

Gladstone Liquefied Natural Gas Project

Coordinator-General's Change Report No. 4 Liquefied Natural Gas (LNG) Train 3

May 2014

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Background

The *Gladstone Liquefied Natural Gas project – Coordinator-General's evaluation report for an environmental impact statement* (Coordinator-General's report) was released in May 2010, pursuant to section 35 of the *State Development and Public Works Organisation Act 1971* (Qld) (SDPWO Act).

On 14 May 2014, the proponent applied to the Coordinator-General to evaluate a proposed change to the Gladstone Liquefied Natural Gas project, under Division 3A, section 35C of the SDPWO Act (the Act). In accordance with section 35H of the Act, the Coordinator-General has evaluated the environmental effects of the proposed change, the effect on the project and any other related matters, and prepared this Coordinator-General's change report under section 35I of the SDPWO Act.

The project proponent Santos GLNG Pty Ltd

The project Gladstone Liquefied Natural Gas (GLNG) project

Proposed changes to the project

The proponent has requested an amendment to Appendix 4, Part 2, Condition 8 of the Gladstone Liquefied Natural Gas (GLNG) project Coordinator-General's Evaluation Report (CGER).

The condition, as currently drafted, provides the opportunity to extend the currency period of the GLNG CGER from four years to six years (an extension of two years to the currency period), subject to the proponent substantially commencing the construction of LNG Trains 1 and 2, deciding to proceed with substantial commencement of Train 3 within the two year extension period, and providing satisfactory contemporary social and logistics planning documentation to the Coordinator-General.

The proponent advised of the inability to commit to the construction of a third LNG train at this time, however requested consideration of an amendment to the condition to provide for an extension of the GLNG CGER currency period, to preserve the ability for the proponent to commit to and construct a third LNG train in the future, subject to market conditions.

To provide the proponent with sufficient flexibility to consider and commit to the construction of a third LNG train, Appendix 4, Part 2, Condition 8 of the GLNG CGER is to be amended such that the proponent may apply for an extension of two years to the GLNG CGER currency period provided the proponent substantially commences construction of LNG Trains 1 and 2 in the existing four year currency period.

The amended condition also provides the proponent with the opportunity to secure a further two year extension to the GLNG CGER currency period, should the proponent provide satisfactory notification to the Coordinator-General of its intention to proceed with LNG Train 3, thus providing a maximum eight year currency period for the GLNG CGER.

Decision Deletion and replacement of Appendix 4, Part 2, Condition 8 of the Coordinator-General's Evaluation Report.

Date of effect This report takes effect from the date of signing of the report.

Decision authorised by Barry Broe

Position Coordinator-General

Signature  **Date of decision** 28 May 2014

Pursuant to section 35K of the SDPWO Act, the Coordinator-General's report on the EIS for the project, and the Coordinator-General's change report, both have effect for the project. However, if the reports conflict, the Coordinator-General's change report prevails to the extent of any perceived inconsistency.

Appendix 1. Change to Gladstone Liquefied Natural Gas project: Lapse Date for LNG Train 3

Current Condition Coordinator-General Evaluation Report	Coordinator-General Change Report 4
<p>Appendix 4, Part 2, Condition 8</p> <p>a) Substantial commencement of gas field, pipeline and LNG facility construction must occur within 4 years of the date of this Coordinator-General report, otherwise this report will expire, but may be extended by the proponent in accordance with clause (b).</p> <p>b) If, prior to expiry of the standard 4 year period of currency of the Coordinator-General report, construction of Trains 1 and 2 has substantially commenced, and the proponent has decided to proceed with substantial commencement of Third Train construction within the following 2 year period, the proponent may apply to the Coordinator-General to extend the Coordinator-General report for the further 2 year period if satisfactory contemporary social and logistics planning documents are provided to the Coordinator-General.</p> <p>c) If a decision is made to construct the Third Train, but the Third Train is not substantially commenced within a 6 year period, the Coordinator-General Report lapses and a new declaration and environmental assessment will be required, whether or not the Coordinator-General has extended the currency of the Coordinator-General report.</p>	<p>Appendix 4, Part 2, Condition 8</p> <p>a) Substantial commencement of gas field, pipeline and LNG facility construction must occur within 4 years of the date of the release of the Coordinator-General's evaluation report for the Gladstone Liquefied Natural Gas - GLNG project ("the report"), otherwise the report will expire, but may be extended by the proponent in accordance with clause (b).</p> <p>b) If, within 4 years of the date of the Coordinator-General's report, construction of Trains 1 and 2 has substantially commenced, and the proponent advises the Coordinator-General that the proponent has not yet made a decision whether to proceed with Third Train construction, the proponent may apply to the Coordinator-General to extend the currency of the Coordinator-General's report for a further 2 year period ("first extension period") such that it will lapse 6 years from the date of the Coordinator-General report, unless it is further extended in accordance with clause (c).</p> <p>c) Should the Coordinator-General approve the first extension period of the report and the proponent provides written notification to the satisfaction of the Coordinator-General of its decision to construct a Third Train during the first extension period, the currency period of the Coordinator-General's report is extended for a further 2 years ("second extension period") such that it will lapse 8 years from the date of the Coordinator-General report.</p> <p>d) If a decision is made to construct the Third Train, but the Third Train is not substantially commenced within the second extension period, the Coordinator-General's report lapses at the end of the second extension period.</p>