

ENVIRONMENTAL MANAGEMENT PLAN (EMP) DRILLING ACTIVITIES PSC TL-SO-19-16

Decree Law No. 39/2022 1st Amendment of Decree Law No. 5/2011 – Environmental Licensing
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Table of Contents

List of Tab	les	9
List of Figu	ıres	11
ABBREVIA	TIONS	13
MEASURE	MENT UNITS	16
1. EXE	CUTIVE SUMMARY	17
1.1. Pro	oject Background	17
1.2. Sc	opes and Objective of the EMP	17
1.3. Su	mmary of Impact	18
1.4. Mi	tigation Measures	19
1.5. Co	nclusion	20
2. DET	AILS OF THE PROJECT PROPONENT	22
2.1. De	tails of the Project Proponent	22
2.2. Co	mpany Organizational Structure	23
2.3. Co	ntact Person	24
3. DET	AILS OF THE CONSULTANT FOR EIS AND EMP	25
4. PRO	JECT DESCRIPTION	28
4.1. Pro	oject Identification	28
4.2. Pro	oject Category	29
4.3. Na	ture, Size, and Location of the Project	29
4.3.1.	Project Nature	29
4.3.2.	Orilling Rig	31
4.3.3.	Project Activities and Drilling Program	33
4.3.3.1.	Well Design	35
4.3.3.2.	Safety and Risk Management Procedures	36
4.3.3.3.	Logistic and Supply Chain Management	36
4.3.3.4.	Drilling Resource Requirements	37
4.3.3.5.	Weather Monitoring and Contingency Plans	38
4.3.3.6.	Community Engagement	38
4.3.3.7.	Regulatory Compliance	38
4.3.3.8.	Drilling Schedule and Milestones	38
4.3.3.9.	Quality Assurance and Quality Control	38
4.3.3.10.	Environmental Baseline Survey	38
4.3.4.	Orill Plan Summary	39
4.3.4.1.	Well Testing	41





4.3.4.2.	Cement Program	44
4.3.4.3.	Cement Plugs Program	45
4.3.4.4.	Chemical Usage	45
4.3.4.5.	Plug and Abandonment	47
4.3.4.6.	Post Well Survey	47
4.3.4.7.	Rig Down and Rig Move	47
4.3.4.8.	Well Control Event	47
4.3.4.9.	Side Track	48
4.3.4.10.	Unplanned Anchoring	49
4.3.4.11.	Diesel/NADF/SBM Spill	49
4.3.5. R	ig Specification	49
4.3.5.1.	Mud Pump	49
4.3.5.2.	Mud Tanks	51
4.3.5.3.	Shale Shakers	52
4.3.5.4.	Blow Out Preventer (BOP)	53
4.3.5.5.	Engine and Generators Unit	54
4.3.5.6.	Solids Treatment Equipment	54
4.3.5.7.	Drilling Fluid	54
4.3.6. D	rilling Waste Management	58
4.3.6.1.	Drainage System	61
4.3.6.2.	Jack-Up Rig Effluent Management	61
4.3.7. P	roject Size	64
4.3.8. P	roject Location	64
4.4. Jus	tification and Need of the Project	65
4.5. The	Proponent's Endorsement of EMP	65
4.6. The	Structure of the EMP	66
5. LEGA	L REQUIREMENTS	67
6. EXIST	TING ENVIRONMENTAL DESCRIPTION	76
6.1. Phy	sical Component	76
6.1.1. C	limate	76
6.1.2. R	ainfall	77
6.1.3. O	ceanography	78





6.1.1	Winds	80
6.1.2	Cyclonic Weather Systems	80
6.1.3	Seismicity and Tsunamis	81
6.1.4	Geology	82
6.1.5	Air	84
6.1.6	Marine Waters	85
6.1.7	Sediment	91
6.2.	Ecological Components	94
6.2.1	Benthic Infauna	95
6.2.1.1	Diversity Indices	96
6.2.1.2	. ROV Assessment	96
6.2.2	Marine Fauna	98
6.2.3	Marine Mammals	98
6.2.4	Turtles	99
6.2.5	Sharks	100
6.2.6	Birds	100
6.2.7	Corals	101
6.2.8	Fisheries	102
6.2.9	Protected Areas and National Parks	103
6.3.	Economic Components	103
6.3.1.	Employment Sectors	105
6.3.2.	Fishing	107
6.3.3.	Tourism	112
6.3.4.	Seaport and Shipping	113
6.3.5.	Agriculture and Forestry	114
6.3.6.	Other Industries	115
6.3.6.1	. Potential Impacts of Oil and Gas Exploration	115
6.4.	Social Components	117
6.4.1.	Demographics and Population Composition	118
6.4.2.	Living Standard	118
6.4.2.1	. Housing	118
6.4.2.2	. Clean Water and Sanitation	119





6.4.2.3.	Electricity Access	121
6.4.3.	Health Status	122
6.4.3.1.	Life Expectancy	122
6.4.3.2.	Healthcare Access	123
6.4.3.3.	Resource and Workforce Challenges	123
6.4.3.4.	Maternal and Child Health	123
6.4.4.	Education	124
6.4.5.	Transportation Infrastructure	125
6.4.5.1.	Land Transportation	125
6.4.5.2.	Air Transportation	126
6.4.5.3.	Maritime Transportation	126
6.4.6.	Religion	126
6.4.7.	Social Structures and Local Governance	126
6.4.8.	Social Structure and Language	127
6.5. C	ultural Components	127
6.5.1.	Traditions	127
6.5.2.	Cultural Heritage	127
7. INT	TTUTIONAL ROLES AND RESPOSIBILITIES	129
8. SUI	MMARY OF IMPACTS	134
8.1. R	isk Assessment	134
<mark>8.2.</mark> E	nvironmental Objectives, Standards, and Measurement Criteria	139
9. PR0	DPOSED MITIGATION MEASURES	152
10. GO	VERNING PARAMETERS	161
11. EN	VIRONMENTAL MONITORING PROGRAM	164
11.1. E	nvironmental Management Induction Program	164
11.2. E	nvironmental Monitoring Program	164
11.2.1	Environmental Management Practices Monitoring	164
11.2.2	Environmental Quality Monitoring	166
11.2.2.1	EBS Sampling Summary	168
11.2.2.2	Sampling Location	168
11.2.3	Environmental Monitoring During Drilling Phase	171
11.2.4	EBS Summary, Key Finding and Conclusion	173





11.2.5	The results of the EBS are given below	174
11.2.6	Sediment Quality	179
11.2.7	Benthic Habitat Assessment	183
11.2.8	Marine Fauna Observations	186
12. R	REPORTING REQUIREMENTS	187
12.1.	Surveillance Audit Program	187
12.2.	Management of non-conformance and corrective action	188
12.3.	Records and Communication	188
13. R	RESPONSIBILITIES FOR MITIGATION AND MONITORING	190
14. E	EMERGENCY PLAN	191
14.1.	Integrated Management System (IMS)	193
14.2.	Emergency Response Scenario	194
15. D	DECOMMISSIONING PLAN	196
15.1.	Rig Move	196
15.2.	Drilling	196
15.3.	Drill String Test	196
15.4.	Plug and Abandonment	196
15.5.	Post Well Survey	196
15.6.	Rig Down and Rig Move	197
16. C	CAPACITY DEVELOPMENT AND TRAINING	198
16.1.	Induction and Offshore Certification Requirements	198
16.2.	Local Content	199
17. P	PUBLIC CONSULATION and INFORMATION DISCLOSURE	200
17.1.	Purpose of the Consultation	200
17.2.	Methodology & Approach	200
17.2.1.	. Methodology	200
17.2.2.	. Approach	201
17.3.	Summary of Consultation	202
17.4.	Summary of Main Comments	202
17.5.	Summary of Public Acceptance of the Project	202
17.6.	Photos from Public Consultation	
17.7.	Recommendations for Future Consultations	204





18.	COMPLAINTS AND GRIEVANCES MECHANISM	205
18.1.	Objective	205
18.2.	Mechanism	205
19.	WORK PLAN AND IMPLEMENTATION SCHEDULE	207
20.	COST ESTIMATES	208
21.	REVIEW OF THE EMP	209
22.	NON-TECHNICAL SUMMARY	210
REFE	RENCES	216
APPE	NDIX 1 - SGBU HSE Policy	223
APPE	NDIX 2 - SURVEILLENCE AUDIT CHECKLIST	224





List of Tables

Table 1-Summary of Chudicth-2 Project Details
Table 2-Estimated Project Execution Timeline Detailed Operation Breakdown for Appraisal
Well drilling40
Table 3-Provides estimated flow periods and produced volumes43
Table 4-Proposed cementing program45
Table 5-Mud Chemical Consumption Summary46
Table 6-High Pressure Mud System50
Table 7-Summary of Mud Tanks51
Table 8-Shale Shakers53
Table 9-Ram Type Preventer53
Table 10-Saraline 185V Properties56
Table 11-Saraline 185V Physical Property57
Table 12-Comparison of Saraline 185V to Diesel and LTMO58
Table 13-Applicable Timor-Leste Laws, Regulations, and International Standards and
Guidelines67
Table 14-Geology Structure of Chuditch-2 Appraisal Well84
Table 15-Sampling location and Numbers of sites completed86
Table 16-PAR values from EBS Survey across all locations
Table 17-Details of the roles and responsibilities related to HSE for Chuditch-2 Appraisal
Well129
Table 18-Acceptability Categories134
Table 19-Potential Impacts Matrix135
Table 20-Summary of Chuditch-2 Appraisal Drilling Inherent Environmental Risk 137
Table 21-Environmental Performance Objectives, Standards, and Measurement Criteria for
the Potential Impacts for Chuditch-2 Appraisal Drilling Project
Table 22-Environmental Mitigation Measures and Responsibility of various parties 152
Table 23-Environmental Contingency Measures for Spill Events158
Table 24-International Guidelines for <mark>Air Emission</mark> , liquid, solid waste discharge for Oil and
Gas Offshore Development
Table 25-Proposed environmental management practices165
Table 26-Sampling location and samples collected169





Table 27-Sampling sites for the Environmental Monitoring During Drilling Phase	173
Table 28-Physiochemical profile results.	176
Table 29-Dissolved metals results from water samples	176
Table 30-Sediment Particle Size Distribution (PSD)	179
Table 31-Sediment sample total metals results	181
Table 32-Sediment sample Analysis Results	182
Table 33-Proposed three phases of surveillance audit programs	187
Table 34-Records, Reporting and Communication	189
Table 35-Primary and support functions	192
Table 36-Provides guidance and assistance in determining the incident response level	and
classification	193
Table 37-Estimated Timeline for Appraisal Well Drilling	207
Table 38-Summary of Estimated Cost	208





List of Figures

Figure 1-SGBU's Organizational Diagram23
Figure 2-Location of Contract Area PSC-TL-SO-19-16/Chuditch and nearby fields28
Figure 3-Illustration of Jack-Up Drilling Rig32
Figure 4- View of Main Deck of the Valaris 247 Jack-Up Drilling Rig33
Figure 5-Well Design of Chuditch-2 Appraisal Well
Figure 6-Support Supply Base Location
Figure 7-Representative Jack-up rig Waste Management Plan
Figure 8-Jack-up rig Waste Management Plan63
Figure 9-Proposed Chuditch-2 Well Location in reference to EEZ and Oceanic Shoals Marine
Park
Figure 10-Timor-Leste Climate and Weather data graph – The Global Historical Weather and
Climate
Figure 11-Regional synoptic-scale currents of northern Australia and the Timor Sea (Source:
DEWHA, 2008)79
Figure 12-Seismo-tectonic setting of the Banda Arc region, based on seismicity from USGS
catalog (1976-2020) are represented by red and white dots. Blue wave symbols are past
tsunamis. Major faults (in red). (Source: Coudurier-Curveur et al, 2023)82
Figure 13-EBS Sampling locations around Chuditch-2 Appraisal Well87
Figure 14-Niskin bottle water sampler used for water quality sample collection87
Figure 15-YSI Exo1 Sonde and IMO Ms9 light88
Figure 16-A) Day Grab sediment sampler positioned on retrieval point, B) Day Grab
deployed overboard from vessel stern via A-Frame92
Figure 17-Commercial ROV used for collection of benthic habitat footage97
Figure 18-Unemployment Rate (Source: World Bank, 2024)
Figure 19-Number of Agriculture Households engaged in aquaculture activity. (Source DGE-
MOF, 2019)
Figure 20-Volume of fish catch. (Source: MAF, 2017)
Figure 20-Volume of fish catch. (Source: MAF, 2017)
Figure 21-Small-scale fishing area in Timor-Leste. (Source: Ship Traffic)





Figure 24-Timor-Leste Population Census 2022. (Source: INE IP., 2022)	118
Figure 25-Timor-Leste Housing Census 2022 (Source: INE IP, 2022)	119
Figure 26-Clean water and sanitation census 2022. (Source: WHO/UNICEF, 2022)	120
Figure 27-Drinking water source (Source: INE IP, 2022)	121
Figure 28-Water sampling locations. Adapted from O2 Marine, 2025	170
Figure 29-Sediment sampling locations. Adapted from O2 Marine, 2025	170
Figure 30-ROV Transect Locations. Adapted from O2 Marine, 2025	171
Figure 31-Randomly selected sampling site for Environmental Monitoring during Drilling	
Phase	172
Figure 32-Description and example images of each of the five (5) benthic habitat classes	
	186
Figure 33-Photos taken during Public Consultation	203
Figure 34-Complaints and Grievances Mechanism Diagram	206





ABBREVIATIONS

ADB : Asian Development Bank
AHT : Anchor Handling Tug

AMSA : Australian Maritime Safety Authority
ANP : Autoridade Nacional do Petróleo

ANZG : Australian and New Zealand Guidelines

AOF : Absolute Open Flow

APORTIL : Autoridade Portuário Timor-Leste

ATSEA : Arafura & Timor Seas Ecosystem Action

ATS : Arafura and Timor Seas
BMSL : Below Mean Sea Level

BOD : Biological Oxygen Demand
BoM : Bureau of Meteorology
BOP : Blow Out Preventer

BTEXN : Benzene, Toluene, Ethylbenzene, Xylenes, and Naphthalene

CPR : Competent Personal Report CSO : Civil Society Organizations

CTD : Conductivity, Temperature, and Depth

DAFF : Department of Agriculture, Fisheries and Forestry

DEWHA : Department of the Environment, Water, Heritage and the Arts

DGV : Default Guideline Value

DNCPIA : Direcção Nacional do Controlo Polução e Impacto Ambeintal

DST : Drill Stem Test

EBS : Environmental Baseline Survey

EDTL : Eletrisidade de Timor-Leste/Timor-Leste Electrical Company

EEZ : Exclusive Economic Zone

EHS : Environmental, Health and Safety
EIA : Environmental Impact Assessment
EIS : Environmental Impact Statement

ESIA : Environmental and Social Impact Assessment

ENSO : El Niño-Southern Oscillation EMP : Environmental Management Plan

ESD : Emergency Shut Down

FPSO : Floating Production, Storage and Offloading

G&G : Geology and Geophysics GHG : Green House Gases

GoTL : Government of Timor-Leste

GTL : Gas-to-Liquid

HAZID : Hazard Identification

HAZOP : Hazard and Operability Study





HSE : Health, Safety & Environment

HSEQ : Health, Safety, and Environment Quality

IBAs : Important Bird Areas

IFC : International Finance Corporation ILO : International Labour Organization

IOGP : International Association of Oil and Gas Producers
IUCN : International Union for Conservation of Nature

ITCZ : Inter-Tropical Convergence Zone

ITF : Indonesian Throughflow

INSTANT : International Nusantara Stratification and Transport Program

JPDA : Joint Petroleum Development Area LFPR : Labour Force Participation Rate

LOR : Liquified Natural Gas
LOR : Limit of Reporting
LTMO : Low Toxicity Mineral Oil

MAF : Ministry of Agriculture and Fisheries

MD : Measured Depth

MDKB : Measured Depth Below Rotary Kelly Bushing.

MFV : Monitorint Fishing Vessel
MODU : Mobile Offshore Drilling Unit
MoU : Memorandum of Understanding

MSL : Mean Sea Level

MPAs : Marine Protected Areas
MuTek : MuTeknologi Software
NADF : Non-Aqueous Drilling Fluid

NE : Northeast

NOPSEMA : National Offshore Petroleum Safety and Environmental

Management

NT : Northern Territory

NW : Northwest
OBM : Oil Based Mud

OCNS : Offshore Chemical Notification Scheme

OIW : Oil-in-Water OOC : Oil-on Cuttings

OSCP : Oil Spill Contingency Plan

OTL : Oras Timor-Leste

PAH : Polycyclic Aromatic Hydrocarbon

PD : Project Documents

PNTL : Polícia Nacional Timor-Leste
PSC : Production Sharing Contract
PSD : Particle Size Distribution





Q1, Q2, Q3, Q4 : Fiscal Quarters

ROV : Remotely Operated Vehicle

RT : Rotar Table

SAQP : Sampling and Analysis Quality Plan

SBM : Synthetic Based Mud

SDP : Strategic Development Plan

SDS : Safety Data Sheet

SE : Southeast

Sg : Specific Gravity

SW : Southwest

SundaGas/SGBU : SundaGas Banda Unipessoal Lda

SSS : Sea Surface Salinity

SST : Sea Surface Temperature

TD : Total depth

THR : Total Hydrocarbon Recoverable

TL : Timor-Leste

TLEA : Timor-Leste Exclusive Area

TOR : Term of Reference
TSS : Total Suspended Solid
TVD : True/Total Vertical Depth

TVDBRT : Total Vertical Depth Below Rotary Table

UN : United Nations

UNDP : United Nations Development Programme

UNFPA : United Nations Population Fund

UNTL : Universidade Nasional Timor-Lorosa'e (Timor-Leste National

University)

UPF : Unidade Polícia Fronteira

WBM : Water Based Mud

WHO : World Health Organization





MEASUREMENT UNITS

Bcf Billion cubic feet

Bbl Barrel

BOPD Barrel of Oil per Day

dB Decibel

Degree Celsius

HP Horsepower

Hz Hertz

km kilometre

km² kilometre square

km/h kilometre per hour

kn/kt/kts knot/knots

m metre

mm millimetre

mmscfd Millions cubic feet per day

m/s metres per second

 μPa micro-Pascal (10⁻⁶)

Nm nautical mile
ppm part per million
TC/TCs Tropical cyclones

Tcf Trillion Cubic Feet

% percentage





1. EXECUTIVE SUMMARY

1.1. Project Background

SundaGas Banda Unipessoal, Lda. (SGBU) and TIMOR GAP Chuditch Unipessoal, Lda. (TIMOR GAP) were awarded a Production Sharing Contract by the ANP in 2019 to conduct petroleum operations offshore Timor-Leste. PSC TL-SO-19-16 includes the Chuditch-1 gas discovery drilled by Shell in 1998. SGBU is currently evaluating the Chuditch-1 discovery and is anticipating undertaking an appraisal drilling program in this PSC area during Q3 of 2025.

SGBU is planning on drilling an appraisal well, Chuditch-2, using a suitably designed and capable self-elevating jack-up rig. Following completion of a site survey for Chuditch-2, the appraisal well is expected to be drilled in approximately 68m water depth and to a target depth of approximately 3,010m in the Plover Formation.

The Chuditch-2 appraisal well will be located within the Chuditch field in PSC-TL-SO-19-16 block in the Timor Sea. The Chuditch field is situated about 185km south of Timor-Leste's south coast and is approximately 80km south-west of Greater Sunrise and 140km east-northeast of Bayu-Undan. The drilling program plans to conduct a DST to determine the presence of sufficient economic quantities of hydrocarbons in the gas-charged Plover reservoir interval in the Chuditch-2 appraisal well. Thereafter, the Chuditch-2 well will be plugged and abandoned.

1.2. Scopes and Objective of the EMP

This EMP has been prepared for the appraisal drilling program of the project and encompasses all activities associated the planned drilling activities on the jack-up drilling unit.

The primary objectives of the EMP are as follows:

- To provide the necessary framework to effectively mitigate against potential environmental impacts during the appraisal well construction activities;
- ii. To provide the means to ascertain the effectiveness of environmental protection / conservation measures identified in the EIS study, which will form the basis for additional / modified provisions to meet the stipulated limits where these are expected; and





iii. To provide guidance for environmental management so that the drilling operations are carried out in accordance with legislative requirements and in meeting the overall environmental objectives of the project.

1.3. Summary of Impact

Offshore drilling presents both positive socio-economic benefits and negative environmental impacts. This summary outlines key aspects of the Chuditch-2 drilling project's potential effects and their significance.

Positive Socio-Economic Impacts

- Employment Opportunities: The future development and production phases will create job opportunities for national and international workers, engineers, and local communities, contributing to long-term economic growth.
- Revenue Generation: Royalties and income taxes from petroleum activities will
 provide substantial financial benefits to the Government of Timor-Leste, supporting
 national infrastructure and social programs.

Negative Environmental Impacts

Marine Habitat Disturbance

- Seabed Disruption: MODU positioning can disturb benthic communities, affecting marine biodiversity.
- Sediment Smothering: The discharge of drilling mud, cuttings, and cement can lead to burial and contamination of marine sediments, impacting benthic organisms.

Water Quality Degradation

- Chemical and Hydrocarbon Discharges: Routine discharge of drilling cuttings / fluids, and well cleanup brine can alter offshore water quality, leading to increased turbidity and potential toxicity to marine life.
- Wastewater and Sewage Disposal: Routine discharges of sewage, grey water, macerated food, and cooling water may result in temporary nutrient enrichment, attracting marine fauna to the drilling site.





Air Pollution and Climate Impact

• Greenhouse Gas Emissions: MODU operations, well cleanup flaring, and fuel combustion contribute to CO₂ and other emissions, increasing the cumulative impact on air quality and climate change.

Unplanned Events and High-Risk Scenarios

- Well Blowouts and Oil Spills: Loss of well control could result in oil spills, contaminating marine habitats, affecting fisheries, and harming marine mammals, reptiles, and seabirds.
- Vessel Collisions and Fuel Spills: Offshore supply vessel incidents pose a risk of diesel and Synthetic-Based Mud (SBM) spills, leading to oiling of marine life and coral reefs.
- Introduction of Invasive Species: MODU ballast water and biofouling on vessel hulls can introduce non-native marine species, potentially displacing indigenous marine biodiversity.

A detailed summary of potential impacts is given in Chapter 8 of this EMP.

1.4. Mitigation Measures

The mitigation measures aim to minimize potential environmental risks associated with the Chuditch-2 appraisal drilling project. These measures align with international best practices and regulatory standards to ensure responsible offshore operations while maximizing socioeconomic benefits for Timor-Leste.

Key Mitigation Strategies

Marine Ecosystem Protection

- Seabed Disturbance: Two tow vessels will be used to position the drilling unit, rather than anchoring which will reduce benthic impact, and pre-drilling habitat assessments will guide well placement.
- Sediment and Water Contamination: Water-based mud (WBM) drill cuttings will be
 used in riserless drilling of the open hole 17¼" section and as such there will be no
 return to the rig of cuttings or WBM. Modelling for cuttings dispersion and
 turbidity/TSS in the water column suggests affects will be localised and the benthic
 fauna will recover rapidly.





• Marine Fauna Protection: Noise-reduction technologies and lighting control strategies will be implemented to mitigate impacts on sensitive marine species.

Water and Air Quality Management

- Effluent and Discharge Control: Drilling fluids, cooling water, and other operational discharges will be treated before controlled release to prevent contamination.
- Air Emission Reduction: Low-emission combustion technologies and optimized flaring / DST will be utilized to curb greenhouse gas (GHG) emissions.

Spill Prevention and Emergency Response

- Hydrocarbon Spill Containment: A comprehensive oil spill response plan, including containment booms, dispersants, and regular emergency drills, will ensure prompt and effective containment should a Tier 2 or 3 level event occur.
- Well Blowout Prevention: The use of tested blowout preventers (BOPs) and emergency shut-down systems will minimize the risk of uncontrolled hydrocarbon releases.

Risk Management for Unplanned Events

- Vessel Collision Prevention: Strict navigation safety protocols, including vessel tracking and exclusion zones, will reduce the likelihood of accidents.
- Invasive Species Control: Adherence to the International Maritime Organization (IMO) Ballast Water Management Convention will mitigate risks of introducing nonnative species.

The mitigation measures set forth in this EMP emphasize environmental stewardship while ensuring safe and efficient drilling operations. Through proactive risk management, regulatory compliance, and best environmental practices, SGBU and TIMOR GAP reaffirm their commitment to sustainable offshore exploration in Timor-Leste.

The mitigation measures are given in Chapter 9 of this EMP.

1.5. Conclusion

This EMP is prepared to provide environmental guidance so that the appraisal drilling program is conducted in line with the environmental requirements and minimizes potential impacts to the environment. It also identifies the roles and responsibilities of personnel and parties involved in the management of environmental aspects related to the appraisal drilling activities. In addition, this EMP has specified the implementation of environmental





management practices, environmental quality monitoring and surveillance audit program to ascertain the current effectiveness of mitigation measures and control measures implemented.

With proper implementation of the EMP, the associated environmental impacts caused by the appraisal drilling program should be minimized, controlled, and mitigated throughout the drilling activities. The EMP is a living document and shall be continuously reviewed and updated accordingly to reflect the current situation and site conditions.





2. DETAILS OF THE PROJECT PROPONENT

2.1. Details of the Project Proponent

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2.2. Company Organizational Structure

Sunda Energy Plc Organisation Chart



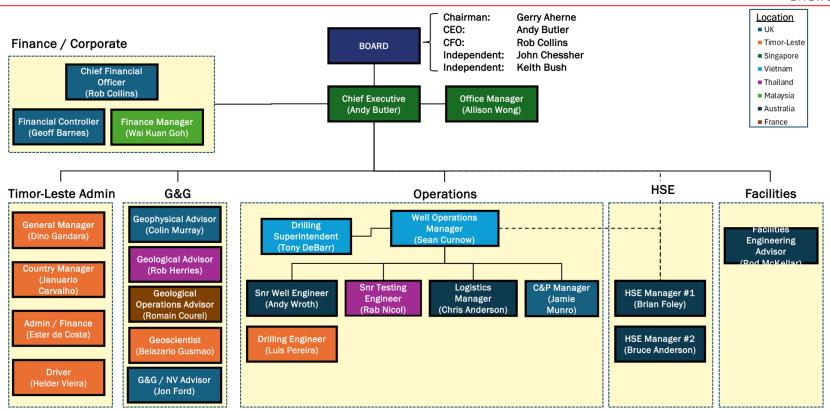


Figure 1-SGBU's Organizational Diagram





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3. DETAILS OF THE CONSULTANT FOR EIS AND EMP

Sunda Energy Plc has engaged Halona Serena Lda, a Timor-Leste registered national consulting company, to carry out the Environmental Impact Assessment (EIA) study to produce the Environmental Impact Statement (EIS) and Environmental Management Plan (EMP) for the proposed project. Halona Serena has been providing services to domestic projects in Timor-Leste for approximately 3 years prior to commencing the subject EIA study.

Halona Serena is located in:

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Halona Serena Lda. has a number of key and highly qualified personnel. The following is the list of the proposed key personnel to be involved in this project:

Awinash Dulip

EHS and ESG Adviser - with more than 35 years' experience in ESG, Environment management, EIA, EIA, EMP, environment monitoring in Oil & Gas and mining Sector. Worked with various governments, private companies, organizations, funding institutions and as Petroleum Regulator. Adviser-ed on Equator Principles (EPFIs) for managing social and environmental risks for project financing and major infrastructure projects funded through PPP, SVP, Development Financial Institutions (DFI), World Bank / ADB / IBRD / International Development Associations (IDA). He has evaluated and monitored projects to IFC Performance Standards, pollution control abatement (PPAH) guidelines, and EHS guidelines for Onshore / Offshore Oil and Gas Development, ADB environmental safeguards & rapid environment assessment checklist. GHG, GRI on sustainability reporting, and CSR initiatives on social – economic reporting.

Pascoela Sequeira

Process Engineer experience for 8 years in evaluating the LNG process plant design for future Timor Leste LNG plant and its supporting activities. Recently, alongside with Halona Serena and its team, successfully obtained Environmental Licensing for TGPB for the Pualaca Block Seismic Activity. She possesses a M.Sc. in Natural Gas Engineering and Management and B.Sc. in Chemical Engineering from University of Oklahoma.





Bertanizo Guro da Costa

Bertanizo has about 10 years of experience in conducting Research in various sectors, including environmental science, conservation, security and defence, legal pluralism, impartiality of formal justice system, education, domestic violence etc. He also has 5 years of experience in leadership role (e.g., Research coordinator, General coordinator of association etc.). He also has some expertise in Monitoring and Evaluation, research methods, statistics, data analysis, media and communications.

Maria Do Ceu Rosales

Maria is a graduate from the University of Western Australia, majoring in Environmental Science and Business Law. She is an Environmental Scientist with more than 7 years' experience predominantly in environmental assessment, management, and public procurement. She has led environmental studies on variety of environmental assessments and feasibility studies specifically for water resources management and has worked on a variety of projects from small-scale to large projects such as from established more than five water and sanitation projects to the rural communities and successfully completed marine environmental monitoring project for Tibar Port mega project.

Mario Marques Cabral

Has more than 20 years' experience as a marine biologist specialist. He has been working under Indonesian and Timor - Leste governments for marine departments. Also, Mario a candidate for Blue Planet Prize in 2022 (af:011785). The 31st Blue Planet Prize nomination process was organized by The Asahi Glass Foundation since the early of August 2021 under the supervision of Director, Commendation "Blue Planet Prize" (Toshihiro TANUMA, Ph.D.) in Tokyo-Japan. The Blue Planet Prize is an award presented to individuals or organizations from around the world in recognition of outstanding achievements in scientific research and its application that have helped provide solutions to global environmental problems.

Eurico Ediana da Costa

An experienced sociologist consultant with a demonstrated history of working around private sector development, research, decentralization, public policy, social-economic, community development, local government development, monitoring and evaluation, and gender mainstreaming. He possesses skills in M&E design, data analysis, research report,





project management, policy analysis, business analysis, project management, negotiation, problem-solving, capacity building, community consultation, and basic NVivo operation.

Joctan Dos Reis Lopes

Mr Lopes is a marine and coastal fisheries ecologist. He completed his MSc in Marine Biology at Bangor University (School of Ocean Sciences) and has been actively engaged in Small-Scale Fisheries for over 6 years. His work mainly focuses on developing data innovation and digital transformation to improve fisheries stock assessments, ecosystem interactions and aquatic food systems and enhance coastal resilience and livelihoods in Indo-Pacific Island countries. He is a published researcher with profound knowledge of ecosystem modelling and local and indigenous knowledge systems. Working alongside scientists, experts, governments, and fisheries practitioners, they have co-developed adaptive tools and context-specific practices that guide inclusive, well-informed, and sustainable marine resource management. He was one of the pioneers who developed an augmented real-time dashboard that collects catch data and provides fishing trends around Timor-Leste.

Tiago Gamboa

Geographer and HSE - Consultant with more than 25 years of experience in Environmental Management and Awareness, Environmental Impact Assessment, Environmental and Social Management Plan, Climate Change and Infrastructure Resilience, Water Resources, Urban Cleaning and Public Health, in the Public and Private Sectors, including international development cooperation in Timor-Leste.





4. PROJECT DESCRIPTION

4.1. Project Identification

The appraisal well is known as Chuditch-2 and is located within the Chuditch field located in contract area PSC-TL-SO-19-16. This contract area is located in Timor Sea, in the northern Bonaparte Basin, Sahul Platform area. The Chuditch field is situated about 185km south of Timor-Leste's south coast and well will be located approximately 80km south-west of Greater Sunrise and 140km east-northeast of Bayu Undan. The location of Chuditch and the nearby fields are shown in Figure 2.

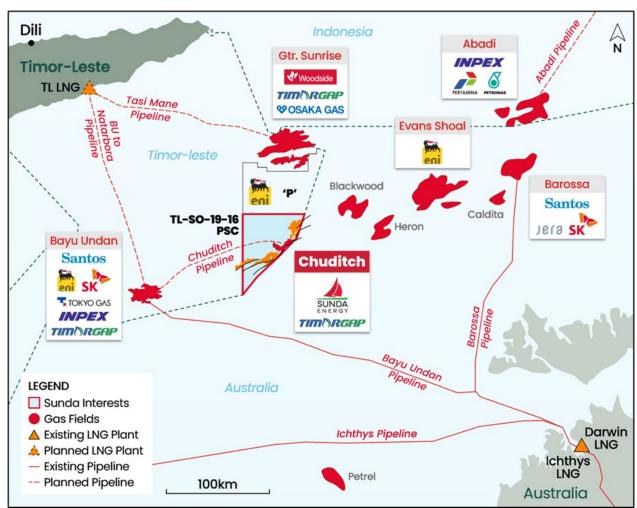


Figure 2-Location of Contract Area PSC-TL-SO-19-16/Chuditch and nearby fields.





4.2. Project Category

The project falls within the context of oil and gas appraisal drilling well operations. Chuditch-2 is an appraisal well drilled to evaluate the potential quantities of gas in the Chuditch field in Timor Sea for future hydrocarbon production. Such a project requires offshore drilling, environmental analysis, and geological data to make future operational and commercial decisions.

In November 2023, ANP approved the Project Document (PD) for drilling of Chuditch-2 on the PSC-TL-SO-19-16 and classified the project as a Category A activity, based on Decree Law No. 39/2022 1st Amendment of Decree Law No. 5/2011 on Environmental Licensing. SGBU subsequently submitted the Term of Reference (TOR) document which was approved in November 2024 by ANP and is the basis for preparing the Environmental Impact Statement (EIS) and Environmental Management Plan (EMP).

4.3. Nature, Size, and Location of the Project

4.3.1. Project Nature

Appraisal well drilling and well testing operations are conducted to assess the presence and viability of hydrocarbon resources in quantities that may support commercial extraction. These operations typically occur following the drilling of an exploration well, (Chuditch-1) and evaluation of all subsurface data including in this instance reinterpretation of existing seismic data. The purpose of drilling the Chuditch-2 appraisal well is to confirm and assess commercial viability of the gas resource while minimizing environmental impact.

The objectives of the Chuditch-2 appraisal well is to confirm the gas reservoir anticipated from the seismic mapping; better define thegas resources associated with the Chuditch-1 discovery in Plover sandstones reservoir and to perform a Drill Stem Test (DST) to evaluate the expected future production rates that may be achieved from the Chuditch field.

SGBU has designed procedures to cover the proposed drilling and well testing operations on the planned Chuditch-2 well, which is the second of two wells drilled on Block PSC TL-SO-19-16 in the Chuditch field.

The well well will be drilled vertically using a jack-up drilling unit and is expected to penetrate the Plover sandstone formations in the interval from 2,880m to 3,010m TVDBRT. The well total depth is planned to be 3,010m TVDBRT.





The 12¼" hole will be drilled to a total depth of 3,010m TVDBRT through Plover sandstone formations, utilizing SBM. Wireline logging will be run in open hole to evaluate formation character and pressure.

If appraisal drilling is deemed successful based on the gas column and reservoirs encountered, a 9%" casing will be run and cemented in place and a DST will be conducted in 9%" cased hole to evaluate well productivity if sufficient gas shows are present in the sandstone formations.

Prior to any testing operations, the well will be displaced with sea water then circulated to $CaCl_2$ brine for the DST. The well will be perforated under-balanced with 4.50" HSD TCP guns, with 5" DST tools and a $4\frac{1}{2}$ " test string with a multi-rate test planned to evaluate the reservoir productivity. On completion of the DST, the well will be plugged and abandoned. Project details are summarized in Table 1.

Table 1-Summary of Chudicth-2 Project Details

Well Name	Chuditch-2		
Operator	SundaGas Banda Unipessoal, Lda		
Partnership	SundaGas Banda Unipessoal, Lda 70%, TIMOR GAP Chuditch Unipessoal, Lda 30%, subject to final approvals following the assignment of a 30% interest from SGBU to TIMOR GAP		
Project	Chuditch-2		
Well Type	Appraisal		
Well Trajectory	Vertical Profile		
State/Country	Timor-Leste		
Anticipated Hydrocarbon	Gas/Condensate		
Block	TL-SO-19-16 PSC		
Basin	North Bonaparte Basin		
Surface Location (Chuditch-2)	Lat : 10° 32′ 56.832″ S	X: 406,436	
	Long: 128° 8′ 41.402″ E	Y: 8,833,746	
Bottom hole Target (Chuditch-2)	Lat : 10° 32′ 56.832″ S	X: 406,436	
	Long: 128° 8′ 41.402″ E	Y: 8,833,746	
Geodetic Information	WGS84, UTM Zone 52S, CM 129°E		
Target Objective	Plover Formation		
Drilling Rig	Jack-up Rig		
Depth Reference	Mean Sea Level (MSL)		
Water Depth (MSL)	+/- 70m		
Well TD	+/- 2,971m TVD-MSL		
Formation Temperature (Max)	~139°C (~282.2 °F) at TD		





Formation Pressure	+/- 4400psi - Formations are predicted to be normally pressured from seabed down to Plover Formation	
Target tolerance	50m at the Plover Formation target area	
Hole Section	 17½" hole for 13¾" casing, planned setting at 1,650 m MDBRT. This is firm. Drilling fluid will be WBM (Seawater and Hi-vis) sweeps with returns to seabed. 12¼" hole for 9¾" casing, planned setting depth at 3,010 m MDBRT. This is firm. Drilling fluid will be SBM. Return to shale shaker before cuttings discharge to seabed. 	

4.3.2. Drilling Rig

The jack-up rig is equipped with comprehensive facilities, including accommodation, kitchen services, heating and power supply, sewage management, storage areas, medical and emergency response units, as well as secondary operations such as welding, painting, and machining.

To support logistics, a minimum of two Anchor Handling Tugs (AHT) will assist rig positioning after which two supply vessels will facilitate the transportation of equipment and supplies between the shore and the rig and support overall project activities offshore. Additionally, a helicopter will be deployed for crew transfers. Crew members will operate on a nominal 28-day rotation schedule, with five crew change flights conducted per week to ensure operational efficiency and workforce sustainability.

A typical jack-up drilling rig and the main deck view of jack-up rig are shown in Figure 3 and Figure 4, respectively. The rig will also provide dedicated storage for a variety of process chemicals and secondary materials. These include:

- Fuel Oil;
- Fresh (potable) water;
- Ballast (Seawater);
- · Drilling water;
- Bulk mud and cement;
- Liquid mud;
- Dry process materials; and
- Pipe rack storage.





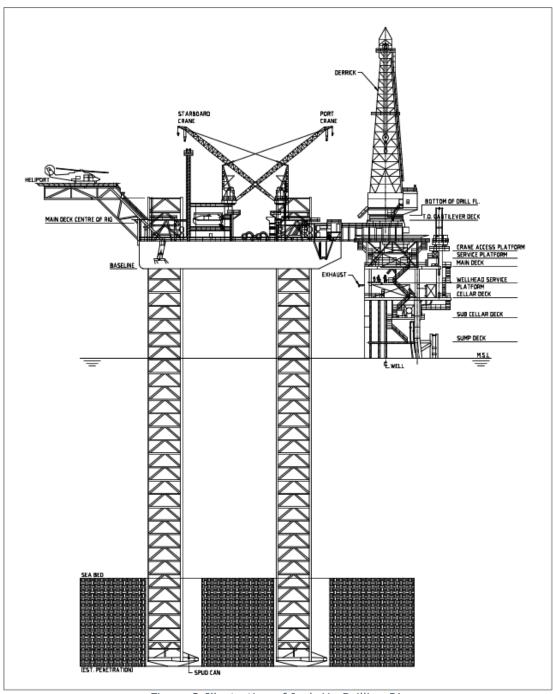


Figure 3-Illustration of Jack-Up Drilling Rig





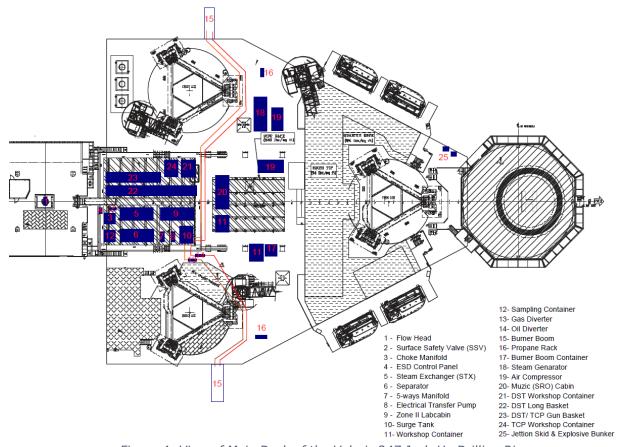


Figure 4- View of Main Deck of the Valaris 247 Jack-Up Drilling Rig

4.3.3. Project Activities and Drilling Program

The rig will be towed by one or two AHT's to the drill site. Upon arriving at the required location, the second AHT will be connected to the aft of the rig (port or starboard depending on metocean conditions at the time). The two AHT's will position the rig over the planned location and the legs will then be lowered to the seabed. Pre-loading of each leg will be performed to verify stability, and the rig will then be elevated to the desired height above the MSL.

Geotechnical and Geophysical (G&G) site surveys were completed in Q1 2024. The G&G site survey confirmed a suitable primary well location, and two additional locations should construction of a relief well be required. A temporary safety exclusion zone of 500m radius will be established around the rig location during the drilling operations always monitored by a 'standby' vessel.





Mobilization and the project logistics plan have not been finalized at this time. It is anticipated that most equipment will be mobilized via Darwin, Australia and personnel via either Darwin or Dili. Once the project logistical arrangements have been determined, suitable advice will be provided. Offshore supply vessels will be sourced through competitive tender. Helicopters required for personnel transfer and medivac will be sourced from aviation contractors capable of providing a safe and cost-effective service.

SGBU are planning to commence project activities and rig move in Q3 2025, based on the current rig schedule, the rig will be towed to location and positioned over the programmed well centre. Following soft pinning and pre-load operations, the rig will jack up to the approved air gap of approximately 15-18 m above mean sea level and begin to rig up, take on extra personnel, equipment, fluids, and chemicals in preparation for spudding the well.

Drilling activity of the Chuditch-2 well will target the Plover Formation to appraise the gas discovery encountered by Shell on the Chuditch-1 well. Its primary goals include confirming thicker gas pay in an upward direction from the original well toward its bounding fault and conducting a Drill Stem Test (DST) to assess the field's production potential.

The drilling process uses bits of different sizes to drill a series of concentric holes from the seabed to the planned well total depth. During drilling operations, a fluid known as drilling fluid or mud is circulated through the inside of the drill string to the bit and returns to the surface once the surface casing string has been installed. Drilling fluid performs several important functions including:

- Removal of drilled cuttings from the bottom of the well and transports cutting back to the surface, where they are then separated from the mud and discarded;
- Control of natural formation pressures, preventing the uncontrolled flow of oil or water into the borehole;
- Sealing permeable formations;
- Maintaining well stability;
- Cooling, lubricating, and supporting the drill bit and assembly; and
- Transmitting hydraulic energy to tools and bit.

The drilling fluid is prepared by mixing mud additives and chemicals on site to the desired concentrations in seawater. During the drilling of the 121/4" section, SBM will circulate in a





closed system being pumped down hole and recovered over shakers to separate SBM from cuttings prior to the SBM being returned to the active circulation system. Both water-based mud (WBM) or synthetic-based mud (SBM) systems will be used for the drilling campaign. The SBM and WBM does not pose risk of contamination to subsurface formations.

4.3.3.1. Well Design

The objectives of an appraisal well in Chuditch contract area will be to confirm the gas anticipated from the seismic mapping, better define gas resources associated with the Chuditch-1 discovery and to perform a Drill Stem Test (DST) to evaluate the expected future production rates that may be achieved at Chuditch, and thus likely commercial viability. The programme will include detailed engineering plans for the construction of the well, including casing and cementing strategies, drilling fluid selection, and well control measures. Figure 5 shows well design for Chuditch-2.

The well will commence drilling 17½" hole, with fluid and cuttings returns taken to the seabed, once this hole section is drilled a casing string will be lowered into the hole and cemented. This provides a conduit for the return fluid during the drilling of the next section when SBM will be used. Wells are drilled in sections with predetermined decreasing sized drill bits used to drill a series of concentric holes from the seabed to the anticipated total well depth. After each section of the well is completed, the drill string is lifted and protective steel pipe or casing lowered into the well and cemented into place. The casing assists in maintaining well stability and helps to reduce fluid loss from the well bore into the surrounding rock formations.





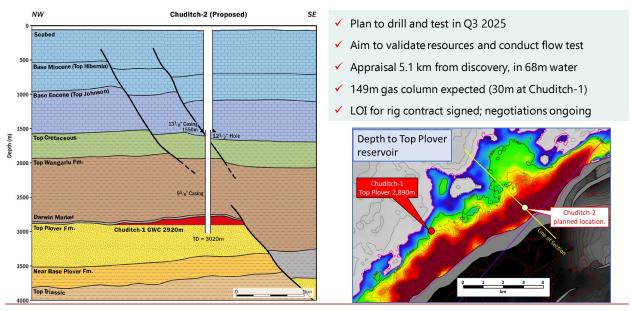


Figure 5-Well Design of Chuditch-2 Appraisal Well.

4.3.3.2. Safety and Risk Management Procedures

Comprehensive safety protocols including design standards and equipment specification, peer review of designs and plans, formal risk assessment and HAZOP/HAZID have been or will be conducted prior to operations to identify and mitigate risks associated with offshore drilling activities, including emergency response plans. Well control procedures, Tropical rotating storm planning, personnel training, and equipment maintenance schedules. Strategies to mitigate risk and ensure the safety and success of the operation in an environmentally responsible manner.

4.3.3.3. Logistic and Supply Chain Management

Plans for the procurement and transportation of equipment, materials, and personnel to and from the offshore drilling site are in planning and are not finalized. SGBU will plan to ensure efficient operations. The Chuditch-2 well is located 310km SE of Dili and 340km NW from Darwin, with travel times of 1.5 hours for helicopters and 24 hours for supply vessels.

In addition to the mobilisation, drilling and testing operations, normal operations will include loading and offloading of cargo vessels as well as mud and chemical transfers. It is anticipated that equipment and chemicals required during the drilling program will be supplied to the rig by vessel from Darwin and will be transferred to the rig by crane.





Figure 6 shows potential support supply base locations.

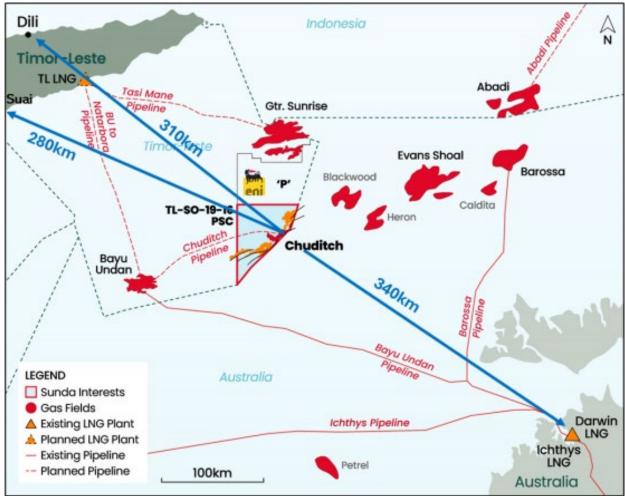


Figure 6-Support Supply Base Location.

4.3.3.4. Drilling Resource Requirements

The majority of the resources required to drill the offshore appraisal well will be sourced from Australia.

The drilling rig will come self-contained with a highly trained and specialized workforce. Accommodation is supplied on the drilling rig, which will cater for two drilling shifts working on a 12-hour basis as well as daily operational and maintenance staff requirements. All other supporting drilling technical services will also be accommodated on-board.





4.3.3.5. Weather Monitoring and Contingency Plans

Monitoring systems to track weather conditions and develop contingency plans for adverse weather events, such as cyclones or tropical lows to ensure the safety of personnel and equipment. SGBU will contract with an appropriate weather forecasting company to provide metocean data for the project. Contingency planning for weather events will be in accordance with drilling rig procedures.

4.3.3.6. Community Engagement

SGBU has engaged with local communities and stakeholders through the Public Consultation process, addressing concerns, and providing information about the location, intended drilling activities, duration and their potential impacts. The company will continue to reach out to all stakeholders through the period of preparation and operations.

4.3.3.7. Regulatory Compliance

Adherence to regulatory frameworks and obtaining necessary permits and approvals for offshore drilling activities in liaison with ANP, ensuring compliance with legal and environmental standards from the Government of Timor-Leste (GoTL), is a critical ongoing consideration in operations planning.

4.3.3.8. Drilling Schedule and Milestones

A timeline outlining the sequence of drilling operations, including key milestones and targets for completion of each stage of the drilling program Table 2.

4.3.3.9. Quality Assurance and Quality Control

Procedures will be in place maintain the quality and integrity of drilling operations, including regular inspections, testing, and monitoring of equipment and processes in accordance with SGBU-GEN-OPS-0026 Quality Assurance and Quality Control Standard.

4.3.3.10. Environmental Baseline Survey

An Environmental Baseline Survey (EBS) study was conducted in February 2025 which included water quality, sediment quality, and marine fauna. The EIA data obtained will inform the EIS, EMP and the monitoring program. The Scope of Environmental Baseline Study was approved by ANP in September 2024.





The primary objective of the EBS was to gather comprehensive baseline environmental data to enable effective post-drilling monitoring and impact assessment. The EBS identifies and documents baseline conditions for water quality, benthic habitats, and sediment characteristics near the well site to assess potential impacts from drilling activities.

Environmental quality monitoring is planned to be carried out during drilling to understand if any changes are seen in environmental parameters of water quality, benthic habitats, and sediment characteristics near the well site. The anticipated monitoring program during the drilling phase will include representative sampling of the EBS locations and associated testing.

4.3.4. Drill Plan Summary

The planned sequence of operations are as presented in the Estimated Project Execution Timeline Detailed Operation Breakdown for Appraisal Well drilling in Table 2.

The planned sequence of operations is:

- Mobilize the jack up rig to the Chuditch-2 well location. Position, preloading and jacking up to the planned air gap height above MSL. Rig and deploy a tensioning deck to cantilever structure. Skid out cantilever with tensioning deck and prepare for well spud.
- Drill 17½" hole combined with Measurement While Drilling (MWD / Logging While Drilling (LWD)) to planned section Total Depth (TD) using Sea Water, pumping 50bbls Hi-vis sweeps every half stand. At section TD, the hole will be circulated clean and displaced hole with 9.5ppg Potassium Chloride (KCL) / Polymer mud prior to running casing (wiper trip will be done if needed). The Remotely Operated Vehicle (ROV) will be launched for gas bubble and returns to seabed.
- Run 13%" casing with the compact housing (removal of all gate valves and blind off). Install casing clamp, activate the tensioning unit, and land the casing string on the tensioning unit. Cement 13%" casing with full bore cement head. Disconnect compact housing running tool. Retrieve and layout the casing landing string. Install the gate valves on wellhead. Install Blow Out Preventer (BOP) adaptor/BOP and pressure test connection between BOP and compact housing (The full BOP test is conducted offline). Run wear bushing.





- Make up and Run In Hole (RIH) 12¼" Bottom Hole Assembly (BHA) to tag cement. Drill out the 13¾" shoe track and 3m into new formation and conduct Formation Integrity Test (FIT).
- Drill 12¼" hole c/w MWD/LWD to a well TD using SBM with mud weight in the range of 9.5 9.8ppg (TBC). At the TD of well, circulate hole clean and Pull Out Of Hole (POOH) for logging (wiper trip to previous shoe will be done if needed).
- Wireline logging will be performed over the 12¼" open hole section as per program.
- RIH 12¼" wiper trip BHA, set a limitation of drag value, work through at any tight spot. At bottom, circulate hole clean. Flow check and POOH. (Subject to hole condition during logging, this step may be skipped).
- A 9%" casing string will be run and cemented in place, top of cement at 100m above 13%" shoe. Disconnect a 95%" casing hanger running tool and layout landing string. Run and install 95%" pack-off assembly inside the compact housing and pressure test.
- Run wellbore clean out tools. Clean and circulate well until clean including BOP ram cavities. Displace well to packer fluid. POOH.
- Rig up wireline. Run Cement Bond Log (CBL) tools and POOH. Rig down wireline.
- Run guns and DST string. Set DST packer and pressure test. Fire the guns and perform well testing as per program.
- Kill the well and pull DST string.
- Set cement plugs, cut casings and recover wellhead/BOP for the well abandonment as per the program.
- Prepare for the rig move off location.
- Demobilize the rig.

Table 2-Estimated Project Execution Timeline Detailed Operation Breakdown for Appraisal Well drilling.

Operation	Туре	Number of Day
Mobilization	Move	2.5
Pre-Loading / Rigging Up	Move	5.6
171/2" Hole section	Drill	3.6
13%" Casing	Casing	1.9





Operation	Туре	Number of Day
18¾" BOP	ВОР	1.0
12¼" Hole section	Drill	6.3
12¼" OH Logging	Log	3.8
95% Casing	Casing	2.3
95/8" CH Logging	Log	0.4
Well Clean-up	Clean-Up	1.4
Well Testing	Test	6.6
Abandon Well	Plug	3.4
Rigging Down / Jack Down	Move	2.6
Demobilization	Move	2.6
Duration in Total	Approximation	44.0

4.3.4.1. Well Testing

The DST is intended to assess the commercial viability and potential of the hydrocarbon reservoir and specifically to determine the productive capacity, pressure, permeability, and extent of the reservoir. It is usual that in the event of the presence of sufficient quantities of hydrocarbons a temporary drill stem test string may be run and the well fluids flowed to the surface and processed using a surface well testing package that involves the hydrocarbons being flared to the atmosphere.

SGBU plans to perform a DST on the expected gas-charged Plover reservoir interval in the Chuditch-2 appraisal well. The DST is currently being designed and will be integrated into the overall well design by the SGBU well test engineer. The DST spread consists of two horizontal burner booms, one each to port and starboard of the jack-up rig, with dedicated gas lines complete with an ignition system to avoid 'dropout' during ignition for flaring gas and separate burner heads complete with ignition system for burning oil/condensate on each boom.

A standard three phase separator rated at 1,440psi, complete with oil, gas and water outlets capable of handling 75mmscf/d of gas and 6000bopd will be used. A full suite of 2.25" ID, 10K DST of downhole test tools including the following; retrievable packer, tubing test valve, safety valve, sample carrier, downhole shut in tester valve, single and multi-cycle





circulating valves and gauge carriers, which together provide isolation, tubing testing, downhole safety closure, downhole shut-ins for pressure build up, circulation, sampling and memory gauge conveyance.

The two DST gauge carriers will be run in the DST string with 2/4 x electronic pressure / temperature memory gauges in each carrier. All gauges will be linked to surface through the acoustic SRO system which gives real time bottom hole data read out throughout the DST. A full-bore DST sample carrier will also be deployed complete with bottom hole samplers. These samplers will be activated by applying a predetermined annulus pressure.

A subsurface, hydraulically controlled safety valve will be located in the rig BOP, where the BOP is close around a slick joint on the tool, allowing annulus pressure to be controlled via the rig pumps through the rig choke and kill lines, giving the required pressure for the downhole tool operations.

A thermal flow monitoring system will also be run along the length of the perforated interval, attached to the perforating guns and linked to the surface read out system, allowing real time monitoring of the flowing temperature profile of the perforations during DST operations.

Sufficient methanol will be brought onto the jack-up rig to mitigate the potential for hydrates formation.

In general, drill string testing entails taking measurements while flowing hydrocarbons to the surface and flaring and is a primary source of critical data for the reservoir model and the principal means by how reservoir engineers adjust reservoir model parameters, understand the reservoir and employ the knowledge gained to optimize future completion and development strategies.

During testing, operators measure formation pressure, characterize the formation fluids and reservoir and determine permeability and skin (damage to the formation incurred during drilling or other well operations). Data that indicate how the formation reacts to pressure increases and decreases during a test can also reveal critical information about the reservoir.

Once TD has been reached, the well logged and casing run and cemented, well testers will rig up the well test spread. A test string complete with tubing conveyed perforating guns





and test packer will be run to a pre-determined depth and the packer set to isolate the zone to be tested. Guns are then fired and the formation perforated. The well is flowed at different rates through a choke valve and surface equipment which can be adjusted to control the flow rate precisely and provide positive well control.

Reservoir fluids produced to the surface are sent directly to a separator/surge tank, designed to function as storage/separation for produced liquids and gases until Well test engineers determine that contaminants such as drilling fluids are eliminated, or at least minimized, from the flow stream.

On the Chuditch-2 well, three clean-ups flow are programmed and produced gases and fluids including produced water will be redirected to the test separator where bulk fluids are separated into oil (if present), condensate, gas and water. The separator also facilitates the separation of any debris, such as sand and other material from the flow.

During the DST, reservoir fluids are produced to the separator at varying rates according to a predetermined schedule. Apart from clean-up flows, well testing will include build up, drawdown and Absolute Open Flow (AOF). The AOF refers to the theoretical rate at the limit at which the well would flow if backpressure on the sand-face, or the borehole wall, were zero.

Note the maximum capacity of the well test choke and system is 50mmscf/d, which will limit the AOF to the maximum flow rate of the test spread. The minimised flaring plan anticipates a total flare time of approximately 31 hours. The Table 3 provides estimated flow periods and produced volumes.

Table 3-Provides estimated flow periods and produced volumes

Period	Duration	Gas Rate	CGR	Gas Volume	Condensate Volume	Notes
	Hours	mmscf/d	Bbl/mmscf	mmscf	bbls	
Initial Flow	1	0	0	0	0	Shut it when gas to surface
Clean-Up Flow	8	40	4	13.33	53.33	
Multi Rate Flow #1	6	10	4	2.5	10	
Multi Rate Flow #2	6	25	4	6.25	25	
Multi Rate Flow #3	6	40	4	10	40	





Sampling Flow	2	10	4	0.83	3.33	
Maximum Flow	2	45	4	3.75	15	
Total Cumulative Volumes				36.67	146.67	

4.3.4.2. Cement Program

Cementing is an important aspect of drilling hydrocarbon wells as the cement is used for a variety of purposes including to secure and support casing strings, isolate zones for production purposes and solve various hole problems. In the cementing process, cement is used with a variety of additives that act as corrosion inhibitors / accelerators/ retarders/ density adjusters and fluid loss additives, etc. An outline of the proposed cementing program is detailed below in Table 4.

This illustrated cementing program is for technical guidance only. The final slurry designs for each casing size will be based on tests utilizing rig cement and water samples, recorded temperatures or other means of determining accurate bore hole pressures, temperatures, final shoe depths, callipered hole volumes, etc. The final cementing program will be issued to the rig prior to each individual cement job. The planned cementing programs are:

- 13%" casing will be cemented by full bore cement head c/w 12.5ppg Lead and 15.8ppg Tail slurry with Top Of Cement (TOC) at seabed.
- Spacer for WBM shall be pumped prior to releasing bottom plug to improve cement quality.
- 9%" casing will be cemented by full bore cement head c/w 12.5ppg Lead and 15.8ppg Tail slurry with TOC at 100m above 13%" shoe.
- As the static bottom hole temperature is more than 110°C, Class G cement blended with silica will be used. Also, as the isolation of reservoir interval is required, the tail slurry will include gas block additives and CO₂ anti corrosion additives.
- Spacer for SBM shall be pumped prior to releasing bottom plug to improve cement quality.





Table 4-Proposed cementing program

Hole Size (in)	Casing size (in)	Shoe depth (MD RT)	Slurry	Density (PPG)	тос	Cement Type	Excess (%)	Comment
171/2	13%	1,650	Lead and Tail	12.5/15.8	250m Tail. Lead: Sea bed	Class G	50	
121/4	9-5/8	3,010	Lead and Tail	12.5/15.8	350m Tail. Lead: 100m above previous shoe	Class G blended	15	Including additives for gas tight and CO2 anti corrosion for Tail slurry
8½ Contingent	7	3,010	Single	15.8	Top of Liner hanger	Class G Blended	15	Same as tail slurry of 95%" casing.

4.3.4.3. Cement Plugs Program

Cement plugs are to be set for isolation of perforation zones in 9 5/8" cased hole. A slurry at 15.8ppg shall be utilized for all plugs.

In general, the blended cement will be used for the deep plugs. However, this type of cement can be used for the shallow plugs to avoid loading new cement.

The maximum length of cement plugs to be set is 20m which minimize the risk of cementing-in the stinger due to the extra time taken to pull slowly out of the plug.

After plug is in place POOH slowly (30-50ft/min) and break connections carefully to avoid stripping plug. Any delays shall be avoided as usually the slurry is designed with a short pump time to improve strength development.

Prior to testing a plug (tagging or pressure testing), time should be allowed for it to develop sufficient compressive strength of at least 500psi.

4.3.4.4. Chemical Usage

Various drilling chemicals are added to the mud as it is mixed on the rig in order to provide specific properties for drilling at different depths, through various rock types and reactive clays. The density of the mud will be monitored and adjusted to match the downhole conditions and maintain a 150psi overbalance. The drilling mud is stored in dedicated tanks within the drilling unit.

A summary of the types and quantities of current estimate based upon use of water-based mud in $17\frac{1}{2}$ " hole section and SBM in $12\frac{1}{4}$ " hole section the mud chemicals for consumption





is provided in Table 5. The basic formulation for mud is lime, montmorillonite/ bentonite, caustic soda, barite, sodium bicarbonate and cellulose polymer, none of which are considered toxic. Additives including a bactericide and hydrocarbon based defoamer are used in small amounts to prevent environmental impacts. Chemical use will be dependent on downhole conditions.

Table 5-Mud Chemical Consumption Summary

Table 5-Mud Chemic	cal Consumption	Summary
Item	25kg sack	MT
Mil-Bar		183
Mil-Gel		49
Calcium Chloride		45
Carbo-Gel	107	
Carbo-Trol 375	107	
Carbo-Vis	54	
Caustic Soda	20	
Ecco-Mul R	646	
Mil-Lime	374	
NX Clean Up+A		3m ³
Saraline 185V		1784 bbls
Soda Ash	20	
Sodium Chloride	52	
Xan-Plex D	100	
RX-03X		3m ³
Contingency		
LC Lube		
Chek-Loss		
Calcium Carbonate		
Sodium Bicarbonate		
Citric Acid		
Mil-Bio SEA 98		





4.3.4.5. Plug and Abandonment

Once the DST is completed, the well test equipment is rigged down and back loaded. Upon completion of drilling activities, the well will be plugged and abandoned where a bridge plug will be installed in conjunction with cement to ensure that higher density cement does not fall in the wellbore. The bridge plug would be set and cement pumped on top of the plug through the drill pipe and then the drill pipe withdrawn before the slurry thickens.

The well will be abandoned as per an approved abandonment program which will detail depth and length of cement plugs and requirement for pressure or weight testing of same. Finally, the casing is cut below the mudline and pulled to surface

Once the well is secured for abandonment and all equipment retrieved, the rig will be prepared for moving to the next location. This is a reverse of the installation process with the rig being jacked down and legs freed. The rig is then pulled off the location and moved to the next site by one or two anchor handling vessels.

4.3.4.6. Post Well Survey

The ROV will be deployed and conduct a post well seabed clearance survey in the vicinity of the well to ensure no dropped equipment or other object is left on the seabed. Video transects are downloaded to a separate storage device and made available for use in post project environmental monitoring if required and/or used in environmental monitoring reporting.

4.3.4.7. Rig Down and Rig Move

The Jack-up then down rigs equipment, jacks down to the water and retracts the legs in a pre-planned sequence. The tow vessel takes tension on the bridle and moves the jack-up rig off location.

4.3.4.8. Well Control Event

The Plover is a normally pressured formation. In the event of encountering shallow gas whilst drilling top hole, drilling into an unknown over pressured zone or equipment failure the jack-up rig may encounter a well kick or loss of control resulting in either partial loss of down hole fluids or in a worst-case scenario total evacuation of the hydrostatic mud column and well bore fluids migrating to the surface. Risks are considered in jack-up rig and





equipment selection, and all scenarios are considered in well design and drill pipe, casing selection and BOP specification. The well is prognosed to be an almost dry gas well with a small fraction of condensates (<4%) and approximately 18% CO2. Modelling indicates a condensate release will remain offshore and disappear rapidly through a combination of evaporation, bioremediation and entrainment in the water column. The weathered residues of the condensate will comprise mostly straight chain normal alkane (n-alkane) commonly called "paraffin wax". The paraffin wax residues in the condensate will always remain afloat as the product spreads out and thins while it weathers at sea. As the residual condensate increases in viscosity until the pour point is higher than the surrounding seawater, it will begin to form thin clear sheets and white crystalline pancakes. These waxy sheets will then break up into small white waxy flakes due to the action of the waves and wind over time.

Condensate hydrocarbons which cause most of the aquatic toxicity are usually smaller aromatic and soluble components (one and two ring aromatics) or poly aromatic hydrocarbons. The condensate is prognosed to be 82% by mass of volatile and semi volatile compounds, which are the compounds considered toxic. However, these compounds will evaporate rapidly on the sea-surface. Hence, the weathered residues of the condensate are considered to not have these components present at levels that would pose a significant aquatic toxicity risk.

The dry gas including CO₂ will rise to the surface and combine with atmospheric gases in the event of a subsea release and will not remain entrained in the water column.

4.3.4.9. Side Track

Should the drill string become stuck in hole and efforts to free it are unsuccessful, it may be necessary to use either a shaped explosive charge or a specialised mechanical cutter to separate drill pipe above the stuck pipe. After recovering remaining drill pipe above the stuck pipe, a contingency, which will be considered in the event of loss of the drill string, will be to run back in hole to a planned depth and kick off a side track and use directional drilling techniques to continue drilling to target. There is no additional risk to the environment in a contingency side track.





4.3.4.10. Unplanned Anchoring

Should a supply vessel experience a loss of power or propulsion and be close to the rig on the upwind side, it may be necessary to drop an anchor to halt drift. Vessels of the size to be employed for the project will have enough anchor chain and rode to allow a 3 to 1 scope. In water depths of ~68m the majority of the chain will remain off the seabed ensuring a minimized drag zone and impact to the seabed. The anchor will, under tension, bury to an unknown depth in the seabed, if little or no dragging occurs, impact to the seabed will be of minimal disturbance and the immediate locality will recover rapidly with no meaningful effect on the infauna or benthic population.

4.3.4.11. Diesel/NADF/SBM Spill

Spill modelling for realistic unplanned discharges to the environment show that in all modelled scenarios, diesel and Non-Aqueous Drilling Fluid (NADF) spills remain well offshore with a diesel spill remaining at surface level and weathering/evaporating within 5 days to a level where it is no longer visible to the naked eye. Modelled NADF similarly lost approximately 45% of total volume within a 5-day period. NADF at ~0.8 Specific Gravity (SG) is significantly lighter than sea water and thus remains at surface level where wind/wave/current and sun combined with high levels of biodegradation of the Saraline 185V cause the spill to rapidly disperse within a 5-day period (MuTek, 2024).

4.3.5. Rig Specification

SGBU is currently in negotiation with a specific drilling contractor for a jack-up drilling rig for the Chuditch-2 appraisal well program. However, should another rig be contracted, the rig design and specification level will be similar to the one under negotiation. Details of the intended rig are provided as typical of the rig to be contracted. The jack-up rig is supported by three vertical legs, with spud cans designed to contact and penetrate the seabed and provide stability and support for the rig. Impact to receptors from spud can interaction with the seabed will be transient and minimal in impact.

Drilling rig equipment is as follows:

4.3.5.1. Mud Pump

There will be four National Oilwell model 14-P-220 Triplex each with a continuous 2,200HP rating capable of operating at a maximum working pressure of 7,500Psi or of similar





specification depending upon the rig contracted. Extract from rig IADC equipment list presented in Table 6.

Table 6-High Pressure Mud System

gh Pressure M	lud System
Psi	7500
Psi	7500
	4
	National Oilwell
	14-P-220
	Triplex
	2
	General Electric 752 Hi Torque Shunt Wound Motors
Нр	2200
	Plungers
Psi	7500
Psi	7500
	Rigserv
	Halco Centrifugal Pump
Нр	100
In	5-1/8in. / 5-1/8in.
	Hydril K20-7500 KPD
	Taylor Valve – Rupture Pin
SPM	90
	1155gpm @ 2660 psi - 514gpm @ 6000 psi
	5-9"
In	51/2"
Psi	7500
P51	7300
	Psi Psi Hp In SPM





4.3.5.2. Mud Tanks

The planned drilling rig is fitted with 10 storage Mud tanks with a total capacity of 5,095Bbl. Table 7 below, extract from the rig IADC equipment list, detailing storage capacity.

Table 7-Summary of Mud Tanks

Gumbo Trap	e 7-Summary of Mud Tank Yes/no	Yes
Sand trap tank, usable volume	Bbl	230
Degasser tank, usable volume	Bbl	See total capacity below
Agitated	Yes/No	No
Desander Tank, usable volume	Bbl	See total capacity below
Agitated	Yes/No	No
Mud Cleaner tank, usable volume	Bbl	See total capacity below
Agitated	Yes/No	No
Centrifugal tank, usable volume	Bbl	See total capacity below
Agitated	Yes/No	No
Other tank, usable volume	Bbl	See total capacity below
Agitated	Yes/No	No
Total Usable Capacity	Bbl	418
Mud Tanks		
Quantity		10
Total capacity (usable volume)	Bbl	5096
Usable capacity # 1	Bbl	745
Type (Active/Reverse)		Active
Height	Ft	15
Mixer	Yes/no	Yes
Mud guns	Yes/no	No
Discharge from flowline	Yes/no	Yes
Usable capacity # 2	Bbl	447
Type (Active/Reverse)		Active
Height	Ft	15
Mixer	Yes/no	Yes





Mud guns	Yes/no	No
Discharge from flowline	Yes/no	Yes
Usable capacity # 3	Bbl	198
Type (Active/Reverse)		Active
Height	Ft	15
Mixer	Yes/no	Yes
Mud guns	Yes/no	No
Discharge from flowline	Yes/no	Yes
Usable capacity # 4	Bbl	198
Type (Active/Reverse)		Active
Height	Ft	15
Mixer	Yes/no	Yes
Mud guns	Yes/no	No
Discharge from flowline	Yes/no	Yes
Usable capacity # 5	Bbl	447
Type (Active/Reverse)		Active
Height	Ft	15
Mixer	Yes/no	Yes
Mud guns	Yes/no	No
Discharge from flowline	Yes/no	Yes
Usable capacity # 6	Bbl	745
Type (Active/Reverse)		Active
Height	Ft	15
Mixer	Yes/no	Yes
Mud guns	Yes/no	No
Discharge from flowline	Yes/no	Yes

4.3.5.3. Shale Shakers

Four AX-1 Triple deck shakers are fitted to the drilling rig. These shale shakers can be operated in parallel or series mode. The screen size will be selected at the minimum screen mesh size practical to minimize OOC (Oil-on Cuttings). OOC will be monitored closely whilst





drilling / circulating operations are ongoing. Samples from all the solids control discharges will be taken, analysed and reported daily when drilling the 121/4" section. Table 8 extract from rig IADC equipment list - Shale Shakers.

Table 8-Shale Shakers

Primary		
Quantity	4	
Make	Axlom (NOV)	
Model	AX-1 Shale Shaker	
Туре	Triple Deck	

4.3.5.4. Blow Out Preventer (BOP)

The high-pressure BOP consists of two units (i.e., one double and one single), all appropriate components are H₂S rated. Both are 18¾ inch Type "U", and each has a working pressure of 10,000psi. Table 9 extract from rig IADC equipment list.

Table 9-Ram Type Prevente	1		
Quantity	1		
Make	Cameron		
Model	Type "U"		
Туре	Double		
Quantity	1		
Make	Cameron		
Typs	Single		
Size	18¾"		
Working Pressure	10,000psi		
Annular Preventer			
Quantity	1		
Make Shaff			
Size 18¾"			
Working Pressure 5,000ps			





4.3.5.5. Engine and Generators Unit

The rig power generation system consists of 5 Caterpillar Model 3608 diesel fueled internal combustion engines coupled to hi output alternators. The generation plant is situated within the internal levels of the rig structure where noise is negated by several compartments of varying size between the noise source and the exterior. The exhaust stacks emerge from the upper level of the rig structure and hot exhaust gases are exhausted via tubular exhaust stacks high above workspaces in open air.

Each of the five engines driving generator packs have a maximum continuous power of 3,395hp at 900rpm. Each AC alternator generates a continuous rating of 2,400kW at 600 volts and 900rpm.

4.3.5.6. Solids Treatment Equipment

In addition to the rig supplied shale shakers SGBU will install a centrifuge to further reduce drilled solids in the drilling fluid minimizing the amount of dilution required. As a function of the approval to employ the NADF Saraline 185 V, SGBU has committed to the discharge of 9.2% NADF by wet weight of cuttings or less for SBM contaminated drill cuttings averaged over the usage of SBM during drilling.

4.3.5.7. Drilling Fluid

This project will use both WBM in the 17½" section and SBM when drilling the 12¼" section through technically challenging formations. The chemical selection and assessment process used for the appraisal drilling and well testing are in accordance with good oilfield practice, SGBU have a process for selection and evaluation and use of chemical substances including drilling fluid and cement additives to ensure the well integrity, formation compatibility, operational efficiency, and environmental safety throughout Chuditch-2 drilling operations.

Chemicals are chosen on the basis of efficiency in performance and environmental acceptance criteria. Wherever possible chemicals are chosen which are Centre for Environment, Fisheries and Aquaculture Science (CEFAS) Chemical Hazard Assessment and Risk Management (CHARM) Gold standard or CEFAS Offshore Chemical Notification Scheme (OCNS) E rated as least harmful to the environment and considered to be As Low As Reasonably Practicable (ALARP). Should a specified chemical not meet ALARP acceptability criteria, SGBU may conduct a chemical-specific hazard assessment of the candidate





chemical to determine its suitability for use. The Hazard assessment process will be documented and conducted in accordance with the Hazard Assessment process.

If a chemical is rated as equivalent to D through E, or color banded as Silver or Gold the chemical shall be acceptable for use.

If a chemical is rated A, B, or C or color banded purple, orange, blue or white, use of the chemical must be justified. When a candidate chemical is proposed for use in a drilling program and it is rated A, B or C or has color banding of Purple, Orange, Blue or white in accordance with CEFAS CHARM or OCNS rating methodology, alternatives will be considered to eliminate or substitute the chemical.

If the chemical cannot be suitably eliminated or substituted and SGBU has determined the candidate chemical poses the lowest environmental hazard and is necessary to safe and efficient operation, SGBU will develop a written submission and justification which demonstrates to the ANP on the use and discharge of the candidate chemical will meet regulatory obligations and/or propose controls/mitigations must be in place in order to do so.

If the justification is acceptable to the regulator, the chemical is accepted for use. Should the justification not be sufficient for approval by the regulator, the chemical shall be rejected.

Once a chemical has been chosen, the quantity used, and its ultimate fate will be tracked. Its 'ultimate fate' could include such aspects as storage, discharge overboard, waste brought to shore, injection downhole or being left in the well, or it could be consumed in a chemical reaction. This 'material balance' will be calculated, where reasonably practical, using conservative assumptions if precise information is not readily available. (i.e., assuming any material otherwise not accounted for is discharged).

Water Based Mud

Water-based mud (WBM) will be used to drill the 17½" hole from seabed to the 13¾" casing setting depth (1,650m MDBRT) using seawater and hi-viscosity sweeps. The water-based mud volume to be discharged to the environment is approximately 1,193m³.





The WBM will be seawater and high viscosity sweeps which contains bentonite, caustic soda, soda ash, drill water and Xan-plex D. The mix has a specific gravity of 1 to 1.14 and will be discharged at seabed.

Synthetic Based Mud (SBM)

The NADF to be used in the construction of the 12¼" section of the Chuditch-2 well will be Saraline 185V, an OCNS "E" rated substance. Saraline 185V was the subject of an application for use by SGBU granted by ANP on 19th July 2024. ANP reference ANP/HSE/S/24/106 - Approved for Offshore Discharge. The SBM volume to be discharged to the environment as oil retained on cuttings is approximately 99m³ (20% over gauge hole).

Saraline 185 V is an 'E' rated (Lowest Environmental Hazard) product under the OCNS (Offshore Chemical Notification Scheme) and approved for offshore discharge in more than 40 countries due to its extremely favourable environmental profile. Table 10- Saraline 185V Properties.

Table 10-Saraline 185V Properties

Property	Test Protocol	Results
Biodegradation	10501100001	results
Aerobic (Freshwater)	OECD 301F	75% after 28d (Readily biodegradable
Aerobic (Marine Water)	OECD 306	64% after 28d (Readily biodegradable)
Aerobic (Soil)	OECD 307	Half-life (DT50) = 21d (Based on 1000mg/kg initial dose)
Water Column Toxicity		
Acartia Tonsa	PARCOM, ISO 14569	48h EL50:>1,000mg/L (non-toxic)
Skeletonema costatum	OSPAR/PARCOM	72h EL50:>1,000mg/L (non-toxic)
Mysidopsia Bahia	US-EPA 2001 40 CFR 435	96h IC50:>1,000,000ppm of 10% SPP (non-toxic)
Pagrus Auratus	US-EPA 2003	7d IC50:>100,000mg/L (non-toxic)
Daphina Magna	OECD 202	48h EL50:>1,000mg/L (non-toxic)
Brachydania Reria	OECD 203	96h LL50:>1,000mg/L (non-toxic)
Sediment Organism Toxicity		
Caraphium Valutator PARCOM Protocol 1995 (A)		10d IC50>20,000mg/kg (wet basis)
Bioaccumulation Potential		
Octanol-water partition coefficient	OECD 117	Log Kaw>6.5 (not bioaccumulative due to poor bioavailability)





Low Toxicity

Its linear structures result in low toxicity to fish, invertebrates and algae in the water column and sedimentary toxicity testing. Notably, Saraline 185 V does not bioaccumulate in marine organisms.

High Biodegradability

Saraline 185V is readily biodegradable in both marine water (OECD 306 test) and fresh water (OECD 301F test). Saraline demonstrated excellent bioremediation properties even considering onshore land farming methods as proven in studies in Bangladesh, China and New Zealand (Sanzone et al., 2016).

SBM consisting of Saraline 185V drill water, Carbomul HT, Deltaver, Carbogel, Deltalift, Carbotrol 375, lime, calcium chloride and barite will be used from the depth of 1,650m, in the 12¼" hole until TD is reached at approximately 3,010m TVDBRT. Whilst in use The SBM will be circulated in a closed system and returned over the shale shakers. The cuttings will be treated to a maximum of 9.2% wet weight, oil on cuttings before discharge overboard to the seabed from a discharge depth of 5m below MSL. Note: Only cuttings will be discharged. SBM will be separated from cuttings as the cuttings and mud move across the shaker screens, or through the centrifuge, and mud will be returned to the active system for reuse.

At the conclusion of the drilling project the total remaining volume of SBM will be returned to the service provider's onshore storage facility prior to rig release. The SBM will then be recycled, reused, or resold. Table 11 provides physical properties of Saraline 185V and Table 12 provides a comparison of Saraline 185V to Diesel and Low Toxicity Mineral Oil (LTMO).

Table 11-Saraline 185V Physical Property

Typical Properties	Saraline 185V	Remarks
Product Type	Synthetic Paraffin	Higher purity, consistent quality
Density @ 15°C, kg/m3	778	Under/ near balanced drilling
Flash Point, °C	85 - 93	Improved worker and assets safety
Viscosity @ 40°C, cSt	2.6 - 2.8	Higher drilling efficiency
Pour Point, °C	-30	Better cold flow properties
Aniline Point, °C	95	Enhanced elastomer compatibility, less non-productive time.





Table 12-Comparison of Saraline 185V to Diesel and LTMO

Property	Diesel	LTMO*	Saraline 185V	GTL Advantages
Flash point, °C	56 - 75	70 - 115	85	Improved safety
Aromatics, ppm wt Total PAHs ppm (Grimmer series)	3x10 ⁵ - 6x10 ⁵ 680 - 3000 (NA)	50 - 1,000NA(NA)	200~0.002 (<0.2 ppb)	Lower toxicity, Improved worker safety
BTEX, ppm	400 - 2,500	Non-detect	Non-detect	Lower toxicity, Improved worker safety
Density at 15°C, kg/m ³	800 - 865	804 - 814	790	Lower mud density
Viscosity, cSt, 40 °C	1.9 - 4.1	1.68 - 3.6	<2.8	Fast, consistent drilling
Pour point, °C	-12	-2720	-24	Good performance in harsh environments
Aniline point, °C	61	72 - 91	94	Improved elastomer compatibility

4.3.6. Drilling Waste Management

The various wastes stream that are likely to be generated from the jack-up drilling rig will include:

- Drill cuttings mainly comprised of shale, limestone, sand and clay;
- Waste WBM and SBM from drilling activity;
- Drilling wastewater as a result of washing the drilling cuttings. Silt and sand will
 contain chemical ingredients from the drilling fluid and needs treatment before
 discharge;
- Chemical sludge generated from the wastewater treatment;
- Hydrocarbons such as waste oil from oil changes and leakages from equipment.
 Used oil is designated as hazardous;
- Non-hazardous solid waste such as paper wood and plastics;
- Hazardous waste including hazardous ingredients such as fluid or testing chemicals and containers previously holding hazardous material; and
- Biodegradable waste such as food scraps.
- Wastewater will be treated by the rig waste disposal system and discharged into the sea after treatment. Excess water-based drilling mud will be pumped straight into the sea as the chemicals used are biodegradable, non-toxic and environmentally acceptable. In the case of hazardous drilling wastes, these will be collected, stored and transported ashore for disposal by an Approved waste disposal company.





- Used fuels and chemicals will be stored in containers in areas lined with impervious floors and surrounded by containment bunds on the rig. Recyclable material will intermittently be transported to the supply vessel and materials include used filters, paper, cardboard, and plastic.
- Oily water will be treated by oily water separators and the overboard discharge from the oily water separators will be monitored by an oil-in-water monitor. By design the overboard pump will automatically shut down if the concentration of oil in discharged water exceeds 15 part per million (ppm) oil in water.
- Sewage treatment unit with vacuum collection system is installed on the rig.

SGBU is still in process of contracting for Waste management services for return of waste streams from the drilling operation.

The rig contractor conforms to MARPOL and other international standards for waste segregation and management. Figure 7 below provides a flow diagram for waste management plan which will be representative of rig waste management operations. The project EMP will provide details of the waste management process to be implemented.





Waste Management Plan

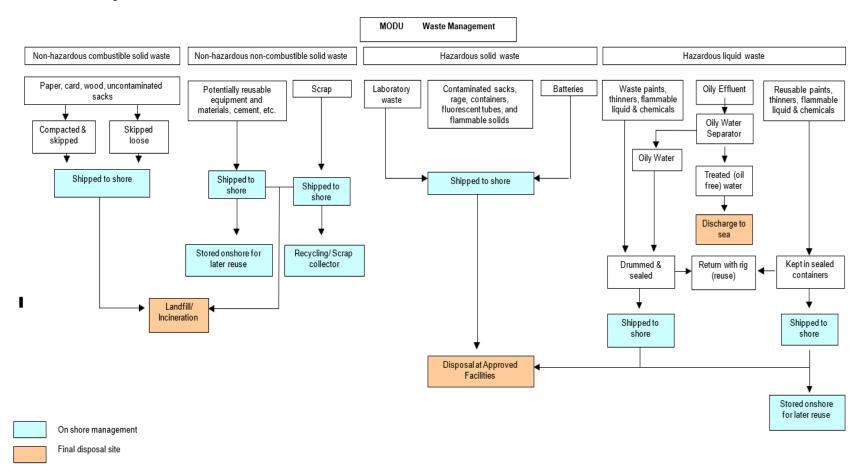


Figure 7-Representative Jack-up rig Waste Management Plan





4.3.6.1. Drainage System

The drainage system on the rig provides controlled contaminated water collection and treatment system with dedicated discharge points as a means of reducing the likelihood of uncontrolled discharge of contaminants into the environment to a level that is ALARP.

At the helideck, an effective drainage system is important to prevent water and aviation fuel ponding on the landing surface. Therefore, the helideck on the jack up rig is designed to always remain free from standing water and fuel accumulations. It is facilitated with gutter and drip trays to prevent spilled or leaked materials from entering the water. The drains will be penetrated by a valve and will be discharged overboard directly. The contaminated water will be collected in a catch tank and transferred to the portable container.

At the main deck, deck drain will capture various fluids and other materials that are spilled or washed onto the deck. In order to prevent the uncontrolled discharge of the deck drain, a perimeter drain system and separate drainage systems for each process area are facilitated to direct the deck drain.

These deck drains will be collected and filtered prior to discharge and the contaminated water will be stored in a drain holding tank.

The heavy machinery and equipment area is equipped with the pollution drip pans i.e. rotary table drip pan, draw-works drip pan, etc. The drain at this area is collected via these drip pans under the rig floor before being treated by a separator tank. In term of the mud process area, the drain is directed to a drain slump for treatment. All the contaminated water and pollutants from these two areas will be finally transferred into a mud contaminated drain tank while treated drain will be discharged overboard.

4.3.6.2. Jack-Up Rig Effluent Management

During operation, measures aimed at minimizing harmful effects to the receiving environment will be put in place in regard to controlled discharge of liquids such as drilling fluids and cooling water from the vessel and rig. Discharge limits/guidelines as stipulated in MARPOL have been adopted for screening criteria for the Chuditch-2 Appraisal well project.

All liquid discharges will be in accordance with the applicable MARPOL requirement or other applicable standard such as World Bank EHS Guideline for Offshore Oil and Gas Development.

Hazardous materials such as chemicals and used oil will be segregated and transferred back to shore for treatment, recycling and disposal.





Oily/contaminated water will be routed to the oil/water separator and treated to separate the oil which will be transferred to the waste oil tank for transfer to shore for recycling/disposal. Contaminated water will then move to the greywater treatment unit for further treatment before discharge. Grey and blackwater will be treated and discharged in accordance with MARPOL. MODU effluent management Plan is given in Figure 8.

Cleaners and detergents may have an effect on the environment. SGBU will ensure that all chemicals, cleaners and surfactants to be used offshore are approved by the ANP.

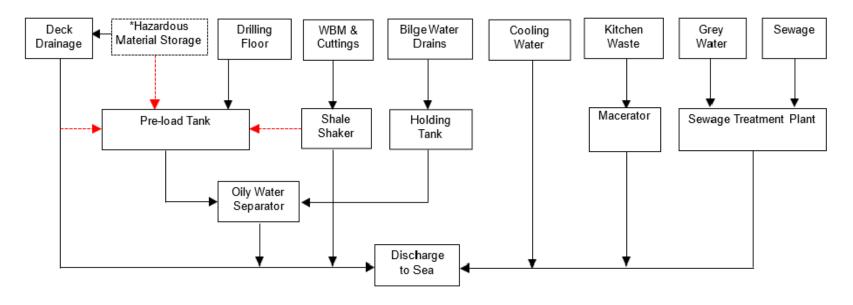
Rig wash, a widely used, non-hazardous liquid cleaner, is routinely employed on jack-up rig's and offshore vessels in the maintenance of apparatus and machinery as well as deck areas subject to contamination from crew boots, oil and other products. Wastewater from cleanup on the jack-up rig will be captured by deck drainage and channelled to the oil/water separator where oily substances can be captured, treated, and managed to avoid marine environment contamination. Any chemicals or cleaning agents to be used in this regard will not violate environmental standards on safety or environmental harm and hence will not cause ecological effects.





MODU Effluent Management Plan

MODU Drainage



Notes:

Hazardous material storage within deck area

Should water be contaminated, it will be routed for treatment using oily water separator before discharge to sea Figure 8-Jack-up rig Waste Management Plan





4.3.7. Project Size

The appraisal drilling of Chuditch-2 is located within the contract area PSC TL-SO-19-16 which is approximately 3,571km² in total size. The appraisal well is expected to be drilled to target depth of approximately 3,010m in the Plover Formation.

4.3.8. Project Location

The proposed surface location for Chudith-2 well is 5.1 km east of the Chuditch-1 well in approximately 68m of water depth. The well is in Timor-Leste waters approximately 700m from the delineator between Timor-Leste and Australian Exclusive Economic Zones (EEZ). The Chuditch prospect is located approximately 185NM off the south coast Timor-Leste and part of the PSC-TL-SO-19-16 Production Sharing Contract area in the northern Bonaparte Basin. The Chuditch-2 field is located on the Sahul Platform in the Timor Sea, 80km southwest of Greater Sunrise and 140km east-northeast of Bayu-Undan. Figure 9 shows the location of the Chuditch-2 appraisal well in relation to the EEZ boundary and the Oceanic Shoals marine park.

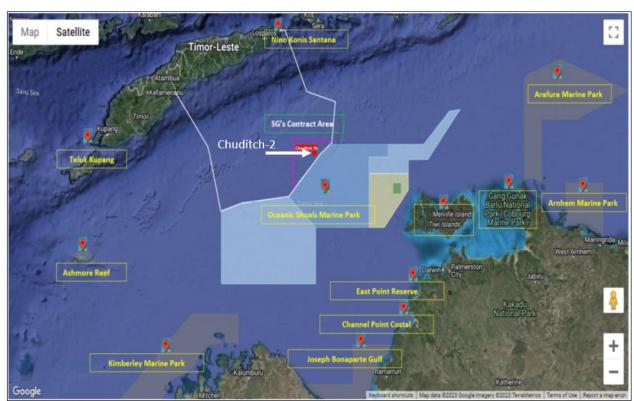


Figure 9-Proposed Chuditch-2 Well Location in reference to EEZ and Oceanic Shoals Marine Park





4.4. Justification and Need of the Project

The Petroleum industry has been identified as a key component in the Timor-Leste Strategic Development Plan (SDP) 2011-2030 for economic development to move the country from low-income to a middle-income nation. The revenue from the petroleum sector can contribute greatly to health care, education, and security of Timor-Leste's people. Additionally, the petroleum sector will be able to create opportunities for the people in Timor-Leste to improve their living standards through high-level employment as well highly skilled professional careers. Human resources improvement and opportunities through training in geology, petroleum and chemical engineering, petroleum finance, and business and project management, as well as for operational staff will occur with development of the hydrocarbons sector. Timorese with appropriate training and skills will be valuable in the petroleum industry, not only in Timor-Leste but in the Asia Pacific region and around the world.

This project will directly assist Timor-Leste in reaching the stated target in the SDP: The private sector will be the primary source of growth in incomes and employment for Timorese. Moreover, SGBU have signed with Government of Timor-Leste through MPRM the Memorandum of Understanding (MoU) of production for SundaGas to supply raw material/gas to the future LNG plant in Natarbora, Manatuto.

4.5. The Proponent's Endorsement of EMP

SundaGas Banda Unipessoal, Lda. (SGBU), is committed to expand and improve its portfolio in Exploration & Production in its sector in Timor-Leste.

Hence, SGBU endorses the contents of this report and will abide by all recommendations contained herein.

Name	Andy Butler	Signature
Title	Managing Director	
	SundaGas Banda Unipessoal, Lda	
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4.6. The Structure of the EMP

Per Decree Law No. 32/2016 on Offshore Petroleum Operations in Timor-Leste and Ministerial Diploma No. 46/2017 Article 8 and Annex 6, the minimum content of an EMP is as follow:

No.	Sections
1.	Executive Summary
2.	Details of the Project Proponent
3.	Details of the Consultant for EIS and EMP
4.	Project Description
5.	Legal Requirements
6.	Existing Environmental Description
7.	Institutional Roles and Responsibilities
8.	Summary of Impacts
9.	Proposed Mitigation Measures
10.	Governing Parameters
11.	Monitoring Program
12.	Reporting Requirements
13.	Responsibilities for Mitigation and Monitoring
14.	Emergency Plan
15.	Decommissioning Plan
16.	Capacity Development and Training
17.	Public Consultation & Information Disclosure
18.	Complaints and Grievances Mechanism
19.	Work Plan and Implementation Schedule
20.	Cost Estimates
21.	Review of EMP
22.	Non-Technical Summary





5. LEGAL REQUIREMENTS

Table 13 provides a summary of the applicable laws and regulations in Timor-Leste on the drilling of the Chuditch-2 appraisal well. This table also includes the international standards and guidelines that are relevant to the proposed project.

Table 13-Applicable Timor-Leste Laws, Regulations, and International Standards and Guidelines.		
Title	Descriptions	Relevance to the Project
Timor-Leste Legisla	tion and Regulations	
Constitutions of the Republic Democratic of Timor-Leste Article 61 (Environment).	The article specifies provisions for state including the proponent shall undertake to defend, and safeguard the environment recognizes the right of all citizens to a humane, health and ecologically balances environment while also specifying the duty of everyone to preserve and protect the environment for the benefit of future generation.	Provides the basis for environmental protection and safeguarding in the Country.
Decree Law No. 39/2022 - the first alteration of the Decree Law no. 5/2011 about the Environmental Licensing.	 The procedure for directing the environmental assessment, the review of application for environmental license, issuance and renewal of license. Categorization of the project according to severity of the environmental impacts. Procedures and information requirement for Category A project Organization and composition of the review committee and its duties and responsibilities. Specific provisions for public consultation and the protection of the traditional customs and cultural practices. The issuance of the decision by the Environment Authority on the review of the application and the rights of the project owner to appeal the decision. 	Categorization of the project according to severity of the environmental impacts. Procedures and information requirement for Category A project Provides the Environmental Licensing procedure
Decree Law No. 5/2016 – National System of Protected Areas (Appendix 1 – List of Timor-Leste	The Decree Law defines the norms and principles for the creation of the national system of terrestrial and marine protected areas, for the classification of protected areas and for	Defines for the protection of the terrestrial and marine protected areas





the approval of the applicable management instruments, according to the international best practices, in the matter, duly adapted the national reality, without forgetting the important role of community authorities and existing customs. Decree Law No. 26/2012 on Basic Environmental Law of the environmental life and wildlife protection, including the basic principles for the conservation, preservation, and sustainable use of natural resources in order to improve the quality of life of the local populations. Decree Law No. 6/2020 Legal Regime for protection and the conservation of biodiversity of the local populations. Decree Law No. 6/2020 Legal Regime for the local populations. The decree law sets a legal regime for the conservation of biodiversity, and the sustainable use of its component. The article specifies the importance of the evaluation committee for the management of the environmental evaluation process for projects in category A Diploma Ministerial No. 46/2017 - Regulation on the Detailed Requirements for Screening, Scoping and TOR, EIS and EMP. Diploma Ministerial No. 47/2017 - Public Consultation Diploma Ministerial No. 47/2017 - Public Consultation Procedure and Requirement during Environmental Baseline Process The Diploma Ministerial No. 47/2017 - Public Consultation Procedures and Requirement during Environmental Baseline Process The Diploma Ministerial No. 47/2017 - Public Consultation Procedures and Requirement of public and communities into different stages of the environmental assessment process The Diploma Ministerial Process of the procedures and Requirement of public and communities into different stages of the environmental assessment process	Title	Descriptions	Relevance to the Project
26/2012 on Basic Environmental Law Protection, including the basic principles for the conservation, preservation, and sustainable use of natural resources in order to improve the quality of life of the local populations. Decree Law No. The decree law sets a legal regime for the conservation of biodiversity, and the sustainable use of its component. To protect and conserve the conservation of biodiversity, and the sustainable use of its component. The protection and the conservation of biodiversity The article specifies the importance of the evaluation committee for the evaluation committee for the evaluation process for project in category A Diploma Ministerial No. 46/2017 - Regulation on the Detailed Requirements for Screening, Scoping and TOR, EIS and EMP. Diploma Ministerial No. 47/2017 - Public Consultation Procedure and Requirement during Environmental Baseline Process The procedures and requirement of involvement of public and communities into different stages of the environmental assessment process Process	Protected Areas).	management instruments, according to the international best practices, in the matter, duly adapted the national reality, without forgetting the important role of community authorities and	
Regime for protection and the conservation of biodiversity, and the sustainable use of its component. Diploma Ministerial No.45/2017 – Rules and Procedures of the Evaluation Committee for Project with Category A Diploma Ministerial No. 46/2017 – Regulation on the Detailed Requirements for Screening, Scoping and TOR, EIS and EMP. Diploma Ministerial No. 47/2017 – Public Consultation Procedure and Requirement during Environmental Baseline Process The Diploma Ministerial No. 47/2017 – Public Consultation Procedure and Requirement during Environmental Baseline Process the conservation of biodiversity, and the sustainable use of its component. the biodiversity, including marine species and their habitat around the drilling project. Establishment of a committee in order to review the project that categorize into category A. Establishment of a committee in order to review the project that categorize into category A. The article specifies details requirement for Screening, Baseline Study, Term of Reference, EIA, EIS, and EMP including language to be used in the aforementioned documents and their minimum content requirement. The Diploma Ministerial No.47/2017 – Public Consultation Procedure and Requirement during Environmental assessment process through public consultation.	26/2012 on Basic	of the environmental life and wildlife protection, including the basic principles for the conservation, preservation, and sustainable use of natural resources in order to improve the quality of life of	natural resources, conservation and preservation of natural
Diploma Ministerial No.45/2017 – Rules and Procedures of the Evaluation Committee for Project with Category A Diploma Ministerial No. 46/2017 – Regulation on the Detailed Requirements for Screening, Scoping and TOR, EIS and EMP. Diploma Ministerial No.47/2017 – Public Consultation Procedure and Requirement during Environmental Baseline Process The article specifies the importance of establishing rules and procedures for the evaluation committee for the management of the environmental procedures and procedures for the evaluation committee for the management of the environmental assessment process Establishment of a committee in order to review the project that categorize into category A. Mandates requirements and obtaining approval for TOR, EIS, and EMP Toron Reference, EIA, EIS, and EMP including language to be used in the aforementioned documents and their minimum content requirement. The Diploma Ministerial specifies the procedures and requirement of involvement of public and communities into different stages of the environmental assessment process The article specifies details requirement for Screening, Baseline Study, Term of Reference, EIA, EIS, and EMP Toron Screening, Scoping and TOR, EIS and EMP The Diploma Ministerial specifies the procedures and requirement of involvement of public and communities into different stages of the environmental assessment process	6/2020 Legal Regime for protection and the conservation of	the conservation of biodiversity, and the	the biodiversity, including marine species and their habitat around the drilling
Diploma Ministerial No. 46/2017 - Regulation on the Detailed Requirements for Screening, Scoping and TOR, EIS and EMP. Diploma Ministerial No. 46/2017 - Public Consultation Procedure and Requirement during Environmental Baseline Process The article specifies details requirement for Screening, Baseline Study, Term of Reference, EIA, EIS, and EMP including language to be used in the aforementioned documents and their minimum content requirement. The article specifies details requirement for Screening, Baseline Study, Term of Reference, EIA, EIS, and EMP Tor, EIS, and EMP Tor, EIS, and EMP Tor, EIS, and EMP Specifies the procedures and requirement of involvement of public and communities into different stages of the environmental assessment process The article specifies details requirement for Screening, Baseline Study, Term of Reference, EIA, EIS, and EMP Tor, EIS, and EMP Specifies the procedures and requirement of involvement of public and communities into different stages of the environmental assessment process	Diploma Ministerial No.45/2017 - Rules and Procedures of the Evaluation Committee for Project with	establishing rules and procedures for the evaluation committee for the management of the environmental evaluation process for projects in	committee in order to review the project that categorize into category
No.47/2017 – Public Consultation Procedure and Requirement during Environmental Baseline Process Procedure and Requirement during Environmental Baseline Process Procedures and requirement of involvement of public and communities into different stages of the environmental assessment process through public consultation.	Diploma Ministerial No. 46/2017 - Regulation on the Detailed Requirements for Screening, Scoping and TOR, EIS and	for Screening, Baseline Study, Term of Reference, EIA, EIS, and EMP including language to be used in the aforementioned documents and their	and obtaining approval for
Decree Law No. Constitutional Article 33 (c) (Minister of Provides a description of	No.47/2017 – Public Consultation Procedure and Requirement during Environmental Baseline Process	procedures and requirement of involvement of public and communities into different stages of the environmental assessment process through public consultation.	and requirement of involvement of public and communities into different stages of the environmental assessment process through public consultation.





Title	Descriptions	Relevance to the Project
59/2023 – Organic structure of the Ministry of Petroleum and Mineral Resources	Petroleum and Minerals) responsibilities item (o) Considering the complexity and technical expertise of the oil and mineral resources sector, conduct the respective environmental licensing procedures and approve the corresponding environmental licenses in that sector.	legal framework that empower Ministry of Petroleum and Minerals to issue environmental license.
Decree-Law No.32/2016 Offshore Petroleum Operations	The decree law applies to all offshore petroleum operations, which is carried out in accordance with the law on petroleum activities, including the transport and storage of crude oil and natural gas, with a direct impact on any deposits. This decree law also sets the requirements, including the Environmental impact statement, Environmental Management Plan, Environmental monitoring, and Oil Spill Contingency Plan.	Sets the requirements, including the Environmental impact statement, Environmental Management Plan, Environmental monitoring, and Oil Spill Contingency Plan.
Labour Legislation Law No. 4/2012 – Timor-Leste Labour Code	The law describes the rights between employers and workers regarding the working hours, leaves, remunerations, compensations and health and safety welfare	Provides basis for the project proponent to set up a working condition and contracts between employer and employee and used during the project activities.
Government Resolution No. 27/2023 about the Ocean National Policy of Timor-Leste	The national policy intends to address the national marine issues, including pollution and climate change.	The drilling activity will take place in the Timorese water, and to find integrated approach based on the national policy to mitigate the drilling impact to the ocean.
International Industry and Guidelines Documents		
IFC EHS General Guidelines 2007	The Environmental, Health, and Safety (EHS) Guidelines are technical reference documents with general and industry specific examples of Good International Industry Practice.	Provides general guidance on the application of good environmental practice.





Title	Descriptions	Relevance to the Project
IFC EHS (June 2015) guidelines for offshore oil and gas development.	The guidelines are industry specific for offshore oil and gas development and are designed to be used together with the General EHS Guidelines document, which provides guidance to users on common EHS issues potentially applicable to all industry sectors.	Provides guidance on the application of good environmental practice for offshore oil and gas development.
ISO 13500:2008 - Petroleum and Natural Gas industries - Drilling Fluid Materials - Specification and Tests	bentonite, nontreated bentonite, etc.	Provide guidance for the application and tests for drilling fluid materials included materials used in SBM.
API Standard 53 - Well Control Equipment System for Drilling Wells	installation, inspection, maintenance	Provides guidance for BOP system.
United Nations Convention on Biological Diversity (UNCBD)	The Convention on Biological Diversity (CBD) entered into force on 29 December 1993. It has 3 main objectives: 1. The conservation of biological diversity 2. The sustainable use of the components of biological diversity 3. The fair and equitable sharing of the benefits arising out of the utilization of genetic resources	Timor-Leste is a biodiverse and significant ecosystem with many endemic species. The country signed the convention in 2001. As the project could have impacts on the flora and fauna or risk to the loss of the biodiversity, it is fundamental principle for the project proponent to prevent or minimize the risk of biodiversity loss during the project implementation
United Nations Framework for Climate Change Convention (UNFCCC)	The United Nations Framework Convention on Climate Change (UNFCCC) provides a framework for intergovernmental efforts to reduce greenhouse gas emissions and adapt to the expected impacts of climate change. It also provides guidance to member states on developing and implementing national climate change strategies, incorporating both adaptation and	The project activities release GHG emissions which could be one of the contributing factors to the country's climate change issue. Minimization climate change risks by reducing the GHG emissions are an essential part of the project





	mitigation actions. Timor-Leste became	
	a signatory to the UNFCC in October 2006.	environmental objective and target. This convention is the principal guidance for the project proponent to prevent the air pollution and reduce the GHG emissions as much as possible
IPIECA Guideline	Social responsibility, application of good environmental practice. IPIECA is a not-for-profit association that provides a forum for encouraging continuous improvement in industry performance. IPIECA is the only global association involving both the upstream and downstream oil and gas industry. It is also the industry's principal channel of communication with the United Nations. IPIECA develops, shares and promotes good practice and knowledge to help the industry and improve its environmental and social performance. This is done with the understanding that the issues that dominate the sustainable development agenda – climate and energy, environmental and social issues – are too big for individual companies to tackle alone. The industry must work together to achieve improvements that have real impact. IPIECA helps to achieve this goal.	Provides oil and gas industry specific guidance on the application of good environmental practice.
International Union for Convention of Nature (IUCN)	The international convention is an international organization focus on the nature conservation and sustainable of utilizing the natural resources. The IUCN works in the field to promote ecological conservation in order to ensure the sustainable development concepts. Performance Standard 1 – Assessment	Timor-Leste is a signatory member of the IUCN convention which has responsibility to protect its ecological components to ensure the economic sustainable development. Therefore, this project will identify all species categories listed under the IUCN red list which can be impacted by the project activities Provides internationally





Title	Descriptions	Relevance to the Project
Corporation performance standards 1, 3 & 6.	& Management of Environmental and Social Risks and impacts establishes the importance of (i) integrated assessment to identify the environmental and social impacts, risks, and opportunities of projects including effective community engagement and consultation with local communities on matters that directly affect them, management of environmental and social performance throughout the life of the project.	recognized guidance on the conduct of EIA process
	Performance Standard 3 - Resource Efficiency & Pollution Prevention- To avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities. To promote more sustainable use of resources, including energy and water. To reduce project-related GHG emissions.	Provides internationally recognized guidance on best practice to avoid / minimize environmental and social impacts, promoting reduction of GHG emissions
	Performance Standard 6- Biodiversity Conservation and Sustainable Management of Living Natural Resources. Habitat is defined as a terrestrial, freshwater, or marine geographical unit or airway that supports assemblages of living organisms and their interactions with the non-living environment. For the purposes of implementation of this Performance Standard, habitats are divided into modified, natural, and critical. Critical habitats are a subset of modified or natural habitats. To protect and conserve biodiversity. To maintain the benefits from ecosystem services. To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.	Provides internationally recognized guidance on best practice to marine habitat protection and conservation of biodiversity in the planning of offshore projects
WHO Air Quality Guidelines (AQG)	WHO Air Quality Guidelines (AQG) offer guidance on threshold limits for key air pollutants that pose health risks and	The air quality benchmark used as reference by the project proponent is the





Title	Descriptions	Relevance to the Project
	provide a reference for setting air pollution targets at regional and national levels to improve air quality. Air quality guidelines have been published by WHO in 1987 and they were revised in 1997. The 2005 update represents the most current assessment of air pollution health effects, based on an expert evaluation of the scientific evidence. The guidelines offer recommended exposure levels for particulate matter (PM ₁₀ and PM _{2.5}), ozone, nitrogen dioxide and sulphur dioxide, as well as a set of interim targets to encourage a progressive improvement in air quality.	WHO air quality guidelines.
Climate Change Kyoto Protocols. Government Resolution of National Action Plan for Climate Change	Kyoto Protocol is an international treaty which extends the UNFCCC parties commitment to reduce the greenhouse gas according to the scientific consensus. The protocol implements the objective of reducing the global warming potential gas in the atmospheres. The government resolution of national action plan for climate change (NAPA) is the first national document that identifies urgent and immediate climate change adaptation needs of the most vulnerable groups. It provides a starting point from which climate change adaptation can be mainstreamed into development plans as a key strategy for attaining sustainable development and poverty reduction (MDG, 2010)	Timor-Leste is the signatory party of the Kyoto Protocol which shall ensure the implementation of the protocol in order to reduce the GHG emissions.
ANZECC & ARMCANZ (2000) - Australian and New Zealand Guidelines for Fresh and Marine Water Quality	These guidelines provide a summary of water and sediment quality parameters and their 'trigger values' to protect and manage environment of the fresh and marine water. Additionally, it provides advice on designing and implementing water quality monitoring and assessment programs.	The water and sediment quality parameters are adopted for the purpose of this project. The 'trigger values' are used as a benchmark for all the parameters used for environmental baseline survey as well as monitoring program.





Title	Descriptions	Relevance to the Project
United Nations Convention on the Law of the Sea, 1982 (UNCLOS)	The convention on the Law of the Sea lays down a comprehensive regime of law and order in the world's oceans and seas establishing rules governing all uses of the oceans and their resources. It enshrines the notion that all problems of ocean space are closely interrelated and need to be addressed as a whole. Coastal States have sovereign rights over the continental shelf (the national area of the seabed) for exploring and exploiting it; the shelf can extend at least 200 nautical miles from the shore, and more under specified circumstances	Relates to EEZ Governance and sovereign rights/National area of the seabed.
London Convention on the Prevention of Marine Pollution by dumping of wastes and other matter, 1972 (London Convention).	The convention is an agreement to control pollution of the sea by intentional disposal at sea of potentially harmful materials	Any chemical inventories onboard the survey vessel will be adequately transported and stored in suitable containers to prevent accidental discharge to the sea.
SOLAS 1974 – International Convention for the Safety Life of Sea	The main objective of the SOLAS Convention is to specify minimum standards for the construction, equipment, and operation of ships, compatible with their safety. Flag States are responsible for ensuring that ships under their flag comply with its requirements, and a number of certificates are prescribed in the Convention as proof that this has been done.	There will be vessel movement during mobilization, well construction and demobilization of the rig.
MARPOL 73/78 – The international Convention for the Prevention of Pollution from Ships.	'	The MODU and support vessels is required to comply with the provisions of MARPOL.





Title	Descriptions	Relevance to the Project
	 Annex V - Regulations for the Prevention of Pollution by Garbage from Ships Annex VI - Regulations for the Prevention of Air Pollution from Ships 	
AMSA – Marine Order 30– Prevention of Collision 2016.	of Collision Convention, which sets out, for the prevention of collisions, internationally agreed measure for the navigation, management and working of a vessel, and the lights and signals to be provided and used on a vessel.	The support vessels for this drilling campaign are required to comply with this order.
International Convention on Standards of Training, Certification and Watchkeeping for Seafarers 1978 (STCW)	This convention provides a standardized approach to the qualifications and competencies of masters, officers and watch personnel and is essential to navigation of vessel and safety crew.	The vessels and crews are required to comply with STCW.
International Regulations for Collisions at Sea 1972 (COLREGS)	These regulations provide internationally agreed rules for the navigation of vessels, which are intended to reduce the likelihood of vessel collisions.	The support vessels and rig are required to comply with COLREGS.
Offshore Chemical Notification Scheme (OCNS) and Chemical Hazard and Risk Management (CHARM)	oil and gas application. Within this standard, there is Oslo and Paris (OSPAR) convention where it is used to prevent and combat pollution, protect the marine environment from impacting effects of human activities, preserve and restore marine ecosystems and safeguard human health.	The OSPAR Pose Little or No Risk to the Environment (PLONOR) list which will be use by SGBU to evaluate chemical discharge to the marine environment around the proposed project location.
NOHSC: 1008 (2004) - Approved criteria for classifying hazardous substances.	The Australian National Occupational Health and Safety Commission (NOHSC) compiled list of hazardous substances and based on criteria in the given order.	The criteria and list of hazardous substances are used as a guidance for MSDS in rig and the support vessels.

In addition to legal requirements, the SGBU Standard Operation Procedures (SOPs) and HSE Plan, Emergency Plan will be followed.





6. EXISTING ENVIRONMENTAL DESCRIPTION

This chapter is prepared using secondary, published information and according to the approved Terms of Reference (TOR) - Drilling Activities PSC TL-SO-19-16 dated November 2024, along with data and information from the Chuditch-2 Environmental Baseline Survey (EBS) Technical Report dated March/April 2025.

The Timor Sea and its tropical marine environment support significant and growing economic activity including oil and gas exploration. To reduce uncertainty in decision making regarding the sustainable use and ongoing protection of these marine resources, environmental baseline studies and data are important to describe the existing environment.

Timor Sea region is tropical with two distinct seasons having a dry season and monsoon season. These govern the climate, ecological and biological components. This section has used both secondary and primary environmental baseline data.

The approved EBS was conducted in February 2025 and the information gathered is considered while writing this section. The baseline conditions of the existing environment have thus formed the basis of valuable insight into the natural, ecological, economic, social, and cultural features of the project area. The description of environment is used while writing the possible impacts that may arise from the Chuditch-2 project which are considered crucial in writing the environmental management statement.

6.1. Physical Component

These elements focus on those aspects of the physical environment and considering how natural processes can relate to or be affected by the appraisal drilling project.

6.1.1. Climate

The Bonaparte Basin and Timor Sea region experience a tropical climate and distinct summer monsoonal 'wet' season from October to March and followed by a typical cooled winter 'dry' season from April to September. The two seasons go through a rapid transitioning, usually in April and September-October due to two major atmospheric pressure system affecting the region. These atmospheric pressures are the subtropical ridge of high-pressure cells and a broad tropical low pressure or Monsoon Trough.





The subtropical highs move from west to east across the Southern Indian Ocean in winter, and further South in summer, usually separated by low pressure troughs or cold fronts. The highs provide the driving force behind the Southeast trade winds which dominate the Timor Sea in winter months.

The Monsoon trough or Inter-Tropical Convergence Zone (ITCZ) is a broad area of low atmospheric pressure running East-West through the tropics in the summer months.

During the wet season the South-Westerly winds can generate thunderstorm activity, high rainfall and cyclones. While in the dry season the Easterly winds result in dry and warm conditions with very little rainfall (RPS, 2024).

There have been no major catastrophic climate incidents in the past years in the area of the Chuditch-2 appraisal drilling campaign nor is there any data to suggest the negligible and transient impacts to the receiving environment generated by the Chuditch-2 well activities will contribute to a measurable impact to climate change.

6.1.2. Rainfall

During 'dry' season (April to September), rainfall in the north is low to non-existent in most areas, although light showers are common closer to the coast in the southern waters of the Timor Sea.

During the wet season, the weather on the south coast of Timor-Leste is largely determined by the position of the monsoon trough, which can be in either an active or inactive phase. The active phase is usually associated with broad areas of cloud and rain, with sustained moderate to fresh north-westerly winds on the north side of the trough. Widespread heavy rainfall can result if the trough is close to or over land. An active phase occurs when the monsoon trough is temporarily weakened or retreats northwards. It is characterised by light winds, isolated showers, and thunderstorm activity, sometimes with gusty squall lines.

High rainfall is associated with the Northwest Monsoon and low rainfall with the Southeast Monsoon. Heavy rainfalls are also associated with tropical cyclones and thunderstorm activity. Mean annual rainfall for the Timor Sea region is 1,770mm (Heyward et al., 1997). Mean air temperatures recorded at the Jabiru Floating Production, Storage and Offloading (FPSO) vessel, approximately 180NM south of Timor-Leste in the Timor Sea, are 24.9°C in





July and 29.6°C in December (URS, 2002). Figure 10 below shows a graph of Timor Leste Climate and weather data.

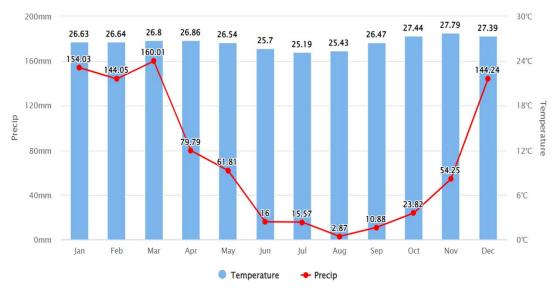


Figure 10-Timor-Leste Climate and Weather data graph - The Global Historical Weather and Climate

6.1.3. Oceanography

The main forces contributing to surface water movement in the vicinity of Chuditch Area are:

- · General oceanic circulation;
- · Astronomical tides; and
- · Wind stress.

The Pacific–Indian through-flow flows south through the Indonesian Archipelago and into the Eastern Indian Ocean bathing it in warm, relatively low salinity seawater. Figure 11 shows the regional synoptic-scale currents of northern Australia and the Timor Sea.

Within the permit area, this may add a westerly component to the current regime. Current speeds vary depending on the season. Lowest speeds would occur in April at the end of the northwest monsoon when winds blow towards the Pacific whilst highest speeds would occur in September associated with the southeast monsoon (Wijffels et al., 1996).

The majority of water movement off northern Australia and the Timor Sea is poleward, with the water being relatively warm and low in nutrients (DEWHA, 2008). A strong seasonal





wind regime is closely associated with seasonality in surface currents in the region, including the seasonal strength of trade winds in the equatorial Pacific Ocean which drive the Indonesian through-flow (ITF).

The Chuditch location is situated near the EEZ delineation between Timor-Leste and Australian territorial waters and experiences semi diurnal tides. Tidal ranges are large – 0.8m neap and up to 7m spring tides (RPS, 2018) and thus strongly influence currents in the region, notably, tidal amplitudes appear to be retained at long distances offshore and travel initially in a north easterly direction in the deeper waters of the region (RPS, 2018).

The tidal current component is imposed over the synoptic scale flow. In addition to the synoptic-scale and tidal currents, locally generated wind-driven currents also influence water movement within the area. These appear to be more variable and are superimposed over large-scale flows.

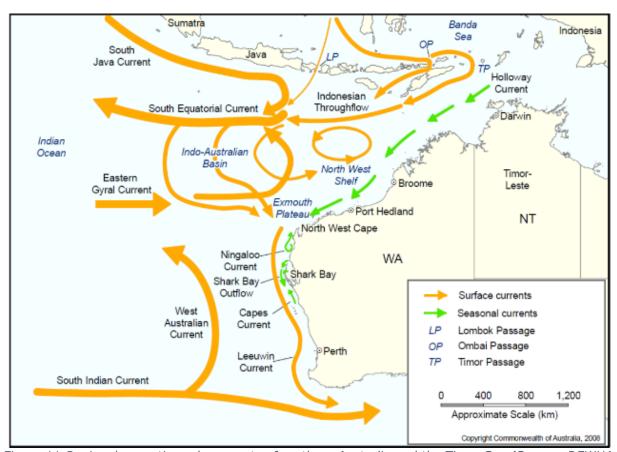


Figure 11-Regional synoptic-scale currents of northern Australia and the Timor Sea (Source: DEWHA, 2008)





6.1.1 Winds

The dry season (April to September) is characterized by steady northeast to southeast winds of 5 to 12m/s driven by the southeast Trade Winds over the Timor Sea.

The 'wet' season (October to March) is characterized by northwest to southwest winds of 5m/s for periods of 5 to 10 days with surges in mean wind speeds of 8 to 12m/s for periods of 1 to 3 days.

During the transition season (September to October), with seasonal low-pressure systems sweeping across the Australian mainland West to East, the surface wind in the Timor Sea possesses a westerly component with a light wind of less than 5m/s. While during the transition season in April, the wind is charactered by southeasterlies for a period and then returns to northwest airflow (RPS, 2024).

6.1.2 Cyclonic Weather Systems

The Bonaparte Basin is prone to tropical cyclones during the wet season. Under extreme cyclonic conditions, 10-minute sustained wind speeds can exceed 205km/h with gusts reaching as high as 408km/h (Cyclone Olivia – Aus BOM, 1996).

Tropical cyclones develop in the Timor Sea in the northern wet season, usually forming within an active monsoon trough. Tropical Lows and Cyclones may also develop in the Coral Sea and move through the Torres Strait, usually as a tropical low or low range cyclone and may strengthen through the Gulf of Carpentaria region or in the Timor Sea (ABOM, 2024).

Heavy rain and strong winds, sometimes of destructive strength can be experienced along coastlines within several hundred kilometres of the centre of large cyclonic systems.

Most tropical lows and cyclonic systems pass through the area in a west or southwest direction before turning southwards.

Fully mature tropical cyclones range in size from 100km in diameter to 1,500km (Cyclone Justin 3/03/1997, Aus BOM). Tropical cyclones typically have a distinct life cycle of about 4 to 7 days although some category 1 systems briefly reach gale force while other systems can be sustained for weeks at various levels of intensity or degrade to tropical low status before reforming.





The most active months for tropical cyclones in the Timor Sea/Bonaparte Basin region are December to April, when the surface temperatures are at their highest and the water column is at or above 26.7°C (SKM, 2001).

Most (75%) of these cyclones are not fully mature, with estimated wind speeds of less than ~80km/h. Severe cyclones, with wind speeds exceeding 100km/h occur, on average, once every 2.6 years (Heyward et al., 1997).

6.1.3 Seismicity and Tsunamis

The Timor Sea has experienced tectonic activity for at least six million years due to the convergence of the Australian and Eurasian continental plates. The dominant earthquakes in this area are subduction and strike-slip related earthquakes, caused by one crustal plate being forced below another. Earthquake activity tends to be focused to the north of the island of Timor, along the Flores-Wetar trend and further west in the Lombok Basin. The contract area south of the Timor Trough on the Australian continental plate, in an area with very limited seismicity and no recorded tsunamis. Figure 12 shows the locations of seismicity and tsunamis in the Banda and Timor Seas region.





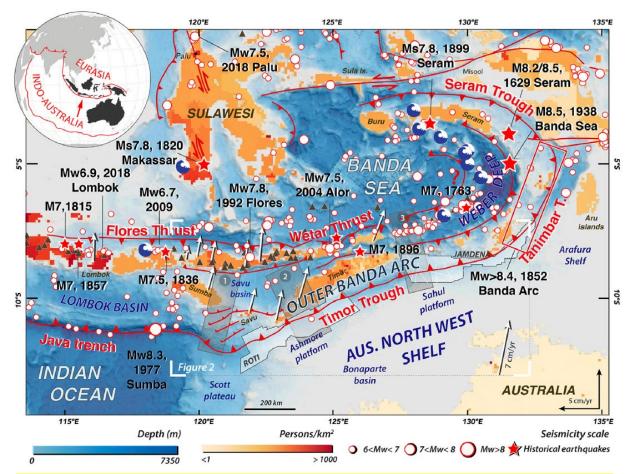


Figure 12-Seismo-tectonic setting of the Banda Arc region, based on seismicity from USGS catalog (1976–2020) are represented by red and white dots. Blue wave symbols are past tsunamis. Major faults (in red). (Source: Coudurier-Curveur et al, 2023)

6.1.4 Geology

The primary hydrocarbon reservoir in the Bonaparte Basin is sandstone of the Plover Formation, ranging from Early Jurassic to Callovian age. The G&G site survey in early 2024 indicated that the benthic topography is approximately 68 meters, and live coral reefs, which typically thrive in shallower, sunlit waters, are absent. The bathymetry and seabed topography data derived from previous seismic surveys acquired by Shell and Minza in 2009 and 2012 show that the seabed within the proposed drilling areas is relatively flat aside from the large sea floor channel. The ROV survey conducted during the EBS indicates substrate composition of soft sediments (sand/mud and hard substrates (rock, pebbles/gravel-rubble)) in some localized areas around the well, creating complex topography





features. The Chuditch-2 well, based on offset data is prognosed to encounter 'near-dry' gas in the Plover Formation.

The regional stratigraphy in the area includes various formations spanning different geological periods:

- 1. Plover Formation (Pliensbachian to Callovian): Primary reservoir target, comprising fluvio-deltaic sandstone, mudstone, coals, and marginal marine sandstone. At Chuditch-1, it underlies shales of the Jurassic Flamingo Formation.
- 2. Flamingo Formation: Deep marine shales and turbiditic sandstone sourced from the south, displaying different depositional facies on the Sahul Platform, including marginal marine sandstone equivalent to the Sandpiper Sandstone south of the Malita Graben.
- 3. Bathurst Island Group: Comprising several sequences:
 - Echuca Shoals Formation: Glauconitic claystone and siltstone overlying the Intra-Valanginian Disconformity.
 - Darwin Formation (Aptian to Early Albian): Condensed radiolarian claystone/calcilutite unit deposited during the Cretaceous transgression.
 - Wangarlu and Vee Formation: Claystone, marls, and calcilutites deposited in a marine shelf to slope environment.
- 4. Johnson Formation (Palaeocene) and Hibernia Formation (Eocene): Mainly calcilutites with dolomites, cherts, and claystone streaks.
- 5. Cartier Formation (Oligocene): Calcareous claystone and marls.
- 6. Oliver Formation (Miocene): Continuous carbonate deposition with an unconformity at the top due to the collision of the Australian and southeast Asian plates.
- 7. Barracouta Formation (Pliocene to Recent): Active margin carbonates overlying the Miocene unconformably.

The estimated target formation tops are 2,813 m TVD-MSL (Chuditch-2) and the geology of the Chuditch-2 well is shown in Table 14 below.





Table 14-Geology Structure of Chuditch-2 Appraisal Well

	Chuditch-2 Depth TVD-MSL (m)	Uncertainty (m) (TBC)
Sea Bed Carbonates	67	+/- 5
Hibernia Fm (Green horizon) Calcarenites & calcilutites grading to calcareous clay stones	688	+/- 20
Johnson Fm (Pink horizon) Argillaceous calcilutites to calcareous clay stones	1088	+/- 20
Wangarlu Fm (Purple horizon) Claystone with minor calcareous claystone	2000	+/- 20
Darwin Fm (Pink horizon) "radiolarite" Claystone & marl	2799	+/- 30
Plover Fm – reservoir target Sandstones & clay stones	2813	+/- 30
Gas-water-contact	2920	+/- 3
Total Depth	3010	+/- 30

6.1.5 Air

The quality is normally good in offshore location, although emissions from shipping, drilling and other offshore activities will contribute to localized air pollution. The appraisal drilling program is of a short duration of about 44 days. The diesel driven power generators of the MODU and support vessels and the gas turbine engines of helicopter servicing the rig generate some pollutants, namely SO₂, NO_x, and CO which will be discharged into the atmosphere through exhaust stacks of suitable heights to ensure noxious gases are directed away from crew accommodation. Therefore, impacts of gaseous pollutants on the ambient air quality due to drilling operations are insignificant. Moreover, the drilling location is located at a distance beyond territorial waters from the shores of Timor-Leste and Australia. The impact of pollutants discharged in exhaust gases from the diesel driven power generators of the MODU in the offshore area will be minimal. The generators are maintained as per manufacturers criteria.

Air sampling was not included in EBS prior to drilling activities as the operational area is approximately 240km from the Timor-Leste coastline, which itself is a remote and non-industrialized area.

Secondary data shows that the air temperature variations are small. The mean maximum summer and winter air temperature recorded at Point Fawcett on Melville Island as the





closest metrological station to the project area range between 33-34°C in November/December. The annual minimum temperature is 27°C in June (RPS, 2024). The average tropical cyclone frequency for the Timor and Arafura seas region is one cyclone per year with cyclones most commonly occurring between December and April (RPS, 2024).

6.1.6 Marine Waters

Information in this section is taken from the Chuditch-2 EBS Technical Report dated March/April 2025, conducted by WA Marine Pty Ltd trading as O2 Marine, Western Australia. The data, figures and tables and information is reproduced from that report as primary information around the planned Chuditch-2 Appraisal Well Program.

Generally, the marine waters in the Timor Sea are pristine, with high values of dissolved oxygen and low levels of pollutants. Baseline water quality parameters such as salinity, temperature, and nutrient levels are critical to any assessment of potential impacts due to drilling activities.

Environmental Baseline water quality data allows for an assessment of potential impacts caused by drilling operations, such as the discharge of drilling mud, drilling fluids, and other pollutants. The EBS measured relevant water quality for physical, chemical and biological parameters, including heavy metals, hydrocarbons and other pollutants related to the discharges.

The criteria of selection the locations and criteria parameters are based on OSPAR Commission Assessment of the impacts of the offshore oil and gas industry on the marine environment and the results as per NATA (National Association of Testing Authorities) accredited laboratory-Analytical Reference Laboratory (ARL), ANZG (2018) and IMCRA (2018) guidelines. ANZECC and ARMCANZ (2000) guidelines are used to evaluate the marine water quality, sediment quality, and toxicants from the proposed project.

EBS Sampling Summary

The EBS was conducted in February 2025 with laboratory analysis occurring immediately afterwards encompassing the extent of potential impacts to water quality, sediment quality and benthic habitats based on the mud and cuttings dispersion modelling for the drilling program (MuTek, 2024) to design the sampling plan for impacts on potential receptors.





The sampling design is grouped as follows:

- At the well location and in the immediate vicinity (direct impact, benthic impact zone);
- 300 m from the well location (potential for benthic impact);
- 600 m from the well location (furthest potential extent for benthic impact);
- Relief well location; and
- 1000 m from the well location (potential low water quality impact).

Sampling Location

Sampling locations for the Chuditch-2 Environmental Baseline Survey were selected to ensure relevance to cuttings dispersion modelling. The number of sites required for sampling is outlined in Table 15. The EBS sampling locations around Chuditch-2 Appraisal Well are presented in Figure 13.

Table 15-Sampling location and Numbers of sites completed

Task	Sample	Required number of sites	Number of sites completed
Water quality sampling	Water samples	12	12
	Water column profiles	12	12
Sediment sampling	Sediment samples	13	13
	Infauna	13	13
Benthic Habitat Assessment	Towed camera	8	8
Marine fauna sightings	Opportunistic sightings	N/A	N/A





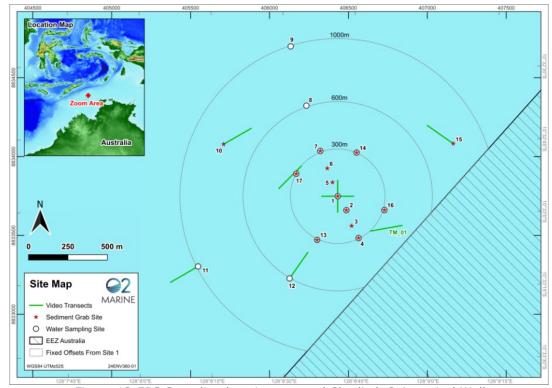


Figure 13-EBS Sampling locations around Chuditch-2 Appraisal Well

Water quality samples were collected using Niskin bottles (Figure 14) which was then analysed in a NATA certified laboratory for suspended solids, heavy metals, and hydrocarbons.



Figure 14-Niskin bottle water sampler used for water quality sample collection

Water samples were collected at the sea surface (1-5 m depth), mid-column (\sim 30 m depth) and near bottom (seabed+ 1-5 m) using 10 litre Niskin bottles.





Water samples were then stored and transported to laboratories for the following analyses which comply with industry standards (e.g. SW-PACK-012 for Environmental Monitoring at Environmental Analysis Laboratory).

Water Column Quality Profiling

A Conductivity, Temperature and Depth (CTD) profiler (Figure 15) was used to measure water temperature and salinity in the water column which was used to inform the water sample analyses and provided useful environmental baselines for the area.



Figure 15-YSI Exo1 Sonde and IMO Ms9 light

Water column profiles were collected in accordance with the SAQP. The CTD profiler recorded the following parameters:

• Time;





- Depth;
- Temperature;
- Specific conductivity (SpC);
- Salinity (ppt);
- pH;
- PAR (9 wavelength multispectral sensor);
- Turbidity (NTU) and;
- Dissolved Oxygen (DO) (%).

The summary of water quality analysis from the EBS results are:

Physiochemical Profiles

The physiochemical water column profiles in summary are:

- pH results ranged from between 8.21 and 8.26
- Salinity results ranged between 34.05 and 34.19
- Temperature values ranged between 28.77 and 30.29
- Conductivity results ranged between 51990.00 and 52147.10
- Turbidity values ranged between 0.06 and 0.26.
- Minimal spatial variability in water quality across the project area.
- Temperature, salinity, turbidity, and pH remained stable from surface to seafloor.
- Slight thermocline detected at 22-25m depth.
- Dissolved oxygen (DO) levels were high (~95%) but decreased slightly below 25m, indicating a stratified water column.
- Low turbidity levels indicate minimal sediment resuspension and particulate matter.

PAR Profiles

The light penetration results from the light Photosynthetically Active Radiation (PAR) tests from the water column profiles are summarized in Table 16 across all locations measured under the EBS survey in February 2025.

Table 16-PAR values from EBS Survey across all locations

Location	Mean	Minimum	Maximum
Surface	467.2	92.79	1115.8





Bottom	1.42	0.57	2.98
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Water Samples EBS Analysis Results

The water samples were analysed for the following parameters.

- Total Recoverable Hydrocarbons (TRH);
- Total aromatic hydrocarbons;
- BTEX (benzene, toluene, ethylbenzene and xylene);
- Polycyclic aromatic hydrocarbons;
- Oil and grease;
- Sulphur;
- Heavy metals (As, Ba, Cd, Cr, Co, Cu, Hg, Ni, Pb, Zn, Mg, Fe, Se);
- Chlorophyl-a; and
- Total organic carbon.

The samples were analysed at NATA-accredited laboratories in Australia.

The analytical results are summarized below:

Dissolved Metals

The dissolved metals results across all EBS locations sampled are in summary:

Gold, mercury and manganese results were reported below the LOR in all samples.

Generally, for the metals (As, Ba, Cd, Cr, Co, Cu, Fe, Pb, Mn, Hg, Ni, Sb, Se) analysis data all reported at low concentrations below ANZG (2018) 95% and 99% Special Protective levels (SPLs).

Hydrocarbons

Hydrocarbons results from water samples for BTEXN, TPH, TRH, and VOCs were all reported below the Limit of Reporting (LOR).

Chlorophyll-a

Chlorophyll-a was reported below the LOR in all water quality samples.

Oil and Grease

Oil and Grease values ranged between <5mg/L and 9mg/L and the Median oil and grease results across all sampling sites was <5mg/L.





Sulphur

Sulphur results ranged between 980mg/L and 1300 mg/L. The Sulphur results were generally consistent between sites and across depths.

The details results and analysis of the marine water quality are placed in EIS-Appendix 1. The Chuditch-2 Environmental Baseline Survey (EBS) Technical Report dated March/April 2025 conducted by WA Marine Pty Ltd trading as O2 Marine, Western Australia. The data, figures, tables and information are reproduced from that report as primary information around the Chuditch-2 Appraisal Well Program.

6.1.7 Sediment

The sediments in the Timor Sea are dominated by fine sand, silt, and clay. Sediment quality is of prime importance as an aid to understanding the possible impact of drilling activities, such as sediment resuspension or contamination from drilling waste.

Sediment quality monitoring helps identify any potential impacts caused by drilling operations, particularly the release or creation of contaminated sediments which can affect marine ecosystems (Trefry et al., 2013, Reuscher et al., 2020).

Sediment was collected and processed onboard using methods adapted from the Australian national standard for grab and box corer sampling (Przeslawski et al., 2024). At each designated grab site two sediment samples were collected using a large Van Veen grab / day grab sediment sampler, (Figure 16) with a volume of at least 7 litres (Álvarez et al., 2020) for physical, chemical and biological analysis.







Figure 16-A) Day Grab sediment sampler positioned on retrieval point, B) Day Grab deployed overboard from vessel stern via A-Frame

From each grab, sediment was sampled for sediment quality analysis. Sediment samples was stored and transported to laboratories for the following analyses which included as industry standards (e.g. SS-PACK-080 for Drilling Mud Exemption at Environmental Analysis Laboratory):

Sediment samples were analysed for the following parameters:

- Total Recoverable Hydrocarbons (TRH);
- Benzene, Toluene, Ethylbenzene, Xylenes and Naphthalene (BTEXN);
- Total Petroleum Hydrocarbons (TPH);
- Polycyclic Aromatic Hydrocarbons (PAH);
- Metals (Al, As, Ba, Cd, Cr, Co, Cu, Fe, Hg, Ni, Pb, & Zn);
- Oil and grease;
- Sulphur;
- Total Organic Carbon (TOC); and
- Particle Size Distribution (PSD).

The samples will be analysed at NATA-accredited laboratories in Australia.





The summary of the EBS results are:

Particle Size Distribution

Particle Size Distribution (PSD) were clay ($<4 \mu m$), silt ($4-62\mu m$), sand ($62-250\mu m$), medium sand ($250-500\mu m$), and coarse sand ($500-2000\mu m$).

Sediment PSD was generally uniform across sampling locations, where coarse grained sand $(500\mu\text{m}-2000\mu\text{m})$ was typically the most dominant fraction, followed by silt $(4\mu\text{m}-62\mu\text{m})$. Medium grained sand generally comprised the lowest fraction of grains across all sample sites, and while no sites appeared to be significantly different in their PSD composition.

Dissolved Metals

Dissolved metals results are presented summarised below.

- Gold, mercury and manganese results were reported below the LOR in all samples.
- Remaining metals (As, Ag, Ba, Cd, Co, Cu, Cr, Fe, Pb, Mn, Hg, Ni, Sb, Se, and Zn) were all generally reported at low concentrations below ANZG (2018).

Moisture

Moisture content of sediment samples ranged between 33% and 44%. The median moisture content across all sample sites was 39%, while there was a low standard deviation in % moisture content between samples (2%).

Oil and Grease

Oil and grease results was generally reported below the LOR (<500mg/kg) however was detected in low concentrations except two sites 690mg/kg and 630mg/kg.

Sulphur

Sulphur concentrations ranged between 2100mg/kg and 6100mg/kg. Median concentrations of sulphur across all samples were 3500mg/kg, while the standard deviation was 1217mg/kg.

Hydrocarbons

Results for hydrocarbons in sediments of BTEXN, Aliphatic and Aromatic Hydrocarbon, and Polyaromatic Hydrocarbon (PAH) concentrations were reported below the LOR at all sample sites.

Total recoverable hydrocarbons (TRH) were detected in low concentrations at several sample sites, normalised TRH concentrations were reported below the ANZG (2018) DGV.





The details results and analysis of the marine sediment quality are placed in EIS-Appendix 2. The Chuditch-2 Environmental Baseline Survey (EBS) Technical Report dated March/April 2025 conducted by WA Marine Pty Ltd trading as O2 Marine, Western Australia. The data, figures, tables and information are reproduced from that report as primary information around the Chuditch-2 Appraisal Well Program.

6.2. Ecological Components

These components include living organisms and ecosystems which may be affected by the project. From secondary data the following description on ecological components are inferred.

Benthic communities consist of hundreds of species, yet many are sparsely distributed. As such, indicator groups are often used where the abundance or richness of one taxonomic group is used as a proxy for others (Mellin et al., 2011). Previous studies have yielded species inventories of sponges, octocorals, and polychaetes in the region and identified these groups as appropriate biological surrogates for benthic biodiversity (Wilson, 2010, Przeslawski et al., 2015, Przeslawski et al., 2019). As such, environmental baselines and monitoring around the Chuditch-2 site should focus on sponges, octocorals and polychaetes to assess conditions and detect changes in benthic communities in the Chuditch-2 region.

The grab samples from the G&G site survey were consistently similar across the area, and no live bivalves or bryozoans were recovered. Only one live sponge and one brittle star were retrieved from the samples. The high degree of easily suspended sediment and the lack of light suggest that sponge growth is low. Additionally, the drop camera work over the area showed a high similarity with single sponges present in 3 of 10 images and covering less than 5% of the field of view which were reconfirmed by the observations made during the EBS survey February 2025 and towed video footage collected by ROV in the same study.

At the regional scale, the Timor Sea is characterised by raised geomorphic features with shoals and banks which foster biodiversity levels observed due to light penetration at shallower depths and increased nutrients from ocean currents. This highlights the fact that the carbonate banks and terrace formations serve as key ecological features that promote regional biodiversity hotspots. Benthic communities can vary within these environmental attributes based on bathymetry, exposure, geochemistry, and substrate coupled with





currents shaping the structure, distribution and abundance over time (Przeslawski et al., 2011, Nichol et al., 2013, Radke et al., 2015).

The Chuditch-2 site closely resembles that shown by environmental data collected by Geoscience Australia and the Australian Institute of Marine Science in Oceanic Shoals Marine Park, sampled within 45-90 meters of depth (Nichol et al., 2013). The sediments found in these terraces were typically medium to coarse-grained sand. In contrast, finer sediments were more common in deeper subdued geomorphic features (plains, valleys), and coarser sediments were more common on banks (Anderson et al., 2011). These terraces offer a significant correlation to the high biodiversity of benthic faunal groups where dense patches of sponges and octocorals (e.g. lithistids, halichondrids, and Xestospongia testudinaria) and both hard and soft substrates are profoundly intricated (Heap et al., 2010, Przeslawski et al., 2014).

During the EBS study the following ecological components include:

6.2.1 Benthic Infauna

After sediment was removed for sediment quality analysis, the remainder of the sediment sample was then processed for infauna analysis. Sediment was washed through a 1mm sieve, and the retained fraction was preserved in ethanol. The sieved fraction was then sorted and analysed by a taxonomist to operational taxonomic unit. Taxonomic analysis occurred onshore.

Infauna can also provide an important environmental baseline for soft sediment communities, as they are important to ecosystem function and often an integral component of environmental monitoring in soft sediment habitats (Nygård et al., 2020, Schenone et al., 2023).

The three most abundant species across all sites were the bristle worm Anthuridae, the Litocorsa sp1, and the Apseudidae.

Detailed information on marine fauna including habitat and characteristics of benthic habitats and detailed information on the characteristics and abundances of the filter feeders encountered during the EBS are placed at Appendix 3.





6.2.1.1. Diversity Indices

Diversity indices are mathematical measures of species diversity and richness that provide more information about community composition than simply using raw abundance. Four indices were selected to provide information relevant to diversity, richness, and evenness. These are:

- Margalef's index (d) was selected to assess the species richness; Across the EBS survey area, the species richness index (Margalef) had the lowest value of (0.0) and the highest value of (6.636).
- Shannon's index (H) was selected to assess the species diversity; The species diversity index (Shannon-H) had the lowest value of (0.0) and the highest value of (3.086)

In general, the area the benthic infauna around Chuditch-2 apprisal well is low and not having much infauna inhabitants. The area around the Chuditch-2 well is generally poor in diversity.

6.2.1.2. ROV Assessment

The benthic habitat assessment was conducted by using a Commercial ROV used for collection of benthic habitat footage (Figure 17) to collect benthic footage. Benthic imagery provides a non-destructive way to assess the habitat, organisms, and substrate at and near the seabed. Towed imagery transects can reveal habitat boundaries and zones of impact better than drop cameras.





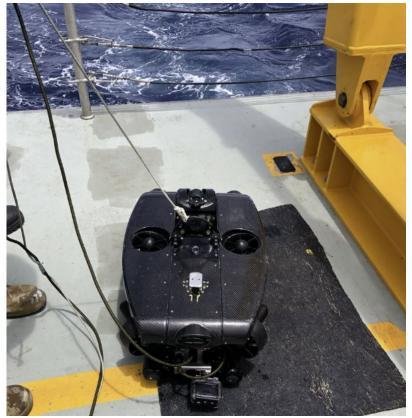


Figure 17-Commercial ROV used for collection of benthic habitat footage

Of the 4,542 classified points, 3,772 were assigned substrate information, which were largely comprised of sand / mud (59.4%), while similar proportions were assigned as rock (20.9%) and pebble / gravel – rubble (49.1%), with cobbles (0.6%) the only other substrate classification recorded.

Mixed Filter Feeders comprised 96.4% of all points assigned with dominant biota information, with Black & Octocorals (2.3%), Sponges (cup) (0.7%), Black & Octocorals - Fan (2D) (0.4%), and Sponges (mixed) (0.1%) collectively comprising the remaining 3.4%.

Information of percent cover of biota was assigned to 3,692 points, with 53.5% classified as Sparse/Low in cover. Relatively similar proportions of benthic biota cover were classified as Moderate (15.5%), Bare (14.1%), and High (12.2%), while 4.2% was classified as Dense, and 0.4% of classified points had None Recorded assigned to percent cover.





6.2.2 Marine Fauna

The Timor Sea is a biodiversity hotspot in terms of fish, marine mammals - such as dolphins and whales - in addition to sea turtles. Baseline studies recorded key species and habitats with an emphasis on the possibility of disruptions due to underwater noise/vibration, pollution, or habitat disturbance.

During the EBS study, no opportunistic marine megafauna were observed by O2 Marine field staff or Offshore Unlimited vessel crew during survey operations.

Biodiversity Hotspot: The Timor Sea is home to a wide variety of marine organisms such as fish, marine mammals like dolphins and whales, and sea turtles. These species are of ecological importance and therefore create a need for protection.

6.2.3 Marine Mammals

A wide array of whale, dolphin, and porpoise species have broad distributions, including in the Timor Sea, with some considered endangered or vulnerable due to their migratory habits. While species like humpback, and fin whales may occasionally appear in the contract area, it does not offer a unique or suitable habitat for them and therefore their movements in the area are transitory. Humpback whales' migration, calving, and resting areas are over 400 km southwest of the contract area, only occasional individuals might travel toward the Joseph Bonaparte Gulf and NT offshore waters. Blue whales, particularly the pygmy blue whale sub- species, are unlikely to be found in the contract area as the well location is far from their known migration routes and known distribution (Edyvane et al., 2024). Omura's whale may occur in the contract area based on limited data of sightings across northwestern Australia and off north-east Queensland. The coastal waters of the Joseph Bonaparte Gulf and Darwin Harbour are significant areas for coastal dolphin species, such as Indo-Pacific humpback, Australian snubfin, and spotted bottlenose dolphin. However, they are less likely to be found in the deep offshore waters of the contract area. Species may occasionally venture into the Bonaparte Basin waters.

The Indo-Pacific humpback dolphin, found along the northern coast of Australia, prefers warm waters shallower than 25m and feeds on coastal-estuarine fish. Breeding occurs yearly, with births usually in spring and summer. While not known for large-scale migrations, seasonal shifts in abundance have been observed. Spotted bottlenose dolphins





inhabit tropical and subtropical coastal waters, typically near shores or in shallow waters less than 30 m deep. Their presence in the contract area, located offshore at greater depths, is likely limited due to their preference for shallower waters.

Omura's whales, a recently described species, are distributed in tropical and warm-temperate regions globally. They have been detected year-round in the Timor Sea, with more common sightings between April and September (Stacey et al., 2015). While some populations may be non-migratory, their movements across north-western Australia are still not fully understood. Given their year-round detection in the Joseph Bonaparte Gulf and across north-western Australia, Omura's whales may be encountered within the contract area and Bonaparte Basin (Pomilla et al., 2005).

In 2009, during the 2D seismic survey in the JPDA 06-101A the Marine Mammal Observer Field Report cited no cetacean sightings. However, in 2012, during the Marine Fauna Observation conducted by Minza, there were 11 cetacean sightings in block JPDA 06-101A. The G & G survey conducted in 2024 did not record any sightings of marine mammals. This could suggest that the cetaceans sighted in 2012 were migratory species, and their usual habitat was far from the contract area as the cetacean sightings between September and December were within a known migration period. In contrast, the proposed appraisal drilling in Q3 2025 is understood to be outside of the known migration period.

Due to the above factors, cetacean and mammalian observations are not expected frequently, if at all, during the period of project activities.

6.2.4 Turtles

As part of the Arafura and Timor Sea (ATS) region, the Timor Sea provides favourable biophysical and oceanographic conditions that support foraging, nesting, and migratory activities for marine species, including sea turtles. Timor-Leste, located within this region, is home to five recorded species of marine turtles: Hawksbill Turtle, Leatherback Turtle, Green Turtle, Loggerhead Turtle, and Olive Ridley Turtle. Additionally, six of the world's seven species of sea turtles can be found in the ATS region, highlighting its significance as a habitat for these endangered marine creatures (Fajariyanto et al., 2020).

Sea turtles, including Leatherback and Olive Ridley Turtles, rely on a cohesive network connected by migratory pathways influenced by oceanographic currents. While some





species, like Green and Leatherback Turtles, travel globally across multiple oceans, complete tracking data for all species is lacking. Sea turtles exhibit fidelity to their breeding sites, returning annually, which ensures the continuity of genetic stock and evolutionary lineage. Marine Protected Areas (MPAs) within the Arafura and Timor Sea (ATS) region are crucial for sea turtle conservation. Jaco Island and Tutuala Beach are known nesting sites, and other potential breeding sites may exist along the South coast of Timor-Leste or in the Northern Territories of Australia. Australia leads conservation efforts with its Recovery Plan for Marine Turtles. However, sea turtle preservation requires connectivity among multiple locations through migratory pathways and nesting beaches with more than 30% reported (Fajariyanto et al., 2020). Challenges include human activities like shipping lanes, but solutions such as cautionary protocols for passing vessels and anchor use can mitigate impacts.

6.2.5 Sharks

Sharks, belonging to the elasmobranch fish group, are characterized by a cartilaginous skeleton, visible gill slits, and pectoral fins. Species like the whale shark (Rhincodon typus), white shark (Carcharodon carcharias), and grey nurse shark (Carcharias taurus) are typical to saltwater habitats. The whale shark is prevalent in Timor-Leste waters and is considered threatened (Fish Base, 2006). The Great White Shark (Carcharodon carcharias) may transit the region and is considered vulnerable (Environment Australia, 2002). At least 49 species of sharks, including whalers, are identified within the Timor Sea region (Last & Stevens, 1994), with whale sharks occasionally transiting through the contract area although, their movements are not well understood. In 2012, one sighting of a hammerhead shark (Sphyrna sp.) was recorded in the contract area during the Marine Fauna Observation (Scope Resources, 2012).

6.2.6 Birds

Birds, while primarily land animals, rely on the ocean for their life cycles, particularly during migration. Coastal areas are crucial for roosting, nesting, and foraging, with mangrove trees providing safe roosting spots and easy access to food sources. Birdlife International has identified several Important Bird Areas (IBAs) in the ATS region, including small islands and mangrove habitats that serve as sanctuaries for seabird species.





In Timor-Leste, approximately 224 bird species exist, with 23 endemics to the Timor Island group. Among these, two are critically endangered, and three are endangered, according to the IUCN Red List. The Christmas Island Frigate bird is the only seabird among them. Seabirds that may occur in the general area include various tern species, the silver gull, the lesser frigate bird, the common noddy, and the streaked shearwater. During the Minza 2D seismic survey in the contract area in 2009, the MMO reported a total of 10 seabirds in 6 sightings. The species recorded were Shearwaters sp., Petrel Sp. (Pterodroma Sp.), Crested tern (Sterna Bergii), Frigatebird sp, and one sighting of an unidentified seabird. In 2012, during the Marine Fauna Observation, there was one sighting of an Eastern Reef Egret (Egretta sacra). The G & G Survey does not provide specific names of bird species that might transit the area of the Chuditch-2 drilling project. With the short timeframe of drilling activities, the impact on migratory birds is considered to be insignificant.

6.2.7 Corals

The EBS study did not find any significant Corals in the vicinity of the Chuditch-2 well.

However, several coral reefs exist in the Timor Sea, all of which perform critical functions as habitats for marine species. The Chuditch-2 field has been identified away from the largest reef systems; however, potential impacts related to increased turbidity, sedimentation, and pollution were considered to preserve these sensitive ecosystems.

The percentage of coral reefs in good or excellent condition (live coral cover of more than 50%) in the eastern side were 45% compared to only 23% in the western side. Burke et al., (2002) also identified a number of coral reefs along the Timor-Leste coast, including five distinct communities along the south coast of Timor-Leste, that were considered to be at medium to high risk of impact from the combined effects of coastal development, marine based pollution, sedimentation, overfishing and destructive fishing.

Fringing reefs are one of the most visible types of corals in Timor-Leste. These reefs are exposed to strong coastal currents and are even found in river mouths. They contribute to high fragment levels deposited at the upper reef slope. The shallow coral reefs on the northern coast occupy an estimated area of 3,000 hectares, with potential coral habitat of over 60,000 hectares in deeper waters (Kim et al., 2022). Whilst coral species occur in





shallow coastal waters to open ocean depths of 6,000m, reef-building corals occur in less than 46m deep waters.

Corals on the northern coast include Acropora, Porites, Heliopora, Millepora, Xenia, and Briarium species. In contrast, the southern coast reefs have higher sponge, hydroid, algal, ascidian, and Montipora coral cover. Montipora colonies with black line disease and some damaged by Drupella grazing are recorded on the southern coast.

The southern coast's climatic variation, including high rainfall and lower water salinity, may affect coral distribution. However, there is limited knowledge about coral reefs in this area. Shallow waters support coral filter-feeders, while deep-water continental shelf communities lack habitat diversity but may host filter-feeding heterotrophs where hard substrate is available.

The eastern side of Timor Island exhibits a higher percentage of coral reefs in good or excellent condition, with 45 %, compared to only 23 % on the western side, as indicated by the Timor-Leste coral reefs risk assessment (Burke et al., 2002). This study also identified several coral reefs along the Timor-Leste coast, including five distinct communities along the south coast, considered to be at medium to high risk of impact from coastal development, marine-based pollution, sedimentation, overfishing, and destructive fishing practices. These reefs include coral filter-feeders in shallow waters and continental shelf communities in deep waters. In areas with minimal seafloor topography and hard substrate, habitat diversity is limited, predominantly hosting detritus-feeding crustaceans, holothurians, and echinoderms. However, filter-feeding heterotrophs such as sponges, soft corals, and gorgonians may occur when hard substrate is available (Kim, 2021).

The G&G site survey in early 2024 indicated that at the well location's depth of approximately 68 meters, live coral reefs, which typically thrive in shallower, sunlit waters, are absent. Thus, drilling operations have minimal risk of directly impacting these sensitive marine ecosystems.

6.2.8 Fisheries

The Chuditch Field is located approximately 183NM from the nearest coastline of Timor-Leste. The Chuditch-2 Appraisal well activities are restricted to a 500m declared safety zone and will not be of significance to commercial or artisanal fisheries for local communities.





Coastal communities along the 600km of Timor-Leste's coastline rely on a wide range of fish, including the large tuna species, flying fish, coral reef fish and deep-water snappers for their livelihoods.

More detailed information on fisheries is provided in the Socio-economic section of this chapter.

6.2.9 Protected Areas and National Parks

Marine protected areas (MPA) and national parks that provide protection to biodiversity and importance for geo-tourism. Since the project is situated relatively near to certain MPAs, proper project planning will be carried out in order not to harm species and their natural habitats.

The MPAs, National Parks: The project area is proximal to MPAs and national parks crucial in biodiversity conservation for eco-tourism, especially geo-tourism.

Biodiversity Importance: These protected areas safeguard various ecosystems, hence protecting different species and their habitats, most of which are very sensitive to environmental changes.

The Coral Triangle, in general, is a highly biodiverse region globally, renowned as the central hub of tropical marine biodiversity. The origins of this remarkable biodiversity are attributed to the complex tectonics, evolution, and geological history of the region, along with climate fluctuations and changing sea levels. Within this Marine Park, there is the Oceanic Marine reserve (National Park) which does not permit any fishing activities ('no take' zone). The Ocean Shoals National Park is located approximately 15Km from the Chuditch-2 well location (Figure 9).

6.3. Economic Components

These components address the human economic activities and industries that could be impacted by the project. The block is located offshore, and it can marginally affect shipping and vessel movement in the vicinity of the well site. There is no tourism and recreational fishing activity near the well site. Commercial fishing activities will be restricted within the 500m safe zone around the well, although no fishing activity is expected. In nearby areas there are some oil and gas industry activities expected, in particular a seismic survey to be acquired by Eni to the north.





The impact to fishing and shipping operations caused by mobilization of the rig was assessed to be of low importance due to the offshore region and medium persistence, low intensity and low probability. Direct impacts include hazards and disruption of fisheries and vessel traffic along the mobilisation route with indirect financial impacts to industry.

Traditionally, Timorese agriculture consisted of subsistence farming: growing corn, rice, cassava, millet, and sweet potatoes. Other products such as palm and betel nut are also important. Coffee plantations are an important source of income for the Timor-Leste economy. Forest products such as sandalwood have had significant value; however, due to the near extinction of relevant species such wood products are protected and trade is controlled by the government. Farming of buffalo, cattle, pig and chicken are important for the economy of rural communities. Overall, the agriculture industry is limited in Timor-Leste, with a lot of imported foodstuffs.

The Government of Timor-Leste is attempting to promote tourism, which has grown at a slow but steady rate since the covid pandemic, and tourism presents opportunities for further economic growth. In the fisheries sector, Timor-Leste possesses substantial resources, yet this sector is underdeveloped and currently generates relatively economic contribution to the country.

The offshore oil and natural gas deposits in the Timor Sea present significant potential for the mineral and energy industry to support the future economic growth of Timor-Leste. The development of these resources, both offshore and onshore, has contributed significantly to state revenues, particularly from the Bayu Undan field.

Timor-Leste's economy has experienced fluctuations in recent years. In 2022 according to World Meters, the country's nominal Gross Domestic Product (GDP) was approximately \$3.16 billion, with a real GDP of about \$2.25 billion after adjusting for inflation. This represented a significant decline from the previous year, with a real GDP growth rate of - 17.49% in 2022.

Looking ahead, the Asian Development Bank (ADB) forecast GDP growth of 3.1% in 2024 and 3.9% in 2025, indicating a potential economic recovery. Based on World Bank data, Timor-Leste's GDP per capita was estimated at \$1,502.50 as of 2023.





The economy is heavily reliant on oil and gas revenues, which poses challenges due to the finite nature of these resources. Efforts to diversify the economy are ongoing, with a focus on sectors such as agriculture, tourism, and manufacturing.

In terms of trade, Timor-Leste's imports were valued at \$850 million in 2020, with refined petroleum, cars, cement, delivery trucks, and motorcycles being the main imported goods. The primary import partners were Indonesia (27.1%), China (23.2%), and Singapore (8.97%).

The country faces socio-economic challenges, including poverty and unemployment. Efforts to address these issues are critical for sustainable development.

For a comprehensive analysis of Timor-Leste's socio-economic components, it is essential to consider these economic indicators alongside factors such as education, healthcare, infrastructure, and governance.

The oil and gas sector is a critical component of its socio-economic landscape. The potential development of the Chuditch project would significantly impact the country and support national development. The royalties and taxes predicted would go into the government's budget to fund education, health and infrastructure. Development would also create jobs in maritime logistics, engineering and maintenance and related industries such as transportation, catering and accommodation. Offshore drilling also boosts the economy through increased demand for local businesses and services and a multiplier effect that increases household incomes and consumer spending. These are key to diversifying and strengthening Timor-Leste's economy and broader economic resilience.

6.3.1. Employment Sectors

The employment sector in Timor-Leste reflects a developing economy characterized by high informality, sectoral imbalances, and ongoing challenges in job creation. According to Trading Economics (2023), the overall unemployment rate in Timor-Leste was 1.8% in 2022 and 2023, a relatively low figure compared to global averages. However, this does not account for the high levels of underemployment and informal labour, particularly in rural areas. Youth unemployment remains a major issue, with a rate of 12.31% among individuals aged 15–24 as of 2019. Many young people struggle to transition into formal employment due to limited opportunities and inadequate skills training.





Additionally, the International Labour Organization (ILO, 2021) reported that Timor-Leste's labour force participation rate (LFPR) is 30.5%, which is low for a developing nation. This figure reflects significant gender disparities, with men participating at a rate of 36.9% compared to 24.2% for women. Many women are engaged in unpaid domestic work or informal agricultural activities, which limits their participation in the formal economy.

Employment in Timor-Leste is primarily concentrated in sectors such as services, agriculture, and industry. According to the ILO (2021), the services sector is the largest employer, accounting for 59.1% of the workforce and including areas such as education, healthcare, public administration, and retail. The agriculture sector employs 26.9%, focusing on subsistence farming of crops like coffee, maize, and cassava. The industrial sector accounts for 13.5% of employment and is driven by construction, manufacturing, and extractive industries. Despite its relatively small workforce share, the industrial sector is vital for infrastructure development and economic diversification.

The oil and gas industry is a significant employer in Timor-Leste. Employment opportunities from future developments like Chuditch will be both direct and through support industries such as transport and logistics for skilled and unskilled labour.

In terms of economic contributions, the AMAN Alliance (2023) reported that private-sector employment in non-oil-producing companies contributed \$590.2 million to the GDP in 2023. The retail/wholesale trade and construction sectors were key contributors to this growth. Private sector employment grew by 3%, with approximately 62,500 people employed in 2023, reflecting a modest improvement in job creation.

To address the challenges in the employment sector, the government has prioritized strategic economic diversification as outlined in the Strategic Development Plan (2011–2030). This includes reducing reliance on oil revenues by promoting agriculture, tourism, and manufacturing, which are expected to generate sustainable employment opportunities. Investments in infrastructure projects, such as road networks and construction, are also being prioritized to stimulate economic activity. Human capital development is another key focus, with vocational training and education initiatives being implemented in collaboration with organizations like ILO to improve workforce skills and align them with market demands.





Despite these efforts, challenges such as high levels of informal employment, limited opportunities for youth, and gender inequality persist. Addressing these systemic issues remains critical to achieving sustainable economic growth and improving livelihoods in Timor-Leste. The government's focus on education, infrastructure, and economic diversification offers a pathway toward fostering a more inclusive and resilient labour market.

A World Bank report of Unemployment Rate (Figure 18).

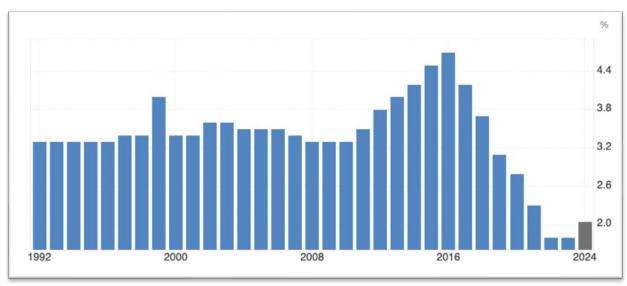


Figure 18-Unemployment Rate (Source: World Bank, 2024)

6.3.2. Fishing

Despite being relatively under-developed, the fishing sector is still an important part of Timor-Leste's economy and sustenance, with approximately 40,000 individuals directly engaged in the sector. The nation's waters, part of the Coral Triangle, are rich in marine biodiversity, supporting both artisanal and small-scale fisheries. The number of households engaged in aquaculture / fisheries activities is illustrated in Figure 19.

Fisheries are a major part of the local economy in the coastal areas. It is of great economic importance since fishing provides a source of livelihood and ensures food security, besides aiding in artisanal fisheries and commercial fisheries, which assist the coastal economy. Artisanal fishing, in a traditional manner, characterizes catches in the region, together with a little commercial fishing targeting tuna and mackerel among other species. Their economic





contribution, be it at local incomes or market contributions, is important, and as such, they are vital in securing the livelihood of the communities. However, it may destroy fishing grounds, cause habitat contamination, and add another player that competes for resources. This also includes mitigation through compensation programs, continued monitoring, and liaison with local fishermen for resolution of issues that will help minimize conflict.

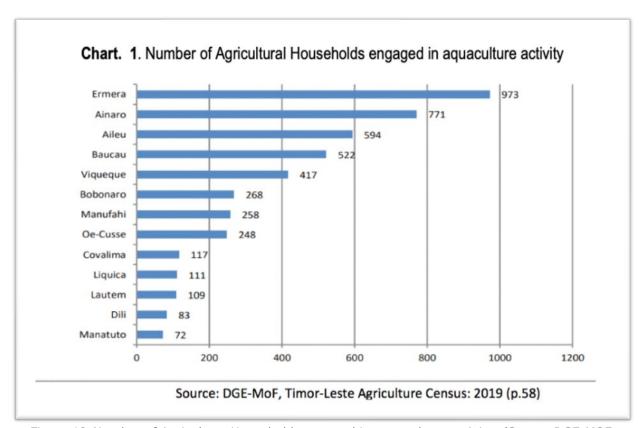


Figure 19-Number of Agriculture Households engaged in aquaculture activity. (Source DGE-MOF, 2019)

Artisanal fishers primarily use handlines, gillnets, and traditional traps to target species such as reef fish, tuna, and mackerel. These activities are vital for food security, as fish constitute a primary protein source for the population.

Coastal communities along the 600km of Timor-Leste's coastline rely on a wide range of fish, including the large tunas, flying fish, coral reef fish and deep-water snappers for their livelihoods. The DNFA estimates that for over half the 20,000 fishermen of Timor-Leste, fishing is the main source of food and income many individual, small-scale operators with small boats catch a range of fish mostly sardines. According to fish production data from the





National Directorate of Fisheries and Aquaculture in ATSEA Program Socio Economic Impact Assessment report (2011), there were an estimated 2,889 tonnes of fish (with equivalent value of around US\$ 5.8 million) landed in Timor-Leste in 2005. Dili was the most active fishing district, dominating the country's fish production and seaweed export, with limited fishing from the south coast towards the Contract Area.

The coral Fish Diversity Index are expected to predict 921 species. Sites with the highest fish diversity included Atauro Island with barrier reefs (293), Loikere (271), Ete Asa Lepek (259), west Jaco Island (249), and Tenu in Lautem (243). Several new fish species were also collected including Chrysiptera caesifrons and Eviota santani.

Many of the species listed for Timor-Leste are found throughout the tropics and are important commercial species, such as the tunas (The Big Tuna, Thunnus obesus) listed as threatened species, mackerels and snappers. Fish densities in the region of the contract area are likely to be low, with some pelagic species traversing the area. However, waters with greater fish abundance are likely to occur in the shallow, coastal fringe and around reefs and shoals on the edge of the continental shelf (CSIRO 1999a). The broader area of the Timor Sea region supports pelagic fish species that are utilized in traditional and commercial fisheries occur in the deeper offshore areas.

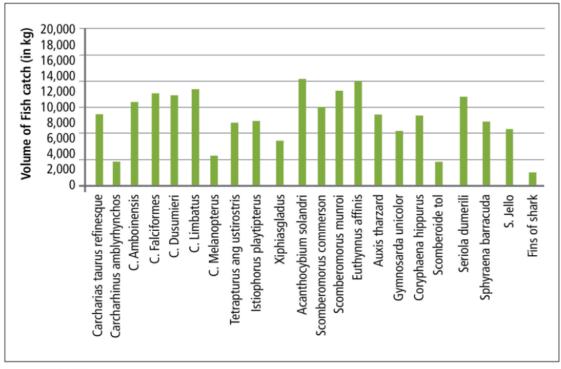
Some figures that give the efforts of Fishery in Timor Leste:

- Volume of Fish catch (Figure 20 as Chart 2).
- Small scale fishing area in Timor Leste (Figure 21).
- Fish catch Composition per Area (Figure 22).





Chart. 2. Volume of fish catch longimanus



Source: MAF, 2017.

Figure 20-Volume of fish catch. (Source: MAF, 2017)

To ensure sustainable fishing practices, the government has implemented several regulatory measures. Joint Ministerial Order No. 11/GM/2015 establishes minimum sizes and weights for fishing aquatic species, aiming to prevent overfishing of juvenile stocks. Additionally, Joint Ministerial Order No. 18/MAP/MCIA/II/2017 lists protected aquatic species, prohibiting their capture to preserve biodiversity. The implementation of a Satellite System for Monitoring Fishing Vessels (VMS) under Decree-Law No. 21/2008 further enhances the management of fish stocks by enabling effective monitoring, control, and surveillance of fishing activities. Despite these efforts, challenges persist, including illegal, unreported, and unregulated (IUU) fishing, which threatens marine ecosystems and local livelihoods. In response, Timor-Leste has taken steps to strengthen its commitment to combating IUU fishing by approving accession to the Agreement on Port State Measures, as outlined in Government Resolution No. 8/2023.







Figure 21-Small-scale fishing area in Timor-Leste. (Source: Ship Traffic)

The Peskas platform, an open-source web portal, provides data and insights on fisheries in Timor-Leste. Initiated in 2016 in partnership with the Ministry of Agriculture and Fisheries, Peskas uses catch data collected by local enumerators and vessel tracking data to show fishing trends over time and space. This near-real-time monitoring system focuses on small-scale fisheries and supports sustainable management practices.





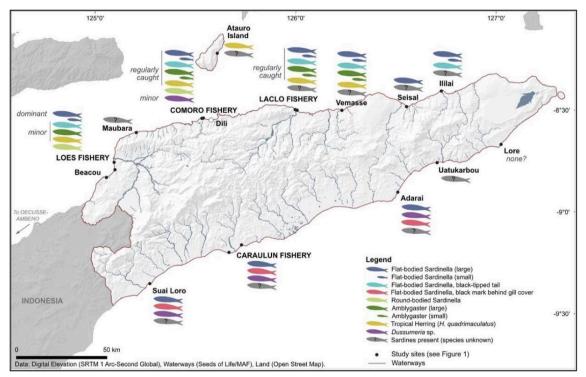


Figure 22-Fish catch composition per area. (Source: Hunnam et al., 2021)

6.3.3. Tourism

Though the Chuditch appraisal well is an offshore project, its impacts on the tourism industry, mainly on marine-based tourism activities of diving, snorkelling, and eco-tourism area considered.

Although the project would be classified as offshore, it may have effects on whatever marine-based tourism activities that exist in the area, such as diving and snorkelling, ecotourism. An approximation of the potential visual disturbance, noise, or even environmental pollution-for example, water contamination-that would be averse to the tourism aspects. It includes interference with the natural view and underwater experience, which is equally important to tourists. The key principle in evaluation for this would be that the marine ecosystems should be protected, and tourism should be a more attractive and sustainable economic activity in the area. The proposed drilling location is far offshore and has limited or no significant impact on eco-tourism.

Tourism is one of the Government of Timor-Leste's tools for ensuring economic and socially sustainable development. The Government of Timor-Leste has officially published a website





providing information related to tourism in Timor-Leste. This has been a stepping-stone for the country to introduce Timor-Leste worldwide through the website.

Marine tourism has been identified as a potential economic growth area for Timor-Leste, particularly along the north and east coasts, and could deliver social and economic benefits through employment. Some ecotourism, including cultural tourism in coastal areas, in interaction with marine wildlife (dolphins, whales) fishing competitions and diving outfits already exists; however further development of these industries is reliant on improved infrastructure and services (Bateman & Bergin, 2011). In northern Australia, commercial marine tourism is an important industry although a small component of the overall tourism sector. Activities include charter fishing, diving, snorkelling, whale mammal watching and visitations on luxury cruise boats around the Kimberley archipelago and NT coast to view sparsely inhabited pristine marine and coastal region. This industry is expected to grow over coming years (DEWHA, 2008b). In the northern region, the marine tourism industries are largely associated with recreational fishing ventures which are projected to increase both in terms of effort, numbers and potentially movement from coastal to offshore areas (Fernander and Grainer, 2010 - ATSEA Program Socio Economic Impact Assessment report 2011). The cruise shipping sector has seen significant growth in northern Australia, particularly through Darwin. There are no known significant heritage or archaeological sites, shipwrecks or marine heritage sites in the vicinity of the survey/drilling area. There is no regular passenger vessel passing by the Chuditch Field.

6.3.4. Seaport and Shipping

Shipping into and out of Timor-Leste is through the port of Dili, with a relatively limited but growing number of vessels. However, administration of shipping is underdeveloped. A new port has recently been completed in Tibar, Liquiça municipality, 2 km to the west of Dili and has been operating since November 2022. It is estimated that this new facility will lead to an increase in shipping traffic to Timor-Leste. In northern Australia, the major ports (Darwin, Dampier, Broome, Weipa, Karumba, Nhulunbuy) are experiencing increased activity due to expansion in the resources sector and exports of major commodities (ironore, natural gas and other petroleum products, lead, zinc, manganese and copper) (DEWHA, 2008A & 2008B). A number of private ports have been established in Australia, associated with the resources sector (e.g., in areas adjacent to Gove, Groote Eylandt and McArthur





River in the Northern Territories) with major expansion in ports having been undertaken for gas developments. There is almost a certain amount of traffic associated with offshore support vessels associated with oil and gas industry production and exploration. An increase in shipping and port expansion associated with the growth of the resources sector in the region has potential implications for the marine environment (DEWHA 2008b). Marine transport activity in the Timor Sea region is shown in Figure 23.

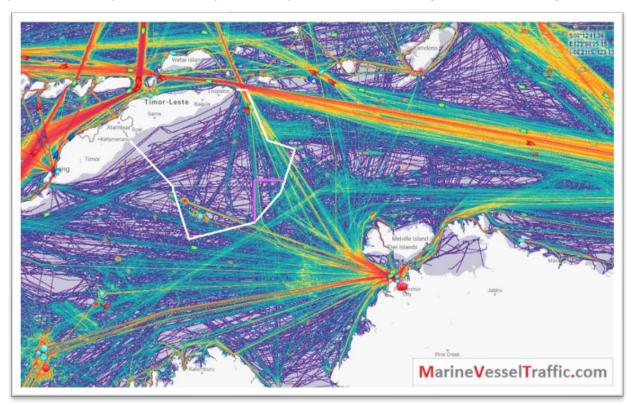


Figure 23-Details record of fishing and shipping activity in Timor-Leste. (Source: Marine Vessel Traffic)

6.3.5. Agriculture and Forestry

Timor-Leste is famous for its coffee variety named Timor Hybrid and also known as the country of origin of sandalwood. The following crops are considered economically productive for Timor-Leste: cashew nuts, mangos, spices, vanilla, pineapples, passion fruit, guavas, as well as flowers. The proposed drilling location is far offshore and would not have any significant impact on the agriculture and forestry aspects. The development of Oil and Gas subsequently would have a significant positive impact in the supply chain of fresh fruits and vegetable to Oil and Gas Industry.





6.3.6. Other Industries

Mineral and Energy Exploration

Timor-Leste is considered as a highly promising country for mineral and natural gas and oil both onshore and offshore. Based on the study carried out by UNESCAP, Timor-Leste has reserves of metallic minerals: copper-gold, chromite, gold, manganese; and also, non-metallic minerals: bentonite clay, phosphorite, gypsum and salt, wollastonite, graphite and talc, silica sands, sulphur, and ochre. In the northern edge of Timor-Leste, there are indications of the existence of copper, chromite, gold, silver, and manganese. The north edge of Oecusse is claimed as the richest copper zones in Timor-Leste as well as Baucau and north central Viqueque Municipality. Atauro and Ossu area of the Viqueque Municipality have number of gold and silver occurrences. In the eastern and western coastal areas of Timor-Leste possesses limestone and marl. Phosphate and bentonite are found in central Baucau Municipality. Good quality marble is also found in Manatuto. The belt from east Dili to the east coast possibly contains clay and kaolin. Mineral that has not been explored yet but are predicted to exist in Timor-Leste are laterite nickel, platinum, and diamonds. This is onshore and development of mining resources would boost the economic development of Timor-Leste.

6.3.6.1. Potential Impacts of Oil and Gas Exploration

The oil and gas sector is central to Timor-Leste's economy, historically contributing over 90% of government revenues. While its employment generation capacity is limited compared to its revenue contributions, it offers several specific benefits to the employment sector:

- 1. Creation of Direct and Indirect Jobs:
 - Direct Employment: The sector requires specialized roles during appraisal drilling, and production phases, such as petroleum engineers, geologists, drilling engineers, and safety officers. These positions, though limited in number, are high-paying and skills-intensive.
 - Indirect Employment: Support industries such as transportation, catering, equipment supply, and facility maintenance see increased demand. For instance, during the Bayu Undan gas project, local suppliers were contracted for logistics and site preparation services.





• Construction Opportunities: Infrastructure development for pipelines, refineries, and export facilities generates substantial short-term employment, often engaging unskilled and semi-skilled workers from local communities.

2. Skills Development and Knowledge Transfer:

- Technical Training Programs: Partnerships between oil and gas companies and local vocational institutions can upskill the workforce. For example, training programs in welding, machinery operation, and environmental safety equip workers with industry-relevant expertise.
- Apprenticeships and Internships: Opportunities for on-the-job training allow workers to gain practical experience under expert supervision, facilitating knowledge transfer from international professionals to local employees.
- Long-Term Career Development: Skills acquired in oil and gas operations, such as project management, engineering, and environmental monitoring, can be applied across multiple industries, ensuring sustainable career progression.

3. Economic Multiplier Effect:

- Boost to Local Enterprises: Oil and gas projects often rely on local suppliers for goods and services, stimulating the growth of small and medium-sized enterprises (SMEs). For instance, catering companies, transport operators, and equipment rental businesses benefit from increased demand.
- Infrastructure Development: Revenues from the sector are channelled into public infrastructure projects such as roads, ports, and power plants, creating additional employment opportunities and enhancing economic connectivity.
- Increased Household Income: Wages earned in oil and gas jobs flow back into the local economy, driving consumption and supporting retail and service sectors.

4. Support for Local Content Policies:

- Mandatory Local Hiring: Policies requiring oil and gas companies to hire a minimum percentage of local workers ensure that the economic benefits of projects are distributed within the community.
- Capacity Building for Local Suppliers: Companies often invest in training local businesses to meet industry standards, enabling them to compete for contracts in the oil and gas supply chain.





5. Gender Inclusion Opportunities:

- Encouraging Women's Participation: The sector can create targeted programs to train and hire women in technical and leadership roles, addressing historical gender disparities.
- Flexible Roles: Support positions, such as administrative, environmental monitoring, and community liaison roles, offer opportunities for women to engage in the workforce.

6. Community Development through Revenue Allocation:

- Education and Health Investments: Revenues from oil and gas projects are often used to fund public services, indirectly creating employment in education, healthcare, and social infrastructure.
- Social Programs: Community development initiatives funded by oil and gas revenues, such as scholarships, housing, and entrepreneurship grants, foster long-term socio-economic benefits.

6.4. Social Components

The baseline socio-economic information is derived from secondary, publicly available and published sources. The sources are Government websites, public, Institutional publications, Government of Timor-Leste National Strategic Development Plan, World Bank 2023, basic sanitation facilities, WHO, UNDP, UNFPA, ILO, MAF.

Timor-Leste has made significant strides in rebuilding its social and economic components since the restoration of independence in 2002. This section provides an overview of the social components in Timor-Leste, including the status of the population, living standards, health indicators, and societal structures. Furthermore, it evaluates the potential impacts of oil and gas exploration activities, such as the Chuditch-2 project, on employment, income levels, and infrastructure development.

In general terms, consideration can be given to the present status of the population, including demographics, population size and composition, living standards (including factors such as access to housing, clean water, and electricity) public health indicators (access to healthcare), and social aspects (community structures and local governance systems). The possible impact on employment can be assessed, along with the overall impact on local





economies and any development of infrastructure, such as roads, schools, healthcare, and other such facilities that are propelled by the increased demand or investment.

6.4.1. Demographics and Population Composition

As of 2023, Timor-Leste's population is estimated at approximately 1.34 million people (World Bank, 2023), with a youthful demographic profile. Over 60% of the population is under the age of 25, reflecting high fertility rates averaging 4.2 births per woman (UNFPA, 2022). Figure 24 shows the distribution of the Timor-Leste from the Population Census of 2022. This demographic trend has implications for the country's labour force, education system, and social services. Rural areas account for about 70% of the population, while Dili, the capital city, is the primary urban hub. Ethnically, the population is diverse, with Austronesian and Melanesian influences, and there are over 30 local languages spoken, in addition to the official languages of Tetum and Portuguese.

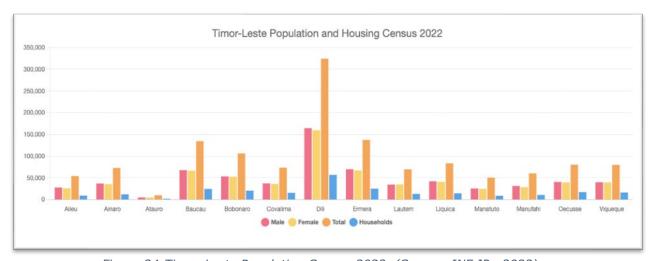


Figure 24-Timor-Leste Population Census 2022. (Source: INE IP., 2022)

6.4.2. Living Standard

While Timor-Leste has made progress in improving living standards, significant challenges still remain.

6.4.2.1. Housing

The Timor Leste Housing 2022 Census (Figure 25) reported that 55.9% of households lived units have concrete or brick walls. Palm trunk (bebak) is the second-most common wall material used. In rural areas, 19.5 percent of all housing units have palm trunks as wall





material. In urban areas, this is much less (6.9 percent). About one in seven Timor-Leste housing units have bamboo walls (14.4 percent). While this is 19.6 percent in rural areas, just a few houses in urban areas use bamboo as construction material for walls (1.2 percent).

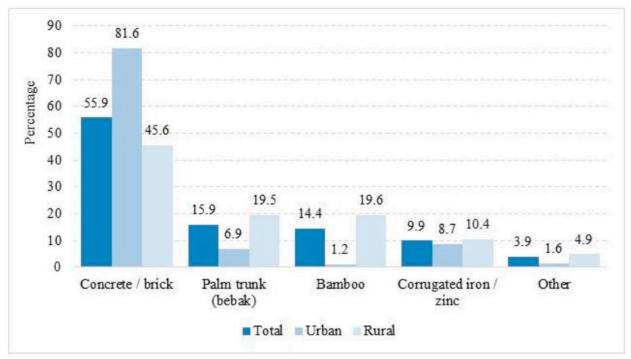


Figure 25-Timor-Leste Housing Census 2022 (Source: INE IP, 2022)

6.4.2.2. Clean Water and Sanitation

The criteria to classify drinking water services are 'improved' or 'unimproved' type of drinking water sources, accessibility of drinking water on the premises, the time required to collect drinking water, including queuing, the availability of water if needed and absence of contamination.

An improved drinking water source can deliver safe water through its design or construction. The following types of water supplies are considered a source of improved drinking water: piped supplies and non-piped supplies (such as boreholes, protected wells and springs, rainwater, and packaged or delivered water, e.g. by tanker trucks). Unimproved water sources do not protect against bacterial and chemical contamination. These sources include rivers, streams, irrigation channels and lakes.





The Clean Water and Sanitation Census 2022 (Figure 26) reported for drinking water source that the most occupied housing units rely on public taps or public piped water (39.5%). Only a minority of 10.2 percent of all housing units have piped or pumped water in the house, and 11.0 percent have a private water source in the yard. Bottled water and water delivered by a water vendor account for 8.8% and 2.3% of all housing units, respectively. The graph in Figure 36 shows that people in 8.7% of all housing units depend on rivers, streams, lakes, ponds and irrigation channels to get drinking water, and 4.3% obtain their drinking water from unprotected wells and unprotected springs. This means that unimproved drinking water sources are used in 13.0% of all housing units.

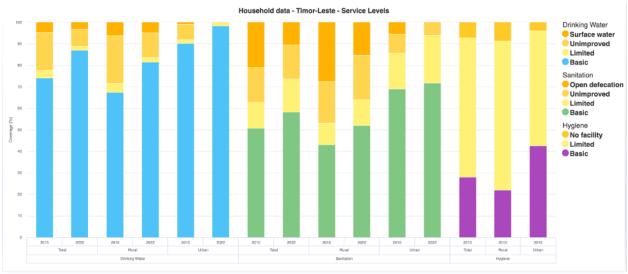


Figure 26-Clean water and sanitation census 2022. (Source: WHO/UNICEF, 2022)

Approximately 75% of households have access to improved drinking water sources, but only 46% have access to basic sanitation facilities (WHO/UNICEF Joint Monitoring Programme, 2022).

Lack of proper sanitation is a major contributor to waterborne diseases, particularly in rural communities.





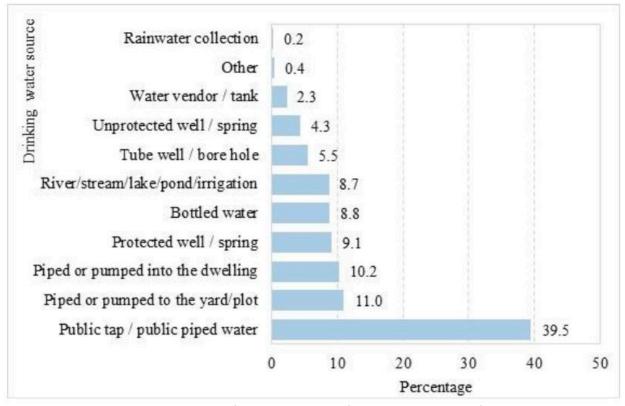


Figure 27-Drinking water source (Source: INE IP, 2022)

6.4.2.3. Electricity Access

As of 2024, Timor-Leste has achieved a national electrification rate of 99%, according to *Eletricidade de Timor-Leste* (EDTL). This milestone reflects substantial government efforts to expand electricity access across the country. Currently, only one suku, Betulau, in the post-administrative area of Lequidoe, Aileu Municipality, remains under construction. Furthermore, 96% of aldeias nationwide are now connected to the electrical grid, marking significant progress in enhancing electricity access for both urban and rural communities.

This achievement aligns with the National Strategic Development Plan (2011–2030), which prioritizes universal access to reliable, 24-hour electricity by 2030. The plan emphasizes rural electrification as a cornerstone of sustainable development, aiming to reduce inequalities and foster economic growth across Timor-Leste (Timor-Leste National Strategic Development Plan).





Despite these advances, challenges persist, particularly in rural areas, where intermittent power supply hampers productivity and quality of life. To address these challenges, the government and international organizations have launched targeted initiatives. For instance, the UNDP's Accelerating Clean Energy Access to Reduce Inequality (ACCESS) project, funded by the Korea International Cooperation Agency, has been pivotal in improving energy access for vulnerable communities. Between 2020 and 2023, the project focused on enhancing sustainable electricity access in 25 villages across Dili (Atauro), Bobonaro, and Manatuto municipalities, aiming to improve livelihoods and reduce energy inequality (UNDP ACCESS Project).

Additionally, the UNSDG's Solar-Powered UN House project highlights Timor-Leste's commitment to greener and more sustainable energy solutions. This initiative showcases the potential of renewable energy sources, such as solar power, to address chronic energy challenges and reduce dependency on expensive and environmentally harmful diesel generators (UNSDG Solar-Powered UN House).

The government is further promoting renewable energy technologies, including micro-hydro, solar panels, and biofuel generators, particularly in remote areas. Communities are encouraged to adopt these solutions, with opportunities to produce surplus energy for sale to the national grid.

While Timor-Leste has made commendable progress toward electrification, continued efforts are necessary to ensure the reliability, affordability, and sustainability of electricity, particularly in rural areas. Strengthening infrastructure and advancing renewable energy initiatives will be critical to achieving the country's long-term development goals.

6.4.3. Health Status

Public health indicators in Timor-Leste highlight areas of progress and ongoing challenges.

6.4.3.1. Life Expectancy

Life expectancy in Timor-Leste has seen significant improvement, increasing to approximately 70 years as of 2023. This progress reflects advancements in healthcare, education, and living conditions within the country. Despite these gains, life expectancy in Timor-Leste remains lower than the global average, which was 73.4 years in 2019 according to the World Health Organization (WHO).





The improvement is attributed to investments in public health infrastructure, vaccination programs, and reductions in infant and maternal mortality rates. However, challenges persist, including access to healthcare in remote areas, nutritional deficiencies, and the burden of communicable and non-communicable diseases. Continued efforts in addressing these issues are essential to closing the gap with the global average.

6.4.3.2. Healthcare Access

Timor-Leste faces significant challenges in ensuring equitable access to healthcare, particularly for rural communities. While healthcare infrastructure is concentrated in urban centers like Dili, rural and remote areas remain underserved. This geographic disparity greatly affects access to skilled healthcare, with only 40% of births in rural areas attended by skilled health personnel, compared to 85% in urban settings.

6.4.3.3. Resource and Workforce Challenges

Health facilities in Timor-Leste often operate with limited resources, including insufficient medical equipment, essential medicines, and infrastructure such as clean water, electricity, and transportation services. Rural health posts, which are typically the first point of care for many communities, are especially affected by these shortages.

Moreover, the country faces a critical shortage of skilled healthcare professionals, including doctors, nurses, and midwives. This shortage is compounded by challenges in recruiting and retaining qualified staff in rural areas. Many healthcare workers prefer urban settings due to better living conditions, professional opportunities, and access to education for their families.

6.4.3.4. Maternal and Child Health

Maternal and child health indicators highlight the need for targeted interventions. Although progress has been made since independence in 2002, maternal mortality remains high, with 142 maternal deaths per 100,000 live births in 2020 (World Bank). Neonatal and under-five mortality rates are also higher in rural regions (41 per 1,000 live births) due to limited access to antenatal care, skilled delivery services, and postnatal care (World Bank, 2023).

While Timor-Leste has made notable progress in rebuilding its healthcare system postindependence, significant disparities remain. Achieving universal healthcare access requires sustained investments in health infrastructure, human resources, and community outreach





programs. Addressing these challenges is critical to improving health outcomes, particularly for women and children in rural areas.

6.4.4. Education

Timor-Leste's education system comprises six years of primary education, followed by three years each of lower and upper secondary education, totalling 12 years of formal schooling. As of 2015, the country had 106 secondary schools, with 61 public and 45 private institutions. The net attendance ratio for secondary education stood at 32.8%, with a higher participation among females (35.9%) compared to males (29.9%).

In tertiary education, the net attendance ratio was 16.3%, indicating that a modest proportion of the population pursued higher education. A significant concentration of tertiary students resided in Dili municipality, accounting for 66.7% of the total higher education student body.

Additionally, the Timor-Leste government has committed to supporting students through initiatives through the Human Capital Development Fund, which allocated at least \$150,000 in 2023 to assist up to three Timorese students in pursuing studies in the United States. Furthermore, the collaboration with development partner's support students to study in Europe, Australia, New Zealand, China, Japan, etc.

These collaborative efforts between the government and international partners aim to develop a skilled workforce capable of contributing to Timor-Leste's ongoing development, aligning with the educational objectives outlined in the SDP 2011–2030.

Despite these advancements, several challenges persist. A significant issue is the shortage of qualified teachers; many educators have only completed secondary education, with only half meeting the minimum qualifications for teaching.

This lack of qualified teachers contributes to high repetition rates, particularly in early grades. For instance, a 2009 assessment found that over 70% of Grade 1 students were unable to read a single word in Portuguese or Tetum, though this improved to 40% by the end of Grade 2.





Infrastructure deficits further hinder educational access, especially in rural areas. Ageing facilities, insufficient classrooms, and limited educational resources contribute to high dropout rates and absenteeism.

Additionally, language diversity poses challenges, as instruction is primarily in Portuguese and Tetum, which may not be the first languages of many students.

Efforts to address these challenges include government initiatives and international partnerships aimed at improving teacher training, updating curricula, and enhancing educational infrastructure. However, sustained investment and comprehensive strategies are essential to overcome these obstacles and ensure quality education for all Timorese children.

6.4.5. Transportation Infrastructure

Infrastructure plays an important role in supporting economic and social development. The Government of Timor-Leste has improved the transportation infrastructure in general. However, there are many challenges due to climate change, low maintenance and limited human resources to maintain infrastructure.

The Timor-Leste Strategic Development Plan 2011–2030 outlines a comprehensive vision for enhancing the nation's transport infrastructure across land, air, and maritime sectors. The plan emphasizes the critical role of a robust transportation network in facilitating economic growth, social development, and national integration.

Timor-Leste's transportation infrastructure encompasses land, air, and maritime sectors, each presenting unique challenges and ongoing development efforts.

6.4.5.1. Land Transportation

The nation's road network spans approximately 6,041 kilometers, with about 2,600 kilometers paved and the remainder unpaved. The condition of these roads is often inadequate, hindering efficient transportation. Public transport primarily consists of privately operated minibuses, known locally as *microlets*, which serve various routes without formal schedules. Recent initiatives, such as the Timor-Leste Branch Roads Project, aim to improve road connectivity by linking key towns and enhancing access to potential tourist destinations like Mount Ramelau.





6.4.5.2. Air Transportation

The country operates several airports, with Presidente Nicolau Lobato International Airport in Dili being the primary hub for international flights. This airport accommodates flights to destinations including Darwin, Denpasar, and Singapore. However, limitations such as a short runway and lack of night-time landing capabilities restrict operations to daylight hours. Other airports, such as those in Oecusse, Baucau, and Suai, primarily handle domestic flights and are less equipped for international traffic.

6.4.5.3. Maritime Transportation

Maritime transport is vital for both domestic and international trade. The Port of Dili has historically been the main international cargo reception port, but its capacity has been insufficient to meet import needs. To alleviate this, the Tibar Bay Port was developed and began operations on September 30, 2022, aiming to handle all cargo shipping and improve trade efficiency. Additionally, ferry services operate between Dili and regions like Oecusse and Atauro, providing essential connectivity for passengers and vehicles.

6.4.6. Religion

Timor-Leste has no official state religion and the government values different religious views. Catholicism however is the dominant religion of Timor-Leste following centuries of Portuguese occupation. Protestant, Animist and Islamic have also been practiced by Timorese. Many Timorese hold animistic beliefs, where traditions and old animistic cultures are still attached in some rural areas. However, animistic traditions are more cultural rather than religious.

6.4.7. Social Structures and Local Governance

Timor-Leste's community structures are deeply rooted in traditional systems, with customary practices ("adat") playing a pivotal role in social cohesion and dispute resolution. Local governance operates through village-level councils ("sucos"), which are essential for implementing development programs and resolving conflicts. These councils work alongside formal administrative systems established by the national government, ensuring localized decision-making and community engagement.





6.4.8. Social Structure and Language

Timor-Leste consists of diversity of ethnic groups that speaks more than 30 languages as well as Bahasa Indonesia and Portuguese has been used across the territory with some of the larger language groups being. Timorese largely speak Tetum, Mambae, Portuguese, Bahasa Indonesia, Tokodede, Makasae, Kemak, and Bunak. Among those languages, Tetum and Portuguese are claimed as the official languages in Timor-Leste for those living around Dili and the neighbouring northern coast.

6.5. Cultural Components

6.5.1. Traditions

Timor-Leste traditions are strongly related to mythology and are verbally spread from generation to generation. The tradition is dominated by animist spiritualism that believes the spirits of the dead people should be worshiped. The spirits, named as Lulik, are on shapes and objects such as wells, streams, stones, and animals.

A significant tradition of Timor-Leste is *Tais* weaving. It is the textile of the country that expresses the beauty and ancient traditions of Timor-Leste, which is mostly crafted by women. *Tais* has been widely worn for dances, religious gatherings and special rituals in Timor-Leste.

Music and dance in Timor-Leste have been strongly influenced by Portuguese and Indonesian cultures, with the most popular dance namely *Likurai*. Performed by women, this is a welcoming dance for men back to their homes after the war.

6.5.2. Cultural Heritage

Cultural heritage may thus relate to valuable sites, whether these are related to maritime heritage, traditional fishing practices, or indigenous systems of knowledge. The analysis of the cultural impact of a project includes identifying all places featuring cultural significance and analyse the potential influence of a project on such an area. The cultural heritage sites might include any of the following:

Maritime Heritage: Sites related to the sailing tradition, traditional fishing practices form part of the culture and employment of local communities, and indigenous knowledge systems manifest themselves in the unique practices tied to land and sea.





Cultural Impact Assessment: In terms of marine heritage in the vicinity of the drilling activity, there are no known significant heritage or archaeological sites, shipwrecks or marine heritage sites. In addition, the people of Timor-Leste still carry out traditional rituals prior to conducting activities in the ocean.





7. INTITUTIONAL ROLES AND RESPOSIBILITIES

Table 17 provides details of the roles and responsibilities for all Health, Safety, and Environment (HSE) related aspects of SGBU and its drilling contractor management within the drilling of Chuditch-2 Appraisal Well.

Table 17-Details of the roles and responsibilities related to HSE for Chuditch-2 Appraisal Well.

Table 17-Details of the roles and responsibilities related to HSE for Chuditch-2 Appraisal Well.			
Party	Responsibilities		
SGBU General Manager	 To establish environmental protection policy for the project; To obtain the Authority's permission and approval with regards to the relevant environmental requirements; To notify the relevant agency on works to be carried out on site; To verify contractor's environmental policies, standards and procedures are acceptable and conform to applicable laws and regulations; To engage an Environmental Consultant in conducting environmental monitoring and verification of environmental performance on site; 		
	 To review environmental monitoring and surveillance audit reports prepared by the Environmental Consultant. 		
SGBU Well Operations Manager	 To communicate SGBU environmental performance targets to all project team members; To impose environmental management requirements on the Drilling Crews. This includes requiring the subcontractor's personnel to observe HSE program and coordinating activities between the rig contractor and subcontractor personnel to avoid conflicts; To ensure that suitable management processes are in place to carry out the operations safely and in an environmentally sound manner and to reduce risks wherever practicable; To provide environmental emergency support, including emergency response plans, equipment and professional support for Tier 2 and Tier 3 emergencies; To monitor SGBU HSE and Drilling Contractor performance and assist in the implementation of environmental improvement initiatives; to ensure all relevant environmental plans, procedures and records are in place and maintained; To review actions undertaken in response to any nonconformance or complaints received from the public and consider whether additional mitigation measures are 		





Party	Responsibilities
	 required with respect to the operation of the work; and To report environmental related incidents to the ANP and other relevant agencies.
SGBU HSE Manager	The SGBU HSE Manager will advise and assist the Well Operations Manager on health, safety and environmental issues, includes the following:
	 Advise on governmental environmental regulatory requirements and applicable legislation; develop project overall environmental policy and plan and advise on environmental clauses and their implementation in the contractual document with the drilling contractor and other service contractors;
	 Provide advice and guidance for all aspects of the operations on matters relating health, safety and environment; advises on environmental hazards associated with chemicals and other material produced, or likely to be used in the operations and advise on emission limits;
	• Review Drilling Contractor and other service contractors' environmental management plan; monitor and analyse environmental performance during the operation and make suitable recommendation for improvement;
	 Maintain close liaison with Drilling Contractor's OIM and Safety Department Representative (SDR) to discuss the environmental implementation and performance, audit findings and develop practical improvement action plans, if necessary;
	 Assist in investigation and analysis of environmental incidents including report writing; to conduct review meetings with the Environmental Consultant to assess environmental performance of the works and to identify any improvements in working practices to avoid non-compliance of the proposed work practices; report on all environmental related matter to SGBU; and
	 Liaise with governmental agencies to ensure timely advice of regulatory requirements and compatibility of operations with the requirements.
Drilling Superintendent / (DS)	The Drilling Superintendent will work closely with the Rig Manager on the following:
	 Develop environmental objective and plans in line with the SGBU environmental objective and regulatory obligations; Coordination and consultation with line supervisors, employees and subcontractors on environmental matters;





Party	Responsibilities					
	Responsible for safe execution of all operations on the rig including rig moving, well construction, well testing and maintenance of facilities on rig.					
	 Responsible for overall environmental requirements and management on rig including waste management and disposal, fuel/ oil spill responses, emergency response, etc.; Ensure the Offshore Drilling Supervisor and SGBU/Rig HSE 					
	personnel, carry out environmental hazards identification, assessment and develop plan for mitigation measures;					
	 Ensure that necessary pollution control equipment is provided on board and that a schedule for periodical inspection and maintenance activities is in place and used; and 					
	Ensure all personnel on board are provided with appropriate environmental awareness induction and adhere to the SGBU and rig operator's environmental directives.					
Rig Drilling Crew						
Drilling Supervisor/ Rig Manager, (RM) Company Man (CM)	The Offshore Drilling Supervisor/ Company Man (CM) is SGBU's senior representative on site. The CM, in close liaison with SGBU Drilling Superintendent in Dili, is responsible: • For safe operation of the well construction activities by					
	appropriate planning and monitoring of drilling program carried out by the Drilling Contractor.					
	 To ensure that the appraisal drilling works is carried out in accordance with SGBU HSE and this EMP's requirements, which include: 					
	 To incorporate environmental management considerations and practices in project planning including the selection of drilling site, drilling method.; 					
	 To ensure that appropriate control and mitigation measures are implemented to minimize overall potential environmental impacts associated with the exploration drilling activities; 					
	 To re-assess environmental impacts of the drilling activities and together with the Rig Contractor, develop corrective actions; 					
	 To alert the SGBU DS and SGBU HSE Manager to any operational changes which have significant impact to the environment; and 					
	 To notify the SGBU HSE Manager of any incidents and 					





Party	Responsibilities
	activities arising from the exploration activities that could have negative environmental impacts.
OIM / Tool Pusher (TP)	 Ensure that the drillers are aware of all environmental requirements and abide with the best environmental practices in carrying out drilling and associated activities; Where necessary, incorporate and consider environmentally friendly option in identification of work method; Carry out drilling work as per procedures established and verifies that environmental provisions are followed; Verifies the performance of environmental management for the drilling associated activities; and Provides environmental emergency response support, both personally and together with drillers.
HSE Advisor	 Identify the resources and equipment available and required for environmental control and mitigation purposes; Monitor/ inspect environmental practices on site on a regular basis; take necessary actions to ensure compliance with all the relevant approval conditions and environmental related regulations; Ensure that environmental protection requirements are communicated to all personnel and subcontractors; Provide environmental, health and safety induction for all staff on board; Ensure that the work procedures are carried out within the preferable environmental mean; Maintain all spill clean-up kits or spill control equipment are in good working conditions in compliance with the manufacturers' recommendations; Verify the necessity to rectify work procedures so as to comply with the relevant environmental requirements; and Liaise with HSE Manager during periodical site surveillance audit and monitoring program.
Drillers	 Conduct drilling activities in accordance to work statement as instructed by the CM; Implement on site best management practices as detailed in this EMP; Take necessary steps to correct environmental hazardous conditions and incorrect practices and inspection of the pollution control equipment for drilling activities are in good condition; and Report any activities that breach the practices recommended in the EMP to the Rig OIM who will advise the SGBU CM.





Party	Responsibilities
Barge Master (BM)	 To incorporate environmental consideration in the jack-up rig move plan; To implement appropriate environmental control measures during rig movement;
	 To be responsible for the sewage and waste management on the jack-up rig;
	 To report marine mammal sighting during rig movement and during operations; To be responsible on the inspection and maintenance of pollution control requirements on the jack- up rig.
Others	
Environmental	The Environmental Consultant will assist SGBU in the
Consultant	identification of the environmental requirements during the project implementation stage, monitor the environmental quality on site and verify the implementation of EMP by the respective parties involved.
	 Incorporate SGBU environmental policy in the EMP;
	 Support and advise SGBU on any environmental issues, which may arise during the implementation of the appraisal well construction program;
	 Advise SGBU HSE on the environmental management and mitigation measures that need to be implemented at the site so as to minimize adverse environmental impacts;
	 Monitor and verify the implementation of environmental practices on the rig and to check on the effectiveness of the mitigation measures implemented;
	 Notify SGBU on the environmental performance onsite and advise for the review of the EMP and the monitoring program, if deemed necessary; check the environmental management on the closure and rehabilitation of the drill site.





8. SUMMARY OF IMPACTS

8.1. Risk Assessment

The following outlines SGBU environment impact and risk assessment acceptable levels:

- Residual planned impacts that are ranked as minor or less (i.e., minor, negligible, no effect or positive effect) and residual risks for unplanned events ranked yellow, light blue or green, are inherently 'acceptable', if they meet legislative and SGBU requirements and the established acceptable levels of impacts and risks.
- Moderate residual impacts, and yellow residual risks, are 'acceptable' with appropriate controls in place and if good industry practice can be demonstrated.
- Major and massive residual impacts from planned activities, and red residual risks from unplanned activities, are 'unacceptable'. The activity (or element thereof) should not be undertaken as the impact or risk is serious and does not meet the principles of Ecologically Sustainable Development (ESD), legal requirements, SGBU requirements or regulator and stakeholder expectations. The activity requires further assessment to reduce the risk to an acceptable level.

Table 18 provides a summary of the acceptability statements. An SGBU multidisciplinary team of SGBU were able to assess potential impacts and consequences in the EIS process.

Table 18-Acceptability Categories

Acceptability Statement	Residual Impact (planned)	Residual Risk (Unplanned)
Inherently acceptable - Manage for	Positive Impact Consequence	Green
continuous improvement through	No Impact Consequence	Light Blue
effective implementation of the HSSE and SP management system	Negligible Impact Consequence	Light Blue
and or management system	Minor Impact Consequence	Yellow
Acceptable with controls - Apply the hierarchy of control to reduce the risks to ALARP	Moderate Impact Consequence	Orange
Unacceptable	Major Impact Consequence Massive Impact Consequence	Red





The summary of environmental impacts and environmental parameters during mobilization of rig to site, during drilling operations and during the demobilization of rig and the Potential Impacts Matrix is given Table 19.

Table 19-Potential Impacts Matrix.

		Mahili-atian /Dia	Operation			D - - - - - - -	
Eı	nvironmenta	al Components/Parameters	Mobilization/Rig Move	Rig Drilling Well Testing		Demobilization/Rig Down	
		CO/CO ₂	✓		✓	✓	✓
		Methane (CH ₄)	✓		✓	✓	✓
	A:	NO/NO ₂ /N ₂ O	✓		✓	✓	✓
Db	Air	Ammonia Gas (NH ₃)	✓		✓	✓	✓
Physical and	Quality,	SO	✓		✓	✓	✓
Chemical	Noise,	Particulate Matter (PM ₁₀)	✓		✓	✓	✓
Components	Vibration, and Light	PM _{2.5}	✓		✓	✓	✓
	and Light	Noise	✓		✓	✓	✓
		Vibration	✓		✓	✓	✓
		Light	✓		✓	✓	✓
		pH	✓		✓	✓	✓
		Salinity	✓		✓	✓	✓
		Turbidity	✓		✓	✓	✓
		Total Suspended Solids	✓		✓	✓	✓
		Total recoverable hydrocarbons (TRH)	✓		✓	✓	✓
		Polycyclic aromatic hydrocarbons (only where TRH is detected)	✓		✓	✓	✓
	Water	Total Aromatics Hydrocarbons	✓		✓	✓	✓
Physical and Chemical	Quality	BTEX (benzene, toluene, ethylbenzene and xylene)	✓		✓	✓	✓
Components		Sulphur	✓		✓	✓	✓
		Heavy metals (As, Ba, Cd, Cr, Co, Cu, Hg, Ni, Pb, Zn, Mg, Fe, Se)	✓		✓	✓	✓
		Oil and Grease	✓		✓	✓	✓
		Chlorophyl-a	✓		✓	✓	✓
		Sediment Speciation	✓		✓	✓	✓
	Sediment	Acid Volatile Sulphides (AVS)	✓		✓	✓	✓
	Quality	Pore water	✓		✓	✓	✓
	- ,	Metals and Metalloids	✓		✓	✓	✓





Environmental Components/Parameters		Mobilization / Dia	Operation			Domobilization / Dia	
		Mobilization/Rig Move	Rig Up	Drilling	Well Testing	Demobilization/Rig Down	
		Hydrocarbons	✓		✓	✓	✓
		PAH	✓		✓	✓	✓
		Oil and Grease	✓		✓	✓	✓
	Marine	Habitat/Seabed Destructions	✓		✓	✓	✓
	Flora and	Migration	✓		✓	✓	✓
	Fauna	Abundance	✓		✓	✓	✓
Social,	Socio- Economic	Employment	✓		✓	✓	✓
Economic and Cultural	Socio- Cultural	Public Complaints	✓		✓	✓	✓





An SGBU multidisciplinary team discussed the environmental impacts of drilling operation and identified the hazards, the sources and deliberated on the inherent environmental risk.

The summary of inherent risk is absence of risk mitigation measures of Chuditch-2 Appraisal drilling project to the environment given in Table 20.

Table 20-Summary of Chuditch-2 Appraisal Drilling Inherent Environmental Risk				
Hazard	Source	Inherent Risk		
Atmospheric emissions (SOx/NOx and greenhouse gases)	 Power generation for the drilling rig. Fuel transfer activities, including emissions from machinery, fugitive emissions from unsealed containers, maintenance operations, equipment testing, and small-scale engineering works. Vessel propulsion and onboard power generation and fugitive emissions from machinery on rigs and vessels. Potential leakage and spillage incidents, particularly in cases of poor management practices. Fugitive emissions from loading operations and tank storage activities, Flaring during well testing, no significant impacts are anticipated, as only Drill Stem Testing (DST) will be conducted for a limited duration. Transportation activities, including increased flights and vehicle traffic. Manufacturing processes related to drilling operations, such as the production of drilling muds, chemicals and machinery. 	Medium		
Uncontrolled release from well (Gas and associated Condensate)	Well releasesWell blow-out	High		
Drilling Discharges (WBM)	 Discharge of WBM contaminated drill cuttings and associated discharge of WBM drilling fluid and muds. 	Low		
Drilling discharges (SBM)	 Discharge of SBM will not be discharged directly to the sea. Onshore discharge of bulk SBM drilling muds at the completion of drilling. 	Medium		
Oil, fuel and chemical spills	 Vessel collision Fuel or chemical transfers Leak from fittings and connections 	Low		





Hazard	Source	Inherent Risk		
	 Hydraulic fluid leaks 			
Solid and hazardous wastes	packaging materials.			
Deck drainage	Deck drainage and associated contaminants from operating vessels.	Low		
Laboratory wastes	Laboratory wastes generated during oil testing	Low		
Cooling water	Discharge of cooling water and associated chemical additives from operating vessels.	Low		
Desalination brine	Discharge of reject water (brine) from reverse osmosis plants from operating vessels.	Low		
Sewage, domestic wastewater and putrescible wastes	Discharge of sewage, domestic wastewater and putrescible wastes from operating vessels.	Low		
Antifouling biocides	Hull antifouling on operating vessels	Low		
Ballast Water and Marine pests	Ballast water discharge Hull biofouling	Low		
Physical disturbance to marine biota	Physical presence of operating vessels	Low		
Noise and vibration disturbance to marine biota	Noise and vibration generated from aircraft during crew changes	Low		
Disturbance to marine biota from artificial lighting	Lighting from operating vessels	Low		





Hazard	Source	Inherent Risk
Social, Economic and	 Employment 	
Cultural	 Economic development 	Medium
	 Public Complaints 	

8.2. Environmental Objectives, Standards, and Measurement Criteria

Chapter 8 has identified the possible environmental impacts associated with appraisal drilling activities. This section details the environmental performance objectives, standards and measurement criteria for aspects associated with appraisal drilling activities. Provides details of relevant standards of operation and performance criteria to determine if an activity is meeting its environmental objectives. The following definitions are used in this section:

Performance objectives are defined as 'overall goals for environmental performance as they relate to individual aspects'.

Standards are described as 'detailed performance requirements necessary to achieve the performance objectives'.

Criteria are defined as 'factors that provide a measure, either direct or indirect, relating to the performance standards'.

Table 21 provides the Environmental objectives, Standards and Measurement Criteria for Potential Impacts, the Risk sources for the Chuditch-2 appraisal Drilling Project.





Table 21-Environmental Performance Objectives, Standards, and Measurement Criteria for the Potential Impacts for Chuditch-2 Appraisal Drilling Project.

Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	Standards	Measurement Criteria
Physical presence and operation of MODU	MODU positioning, leg deployment and retrieval	Seabed disturbance resulting in disturbance to benthic communities.	No disturbance to benthic environments in excess of MODU leg deployment.	Engineering/Administrative Controls MODU will be positioned in accordance with the MODU Position Plan; Legs will be deployed and retrieved in accordance with the MODU Position Plan; Monitoring of legs deployment will be conducted in accordance with the MODU Position Plan	Evidence of Legs deployed and retrieved in compliance with the Position Plan and recorded. Observations recorded in the daily report. Seabed survey records confirm no additional seabed disturbance upon MODU demobilization.
	MODU and associated petroleum safety zone	Interference with Timor-Leste and Indonesian fishing vessels, commercial shipping, and other marine users. Business interruption (abnormal) due to damage to commercial vessels or fishing gear.	No interference or disruption to commercial vessels and other marine users from the MODU activity.	Administrative Controls MODU Marine Operations Manual including-A 500m radius petroleum safety zone will be maintained around the around the MODU. Vessel Master's will obtain the permission of the OIM, or on tour Barge Supervisor, before entering or leaving the 500m safety zone around the MODU.	Records maintained of breaches of vessel access or permission granted to incur within 500m petroleum safety zone throughout the drilling campaign.
				Administrative Controls Rig move and rig deployment procedures. MODU location noted in notice to mariners	Records Notice to Mariners for temporary 500m petroleum safety zone will be gazette for each well location. Records of all rig moves and Leg deployment undertaken.
				Administrative Controls In accordance with Regulation: Report and secure from the ANP an authorization to enter the Timor-Leste EEZ water for vessels and aircraft for drilling operations. Report to the ANP the position / location and activity of such vessels and	Record of ANP authorization for vessels to enter the Timor-Leste EEZ waters including MODU arrival and movements.





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	<u>Standards</u>	Measurement Criteria
				aircraft. Attain ANP approval for movement of the MODU.	
Physical presence and operation of MODU	Noise emissions into the marine environment through the operation of the MODU	Behavioral disturbance to marine fauna	No significant disturbance to marine fauna from MODU and vessels resulting in decline of species population.	Administrative Controls MODU on tow will not exceed speeds of 6 knots	MODU log maintained to include recording of all breaches of vessel speeds.
	Use of MODU and machinery engines resulting in release of emissions under normal operation.	Minor deterioration in local air quality from emissions (Nox, Sox, VOC, and CO) contribution to the incremental build-up of GHG in the atmosphere.	Implement identified air quality protection and GHG minimization measures.	Administrative Controls All power generation equipment is maintained in accordance with manufacturer's specifications International Air Pollution Prevention (IAPP) Certificate in accordance with Marine Orders-Part 97: Marine Pollution Prevention-Air Pollution	Records of power generation equipment maintenance Valid IAPP Certificate
				Engineering Controls Low sulphur diesel to be used in accordance with MODU / vessel specific procedures.	Record of volumes of diesel used and checks of sulphur content (confirm 5% sulphur in low sulphur diesel)
	Combustion gas emissions to atmosphere through well clean- up flaring. DST, flaring during well testing	Minor deterioration in local air quality from emissions (NOx, SOx, VOC, and CO) contribution to the incremental build-up of GHG in the atmosphere.	Optimise flaring during well clean-up operations to minimise atmospheric and GHG emissions.	Administrative Controls Compliance with DST / flaring program and well clean-up plan.	End of DST / Well report to detail flow rates, composition and duration of hydrocarbon flared. Ensure well testing is undertaken two horizontal burner booms, one each to port and starboard of the jack-up rig, with dedicated gas lines complete with an ignition system to avoid 'dropout' during ignition for flaring gas and separate burner heads complete with ignition system





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	Standards	Measurement Criteria
					for burning oil/condensate on each boom.
Routine discharges to the marine environment	Routine discharge of WBM drill cuttings and fluids to the seabed during riserless drilling.	Localized burial and something of benthic habitats. Localized reduction in water quality (turbidity increase)	Low toxicity WBM selected where whole WBM is to be discharged to the marine environment to prevent adverse water quality impacts	Design Control All chemicals discharged to the marine environment will be selected to be least hazardous and will have OCNS rating D or E or Hazard Quotient (HQ) rating of silver or gold.	Prior to commencement, the drilling fluids to be used during the drilling campaign will be listed in the site-specific chemical inventory. Maintenance of the chemical inventory occurs as new chemical are added or removed from the campaign.
	Routine sea surface discharge of drill cuttings and residual SBM into the marine environment	Temporary toxic effects to marine biota. Localized burial and smothering of benthic habitats. Localized reduction in water quality (turbidity increase).	All discharges of SBM and cuttings will be below 9.2% oil-on-cuttings to avoid impacts to the marine environment.	Engineering Controls Treatment of SBM coated cuttings using a cuttings dryer to target residual base fluid on cuttings of less than 9.2% prior to discharge.	Monitoring records of the performance of equipment by conducting oil-on-cuttings tests using cuttings discharged to environment by the dedicated mud specialist to be provided in the drilling report.
				Engineering Controls Well sections that require SBM will be drilled using a closed riser system in accordance with the Drilling Well Plan	Well Design Plan in place and approved by drilling Manager prior to commencement of drilling.
				Administrative Controls NODU Permit to work procedure, including all pit dump valves have locks and a permit to work is required to open them.	Completed Permit to Work records are approved by OIM and maintained.
				Administrative Controls MODU Pit / tank cleaning procedures to include all SBM to be recovered to a containment tank for onshore disposal and/or future reuse.	Cargo manifest to document that SBM drilling fluids are transported to shore for storage. Volumes of SBM send ashore recorded.
			Low toxicity SBM selected	Administrative Controls All SBM will be selected to be least	Prior to commencement, the drilling fluids to be used will be





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	<u>Standards</u>	Measurement Criteria
				hazardous and technically feasible and will have an OCNS rating of D or E or a Hazard Quotient (HD) rating of Silver or Gold in accordance with drilling fluids contractor procedures including the CHARM system and OCNS.	listed in the site-specific chemical inventory. Maintenance of the chemical inventory occurs as new chemical are added or removed from the campaign.
Routine discharges to the marine environment	Once well circulated excess and contaminated brine containing SBM anticipated to be discharged.	Localized change in water quality in offshore deep open water.	Zero discharges of brine to the marine environment if oil-inwater content exceeds 15ppm.	Administrative Controls Brine will only be discharged to sea id the oil-in-water content does not exceed 15ppm in accordance with Protection of the Sea (Prevention of Pollution from ships) Act 1983 D MARPOL Annex I (as appropriate for vessel classification) D Regulations for the Prevention of Pollution by oil. If brine has oil-in-water content over 15ppm, the brine will be contained and treated to <15ppm or disposed of onshore.	Report oil-in-water concentration in brine discharge reported via environmental fluids report.
	Routine discharges of cement to sea from cementing the conductor	Temporary and transient increase in turbidity near wellhead. Contamination of marine sediment with cement and cement additives. Localised smothering of benthic environment.	Avoid bulk discharges of cement except in emergency situation in order to minimise impacts on the marine environment.	Administrative Control Transport and storage dry cement in bulk storage tanks and the volume of cement used will be planned in accordance with the basis of design. Excess bulk cement and barite only discharged in the event of an emergency.	All cement discharges recorded in the daily drilling report alongside justification for disposal signed off by Drilling Supervisor.
			All cementing chemical discharged to the marine environment will be selected to be least hazardous and will have an OCNS rating of D or E or a Hazard Quotient (HD) rating	Administrative Controls All chemicals discharged to the marine environment will be selected to be least hazardous and will have an OCNS rating of D or E or a Hazard Quotient (HQ) rating of Silver or Gold in accordance with cement selection process including the CHARM system and OCNS Offshore Chemical Notification Scheme.	Compliance cement selection process reviewed and reported in the Annual Audit Report. Documentation of Drilling engineer approval and sign-off of Drill Fluid Selection Form.





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	Standards	Measurement Criteria
Routine discharges to the marine environment	Routine discharge of sewage, grey water, macerated food, brine and cooling water to marine environment from the MODU.	Localized nutrient enrichment in surface waters. Attraction of marine fauna in the vicinity of the MODU.	of Silver or Gold. Zero discharges of untreated sewage and putrescibles waste to the marine environment.	Engineering Controls All sewage to be treated and discharged in accordance with MARPOL. Implementation of a preventative maintenance schedule as per Manufacturer's specification for sewerage treatment & macerator equipment and recording in the rig maintenance management system.	All waste discharge is monitored and recorded by the MODU and support vessel/s in Garbage record book in accordance with MARPOL 73/78 Annex V Regulation 9, Protection of the Sea (Prevention of Pollution from Ships) Act 1983 and MODU specific discharge requirements are met.
				Engineering Controls Garbage that has been ground to particles <25mm: >3NM from the nearest land in accordance to MARPOL Annex IV and Protection of the Sea (Prevention of Pollution from Ships) Act 1983, prior to discharge.	
	Routine discharges from deck drainage and bilge to marine environment.	Localized change in water quality in offshore open waters.	Zero discharges of deck drainage and bilge to the marine environment if oil-inwater content exceeds 15ppm.	Engineering Controls MODU will have secondary containment including a functioning deck drainage system.	Deck Drainage Plan showing that the MODU has functioning deck drainage system. Records of inspections to ensure that deck areas are clean of spillages and accumulations of oil/grease and chemicals. Maintenance recorded in the rig maintenance management system. Performance of deck and bilge drainage discharge is reported in the Environmental Compliance Summary.
Routine discharges to the marine environment				Engineering Controls Fuels, oils, and chemicals to be stored within contained and bunded areas and in accordance with their MSDS.	Weekly inspection of fuels, oils, and chemicals storage areas om the MODU.





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	Standards	Measurement Criteria
				Engineering Controls Contaminated drainage from decks, machinery spaces or bunded areas will be treated through a MARPOL approved oily-water separator prior to discharge to achieve MARPOL oil-in-water content (15ppm).	Report oil-in-water concentration in deck and bilge discharge reported via daily drilling report. Calibration records indicate oil-in-water detection meter is routinely calibrated in accordance with manufacturer's specifications.
Unplanned Events	Loss of well control during drilling.	Toxic effects to marine biota. Oiling of marine mammals, reptiles, and seabirds. Oiling of island and emergent corals reefs / submerged shoals. Interruption to commercial fishing activities.	No loss of well control for the duration of the activity resulting in uncontrolled release of reservoir hydrocarbons to marine environment.	Engineering Controls (Well Design) BOP verification testing undertaken in accordance with ANP accepted Application for Approval to Drill.	Records of BOP verification testing reported in drilling report and maintained.
				Engineering Controls (Well Design) All well design and control activities to be undertaken in accordance with an approved Application for Approval to Drill.	Records of control activities undertaken reported in drilling report and end of well report and maintained.
				Engineering Controls (Well Design) Casing and mud systems in place in accordance with Basis of Design	Records of casing and mud systems in place reported in drilling report and end of well report and maintained.
Unplanned Events				Administrative Controls Drilling fluid used to be undertaken in accordance with the Fluids Operations Manual.	Records of drilling fluids used reported in drilling report and end of well report and





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	Standards	Measurement Criteria
					maintained.
				Administrative Controls Shallow Hazard Study undertaken prior to drilling activity.	Record of shallow Hazard Study report maintained within the Maxwell Electronic Database.
				Administrative Controls Competent and experiences MODU personnel will be used in accordance with the SGBU / Drilling Contractor and the Drill Well Plan.	Audit and inspection records indicate competent and experienced MODU personnel were used for the activity.
			In the event of loss od well control, environmental impacts are reduced to ALARP by the implementation of spill response procedures.	Administrative Controls Oil spill response including response equip0ment preparedness and staging to be undertaken in accordance with the ANP accepted OSCP.	Non-conformance reports indicate required spill response was undertaken in accordance with the ANP accepted OSCP.
				Administrative Controls Intervention actions to be undertaken in the event of loss od well control in accordance with the Source Control and Containment Plan.	Training records indicate relevant personnel have been trained in the implementation of the intervention actions in accordance with the Source Control and Containment Plan.
	Offshore Supply Vessel collision with a release of hydrocarbons (<80m³)	Toxic effects to marine biota. Oiling of marine mammals, reptiles, and seabirds.	Zero incidents of loss of hydrocarbons to the marine environment as a result of a vessel collision.	Vessels will be equipped with approved navigation systems in accordance with Marine Orders – Part 30: Prevention of Collisions, Issue 8, including measures relating to operations with other vessels.	Audit and inspection records indicate vessels apply and are aware of standard maritime safety procedures.
		Oiling of island and emergent corals reefs / submerged shoals. Interruption to			





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	<u>Standards</u>	Measurement Criteria
		commercial fishing activities.			
Unplanned Events				Administrative Controls A 500m radius petroleum safety zone will be maintained around the MODU. Vessel entry and movements within the petroleum safety zone will be monitored by the supply vessel on standby at the MODU and will be undertaken in accordance with the SGBU / MODU Marine Operations Manual.	Records maintained of breaches of vessel access or permission granted to incur within 500m petroleum safety zone throughout the drilling campaign.
				Administrative Controls Support vessels will have a Shipboard Oil Pollution Emergency Plan (as per MARPOL 73/78 Annex 1) for managing spills aboard.	Vessels SOPEPs approved and on board.
				Administrative Controls In accordance with Regulations SGBU will: Report and secure from the ANP an authorization to enter the Timor-Leste EEZ waters for vessels and aircraft of which are acquired for drilling operations. Report daily to the ANP the position / location and activity of such vessels and aircraft. Attain ANP approval for movement of MODU.	Record of ANP authorization for MODU to enter the Timor-Leste EEZ waters including MODU arrival movements. Record of ANP authorization for support vessels to enter Timor-Leste EEZ waters.
	MODU bunkering and supply from Offshore Supply Vessel with an estimated release of diesel, SBM or base oil (<10m³).	Toxic effects to marine biota. Oiling of marine mammals, reptiles, and seabirds.	Zero refuelling incidents resulting in the release of hydrocarbons to the marine environment.	Engineering Controls Dry break couplings, flotation devices on the hoses, weak links in the hoses and hose replacement program will be used and implemented in accordance with the MODU specific bunkering procedures.	MODU specific bunkering procedure records confirm dry break couplings, flotation devices on the hoses, weak links in the hoses and hose replacement program are used and implemented.





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	<u>Standards</u>	Measurement Criteria
Unplanned Events				Administrative Controls Fuel / drilling fluid bunkering and transfers will be conducted in accordance with the MODU specific bunkering and transfer procedures.	MODU OIM approved permit- to-work record is maintained for internal and bulk transfers of hydrocarbons. Documentation of task specific risk assessment for any bunkering operations required at night.
				Administrative Controls MODU and support vessels will have a Shipboard Oil Pollution Emergency Plan (SOPEP) (as per MARPOL 73/78 Annex 1) for managing spills aboard.	MODU SOPEPs approved by OIM; Vessel approved SOPEPs.
	Release of shallow gas from shallow gas pockets	Contribution to the incremental build-up of greenhouse gas in the atmosphere.	Prevention of atmospheric releases resulting from a well blowout.	SGBU Well Design and Delivery Process: Engineering Basis of Design Well Design Envelope, including Well Control System and BOP control system. • Casing Shoe Setting Criteria • Kick Tolerance • Well Barriers All permeable zones containing hydrocarbons or over-pressured water which are intersected by a well shall be isolated from the surface by a minimum of two barriers. The well barriers will be verified as appropriate to the required function and location. • Shallow Hazard Study • Critical Well Review	Well Design Envelope in place and approved by Drilling Manager, prior to commencement of drilling Shallow Hazard Study Report. Records of well barrier verification. Critical Well Review held with SGBU subject matter experts. All issues raised, documented, addressed and closed out.
Unplanned Events				 SGBU Well Control Manual: BOP Original Equipment Manufacturer specifications, including BOP stack ad shear ram capability. Operates and inspected to API or applicable Industry Standards. Third Party Inspection and operational 	Records of BOP specifications, maintenance, inspection and testing. Details of the training records, well control certification held by company personnel is maintained.





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	Standards	Measurement Criteria
				review. Drill pipe shearing capability verified. BOP system is installed and tested in accordance with API standard 53: Blowout Prevention Systems for Drilling Wells-Independent comprehensive inspection/audit of the BOP and associated well control equipment.	
				Selection of drilling fluid (in collaboration with the Drilling Contractor) to maintain required hydrostatic pressure / success in managing wellbore stability.	Prior to commencement, the drilling fluids to be used during the drilling campaign will be listed in the site-specific chemical inventory. Maintenance of the chemical inventory occurs as new chemicals are added or removed from the campaign.
	Release of ozone depleting substances	Contribution to the cumulative build-up of ozone depleting substances in the atmosphere.	Zero releases of Ozone Depleting Substances (ODS).	Administrative Controls Compliance with MARPOL Annex VI Regulation 12-Ozone-Depleting Substances (ODS) from refrigerating plants and firefighting equipment, including ODS Record Book.	Verification that the ODS book is current and complete, and all supply, recharging, repair, discharge or disposal operations are recorded in line with MARPOL Annex VI (Regulation 12).
Unplanned Events	Unplanned discharge overboard of hazardous and non- hazardous wastes to marine environment.	Decline in water quality. Toxic effects to marine biota.	Zero discharge of non-hazardous wastes into the marine environment.	Engineering Controls Provision of waste segregation bins on MODU including hazardous wastes, contaminated waste fluids and other oily waste will be stored in suitable containers (i.e. "slops" tanks) for transport and treatment/disposal to shore by a certified waste oil contractor in accordance with MODU specific waste procedures. Hazardous wastes will be labelled and transferred in accordance with the MSDS.	Garbage Record Book maintained in accordance with MARPOL 73/78 Annex V Regulation 9. Record of daily inspections to ensure all waste is segregated appropriately and all hazardous wastes stored appropriately. Waste delivery receipts to be kept for all waste landed ashore.





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	Standards	Measurement Criteria
				Engineering Controls Oil-in-water discharge in accordance with MARPOL oil-in-water content requirement (15ppm).	Report oil-in-water concentration in Environmental Report.
	Chemical and hydrocarbon spill during handling and storage on the MODU	Localized temporary toxic effects to marine biota. Temporary localized decline in water quality (turbidity increase)	Zero discharge of hydrocarbons and chemicals during internal transfer, handling and storage on the MODU.	Engineering Controls Contaminated water will not be discharged overboard. Any potentially contaminated water to be discharged overboard is routed to a MARPOL approved oily water separator before disposal (discharged drainage water is to contain less than 15ppm hydrocarbons-MARPOL requirement for oil-in-water content in discharge).	Discharge levels monitored and recorded in the oil record logbook.
				Engineering Controls Hydrocarbon and chemical storage areas will have appropriate loss prevention features such as spill containment bunds and save all drainage systems.	Evidence of compliance with hydrocarbon and chemical MSDS storage controls.
				Engineering Controls Dry cement and mud chemicals are transported and stored in bulk storage tanks.	Inspection record identifying cement transported ad stored in bulk storage tanks.
				Engineering Controls Bulk fuel, base oil and SBM transfers will be conducted in accordance with the MODU internal transfer procedures.	Records of fuel, base oil and SBM transfers.
Unplanned Events				Administrative Controls Spill response bins/kits will be well stocked, readily available and personnel trained in their use.	Inspection records of MODU ad vessels identify spill response kits are well stocked, readily available. Training records identify relevant personnel trained in the use of spill response kits.





Aspect	Risk Source / Scenario	Potential Impacts	Performance Objectives	Standards	Measurement Criteria
				Administrative Controls All hazardous substances (as defined in NOHSC:1008 (2004) Approved Criteria for Classifying Hazardous Substances) will have a MDSD available on board.	Inspection records identify all hazardous substances have MSDS available on board.
	Hydrocarbon fallout during well clean-up / DST and flaring during well testing.	Minor marine pollution with hydrocarbons and chemicals.	Minimize hydrocarbon fallout during well clean-up.	Engineering Controls Implementation of the DST / Well Clean-up Plan, to include: • Emergency Shut Down • Continuous propane pilot light at the burner • Use of appropriate well clean-up equipment	Documentation of the following: Functional Emergency Shut Down place during all well clean-up operations. The pilot light is functional throughout the well clean-up. DST / Well Clean-up Procedure and HAZID and HAZOP Reporting completed prior to commencement of well.
				Administrative Controls Implementation of the Well Clean-Up Plan, to include: • Well clean-up procedures, including pre-start communications meetings, HAZID and HAZOP reporting. • Flowing of hydrocarbons to surface, to commence well clean-up will only be allowed during day light hours. • Continuous monitoring of hydrocarbon falls out during flare watch.	Flow rates, composition, duration of hydrocarbon flaring, and details of well clean-up reported in the End of Well Report. Documentation of timing of well clean-up i.e. during daylight hours. Records of Monitoring of hydrocarbon fall out during flare watch.
Unplanned Events	Transport / introduction of invasive marine species (IMS) in MODU ballast water, and on hull, internal niches and in-water equipment (biofouling).	Introduction and establishment of IMS and displacement of native marine species.	Prevent introduction and establishment of IMS and displacement of native marine species.	Administrative Controls All ballast water exchanges conducted more than 50Nm from land and in greater than 200m water depth. Ballast water exchange records maintained on MODU.	Records od Ballast Water Logs to be maintained.





9. PROPOSED MITIGATION MEASURES

The following are the detailed mitigation measures and management strategies proposed to mitigate the potential environmental impacts and risks identified in Section 9 - Impact Assessment of the EIS report.

This environmental management plan serves as a management plan for the environmental components identified in the EIS report. Details of the environmental mitigation measures and responsibility of various parties on the jack-up rig are given in Table 22.

Table 22-Ei	nvironmental Mitigation Measures and Responsibility of vario	us parties.
	Environmental Mitigation Measures	Responsibility
Marine Ecology Pro	otection	
	Determine the rig leg positioning point based on the findings from seabed survey conducted for rig positioning.	RM, BM
Jack-up rig movement and positioning	Conduct seabed sediment and geotechnical sampling and pre-loading test to determine seabed stability during jack-up rig positioning to limit seabed destruction.	SGBU WOM
	 Jack-up rig positioning/ deployment to be carried out according to standard procedures to minimise disturbance to the seabed sediments. 	ВМ
Marine pest control	 Clearing of biofouling on rig legs, if necessary, prior rig mobilisation to and demobilisation from PSC TL-SO-19-16. 	RM, BM
Vibration/ light heat disturbance during drilling	Minimise unnecessary lights directed towards water and minimise the duration of exploration drilling.	OIM, BM, DS
	 Onboard separation of drilling muds for reuse as much as practicable to minimise drilling fluids discharge to the marine water. 	BM, OIM, DS
Discharge of	Execute oil spill response plan to minimise spillage into marine water	BM, OIM
drilling fluid and cuttings/ oil spill	 Installation of safety features such as automatic shutdown valves on the oily water separator to minimise risk of oily discharge to marine water. 	BM, OIM
	Summary of jack-up rig Effluent Management Plan (Figure 8)	BM, OIM
Hazardous Materia	l Usage & Storage Management	





	Environmental Mitigation Measures	Responsibility
Hazardous materials handling and storage	 A copy of Safety Data Sheet (SDS) should be made available and readily accessible on jack- up rig as guidance for material handling and disposal. 	OIM / Rig HSE / SGBU HSE
	A designated and proper storage area for chemical and hazardous materials must be provided on derrick. The storage area should be sheltered and bunded to prevent rainwater collection and to contain spills.	OIM, HSE
	• Use less hazardous alternative chemicals, whenever possible.	HSE, BM, DS
Hazardous materials handling and storage	 Handling of chemicals and hydrocarbons should comply with strict procedures, including transfer and disposal procedures. Retain records of chemical inventories. 	DS, BM, HSE
	 Any spills and leaks of chemicals or hydrocarbon to deck should be cleaned immediately using absorbent materials. 	HSE, OIM BM
	All chemicals and hazardous wastes such as cleaning detergent, acids, solvents, toxic and medical wastes, contaminated mud, should be segregated and stored in clearly marked containers prior to disposal onshore.	HSE, OIM, BM
	• Use of water-based drilling mud in the 17½" section and a Class E, low toxicity and highly biodegradable synthetic base drilling fluid system in the 12¾" section to TD	SGBU DS, TP
Drilling Mud & Chemicals	Drilling chemicals shall be selected based on ISO 13500:2008 for mud additives or similar internationally recognized system, properly monitor the usage of drilling mud and chemicals	OIM, DS, TP
	 A log sheet of chemicals usage should be properly maintained 	OIM, DS, TP
	Minimise chemical usage as far as possible.	TP
	 Onboard separation of drilling muds. Drilling muds should be reused whenever possible. 	OIM, DS, TP





	Environmental Mitigation Measures	Responsibility
Drilling Waste Mar	nagement	
	 Filter fine cuttings from the drilling muds by shale shaker aboard the rig. 	DS, OIM
Drill Fluids & Cuttings	 Use of high efficiency triple deck shale shakers to reduce the need for fluid change out and minimizing the amount of residual fluid on drilled cuttings. 	DS, OIM
	 Cuttings to be treated by shale shaker to 9.2% SBM by wet weight prior to discharge. 	DS,OIM
Drill Fluids & Cuttings	Discharge of cutting via a cutting caisson.	DS, OIM
Cuttings	 Testing of drilling fluids physical properties prior final discharge to sea. 	DS,OIM
Cooling Water Discharge	 Appropriate screens should be fitted to the seawater intake to prevent ingestion of marine life, if safe and practical. 	OIM, BM
Well Test Fluids	 Consider safety issues on handling of volatile hydrocarbons during the recovery of test fluids which will be flared onsite. 	DS, OIM, SO/HSE
Jack-up rig Discha	rge Management	
	Drainage water collected from precipitation, sea spray or routine operations such as deck and equipment cleaning and fire drills, should be routed to a deck drainage system on the jack-up rig for direct discharge. (Figure 8)	OIM, BM
	 Contaminated water should be collected in preload tank for treatment using oily water separator as per MARPOL requirements. 	OIM, BM
Deck Drainage Water	• Water collected from the drill floor should be channelled into pre-load tank for treatment using the oily water separator before discharge into sea. IMO standard is 15ppm. Reg 16(5) refers. MARPOL requires water discharged overboard after treatment by an oil/water separator to be <15ppm.	OIM, BM
	 Contaminated water from the hazardous material storage area should be channelled to pre-load tank for treatment using oily water separator before discharge into sea. 	OIM, BM





	Environmental Mitigation Measures	Responsibility
	Spill kits, absorbents and containers to be made available for clean-up of oil and grease contamination on deck.	OIM, BM, HSE
	 The oil concentration in water discharge from the deck drainage should not exceed 15mg/L at any one time or on an average of 15mg/L over 24-hour period. 	OIM, BM, HSE
Bilge Water	Bilge waters from machinery spaces on the jack-up rig should be routed to a separate drainage system on the deck, leading to the holding tank, contained and treated by oily water separator before discharge into the sea. The discharge should comply with the guidelines provided in Table 24 i.e. oil concentration should not exceed 15mg/L.	OIM, BM, HSE
Other Wastes		
	Black water onboard should be channelled to the sewage treatment plant before discharge to sea.	BM, HSE
Sewage and Food Wastes	 Food waste onboard should be treated using macerator with the final disposal having grain size of less than 25mm diameter prior to disposal into the sea. 	BM, HSE
	 Disposal of food and sewage into the sea should be handled in accordance with the MARPOL requirements. (refer Table 24). 	BM, HSE
	No plastic or plastic products of any kind should be disposed overboard.	All
	 No domestic wastes i.e. cans, glass, paper or other wastes are to be discharged overboard. 	All
Solid Wastes	 No maintenance wastes i.e. paint sweepings, rags, deck sweeping, oil soaks, machinery deposits, etc, to be disposed of overboard. 	All
	 Wastes should be segregated according to comparable characteristics, stored in clearly marked skips for treatment and disposal onshore at approved disposal sites in Darwin, Australia. 	All, OIM, SGBU HSE
	Efforts should be made to eliminate, reduce or	All





	Environmental Mitigation Measures	Responsibility	
	recycle wastes at all times.		
	Good housekeeping practices should be maintained on the deck.	All	
	 Waste containers should be properly covered to prevent loss overboard. 	SO/HSE	
	A record should be maintained for solid wastes to be disposed of onshore.	OIM, SO/HSE	
Laboratory wastes, if any	Oil soluble chemicals should be disposed of to the jack-up rig holding tank to be treated in oily water separator prior discharge into sea.	OIM BM HSE	
	All used oil and chemicals should be collected, treated and disposed off at the approved facilities in Australia.	SGBU HSE	
Used oil and chemicals	A proper storage area should be made available on the jack-up rig.	OIM, HSE	
	The usage of oil and chemicals should be documented and tracked. Minimise the quantity of storage onboard.	OIM, HSE	
	 Any discharge of hazardous wastes from jack- up rig is prohibited. 	All	
Hazardous	 A designated storage area with adequate containment facility should be provided on the jack-up rig for storage of hazardous wastes. 	RM OIM, HSE	
Wastes	 All hazardous wastes should be properly labelled and disposed of in accordance with the instructions in the SDS. 	HSE	
	Records of hazardous wastes inventory should be maintained and frequently updated.	HSE	
Air Emission Management			
Fossil fuel	Turning off engines when the machineries are not in used.	All	
combustion for power generation	Periodical maintenance of machineries and equipment to ensure its efficiency.	OIM, DM, TP	
Fossil fuel combustion for power generation	Emission from fuel combustion machineries should be routed and emitted via adequate centralized exhaust system.	OIM, BM	





Environmental Mitigation Measures Responsibility						
	Selection of valves, flanges, fittings, seals, and filters should consider safety and suitability requirements as well as their capacity to reduce gas leaks and fugitive emissions.	RM, OIM				
Fugitive Emission	Implement leak detection and repair programs	RM, OIM, SO				
	 Provision of adequate ventilation system in machinery and material storage room. 	RM, BM				
	Good operational control and maintain high level of housekeeping.	HSE, RM, OIM				
Social Disturbance						
	Inform and consult the relevant authorities on the shipping routes and schedules of the jack- up rig and the location of drilling sites.	RM/BM				
Interference with shipping activities	Maintain on going communication with other mariners on the presence and progress of the drilling activity. Employ radio system for real- time communication.	OIM BM				
	The rig should be lit during nighttime and during poor visibility.	OIM, BM				
Shipment disturbance in Timor Sea EEZ	disturbance in drilling works prior to work common compat					
	Consult and notify the Fisheries Department via ANP and other vessel operators on the proposed appraisal drilling program.	ВМ				
Physical presence	Use findings from the seabed survey and sonar survey to assist in the positioning of the rig.	DS, RM/BM				
	Ongoing communications with ANP throughout operations to prevent conflicts.	ВМ				
Employment opportunities • Use skilled local workers in Timor-Leste whenever possible.		ВМ				
Plug and Abandonment	DS/ BM					
	Conduct briefing (toolbox meeting) to all personnel involved for the plug and abandonment operation prior to work commencement.	DS, BM				





A summary of jack-up rig Effluent Management Plan and Waste Management Plan are illustrated in Figure 7 and Figure 8, respectively.

The Effluent Discharge Quality from Offshore Oil and Gas Development as per World Bank EHS Guidelines for Offshore Oil and Gas Development, Protection of Sea (Prevention of Pollution from Ships) Act 1983 (MARPOL) and Australian Ballast Water Management Guidelines is discussed in chapter 10 on Governing Parameters. The jack-up rig has adopted the International Guidelines and Protection of Sea (Prevention of Pollution from Ships) guidelines in the design in the management, treatment and discharge of effluent per MARPOL 73/78 Annex V.

Table 24 describes the possible events, environmental contingency measures and safeguards in case of a spill event. This table has considered loss of well control and blow out, leak from fittings and connections or leak from engines or machinery and spillage during refuelling, further description of the safeguards and who is responsible on the jack-up rig.

In an event of loss of well control and blow out, leak from fittings and connections or leak from engines or machineries, spillage during refueling, overall spills and ship collision, the safeguards and responsibilities of various parties is given in Table 23.

Table 23-Environmental Contingency Measures for Spill Events

Event	Safeguards	Responsibility
	Installation of Blow Out Preventer (BOP) system that can be closed rapidly in the event of an uncontrolled influx of formation fluids and which allows the well to be circulated safely by venting the gas at surface.	OIM, TP, CM
Loss of well	Periodical test and maintenance on the BOP during the operations.	OIM, CM
control and blow out	Continuous monitoring of pressure reading during drilling to detect any abnormal pressures.	TP, CM
	Maintaining well bore's pressure by effectively estimating formation fluid pressures and strength of subsurface formations.	TP, CM
	Provision of emergency control plan and oil spill contingency plan and provision of emergency	RM, DS, HSE





Event	Safeguards	Responsibility
	response training for the Drilling Crews.	
	Install pressure low switch on flow lines.	OIM
Leak from fittings	Placing of drip trays and sump under engines to contain leaks	OIM, HSE
and connections or leak from engines or	Oil collected in the drip trays and sump to be periodically transferred to the containment tank.	OIM, HSE
machineries	Provide adequate ventilation at machinery room. Installation of gas detection device in the event of detection of dangerous gas levels.	RM/OIM, HSE
	Schedule refuelling activities during daylight hours and during calm weather and suitable seastate conditions.	OIM, BM
	Refuelling only to occur at the discretion of the Vessel Master and OIM.	OIM, BM
Spillage during refueling	Conduct hose and couplings checked for integrity prior to refuelling.	OIM, HSE
	Continuous visual monitoring of hoses, couplings and sea surface during refuelling to monitor potential spill and leakage and continuous monitoring of fuel flow gauges on the jack-up rig.	OIM, TP, HSE
	Prepare Oil Spill Contingency Plan (OSCP).	RM, SDR
	Provision of spill clean-up kits on jack-up rig.	SGBU HSE RM
	Design of drilling systems (i.e. well equipment, etc.) to reduce the risk of major un-contained spills.	SOR, RM Rig design BM
Overall Spills	Install valves to allow early shutdown or isolation in the event of emergency.	RM, DS
	Provide adequate personnel training in oil spill prevention, containment and response.	Rm, BM, DS
	Ensure spill response and containment equipment are deployed or available as necessary for response.	HSE, OIM
	Conduct periodical inspection on chemical materials, hazardous wastes and oil storage area.	HSE





Event	Safeguards						
	Stocks of absorbent materials on board/jack-up rig and standby vessel to be periodically checked for their adequacy and replenished as necessary prior to the commencement of exploration drilling activities.	OIM, BM, HSE					
	ANP should be informed of any oil spill incidents						
	Monitor and communicate with vessels approaching drilling site to reduce the risk of vessel collision.	BM, OIM					
	Navigation lighting and watch aboard the rig.	ВМ					
Ship Collision	Provision of radio contact between jack-up rig and supply vessel at all times.	ВМ					
	Distance support vessel's crane arm from jack-up rig during offloading and unloading.	ВМ					
	Maintain update weather forecast information at jack-up rig.	ВМ					





10. GOVERNING PARAMETERS

The general governing parameters accepted as International Guidelines and Practice for sewage discharge, solid waste discharge, ballast water, Bilge water and Deck Drainage in the offshore oil and gas development projects are given in Table 24.

Table 24-International Guidelines for Air Emission, liquid, solid waste discharge for Oil and Gas Offshore Development.

	Offshore Development.
Parameter	Guidelines
MODU, machinery engines release of emissions	 International Air Pollution Prevention (IAPP) Certificate in accordance with Marine Orders – Part 97: Marine Pollution Prevention - Air Pollution.
Discharge of WBM drill cuttings and fluids to the seabed during riserless drilling	 OCNS Offshore Chemical Notification Scheme. All chemicals will be selected to be least hazardous and will have an OCNS rating of D or E or a Hazard Quotient (HQ) rating of Silver or Gold (in accordance with the OCNS)
Discharge of drill cuttings and residual SBM	 OCNS Offshore Chemical Notification Scheme. All SBM, will be selected to be least hazardous and have an OCNS rating of D or E or a Hazard Quotient (HQ) rating of Silver or Gold in accordance with OCNS.
Discharge of blowout preventer fluids during BOP operations testing	 OCNS Offshore Chemical Notification Scheme. OCNS rating of D or E or a Hazard Quotient (HQ) rating of Silver or Gold in accordance with contractor hydraulic fluid selection process, OCNS Offshore Chemical Notification Scheme.
Supply Vessel collision with a release of hydrocarbons(<80 m³)	 Marine Order 30 (Prevention of collisions) 2016 - AMSA Vessels will be equipped with approved navigation systems in accordance with Marine Orders - Part 30: Prevention of Collisions, Issue 8, including measures relating to operations with other vessels.
Cooling water	World Bank EHS Guidelines for Offshore Oil and Gas Development The effluent should result in temperature increase of no more than 30°C at edge of the zone where initial mixing and dilution take place/ where the zone is not defined, use 100m from point of discharge.





Parameter	Guidelines
Sewage discharge within Timor Sea EEZ or in	Protection of Sea (Prevention of Pollution from Ships) Act 1983 (MARPOL) (Part IIIB, Division 2, Section 26D – Prohibition of discharge of sewage into the sea)
international water	 Sewage from the jack-up rig and supporting vessel should be treated either by sewage disinfection system or a sewage holding tank;
	 Discharge of the sewage are prohibited except the sewage has been treated using an approved system at a distance of more than 3nm from the nearest land;
	 Discharge of untreated or disinfected sewage only permitted at a distance of more than 12nm from the nearest land;
	 Where the sewage has been stored in holding tanks, the sewage is not discharged instantaneously but is discharged at a prescribed rate when the ship is proceeding en route at a speed of not less than 4 knots;
	 The effluent does not produce visible floating solids in the waters of the sea and does not cause discolouration of the waters of the sea; and
	 No sewage (untreated or treated) to be discharged within 3nm from the nearest land.
Solid domestic and food wastes discharge within Timor Sea EEZ or in international water	Protection of Sea (Prevention of Pollution from Ships) Act 1983 (MARPOL) (Part IIIC – Section 26F- Prohibition of disposal of garbage into the sea) No onboard disposal of plastic waste is allowed (In this section plastics includes synthetic ropes, synthetic fishing nets, plastic garbage bags and incinerator ashes from plastic products that may contain toxic or heavy metal residues); and
	 For onboard disposal of the garbage, the garbage has to be passed through a macerator so that it is capable of passing through a screen with no opening wider than 25mm; and the disposal occurs when the ship is as far as practicable from and is at a distance of not less than 12nm from, the nearest land.





Parameter	Guidelines
Ballast water	Australian Ballast Water Management Guidelines
	In accordance with Timor Leste regulations
	 In accordance with Australian Ballast Water Management Guidelines and Australian Department of Agriculture, Fisheries and Forestry (DAFF); and
	 The discharge of high-risk ballast water in Australian ports or waters is prohibited.
Bilge water	Protection of Sea (Prevention of Pollution from Ships) Act 1983 (MARPOL) (Part II, Section 9 – Prohibition of discharge of oil or oily mixtures into sea)
	 Oil and grease concentration of the oily effluent discharge from ships should be below 15ppm.
Bilge water	Protection of Sea (Prevention of Pollution from Ships)
discharge and contaminated brine containing SBM Deck Drainage	Act 1983 (MARPOL) (Part II, Section 10 – Prohibition of discharge of oil residues into sea), MARPOL Annex I (as appropriate for vessel classification) Regulation for the Prevention of Pollution by Oil.
(non- hazardous and hazardous drains)	Oil and grease concentration of the oily effluent discharge from ships should be below 15ppm.
Noise and light pollution	Use noise-reduction technology and limit unnecessary lighting.

Note: In the absence of international accepted regulations for discharge from jack-up rig, discharge limits/guidelines as stipulated in MARPOL have been adopted for screening criteria for this Project.





11. ENVIRONMENTAL MONITORING PROGRAM

11.1. Environmental Management Induction Program

Prior to the commencement of work on site, a project specific induction program will be developed and implemented for this appraisal drilling program. The program will incorporate all the practical environmental issues that could influence either the behaviour of individuals or the standards of environmental performance of the appraisal drilling activity.

The training program should include a site induction briefing prior to starting work on site to clearly identify the environmental commitments and individual duties and responsibilities while doing works as well as to highlight any potential health, safety and environmental issues. Topics to be covered in the induction program include the importance of implementation of best environmental management practices and housekeeping requirements to minimize potential impacts to the marine environment as well as disturbance to the social environment particularly at the onshore logistic points, guidance on how to avoid disturbing the aforementioned and pertinent mitigation measures.

The drilling and service contractors shall provide site workers with all necessary personal protective equipment (PPE) and shall take necessary precautions in the movement and operation of machinery within the site for the safety of both workers and other existing mariners.

SGBU HSE Manager and HSE Advisor on the Rig shall ensure that records of all site inductions are documented and maintained. Proper documentation of training records are required in order to monitor the level of relevant competency and appropriateness of the skilled employees, suitable training programs, and adequate supervision for the site works.

11.2. Environmental Monitoring Program

The environmental monitoring requirements for the proposed appraisal drilling program are provided in this Section. Generally, two types of monitoring program are proposed namely, environmental management practices monitoring and environmental quality monitoring.

11.2.1 Environmental Management Practices Monitoring

Environmental Management Practices Monitoring will be integrated into the practices and procedures of HSE management system for implementation throughout the appraisal drilling





program. This system applies to the drilling procedures and the operation of jack-up rig. The proposed environmental management practices monitoring covers the following aspects and are described in Table 25 below.

Table 25-Proposed environmental management practices.

Table 25-Proposed environmental management practices.					
Particulars	Inspection ¹	Records ²			
Drilling Mud	Daily operational log inspection based on daily drilling report.	 Total volume intake to jack-up rig for each month. Total volume unused / in storage on board at the end of each month. Total volume used and/or discharged into sea each month. 			
Fuel consumption	Daily operational log based on daily report by Barge Supervisor.	 Total volume intake to jack-up rig for each month. Total volume unused / in storage on board at the end of each month. Total volume consumed for each month. 			
Chemicals and hazardous materials	 Daily operational inspection of the storage area, management and transfer procedures and recorded in the daily mud report. Inspection to be carried out by the mud engineer as part of the daily operation procedures. 	 Total volume intake too jack-up rig for each month. Total volume unused / in storage at the end of each month. Total volume consumed each month. 			
Sewage (black and greywater)	Weekly inspection for the sewage treatment facility	Total volume of pot water intake to jack-up rig for each month.			
Food waste	Daily best management practices. Daily refuse log maintenance.	Volume of food waste generated and discharged into the sea for each month.			
Garbage (Plastic, glass, paper, etc.)	Daily best management practices. Daily refuse log maintenance.	 Total volume of garbage generated and collected each month. Total volume of garbage transferred out for onshore disposal for each month. Total volume of garbage storage on jack-up rig at the end of each month. 			
Hazardous waste (used	Maintenance of hazardous waste log by	Total volume of hazardous wastes generated for each month.			





Particulars	Inspection ¹	Records ²
paint, contaminated waste, used chemical, etc.)	 the storekeeper. Weekly inspection of storage area by storekeeper. 	 Total volume of hazardous wastes transferred for onshore disposal for each month. Total volume of hazardous wastes storage on jack-up rig at the end of each month.

Notes:

- 1 The inspection scheduled is proposed for internal implementation by SGBU HSE on jackup rig.
- 2 The total volume to be summarized at the end of each month. This summary will be provided to ANP upon completion of each drilling cycle.

11.2.2 Environmental Quality Monitoring

Environmental Quality Monitoring is undertaken prior to the drilling program and during drilling phase as described in section 4.3.3.10 Environmental Baseline Survey. The environmental parameters monitored include marine water quality, seabed sediment and marine biological component (zooplankton, phytoplankton and benthic).

To secure an environmental licence for this appraisal drilling project, SGBU has an ANP approved EBS which was conducted in February 2025 prior to drilling. The EBS covers an area extending 1km from the Chuditch-2 well site, excluding waters within the Australian Exclusive Economic Zone (EEZ) and the Oceanic Shoals Marine Park. The sampling locations include the well site, relief well sites, and additional sites at prescribed distances based on drilling cuttings and mud dispersion modelling. This sampling design covers the potential environmental impact areas and confirms baseline status of water, sediments and benthic habitats.

The Environmental Quality Monitoring covered water quality sampling involving collecting surface, mid-column, and near-bottom samples for analysis of suspended solids, heavy metals, hydrocarbons and other pollutants, benthic imagery was collected to assess habitats and identify notable ecological features. Sediment sampling was also conducted involving the collection and analysis of metals, organics, hydrocarbons and other pollutants, as well as the assessment of infaunal communities.

The primary objective of the EBS was to gather comprehensive baseline environmental data to support the environmental impact assessment studies and to enable effective post-





drilling monitoring and impact assessment. The EBS identified and documented baseline conditions for water quality, benthic habitats, and sediment characteristics near the well site to assess potential impacts from drilling activities.

The details of the EBS conducted are provided in the approved scope of Chuditch-2 Environmental Baseline Study Report number AU213017880.001 dated 26 September 2024. The survey for Chuditch-2 Environmental Baseline Study (EBS) survey was conducted from 26 to 31 January 2025 and report dated March / April 2025.

Environmental Monitoring during Drilling (section 4.3.3.10) is planned to be carried out during drilling to understand if any changes are seen in environmental parameters of water quality, benthic habitats, and sediment characteristics near the well site to assess if any post drilling environmental quality monitoring will be required.

The primary objective of an environmental monitoring program while drilling is to capture data to ensure that the assumptions provided in the EIS and EMP are valid and that no unplanned impacts to the receiving environment occur as a result of the Chuditch 2 appraisal well campaign.

On the basis of the approved TOR, SGBU proposed not to conduct a post drilling environmental monitoring program, the EMP likewise does not recommend a post drilling environmental program as necessary. This view is based on the basis of the semi-arid environment as reported by the EBS survey, the transient and minimal impacts on the receiving environment of a 44-day drilling campaign using a category E non-aqueous drilling-based mud, the agreed ratio of oil on cuttings discharged overboard of 9.2% by wet weight and the known biodegradation curve of Saraline 185V where approximately 68% of the residual NADF is biodegraded within a period of 30 days. The anticipated monitoring program during the drilling phase will include representative sampling of the EBS locations and associated testing.

During drilling environmental monitoring sampling and analysis program is reflective of the approved sampling locations in the above report and will be representative of the environmental parameters measured. The number of sampling and locations may differ from those of the approved EBS survey design depending on the vessel used, sampling facilities onboard the support vessel, trajectory of any observed turbid waters and actual





deposition of cuttings observed in the field. It is envisaged that the stand-by / support vessel will be used for collecting the water, sediment, benthic samples. The samples collected will be analyzed by NATA accredited labs.

11.2.2.1 EBS Sampling Summary

As part of the commitment on Environmental Quality Monitoring, the EBS study was conducted in January 2025 and analysis and reporting in March/April 2025 encompassing the extent of potential impacts to water quality, sediment quality and benthic habitats based on the mud and cuttings dispersion modelling for the drilling program (MuTek, 2024).

The sampling design is grouped as follows:

- At the well location and in the immediate vicinity (direct impact, benthic impact zone);
- 300m from the well location (potential for benthic impact);
- 600m from the well location (furthest potential extent for benthic impact) Relief well location; and
- 1000m from the well location (potential low water quality impact).

11.2.2.2 Sampling Location

Sampling locations for the Chuditch-2 Environmental Baseline Survey were selected to ensure relevance to cuttings dispersion modelling and to include special features such as seafloor mounds and ridge features. In accordance with the Sampling and Analysis Plan SAQP), the number of sites required for sampling is outlined in Table 15-Sampling location and Numbers of sites completed. Proposed sampling locations are presented in Figure 13-EBS Sampling locations around Chuditch-2 Appraisal Well.

Details of sampling area, sites at well location, 300m radius, 600m radius, relief well and at 1000m radius along with longitude, latitude, depth, water quality, sediment quality, benthic habitat and infauna details are given in Table 26.





Table 26-Sampling location and samples collected.

Site	Longitude	Latitude	Estimated Depth	Water Quality	Sediment Quality	Benthic Habitat	Infauna
1	128.14480000	-10.54909998	~65m	·	·	~	~
2	128.14530000	-10.54990003	~65m	*	~	-	·
3	128.14560000	-10.55080000	~65m	-	~	-	·
5	128.14450000	-10.54830000	~65m	-	~	,	·
6	128.14420000	-10.54750000	~65m	-	~	·	
4	128.14600000	-10.55149997	~65m	√	V	-	✓
7	128.14380000	-10.54649999	~65m	√	√	-	·
13	128.14360000	-10.55159996	~65m	√	√	-	·
14	128.14590000	-10.54659999	~65m	√	✓	-	
16	128.14750000	-10.54990003	~65m	✓	✓	-	·
17	128.14240000	-10.54780003	~55m	·	·	·	·
TM_01	128.14670000	-10.55100000	~65m	-	-	·	-
8	128.14300000	-10.54390001	~65m	·	-	-	-
12	128.14200000	-10.55379996	~65m	·	-	·	-
10	128.13820000	-10.54610000	~65m	-	·	·	·
15	128.15150000	-10.54610000	~65m	-	·	·	·
9	128.14210000	-10.54049998	~65m	·	-	<u>-</u>	
11	128.13670000	-10.55309999	~65m	√	-	·	-
	1 2 3 5 6 4 7 13 14 16 17 TM_01 8 12 10 15 9	1 128.14480000 2 128.14530000 3 128.14560000 5 128.14450000 6 128.14420000 7 128.14380000 13 128.14360000 14 128.14590000 16 128.14750000 17 128.14240000 TM_01 128.14670000 8 128.14300000 12 128.14200000 10 128.13820000 15 128.15150000 9 128.14210000	1 128.14480000 -10.54909998 2 128.14530000 -10.54990003 3 128.14560000 -10.55080000 5 128.14450000 -10.54830000 6 128.14420000 -10.54750000 4 128.14380000 -10.55149997 7 128.14360000 -10.54649999 13 128.14360000 -10.54659999 16 128.14750000 -10.54990003 17 128.14240000 -10.54780003 TM_01 128.14670000 -10.55100000 8 128.14300000 -10.54390001 12 128.14200000 -10.55379996 10 128.13820000 -10.54610000 15 128.15150000 -10.54049998	Site Longitude Latitude Depth 1 128.14480000 -10.54909998 ~65m 2 128.14530000 -10.54990003 ~65m 3 128.14560000 -10.55080000 ~65m 5 128.14450000 -10.54830000 ~65m 6 128.14420000 -10.54750000 ~65m 7 128.14380000 -10.54649999 ~65m 13 128.14360000 -10.54659999 ~65m 14 128.14590000 -10.54659999 ~65m 16 128.14750000 -10.54990003 ~65m 17 128.14240000 -10.54780003 ~55m TM_01 128.14670000 -10.55100000 ~65m 8 128.14200000 -10.55379996 ~65m 10 128.13820000 -10.54610000 ~65m 15 128.14210000 -10.54049998 ~65m 9 128.14210000 -10.54049998 ~65m	Site Longitude Latitude Depth Quality 1 128.14480000 -10.54909998 ~65m . 2 128.14530000 -10.54990003 ~65m . 3 128.14560000 -10.55880000 ~65m . 5 128.14450000 -10.54830000 ~65m . 6 128.14420000 -10.54750000 ~65m . 7 128.14380000 -10.54649999 ~65m . 13 128.14360000 -10.54659999 ~65m . 14 128.14590000 -10.54659999 ~65m . 16 128.14750000 -10.54780003 ~65m . 17 128.1420000 -10.54780003 ~65m . 18 128.14300000 -10.54390001 ~65m . 10 128.13820000 -10.54610000 ~65m . 15 128.15150000 -10.54610000 ~65m . 11 128.13670000 -10.55309999	Site Longitude Latitude Depth Quality Quality 1 128.14480000 -10.54909998 ~65m 2 128.14530000 -10.54990003 ~65m 3 128.14450000 -10.54830000 ~65m 6 128.14420000 -10.54750000 ~65m 4 128.14380000 -10.55149997 ~65m 7 128.14360000 -10.54649999 ~65m 14 128.14360000 -10.54659999 ~65m 16 128.14750000 -10.54990003 ~65m 17 128.14240000 -10.54780003 ~55m 8 128.14300000 -10.55379996 ~65m 10 128.13820000 -10.54610000 ~65m 1 128.15150000 -10.54049998	Site Longitude Latitude Depth Quality Quality Habitat 1 128.14480000 -10.54909998 ~65m 2 128.14530000 -10.54990003 ~65m 3 128.14450000 -10.54830000 ~65m 6 128.14420000 -10.54750000 ~65m 4 128.1430000 -10.54649999 ~65m 7 128.14360000 -10.54649999 ~65m 13 128.14590000 -10.54659999 ~65m 14 128.14750000 -10.54990003 ~65m 17 128.1420000 -10.54780003 ~55m 8 128.14300000 -10.54390001 ~65m





The water quality sampling locations is given in Figure 28 and sediment sampling locations is given in Figure 29.

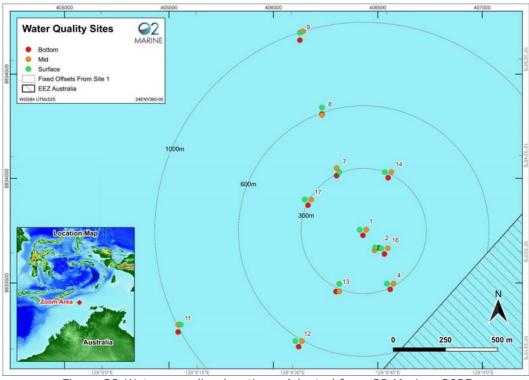


Figure 28-Water sampling locations. Adapted from O2 Marine, 2025

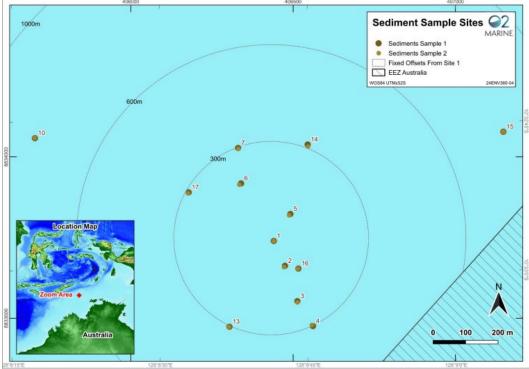


Figure 29-Sediment sampling locations. Adapted from O2 Marine, 2025





The benthic habitat assessment was conducted by using an ROV and the ROV transect locations is given in Figure 30.

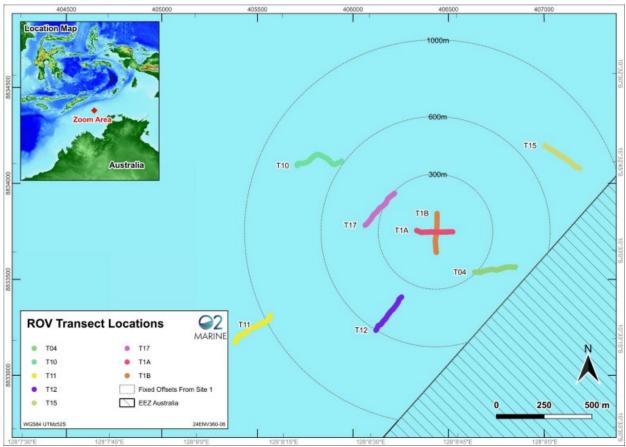


Figure 30-ROV Transect Locations. Adapted from O2 Marine, 2025

11.2.3 Environmental Monitoring During Drilling Phase

The scope of the monitoring program will be agreed with ANP HS-E prior to drilling. SGBU envisage that the monitoring plan will employ the same sampling, monitoring and analysis techniques as employed during the recent environmental base line survey in regard to sediment sampling, water column analysis and video transects so as to analyse impacts on water quality, sediment quality, benthic communities, habitat and macro benthic infauna.

In general, vessels and MODU will report on sightings of sea snakes, turtles and cetaceans, making opportunistic sighting reports and obtain photographs where practical to do so during daylight hours.





The monitoring program is planned initially to conduct 2 sampling periods as follows:

- At the completion of the top-hole section where WBM will be used; and,
- After completion of drilling activities using SBM, where any heaping of cuttings will become evident if present and which will allow estimation of the biodegradation efficiency on location based on known Saraline 185V research and the biodegradation curve associated.

Initial sampling locations will be picked randomly from amongst sampling locations used during the EBS study for valid comparison but will be refined based on actual observations in the field. The scope of the environmental monitoring program may expand, depending upon field observations during the drilling campaign. A map of randomly selected sampling sites is provided in Figure 31 planned around the previous EBS and known prevailing seasonal water currents and cuttings dispersion modelling (MuTek, 2024).

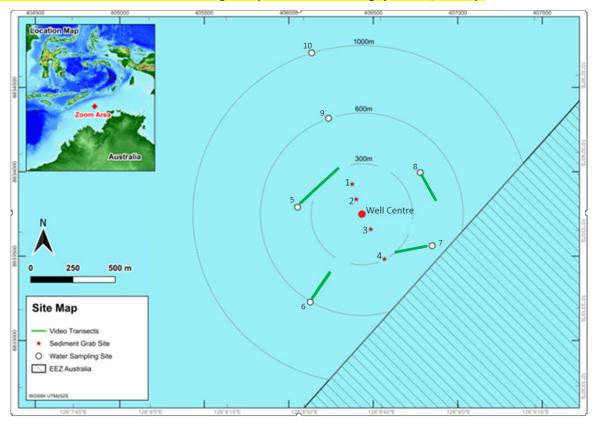


Figure 31-Randomly selected sampling site for Environmental Monitoring during Drilling Phase





Table 27-Sampling sites for the Environmental Monitoring During Drilling Phase.

Project Area	Site	Latitude	Longitude	Estimated Depth	Water Quality	Sediment	Benthic Habitat	Infauna
Well	1	128.1442	10.5491	65 M		X	X	X
Site	2	128.1445	10.5483	65 M		X	X	X
	3	128.1456	10.5508	65 M		X	X	X
300-	4	128.146	10.5515	65 M		X	X	X
600m Radius	<mark>5</mark>	128.1424	10.5478	65 M	X		X	X
	<mark>6</mark>	128.142	10.5538	<mark>65 m</mark>	X		X	X
	7	128.1467	10.5510	65 M	X		X	X
	8	128.1460	10.5509	65 M	X		X	X
600-	9	128.143	10.5439	65 M	X		X	X
1000m Radius	10	128.1421	10.5405	<mark>65 M</mark>	X		X	X

11.2.4 EBS Summary, Key Finding and Conclusion.

The EBS was conducted as per the approved scope of Chuditch-2 Environmental Baseline Study Report number AU213017880.001 dated 26 September 2024. The EBS survey was conducted from 26 January 2025 to 31 January 2025 and the Report dated March / April 2025.

Marine Environmental Quality

Water Quality Profiling

- Minimal spatial variability in water quality across the project area.
- Temperature, salinity, turbidity, and pH remained stable from surface to seafloor.
- Slight thermocline detected at 22–25m depth.
- Dissolved oxygen (DO) levels were high (~95%) but decreased slightly below 25m, indicating a stratified water column.
- Low turbidity levels indicate minimal sediment resuspension and particulate matter.

Water Quality Samples

- Low dissolved metal concentrations, with only minor exceedances for copper and zinc.
- Hydrocarbons and chlorophyll-a were below detection limits.
- Sulphur concentrations were stable, with one outlier likely due to a laboratory error.





Sediment Quality Samples

- Sediments were mostly sand-sized with minimal organic content.
- Metal concentrations were generally below guideline values.
- Low hydrocarbon concentrations, assumed to be of natural origin.

Benthic Infauna

- 192 individuals from 62 taxa were identified.
- Species diversity was evenly distributed with no dominant species.
- Limited statistical analysis due to low sample size.

Benthic Habitat Assessment

- Substrate types included sand/mud, rock, and rubble, with sparse to moderate filter feeder coverage.
- Hard substrate was more abundant along some transects and correlated with higher biota diversity.
- Majority of benthic habitat was relatively featureless, but certain areas exhibited complex structures valuable for biodiversity.

Marine Fauna Observations

- No marine megafauna was observed due to the small survey area.
- Limited sightings of small fish and sea snakes.

Conclusion

- The project area exhibits stable water and sediment quality with minimal contamination.
- Benthic habitats are largely featureless, though some areas provide significant ecological value.
- Limited biodiversity data exists for the region, and findings align with other nearby surveys.
- No significant marine megafauna were observed.

11.2.5 The results of the EBS are given below.

Marine Environmental Quality

Water Quality

Physiochemical Profiles

The summary results of physiochemical water column profiles are shown Table 28 and:





- pH results ranged from between 8.21 and 8.26
- Salinity results ranged between 34.05 and 34.19
- Temperature values ranged between 28.77 and 30.29
- Conductivity results ranged between 51990.00 and 52147.10
- Turbidity values ranged between 0.06 and 0.26.





Table 28-Physiochemical profile results.

Site	pH -	Salinity PPT	Temperature °C	Conductivity µs/cm	DOsat %	Turbidity FNU
IMCRA (2018)	-	34.7	28.8 - 31.3	-		-
1	8.23	34.07	30.29	52025.30	94.80	0.07
2	8.21	34.16	29.27	52110.50	87.20	0.06
4	8.22	34.19	29.30	52147.10	89.70	0.06
7	8.22	34.19	29.18	52132.70	89.80	0.08
8	8.22	34.17	29.33	52115.30	91.10	0.08
9	8.21	34.19	28.97	52079.85	87.40	0.06
11	8.26	34.17	29.05	52111.40	87.90	0.22
12	8.24	34.18	28.90	52118.15	86.35	0.07
13	8.24	34.13	29.18	52067.70	88.90	0.07
14	8.22	34.18	28.84	52121.45	84.70	0.16
16	8.25	34.05	29.98	51990.00	94.30	0.26
17	8.21	34.19	28.77	52128.05	83.10	0.11

Dissolved Metals

Dissolved metals results are presented in Table 29. In summary:

- Gold, mercury and manganese results were reported below the Limit of Recording (LOR) in all samples.
- Remaining metals were all generally reported at low concentrations below ANZG (2018).

Table 29-Dissolved metals results from water samples.

	Table 29-Dissolved Hierars results from water samples.														
Site	As	Ag	Ва	Cd	Со	Cu	Cr	Fe	Pb	Mn	Hg	Ni	Sb	Se	Zn
	mg/L														
95% SPL	-	-	-	0.002	0.001	0.0013	-	-	0.0044	-	0.0004	0.07	-	-	0.008
99% SPL	-	-	-	0.0007	0.001	0.0003	-	-	0.0022	-	0.0001	0.007	-	-	0.0033
1_S	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	0.0003	0.0004	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.002
1_M	0.0017	<0.1	0.02	0.0006	<0.00005	0.0003	0.0003	0.02	0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.004
1_B	0.0018	<0.1	< 0.01	< 0.0001	<0.00005	0.0003	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.001
2_S	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	0.0004	0.0003	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.002





Site	As	Ag	Ва	Cd	Со	Cu	Cr	Fe	Pb	Mn	Hg	Ni	Sb	Se	Zn
								mg/L							
95% SPL	-	-	-	0.002	0.001	0.0013	-	-	0.0044	-	0.0004	0.07	-	-	0.008
99% SPL	-	-	-	0.0007	0.001	0.0003	-	-	0.0022	-	0.0001	0.007	-	-	0.0033
2_M	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	0.0003	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.002
2_B	0.0016	<0.1	0.01	< 0.0001	<0.00005	<0.0002	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	<0.001
4_S	0.0017	<0.1	0.01	< 0.0001	<0.00005	<0.0002	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.002
4_M	0.0017	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0002	0.02	< 0.001	< 0.001	< 0.0001	< 0.001	< 0.001	< 0.001	0.004
4_B	0.0017	<0.1	0.01	< 0.0001	<0.00005	<0.0002	0.0004	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	<0.001
7_S	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	0.0002	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.001
7_M	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0003	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.001
7_B	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.001
8_S	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	0.0002	0.0003	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.003
8_M	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0003	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.001
8_B	0.0018	<0.1	< 0.01	< 0.0001	<0.00005	0.0002	0.0003	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	<0.001
9_S	0.0015	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0003	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.002
9_M	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	<0.0002	0.02	0.002	< 0.005	< 0.0001	0.001	0.001	0.001	0.002
9_B	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0004	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.001
11_S	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	0.0003	<0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.001
11_M	0.0017	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.001
11_B	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	<0.001
12_S	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	<0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.002
12_M	0.0017	<0.1	0.01	< 0.0001	<0.00005	<0.0002	0.0003	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.001
12_B	0.0017	<0.1	0.01	< 0.0001	<0.00005	0.0002	0.0007	0.02	< 0.001	< 0.005	< 0.0001	0.001	< 0.001	< 0.001	0.001
13_S	0.0017	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0003	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.002
13_M	0.0016	<0.1	< 0.01	< 0.0001	<0.00005	0.0002	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.002
13_B	0.0017	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0003	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	<0.001





Site	As	Ag	Ва	Cd	Со	Cu	Cr	Fe	Pb	Mn	Hg	Ni	Sb	Se	Zn
	mg/L														
95% SPL	-	-	-	0.002	0.001	0.0013	-	-	0.0044	-	0.0004	0.07	-	-	0.008
99% SPL	-	-	-	0.0007	0.001	0.0003	-	-	0.0022	-	0.0001	0.007	-	-	0.0033
14_S	0.0017	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.001
14_M	0.0017	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0004	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	<0.001
14_B	0.0017	<0.1	0.02	< 0.0001	0.00006	<0.0002	0.0004	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	<0.001
16_S	0.0016	<0.1	0.01	< 0.0001	<0.00005	0.0002	0.0004	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.002
16_M	0.0017	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0003	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.001
16_B	0.0017	<0.1	< 0.01	< 0.0001	<0.00005	<0.0002	0.0004	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	<0.001
17_S	0.0017	<0.1	< 0.01	< 0.0001	<0.00005	0.0002	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	0.001	0.001	0.002
17_M	0.0017	<0.1	0.01	< 0.0001	<0.00005	<0.0002	0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	0.002
17_B	0.0016	<0.1	0.01	< 0.0001	<0.00005	<0.0002	<0.0002	0.02	< 0.001	< 0.005	< 0.0001	< 0.001	< 0.001	< 0.001	<0.001
Median	0.00165	-	0.005	0.00005	0.000025	0.0001	0.0003	0.008	0.0005	-	-	0.0005	0.00075	0.00075	0.002
Max	0.0018	-	0.02	0.0006	0.00006	0.0004	0.0007	0.04	0.002	-	-	0.001	0.001	0.001	0.004
Min	0.0015	-	0.005	0.00005	0.000025	0.0001	0.0001	0.005	0.0005	-	-	0.0005	0.0005	0.0005	0.001
St-Dev	0.00007	-	0.004	0.00009	-	0.00008	0.00012	0.011	0.0003	-	-	0.0001	0.0003	0.0002	0.001





Hydrocarbons

Hydrocarbon results from water samples are presented in EIS-Appendix-1 for BTEXN, TPH, TRH, and VOCs were all reported below the LOR.

Chlorophyll-a

Chlorophyll-a was reported below the LOR in all water quality samples.

Oil and Grease

- Oil and Grease values ranged between <5mg/L and 9mg/L.
- Median oil and grease results across all sampling sites was <5mg/L.

Sulphur

- Sulphur results ranged between 980mg/L and 1300 mg/L.
- Sulphur results were generally consistent between sites and across depths.

11.2.6 **Sediment Quality**

Particle Size Distribution

Particle size distribution (PSD) results are presented in Table 30.

Sediment PSD was generally uniform across sampling locations, where coarse grained sand $(500\mu m - 2000\mu m)$ was typically the most dominant fraction, followed by silt $(4\mu m -$ 62µm). Medium grained sand generally comprised the lowest fraction of grains across all sample sites, and while no sites appeared to be significantly different in their PSD composition sites 13 to 17 appeared to have a higher content of medium grained sand (250µm - 500µm) and a lower proportion of clay sized particles (<4µm) when compared with sites 1 to 10.

		rabie .	30-Seaiment Pa	rticie Size Distribut	tion (PSD).	
Site	Clay	Silt (4-	Sand (62 -	Medium Sand	Coarse Sand	Cobbles
ID	(<4 µm)	62 µm)	250 µm)	(250 - 500µm)	(500 -	(>2000µm)
					2000µm)	
Units				%		
1_ 1	12.27	23.15	14.04	3.37	36.28	10.89
1_ 2	9.57	19.33	16.9	3.69	30.79	19.72
2_ 1	12.83	24.12	13.79	3.97	32.41	12.88
2_ 2	10.84	23.61	14.27	1.76	38.35	11.17
3_ 1	14.07	28.63	10.19	0.83	29.63	16.65
3_ 2	12.13	27.55	18.88	2.58	24.42	14.44
4_ 1	12.86	26.88	17.11	3.99	23.27	15.89
4_ 2	8.71	28.3	19.69	2.77	20.83	19.7
5_ 1	7.53	16.14	14.01	2.74	39.66	19.92
5_ 2	6.95	15.15	14.21	2.67	40.98	20.04
6_ 1	10.17	21.55	10.54	1.87	37.05	18.82
6_ 2	8.16	17.42	13.63	3.94	29.45	27.4





Site ID	Clay (<4 µm)	Silt (4- 62 μm)	Sand (62 - 250 µm)	Medium Sand (250 - 500µm)	Coarse Sand (500 -	Cobbles (>2000µm)
Units				%	2000µm)	
7_ 1	9.57	20.14	14.7	2.26	32.84	20.49
7_ 2	7.5	15.58	15.34	3.34	39.37	18.87
10_ 1	12.26	28.06	15.59	1.52	22.61	19.96
10_ 2	8.07	18.13	22.67	7.53	27.67	15.93
13_ 1	7.11	11.63	10.59	2.89	48.25	19.53
13_ 2	6.26	13.57	16.1	11.57	34.37	18.13
14_ 1	6.22	15.9	20.2	15.59	33.24	8.85
14_ 2	5.12	11.96	19.87	14.9	34.23	13.92
15_ 1	8.57	19.97	24.74	14.18	23.5	9.04
15_ 2	6.67	15.86	25.16	14.06	27.03	11.22
16_ 1	5.93	13.58	19.06	14.67	36.19	10.57
16_ 2	7.56	16.18	16.26	10.54	26.71	22.75
17_ 1	6.24	13.47	18.83	15.17	34.25	12.04
17_ 2	8.02	15.95	17.95	13.26	33.04	11.78

Total Metals

Total metals concentrations are presented in Table 31. In summary:

- Mercury, cobalt, selenium, silver, and cadmium were reported below the LOR in all samples.
- Remaining metals were reported below ANZG (2018) Default Guideline Values (DGVs) where available.





Table 31-Sediment sample total metals results.

Site	Al	Sb	As	Cd	Cr	Co	Cu	Fe	Pb	Mn	Hg	Ni	Se	Ag	V	Zn
Unit								mg/	kg							
DGV				1			4.		-							
(ANZG	-	2	20	1.5	80	-	65	-	50	-	0.15	21	-	1	-	200
2018)	F700		2.4	. 1	16.0			7000	ГЭ	1.00	. 0 1	0.7			. 10	0.2
1_1	5700	< 2	3.4	< 1	16.0	< 5	< 5	7900	5.3	160	< 0.1	8.7	< 5	< 1	< 10	8.3
1_2	4500	< 2	2.5	< 1	13.0	< 5	< 5	6900	< 5	160	< 0.1	7.1	< 5	< 1	< 10	7.9
2_1	3500	5.4	2.5	< 1	9.0	< 5	< 5	5100	< 5	120	< 0.1	< 5	< 5	< 1	< 10	< 5
2_2	5500	< 2	4.0	< 1	15.0	< 5	< 5	8200	< 5	140	< 0.1	8.4	< 5	< 1	< 10	7.0
3_1	5000	< 2	< 2	< 1	13.0	< 5	< 5	6700	< 5	100	< 0.1	6.8	< 5	< 1	< 10	5.8
3_2	4400	2.1	2.9	< 1	12.0	< 5	< 5	7500	< 5	110	< 0.1	6.8	< 5	< 1	< 10	6.0
4_ 1	3600	< 2	< 2	< 1	10.0	< 5	< 5	5600	< 5	87	< 0.1	5.7	< 5	< 1	< 10	7.0
4_2	7700	< 2	2.7	< 1	21.0	< 5	6.2	11000	< 5	170	< 0.1	12.0	< 5	< 1	12.0	13.0
5_ 1	6400	< 2	3.7	< 1	19.0	< 5	5.6	11000	< 5	180	< 0.1	11.0	< 5	< 1	11.0	12.0
5_2	4500	< 2	2.8	< 1	13.0	< 5	< 5	6800	< 5	120	< 0.1	7.3	< 5	< 1	< 10	6.4
6_ 1	4000	< 2	< 2	< 1	11.0	< 5	< 5	5900	< 5	95	< 0.1	6.0	< 5	< 1	< 10	8.2
6_ 2	5100	< 2	2.3	< 1	14.0	< 5	< 5	6700	< 5	120	< 0.1	7.8	< 5	< 1	< 10	6.7
7_ 1	4600	< 2	3.3	< 1	13.0	< 5	< 5	6600	< 5	120	< 0.1	7.0	< 5	< 1	< 10	6.1
7_ 2	8500	5.6	6.3	< 1	26.0	< 5	7.8	16000	5.1	200	< 0.1	15.0	< 5	< 1	18.0	15.0
10_ 1	4100	< 2	< 2	< 1	9.8	< 5	< 5	5400	< 5	80	< 0.1	5.7	< 5	< 1	< 10	5.5
10_ 2	5900	< 2	< 2	< 1	16.0	< 5	5.0	8200	< 5	130	< 0.1	9.6	< 5	< 1	< 10	10.0
13_ 1	4000	< 2	2.3	< 1	11.0	< 5	< 5	5000	< 5	120	< 0.1	5.6	< 5	< 1	< 10	< 5
13_ 2	5800	< 2	4.1	< 1	17.0	< 5	< 5	8000	< 5	160	< 0.1	8.7	< 5	< 1	< 10	8.5
14_ 1	3900	< 2	2.7	< 1	9.6	< 5	< 5	6400	< 5	98	< 0.1	5.8	< 5	< 1	< 10	< 5
14_ 2	4800	< 2	2.2	< 1	13.0	< 5	< 5	6400	< 5	130	< 0.1	7.6	< 5	< 1	< 10	6.2
15_ 1	4500	< 2	< 2	< 1	12.0	< 5	< 5	6300	< 5	100	< 0.1	6.7	< 5	< 1	< 10	5.6
15_ 2	3200	< 2	< 2	< 1	7.8	< 5	< 5	4300	< 5	75	< 0.1	< 5	< 5	< 1	< 10	< 5
16_ 1	4600	< 2	< 2	< 1	12.0	< 5	< 5	6300	< 5	100	< 0.1	6.6	< 5	< 1	< 10	6.0
16_ 2	8100	< 2	3.3	< 1	22.0	< 5	6.7	12000	< 5	190	< 0.1	13.0	< 5	< 1	13.0	14.0
17_ 1	6900	< 2	3.1	< 1	20.0	< 5	5.7	10000	< 5	170	< 0.1	11.0	< 5	< 1	11.0	11.0
17_ 2	1900	< 2	2.0	< 1	5.7	< 5	< 5	3500	< 5	61	< 0.1	< 5	< 5	< 1	< 10	< 5
Median	4600	5.4	2.9	-	13.0	-	6.0	6700	5.2	120.0	-	7.3	-	-	12.0	7.0
Max	8500	5.6	6.3	-	26.0	-	7.8	16000	5.3	200.0	-	15.0	-	-	18.0	15.0
Min	1900	2.1	2.0	-	5.7	-	5.0	3500	5.1	61.0	-	5.6	-	-	11.0	5.5
St Dev	1542.1	2.0	1.0	-	4.7	-	1.0	2695.5	0.1	37.3	-	2.6	-	-	2.9	3.0





Moisture

Moisture content of sediment samples is presented in Table 32. In summary:

• Moisture content ranged between 33% (Site 3) and 44% (Site 13). The median moisture content across all sample sites was 39%, while there was a low standard deviation in % moisture content between samples (2%).

Oil and Grease

Oil and grease results are presented in Table 32. In summary:

• Oil and grease was generally reported below the LOR (<500 mg/kg) however was detected in low concentrations at Site 5 (690 mg/kg) and at Site 16 (630 mg/kg).

Sulphur

Sulphur results are presented in Table 32. In summary:

- Sulphur concentrations ranged between 2100 mg/kg (Site 17) and 6100 mg/kg (Site7).
- Median concentrations of sulphur across all samples was 3500 mg/kg, while the standard deviation was 1217 mg/kg.

Hydrocarbons

Results for hydrocarbons in sediments are presented in Table 32. In summary:

• BTEXN, Aliphatic and Aromatic Hydrocarbon, and Polyaromatic Hydrocarbon (PAH) concentrations were reported below the LOR at all sample sites

Total recoverable hydrocarbons (TRH) were detected in low concentrations at several sample sites, normalised TRH concentrations were reported below the ANZG (2018) DGV.

Table 32-Sediment sample Analysis Results

Site	Moisture Content	Oil and Grease	Sulphur	TRH C10- C36 (Total)	тос	TRH (C10- C36) Normalised to 1% OC
Units	%	mg/kg	mg/kg	mg/kg	%	mg/kg
DGV (ANZG 2018)	-	-	-	-	-	280
1_ 1	39	< 500	5600	57	6.9	8.3
1_ 2	38	< 500	3400	< 50	5.7	-
2_ 1	41	< 500	2900	< 50	6.6	-
2_ 2	38	< 500	4900	< 50	7.8	-
3_ 1	33	< 500	3300	55	7.6	7.2
3_ 2	36	< 500	2800	< 50	7.2	-
4_ 1	38	< 500	2200	< 50	6.4	-
4_ 2	40	< 500	4100	< 50	7.2	-
5_ 1	40	< 500	5400	< 50	8.5	-
5_ 2	40	690	4900	< 50	7.2	-
6_ 1	38	< 500	2700	< 50	11.0	-
6_ 2	39	< 500	4300	137	10.0	13.7





Site	Moisture Content	Oil and Grease	Sulphur	TRH C10- C36 (Total)	тос	TRH (C10- C36) Normalised to 1% OC
Units	%	mg/kg	mg/kg	mg/kg	%	mg/kg
DGV (ANZG 2018)	-	-	-	-	-	280
7_ 1	38	< 500	3600	< 50	9.6	-
7_ 2	38	< 500	6100	70	9.2	7.6
10_ 1	40	< 500	2500	470	7.6	61.8
10_ 2	39	< 500	3400	< 50	9.2	-
13_ 1	41	< 500	4400	480	8.3	57.8
13_ 2	44	< 500	6100	71	8.6	8.3
14_ 1	39	< 500	3100	< 50	7.6	-
14_ 2	39	< 500	4100	< 50	11.0	-
15_ 1	39	< 500	3300	< 50	7.1	-
15_ 2	39	< 500	2300	< 50	6.8	-
16_ 1	38	630	3300	< 50	5.1	-
16_ 2	37	< 500	5200	< 50	10.0	-
17_ 1	39	< 500	5100	160	10.0	16.0
17_ 2	39	< 500	2100	72	7.1	10.1
Median	39	-	3500	25	7.6	10.1
Max	44	-	6100	480	11	61.8
Min	33	-	2100	25	5.1	7.2
St Dev	2	-	1217	122	1.5	22.1

Benthic Infauna

The marine benthic survey collected 192 individuals from 62 taxonomic morphological species. The three most abundant species across all sites were the bristle worm Anthuridae, the *Litocorsa sp1* and, the Apseudidae. In general, the survey area indicated poor biota compared to other regional areas.

11.2.7 Benthic Habitat Assessment

Analysis of the towed video footage collected by ROV classified a total of 4,542 points from the eight (8) transects.

Descriptions and example images of each of the five (5) benthic habitat classes is given in Figure 32. From the description it is noted that

- i. Bare Sediment are largely featureless (flat), unconsolidated substrate with minimal (<1%) or no biota cover.
- ii. Bare Sediment (bioturbated) are unconsolidated substrate with minimal (<1%) or no biota cover.





- iii. Sediment with Sparse Filter Feeders are largely unconsolidated substrate with sparse (<10%) biota cover, where various filter feeder types are present.
- iv. (iv) Filter Feeders (mixed habitat) shows a combination of habitat types (e.g. sediment, rubble, reef, etc.) with no dominant substrate. Filter feeders (e.g. sponges, sea whips, gorgonians, ascidians, soft corals, hydroids, etc.) dominant across substrate, typically in moderate cover, and
- v. (v) Reef with mixed assemblage show varying relief (from flat to >3 m) of consolidated rock which typically forms part of a large, structurally complex reef feature. Reef substrate dominated by various forms of filter feeders and fishes. Typically, high (25-75%) to dense (>75%) in biota cover.

Class	Description	Example Image
Bare Sediment	Largely featureless (flat), unconsolidated substrate with minimal (<1%) or no biota cover	
Bare Sediment (bioturbated)	Unconsolidated substrate with minimal (<1%) or no biota cover, although with consistent bioturbation	





Class	Description	Example Image
Sediment with Sparse Filter Feeders	Largely unconsolidated substrate with sparse (<10%) biota cover, where various filter feeder types are present	
Filter Feeders (mixed habitat)	Combination of habitat types (e.g. sediment, rubble, reef, etc.) with no dominant substrate. Filter feeders (e.g. sponges, sea whips, gorgonians, ascidians, soft corals, hydroids, etc.) dominant across substrate, typically in moderate to high cover.	
Reef with Mixed Assemblage	Varying relief (from flat to >3 m) of consolidated rock which typically forms part of a large, structurally complex reef feature. Reef substrate dominated by	





Class	Description	Example Image
	various forms of filter feeders and	
	fish. Typically,	
	high (25-75%) to dense (>75%) in	
	biota cover	

Figure 32-Description and example images of each of the five (5) benthic habitat classes.

Post Well Survey: The ROV will be deployed and conduct post well survey in the vicinity of the well to ensure no dropped equipment or other is left on the seabed, Video transects are downloaded to a separate storage device and made available for use in post project environmental monitoring if required and/or used in environmental monitoring reporting.

11.2.8 Marine Fauna Observations

No opportunistic marine megafauna were observed during survey operations.





12. REPORTING REQUIREMENTS

12.1. Surveillance Audit Program

The objective of the environmental auditing and review program are to:

- 1. Verify impacts and risks are effectively managed;
- 2. Ensure relevant standards and procedures are being forward;
- 3. Demonstrate compliance with regulatory requirements, approval commitments and conditions within the EMP; and
- 4. Checking EMP implementation by various parties involve in the appraisal drilling activities.

This is to verify that environmental controls are incorporated in the project planning stage, implemented on site and in the closure and any required rehabilitation activities. The findings of the surveillance audit program are useful to improve EMP implementation and will be used to verify the need for revision of the EMP and monitoring program, if deemed necessary.

Three phases of surveillance audit programs are proposed (Table 34) for the appraisal drilling programs that include:

Table 33-Proposed three phases of surveillance audit programs.

Drilling Stage	Audit Focus	Schedule
Planning stage (Pre-drilling Audit)	The objective of the audit is to verify whether appropriate planning is in place before the commencement of the exploratory activities.	Before start of drilling program
	The audit primarily includes inspection on compliance to various environmental related approval requirements, agency/ stakeholders' notification/consultation, if required, provision of the necessary control measures/ equipment/ tools on board, etc.	
Drilling stage (Drilling Audit)	The objective of the audit is to verify the implementation of EMP during the drilling operation.	During drilling of Chuditch-2 appraisal well.
	The audit primarily focuses on the compliance of environmental practice implementation to evaluate the level of compliance against the EMP requirements, to identify area for improvement, to review the appropriateness/efficiency of mitigation measures employed.	





Drilling Stage	Drilling Stage Audit Focus				
	and to recommend or suggest additional mitigation measures, if deemed necessary.				
Demobilization stage (Demobilization Audit)	The objective of the audit is to monitor and verify waste disposal management in compliance to the EMP requirements, removal of materials and equipment from drilling sites and to verify environmental damage, if any, is rehabilitated to an acceptable level.	Upon completion of Chuditch-2 appraisal well.			

The surveillance audit to be carried out should encompasses the following main elements:

- · Review of environmental requirements for the appraisal drilling activities;
- Review of relevant documentation and records;
- Physical inspection of sites and operations;
- Discussion on ambiguous information, facts and data with the person in charge.
- The checklist for the surveillance audit of the difference stages of appraisal well activities are presented in Appendix 2.

12.2. Management of non-conformance and corrective action

All HSE hazards and incidents are reported in accordance with the SGBU Incident Reporting and Investigation Procedure. Root cause analysis of incidents is performed to determine the cause and aid identification of appropriate corrective actions.

Monitoring and measurement is planned in accordance with auditing procedures. Non-performances identified in audits and reviews will be addressed. Responsible personnel for EMP and OSCP performance auditing, monitoring and management of non-conformances are part of SGBU Safety and Environment Policy and management systems.

12.3. Records and Communication

The findings from the environmental monitoring and surveillance audit program will be properly recorded and reported (Table 35). The report will be made available to all parties involved in the project and a copy will be submitted to ANP. Any non-conformance recorded from the environmental monitoring and surveillance audit program will be investigated to adequately identify and understand the non-conformance and actions considered and implemented to ensure controls are in place.





Apart from the environmental monitoring and surveillance audit report, SGBU will also keep records on the relevant environmental management practices monitoring as describe in the above section as part of the internal work procedures. In addition, other relevant reports on oil spill incidents, environmental incidents, cetacean sighting, etc. will be prepared and submitted to ANP should any of incidents or observations occur.

Table 34-Records, Reporting and Communication

Item	Records & Reporting	Frequency	Submission Requirements
1	Environmental Quality Monitoring Report	EBS Technical report and drilling phase environmental monitoring report.	ANP
2	Environmental Surveillance Audit Report	Pre-Mobilisation Surveillance Audit Report During Drilling Surveillance Audit Report Demobilisation Surveillance Audit Report	ANP
3	Environmental management practices monitoring records	As part of daily operation procedures (for SGBU's internal records only)	NA
4	Summary of the monthly records at the end of each month / upon completion of each well drilling cycle	Summary monthly reports upon completion of each well drilling cycle	ANP
5	Other relevant environmental report such as oil spills or other environmental incident reports, etc.	Ad-hoc; 2 weeks after the incident.	ANP

Based on Decree Law No. 32/2016 Article 143 all records keeping including the above-mentioned reports are to be kept for a minimum of 5 years.





13. RESPONSIBILITIES FOR MITIGATION AND MONITORING

The Institutional roles and responsibilities are provided in Table 17 for mitigation and monitoring for Health, Safety, and Environment (HSE) related aspects of SGBU and its drilling contractor management within the drilling of Chuditch-2 Appraisal Well.

The Table 22 gives the Environmental Mitigation Measures and Responsibility of various parties. It describes the possible events, environmental contingency measures and safeguards in case of a spill event. The table has considered loss of well control and blow out, leak from fittings and connections or leak from engines or machinery and spillage during refuelling, further description of the safeguards and who is responsible on the jack-up rig.





14. EMERGENCY PLAN

SGBU Integrated management Systems includes the Chuditch-2 Emergency Response Plan (ERP) which has been developed in line with the Incident Management System for the Oil and Gas Industry, good practice guidelines for incident management and emergency response personnel (IOGP and IPIECA, 2023).

This ERP outlines the emergency response procedures for SGBU operations and activities conducted in the Chuditch field. This includes providing for a functioning Incident Management Team (IMT) and Crisis Response Team (CRT) and the Facility, Support Craft and Supply Base organisations having a like for like response structure.

The drilling campaign bridging document will bridge to the MODU, support vessel and helicopter providers. The Supply Base will be managed under SGBU IMS. Each organisation including the principal contractor shall maintain a response structure (Emergency Response Team) at the potential source of an event and:

- A fully functioning Incident Management Team (ERT)
- A fully functioning Crisis Response Team (CRT)

The Objectives of the Chuditch-2 ERP are to ensure that the systems and processes used by SGBU, Vessel, Supply Base, Helicopters, and Support Craft Operators in an emergency are focused on:

People

- Protecting our People.
- Treating the injured and warning personnel / public to avoid further casualties.
- Evacuate or shelter people from the effects of an emergency.

Environment

- Saving the environment and property from destruction.
- Preventing further contamination to the environment or property.
- Providing security for property, especially in evacuated areas.

Assets

Protect our Assets.



Halona Serena Lda

• Help protect the basis of our operations and the community it seeks to serve if there is a release from a SGBU operated facility.

Reputation

• Protect our Reputation.

Primary and support responsibilities for the Chuditch-2 campaign are detailed in Table 35.

Table 35-Primary and support functions

Activity	Primary	Support
General emergency on the MODU (Fire, major injury, etc.)	Rig Contractor	SGBU
General emergency within the 500m exclusion zone (man overboard, helicopter ditching, etc.)	Rig Contractor	SGBU
Emergency event with drilling and intervention equipment, including BOP and risers	Rig Contractor	SGBU
Emergency event - Well integrity (below the Wellhead)	SGBU	Rig Contractor
Emergency event - Well blow out/loss of well control event	Rig Contractor	SGBU
Oil or chemical spill contained on-board MODU	Rig Contractor	SGBU
Oil or chemical spill overboard into ocean	SGBU	Rig Contractor
Helicopter incident, ditching or missing offshore	Helicopter Contractor	SGBU
Helicopter incident on or near the MODU	Rig Contractor	SGBU and Helicopter Contractor
Contracted Vessel emergency inside MODU 500m zone	Vessel Contractor	Rig Contractor
Contracted Vessel emergency outside MODU 500m zone	Vessel Contractor	SGBU
Emergency event – Darwin Supply Base	Supply Base Operator	SGBU

SGBU Incident Command structure and the Incident Command System (ICS) is a standardized approach to the command, control, and coordination of emergency response providing a common hierarchy within which responders from multiple





agencies can be effective. Incident Command structure is organized in such a way as to expand and contract as needed by the incident scope, resources and hazards.

14.1. Integrated Management System (IMS)

SGBU Integrated management Systems has a tiered response. In the event of an emergency, the OIM is responsible for the initial situation assessment and emergency response. Both the rig contractor and SGBU classify emergencies into Levels 1, 2 and 3, according to the consequence of each emergency and its potential to escalate. Where there is doubt regarding the exact level of an emergency, the higher classification will be used until a definitive classification can be made by the OIM. Table 36 provides guidance and assistance in determining the incident response level and classification.

Table 36-Provides guidance and assistance in determining the incident response level and classification

Response Level	Incident Manageme Response	ent/Emergency	Emergency Management
Criteria	Incident (Level 1)	Major Incident (Level 2)	Emergency (Level 3)
Definition	Can be rectified using existing business as usual (BAU) processes and resources	Requires escalated and coordinated response with enhanced stakeholder communications	Requires special mobilization and organization of resources well beyond BAU
Coordinated By	Rig Contractor ERT	Rig contractor Activated and SGBU IMT IC Advised	SGBU IMT activated – CEO Advised CMT Leader Advised / Activated
Delegation	RIG Contractor ERT is responsible with additional company support as required	SGBU IMT IC responsible with functional roles activated	CMT Leader responsible with functional roles activated
Resources	Site response & local resources (potentially with or without SGBU IMT support	Additional management expertise and resources (potentially with SGBU IMT support)	Company-wide resources available including support Aust EMT





Response Level	Incident Manageme Response	Emergency Management	
Criteria	Incident Major Incident (Level 1) (Level 2)		Emergency (Level 3)
Primary Internal Document Reference	Rig Contractor Offshore Emergency response document	SGBU ER BD	SGBU Crisis Management Plan

14.2. Emergency Response Scenario

Emergency Response Scenarios relative to this EMP are:

- For Well Control Events the Rig contractor's Offshore Emergency Response document, guides the initial emergency response for the safety of personnel onboard the MODU as directed by the OIM. In the event of a loss of well control event, the rig contractor EMT will be activated, and response taken in alignment with the OSCP.
- The OSCP describes the arrangements for responding to and monitoring pollution in the
 event of a hydrocarbon spill during drilling on the Chuditch-2 well. This plan provides a
 first strike response plan and escalation according to incident tiers, incident
 management team structure (IMT), Crisis Management Structure and emergency
 structure framework.
- The Source Control Emergency Response Plan (SCERP) describes the response strategies and procedures that will be employed to plan for and control the source during a loss of well control event including the response framework, source control strategies and resources, logistics, response timeline, potential SIMOPs and preparedness, exercising, training and competency based on worst-case discharge analysis and modelling.
- For response resources and equipment beyond SGBU and the MODU, the ERP has a list
 of contact details of organizations to call for assistance as per international practice.
 SGBU has contracted Wild Well Control as their provider of well control support.
- Oil Spill Response Limited (OSRL). SGBU is participant member of OSRL and has full access to its capability. This includes guaranteed and immediate response, 24 hours, 365 days per year. OSRL possesses a large stockpile of regularly maintained oil



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pollution response equipment. Further details of the arrangements with OSRL are given in the OSCP.

• Australian Maritime Oil Spill Centre (AMOSC). The Australian Marine Oil Spill Centre operates Australia's major oil spill response equipment stockpiles on 24-hour standby for rapid response within the Australian Exclusive Economic Zone. AMOSC is also on call 24 hours a day, 365 days a year. This ensures immediate access to AMOSC personnel and equipment. SGBU will have access to the AMOSC stockpile of response equipment and expertise in the event of a spill of national or international significance requiring an intergovernmental request for assistance via AMSA and the Australian Nat Plan. Further details on the pathway to obtain AMSA/AMOSC assistance are given in the OSCP.





15. DECOMMISSIONING PLAN

The overview of Chuditch-2 Well Construction Sequence: Mobilisation, Preloading / rigging up, 17½" Hole Section, 13¾" Casing, Run 18¾" BOP Stack, Drill 12¼" Hole Section, Conduct 12¼" OH Logging, Run and cement 9½" Casing, Conduct 9½" CH Logging, Well Clean -up, Well Testing, Abandonment Well, Rigging Down / Jack Down and Demobilisation.

15.1. Rig Move

In Q3 2025, based on the current rig schedule, the rig will be towed to location and positioned over the programmed well centre. Following soft pinning and pre-load operations, the rig will jack up to the approved air gap of approximately 15-18m above mean sea level and begin to rig up, take on extra personnel, equipment, fluids and chemicals in preparation for spudding the well.

15.2. Drilling

The Chuditch-2 well will target the Plover Formation to appraise the gas discovery encountered by Shell on the Chuditch-1 well. Its primary goals include confirming thicker gas pay in an upward direction from the original well toward its bounding fault and conducting a Drill Stem Test (DST) to assess the field's production potential.

15.3. Drill String Test

SGBU plans to perform DST on the expected gas-charged Plover reservoir interval in the Chuditch-2 appraisal well.

15.4. Plug and Abandonment

Upon completion of drilling activities, the well will be plugged and abandoned where a bridge plug or high viscosity pills will be installed in conjunction with cement slurries to ensure that higher density cement does not fall in the wellbore.

15.5. Post Well Survey

The ROV will be deployed and conduct a post well survey in the vicinity of the well to ensure no dropped equipment or other object is left on the seabed. Video transects are downloaded to a separate storage device and made available for use in post project environmental monitoring if required and/or used in environmental monitoring reporting.





15.6. Rig Down and Rig Move

The MODU then rigs down equipment, jacks down to the water and retracts the legs in a pre-planned sequence. The tow vessel takes tension on the bridle and moves the MODU off location.





16. CAPACITY DEVELOPMENT AND TRAINING

The framework for petroleum exploitation in Timor-Leste was set in 2005 (Law No. 13/2005). The general framework in the Act is then elaborated further in various decree laws, for example in public tendering, policy and guidelines for administration and monitoring of Timor-Leste Content, and the award of petroleum contracts. Specific provisions are set in the Timor-Leste Content to include proposals for training of and giving preference in employment in the Petroleum Operations to, nationals of Timor-Leste, and the procurement of goods and services from persons based in Timor-Leste to stimulate development of local suppliers of goods and services and the Timor-Leste economy.

Job creation is critical for the stability and long-term development of Timor-Leste. This effort will provide a strong economic growth, consistent and supportive of macroeconomic policies, competitive wages, support private sectors, local involvement, and competitive and skilled workforce. From the stakeholder's consultation, training to upgrade and enhance skills, equal opportunities and access to skills for men and women, also the matchmaking between the training and actual employment prospects are important for Timorese so they will be able to compete with foreigners.

SGBU will train local workers in Timor-Leste, keep records of where workers are employed and training conducted with these workers.

16.1. Induction and Offshore Certification Requirements

There will be Safety Training and Induction for all working offshore to raise awareness of the increased safety risk and provide them with skill and knowledge to deal with offshore emergencies. An environmental and safety induction will be undertaken with crew members prior to commencement of any drilling-related operations. Items that will be covered include:

- a) General offshore safety training;
- b) Regulatory requirements for drilling operations;
- c) Environmental considerations and special procedures to be used for environmental protection in the permit area; and
- d) Safety procedures with particular regard for appropriate conduct on jack-up rig and safe use of equipment.





16.2. Local Content

Due to the brevity of the drilling campaign, the level of experience and skill required to fulfill offshore positions and the lack of suitably qualified Timorese personnel, there is limited opportunity for local employment and training during the Chuditch-2 appraisal well campaign.





17. PUBLIC CONSULATION and INFORMATION DISCLOSURE

The public consultation for a Category A project, such as Chuditch-2 Appraisal Drilling is a requirement per Decree Law No. 39/2022 first amendment of Decree Law No. 5/2011 of Environmental License, for environmental assessment involving the preparation of the Environmental Impact Statement (EIS) and Environmental Management Plan (EMP). This requirement is aimed at addressing the public's concern, understanding, and acceptance of the project, especially on how the project may affect them positively and/or negatively.

17.1. Purpose of the Consultation

Public Consultation process for the Environmental Impact Assessment (EIA) is carried out in accordance with the Ministerial Diploma No. 47/2017 for the Regulation on the Public Consultation Procedures and Requirements during the environmental assessment process. Based on the aforementioned Ministerial Diploma, the objective of the Public Consultation is to disseminate information on the result of Environmental Baseline Survey (EBS) as part of EIA and Environmental Management Plan.

17.2. Methodology & Approach

The methodology and approach for this public consultation:

17.2.1. Methodology

- Preparation includes date and venues, invitation, coordination, and presentation materials.
- Identification of Stakeholders:
 - 1) Autoridade Nacional do Petróleo (ANP);
 - 2) Ministry of Petroleum and Mineral Resources (MPRM);
 - 3) Ministry of Tourism and Environment;
 - 4) Unidade de Policia Maritima (UPF-PNTL);
 - 5) Unidade Policia Esplosivo;
 - 6) Autoridade Maritima Nacional;
 - 7) Direcção Nacional de Transporte e Maritima;
 - 8) Gabinete das Fronteiras Tereste e Maritima;
 - 9) Asosiasaun Peskan no Marina Timor-Lorosa'e (APM-TL);





- 10) Port Custom (Ministry of Finance);
- 11) Port Authority (APORTIL);
- 12) Ministry of Agriculture and Fisheries (MAF);
- 13) Forca Componente Marinha/Naval de Falintil Forca da Defesa de Timor-Leste (F-FDTL)
- 14) Ministry of Health;
- 15) Australian Embassy;
- 16) Civil Society Organizations CSOs (e.g. Lao Hamutuk);
- 17) Ministry of Foreign Affairs;
- 18) Quarantine;
- 19) Direção Nacional da Protecção Civil Bombeiros TL;
- 20) Direção Nacional de Meteorologia e Geofísica;
- 21) Autoridade Municipal de Dili;
- 22) SANTOS;
- 23) Eni Timor-Leste S.PA; and
- 24) UNTL Faculdade Educação Departamento Biologia.

17.2.2. Approach

- Public Notice will be published through ANP's website, proponent's website, any social networks such as Facebook, LinkedIn, Newspaper, Radio, and Televisions on the day of the EIS and EMP drafts submission.
- Through Public Notice: anyone has the right to review and provide their comments through writing via e-mail or in-person at the office of the Environmental Authority
 ANP, Project Proponent – SGBU.
- SGBU will organize a formal meeting where result from the Environmental Baseline Survey (EBS) results, EIA, and potential impacts as well as mitigation measures will be presented to stakeholders identified in sub-section 17.2.1.
- As a courtesy, SGBU will notify the Australian National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), the Northern Territory government, and the Australian Maritime Safety Authority (AMSA) of the offshore drilling.





17.3. Summary of Consultation

Date : 23rd April 2025

• Venue : Suai Room Timor-Plaza

Rua Presidente Nicolao Lobato, Comoro, Dom Aleixo, Dili

• Time : 08.30 am to Finish

• Participants Registry: included in EIS Appendix 6

17.4. Summary of Main Comments

The objective of this public consultation is to ensure transparency and responsibility in oil and gas exploration. Through this public consultation, everyone has the right to review and submit their concerns, if any, regarding the appraisal drilling campaign in Chuditch-2. A few comments arose during the public consultation:

- Disturbance of marine life biodiversity from underwater noise pollution cause by drilling activity;
- Publicity of EBS results;
- Collaboration with UPM, UPF, and National Naval authority if any illegal activity is observed during drilling campaign;
- Economical viability of Chuditch field and contingency plan during the drilling campaign;
- Contribution of the drilling activity to the climate change in regard to the fishing activity;
- Challenges faced by SGBU in the delay of drilling activity;
- Technical preparation for ensuring safety and integrity during the campaign; and
- Marine environmental study.

17.5. Summary of Public Acceptance of the Project

During the Public Consultation and public notice, there was no opposition stated to the Chuditch-2 drilling campaign. On the contrary, there was broad acceptance of this campaign by the public, judging by the number of attendees and their proactive participation during the consultation event.





17.6. Photos from Public Consultation



Figure 33-Photos taken during Public Consultation.





17.7. Recommendations for Future Consultations

SGBU will continue to collaborate with ANP and stakeholders to share any changes on any amendments on potential environmental impacts and any mitigation measures within EIS and EMP.





18. COMPLAINTS AND GRIEVANCES MECHANISM

The drilling project is offshore, far from land and interaction with local community is unlikely. However, the SGBU team will liaise with the ANP and other authorities to manage complaints and grievances, should such occur.

The complaints and grievances mechanism is intended to assist anyone or any stakeholders who might be affected by the Chuditch-2 Appraisal Well Drilling activities, with their complaints and/or grievances. The project proponent, SGBU, has the obligation to record and address any complaints submitted.

18.1. Objective

The objectives of the complaints and grievances are:

- To give anyone from the community and/or stakeholder the opportunity to submit their opinion, complaints, and/or grievances on the environmental impacts from the drilling campaign;
- To ensure that any complaints and/or grievances are heard and addressed properly;
- To assist SGBU in addressing complaints and/or grievances regarding the drilling campaign; and
- To assist transparency and fair process.

18.2. Mechanism

SGBU is committed to treat all complaints and grievances:

- Seriously and confidentially without discrimination;
- Within a specified timeframe;
- Through negotiation, mediation, and conciliation; and
- Clear communication between SGBU and complainants.

Below is the procedure diagram for complaints and grievances mechanism:





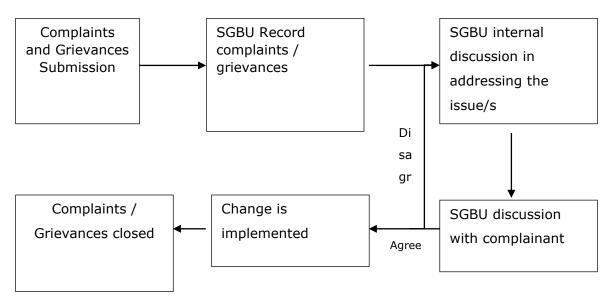


Figure 34-Complaints and Grievances Mechanism Diagram.





19. WORK PLAN AND IMPLEMENTATION SCHEDULE

Table 37-Estimated Timeline for Appraisal Well Drilling

Operation	Туре	Number of Day
Mobilization	Move	2.5
Pre-Loading / Rigging Up	Move	5.6
17½" Hole section	Drill	3.6
13%" Casing	Casing	1.9
18¾" BOP	ВОР	1.0
12¼" Hole section	Drill	6.3
12¼" OH Logging	Log	3.8
9%" Casing	Casing	2.3
9%" CH Logging	Log	0.4
Well Clean-up	Clean-Up	1.4
Well Testing	Test	6.6
Abandon Well	Plug	3.4
Rigging Down / Jack Down	Move	2.6
Demobilization	Move	2.6
Duration in Total	Approximation	44.0





20. COST ESTIMATES

Table 38-Summary of Estimated Cost

Activity	Timing	Estimated cost
EIA including spill and cuttings modelling	April 2024 - Current	USD 130,000
EBS including SOW.	January 2025	USD 634,000
Tier 1/Tier 2/Tier 3	July 2025	ТВА
Drilling Environmental Monitoring Plan	Q/2 2025	USD 150,000
Total		USD 914,000

SGBU has budgeted for all anticipated and credible mitigation measures and monitoring requirements to be correctly implemented.





21. REVIEW OF THE EMP

The Environmental Management Plan (EMP) is considered as a living document which is subject to review or update as necessary based on any new events which may occur during the appraisal drilling. As stipulated in Decree Law No. 32/3016, Article 140, the EMP is required to be reviewed annually. In this instance, the EMP is designed for the Chuditch-2 Appraisal Well Drilling Program and is limited to that scope. Furthermore, when necessary, revisions and submissions are required to reflect any changes amended through ongoing monitoring, reports, and inspections/audits conducted on environmental impacts and risks.

Whilst preparing the draft EMP, SGBU shall discuss with ANP and formulate a Public Consultation plan as per requirements. Any relevant suggestions, comments shall be considered and the revision of EMP will be prepared. The review of EMP shall be done before the start of the appraisal drilling program.

Additionally, since this is a 40-day drilling campaign, there is no annual review; instead, the EMP review is subject to:

- a) Changes in project plan, activity, process, and/or procedure that may have an impact on the project, its human resources, and/or the environment. This includes positive changes that can enhance the project's value.
- b) Changes in the physical area of the project and its size.
- c) Changes of responsibility towards any social and/or environmental aspects identified within the project EIS and EMP.
- d) Changes in any legislation related to the project implementation and monitoring that may require an update to the EMP
- e) Changes of monitoring results deviate from any guiding values and/or environmental standards that may require an update to the EMP.





22. NON-TECHNICAL SUMMARY

Non-Technical Summary

Introduction

This document provides a clear and simple explanation of the Environmental Management Plan (EMP) for the Chuditch-2 offshore drilling project in Timor-Leste. The goal of this summary is to help people understand how the project will be carried out while ensuring environmental protection and worker safety. It explains the purpose of project, the benefits, possible environmental impacts, and the steps taken to reduce harm.

The EMP is a detailed plan that outlines how the company will comply with environmental laws and ensure that the drilling activities do not cause long-term damage to the marine environment. It provides guidelines on safety measures, waste disposal, emergency preparedness, and community engagement.

Why This Plan is Important

The EMP is essential because it:

- Ensures that drilling activities follow environmental laws.
- Reduces harm to marine life and natural habitats.
- Keeps workers and local communities safe.
- Establishes a plan for responding to emergencies such as oil spills.
- Helps monitor and report environmental impacts.

Without an EMP, drilling activities could become uncoordinated and less effective in safeguarding the environment including less effective planning to safeguard water pollution, destruction of marine habitats, and health risks to people living nearby.

Overview of the Chuditch-2 Drilling Project

The Chuditch-2 drilling project is taking place in the Timor Sea, about 185NM East of Timor-Leste. The goal is to determine if

Sumáriu Naun-Tékniku

Introdusaun

Dokumentu ida-ne'e fó esplikasaun klaru no simples kona-ba Planu Jestaun Ambientál (PJA) ba projetu perfurasaun tasilaran/klean Chuditch-2 iha Timor-Leste. Objetivu husi sumáriu ida-ne'e maka atu ajuda ita sira komprende oinsá projetu ne'e sei hala'o enkuantu garante protesaun ambientál no seguransa traballadór nian. Ida-ne'e deskreve objetivu projetu nian, benefísiu sira, impaktu ambientál sira ne'ebé posivel, no pasu sira ne'ebé foti atu hamenus prejuízo ka risku sira.

EMP hanesan planu detallu ne'ebé trasa oinsá kompañia sei kumpre lei ambientál sira no asegura katak atividade perfurasaun sira la hamosu estragu ba tempu naruk ba ambiente tasi. Ida-ne'e fornese matadalan sira kona-ba medida seguransa nian, soe lixu, preparasaun ba emerjénsia, no envolvimentu komunidade nian.

Tanbasá Planu Ida-ne'e Importante

EMP ne'e esensiál tanba:

- Asegura katak atividade perfurasaun tuir lei ambiental.
- Hamenus prejuízu ka riksu ba moris tasi nian no habitat naturál sira.
- Mantein traballadór sira no komunidade lokal sira ne'ebé besik seguru.
- Estabelese planu atu responde ba emerjénsia sira hanesan asidente minarai fikar.
- Ajuda monitoriza no relata impaktu ambientál sira.

La ho EMP, atividade perfurasaun sira bele la koordenadu no ladun efetivu iha salvaguarda ambiente inklui salvaguarda ba poluisaun bee, destruisaun ba habitat tasi nian, no risku saúde ba ema sira ne'ebé hela besik.

<u>Vizaun Jerál kona-ba Projetu</u> <u>Perfurasaun Chuditch-2</u>

Projetu perfurasaun Chuditch-2 hala'o dadaun hela iha Tasi Timor, milha náutika





there is enough natural gas in the area to support future production. An offshore drilling rig will be used for this project.

The project consists of three main stages: Mobilization: Preparing equipment, transporting the drilling rig, and setting up at the site.

Drilling and Testing: Drilling the well, collecting samples, and analyzing them to confirm the presence of natural gas.

Decommissioning and any mitigation or restoration recommended by the planned environmental monitoring program: Plugging and abandoning the well safely, removing equipment, and ensuring the site is left in a safe condition.

The drilling will be done in 68 meters of water depth and will reach a total depth of approximately 3,065 meters below the seabed.

Expected Environmental Impacts

The project has both positive and negative effects on the environment and society.

Positive Effects

Job Opportunities: The project in the long term, will create jobs for local workers in Timor-Leste. In the short term there is limited opportunity for employment due to the level of training, formal qualifications, experience and skill sets required to safely work in the oil and gas sector.

Economic Growth: The drilling will generate revenue for the government through taxes and royalties.

Skill Development: Future workers will receive training in offshore drilling operations.

Technology Transfer: Advanced drilling technology will be introduced to Timor-Leste. Offshore drilling requires engineering and support services on shore. Future opportunities will exist for Timor-Leste citizens to become trained in these support activities.

Possible Negative Effects and Solutions

185 leste husi Timor. Objetivu husi projeitu ne'e atu determina se iha gás naturál ne'ebé sufisiente iha área ne'e atu suporta produsaun iha futuru. Sei uza plataforma perfurasaun tasi-klaran ba projetu ida-ne'e. Projetu ne'e kompostu husi etapa prinsipál tolu tuir mai:

Mobilizasaun: Prepara ekipamentu, transporta plataforma perfurasaun, no monta iha fatin perfurasaun.

Perfurasaun no Teste: Perfurasaun posu, halibur amostra sira, no analiza sira hodi konfirma prezensa gás naturál.

Dekomisaun no kualkér mitigasaun ka restaurasaun ne'ebé rekomenda hosi programa monitorizasaun ambientál ne'ebé planeadu: Taka no abandona posu ho seguru, hasai ekipamentu, no asegura katak fatin ne'e husik hela iha kondisaun seguru. Perfurasaun ne'e sei halo iha tasi kle'an metru 68 no sei to'o metru 3,065 iha tasi okos.

<u>Projetu ne'e iha efeitu pozitivu no</u> negativu ba ambiente no sosiedade.

Efeitu Pozitivu sira

Oportunidade Servisu: Projetu ne'e iha tempu naruk, sei loke kampu traballu ba traballadór lokál sira iha Timor-Leste. Iha tempu badak iha oportunidade limitadu ba empregu tanba nivel formasaun, kualifikasaun formál, esperiénsia no konjuntu abilidade sira ne'ebé presiza atu serbisu ho seguru iha setór mina no gás.

Kresimentu Ekonómiku: Perfurasaun sei hamosu reseita ba governu liuhosi impostu no regalias.

Dezenvolvimentu Abilidade: future traballadór sira sei simu formasaun kona-ba operasaun perfurasaun iha tasi-laran/klean. Transferénsia Teknolojia: Teknolojia perfurasaun avansadu sei introduz mai Perfurasaun Timor-Leste. iha tasi-ibun presiza enjeñaria no servisu apoiu husi raimaran. Oportunidade sira iha futuru sei ba eziste Timor-oan sira atu treinamentu hodi fó apoiu ba atividade sirane'e.





Seabed Disturbance: The drilling may damage marine habitats, although this will be transient and very localized. To prevent this, the company will use precise positioning systems to avoid unnecessary seabed disruption.

Water Pollution: Drilling chemicals and waste could pollute the ocean, although the volumes of chemicals and treated wastes discharge to the sea will be negligible in comparison to the overall volume of the water column in the area. To prevent and measurable harm, waste will be treated before disposal, and only environmentally safe chemicals will be used.

Air Pollution: The operation may release emissions that affect air quality. This will be highly localized and far less than seasonal crop burn-offs ashore. To minimize this, the project will use fuel-efficient equipment and monitor emissions.

Oil Spills: A major risk is oil spills, which can damage marine life. The Chuditch well is not expected to produce liquid oil. It is prognosed as a dry gas well with a very small percentage of condensate which upon release will evaporate on the sea surface rapidly.

In the event of a diesel spill, studies show this will also evaporate and weather rapidly. To assist and mitigate, the company has an emergency response plan with trained teams and spill containment equipment to handle any accidents.

Impact on Marine Life: Noise and light pollution from the drilling could disturb fish and marine mammals. It is considered this wildlife be transitory with effect will behaviours exhibiting avoidance returning to normal behavioural patterns after the drilling campaign is completed. To reduce this impact, the project will use noise-reduction technology limit and unnecessary lighting.

Legal and Environmental Compliance

The project must follow national and international environmental laws, including:

<u>Efeitu negativu no solusaun sira ne'ebé</u> posivel

Perturbasaun iha tasi okos: Perfurasaun bele estraga habitat tasi nian, maski ne'e trnasiente no lokalizadu. Atu prevene idane'e, empreza sei uza sistema kolokasaun sistemátiku hodi evita interupsaun tasi-okos ne'ebé la nesesáriu.

Poluisaun Bee: Produtu kímiku no lixu perfurasaun nian bele halo poluisaun ba tasi, maski volume kímiku no lixu tratadu sira ne'ebé soe ba tasi sei ladún importante kompara ho volume jerál hosi koluna bee nian iha área ne'e. Atu prevene no prejuízu ne'ebé bele sukat, lixu sei hetan tratamentu molok soe, no sei uza de'it kímiku sira ne'ebé seguru ba ambiente.

Poluisaun Ar: Operasaun bele hasai emisaun sira ne'ebé afeta kualidade ar. Ida-ne'e sei lokalizadu tebes no menus liu duké sunu aihoris iha rai-maran. Atu minimiza ida-ne'e, projetu sei uza ekipamentu sira ne'ebé efisiente iha kombustível no monitoriza emisaun sira.

Derretamentu/fakar mina-rai: Risku boot ida maka mina-rai fakar, ne'ebé bele estraga vida tasi nian. Posu Chuditch sei la produz mina-rai líkidu. Ida-ne'e prognostika hanesan posu gás maran ida ho persentajen kondensadu ne'ebé ki'ik bainhira liberta sei evapora iha tasi leten.

Iha kazu derramamentu gazolina nian, estudu hatudu katak ida-ne'e mós sei evapora lalais. Atu ajuda no mitiga, empreza iha planu resposta emerjénsia nian ho ekipa sira ne'ebé hetan ona treinamentu no ekipamentu sira ba kontensaun hodi maneja asidente ruma.

Impaktu ba Vida Tasi nian: Poluisaun barullu no naroman husi perfurasaun bele perturba ikan no mamíferu sira tasi nian. Konsidera katak efeitu ida-ne'e sei tranzitóriu ho animál fuik sira ne'ebé hatudu hahalok evitasaun nian no fila fali ba padraun hahalok normál sira hafoin kampaña perfurasaun nian remata. Atu hamenus impaktu ida-ne'e, projetu sei uza teknolojia hodi hamenus barullu no limita iluminasaun





- Timor-Leste's Environmental Licensing Laws – Ensure responsible oil and gas exploration.
- MARPOL Convention Protects the marine environment from pollution.
- Biodiversity Protection Guidelines Ensures that marine life is not harmed by drilling activities.
- Climate Change Regulations Aims to reduce greenhouse gas emissions.
- Health and Safety Standards Ensures workplace safety for employees.

By following these laws, the project will operate responsibly and minimize environmental risks.

Environmental Monitoring and Reporting

To ensure environmental safety, the project will regularly check and report on:

- Water and Air Quality Testing marine water samples to establish baseline data and ensure air quality adheres to manufacturers standards.
- Waste Disposal Ensuring waste is properly handled and not harmful to the environment.
- Marine Life Studying the impact of drilling on fish, coral reefs, and other marine species.
- Compliance with Laws Regular audits to make sure the project follows all environmental regulations.

If any problems are detected, corrective actions will be taken immediately.

Emergency Preparedness

The project has a detailed **emergency response plan** to handle unexpected events, such as oil spills or gas leaks. The plan includes:

Trained Emergency Teams – Workers who are prepared to respond to accidents.

Spill Containment Equipment – Booms and skimmers to stop oil from spreading.

Coordination with Authorities – Quick communication with government agencies for assistance.

ne'ebé la nesesáriu.

Kumprimentu Legál no Ambientál

Projetu ne'e tenke tuir lei ambientál nasionál no internasionál, inklui:

- Lei Lisensiamentu Ambientál Timor-Leste nian – Asegura esplorasaun mina no gás ne'ebé responsável.
- Konvensaun MARPOL Proteje ambiente tasi nian husi poluisaun.
- Matadalan Protesaun Biodiversidade Asegura katak moris tasi la hetan prejuízo/risku husi atividade perfurasaun.
- Regulamentu sira kona-ba Mudansa Klimátika – Ho objetivu atu hamenus emisaun gás ho efeitu estufa.
- Padraun Saúde no Seguransa Garante seguransa iha servisu fatin ba funsionáriu sira

Hodi tuir lei sira-ne'e, projetu sei funsiona ho responsabilidade no minimiza risku ambientál sira.

Monitorizasaun no Relatóriu Ambientál

Atu garante seguransa ambientál, projetu sei regularmente halo verifikasaun no relatóriu kona-ba:

- Kualidade Bee no Ar Teste amostra bee tasi nian hodi estabelese dadus baze no asegura kualidade ar nian tuir padraun sira fabrikante nian.
- Soe Lixu Asegura katak lixu hetan maneja ho di'ak no la prejudika ambiente.
- Vida Tasi nian Estuda impaktu husi perfurasaun ba ikan, ahu-ruin, no espésie tasi nian sira seluk.
- Kumprimentu ba Lei sira Auditoria regular sira atu asegura katak projetu tuir regulamentu ambientál hotu-hotu.

Karik iha problema ruma ne'ebé detekta, asaun koretiva sira sei foti kedas.

Preparasaun ba Emerjénsia

Projetu ne'e iha planu resposta emerjénsia ne'ebé detallu atu maneja eventu sira ne'ebé la espera, hanesan fakar mina-rai ka vazamentu gás. Planu ne'e inklui:

Ekipa Emerjénsia Treinadu sira – Traballadór





Regular Safety Drills – Employees will be trained through drills to ensure they are ready for emergencies.

These measures will help to quickly control and reduce the damage caused by any accidents.

<u>Community Engagement and Public</u> <u>Involvement</u>

Even though the drilling takes place 185 NM offshore, the project team has engaged with local communities and stakeholders to ensure transparency and address concerns. The company has set up a grievance mechanism where people can report environmental concerns or issues related to the project.

Additionally, the project team will continue to update the public and government authorities on the progress of the drilling and any environmental risks.

Decommissioning and Site Restoration

After drilling is complete, the company will:

- Plug and abandon the Well Safely To prevent any gas leaks.
- Remove All Equipment Ensuring no waste is left behind.
- Monitor the environment during drilling to ensure the area recovers naturally.

Environmental monitoring will occur throughout the drilling program to assess if the area needs any restoration efforts post drilling.

Capacity Building and Training

Current personnel and future workers will receive extensive training on:

- Environmental Protection Learning how to reduce pollution and protect marine life.
- Safety Procedures Training on emergency response and safe handling of equipment.
- Technical Skills Gaining knowledge in drilling, waste management, and best practices for offshore operations.

This will improve the local workforce and create better job opportunities in the energy

sira ne'ebé preparadu atu responde ba asidente sira.

Ekipamentu Kontensaun Derramamentu – Booms no skimmers atu hapara mina-rai atu labele sulin namkari.

Koordenasaun ho Autoridade sira – Komunikasaun lalais ho ajénsia governu nian ba asisténsia.

Ezersísiu Seguransa Regular – Funsionáriu sira sei hetan treinamentu liuhosi ezersísiu sira hodi asegura katak sira prontu ba emerjénsia sira.

Medida sira-ne'e sei ajuda atu kontrola lalais no hamenus estragu sira ne'ebé kauza hosi asidente ruma.

Envolvimentu Komunidade no Envolvimentu Públiku

Maski perfurasaun ne'e hala'o iha Milha náutika 185 husi tasi-laran/klean, ekipa projetu nian envolve ona ho komunidade lokál sira no parte interesada sira hodi asegura transparénsia no rezolve preokupasaun sira. Kompañia estabelese ona mekanizmu keixa ida iha ne'ebé ema sira bele hato'o preokupasaun ambientál sira ka kestaun sira ne'ebé relasiona ho projetu.

Adisionalmente, ekipa projetu nian sei kontinua atu atualiza públiku no autoridade governu nian sira kona-ba progresu perfurasaun nian no risku ambientál ruma.

Dekomisaun no Restaurasaun ba Fatin

Hafoin perfurasaun hotu, empreza sei:

- Taka no abandone Posu ho seguru Atu prevene fuga gás ruma.
- Hasai Ekipamentu Hotu-hotu Asegura katak laiha lixu ne'ebé maka husik hela.
- Halo monitorizasaun ba ambiente durante perfurasaun hodi asegura katak área ne'e rekupera naturalmente.

Monitorizasaun ambientál sei akontese durante programa perfurasaun atu avalia se área ne'e rekere esforsu restaurasaun depoizde perfurasaun.

Hasa'e Kapasidade no Treinamentu

Traballadór sira agora no iha futuru sei hetan formasaun klean kona-ba:





sector.

Cost and Resources

The company has allocated funds to cover:

- Environmental monitoring programs.
- Emergency response and safety measures.
- Training programs for workers.
- Equipment and technology to reduce environmental impact.

This ensures the project operates responsibly while maintaining financial sustainability.

Conclusion

The Chuditch-2 drilling project is expected to contribute significantly to Timor-Leste's economic growth while ensuring environmental safety. By following strict environmental laws, using advanced technology, and having a clear emergency response plan, the project aims to minimize negative effects on the environment.

The Environmental Management Plan ensures that drilling activities are carried out responsibly, with continuous monitoring and improvement to reduce risks. Through cooperation with local authorities and community engagement, the project can support sustainable energy exploration while protecting Timor-Leste's marine ecosystems for future generations.

- Protesaun Ambientál Aprende oinsá atu hamenus poluisaun no proteje vida tasi nian.
- Prosedimentu Seguransa nian Treinamentu kona-ba resposta emerjénsia no manejamentu seguru ba ekipamentu sira.
- Abilidade Tékniku Hetan koñesimentu iha perfurasaun, jestaun lixu, no prátika di'ak sira ba operasaun sira iha tasi-ibun.

Ida-ne'e sei hadi'a forsa traballu lokál no kria oportunidade serbisu ne'ebé di'ak liu iha setór enerjia.

Kustu no Rekursu sira

Kompañia aloka ona fundu sira atu kobre:

- Programa monitorizasaun ambientál.
- Resposta ba emerjénsia no medida seguransa nian.
- Programa formasaun ba traballadór sira.
- Ekipamentu no teknolojia hodi hamenus impaktu ambientál.

Ida-ne'e garante katak projetu funsiona ho responsabilidade enkuantu mantein sustentabilidade finanseira.

Konkluzaun

Projetu perfurasaun Chuditch-2 hein katak kontribui maka'as ba kreximentu ekonómiku Timor-Leste enkuantu nian garante seguransa ambientál. Hodi tuir lei ambientál sira ne'ebé rigorozu, teknolojia avansadu, no iha planu resposta emerjénsia ne'ebé klaru, projetu ne'e hakarak minimiza efeitu negativu sira ba ambiente.

Planu Jestaun Ambientál garante katak atividade perfurasaun sira hala'o ho responsabilidade, ho monitorizasaun no melloramentu kontínuu hodi hamenus risku sira. Liuhosi kooperasaun ho autoridade lokál sira no envolvimentu komunidade nian, projetu ne'e bele apoia esplorasaun enerjia sustentável enkuantu proteje Timor-Leste nia ekosistema tasi nian ba jerasaun sira iha futuru.





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APPENDIX 1 - SGBU HSE Policy

Health Safety & Environment Policy



Sunda Energy are committed to:

- Eliminating, mitigating and managing hazards and risks that could cause accidents, injuries, illnesses, property damage or an environmental impact.
- Supporting personnel to meet their health, safety and environmental responsibilities.
- Ensuring all decisions consider short and long term economic, environmental, safety and community impacts.

Sunda Energy demonstrate this commitment by

- Integrating Health, Safety and Environment (HSE) management into all business plans and operations. We will clearly define accountabilities and communicate our operating principles effectively.
- Ensuring that systems and processes are developed and implemented to identify, assess, control, and review HSE risks in all operations. Additionally, processes will be defined to investigate, learn from, and manage incidents effectively.
- Ensuring that appropriately trained, qualified and competent personnel are provided to manage, maintain, and implement systems and controls to manage hazards and risk in all operations of the business.
- Ensuring that effective communication channels are established to provide staff with relevant information on HSE issues and, conduct all structured meetings so that pertinent HSE learnings or information can be shared as appropriate with the meeting group, fostering involvement and stimulating discussion on HSE matters.
- Regularly measuring, monitoring, and reviewing HSE performance as part of our management review process, ensuring records are maintained and results are reported to senior management, relevant authorities, and other stakeholders as required.
- Ensuring that established procedures for the procurement or provision of Goods and operation of Services, incorporate HSE requirements in alignment with the Company management principles and standards.
- Ensuring that timely treatment and active rehabilitation for personnel who suffer work-related injuries or illnesses. In case of an environmental incident, we will take necessary steps to minimize its impact. We will also learn from these events to enhance our health, safety, and environmental practices.
- Ensuring that we take all viable opportunities to reduce waste and green house gas emissions, conserve energy and repurpose or recycle materials.

Andy Butler

Chief Executive Officer, Sunda Energy Plc

22 December 2024

Revision: Document Number:

SGBU.GEN.HSSE.0004





APPENDIX 2 - SURVEILLENCE AUDIT CHECKLIST

ENVIRONMENTAL AUDIT CHECKLIST FOR APPRAISAL DRILLING PROJECT (PRE- DRILLING: Prior Mobilisation of jack-up rig to the drilling site)

Date	:	Audit Area	:
Date	•	, tadie , ti ca	•

		ST	ATUS	RECOMMENDATION /	
	PROJECT ACTIVITIES		NO	RECTIFICATION	REMARKS
1.0 F	RELEVANT PERMIT AND MANA	GEMEN	T PLAN		
1.1	Notification of shipping routes and schedules of exploration drilling activities to ANP, relevant maritime authorities and fisheries department.				
1.2	Application and letter of approval for 500m exclusion zone to prevent unauthorized encroachment to the area.				
1.3	Environmental Management Plan for appraisal drilling in place?				
1.4	Oil Spill Contingency / Response Plan for appraisal drilling (for jack-up rig) in place?				
1.5	Established procedures for handling and disposal of wastes (conform to the requirements of MARPOL).				
1.6	Established procedures for Jack-up rig positioning / deployment activities.				
1.7	Provision of pre-mobilisation HSE induction to every member of the project team SGBU and third party service companies.				





		ST	ATUS	RECOMMENDATION /	
	PROJECT ACTIVITIES	YES	NO	RECTIFICATION	REMARKS
1.8	Organisation chart for Environmental related matter): Roles and Responsibility identified				1
2.0 J	ack-up rig INSPECTION				
2.1	Inspection of biofouling of rig hulls/ legs.				
3.0 P	OLLUTION CONTROL EQUIPM	MENT OR	STRUCT	URE ON Jack-up rig	
3.1	Provision of sewage treatment facility on the jack-up rig				
3.2	Provision of designated and proper area (bunded and sheltered) for storage of chemicals and hazardous materials.				
3.3	Provision of Shale shaker equipment on the rig/ jack-up rig.				
3.4	Provision of appropriate screen to the seawater intake, if any				
3.5	Separate drainage system for area with potential contamination sources.				
3.6	Provision of holding tank and oil water separator for treatment of water collected from the surface of jack-up rig.				
3.7	Provision of spill clean-up kits including absorbents and containers for clean-up of potential spills.				
3.8	Provision of grinder for treatment of food wastes.				
3.9	Provision of clearly marked skips for wastes storage.				





		STATUS		RECOMMENDATION /	
	PROJECT ACTIVITIES		NO	RECTIFICATION	REMARKS
3.10	Provision of sump for containment of potential oil leaks from machineries.				
3.11	Provision of geophysical site survey prior to rig movement and positioning at drill site				
3.12	Inspection conducted for all pollution control equipment?				

Recomm	Recommendation of action follows inspection					
No	Follow up action		Responsibility		Target date of completion	
Inspec	ted by	:	Da	te:		

Acknowledged by	1	Date:





ENVIRONMENTAL AUDIT CHECKLIST FOR APPRAISAL DRILLING PROJECT

(DRILLING: During Drilling Activities at the drilling site)

Date : Audit Area :	Audit Area :
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PROJECT ACTIVITIES		COMPLIANCES			
		YES	NO	AUDIT FINDINGS	REMARKS
1.0 A	dministration				
1.1	Records of worker employed on jack-up rig				
1.2	A copy of EIA including EMP provided on jack-up rig				
1.3	Periodic environmental awareness on jack-up rig (weekly / fortnightly briefing?)				
1.4	Relevant Environmental Policies on jack-up rig (eg. Wastes, Environmental discharges, etc)				
1.5	Conduct of the environmental monitoring program and reporting				
1.6	Waste Management Plan/System established on jack-up rig				
1.7	Oil Spill Contingency Plan for jack-up rig				
1.8	Records of Hazardous Material (Listing, MSDS, inventory)				
1.9	Records on work notification / communication with other mariners				





		COMPI	LIANCES		
PRO	JECT ACTIVITIES	YES	NO	AUDIT FINDINGS	REMARKS
1.10	Standard procedure for jack-up rig deployment and positioning at appraisal well location				
2.0 Ma	rine Ecology Protection				
2.1	Marine protection measures for jack-up rig deployment.				
2.2	Designation of personnel for monitoring and records for marine mammal sighting, if any				
2.3	Lighting orientation and				
	potential disturbance to the marine life				
2.4	Provision of water intake				
	screen, should marine water intake for exploration drilling activities or jack-up rig antifouling purposes, if any				
3.0 Ha	zardous Material Handling &	Storage M	Ianagemen	t	
3.1	Designate storage area and bunding facility on jack-up rig				
3.2	Labelling of the container, appropriate signages				
3.3	Standard handling procedure				
3.4	Sign of spillage and leakage at storage and work area				





			LIANCES		
PRO	JECT ACTIVITIES	YES	NO	AUDIT FINDINGS	REMARKS
3.5	Plan and procedures for spillage inspection				
3.6	Holding tank and oil water separator for treatment of surface water from jack-up rig				
3.7	Fuel consumption records and refueling activities				
	(during daylight? Std procedure)				
4.0 Spi	ill & Other Contingency Plan				
4.1	Refueling procedures in place				
4.2	Availability of spill clean- up kits on site				
4.3	Establishment of spill response team. Provision of training.				
4.4	Spill response drill				
4.5	Installation of Blow Out Preventer (BOP) on well? Periodic test and maintenance				
4.6	Periodical inspection of leakage from equipment's, pipes, valves, etc. at work area				
5.0 Dr	illing Mud & Chemicals				
5.1	Drilling chemical (type,				
	listing, quantity, SDS, etc.)				





		COMPLIANCES			REMARKS
PRO	PROJECT ACTIVITIES 5.2 Type of drilling mud		NO	AUDIT FINDINGS	
5.2	Type of drilling mud				
	employed on board (WBM/SBM)				
5.3	Log sheet of drilling mud and other chemical usage				
5.4	Onboard (jack-up rig) separation of drilling mud; shale shaker equipment / solid control equipment				
5.5	Reuse of drilling mud				
5.6	Cutting discharge via cutting caisson at depth of more				
	than 15m				
5.7	Disposal of drilling fluids				
6.0 Ja	L ck-up rig Discharge				
6.1	Provision of adequate drainage system on the jack-up rig oil water separator for discharge from area such as drilling area, hazardous material storage areas, etc.				
6.2	O&G concentration in rig deck discharge water < 9.2ppm by wet weight				
6.3	Separate drainage for bilge waters from machinery				
	spaces; O&G concentration in discharge water < 15ppm per IMO std.				





		COMPI	LIANCES		
PRO	JECT ACTIVITIES	YES	NO	AUDIT FINDINGS	REMARKS
6.4	Depth of cooling water discharge, if any; verify with sea water temperature				
	monitoring results				
6.5	Treatment of grey and black water and discharge (macerated to less than 25 mm diameter)				
6.6	Provision of sewage treatment on jack-up rig				
6.6	Inspection and maintenance program for drainage system, oil water separator and sewage treatment facility on jack-up rig				
7.0 Otl	her Wastes				·
7.1	Treatment of food waste by maceration prior to				
	discharge to sea (grain size of food waste should be less than 25 mm diameter) or less per MARPOL requirement				
7.2	Waste management system, facilities and implementation on jack-up rig domestic wastes				
	- hazardous wastes- laboratory / clinical wastes,if any				
7.3	Records of waste generation and disposal				
	- Sewage discharge				
	- Food waste discharge				
	- Garbage generation				
	-Hazardous wastes				





DD O	TECT A CITI MINING	COMPI	LIANCES	ALIDIT EINDINGG	REMARKS
PRO	JECT ACTIVITIES	YES	NO	AUDIT FINDINGS	
	generation				
3.0 Ai	ir Emission Management				
8.1	General best environmental practices for air emission reduction				
8.2	Dark smoke from diesel fired machinery				
8.3	Installation of gas detection devices at machinery room				
8.4	Installation of combustion efficiency technology, etc, if any				
9.0 En	vironmental Emergency and m	ariner dis	turbance		·
9.1	Lighting of jack-up rig for safety warning				
9.2	Signages / communication to mariners on the drilling activities				
0.0 O	thers	l	1		-
10.1	Maintenance schedule and records for pollution control equipment: - Oil water separator				
	- Shale shaker - Oil spill clean-up kit				
	- Blow out preventer				
10.2	General housekeeping within the work area				



Acknowledged by



	PROJECT ACTIVITIES		IANCES		
PRO.			NO	AUDIT FINDINGS	REMARKS
10.3	Any records on equipment lost over board				
10.4	Is drilling and relevant equipment being inspected frequently to monitor if pollution occurring?				

No	Follow up action	Responsibility	Target date of completion
1			
2			
3			
4			
		-	
Inspe	cted by :	D	ate:

Date:





ENVIRONMENTAL AUDIT CHECKLIST FOR APPRAISAL DRILLING PROJECT (POST DRILLING: Before Jack-up rig Demob from the drilling site)

Date	 Audit Area	:
	 ,	

		STA	ATUS	RECOMMENDATION /	
PROJECT ACTIVITIES		YES	NO	RECTIFICATION	REMARKS
1.0 A	dministration				
1.1	Notification to relevant party on the proposed demobilization from the project site (Fishery Dept, other operator				
1.2	Records on marine mammal sighting, if any				
1.3	Drilling completion report				
1.4	Environmental incidents report, e.g. oil spill, etc., if any				
1.5	Completion of all environmental related monitoring program and records maintained and updated				
2.0 Si	ite Demobilisation				
2.1	Plug and abandonment as per procedures				
2.2	Well clean- up programme completed				
2.3	Rig movement procedures and report				
3.0 N	Tarine Ecological Measures			1	l
3.1	Inspection and removal of biofouling on the rig's legs, (if required)				
4.0 H	azardous Material Handling				





		ST	ATUS	RECOMMENDATION /	
	PROJECT ACTIVITIES		NO	RECTIFICATION	REMARKS
4.1	Records of total volume of hazardous material unused and in storage on jack-up rig - drilling chemicals - fuels				
4.2	Handling plan for the unused material				
5.0 W	Vastes Vastes				
5.1	Records of final waste volumes storage on jack-up rig to be disposed of onshore: - Garbage - Hazardous solid wastes - Hazardous liquid wastes				
5.2	Wastes final disposal plan (type of waste & where is the final disposal site?)				
6.0 Sa	afety and mariner disturbance				
6.1	Communication to mariners on the completion of drilling activities and rig movement activities				





Recommendation of action follows inspection							
No	Follow up action		Responsibility	Target date of completion			
Inspe	cted by	:	Date:				
Ackno	wledge by	:	Date:				





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