

MALLESONS STEPHEN JAQUES

Attention: Andrew Berger/Joanna Blair

3 June 2010

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Dear Mr Berger/Ms Blair

Montara Inquiry - PTTEP Australasia (Ashmore Cartier) Pty Ltd suggestions as to Industry recommendations

We refer to the tele-conference between Tom Howe QC, Joanna Blair, Geoff Abbott, Sarah Harrison and Nicholas Beech on 27 May 2010.

PTTEPAA welcomes the opportunity to have some input on the recommendations that it considers the Commission could consider making at an industry level. As PTTEPAA stated during the Commission, it hoped that there would be industry wide learnings from this incident and it sees the Commission's invitation that it comment on industry recommendations to be consistent with that desire.

In principle, PTTEPAA considers industry recommendations should be aimed as ensuring at an industry level there are clear well construction standards that refer to well barrier requirements that are:

- 1 followed by trained and competent personnel
- 2 implementation of them is verified by cross-checks and audits; and
- 3 that any deviations from well construction standards are communicated and risk assessed.

The items of its Action Plan provided to the Commission on 25 May 2010 that PTTEPAA considers it may be beneficial to consider for general industry recommendations in this regard are:

- 1 5 + 51 - Policy on proven well barriers to be specified.
- 2 33 Training matrices for drilling personnel to be developed and followed.
- 3 42 + 43 Competency matrices / assessments for drilling personnel to be developed and implemented.
- 4 8 + 41 Undertaking management system and technical compliance audits

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- 5 39 + 40 Cross checks of work reported as being done and hold points in the drilling program.
- 6 25 + 60 Specify how handovers between personnel are to be conducted.
- 7 28 + 56 Management of Change including risk assessment is applied when necessary.

PTTEPAA also suggest that the Commissioner consider making a recommendation that “well barrier requirements” must accord with an industry well barrier standard which is to be developed preferably at an international level through the International Association of Oil and Gas Producers (OGP), but if this is not possible to be developed by DRET with industry assistance in Australia. This standard should be developed as a maintained standard to permit it to deal with emerging technology this could be done in a manner similar to that used by the Australian Therapeutic Goods Authority for medical devices.

If you have any questions, please do not hesitate to contact us.

Yours faithfully

Malleison's Stephen Jaques