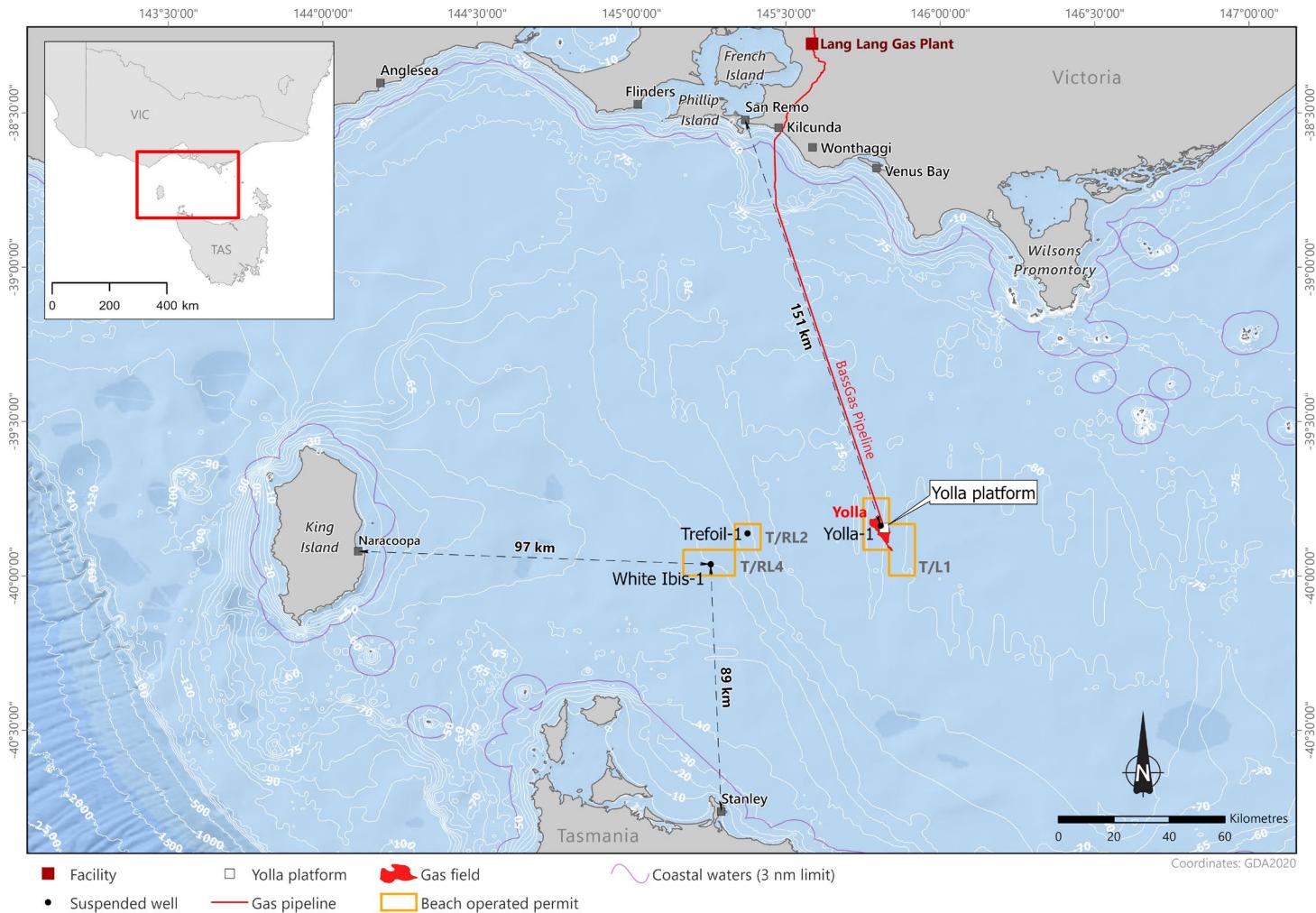


Bass Offshore Project

Suspended wells - inspection and maintenance



beach



Project Update | April 2021

Introduction

Beach Energy operates the Lang Lang Gas Plant which supplies natural gas to Victorian homes and businesses. The gas plant receives raw gas from the Yolla field in production licence T/L1 via the Yolla-A offshore platform. Beach also holds nearby offshore retention leases T/RL2 and T/RL4, which are being assessed for potential future development to continue to meet Victoria's gas demands.

Within the leases and licence there are three exploration wells: Trefoil-1; White Ibis-1 and Yolla-1 (see map). These wells are suspended and isolated from hydrocarbon zones, managed in accordance with a Wells Operation Management Plan to ensure well integrity, and planning is underway for their future decommissioning, a process called 'plug and abandonment'. In the meantime, Beach is currently preparing an Environment Plan for the routine inspection and maintenance activities in the Wells Operation Management Plan.

Location

Located in Bass Strait, the White Ibis-1 well is 89 km north of Stanley and 97 km east of King Island. The Yolla-1 well is 1.3 km and the Trefoil-1 well is 50 km from the Yolla-A platform. The wells are at depths of 60 m to 80 m.

Timing

Well inspections are carried out every three years. The last inspection was completed in April 2019, the next is due in February 2022. Each well takes between 2 to 6 hours to inspect and the total inspection takes between 1 to 3 days, depending on weather and seabed conditions.

How

An Inspection Support Vessel will use dynamic positioning to maintain station over the wells while specialist operators will use a remotely operated vehicle to visually inspect each well and surrounding environment; a waterjet and vacuum pump to clear any marine growth inhibiting the inspection; and a water sampler to check for any hydrocarbons in the water column.

Questions and Answers

How will you ensure that you operate safely?

Safety takes precedence in everything we do. Beach has over 60 years' experience in the oil and gas industry and our marine exploration, development and operations teams have extensive local and international experience. We have stringent procedures for assessing, selecting and managing specialist contractors to carry out our marine activities to ensure they will keep our operations safe, operating in accordance with the Wells Operation Management Plan and Environment Plan.

The Inspection Support Vessel will operate in accordance with Australian Maritime Standards regulated by the Australian Maritime Safety Authority, and ensure safe operations by:

- Having operational and navigation lighting
- Maintaining a 24-hour visual, radio and radar watch for other vessels
- Pre-inspection start notifications to stakeholders
- Notice to Mariners of a cautionary zone.

Will an exclusion zone be required?

No, a formal exclusion is not gazetted around the wells. The wells are already marked on marine charts with precautionary notes. During the inspections, to avoid any entanglement or collision risks, Beach requests that other vessels observe a cautionary zone. Beach will request the Australian Hydrographic Office issue a Notice to Mariners and AusCoast navigational warnings, four weeks before the inspections. We will also directly notify key stakeholders including commercial fishers, ferry and sea cargo operators.

Will the inspections impact commercial fishing?

The wells are located within designated Commonwealth and State fisheries. Beach has assessed commercial fishing in the area and found a relatively low level of activity. Given the short duration and frequency of the inspections (i.e., every three years) and the relatively small area of operation compared to the vast fishery areas, the potential for impact is minor. Nevertheless, Beach is committed to minimising any impacts and will consult with commercial fishers on arrangements that may be required to ensure each other's operations are understood, and potential impacts are minimised.

What approvals are required?

An Environment Plan is required to be submitted to the NOPSEMA for acceptance under the Commonwealth Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (the Regulations).

What does the environment plan include?

The Environment Plan describes the marine environment including flora and fauna, and the marine users such as commercial fishers, ferries and cargo ships, that may be affected by the activities. Management and mitigation measures in the Environment Plan clearly set out the actions that will be taken to ensure that impacts and risks are reduced to the required standards of: 'As Low As Reasonably Practicable'; and of an acceptable level.

When were the wells drilled?

The wells were drilled by previous lease titleholders, from 1985 through to the most recent well being drilled by Origin Energy in 2004. Beach and its joint venture partners acquired the retention leases and production licence, the wells and associated production assets from Origin Energy in 2018.

Why are you decommissioning the wells?

Although Beach is continuing development of natural gas in the Bass Basin, the suspended exploration wells are not suitable as future production wells. The exploration wells will be decommissioned in the future, most likely coinciding with drilling of new production wells. The decommissioning will be undertaken in accordance with a separate Environment Plan to be developed in the future.

What do you do if you find a leak?

When the exploration wells were drilled, three cement plugs were installed to seal the wells. Since then the wells have undergone routine monitoring and have met inspection criteria. Although unlikely given the well construction method, if a leak was found during an inspection, the hydrocarbon volume and composition would be assessed in order to determine the required maintenance response or 'plug and abandonment' action.

Isn't natural gas contributing to climate change?

Natural gas is an important partner for renewable energy to ensure stability of affordable fuel supply to homes and industry whilst our economy transitions to a greater percentage from renewables. Beach's Climate Change policy commitment ensures that our practices and procedures align and integrate climate risks into project decision making. For more information on Beach's sustainability commitments, see www.beachenergy.com.au/sustainability-2/

Consultation

Beach values stakeholder consultation and feedback. The purpose of consultation is to understand how different stakeholders' functions, interests and activities may be affected by the inspection and maintenance of the suspended wells.

Beach will consider all feedback, including any concerns and objections. Measures will be explored to reduce any impacts and risks, and responses will be provided to stakeholders.

All stakeholder feedback, records of consultation and copies of correspondence, including emails, will be considered alongside technical and environmental assessments as the Environment Plan is prepared for submission, and will be communicated to NOPSEMA as required by legislation.



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