

NOTICE OF OPERATION PLAN CONSTRUCTION AND PRE - COMMISSIONING



What is an Operation Plan?

An Operation Plan ('Plan') is a document required under the Petroleum Act in relation to a proposed petroleum operation. A Plan must be approved by regulators before work can commence. The Plan:

- identifies risks and impacts to the environment, any member of the public and to land or property in the vicinity of the operation;
- identifies risks to any petroleum, source of petroleum or reservoir in the vicinity of the operation;
- outlines what the holder of the authority (Lochard Energy) will do to eliminate or minimise those risks and impacts;
- specifies what the holder of the authority will do to rehabilitate affected land; and
- sets out any other matters required by the Regulations.

Heytesbury Underground Gas Storage (HUGS) Project

This Notice of Operation has been developed for the Construction and Pre-commissioning Operations Plan. This Notice provides an overview of the proposed Heytesbury Underground Storage (HUGS) Project, Construction and Pre-Commissioning works at the Mylor, Fenton Creek and Tregony Wellsite (MFCT wellsite).

The purpose of this notice is to provide information to; and invite submissions from; project stakeholders. The information included is as required by sections 161 and 163 of the Petroleum Act 1998 ('Act') and section 23, 24, 25, 26 and 27 of the Petroleum Regulations 2021 ('Regulations').

Lochard Energy (Lochard) has obtained approval from the Earth Resources Regulator and consent has been granted by the Minister for Energy for the earlier phases of works at the MFCT wellsite which were the:

- HUGS Preparatory Works; and
- HUGS Drilling campaign.

Lochard Energy has also obtained a planning permit for the development of the wellsite and a pipeline licence has been issued for the HUGS Pipeline on 13 November 2024.

Previous approval documents are available on the Lochard Energy website: <https://www.lochardenergy.com.au/our-projects/hugs/>

Information on the biodiversity studies and impacts, cultural heritage surveys and management plan and other relevant information was provided in these prior approvals and this information remains applicable to this Operations Plan.

Authority Holder Details:

Lochard Energy (Iona Operations) Pty Ltd
Level 10, 2 Southbank Boulevard, Victoria 3006.

For more information contact Susie Bartlett.

By phone: 1800 848 879

By email: hugs.project@lochardenergy.com.au **Or website:** www.lochardenergy.com.au

MFCT Wellsite is located within the boundaries of Petroleum Production Licence Number 4

WHAT IS THE HUGS PROJECT?

Lochard Energy is developing the Heytesbury Underground Gas Storage (HUGS) Project which includes the new Mylor, Fenton Creek and Tregony Wellsite (MFCT wellsite) and the HUGS Pipeline, which will expand the storage capacity of the Iona Gas Storage Facility (IGSF).

The HUGS Project will provide additional security of supply and reliability to the growing demands for energy storage in the eastern Australian energy market, which will help support the transition to a lower carbon future. Underground storage capacity of the IGSF will be increased through the development of the existing Heytesbury depleted gas fields. The Heytesbury depleted gas fields are all natural sandstone formations that have had pre-existing natural gas extracted and are therefore ideal as a natural geological formation for the gas storage.

The HUGS Project has developed a new single wellsite location which will be capable of accessing the three depleted gas fields Mylor, Fenton Creek, and Tregony (referred to as the MFCT wellsite). The current plan is to only develop the Mylor field with the drilling and installation of two new gas storage wells. Project locations can be seen in Figure 1.

Lochard Energy employees from the IGSF and Melbourne head office will be directly involved in overseeing well development which has five (5) key stages at the MFCT site:

1. Preparatory works (previous Notice of Operation).
2. Drilling and completion of the gas storage well(s) (the subject of the preceding Notice of Operation).
3. MFCT wellsite construction and pre-commissioning work; (the subject of this Notice of Operation).
4. Commissioning and operation. and
5. Decommissioning and rehabilitation.

Lochard Energy are seeking regulatory approval for the third stage Project development, described in this Notice, which involves the construction and pre-commissioning of the MFCT wellsite. The HUGS Construction and Pre-commissioning Operation Plan provides all details related to this stage.

HUGS PIPELINE

In order to connect the MFCT wellsite to the IGSF, a new pipeline is required.

This proposed new 5.3km pipeline (the HUGS Pipeline) will transport gas and potentially hydrogen in the future or a blend of both, to and from the underground gas storage fields via the new MFCT wellsite.

The HUGS Pipeline will be an extension to Lochard Energy's existing pipeline network and will connect at the North Paaratte Production Station (NPPS).



Figure 1 HUGS Project location

WHAT ARE THE CONSTRUCTION AND PRE - COMMISSIONING WORKS?

The Construction and Pre-commissioning works for the MFCT wellsite (established fenced facility) are anticipated to take approximately 6-9 months and include:

- Mobilisation – Site and equipment setup.
- Civil works & precast concrete installations.
- Structural Mechanical & Piping installations.
- Electrical & Instrumentation installations
- Pre-commissioning activities.
- Demobilisation - Site equipment pack-up

In more detail, these activities are:

- Mobilisation - activities including delivery of equipment via trucks and unloading with mobile cranes.
- Civil works - including excavations, precast concrete installation and backfill activities.
- Structural Mechanical & Piping – installation of electrical equipment building and shelters, access platforms, piping, piping supports and valves.
- Electrical & Instrumentation – installation of electrical & instrumentation cabling and instrumentation. Installation of solar panels and power systems.
- Pre-commissioning –activities including leak and function testing of installed items,
- Demobilisation – activities including the loading of trucks and demobilisation of equipment.

The wellsite has been constructed and established (see Figure 2) and drilling has commenced. The post-drilling site layout is shown in Figure 3.

The number of people on site will vary with site activities, peak numbers expected to be onsite is around 20-30, including Lochard Energy Supervisors.

It is anticipated that some local content will be engaged via Lochard Energy's main contractors during the construction and pre-commissioning works. The workforce are expected to be accommodated at nearby locations such as Timboon or Port Campbell.

WHEN IS THIS PLANNED TO HAPPEN?

Lochard Energy aims to obtain all required regulatory approvals for the construction and Pre-commissioning work by August 2025 to enable commencement of works in September 2025. Typically works will be conducted during daylight hours Monday to Friday. At critical times, work will be undertaken on weekends and on limited occasions night works may be required.



Figure 2 – MFCT Wellsite established site



Figure 3 - 3D Model of MFCT Wellsite

HEALTH, SAFETY & ENVIRONMENTAL CONSIDERATIONS

Lochard Energy is committed to supporting sustainable environmental practices and continually strives to ensure that it uses best practice approaches to health, safety and the environment at the Iona Gas Storage Facility (IGSF) and associated projects.

The Lochard Integrated Management System (IMS) provides for the overarching management of health, safety and environment for the IGSF. The HUGS Project uses these systems and has developed additional plans including a project Specific Construction and pre-commissioning Operations Plan. All work will be conducted in compliance with Lochard Energy IMS, regulatory requirements and approvals.

An essential component of compliance is the identification of potential risks and impacts to the health and safety of personnel, contractors and the public, to land or property in the vicinity and to the environment (including potential effects on the local amenity).

To achieve this, Lochard has identified where the planned Construction and Pre-commissioning works, and associated activities will (impacts) or might (risks) interact with vulnerable aspects of the surrounding environment.

The HUGS Construction and Pre-commissioning Operation Plan will incorporate an Environment Management Plan (EMP) to outline management of environmental risks and impacts, including actions taken to reduce these so far as is reasonably practicable.

A HUGS Project Health, Safety, Environment Management Plan (HSEMP) outlining HSE management expectations and requirements on training, supervision, risk assessment and control, protective equipment and specific hazardous tasks will also be developed.

A summary of environmental and social impacts and potential risks are provided in Table 1 at the end of this document.

KEY CONSIDERATIONS FOR THE CONSTRUCTION & PRE-COMMISSIONING WORKS

Noise

Construction and Pre-commissioning works are not expected to impact the community to any greater extent than normal operations. The main sources of noise relate to operation of cranes, excavators, generators and power tools.

Lochard has completed a baseline noise assessment at the site prior to the start of work and will undertake ongoing noise monitoring during project works.

Community members are encouraged to contact Lochard if they have any noise concerns.

Land and Surface Waters

The HUGS Construction and Pre-commissioning works Operation Plan will incorporate an Environmental Management Plan to outline management of environmental risks.

The transport and storage of fuel and hazardous chemicals are controlled activities and must be conducted in accordance with Lochard's procedures to reduce the potential of an incident releasing materials into the environment.

Spill kits compatible with the material being stored and handled will be available during operations. Personnel are trained to respond in the event a spill or leak occurs in a bund or to ground. All releases are recorded by Lochard and reported to the regulator as required.

All equipment, fuel and chemicals will be removed at the end of construction and pre-commissioning works.

Rehabilitation of the site is covered under the previously approved Preparatory Works Operations Plan.

Traffic

The project will involve movement and utilisation of a construction contractors and a number of service providers to and from the project site. Works will involve a number of personnel and some heavy vehicle movements.

It is planned that materials and equipment will be delivered to the site via Boundary Road and the eastern section of East and West road.

To minimise the risk of incidents involving transport and public vehicles these activities will be conducted in accordance with VicRoads requirements. Lochard's Iona Gas Plant Traffic Management Plan and Construction and Pre-commissioning works Traffic Management Plan prioritise public safety and minimise disruption to the local community. All existing local traffic curfews will be adhered to for the Project.

There will be some increase in traffic movement in the localised area for the duration of the works, however the overall traffic burden will remain low.

Greenhouse Gas (GHG) Emissions

Lochard Energy has estimated scope 1 and 2 greenhouse gas emissions for the life of the HUGS Project including each stage through to decommissioning and rehabilitation. These emissions are considered minimal when compared to the current total Victorian emissions and to the benefit provided to Victoria with the transition away from coal. Emissions for the HUGS Project are predicted using detailed estimation techniques outlined in the National Greenhouse and Energy Reporting (Measurement) Determination 2008.

For the Construction and Pre-commissioning works, sources of GHG emissions include minor fugitive emissions associated with the connection of the HUGS Project infrastructure, the use of diesel equipment and transportation activities. Lochard Energy will work to minimise emissions from these sources through actions such as, inspection and maintenance of vehicles, plant and equipment to maintain optimal operation, switching off diesel-powered equipment when not in use or not required, minimising fugitive releases and communication of this requirement through personnel training and induction processes.

TRADITIONAL OWNERS

Lochard Energy acknowledges the Eastern Maar people as the Traditional Owners of the land on which the MFCT wellsite is located. The Eastern Maar are the Registered Aboriginal Party (RAP) and Native Title holders for the southwest Victoria region. Lochard Energy has continuous ongoing engagement and consultation with the Eastern Maar for this project and has an approved amended Cultural Heritage Management Plan (CHMP) for the HUGS Project. The amended CHMP was approved by the RAP in November 2024.

COMMUNITY INVESTMENT

Project benefits are expected to include provision of additional income streams to the Western Victorian region via the use of accommodation, food outlets, conference facilities, personnel hire and local services.

Lochard Energy supports the ongoing employment of local people at the IGP (more than 50 people are directly employed and live in the region) and local businesses providing services including water, labour, catering, fencing, rubbish removal, security, cleaning and flora and fauna experts.

KEEPING YOU INFORMED

Lochard Energy has developed a HUGS Project Stakeholder Engagement Plan to identify and engage with project stakeholders to ensure those affected by the Project are kept informed on project progress or otherwise consulted.

The HUGS Project Stakeholder Engagement Plan aims to both inform and consult with stakeholders over the life of the project and ongoing operations. Please get in touch with the HUGS Project team should you require more information.

KEEPING IN TOUCH

Lochard Energy will continue to engage with local landowners, community members, councillors, and government officials and is committed to keeping stakeholders informed of project activities and answering your questions.

The Iona Community Liaison Committee (CLC) meetings are the primary interface with community members and updates on works have been and will continue to be provided at this forum.

SUBMISSIONS ON THIS OPERATIONS PLAN

Lochard Energy will commence considering submission on Wednesday 7 May 2025.

Submissions concerning this Notice must be made in writing to Lochard Energy by **Friday 28 May 2025**.

Submissions will be reviewed, considered and replied to in the preparation of the HUGS Construction and Pre-commissioning Works Operation Plan. Please address your submission to:

By mail:

HUGS Construction and Pre-commissioning
Works Operation Plan Submission
Attention: Susie Bartlett
Lochard Energy
Level 10, 2 Southbank Blvd
Southbank VIC 3006

By email: Hugs.Project@lochardenergy.com.au

For general project inquiries, updates or to speak with the project team:

Project Team Representative: Susie Bartlett

By phone: 1800 848 879

By email: Hugs.Project@lochardenergy.com.au

Or website: www.lochardenergy.com.au

HUGS PROJECT | NOTICE OF OPERATION | CONSTRUCTION & PRE-COMMISSIONING WORKS

Table 1 - Summary of Impacts and Potential Risks

Potential Risk/Impact	Sources	Lochard Energy Actions/Mitigation Steps
Noise – disturbance to residents and livestock	Operating construction equipment.	Noise monitoring in lead up to establish baseline and during project works Response to noise complaints received to determine source and mitigate so far as is reasonably practical Equipment inspections and maintenance. Operations planned for daylight hours only
Traffic and infrastructure - reduction in visual amenity	Local traffic between the project areas.	The wellsite's are accessible via East and West Road which is used by limited local traffic. Infrastructure, vehicles and equipment are to be removed from site when no longer needed. Community and landowners to be kept informed on project dates, activities etc
Local community disruption	Increased traffic and vehicle movements. Increased number of people using local services.	Traffic Management Plan prescribes route/speed limits to minimise community disruption. Advising local communities of increased traffic movements. All existing local traffic curfews will be adhered to.
Contribution to GHG emissions.	Equipment/plant and vehicles used for construction & pre-commissioning activities.	Emissions for each component of the HUGS Project have been estimated and will be tracked and reported on in accordance with regulatory requirements. Actions to reduce the level of emissions include maintenance of plant and equipment for optimal operation and switching off diesel powered equipment when not in use.
Generation of wastes which require off-site disposal.	General waste from activity	All wastes will be disposed of in accordance with EPA Victoria requirements. Lochard Energy will actively look for opportunities to reduce the volume of waste requiring disposal through minimising waste generation where possible, or recycling of materials. A dedicated Waste Management Plan will establish and outline waste management requirements.
Introduction and/or dispersion of noxious weeds or pathogens	Vehicles / equipment brought to site.	Established hardstand and fenced MFCT wellsite Vehicles and equipment are to be clean prior to arrival on-site. Lochard Energy subscribes to government media alerts in the event of outbreaks (e.g., foot and mouth disease)
Dust management	Vehicle and equipment activity. General site work.	Work within an established site. Dust suppression using a water tanker for roadways and water spray over disturbed areas/stockpiles where necessary.

Potential Risk/Impact	Sources	Lochard Energy Actions/Mitigation Steps
		<p>Vehicle/Equipment movements to be kept to approved work areas and in accordance with HUGS Traffic Management Plan requirements.</p> <p>Monitoring during high wind events and responding to visible dust movement beyond the project area.</p>
Vehicle/road traffic incident	<p>Heavy vehicle/equipment movements.</p> <p>Local traffic between the project areas.</p>	<p>Activities will be conducted in line with the National Heavy Vehicle Regulator, VicRoads requirements, IGP Traffic Management Plan and the HUGS Traffic Management Plan which establishes traffic curfews and routes.</p>
Land and surface water contamination	<p>Surface spills from fuel/chemical storage areas.</p> <p>Accidental release of waste</p>	<p>Storage of materials will comply with Lochard Energy standards and requirements.</p> <p>Temporary storage at the project sites will be within bunded areas and double-skinned tanks used for fuel, with quantities to be kept to a minimum.</p> <p>Spill kits will be kept on site and immediate clean ups will be initiated if a spill or leak occurs.</p> <p>All waste captured onsite in designated appropriate bins and disposed of in accordance with EPA requirements.</p> <p>Disposal of general and recyclable waste will be through dedicated waste/recycling bins.</p> <p>Regular inspection of all waste storage bins/locations to check status.</p>
Emergencies	<p>External emergencies such as an off-site bushfire.</p> <p>Onsite Medical Emergency</p>	<p>A dedicated HUGS Emergency Response Plan identifies emergency scenarios and provides instructions for effective and efficient response to reduce impacts as much as possible.</p> <p>On-site firefighting and first aid response equipment will be in place, with trained personnel.</p>