

## Direction – section 574

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*Offshore Petroleum and Greenhouse Gas Storage Act 2006*

Direction number: 772

### Direction

To: [REDACTED] as administrators of Timor Sea Oil & Gas Australia Pty Ltd ACN 111 708 868

### Issue of Direction/s - Section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*

Attached is a written notice of direction/s made under s 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*.

Please provide written acknowledgement of receipt of this direction. Please also note that pursuant to s 575 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*, you are required to either:

- Give a copy of this notice of direction to any person to whom this direction applies under s 574(3)(a); or
- display the notice at a prominent position at a place in the offshore area frequented by that other person.

A person commits an offence if:

- (a) the person is subject to a direction under s 574; and
- (b) the person engages in conduct; and
- (c) the person's conduct breaches the direction.<sup>1</sup>

Please provide this office with documented evidence of your compliance with the notice of direction/s.

If you have any questions relating to the content of the instrument, please contact [REDACTED] on [REDACTED].

Yours sincerely

Signed:



Derrick O'Keeffe

Head of Division, Safety & Integrity

Dated: 27 September 2019


NOTES: (Please see explanatory statement)

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<sup>1</sup> Section 576 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*

Direction number NOPSEMA ID 772

I, Derrick O’Keeffe of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), make this instrument under section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) as a delegate of the CEO of NOPSEMA, pursuant to an instrument of delegation dated 20 August 2018.



Derrick O’Keeffe

Head of Division, Safety & Integrity  
National Offshore Petroleum Safety and Environmental Management Authority

**Dated: 27 September 2019**

## **DIRECTION**

### **1. Commencement**

This direction takes effect on the date of signature.

### **2. Application**

This direction applies to Timor Sea Oil & Gas Australia Pty Ltd ACN 111 708 868 the registered holder of AC/L5.

**AND**

### **3. Extended Application**

Pursuant to subsection 574(3)(a) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, this instrument also applies to a specified class of persons, being:

- i) employees or agents of, or persons acting on behalf of, the registered holder;
- ii) persons performing work or services, whether directly or indirectly, for the registered holder.

### **4. Direction**

- (1) The titleholder is given the directions contained in Schedule 1.
- (2) Each direction in Schedule 1 is a separate direction.

**Schedule 1 – Directions****Direction 1**

That the administrators on behalf of the titleholder (Timor Sea Oil & Gas Australia Pty Ltd ACN 111 708 868) immediately requires the development and implementation of a plan that ensures the Northern Endeavour- NOGA facility can enter an extended state of non-production which includes the following outcomes:

- a. Protection of the health and safety of any persons at or near the facility;
- b. Minimisation of environmental impacts attributable to the facility, including wells and the subsea components of the facility, or attributable to operations at the facility;
- c. Security of the facility including unauthorised access to the facility.

**Direction 2**

A copy of the plan required by Direction 1 be submitted to NOPSEMA within 14 days of this direction taking effect.

**Direction 3**

That the administrators on behalf of the titleholder maintain all records and documentation in relation to the facility including wells in a manner that facilitates their retrieval.

**Explanatory Statement**

Direction number: 772

**Background**

On 20 September 2019 NOPSEMA received correspondence notifying that [REDACTED] and [REDACTED] of KPMG were appointed as administrators of Timor Sea Oil & Gas Australia Pty Ltd ACN 111 708 868 (the titleholder). In that correspondence, the administrators informed NOPSEMA that they were aware of an event under NOPSEMA General Direction ID 741 that could lead to termination of the services of the current registered operator.

On receiving such information, and following various meetings between NOPSEMA officers and the current registered operator, it has become apparent to NOPSEMA that the Northern Endeavour facility (operated in respect of the title AC/LS) may be forced to commence a non-production phase. In the event that this occurs, NOPSEMA inspectors consider that it is necessary for the titleholder and current registered operator to prepare a plan to ensure that the Northern Endeavour –NOGA facility is able to enter a state of extended non-production that is safe and environmentally sound.

**Notification of a direction that has an extended application**

Pursuant to section 575:

(1) If a direction under section 574 applies to:

- (a) a registered holder; and
- (b) a person referred to in paragraph 574(3)(a);

**the registered holder must** cause a copy of the notice by which the direction was given to be:

- (c) given to that other person; or
- (d) displayed at a prominent position at a place in the offshore area frequented by that other person.

**Legislation**

Part 6.9 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) (the Act) provides that NOPSEMA has functions in relation to the occupational health and safety of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations; the structural integrity of facilities, wells and well-related equipment; and environmental management.

Under subsection 574(2) of the Act, NOPSEMA may issue a direction about any matter in relation to which regulations may be made.

Section 666(2) of the Act gives the CEO of NOPSEMA the power to issue a direction under section 574 of the Act. The power may be delegated by the CEO under section 675 of the Act.

Under sub section 576(1) of the Act, if a person is subject to a direction under section 574 and the person engages in conduct that breaches that direction, the person commits an offence:

- **Fault-based offence** – 5 years imprisonment or 2,000 penalty units, or both (10,000 penalty units for a body corporate).
- **Strict liability offence** – 100 penalty units (500 penalty units for a body corporate).
- **Civil penalty provision** – 525 penalty units (2,625 penalty units for a body corporate).
- **Continuing offences** – a person who commits a fault-based or strict liability offence commits a separate offence in respect for each day during which the offence continues. The maximum penalty for each day that the offence continues is 10% of the maximum penalty that can be imposed in respect to that offence.
- **Continuing contraventions of civil penalty provisions** – a person who contravenes the civil penalty provision commits a separate contravention in respect for each day during which the contravention continues. The maximum civil penalty for each day that the contravention continues is 10% of the maximum civil penalty that can be imposed in respect to that contravention.

**Note:** the value of one penalty unit is \$210 pursuant to section 4AA(1) of the *Crimes Act 1914* (current as of 6 September 2017).