



GAS PIPELINES ACT 2000

PIPELINE LICENCE

(Construction)

Granted to

BOC Limited

ABN 95 000 029 729

Reissued: 27 August 2010

Tasmanian Gas Pipeline Licence

1. Grant of Licence

The **Regulator**, in exercise of the powers conferred by section 10 of the **Act**, grants the **Licensee** a **pipeline licence** to construct the **Authorised Pipeline Facility (regulated activity)** for processing natural gas subject to the conditions contained herein.

2. Definitions and Interpretation

- 2.1. In this licence, words and phrases appearing italicised in bold type:
- 2.1.1. which are defined in the **Act**, have the same meaning when used in this licence; and
 - 2.1.2. which are not defined in the **Act**, have the meaning ascribed to them in Part 1 of Schedule 1.
- 2.2. This licence must be interpreted in accordance with Part 2 of Schedule 1.
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3. Construction of the Authorised Pipeline Facility

- 3.1. The **Licensee** must construct the **Authorised Pipeline Facility** in accordance with any plan to address safety issues as required under the **Act** and with any directions or requirements of the **Director of Gas Safety**.
- 3.2. The **Licensee** must notify the **Regulator** of any alteration of the **Authorised Pipeline Facility**. Such notification must be accompanied by a copy of a permit or other authority for the construction of the **Authorised pipeline facility** under any relevant law, other than the **Act**, in respect of the alteration.
- 3.3. Upon receipt by the **Regulator** of:
- (a) notification in accordance with clause 3.2; and

(b) confirmation by the **Director of Gas Safety** that any safety concerns raised by the alteration are adequately addressed,

Schedule 2 of this licence will be deemed to be amended by agreement, pursuant to section 23(a) of the **Act**, so as to reflect the altered **Authorised Pipeline Facility**.

4. Term of Licence

Subject to the **Act**, this licence takes effect on and from 27 August 2010 for a period of six (6) months.

5. Payment of fees

The **Licensee** must pay as directed by the **Regulator** a fee determined in accordance with section 14 of the **Act**.

6. Compliance with Law and Standards

6.1. The **Licensee** must comply with all applicable laws (including all applicable provisions of the **National Gas Code**) and requirements (including any technical or safety requirements) and with all relevant recognised standards and practices applicable to the construction of a **Pipeline Facility**.

6.2. The **Licensee** must use best endeavours to ensure that each contractor engaged by it complies with the terms and conditions of this licence, to the extent that such terms and conditions are relevant to that contractor.

7. Provision of Information

7.1. The **Licensee** must provide to the **Regulator** and or the **Director of Gas Safety**, within the time specified in a written request for information from the **Regulator** or **Director of Gas Safety**, any information the **Regulator** or the **Director of Gas Safety** may

reasonably require relating to the construction of the **Authorised Pipeline Facility**.

- 7.2. If the **Licensee** becomes aware of any material breach of, or non-compliance with, the **Act**, the **regulations**, the **National Gas Code**, or this licence, the **Licensee** must notify the **Regulator** of the breach or non-compliance as soon as practicable and provide such information as the **Regulator** requires in relation to the breach or non-compliance.
- 7.3. The **Licensee** must immediately advise the **Regulator** in the event of any material breach, variation, surrender, revocation or cancellation of any permit or other authority issued to the **Licensee** directly relevant to the construction of the **Authorised Pipeline Facility**, and must provide such information as the **Regulator** requires in relation to the breach, variation, surrender, revocation or cancellation.

8. Records

- 8.1. The **Licensee** must maintain in accordance with section 33 of the **Act**:
- 8.1.1. a record of all **regulated activities** carried out under this licence, including, where appropriate, maps and plans; and
 - 8.1.2. a record of compliance audits by internal or external auditors required under the **Regulations**; and
 - 8.1.3. any other records required by the **Regulations**.
- 8.2. The **Licensee** must provide the **Regulator** or the **Director of Gas Safety** with a copy of the records maintained under clause 8.1 upon receipt of written notice from the **Regulator** or as prescribed in the **Regulations**.
- 8.3. The **Regulator** or the **Director of Gas Safety** may issue a guideline detailing what information, reasonably required for the administration of the **Act**, the **Licensee** is required to record. The **Licensee** must comply with any such guideline.

9. Compliance Plans and Reports

- 9.1. The ***Licensee*** must develop and submit a ***compliance plan*** to the ***Regulator***.
- 9.2. The ***compliance plan*** must be submitted to the ***Regulator*** on such date as notified by the ***Regulator***.
- 9.3. The ***compliance plan*** is to be made in accordance with and take account of any ***standards and procedures*** or guidelines issued by the ***Regulator***.
- 9.4. The ***Licensee*** must undertake community consultation on aspects of the ***compliance plan*** which may affect the public.
- 9.5. The ***Licensee*** must consider any comments made by the ***Regulator*** on the ***compliance plan*** and, if required by the ***Regulator***, amend provisions of a ***compliance plan*** related to reporting to the ***Regulator***, including processes for capturing and analysing data that is to be reported.
- 9.6. The ***Licensee*** must provide to the ***Regulator*** a copy of any documents of the following types prepared in relation to the ***Authorised Pipeline Facility*** :
- 9.6.1. plan addressing safety issues
 - 9.6.2. risk assessment study report.

10. Standard and Procedures

- 10.1. At the written request of the **Regulator**, the **Licensee** must participate to the extent specified by the **Regulator** in the development, issues and review of any **standards and procedures** specified by the **Regulator** which is, in the opinion of the **Regulator**, relevant to the achievement of the objects of the **Act** or to the functions of the **Regulator** under the **Act**.
- 10.2. The **Licensee** must, in accordance with directions of the **Regulator**, report to the **Regulator** on its performance against applicable **standards and procedures**.
- 10.3. If the **Regulator** considers that the **Licensee** has failed to comply with clause 10.1, the **Regulator** may issue **standards and procedures** applicable to the **Licensee** and with which the **Licensee** must comply.

11. Advice to the Regulator

The **Licensee** must report to the **Regulator** as soon as possible the occurrence of any of the following circumstances:

- 11.1. The **Licensee** is put under external administration as defined in the *Corporations Act 2001* (Commonwealth); or
- 11.2. The **Licensee's** circumstances change which may affect the **Licensee's** ability to meet its obligations under the **Act**, the **Regulations**, **National Gas Code** or this licence.

12. Insurance

The Licensee must arrange and maintain with one or more insurers, adequate contract works and public liability insurance in respect of the potential for any loss, harm or damage caused to any person or property arising out of, or in any way connected with, the action or inaction of the *Licensee* or any of its agents or employees, or of any contractor or subcontractor of the *Licensee* pursuant to this licence.

13. Communications

- 13.1. A *communication* must be in *writing*.
- 13.2. A *communication* is to be regarded as having been given by the sender and received by the addressee:
 - 13.2.1. when delivered in person to the addressee;
 - 13.2.2. where sent by post, on the 4th *business day* after the date of posting, if the *communication* is posted within Australia;
 - 13.2.3. where sent by post, on the 7th *business day* after the date of posting, if the *communication* is posted outside Australia; or
 - 13.2.4. when, according to the sender's transmission report, received by facsimile transmission by the addressee.

14. Management and Operating Contracts

- 14.1. The ***Licensee*** must advise the ***Regulator*** of the entering into, by the ***Licensee***, of any contract under the terms of which another person assumes, or will assume, operational responsibility for carrying out any substantive part of the operations authorised by this licence.
- 14.2. The ***Licensee*** must submit to the ***Regulator*** not less than 14 days prior to the commencement of any contract referred to in clause 14.1:
- 14.2.1. the identity and contact details of the other person;
 - 14.2.2. details of the nature of the operations that the other person will assume responsibility for carrying out; and
 - 14.2.3. details of the relevant qualifications and experience of the other person to undertake the specified operations.

Signed

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Glenn Appleyard

CHAIRMAN
TASMANIAN ECONOMIC REGULATOR

27 August 2010

Schedule 1 - Definitions and Interpretation

Part 1 - Definitions

“Act” means the *Gas Pipelines Act 2000 (Tas)*;

“Authorised Pipeline Facility” means the *Pipeline Facility* as described in the Schedule 2;

“communication” means a notice, agreement, consent, direction, representation, advice or statement required or given pursuant to or in connection with this licence;

“compliance plan” means a written plan developed by the **Licensee** outlining the procedures, practices and strategies for managing and auditing the **Licensee’s** compliance with the **Act**, the **Regulations**, the **National Gas Code**, other relevant permits, licences and authorities and this licence. The compliance plan must include (amongst other things) details of standards, indicators and targets for measuring the **Licensee’s** compliance performance and must be in accordance with AS 3806 [Compliance programs];

“Licensee” means BOC Limited (ABN 95 000 029 729);

“National Gas Code” means the *National Third Party Access Code for Natural Gas Pipelines Systems*;

“Regulations” means any regulations made pursuant to the **Act**;

“standards and procedures” means overall performance standards or codes of conduct which are issued by the **Licensee** under clause 10.1 or by the **Regulator** under clause 10.3; and

“writing” includes any mode of representing or reproducing words, figures, drawings and symbols in a visible form.

Part 2 - Interpretation

In this licence, unless the context otherwise requires:

- 2.1 headings are for convenience only and do not affect the interpretation of this licence;
- 2.2 words importing the singular include the plural and vice versa;
- 2.3 words importing a gender include any gender;
- 2.4 an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any government agency;
- 2.5 a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;
- 2.6 a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
- 2.7 a reference to any statute, regulation, proclamation, order in council, ordinance or by-law includes all statutes, regulations, proclamations, orders in council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute;
- 2.8 a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
- 2.9 a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;

2.10 when italicised, other parts of speech and grammatical forms of a word or phrase defined in this Part 2 have a corresponding meaning;

2.11 a period of time:

- (a) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
- (b) which commences on a given day or the day of an act or event is to be calculated inclusive of that day;

2.12 an event which is required under this licence to occur on or by a stipulated day which is not a ***business day*** may occur on or by the next ***business day***;

2.13 In the event of any inconsistency between the conditions of this licence and the ***Act***, the ***Act*** will prevail to the extent of such inconsistency;

2.14 In the event of any inconsistency between the conditions of this licence and the schedules, the conditions of this licence prevail to the extent of such inconsistency.

Schedule 2

Description of the *Authorised Pipeline Facility*

The pipeline facility is to be constructed at Lot No 7, Industrial Subdivision off Birralee Road, Westbury Tasmania (Land Title CT144471-2).

The pipeline facility is designed to produce 50 tonnes per day of Liquefied Natural Gas (LNG). The feed stock will be taken from the Tas Gas Networks – Tasmanian Gas Pipeline, via a supply pipeline. The plant comprises a natural gas pressure let-down station, natural gas purification unit, natural gas liquefaction system, LNG storage tanks and tanker filling facilities.

Natural gas from the supply pipeline is purified by an Amine Absorption process to remove carbon dioxide and hydrogen sulphide. The gas is dried in a molecular sieve bed and liquefied by a mixed refrigerant system. The LNG will be stored in tanks and transferred to road tankers for distribution around Tasmania.

Figure C-1 shows the Location of the Pipeline Facility

Figure C-2 shows the Plant Layout of the Pipeline Facility

Figure C-3 shows the Process Flow Diagram of the Pipeline Facility

Figure C-1 Location of the Pipeline Facility

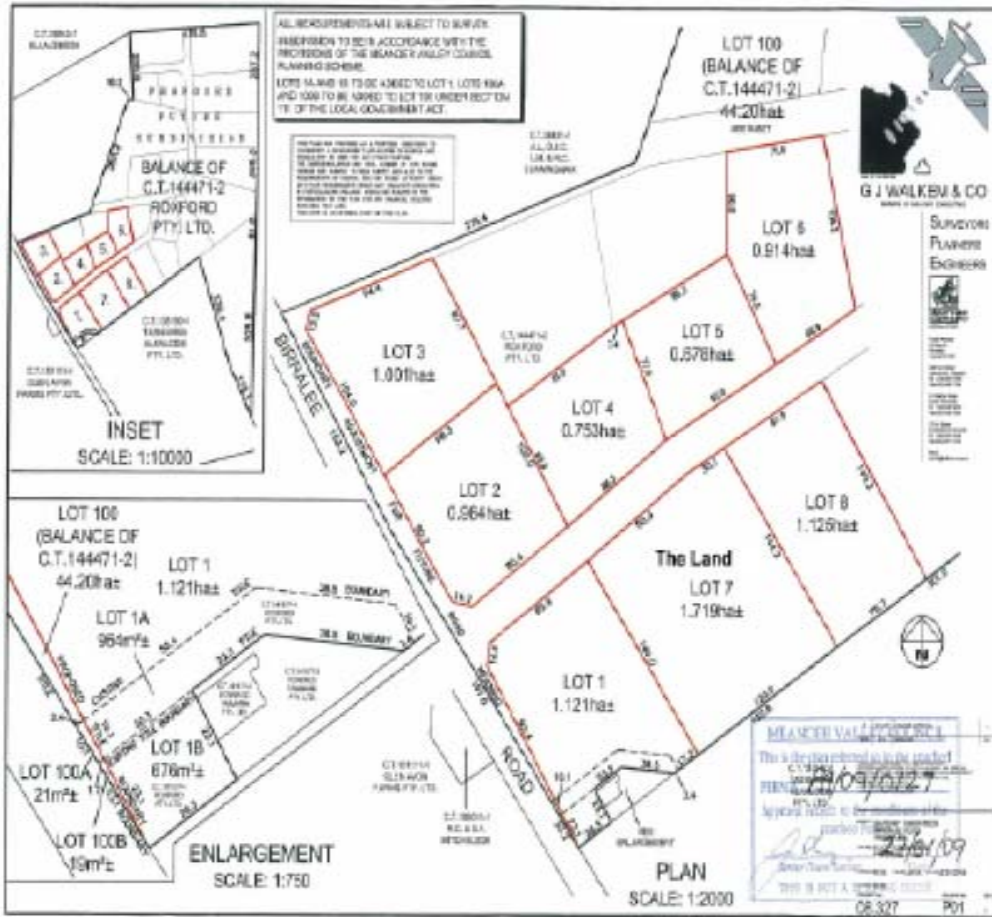


Figure C-2 Plant Layout of the Pipeline Facility

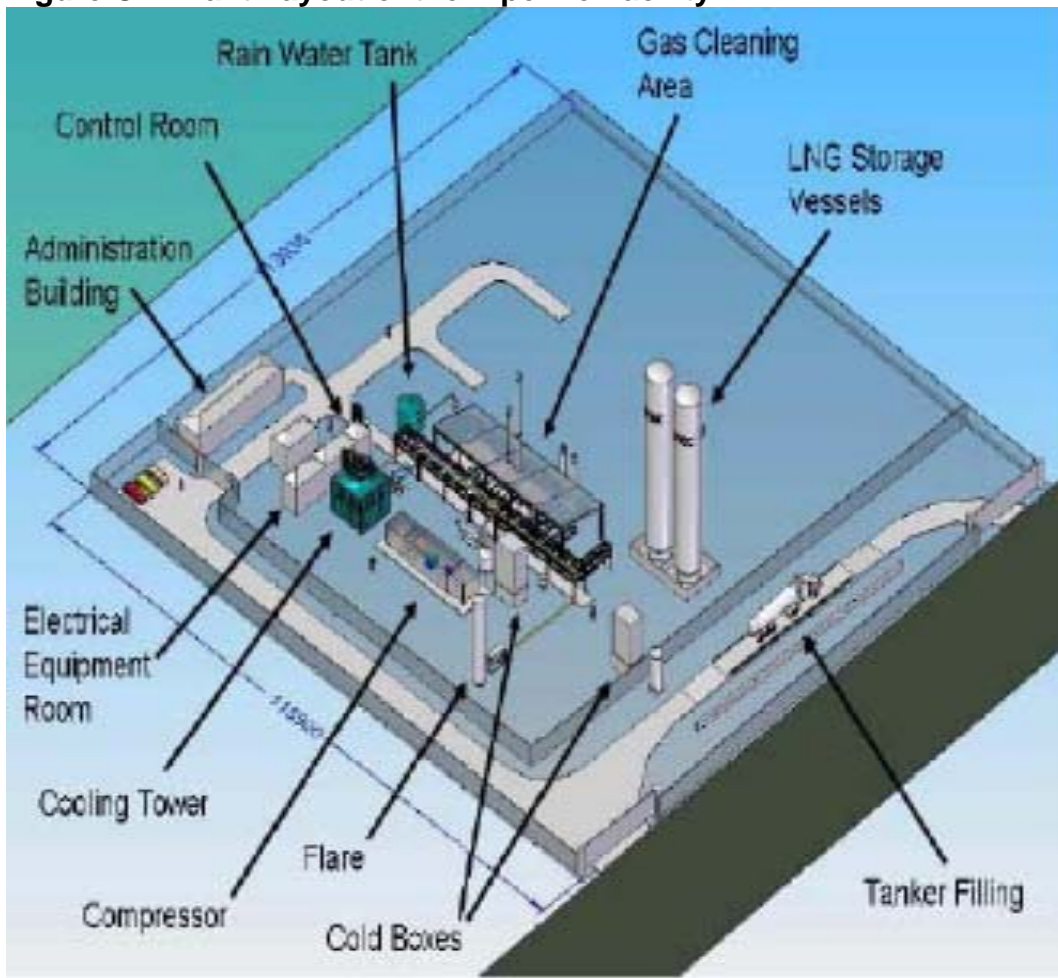


Figure C-3 Process Flow Diagram of the Pipeline Facility

