

13 June 2014

Mr Barry Broe
Coordinator-General
Office of the Coordinator-General
Department of State Development, Infrastructure and Planning
PO Box 15517
City East, QLD 4002

Dear Mr Broe,

Queensland Curtis LNG Project – Application for Change Request

As you aware, QGC Pty Ltd (**QGC**) obtained approval from the Office of the Coordinator-General (**OCG**) for its Queensland Curtis LNG Project (**QCLNG Project**) as a 'significant project' (now referred to as a 'coordinated project') in accordance with the *State Development and Public Works Organisation Act 1971* on 23 June 2010.

QGC has already fulfilled its commitments with regard to the requirements of Appendix 4, Part 2, Condition 8(a) of the Coordinator-General Evaluation Report (**CGER**) applicable to the QCLNG Project, which requires that *"substantial commencement of gas field, pipeline and LNG facility construction must occur within 4 years of the date of this Coordinator-General report..."*.

For instance:

- Significant gas field infrastructure, such as Water Treatment Plants, Central Processing Plants and Field Compression Stations are currently under construction or in the process of commissioning, while gas wells and associated gathering infrastructure continues to be developed in accordance with the overall project schedule;
- All gas transmission pipeline infrastructure has been installed and the final stages of pipeline right of way (ROW) rehabilitation are currently being undertaken; and
- LNG facility infrastructure on Curtis Island, which includes Trains 1 and 2, is currently on track for commissioning to allow for first gas in 2014.

During the course of the past month QGC has met, and exchanged correspondence with, representatives from the OCG regarding the conditions currently imposed by the CGER on the QCLNG Project.

Today, we write with reference specifically to Appendix 4, Part 2, Condition 8(b), which states:

"If, prior to expiry of the standard 4 year period of currency of the Coordinator-General report, construction of Trains 1 and 2 has substantially commenced, and the proponent has decided to proceed with substantial commencement of Third Train construction within the following 2 year period, the proponent may apply to the Coordinator-General, prior to the expiry of the 4 year period, to extend the Coordinator-General report for the further 2 year period if satisfactory contemporary social and logistics planning documents are provided to the Coordinator-General."

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The standard 4 year period of currency of the Coordinator-General report is scheduled to expire on 23 June 2014.

On 13 June 2014, QGC requested an extension to the period of currency for the QCLNG Coordinator General Evaluation Report to 6 years.

As identified in the approved QCLNG Project Environmental Impact Statement, the development of a third train has always been contemplated as part of the QCLNG Project.

QGC is not currently in a position to confirm that construction activities associated with Train 3 will substantially commence by 23 June 2016, however, we hereby request an extension of two years to the lapsing provision in order to preserve the ability for a third LNG train to be constructed by QGC in the near future, subject to market conditions.

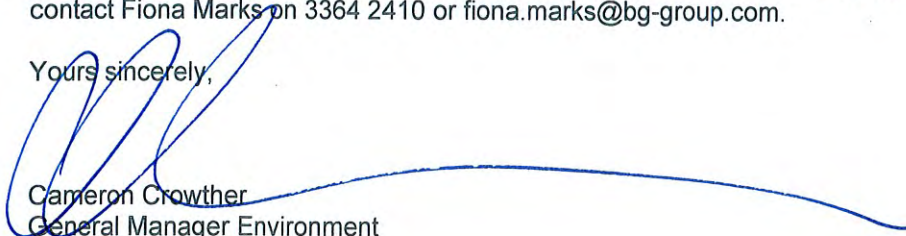
During this time, QGC will continue its planning for the QCLNG Project, and will carry out a range of market analysis and internal feasibility studies to determine the viability of a third train.

Details regarding the requested change to Appendix 4, Part 2, Condition 8 can be found in **Attachment 1**.

Given the minor scope and administrative nature of the requested change, QGC requests your consideration that change report fees be waived on this occasion.

If you have any questions in relation to the above or require further information, do not hesitate to contact Fiona Marks on 3364 2410 or fiona.marks@bg-group.com.

Yours sincerely,



Cameron Crowther
General Manager Environment

cc Geraldine Cavanagh, OCG.

Attachment 1 - Details of Requested Change

Current Condition

LNG Facility – Appendix 4, Part 2, Condition 8

- a) Substantial commencement of gas field, pipeline and LNG facility construction must occur within 4 years of the date of this Coordinator-General report, otherwise this report will expire, but may be extended by the proponent in accordance with clause (b).
- b) If, prior to expiry of the standard 4 year period of currency of the Coordinator-General report, construction of Trains 1 and 2 has substantially commenced, and the proponent has decided to proceed with substantial commencement of Third Train construction within the following 2 year period, the proponent may apply to the Coordinator-General, prior to the expiry of the 4 year period, to extend the Coordinator-General report for the further 2 year period if satisfactory contemporary social and logistics planning documents are provided to the Coordinator-General.
- c) If a decision is made to construct the Third Train, but the Third Train is not substantially commenced within a 6 year period, from the issue of the Coordinator-General Report, the Coordinator-General Report lapses and a new declaration and environmental assessment will be required, whether or not the Coordinator-General has extended the currency of the Coordinator-General report.

Requested Change

Delete the current condition and replace it with the following:

LNG Facility – Appendix 4, Part 2, Condition 8

If, prior to the expiry of the currency period of 6 years for this report, the proponent wishes to proceed with a third train for the LNG facility, the proponent must first submit a change report for the third train and await it's assessment before proceeding.