

Barossa Offshore Project

ConocoPhillips Work Scopes

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Project Services and Procurement Manager

Agenda

- Project requirements - Health, Safety, Environment and Quality
- Subsea
- Drilling
- Support Services
- Operations
- Contracting process and key considerations

Key contracts and procurement personnel supporting above scopes:

- Adrian Zimarino, Contracts Lead, Subsea and Export Pipeline
- Tim Woods, Contracts and Procurement Coordinator, Drilling
- John Davies, Contracts and Procurement Lead, Operations and Support Services
- Pat Agüero, Senior Contracts Specialist, Support Services and AIP focal point

Health, Safety, Environment & Quality

HSEQ Requirements

Barossa Project Health, Safety, Environment & Quality Objectives

- Deliver and operate a facility that is inherently safe & reduces the risk to personnel & the environment to ALARP & is consistent with the principles of ecologically sustainable development.
- Develop a safe place to work that provides a solid foundation for ConocoPhillips Goal Zero through all phases of the project and operations.
- Work within the legislated requirements of NOPSEMA and the *Offshore Petroleum & Greenhouse Gas Storage Act 2006* (OPGGSA Act 2006)

Expectations of Contractor Organisation

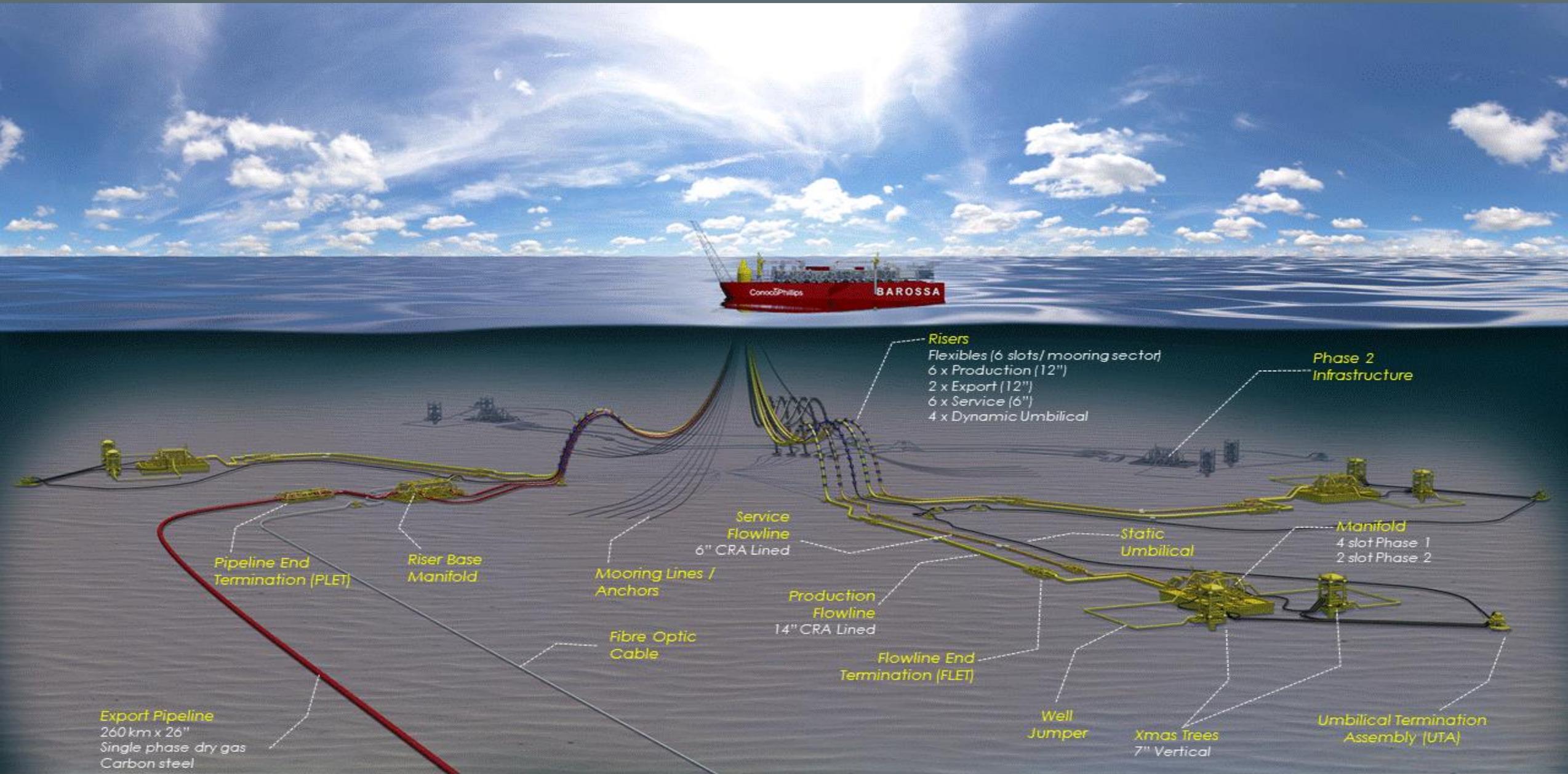
- Contractor shall be actively involved, fully supportive & frequently communicate HSEQ expectations, plans & progress in achieving these objectives to all Contractor & Subcontractor workforce.

Expectations of Contractor Documentation

- Fully incorporate ConocoPhillips HSEQ requirements into Contractor planning processes at all levels including Subcontractor.
- Provide HSEQ documentation that is aligned to industry certification (*OHSAS 18001, AS 4801, ISO 14001, ISO 9001*) & fully implemented.
- Partner with ConocoPhillips in obtaining all Regulatory Approvals & meeting required conditions (*Scope of Validation, Safety Cases and Environmental Plans*).
- Further information on supplier HSE requirements can be found at <http://www.conocophillips.com.au/what-we-do/supply-chain-west/barossa-caldita-browse-basin/>

Subsea and Export Pipeline

Subsea and Export Pipeline Scope



Outline of Contracting Strategy

Stand-alone FEED performed by independent design house - FEED contract for the Subsea, Umbilicals, Risers & Flowlines (SURF) and Export Pipeline awarded to Intecsea in April 2018.

Base-case strategy – following FEED, tendering and award of separate packages for engineering, procurement/construction and installation/pre-commissioning (i.e. traditional contracting model).

Alternative strategy – in parallel with base-case, explore the technical and commercial merits of an Engineering, Procurement, Construction & Installation (EPCI) delivery of the following full packages:

- Subsea, Umbilicals, Risers & Flowlines (SURF) scope; and
- Export Pipeline scope.

Base-case: Main Contract Packages – SURF

Contract Package	Details
Subsea Production System (SPS)	Design, manufacture and testing of xmas trees, wellheads, subsea production control system, subsea well intervention system, subsea manifolds and structures, connection systems. Includes installation and commissioning assistance
Production & Service Riser Supply	Design, manufacture and testing of 12” flexible production risers and 5.6” flexible service risers
Gas Export Riser Supply	Design, manufacture and testing of 12” flexible gas export risers
Umbilical Supply	Design, manufacture and testing of dynamic umbilicals and static umbilicals
Diverless Bend Stiffener Connections (DBSC)	Design, manufacture and testing of 18 No. DBSC’s for the risers and umbilicals
Flowline Linepipe Supply	Design and manufacture of 14” rigid production flowline and 6” rigid service line CRA linepipe, induction bends and motherpipe for bends
Flowline Coating	Supply of production flowline and service line coating and anodes
SURF Transport & Installation	T&I of subsea manifolds and foundations, flowlines, well jumpers, umbilicals and risers. Includes design and fabrication of Flowline End Terminations (FLETs), and pre-commissioning including flooding, cleaning, gauging, hydrotesting and dewatering

Base-case: Main Contract Packages – Export Pipeline

Contract Package	Details
Export Pipeline Linepipe Supply	Design and manufacture of 26” carbon steel linepipe, induction bends and motherpipe for bends
Export Pipeline Coating	Supply of export pipeline coating and anodes
Export Pipeline Transport & Installation	T&I of export pipeline (260km) from seabed near FPSO to a tie-in point on Bayu-Undan pipeline (tie-in by others). Includes design and fabrication of Pipeline End Terminations (PLETs), pre-lay and post lay survey and span correction, and pre-commissioning including flooding, cleaning, gauging, hydrotesting and dewatering
Fibre Optic Communication System	Provision of a high bandwidth (5 Gbps), low latency, fibre optic cable telecommunications system between Barossa FPSO and Perth. Includes procurement/T&I of fibre optic cable from seabed near FPSO location to Darwin or a tie-in point on an existing cable

Alternative strategy: SURF & Export Pipeline EPCI

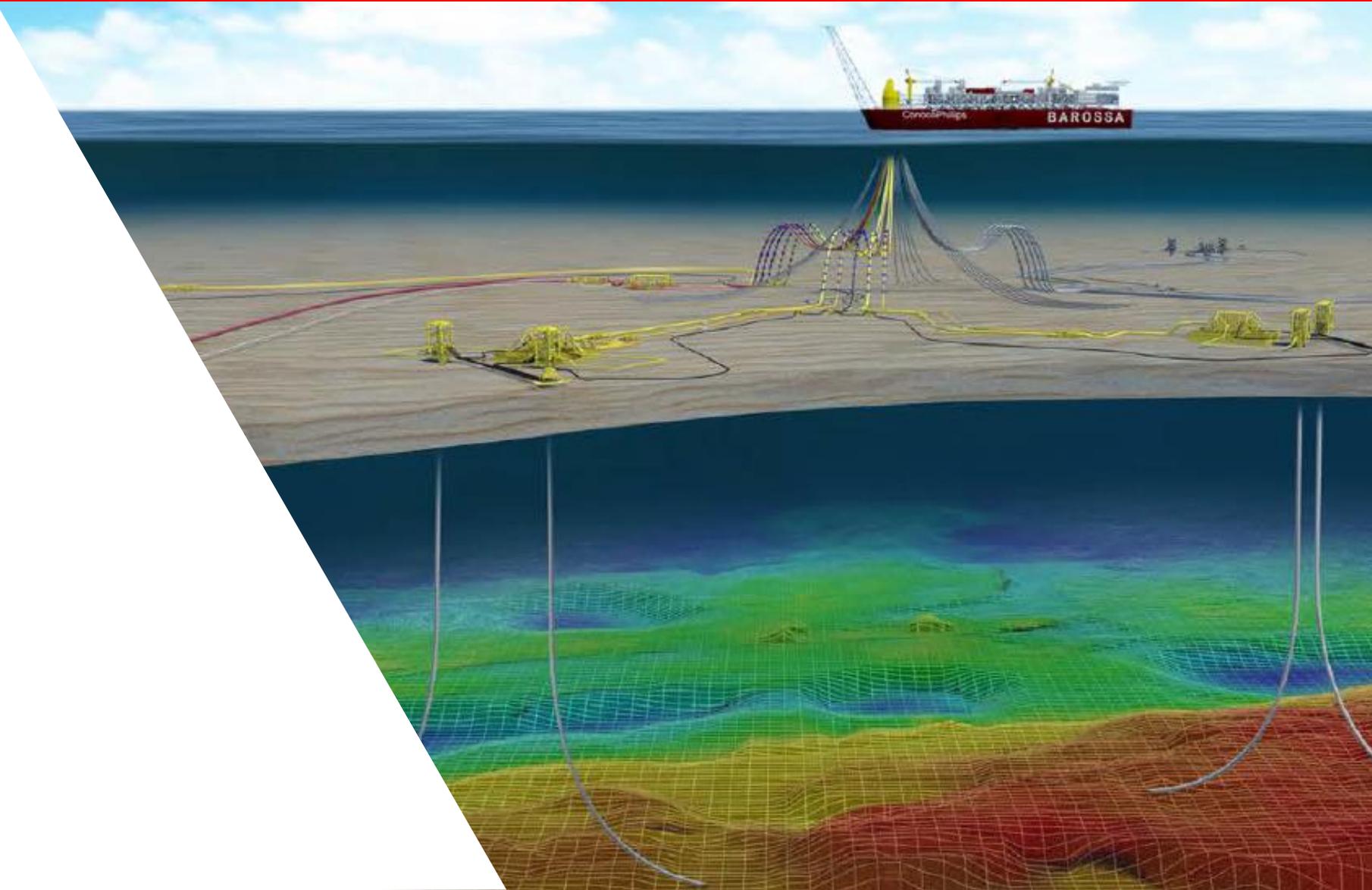
The following alternative EPCI packages will be tendered in parallel with the base-case packages:

- SURF EPCI – includes SURF T&I scope plus design and supply of risers, umbilicals, flowlines and coatings.
- Export Pipeline EPCI – includes export pipeline T&I scope plus design and supply of linepipe and coatings.

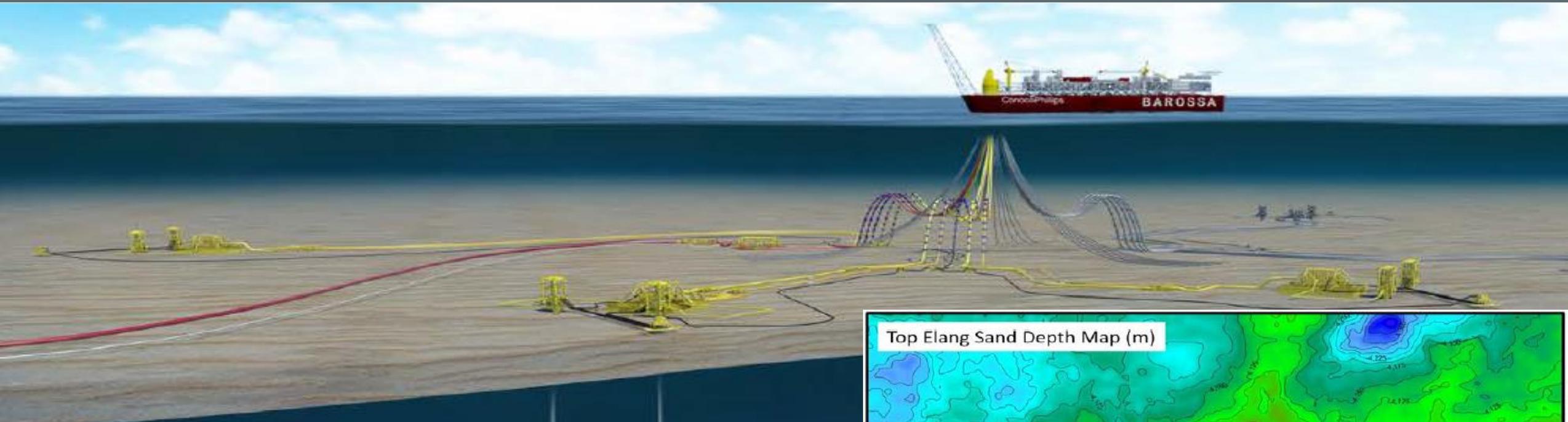
Opportunities – Subsea Scope

Contract Package	EOI on ICN Gateway	Timeframe to Award
Subsea Production System	Out for tender. Potential subcontract opportunity for Aust entities.	Q1 2019
Production & Service Riser Supply	Full package EOIs closed. Part package EOIs closes 1 Nov 19	Q4 2019
Gas Export Riser Supply	Full package EOIs closed. Part package EOIs closes 1 Nov 19	Q4 2019
Umbilical Supply	Full package EOIs closed. Part package EOIs closes 1 Nov 19	Q4 2019
DBSC Supply	24 July 2018, EOI's for full package closes 21 Aug 2018	Q4 2019
SURF T&I	Full package EOIs closed. Part package EOIs closes 1 Nov 19	Q4 2019
SURF EPCI (alternative)	Full package EOIs closed. Part package EOIs closes 1 Nov 19	Q4 2019
Export Pipeline T&I	Full package EOIs closed. Part package EOIs closes 1 Nov 19	Q4 2019
Export Pipeline EPCI (alternative)	Full package EOIs closed. Part package EOIs closes 1 Nov 19	Q4 2019
Fibre Optic Communication System	Full package EOIs closed. Part package EOIs closes 1 Nov 19	Q4 2019

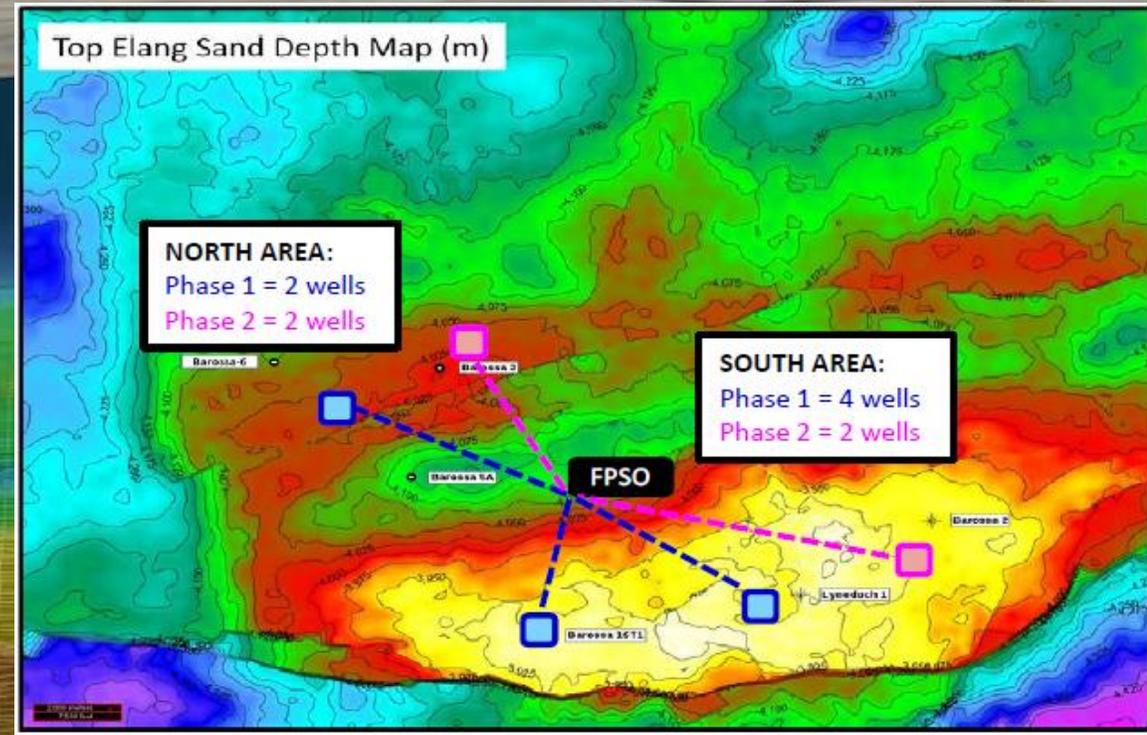
Drilling



Drilling Overview – Barossa Development Phase 1



- Barossa Field ~400km²
- 8 exploration/appraisal wells previously drilled
- Well connected high quality dry gas reservoir
- Phased subsea development programme
 - Phase 1 drilling commencing 2021, 600+ days
 - Drill and complete 6 subsea wells at 3 manifolds



Outline of Contracting Strategy – Drilling Phase 1

The Drilling contracting strategies are developed with the intention of delivering contracts:

- with the best overall project value,
- are the safest and technical 'best fit', with
- the lowest level of risk to the Campaign and Project.

Overarching factors considered:

- Key project & drilling milestones e.g. FID, drilling spud date, etc.
- Overall drilling campaign scope, objectives & duration.
- Thorough market assessment of industry capabilities.
- Specific Barossa contracting risks.

Major Offshore Drilling Indicative Opportunities and Timeframe

Contract Package	Scope Details	EOI on ICN Gateway	Timeframe to Award
Mobile Offshore Drilling Unit (MODU)	Semi-Submersible drilling rig suitable for the drilling campaign scope incl. technical specifications/location/environment/safety	Q4 2018	+Q4 2019
Subsea Test-Tree Landing String	Manufacture, supply of specialised rental string/tools & personnel	Q1 2019	+Q3 2019
36" Conductor	Manufacture, supply, installation Conductor pipe & rental tools & personnel	Q2 2019	Q4 2019
Downhole Gauges & Data Logging	Manufacture & supply specialised downhole equip./rental & personnel	Q2 2019	Q4 2019
Downhole Completion Equipment	Manufacture, supply, installation of specialised completion components/rental equip./tools & personnel	Q2 2019	Q4 2019
Liner Hangers	Manufacture, supply, installation liner hangers rental tools & personnel	Q2 2019	+Q4 2019
Well Clean-Up	Specialised rental equip./tools & personnel services	Q3 2019	Q1 2020
Drilling Fluids	Supply, storage & management of bulk fluids/chemicals/rental equip./tools & personnel	Q3 2019	Q1 2020
Directional Drilling /Logging-While-Drilling	Specialised downhole/monitoring/rental equip./tools & personnel	Q4 2019	+Q2 2020
Casing /Tubular Running & Fishing	Specialised surface & downhole rental equip./tools & personnel	Q4 2019	Q2 2020

Major Offshore Drilling Indicative Opportunities and Timeframe

Contract Package	Scope Details	EOI on ICN Gateway	Timeframe to Award
Mud Logging	Specialised monitoring/rental equip./tools & personnel	Q4 2019	+Q2 2020
Wireline /Downhole Tractors	Specialised downhole rental equip./tools & personnel services	Q4 2019	+Q2 2020
MODU Modification Scopes	Design/Engineering/Fabrication/Installation & Management of MODU modifications	Q4 2019	+Q1 2020
Workclass Remote Operated Vehicles	Supply ROVs/surface monitoring/specialised accessories & personnel	Q4 2019	Q2 2020
Slickline	Specialised downhole equipment/tools & personnel	Q4 2019	+Q2 2020
Downhole Tools/Drill Pipe/Landing-String	Specialised downhole rental tools	Q1 2020	Q3 2020
Well Bore Clean up	Specialised downhole equipment/tools & personnel	Q1 2020	Q3 2020
Coil Tubing Lift Frame/Compensator	Specialised surface rental equip./tools & personnel	Q1 2020	Q3 2020
Solids Control /Cutting Handling	Specialised drilling mud cleaning/handling equipment & personnel	Q1 2020	Q3 2020
MODU Pit /Vessel Tank Cleaning	Supply of equipment/personnel to clean Synthetic Based Mud (SBM) residue from rig/vessel mud pits/tanks	Q1 2020	Q3 2020
Rig Cooling	Supply MODU heat suppression/water curtain systems & personnel	Q1 2020	Q3 2020
Perforating	Specialised downhole rental tools & personnel	Q1 2020	Q3 2020

Support Services

Support Services Contracting Strategy

- Strategy & Scopes
 - Support services covering FPSO, Subsea and Operations
- Generally tendered unless existing agreement in place
 - Use of ICN Gateway for EOI's
 - Prequalification (financial, technical, HSEQ) prior to progression to tender subject to scope, otherwise, straight to tender
- Timing of contract award subject to project schedule and requirements of major contractor during FEED and Execute phases

Project Support Services – Possible opportunities

Package	EOI on ICN Gateway	Timeframe to Award
Independent Validation Body Services	Posted June 2018, EOI's closed	Q4 2018
Agency Support Contracts (QA/QC, HSE, Engineering Support, QS)	Q3 2018	Q1 2019
Customs Clearance Agency	Q2 2019	Q4 2019
Marine Warranty Surveyor	Q2 2019	Q4 2019
Freight Forwarding (Contingency)	Q3 2019	Q1 2020
Medivac	Q1 2020	Q3 2020
Flotel	Q3 2021	Q1 2022

Operations

Operations Contracting Strategy

- Current Status (materials, services, repairs & maintenance)
 - FPSO - at category level prior to decision on EPCI/Lease (Q4 2019)
 - Subsea/Export Pipeline after market support – Tendered with packages
- FPSO Contracting Strategies
 - EPC = ConocoPhillips procurement and after market services responsibility
 - Lease = Contractor procurement and after market services responsibility – final division of responsibility to be negotiated
- FPSO – for both EPCI/Lease scenarios
 - After Market Support via original equipment manufacturers (OEM) where business critical for specialty equipment services & repairs
 - EOI's and tender where possible for scopes other than OEM scopes or where OEM's lack local support
 - Use of ICN Gateway for posting EOI's
 - Contracting and procurement to follow ConocoPhillips AIP requirements and existing approval process for tendering and selection (detailed later in presentation)
- Majority repair/replace items covered by contractors initial warranty period
- Staggered tendering/contracting plan to start in 2021 for 2023 operations readiness

Operations – Possible Opportunities for EPCI Option*

Packages	EOI on ICN Gateway	Timeframe to Award
Helicopters	Q1 2020	Q1 2021
FPSO Offshore Maintenance (general)	Q1 2021	Q3 2022
Supply Vessels	Q2 2021	Q1 2023
Darwin Warehousing	Q2 2021	Q3 2022
Telecommunications Equip Supply & Repair	Q2 2021	Q4 2022
General Consumables, Safety Equip, PPE, etc	Q4 2021	Q2 2023
Integrity/Asset Monitoring Services	Q4 2021	Q4 2022
Valves, Gaskets & Seals	Q4 2021	Q3 2022
Offshore Laboratory Services	Q4 2021	Q3 2022
Chemicals & Gasses	Q4 2021	Q1 2023
Offshore Catering & Cleaning	Q4 2021	Q1 2023
Fire Equip & Services	Q2 2022	Q1 2023
General Small Equip Repairs (Pumps & Motors)	Q2 2022	Q1 2023

* For Lease Option, these packages may be part-package opportunities dependent on selected Contractor

Contracting process and key considerations

Contracting Process and Key Considerations

- Selection Process
 - High-level scope of work for packages will be posted on ICN Gateway
 - Prospective contractors to register interest for specific packages
 - Preliminary evaluation by ICN and ConocoPhillips broadly based on: HSEQ, technical capability, previous similar project experience and AIP
 - Where appropriate, request for EOI and prequalification (PQ), will be issued to shortlisted potential bidders
 - PQ evaluated for scope-specific technical capabilities, performance history, HSEQ, financial health, resource capabilities, compliance to scope-specific requirements
 - Tender package enquiry will be issued to a final list of shortlisted companies with pre and post-bid clarification meetings conducted as required

Contracting Process and Key Considerations

- Contractor evaluation – key considerations may include but not limited to:
 - Ability to meet or exceed HSEQ requirements
 - Price
 - Acceptance of commercial terms and conditions including project-specific requirements
 - Proposed methodology to execute the Scope of Work
 - Organisation, personnel and resourcing
 - Ability to meet project schedule requirements
 - Ability to meet AIP requirements
 - Ability to meet or exceed ER/IR requirements
 - Ability to meet all regulatory requirements, technical standards and specifications

Industry Capability Network

For any queries on how to register interest against specific opportunities on the Project on ICN Gateway (weblink: BarossaOffshore.icn.org.au) or general enquiries on supplier engagement with the Project:

Elena Tsangari – ICN Project Coordinator

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P: 08 8922 9422

ConocoPhillips Australia

For general AIP enquiries, including enquiries on Barossa's AIP plan:

Pat Aguero – Barossa Project Senior Contracts Specialist

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