Enforceable Undertaking

Environmental Protection Act 1994 (Qld)

Australia Pacific LNG Pty Ltd

The commitments in this undertaking are offered to the Department by the above person or entity.

ENFORCEABLE UNDERTAKING

Environmental Protection Act 1994

Section 507

1. The commitments in this Undertaking are offered to the Chief Executive of the Department of Environment and Science (the Department) by Australia Pacific LNG Pty Ltd of 139 Little Cribb Street, Milton QLD 4064.

2. DEFINITIONS

In addition to the terms defined elsewhere in this undertaking, the following definitions are used:

Act means the Environmental Protection Act 1994.

APLNG means Australia Pacific LNG Pty Ltd ACN 001 646 331.

APLNG Proceedings means Magistrates Court of Queensland (Dalby) File No. MAG-00099422/21(1).

Commencement Date means the date on which the Department gives APLNG notice of the decision under section 507(3) of the Act to accept the Undertaking.

CSG means coal seam gas.

Department is the Chief Executive of the Department of Environment and Science.

EA means the environmental authority EPPG00968013 for petroleum activities as amended from time to time.

Origin Upstream means Origin Energy Upstream Operator Pty Ltd ACN 105 423 532.

Proceedings means a legal or other action or proceeding.

Undertaking means this enforceable undertaking made pursuant to Chapter 10, Part 5 of the Act.

3. BACKGROUND

3.1 APLNG's business encompasses, among other things, the exploration, extraction, and processing of CSG through to the sale of domestic gas and the transport of compressed CSG to Gladstone (**Upstream Activities**).

3.2 Origin Upstream undertakes the Upstream Activities and operates the upstream assets and facilities for and on behalf of APLNG.

3.3 APLNG is the holder of the EA issued under the Act which as at 19 November 2019 and 14 February 2020, authorised APLNG to conduct petroleum activities on PL209 and ATP972 within the Ramyard and Woleebee Development Area.

4. ALLEGED CONTRAVENTIONS

4.1 It is alleged by the Department that APLNG contravened section 431(2) of the Act in relation to two different locations by failing to ensure that Origin Upstream complied with Conditions B1 (first charge) and D1 (first and second charges) of the EA.

5. CIRCUMSTANCES OF THE ALLEGED CONTRAVENTION

5.1 The Department alleges that:

(a) between 14 January 2020 and 20 February 2020, APLNG being the holder of an environmental authority failed to ensure that Origin Upstream complied with Conditions B1 and D1 of the EA whereby water (captured rainfall and resuspended solids and salts) containing contaminants, was directly or indirectly released to land and waters. The release occurred on land described as Lot 24 BWR183, previously located on Authority to Prospect tenure ATP972, and presently located on Petroleum Lease 469.

(b) between 1 January 2020 and 3 March 2020, APLNG being the holder of an environmental authority, failed to ensure that Origin Upstream complied with Condition D1 of the EA whereby water (captured rainfall and resuspended solids and salts) containing contaminants, was directly or indirectly released to land. The release occurred on land described as Lot 49 SP237297, located on Petroleum Lease 209.

5.2 The release incidents occurred during decommissioning of Ramyard 024 Pilot Tank (a produced water tank) and Woleebee 003 Pilot Tank during extreme rainfall events which overlapped with the above dates.

6. RESPONSE TO INCIDENTS

6.1 The sites at which the incidents occurred have been fully remediated at APLNG's cost and APLNG undertook the following actions:

(a) reviewed the site remediation progress through regular interactions with Origin Upstream;

(b) participated in site visits with the Department and Origin Upstream to review the remediation progress;

(c) reviewed the investigation and site remediation reports prepared by the suitably qualified person;

(d) reviewed the independent validation reports in respect of the investigation and site remediation report; and

(e) tracked the progress on the remediation of the sites and engaged with Origin Upstream to ensure compliance with the clean-up notices.

6.2 In addition to the actions undertaken in paragraph 6.1, APLNG has also undertaken the following steps to augment its oversight of compliance with the EA:

(a) in consultation with its operators, updated the APLNG risk registers and reviewed the associated controls for wet weather preparedness;

(b) briefed its operators with updated registers in quarterly APLNG Risk and Assurance Forums;

(c) completed an APLNG led EA compliance audit; and

(d) introduced a new risk and assurance software assisting in the management, tracking and reporting of risks, audits, audit findings and audit actions.

7. STATEMENT OF REGRET

7.1 APLNG genuinely regrets the occurrence of the incidents described in the alleged contraventions.

8. STATEMENT OF COMMITMENT

8.1 For the purposes of section 507 of the Act, APLNG undertakes that the actions set out in paragraph 10.1 of this Undertaking will be implemented to further mitigate against the risk of the alleged contravention(s) reoccurring. APLNG will commit the funding required to undertake the actions required by the Undertaking in the required timeframes and will commit to measures set out in this Undertaking.

9. **OBJECTIVES**

9.1 This Undertaking is a binding agreement and the objectives are to:

(a) ensure petroleum activities are carried out in accordance with the EA; and

(b) deliver benefits to the environment and the local community.

10. **UNDERTAKING**

Improvements in environmental performance

10.1 APLNG commits to:

(a) ***no later than 7 days after the Commencement Date*** ~~on or before 30 June 2023~~, incorporating within the 2023 APLNG assurance program, a plan for a wet weather preparedness audit of Origin Upstream (the Wet Weather Audit); and

(b) on or before 1 November 2023, being prior to the 2023/2024 wet season, participating in the Wet Weather Audit which will review its wet weather preparedness to manage the risk of environmental harm from activities undertaken under the EA during the wet season. This will include a review of relevant Origin Upstream practices and procedures. If opportunities for improvements are found, APLNG will work with Origin Upstream to implement practical additional controls to mitigate risk e.g. incorporating additional measures directed at assessing Origin Upstream's wet weather preparedness to achieve compliance with EA requirements relevant to construction and decommissioning activities.

Delivering benefits to the environment and community

10.2 APLNG undertakes to the Department to enhance the protection of the environment through a total of $150,000 funding to Chinchilla District Landcare Group Inc **(Chinchilla Landcare).**

10.3 Chinchilla Landcare is a not for profit organisation that operates in Chinchilla, Queensland within the locality of the Ramyard and Woleebee Development Area. Chinchilla Landcare undertakes specific environmental programs in the Chinchilla district. Chinchilla Landcare's vision is for the improvement of economic and environmental security and sustainability by:

(a) assisting in the implementation of on-ground works developed by groups of landholders and individuals for their specific areas;

(b) supporting the improvement of both land and business management skills;

(c) supporting nature conservation and habitat protection;

(d) assisting and empowering the community in planning for the future;

(e) promoting appropriate technology for improving farming practices; and

(f) accessing funding from various sources to support the processes and projects landholders identify to achieve their goals of economic and environmental security and sustainability.

10.4 Chinchilla Landcare manages and successfully delivers approximately 5 environmental and agricultural projects each year. Over the past five years, Chinchilla Landcare's previous project topics have included: erosion; groundwater management; soil conservation; fertilising responsibly; pasture management; regenerative agriculture; legumes in pastures for soil health and rubbish collection from waterways.

10.5 It is proposed that the funding will be applied to Chinchilla Landcare's ongoing projects, which generally fall under the overarching topic of sustainable agriculture, and particularly weeds, erosion and grazing management. APLNG has not previously provided funding to Chinchilla Landcare.

10.6 APLNG undertakes to make payment in accordance with the undertaking referred to in paragraph 10.2 within 28 days of the Commencement Date.

10.7 APLNG will ensure that its funding agreement with Chinchilla Landcare stipulates that the funds are donated under the terms of this Undertaking.

Reporting under the Undertaking

10.8 APLNG acknowledges that it bears the responsibility for demonstrating compliance with this Undertaking, and evidence to demonstrate compliance with each respective Undertaking action outlined in paragraphs 10.1, 10.2, 10.6 and 10.7 will be provided to the Department.

10.9 APLNG undertakes to provide a final compliance report to the Department within 20 business days of undertaking the audit set out in paragraph 10.1 confirming that the terms of this undertaking have been complied with.

10.10 APLNG undertakes to notify the Department in writing of the payment made in accordance with the undertaking in paragraph 10.2 within 10 business days of making the payment.

10.11 The evidence provided to demonstrate compliance with this Undertaking will be retained by APLNG until advised by the Department that this Undertaking has been completely discharged.

11. WHY THE UNDERTAKING IS A MORE APPROPRIATE RESPONSE THAN A COURT PROCEEDING

11.1 The alleged contraventions have ceased and the sites at which the incidents occurred have been fully remediated. This Undertaking is a commitment by APLNG to take active steps to address reoccurrence of the alleged contraventions as well as delivering benefits to the environment and community.

11.2 APLNG has cooperated with the Department in respect of its investigations and has been transparent with the Department in its dealings.

11.3 This is an improved overall outcome than a court imposed sanction such as a fine and better achieves the objects of the Act. Funding provided to Chinchilla Landcare will contribute to enhancing the protection of the environment and deliver benefits to the Chinchilla district in Queensland through sustainable land management.

11.4 This Undertaking is a more efficient means of resolving the matter as it will save the parties time and resources associated with court proceedings.

12. ABILITY TO COMPLY WITH THE UNDERTAKING AND MEET THE PROJECTED COSTS

12.1 APLNG has the financial ability to comply with the terms proposed for this Undertaking.

12.2 In the event of impending liquidation or sale of APLNG, APLNG will notify the Department of the specific circumstances and its capacity to comply with any outstanding terms of the Undertaking.

12.3 In the event that APLNG is sold prior to this Undertaking being completely discharged, APLNG will advise any future owners or operators of the existence of this Undertaking, and provide a copy of this correspondence to the Department.

13. ACKNOWLEDGEMENTS

13.1 APLNG acknowledges that the Department:

(a) may issue a media release on execution of this Undertaking referring to its terms and to the concerns of the Department which led to its execution;

(b) may refer publicly to this Undertaking (including in newspapers or media releases); and

(c) will publish this Undertaking on its website.

13.2 APLNG acknowledges that the Department's acceptance of this Undertaking does not affect the Department's power to investigate a contravention, issue warnings, issue penalty infringement notices, issue statutory notices and/or bring proceedings against APLNG and/or take any other enforcement

action in relation to any other and/or subsequent contravention or alleged contravention of the Act that is not the subject of this Undertaking.

13.3 APLNG acknowledges that this Undertaking does not affect the rights or remedies available to any other person or entity nor does it affect any statutory obligations under the Act.

13.4 APLNG acknowledges that the Department's receipt of this Undertaking means that the Department will take all reasonable steps to have the APLNG Proceedings adjourned until a notice of decision to accept or reject the Undertaking is provided by the Department. The Department will take all reasonable steps to have the APLNG Proceedings discontinued as soon as practicable after accepting this Undertaking and the Department will not commence further proceedings against APLNG in relation to the incidents and alleged contraventions the subject of this Undertaking, if APLNG is complying, or has complied with this Undertaking.

13.5 APLNG acknowledges that if it withdraws the Undertaking before it has been fulfilled, proceedings may be brought against it for the alleged contraventions the subject of this Undertaking.

13.6 APLNG acknowledges that failure to comply with any of the terms of this Undertaking may result in the Department seeking other actions against APLNG in accordance with the Act.

13.7 APLNG acknowledges that this Undertaking takes effect on the Commencement Date.

13.8 APLNG acknowledges that this Undertaking may only be withdrawn, varied, amended or suspended in accordance with the process in the Act.

13.9 APLNG acknowledges that any public communication regarding any material benefit delivered as part of the actions contained in this Undertaking must clearly link the benefit to the Undertaking.

13.10 APLNG acknowledges that the Department may undertake other compliance monitoring activities to verify the evidence and compliance with a commitment of this Undertaking, and APLNG agrees to cooperate with the Department in any investigation or compliance activity in respect of the Undertaking such as site access and provision of documents upon reasonable notice.

14. CONTACT DETAILS

14.1 Any written notification to the Department pursuant to this Undertaking is to be provided to:

Name: David Darvall, Director, Southwest Queensland Compliance
Email: David.Darvall@des.qld.gov.au
Address: PO Box 731,Toowoomba,Qld,4350
Telephone: 0439875965

14.2 Any written notification to APLNG pursuant to this Undertaking is to be provided to:

Name: Khoa Dao, Chief Executive Officer
Email: khoa.dao@aplng.com.au
Address: 139 Little Cribb Street, Milton QLD 4064
Telephone: (07) 3021 3300

15. EXECUTION

This undertaking is executed by:

Executed on behalf of Australia Pacific LNG Pty Ltd:

- by an Australia Pacific LNG Pty Ltd delegate, who certifies his authority to sign;
- in the presence of a witness

Khoa Dao, Chief Executive Officer,
Australia Pacific LNG Pty Ltd

01/06/2023
Date

Witness

1 June 2023

Full name *[print]*
Kym Nicole Ward

Accepted by the Administering Authority pursuant to section 507 of the *Environmental Protection Act 1994*

Delegate, Rachel Burgess-Dean, Executive-Director,
Energy Extractive and Southwest Queensland Compliance
Department of Environment and Science

Date:
03/07/2023.