



Surat Gas Project

July 2020

Bringing Arrow's gas to market

Arrow Energy sanctioned a 2020 start to the Surat Gas Project after its shareholders committed investment to the project's first phase in March 2020.

The first phase will see more than 600 wells progressively drilled for an expansion north and south from Arrow's current operational areas at Daandine and down to Tipton. They will supply gas over 27 years, at a peak rate of around 300TJ/day.

Coal seam water, a by-product of coal seam gas production, will be treated and provided through a new 'beneficial use network' as a substitute for a portion of Condamine Alluvium allocations.

Planning for subsequent phases continues. Arrow will seek shareholder investment for these phases once engineering definition is complete.

Ultimately, up to 2,500 wells are planned across all phases, to bring a peak of 700TJ/day of gas to market from tenure areas north of Wandoan to south of Cecil Plains.

Jobs

Across the life of the project around 1,000 jobs will result, comprising some 800 construction roles and 200 ongoing operational roles.

The project phasing will determine the timing of opportunities. Peak construction, and opportunity, will be from 2021-2025.

The first phase will see around 200 construction roles, which will be generated largely by the contracting companies appointed by Arrow to deliver discrete parcels of work.

Collaboration

The Surat Gas Project will be both quicker and less impactful, thanks to an agreement that allows the use of existing infrastructure.

A 27-year gas sales and infrastructure sharing agreement between Arrow and the Shell-operated QGC joint venture allows the use of existing Shell QGC-operated gas compression, processing and transmission infrastructure, as well as water treatment facilities.

This reduces the need for new infrastructure, which reduces time and land impacts on landholders.

In brief:

- Arrow will drill wells and install gas and water gathering pipelines
- Gas and water will be sent to existing Arrow facilities, as well as Shell-QGC operated facilities like field compression stations and central processing plants
- Arrow will construct new 'inlet processing facilities' at Shell-QGC operated central processing plants to let Arrow gas into the facilities
- Arrow will also use the Shell-QGC operated Kenya Water Treatment Facility (south-west of Chinchilla).

A smaller footprint

Multiple wells will be grouped on single well pads on intensively farmed land, placed on the edge of paddocks, where geology allows, to reduce impact to farming operations.

Wells are temporary. At the end of their life, they're filled with concrete and cut off below-ground. The ground is completely rehabilitated and returned to the landholder.

Where possible, pipelines taking gas from our tenure to Shell QGC's neighbouring facilities (called off-tenure pipelines) are co-located in existing, cleared areas and easements to reduce the need for further land clearing. This accounts for 85 per cent of Arrow's off-tenure pipelines.

Arrow involves landholders in its field development planning, through area wide planning with neighbouring landholders. This allows infrastructure construction and operation that reduces impacts on farms and farming operations.

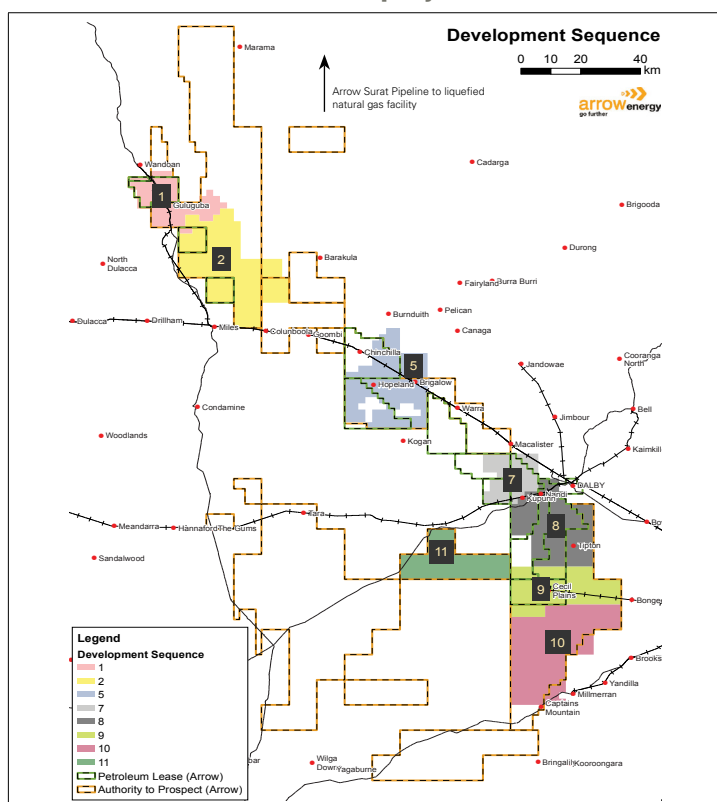
About us

Arrow Energy is a Queensland-based gas company that explores and develops gas fields, produces and sells coal seam gas (CSG) and generates electricity. Arrow has been safely and sustainably developing CSG since 2000 and supplying it commercially since 2004. The company is working to meet demand for cleaner burning fuels through gas supply.

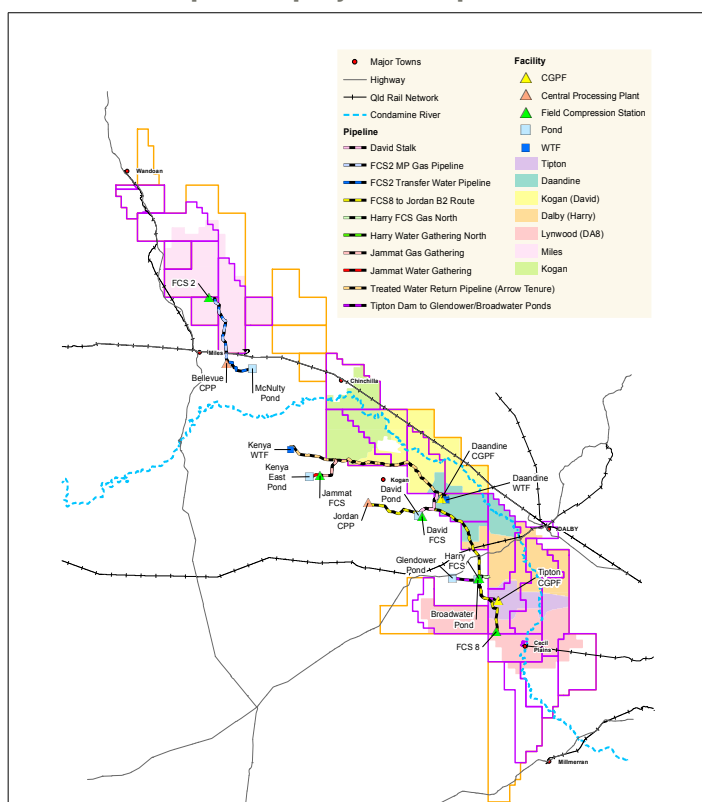
Arrow is owned by Shell and PetroChina (50/50).

Reducing our impacts

Previous project



Updated project – all phases



Peak production of around 380PJ/year of gas (80 per cent of two LNG trains)

Development across most of the basin required from outset

~7,500 vertical wells

A stand-alone project of eight central gas processing facilities and six water treatment facilities

Six construction accommodation villages

Peak production of 240PJ/year of gas

Gradual and phased development across the basin

~2,500 wells (vertical and deviated from a multi-well pad)

Collaboration with Shell-QGC to use existing facilities; construction of two new field compression facilities and four smaller inlet processing facilities

Use of existing accommodation villages where possible, with two potential short-term accommodation villages if required

More information

visit: www.arrowenergy.com.au
 phone: 1800 038 856
 email: info@arrowenergy.com.au
 write: Attn: Community Relations
 Arrow Energy, GPO Box 5262, Brisbane QLD 4001

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