

A wide-angle photograph of a vast, green grassy field under a clear blue sky. In the background, a dense line of tall, thin trees, likely eucalyptus, stretches across the horizon. The foreground is filled with lush green grass and some scattered dry patches.

# **Stakeholder Engagement – Otway Basin**

**Tim Flowers, Senior Environmental Advisor**  
**Roundtable for Unconventional Gas Projects, 2 December 2013**

- Overview stakeholder engagement strategy for review of Drilling EIR and SEO for Otway Basin
- Alignment with MCMPR principles for engaging with communities and stakeholders





# Otway Basin Drilling EIR & SEO



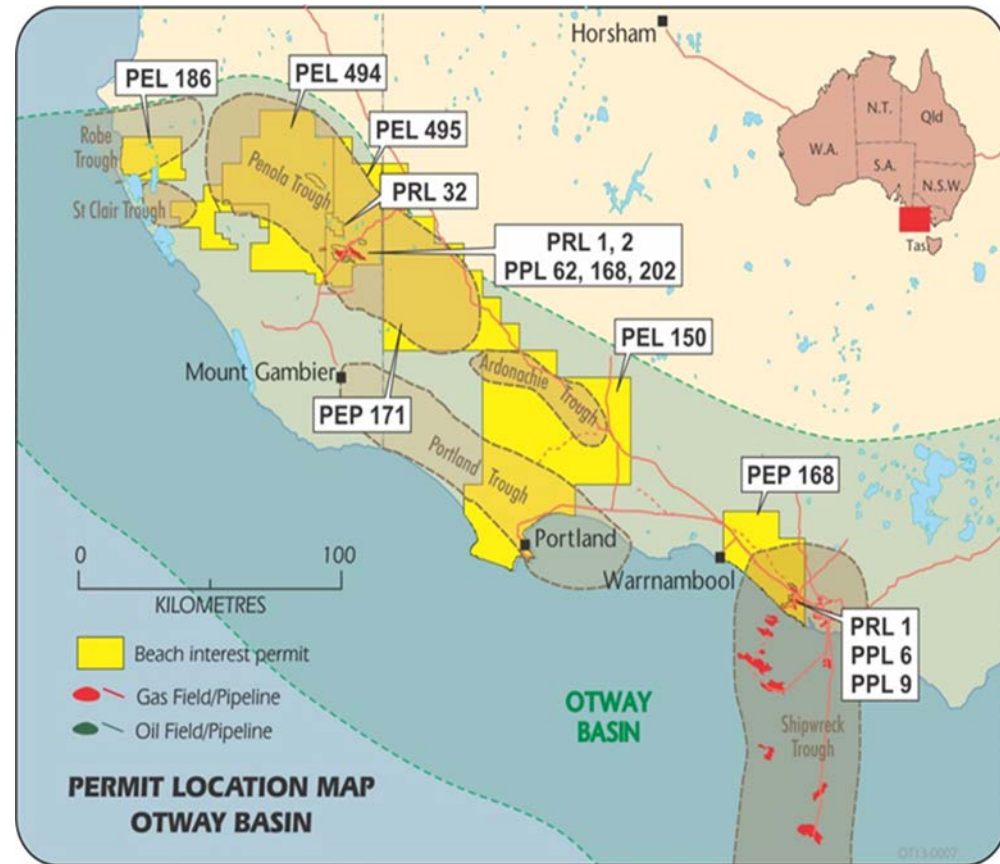
# Otway Basin - History

- Long history of oil and gas
- Modern day exploration addressing deeper targets began in 1961 (Penola-1 & Beachport-1) with 79 wells drilled since
- First commercial flow hydrocarbons in 1987 at Katnook-1
- Katnook Plant built and commissioned in 1991 after successful follow up drilling

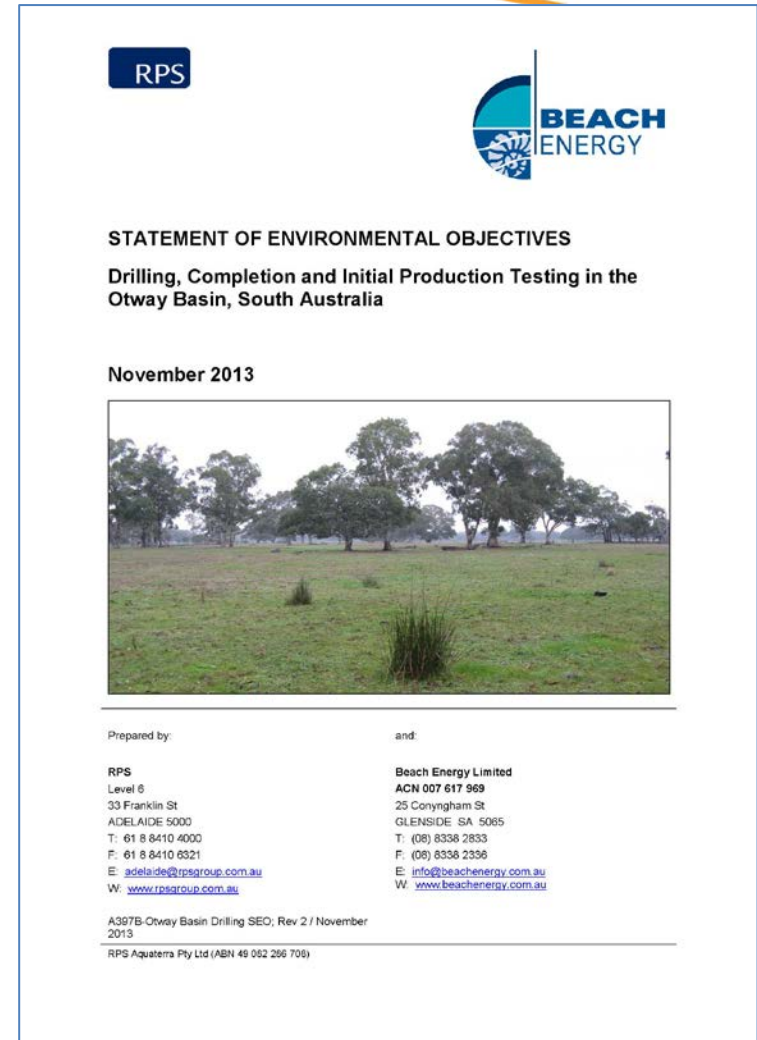


# Beach activity in the Otway Basin

- Long history of exploration in the Otway Basin
- Company founded with the aim of exploration in this area
- 1963 – Drilled Geltwood Beach-1
- Significant acreage in the onshore Otway Basin with Cooper Energy being our partner in the majority of the permits
- Own the Katnook Gas Plant and have access to local as well as interstate gas markets
- Beach has interest in exploring for conventionally and unconventionally trapped hydrocarbons in the Penola Trough



- Adelaide Energy developed a Drilling EIR and SEO which were approved in 2007
- SEO must be reviewed at least every 5 years or sooner if required
- In 2013 Beach reviewed documents and drafted new EIR and SEO
- Developed targeted consultation strategy





- Map stakeholders in region
  - Local community
  - Agriculture & viticulture
  - Local council
  - Government agencies
- Two public meetings
  - Penola
  - Robe
- Advertisements placed in local papers including a reminder

## INVITATION FOR PUBLIC MEETING



Beach Energy Limited is proposing to undertake drilling operations on private land in Penola under its Petroleum Exploration Licence for the Otway Basin.

In preparation of this work, Beach Energy is holding two public briefings to advise the community of the activities. Everyone welcome.

*Public meetings will be held on:*

*Date: Tuesday, 17 Sept 2013*  
*Location: Penola Sports Club*  
*— Mccorquindale Park*  
*Time: 7.00 pm*

*Date: Wednesday, 18 Sept 2013*  
*Location: Robe Football Club*  
*— O'Halloran Street, Robe SA*  
*Time: 7.00 pm*

- Presentation developed to address exploration drilling with brief overview of fracture stimulation
- DMITRE delivered presentation on regulatory requirements
- Both meetings well attended
- Beach technical staff present to answer questions





# Community Questions on Drilling Activities



- Is this project associated with coal seam gas or the Kingston coal deposit?
- How do you manage well integrity and communication between aquifers?
- What volume of water is required to drill an exploration well?
- Do landholders receive royalties or compensation?
- What will happen if a landholder does not want drilling or exploration on their property?
- How far can you drill horizontally and do you access neighbouring landholders land without their permission?
- If a well is abandoned, who is responsible for site rehabilitation?
- Does or has well casing ever failed?

- Questions raised during the meetings on drilling activities were tabulated and addressed in EIR and SEO
- DMITRE assessed documents as LOW environmental impact
- Government comments tabled in EIR and documents amended as required
- SEO gazetted 14 November 2013



# Next phase – Fracture Stimulation

- Process needs to be repeated
- Considerable work required to gain community respect and trust
- Open and transparent
- Extensive public consultation planned for 2014





## MCMPR – Principles for Engagement with Communities and Stakeholders

# Fuel exploration proposal

### Major company to inform community of Penola petroleum search



**SAM DOWDY**  
sam@tbw.com.au

A MAJOR company will explore what is underground in the region with the potential for new development in the resource sector around Penola.

Beach Energy will host a public meeting in Penola next Tuesday to inform members of the community about their proposal to undertake drilling operations on private land under its petroleum exploration licence for the Otway Basin.

The meeting will be held at the Penola Sports Club from 7pm.

Wattle Range Mayor Peter Gandolfi encouraged all members

of Penola and surrounding communities to attend the meeting.

"I encourage everyone to come along and ask lots of questions so we all have a good understanding of what the company intends to do and how it will affect the people in our region," he said.

"I think we need to gain a full understanding of the situation before we can make a judgement.

"I think most forms of economic development are positive, but we need to make sure it's done in the right way and that it's not detrimental to landholders and others involved.

"Beach Energy conducting a public meeting is a positive step in the right direction."

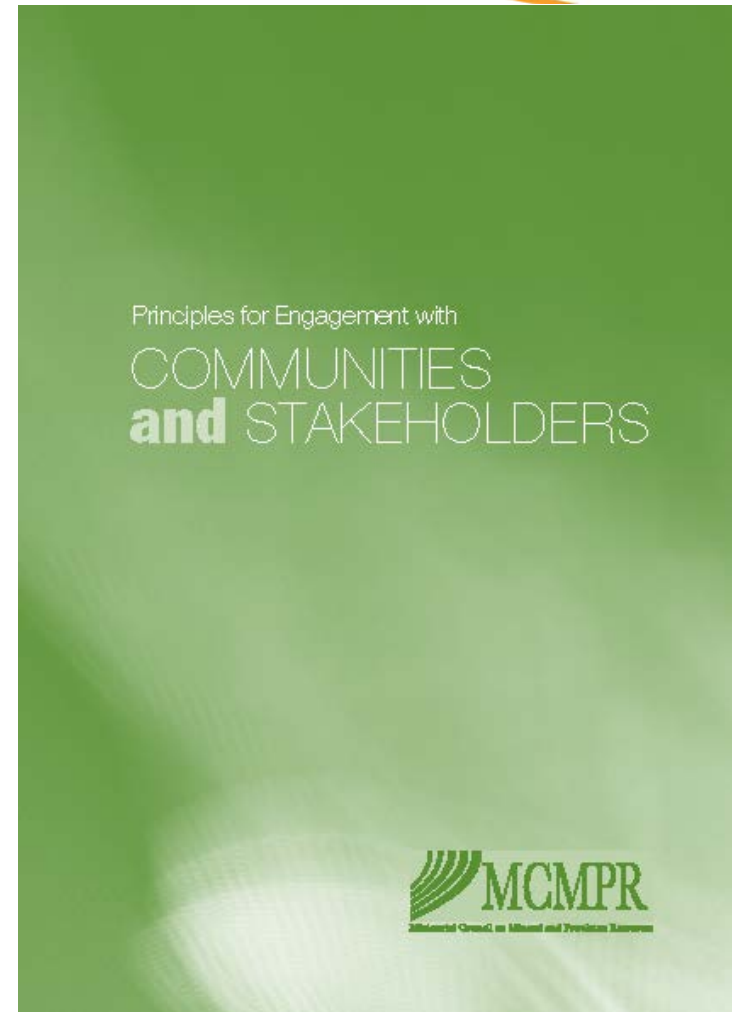
The latest Australian Bureau of Statistics figures show petroleum and mineral resources exploration

expenditure in South Australia totalled more than \$600m in the 2012/13 financial year.

In the June quarter, mineral exploration for new deposits rose to \$25.2m, up from \$16.6m in the March quarter.

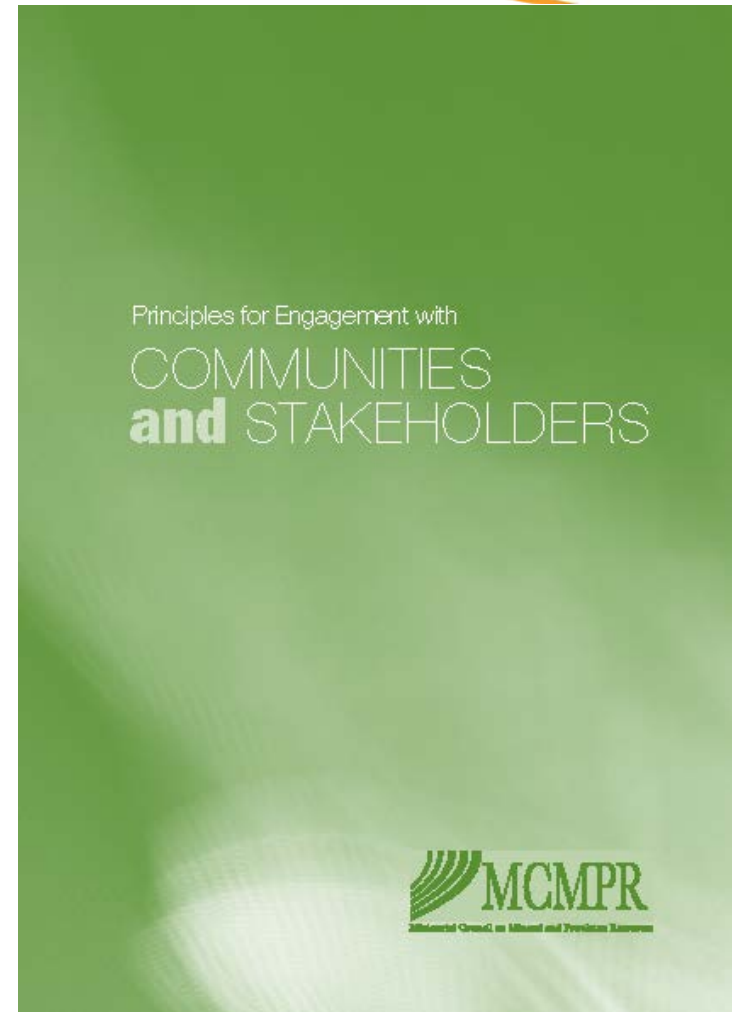
Exploration for mineral resources in existing deposits remained stable at \$19.4m in the June quarter, compared with \$20.9m in the previous quarter.

- Details five principles for effective liaison between resources sector, community and stakeholders
- Principles are general statements of good practice
- Community engagement goes beyond meeting regulatory requirements
- Community engagement is a critical part of developing a project



# Why engage correctly?

- Reduced risk of social conflict and associated delays and costs
- Compliance with relevant legislative framework
- Quicker and smoother permitting and approvals processes
- Reduced risk of criticism and resistance from outside parties
- Gain social licence to operate





## Communication

- Listen to community concerns and respond as required
- Clear, accurate and relevant information
- Beach technical staff attended community meetings

## Transparency

- Work program provided at community meetings
- Comments from stakeholders and government agencies listed and addressed in the EIR and SEO

## Collaboration

- Reviewing exploration activities to address community concerns

## Inclusiveness

- Stakeholders mapped from the onset
- Consultation commenced early
- Committed to ongoing engagement in 2014

## Integrity

- Community opinions and rights to object or support the project are respected
- Answer all stakeholder questions truthfully

- Long successful history of working with landholders
- Outstanding environmental track record over 50 years
- Engaging and listening to stakeholders is the way we choose to operate

STAKEHOLDER ENGAGEMENT IS A  
CONTINUAL PROCESS WITH NO FINISH LINE

# Contact Information



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