

Are there any risks involved in this project?

The safety of our people and the community is of utmost importance and maintaining high safety standards in all operations is an ongoing key priority for Lochard. Iona is subject to a Licence to Operate granted by WorkSafe Victoria, ensuring robust systems and processes are in place to manage risk associated with operations.

The NP and WC sites are subject to an Operations Plan which covers all aspects of the proposed works including safety and environmental management which is approved by DJPR (Department of Jobs, Precincts and Regions). In addition, all operations and project works include Health Safety and Environment Management Plans, as well as Emergency Response Plans.

What impact will the project have on the local environment?

Lochard is committed to supporting sustainable environmental practices, and strives for continuous improvement in health, safety and environment. As part of this, Iona operates under an Environmental Management Plan which has been reviewed and approved by Victorian regulators.

In addition, a Construction Environmental Management Plan (CEMP) will be prepared for the pipeline works planned under Phase 3. Lochard holds regular Community Liaison Committee meetings, providing updates to local community, Council, CFA and other regulators on operations, safety and environmental performance.

What should I do if I have questions or concerns?

Supporting and working with the local community in which we operate and where our employees live is very important to us. We welcome the opportunity to discuss directly any additional queries you have about this or other matters via the contact details on the back page of this information brochure.

Up to date information about the company and this project can be found via the News section of the corporate website: lochardenergy.com.au.

About Lochard Energy

Lochard Energy (**Lochard**) is the largest independent provider of gas storage to the East Coast gas market, in addition to providing natural gas processing and compression services through its owned and operated Iona Gas Plant (Iona) and associated facilities located near Port Campbell, Victoria.

Commissioned in 1999, Iona is a gas processing and compression plant connected to a series of underground gas storage reservoirs in Victoria's South-West. The facilities utilise a number of depleted natural gas reservoirs to store gas for later use in periods of high gas demand. Iona is ideally placed to supply gas into the Victorian gas market through the South West Pipeline and into the South Australian gas market via the South East Australian Gas (SEA Gas) Pipeline.

Iona's gas storage reservoir is located in the Petroleum Production Licence No.2. The associated facilities at North Paaratte and Wallaby Creek are in Petroleum Production Licence No.1. All three sites are specifically exempt from the Victorian onshore gas drilling moratorium see the Victorian State Government website: onshoregas.vic.gov.au

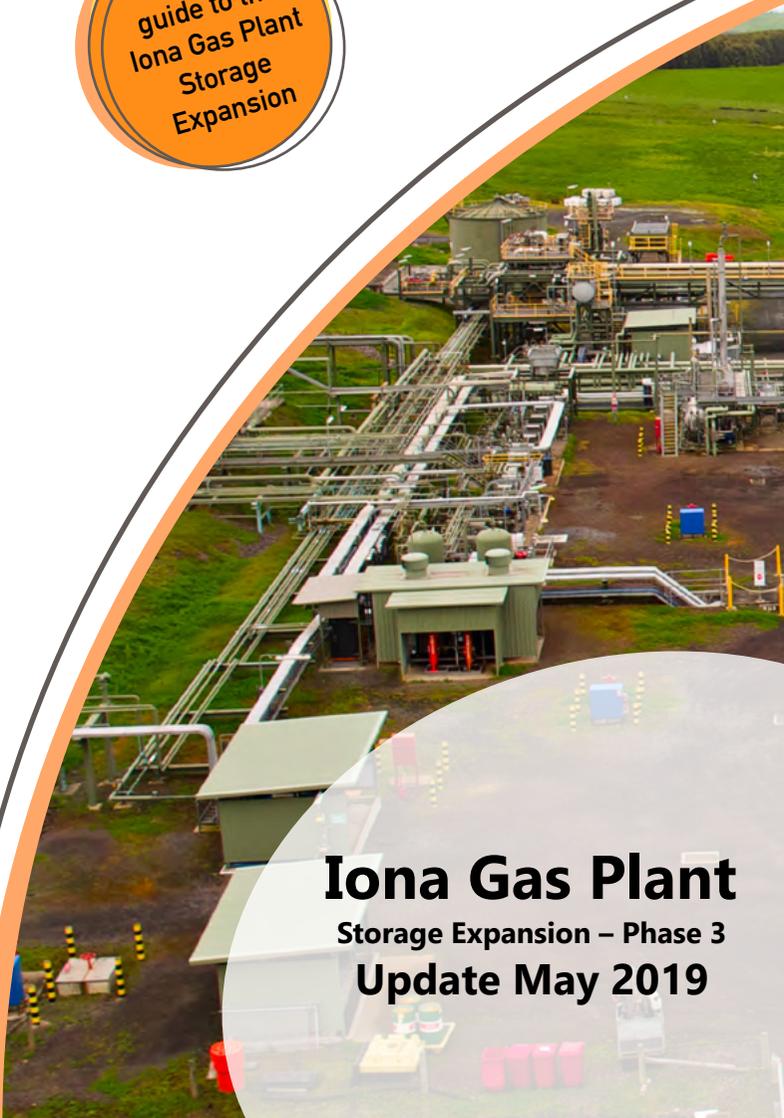
For further information

For further information on the project, please contact Lochard Energy:

Email: lochardenergy@cncprojects.com.au

Phone: 1800 549 635

Website: www.lochardenergy.com.au

An aerial photograph of the Iona Gas Plant facility, showing a complex network of pipes, storage tanks, and industrial structures. The facility is situated in a green, hilly area. A semi-transparent white circle is overlaid on the bottom right of the image, containing the title text.

Iona Gas Plant
Storage Expansion – Phase 3
Update May 2019

To support the growing peak energy and gas storage demands in South Eastern Australia, Lochard Energy (Lochard) is preparing for site upgrades to the Iona Gas Plant (Iona) and its associated gas storage fields of North Paaratte (NP) and Wallaby Creek (WC) near Port Campbell.

Following last year's commissioning of a new well at Iona, Phase 3 will further develop Iona's gas storage, providing increased gas withdrawal capability and continued reliability improvement.

Design and planning for Phase 3 is underway and we are pleased to provide the following update as of May 2019.

Why is gas storage expansion required?

Lochard own and operate Iona which provides underground gas storage services to the Victorian and South Australian energy markets. Underground gas storage is a critical component in meeting the energy supply needs of Victorian and South Australian energy consumers. Iona supports both the gas needs and electricity needs of consumers during critical peak demand periods in both summer and winter.

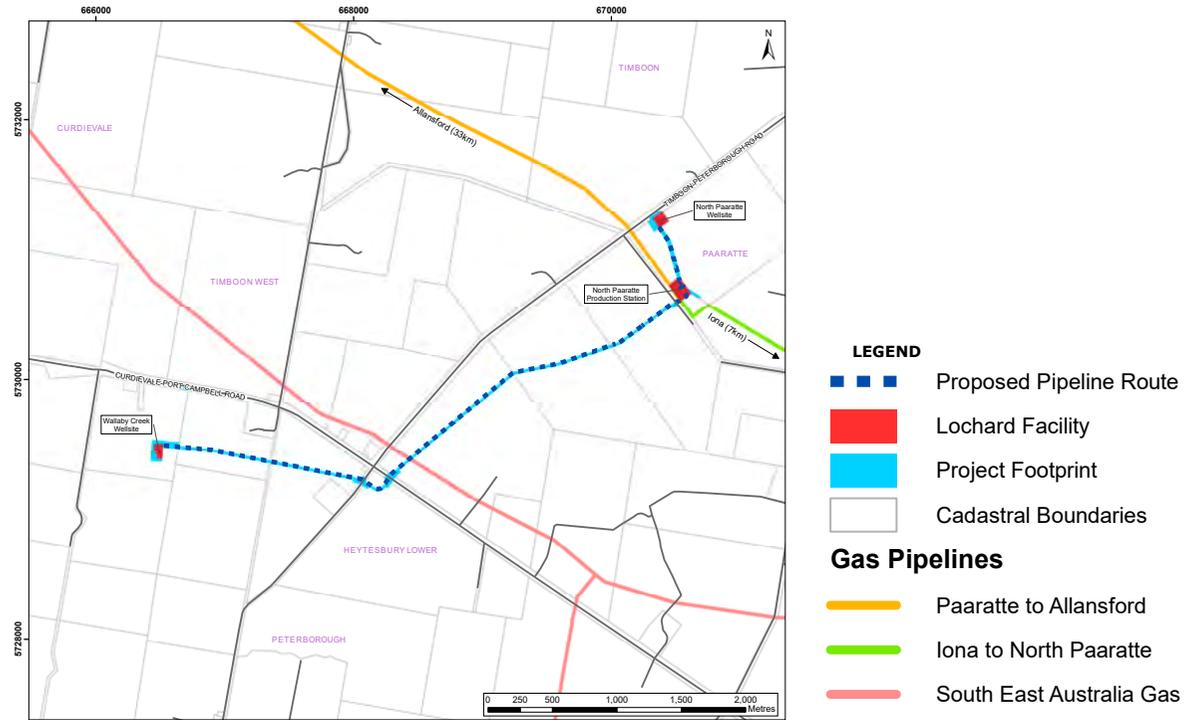
To further support the growing peak energy demands in South Eastern Australia, we are expanding Iona's storage facility over a number of stages in preparation for expected increased demand in 2021.

What is happening at each site?

Phase 3 of the storage expansion project involves upgrades at Iona's main site in Waarre Rd and its associated North Paaratte and Wallaby Creek gas fields (see Figure 1):

- **Upgrades at Iona** involve improvements to the gas processing infrastructure to increase capacity and reliability; including replacement of a heat exchanger with greater capacity and upgrading pipes, valves and the control system.
- **Upgrades at North Paaratte and Wallaby Creek gas storage fields include:**
 - ▶ Upgrades to WC, NP wellsites and North Paaratte Production Station (NPPS). This will include replacement of piping, upgrade of storage tanks and instrumentation rooms;
 - ▶ Pipeline upgrades between NPPS and WC, and between NPPS and NP; and
 - ▶ Workover on the NP-5 well. This is likely to involve short duration well testing and clean-up, including flaring at the NP wellsite.

Figure 1



Key project dates

Phase 3 works will commence in late 2019 and will be implemented in a staged approach with completion expected in late 2020. Planning and design of Phase 3 is currently in progress with early minor civil works being undertaken at Iona. Key dates and stages for the project include:

May – September 2019	Design, planning and consultation
October – December 2019	North Paaratte-5 well works Iona Gas plant upgrades
January – March 2020	Iona Gas plant upgrades Civil works at NP and WC sites
April – June 2020	Pipeline construction works Completion of works at Iona
July – December 2020	Construction works at NP and WC sites

How will this project impact on the local community?

Lochard is committed to operating responsibly while respecting and engaging neighbours and the local communities within our areas of operation. We will undertake robust and transparent stakeholder consultation and will incorporate community feedback into project design and planning.

The project is planned to occur mainly within existing easements and leased areas. Land use impacts will also be minimised through selection of the most appropriate construction methodology to minimise disturbance. Assessments will be undertaken to minimise impact on any environmentally or culturally sensitive areas.

All directly affected landowners, occupiers, native title holders and regulatory agencies will be fully consulted with feedback on impact and improvement incorporated into project design and planning.

Employment opportunities will be available for existing local contractors as part of the project. Any specialist workforce from outside the region will reside in the local area during the project implementation, utilising local community services.