

Environmental Approvals Process for the Van Gogh Field Development

The Van Gogh Field Development is located entirely in Commonwealth offshore waters. Because of its location, the development is subject to environmental impact assessment (EIA) under the following Commonwealth legislation, with no EIA required under WA state legislation:

- *Petroleum (Submerged Lands) Act 1967* (P(SL)A) and its regulations, being:
 - Petroleum (Submerged Lands) (Management of Environment) Regulations 1999 (including amendment regulations 2005).
 - Petroleum (Submerged Lands) Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production 1995.
- *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

The P(SL)A, and its regulations, is administered by the Joint Authority (JA), which consists of the:

- Commonwealth Minister for Industry, Tourism and Resources (currently the Hon. Ian Macfarlane MLA), advised by the DITR; and
- WA Minister for Energy, Resources, Industry and Enterprise (currently the Hon. Francis Logan MLA), advised by the WA Department of Industry and Resources (DoIR).

Drilling Programme

The Van Gogh appraisal drilling programme was referred to the Commonwealth Department of Environment and Water Resources (DEW) under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) on the 13th of November 2006. The DEW assessed the drilling programme as 'not a controlled action' on the 11th of December 2006, meaning that no further EIA is required under the EPBC Act for drilling. Likewise, the production drilling programme was referred to the DEW on the 7th of June 2007, and is likely to be assessed as 'not a controlled action', given that the potential environmental impacts are no different or greater than those of appraisal drilling.

However, EIA for the Van Gogh drilling programme is still required under the P(SL)A, and although this is Commonwealth legislation, it is assessed by the DoIR as the JA administrator. The EIA takes the form of an Environment Plan (EP). The EP is designed to fulfil the following objectives:

- Provide a description of proposed activities.
- Provide a description of the existing environment in the area.
- Identify significant environmental aspects and potential environmental effects of drilling activities.
- Identify and assess environmental risks in advance of drilling.
- Develop appropriate environmental management and mitigation measures that will allow identified environmental risks and effects to be avoided, or reduced to as low as reasonably practicable (ALARP); and,
- Provide a document that will serve as a practical environmental management tool for the rig operator to use throughout the drilling programme to achieve targeted environmental performance.

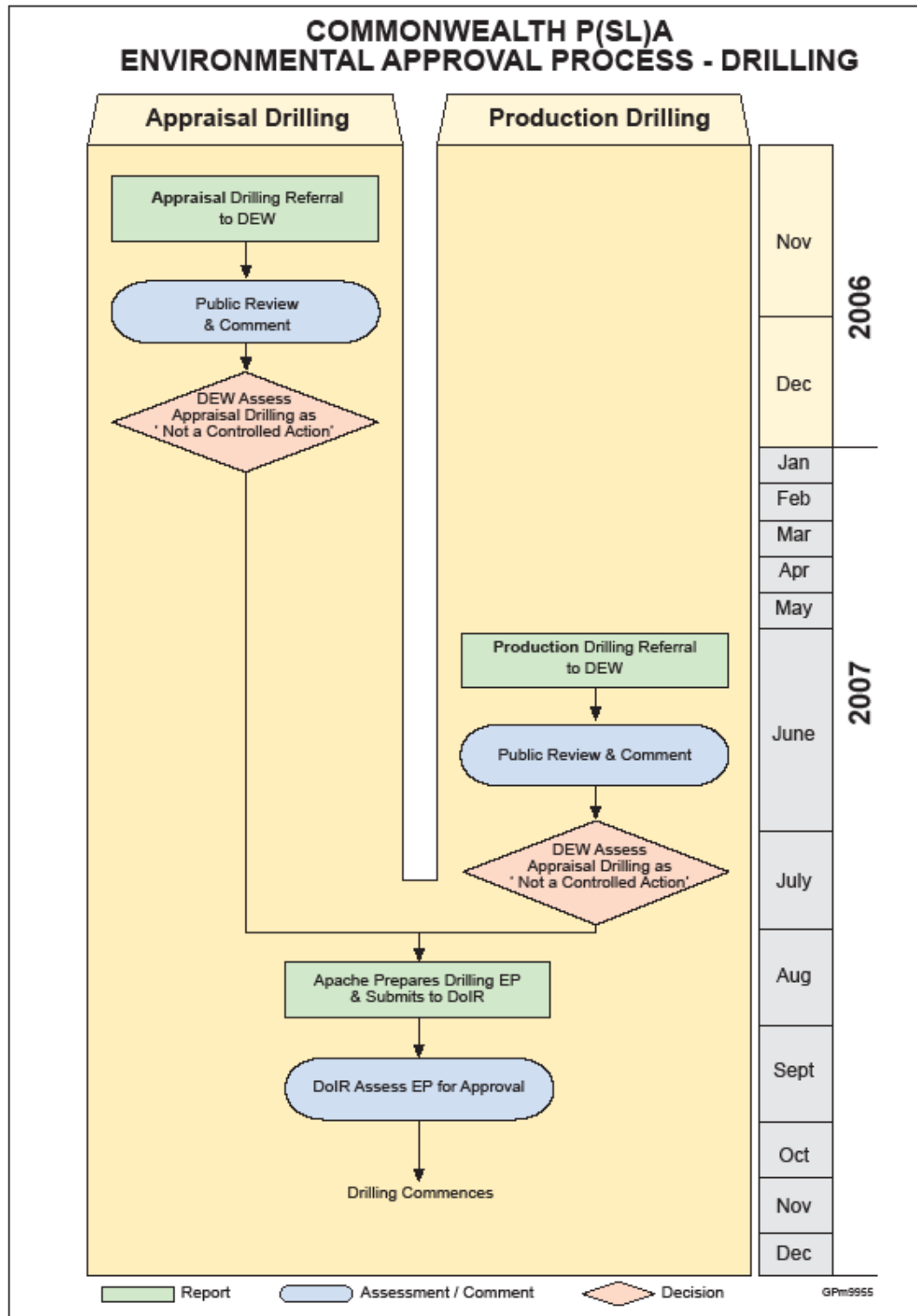


Figure 1: Outlines the environmental approvals process for the drilling programme.

FPSO Development

The Van Gogh Field Development (excluding the drilling programme) was referred to the DEW under the EPBC Act on the 22nd of December 2006. The DEW assessed the drilling programme as a 'controlled action' on the 15th of January 2007, meaning that further EIA is required under the Act. This required Apache to submit 'Preliminary Information' to the DEW (submitted on the 13th of February 2007) to provide further information about the project, in order for the DEW to determine the level of EIA it would require. The DEW subsequently set the level of assessment as that of a Public Environment Report (PER) on the 26th of April 2007, with Draft Guidelines for the PER released for public comment on the 28th of May 2007.

The Draft PER guidelines will be finalised after considering any public submissions and then re-issued to Apache. Apache must assess the development in accordance with these guidelines. Apache is currently preparing the PER, which is being supported by environmental studies undertaken by specialist firms. It is anticipated that the PER will be released for public comment in Q3 of 2007.

Figure 2 outlines the environmental approvals process for the FPSO development. If the Minister approves the Van Gogh Field Development, an Installation EP will be prepared under the P(SL)A and assessed by the DoIR for approval before any installation activities can commence. An Operations EP must then be prepared and approved before oil production can begin.

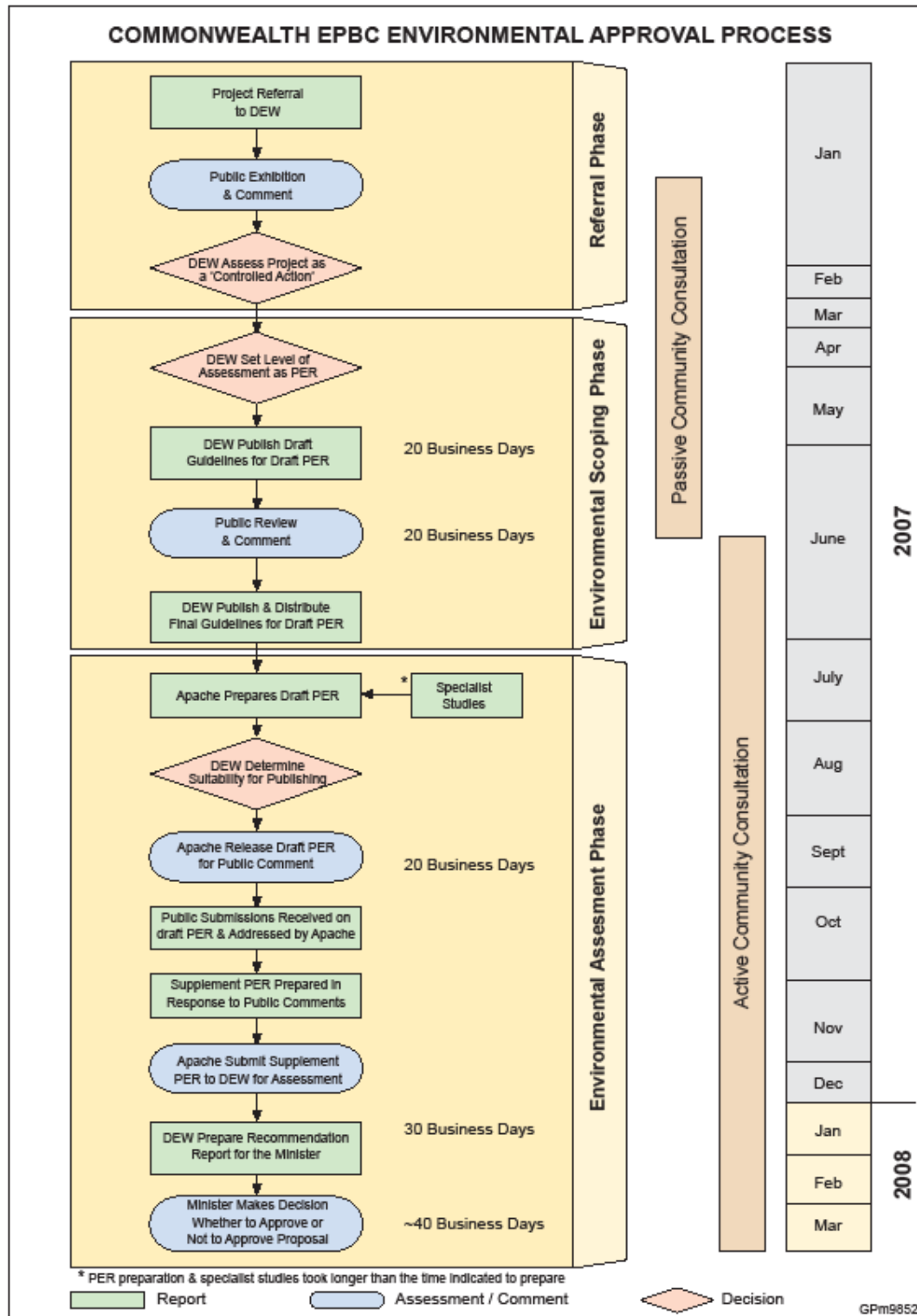


Figure 2: Outlines the environmental approvals process for the FPSO development.