

Notice of Operation

Iona Gas Storage Facility

PPL 1, PPL 2 & PPL 4

Operation and Commissioning Plan



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.

IONA GAS STORAGE FACILITY

This Notice of Operation has been developed for the Operation Plan for Petroleum Production Licenses PPL 1, PPL 2 and PPL 4 as the three PPL's will be consolidated under a single Operation Plan. This Notice provides an overview of the identified operations of the Iona Gas Storage Facility (IGSF), operated by Lochard Energy (Lochard), within PPL 1, PPL 2 and PPL 4.

The purpose of this Notice is to provide information to and invite submissions from the stakeholders identified as associated with the IGSF operations. The information included is required by sections 161 and 163 of the Petroleum Act 1998 (Act and sections 23, 24, 25, 26 and 27 of the Petroleum Regulations 2021 (Regulations)).

The IGSF currently has in place an accepted Operation Plan for PPL 1 and PPL 2 that was approved by the Earth Resources Regulator (ERR) in October 2020. The currently accepted plan is being amended as part of a required 5 yearly update and to include PPL 4. Lochard Energy's Heytesbury Underground Gas Storage (HUGS) project, is an expansion of the IGSF and includes the Mylor, Fenton Creek and Tregony wellsite (MFCT wellsite) which contains the Mylor 2 and Mylor 3 gas storage wells. The MFCT wellsite is located in PPL 4. This site will be connected to the existing IGSF network by the planned HUGS pipeline, which will be regulated under the Pipelines Act. The construction of the MFCT wellsite and drilling of the Mylor-2 and Mylor-3 gas storage wells have been undertaken in accordance with the regulatory approvals provided to Lochard.

Information on these previous approvals documents and the associated operations are available on the Lochard Energy website.

<http://www.lochardenergy.com.au>

Authority Holder Details:

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

For more information contact: Hannah Prosser

By phone: 1800 848 879

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

WHAT IS THE IONA GAS STORAGE FACILITY?

The Iona Gas Storage Facility (IGSF) is the largest independent provider of gas storage services to the Australian east coast gas market and has a demonstrated performance history of high plant reliability.

Located in the onshore Otway region, the IGSF provides additional security of supply and reliability as the IGSF can supply gas into the South West Pipeline, Mortlake Pipeline or SEA Gas pipeline, helping to support the transition to a lower carbon future.

The IGSF is located above several underground gas storage reservoirs that are used to store gas on behalf of its customers during periods of low gas demand, and then for injection into the gas pipeline network during periods of high gas demand, such as winter.

All the underground storage reservoirs are natural geological formations that have had pre-existing natural gas extracted and are, therefore, ideal for use as natural geological formations for gas storage.

The existing IGSF pipeline network (including the new HUGS Pipeline) connecting the MFCT wellsite to the IGSF will continue to transport gas between the IGSF storage reservoirs and the Iona Gas Plant which is where the connections to the Eastern Australian Gas Network are located.

Since 1999, the IGSF has obtained regulatory approvals for the various operations plans required to provide ongoing gas storage activities as required by the Victorian Petroleum legislative regime. The most recent IGSF examples of this process being undertaken by Lochard is the HUGS project, which has complied with all the regulatory requirements, including obtaining operational plan approval and consent for the different petroleum stages of the project undertaken to date. These identified petroleum stages are as follows:

1. Preparatory work (previously approved).
2. Drilling and completion of the gas storage well(s) (previously approved).
3. Construction and pre-commissioning work; (subject of the preceding HUGS project Notice of Operations and currently under regulatory assessment)
4. Commissioning and operation. (subject of this Notice of Operations); and
5. Decommissioning and rehabilitation (future activities).

Lochard Energy are seeking regulatory approval for the continuing operation of the IGSF including the commissioning and ongoing operation of the MFCT wellsite and HUGS Pipeline (which is separately regulated by Energy Safe Victoria).

The Iona Gas Storage Facility PPL 1, PPL 2 and PPL 4 Operation and Commissioning Plan provides all the details for the IGSF ongoing operational activities.

The activities within the other Lochard PPL's (which includes PPL 7) are the subject of a separate Lochard operation plan.

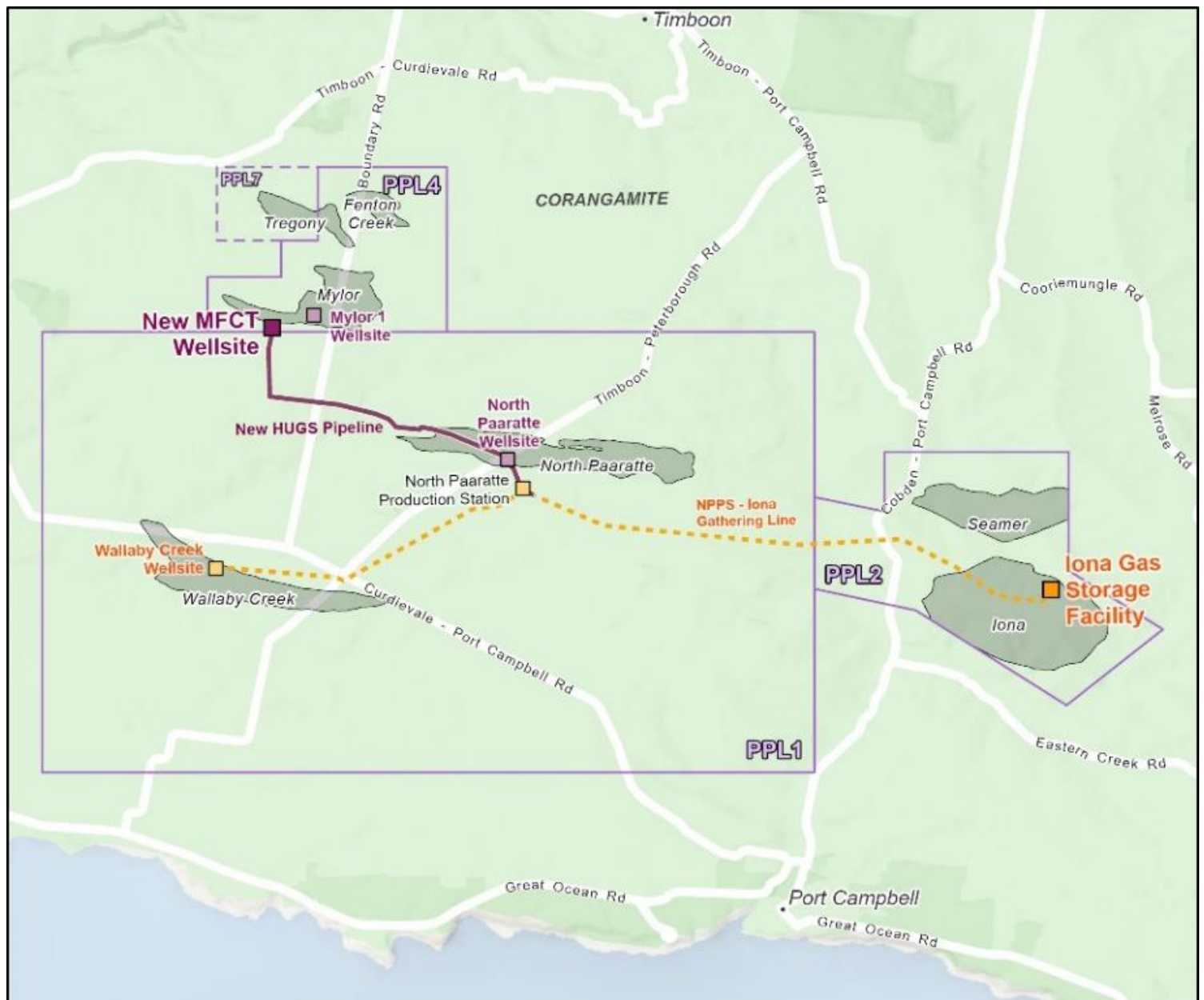


Figure 1: IGSF locations and PPL boundaries

WHAT ARE THE IGSF OPERATIONS AND COMMISSIONING WORKS?

The expected work associated with the IGSF over the next 5 years of operations and commissioning includes:

- Storage and withdrawal of gas from the existing underground storage reservoirs located in PPL 1, PPL 2 & PPL 4.
- IGSF operations, monitoring, maintenance and inspection programs
- Commissioning of the MFCT wellsite / HUGS pipeline and integration into IGSF operations

Note that operation of the Iona Gas Plant is regulated by WorkSafe as it is defined as a Major Hazard Facility under Victorian Occupational Health and Safety Act.

In more detail, the IGSF activities are:

- Storage and Withdrawal – gas will be directed via the network of pipes and valves from the Iona Gas Plant to the gas reservoir wells for storage and will be withdrawn and directed back to the Iona Gas Plant for treatment prior to supply into the Eastern Australian Gas Network.
- Inspections and Monitoring – undertaken on all IGSF facilities, piping network and associated equipment as per the planned IGSF inspection and monitoring schedules, including sampling. Records of these activities will be maintained at the IGSF.
- Maintenance of facilities and equipment in accordance with specifications and manufacturers' instructions and minor capital works and plant augmentation for safety, environmental, sustainability and efficiency improvements. These activities include:
 - Civil works – maintaining and minor upgrades to civil infrastructure (e.g. fences, grounds, vegetation, hardstands).
 - Structural mechanical and piping works - maintaining and minor upgrades to buildings, shelters, access platforms, piping, pipe supports and valves.
 - Electrical - maintaining and minor upgrades to all electrical, instrumentation and communication equipment.
 - Well operations – maintaining all equipment related to wells which connect the reservoirs to surface facilities, including wellhead equipment, valves and monitoring equipment. Well inspection and monitoring activities for reservoir and integrity management.

- Shutdowns – specific processes and activities required to make safe the IGSF facilities to allow maintenance activities including planned major plant maintenance outages.
- Startup – specific processes and activities required to safely start or restart IGSF facilities to undertake gas storage operations.
- Unplanned maintenance or repairs in response to identified operational issues.

The specific numbers of people involved will vary with the different sites and activities. In total, there are approximately 50 Lochard IGSF personnel headquartered at the Iona Gas Plant (Figure 2).



Figure 2: Iona Gas Plant

During the various operational activities, the IGSF workforce may be supplemented with specialist service providers and other contractor personnel, sourced from the local community or the wider area.

Peak on-site personnel numbers are expected to occur during the major Iona Gas Plant outages. These IGSF workforce participants who are not residents are expected to be accommodated at nearby locations such as Timboon or Port Campbell.

WHEN IS THIS PLANNED TO HAPPEN?

The current IGSF gas operations occur on a 24-hour 7 day a week basis to appropriately support the Eastern Australian gas network and this is not proposed to change.

Specific operational activities scheduled are developed with consideration given to operational timing, resource and equipment availability, gas network requirements, expected weather and other external factors.

The commissioning of the MFCT wellsite (Figure 3) and subsequent ongoing operations of the MFCT wellsite is dependent upon the completion of the MFCT Construction and Pre-Commissioning activities (the subject of the previous Notice of Operation and with the related operation plan currently undergoing regulatory assessment) and the completion of the construction of the HUGS licensed gas pipeline. Lochard is targeting for the MFCT wellsite to be fully operational as part of the IGSF in mid-2026.



Figure 3: MFCT Conceptual layout

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 IGSF and all associated projects, this includes minimising potential effects on the local amenity.

The Lochard Integrated Management System (IMS) provides the overarching management framework for health, safety and environment for the IGSF. 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. To achieve this, Lochard has identified where the operational works, and commissioning activities will have impacts or potential adverse effects (risks) on aspects of the surrounding environment.

The Iona Gas Storage Facility PPL 1, PPL 2 & PPL 4 Operation and Commissioning Plan will incorporate a revised Environment Management Plan (EMP) to outline management of environmental risks and impacts, including actions taken to reduce these so far as is reasonably practicable.

The IGSF 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 is in place and will be reviewed as part of Lochard's improvement processes.

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

KEY PPL 1, PPL 2 & PPL 4 OPERATION AND COMMISSIONING CONSIDERATIONS,

Noise

The PPL 1, PPL 2 & PPL 4 Operations and Commissioning works are not expected to impact on the community to any greater extent than the normal operations currently occurring within the IGSF.

Land and Water Resources

The PPL 1, PPL 2 & PPL 4 Operation and Commissioning Plan 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 caused by releasing materials into the environment.

All equipment, fuel and chemicals required for operations are appropriately stored as per the Lochard requirements in designated compliant storage areas and removed from temporary locations when no longer needed. Spill kits compatible with the material being stored and handled will be available within the IGSF. Personnel are trained to respond to any spills.

Regular environmental inspections and monitoring programs are undertaken across the IGSF operations to ensure environmental protection and operational compliance, and any spills will be reported to regulators in accordance with the requirements.

Traffic

The IGSF activities require movement to and from different locations throughout the IGSF by Lochard personnel and engaged service providers and/or contractors. These regular movements throughout the IGSF on public roads may also involve some larger vehicles, which are typically associated with deliveries and/or equipment movements. Future Iona traffic movements and associated impacts are expected to remain low.

Lochard's Iona Gas Plant Traffic Management Plan prioritises public safety and aims to minimise disruption to the local community. All existing local traffic curfews will be continuing to be adhered to by Lochard's activities.

To minimise the risk of incidents involving heavy transport and public vehicles, these activities will be conducted in accordance with VicRoads requirements.

Greenhouse Gas (GHG) Emissions

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

Lochard's GHG emissions include minor fugitive emissions associated with the commissioning of the HUGS Project infrastructure, as well as the ongoing operations and maintenance of the IGSF requiring minor venting, the use of diesel equipment and transportation activities. Lochard Energy will continue to minimise these identified emissions by inspection and maintenance of vehicles, plant and equipment, switching off diesel-powered equipment when not in use, minimising fugitive releases and communication of this requirement through personnel training and inductions.

Lochard is investigating upgrades to the IGSF to reduce the GHG emissions from the operational equipment

TRADITIONAL OWNERS

Lochard Energy acknowledges the Eastern Maar people as the Traditional Owners of the land on which IGSF facilities are 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 and has an approved Cultural Heritage Management Plan (CHMP) which was recently amended and approved for the HUGS project.

COMMUNITY INVESTMENT

The benefits of the IGSF's ongoing operations are expected to include the continuing provision of the income streams to the Western Victorian region via the employment 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 an existing Stakeholder Engagement Plan which identifies and engages with the stakeholders to ensure those potentially affected by the IGSF operations are kept informed and consulted.

The Stakeholder Engagement Plan aims to both inform and consult with the stakeholders about the life of IGSF's operations. This plan is currently being reviewed as part of Lochard's commitment to continuous improvement.

Please get in touch with the Lochard team should you require more information or wish to make suggestions regarding the Stakeholder Engagement Plan.

KEEPING IN TOUCH

Lochard Energy will continue to engage with local landowners, community members, councilors, 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 Monday 4th 2025.

Submissions concerning this Notice must be made in writing to Lochard Energy by **Wednesday 27th August 2025**.

Submissions will be reviewed, considered and replied to in the preparation of the IGSF PPL 1, PPL 2 & PPL 4 Operation and Commissioning Plan. Please address your submission to:

By mail:

Iona Gas Storage Facility
PPL 1, PPL 2 & PPL 4 Operation and
Commissioning Plan Submission
Attention: Hannah Prosser
Lochard Energy
Level 10, 2 Southbank Blvd
Southbank VIC 3006

By email: ionaenquiries@lochardenergy.com.au

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

IGSF Representative: Hannah Prosser

By phone: 1800 848 879

By email: ionaenquiries@lochardenergy.com.au

Or website: www.lochardenergy.com.au

NOTICE OF OPERATION | IGSF PPL 1, PPL 2 & PPL 4 OPERATIONS AND 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 facilities and equipment. | Noise monitoring has established baseline (and assessed project works). Response to noise complaints received to determine source and mitigate so far as is reasonably practical Equipment inspections and maintenance. Commissioning operations planned for daylight hours only (where possible). |
| Traffic and infrastructure - reduction in visual amenity | Local traffic between the IGSF facilities. | The IGSF locations are accessible via public roads. Infrastructure, vehicles and equipment are to be removed from site when no longer needed. Community and landowners to be kept informed on activities, dates etc. |
| Local community disruption | Traffic and vehicle movements. Number of people using local services. | Iona Gas Plant Traffic Management Plan prescribes route/speed limits to minimise community disruption. Advising local communities of potential increased traffic movements. All existing local traffic curfews will be adhered to. |
| Contribution to GHG emissions. | Facilities/equipment/plant and vehicles used for operational activities. | Emissions for each component of the IGSF operations 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. Lochard is investigating upgrades to the IGSF to reduce the GHG emissions from the operational equipment. |
| Generation of waste which requires off-site disposal. | General waste from operations | 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 is in place which establishes and outline waste management requirements. |
| Introduction and/or dispersion of noxious weeds or pathogens | Vehicles / equipment brought to IGSF. | Established hardstand and fenced IGSF locations. External (non-local) vehicles and equipment are to be clean prior to arrival at IGSF. Lochard Energy subscribes to government media alerts in the event of outbreaks (e.g., foot and mouth disease) |
| Dust management | Vehicle and equipment activities. General site work. | IGSF locations are already established. Dust suppression using a water tanker for roadways and water spray as necessary. |

| Potential Risk/Impact | Sources | Lochard Energy Actions/Mitigation Steps |
|--------------------------------------|--|---|
| | | Vehicle/Equipment movements to be kept to approved IG S F areas and in accordance with IG S F Traffic Management Plan requirements. Monitoring during high wind events and responding to visible dust movement is undertaken as required. |
| Vehicle/road traffic incident | Heavy vehicle/equipment movements. IGSF Traffic between the facilities. | Activities will be conducted in line with the National Heavy Vehicle Regulator (as required), VicRoads requirements, and the IGP Traffic Management Plan which establishes traffic curfews and routes. |
| Land and water contamination | Surface spills from fuel/chemical storage areas and operational activities. Accidental release of waste | Regular storage of materials at IG S F is in designated storage locations, that comply with Lochard Energy standards and requirements. Temporary storage at IG S F sites will be within bunded, with quantities at these locations to be kept to a minimum. Regular inspections of IG S F sites. Spill kits will be available and immediate clean ups will be initiated if a spill or leak occurs. All waste captured onsite in designated appropriate bins and disposed of in accordance with EPA requirements. Disposal of general and recyclable waste will be through dedicated waste/recycling bins. Regular inspection of all waste storage bins/locations to check status. |
| Emergencies | Emergencies such as off-site bushfires, onsite Medical Emergency, or potential emergency incidents | The IG S F Emergency Response Plan identifies emergency scenarios and provides instructions for effective and efficient responses to incidents to reduce impacts as much as possible. Regular exercises are held to test Emergency Response Plan and inform external emergency services. On-site firefighting and first aid response equipment will be in place, with trained personnel. |