

ASX Announcement

Friday, 2 August 2013

Woodside Petroleum Ltd.
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VARIATION TO COMMONWEALTH BROWSE RETENTION LEASES APPROVED

Woodside advises that the Commonwealth – Western Australia Offshore Petroleum Joint Authority has approved amendments sought by the Browse Joint Venture participants to Browse Basin retention leases WA-28-R, WA-29-R, WA-30-R, WA-31-R and WA-32-R.

The variations to the retention lease conditions allow the Browse Joint Venture participants to progress the selection of an alternative development concept and commence related design and engineering work. The varied retention lease conditions apply to the end of 2014 and are attached to this announcement.

The Browse Joint Venture participants are currently in discussions in relation to evaluation of development concepts to commercialise the Browse resources. The selection of any development concept requires approval by the Browse Joint Venture participants.

The Browse Joint Venture has also applied for the same amendments to State Browse Basin retention leases TR/5 and R2 and is awaiting a decision from the WA Minister for Mines and Petroleum.

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Australian Government
National Offshore Petroleum
Titles Administrator

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ABN 46 252 861 927

Mr Steve Rogers
Senior Vice President Browse
Woodside Energy Ltd
Woodside Plaza
240 St Georges Terrace
Perth 6000

2 August 2013

Dear Mr Rogers

**RE: APPLICATION TO VARY THE CONDITIONS OF BROWSE RETENTION
LEASES WA-28-R, WA-29-R, WA-30-R, WA-31-R AND WA-32-R**

I refer to your application of 7 June 2013 requesting to vary, under section 264 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act), the conditions of Browse Retention Leases WA-28-R, WA-29-R, WA-30-R, WA-31-R and WA-32-R, located in the Browse Basin, offshore Western Australia.

I advise that a variation to the conditions of the above Browse Retention Leases has been approved, in accordance with section 264 of the Act. Please find enclosed the variation instruments.

Should you have any queries, please contact Heath Shepherdson on (08) 6424 5314 or at Heath.Shepherdson@nopta.gov.au.

Yours sincerely

Graeme Waters
Titles Administrator

Enc

cc Shell Development (Australia) Proprietary Limited
BP Developments Australia Pty. Ltd.
Japan Australia LNG (MIMI Browse) Pty Ltd
PetroChina International Investment (Australia) Pty Ltd

COMMONWEALTH OF AUSTRALIA

Section 264

Offshore Petroleum and Greenhouse Gas Storage Act 2006

**VARIATION OF CONDITIONS
OF PETROLEUM RETENTION LEASE WA-28-R**

I, **GRAEME ALBERT WATERS**, the National Offshore Petroleum Titles Administrator, on behalf of the Commonwealth-Western Australia Offshore Petroleum Joint Authority, hereby vary the conditions contained in Attachment A of the variation instrument dated 5 April 2012 for Petroleum Retention Lease WA-28-R, by deleting the conditions of the above-mentioned variation instrument, and replacing them with the following conditions:

CONDITIONS

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

1. Within 120 days of the Notice of Intent to grant this retention lease renewal by the Joint Authority, the lessees shall select the development concept likely to be commercially viable at the earliest time. This shall be the concept whereby gas is processed at the Kimberley LNG Precinct unless the lessee can demonstrate to the satisfaction of the Joint Authority that an alternative development concept is likely to be commercially viable at an earlier time.
2. The lessee shall prepare and submit a report to the Joint Authority on progress against barriers to commercialisation within 30 days of the completion of Year One of the retention lease period.
3. The lessee shall prepare and submit a re-evaluation of commercial viability of petroleum production from the Browse Title Areas to the Joint Authority within 30 days of completion of Year Three of the retention lease period.
4. The lessees shall undertake activities to achieve the earliest commercialisation of petroleum from the fields within the Browse Title Areas, including:
 - a. Selection of a development concept by the end of Year Four of the retention lease period; and
 - b. Progression of unitisation and operating agreements necessary for the commercialisation of the Browse RL resources; and
 - c. Completion of the basis of design for the selected development concept and all other necessary studies and work (pre-FEED work) to place the lessee in an informed position for a Front End Engineering and Design (FEED work) decision for the selected concept.

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

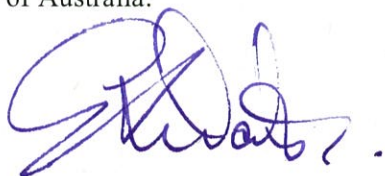
Year 1 Work Program	Indicative Expenditure (A\$ million)
Subsurface studies and seismic interpretation, including: • Reservoir characterisation; and • Seismic interpretation. Engineering and design studies for the identified earliest development concept, including: • Commence, complete and document the Basis of Design for the full Browse LNG Development; and • Deliver +25% / -15% cost estimates; and • Prepare a Project Execution Plan. Geotechnical studies and surveys for the identified earliest development concept, including: • Undertake metocean and related data gathering; and • Undertake geophysical and geotechnical studies necessary for the project, including any required pipeline route surveys, foundations or other work. Environmental surveys, studies and applications for the identified earliest development concept, including: • Undertake environmental surveys, data gathering and studies and work required in connection with applications for necessary environmental approvals; and • Prepare an Environmental Impact Statement. Commercial activities • Prepare and submit for review a preliminary Field Development Plan for the identified earliest development concept; and • Undertake legal, commercial and any other related activities required to initiate unitisation studies and progress the identified earliest development concept; and • Undertake geosequestration evaluation studies for the identified earliest development concept. Marketing activities • Undertake market analysis and marketing activities to secure binding LNG sale and purchase agreements.	
	56.0

Combined Year 2 and Year 3 Work Program Subsurface studies and seismic interpretation, including: • Complete reservoir characterisation; and • Complete seismic interpretation. Engineering and design studies for the identified earliest development concept, including: • Commence and complete Front End Engineering and Design (FEED) studies for the full Browse LNG Development; and • Deliver +15% / -10% cost estimates; and • Prepare a final Project Execution Plan. Geotechnical studies and surveys for the identified earliest development concept, including: • Complete any consequential activities following Year 1 work. Environmental surveys, studies and approvals for the identified earliest development concept, including: • Complete any consequential activities following Year 1 work; and • Prepare applications for remaining environmental project approvals. Complete any consequential activities following Year 2 and Year 3 work. The activities in the combined Year 2 and Year 3 work program shall be completed within the first half of Year 4 of the retention lease period. <i>Note – Years 1 to 3 of the retention lease term focussed on the development concept whereby gas would be processed at the Kimberley LNG Precinct.</i>	Indicative Expenditure (A\$ million)
	119.0
Year 4 Work Program Selection of a development concept and continuation of any work required to commercialise the Browse gas fields.	Indicative Expenditure (A\$ million)
	36.14

Year 5 Work Program	Indicative Expenditure (A\$ million)
Continue any work required to commercialise the Browse gas fields, including completion of all necessary studies and work (pre-FEED work) to place the lessee in an informed position for a Front End Engineering and Design (FEED work) decision for the selected concept. The pre-FEED work for the selected development concept will include: • Basis of design for the selected development concept; and • Subsurface studies; and • Pre-FEED development engineering, including basis for well design, flow assurance studies, safety engineering, cost estimates and schedule estimates; and • Geophysical and geotechnical survey data acquisition. Marketing activities • Undertake market analysis and marketing activities aiming to secure the binding LNG sale and purchase agreements necessary for the commercialisation of the Browse RL resources.	
	15.71

Dated this 2nd day of August 2013

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



GRAEME ALBERT WATERS
TITLES ADMINISTRATOR
ON BEHALF OF THE COMMONWEALTH-WESTERN AUSTRALIA
OFFSHORE PETROLEUM JOINT AUTHORITY

COMMONWEALTH OF AUSTRALIA

Section 264

Offshore Petroleum and Greenhouse Gas Storage Act 2006

**VARIATION OF CONDITIONS
OF PETROLEUM RETENTION LEASE WA-29-R**

I, **GRAEME ALBERT WATERS**, the National Offshore Petroleum Titles Administrator, on behalf of the Commonwealth-Western Australia Offshore Petroleum Joint Authority, hereby vary the conditions contained in Attachment A of the variation instrument dated 5 April 2012 for Petroleum Retention Lease WA-29-R, by deleting the conditions of the above-mentioned variation instrument, and replacing them with the following conditions:

CONDITIONS

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

1. Within 120 days of the Notice of Intent to grant this retention lease renewal by the Joint Authority, the lessees shall select the development concept likely to be commercially viable at the earliest time. This shall be the concept whereby gas is processed at the Kimberley LNG Precinct unless the lessee can demonstrate to the satisfaction of the Joint Authority that an alternative development concept is likely to be commercially viable at an earlier time.
2. The lessee shall prepare and submit a report to the Joint Authority on progress against barriers to commercialisation within 30 days of the completion of Year One of the retention lease period.
3. The lessee shall prepare and submit a re-evaluation of commercial viability of petroleum production from the Browse Title Areas to the Joint Authority within 30 days of completion of Year Three of the retention lease period.
4. The lessees shall undertake activities to achieve the earliest commercialisation of petroleum from the fields within the Browse Title Areas, including:
 - a. Selection of a development concept by the end of Year Four of the retention lease period; and
 - b. Progression of unitisation and operating agreements necessary for the commercialisation of the Browse RL resources; and
 - c. Completion of the basis of design for the selected development concept and all other necessary studies and work (pre-FEED work) to place the lessee in an informed position for a Front End Engineering and Design (FEED work) decision for the selected concept.

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

Year 1 Work Program	Indicative Expenditure (A\$ million)
Subsurface studies and seismic interpretation, including: • Reservoir characterisation; and • Seismic interpretation. Engineering and design studies for the identified earliest development concept, including: • Commence, complete and document the Basis of Design for the full Browse LNG Development; and • Deliver +25% / -15% cost estimates; and • Prepare a Project Execution Plan. Geotechnical studies and surveys for the identified earliest development concept, including: • Undertake metocean and related data gathering; and • Undertake geophysical and geotechnical studies necessary for the project, including any required pipeline route surveys, foundations or other work. Environmental surveys, studies and applications for the identified earliest development concept, including: • Undertake environmental surveys, data gathering and studies and work required in connection with applications for necessary environmental approvals; and • Prepare an Environmental Impact Statement. Commercial activities • Prepare and submit for review a preliminary Field Development Plan for the identified earliest development concept; and • Undertake legal, commercial and any other related activities required to initiate unitisation studies and progress the identified earliest development concept; and • Undertake geosequestration evaluation studies for the identified earliest development concept. Marketing activities • Undertake market analysis and marketing activities to secure binding LNG sale and purchase agreements.	
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Combined Year 2 and Year 3 Work Program Subsurface studies and seismic interpretation, including: • Complete reservoir characterisation; and • Complete seismic interpretation. Engineering and design studies for the identified earliest development concept, including: • Commence and complete Front End Engineering and Design (FEED) studies for the full Browse LNG Development; and • Deliver +15% / -10% cost estimates; and • Prepare a final Project Execution Plan. Geotechnical studies and surveys for the identified earliest development concept, including: • Complete any consequential activities following Year 1 work. Environmental surveys, studies and approvals for the identified earliest development concept, including: • Complete any consequential activities following Year 1 work; and • Prepare applications for remaining environmental project approvals. Complete any consequential activities following Year 2 and Year 3 work. The activities in the combined Year 2 and Year 3 work program shall be completed within the first half of Year 4 of the retention lease period. <i>Note – Years 1 to 3 of the retention lease term focussed on the development concept whereby gas would be processed at the Kimberley LNG Precinct.</i>	Indicative Expenditure (A\$ million)
	119.0
Year 4 Work Program Selection of a development concept and continuation of any work required to commercialise the Browse gas fields.	Indicative Expenditure (A\$ million)
	36.14

Year 5 Work Program	Indicative Expenditure (A\$ million)
Continue any work required to commercialise the Browse gas fields, including completion of all necessary studies and work (pre-FEED work) to place the lessee in an informed position for a Front End Engineering and Design (FEED work) decision for the selected concept. The pre-FEED work for the selected development concept will include: • Basis of design for the selected development concept; and • Subsurface studies; and • Pre-FEED development engineering, including basis for well design, flow assurance studies, safety engineering, cost estimates and schedule estimates; and • Geophysical and geotechnical survey data acquisition. Marketing activities • Undertake market analysis and marketing activities aiming to secure the binding LNG sale and purchase agreements necessary for the commercialisation of the Browse RL resources.	
	15.71

Dated this 2nd day of August 2013

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



GRAEME ALBERT WATERS
TITLES ADMINISTRATOR
ON BEHALF OF THE COMMONWEALTH-WESTERN AUSTRALIA
OFFSHORE PETROLEUM JOINT AUTHORITY

COMMONWEALTH OF AUSTRALIA

Section 264

Offshore Petroleum and Greenhouse Gas Storage Act 2006

**VARIATION OF CONDITIONS
OF PETROLEUM RETENTION LEASE WA-30-R**

I, **GRAEME ALBERT WATERS**, the National Offshore Petroleum Titles Administrator, on behalf of the Commonwealth-Western Australia Offshore Petroleum Joint Authority, hereby vary the conditions contained in Attachment A of the variation instrument dated 5 April 2012 for Petroleum Retention Lease WA-30-R, by deleting the conditions of the above-mentioned variation instrument, and replacing them with the following conditions:

CONDITIONS

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

1. Within 120 days of the Notice of Intent to grant this retention lease renewal by the Joint Authority, the lessees shall select the development concept likely to be commercially viable at the earliest time. This shall be the concept whereby gas is processed at the Kimberley LNG Precinct unless the lessee can demonstrate to the satisfaction of the Joint Authority that an alternative development concept is likely to be commercially viable at an earlier time.
2. The lessee shall prepare and submit a report to the Joint Authority on progress against barriers to commercialisation within 30 days of the completion of Year One of the retention lease period.
3. The lessee shall prepare and submit a re-evaluation of commercial viability of petroleum production from the Browse Title Areas to the Joint Authority within 30 days of completion of Year Three of the retention lease period.
4. The lessees shall undertake activities to achieve the earliest commercialisation of petroleum from the fields within the Browse Title Areas, including:
 - a. Selection of a development concept by the end of Year Four of the retention lease period; and
 - b. Progression of unitisation and operating agreements necessary for the commercialisation of the Browse RL resources; and
 - c. Completion of the basis of design for the selected development concept and all other necessary studies and work (pre-FEED work) to place the lessee in an informed position for a Front End Engineering and Design (FEED work) decision for the selected concept.

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

Year 1 Work Program Subsurface studies and seismic interpretation, including: • Reservoir characterisation; and • Seismic interpretation. Engineering and design studies for the identified earliest development concept, including: • Commence, complete and document the Basis of Design for the full Browse LNG Development; and • Deliver +25% / -15% cost estimates; and • Prepare a Project Execution Plan. Geotechnical studies and surveys for the identified earliest development concept, including: • Undertake metocean and related data gathering; and • Undertake geophysical and geotechnical studies necessary for the project, including any required pipeline route surveys, foundations or other work. Environmental surveys, studies and applications for the identified earliest development concept, including: • Undertake environmental surveys, data gathering and studies and work required in connection with applications for necessary environmental approvals; and • Prepare an Environmental Impact Statement. Commercial activities • Prepare and submit for review a preliminary Field Development Plan for the identified earliest development concept; and • Undertake legal, commercial and any other related activities required to initiate unitisation studies and progress the identified earliest development concept; and • Undertake geosequestration evaluation studies for the identified earliest development concept. Marketing activities • Undertake market analysis and marketing activities to secure binding LNG sale and purchase agreements.	Indicative Expenditure (A\$ million)
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Combined Year 2 and Year 3 Work Program Subsurface studies and seismic interpretation, including: • Complete reservoir characterisation; and • Complete seismic interpretation. Engineering and design studies for the identified earliest development concept, including: • Commence and complete Front End Engineering and Design (FEED) studies for the full Browse LNG Development; and • Deliver +15% / -10% cost estimates; and • Prepare a final Project Execution Plan. Geotechnical studies and surveys for the identified earliest development concept, including: • Complete any consequential activities following Year 1 work. Environmental surveys, studies and approvals for the identified earliest development concept, including: • Complete any consequential activities following Year 1 work; and • Prepare applications for remaining environmental project approvals. Complete any consequential activities following Year 2 and Year 3 work. The activities in the combined Year 2 and Year 3 work program shall be completed within the first half of Year 4 of the retention lease period. <i>Note – Years 1 to 3 of the retention lease term focussed on the development concept whereby gas would be processed at the Kimberley LNG Precinct.</i>	Indicative Expenditure (A\$ million)
	119.0
Year 4 Work Program Selection of a development concept and continuation of any work required to commercialise the Browse gas fields.	Indicative Expenditure (A\$ million)
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Year 5 Work Program	Indicative Expenditure (A\$ million)
Continue any work required to commercialise the Browse gas fields, including completion of all necessary studies and work (pre-FEED work) to place the lessee in an informed position for a Front End Engineering and Design (FEED work) decision for the selected concept. The pre-FEED work for the selected development concept will include: • Basis of design for the selected development concept; and • Subsurface studies; and • Pre-FEED development engineering, including basis for well design, flow assurance studies, safety engineering, cost estimates and schedule estimates; and • Geophysical and geotechnical survey data acquisition. Marketing activities • Undertake market analysis and marketing activities aiming to secure the binding LNG sale and purchase agreements necessary for the commercialisation of the Browse RL resources.	
	15.71

Dated this 2nd day of August 2013

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



GRAEME ALBERT WATERS
TITLES ADMINISTRATOR
ON BEHALF OF THE COMMONWEALTH-WESTERN AUSTRALIA
OFFSHORE PETROLEUM JOINT AUTHORITY

COMMONWEALTH OF AUSTRALIA

Section 264

Offshore Petroleum and Greenhouse Gas Storage Act 2006

**VARIATION OF CONDITIONS
OF PETROLEUM RETENTION LEASE WA-31-R**

I, **GRAEME ALBERT WATERS**, the National Offshore Petroleum Titles Administrator, on behalf of the Commonwealth-Western Australia Offshore Petroleum Joint Authority, hereby vary the conditions contained in Attachment A of the variation instrument dated 5 April 2012 for Petroleum Retention Lease WA-31-R, by deleting the conditions of the above-mentioned variation instrument, and replacing them with the following conditions:

CONDITIONS

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

1. Within 120 days of the Notice of Intent to grant this retention lease renewal by the Joint Authority, the lessees shall select the development concept likely to be commercially viable at the earliest time. This shall be the concept whereby gas is processed at the Kimberley LNG Precinct unless the lessee can demonstrate to the satisfaction of the Joint Authority that an alternative development concept is likely to be commercially viable at an earlier time.
2. The lessee shall prepare and submit a report to the Joint Authority on progress against barriers to commercialisation within 30 days of the completion of Year One of the retention lease period.
3. The lessee shall prepare and submit a re-evaluation of commercial viability of petroleum production from the Browse Title Areas to the Joint Authority within 30 days of completion of Year Three of the retention lease period.
4. The lessees shall undertake activities to achieve the earliest commercialisation of petroleum from the fields within the Browse Title Areas, including:
 - a. Selection of a development concept by the end of Year Four of the retention lease period; and
 - b. Progression of unitisation and operating agreements necessary for the commercialisation of the Browse RL resources; and
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In order to ensure that these conditions are met, a comprehensive work program is also set out below to ensure that the commercial barriers are addressed.

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Combined Year 2 and Year 3 Work Program Subsurface studies and seismic interpretation, including: • Complete reservoir characterisation; and • Complete seismic interpretation. Engineering and design studies for the identified earliest development concept, including: • Commence and complete Front End Engineering and Design (FEED) studies for the full Browse LNG Development; and • Deliver +15% / -10% cost estimates; and • Prepare a final Project Execution Plan. Geotechnical studies and surveys for the identified earliest development concept, including: • Complete any consequential activities following Year 1 work. Environmental surveys, studies and approvals for the identified earliest development concept, including: • Complete any consequential activities following Year 1 work; and • Prepare applications for remaining environmental project approvals. Complete any consequential activities following Year 2 and Year 3 work. The activities in the combined Year 2 and Year 3 work program shall be completed within the first half of Year 4 of the retention lease period. <i>Note – Years 1 to 3 of the retention lease term focussed on the development concept whereby gas would be processed at the Kimberley LNG Precinct.</i>	Indicative Expenditure (A\$ million)
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Year 5 Work Program Continue any work required to commercialise the Browse gas fields, including completion of all necessary studies and work (pre-FEED work) to place the lessee in an informed position for a Front End Engineering and Design (FEED work) decision for the selected concept. The pre-FEED work for the selected development concept will include: • Basis of design for the selected development concept; and • Subsurface studies; and • Pre-FEED development engineering, including basis for well design, flow assurance studies, safety engineering, cost estimates and schedule estimates; and • Geophysical and geotechnical survey data acquisition. Marketing activities • Undertake market analysis and marketing activities aiming to secure the binding LNG sale and purchase agreements necessary for the commercialisation of the Browse RL resources.	Indicative Expenditure (A\$ million)
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Dated this 2nd day of August 2013

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GRAEME ALBERT WATERS
TITLES ADMINISTRATOR
ON BEHALF OF THE COMMONWEALTH-WESTERN AUSTRALIA
OFFSHORE PETROLEUM JOINT AUTHORITY

COMMONWEALTH OF AUSTRALIA

Section 264

Offshore Petroleum and Greenhouse Gas Storage Act 2006

**VARIATION OF CONDITIONS
OF PETROLEUM RETENTION LEASE WA-32-R**

I, **GRAEME ALBERT WATERS**, the National Offshore Petroleum Titles Administrator, on behalf of the Commonwealth-Western Australia Offshore Petroleum Joint Authority, hereby vary the conditions contained in Attachment A of the variation instrument dated 5 April 2012 for Petroleum Retention Lease WA-32-R, by deleting the conditions of the above-mentioned variation instrument, and replacing them with the following conditions:

CONDITIONS

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

1. Within 120 days of the Notice of Intent to grant this retention lease renewal by the Joint Authority, the lessees shall select the development concept likely to be commercially viable at the earliest time. This shall be the concept whereby gas is processed at the Kimberley LNG Precinct unless the lessee can demonstrate to the satisfaction of the Joint Authority that an alternative development concept is likely to be commercially viable at an earlier time.
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 - c. Completion of the basis of design for the selected development concept and all other necessary studies and work (pre-FEED work) to place the lessee in an informed position for a Front End Engineering and Design (FEED work) decision for the selected concept.

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

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