State Gas Pipeline on behalf of BSL and delivered to the Boyne Outlet Station.

"Contracted Other Gas" means Gas transported along the State Gas Pipeline and delivered to the Boyne Outlet Station for a party other than BSL.

"Defects" means items or groups of items of equipment, plant or facilities including computer software and hardware which are not or do not perform in accordance with the drawings, the specifications, with the supplier's stated performance standards or with good industry practice.

"Defects Liability Period" is the period of twelve months commencing from the date the ownership of the BMS vests in the name of the Pipeline Owner and, in the event any item of equipment is replaced or work is performed under a vendor's warranty during this period, an extra period for the equipment covered by any additional warranty in respect of that item of equipment.

"Gas" means naturally occurring gaseous hydrocarbon

"QAL" means Queensland Alumina Limited.

"QAL Meter Station" means the pipework, metering skid, spares, associated facilities and land for measuring the quality and quantity of Gas delivered to QAL.

"State Gas Pipeline" means the pipeline from the pipeline outlet at Wallumbilla to pipeline outlets at Gladstone and Rockhampton.

"Work" means all the work required to construct the BMS.

2. The recitals hereto are true and correct.
3. BSL shall design and construct the BMS and BOS and shall obtain all necessary spares.
4. The BMS is to meet the Pipeline Owner's Specification contained in Schedule 1.
5. The BOS is to be constructed and operated in accordance with AS 2885.

6. During the course of the design and construction of the BMS, BSL shall submit all drawings and purchase requisitions for all items to be incorporated into the BMS and any subsequent amendments thereto for approval by the Pipeline Owner and shall obtain approval prior to performing the Work. Subject to the provisions of this Deed, such approval shall not be unreasonably withheld.
7. Any such approval by the Pipeline Owner will not relieve BSL from all responsibility for the correctness of the design of the BMS and for the compliance of the BMS with all codes and statutory requirements.
8. BSL shall be liable for all costs for the design and construction of the BMS and the BOS and for other related costs including but not limited to the costs of obtaining approvals.
9. The construction of the BMS and the BOS shall be completed prior to 1 July 1996, but any reasonable delay in the achievement of this date shall not be grounds for avoiding or failing to comply with the terms of this Deed.
10. BSL shall indemnify and keep indemnified the Pipeline Owner against all losses, costs and expenses which the Pipeline Owner may sustain or incur as a consequence of any action, claim or other occurrence, resulting from any act or omission (negligent or otherwise) on the part of BSL or any of the agents, employees, servants or contractors of BSL in connection with the design and construction of the BMS and the design, construction and operation of the BOS.
11. The Pipeline Owner shall indemnify and keep indemnified BSL against all losses, costs and expenses which BSL may sustain or incur as a consequence of any action, claim or other occurrence, resulting from any negligent act on the part of the Pipeline Owner or any of the agents, employees, servants or contractors of the Pipeline Owner in connection with the operation and maintenance of the BMS during the period of this Deed.
12. BSL shall rectify at its own cost as soon as practicable all Defects existing during the Defects Liability Period.
13. The parties to this Deed agree that BSL shall have the right under the direction of the Pipeline Owner to access the land as generally described in Schedule 2 to construct the BMS and the BOS provided the construction work is carried out in accordance with good industry practices.
14. The parties to this Deed agree that BSL shall have access to the BOS during the period of this Deed for the purpose of maintaining and operating the BOS.
15. Upon completion of the Commissioning Period the ownership of the BMS shall vest in the Pipeline Owner. BSL shall have no rights to or interest in the BMS or the land within the QAL Meter Station.
16. Upon completion of the Commissioning Period BSL shall retain the ownership of the BOS but shall have no interest in the land within the QAL Meter Station except as provided herein.

17. Prior to completion of the Commissioning Period, BSL shall provide the Pipeline Owner with three sets of prints of the original drawings for the BMS, a full set of transparent copies of the original drawings and three sets of Vendor Data documents fully indexed in hard covers and one copy of the original purchase orders for all equipment. Should any of this information not be available at the Commissioning Date, alternative information agreeable to the Pipeline Owner is to be provided as soon as possible thereafter.
18. The Pipeline Owner will maintain the BMS in good working order from the completion of the Commissioning Period until a day after the last Contracted Gas is delivered at the BMS for transportation to the BSL Pipeline.
19. At the sole discretion of the Pipeline Owner Contracted Other Gas may be transmitted through the BMS and injected into the BSL Pipeline.
20. This Agreement is binding upon and enforceable against the parties to this Agreement and their successors.

A party may assign with reasonable notice in writing to another party any or all of its rights or obligations under this Deed PROVIDED THAT:

- 20.1 the assigning party shall remain fully liable for its obligations as provided in this Deed hereunder until the assignment has taken effect, and
 - 20.2 the proposed assignee has covenanted with the Pipeline Owner to observe and perform all the terms and conditions hereof in so far as they relate to the rights or obligations the subject of the proposed assignment.
21. The addresses, telephone numbers and facsimile numbers of the parties are as follows:

THE PIPELINE OWNER

The Secretary for Mines
Queensland Minerals and Energy Centre
61 Mary Street
Brisbane Q 4000

Postal: GPO Box 194, Brisbane Q 4001
Attention: The Manager, State Gas Pipeline Unit

Telephone: (07) 3237 1224
Facsimile: (07) 3237 1867

BSL

Boyne Smelters Limited
Handley Drive
Boyne Island Q 4680

Postal: PO Box 524, Gladstone Q 4680
Attention: The Project Engineer, Boyne Smelters Limited

Telephone: (079) 73 0211
Facsimile: (079) 73 0900

22. **CONFIDENTIALITY**

Each party to this Deed covenants with the other that it will treat as confidential information disclosed by the other party and which prior to such disclosure is notified by the disclosing party as being confidential. Neither party will disclose such confidential information to third parties without the prior written consent of the other and each party will take all reasonable precautions to ensure that its employees will maintain the confidentiality of such confidential information PROVIDED HOWEVER that the provisions of this Clause shall not apply to information which is or becomes part of the public knowledge of literature or which is lawfully obtained by one party from sources other than this Deed or the other party AND PROVIDED FURTHER that either party may disclose the provisions of this Deed and such confidential information to a bona fide proposed assignee of the rights and obligations of that party under this Deed.

23. Compliance with this Deed shall at all times be a condition precedent to the Pipeline Owner accepting Contracted Gas at the BMS.

24. **GOVERNING LAW**

This Deed will be governed by and construed according to the law of the State of Queensland, and the parties hereby agree to submit to the jurisdiction of the courts of the State of Queensland.

25. The rights and obligations of the Pipeline Owner and BSL under this Deed including, without limitation, the provisions of Clause 16, are subject to the Access Principles, if any, and the Act, to the extent that it is applicable, and the Pipeline Owner shall not be required to make any payment or perform any obligation which is inconsistent with the Access Principles or the Act.

IN WITNESS WHEREOF the parties have executed this Deed on the day month and year first hereinbefore written.

The Official Seal of
THE SECRETARY FOR MINES
is hereto affixed by the
Honourable Tom Gilmore
the Minister for Mines and Energy
in the presence of:



Chapman

[Signature]

The Common Seal of
BOYNE SMELTERS LIMITED
was hereto affixed in accordance with the
Memorandum and Articles of Association
in the presence of:



[Signature] Director and
KIRK FLEMING ALBER Secretary

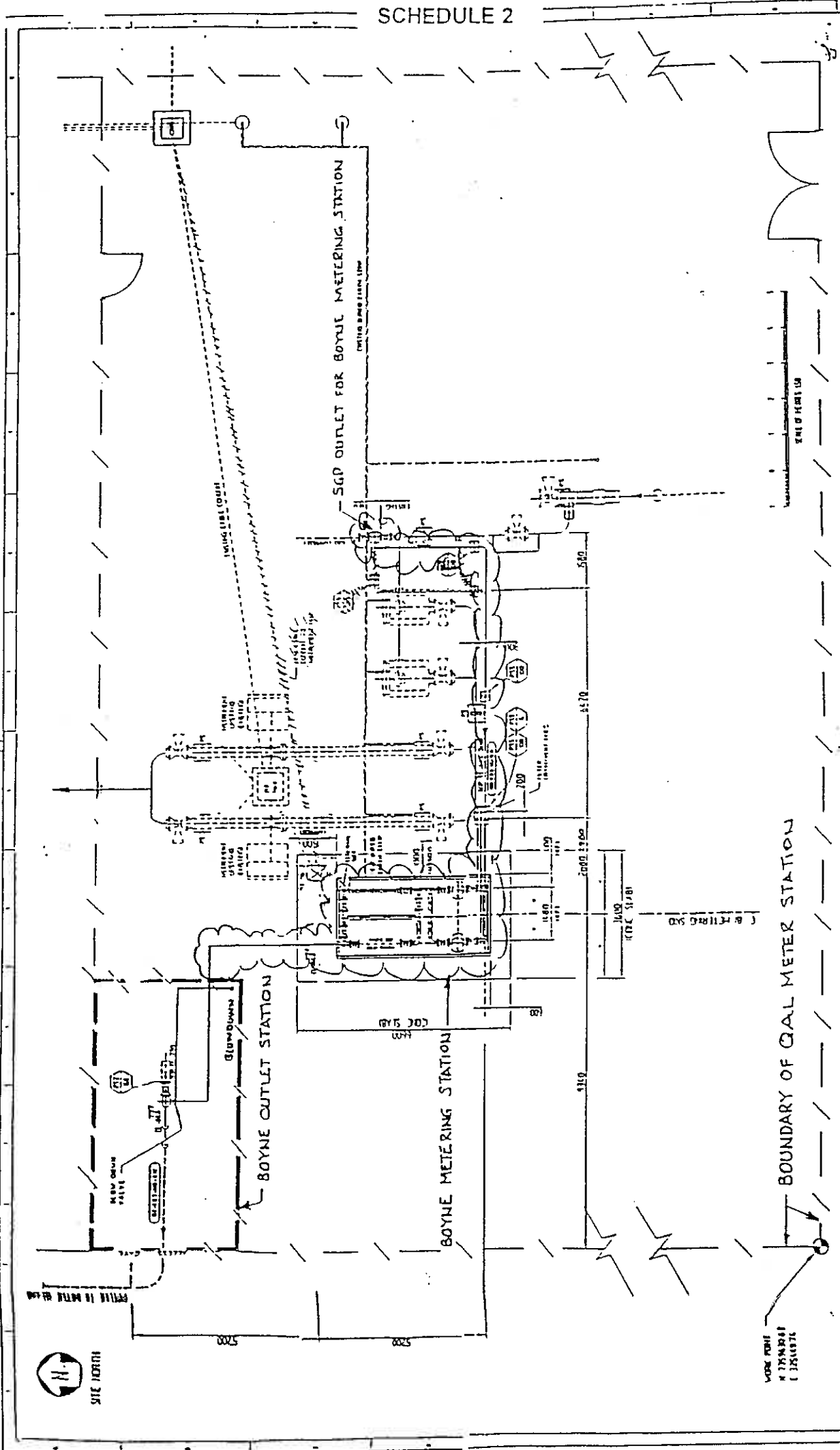
Wall

**BOYNE METERING STATION
BOYNE OUTLET STATION**

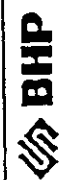
SPECIFICATION

Layout - to be compatible as far as is possible with existing Metering and Outlet Stations on the State Gas Pipeline (SGP) unless otherwise approved in writing by the Pipeline Owner.

Size of Outlet from the SGP	-	100mm diameter
Capacity of the SGP Outlet Connection	-	3 petajoules per annum with a maximum hourly flow rate of 8600 sm ³ at 1700 K Pag
SGP Outlet Pressure	-	Up to 3000 kPa
Maximum Allowable Operating Pressure MAOP	-	5100 kPa
SGP Outlet Valve	-	Class 300
Gas Temperature	-	0°C to 38°C
Corrosion Protection:		
- Above Ground	-	Pipeline Owner's Standard Paint System or Equivalent
- Below Ground	-	High Density Polyethylene or Tape Wrap Equivalent or other approved coating and Impressed Current or Sacrificial Anode Cathodic Protection System
Standards for Design, Construction and Testing	-	AS2885 - Pipelines - Liquid Petroleum and Gas
Equipment Type:		
Gas Chromatograph Data	-	From Gladstone City Gate
Transmitters	-	Honeywell Smart
Plug Valves	-	Audco Super H
Ball Valves	-	Keystone
PLC	-	Honeywell
Flow Computers	-	Elliott
Turbine Meter	-	KDG



BOYIE ISLAND GAS PIPELINE
CUSTOMER TRANSFER PETROLEUM
SITE PLAN
ORIG. DRG. NO. 5600/129-PH-260

[illegible]

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**DEED OF ASSIGNMENT AND ASSUMPTION
BOYNE SMELTERS LTD - METERING STATION AND
OUTLET STATION AGREEMENT**

THIS DEED is made on the *first* day of *May* 199~~8~~⁷

BETWEEN THE SECRETARY FOR MINES the corporate entity established by the Petroleum Act 1923, Section 54A and preserved and continued in existence as a corporation sole constituted by the Minister under Section 11 of the Petroleum Act 1923 ("SFM")

AND PGT AUSTRALIA PTY LIMITED (ACN 072 948 541) of Level 3, Waterfront Place, 1 Eagle Street, Brisbane, in its capacity as trustee of the PGT Queensland Unit Trust ("PGT")

AND BOYNE SMELTERS LTD (ACN 010 061 935) of Handley Drive, Boyne Island, Queensland, 4680 ("BSL")

WHEREAS

- ms* A *ms* SFM ^{was} is the owner of the Pipeline until 1 July 1996 on which date it was transferred to PGT.
- ms* B *ms* PGT had agreed to purchase the Pipeline and related assets from SFM in accordance with the Pipeline Sale Agreement. *[Signature]*
- C SFM and BSL are parties to the Contract.
- D SFM has agreed to assign the Contract to PGT.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 In the Deed:

"Assignment Date" means the date on which the sale and purchase of the Pipeline and related assets is completed in accordance with the Pipeline Sale Agreement.

"Contract" means an agreement dated the *first* day of *May* 199~~8~~⁷ made between SFM and BSL in respect of the construction and operation of a metering station and an outlet station on the SGP.

"Contract Provisions" means all terms, covenants, conditions, provisions, stipulations, restrictions, obligations, powers, rights, remedies or like provisions of the Contract which are to be observed and/or performed by SFM, whether express or implied, whether positive or negative.

"Obligations" means all the acts, duties, responsibilities, undertakings and obligations to be performed or discharged by SFM under the Contract.

"Pipeline" means the natural gas pipeline transmission system known as the State Gas Pipeline comprising the pipeline from Wallumbilla to Gladstone City Gate, the pipeline from Gladstone City Gate to Queensland Alumina Limited's refinery at Gladstone and the Rockhampton branch pipeline from Larcom Creek to Rockhampton City Gate.

"Pipeline Sale Agreement" means the State Gas Pipeline Sale Agreement dated 29 April 1996 made between SFM and PGT in relation to the sale to PGT of the Pipeline and related assets.

1.2 Unless the contrary intention appears in this Deed a reference to:

- (a) a clause is to a clause in this Deed;
- (b) the singular includes the plural and vice versa;
- (c) any gender includes all other genders;
- (d) a person includes a corporation, an association being incorporated or not and a statutory authority;
- (e) a person includes that person's successors and assigns;
- (f) any instrument (including this Deed) includes any variation or replacement thereof; and
- (g) clause headings appearing in this Deed are inserted for convenience of reference and shall not affect the construction of this Deed.

2 ASSIGNMENT OF RIGHTS INTERESTS AND OBLIGATIONS

2.1 SFM hereby transfers and assigns to PGT absolutely as and from the Assignment Date (notwithstanding the date hereof) and PGT hereby accepts the transfer and assignment of all SFM's right, title, interest, benefits and obligations in and under the Contract.

2.2 BSL hereby consents to the assignment by SFM of all its right, title, interest, benefits and obligations under the Contract to PGT.

3 COVENANTS BY PGT

3.1 PGT hereby covenants in favour of each of SFM and BSL that on and from the Assignment Date it shall be bound by and shall observe and perform the Contract and the Contract Provisions and shall discharge and perform the Obligations in accordance with the Contract as if it had originally been a party to the Contract in the place of SFM.

3.2 PGT will notify BSL of the Assignment Date immediately after the completion of the sale of the Pipeline and related assets in accordance with the Pipeline Sale Agreement.

4 COVENANTS BY BSL

4.1 BSL covenants and agrees with PGT to be bound by and to observe and perform its obligations under the Contract as if PGT had originally been a party thereto in place of SFM.

4.2 BSL acknowledges and agrees that all rights, benefits and entitlements of SFM under the Contract shall on and from the Assignment Date be the rights, benefits and entitlements of PGT.

4.3 BSL agrees that in consideration of PGT covenanting and agreeing to be bound by the Contract and the Contract Provisions and assuming the Obligations, BSL hereby discharges and releases SFM completely from any further liability or obligations under the Contract and the Contract Provisions with effect on and from the Assignment Date.

5 **APPLICABLE LAW**

The interpretation and construction of this Deed shall be governed and determined in accordance with the laws of the State of Queensland.

6 **COSTS**

All stamp duty payable on this Deed shall be borne by PGT but each party shall bear their own legal costs incurred in the drawing, negotiation and execution of this Deed.

7 **COUNTERPARTS**

This Deed may be signed in any number of counterparts. Any single counterpart or a set of counterparts signed in either case by all the parties hereto shall constitute a full and original Deed for all purposes.

EXECUTED AS A DEED

THE OFFICIAL SEAL of
THE SECRETARY FOR MINES
was hereunto affixed by
the Honourable Thomas John George Gilmore
in the presence of:

x *Champion*
W. J. Gilmore

THE COMMON SEAL of
PGT AUSTRALIA PTY LIMITED
was hereunto affixed
in accordance with its Articles
of Association in the
presence of:

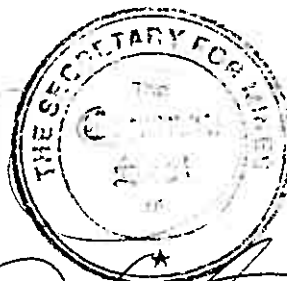
W. J. Gilmore
SECRETARY

THE COMMON SEAL of
BOYNE SMELTERS LTD
was hereunto affixed
in accordance with its Articles
of Association in the
presence of:

W. J. Gilmore

DIRECTOR

W. J. Gilmore
COMPANY SECRETARY



W. J. Gilmore



)
)
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W. J. Gilmore
MANAGING DIRECTOR
072 948 451



)
)
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PG&E GAS TRANSMISSION AUSTRALIA PTY LIMITED (ACN 072 948 451) As
Trustee Of The Queensland Unit Trust

and

DUKE QUEENSLAND PIPELINE PTY LTD (ACN 083 050 284)

and

DEI QUEENSLAND PIPELINE PTY LTD (ACN 083 050 104)

and

BOYNE SMELTERS LIMITED
(ACN 010 061 935)

DEED OF ASSIGNMENT

BLAKE DAWSON WALDRON

Lawyers

Level 40

Riverside Centre

123 Eagle Street

BRISBANE QLD 4000

Tel: (07) 3259 7000

Fax: (07) 3259 7111

Document ID 15384232

THIS DEED made the day of 1998

BETWEEN:

- (1) **PG&E;**
- (2) **Purchaser; and**
- (3) **Contracting Party.**

RECITALS:

- A PG&E and the Contracting Party entered into the Agreement.
- B. Pursuant to the Sale Agreement, PG&E has agreed to assign to the Purchaser its rights, and the Purchaser has agreed to assume PG&E's obligations, under the Agreement.
- C. The Contracting Party has agreed to the assignment of rights and the assumption of obligations under the Agreement, as described in Recital B.

OPERATIVE PROVISIONS

1. Definitions

Unless the context otherwise provides, in this deed:

"**Agreement**" means the agreement between PG&E and the Contracting Party described in Item 5 of the Reference Schedule;

"**Contracting Party**" means the party named in Item 3(a) of the Reference Schedule;

"**Effective Date**" means 8:00 am on the date notified by PG&E to the Contracting Party as the date of completion of the sale under the Sale Agreement;

"**PG&E**" means the party named in Item 1 of the Reference Schedule;

"**Purchaser**" means the party named in Item 2 of the Reference Schedule; and

"**Sale Agreement**" means the agreement described in Item 4 of the Reference Schedule.

2. Assumption

From the Effective Date:

- (a) the Purchaser undertakes to be bound by all the provisions of the Agreement and perform all the obligations of PG&E under the Agreement; and

- (b) the Contracting Party accepts the Purchaser as a party to the Agreement in substitution for PG&E and the Agreement shall take effect in all respects as if the Purchaser were a party to the Agreement in place of PG&E.

3. **Consent**

The Contracting Party consents to PG&E assigning the Agreement to the Purchaser.

4. **Release**

From the Effective Date, the Contracting Party releases PG&E from all its obligations under and all claims and demands in respect of the Agreement.

5. **Costs**

- (a) The Purchaser will reimburse the Contracting Party for its reasonable costs and expenses relating to the preparation, execution and completion of this deed.
- (b) The Purchaser must pay all stamp duty payable on or in respect of this deed.

6. **Notices**

6.1 The notice required under this Deed pursuant to clause 1 may be given by PG&E by:

- (a) delivering or posting it to the Contracting Party at the address specified in Item 3(b) of the Reference Schedule; or
- (b) sending it to the facsimile number of the Contracting Party as specified in Item 3(c) of the Reference Schedule.

6.2 A notice is taken to be given:

- (a) when delivered;
- (b) when sent by post; or
- (c) when sent by facsimile and the facsimile transmission report shows that the notice was completely received by the receiving facsimile machine.

7. **Governing Law**

This deed is governed by the laws of Queensland. The parties to this deed submit to the jurisdiction of the courts of that State.

8.

Counterparts

This deed may be executed in any number of counterparts. All counterparts taken together shall constitute the one instrument.

REFERENCE SCHEDULE

ITEM 1 - PG&E

PG&E Gas Transmission Australia Pty Limited (ACN 072 948 451) as Trustee of the Queensland Unit Trust

ITEM 2 - PURCHASER

Duke Queensland Pipeline Pty Ltd (ACN 083 050 284) and DEI Queensland Pipeline Pty Ltd (ACN 083 050 104)

ITEM 3 - CONTRACTING PARTY

(a) Boyne Smelters Limited (ACN 010 061 935)

(b) Handley Drive
BOYNE ISLAND QLD 4680

(c) (079) 73 0900

ITEM 4 - SALE AGREEMENT

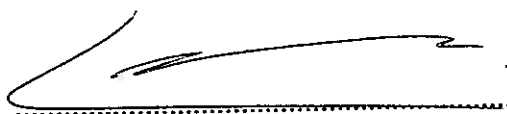
The agreement dated 24 June 1998 between PG&E Corporation Australian Holdings Pty Ltd (ACN 072 957 218) and its subsidiaries (including PG&E) and the Purchaser and its related entities.

ITEM 5 - AGREEMENT

Deed of Agreement for the Construction and Operation of an Outlet Station

EXECUTED as a deed.

SIGNED, SEALED AND DELIVERED)
for and on behalf of PG&E GAS)
TRANSMISSION AUSTRALIA PTY)
LIMITED (ACN 072 948 451) As)
Trustee Of The Queensland Unit)
Trust by its duly appointed attorney in
the presence of:


.....
Attorney
Name (printed): LEON RJ BETTS
Date of power of attorney: 7.7.98


.....

Witness
Name (printed): **PAUL ROBERT NEWMAN**

SIGNED, SEALED AND DELIVERED)
for and on behalf of DUKE)
QUEENSLAND PIPELINE PTY LTD)
(ACN 083 050 284) by its duly)
appointed attorney in the presence of:


.....
Attorney
Name (printed): MARK LANDSEIDEL
Date of power of attorney: 21 JUN 98


.....

Witness
Name (printed): Amanda Louise Robinson

SIGNED, SEALED AND DELIVERED)
for and on behalf of DEI)
QUEENSLAND PIPELINE PTY LTD)
(ACN 083 050 104) by its duly)
appointed attorney in the presence of:


.....
Attorney
Name (printed): MARK LANDSEIDEL
Date of power of attorney: 21 JUN 98


.....

Witness
Name (printed): Amanda Louise Robinson

3.

THE COMMON SEAL of BOYNE
SMELTERS LIMITED (ACN 010 061
935) the fixing of which was witnessed
by:



[Signature]
.....
~~Secretary~~ DIRECTOR
Name (printed): T. A. MEUVENNON

[Signature]
.....
Director
Name (printed): A. O. FILMER