

General Direction – s 574

Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)

Direction No: 2043

To Jadestone Energy (Eagle) Pty Ltd (ACN 627006679):

Issue of Direction/s - section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*

I, Graham Blair 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* (the Act) pursuant to the Instrument of delegation dated 31 January 2024.



Deputy CEO – Regulatory Operations

8 September 2025

1. Commencement

This direction commences on **8 September 2025**.

2. Application

This direction applies to Jadestone Energy (Eagle) Pty Ltd, ACN 627006679 the registered holder of petroleum production licence AC/L7.

3. Direction

- a. The registered holders of Production Licence AC/L7, Jadestone Energy (Eagle) Pty Ltd, is given the directions contained in Schedule 1.
- b. Each direction in Schedule 1 is a separate direction.

Schedule 1

Direction 1

1. Within 60 days of the date of this Direction, or as otherwise agreed in writing with NOPSEMA, submit to NOPSEMA a plan to remediate the Montara Venture FPSO's hull integrity, which must, at a minimum, address the following:
 - a. Assure hull integrity by aligning tank and cargo piping inspections and intervals with the commitments made in the Montara Venture facility safety case. This requires compliance with Class rules and previous regulatory undertakings and addressing the 'Postponed-Overdue' Class Survey Status.
 - b. Address the significant number of temporary or defined life repairs that are expired, nearing expiry, or not adequately inspected to support design life extension, and restore hull integrity by executing permanent repairs as soon as practicable in a timeframe agreed with NOPSEMA and in alignment with common industry practice and sound integrity management principles.
 - c. Re-assess the structural severity of corrosion anomalies within their corrosion anomaly register to align with industry practice and sound integrity management principles.
 - d. Implement a structured improvement program to embed systematic safety management system practices across hull, tank, and cargo piping integrity processes. This must include restoring and sustaining integrated anomaly tracking, strengthening execution accountability, ensuring timely and prioritised corrosion reviews, and incorporating cumulative risk evaluation to support ongoing reduction of risks associated with hull integrity to as low as reasonably practicable (ALARP).

Direction 2

1. Within 30 days of the date of this Direction, or as otherwise agreed in writing with NOPSEMA and concurrently with Direction 1, implement and plan for additional controls agreed to by NOPSEMA, to protect personnel from potential risks until above identified hull integrity improvement activities are completed.

Direction 3

1. Within 90 days of the date of this Direction, or as otherwise agreed in writing with NOPSEMA and concurrently with Direction 1, assess cumulative hull integrity risks to demonstrate, to the satisfaction of NOPSEMA, that the residual risk from operating an aged, single-hulled oil facility is reduced to a level that is as low as reasonably practicable (ALARP), and that Jadestone's anomaly management, temporary repair practices, ALARP demonstration rigour, and risk assessment and tolerance are consistent with industry practice and sound integrity management principles.

Direction 4

1. Within 60 days of the date of this Direction, or as otherwise agreed in writing with NOPSEMA and concurrently with Direction 3, initiate an independent review and subsequent verification of the assessment in Direction 3 to support Jadestone's position that its hull integrity management approach aligns with industry standards and sound integrity management principles. This process is to be conducted by an independent, suitably qualified third party. The choice of independent third party and the terms of reference associated with the scope of work are to be agreed by NOPSEMA prior to commencement of work.

2. Implement remedial actions from Direction 1 to NOPSEMA's reasonable satisfaction within the timeframe agreed with NOPSEMA upon completion of Direction 1.
3. Until the identified remedial actions are implemented to NOPSEMA's reasonable satisfaction, submit a monthly report to NOPSEMA demonstrating progress in implementing the remediation actions. Continue reporting until all remedial actions are completed.

Direction 5

1. This General Direction must be displayed at a prominent position at the Montara Venture facility.

Explanatory Statement

The operator of the Montara Venture facility, Jadestone Energy (Eagle) Pty Ltd, has not effectively assured hull integrity, nor has it consistently adhered to established industry standards and practices. This has resulted in an increased risk of hull and/or tank integrity loss, which may pose significant safety and environmental risks.

Jadestone's corrosion management and repair strategy does not align with industry standards. The use of temporary repairs, defined-life repairs, and increased inspection frequencies to justify reduced severity ratings is not consistent with accepted practices. Industry norms require permanent repairs where bottom plate diminution or corrosion damage exceeds 25%.

Additionally, Jadestone is not meeting the inspection requirements of the 'Continuous Survey of Hull (CSH)' scheme with their Classification society (Class) Lloyd's Register (LR). Several tanks and spaces have exceeded the 5-year Class inspection interval required by Class — for example, the #1 Port and #1 Starboard Cargo Oil Tanks were last inspected in 2018. This contravenes LR Class rules. The vessel's Special Survey Status is currently listed as 'Postponed–Overdue'.

The Montara Venture facility has a history of integrity-related incidents, including hull breaches and cargo oil piping failures, which have led to unplanned NOPSEMA investigations and restoration efforts conducted by Jadestone. While recent initiatives have aimed to improve inspection and repair activities, Jadestone has not demonstrated that these efforts are sufficient in reducing risks associated with hull integrity to ALARP.

Given the high number of active anomalies affecting the hull, tank, and cargo piping systems — including several temporary and defined-life repairs — NOPSEMA has concerns regarding the effectiveness of Jadestone's integrity management system. These concerns are based on recent inspection observations indicating that the system is not adequately ensuring or maintaining compliance.

Accordingly, NOPSEMA has determined that it is necessary to issue this General Direction and require the implementation of the specified controls and actions.

Notes

Breach of a direction

Under sub section 576(1) of the Act, if a person is subject to a general 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.

