



Kon Vatskalis
MINISTER FOR RESOURCES

24 November 2010

Statement on Montara Commission of Inquiry Report

I have today received the Special Commission Inquiry Report into Montara and the Federal Government's response.

The Northern Territory Government will be considering the Inquiry report in detail and we will be providing a submission to the Federal Government's consultation process.

The Inquiry found that the source of the blowout was the result of the primary well control barrier failing and that there were widespread and systemic shortcomings in PTTEP's procedures. The report states that well control practices approved by the NT and designated authority "most likely would have been sufficient to prevent the blowout if PTTEP had adhered to them".

The Department should have acted more diligently in its regulatory approach, and following the incident the agency has reviewed all procedures and processes in order to achieve best practice.

The Northern Territory Government supports moving to a single national regulator of offshore petroleum operations to improve consistency of regulation and improve practice standards.

A plan of action agreed to by both the NT Department of Resources and the Federal Department of Energy and Resources has been put in place to improve regulatory monitoring, including:

- PTTEP have provided proof of integrity of the Montara Field, and a requirement of proof of integrity for all past activities
- All assessments for approvals, requests and subsequent compliance data monitoring are being co-assessed with Western Australia and will continue to do so.
- A review of and operational changes to delegation processes and procedures.

We are committed to learning the lessons of Montara and further strengthening the regulatory framework of Australia's offshore industry.

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