

South Australia

Stony Point (Liquids Project) Ratification Act 1981

An Act to ratify and approve the Stony Point (Liquids Project) Indenture; and for other purposes.

Contents

- 1 Short title
- 2 Interpretation
- 3 Ratification of the Indenture
- 4 Amendment of Cooper Basin Indenture etc
- 5 Modification of State law in order to give effect to the Indenture etc
- 6 Regulations
- 7 Application of this Act to land subject to the Real Property Act
- 8 Consultative Group to report annually

Schedule 1

Schedule 2

Legislative history

The Parliament of South Australia enacts as follows:

1—Short title

This Act may be cited as the *Stony Point (Liquids Project) Ratification Act 1981*.

2—Interpretation

(1) In this Act—

the Indenture means the Stony Point (Liquids Project) Indenture, the terms of which are set out in Schedule 1 to this Act, and includes the Indenture as amended or replaced from time to time;

instrumentality of the Crown includes, without limiting the generality of the expression, the Electricity Trust of South Australia and the Pipelines Authority of South Australia;

the pipeline licence means the pipeline licence, the terms of which are set out partially in Schedule 2 to this Act and partially in Part XII of the Indenture and includes that licence as amended or replaced from time to time;

the relevant instruments means the Indenture, the pipeline licence and the right-of-way agreement;

the right-of-way agreement means the agreement referred to in the Indenture as the PASA and Producers (Right of Way) Agreement and includes that agreement as amended or replaced from time to time.

- (2) Where an expression used in this Act is defined in the Indenture, that expression has, unless the contrary intention appears, the same meaning as in the Indenture.

3—Ratification of the Indenture

- (1) The Indenture and the right-of-way agreement are ratified and approved.
- (2) The pipeline licence is ratified, validated and approved as from the date on which it was granted.
- (3) The Indenture binds the Crown.
- (4) The Government of the State, the Ministers and other instrumentalities of the Crown are authorised, empowered and required to do all things necessary or expedient to carry out and give effect to the relevant instruments.

4—Amendment of Cooper Basin Indenture etc

- (1) The Indenture set out in the Schedule to the *Cooper Basin (Ratification) Act 1975* is amended as contemplated by Part XXX of the Indenture and the amendments are, by force of this Act, ratified.

5—Modification of State law in order to give effect to the Indenture etc

- (1) The law of the State is so far modified as is necessary to give full effect to the relevant instruments and the provisions of any law of the State shall accordingly be construed subject to the modifications that take effect under this subsection.
- (2) Without limiting the generality of subsection (1)—
 - (a) the *Coast Protection Act 1972* shall be construed subject to clause 18 of the Indenture and to the extent of any inconsistency between the provisions of that Act and of the Indenture, the provisions of the Indenture shall prevail;
 - (b) the *Planning and Development Act 1966* shall be construed subject to the provisions of the relevant instruments relating to the development, division, zoning and use of land and, to the extent of any inconsistency between the provisions of that Act and of the relevant instruments, the provisions of the latter shall prevail;
 - (c) the provisions of the laws of the State under which any royalty, rate, tax or impost may be levied or imposed (whether by a party to the Indenture or not) shall be construed subject to clause 29 of the Indenture and to the extent of any inconsistency between the provisions of those laws and of the Indenture, the provisions of the Indenture shall prevail;
 - (d) the provisions of the *Crown Lands Act 1929* and the *Real Property Act 1886* shall be construed subject to the provisions of the Indenture and the right-of-way agreement relating to the granting or resumption of estates or interests in land and to the extent of any inconsistency between the provisions of either of those Acts and of the Indenture or the right-of-way agreement, the latter provisions shall prevail;

- (e) the provisions of the *Petroleum Act 1940* shall be construed subject to the provisions of Part XII of the Indenture and to the extent of any inconsistency between the provisions of that Act and of the Indenture, the provisions of the Indenture shall prevail;
 - (f) the provisions of the *Petroleum Act 1940* shall be so construed as to confer authority on the Minister to grant the pipeline licence subject to the conditions of the licence as appearing in Schedule 2 to this Act and in Part XII of the Indenture;
 - (g) the *Harbors Act 1936* shall be construed subject to Part XV of the Indenture and to the extent of any inconsistency between the provisions of that Act and of the Indenture, the provisions of the Indenture shall prevail;
 - (h) the *Stamp Duties Act 1923* shall be construed subject to Part XVI of the Indenture and to the extent of any inconsistency between the provisions of that Act and of the Indenture, the provisions of the Indenture shall prevail;
 - (i) the *Arbitration Act 1891* shall be construed subject to Part XXII of the Indenture and to the extent of any inconsistency between the provisions of that Act and of the Indenture, the provisions of the Indenture shall prevail;
 - (j) the *Water Resources Act 1976* shall be construed subject to Part X of the Indenture and to the extent of any inconsistency between the provisions of that Act and of the Indenture, the provisions of the Indenture shall prevail;
 - (k) section 34(1)(a) of the *Boilers and Pressure Vessels Act 1968* shall not apply in relation to activities of the Producers contemplated by the Indenture or the pipeline licence;
 - (m) no power of compulsory acquisition of land shall be exercised contrary to the provisions of the Indenture;
 - (n) it shall not be competent for the Pipelines Authority of South Australia to alienate an interest in land contrary to the provisions of clause 56 of the Indenture;
 - (o) no object is to be regarded as a fixture to land contrary to the provisions of the Indenture or the right-of-way agreement.
- (3) Neither the Government of the State, nor any Minister or instrumentality of the Crown, nor any local governing body shall act or omit to act so as to hinder, delay or derogate from the exercise by the Producers of their rights under any of the relevant instruments.

6—Regulations

- (1) The Governor may, with the agreement of the parties to the Indenture, make such regulations as are necessary or expedient for the purposes of giving effect to the Indenture.
- (2) Regulations under subsection (1) may operate to modify any pre-existing law of the State.

7—Application of this Act to land subject to the Real Property Act

This Act applies, notwithstanding the provisions of the *Real Property Act 1886*, to land subject to the provisions of that Act.

8—Consultative Group to report annually

- (1) The Stony Point Environmental Consultative Group established pursuant to clause 81 of the Indenture shall, not later than a date stipulated by the Minister of Environment and Planning, in each year present to that Minister a report on the work of the Consultative Group during the previous financial year.
- (2) The Minister of Environment and Planning shall, as soon as practicable after his receipt of a report presented to him under subsection (1), cause a copy of the report to be laid before each House of Parliament.

Schedule 1

THIS INDENTURE made the 26th day of November 1981 BETWEEN: THE STATE OF SOUTH AUSTRALIA (hereinafter referred to as "the State") of the First Part and SANTOS LIMITED a Company incorporated under the laws of the State of South Australia and having its registered office at 183 Melbourne Street, North Adelaide in that State (hereinafter referred to as "Santos" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Second Part DELHI PETROLEUM PTY. LIMITED a Company incorporated under the laws of the State of South Australia and having its registered office at 33 King William Street, Adelaide in that State (hereinafter referred to as "DPPL" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Third Part SOUTH AUSTRALIAN OIL & GAS CORPORATION PTY. LTD. a Company incorporated under the laws of the State of South Australia and having its registered office at 226 Melbourne Street, North Adelaide in that State (hereinafter referred to as "SAOG" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Fourth Part BASIN OIL NO LIABILITY a Company incorporated under the laws of the State of New South Wales and having its registered office at C/- Priestly and Morris, 37 Pitt Street, Sydney in that State (hereinafter referred to as "Basin" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Fifth Part BRIDGE OIL LIMITED a Company incorporated under the laws of the State of New South Wales and having its registered office at 60 Margaret Street, Sydney in that State (hereinafter referred to as "Bridge" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Sixth Part BRIDGE OIL DEVELOPMENTS PTY. LIMITED a Company incorporated under the laws of the State of New South Wales and having its registered office at 60 Margaret Street, Sydney in that State (hereinafter referred to as "BOD" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Seventh Part TOTAL EXPLORATION AUSTRALIA PTY. LIMITED a Company incorporated under the laws of the State of New South Wales and having its registered office at 168 Walker Street, North Sydney in that State (hereinafter referred to as "TEA" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Eighth Part REEF OIL NO LIABILITY a Company incorporated under the laws of the State of New South Wales and having its registered office at C/- Priestly and Morris, 37 Pitt Street, Sydney in that State (hereinafter referred to as "Reef" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Ninth Part VAMGAS LIMITED a Company incorporated under the laws of the State of New South Wales and having its registered office at Suite 801, London Assurance House, 20 Bridge Street, Sydney in that State (hereinafter referred to as "Vamgas" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Tenth Part ALLIANCE PETROLEUM AUSTRALIA NO LIABILITY a Company incorporated under the laws of the State of Victoria and having its registered office at 30 Collins Street, Melbourne, in that State (hereinafter referred to as "Alliance" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Eleventh Part CRUSADER RESOURCES N.L. a Company incorporated under the laws of the State of Victoria and having its registered office at 44 Market Street, Melbourne in that State (hereinafter referred to as "Crusader" which expression when hereinafter used shall include its successors and permitted assigns wherever the context shall so require or admit) of the Twelfth Part and THE MINISTER OF MINES AND ENERGY being the corporation sole referred to in section 11 of the Mining Act, 1971-1981 of the State of South Australia (hereinafter referred to as the "Minister") of the Thirteenth Part WHEREAS:

PART I

PURPOSE OF AGREEMENT

- A. The parties of the Second to the Twelfth Part of this Indenture both inclusive, that is to say Santos, DPPL, SAOG, Basin, Bridge, BOD, TEA, Reef, Vamgas, Alliance and Crusader (and when hereinafter used the expression "the Producers" shall mean the parties of the Second to the Twelfth Part of this Indenture both inclusive or such of them as shall be parties to this Indenture from time to time and in addition shall include the successors and permitted assigns of each of the parties of the Second to the Twelfth Part of this Indenture both inclusive, wherever the context shall so require or admit), have access to reserves of petroleum (hereinafter defined) in the State (hereinafter defined) and elsewhere and from the production thereof propose to extract and treat, by means of various processes involving the use of certain plant and equipment, Product (hereinafter defined);
- B. The Producers have by an instrument of even date with this Indenture been granted Pipeline Licence No. 2 (hereinafter defined) enabling them to construct, install and operate a pipeline (hereinafter defined) subject to certain Conditions contained in Pipeline Licence No. 2;
- C. The said pipeline is required by the Producers to be constructed, installed and operated for the conveyance of Product from the vicinity of Moomba in the State to the vicinity of Stony Point in the State;
- D. It is a Condition of Pipeline Licence No. 2 that the pipeline shall be constructed and installed within the boundaries of certain lands, the right, title and interest in which have been or will be acquired by PASA (hereinafter defined);
- E. It is a further Condition of Pipeline Licence No. 2 that before causing construction and installation of the pipeline to commence the parties therein described as Licensees, being the same parties as those described in this Indenture as the Producers, shall have identified to them by PASA the position where the pipeline shall be installed so as not to cause damage to or interference with the operation of the existing natural gas pipeline owned by PASA; and further that the Licensees shall comply with any relevant direction or instruction given by PASA in this regard and further that the pipeline route, as nearly as possible, shall be parallel to the existing natural gas pipeline owned by PASA, from Moomba to a point in the near vicinity of Compressor Station No. 4 on the said natural gas pipeline, thence south-westerly and southerly, to a delivery point at a fractionation and storage facility to be constructed in the vicinity of Stony Point; but that without limiting the generality of the foregoing the pipeline shall unless otherwise approved in writing by PASA be installed in such a position as not to be closer at any point than twenty metres to the western boundary of any land in relation to which PASA shall have a right, title or interest for any purpose in connection with the existing natural gas pipeline owned by PASA. An approximate indication only of the pipeline route is shown on the plan annexed hereto as Schedule 1;
- F. Subject as hereinbefore provided the parties to this Indenture intend that PASA will grant to the Producers in relation to a certain part of the pipeline land (hereinafter defined) the rights and interests hereinafter described for the purpose of enabling the Producers to conduct activities contemplated under this Indenture;

- G. The parties to this Indenture further propose that certain other grants be made to the Producers in order to facilitate the extraction and treatment of Product by the Producers;
- H. The Producers propose to make substantial capital expenditures to construct and install fractionation plant and Marine Facilities (hereinafter defined) and to construct and install certain other plant and equipment associated therewith in the vicinity of Stony Point;
- I. PASA and the Producers have prepared separately Environmental Impact Statements in relation to the proposed use of certain lands within the State for purposes related to this Indenture.

Both such Environmental Impact Statements have been approved by all necessary Commonwealth (hereinafter defined) and State Government authorities and departments;

- J. The parties hereto now desire to enter into this Indenture in order to define their respective rights, duties and obligations with regard to the abovementioned matters;
- K. The State being of the opinion that the project contemplated by this Indenture will maximise the development of an important resource, generate short and long term economic and other benefits to the State generally and particularly the Northern and Central areas of the State and encourage exploration for petroleum;
- L. The State being desirous that encouragement and support be given to enable the establishment of a petrochemical complex and the provision of greater security of petroleum supply in the State (with a view to reducing the risk of disruption of petroleum supply to the South Australian Community and industry) utilising petroleum produced from the Cooper Basin areas as a feedstock;

and

- M. The parties hereto further desire to amend The Schedule to the Cooper Basin (Ratification) Act 1975 (hereinafter referred to as the "Cooper Basin Indenture") as provided for in Part XXX and Schedule 5 of this Indenture in order to attain the objects of this Indenture;

NOW THIS INDENTURE WITNESSETH and it is hereby covenanted and agreed by and between the parties hereto as follows:—

PART II

PRELIMINARY

1. This Indenture as the same may be varied or replaced from time to time shall be known as "The Stony Point (Liquids Project) Indenture", and is referred to herein as "this Indenture".
2. In this Indenture and in the Schedules hereto except where terms and expressions are expressly defined hereunder the Acts Interpretation Act, 1915-1975 of the State shall apply to the construction and interpretation of this Indenture as if this Indenture were an Act and in this Indenture unless in the context by express words or necessary implication a contrary intention appears:

- (1) "the Commencement Date" means the date upon which the Stony Point (Liquids Project) Ratification Bill, 1981 (hereinafter defined) comes into operation as an Act (and when hereinafter appearing the expression "the Ratifying Act" means the Stony Point (Liquids Project) Ratification Bill, 1981 when it comes into operation as an Act);
- (2) "Commonwealth" means Commonwealth of Australia;
- (3) "condensate" means a mixture of hydrocarbons existing in natural underground gas reservoirs that is recoverable and which is in a liquid state at standard temperature and pressure after passing through surface separation facilities and which is produced From a gas well but does not include hydrocarbons in the liquid state derived from gas associated with crude oil production;
- (4) "the Contiguous Land" shall have the same meaning as that ascribed to that expression in clause 10 of this Indenture;
- (5) "crude oil" means a mixture of hydrocarbons existing in natural underground oil reservoirs which remains in a liquid state at standard temperature and pressure after recovery and which is produced from an oil well and includes hydrocarbons in the liquid state derived from gas associated with crude oil production;
- (6) "the currency of this Indenture" means the period during which this Indenture remains in full force and effect in accordance with clause 94 of this Indenture;
- (7) "day", "month" and "year" means calendar day, calendar month and calendar year respectively;
- (8) "ethane" means a saturated hydrocarbon substance with molecules containing two atoms of carbon occurring naturally but may include a mixture of ethane with impurities where ethane is predominant in the mixture;
- (9) "ETSA" means The Electricity Trust of South Australia, a body corporate pursuant to the provisions of the Electricity Trust of South Australia Act, 1946-1980 and any successor which assumes the same, or substantially the same, functions as are performed by ETSA at the date hereof;
- (10) "the Jetty" means the jetty which shall commence at a point on the Services Corridor (hereinafter defined) proceeding in approximately a southerly direction into the waters of Spencer Gulf at Stony Point for a distance of approximately two thousand four hundred metres;
- (11) "liquefied petroleum gas" means a mixture of hydrocarbons with molecules containing predominantly three or four atoms of carbon occurring naturally;
- (12) "Marine Facilities" means all submarine loading lines and pipelines, harbour and port facilities, the Jetty, landing-place and shipping berths and all related and ancillary facilities more particularly referred to in Part XV of this Indenture;
- (13) "the Minister of Marine" means the Minister of the Crown to whom for the time being is committed the administration of Part III of the Harbors Act, 1936-1981.

-
- (14) "natural gas" or "gas" means and includes any naturally occurring hydrocarbons in a gaseous state and any naturally occurring mixture of one or more hydrocarbons in a gaseous state and one or more of the trace gases hydrogen sulphide, nitrogen and helium and carbon dioxide and in addition means and includes the residue gas resulting from the treating or processing of natural gas;
- (15) "PASA" means Pipelines Authority of South Australia, a body corporate pursuant to the provisions of the Pipelines Authority Act, 1967-1981 and any successor which assumes the same, or substantially the same, functions as are performed by PASA at the date hereof;
- (16) "the PASA and Producers (Right of Way) Agreement" means the agreement of even date with this Indenture made between PASA and the Producers relating (amongst other things) to the subject matter of recitals E and F of this Indenture as the same may be varied or replaced from time to time;
- (17) "person" in addition to a natural person includes a body corporate and any agency, authority or instrumentality of the Crown;
- (18) "petroleum" means any naturally occurring hydrocarbon or mixture of hydrocarbons in gaseous, liquid or solid state (unless otherwise stated) whether occurring with or in combination with other substances or not but does not include coal or oil shale or any substance derived from coal or oil shale by subjecting it to an industrial process;
- (19) "pipeline" means the pipeline which is the subject of Pipeline Licence No. 2;
- (20) "the pipeline land" means the land more particularly described in the PASA and Producers (Right of Way) Agreement and for the purpose of identification only delineated by the line marked "Liquids Pipeline" on the plan annexed hereto as Schedule 1;
- (21) "Pipeline Licence No. 2" means the pipeline licence of even date with this Indenture granted by the Minister in favour of the Producers pursuant to the provisions of Part IIB of the Petroleum Act, 1940-1981 of the State, as the same may be varied or replaced from time to time, in the form now produced to and signed in the margin thereof by the signatories to this Indenture for the purposes of identification;
- (22) "Product" means crude oil, condensate, ethane and liquefied petroleum gas or any one or more thereof;
- (23) "the Proposed Development Site" means the lands delineated and designated as such on the plan annexed hereto as Schedule 2 and identified in writing by the words "Proposed Development Site" thereon but does not include the Marine Facilities or the Contiguous Land;
- (24) "the Road Reserve" means the road reserve referred to more particularly in Part XI hereof;
- (25) "the Services Corridor" means lands more particularly referred to in Part VIII of this Indenture;
- (26) "the State" means the State of South Australia;

and

- (27) "The Stony Point (Liquids Project) Ratification Bill, 1981" or the "Bill" means the Bill for an Act intituled "the Stony Point (Liquids Project) Ratification Bill, 1981", being a Bill for an Act having those purposes and effects more particularly described in clause 4 of this Indenture a true copy of which is produced to the signatories to this Indenture and signed in the margin thereof by the signatories hereto for the purposes of identification.
3. In this Indenture and in the Schedules hereto where the case so admits or requires:
- (1) Capital letters when used shall be deemed to include the lower case and vice versa;
 - (2) Headings (save and except for Part and clause and sub-clause numbers) shall form no part of nor shall they be used in an interpretation of this Indenture;
 - (3) Reference to any Act, regulation or by-law shall be deemed to include all amendments thereto and to all statutory or other provisions from time to time substituted therefor and reference to any particular section of any Act or paragraph of any regulation or by-law shall be deemed to include all amendments thereto and all statutory or other provisions from time to time substituted therefor;
 - (4) Reference to any Minister of the Crown includes the person for the time being holding the office or performing the duties of such Minister;
 - (5) The clauses of this Indenture shall have effect in addition to and not in substitution for or in derogation of any rights conferred upon the Producers or any of them in any licence issued pursuant to the provisions of the Petroleum Act, 1940-1981 of the State, or of any other agreement referred to in this Indenture;
 - (6) Sums of money are expressed in Australian currency;
- and
- (7) Where reference is made to the Consumer Price Index or C.P.I. such reference shall be to the Weighted Average Six States Capital Cities Consumer Price Index (All Groups) as published by the Australian Bureau of Statistics (Base: 1966/67 = 100).

If the said Bureau ceases at any time to publish the said Consumer Price Index, the State and the Producers shall confer and agree upon the adoption of another suitable index or standard.

PART III

RATIFICATION

4. As soon as practicable after the due execution of this Indenture the Government of the State will sponsor and introduce into the Parliament of the State a Bill for an Act to be intituled "the Stony Point (Liquids Project) Ratification Bill, 1981," and endeavour to secure its passage and have it come into operation as an Act prior to 31st December, 1981 for the purposes (amongst other things) of:
- (1) Approving and ratifying this Indenture and to provide for the carrying of this Indenture into effect;

- (2) Authorising, empowering and requiring the State, the Minister, the Minister of Marine and PASA to do all things necessary or expedient for the carrying out and giving of full effect to this Indenture, Pipeline Licence No. 2 and the PASA and Producers (Right of Way) Agreement;

and

- (3) Amending certain Acts of Parliament of the State. The Bill shall be in the form now produced to and signed in the margin thereof by the signatories to this Indenture for the purposes of identification.
5. Clauses 1, 2, 3, 4, 5, 6, 7, 8 and 21, of this Indenture shall come into operation and take effect upon the due execution of this Indenture by the parties hereto.
6. The remainder of the clauses of this Indenture shall operate and take effect upon the Stony Point (Liquids Project) Ratification Bill, 1981, commencing to operate as an Act.
7. If the Stony Point (Liquids Project) Ratification Bill, 1981, does not come into operation as an Act on or before the 31st day of December 1981, or such later date as the parties to this Indenture may agree in writing, in the same terms as those now contained in the Stony Point (Liquids Project) Ratification Bill, 1981, or in such other terms as the parties hereto otherwise may agree in writing, this Indenture shall lapse on and with effect from that date and further the PASA and Producers (Right of Way) Agreement and Pipeline Licence No. 2 shall lapse on and with effect from that date and in that event none of the parties hereto shall have any claim at law or in equity against any other of them with respect to any act, matter or thing arising out of, done, performed or omitted to be done or performed under this indenture, the PASA and Producers (Right of Way) Agreement or Pipeline Licence No. 2.
8. At any time before the 31st day of December, 1981, at the request and with the concurrence of all the Producers, the State shall agree to the withdrawal of a Producer from its rights and obligations under this Indenture in circumstances where the Producers inform the Minister that they are not satisfied that satisfactory arrangements have been made for the financing of the obligations of the relevant Producer in connection with the activities contemplated by this Indenture and further providing that the other Producers have agreed with the State to assume all of the obligations under this Indenture of the Producer the subject of such request and in that event the rights and obligations of that Producer under this Indenture and Pipeline Licence No. 2 and the PASA and Producers (Right of Way) Agreement shall thereupon cease and shall *ipso facto* be assumed by and become the rights and obligations of the other Producers but in all other respects the rights and obligations of the other Producers under this Indenture and Pipeline Licence No. 2 and the PASA and Producers (Right of Way) Agreement shall be unaffected by such a withdrawal of a producer.

PART IV

THE LAND

9. The State shall grant or procure the grant to the Producers or such person as the Producers otherwise may nominate in writing to the State at the cost provided in clause 16 of this Indenture an estate in fee simple in the Proposed Development Site, as soon as practicable after the Producers shall request the State to do so.

10. On or before the 31st day of March 1983, the State shall reserve an area of land not less than Forty hectares in area, contiguous with the Proposed Development Site, suitable for purposes related to the use of Product (hereinafter referred to as the Contiguous Land). In the event that the Producers can demonstrate to the reasonable satisfaction of the State that the Contiguous Land (or part thereof) is required for purposes related to the use of Product, including but not limited to the operation of any plant or equipment for the further processing of Product by or for the benefit of the Producers, the State shall grant an estate in fee simple in the Contiguous Land or part thereof (to the extent demonstrated by the Producers in accordance with this clause) to the Producers or such person as the Producers may nominate to the State in writing.

Notwithstanding the foregoing in the event that a person not a party to this Indenture demonstrates to the satisfaction of the Minister that he can use the whole or a part of the Contiguous Land for purposes related to the use or processing of Product the State may, with the concurrence of the Producers (which concurrence shall not unreasonably be withheld), grant such land as an estate in fee simple to such person.

11. For the purposes of clause 10 of this Indenture the locating of the Services Corridor, road or an environmentally sensitive area (being any area of land in the vicinity of Stony Point in relation to the use of which restrictions have been imposed as a consequence of the approval by an authority or department of the Government of either the Commonwealth or the State of an Environmental Impact Statement prepared on behalf of PASA or the Producers in relation to the subject matter of this Indenture) between the Proposed Development Site and an area proposed to be reserved as the Contiguous Land shall not prevent such proposed area being reserved as the Contiguous Land.
12. After a period of ten years has elapsed from the date of this Indenture the State may sell or otherwise dispose of any interest in any part of the Contiguous Land not granted under clause 10 hereof without the consent of the Producers.
13. Any estate in fee simple granted by or at the direction of the State pursuant to clause 9 of this Indenture or any estate in the Contiguous Land granted by or at the direction of the State shall be freed and discharged of all interests, trusts, dedications, reservations (save and except reservations of both minerals and petroleum) mortgages, charges and encumbrances of any kind whatsoever unless the person to whom any such grant shall be made by or at the direction of the State otherwise shall agree in writing.
14. Any and all buildings, structures, improvements and plant, equipment or other property of whatsoever nature or kind now or hereafter situate upon or under or forming part of or attached to or annexed to any land comprising the Proposed Development Site or the land the subject of a grant of an estate in fee simple to the Producers or any of them pursuant to clause 10 of this Indenture shall, unless otherwise requested by the Producers, notwithstanding any provision of any Act or regulation or of any rule of law or equity to the contrary effect, be and shall be deemed conclusively to be chattels and shall be owned by and may be transferred, mortgaged, charged or assigned by, or held on trust for, the Producers or such of them as are entitled thereto.

15. Except with the agreement of the Producers for the more effective working of the site, the State will not compulsorily acquire nor resume possession of any land or right, title or interest therein granted to the Producers or any of them or such person as the Producers may nominate to the State in writing pursuant to this Indenture for so long as such land is being used for or in connection with processing of petroleum.
16. The sale price of the Proposed Development Site to the Producers shall be an amount of money equivalent to the reasonable costs incurred by the State in the vicinity of Stony Point in making the Proposed Development Site available and suitable for purposes contemplated by this Indenture which amount shall not exceed \$480 000 and shall be paid by the Producers to the State at a time to be agreed between the State and the Producers.
17. The Contiguous Land or part thereof granted to the Producers or any of them or a person nominated in writing to the State by the Producers shall be granted free of charge to the Producers providing that the Producers bear the cost of surveying, fencing and other costs associated with the transfer of the Contiguous Land and the cost of removal of unexploded military ordnance from the Contiguous Land.
18. To the extent that the provisions of the Coast Protection Act, 1972-1978 shall apply to the Proposed Development Site or to the Contiguous Land any consent or approval required to be given pursuant thereto shall be deemed properly and sufficiently to have been given if given by the Minister, in writing.

PART V

SHACKS

19. The State agrees that as soon as practicable after the Commencement Date it will cause all necessary action to be taken after consultation with the Producers to gain or resume possession of the Proposed Development Site. Without limiting the generality of the foregoing the State will resume possession of land within the boundaries of the Proposed Development Site which at the Commencement Date shall be the subject of any Crown Lease for Holiday Accommodation Purposes, granted pursuant to the Crown Lands Act, 1929-1978.
20. The Producers agree that as soon as practicable after transfer of title to the Producers or their nominee of the Proposed Development Site they will cause to be removed at their cost any improvements (including any debris remaining after the partial removal of improvements) remaining on the Proposed Development Site.
21. Providing that the State has gained or resumed possession of the Proposed Development Site the State shall at the request of the Producers give possession of the Proposed Development Site or to such part thereof in respect of which it has gained or resumed possession prior to the Commencement Date to the Producers or their nominee for any purpose related to this Indenture but not including the removal of any improvements erected on the Proposed Development Site. In that event the granting of possession shall be on such terms and conditions as may be imposed by the State.

22. The Producers agree that they will repay to the State such reasonable sums of money which the State from time to time shall pay after consultation with the producers to any former lessee of the Crown as a consequence of the gaining or resumption of possession of any land within the boundaries of the Proposed Development Site the subject of a Crown Lease for Holiday Accommodation Purposes and will pay to the State such reasonable sums of money which the State shall have paid to any such former lessee by way of compensation in respect of the premature termination of any such Crown Lease for Holiday Accommodation Purposes.

The sums of money in this clause shall include but not be limited to legal costs and expenses incurred by the State in connection with legal proceedings arising out of the gaining or resumption of possession of any such land.

23. During the currency of this Indenture the parties to this Indenture shall comply with any decision of the Commonwealth or State Governments arising out of assessment of the Environmental Impact Statements referred to in recital I hereof so far as a requirement shall be expressed therein to remove any improvements constructed on any land whether or not herein referred to.
24. Without limiting the generality of the foregoing, during the currency of this Indenture, if circumstances change to affect the safe operation of any plant or equipment located on the Proposed Development Site or the Marine Facilities or any other land granted to the Producers or any of them being used or to be used for activities contemplated pursuant to the provisions of this Indenture and the removal of any shacks constructed in the vicinity of the Proposed Development Site becomes necessary, the State, by notice in writing served on the Producers and after consultation with the Producers, may require them to remove or pay the reasonable costs of removal of all or any improvements in the vicinity of the Proposed Development Site within a reasonable period of time to be stated in the said notice and in that event the Producers shall remove or pay the costs of removal of all improvements to which reference shall be made in the said notice and, in addition, the Producers will pay to the State such reasonable sums of money which the State shall have paid to any former lessee by way of compensation in respect of the premature termination of any Crown Lease for Holiday Accommodation Purposes relating to the subject matter of this clause.
25. In the event that during a period of fifteen years from the date of this Indenture the State grants an interest in land at Stony Point in the vicinity of the Proposed Development Site to a person other than the producers the State shall pay to the Producers such amount as is agreed between the Minister and the Producers, or in default of agreement as determined by arbitration in accordance with Part XXII of this Indenture, which shall be an apportionment of the costs incurred pursuant to clauses 23, 24 and 34.
26. The parties hereto agree that they will take all steps reasonably necessary promptly and effectually to implement the provisions of Part V of this Indenture.

PART VI

USE OF LAND

27. The provisions of Parts IV, V and VI of the Planning and Development Act, 1966-1981, shall not apply to the Proposed Development Site, the Contiguous Land and the Services Corridor.

28. Any land to be used for the purposes of this Indenture at Stony Point may be used for the purpose of the construction and operation of any or all of the fractionation plant, refinery, storage facilities, Marine Facilities and such other facilities as may be used for activities contemplated pursuant to the provisions of this Indenture and so as to permit the construction and operation of any plant or equipment for the further processing of Product whether or not by the Producers or any of them, notwithstanding the provisions of the Planning and Development Act, 1966-1981 or any other Act.

PART VII

RATES, TAXES, IMPOSTS AND OTHER CHARGES

- 29.
- (1) The State shall ensure that notwithstanding the provisions of any legislation or regulation to the contrary effect or anything done or purported to be done under any such legislation or regulation the Producers or any of them or their nominee under this Indenture shall not be subject to any rate, tax or impost which discriminates adversely between the Producers and other industrial or commercial enterprises in the State. A tax whether of general application or limited application shall be deemed to discriminate adversely against the Producers if it impinges unfairly on the Producers.
 - (2) Without limiting the generality of sub-clause (1) of this clause until the 31st day of December, 1992, a royalty, tax or impost which in law or in fact only applies to the Producers shall be deemed to discriminate adversely against the Producers provided that a royalty or pipeline licence fee referred to in this Indenture shall not be deemed to discriminate adversely merely because the Producers are the only persons in the State paying such a royalty or pipeline licence fee.
30. Nothing in this Indenture contained shall relieve the Producers from liability to pay to the State or any instrumentality of the Crown by measure for the volumes of water or electric power supplied to the Producers, at the appropriate tariff charge as published from time to time by the Engineering and Water Supply Department of the State and ETSA, together with an additional charge based upon the reasonable costs incurred by the State or instrumentality of the Crown after consultation with the Producers whether for capital or recurrent operating costs or otherwise incurred in relation to the delivery to the Producers of water or electric power in accordance with the succeeding clauses of this Indenture.

PART VIII

THE SERVICES CORRIDOR

31. As soon as practicable after the date of this Indenture the Minister, by notice in writing to the Producers and after consultation with the Producers, will identify precisely a part of the lands in the vicinity of Stony Point, not being the Proposed Development Site, as the Services Corridor.

The approximate position and boundaries of the Services Corridor shall be as delineated and designated on the plan annexed hereto as Schedule 3 and indicated by the words "Services Corridor" thereon. The land so identified by the Minister is referred to herein as the "Services Corridor" and shall be owned by the State.

32. The State after due consultation between the Minister or his nominee and the Producers shall grant free of charge to the Producers, their servants, agents, employees and contractors full right, liberty and authority:—
- (1) To install, repair, examine and remove loading, transfer and return pipelines (and such other structures as the Minister may approve) on over or under any part of the Services Corridor adjacent to the Proposed Development Site and foreshore and for this purpose to enter upon, break the surface of and restore the surface of the Services Corridor or foreshore; and
 - (2) To have access to and over the Services Corridor and foreshore in order to conduct activities contemplated under this Indenture and to authorise other persons to have access to the foreshore for purposes related to those activities.
33. As soon as practicable and in any event not later than ninety days after the date of this Indenture the Producers shall use their best endeavours to engage a contractor on their behalf for the purpose of removing unexploded military ordnance from the Services Corridor. The contractor so engaged shall possess sufficient knowledge, experience, skill, plant and equipment to remove unexploded military ordnance from the Services Corridor in a proper and workmanlike manner and shall be approved by the Minister.
34. The cost of removal of unexploded military ordnance from the Services Corridor shall be borne by the Producers.

The Producers shall comply at their cost with the requirements of the Department of Environment and Planning of the State in relation to rehabilitation of the Services Corridor after removal of unexploded military ordnance.

35. The Producers indemnify and save harmless from all loss, actions, claims, suits, demands, compensation or the like which the State or the Minister or any of its or their servants, agents, instrumentalities or employees may incur during the currency of this Indenture as a result of loss of, injury or damage to any person or any property owned by any person arising out of or incidental to the detonation, ignition or explosion of any gas or other substance emanating from any such unexploded military ordnance in or on the Services Corridor providing that any such person suffering loss of, or injury or damage either to that person or his property shall, at the time the loss, injury or damage was sustained was engaged on business or activity or a course of conduct related to the operations of the Producers pursuant to this Indenture.

The State will consult with the Producers before acknowledging liability in respect of any claim for compensation or the like made against the State in this regard.

PART IX

ELECTRIC POWER

36. The State will procure ETSA to supply electric power to the producers or their nominee during the currency of this Indenture in accordance with their requirements under ETSA's Conditions of Supply. ETSA will not be required to supply electric power in excess of 80 kilowatts before the first day of January 1983 or to supply electric power between the first day of January 1983 and the thirty first day of December 1983 in excess of 3 megawatts or on and after the first day of January 1984 in excess of 10 megawatts.

PART X

WATER

37. The State shall supply water to the proposed Development Site from the Morgan to Whyalla Pipeline at an approximate rate of flow of 13 litres per second under conditions to be agreed between the Producers and the Engineering and Water Supply Department of the State.
38. Notwithstanding anything in this Indenture appearing, the State shall use its best endeavours to ensure that the supply of water to the Proposed Development Site shall commence within 4 months of notification in writing to the State by the Producers of completion of the work of the contractor pursuant to clause 33 of this Indenture.
39. For the purpose of the supply of mains water the State will cause a water pipeline to be laid as soon as practicable from the existing Morgan to Whyalla water pipeline to a point on the Proposed Development Site to be fixed between the State and the Producers. The costs of and incidental to laying the water pipeline shall be subject to the provisions of Schedule 4 to this Indenture.
40. The Producers agree that they will accept all volumes of mains water supplied pursuant to this Indenture in the physical, chemical and biological condition in which they arrive at the Proposed Development Site.
41. The Producers may at their expense but without payment of any rental, royalty or other charge draw water from the sea and use such water for fire fighting and such other activities contemplated pursuant to the provisions of this Indenture which other activities shall be subject to the approval of the Minister.
42. The Producers after consultation and agreement with the State (which agreement shall not unreasonably be withheld) at their expense may draw water from underground aquifers in the vicinity of Stony Point for use for activities contemplated pursuant to the provisions of this Indenture and the State shall grant and continue in force without payment of any discriminatory rental, royalty or other charge such licenses as may be necessary to ensure the continued rights of the Producers or their nominee to draw water from the underground aquifers.
43. The Producers shall pay water rates as provided for by agreement between the Producers and the State. In setting such rates, account will be taken of normal water rates charged to users in the State and of the additional costs incurred by the State in supplying water to the Producers.
44. Should a party or parties (including the State or any instrumentality of the Crown) other than the Producers draw substantial amounts of mains water from or through the water pipeline or water works referred to in clause 39 of this Indenture that other party or those other parties shall pay additional water rates which take account of the additional costs incurred by the State and referred to in Clause 43, having regard to the proportions in which the water supplies are used by the Producers and that other party or those other parties.

PART XI

THE ROAD

45. As soon as practicable after the date of this Indenture the Minister by notice in writing to the Producers shall indicate the land within the Services Corridor between the Lincoln Highway end thereof and the landward end of the proposed Jetty at the other end with an additional part thereof of the road extending to and meeting the existing Lowly Point Road which shall be the Road Reserve for the purposes of this Indenture.
46. As soon as practicable the State will cause such action as may be necessary to be taken to have the Road Reserve dedicated as a public road.

The State shall cause construction of roads within the Road Reserve to commence and be completed as soon as practicable under conditions to be agreed between the Producers and the State.
47. The roads within the Road Reserve shall be heavy-duty bituminous sealed roads.
48. All road works shall be carried out in such manner and at such times as to minimise restrictions on vehicular or personnel access to the Proposed Development Site as far as reasonably practicable.
49. During the currency of this Indenture the State will cause the roads within the Road Reserve to be kept and maintained in a fit and proper state of repair. The Producers shall pay a tariff as provided for by agreement between the Producers and the State.
50. Should a party or parties (including the State or any instrumentality of the Crown) other than the Producers or a party engaged on the business of the Producers become a substantial user of the roads within the Road Reserve that other party or those other parties shall contribute to the State a portion of the aforesaid tariff on a basis to be agreed between the Producers and the State, having regard to the proportions in which the aforesaid roads are used by the Producers and that other party or those other parties.
51. The cost of constructing the roads within the Road Reserve shall be subject to the provisions of Schedule 4 of this Indenture.

If, in carrying out activities under this Indenture, the Producers make excavations within the Road Reserve, they shall comply with conditions imposed by the Highways Department and shall restore the Road Reserve at their cost.

PART XII

PIPELINE

52. The Producers have been granted Pipeline Licence No. 2, to construct, install, own and operate a pipeline for the conveyance of Product from Moomba to Stony Point for an initial term of twenty-one years, which licence shall be renewed for further periods of twenty-one years at the request of the Producers or for such lesser periods as they may nominate.

The said licence may be terminated or cancelled only in the circumstances and in the manner specified in Pipeline Licence No. 2 (including, but not limited to the manner referred to in Condition 22 of that licence) or in such other circumstances as may be agreed between the Producers and the Minister. The Conditions of the licence may be varied only with the consent of the Producers. Ownership of the pipeline shall remain with the Producers subject to the Conditions of Pipeline Licence No. 2. Subject to compliance with the terms of this Indenture and compliance with the Conditions of Pipeline Licence No. 2 the rights conferred upon the Producers by this clause shall continue during the currency of this Indenture.

53. To the extent that it is necessary to do so the State and the Minister concur in the execution by PASA and in the contents thereof of the PASA and Producers (Right of Way) Agreement.
54. The Producers shall enter into an agreement relating to the maintenance of the pipeline by PASA on terms to be agreed between the Producers and PASA.
55.
 - (1) A communications system shall be constructed which shall provide for telemetry of such status information and pressure, flow and other operating data as the Minister shall require, and remote control of valves for routine and emergency operation, and voice communication to locations along and in the near vicinity of the pipeline and mobile vehicles employed for purposes relating to the operation or maintenance of the pipeline.
 - (2) The Producers shall enter into an agreement with PASA on terms to be mutually agreed between the Producers and PASA as to the ownership and use of the aforesaid communications system.
 - (3) It is agreed that the owner of the aforesaid communications system shall be the person who shall cause the communications system to be constructed and who shall bear the cost thereof.
56. The State agrees that it will take such action as may be necessary in order to ensure that during the currency of Pipeline Licence No. 2. the right, title and interest in the pipeline land to be acquired by PASA for the purposes of the PASA and Producers (Right of Way) Agreement will be maintained, preserved and protected against any adverse interest or claim and whether or not by the Crown in right of the State and the State undertakes that the pipeline land will be available during the currency of Pipeline Licence No. 2. for utilization by the Producers for the purposes of the pipeline on terms similar to those set forth in the PASA and Producers (Right of Way) Agreement.
57. The Producers will not do or perform, nor omit to be done or performed, nor will they knowingly cause or suffer to be done, performed or omitted to be done any act, matter or thing which shall result in a material breach of a Condition of Pipeline Licence No. 2.
58. In the event that during the currency of this Indenture the Minister exercises the powers conferred on him by Section 80 l of the Petroleum Act, 1940-1981, the Minister agrees that in determining the terms between a licensee who holds a petroleum production licence under that Act and the Producers relating to the conveying of petroleum the said terms shall, if the Producers so request, provide:
 - (1) That the Producers and each of them shall have priority of use of the pipeline;

- (2) That the use of the pipeline by any such licensee will be compatible with the use of the pipeline by the Producers;
- (3) That the use of the pipeline by any such licensee will not result in any deleterious effect to the Producers' petroleum or to the pipeline; and
- (4) That use of the pipeline by any such licensee shall only be permitted after satisfactory arrangements have been made in relation to measurement and so as to ensure satisfactory identification of ownership of petroleum.

Any fee to be charged by the Producers to the holder of the petroleum production licence for conveying the petroleum if included in terms determined by the Minister shall for each period not be lower than:

- (i) a sum of money equivalent to the actual cost incurred by the Producers in operating the pipeline for that period including without limitation the pipeline licence fee referred to in the next succeeding clause; together with
- (ii) a sum of money called the capital cost component. Such capital cost component for that period shall be equal to the equal periodic payment calculated on a credit foncier basis by reference to the replacement value of the pipeline at the time of the Minister's determination, a 15 year amortization period and an interest rate of 18 per centum per annum;

apportioned in the manner following:

The proportion of the foregoing amounts to be borne by the licensee who holds a petroleum production licence shall be calculated on the proportion which the volume of petroleum owned by that party which is conveyed in the pipeline during a period of time bears to the total volume of petroleum conveyed in the pipeline during the same period of time.

The basis of calculations necessary for the foregoing shall be agreed between the Minister and the Producers or, failing agreement, shall be determined by arbitration in accordance with Part XXII of this Indenture.

59.

- (1) Notwithstanding the provisions of any Act or regulation or rule of law or equity to the contrary effect and subject to this clause the Producers, beginning with the first year in which liquid petroleum conveyed through the pipeline is sold by the Producers and ending with the year 1992, shall pay to the State on the 15th day of March in each year an annual licence fee for utilization of the pipeline (hereinafter referred to as "the pipeline licence fee") in respect of each year of Five hundred thousand dollars (\$500 000) indexed as provided in sub-clause (2) of this clause.
- (2) The pipeline licence fee for each year shall be indexed by relation to and shall vary only in accordance with movements in the Consumer Price Index between the December quarter 1981 and the December quarter immediately preceding the year in which the licence fee is to apply and shall not be subject to any other variations during the aforesaid period.
- (3) Notwithstanding the Petroleum Act, 1940-1981 no pipeline licence fee shall be payable prior to the first year in which liquid petroleum is sold by the Producers from Stony Point.

- (4) At the end of the first year in which liquid petroleum is sold by the Producers from Stony Point the Producers shall receive a rebate from the State of that proportion of the pipeline licence fee which one million four hundred thousand tonnes less the number of tonnes of Product conveyed through the pipeline in that year bears to one million four hundred thousand tonnes.
- (5) During the Period referred to in sub-clause (1) the pipeline licence fee shall be in substitution for any other fee, levy or impost that would otherwise be payable by the Producers for use of the pipeline pursuant to the provisions of the Petroleum Act, 1940-1981 or otherwise.
- (6) If the pipeline licence fee is not paid by the due date as aforesaid an amount of ten per centum thereof shall be added thereto which shall be recoverable by the State as part of the pipeline licence fee.
60. Subject always to Condition 23 Pipeline Licence No. 2 the pipeline and all plant, equipment and other property affixed thereto or used in connection therewith or in relation to the operation thereof owned by the Producers or any of them shall notwithstanding any provision of any Act or regulation or of any rule of law or equity to the contrary effect be and shall be deemed conclusively to be chattels and shall be owned by and may be transferred, mortgaged, charged or assigned by, or held on trust for, the Producers or such of them as are entitled thereto.

PART XIII

FURTHER PROCESSING

61. Having regard to the State's desire for further processing of Product in the State, the Producers will investigate the storage and related processing of ethane for use as petrochemical feedstock in the State and the practicability of the construction and operation of a refinery in the region of Stony Point. The Producers in consultation with the State will provide to the State on or before 31st day of March 1983 information relating to the scope of their investigations and further on or before 31st day of March 1984 a detailed report in writing relating to the result of their investigations in this regard. The Producers from time to time will enter into discussions with the Minister concerning the utilisation of Product for those purposes.

In the event that the investigations do not lead to the projects contemplated by this clause the report will be reviewed every three years in the light of the then current circumstances. Without limiting the generality of the foregoing, the Producers will, if further treating of Product in the State is technically and economically feasible, encourage and expedite such treatment and development. The Producers will give preference to treatment and development within the State if such is technically and economically feasible, providing that nothing in this clause will oblige the Producers to sell Product on other than commercial terms.

PART XIV

PROTECTION OF GAS SUPPLY

62. In carrying out the activities contemplated under this Indenture the Producers shall have regard to their obligations under existing and future sales agreements with PASA.

PART XV

THE MARINE FACILITIES

63. Ownership, title and risk of and to the following facilities, which shall be constructed by the Producers in accordance with approvals granted by the Minister of Marine under the Harbors Act, 1936-1981, shall be transferred to the State at the date of practical completion thereof (the date of such transfer being in this Part XV referred to as "the transfer date") free of all mortgages, liens, charges, encumbrances or the like.

Forthwith upon transfer the State shall pay the Producers a sum equal to the cost incurred by the Producers in the design and construction of the aforesaid facilities together with consultancy fees.

The facilities to be so transferred (hereinafter referred to as the "transferred facilities") shall be the Jetty trestle, platforms, mooring and breasting dolphins, all necessary service facilities and other facilities for the berthing of vessels at Stony Point, as detailed in the Producers' plans and specifications for the Marine Facilities accepted and approved by the Minister of Marine, but shall not include any temporary loading facilities or any pumps, pipes, loading arms and other loading facilities which shall be the subject of a separate licence agreement between the Producers and the Minister of Marine.

64. The Marine Facilities other than those transferred to the State pursuant to clause 63 of this Indenture, and the transferred facilities prior to transfer of ownership thereof to the State, shall be owned by the Producers or such of them as have an ownership interest therein from time to time.
65. The State shall ensure that the Producers have granted to them on reasonable terms and conditions and that there are continued in force during the currency of this Indenture free of charge to the Producers, all such rights and licences as may be required to enable the Producers or any of them to construct and install, operate and have the use and enjoyment of the Marine Facilities (including any temporary loading facilities required by the Producers) for the purposes contemplated by this Indenture, provided however that except as expressly provided in this Indenture, this Indenture shall not be deemed to confer any exemption from wharfage dues.
66. The Producers shall deposit with the State at a time and in a manner to be agreed a sum equal to the amount paid by the State to the Producers pursuant to clause 63 of this Indenture to secure the due observance by the Producers of the terms of this Part XV of this Indenture on their part to be observed and also to secure payment of the amounts due to be paid to the State by the Producers under this Part. To the extent of any shortfall in payment of amounts owing to the State pursuant to this Part in any year the Producers shall to that extent forfeit the moneys which would otherwise have been payable to the Producers pursuant to clause 67 of this Indenture.
67. The security deposit referred to in clause 66 of this Indenture together with interest thereon at the rate of 20 per centum per annum shall, subject to clause 66 be repaid by the State to the Producers annually calculated on a credit foncier system by twenty equal instalments in the manner to be provided for by agreement between the Producers and the State.
68. The Producers shall have priority of use of the transferred facilities. The manner in which the priority shall be effected shall be the subject of agreement with the State.

69. Without prejudice to the provisions of clause 68 of this Indenture, the Minister may in his discretion permit the use of the transferred facilities by third parties (being persons other than the Producers or any of them) subject to such use being compatible with the Producers' operations. In exercising his discretion the Minister shall have regard to:
- (1) the full extent of the impact of the operations of the third parties including the potential for industrial disputes, shipping programmes, the number of workers and operations of any factories or fabrication works upon the Producers' operations, and
 - (2) the safety of and potential for damage to the Producers' operations from the third parties' products and operations.
70. The Producers shall during the first twenty years from and including the transfer date be responsible for the stevedoring and loading of vessels associated with the Marine Facilities referred to in clause 63 of this Indenture. Unless and to the extent otherwise agreed, mooring and unmooring of vessels shall be undertaken by the Producers' employees, agents or contractors, subject to industrial arrangements suitable to the State and the Producers being made and subject to the reasonable supervision and directions of the Harbor Master of the port at Stony Point having regard to normal port practice. The cost of such mooring and unmooring of vessels shall be paid by the State to the Producers at rates not to exceed those payable by the State to members of mooring gangs under appropriate industrial awards.
71. During 1982 the Producers shall in consultation with the State prepare terminal rules in respect of their onshore facilities at Stony Point and the State in addition to the Regulations under the laws of the State shall in consultation with the Producers prepare port rules.
- 72.
- (1) In respect of each of the first twenty years from and including the year in which the transfer date occurs there shall be paid by the Producers to the State, wharfage dues (to the exclusion of all other wharfage dues that would otherwise be payable by the Producers for the port at Stony Point) being an amount per tonne of Product shipped determined by the following formula:—

$$\frac{(a - b) + (c \times d) + (e \times f)}{g}$$

Where

a = the annual amount required to amortise in 20 annual payments under a credit foncier system the sum specified in the second paragraph of clause 63 of this Indenture at an interest rate of 20 per centum per annum.

b = the amount determined for any third party user of the transferred facilities under sub-clause 72(2) or 72(3) of this clause for that year.

c and e = amounts of \$1.50 and 70 cents respectively as adjusted each year by the percentage change in the Consumer Price Index between the December quarter 1981 and the December quarter in the year preceding the year in which the amounts are to apply.

d = the amount of throughput in tonnes across or through the transferred facilities by the Producers up to and including the first one million tonnes for each year.

f = the amount of throughput in tonnes, if any, across or through the transferred facilities by the Producers after and in excess of the first one million tonnes for each year.

g = the total amount of throughput in tonnes across or through the transferred facilities by the Producers during each year.

Provided always that:

- (i) in respect of commodities passing across or through the transferred facilities that are shipped to another port in the State, the amounts c and e will be halved.
 - (ii) Subject to sub-clause 72(1)(c) below, the sum $(c \times d) + (e \times f)$ in the above formula shall not be less than the amount determined by adjusting \$1 500 000 by the indexation formula provided in the definitions of "c" and "e" in this sub-clause 72(1).
 - (iii) In the calendar year of transfer of the facilities the amount of \$1 500 000 (as indexed) referred to in sub-clause 72(1)(b) above will be adjusted *pro rata* to reflect the number of calendar months (or part thereof) remaining after the transfer date in that year.
 - (iv) In the event that total throughput by the Producers for any year is zero, payment will be calculated as if throughput was one tonne.
 - (v) Should $(a - b)$ in the wharfage calculation formula be a negative amount, zero is to be substituted.
- (2) In the event of use of the said transferred facilities by third parties during the first twenty years from and including the transfer date the State and Producers will confer as to the appropriate contribution payable as a portion of wharfage dues to be paid by such third parties during the said period that shall be properly regarded as attributable to the provision of the transferred facilities pursuant to this Indenture. In determining such portion of the wharfage dues regard shall be had to the value and profitability of the commodity to be shipped by such third party over the transferred facilities, current interest rates and the value of the transferred facilities and the objectives reflected in clause 61 of this Indenture.
- (3) In the event that the Producers and the State cannot reach an agreement under clause 72(2), the amount b in clause 72(1) of this Indenture shall be calculated as follows: a sum determined under a credit foncier system based on the capital cost of that part of the transferred facilities used by third parties (being the original capital cost of the transferred facilities together with interest incurred prior to the transfer date) escalated annually by half the bond rate (as hereinafter defined) from and including the transfer date amortized over a period of twenty years with a rate of interest of 20 per centum per annum apportioned by reference to the total units of throughput of the Producers and any third party. That part of the transferred facilities used by the third party means that portion of the total cost of the transferred facilities that is actually used by the third party. The calculation referred to herein shall, in the case of a third party which has a demonstrable continuity of use, be made only on the basis of escalation annually by half the bond rate up to the time of commencement of use.

-
- (4) After the first twenty years from and including the transfer date the Producers shall pay the normal wharfage dues on commodities similar to those shipped by the Producers applicable in the State for use of the transferred facilities.
- (5) The "bond rate" referred to in this clause 72 means the yield on long term Australian Government bonds in effect from time to time.
73. The wharfage dues the subject of clause 72 of this Indenture for the first twenty year period therein referred to shall be paid to the State by the Producers in the manner provided for by agreement between the Producers and the State.
74. From and including the transfer date the State shall promptly carry out and effect repair, maintenance and insurance of the transferred facilities and shall be responsible for the provision of a Harbor Master for the port at Stony Point so as to enable the Producers at all times to have use and enjoyment of the Marine Facilities for the purposes contemplated by this Indenture.
75. Prior to the transfer date:
- (1) The Producers shall be responsible under the supervision and direction of the Harbor Master for operating temporary loading facilities, if any, which may have been constructed;
 - (2) The Producers shall pay for the maintenance and insurance of the said temporary loading facility;
 - (3) The Producers shall be responsible for the stevedoring and loading of vessels associated with the temporary loading facilities. Unless and to the extent otherwise agreed, mooring and unmooring of vessels shall be undertaken by the Producers' employees, agents or contractors, subject to industrial arrangements suitable to the State and the Producers being made and subject to the reasonable supervision and directions of the Harbor Master of the port at Stony Point having regard to normal port practice; and
 - (4) There shall be paid by the Producers to the State wharfage dues at the rate of 50 cents for each tonne of Product shipped.

PART XVI

STAMP DUTY

76. The State agrees that:
- (1) This Indenture and any transfer of the Marine Facilities and pipeline to the State;
 - (2) Any document granting title to or an interest in any lands pursuant to this Indenture;
 - (3) Each document establishing or recording the interests of the Producers *inter se* in any one or more of the pipeline and all facilities downstream from and including the point where the pipeline commences as provided in Pipeline Licence No. 2;
 - (4) Pipeline Licence No. 2;
 - (5) The PASA and Producers (Right of Way) Agreement;

- (6) The proportion of the consideration or the principal sum expressed in each mortgage, charge, encumbrance or other security, covenant or agreement executed by the Producers or any of them to the extent of and attributable to the financing of the Producers' (or any of their) participation in the activities contemplated pursuant to the provisions of Parts IX, X, XI, XII and XV of this Indenture, or under the PASA and Producers (Right of Way) Agreement or Pipeline Licence No. 2;
 - (7) Each cross charge created in connection with any document referred to in sub-clause (3) of this clause contemporaneously with the execution thereof;
 - (8) Each transfer, assignment or other disposition, made within one year of the date of the ratification of the Bill, by the Producers or any of them *inter se* or to a related corporation (as defined in Section 6(5) of the Companies Act, 1962-1980) of the transferor, assignor or disponent of their or its right, title and interest or any part thereof in any or all of the documents referred to in subclauses (1) to (7) (both inclusive) of this clause;
 - (9) Each amount or proportion of an amount which would otherwise be included in a statement lodged pursuant to section 31f of the Stamp Duties Act 1923-1981, as it relates to loans to the Producers or any of them, and as certified by the Producers to the Commissioner of Stamps, to the extent of and attributable to the financing of the Producers' (or any of their) participation in the activities contemplated pursuant to the provisions of Parts IX, X, XI, XII and XV of this Indenture, or under the PASA and Producers (Right of Way) Agreement or Pipeline Licence No. 2; and
 - (10) Any other document or instrument which the State agrees; shall be exempt from any duty under the Stamp Duties Act, 1923-1981.
77. If prior to the Commencement Date stamp duty has been assessed and paid on any instrument or other document referred to in clause 76 of this Indenture, the State shall on or after the Commencement Date on demand of the Producers or any of them refund stamp duty paid on any such instrument or other document to the person who paid the same.

PART XVII

ENVIRONMENTAL PROTECTION

78. In performing any act, matter or thing, pursuant to this Indenture, Pipeline Licence No. 2, the PASA and Producers (Right of Way) Agreement or any other agreement pursuant hereto or thereto the Producers will comply with the laws of the Commonwealth and State in force in the State from time to time relating to the protection of the environment and all standards from time to time set thereunder.
- 79.
- (1) Without limiting the generality of anything hereinbefore appearing the Producers will observe the environmental standards contained in the Environmental Impact Statement referred to in recital (I) hereof and such other standards relating to worker exposure and safety standards, air emission standards, marine spillage, water discharge and noise as may be determined during the development of detailed engineering of the proposed Stony Point facilities and agreed in consultation with the Producers.

- (2) For the purpose of the Noise Control Act, 1976-1977, the Stony Point area shall be described as predominantly industrial.
80. Notwithstanding the provisions of clauses 78 and 79 of this Indenture, the State acknowledges that the Producers in assessing the economic feasibility of the activities contemplated by this Indenture have had regard to the laws, regulations and standards relative to the environment existing at the date of this Indenture. Should there occur during the currency of this Indenture any changes to any such laws, regulations or standards of or applied by the State the result of which is to impose substantial additional costs upon the Producers the State shall upon request of the Producers give sympathetic consideration to ameliorating the adverse effects of such additional costs by effecting a reduction in charges and levies payable by the Producers to the State pursuant to this Indenture or in such other manner as may be agreed between the State and the Producers.
81. The Producers and the State shall as soon as practicable after the date of this Indenture establish a group to be known as the "Stony Point Environmental Consultative Group" consisting of representatives of the State, representatives of the producers representatives of other major industries as may be established from time to time in the Stony Point region and specialists in environmental matters for the purpose of consulting on matters relating to the protection of the environment in the Stony Point region.

PART XVIII

STATE PREFERENCE

82. As far as reasonably and commercially practicable the Producers during the currency of this Indenture and for activities contemplated by this Indenture shall:
- (1) Use the services of engineers, surveyors, architects and other professional consultants resident and available within the State;
 - (2) Use labour available within the State;
 - (3) When calling for tenders and letting contracts for works, materials, plant, equipment and supplies ensure that South Australian suppliers, manufacturers and contractors are given reasonable opportunity to tender or quote; and
 - (4) Give proper consideration and where possible preference to South Australian suppliers, manufacturers and contractors when letting contracts or placing orders for works, materials, plant, equipment and supplies where price, quality, delivery, service and other commercial considerations are equal to or better than those obtainable elsewhere.
83. From time to time during the currency of this Indenture when requested by the Minister the Producers shall submit a report in writing concerning their implementation of the provisions of clause 82 of this Indenture.

PART XIX

VARIATIONS

84. Any of the provisions of this Indenture may from time to time be cancelled, added to, varied or replaced by agreement between the parties.

The Minister shall cause any such agreement to be laid on the Table of each House of Parliament within the twelve sitting days next following its execution. Either House may, within twelve sittings days of that House after the agreement has been laid before it, pass a resolution disallowing the agreement but if after the last day on which the agreement might have been disallowed neither House has passed such a resolution the agreement shall have effect on and from the next day after that day.

PART XX

ASSIGNMENT

85. The interest of any individual Producer pursuant to this Indenture shall not be assigned, transferred, sublet, or made the subject of any trust or other dealing, whether directly or indirectly, other than to another Producer or to a related corporation of that individual Producer, without the consent in writing of the Minister; and any such transaction entered into without such consent shall be void; providing that any such interest of any individual Producer may be mortgaged, charged or otherwise encumbered or made the subject of a security interest without the consent of the Minister or alternatively with the consent of the Minister and then subject only to such conditions (if any) as the Minister may reasonably impose after having due regard to the needs of the Producers or any of them to raise finance for the activities contemplated by this Indenture on the most favourable terms available.

A mortgagee, chargee or encumbrancee under a mortgage, charge, encumbrance or other security interest which has been consented to by the Minister as aforesaid in enforcing its security, or any receiver or receiver and manager of a Producer thereunder or any transferee or assignee thereof shall in the exercise of its rights be subject only to such reasonable conditions (if any) as the Minister shall have imposed at the time of his approval to the creation of the mortgage, charge, encumbrance or other security interest.

A mortgagee, chargee or encumbrancee under a mortgage, charge, encumbrance or other security interest which has not been consented to by the Minister as aforesaid in enforcing its security, or any receiver or receiver and manager of a Producer thereunder or any transferee or assignee thereof shall not assign, transfer, sublet or make the subject of any trust or other dealing without the consent in writing of the Minister.

The Minister may, before consenting to any such transaction, require such information as he thinks fit with respect thereto, and shall have a discretion to grant or refuse such consent but shall not capriciously or unreasonably refuse it and shall not grant any such consent on unreasonable conditions.

Where a transaction has received the consent of the Minister under this clause 85 subject to conditions, and any of those conditions is subsequently satisfied, the Producers or any of them shall, within twenty-eight days, serve personally or by post upon the Minister, notice in writing of that fact.

For the purposes of this clause "related corporation" shall have the meaning ascribed to that term in section 6(5) of the Companies Act 1962-1980.

86.

- (1) If any individual Producer purports, without the consent in writing of the Minister, to assign, transfer or sublet any interest under this Indenture or to make such interest the subject of any trust or other dealing which requires the consent of the Minister as aforesaid the Producer shall be in default under this indenture.
- (2) Any purported assignment or transfer of the interest or part thereof of any individual Producer pursuant to this Indenture shall be subject to the assignee or transferee executing in favour of the State and the Minister and the other Producers a deed of covenant in a form to be agreed between the Minister and the Producers to comply with, observe and perform the provisions of this Indenture in regard to the interest so assigned.

PART XXI

RELATIONSHIP OF THE PARTIES

87. Nothing in this Indenture contained shall be construed as constituting a joint venture or partnership between the State or the Minister of the one part and the Producers of the other part nor shall anything herein contained impose on the State or the Minister or the Minister of Marine or the Director or PASA or the Producers or any of them an obligation to expend monies or to procure any act, matter or thing nor to omit to do or procure any act, matter or thing save and except such as are provided by express words in this Indenture.
88. The liability of each Producer under this Indenture shall be several and not joint nor joint and several and the liability of each Producer shall be determined in accordance with the extent of its ownership of any interest from time to time in any asset or activity contemplated under this Indenture.

In the event that the State or PASA shall have a claim against a Producer or Producers the Producers will inform the State as soon as practicable of the extent of ownership of the Producer or Producers in any asset or activity contemplated under this Indenture relating to the subject matter of the claim.

PART XXII

ARBITRATION

89. The provisions of section 24a of the Arbitration Act, 1891-1974 shall not apply to this Indenture or in respect of any difference or dispute arising out of this Indenture and any such difference or dispute referred by the parties to this Indenture or any of them shall be and be deemed to be a submission to arbitration within the meaning of the Arbitration Act, 1891-1974 providing that only differences or disputes expressed in this Indenture as requiring to be referred to arbitration shall be referred to arbitration.
90. In the event that any difference or dispute is referred to arbitration by the parties to this Indenture or any of them it shall be referred to the arbitration of three arbitrators.
91. The appointment of the arbitrators shall be made as follows:

- (1) Within thirty days after the reference by the parties to this Indenture or any of them of a difference or dispute to arbitration the State and the Minister collectively acting shall appoint one arbitrator and the Producers involved in the arbitration collectively acting (if more than one Producer shall be so involved) also shall appoint one arbitrator and the third arbitrator shall be appointed by the two arbitrators so appointed;

and

- (2) In the event that either the State and the Minister on the one hand or the Producers involved in the arbitration on the other hand shall fail so to appoint an arbitrator within thirty days after the reference by the parties to this Indenture or any of them of a difference or dispute to arbitration or if the two arbitrators appointed by the State and the Minister on the one hand and the Producers involved in the arbitration on the other hand shall fail to appoint a third arbitrator within thirty days after their appointment then the Senior Puisne Judge for the time being of the Supreme Court of South Australia may appoint the first, second or third arbitrator to constitute or complete the Board of arbitrators as the circumstances may require.
92. The arbitration award shall be final and binding upon the parties to such arbitration and the decision of any two of the arbitrators shall be binding.
 93. No party to this Indenture shall take any difference or dispute referred to arbitration to any Court until after an arbitration award shall have been made but this clause 93 shall not operate except as provided in clause 89 so as to compel any party to this Indenture to refer any difference or dispute to arbitration in any case.

PART XXIII

CURRENCY OF INDENTURE

94. This Indenture shall continue in full force and effect unless cancelled in accordance with clauses 84 or 99 of this Indenture or until it lapses in accordance with clause 7 of this indenture.

PART XXV

REPRESENTATIONS AND ACKNOWLEDGEMENTS

96. The Producers acknowledge (as is testified by their execution hereof) that in entering into this Indenture and the PASA and Producers (Right of Way) Agreement they have not relied on any representation, warranty, guarantee or stipulation made by or on behalf of the State, the Minister or PASA and, without limiting the generality of the foregoing, they have made their own enquiries and satisfied themselves in all respects as to the fitness of plant, equipment and facilities to be used in connection with the subject matter of this Indenture and the suitability of Stony Point as a port for use in connection with the subject matter of this Indenture.
97. The State and the Minister acknowledge (as is testified by their execution hereof) that in entering into this Indenture they have not relied on any representation, warranty, guarantee or stipulation made by or on behalf of the Producers save for those referred to in this Indenture or otherwise as expressly agreed between the parties by express words or necessary implication.

98. Neither the State nor the Minister shall take any action against the Producers or any of them in relation to any work properly accepted by the Producers in good faith, including without limitation design work conducted by PASA in consultation with Bechtel-Kinhill, performed by PASA in relation to the pipeline and related facilities on or before the date of this Indenture.

PART XXVI

DEFAULT UNDER THIS INDENTURE

99. Notwithstanding anything hereinbefore contained, if any one or more of the following events occurs, namely:

- (1) If any of the Producers makes default in the due payment of any monies payable under this Indenture to the State or to anyone on its behalf or to any agency or instrumentality of the Crown and any such default remains unremedied for a period exceeding thirty days after notice specifying the default is given to the Producers and to all lenders of money to the Producers or any of them who have been notified by the Producers or any of them to the State in writing (such lenders, whether one or more, being hereinafter in this clause referred to as "the lenders") by the State (or if the alleged default is contested by any of the Producers and promptly submitted to arbitration or to the Court, then within thirty days after the arbitration award or final Court order (taking account of any appeals) is made where the question is decided against any of the Producers); or
- (2) If any of the Producers makes default in the due performance of any of its material covenants or obligations under this Indenture (not being a covenant or obligation of the kind referred to in subclause (1) of this clause) and if the relevant Producer fails to remedy or to commence and continue in good faith to remedy that default within a reasonable time after notice specifying the default is given to the Producers and to the lenders by the State (or if the alleged default is contested by any of the Producers and promptly submitted to arbitration or to the Court, then within the time given by the arbitration award or final Court order (taking account of appeals) where the question is decided against any of the Producers);

then and in any such events the Minister, after consultation with the Producers (and provided the Producers not in default have agreed with the State to assume all of the obligations, including without limitation, obligations due and unsatisfied in respect of any antecedent breach of the Producer or Producers in default), may determine this Indenture in respect only of the Producer or Producers in default.

The rights and obligations of that defaulting Producer or of those defaulting Producers under this Indenture *vis a vis* the State and the Minister shall thereupon cease and shall *ipso facto* be assumed by and become the rights and obligations of the Producers not in default but in all other respects the rights and obligations of the Producers not in default under this Indenture shall be unaffected by such determination.

If the Producers not in default do not agree with the State to assume the obligations of the Producer or Producers in default as aforesaid, or if all of the Producers are in default under this Indenture then the State may cancel this Indenture.

Any determination or cancellation of this Indenture shall be by written notice to the Producers and to the lenders.

100. Upon the cancellation of this Indenture under clause 99 hereof:

- (1) The rights and obligations of the Producers to, in or under this Indenture shall thereupon cease and determine but without prejudice to the liability of a Producer in respect of any antecedent breach or default by it under this Indenture; and
- (2) Each Producer shall forthwith pay to the State all monies which then shall have become payable or accrued due by it

and the rights of the Minister shall, subject to sub-clauses (1) and (2) of this clause, constitute the exclusive remedy of the State and the Minister and of any instrumentality of the State and of any other Minister against the Producers not in default and each of them in respect of the said cancellation.

PART XXVII

SUPPORT AND SPONSORSHIP OF THE STATE

101. The State will give full support and sponsorship and assistance to all acts, matters or things contemplated by or the subject of this Indenture and will not do or omit to do or cause or permit anything to be done or omitted to be done which would or might tend to be inconsistent with the objects, intent and purpose of this Indenture nor prohibit without just cause nor unreasonably interfere with the due and proper performance of obligations or the exercise of rights by the Producers under or in relation to activities contemplated by this Indenture or the PASA and Producers (Right of Way) Agreement or Pipeline Licence No. 2 or any other agreement contemplated herein or therein or established thereby.
102. In the event that the State or the Minister makes default in the due performance or observance of any of the covenants or obligations to the Producers under this Indenture and if the State fails to remedy that default within thirty days after notice specifying the default is given to it by the Producers (or if the alleged default is contested by the State or the Minister and promptly submitted to arbitration, then within thirty days after the arbitration award where the question is decided against the State or the Minister the arbitrator finding that there was a bona fide dispute and that the State or the Minister had not been dilatory in pursuing the arbitration) then the security deposits referred to in Schedule 4 and Part XV hereof shall be refunded forthwith to the Producers and the additional rates referred to in clause 43 of this Indenture and the tariff referred to in clause 49 of this Indenture shall cease forthwith, but without prejudice to all other rights and remedies which the Producers or any of them may have against the State.

PART XXVIII

FORCE MAJEURE

103. Subject as hereinafter provided, the time for the performance of any obligation under or arising out of this Indenture except an obligation to pay money, which performance is delayed by circumstances beyond the reasonable control of the party to this Indenture responsible for the performance of such obligation, shall be extended by the period of the delay, but no longer than the continuance thereof, and no party to this Indenture shall be liable in damages or otherwise to any other party to this Indenture nor shall any action, claim or demand be taken or made against that party to this Indenture by reason solely of such delay in the performance of such obligation in circumstances beyond the reasonable control of that party.
104. The party to this Indenture responsible for the performance of any such obligation shall use all reasonable diligence to remove the circumstances beyond the reasonable control of that party to this Indenture as quickly as possible after notice of the same shall have come to its or his attention save and except that the settlement of any strike, lockout and other industrial dispute shall be entirely within the discretion of any party directly concerned and nothing herein shall require the settlement thereof by acceding to the demands of the opposing party or parties where such course is inadvisable in the discretion of the party concerned.
105. Each party to this Indenture shall keep the others of them promptly informed of any delay in the performance of any obligation on its part under or arising out of this Indenture where such delay is caused by circumstances beyond the reasonable control of such party, of the likely duration of such delay as a consequence thereof and of the cessation of such circumstances.
106. In the clauses numbered 103, 104 and 105 of this Indenture the expression "circumstances beyond the reasonable control" shall include, without limitation, act of God, act of war whether declared or undeclared, earthquake, explosion, act of public enemy, flood, washaway, strike, blockade, lockout, stoppage, ban, restraint of labour whether partial or entire or other industrial disturbance, interruption of supply, unavailability or delay of any transport, machinery, equipment, fuel or water, failure of petroleum reserves, breakdown, fire, riot, civil commotion or insurrection, sabotage, landslide, cyclone, power shortage, epidemic, quarantine, expropriation, restraint, prohibition, intervention, requisition, requirement, direction or embargo by legislation, regulation, decree or other legally enforceable order of any Government or Governmental or other competent authority (including any Court of competent jurisdiction or other similar circumstances) or inability or delay in obtaining Governmental approval, permit, licence or allocation or any other cause whether of a kind specifically enumerated above or otherwise which is not reasonably within the control of the party to this Indenture carrying out or obligated to carry out any obligation under this Indenture, providing that neither the State nor the Minister shall be at liberty to rely upon any action of the Government of the State or of the Minister or any other Minister of the Crown in right of the State or any local government or other instrumentality of the Crown in right of the State or other competent authority of the State under its control as constituting "circumstances beyond the reasonable control".

PART XXIX

SCHEDULES

107. Each of the Schedules 1, 2, 3, 4 and 5 to this Indenture shall be and be deemed to form part of this Indenture as if contained herein and shall have and take effect according to the terms thereof.

PART XXX

AMENDMENTS TO THE COOPER BASIN INDENTURE

108. The parties to this Indenture being also the parties to (or the successors to or assignees of those parties) an Indenture dated the 16th day of October, 1975, being the Schedule to the Cooper Basin (Ratification) Act, 1975 (hereinafter referred to as the "Cooper Basin Indenture") hereby agree to the amendments to the Cooper Basin Indenture set out in Schedule 5 to this Indenture.

PART XXXI

LAW APPLICABLE

109. This Indenture shall be governed by and construed in accordance with the law for the time being of the State and the parties to this Indenture consent and submit to the jurisdiction of the Courts of the State and to all Courts having jurisdiction and being competent to hear appeals therefrom.

PART XXXII

NOTICES

110. Any notice, demand, consent or other communication requiring to be given, delivered or made under or pursuant to this Indenture shall be deemed to have been duly given, delivered or made when delivered in writing or sent by post or telex to the party to whom such notice or demand or consent or other communication is required or permitted to be given, delivered or made under this Indenture at the following addresses:

The Premier,
State Administration Centre,
Victoria Square,
ADELAIDE. S.A. 5000

Telex: AA82827
Answerback: PREMIER

The Minister of Mines and Energy,
State Administration Centre,
Victoria Square,
ADELAIDE. S.A. 5000

Telex: AA82827
Answerback: PREMIER

Managing Director,
Santos Limited,
183 Melbourne Street,
NORTH ADELAIDE. S.A. 5006

Telex: AA82716
Answerback: SANTOS
Cable: SANTOS

Managing Director,
Delhi Petroleum Pty. Ltd.,
33 King William Street,
ADELAIDE. S.A. 5000

Telex: AA82215
Answerback: DELHI
Cable: DELINOIL

General Manager, South Australian Oil & Gas Corporation Pty. Ltd., 226 Melbourne Street, NORTH ADELAIDE. S.A. 5006	Telex: AA88900 Answerback: SAOGC
General Manager, Bridge Oil Limited, Level 33, CBA Centre, 60 Margaret Street, SYDNEY. N.S.W. 2000	Telex: AA26518 Answerback: BRIOIL Cable: BRIDGEOIL
Executive Director, Reef Oil N.L., 16th Floor, International House, 26 St. Georges Terrace, PERTH. W.A. 6000	Telex: AA92901 Answerback: BONDCOR Cable: REEFOIL
Executive Director, Basin Oil N.L., 8 Victoria Avenue, PERTH. W.A. 6000	Telex: AA92901 Answerback: BONDCOR Cable: BASINOIL
Managing Director, Alliance Petroleum Australia N.L., 10th Floor, 30 Collins Street, MELBOURNE. Vic. 3000	Telex: AA31955 Answerback: OILDEV Cable: OILDEV
General Manager, Vamgas Ltd., 25th Floor, 459 Collins Street, MELBOURNE. Vic. 3000	Telex: AA31595 Answerback: WOOPFT Cable: OILCO
Managing Director, Total Exploration Australia Pty. Ltd., 168 Walker Street, NORTH SYDNEY. N.S.W. 2060	Telex: AA21760 Answerback: TOPOIL
General Manager, Crusader Resources N.L., Suite 4, 8th Floor, T. & G. Building, Cnr. Queen & Albert Streets, BRISBANE. Qld. 4000	Telex: AA40985 Answerback: CRUOIL
General Manager, Bridge Oil Developments Pty. Limited, Level 33, CBA Centre, 60 Margaret Street, SYDNEY. N.S.W. 2000	Telex: AA26518 Answerback: BRIOIL Cable: BRIDGEOIL

or at such other addresses as may from time to time be notified by any party to the others for the purpose of this clause 110.

111. A notice given by telex shall be deemed to be a notice in writing for the purpose of this Indenture and shall be deemed to be received upon receipt by the sender of the answer-back code of the recipient at the conclusion of the telex provided transmission is completed during normal business hours on a business day in the place of the addressee and if it is not so completed then upon the commencement of normal business hours on the next business day in the place of the addressee after transmission is completed.

Any notice, demand, consent or other communication if sent by post shall be sent by registered or certified mail and shall not be duly given until actually received at the place of the addressee.

112. Any notice, demand, consent or other communication (other than the communication to be given or made by telex) requiring to be given or made pursuant to this Indenture shall be sufficient, if:

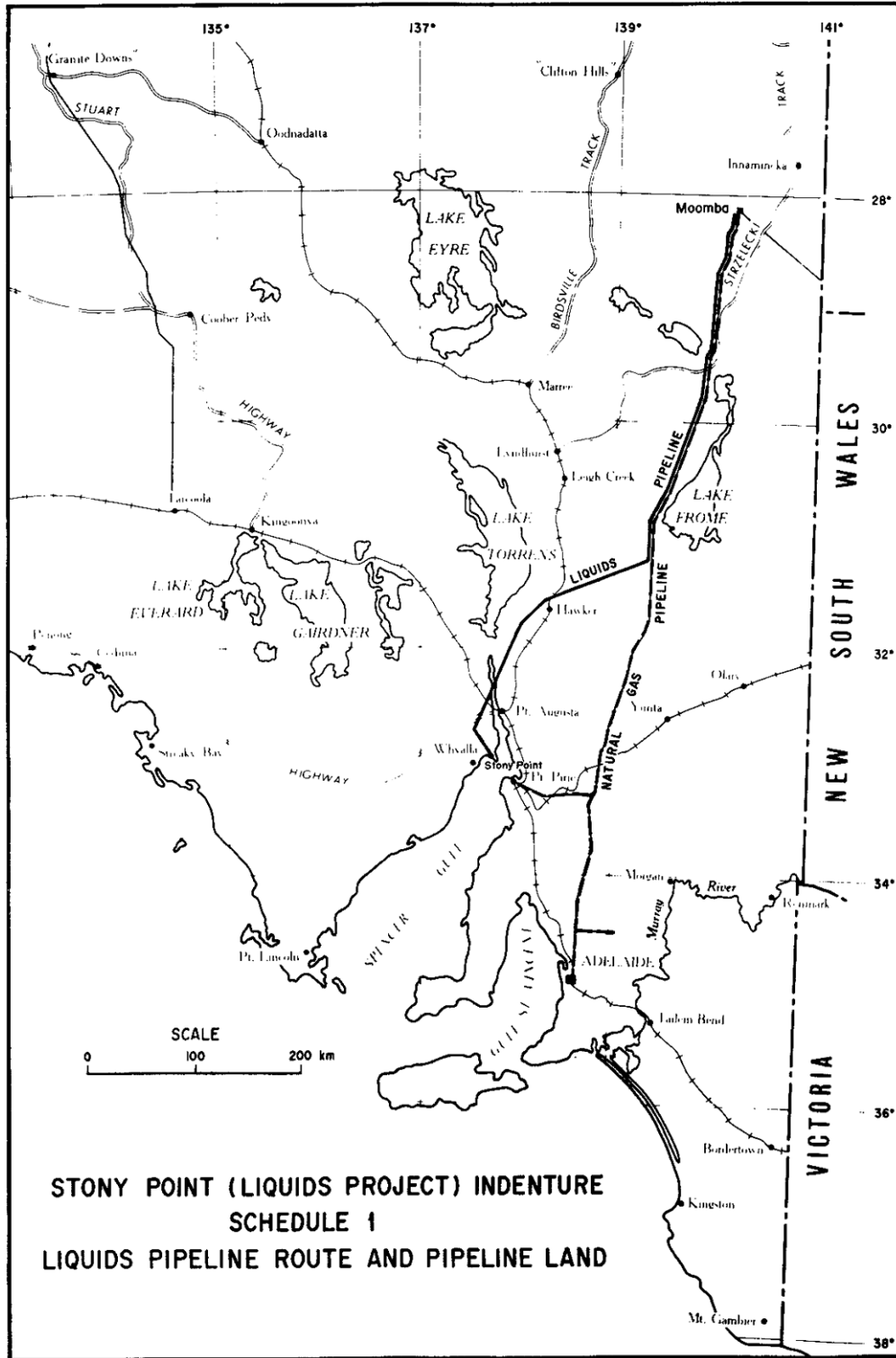
- (1) In the case of the State it shall be under the hand of the Premier of the State;
- (2) In the case of the Minister it shall be under the hand of the Minister;

and

- (3) In the case of a Producer or assignee, transferee, sublessee, trustee, nominee or like person, it shall be under the hand of any Director or Managing Director or General Manager or Secretary or President or Vice-President or any person for the time being acting in one of those offices.

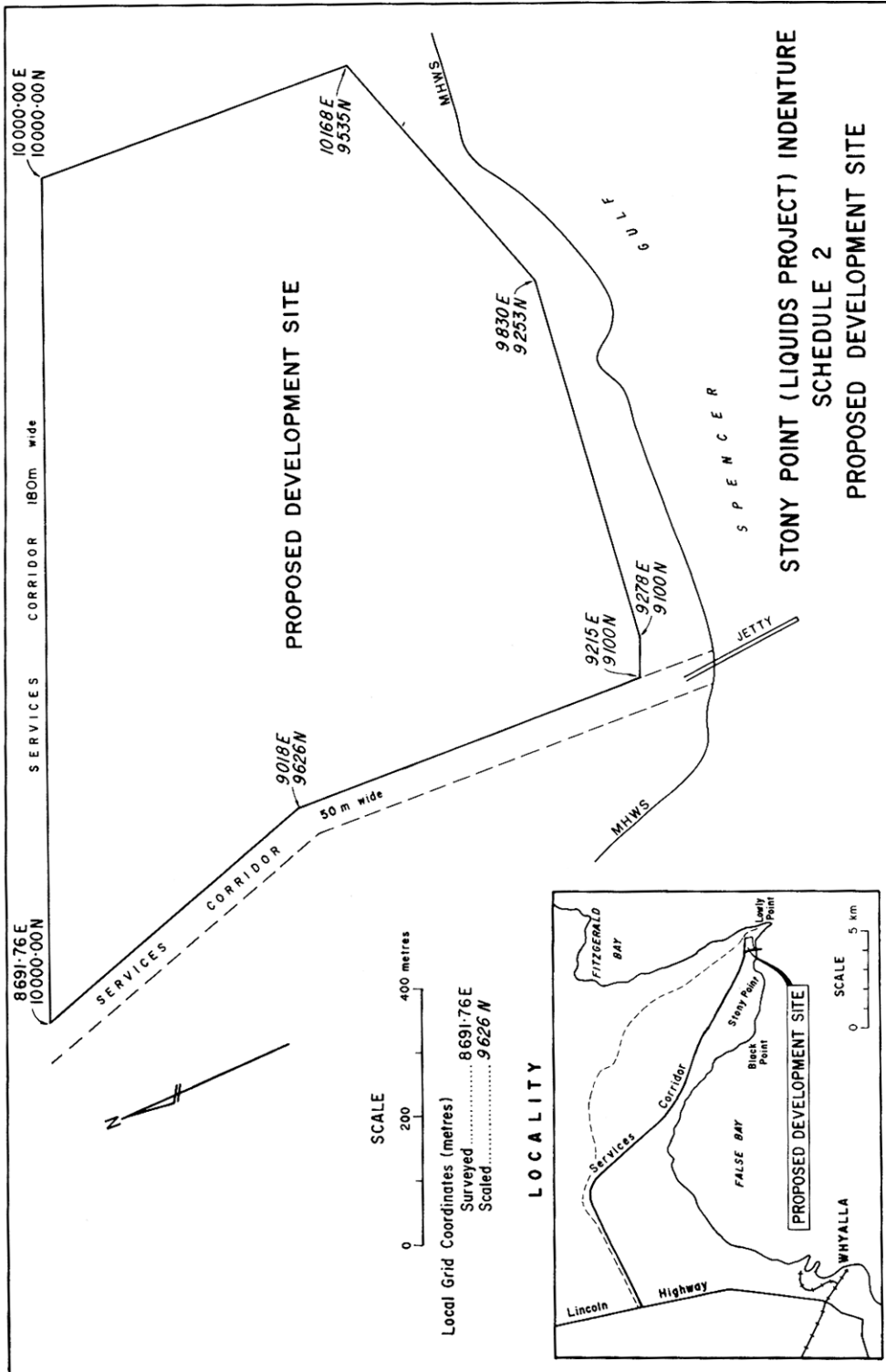
SCHEDULE 1

LIQUIDS PIPELINE ROUTE AND PIPELINE LAND



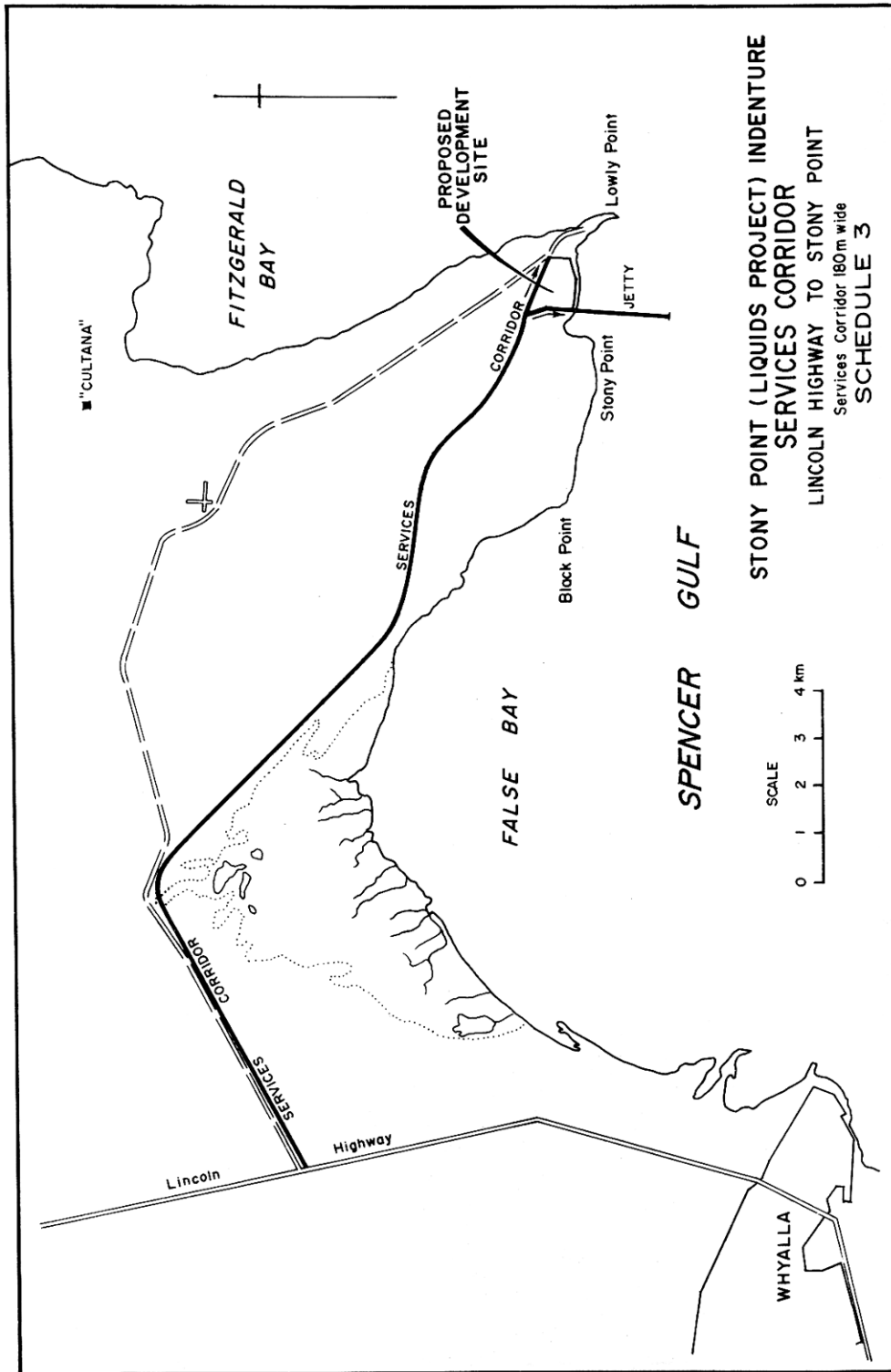
SCHEDULE 2

PROPOSED DEVELOPMENT SITE



SCHEDULE 3

SERVICES CORRIDOR



SCHEDULE 4
SECURITY DEPOSIT

1. The Producers shall deposit with the State as and when required by the State a sum equal to the capital cost including interest incurred or to be incurred by the State as notified in writing by the State to the Producers in the provision of water in accordance with Part X of this Indenture and the roads within the Road Reserve in accordance with Part XI of this Indenture. Such deposit shall secure the due observance by the Producers of the terms respectively of Parts X and XI of this Indenture on their part to be observed. To the extent of any shortfall in payment of amounts owing pursuant to Parts X and XI or to any agreements referred to therein in any year the Producers shall to that extent forfeit the moneys which would otherwise have been payable to the Producers pursuant to this Schedule.
2. The aforesaid deposit together with interest at a rate of 18 per cent per annum shall, subject to the foregoing provision of this Schedule, be repaid to the Producers annually on a credit foncier system in ten equal instalments in a manner to be agreed between the parties to this Indenture.

SCHEDULE 5

AMENDMENTS TO THE COOPER BASIN INDENTURE

Clause 1(7)(c):

Add after "agreements" the words "or other disposal arrangements" and after "Substances" add "or from petroleum recovered from any area comprised in a Petroleum Production Licence granted to the Producers within the Subject Area and areas referred to in clause 6(10) of this Indenture".

Add at end of Clause 1(7) "copies of which shall be provided in confidence to the Minister".

Clause 1(15):

Add after clause 1(14):

"(15) "Joint Operating Agreement" means any agreement heretofore or hereafter entered into by or including the Producers or some of them and approved by the Minister governing exploration for and production of petroleum and includes any agreement providing for the installation and as applicable sharing of use of facilities for the handling of petroleum."

Clause 4:

Amend clause 4(1) after the words "Appendix 'A'" by inserting the words "and delineated in Appendix 'C' to the extent not delineated in Appendix 'A'";

Insert new Appendix "C" (as set out in page 50 of this Indenture);

Amend clause 4(2) by deleting the words "being Unit Facilities" and adding after the words "Unit Agreement" the words "or other agreement pursuant to which any of the foregoing may be owned from time to time".

Clause 6:

Clause 6(1), after "Unit Agreement", where first appearing, insert the words "or the relevant Joint Operating Agreement";

Clause 6(1), after the word "Minister)" insert "or any Joint Operating Agreement in so far as it applies to the Subject Area.";

Clause 6(4)(b), after the word "Minister)" on the last line insert "or any Joint Operating Agreement in so far as it applies to the Subject Area.";

Clause 6(7), after "Unit Agreement" insert the words "or any Joint Operating Agreement or other applicable agreement" and delete the words "within the Subject Area";

Insert after clause 6(9), the words: "(10) The clauses of this Indenture, save and except clauses 6(1) and 6(4) hereof, shall apply to any Petroleum Production Licences granted in respect or for the purposes of the production of petroleum from the following areas:

Area 1

Commencing at a point being the intersection of latitude 27°00'S and longitude 140°00'E, thence east to longitude 141°00'E, south to latitude 27°15'S, west to longitude 140°55'E, south to latitude 27°20'S, west to longitude 140°50'E, south to latitude 27°25'S, west to longitude 140°35'E, south to latitude 27°30'S, west to longitude 140°25'E, south to latitude 27°32'S, west to longitude 140°23'E, south to latitude 27°33'S, west to longitude 140°21'E, south to latitude 27°35'S, west to longitude 140°18'E, south to latitude 27°37'S, west to longitude 140°16'E, south to latitude 27°38'S, west to longitude 140°15'E, north to latitude 27°27'S, west to longitude 140°00'E, north to the point of commencement.

Area 2

Commencing at a point being the intersection of latitude 27°37'S and longitude 139°38'E, thence east to longitude 139°53'E, south to latitude 27°45'S, east to longitude 140°00'E, south to latitude 27°56'S, west to longitude 139°59'E, south to latitude 27°57'S, west to longitude 139°58'E, south to latitude 27°59'S, west to longitude 139°57'E, south to latitude 28°00'S, west to longitude 139°56'E, south to latitude 28°02'S, west to longitude 139°55'E, south to latitude 28°06'S, east to longitude 140°00'E, south to latitude 28°18'S west to longitude 139°56'E, south to latitude 28°19'S, west to longitude 139°52'E, south to latitude 28°23'S, east to longitude 139°53'E, south to latitude 28°24'S, east to longitude 139°55'E, south to latitude 28°25'S, east to longitude 140°15'E, south to latitude 28°35'S, west to longitude 139°38'E, north to the point of commencement.

being the areas marked '1' and '2' respectively on the plan annexed hereto as Appendix 'D'".

Insert new Appendix "D" (as set out on page 51 of this Indenture).

Clause 7(2):

After the words "Unit Agreement" insert "or any Joint Operating Agreement".

Clause 11:

After the words "Unit Agreement" (when appearing) insert the words "or any Joint Operating Agreement";

After the words "the Producers" (when appearing) insert "or any of them".

Clause 12:

Substitute for the words "Unitized Substances" when appearing on each occasion the word "petroleum";

After "Unit Agreement" add the words "or any Joint Operating Agreement" when appearing in sub-clauses (2)(a), (5) and (7);

After the words "Unit Agreement" in sub-clause (2)(c) add, the words "or Joint Operating Agreement upstream of the inlet of the liquids pipeline at Moomba."

After the last word in sub-clause (2)(a) add "The costs and expenses shall include but not be limited to all licence fees payable under any pipeline licence, all wharfage dues and the Commonwealth crude oil levy payable under the Excise Act, 1901 and the Excise Tariff Act, 1921 of the Commonwealth. Where costs and expenses are incurred by way of payments to a party not at arms-length to the Producers, such costs for this purpose shall not exceed the actual costs of that party".

Add a new sub-clause (1A) after sub-clause (1)

"(1A) —

- (i) Except as provided otherwise in this clause, during the period from the 1st January, 1988 up to and including 31st December, 1992, royalty shall be calculated and paid in respect of all liquid petroleum (which expression for this purpose shall include crude oil, condensate, propane, butane and ethane conveyed through the liquids pipeline the subject of Pipeline Licence No. 2) sold in accordance with the Sales Contracts at whichever is the lesser of the rate prescribed from time to time under the Petroleum Act, 1940-1981 or the rate of ten per centum of the value at the wellhead.
- (ii) The State may from time to time require that discussions be held with the producers with respect to the royalty rate and base to apply on and after the 1st January, 1988 providing there has been a significant or substantial increase in royalty on liquid petroleum or pipeline licence fees or other similar charges in other States since the 1st January, 1982. In conducting such discussions, the parties will exchange information and consult with a view to determining whether, and, if so, what change in royalty arrangements would be appropriate having regard to the royalty position in other States. During those discussions the following factors will be taken into account and evaluated:
 - (a) The actual levels of royalty rates in other States;
 - (b) The basis of calculating royalty in other States;
 - (c) The basis of calculating well-head value in other States and its comparison with the basis under this Indenture;
 - (d) The level of pipeline licence fees and similar charges in other States;
 - (e) The extent to which royalties in other States apply to well established projects which have completed their financing period;

- (f) The extent to which other States originally provided infrastructure support for comparable projects;
 - (g) The effect which royalty payments will have generally in encouraging State development and petroleum exploration in South Australia; and
 - (h) The extent to which the Cooper Basin liquids project has contributed and will continue to contribute to the development of South Australia.
- (iii) Following the discussions referred to in sub-clause (ii) above, the parties will attempt to reach agreement on the appropriate basis and level of royalty.

Failing agreement, the State shall have the absolute discretion, having regard to all of the matters outlined in sub-clause (ii), above, to increase royalty as follows:

- (a) Royalty on liquid petroleum shall not exceed the rate prescribed under the Petroleum Act 1940-1981.
- (b) Subject to the preceding sub-clause (iii)(a) the State may increase royalty to a maximum level of 12.5 per centum of the value at the wellhead of all such liquid petroleum from 1st January, 1988.

In the event that the royalty rate on liquid petroleum differs from the royalty rate on gas, the State and the Producers shall agree on the basis of allocation of capital and operating costs between liquid petroleum and gas and if there is no agreement, the matter shall be determined by arbitration."

In sub-clause (2)(a) after the words "Clause 12(2)" insert the words "and the sum provided in sub-clause (d) of this Clause 12(2)".

In sub-clause (2)(c) when first appearing delete the word "Unit".

Insert a new sub-clause (2)(d) after sub-clause (2)(c) as follows:

- "(d) A sum determined under a credit foncier system over a period of thirty half yearly instalments at a rate of interest of eighteen per centum per annum on the capital cost of all facilities (including the liquids pipeline) owned by the Producers or any of them between the point of sale of any petroleum and the inlet of the liquids pipeline at Moomba installed, constructed or otherwise acquired from time to time by the Producers or some one or more of them. Notwithstanding the expiry of fifteen years, the deduction of such sum shall be a continuing deduction and shall cease only upon the disposal, destruction or cessation of use by the Producers of any item of such facilities to the extent that the deduction is applicable to such item".

Insert a new sub-clause (10) after sub-clause (9):

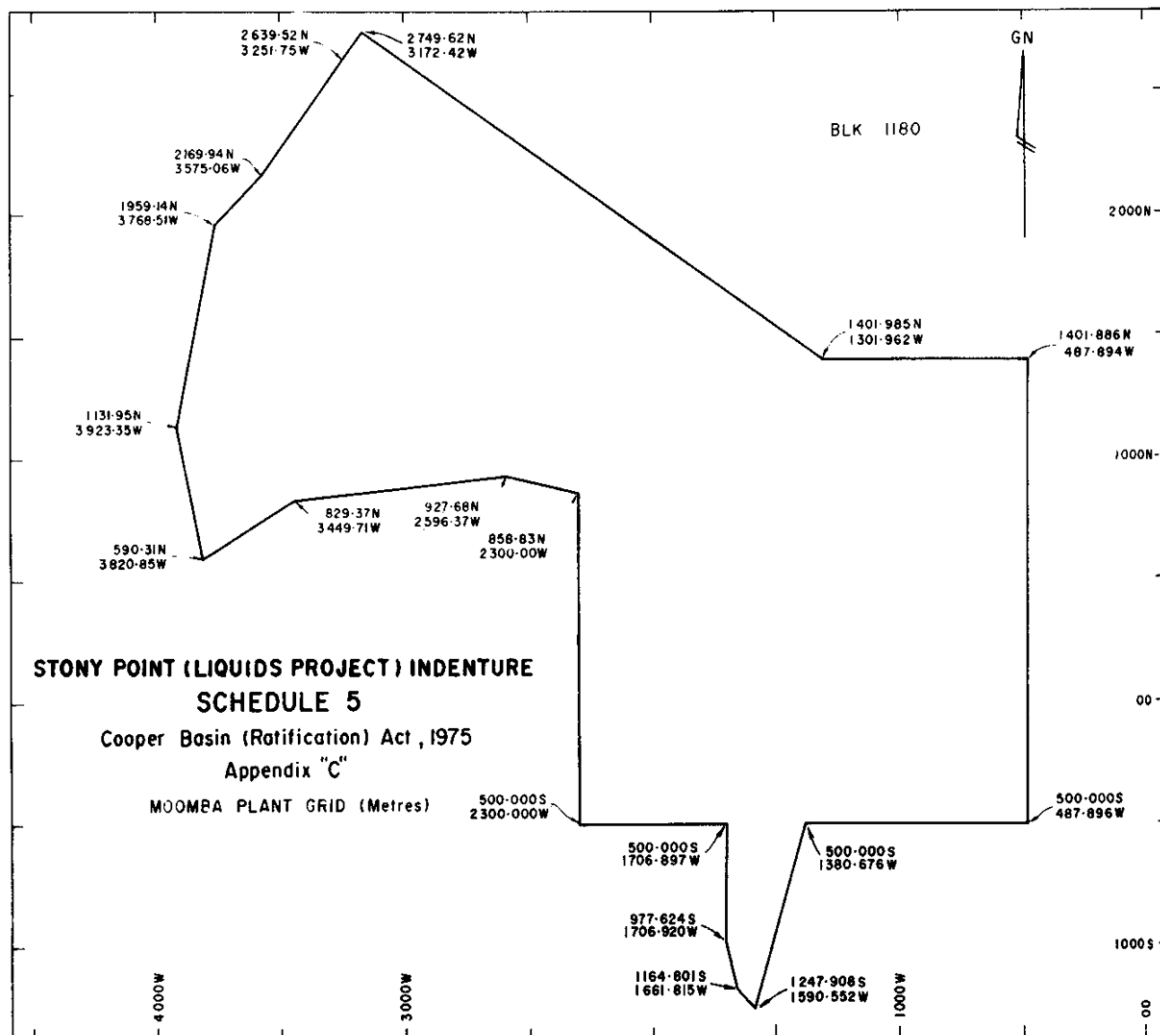
"(10) Notwithstanding anything to the contrary contained herein no royalty, tax, impost or levy of whatsoever nature or kind other than bona fide charges for services provided by the State shall be payable by the Producers upon any petroleum produced from a State other than South Australia and upon which royalty has been paid in another State".

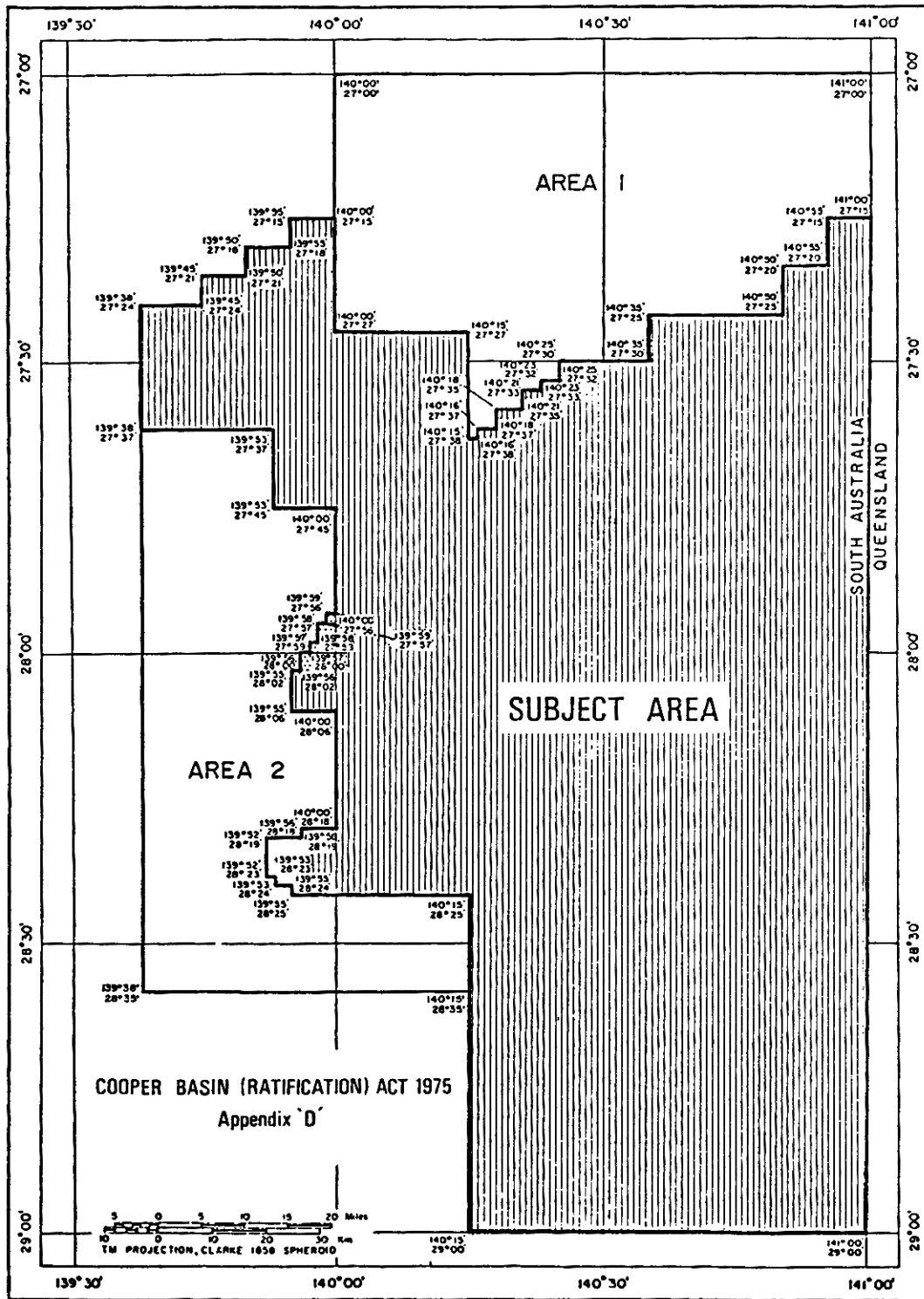
Clause 14(2):

After the words "Unit Agreement" add the words "and as applicable the provisions of any relevant Joint Operating Agreement".

Clause 20:

After the words "Indenture shall", when appearing in the last line add the words "as between the holders thereof".





IN WITNESS WHEREOF the parties hereto sign seal and deliver the foregoing presents and have hereunto set their respective hands and seals on the day and year first above written.

SIGNED SEALED AND DELIVERED by THE HONOURABLE DAVID OLIVER TONKIN Premier of the State of South Australia for and on behalf of the said State and in the presence of KENT PATRICK	}	DAVID TONKIN
THE COMMON SEAL of THE MINISTER OF MINES AND ENERGY was hereunto affixed by the authority of the Minister and in the presence of KENT PATRICK	}	E.R. GOLDSWORTHY
The COMMON SEAL of SANTOS LIMITED was hereunto affixed in the presence of	}	A. CARMICHAEL Director D. PARTINGTON Secretary
The COMMON SEAL of DELHI PETROLEUM PTY LIMITED was hereunto affixed in the presence of	}	J. McARDLE Director J. McRAE Secretary
The COMMON SEAL of SOUTH AUSTRALIAN OIL & GAS CORPORATION PTY. LTD. was hereunto affixed in the presence of	}	J.P. BURNSIDE Director J. CRADDOCK Secretary
<u>EXECUTED</u> on behalf of <u>BASIN OIL NO LIABILITY</u> by being Signed Sealed and Delivered by its Attorney under Power in the presence of:	}	PETER LANE Attorney CLIVE ARMOUR Witness
<u>EXECUTED</u> on behalf of <u>BRIDGE OIL LIMITED</u> by being Signed Sealed and Delivered by its Attorney under Power in the presence of:	}	A.G. HARRIS Attorney L. CARROLL Witness
<u>EXECUTED</u> on behalf of <u>BRIDGE OIL DEVELOPMENTS PTY. LIMITED</u> by being Signed Sealed and Delivered by its Attorney under Power in the presence of:	}	A.G. HARRIS Attorney L. CARROLL Witness
<u>EXECUTED</u> on behalf of <u>TOTAL EXPLORATION AUSTRALIA PTY. LIMITED</u> by being Signed Sealed and Delivered by its Attorney under Power in the presence of:	}	H.W.G. CAVILL Attorney CLIVE ARMOUR Witness
<u>EXECUTED</u> on behalf of <u>REEF OIL NO LIABILITY</u> by being Signed Sealed and Delivered by its Attorney Under Power in the presence of:	}	PETER LANE Attorney CLIVE ARMOUR Witness
<u>EXECUTED</u> on behalf of <u>VAMGAS LIMITED</u> by being Signed Sealed and Delivered by its Attorney under Power in the presence of:	}	J.B. FITZGERALD Attorney CLIVE ARMOUR Witness
<u>EXECUTED</u> on behalf of <u>ALLIANCE PETROLEUM AUSTRALIA NO LIABILITY</u> by being Signed Sealed and Delivered by its Attorney under Power in the presence of:	}	E.H.C. GARLAND Attorney CLIVE ARMOUR Witness

EXECUTED on behalf of CRUSADER RESOURCES N.L. by
being Signed Sealed and Delivered by its Attorney under Power in
the presence of: }

M. PYECROFT
Attorney
CLIVE ARMOUR
Witness

Schedule 2

Petroleum Act 1940

Pipeline Licence No. 2

I, ERIC ROGER GOLDSWORTHY, Minister of Mines and Energy in and for the State of South Australia (hereinafter referred to as the Minister) pursuant to the Petroleum Act, 1940-1981 (hereinafter referred to as the Petroleum Act), and all other enabling powers hereby grant to: SANTOS LIMITED a Company incorporated under the laws of the State of South Australia and having its registered office at 183 Melbourne Street, North Adelaide in that State. DELHI PETROLEUM PTY. LIMITED a Company incorporated under the laws of the State of South Australia and having its registered office at 33 King William Street, Adelaide in that State. SOUTH AUSTRALIAN OIL & GAS CORPORATION PTY. LTD. a Company incorporated under the laws of the State of South Australia and having its registered office at 226 Melbourne Street, North Adelaide in that State. BASIN OIL NO LIABILITY a Company incorporated under the laws of the State of New South Wales and having its registered office at C/- Priestly and Morris, 37 Pitt Street, Sydney in that State. BRIDGE OIL LIMITED a Company incorporated under the laws of the State of New South Wales and having its registered office at 60 Margaret Street, Sydney in that State. BRIDGE OIL DEVELOPMENTS PTY. LIMITED a Company incorporated under the laws of the State of New South Wales and having its registered office at 60 Margaret Street, Sydney in that State. TOTAL EXPLORATION AUSTRALIA PTY. LIMITED a Company incorporated under the laws of the State of New South Wales and having its registered office at 168 Walker Street, North Sydney in that State. REEF OIL NO LIABILITY a Company incorporated under the laws of the State of New South Wales and having its registered office at C/- Priestly and Morris, 37 Pitt Street, Sydney in that State. VAMGAS LIMITED a Company incorporated under the laws of the State of New South Wales and having its registered office at Suite 801, London Assurance House, 20 Bridge Street, Sydney in that State. ALLIANCE PETROLEUM AUSTRALIA NO LIABILITY a Company incorporated under the laws of the State of Victoria and having its registered office at 30 Collins Street, Melbourne, in that State. CRUSADER RESOURCES N.L. a Company incorporated under the laws of the State of Victoria and having its registered office at 44 Market Street, Melbourne in that State. (hereinafter called "the Licensees" which expression shall include in respect of each of the Licensees its successors and permitted assigns) this licence, as the same may be varied or replaced from time to time (referred to in the Indenture (hereinafter defined) as "Pipeline Licence No. 2"), to construct install and operate a pipeline system described hereunder for the conveyance of Product subject to the Conditions set out hereinafter.

GENERAL DESCRIPTION OF THE PIPELINE SYSTEM

The pipeline and the machinery and appurtenances which the Licensees shall use for the operation of or in conjunction with the pipeline shall comprise:—

- A. A 355.6 millimetres outside diameter steel pipeline for the conveyance of Product, approximately 659 kilometres in length commencing at the outlet side of a petroleum liquids extraction plant to be constructed in the vicinity of the Moomba natural gas processing plant along a route as nearly as possible parallel to the existing natural gas pipeline owned by Pipelines Authority of South Australia (PASA), from Moomba to a point in the near vicinity of Compressor Station Number 4 on the said natural gas pipeline, thence south-westerly and southerly, to a delivery point at a fractionation and storage facility to be constructed in the vicinity of Stony Point near Whyalla in the State.

In general terms and subject to Condition 4 hereof the said route shall more particularly follow that shown on the plan annexed hereto, described as Schedule 1, which said route has already been approved by the Governor;

- B. An inlet metering station at the outlet side of the said petroleum liquids extraction plant;
- C. A delivery metering station at the inlet to the said fractionation and storage facility to be constructed in the vicinity of Stony Point;
- D. A pumping station at the outlet side of the said petroleum liquids extraction plant together with a number of additional pumping stations as shall be required in order to comply with sub-Condition (i) of Condition 6 hereof;
- E. A system of control for the operation and maintenance of the pipeline system;
- F. A communication system connecting the inlet and outlet points and a number of intermediate fixed points of the pipeline; and
- G. A mobile communication system for use between any two points on the pipeline or in the near vicinity thereof.

CONDITIONS

1. —
- (i) Terms and expressions defined in the Indenture (hereinafter defined) shall, where the context so admits or requires, have the same meanings in this licence; and
- (ii) "The Indenture" means an Indenture of even date with this licence entered into between the State of the first part the Licensees (therein referred to as "the Producers") of the second to twelfth parts (both inclusive) and the Minister of the thirteenth part as the same may be varied or replaced from time to time.
2. The term of this licence is twenty-one years, commencing on the date hereof, and terminating at midnight on the 25th day of November, 2002, both dates inclusive, but subject always to renewals as provided in clause 52 of the Indenture.

3. —
- (i) This licence is granted pursuant to the provisions of the Petroleum Act and all Acts passed in amendment thereof or in substitution therefor, and all regulations and by-laws made thereunder not inconsistent with the terms of the Indenture.
 - (ii) If the Stony Point (Liquids Project) Ratification Bill, 1981, is not passed so as to come into operation as an Act of the State before the 31st day of December 1981, or such later date as the parties to the Indenture may agree, in the same terms as those now contained in the Stony Point (Liquids Project) Ratification Bill, 1981 or in such other terms as the parties hereto otherwise may agree in writing, this Pipeline Licence shall lapse on and with effect from that date.
4. PASA shall acquire certain right, title and interest in certain lands between Moomba and Stony Point pursuant to and more particularly described in an agreement of even date herewith made between PASA and the Licensees described as the PASA and Producers (Right of Way) Agreement therein and herein described as the "pipeline land". The pipeline shall be constructed and installed within the boundaries of the pipeline land providing that the Licensees before causing construction and installation of the pipeline to commence shall request PASA to identify the position where the pipeline shall be installed so as not to cause damage to or interference with the operation of the existing natural gas pipeline owned by PASA. The Licensees shall comply with any relevant direction or instruction given by PASA as a result of the request under this Condition. Without limiting the generality of the foregoing the pipeline shall unless otherwise approved in writing by PASA be installed in such a position as not to be closer at any point than 20 metres to the western boundary of any land in relation to which PASA shall have a right, title or interest for any purpose in connection with the existing natural gas pipeline owned by PASA. Save as hereinbefore provided the pipeline route as nearly as possible shall be parallel to the existing natural gas pipeline owned by PASA, from Moomba to a point in the near vicinity of Compressor Station No. 4 on the said natural gas pipeline, thence south-westerly and southerly to a delivery point at a fractionation and storage facility to be constructed in the vicinity of Stony Point.
- The plan annexed hereto described as Schedule 1 does not contain sufficient detail to identify the pipeline route otherwise than in general terms. Nothing contained in the said Schedule 1 is intended to derogate from these Conditions so far as concerns the position where the pipeline shall be installed, providing that the Licensees will confer with PASA as soon as practicable after the date of this licence with a view more precisely to identifying the position where the pipeline shall be installed.
5. Except as otherwise provided by these Conditions the pipeline shall be designed, constructed, installed, tested, maintained and operated in accordance with Australian Standard 2018–1981 (S.A.A. Liquid Petroleum Pipeline Code), supplemented by:—
- (i) Bechtel-Kinhill Specification L-01 for Electric Resistance Welded High Test Line Pipe;
 - (ii) Bechtel-Kinhill Specification L-03 for Mainline Valves;
 - (iii) Bechtel-Kinhill Specification L-04 for Pipeline Protective Tape Coating;

- (iv) Bechtel-Kinhill Specification Exhibit C to Contract No. 141 56-CD-201-Construction of Moomba to Stony Point Pipeline; and
- (v) Bechtel-Kinhill Specifications forming part of Contract No. 141 56-CD-207-Cathodic Protection.

which Specifications were lodged by the Licensees in making application for this licence.

The Licensees shall comply with all Australian Standards from time to time in force relating to the maintenance and operation of liquid petroleum pipelines in Australia.

6. The pipeline shall be designed so as to comply with the following requirements:
 - (i) An initial capacity to convey 6,360 cubic metres per day (40,000 barrels per day) of Product with provision for increase to capacity of 12,720 cubic metres per day (80,000 barrels per day) of Product;
 - (ii) To permit the conveyance of Product including the capability of transporting ethane in solution in a high vapour pressure liquid system;
 - (iii) To permit a maximum allowable operating pressure, as defined by Australian Standard 2018–1981 of 10,380 kilopascals, at a normal operating temperature not exceeding 38 degrees Celsius, and a maximum temperature of 75 degrees Celsius under unusual conditions;
 - (iv) An outside diameter of 355.6 millimetres; and
 - (v) To permit conversion of the pipeline, at a later time to be agreed between the Minister and the Licensees, to allow transmission of natural gas in accordance with Australian Standard 1697–1981 (S.A.A. Gas Pipeline Code) at a maximum allowable operating pressure (as defined in that Standard) of not less than 7,322 kilopascals.
7. The Licensees shall, as soon as practicable, submit to PASA complete details of all equipment and materials installed on the pipeline. "As constructed" drawings and all revisions of such drawings shall be supplied to the Minister and to PASA.
8. When constructed and installed the pipeline shall include the following:
 - (i) Remotely operated valves to permit sections of the pipeline to be isolated under emergency conditions. Information relating to the selection of the site for each such remotely operated pipeline valve shall be submitted to the Minister for approval before construction and installation of the pipeline shall commence;
 - (ii) A cathodic protection system to prevent external corrosion of the pipeline. The said system shall be such as will not adversely affect the cathodic protection of the existing natural gas pipeline owned by PASA. The design shall be subject to approval by PASA. Following installation tests shall be carried out at the cost of the Licensees to demonstrate that the level of protection on the existing pipeline has not adversely been affected by the system proposed by the Licensees. Surveys at intervals not exceeding twelve months during the term of this licence shall be carried out to ascertain whether the cathodic protection on each pipeline is adequate and appropriate for the purpose of preventing external corrosion of either pipeline;

- (iii) Facilities to allow the passage through the pipeline of an instrumented inspection tool calibrated in such a manner as to detect defects in the pipeline. Pipeline inspection surveys, using the inspection tool shall be carried out at intervals not exceeding five years unless otherwise approved by the Minister; and
 - (iv) A communications system which shall provide for telemetry of such status information and pressure, flow and other operating data as the Minister shall require, remote control of valves for routine and emergency operation, and voice communication to locations along and in the near vicinity of the pipeline and mobile vehicles employed for purposes relating to the operation or maintenance of the pipeline.
9. Prior to the conveyance of liquids having a vapour pressure higher than atmospheric pressure the Licensees shall install a leak detection system. Details of the system including its design and sensitivity shall be submitted to the Minister for his approval before it is installed.
 10. Before construction or installation of the pipeline commences the Licensees shall take all reasonable steps to inform contractors of the relevant provisions of this licence, the Indenture and the Petroleum Act and any conditions, directions, instructions or matters of a like nature whether statutory or otherwise relating to construction and installation of the pipeline.
 11. The Licensees shall not interfere nor cause interference with or damage to the existing natural gas pipeline owned by PASA during the term of this licence.
 12. The pipeline shall be submitted to a hydrostatic strength test for a period of four hours at a minimum pressure of 13 696 kilopascals and a maximum pressure of 14 416 kilopascals, and a hydrostatic leak test for a minimum period of 24 hours at a minimum pressure of 12 975 kilopascals and a maximum pressure of 13 696 kilopascals. Both the said tests shall be conducted in accordance with the requirements of Australian Standards 2018–1981 and 1978–1977.
 13. Manuals described the operating and maintenance procedures specified by Australian Standard 2018–1981 and all revisions to such manuals shall be submitted by the Licensees to the Minister for his approval thereto and the Licensees, upon the manuals being approved by the Minister, shall comply with the operating and maintenance procedures specified therein. A review of such manuals may be required by the Minister from time to time.
 14. No section of the pipeline shall be put into operation until all necessary hydrostatic testing, tie-ing in and backfilling of the trench has been completed to the satisfaction of the Minister, and the manuals describing the operating and maintenance procedures required in accordance with Condition 13 have been approved by the Minister.
 15. Whenever the standards referred to herein require certified test certificates to be submitted, such certificates shall be properly endorsed in accordance with the requirements from time to time of the National Association of Testing Authorities.

16. The Licensees shall, at the request of the Minister or of any person authorised by him to make the request on his behalf, produce from time to time to the Minister or to the person authorised as aforesaid, all books, accounts and other records in their possession or power relating to the costs of constructing, operating and maintaining the pipeline and shall permit the Minister or the person authorised as aforesaid, to inspect and make copies of those books, accounts and records.
17. Save as hereinbefore provided, prior to completion of construction and installation of the pipeline the Licensees may accept and employ the services of PASA including but not limited to advice on technical matters pertaining to the design, construction, installation and operation of the pipeline and in relation to the supervision of all work carried out by Bechtel-Kinhill Joint Venture.
18. Prior to completion of construction and installation of the pipeline the Licensees shall enter into an agreement in writing with PASA on terms to be mutually agreed between the Licensees and PASA, (which terms shall comply with the requirements of Condition 13 hereof) the provisions of which agreement shall have been approved by the Minister before the parties thereto shall enter into and become bound by such agreement, pursuant to which PASA shall maintain the pipeline and communications systems (as described in clauses A, F and G of the General Description of the Pipeline System) and that part of the control system (as described in clause E of the General Description of the Pipeline System) which is to be installed in PASA's Glenside Control Centre in good order and condition. Terms and conditions relating to the maintenance of pumping stations, if made the subject of a subsequent agreement between PASA and the Licensees, shall be submitted for the Minister's approval before being implemented.
19. The right, title and interest in and to the pipeline land which PASA shall acquire in accordance with the provisions of Condition 4 of this licence shall be acquired by PASA at its own cost and expense and the Licensees shall not be obliged to make any financial contribution in that regard.
20. The Licensees shall enter into the PASA and Producers (Right of Way) Agreement contemporaneously with the grant of the within licence, the provisions of which have been approved by the Minister.
21. The Licensees shall not use the pipeline, nor shall they cause the pipeline to be used, for any purpose other than for conveying Product, without the consent in writing of the Minister first had and obtained.
22. In the event that the pipeline is no longer operated by the Licensees for the purpose of transmitting their product extracted from the Cooper Basin region in accordance with the Project referred to in the Indenture, PASA shall have the right, but not the obligation, to acquire ownership of the pipeline at a cost to be agreed at that time. Such cost shall not include any component for or in relation to any right, title or interest in relation to any real property the subject of any grant by PASA pursuant to Condition 4 of this licence.
23. The Licensees shall not at any time remove any part of the pipeline without the consent in writing of the Minister first had and obtained.

24. The interest of any individual Licensee pursuant to this licence shall not be assigned, transferred, sublet, or made the subject of any trust or other dealing, whether directly or indirectly other than to another Licensee or to a related corporation of that individual Licensee, without the consent in writing of the Minister; and any such transaction entered into without such consent shall be void; providing that any such interest of any individual Licensee may be mortgaged, charged or otherwise encumbered or made the subject of a security interest without the consent of the Minister or alternatively with the consent of the Minister and then subject only to such conditions (if any) as the Minister may reasonably impose after having due regard to the needs of the Licensees or any of them to raise finance for the activities contemplated by this licence on the most favourable terms available.

A mortgagee, chargee or encumbrancee under a mortgage, charge, encumbrance or other security interest which has been consented to by the Minister as aforesaid in enforcing its security or any receiver or receiver and manager of a Licensee thereunder or any transferee or assignee thereof shall in the exercise of its rights be subject only to such reasonable conditions (if any) as the Minister shall have imposed at the time of his approval to the creation of the mortgage, charge, encumbrance or other security interest.

A mortgagee, chargee or encumbrancee under a mortgage, charge, encumbrance or other security interest which has not been consented to by the Minister as aforesaid in enforcing its security or any receiver or receiver and manager of a Licensee thereunder or any transferee or assignee thereof shall not assign, transfer, sublet or make the subject of any trust or other dealing without the consent in writing of the Minister.

The Minister may, before consenting to any such transaction, require such information as he thinks fit with respect thereto, and shall have a discretion to grant or refuse such consent but shall not capriciously or unreasonably refuse it and shall not grant any such consent on unreasonable conditions.

Where a transaction has received the consent of the Minister under this Condition 24 subject to conditions, and any of those conditions is subsequently satisfied, the Licensees or any of them shall, within twenty-eight days, serve personally or by post upon the Minister, notice in writing of that fact.

For the purposes of this Condition "related corporation" shall have the meaning ascribed to that term in section 6(5) of the Companies Act 1962-1980.

25. —
- (i) If any individual Licensee purports, without the consent in writing of the Minister, to assign, transfer or sublet any interest under this licence or to make such interest the subject of any trust or other dealing which requires the consent of the Minister as aforesaid the Licensee shall be in default under this licence.
 - (ii) Any purported assignment or transfer of the interest or part thereof of any individual Licensee pursuant to this licence shall be subject to the assignee or transferee executing in favour of the State and the Minister and the other Licensees a deed of covenant in a form to be agreed between the Minister and the Licensees to comply with, observe and perform the provisions of this licence on the part of the Licensees to be complied with, observed or performed in regard to the interest so assigned.

The Minister may require any person who acquires any interest whether legal or equitable in this licence by virtue of a transaction to which the Minister has consented under this Condition, to enter into a bond upon such terms and conditions and in such sum not exceeding \$4 000 and to give such security for the satisfaction of the bond as he may stipulate.

26. Notwithstanding anything hereinbefore contained, if any one or more of the following events occurs, namely:

- (i) If any of the Licensees makes default in the due payment of any moneys payable under this licence to the State or to anyone on its behalf or to any agency or instrumentality of the Crown and any such default remains unremedied for a period exceeding thirty days after notice specifying the default is given to the Licensees and to sub-Licensees (if any) and to all lenders of money to the Licensees or any of them who have been notified by the Licensees or any of them to the State in writing (such lenders, whether one or more, being hereinafter referred to as "the lenders") by the State; or
- (ii) If any of the Licensees makes default in the due performance of any of its material covenants or obligations under this licence (not being a covenant or obligation of the kind referred to in sub-clause (i) of this Condition) and if the relevant Licensee fails to remedy or to commence and continue in good faith to remedy that default within a reasonable time after notice specifying the default is given to the Licensees and to sub-Licensees (if any) and to the lenders by the State

then and in any such events the Minister, after consultation with the Licensees, (and provided the Licensees not in default have agreed with the State to assume all of the obligations, including without limitation, obligations due and unsatisfied in respect of any antecedent breach of the Licensee or Licensees in default) may determine this licence in respect only of the Licensee or Licensees in default.

The rights and obligations of that defaulting Licensee or of those defaulting Licensees under this licence *vis-a-vis* the State and the Minister shall thereupon cease and shall *ipso facto* be assumed by and become the rights and obligations of the Licensees not in default but in all other respects the rights and obligations of the Licensees not in default under this licence shall be unaffected by such determination.

If the Licensees not in default do not agree with the State to assume the obligations of the Licensee or Licensees in default as aforesaid, or if all of the Licensees are in default under this licence then the State may cancel this licence.

Any determination or cancellation of this licence shall be by written notice to the Licensees and to sub-Licensees (if any) and to the lenders.

27. Upon the cancellation of this licence under Condition 26 of this licence:

- (i) the rights and obligations of the Licensees to, in or under this licence shall thereupon cease and determine but without prejudice to the liability of a Licensee in respect of any antecedent breach or default by it under this licence; and
- (ii) each Licensee shall forthwith pay to the State all moneys which then shall have become payable or accrued due by it

and the rights of the Minister shall, subject to sub-clauses (i) and (ii) of this Condition, constitute the exclusive remedy of the State and the Minister and of any instrumentality of the State and of any other Minister against the Licensees not in default and each of them in respect of the said cancellation.

28. The liability of each Licensee under this licence shall be several and not joint nor joint and several and the liability of each Licensee shall be determined in accordance with the extent of its ownership of the pipeline.

Dated this 26th day of November 1981.

Minister of Mines and Energy

Legislative history

Notes

- For further information relating to the Act and subordinate legislation made under the Act see the Index of South Australian Statutes or www.legislation.sa.gov.au.

Legislation amended by principal Act

The *Stony Point (Liquids Project) Ratification Act 1981* amended the following:

Cooper Basin (Ratification) Act 1975

Principal Act and amendments

New entries appear in bold.

Year	No	Title	Assent	Commencement
1981	89	<i>Stony Point (Liquids Project) Ratification Act 1981</i>	17.12.1981	17.12.1981
2003	43	<i>Cooper Basin (Ratification) Amendment Act 2003</i>	23.10.2003	Sch 1 (cll 2 & 3)—15.12.2003 (<i>Gazette</i> 4.12.2003 p4374)

Provisions amended

New entries appear in bold.

Entries that relate to provisions that have been deleted appear in italics.

Provision	How varied	Commencement
Long title	amended under <i>Legislation Revision and Publication Act 2002</i>	15.12.2003
s 4		
<i>s 4(2) and (3)</i>	<i>omitted under Legislation Revision and Publication Act 2002</i>	<i>15.12.2003</i>
s 5		
s 5(2)	(l) deleted by 43/2003 Sch 1 cl 2	15.12.2003
Sch 1		
Indenture		
<i>Pt XXIV</i>	<i>deleted by 43/2003 Sch 1 cl 3</i>	<i>15.12.2003</i>