

DOCUMENT TYPE **COMPLIANCE REPORT**

DOCUMENT TITLE **Annual Compliance Report for Dawson
Valley Pipeline 2013/14**

Based on the Annual Compliance Report for Dawson Valley Pipeline 2012/13

APPROVAL

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1. General duties for the provision of pipeline services of covered pipeline services by a service provider

1.1 Legal entity

(a) Nominate the type of legal entity the service provider is according to the specified kinds of legal entity in section 131 of the NGL.

A legal entity registered under the *Corporations Act 2001* (Cth).

(b) What is the registered business name and ABN of the service provider legal entity providing the covered pipeline service?

Westside CSG A Pty Ltd ABN 80 138 989 358 ("**WestSide A**")

Westside CSG D Pty Ltd ABN 82 140 474 362 ("**WestSide D**")

Mitsui E&P Australia Pty Ltd ABN 45 108 437 529 ("**MEPAU**")

Collectively referred to as "*Meridian SeamGas Joint Venture*" ("**Meridian JV**")

WestSide Corporation Limited ABN 17 117 145 516 as operator of the Meridian JV ("**Westside Corporation**")

(c) Provide an outline of the group structure which is controlled by or which the service provider is a part (including identification of the head company, nature of investment or entity, relationship to the service provider and proportion of assets owned/share of investment within the group). This should include any assets (businesses) it owns or that own it. The group structure should include business that are beneficially controlled such as trustee companies, jointly owned or operated business such as partnerships or joint ventures, businesses that are significant investments or controlled. This can also be represented as an organisational chart.

The group structure for Meridian Seam Gas Joint Venture is included as Figure 1.

The group structure for the WestSide Group is included as Figure 2 in Appendix 1.

The corporate structure for the Westside Group changed just after the 2013/2014 financial year as a result of the take-over by Landbridge Group. Please refer to the Annual Report for more detail.

Mitsui E&P Australia Pty Ltd is 100% owned by Mitsui & Co., Ltd. ARBN 001 855 465. Mitsui & Co., Ltd. also owns a 50% interest in Japan Australia LNG (MIMI) Pty Ltd ABN 18 006 303 180, which is one of six shareholders in the NWS LNG Project.

Mitsui & Co., Ltd. has invested in GDF SUEZ S.A. ("GDF SUEZ")'s subsidiary International Power (Australia) Holdings Pty Ltd ("IPAH"), which owns and operates the power generation business as well as the power and gas retail business in Australia ("Project"). Mitsui acquired, by way of share subscription through its newly established subsidiary, a 28% equity stake in IPAH.

The Project comprises 4 generation plants with capacity totaling 2,604MW, as well as the power and gas retail business which has over 350,000 customers (both residential and business) largely based in the states of Victoria and South Australia.

There are no other companies in the Mitsui group, which are directly involved in natural gas sales or in pipeline services in Australia.

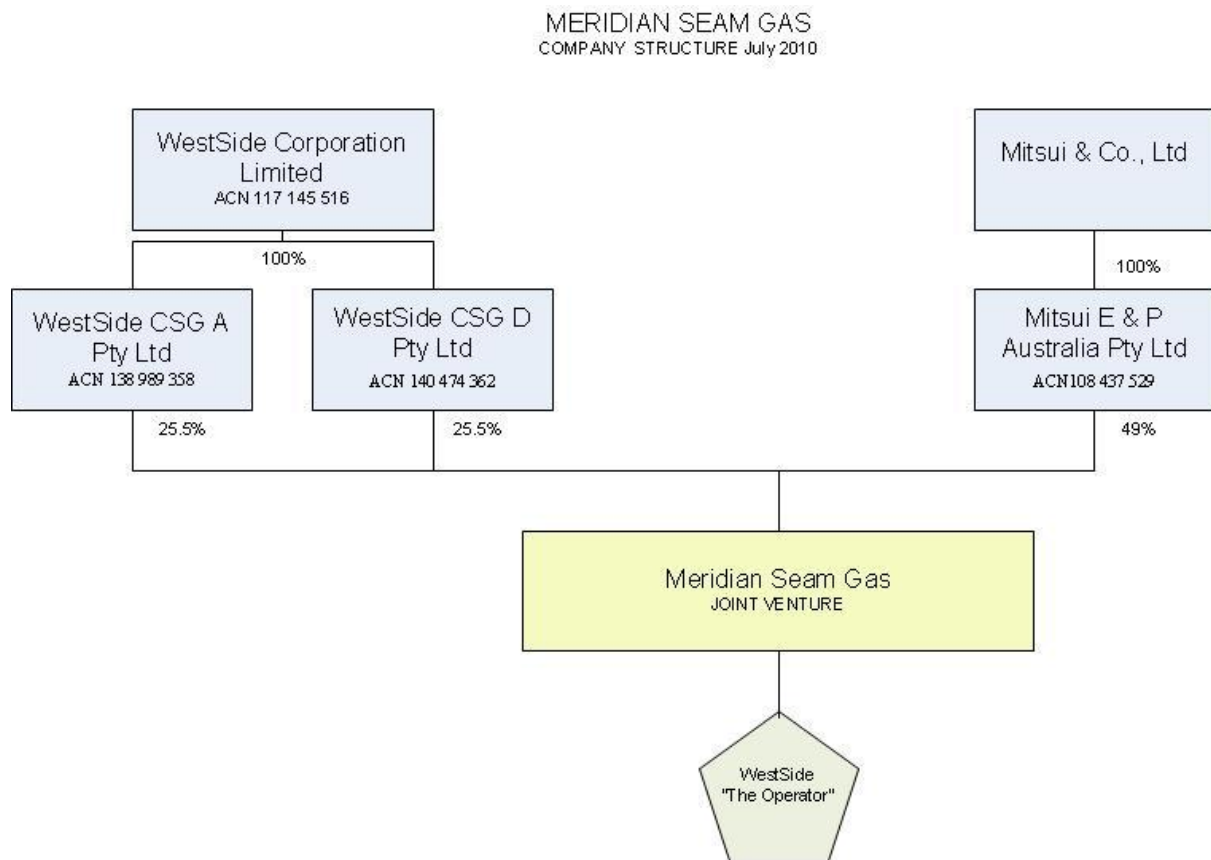


Figure 1: Meridian CSG JV Structure

1.2 Preventing or hindering access

(a) *Is the service provider aware of any claims that it has prevented or hindered access to services on the covered pipeline within the terms of section 133 of the NGL?*

No

1.3 Supply and haulage of natural gas

(a) *Does a producer supply natural gas through the covered pipeline at a place other than the exit flange of the producer's processing plant?*

In their capacity as gas producers, Meridian JV supplies gas to its customer at off-takes from the DVP, being the meter station at QNP and the Moura inlet point on the QGP.

1.4 Queuing requirements

(a) *Has the service provider complied with the queuing requirements of the applicable access arrangement during the year?*

No formal requests for access under the Access Arrangement have been received. The Service Providers are aware of the queuing requirements of the applicable access arrangement and will comply with those requirements if a request for access is made.

1.5 Service provider providing light regulation services must not price discriminate

(a) Does the service provider provide light regulation services?

No

(b) If so, are there any differences in the prices of the provision of those services? Please provide an explanation as to why these price differences exist.

N/A

2. Structural and Operational Separation Requirements (Ring Fencing)

2.1 Carrying on of a related business

(a) Provide a list of associates of the service provider that take part in a related business and for each associate describe what the nature of the related business is.

SERVICE PROVIDER	ACTIVITIES	ASSOCIATES AND NATURE OF RELATED BUSINESS UNDERTAKEN BY THEM
WestSide Corporation Limited ABN 17 117 145 516 ("WestSide Corporation")	Head entity in WestSide Group (ASX: WCL) and owns all subsidiaries in Group. Operates Meridian JV. Does not produce, buy or sell gas.	Associates: WestSide A and WestSide D Related business of associates: participants in the Meridian JV including ownership of gas fields and processing facilities, production and buying and selling of gas.
Westside CSG A Pty Ltd ABN 80 138 989 358 ("WestSide A")	Participant in Meridian JV (25.5%)	Associates: WestSide D Related business of associates: participant in Meridian JV including ownership of gas fields and processing facilities, production, buying and selling of gas.
Westside CSG D Pty Ltd ABN 82 140 474 362 ("WestSide D")	Participant in Meridian JV (25.5%)	Associates: WestSide A Related business of associates: participant in Meridian JV including ownership of gas fields and processing facilities, production, buying and selling of gas.
Mitsui E&P Australia Pty Ltd ABN 45 108 437 529 ("MEPAU")	Participant in Meridian JV (49%) Oil and gas producer with interests in various fields and	Associates in Australia that are involved in buying, selling or producing gas: Japan Australia LNG (MIMI),

	<p>joint ventures around Australia and New Zealand.</p>	<p>Related business of associates: participant in North West Shelf joint venture including ownership of gas fields and processing facilities, production and buying and selling of gas.</p> <p>Mitsui & Co., Ltd. has agreed with GDF SUEZ S.A. ("GDF SUEZ"), to invest in its subsidiary International Power (Australia) Holdings Pty Ltd ("IPAH"), which owns and operates the power generation business as well as the power and gas retail business in Australia ("Project"). Mitsui will, by way of share subscription through its subsidiary to be newly established, acquire a 28% equity stake in IPAH.</p> <p>The Project comprises 4 generation plants with capacity totalling 2,604MW, as well as the power and gas retail business which has over 350,000 customers (both residential and business) largely based in the states of Victoria and South Australia.</p>
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(b) Provide a list of associates that are service providers and/or provide pipeline services.

Service Provider	Associate which is a service provider and/or provides pipeline services
WestSide Corporation Limited	<p>Associates: WestSide A and WestSide D Activities: owners & service providers in respect of Dawson Valley Pipeline</p>
WestSide CSG A Pty Limited	<p>Associates: WestSide Corporation and WestSide D Activities: WestSide Corporation operator & service provider in respect of Dawson Valley Pipeline WestSide D: part-owner & service provider in respect of Dawson Valley Pipeline</p>
WestSide CSG D Pty Limited	<p>Associates: WestSide Corporation and WestSide A Activities: WestSide Corporation operator & service provider in respect of Dawson Valley Pipeline WestSide A: part-owner & service provider in respect of Dawson Valley Pipeline</p>
Mitsui E&P Australia Pty Ltd	<p>No associates are service providers or provide pipeline services in respect of pipelines covered under the National Gas Law.</p>

An exemption from the prohibition against carrying on a related business was granted in June 2012 – see section 2.4 below.

2.2 Marketing staff and the taking part in related businesses

- (a) *Provide a list of associates of the service provider that are directly involved in the sale, marketing or advertising of pipeline services.*

WestSide A, WestSide D and MEPAU would be the sellers of pipeline services to a user of the DVP, and accordingly may be regarded as directly involved in the sale of pipeline services.

WestSide Corporation Limited is directly involved in the sale, marketing or advertising of pipeline services in respect of the DVP, in its capacity as operator of the Meridian JV. Accordingly, WestSide Corporation, WestSide A and WestSide D are all associates of service providers directly involved in the sale, marketing or advertising of pipeline services.

- (b) *Provide a statement as to whether or not any of the service provider's marketing staff are also officers, employees, consultants, independent contractors or agents of an associate of the service provider that takes part in a related business.*

WestSide Corporation undertakes the marketing of pipeline services for the Meridian JV. The Commercial Manager WestSide Corporation is responsible for the marketing activities performed by WestSide Corporation.

The Commercial Manager is an employee of WestSide Corporation and it may be that he could be regarded as an officer or agent of WestSide A, West Side D and MEPAU. In this case:

- Marketing staff of WestSide Corporation would be an officer or agent of associates that take part in a related business (being WestSide A and WestSide D).

The Commercial Manager may fall within the category of marketing staff of WestSide A, WestSide D and MEPAU. In this case:

- Marketing staff of WestSide A would be an officer or agent of an associate that takes part in a related business (being WestSide D), and.
- Marketing staff of WestSide D would be an officer or agent of an associate that takes part in a related business (being WestSide A).

An exemption from the requirement for separate marketing staff was granted in June 2012 – see section 2.4 below.

- (c) *Provide a statement as to whether or not any of the service provider's officers, employees, consultants, independent contractors or agents are also marketing staff of an associate of the service provider that takes part in a related business.*

Other than as outlined in paragraph (b) above, none of the service providers' officers, employees, consultants, independent contractors or agents are also marketing staff of an associate of the relevant service provider that takes part in a related business.

An exemption from the requirement for separate marketing staff was granted in June 2012 – see section 2.4 below.

2.3 Separate accounts must be prepared, maintained and kept

- (a) *Provide a statement as to whether or not the service provider has prepared, maintained and kept a separate set of accounts in respect of the services provided by every covered pipeline owned or operated by the service provider.*

The service providers have prepared, maintained and kept a separate set of accounts in respect of the services provided by the DVP.

- (b) *Name the legal entity or entities in which the separate accounts are reported, maintained or kept for the services provided by each covered pipeline owner or operator?*

The accounts are kept in the name of WestSide Corporation.

- (c) *Provide a statement as to whether or not the service provider has prepared, maintained and kept a consolidated set of accounts in respect of the whole of the business of the service provider.*

WestSide Corporation prepares, maintains and keeps a consolidated set of accounts in respect of the whole of its business. Financial accounts are kept for WestSide A and WestSide D but these are not formal audited accounts in statutory format. These accounts will be prepared if required by the AER.

Mitsui E&P Australia Pty Limited prepares, maintains and keeps a consolidated set of accounts in respect of the whole of its business.

- (d) *Name the legal entity in which the consolidated set of accounts are reported, maintained or kept for the services provided by each covered pipeline owner or operator?*

The accounts referred to in paragraph (c) are maintained by WestSide Corporation Limited and Mitsui E&P Pty Limited respectively.

- (e) *Provide a copy of the most recently lodged annual financial reports with the Australian Securities and Investments Commission or if no such reports exists other similar audited financial reports prepared for or provided to a state or territory department, agency or body under relevant state or territory legislation. These financial reports may be the consolidated set of accounts in respect to the whole of the business of the service provider, and if also separately lodged with the Australian Securities and Investments Commission the most recently lodged annual separate set of accounts in respect of the services provided by the service provider.*

Accounts for WestSide Corporation Limited and Mitsui E & P Australia Pty Ltd are provided with this report. The accounts of Mitsui E&P Australia Pty Ltd are confidential.

In relation to WestSide CSG A Pty Limited and WestSide CSG D Pty Limited, annual financial reports are not lodged with the Australian Securities and Investments Commission nor are other similar audited financial reports prepared for or provided to a state or territory department, agency or body under relevant state or territory legislation.

2.4 Additional ring fencing requirements or exemptions

(a) Does the service provider have any additional ring fencing requirements?

No

(b) What are these requirements?

N/A

(c) Provide a statement that these additional ring fencing requirements have or have not been met.

N/A

(d) Does the service provider have any exemptions for the minimum ring fencing requirements?

Yes

(e) What are these exemptions?

Section 139 – prohibition on carrying on a related business

Section 140 – prohibition on sharing of marketing staff.

(f) By what jurisdictional regulator and when where these exemptions granted?

Australian Energy Regulator, June 2012

2.5 Associate contracts

(a) Has the service provider entered into or given effect to any new associate contracts, or varied the terms and conditions of an existing associate contract?

As requested by the AER in connection with the application for exemption from the minimum ringfencing requirements under the NGL, the service providers executed a Term Sheet documenting the arrangements on 29 June 2012.

The arrangements documented in that Term Sheet have not been varied since the Term Sheet was provided to the AER.

(b) For each new or varied associate contract, please indicate the date the new or varied associate contract was entered into or given effect?

N/A

(c) For each new or varied associate contract, please indicate if the contract or variation was approved by the AER and the date that it was approved?

N/A

(d) *If the associate contract was not approved by the AER, please indicate what date the new or varied associate contract was provided to the AER?*

N/A

Note: An 'associate contract' is defined under the NGL to include arrangements or understandings and is not limited to written contracts.

3. Other requirements

3.1 Making access arrangement or terms and conditions of access available

(i) Ensuring applicable access arrangement and other specified information is available on website

(a) *Has the service provider published the approved access arrangement on its website?*

Yes

(b) *Please provide the website address where this access arrangement can be accessed and the date that this access arrangement was provided on the website.*

The access arrangement was placed on the Westside website (www.westsidecorporation.com) on 20 October 2011.

The access arrangement has continued to be available on <http://www.aer.gov.au/content/index.phtml/itemId/714419>.

(c) *Has the service provider received any requests from the AER to provide to prospective users generally other information specified as reasonably necessary to determine if access should be sought?*

No

(d) *Please provide details of when and how this request was met.*

N/A

(ii) Publishing approved competitive tender process access arrangement

(a) *Where there is an approved competitive tender process access arrangement in place for a covered pipeline, has the service provider published the approved access arrangement on its website?*

N/A

(b) Please provide the website address where this access arrangement can be accessed and the date that this access arrangement was provided on the website.

N/A

(iii) Publishing terms and conditions of access to light regulation services

(a) Where there is access to light regulation services on a covered pipeline, has the service provider published tariffs and other terms and conditions for these services on its website?

N/A

(b) Please provide the website address where this information can be accessed and the date that this information was first made available on the website.

N/A

(c) Has the service provider had access negotiations regarding light regulation services? If so, the following will need to be reported, the name of the party requesting the service, the pipeline service requested, and the outcome of the access negotiations.

N/A

3.2 Access determinations

(a) Has the service provider been party to an access determination?

No

(b) When did the access determination become operative?

N/A

(c) For what period is the access determination in place?

N/A

3.3 Confidentiality

(a) Provide a statement that the confidentiality requirements under rule 137 of the National Gas Rules have or have not been met.

The confidentiality requirements under rule 137 of the National Gas Rules have been met.

(b) Has the service provider established an internal protocol or policy guideline or procedure manual for the handling of confidential information?

An internal policy guideline for the specific handling and protection of “relevant confidential information” as defined in the National Gas Law was approved by the Board of WestSide on 27 October 2011 and by the Meridian Joint Venture on 16 April 2012.

If so please provide the AER with the relevant policy document

Attached as Appendix 3

3.4 Bundling

(a) Has the service provider bundled any of its services when providing access or negotiating access with a prospective user?

No.

The Meridian JV is the only user of the DVP. No requests for access to the DVP have been made.

(b) If so, provide a description of the bundled services and related conditions of access.

N/A

Attachments

Appendix 1	Structure
Figure 2:	Westside Corporation Group Structure
Appendix 2	Financial Statements
1.	Westside Corporation Limited Financial Statements
2.	Mitsui E&P Australia Pty Ltd Financial Statements
Appendix 3	Confidentiality
1.	Approved Meridian Confidentiality Protocol dated 27 October 2011
2.	Statement of Compliance – Directors Declaration dated October 2014