

# Barossa Area Development

Overview - April 2018

The Barossa Area Development is an offshore gas and condensate project that proposes to provide a new source of gas to the existing Darwin LNG (DLNG) facility in the Northern Territory. The project is being progressed by joint venturers ConocoPhillips Australia Exploration Pty Ltd (Operator), SK E&S Australia Pty Ltd and Santos Offshore Pty Ltd.

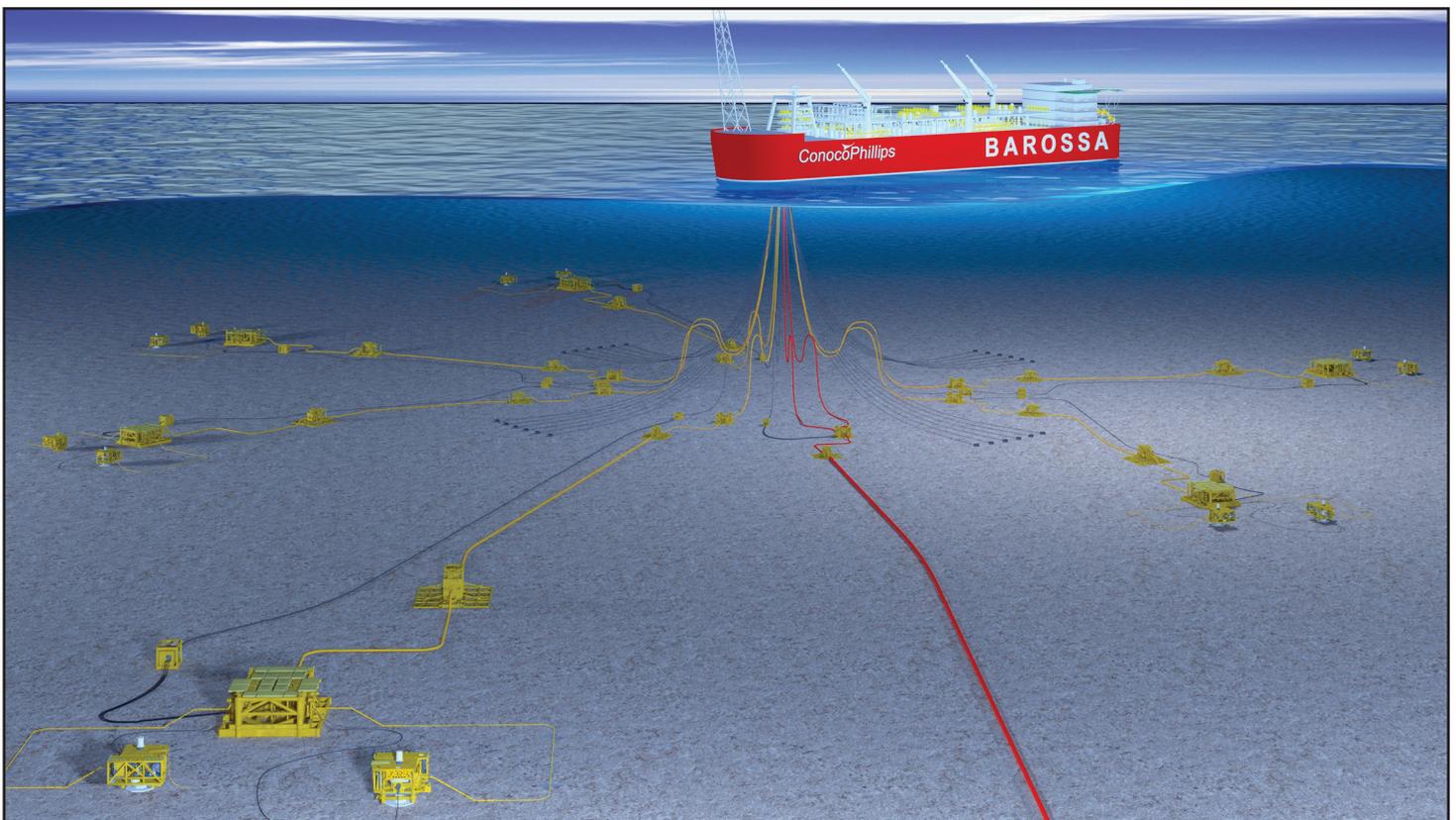
The offshore development concept includes a Floating, Production, Storage, and Offloading (FPSO) facility, subsea production system and gas export pipeline, all located in Commonwealth waters about 300 kilometres north-northwest of Darwin.

In April 2018 Barossa entered the front-end engineering and design (FEED) phase of development which will continue for approximately 18 months. The DLNG infrastructure owners are currently assessing options to backfill the facility's existing LNG train from 2023 when the current gas supply from the Bayu-Undan offshore field is expected to be exhausted.

If Barossa is selected as the DLNG backfill option, it would enable continued operation of the DLNG facility for a further 20 plus years. In addition to meeting future global demand for natural gas, the Barossa Project would contribute significant income, employment and other benefits to the Northern Territory and Australia.

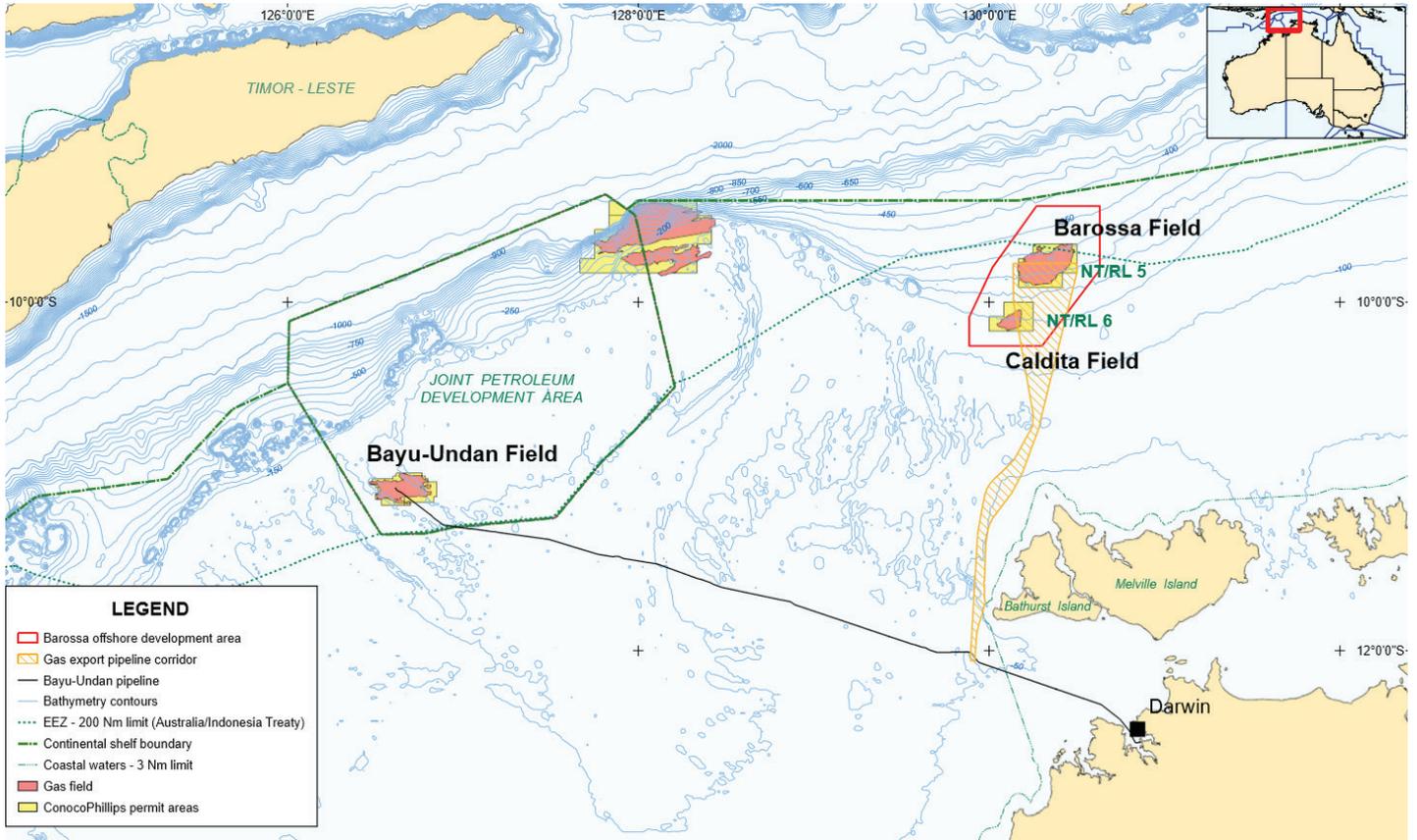
During the FEED phase, the costs and technical definition for the Barossa Project will be matured, gas and condensate sales agreements progressed, and access arrangements negotiated with the owners of the DLNG facility and Bayu-Undan pipeline to Darwin.

The major engineering contracts for detail design of the FPSO, subsea infrastructure and gas export pipeline will also be awarded during the FEED phase. A Final Investment Decision (FID) on the project would be made following the FEED phase.



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Map of Southern Pipeline Corridor and Development Area

## Development Concept

The Barossa offshore development area encompasses petroleum retention lease NT/RL-5 (the Barossa Field), where initial development would occur, and potential future phased development in the smaller Caldita Field to the south in retention lease NT/RL-6.

The development concept involves drilling 10 subsea wells in two phases (six in the first phase). The subsea production gathering system lies on the ocean floor at a water depth of approximately 250 metres.

Gas and condensate would be gathered from the wells by the subsea production system and then brought to the FPSO via a network of umbilicals, risers and flowlines.

Initial processing to separate the gas, water and condensate extracted from the field would then occur on the FPSO.

## Barossa To Date

Exploration	Lynedoch-1 and Lynedoch-2 drilled by Shell in 1973 and 1996, respectively. ConocoPhillips acquired acreage with Santos and drilled Caldita-1, Barossa-1 and Caldita-2 during 2005-2007
Appraisal	3D seismic undertaken by ConocoPhillips during 2007/2008 SK E&S farmed-in to acreage and Barossa-2, Barossa-3 and Barossa-4, during 2014/2015 New 3D seismic acquisition in 2016 Barossa-5A & Barossa-6 were drilled in 2017
Pre-FEED	Completed Q1 2018

Condensate would be transferred from the FPSO to specialised tankers for export. Gas would be exported to DLNG via a new 260 km export pipeline tied into the existing Bayu-Undan to Darwin pipeline about 100 km from Darwin.

The exact route of the new pipeline from the Barossa Field is not final and subject to further studies, but would be located in the gas export pipeline corridor as outlined in the map above.

## Environmental Management

ConocoPhillips has developed a detailed understanding of the environment within which development would occur based on a comprehensive baseline studies program that included collaborations with the Australian Institute of Marine Science and scientific experts.

In March 2018, the Barossa Area Development Offshore Project Proposal (OPP) received initial environmental acceptance from the National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA).

An accepted OPP is required in accordance with the Australian government's environmental assessment process for any new petroleum project in Commonwealth waters. It is prepared during a project's early design phase and considers all potential environmental impacts and risks over the project's life-cycle.

The Barossa OPP was published in July 2017 for an eight-week public comment period to provide opportunity to comment on the project during its early development stage.

Following the public comment period, the OPP was re-submitted after taking comments received into consideration. The accepted OPP and all supporting technical appendices is available on the [NOPSEMA website](#).

Acceptance of an OPP by NOPSEMA does not mean a project can proceed but it does provide approval of the development concept design and key development assumptions. Acceptance also provides approval for the subsequent submission of separate Environment Plans (EPs) for project activities to NOPSEMA for assessment and acceptance.

The activity specific EPs, including corresponding Oil Pollution Emergency Plans (OPEPs), are required to be submitted to and accepted by NOPSEMA before project activities can commence. EPs provide detailed evaluation of the impacts and risks associated with specific activities, while the OPEPs detail arrangements for responding to and monitoring oil pollution.

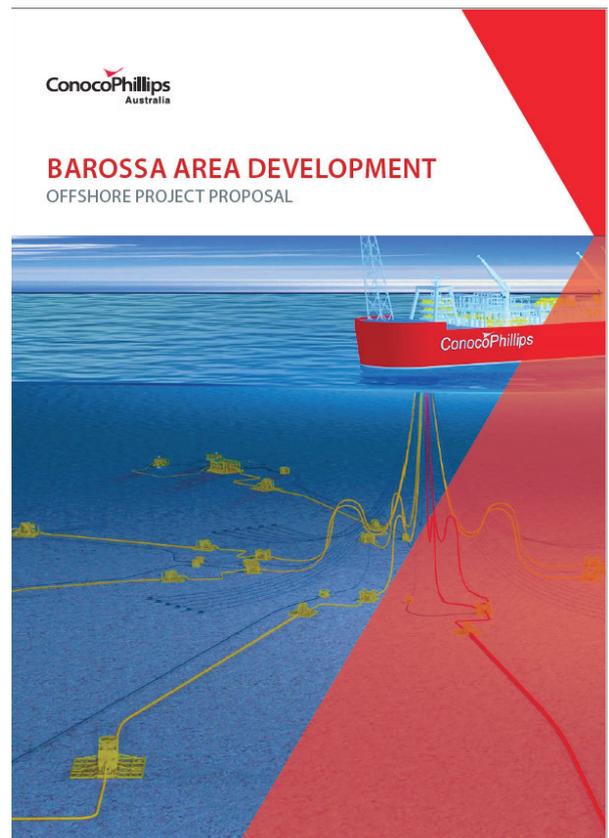
A series of EPs will be developed to cover the following project activities:

- development drilling;
- subsea structure installation (including gas export pipeline installation);
- tow-out and hook up of the FPSO facility;
- commissioning;
- operations; and
- decommissioning.

Other approvals and plans that will be required include production, pipeline and infrastructure licenses, Safety Cases for vessels and operations and management plans for well operations.

Assuming all the required approvals are in place, offshore development work would commence with the drilling of development wells.

Consultation with all stakeholders will continue during preparation of each EP to further understand and seek feedback on key issues and concerns, with the outcomes fully documented in the EPs submitted to NOPSEMA.



## Australian Industry Opportunities

The majority of activities associated with the Barossa project will occur offshore.

The FPSO will be a very large and complex facility that a relatively small group of global companies have the experience and proven capability to deliver.

Pre-qualified specialist FPSO contractors are taking part in a competitive bidding process for the FEED design stage. A competitive bidding process is also occurring amongst specialist subsea engineering contractors for the subsea infrastructure and gas export pipeline components of the project.

However, with such a large development, opportunities will exist for smaller/domestic companies to sub-contract for specific equipment and services.

An approved Australian Industry Participation (AIP) Plan is now in place for the Barossa Offshore Project, in compliance with requirements under the Australian Jobs Act 2013.

The plan states how Barossa will provide "full, fair and reasonable opportunity" to Australian industry to supply goods and services to the project and includes an indicative list of these opportunities.

Following award of the major FEED contracts, Barossa will establish a presence on the Gateway website operated by the Northern Territory Industry Capability Network where project information will be available.

## About ConocoPhillips

ConocoPhillips is the world's largest independent E&P company based on production and proved reserves. Operations were established in Australia almost two decades ago.

Our Australia and Timor-Leste portfolio includes the Bayu-Undan field in the Joint Petroleum Development Area of the Timor Sea, the Darwin LNG facility in the Northern Territory and Australia Pacific LNG facility in Queensland as well as exploration and appraisal projects in northern Australia including Caldita-Barossa, Greater Poseidon and Greater Sunrise.

The DLNG/Bayu-Undan Project has paid more than US\$20B in revenue to Timor-Leste and Australia with several years left. ConocoPhillips and its joint venturers have invested more than US\$1.6B in exploration across northern Australia, including Caldita-Barossa.



### Contact and more information

For more information about the Barossa Project and ConocoPhillips, including career opportunities, go to [www.conocophillips.com.au](http://www.conocophillips.com.au)

For supply chain or vendor enquiries contact [vendors@conocophillips.com](mailto:vendors@conocophillips.com)

For general enquires about the Barossa Project contact [barossa@conocophillips.com](mailto:barossa@conocophillips.com)

Find out more [www.conocophillips.com.au](http://www.conocophillips.com.au)

