**Australian Industry Participation (AIP) plan Summary**

**– Project Phase**

**1. Project Details**

**Designated project proponent:** Woodside Burrup Pty Ltd

**Project name:** Pluto Train 2 Project

**Description of the project:** The project comprises a proposed expansion of the Woodside-operated Pluto LNG facility through construction of a second LNG train. Expanded capacity allows for the potential processing of third-party gas resources through the Pluto LNG facilities, including the proposed Scarborough Development.

The proposed expansion is based on a modular design with production capacity of about 5 Mtpa. The second train would be accommodated within the existing pre-disturbed Pluto LNG footprint. Woodside invited two EPC contractors to submit proposals for the design and construction of Pluto Train 2 based upon their experience of similar projects internationally. Subsequently, Woodside selected Bechtel as its preferred contractor to undertake FEED and with an option to construct the project subject to FID. Woodside and Bechtel have entered into negotiations to finalise contract arrangements for the work, based upon Bechtel’s proposal which reflects a proven design that it has previously constructed in Australia.

As the successful EPC contractor, Bechtel would assume responsibilities as the procurement entity for all itemised packages that result as sub-contracts.

Woodside’s own procurement activities will be limited to sourcing materials or services occasionally required to supplement the services provided by the EPC contractor.

Woodside’s project milestones are aligned with the proposed upstream Scarborough Development, targeting a final investment decision in 2021 and first gas in 2025.

**Project timeline (indicative):**

**Woodside Target Schedule (Indicative Only)**

|  |  |
| --- | --- |
| 2019 | Commence FEED |
| 2021 | FID |
| 2025 | First Gas |

**Estimated project value:** >$500 million

**Project location:** Burrup Peninsula, Western Australia

**Link to project information:** [www.woodside.com.au/supplying\_to\_woodside/Pages/Australian-Industry-Participation.aspx](http://www.woodside.com.au/supplying_to_woodside/Pages/Australian-Industry-Participation.aspx)[http://gateway.icn.org.au/](http://or) or equivalent.

**Project contact for procurement information:**



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**Other project proponents involved in the project:** Not applicable
**2. Opportunities to supply Goods and Services**

Under the EPC Contract, Bechtel will assume responsibilities as the procurement entity for all itemised packages that result as sub-contracts. These will be described further in Bechtel’s own subsequent AIP Plan.

An indicative range of scope packages for construction activities are listed below and will potentially encompass a suite of scope opportunities for Australian entities and Non-Australian entities to supply goods and services. These scopes will be determined by Bechtel and included also within Bechtel’s AIP Plan.

|  |  |  |
| --- | --- | --- |
| **Expected opportunities (sorted by purchasing category)** | **Opportunities for Australian entities\*** | **Opportunities for non-Australian entities** |
| **Supply of Plant Equipment & Materials** |
| Supply of Gas Turbines | No | Yes |
| Supply of Compressors | No | Yes |
| Supply of Cold Box | No | Yes |
| Supply of Heat Exchangers | No | Yes |
| Supply of Chillers and Condensors | No | Yes |
| Supply of Heaters | Yes | Yes |
| Supply of Pressure Vessels (including drums, filters, separators etc.) | Yes | Yes |
| Supply of Tanks | Yes | Yes |
| Supply of Columns | No | Yes |
| Supply of LNG Pumps and Nitrogen Rejection Unit Pumps | No | Yes |
| Supply of Process Pumps | Yes | Yes |
| Supply of Instrumentation | Yes | Yes |
| Supply of Electrical Equipment | Yes | Yes |
| Supply of Structural Steel | Yes | Yes |
| Supply of Painting, Insulation & Fireproofing Materials | Yes | Yes |
| Supply of Valves and Fittings | Yes | Yes |
| Supply of Catalysts and Chemicals | Yes | Yes |
| Supply of Control Systems | Yes | Yes |
| Supply of Buildings | Yes | Yes |
| Supply of Safety Equipment (includes plant and personal items) | Yes | Yes |
| Lease of Module Yard Facilities | No | Yes |
| **Construction of Pluto Train 2 Project** |
| On-Site Construction | Yes | No |
| Civil Works & Infrastructure (Site Preparation) | Yes | No |
| Haul Road Modifications | Yes | No |
| Provision of Temporary Site Facilities | Yes | No |
| Provision of Transportation Services (Staff) | Yes | No |
| Provision of General Facility Services | Yes | No |
| Accommodation Facilities | Yes | No |
| Provision of Waste Management/Disposal Services | Yes | No |
| Provision of Surveying Services | Yes | No |
| Provision of NDT Inspection & Testing Services | Yes | Yes |
| Provision of Electrical & Instrumentation Services | Yes | Yes |
| Provision of Industrial Coating and Insulation Services | Yes | No |
| Provision of Mechanical Services | Yes | No |
| Supply of Heavy Lift Crane Hire Services | Yes | No |
| Supply of Hire Equipment Services (Other) | Yes | No |

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|  |  |  |
| --- | --- | --- |
| Supply of Paint & Painting Services | Yes | No |
| Supply of Electrical Cabling | Yes | Yes |
| Supply of Scaffold and Access Equipment | Yes | No |
| Supply of Piping Materials | Yes | Yes |
| Supply of Consumables | Yes | Yes |
| Supply of Concrete and re-bar | Yes | No |
| **Logistics & Warehousing** |   |   |
| Provision of Storage | Yes | No |
| Supply of Road and Sea Transportation | Yes | No |

Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact.

\* An Australian entity is defined in the Jobs Act as any entity with an ABN or ACN.

**Explanation for item(s) in list above where it is indicated ‘No Opportunities for Australian entities’**

|  |
| --- |
| Bechtel has in-house capability to self-perform elements of the work through its own Australian and affiliated international organisation. This includes engineering design, manufacture of pipe and spools, construction of modules, and management of site construction using direct hired labour. The lease of Module Yard Facilities is likely to be awarded internationally due to lack of suitable facilities in Australia.Certain plant and equipment inherent to the design of the LNG facility is by nature proprietary to specialist international manufacturers, and for which there is no Australian manufacturer available. It is anticipated that the following items will be procured by Bechtel internationally: Gas Turbines, Compressors, Cold Box, Heat Exchangers, Chillers and Condensors, Columns, LNG Pumps and Nitrogen Rejection Unit Pumps.Other materials may be manufactured in Australia, or supplied competitively through Australian entities, and Bechtel will be required in its AIP Plan to explore the opportunities that exist to maximise participation in the project by Australian entities. |

**3. Standards to be used in the project**

* It is a Woodside requirement that standards utilised on the project are either Australian or internationally recognised equivalents (as reflected by the established Bechtel design), unless otherwise justified due to specific technological, commercial, intellectual property or similar requirements.
* Woodside places contractual obligations in respect of applicable design standards on its contractors. It subsequently monitors compliance through its Quality Assurance check processes.
* It is the expectation that Australian entities will have the ability to meet these standards.

**4. AIP activities to be undertaken by the Project Proponent**

* The activities undertaken by Woodside will ensure that full, fair and reasonable opportunity has been provided to Australian companies. Woodside will ensure that obligations arising under the *Australian Jobs Act 2013 (Cth)* (the Act) are fulfilled and are cascaded down in its contracts with procurement entities.
* Woodside, when acting as a procurement entity, will engage in advance of commencement of tendering activity of key goods and services with the Industry Capability Network WA

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(ICNWA) or an independent service provider to determine whether Australian capability and capacity exists for scopes of work equal to or in excess of $1 million.

* When Bechtel is acting as the procurement entity, Woodside will require the EPC contractor to engage in advance of commencement of tendering activity of key goods and services with the Industry Capability Network WA (ICNWA) or an independent service provider to determine whether Australian capability and capacity exists for scopes of work equal to or in excess of $1 million.
* Where ICNWA or an independent service provider confirms that Australian industry capability exists, procurement entities will advertise relevant scopes of work on an online advertisement platform (e.g. ICN Gateway or equivalent) seeking Australian industry expressions of interest prior to commencing further vendor market engagement.
* Scopes of work will be advertised in sufficient time to allow Australian entities the opportunity to lodge expressions of interest.
* Procurement entities (ie: Woodside and Bechtel) will each appoint an AIP Contact Officer to assist in managing inbound Australian vendor enquiries regarding project opportunities and to facilitate introductions to key project personnel.
* Where a potential supplier that has been recommended by ICNWA, but not included in the tender list, requests feedback, ICNWA on behalf of the procurement entity will provide such feedback and as appropriate, recommend areas for improvement and referrals to support services such as the Entrepreneurs’ Programme.
* In conjunction with ICNWA, Woodside and Bechtel will provide a briefing/update to industry at appropriate times within the program where significant milestones are achieved.
* Where required, Woodside will develop AIP training material for its staff to be delivered to contracts and procurement personnel to understand the requirements, use an independent industry capability verification service to access Australian capability, and utilise the online advertisement platform. These training materials will be provided to Woodside’s procurement entities as appropriate.
* Woodside will periodically run an AIP assurance process to ensure appropriate AIP processes are followed by Woodside personnel and procurement entity personnel.

**5. AIP activities to be undertaken by procurement entities**

Woodside as part of the tender and award process for the engagement of procurement entities will

ensure that the requirements of the Act have been incorporated into the agreement between the parties, include the requirements in respect of:

1. Project AIP Contact Officer;
2. Bechtel AIP Contact Officer;
3. Bechtel AIP Plan;
4. Online advertisement platform vendor portal;
5. AIP Training material;
6. ‘Supplying to Woodside’ page of the Woodside website;
7. AIP reporting; and
8. Project Proponent / Contractor - Unsuccessful bidder feedback.

The Project AIP Contact Officer and the AIP Plan Authorised person will be responsible for monitoring and implementing the AIP Plan.

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