

Surat - EPBC Approval 2018/8223 Annual Compliance Report 2024/2025

Surat Gas Project Pipelines

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Contents

1.	Purpose	3
2.	Description of activities	3
2.1	Approved activities	3
2.2	Current activities	3
3.	Approval conditions	4
3.1	Compliance table	4
3.2	Referenced management plans	4
4.	Non-compliance	4
5.	New environmental risks	4
6.	Reconciliation of impacts against approval limits for listed threatened species	4
7.	Declaration of Accuracy	5
8.	Document Administration	6
	Appendix A: EPBC Approval 2018/8223 Conditions Compliance Table	7

1. Purpose

This report addresses Arrow Energy Pty Ltd (Arrow) compliance with the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) Approval 2018/8223 (EPBC Approval) for the reporting period of 2 April 2024 to 1 April 2025.

2. Description of activities

2.1 Approved activities

EPBC Number – 2018/8223

Surat Gas Project Pipelines, Surat Basin, Queensland (SGP PPLs)

Approval Holder: Arrow Energy Pty Ltd

ACN: 078 521 936

Approved Action: To construct and operate pipelines and related infrastructure to transport gas and water associated with the Arrow Energy Surat Gas Project, located in the Surat Basin, Queensland.

Decision Date: 28 May 2020

Variation Date: 27 January 2022

Commencement Date: 2 April 2021

Location of Project: Surat Basin

Person accepting responsibility for this report: Depei Shi – Technical Director

Dates for Reporting period: 2 April 2024 to 1 April 2025

Date of Preparation of report: 20 June 2025

2.2 Current activities

The McNulty Pipeline on PPL2048, was constructed during the current reporting period.

Completed pipelines pursuant to this approval include:

- David Pipeline (PPL2033)
- Harry Pipeline (PPL2052)
- McNulty Pipeline (PPL2048)

3. Approval conditions

3.1 Compliance table

EPBC approval conditions and an assessment of compliance against each condition is presented in Appendix A. The assessment demonstrates compliance with all conditions.

Records substantiating all activities associated with or relevant to approval conditions are stored in Arrow's file directories.

3.2 Referenced management plans

The following management plan is required under EPBC Approval conditions and is available on Arrows website.

- Offset Area Management Plan – SGP PPLs, approved on 24 March 2021 (OAMP)

4. Non-compliance

Nil

5. New environmental risks

Nil

6. Reconciliation of impacts against approval limits for listed threatened species

In accordance with Condition 1 of the EPBC Approval, **Error! Reference source not found.** below provides a report against the maximum impact limit for impacts to Koala (*Phascolarctos cinereus*) habitat. The actual cumulative impact total to date for impacts to Koala is within the approved limits of 65 ha. The values presented in this table represent the cumulative total based upon the 'as-disturbed' footprint for the completed activities.

Table 1: Reconciliation of planned impacts against project maximum disturbance limits

Threatened Species	Whole of project approved limits (ha)	Actual Cumulative impact total to date (ha)
Koala	65	38

7. Declaration of Accuracy

In making this declaration, I am aware that sections 490 and 491 of the Environment Protection and Biodiversity Conservation Act 1999 (Cth) (EPBC Act) make it an offence in certain circumstances to knowingly provide false or misleading information or documents. The offence is punishable on conviction by imprisonment or a fine, or both. I declare that all the information and documentation supporting this compliance report is true and correct in every particular. I am authorised to bind the approval holder to this declaration and that I have no knowledge of that authorisation being revoked at the time of making this declaration.

Signed: _____
Full name: Depei Shi
Position: Technical Director
Organisation: Arrow Energy Pty Ltd
ACN: 078 521 936
Date: 16/06/2025 _____

**Appendix A: EPBC Approval 2018/8223 Conditions
Compliance Table**

EPBC 2018/8223 Annual Compliance Report 2023/2024 – Surat Gas Project Pipelines Report

Table 2: EPBC Conditions Compliance Table

Condition	Description	Compliant/non-compliant or not applicable	Comments
1	The approval holder must not clear more than 65 hectares (ha) of Koala (<i>Phascolarctos cinereus</i>) (combined populations of Qld, NSW and the ACT) habitat.	Compliant	Table 1 of this EPBC 2018/8223 Annual Compliance Report reconciles the actual impact with the maximum disturbance limits and confirms that Arrow has not exceeded these limits.
2	To compensate for the clearing of 65 ha of Koala (<i>Phascolarctos cinereus</i>) (combined populations of Qld, NSW and the ACT) habitat as specified in condition 1, the approval holder must provide environmental offsets consistent with the Environmental offsets policy.	Compliant	Voluntary Declaration 2023/000572 was executed on 20 October 2023 declaring that the area, identified on Declared Area Map DAM 2023/000572, as an area of high nature conservation value in accordance with section 19F and 19G of the <i>Vegetation Management Act 1999</i> . The declaration was registered on the property title of Lot 16 on BO94.
3	The approval holder must submit an OAMP prepared by a suitably qualified ecologist for the written approval of the Minister. The approval holder must not commence the action until the OAMP has been approved by the Minister. The approved OAMP must be implemented.	Compliant	Arrow's OAMP received approval from the Minister on 24 March 2021 prior to the commencement of the action. The OAMP is being implemented, with landholder monitoring having commenced from 20 October 2023 in accordance with the OAMP requirements.
4	The approval holder must ensure the OAMP required under condition 3 includes: a) details to demonstrate how the offset compensates for the clearance of Koala (<i>Phascolarctos cinereus</i>) (combined populations of Qld, NSW and the ACT) habitat in accordance with the Environmental offsets policy.	Compliant	The OAMP (Section 6, Table 6 and 7) uses Koala offset area attributes to generate Bio Condition scores, as well as the results of habitat quality assessments to demonstrate how the offset compensates for the clearance of Koala habitat in accordance with the Environmental offsets policy.
4	The approval holder must ensure the OAMP required under condition 3 includes: b) a description of the offset, including location, size, condition, environmental values present and surrounding land uses.	Compliant	The OAMP (Section 5, 6 and Appendix 1) provides a detailed area description, highlighting vegetation and connectivity values as well as the location, size, condition and surrounding land uses of the offset.
4	The approval holder must ensure the OAMP required under condition 3 includes: c) relevant baseline data and other supporting evidence, including results from field validation surveys and quantifiable ecological data, that documents the presence of the Koala and the quality of the Koala (<i>Phascolarctos cinereus</i>) (combined populations of Qld, NSW and the ACT) habitat within the offset area.	Compliant	The OAMP (Section 6, Appendix 4) describes and utilises baseline data and other supporting evidence to document the presence of Koala and the quality of the Koala habitat within the offset area.

[S00-ARW-ENV-REP-00096](#)

Released on 20 June 2025 - Version 1.0

Page 8 of 17

EPBC 2018/8223 Annual Compliance Report 2024/2025 - Surat Gas Project Pipelines Report

Condition	Description	Compliant/non-compliant or not applicable	Comments
4	The approval holder must ensure the OAMP required under condition 3 includes: d) an assessment of site habitat quality using a method agreed to in writing by the Department.	Compliant	<p>The OAMP outlines how each of the eight key overarching principles of the Department's <i>Environment Protection and Biodiversity Conservation Act 1999</i> Environmental Offsets Policy (October 2012) has been considered to determine that the selected offset area supplies the values required.</p> <p>Site habitat quality was assessed using an established and robust BioCondition assessment methodology in accordance with <i>Queensland's Terrestrial Habitat Quality Assessment Guide</i>, Department of Environment and Heritage Protection, v. 1.2, 2017 and <i>Queensland's Terrestrial Habitat Quality Assessment Guide</i>, Department of Environment and Science v1.3, 2020 and BioCondition Assessment Manual, Department of Science, Information Technology, Innovation and the Arts, v2.2, 2015.</p> <p>Input and output values from the Department's <i>Offset Assessment Guide</i>, 2 October 2012, were used to calculate the required offset area and baseline quality scores. These were approved by the Department in approving the OAMP.</p>
4	The approval holder must ensure the OAMP required under condition 3 includes: e) details of how the offset area will provide connectivity with other habitats and biodiversity corridors and/or will contribute to a larger strategic offset for the Koala.	Compliant	<p>The OAMP (Section 5.1) details how the offset area adjoins Boyne River, part of a state bioregional corridor. Allowing the regeneration of the regrowth will improve connectivity to the riparian vegetation along the Boyne River and provide additional habitat for the Koalas that utilise the property. Vegetation across the property is well connected to a network of corridors of state and regional value.</p>
4	The approval holder must ensure the OAMP required under condition 3 includes: f) a description and maps (including shapefiles) to clearly define the location and boundaries of the offset areas, accompanied by the offset attributes (including physical address of the offset areas, coordinates of the boundary points in decimal degrees and the size of the environmental offsets in hectares).	Compliant	<p>The OAMP (Sections 4 and 5) include a description and maps of the location and boundaries of the offset area. These figures are supported by shapefiles which were sent to the Department with the OAMP and are maintained in Arrow's geospatial database.</p>

EPBC 2018/8223 Annual Compliance Report 2024/2025 - Surat Gas Project Pipelines Report

Condition	Description	Compliant/non-compliant or not applicable	Comments
4	The approval holder must ensure the OAMP required under condition 3 includes: g) specific offset completion criteria derived from the site habitat quality to demonstrate the improvement in the habitat quality for Koala in the offset area over the period of effect of this approval.	Compliant	The OAMP (Section 10) addresses and provides completion criteria based on an understanding of the specific habitat, connectivity and other ecological values for the Koala. During the management period, interim performance targets are proposed to track the trajectory of habitat quality toward the completion criteria.
4	The approval holder must ensure the OAMP required under condition 3 includes: h) details of the management measures (including timing, frequency, duration and method of outcome measurement), to be carried out to meet the offset completion criteria set in condition 4.g; The management measures must specify activities that will be prohibited in the offset area(s), including (but not limited to) mining/exploration, development and alternate land uses. The management measures proposed must be consistent with the Environmental Management Plan Guidelines and the Approved conservation advice.	Compliant	The OAMP (Section 8) describes management measures required to be undertaken on the offset site to mitigate identified risks to the Koala and enable the offset site to attain and maintain the completion criteria.
4	The approval holder must ensure the OAMP required under condition 3 includes following: i) performance criteria that set targets at 5-yearly intervals for expected progress towards the completion criteria set in condition 4.g.	Compliant	The OAMP (Section 10) addresses and provides completion criteria based on an understanding of the specific habitat, connectivity and other ecological values for the Koala. During the management period, interim performance targets are proposed to track the trajectory of habitat quality toward the completion criteria.
4	The approval holder must ensure the OAMP required under condition 3 includes: j) details of the nature, timing and frequency of monitoring to inform progress against achieving the 5-yearly interim milestones (the frequency of monitoring must be sufficient to track progress towards each set of milestones, and sufficient to determine whether the offset area is likely to achieve those milestones in adequate time to implement all necessary corrective actions).	Compliant	The OAMP (Section 11) includes a monitoring schedule and provides monitoring method for various attributes to track against the interim performance targets and sufficient to identify with adequate time the need to implement corrective actions in order to achieve the completion criteria.
4	The approval holder must ensure the OAMP required under condition 3 includes: k) proposed timing for the submission of monitoring reports which provide evidence demonstrating whether the interim milestones have been achieved.	Compliant	The OAMP (Section 11) reporting schedule stipulates that an Annual Offset Area Report will be published by 30 June each year until the completion criteria is met and thereafter every 5 years for the period of the approval.

EPBC 2018/8223 Annual Compliance Report 2024/2025 - Surat Gas Project Pipelines Report

Condition	Description	Compliant/non-compliant or not applicable	Comments
4	The approval holder must ensure the OAMP required under condition 3 includes: l) timing for the implementation of corrective actions if monitoring activities indicate the interim milestones have not been achieved.	Compliant	<p>The frequent monitoring and reporting described in Section 11 of the OAMP will capture the success of the management measures and where necessary trigger the corrective actions to be completed in the timeframes included in Table 9 of the OAMP.</p> <p>Table 9 also includes corrective actions in the event that an interim performance trigger has not been achieved with the first action being the completion of an investigation report within one month that identifies the reason(s) why the trigger was not met and re-evaluates the suitability of the management measures providing appropriate corrective actions. The second action to be completed within eight months of detecting the failure to meet the interim performance trigger is to implement the corrective actions identified in the investigation report.</p>
4	The approval holder must ensure the OAMP required under condition 3 includes: m) a risk analysis and a risk management and mitigation strategy for all risks to the successful implementation of the OAMP and timely achievement of the offset completion criteria set in condition 4.g, including for if the offset fails to achieve and maintain the completion criteria.	Compliant	<p>The OAMP (Section 7) describes the risk analysis used to assign a residual risk rating to the risks identified in successfully implementing the OAMP. The risks identified include management actions to reduce risk as well as methods to detect residual risk and remedial actions should a risk event occur.</p>
4	The approval holder must ensure the OAMP required under condition 3 includes: n) the proposed legal mechanism for legally securing the offset area, such that legal security remains in force over the offset area for at least the period of effect of this approval.	Compliant	<p>The OAMP (Section 12) describes the legal mechanism for legally securing the offset area by Voluntary Declaration as an area of high conservation value under the <i>Vegetation Management Act 1999</i>.</p> <p>The voluntary declaration will remain in place for the duration of the approval.</p> <p>Refer to Condition 2 which describes the completed legal securement of the offset area.</p>

EPBC 2018/8223 Annual Compliance Report 2024/2025 - Surat Gas Project Pipelines Report

Condition	Description	Compliant/non-compliant or not applicable	Comments
5	The approval holder must legally secure the environmental offset within 24 months from the date that the OAMP is approved by the Minister. The approved OAMP must be attached to the legal mechanism used to legally secure the offset area.	Substantially Compliant (Offset legally secured, applied to Department to extend 24 month timeframe)	<p>The environmental offset needed to be legally secured by 24 March 2023. The environmental offset was legally secured through a Voluntary Declaration 2023/000572 executed on 20 October 2023 with the OAMP attached.</p> <p>The offset arrangement was finalised with the landholder in January 2023 and the application for a Voluntary Declaration was submitted to the Department of Resources (DoR) on 27 February 2023. This occurred before 24 March 2023.</p> <p>The time taken to determine the appropriate structure of the offset arrangement with the landholder, registration pre-condition requirements that needed to be satisfied by the hosting landholder and the time for DoR to process the Voluntary Declaration application contributed to the time taken to legally secure the environmental offset.</p> <p>Arrow engaged with the Department regarding the delay and applied to the Department to extend the date by which the environmental offset was required to be legally secured.</p> <p>A final decision on the application to extend the date for compliance with the condition was not received from the Department prior to the Voluntary Declaration being made on 20 October 2023.</p>

EPBC 2018/8223 Annual Compliance Report 2024/2025 - Surat Gas Project Pipelines Report

Condition	Description	Compliant/non-compliant or not applicable	Comments
6	The approval holder must notify the Department within 5 business days of the legal mechanism being executed.	Compliant	<p>On 20 October 2023 Arrow provided an update on the execution of the legal mechanism to the Department; advising that on 15 October 2023 the landholders had agreed in writing to the Voluntary Declaration offer.</p> <p>On 13 November 2023, upon receiving a copy of the executed Voluntary Declaration 2023/000572, Arrow again emailed the Department providing a copy of the executed Voluntary Declaration 2023/000572, a copy of the Title Search for Lot 16 on BO94 and Declared Area Map DAM 2023/000572 as evidence of Arrow's compliance with Condition 2 of the EPBC Approval 2018/8223.</p>
7	The legal mechanism used to legally secure the offset area must remain in force for the period of effect of this approval.	Compliant	Voluntary Declaration 2023/000572 is currently in force and will remain in force for the period of effect of the EPBC Approval 2018/8223.
8	The approval holder must notify the Department in writing of the date of commencement of the action within 5 business days after the date of commencement of the action.	Compliant	On 13 April 2021, the Department was advised that the action commenced on 2 April 2021.
9	If the commencement of the action does not occur within 5 years from the date of this approval, then the approval holder must not commence the action without the prior written agreement of the Minister.	Compliant	The action commenced on 2 April 2021 which is within 5 years of the EPBC Approval 2018/8223 date of 28 May 2020.
10	The approval holder must maintain accurate and complete compliance records.	Compliant	Records substantiating all activities associated with or relevant to approval conditions are stored in Arrow's file directories.
11	If the Department makes a request in writing, the approval holder must provide electronic copies of compliance records to the Department within the timeframe specified in the request.	Not applicable	Arrow has not received any requests for compliance records from the Department.
12	<p>The approval holder must:</p> <ul style="list-style-type: none"> a) submit plans electronically to the Department for approval by the Minister; b) publish each plan on the website within 20 business days of the date the plan is approved by the Minister or of the date a revised plan is approved in writing by the Minister; c) exclude or redact sensitive ecological data from plans published on the website or provided to a member of the public; and d) keep plans published on the website until the end date of this approval. 	Compliant	<p>All approved plans have been published on Arrow's website.</p> <p>Plans approved by the Department and published within 20 business days on the Arrow website include those listed in Section 3.2.</p>

[S00-ARW-ENV-REP-00096](#)

Released on 20 June 2025 - Version 1.0

Page 13 of 17

EPBC 2018/8223 Annual Compliance Report 2024/2025 - Surat Gas Project Pipelines Report

Condition	Description	Compliant/non-compliant or not applicable	Comments
13	The approval holder must ensure that any monitoring data (including sensitive ecological data), surveys, maps, and other spatial and metadata required under condition 4, is prepared in accordance with the <i>Department's Guidelines for biological survey and mapped data (2018)</i> and submitted electronically to the Department in accordance with the requirements of the OAMP.	Compliant	<p>Landholder monitoring in accordance with the OAMP has been undertaken since the property was legally secured by Voluntary Declaration on 20 October 2023. The landholder monitoring results are provided in an Annual Offset Area Report. The first Annual Offset Area Report covered the period 20 October 2023 until 30 May 2024 and was released on 28 June 2024.</p> <p>Subsequent reporting periods for monitoring data is 31 May to 30 May with the corresponding Annual Offset Area Reporting being due 30 June. Results of the landholder monitoring over the period of this Annual Compliance Report will be included in the Annual Offset Area Report, due 30 June 2025.</p> <p>Third party biocondition and ecological surveys are required to be conducted between March and May every five years, commencing in 2025. These were completed in April and early May 2025 (scheduled for March but delayed due to the weather event Ex-Tropical Cyclone Alfred). They were conducted in accordance with the <i>Department's Guidelines for biological survey and mapped data (2018)</i> and the requirements specified in the OAMP. The results of the biocondition and ecological surveys will be included in the 2026 Annual Offset Area Report due to there being insufficient time to analyse and report on the results in time for the 30 June release of the 2025 Annual Offset Area Report.</p>

EPBC 2018/8223 Annual Compliance Report 2024/2025 - Surat Gas Project Pipelines Report

Condition	Description	Compliant/non-compliant or not applicable	Comments
14	<p>The approval holder must prepare a compliance report for each 12-month period following the date of commencement of the action, or otherwise in accordance with an annual date that has been agreed to in writing by the Minister. The approval holder must:</p> <ul style="list-style-type: none"> a) publish each compliance report on the website within 60 business days following the relevant 12-month period; b) notify the Department by email that a compliance report has been published on the website and provide the weblink for the compliance report within five business days of the date of publication; c) keep all compliance reports publicly available on the website until this approval expires; d) exclude or redact sensitive ecological data from compliance reports published on the website; and e) where any sensitive ecological data has been excluded from the version published, submit the full compliance report to the Department within 5 business days of publication. 	Compliant	This report has been published to provide information required by Condition 14 for the current reporting period. The report was published within the required 60 business day timeframe and advice of publication was provided to the Department.
15	<p>The approval holder must notify the Department in writing of any: incident; non-compliance with the conditions; or non-compliance with the commitments made in plans. The notification must be given as soon as practicable, and no later than two business days after becoming aware of the incident or non-compliance. The notification must specify:</p> <ul style="list-style-type: none"> a) any condition which is or may be in breach; b) a short description of the incident and/or non-compliance; and c) the location (including co-ordinates), date, and time of the incident and/or non-compliance. In the event the exact information cannot be provided, provide the best information available 	Not applicable	There have not been any incidents or non-compliances with the conditions; or non-compliances with the commitments made in plans during the reporting period.
16	<p>The approval holder must provide to the Department the details of any incident or non-compliance with the conditions or commitments made in plans as soon as practicable and no later than 10 business days after becoming aware of the incident or non-compliance, specifying:</p> <ul style="list-style-type: none"> a) any corrective action or investigation which the approval holder has already taken or intends to take in the immediate future; b) the potential impacts of the incident or non-compliance; and c) the method and timing of any remedial action that will be undertaken by the approval holder. 	Not applicable	There have not been any incidents or non-compliances with the conditions; or non-compliances with the commitments made in plans during the reporting period.

EPBC 2018/8223 Annual Compliance Report 2024/2025 - Surat Gas Project Pipelines Report

Condition	Description	Compliant/non-compliant or not applicable	Comments
17	The approval holder must ensure that independent audits of compliance with the conditions are conducted when requested in writing by the Minister.	Not applicable	Arrow has not received any direction from the Minister to undertake an independent audit.
18	For each independent audit, the approval holder must: <ul style="list-style-type: none"> a) provide the name and qualifications of the independent auditor and the draft audit criteria to the Department; b) only commence the independent audit once the audit criteria have been approved in writing by the Department; and c) submit an audit report to the Department within the timeframe specified in the approved audit criteria. 	Not applicable	Arrow has not received any direction from the Minister to undertake an independent audit.
19	The approval holder must publish the audit report on the website within 10 business days of receiving the Department's approval of the audit report and keep the audit report published on the website until the end date of this approval.	Not applicable	Arrow has not received any direction from the Minister to undertake an independent audit.
20	The approval holder may, at any time, apply to the Minister for a variation to the OAMP required under condition 3 and approved by the Minister, or as subsequently revised in accordance with these conditions, by submitting an application in accordance with the requirements of section 143A of the EPBC Act. If the Minister approves a revised OAMP (ROAMP) then, from the date specified, the approval holder must implement the ROAMP in place of the previous approved OAMP.	Not applicable	Arrow has not applied for a variation to the approved OAMP.
21	Within 30 days after the completion of the action, the approval holder must notify the Department in writing and provide completion data.	Not applicable	The action remains current and has not been completed.

