

Our ref: A310419

Jo Townsend
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60 Minutes show
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Dear Jo

Re: NOPSEMA interview on 31 July 2013

Further to Michael Usher's interview with the NOPSEMA CEO, I am pleased to provide the following information to help address any misunderstanding arising from the document Michael cited during filming. As discussed, the Oil spill contingency plan cited by Michael is not published on NOPSEMA's website. By law, NOPSEMA is required to publish summaries of Environment plans and Oil spill contingency plans produced by an operator only after NOPSEMA has *assessed and accepted* the plan.

The document cited in the interview is a PTTEP Australasia (PTTEP AA) Oil spill contingency plan which was accepted by the Northern Territory regulator in December 2011 before NOPSEMA was established. Regulation of this plan transitioned to NOPSEMA on 1 January 2012. Under the transition arrangements, previously approved Environment plans remained in force. NOPSEMA has subsequently reviewed plans previously accepted by other Australian regulators and requested that PTTEP AA submit revised plans. This means that PTTEP AA must examine its oil spill response arrangements for Montara and submit plans, including an Oil spill contingency plan, which demonstrably meet the legal requirements under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and Regulations. PTTEP AA's revisions to date have been reviewed by NOPSEMA and the regulator has requested further improvements.

It is important to note that while any plans are being revised, PTTEP AA remains subject to the full force of the law. Enforcement measures are available to NOPSEMA in the event of any petroleum company breaching its responsibilities under the legislation, including the discretion to intervene and direct a petroleum titleholder or operator to take action to comply.

NOPSEMA reinforces the importance of prevention. In circumstances where the measures to prevent a hydrocarbon release have failed, spilled oil can have significant detrimental impacts on sensitive marine life. All spill response efforts are aimed at reducing these impacts where possible. The use of dispersants is considered a viable option to reduce environmental impacts from an oil spill only where it can be safely applied, the oil is amenable to dispersion and applying dispersant will not worsen the impact to communities and the environment.

The Australian Maritime Safety Authority (AMSA) maintains the Oil Spill Control Agents (OSCA) Register of approved dispersants under the National Plan for the Combat of Pollution of the Sea by Oil and Other Hazardous and Noxious Substances. Listing of a particular dispersant on this register does not mean that NOPSEMA will guarantee approval to use it in the event of a spill from an offshore petroleum activity. The Regulations administered by NOPSEMA require operators to further assess the risk associated with the use of dispersants for their specific activity in a particular location before they can be used. NOPSEMA's requirements are additional to the criteria applied for listing a dispersant on the OSCA Register.

All Environment plans accepted by NOPSEMA detail the impacts and risks of the petroleum activity, evaluate and demonstrate the control measures that reduce risk to a level that is as low as reasonably practicable and acceptable, define the performance standards and measurement criteria, document stakeholder consultation and detail the implementation strategy, including operational and emergency requirements in the event of an oil spill. The law requires that the impacts from the oil, from the dispersant application and other potential spill response methods are also addressed. These requirements are contained in written guidance available on the NOPSEMA website. NOPSEMA's acceptance of the plan enables an incident controller to only proceed with application of dispersant in accordance with the strict control measures defined in the plan.

Operators are required by law to respond to an oil spill. In cases where proposed use of dispersant does not improve the environmental outcome, or results in unacceptable impacts to people or the environment, NOPSEMA has refused to accept the plan. Unless the plan is revised to NOPSEMA's satisfaction, the operator cannot proceed with their activity. This means that in the future, no dispersant (including Corexit 9527 or 9500) would be used where there are unacceptable impacts to people or the environment.

I trust this provides the necessary clarification to the matters raised by Michael and would be grateful that these facts are incorporated into the final story, given the interview was premised on the incorrect assumption that NOPSEMA has accepted the PTTEP AA plan in question.

Many thanks for your assistance.

Yours sincerely



Alison Carter
Communications and Stakeholder Relations Manager

1 August 2013

Our ref: A313059

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Dear Jo

Re: Regulation of oil spill dispersant application in Australia

To supplement the information provided in my letter of 1 August (Our ref:A310419), you should be aware that all oil exploration drilling plans assessed and accepted by NOPSEMA comply with the strict legislative requirements the authority applies for environmental management, including for oil spill preparedness and response. As you know, the requirements are supported by Oil spill contingency plan guidance published on the NOPSEMA website.

As such, oil spill contingency plans submitted to NOPSEMA need to include the latest toxicity information and assessment of how dispersants may affect the environment in each and every application. Therefore, '60 Minutes' recent assertion that "authorities are clueless" about the risks associated with dispersants is grossly inaccurate in relation to NOPSEMA's regulation of the offshore petroleum industry in Commonwealth waters.

Oil spill plans assessed and approved by a state or Northern Territory regulator, either before the formation of NOPSEMA, or for petroleum activities conducted in coastal waters outside of the authority's jurisdiction, may refer simply to the Australian Maritime Safety Authority (AMSA) Oil Spill Control Agents register for response options. NOPSEMA requires additional and detailed evidence that applying the dispersant would avoid unacceptable toxic effects.

In addition, please note that none of the plans accepted by NOPSEMA propose the use of Corexit 9500 and Corexit 9527 as a priority oil spill incident response measure. This reflects information provided on 1 August that the listing of a particular dispersant on the AMSA register does not mean NOPSEMA will guarantee approval for a petroleum company to use the dispersant in the event of an oil spill in Commonwealth waters.

NOPSEMA continues to challenge petroleum companies to meet the authority's strict requirements under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and Regulations. We cannot emphasise enough the importance of prevention in effective risk management.

Yours sincerely



Alison Carter
Communications and Stakeholder Relations Manager

16 August 2013