



Sequoia 3D Marine Seismic Survey

Commercial Fishing Adjustment Protocol

Reduction in catch – Displacement of fishing activity – Fishing gear loss or damage

17 August 2021

ConocoPhillips Australia - Commercial Fishing Adjustment Protocol

Reduction in catch – Displacement of fishing activity – Fishing gear loss or damage

Sequoia 3D Marine Seismic Survey (Sequoia survey)

ConocoPhillips Australia is planning to undertake a three-dimensional (3D) marine seismic survey, the Sequoia survey, over Exploration Permit T/49P to enable assessment of the natural gas reservoirs in the permit area. The permit is located in waters west of Tasmania's King Island. The Sequoia survey operational area (survey operational area) is detailed in **Appendix 1** and the survey acquisition period is scheduled for August to October 2021.

Objective

ConocoPhillips Australia is committed to the principle that a commercial fisher should not be economically impacted as a direct result of the Sequoia Survey.

Aim

To achieve the objective, ConocoPhillips Australia has established a practical, evidence-based process to provide reasonable monetary adjustment to a commercial fisher who experiences a reduction of catch, displacement of fishing activity or fishing gear loss or damage during the Sequoia survey.

Commitments

1. The commercial fishing industry is the key stakeholder group with a commercial interest in the marine environment within and surrounding the survey operational area. Within the Sequoia 3D Marine Seismic Survey Environment Plan, ConocoPhillips Australia has committed to having in place an adjustment protocol so that fishers who believe they have been impacted by the survey can submit a claim.
2. ConocoPhillips Australia is committed to minimising potential impacts on the commercial fishing industry and the fish stocks that support that industry.
3. ConocoPhillips Australia will continue to work in good faith consultation with the commercial fishing industry to implement measures that will avoid, minimise, and mitigate potential impacts before the adjustment processes outlined in this protocol are applied.

Noting that this protocol is referenced in the Sequoia 3D Marine Seismic Survey Environment Plan as a control measure to manage potential impacts to commercial fishers, it will therefore be subject to inspection under the National Offshore Petroleum Safety and Environmental Management Authority environmental inspection program for the Sequoia survey. Further, for the avoidance of doubt, this protocol is not to be construed as an admission of liability or fault by ConocoPhillips Australia or anyone associated with the Sequoia survey.

Consultation

This protocol has been developed in consultation with Seafood Industry Victoria (SIV), the Tasmanian Seafood Industry Council (TSIC), the South East Trawl Fishing Industry Association (SETFIA) and the Sustainable Shark Industry Alliance (SSIA). These are the peak commercial fishing

bodies representing commercial fisheries with recent fishing history within the survey operational area.

ConocoPhillips Australia undertook consultation in good faith with these fishing associations in order to receive and include their feedback in the development of this protocol, with the principle of two-way and transparent engagement.

Key terms

- **survey acquisition period** – means the period between the first and last day (inclusive) of seismic data acquisition for the Sequoia survey.
- **Catch Per Unit of Effort (CPUE)** - for the purposes of this protocol the catch will be defined in kilograms of landed catch by the unit of effort. Examples of units of effort include hours trawled, pot lifts, number of hooks and standard length of line or net set. e.g. CPUE=kilograms per trawl hour.
- **commercial fisher** – the entity, person, licence holder, company or affected business who would have received the revenue from the landed catch that is the subject of a claim under this protocol, or who can show they have incurred the cost of lost or damaged fishing gear or displacement.
- **fishing gear** - fishing equipment deployed in the water by a vessel engaged in commercial fishing activity.
- **landed catch** - the whole landed weight as detailed within Government catch and effort information provided for the purpose of this protocol, or as recorded in statutory Catch and Disposal Records. Catch that is processed in any way before landing, for example gutted and gilled or headed, should be converted back to whole weight (using gazetted conversion factors where possible) for the purpose of this protocol.
- **market price** – the current price received by a commercial fisher at the point of first sale, excluding any price margins for marketing, unloading, transport, sales commissions, value adding or packaging. Market price is the most recent price received prior to the start of the Sequoia survey. Note that set rates for fish market prices may be used if agreement can be reached with SETFIA, TSIC and/or SIV.

Commercial Fishing Adjustment

Adjustment under this protocol is available where a commercial fishing vessel:

- a) experiences a reduction in their historical average CPUE when fishing within the survey operational area and/or other alternate areas fished during the survey acquisition period.
- b) where there is displacement of fishing activity from the survey operational area during the survey acquisition period and,
- c) for fishing gear loss or damage caused by vessels or equipment engaged in Sequoia survey activities.

To receive adjustment under this protocol, a commercial fisher must be able to show that they would have received the revenue from the landed catch that is the subject of a claim; incurred additional costs for displacement or incurred the cost of lost or damaged fishing gear.

For each month where adjustment is claimed, the licensed fishing vessel must conduct fishing within the survey operational area, unless a fishing trip spans two months, where each month will be considered to have satisfied this requirement. Commercial fishers must also make reasonable endeavours to mitigate and reduce any potential impacts of the Sequoia Survey on their catch.

Commercial fishers must have established previous fishing history, at a minimum of 2 out of the previous 5 years for all block(s) or fishing event(s) for which they wish to make a claim for reduction of catch or displacement adjustment under this protocol.

Reduction in catch adjustment

Reduction in catch adjustment is available for commercial fishing that takes place within the same months as the survey acquisition period. The reduction in catch adjustment assessment process is based on a comparison between the historical average CPUE and the actual CPUE during the survey acquisition period. Monetary adjustment will be available where a commercial fisher experiences a reduced CPUE whilst fishing within the survey operational area, and other areas fished, (by month) during the survey acquisition period, when compared to the historical average (previous 5 years) CPUE for the same vessel/licence/month/species).

Where the actual CPUE is lower than average, adjustment will be based upon the difference in CPUE multiplied by the units of effort fished in the claim month multiplied by the market price of the catch (by species). For the purpose of assessment under this protocol, the CPUE calculation method used will be the same as those used by the Government Department or Authority responsible for management of the relevant fishery.

A commercial fisher should provide copies of statutory Government catch and effort information for the month(s) of the Sequoia survey plus the equivalent month(s) for the last 5 years. Information should include fishing event location, duration and dates, unit of effort and resulting catch. A commercial fisher may authorise ConocoPhillips Australia to access the necessary information direct from the relevant Government Department/Authority.

Adjustment payment calculations will be based the most recent market price for the particular species of catch, prior to the start of the survey.

A commercial fisher wishing to lodge a claim for adjustment should notify ConocoPhillips Australia of their intention to lodge a claim as soon as possible after the conclusion of the Sequoia survey and a claim may be lodged within 3 months after the conclusion of the seismic survey.

Treatment of catch and effort data to determine eligible fishing events to be included in the adjustment assessment process

The first step in conducting a reduction of catch adjustment assessment will be to determine fishing activity that meets the previous fishing history requirements and is therefore eligible for adjustment under this protocol.

For fishing conducted within the survey operational area

Provided that the commercial fisher can demonstrate previous fishing activity within the survey operational area for the required years prior to the Sequoia survey, then all fishing activity conducted during the survey acquisition period within the survey operational area, will be eligible for adjustment assessment and used to calculate actual and historical average CPUE.

For fishing conducted outside of the survey operational area

Where a commercial fisher also wishes to claim adjustment for fishing outside of the survey operational area, only fishing events that meet the previous fishing history requirement will be eligible for adjustment and used to calculate the actual and historical average CPUE.

Catch and effort data will be plotted against a statistical grid format, where each grid block, by month, will be checked to ascertain the minimum requirement of 2 years fishing activity within the previous 5 years. Note that ConocoPhillips Australia will have the flexibility to make judgements that will enhance the statistical accuracy of an assessment and/or provide balanced practical assessment outcomes.

Method of assessing reduction in catch adjustment

Reduction of catch assessments will be conducted in two parts: fishing activity within the survey operational area which is outlined below, and fishing activity outside of the survey operational area where a similar method applies:

1. A claim month must contain fishing activity within the survey operational area unless a fishing trip spans two consecutive months, where it will be considered that this requirement has been met for both months.
2. Yearly historical average CPUEs will be calculated for all eligible fishing events for each claim month, by species, and then averaged to provide a baseline historical average CPUE for the claim month.
3. Each claim month's actual average CPUE will be calculated for eligible fishing events by species by month.
4. The actual average CPUE will be compared to the historical average CPUE for the same block/fishing events and month and adjustment will be available where there is a shortfall.
5. The shortfall in CPUE will be multiplied by the units of effort fished for the claim month, and then by the individual/combined species market price, to provide the amount of monetary adjustment for each month.

Example: 'Exodus' is an owner-operator western zone rock lobster boat using 90 pots, doing 4-day trips into the survey operational area and pulling their pots once per day. The Exodus previously fished in the survey operational area during 2016 and 2019, so meets the requirement for a minimum of 2 out of the previous 5 years.

- The Exodus fished for 16 days during the survey in September 2021 using 90 pots so achieved 1440 pot lifts. The Exodus landed 576kg of rock lobster.

- The market price is \$50 per kilogram.
- Exodus historical kilograms per pot lift for September is 0.6 in 2016 and 0.65 in 2019 giving an average historical catch per unit of effort of 0.625 kilograms per pot lift.
- Exodus catch per unit of effort for the month of September during the Sequoia Seismic Survey is 0.4 kilograms per pot lift (being 576kg divided by 1440 pot lifts).
- This leaves a drop in catch per unit of effort of 0.225 kilograms per pot lift (being 0.625 minus 0.4).

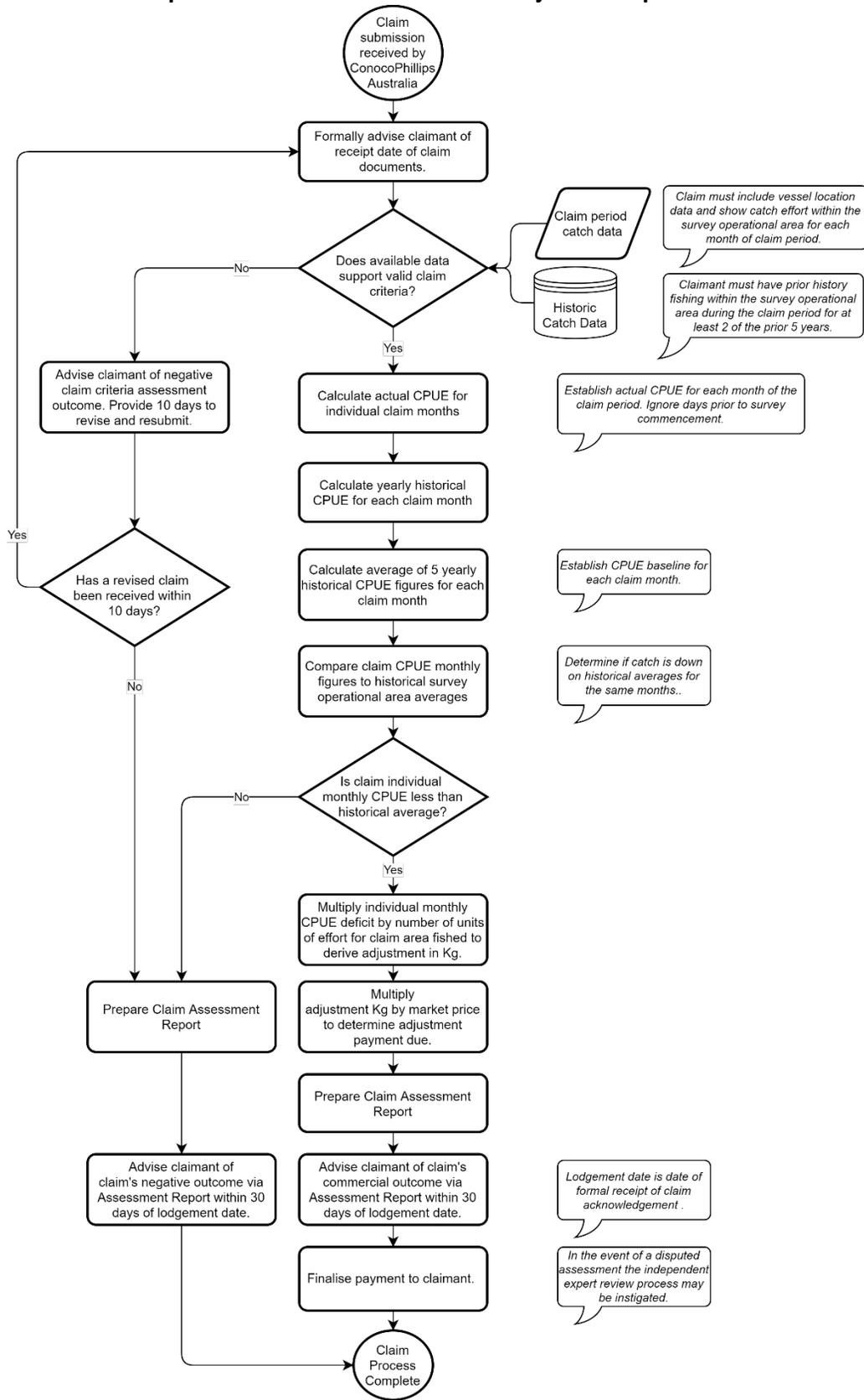
Monetary adjustment for Exodus for reduced catch in September 2021

$$= \text{shortfall in Catch Per Unit of Effort} \times \text{number of unit of efforts} \times \text{market price}$$

$$= (0.225\text{kg/pot lift}) \times (1440 \text{ pot lifts}) \times (\$50/\text{kg}) = \$16,200$$

Adjustment may be calculated per individual species or combined as appropriate. A flow chart that details the full reduction in catch claim lodgement and assessment process is outlined in the flow chart below.

ConocoPhillips Australia reduction in catch adjustment process flow chart



Displacement of fishing activity

Displacement adjustment will be available where a commercial fisher is unable to continue to fish within or is displaced from the survey operational area during the survey acquisition period due to the movement of seismic and supporting vessels. Where a commercial fisher incurs costs over and above the average running costs for a fishing trip while relocating to another fishing area, then those additional costs associated with increased transit distance/times, fuel usage and crewing will be considered for monetary adjustment under this protocol.

Consistent with reduction of catch adjustment, fishers will need to be able to demonstrate that they have previously fished in the operational area during the same months as the survey acquisition period, for at least 2 out the last 5 years.

For displacement, an alternative fishing ground must be within 50 kilometres of the survey operational area. Displacement provisions apply in addition to the reduction in catch adjustment provisions in this protocol.

Displacement adjustment will be assessed based on a comparison of distance travelled, fuel used and crewing costs against the average costs from previous 5 years for the equivalent month. Note that a set rate(s) for displacement may be used if agreement can be reached with SETFIA, TSIC and/or SIV. An application form setting out the information requirements can be found at **Appendix 3**.

Fishing gear loss or damage

A commercial fisher may lodge a claim in accordance with this Protocol if they experience accidental loss to, or damage of deployed fishing gear from physical contact with a seismic survey vessel and/or its in-water equipment or supporting vessels in connection with the Sequoia survey.

Through pre-survey notifications and communications, commercial fishers should have an awareness of the Sequoia survey activities and be able to make all reasonable efforts to avoid direct interaction with the survey vessel and its equipment. It should be noted that seismic survey vessels carrying out seismic acquisition are limited in their manoeuvrability.

If fishing gear loss or damage occurs, the commercial fisher should immediately notify ConocoPhillips Australia either via sequoia@conocophillips.com.au or 07 3182 7122.

When lodging a claim, the claimant should clearly document when, where and how the gear damage or loss occurred and where possible, the name and details of any vessel(s) involved. A claim should include at least one quote from an independent source with the costs associated with repairing or replacing the lost or damaged fishing gear.

As a result of assessing the claim, by mutual agreement with the claimant, ConocoPhillips Australia may offer to cover the cost of repairing or replacing the damaged fishing gear or providing like-for-like replacement equipment.

In association with a claim for fishing gear loss or damage, the market price of any reduced catch resulting from any lost or damaged fishing gear for the duration of that fishing trip may also be included. Adjustment for such reduced catch shall be based on the average CPUE for the month that the fishing gear is lost or damaged. If insufficient information is available for that month, then the same month in the previous year can be used. Claims for reduced catch may only be based on the proportionate reduction in catch resulting only from the lost or damaged fishing gear for the period of the fishing trip where the loss or damage was incurred.

A claim for fishing gear loss or damage must be lodged within 3 months of the conclusion of the survey.

Adjustment applications and assessment process

ConocoPhillips Australia will take all reasonable steps to keep information provided in an application under this protocol confidential. This requirement will also apply to an expert reviewer of a claim.

Claims will be assessed by ConocoPhillips Australia with the support of consultants with fisheries and statistical analysis expertise. Claimants will be provided with an assessment outcome report. For appropriately documented claim applications, ConocoPhillips Australia will aim to provide the claimant with an assessment report within 30 days of claim lodgement and receipt of all data required to conduct an assessment. All claim applicants will receive confirmation of receipt of a claim by ConocoPhillips Australia. Upon acceptance of a claim assessment outcome by the claimant, payment will be made by ConocoPhillips within 30 days.

If all the information requirements set out in this protocol are not available to a claimant, then such claims will be considered on a case-by-case basis. If ConocoPhillips Australia forms the view that the information lodged with a claim is not sufficient to conduct a meaningful assessment or support the application, then the claimant will be advised in writing and given 10 business days to respond. If no correspondence is received within 10 business days, then the assessment will be completed, and the claimant advised of the outcome.

Claims will be assessed by separate monthly fishing activity, with each month assessment outcome not influencing or impacting on another month assessment outcome.

Included as part of an adjustment payment will be a binding agreement that summarises the assessment of the claim and an agreement by the claimant that the payment of the adjustment amount negates any further claims in relation to the Sequoia survey for the same month.

If a claimant incurs costs in preparing and lodging a claim under this protocol, then those costs up to a value of \$2000 may be reimbursed upon provision of invoices/receipts. This is applicable for fully documented applications that contain information to substantiate the required fishing history within the survey operational area, whether successful or not. An application form to claim for costs is at **Appendix 5**.

Lodging a claim for adjustment

A commercial fisher may lodge their own claim or authorise someone to act on their behalf. Application forms for reduction in catch, displacement of fishing activity and fishing gear loss or damage can be found at **Appendices 2, 3 and 4** of this protocol.

Commercial fishers may either authorise direct access to their catch and effort information through their respective Government Department/Authority (refer application form), or provide Government catch and effort information that includes fishing event location, duration and resulting catch with their claim for the month(s) coinciding with the survey acquisition period, plus the same months for the last 5 years inclusive. Declining catch trends within a fishery and/or management changes that affect catch rates/amounts may be taken into account when calculating an average CPUE to use in an assessment under this protocol.

Independent expert review of a claim outcome

If a claimant disagrees with an adjustment claim assessment payment amount, and agreement on an adjustment amount between ConocoPhillips Australia and the claimant cannot be reached, then the claimant may opt to trigger an independent expert review process. The cost of an independent expert review will be funded by ConocoPhillips Australia.

ConocoPhillips Australia will appoint an independent expert review panel to review the claim and provide a report to both ConocoPhillips Australia and the claimant. As part of the independent expert review process, both the claimant and ConocoPhillips Australia shall be given the opportunity to address the independent expert review panel to state their position, prior to a review decision being reached.

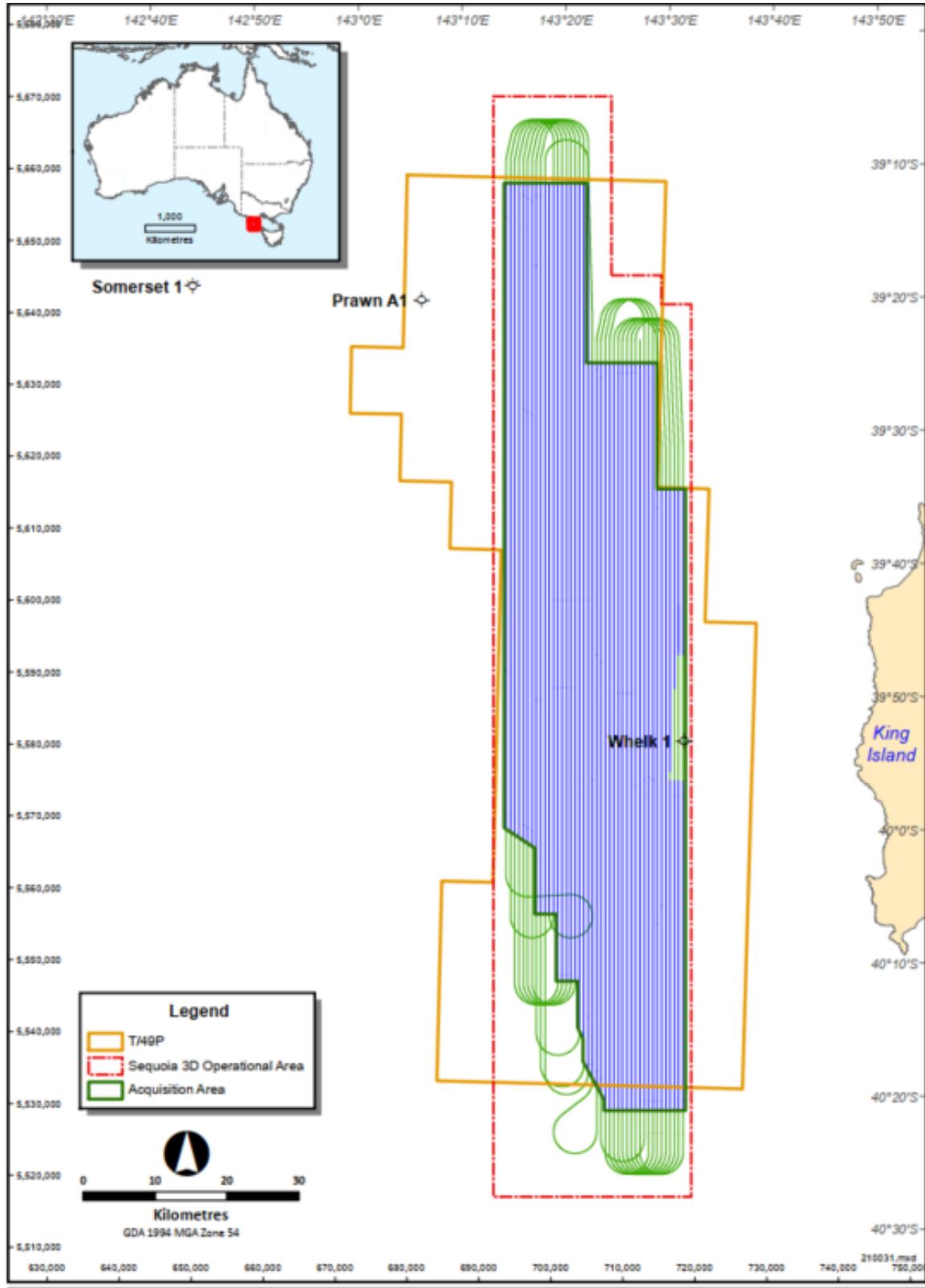
The independent expert review panel must provide a view as to whether the claim assessment process has been conducted in line with the requirements of the protocol. The independent expert review panel may also consider any additional information deemed appropriate, including information provided by either the claimant or ConocoPhillips Australia. An independent expert review decision may differ from the initial assessment outcome.

ConocoPhillips Australia commits to abiding by an independent expert review decision and paying any adjustment amount determined by the independent expert as soon as possible.

Lodgement of claims and contact

Adjustment claims should be lodged via email to sequoia@conocophillips.com, with Sequoia Adjustment Claim in the subject line. All claim emails will be acknowledged by return email. If you have any questions regarding the adjustment process, please contact ConocoPhillips Australia via email at sequoia@conocophillips.com or by phone at 07 3182 7122.

Appendix 1 Sequoia survey operational area



Appendix 2 – Reduction in catch application form

Sequoia 3D Marine Seismic Survey	
Commercial Fishing Adjustment Protocol – Reduction in catch claim application	
Claimant Details	
Name of person/company making claim	
Address	
Email	
Contact number	
I am the entity that would have received the revenue from the catch that is the subject of this claim. Please include evidence of above statement	Yes or No
Relevant authorisation holder details e.g. licence holder (if different from claimant details above)	
Name	
Address	
Email	
Contact number	
Authorisation/licence(s) name and number	
Claim details	
Fishing vessel name and number	
Month(s) for which reduction in catch adjustment is being claimed	
Market price information – please include documentary evidence of price received from normal buyer/processor most recently prior to survey start.	
Catch and effort information – provided by licence holder	
Option A I wish to authorise ConocoPhillips Australia direct access to my catch and effort information relevant to this application.	Yes/No (If yes then authorisation holder to sign here)
Option B (If yes to Option A then ignore Option B)	

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Government catch and effort information for claim month(s) plus same months for the previous 5 years by species for which reduction in catch is being claimed. Catch and effort information should be provided in the form of:

- Vessel
- Year
- Month
- Fishery
- Fishing event latitude and longitude, duration, unit of effort and whole landed catch

Please list the documents provided with your application

1.

2.

3.

4.

Other relevant information may be submitted with a claim and will be assessed on a case-by-case basis.

Claim to be submitted via email to Sequoia@conocophillips.com with Sequoia Adjustment Claim in subject line.

Questions regarding the claim process may be directed via email to Sequoia@conocophillips.com or by phone to 07 3182 7122.

Appendix 3 – Displacement claim application form

Sequoia 3D Marine Seismic Survey	
Commercial Fishing Adjustment Protocol – Displacement claim application	
Claimant Details	
Name of person/company making claim	
Address	
Email	
Contact number	
Relevant authorisation holder details if different from claimant details above	
Name	
Address	
Email	
Contact number	
Authorisation/licence(s) name and number	
Claim details	
Fishing vessel name and identification number	
Evidence of the additional distance, fuel and crew costs incurred by the relocation of the fishing operation.	Attach receipts/evidence of costs for claim month. Include vessel track data.
Evidence of the most recent year’s daily (at sea) average distance, fuel and crew costs.	Attach receipts/evidence of costs for the most recent year.
Option A I wish to authorise ConocoPhillips Australia direct access to my catch and effort history relevant to this application	Yes/No (If yes then authorisation holder to sign here)
Option B (ignore if using Option A) Include 5 years catch data preceding the year of the claim in the following form:	
<ul style="list-style-type: none"> • Vessel • Year • Month • Fishery • Fishing event latitude and longitude, duration, unit of effort and whole landed catch 	

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Note that 5 years of catch data is required for displacement purposes to show fishing history within the Sequoia survey operational area for at least the previous 2 out of 5 years. If less than 5 years catch data available, then ConocoPhillips Australia will evaluate appropriate method of assessment.

Please list the documents provided with your application

1.

2.

3.

4.

Other relevant information may be submitted with a claim and will be assessed on a case-by-case basis.

Claim to be submitted via email to Sequoia@conocophillips.com with Sequoia Adjustment Claim in subject line.

Questions regarding the claim process may be directed via email to Sequoia@conocophillips.com or by phone to 07 3182 7122.

Appendix 4 Fishing gear loss or damage claim application form

Sequoia 3D Marine Seismic Survey	
Commercial Fishing Adjustment Protocol – Fishing gear loss or damage claim application	
Claimant Details	
Name of person/company making claim	
Address	
Email	
Contact number	
<p>I am the entity that has incurred the costs of the lost or damaged fishing gear that is the subject of this claim.</p> <p>If claiming for reduction in catch due to lost or damaged fishing gear, I am the entity that would have received the revenue from the catch that is the subject of this claim.</p> <p>Please include evidence of above statement.</p>	Yes or No and if yes include supporting information.
Relevant authorisation holder details (if different from claimant details above)	
Name	
Address	
Email	
Contact number	
Authorisation/licence(s) name and number	
Claim details	
Fishing vessel name and identification number	
Evidence of notification to ConocoPhillips Australia of the gear loss and/or damage.	
Information describing when, where and how the gear damage and/or loss occurred.	
Where possible, the name and details of any vessel(s) involved.	
A claim should include at least one quote with costs associated with repairing or replacing the lost or damaged fishing gear.	

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Evidence of any proportionate/ associated loss of catch due to gear loss/damage including market price, plus catch and effort information sufficient to calculate CPUE for claim month or same month in previous year.

Please list the documents provided with your application

1.

2.

3.

Other relevant information may be submitted with a claim and will be assessed on a case-by-case basis.

Claim to be submitted via email to Sequoia@conocophillips.com with Sequoia Adjustment Claim in subject line.

Questions regarding the claim process may be directed via email to Sequoia@conocophillips.com or by phone to 07 3182 7122.

Appendix 5 Claim for application cost reimbursement

Sequoia 3D Marine Seismic Survey	
Commercial Fishing Adjustment Protocol – Application for reimbursement of claim preparation costs	
Claimant Details	
Name of person/company making claim	
Address	
Email	
Contact number	
Type of claim submitted (eg reduction of catch)	
Claim details	
Please include receipts/invoices to show costs incurred in claim preparation.	
Claim to be submitted via email to Sequoia@conocophillips.com with Sequoia Adjustment Claim in subject line. Questions regarding the claim process may be directed via email to Sequoia@conocophillips.com or by phone to 07 3182 7122.	