Northern Endeavour to be decommissioned

14 December 2020

The Australian Government is moving to decommission the Northern Endeavour floating production storage and offtake facility and associated oil fields to remove potential risks to the environment.

Resources, Water and Northern Australia Minister Keith Pitt said the Government had thoroughly investigated options for the Northern Endeavour and found a decommissioning and remediation process is the most cost-effective way to remove future potential risks to the facility and to ensure protection of the environment.

The Government has been responsible for maintaining the Northern Endeavour and associated subsea facilities since February 2020 after its owners, the Northern Oil and Gas Australia (NOGA) group of companies, were placed in liquidation. The Northern Endeavour stopped producing oil in 2019.

“The Northern Endeavour is permanently moored in Commonwealth waters in the Timor Sea, between the Laminaria and Corallina oil fields,” Minister Pitt said.

“We have been ensuring the safety of the facility and conducting critical maintenance work since taking responsibility for the facility and will now start the process of decommissioning and remediating the fields.

“The decision sends a strong signal to the world that Australia will maintain its global reputation as a safe, reliable and responsible country for offshore oil and gas development.”

Mr Pitt said the cost of decommissioning remained unclear but taxpayers should not be left to bear the costs.

“We have been working closely with the offshore oil and gas industry on proposals to recover the costs,” Minister Pitt said.
“I thank the industry for its willingness to engage and cooperate on the decommissioning issue, and to ensure Australia maintains its global leadership on support and regulation of this crucial sector,” Minister Pitt said.

“The Government has been actively working with key stakeholders in the offshore oil and gas industry to seek advice on reforms to make sure the circumstances surrounding the Northern Endeavour do not happen again.

“These reforms will take account of the recommendations and findings of the independent review into the administration and liquidation of the NOGA group by offshore regulation expert Steve Walker.”

DECOMMISSIONING REVIEW

The Australian Government has also opened consultations on a revised policy framework for the offshore oil and gas industries to ensure project developers and operators can safely decommission offshore projects when they come to an end.

The consultation on the framework is part of the government's Offshore Oil and Gas Decommissioning Review into the responsibilities of developers and operators.

Minister Pitt said the enhanced framework has been developed in consultation with Government, industry and other stakeholders, and takes account of the Walker Review into the administration of the NOGA group of companies.

“The draft framework has been designed to ensure Australia’s offshore oil and gas industries continue to remain safe for their workers, the environment and for the benefit of all Australians,” Minister Pitt said.

“We want to ensure we have the best oversight framework and that the offshore oil and gas industry manages current and future decommissioning challenges.”

Minister Pitt said Australia’s maturing offshore industry is expected to see an increasing number of projects and assets reach an end of their productive lives and move into a decommissioning phase over the next two decades.

Key elements of the enhanced framework to better protect the Australian taxpayer include:

- increased government scrutiny of title transfers;
- greater assurances that companies can meet their obligations; and
- the ability for government to recall a previous owner to decommissioning if required.

The proposed enhanced framework is available on the Department's consultation hub, along with details on how to make a submission.

Consultations are open until Friday 22 January 2021.

**Media contact:**

Minister Pitt's office 02 6277 7180.