

**INDEX OF DOCUMENTS HELD ON THE PUBLIC REGISTER FOR
PIPELINE LICENCE PL 12**

- | | | |
|----|---------------|---|
| 1. | 16 March 2000 | Grant of Pipeline Licence PL 12 |
| | | Interests: |
| | | Heathgate Resources Pty Ltd 100% |
| | | Expiry Date: 15 March 2021 |
| 2. | 31 March 2000 | Receipt of security |

PETROLEUM ACT, 1940

PIPELINE LICENCE 12

I, **DENNIS RAY MUTTON**, Chief Executive, Department of Primary Industries and Resources in the State of South Australia pursuant to the provisions of the Petroleum Act, 1940 and all other enabling powers for and on behalf of **ROBERT GERARD KERIN**, Minister for Primary Industries and Resources (the "Minister"), pursuant to delegation dated 20 November 1997 (refer Government Gazette dated 4 December 1997 page 1526), **HEREBY GRANT** to:

HEATHGATE RESOURCES PTY. LTD., A.C.N. 011 018 232 whose principal place of business is situated at Level 9, 45 Grenfell Street, Adelaide, South Australia,

(referred to as "the Licensee"), a Licence to operate a pipeline described in this Licence for the conveyance of petroleum subject to the following terms and conditions:

S.A. STAMP DUTY PAID \$10.00
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 16/03/2000 11:51:56 FI11237-1
 GRED

1 INTERPRETATION

- 1.1 Unless the contrary intention appears, words defined in the *Petroleum Act 1940* or in the *Petroleum Regulations 1989* have the same meaning for the purposes of this Licence.
- 1.2 References to "the pipeline" refer to the pipeline in respect of which this Licence is granted.
- 1.3 The "Act" means the *Petroleum Act 1940* and refers to that Act as amended from time to time and any Act enacted in substitution for that Act.
- 1.4 The "Regulations" means the *Petroleum Regulations 1989* and refers to those regulations as amended from time to time and any regulations or other statutory instruments made in substitution for those regulations.
- 1.5 A reference to a "Code of Environmental Practice" is a reference to any code of environmental practice for the time being approved under the Regulations in respect of the construction, maintenance, modification or operation of the pipeline.
- 1.6 A reference to the "Minister" is a reference to the Minister to whom the administration of the Act is for the time being committed.
- 1.7 The obligations of the Licensee and the powers of the Minister under the terms and conditions of this Licence are to be construed as being consistent with and as cumulative upon the obligations of the Licensee and the powers of the Minister, the Director and any other office holder under the Act, the Regulations and any applicable Code of Environmental Practice.

2 **TERM**

The term of this licence is 21 years commencing on 15th day of MARCH 2000, and expiring at midnight on 15th day of MARCH 2021.

3 **FEES**

The Licensee must pay fees to the Minister in accordance with the Act.

4 **GENERAL DESCRIPTION OF PIPELINE**

The pipeline will include:

- 4.1 a steel pipeline for the conveyance of natural gas, being a main pipeline with pipes of an outside diameter (OD) of 88.9 mm over a route of approximately 14.3 kilometres commencing at the offtake point located approximately 11 km north of Compressor Station 3 on the Moomba to Adelaide Pipeline, and proceeding generally in a westerly then north westerly direction to the Beverley Uranium Mine site;
- 4.2 a number of manually operated bivalves incorporated into the pipeline for the purposes of isolation;
- 4.3 a system for mitigating pipeline corrosion;
- 4.4 a telemetry system for the remote control and monitoring of the inlet conditions at the Beverley Delivery Point provided by Epic Energy; and,
- 4.5 a pressure regulating station approximately 1 kilometre from the entry point at the Beverley Power Point.

5 **ROUTE**

The pipeline is constructed along the route set out in Schedule 1 to this Licence.

6 DESIGN, CONSTRUCTION, MAINTENANCE AND OPERATIONAL CRITERIA

- 6.1 The Licensee must design construct maintain and operate the pipeline in accordance with the Act, the Regulations and Code of Environmental Practice.
- 6.2 The Licensee must ensure that any modifications which they wish to make to the pipeline must be designed, constructed, maintained and operated in accordance with the Petroleum Act 1940, the Petroleum Regulations 1989, AS 2885-1997 and the Code of Environmental Practice.
- 6.3 The Licensee shall design, construct, maintain and operate the pipeline using people with appropriate skills and experience.
- 6.4 The Licensee must in the construction, modification, maintenance and operation of the pipeline ensure that the risk and danger to the safety of the public is reduced to as low as reasonably practicable.
- 6.5 The Licensee must design, construct maintain and operate the pipeline so as to ensure so far as reasonably practicable its continuing fitness for the purpose for the intended use. The nature of the material being transported by the pipeline must not be hazardous to the integrity of the pipeline.
- 6.6 The Licensee must design construct, maintain, operate, and make any modifications to, the pipeline in accordance with quality management system principles consistent with AS/NZS ISO 9001 or with such other standard as may be approved from time to time by the Minister and notified to the Licensee in writing.

7 MONITORING AND REPORTING

The Licensee must:-

- 7.1 Not less than 1 week prior to construction, provide the safety assessment conducted in accordance with the requirements of AS 2885-1997.

Prior to commissioning of the pipeline, provide a report on compliance with the relevant provisions of AS 2885-1997.

Prior to the operation of the pipeline provide a report on the commissioning of the pipeline. The report shall include information on compliance with any elements of AS 2885-1997 that could not have been achieved prior to commissioning, and a statement regarding the licensee's opinion of the fitness for operation of the pipeline.

Thereafter, at intervals not exceeding 5 years the licensee must carry out a fitness for purpose assessment of the pipeline in order to assess the risks imposed by the pipeline on:

- (a) the environment; and
- (b) public health and safety; and
- (c) the security of production of supply of natural gas (so far as this may be relevant); and

The fitness for purpose assessment must specifically address:

- (a) the physical condition of the pipeline; and
- (b) the effectiveness of management systems for operation and maintenance of the pipeline; and
- (c) the potential for the environment to affect the safe and effective operation of the pipeline; and
- (d) the potential for significant events to occur at the pipeline, including their potential to affect the safe and effective operation of the pipeline; and
- (e) the adequacy and reliability of the utilities required in order to ensure the effective operation of the pipeline (so far as this may be relevant).

The licensee must prepare a report on the assessment in a manner and form determined by the Minister and furnish a copy of the report within two months of the completion of the assessment. The report must include:

- (a) the name and description of the pipeline; and
- (b) the date on which the assessment was completed; and
- (c) a summary of the risks to the safe and effective operation of the pipeline imposed by the environment; and
- (d) a summary of the risks to the environment imposed by the pipeline, including an assessment of the degree to which:
 - (i) the operations that have (actually or potentially) adverse effects on the environment are properly managed to reduce environmental damage as far as reasonably practicable; and
 - (ii) the risk significant long term environmental damage has been eliminated (as far as is reasonably practicable); and
- (e) a statement of the current, and expected (over an ensuing five year period), fitness-for-purpose of the pipeline, setting out the grounds upon which the statement is made and including-
 - (i) an assessment of the physical condition of the pipeline; and
 - (ii) an assessment of the management systems for the operation and management of the pipeline; and
 - (iii) information on any other factor that may adversely affect or compromise the fitness-for-purpose of the pipeline; and
- (f) any other information requested by the Minister; and

any other information thought to be relevant by the licensee.

- 7.2 Maintain procedures (“emergency response procedures”) which are to be followed in the event of any emergency. These procedures must include:
- (a) measures to minimise the impact of any emergency on:
 - (i) the environment; and
 - (ii) public health and safety; and
 - (iii) the security of production of supply of natural gas (so far as this may be relevant); and
 - (b) measures to ensure that hazardous materials that may cause or exacerbate damage to the facility if not managed in the event of an emergency are isolated, contained or controlled; and
 - (c) measures to rehabilitate any part of the environment in the event of an emergency,
- and may include other steps to be taken in the event of an emergency.

As part of the report on compliance with AS 2885-1997 provided prior to commissioning in accordance with Condition 7.1, the licensee must provide a report on the emergency response procedures.

- 7.3 Within 12 weeks after the time of commissioning the Pipeline and thereafter at intervals not exceeding two years conduct a practice drill of the emergency procedures.

The Licensee must prepare a report on the drill in a manner and form determined by the Minister and furnish a copy of the report within two months after the drill. The report must include:

- (a) an assessment of the adequacy of the emergency response procedures
 - (b) information on any deficiencies in any management systems, or operating or maintenance procedures, identified by the drill; and
 - (c) details of any remedial action that has been taken, or is proposed to be taken, to correct those deficiencies.
- 7.4 Within two months after the end of each licence year, furnish to the Minister a written report for the relevant licence year (an “annual report”). The annual report must include:
- (a) a summary of the regulated activities conducted under the licence during year; and
 - (b) an audit report for the year on compliance with the Act, the regulations and any relevant statement of environmental objectives; and
 - (c) a statement of any action to rectify non-compliance with obligations imposed by the Act, the regulations or the licence and to minimise the risk of recurrence of any such non-compliance; and
 - (d) a summary of any management system audits undertaken during the relevant licence year, including information on any failure or deficiency

identified by the audit and any corrective action that has, or will be, taken; and

- (e) a list of all reports and data relevant to the operation of the Act generated by the licensee during the relevant licence year; and
- (f) in relation to any incidents reported to the Minister under the Act and the regulations during the relevant licence year-
 - (i) an overall assessment and analysis of the incidents, including the identification and analysis of any trends that have emerged; and
 - (ii) an overall assessment of the effectiveness of any action taken to rectify non-compliance with obligations imposed by the Act, these regulations or the licence or to minimise the risk of recurrence of any such non-compliance; and
- (g) a report on any reasonably foreseeable threats that reasonably present, or may present, a hazard to facilities or activities under the licence, and a report on any corrective action that has, or will be, taken; and
- (h) a statement of the operations proposed for the ensuing year; and
- (i) the volume of any regulated substance transported through the pipeline during the relevant licence year.

8 FURTHER TERMS AND CONDITIONS

- 8.1 All information in reports provided in accordance with the conditions of this licence must:
- (a) be balanced, objective and concise; and
 - (b) state any limitations that apply or should apply, to the use of the information; and
 - (c) identify any area or issue in relation to which there is a significant lack of information or a significant degree of uncertainty; and
 - (d) so far as is relevant, identify the sensitivity to change of any assumption that has been made and any significant risks that may arise if an assumption is later found to be incorrect; and
 - (e) so far as is reasonably practicable, be presented in a way which allows a person assessing the information to understand how the conclusions have been reached.

A report must be signed by a person (being either the licensee or a person authorised by the licensee) who has reviewed the report and who takes responsibility for the information contained in the report.

The licensee must promptly carry out any remedial action that is necessary or appropriate as determined by the report.

- 8.2 The Licensee must, as soon as practicable, but no later than six weeks after the commissioning of the pipeline, provide the Minister with detailed particulars of equipment and materials installed on the pipeline, including "as constructed" drawings of the pipeline and its associated equipment.

The Licensee must, within 6 weeks after completing any alteration to or modification of the pipeline provide the Minister with detailed particulars of the alteration or modification, including revisions to the "as constructed" drawings of the pipeline consequent upon its alteration or modification.

- 8.3 The Licensee shall procure and maintain during the term of this Licence and until decommissioning of the pipeline all such insurances that are appropriate to the natural gas industry as the Minister from time to time may reasonably require. The Licensee may self insure certain risks by agreement with the Minister.

- 8.4 The Minister may, by notice in writing given to the Licensee, direct the licensee_

- (a) to carry out specified obligations under the Act or the licence; or
- (b) to cease specified activities that are contrary to the Act or licence.

The licensee must comply with such a direction within the time allowed by the notice.

If the licensee fails to comply with the notice within the time allowed by the notice, the Minister may take the required action, or arrange for the required action to be taken, and recover the cost, as a debt, from the licensee.

- 8.5 The Minister has the discretion to extend time limits fixed by this licence. A time limit may be extended even though it has, at the time to the extension, already expired.

- 8.6 If the licensee fails to comply with the Act or a condition of the licence, the Minister may, by written notice given to the licensee-

- (a) suspend the licence for a specified period or until the Minister terminates the suspension; or
- (b) cancel the licence.

Before the Minister suspends or cancels the licence, the Minister must give the licensee a notice of default-

- (a) specifying the default; and
- (b) stating the action that the Minister proposes to take; and
- (c) if the default is capable of being remedied-allowing the licensee a reasonable opportunity to remedy the default; and
- (d) whether or not the default is capable of being remedied-giving the licensee a reasonable opportunity to show cause why the proposed action should not be taken.

If the notice allows the licensee an opportunity to remedy a default, and the licensee remedies the default to the Minister's satisfaction, the Minister is not to suspend or cancel the licence on the basis of that default.

8.7 Any notice or other communication to or by the Minister or the Licensee:

- (a) must be in writing addressed to the address appearing herein or to such other address as either the Minister or the Licensee by notice in writing has advised the other;
- (b) must be signed on behalf of the sender, and;
- (c) will be deemed to be duly given or made case of
 - (i) delivery in person, when delivered;
 - (ii) delivery by post, the third day after posting;

or

- (iii) delivery by facsimile, upon a transmission report being printed by the sender's facsimile machine stating that the document has been sent to the recipients facsimile machine;

but if delivery is not made before 4.00 pm on any day it will be deemed to have been made at 9.00 am on the next day in that place.

SIGNED, by the said
DENNIS RAY MUTTON
for and on behalf of
ROBERT GERARD KERIN
THE MINISTER FOR PRIMARY INDUSTRIES,
AND RESOURCES
in and for the State of South Australia
having been duly authorised by the said
Minister by notice in the Government Gazette
dated 4 December 1997 to grant a Pipeline
Licence who hereby states that he has no notice
of revocation of the said delegation at the time
of execution of this instrument, in the presence
of:

[Handwritten signature]

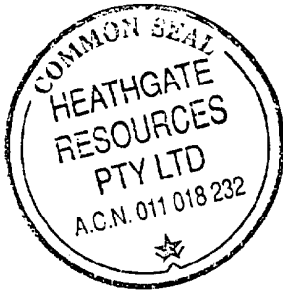


[Handwritten signature]

Witness

DATED this16th..... day ofMarch.....2000.

THE COMMON SEAL of HEATHGATE
RESOURCES PTY. LTD.
ACN 011 018 232 was affixed in accordance
with its articles of association in the presence of:



[Handwritten signature]
.....
Director - Signature

[Handwritten signature]
.....
Director / Secretary - Signature

CHARLES FOLDENAMER
.....
Name (printed)

MICHAEL W. McDONALD
.....
Name (printed)

SCHEDULE 1

PIPELINE LICENCE NO 12

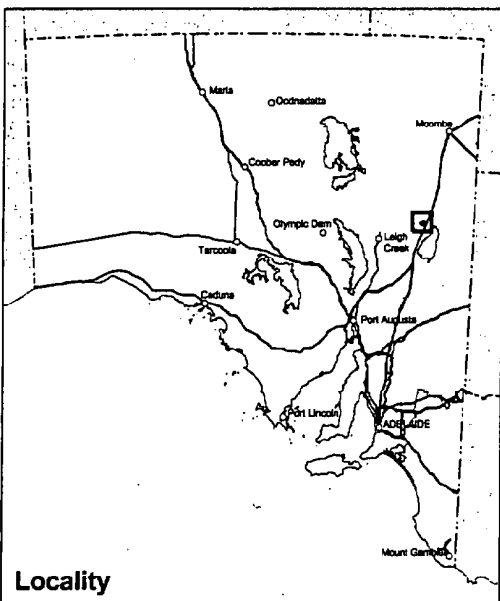
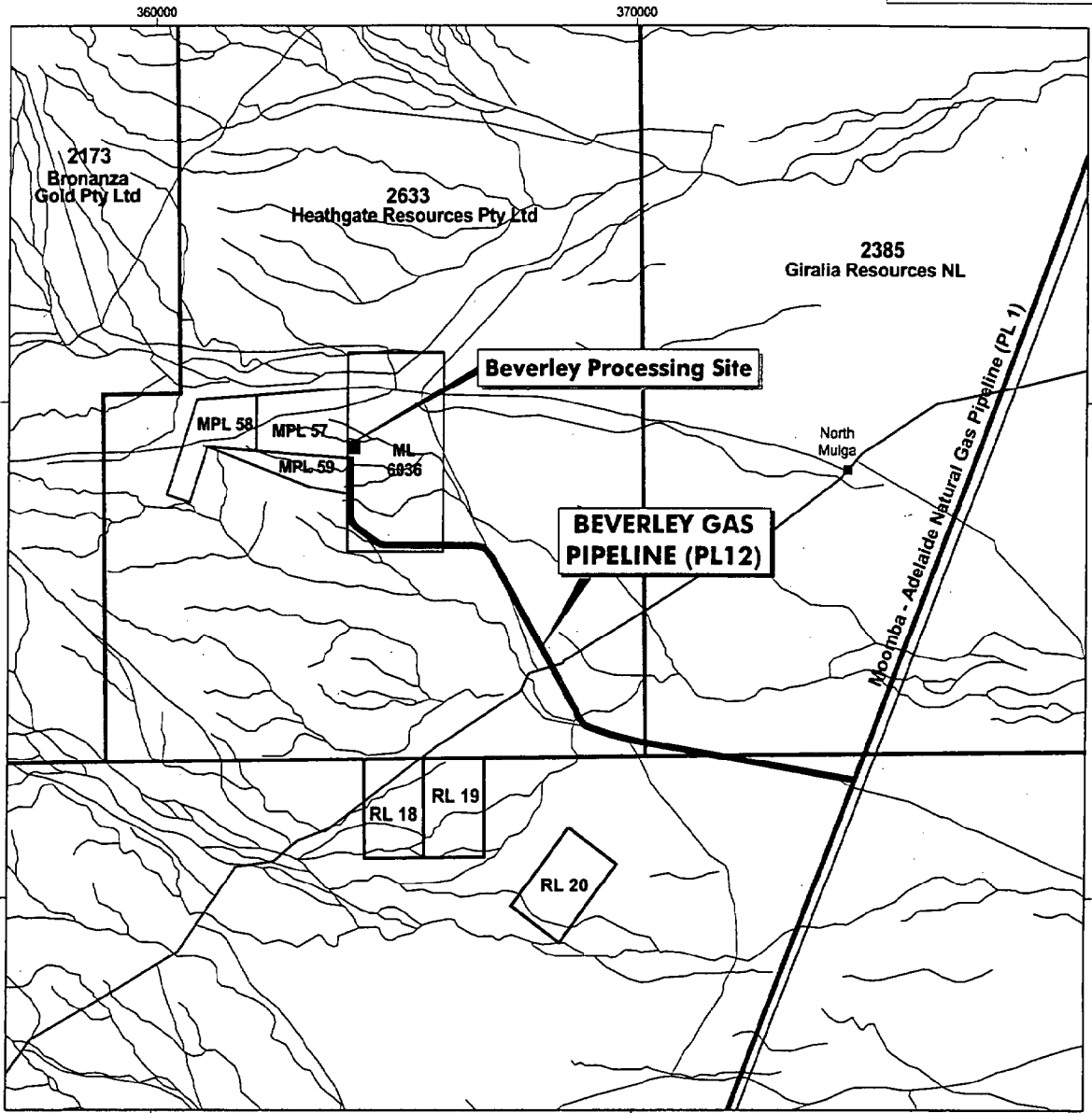
ROUTE DESCRIPTION

A series of straight lines generally joining the following points,
 (Australian Geodetic Datum (AGD 84) -
 Zone 54 Australian Map Grid)
 and generally shown on the attached plan.

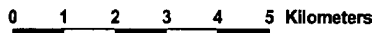
Moomba to Adelaide Pipeline to Beverley Uranium Mine

1	364 148.055	mE	6 658 926.340	mN
2	364 058.850	mE	6 658 926.337	mN
3	364 059.379	mE	6 657 753.853	mN
4	364 092.870	mE	6 657 609.441	mN
5	364 193.288	mE	6 657 490.333	mN
6	364 565.637	mE	6 657 212.644	mN
7	364 699.096	mE	6 657 147.110	mN
8	364 791.019	mE	6 657 134.172	mN
9	366 658.810	mE	6 657 121.689	mN
10	366 853.726	mE	6 657 078.732	mN
11	367 019.452	mE	6 656 900.975	mN
12	368 736.539	mE	6 653 915.633	mN
13	368 784.657	mE	6 653 825.628	mN
14	368 827.048	mE	6 653 725.694	mN
15	368 891.990	mE	6 653 626.488	mN
16	368 987.817	mE	6 653 527.238	mN
17	369 101.765	mE	6 653 471.300	mN
18	369 518.331	mE	6 653 343.661	mN
19	369 615.320	mE	6 653 318.176	mN
20	370 155.894	mE	6 653 189.511	mN
21	370 269.181	mE	6 653 163.668	mN
22	370 398.169	mE	6 653 140.050	mN
23	371 906.606	mE	6 652 883.893	mN
24	373 883.230	mE	6 652 543.099	mN
25	374 734.031	mE	6 652 392.305	mN

Total length approximately 14.3 kilometres



- Mining Exploration Licence
- ML 6036 Lease Area
- RL 20 RL Boundary
- Gas pipeline



MAP PROJECTION : AMG ZONE 54



**Beverley Uranium Mine
Pipeline Licence (PL) No. 12
PIPELINE ROUTE**

In accordance with Section 117 of the *Petroleum Act 2000* (Act) this document forms part of 'The Commercial Register'.

Section 118 of the Act provides for the following:

Authority to search register

(1) A person is entitled to have access to the material included in the commercial register, on payment of the prescribed inspection fee, if the access is authorised by—

- (a) a person who has a legal or equitable interest in the relevant licence or registered dealing; or
- (b) (b) the Minister.

(2) The Minister must not authorise access under subsection (1)(b) unless the Minister has consulted with the licensee to whom the material relates and is satisfied that access should be authorised in the public interest.

FOR FURTHER INFORMATION PLEASE CONTACT:

Department of State Development
Energy Resources Division
GPO Box 320,
Adelaide SA 5001
(08) 8463 3204