



Deacons



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6 September 2000

Mr David Hatfield
 Director - Gas
 Gas Group, ACCC
 470 Northbourne Avenue
 DICKSON ACT 2602

Dear Mr Hatfield

PNG GAS - APPLICATION FOR AUTHORISATION IN RELATION TO PRE-FINANCIAL CLOSE JOINT MARKETING

We refer to our meeting with Commissioner Shogren, yourself and others on 1 September 2000 and attach applications for interim and final authorisations for joint marketing in the context of the PNG Gas Project. These applications relate only to conduct that may be engaged in prior to Financial Close.

The applications consist of:

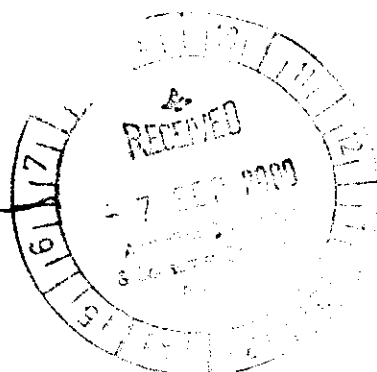
- the Application Form prescribed by the *Trade Practices Act 1974*, being Form B - Agreements affecting competition; and
- a submission, which outlines the Applicants' grounds for seeking the authorisation.

The Applicants seek a determination on their application for interim authorisation as a matter of urgency. All information required by the ACCC for the purposes of the interim authorisation has been included in the attached prescribed Form and the accompanying submission.

The other applications for authorisation which were lodged on 24 June 1998 will be withdrawn at the time of grant of the interim authorisation. We also propose that the current interim authorisation be revoked at the same time.

Yours faithfully
 DEACONS

Michael Wilton



FILE No.	
ENTITY	A 40081
DMAN	D00 / 30475



Australian
Competition &
Consumer
Commission

GPO Box 520J
MELBOURNE VIC 3001

Contact Name: Khim Chong
Telephone: (03) 9290 1826
Fax: (03) 9663 3699
Email: khim.chong@accc.gov.au

Deacons
Attn: Michael Wilton
Level 2
Melbourne VIC 3000

Receipt No: 0080004

Date: 8/09/00

Customer Code:

Page : 1 of 1

<i>Description</i>	<i>Amount</i>
PNG Gas Project - Authorisation	7,500.00
Total Amount Received:	\$7,500.00

COPY

COMMONWEALTH OF AUSTRALIA

Trade Practices Act 1974 - subsection 88(1)

AGREEMENTS AFFECTING COMPETITION: APPLICATION FOR AUTHORISATION

[Front of Form]

To the Australian Competition and Consumer Commission:

Application is hereby made under sub-section 88(1) of the *Trade Practices Act 1974* for an authorisation under that subsection:

* to make a contract or arrangement, or arrive at an understanding, a provision of which would have the purpose, or would have or might have the effect, of substantially lessening competition within the meaning of section 45 of that Act; and

* to give effect to a provision of a contract, arrangement or understanding which provision has the purpose, or has or may have the effect, of substantially lessening competition within the meaning of section 45 of that Act.

**(Strike out whichever is not applicable)*

(PLEASE READ DIRECTIONS AND NOTICES AT BACK OF FORM)

1. (a) **Names of applicants:**

Chevron Overseas Petroleum Inc. and subsidiaries
Orogen Minerals Limited and subsidiaries
ExxonMobil Group companies (see Annexure 1)
Merlin Petroleum Company and subsidiaries
Mineral Resources Development Company Pty Limited and subsidiaries
Oil Search Limited and subsidiaries
Santos Group companies(see Annexure 1)
PNG Gas Supplies Ltd (a PNG corporation)

collectively referred to as the "**Applicants**".

(See Direction 2 at the back of this Form)

(b) **Short description of business carried on by applicant**

Development, production, marketing and sale of natural gas.

(c) **Address in Australia for service of documents on the applicant**

Mr Michael Wilton
Deacons
Level 2, 575 Bourke Street
Melbourne VIC 3000

2. (a) **Brief description of contract, arrangement or understanding and, where already made, its date:**

All contracts, arrangements or understandings in relation to common terms and conditions (including price) upon which gas to be produced by the Project will be marketed and offered for sale to customers prior to the Financial Close of the Project as identified in the submission of the Applicants which accompanies this application ("**Submission**").

- (b) **Names and addresses of other parties or proposed parties to contract, arrangement or understanding**

Nil.

(See Direction 4 at the back of this Form)

3. **Names and addresses (where known) of parties and other persons on whose behalf application is made**

See Annexure 1.

4. (a) **Grounds for grant of authorisation**

See Submission.

- (b) **Facts and contentions relied upon in support of those grounds**

See Submission.

(See Notice 1 at the back of this Form)

5. **This application for authorisation may be expressed to be made also in relation to other contracts, arrangements or understandings or proposed contracts, arrangements or understandings, that are or will be in similar terms to the above-mentioned contract, arrangement or understanding.**

- (a) **Is this application to be so expressed?**

No.

- (b) **If so, the following information is to be furnished:**

- (i) the names of the parties to each other contract, arrangement or understanding.

Not applicable.

- (ii) the names of the parties to each other proposed contract, arrangement or understanding which names are known at the date of this application

Not applicable.

(See Direction 5 and Notice 2 at the back of this Form)

6. (a) **Does this application deal with a matter relating to a joint venture (See section 4J of the *Trade Practices Act 1974*)**

Yes - See Submission.

(b) **If so, are any other applications being made simultaneously with this application in relation to that joint venture**

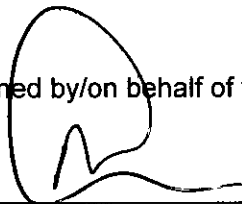
No.

(c) **If so, by whom or on whose behalf are those other applications being made**

Not applicable.

Dated 6 September 2000

Signed by/on behalf of the Applicants



(Signature)

Michael Wilton

(Full Name)

Solicitor

(Description)



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DIRECTIONS

1. Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.
2. Where the application is made by or on behalf of a corporation, the name of the corporation is to be inserted in item 1(a), not the name of the person signing the application and the application is to be signed by a person authorised by a person authorised by the corporation to do so.
3. In item 1 (b), describe that part of the applicant's business relating to the subject matter of the contract, arrangement or understanding in respect of which the application is made.
4. Furnish with the application particulars of the contract, arrangement or understanding in respect of which the authorisation is sought. Those particulars shall be furnished -
 - (a) in so far as the particulars or any of them have been reduced to writing - by lodging a true copy of the writing; and
 - (b) in so far as the particulars or any of them have not been reduced to writing - by lodging a memorandum containing a full and correct statement of the particulars that have not been reduced to writing.
5. Where the application is made also in respect of other contracts, arrangements or understandings which are or will be in similar terms to the contract, arrangement or understanding referred to in item 2, furnish with the application details of the manner in which those contracts, arrangements or understandings vary in their terms from the contract, arrangement or understanding referred to in item 2.

NOTICES

1. In relation to item 4, your attention is drawn to sub-sections 90(6) and (7) of the *Trade Practices Act 1974* which provide as follows:-

"(6)The Commission shall not make a determination granting an authorisation under sub-sections 88(1), (5) or (8) in respect of a provision (not being a provision that is or may be an exclusionary provision) of a proposed contract, arrangement or understanding, in respect of a proposed covenant, or in respect of proposed conduct, unless it is satisfied in all the circumstances that the provision of the proposed contract, arrangement or understanding, the proposed covenant, or the proposed conduct, as the case may be, would result, or be likely to result, in a benefit to the public and that that benefit would outweigh the detriment to the public constituted by any lessening of competition that would result, or be likely to result, if

 - (a) the proposed contract or arrangement were made, or the proposed understanding were arrived at, and the provision concerned were given effect to;
 - (b) the proposed covenant were given, and were complied with; or
 - (c) the proposed conduct were engaged in as the case may be."

"(7) The Commission shall not make a determination granting an authorisation under sub-section 88(1) or (5) in respect of a provision (not being a provision that is or may be an exclusionary provision) of a contract, arrangement or understanding, or, in respect of a covenant, unless it is satisfied in all the circumstances that the provision of the contract, arrangement or understanding, or the covenant, as the case may be, has resulted, or is likely to result, in a benefit to the public and that that benefit outweighs or would outweigh the detriment to the public constituted by any lessening of competition that has resulted, or is likely to result, from giving effect to the provision or complying with the covenant."
2. If an authorisation is granted in respect of a proposed contract, arrangement or understanding the names of the parties which are not known at the date of this application, the authorisation shall, by sub-section 88(14) of the *Trade Practices Act 1974*, be deemed to be expressed to be subject to a condition that any party to the contract, arrangement or understanding will, when so required by the Commission, furnish to the Commission the names of all the parties to the contract, arrangement or understanding.

ANNEXURE 1

1. Chevron Overseas Petroleum Inc. and its subsidiaries
345 Queen Street,
Brisbane,
Queensland, 4000
2. Orogen Minerals Limited and its subsidiaries
Level 2, Ela Beach Tower,
Musgrave Street,
Port Moresby, PNG
3. Esso Highlands Limited, Ampolex (PNG Petroleum) Inc, Merlin Pacific Oil Company Limited and Ampolex (Highlands) Limited (together referred to as ExxonMobil Group companies)
c/- Esso Highlands Limited,
12th Floor, Pacific Place
Cnr Musgrave Street & Champion Parade
Port Moresby, PNG
4. Oil Search Limited and its subsidiaries
Level 15, NAB House,
5th Floor, NIC Haus
Champion Parade
Port Moresby, PNG
5. Merlin Petroleum Company and its subsidiaries
2-6, Toranomom,
1-Chome, Minato-ku,
Tokyo, Japan
6. Mineral Resources Development Company Pty Limited and its subsidiaries
9th Floor
Pacific Place
Port Moresby
Papua New Guinea
7. PNG Gas Supplies Ltd (a PNG corporation)
c/- Gadens Lawyers
9th Floor, Pacific Place
Musgrave Street
Port Moresby, PNG
8. Santos Limited and its two PNG incorporated subsidiaries Lavana Limited and Zan Star Limited
c/- Santos House
91 King William Street
Adelaide
South Australia, 5000