

About the Gippsland Basin Joint Venture

The Gippsland Basin Joint Venture (GBJV), in which Esso Australia Pty Ltd and BHP Billiton Petroleum (Bass Strait) Pty Ltd each have a 50 per cent interest, is one of the most enduring partnerships in Australia's corporate history. This significant partnership began in 1964, with Esso Australia as the operator for oil and gas exploration off Victoria's Gippsland coast.

The GBJV drilled its first well in February 1965 and was Australia's first major offshore oil and gas well. That well and the offshore facilities that followed have supported production of some **4.7 billion barrels of oil and 8 trillion cubic feet of gas**.

In 1970, the then Prime Minister of Australia, Sir John Gorton described the Joint Venture as "an example of co-operative development" that could serve as a blueprint for undertaking risky, complex projects for mutual benefit.

"Great risks had to be taken in order to bring this to fruition. ... The risks were equally shared between an Australian and an American company. The rewards are not so equally shared. Because close to 50 per cent of profits made, rewards gained, flow directly to the Australian people in the form of company taxation or royalties or other payments. That silent partner gets that at once."

Sir John Gorton

The result was a resources boom that transformed the Australian economy and helped to fund our much heralded social innovations through the '70s and '80s. In the half century since the first discovery, **investments of around \$32 billion** in real terms has funded infrastructure including 23 offshore facilities feeding a network of about 600 kilometres of pipelines.

The GBJV truly is a partnership that changed the nation with the discovery of the world-class Bass Strait oil and gas fields and created long-lasting benefits that have shaped Australia's economic prosperity.

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ECONOMIC CONTRIBUTION

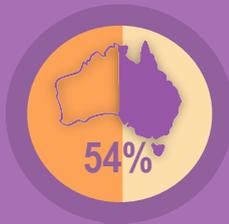
Between 1967 and 2015, the GBJV has contributed:

- Production of **4.7 billion barrels of oil and 8 trillion cubic feet of gas**.
- Generation of gross revenues of over **\$144 billion** (over **\$330 billion** in 2016 terms).
- More than **\$89 billion** of payment in Australian excises, royalties and taxes (over **\$220 billion** in 2016 terms).
- On average around **1,000 workers** per year have been directly employed.
- More than **\$12.9 billion** of ongoing operations expenditures (**\$31 billion** in 2016 terms).
- **\$10.7 billion** of capital works (**\$32 billion** in 2016 terms).

Over its life to date, the project has:

- Produced **54 per cent** of all of Australia's crude oil and liquids.
- Supplied over **40 per cent** of all of Eastern Australia's natural gas.
- Contributed an average of **2.5 per cent** of all Commonwealth Government tax receipts (with an average of **10 per cent** a year over the ten years between 1976 and 1985).
- Added **\$570 billion** to the Gross Domestic Product of Australia (**\$11.6 billion** per year).
- Improved the real incomes (or economic welfare) of Australian residents by more than **\$640 billion** (or **\$13.1 billion** per year) or **\$780 per person per year**.
- Stimulated nearly **370,000 full time equivalent (FTE)** job years of employment throughout Australia.

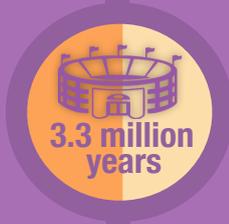
Between 1967 and 2015 the Gippsland Basin Joint Venture has...



Produced more than half of Australia's crude oil and hydrocarbon liquids.



Provided enough fuel to fill every car currently on the road in Australia 500 times.



Provided enough gas energy to power the MCG's lights for 3.3 million years.



Improved the real income of Australians by more than \$640 billion. That is \$780 per year for every person in this country.



Contributed an average of 2.5% of all Commonwealth Government tax receipts. That is over \$220 billion (in 2016 terms), making it one of the largest Commonwealth revenue sources in history.



Paid the equivalent of 18% of total private and public hospital expenditure.