



MEDIA RELEASE

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Unprecedented industry investment in spill-response system

Building on the Australian oil and gas industry's capacity to rapidly respond to an offshore well incident, the industry's leaders today announced funding of a world-class subsea response solution to be in place by early 2013.

The announcement, at the annual Australian Petroleum Production & Exploration Association (APPEA) Conference in Adelaide, means Australia has an industry-wide subsea solution addressing the risk of any uncontrolled discharges from offshore wells that is integrated into an international and regional response strategy.

APPEA Chief Executive, David Byers, said: "The continued development of offshore oil and gas is essential for Australia's prosperity and energy security, but the industry must ensure we have access to the latest systems, technology and expertise to achieve the highest standards for our environment and safety performance.

"The funding and development of a Subsea First Response Toolkit (SFRT) not only demonstrates the industry's technological advancement, but also its commitment to continuous improvement and world's best practice.

"This investment will enable the Australian oil and gas industry to manage a subsea uncontrolled hydrocarbons release incident without delay and with maximum efficiency."

The Montara and Macondo offshore petroleum incidents, and subsequent inquiry recommendations, have highlighted the need for the international offshore petroleum exploration and production industry to create a capability for fast and effective response to uncontrolled hydrocarbons releases.

At the Australian Government's International Offshore Petroleum Operators and Regulators Summit (September 2011), the Minister for Resources and Energy, Martin Ferguson, signed an accord for an Australian Action Plan with key APPEA member companies and with the offshore petroleum regulator, NOPSEMA.

The Australian offshore oil and gas industry is now developing the SFRT – specialised equipment to be located in Australia and contracted through the industry-funded Australian Marine Oil Spill Centre (AMOSC) for immediate mobilisation at the onset of a subsea well control event. The SFRT contains all equipment needed to clean the area around the wellhead, enable intervention and prepare for relief well drilling and safe installation of a capping device.

The global oil and gas industry has agreed to locate capping stack systems at four locations around the world – Singapore, Brazil, South Africa, and Norway. The Australian industry is committed to being integrated into global solutions so that this country has access to world's best technology and expertise.

The Australian Petroleum Production & Exploration Association represents the upstream oil and gas industry in Australia. APPEA member companies produce around 98 per cent of Australia's oil and gas.

A consortium of 12 oil and gas companies operating in Australian waters – which includes Apache, BP, BHP Billiton Petroleum, Chevron, ConocoPhillips, Eni, ExxonMobil, INPEX, PTTEP, Santos, Shell and Woodside – have each committed more than \$2 million as Foundation Members, funding the acquisition, maintenance and deployment of the SFRT over the next five years. All Australian offshore operators will be able to access the SFRT on an affordable basis.

Mr Byers congratulated the 12 Foundation Members on their leadership and AMOSC for providing the logistical support need to make the project viable.

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