

ARROW ENERGY UPDATE COMMUNITY INFORMATION SESSIONS JULY 2016

Arrow Energy update

Community information session 26 – 28 July 2016

Introduction

In July 2016, Arrow Energy (Arrow) held a series of community information sessions to provide an update on Arrow's operations across the Surat Basin.

Following a formal presentation, attendees were invited to ask questions of Arrow staff members.

These notes reflect the questions asked and answers provided during the information sessions. While the notes include some paraphrasing and summarising, every effort has been made to preserve the integrity of the discussions.

Information sessions were held from 26 to 28 July 2016, and included both 'drop-in' style sessions with no formal presentation or question and answer session; as well as formal presentations and question and answer sessions. Information sessions were held as follows:

Wandoan	26 July 2016	Drop-in information session
Miles	26 July 2016	Drop-in information session
Chinchilla	27 July 2016	Presentation, questions and answers
Dalby	27 July 2016	Presentation, questions and answers
Cecil Plains	28 July 2016	Presentation, questions and answers

A copy of the presentation is available on the Arrow website: www.arrowenergy.com.au

How to read these notes

Questions and comments from the audience are in bold type, with the response from Arrow staff also provided. In some cases responses have been summarised. In others, additional information is included to provide further context or explanation; this information is italicised following the answer.

If you have questions or comments about the project or these meeting notes, please contact the project team during working hours on:

freecall 1800 038 856

email: info@arrowenergy.com.au

Acronyms

OGIA – Office of Groundwater Impact Assessment
UWIR – Underground Water Impact Report
QGC – Queensland Gas Company
BG – British Gas Corporation
CCA – Conduct and Compensation Agreement
LNG – Liquefied Natural Gas
CSG – Coal seam gas
EHP – Department of Environment and Heritage Protection
ATP – Authority to Prospect
SGP – Surat Gas Project
EIS – Environmental Impact Statement
SREIS – Supplementary Report to the Environmental Impact Statement
DNRM – Department of Natural Resources and Mines
IAA – Immediately affected area

Legislation

Regional Planning Interests Act 2014 (Regional Planning Act)
Water Act 2000 (Water Act)
Petroleum and Gas Act 2004 (P&G Act)
Environmental Protection Act 1994 (EP Act)
Coal Seam Gas Water Management Policy 2012

Date:	27 July 2016
Time:	4 – 8pm
Venue:	BMO Business Centre 178 Drayton Street
Presenters:	Katie Whittle, General Manager New Opportunities, Arrow Energy Stephen Denner, Hydrogeology Team Lead, Arrow Energy Carey Bradford, Compliance Manager, Arrow Energy
Facilitator:	Nathan Williams, Articulous

1. The Hopeland farmers see the pipeline in the Bowen near Mackay and witness the renegeing on make good. Arrow are renegeing on make good.

How will you meet your make good agreements in this area when this situation has not been remediated? How can you make a commitment to make good here, when you haven't lived up to that in other areas?

We are committed to make good and have complied with the act to date. We employ a third party to conduct baseline assessments on water bores, and to monitor those bores.

2. Isn't that a conflict of interest if you pay a third party to complete the assessment?

We have a third party complete the assessments. We pay for the assessment, and the contractor must sign off and confirm that the assessment is accurate. This is what is required by the legislation, and what we comply with.

3. So the Government give you regulations on what you can do?

Yes, and that is exactly what we do.

4. On the Kogan North well connection: when is work starting and who is the contractor?

It is starting in August/September and the contractor is Ipipe.

5. You advertised for tenderers for a master agreement – will it go ahead and when?

We don't have the details available but will get back to you with more information.

In the past, Arrow has had separate contracts for specific projects, but is now moving to Master Service Agreements (MSAs) for some categories work, e.g. construction and engineering. Selection processes for these agreements are well under way.

Arrow is committed to supporting local suppliers and uses ICN Gateway to promote supply opportunities and identify local companies.

We encourage all existing and potential suppliers to register their interest on Arrow's ICN Gateway page (www.arrow.icn.org.au) to ensure they receive further updates and information on specific opportunities as they become available.

If you have worked/are working for other resource industry proponents, please ensure that you mention this in your ICN Gateway registration and capability statement.

Any lower-tier suppliers looking to supply to Arrow are encouraged to make contact with Arrow's major contractors.

- 6. You don't have any [project] timeline – where it starts or ends. The gas will be there forever and a day. So you can come back in 50 years' time and want to go again?**

Once gas is extracted from an individual location, it has been removed from the coal seam.

- 7. Coal is decomposing so gas continues to form?**

Your question relates to recharge of gas within the formation?

Yes – so could you come back in 100 years and our children could have to deal with this too?

There is technology that has been under research where the natural bacteria that reside in the coal seam are identified, and the appropriate nutrients supplied to allow the bacteria to convert the coal to methane. This technology is not currently economically feasible and at this stage seems pie in the sky.

- 8. When you do seismic surveys you find the gas and determine if there are deeper horizons to extract gas from?**

In the Dalby and Cecil Plains area, there is no gas at the basement levels. At other places in the Surat Basin (there are deeper horizons of the Bowen Basin) such as some of the fields like Spring Gully and Fairview.

- 9. So in the beginning when they put wells in at a certain depth and they run out of gas, the wells should be decommissioned, not drilled deeper or left on site to use later?**

Wells are decommissioned at the end of the well life.

- 10. But do you come back to assess the coal, or do you commission the well and come back later to drill more?**

At the end of 20 years, we look to decommission. Wells have around a 20 year functional life.

- 11. So they'd be decommissioned and removed? Or you'd have to pay compensation?**

Yes that's correct. We would have to pay compensation until the landholder and the Department of Environment and Heritage Protection (EHP) have agreed that it has been fully rehabilitated.

- 11. Have you made a decision what you are doing east of the Condamine River east of Macallister? You did some testing there.**

We have an Authority to Prospect (ATP). The area is part of our core Surat tenure and is part of the resource we are currently assessing.

- 12. Have you contacted the landholders where you're planning on doing the groundwater monitoring this year?**

Yes, we have.

- 13. So will you access all properties for the ecology surveys?**

No we don't have to go on every private property to do the survey. We are seeking access to approximately 190 properties across Arrow's Surat tenure. For the ones we do need to access, we will contact the landholder in the next 1-2 weeks. I am able to show you if your property is part of the survey.

14. When is the expansion of Tipton going to occur?

We are looking to mature existing assets but I cannot give exact dates and timeframes.