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A Company of PTT Group

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PTTEP 13416/00-3383/2021

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10 May 2021

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**Subject: Joint Communication From Special Procedures**

With reference to your letter No. AL OTH 9/2021, dated 11 March 2021, to PTT Exploration and Production Public Company Limited, , we are pleased to enclose as an attachment to this letter, our response in relation to the information you have presented in relation to the alleged violations of the human rights of the affected communities and indigenous peoples in East Nusa Tenggara in the context of the 2009 Montara Oil Spill in the Timor Sea. We have also included our observations and supporting information on matters numbered 1 through 10 in your letter.

We remain at your disposal should you require any further information or clarification on the matters dealt with in your letter or in our response.

Yours Sincerely,

Phongsthorn Thavisin  
Chief Executive Officer

Enc.

## Attachment

Please find the observations and clarifications from PTTEP/PTTEPAA in response to the queries from the United Nations Human Rights Special Rapporteurs (UNHR) as follows:

### **1. Please provide any additional information and / or comment(s) you may have on the above-mentioned allegations**

The Joint Communication of UNHR sets out 'alleged facts' about the Montara incident (on pages 2 to 4) and a number of 'concerns' (on pages 4 and 5). We have assumed that question 1 seeks a response to both the alleged facts and the concerns raised in the Joint Communication.

To the extent that the Joint Communication includes allegations about the steps taken or not taken in response to the oil spill by the Australian Government and the Department of Resources, Energy and Tourism, those matters are most appropriately addressed by those entities.

#### Allegations in relation to PTTEPAA's operational response to the spill

The Joint Communication contains certain allegations about PTT Exploration and Production Australasia (Ashmore Cartier) Pty Ltd (**PTTEPAA**)'s management of the Montara oilfield (including the cause of the oil spill) and its operational response to the oil spill. The cause of the Montara oil spill is canvassed in some detail in the Commission of Inquiry's report into the Montara oil spill referred to in the Joint Communication. However, we also make the following comments:

- (a) The Australian Maritime Safety Authority (**AMSA**) was the agency primarily responsible for the response and clean-up of the Montara oil spill. AMSA is Australia's national agency responsible for, among other things, maritime safety and the protection of the marine environment.
- (b) AMSA's response was guided by the National Plan, underpinned by an Inter-Governmental Agreement between the Australian Commonwealth, the States and the Northern Territory, to provide a national solution for dealing with marine pollution incidents.
- (c) In accordance with the National Plan, control of the spill response strategy, planning and execution was passed to AMSA on 21 August 2009. PTTEPAA supported AMSA by providing logistics support and immediately offering to underwrite all costs related to the spill response. Valuable assistance was also provided by the Australian Marine Oil Spill Centre (**AMOSC**), which is the oil industry-funded spill response organization.
- (d) Options considered to control the well included a top kill, a sub-sea hot tap and drilling a relief well. After studies were conducted, drilling a relief well was determined to be the only practical and safe option to control the well. The West Triton rig was contracted and mobilized from Singapore, arriving some three weeks later. The West Triton rig was positioned in a safe location 2 km away from the West Atlas rig. The relief well was drilled safely and successfully, with interception of the flowing well occurring on the fifth attempt. The technical challenges were significant – trying to intercept a dinnerplate sized target 2.5 km below the seabed.

- (e) The Commission of Inquiry concluded that, in relation to PTTEPAA's response to the spill:
- (i) 'PTTEPAA carried out its response effort diligently and with vigour and a due sense of urgency'; and
  - (ii) 'while securing the H1 Well appears to have taken a not insignificant amount of time, the exigencies of the particular situation and location of the Montara Oilfield contributed significantly to the response's extended timeframe, and PTTEPAA acted appropriately in the circumstances in undertaking to drill the Relief Well'.<sup>1</sup>
- (f) In relation to the allegation that PTTEPAA 'failed to properly investigate the circumstances and causes of the blowout after it occurred', following the spill, PTTEPAA made an assessment of the probable causes of the spill utilising information records and by interviewing personnel in its Well Construction/Drilling Department and based on the successful outcome of the relief well operations. Its findings are set out in detail in its public submissions to the Commission of Inquiry.<sup>2</sup>
- (g) The PTTEP Group, as a whole, has learned from the Montara incident and has transformed in many ways not only to prevent the recurrence of similar incidents but also to move towards sustainable growth. PTTEPAA completed all actions under the Montara Action Plan (**MAP**) by the end of 2011. A Corporate Lessons Learned (**CLL**) Plan was also developed to make sure lessons learned were implemented at the PTTEP corporate level. This was completed in Q3/2012.<sup>3</sup>
- (h) The Australian Minister for Resources and Energy stated that a final review of the MAP in May 2013 concluded that the company had made a transformation in all aspects of its business, and is now a very different company and one that exhibits both good oilfield and corporate practice. This transformation was recognized by the Minister when he stated that the company:
- (i) has improved its systems, processes and culture to ensure these changes were sustainable; and
  - (ii) has taken an industry lead in developing new and innovative techniques for ensuring safe operations.
- (i) Following completion of the action in the MAP, sustainability became the focus of attention both in PTTEPAA and in its headquarters, in Bangkok.<sup>4</sup>

Further information in relation to the Montara incident is publicly available at the sources given in the footnotes to the response to this question.

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<sup>1</sup> Report of the Montara Commission of Inquiry (2010), Findings 70 and 71, p267,

<https://www.industry.gov.au/sites/default/files/2018-11/montara-commission-of-inquiry-report-june-2010.pdf>.

<sup>2</sup> PTTEPAA Submission to the Commission of Inquiry – Terms of Reference 1 - [https://consult.industry.gov.au/resources/montara-commission-of-inquiry/consultation/view\\_respondent?uuld=881955187](https://consult.industry.gov.au/resources/montara-commission-of-inquiry/consultation/view_respondent?uuld=881955187).

<sup>3</sup> Montara: A Lesson Learned (March 2017),

<https://www.pttep.com/en/Newsandnmedia/Mediacorner/Factsheet/download.aspx?Format=stream&Content=2835>.

<sup>4</sup> Montara: A Lesson Learned (March 2017).

### Allegations in relation to the use of dispersants

The Joint Communication alleges that no information was publicly provided by the Australian Government at the time of the decision to use dispersants and that the use of dispersants departs from Australia's preferred mechanical recovery method and adds to the toxicity level of the water. In this context, we note the following, which is largely based on the findings of the Australian Government Montara Commission of Inquiry:<sup>5</sup>

- (a) The Oil Spill Contingency Plan (**OSCP**) which was required to be prepared by PTTEPAA as part of the regulatory approvals process for the Montara oilfield identified the use of chemical dispersants as one of three priority treatment options for that region. In particular, it was noted that the use of chemical dispersants is useful when the spill is large and moving toward sensitive areas.
- (b) As stated in the response to question 1 above, AMSA was the agency primarily responsible for the response and clean-up of the Montara oil spill, guided by the National Plan. The National Plan identifies a number of alternative or complementary response options, including the use of dispersants.
- (c) AMSA determined that the use of chemical dispersants was necessary in the response to the spill to protect sensitive marine areas of the Ashmore Reef and Cartier Island and, potentially, the Western Australian coast. Dispersants can reduce the impact of a spill on sensitive areas because they accelerate the weathering and breaking down of oil at sea.
- (d) All of the dispersants used by AMSA were pre-approved for use in Australian waters.
- (e) The Commission of Inquiry concluded that:
  - (i) it 'concur[s] with the decision that was made to use dispersants in this case given the need to avoid oil impacting on Ashmore Reef and Cartier Island and the coastline of Western Australia. The decision was consistent with information available to AMSA at the time';<sup>6</sup> and
  - (ii) 'PTTEPAA should be commended for not only fully meeting the costs incurred by AMSA in undertaking the clean-up program, but for providing AMSA with considerable operational and logistical assistance'.<sup>7</sup>

### Concerns regarding environmental and other damage allegedly caused by the spill

Concerns are raised in the Joint Communication about environmental and other damage allegedly suffered by communities in East Nusa Tenggara as a result of the spill. In that context, please refer to the Appendix to this letter discussing the studies commissioned by PTTEPAA as part of the environmental monitoring program it developed following the Montara oil spill. Notably, these studies found no lasting impact to the highly sensitive and biodiverse ecosystems in Australian waters, being the waters immediately surrounding and most likely to be impacted by the spill. The Appendix also refers to scientific studies submitted by PTTEPAA to the Government of Indonesia following the spill that showed no hydrocarbons present in the reefs closest to Indonesian waters.

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<sup>5</sup> Report of the Montara Commission of Inquiry (2010).

<sup>6</sup> Report of the Montara Commission of Inquiry (2010), Finding 80, p285.

<sup>7</sup> Report of the Montara Commission of Inquiry (2010), p24.

### The Australian Class Action

The Joint Communication refers to the class action brought by ██████████ against PTTEPAA in the Federal Court of Australia. Judgment in this case is no longer pending and was handed down on 19 March 2021 (subject to the court having requested further submissions from the parties on some aspects of the claim).

In relation to the judgment delivered:

- (a) it is limited to ██████████ claim only. The remainder of the seaweed farmers' claims are currently statute barred and have not yet been determined;
- (b) the judgment only determined the impact of Montara oil on seaweed grown at ██████████ seaweed farm and not any alleged impact on any other species of flora or fauna, or humans;
- (c) the judgment only determined the impact of Montara oil on seaweed grown at ██████████ seaweed farm for the period 2009 to 2014. The judge did not find that Montara oil persisted or caused any long-term toxic impact on the environment.

PTTEPAA acknowledges and respects the Court's decision. However, having regard to the extensive scientific evidence adduced in the class action, and the scientific studies in the Appendix to this letter, PTTEPAA's position remains that Montara oil did not reach or cause any environmental damage to the coastal areas of Indonesia.

## **2. Please provide information about specific due diligence or impact assessment measures taken by your company concerning the 2009 Montara Oil Spill in the Timor Sea.**

We understand this question to be asking about the due diligence or impact assessment measures taken by PTTEP/PTTEPAA related to the effects of the Montara oil spill on the environment.

We refer to the Appendix to this letter discussing the studies commissioned by PTTEPAA as part of the environmental monitoring program it developed following the Montara oil spill. Notably, these studies found no lasting impact to the highly sensitive and biodiverse ecosystems in Australian waters, being the waters immediately surrounding and most likely to be impacted by the spill. The Appendix also refers to scientific studies submitted by PTTEPAA to the Government of Indonesia following the spill that showed no hydrocarbons present in the reefs closest to Indonesian waters.

## **3. Please provide information regarding the oil spill response plans, procedures, and resources that your company has put in place**

In relation to PTTEP's and PTTEPAA's immediate response to the Montara oil spill incident, please see the response to question 1 above.

Improvements to spill response were identified in the MAP for PTTEPAA and CLL Plan for PTTEP, referred to in response to question 1 above. Further detail on PTTEP's and PTTEPAA's current spill response arrangements is set out below.

## PTTEPAA – MAP

The MAP contained actions to update PTTEPAA's OSCP, provide training in the OSCP and provide spill response equipment including sampling packs, baseline and post-spill studies. As described in response to question 1 above, PTTEPAA completed all actions under the MAP by the end of 2011. The Commission of Inquiry remarked that the MAP:

- (a) 'is comprehensive and impressive'; and
- (b) 'effectively addresses the shortcomings of PTTEPAA's operations identified by the Inquiry'.<sup>8</sup>

## PTTEPAA - Current Oil Spill Arrangements

With the sale of the Montara asset in 2019, PTTEPAA's physical assets in Australia are 3 suspended wells offshore north west Australia. Spill response information for these wells (the Oil Pollution Emergency Plan, **OPEP**) is included in an Environment Plan (**EP**) for these wells that has been approved by the National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**). The EP (and OPEP within) complies with the *Offshore Petroleum and Greenhouse Gas Storage Act* (OPGGSA) and *Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009* (OPGG(E)R) and other relevant Commonwealth and State legislation. The EP is available at [https://info.nopsema.gov.au/activities/421/show\\_public](https://info.nopsema.gov.au/activities/421/show_public)

The purpose of the OPEP is to:

- (a) Ensure that the procedures used by PTTEPAA personnel are consistent with those detailed in the National Plan to Combat Pollution of the Sea by Oil and other Noxious and Hazardous Substances, Western Australian Department of Transport (**WA DoT**) WestPlan and Northern Territory OSCP;
- (b) Achieve effective integration and utilisation of PTTEPAA, industry, state and national response resources; and
- (c) Enable rapid identification of protection and clean-up priorities.

The OPEP is designed for use by PTTEPAA personnel, government authorities and control agencies, other support agencies and contractors. The OPEP includes the following information:

- (a) First strike plan;
- (b) Reporting and notification requirements;
- (c) Statutory requirements and integration with other emergency plans;
- (d) Emergency response arrangements and roles and responsibilities of key personnel;
- (e) Net Environmental Benefit Assessment (**NEBA**) process to select appropriate spill response strategies;
- (f) Step by step guidance on how to deliver spill response strategies;
- (g) Resources available during a response;
- (h) Operational and scientific monitoring program; and
- (i) Response termination steps.

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<sup>8</sup> Report of the Montara Commission of Inquiry (2010), p12.

Specific information is presented in the OPEP Addendums and includes the following information:

- (a) Oil spill scenarios;
- (b) Spill modelling results;
- (c) Environmental sensitivities at risk;
- (d) Time for oil to contact the sensitivities; and
- (e) Conceptual NEBA.

The OPEP is integrated with a number of government and industry spill plans including the National Plan for Maritime Environmental Emergencies and the AMOSC Plan.

Further, PTTEPAA has arrangements in place with various support organisations (such as Oil Spill Response Limited, (**OSRL**)) to ensure sufficient capacity of experienced personnel and resources in the event of an oil spill.

#### PTTEP - CLL Plan

The CLL Plan ensured that lessons from the Montara oil spill incident were transferred back to PTTEP headquarters and its subsidiaries worldwide. The actions within the CLL Plan that relate to spill response include the following. As noted in the response to question 1, the CLL Plan was completed in Q3/2012.

(a) **Review of the Corporate Oil Spill Contingency Plan for the Gulf of Thailand**

The Corporate Oil Spill Contingency Plan (**COSCP**) contains high level requirements for spill response in the Gulf of Thailand assets. Of note is that the COSCP provides the authority to engage OSRL to provide front line assistance in the event of an oil spill, both in Thailand and Australia and for other PTTEP international operations.

(b) **Participation in Oil Industry Environmental Safety Group Association (IESG) and Petroleum Institute of Thailand (PTIT) Initiatives**

PTTEP was the main contributor in support of IESG developing a standard procedure for "Oil Spill Source Identification" and engagement with the PTIT in the application of the Oil Spill Source Identification procedure. PTTEP also supported IESG in its development of other oil spill response capabilities, including an oil spill equipment stockpile.

In 2019, PTTEP supported IESG in the provision of oil spill response equipment to respond to an oil spill incident in Indonesia, not involving PTTEP assets. PTTEP firmly believes in cooperation during external emergency incidents and will assist wherever practical.

(c) **Oil Spill Response Training**

PTTEP conducted Oil Spill Response training for its staff utilising both internal and external training resources.

(d) **Oil Spill Response exercises to determine readiness and identify improvements**

PTTEP regularly conducts oil spill response exercises and well blowout spill response exercises across all of its operational assets.

## PTTEP - Current Spill Response Arrangements

The Corporate Spill Management Plan (**CSMP**) contains the high-level requirements for spill response by PTTEP. It is based on internationally accepted standards such as those issued by the International Petroleum Industry Environmental Conservation Association (**IPIECA**) and International Association of Oil and Gas Producers (**IOGP**).

The CSMP requires that operational activities and assets (including seismic, logistics, drilling and production operations) develop their own specific spill response plans. These plans must comply with any national spill plans in place. The typical contents of asset level spill plans are:

- (a) The governing legislative framework for the relevant jurisdiction;
- (b) A summary of the spill planning scenarios resulting from risk assessments, Environmental Impact Assessments, and other relevant documents;
- (c) Response strategy and justification for each response scenario;
- (d) Stakeholder consultation and engagement and internal and external notification procedure in the event of an incident;
- (e) Action checklist for key personnel;
- (f) Available Tier 1 (local level spill) resources, including details of location, mobilisation, and response times and procedures;
- (g) Tier 2 (national level spill) mutual aid agreements, including the available resources capability, activation procedures, indicative response times, as well as mobilisation logistics and procedures;
- (h) Tier 3 (global level spill) arrangements, including accessing international mutual aid, contracted Oil Spill Response Organisations (OSRO), mobilisation procedures, resources and response times. Procedures for immigration and customs, and any emergency dispensation information for cross-border movement of personnel, equipment and materials;
- (i) Reference to the Source Control Procedures and any other response specific plans, e.g. OSCP, tactical response plans where applicable; and
- (j) Summary of the escalation process and resource integration procedures for the activation and mobilisation of the identified Tier 2 and Tier 3 resources, if a spill exceeds the response capability at Tier 1.

Asset level spill plans are reviewed by PTTEP's corporate Environment department to ensure they are technically correct and consistent with higher level plans.

Training is conducted to ensure personnel are familiar with spill response strategies and plans. Drills and exercises are also conducted at site and corporate levels to practice spill response actions and maintain a high standard of readiness. These may involve external parties such as spill response equipment suppliers and government agencies.



**4. Please provide any information concerning the actions that are being taken to reduce or eliminate the effects of the lasting consequences of the oil spill on human rights including the rights to food, health, and a healthy environment.**

As stated above, having regard to the extensive scientific evidence adduced in the class action, and the scientific studies in the Appendix to this letter, PTTEP's position remains that Montara oil did not reach or cause any environmental damage to the coastal areas of Indonesia.

In terms of PTTEP's position regarding human rights generally:

- (a) PTTEP is committed to fundamental human rights by honouring local laws, cultures, traditions and values in the way it engages with employees and stakeholders. PTTEP is committed to avoiding human rights violations. PTTEP follows human rights principles and attempts to enforce them throughout the supply chain on the expectation that the Company's employees, suppliers and contractors acting on behalf of the Company would adhere to common principles and integrate all involved aspects in their operations.<sup>9</sup>
- (b) PTTEP's human rights governance structure involves the Board of Directors (as the highest level), the Corporate Governance and Sustainable Development (**CGSD**) Committee and the Management Committee and is cascaded down to all levels of PTTEP's operations and workforce to ensure the efficiency and effectiveness of human rights risk management.
- (c) PTTEP's Human Rights Policy complies with the UN Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights and its corresponding covenants, including the international principles relating to labour practices and the United Nations Declaration on the Rights of Indigenous Peoples where applicable to the business.
- (d) PTTEP actively participates in the United Nations Global Compact (**UNGC**). Its current UNGC Communication on Progress Report meets the criteria required for the "Advanced Level" status for the sixth consecutive year.
- (e) PTTEP complies with Thailand's first National Action Plan (**NAP**) on Business and Human Rights adopted by the Cabinet in 2019. As a result, in 2020 PTTEP received the winning award for the state enterprise sector as the Role Model Organization on Human Rights from the Department of Rights and Liberties Protection, Ministry of Justice, Thailand for the second consecutive year.
- (f) Currently, PTTEP is a member of the Global Compact Network Thailand (in fact one of the founding members since 2016) together with 14 other Thai organizations who have placed high priority on sustainable development. The objective of the network is to encourage the Thai business sector to recognize the importance of conducting their business under the UNGC principles (Human Rights, Labour, Environment and Anti-Corruption).

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<sup>9</sup>

<https://www.pttep.com/en/Sustainabledevelopment/Governanceriskmanagementandcompliance/Humanrights.aspx>

- (g) Further information on PTTEP's commitment to and activities regarding human rights, including links to its current Human Rights Policy can be found here:  
<https://www.pttep.com/en/Sustainabledevelopment/Governanceriskmanagementandcompliance/Humanrights.aspx>.

**5. Please provide information as to whether your company has undertaken human rights due diligence steps, as set out in the United Nations Guiding Principles on Business and Human Rights, to identify, prevent, mitigate, and account for human rights abuses caused by or contributed to through your own activities, or directly linked to your operations, products or services by your business relationships. This includes the negative impact that PTTEPAA, and its wholly owned subsidiary PTTEP, could have caused, or contributed to, on the enjoyment of human rights of the affected communities, including the right to food, health, and a healthy environment.**

As stated above, having regard to the extensive scientific evidence adduced in the class action, and the scientific studies in the Appendix to this letter, PTTEP's position remains that Montara oil did not reach or cause any environmental damage to the coastal areas of Indonesia.

In relation to PTTEP's human rights due diligence steps more broadly, to implement PTTEP's Human Rights Policy, in 2016, PTTEP developed the Human Rights Risk Management System in line with the UNGC Management Model, A Guide for Integrating Human Rights into Business Management, IPIECA Human Rights Due Diligence Process and United Nations Guiding Principles on Business and Human Rights under the concept of Protect – Respect – Remedy which involves:

- (a) the identification of human rights risks through a due diligence process;
- (b) the development of mitigation measures;
- (c) the integration of actions at the project and corporate levels; and
- (d) the monitoring and reporting of performance to relevant stakeholders.

A link to PTTEP's Human Rights Management System Guidelines can be found here:  
<https://www.pttep.com/en/Sustainabledevelopment/Governanceriskmanagementandcompliance/Humanrights.aspx>

The due diligence process outlined above involves human rights-related risk assessment, a mitigation plan and measures for medium to high risks, and the monitoring of such risks.<sup>10</sup> PTTEP has been conducting human rights risk assessments annually since 2014.<sup>11</sup> The risk assessments concern employees, communities and supply chain in all of PTTEP's operations (both domestic and international) to ensure that PTTEP's operations will or do not violate any human rights. Mitigation plans are put in place for each identified risk and routine monitoring is conducted accordingly.

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<sup>10</sup><https://www.pttep.com/en/Sustainabledevelopment/Governanceriskmanagementandcompliance/Humanrights.aspx>

<sup>11</sup><https://www.pttep.com/en/Sustainabledevelopment/Governanceriskmanagementandcompliance/Humanrights.aspx>

Before 2014, as a member of UNGC, PTTEP focused on four areas: Human Rights, Labor Rights, Environment and Anti-corruption which are included in the PTTEP approach to Corporate Governance & Business Ethics (**CG&BE**).<sup>12</sup>

Under this process, human rights risks are classified into the following five main groups:

- (a) employees;
- (b) community;
- (c) supply chain;
- (d) the environment; and
- (e) security.

Risks are assessed according to two factors: likelihood and impact and are aligned with the PTT Group's requirements, UNGC's due diligence guidelines and IPIECA's practices.

Further information on PTTEP's human rights due diligence measures and risk assessment can be found here: <https://www.pttplc.com/en/Sustainability/Social/Humanright.aspx>.

**6. Please provide information on how your company provides for, or cooperates in the remediation including adequate compensation, of adverse impact on human rights of affected communities through legitimated processes, if it has caused or contributed to such impact. This may include establishing or participating in effective operational level grievance mechanisms, as set forth in the UN Guiding principles.**

In relation to the Montara oil spill specifically, we refer to our responses above. PTTEP's position remains that Montara oil did not reach or cause any environmental damage to the coastal areas of Indonesia, having regard to the extensive scientific evidence adduced in the class action, and the scientific studies in the Appendix to this letter.

In relation to how PTTEP provides for, or cooperates in the remediation of adverse impacts on human rights of affected communities more generally, PTTEP has a grievance mechanism to ensure the effectiveness of its Human Rights Management System that is in line with the United Nations Guiding Principles on Business and Human Rights under the concept of Protect – Respect – Remedy. Under this mechanism, stakeholders can report complaints including human rights issues by accessing PTTEP's Whistleblowing System. At operational sites, stakeholders can send complaints directly to the on-site External Relations staff, Operations staff or PTTEP staff at PTTEP's Headquarters.

Further information is set out in PTTEP's Reporting and Whistleblowing Regulations, found here: <https://www.pttep.com/en/Aboutpttep/Corporategovernance/Reportingandwhistleblowingregulations.aspx>

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<sup>12</sup> PTTEP Corporate Governance and Business Ethics, <https://www.pttep.com/en/Aboutpttep/Corporategovernance/CgandbusinessEthics.aspx>.

**7. Please provide any information about the steps that have been taken on behalf of your company to guarantee that the public has a right to participate in the required investigation and in decision-making about clean up and restoration activities**

Clean-up after the Montara oil spill

As set out in response to question 1 above, AMSA was the agency primarily responsible for the response and clean-up of the Montara oil spill. In accordance with the National Plan, control of the spill response strategy, planning and execution was passed by PTTEP to AMSA on 21 August 2009.

Public participation in the investigation of the Montara oil spill

As set out in response to question 1 above, the Montara Commission of Inquiry conducted an in depth investigation into the causes and impacts of the Montara oil spill. PTTEPAA also made an assessment of the probable causes of the spill and included its findings in its public submission to the Inquiry.

In that Inquiry, the Commissioner called for public submissions from 5 November to 5 December 2009. Companies involved in the Montara Field Development, the leak response, and other stakeholders made submissions. They are accessible here:

[https://consult.industry.gov.au/resources/montara-commission-of-inquiry/consultation/published\\_select\\_respondent](https://consult.industry.gov.au/resources/montara-commission-of-inquiry/consultation/published_select_respondent)

Further, the Appendix to this letter sets out the publicly available scientific studies commissioned by PTTEPAA as part of its environmental monitoring program.

Restoration activities in relation to the Montara oil spill

In relation to restoration activities, we refer to our responses above. PTTEP's position remains that Montara oil did not reach or cause any environmental damage to the coastal areas of Indonesia, having regard to the extensive scientific evidence adduced in the class action, and the scientific studies in the Appendix to this letter.

PTTEP's commitment to environmental conservation more broadly

PTTEP, whose operations are mostly offshore, realizes that the conservation of the marine environment is an important issue. PTTEP is committed to conducting business in a way that avoids impact to the marine environment. Therefore, the Company strives to take the lead in the conservation of natural resources and the marine ecosystem in support of economic growth and livelihood of coastal communities.

- (a) The Company has set two long-term targets (by 2030) which are;
  - (i) Achieve net positive impact on ocean biodiversity and ecosystem services value in all offshore operations.
  - (ii) Increase community income of focused communities and conservation networks.
- (b) Prior to project execution, the Company conducts an Environmental Impact Assessment (**EIA**) which is an initial study to forecast the environmental impacts that may arise from the project. In addition, we also ensure that public participation is included in the program to involve the communities that might be affected from our operations in the decision

process and to increase their understanding of PTTEP operations in that area. This shows our responsibility to the environment and the surrounding communities where PTTEP has operations.

- (c) The Company develops many CSR projects to support the achievement of our long-term targets such as the Aquatic Animal Hatchery Learning Center that supports sustainable fishing in 17 provinces along the Gulf of Thailand.
- (d) For international assets, since 2013 PTTEP has implemented the “SIOLA (Stimulation, Intervention, Optimization of Services for Children) Project”, a social responsibility program in Mamuju, Indonesia to deliver services to children aged 0-6 years and their families. This project encourages participation by expanding opportunities for every child to acquire and enjoy early childhood education. Apart from the SIOLA Project, since 2018 PTTEP has extended its social contribution under the Sobis Pammase Project, which promotes social enterprises in West Sulawesi, Indonesia. The project involves 500 local farmers in shrimp, duck, chicken and bee farming, to help them make a living and lift the quality of life through producing highly-demanded products for local markets. The project won the “Best Community Program Award” from the 12<sup>th</sup> Global CSR Award event.

**8. Please provide any information about the steps that have been taken on behalf of your company to guarantee that the public has a right to be provided with timely and accessible information about the health and environmental impacts of the oil spill, as well as the actions being taken to clean up and restore the environment.**

We refer to the Appendix to this letter, which sets out the publicly available scientific studies commissioned by PTTEPAA as part of its environmental monitoring program.

In relation to restoration activities, we refer to our responses above. PTTEP's position remains that Montara oil did not reach or cause any environmental damage to the coastal areas of Indonesia, having regard to the extensive scientific evidence adduced in the class action, and the scientific studies in the Appendix to this letter.

**9. Please provide information regarding how your company is protecting the right of food, in terms of protecting the livelihoods of fisher-people in the affected area and what measures have been foreseen in the sense of any compensation to victims who have suffered impacts from the oil spill.**

PTTEP's position remains that Montara oil did not reach or cause any environmental damage to the coastal areas of Indonesia, having regard to the extensive scientific evidence adduced in the class action, and the scientific studies in the Appendix to this letter.

As part of the environmental monitoring program referred to in the Appendix to this letter, a number of studies were undertaken on the impact of oil on commercially important Timor Sea fish. The studies showed that, while there was evidence that the fish had been exposed to

petroleum hydrocarbons, there were no consistent adverse effects on their health or reproductive ability and that they were safe to eat.<sup>13</sup>

**10. Please describe the measures that your company has taken, or plans to take, to prevent recurrence of such disasters in the future.**

Please refer to the response to question 3 above.

Measures taken to prevent a recurrence of the Montara incident or any other major accident were contained in the MAP at PTTEPAA level, and the CLL Plan at PTTEP corporate level. The MAP and the CLL Plan are described in response to question 3 above. However, additional information regarding these plans specifically related to the prevention of oil spills in the future is set out below.

PTTEPAA – Montara Action Plan (*MAP*)

The MAP had 9 main themes with 59 individual actions. The Plan contained single “one off” and systemic improvement actions covering drilling, safety and environmental aspects. Key actions included:

- (a) Amending the Drilling Management System to reflect industry best practices and to ensure alignment with PTTEP corporate requirements. This included OSCPs for each well or group of wells. Personnel were trained in the new system and audits were conducted to ensure safe drilling operations. A new drilling team was mobilized to conduct activities.
- (b) Amending the Safety, Security, Health and Environment Management System to ensure alignment with PTTEP corporate requirements and to follow industry best practices. Again, personnel were trained in the new system and audits were conducted to ensure compliance.
- (c) Safety Culture was recognized as a key foundation to successful safety performance. PTTEPAA was the first company within the PTTEP group to conduct a survey in December 2010. Results were analysed and steps for improvement were identified.
- (d) A Competency Management System was put in place for Drilling, Production Operations and SSHE personnel. Requirements exceeded those specified by PTTEP corporate. Panel assessments were used to assess individuals competence and development plans were then produced.
- (e) The “Line of Sight Tool” was developed to monitor the status of critical barriers (Safety Critical Elements) such that site personnel and onshore management can be made aware of any defects that need to be corrected promptly. This tool was successfully applied to the Ocean Patriot drilling campaign in 2011 and subsequently to the Montara construction and production operations. The Line of Sight Tool has now been implemented in all PTTEP operating assets and for high risk activities. It has undergone refinements and is now called the Major Accident Event Prevention Tool.

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<sup>13</sup> PTTEPAA, Montara Environmental Monitoring Program: Report of Research (2013) at 6: <https://www.au.pttep.com/wp-content/uploads/2019/09/2013-Report-of-Research-Book-vii-1.pdf>

As identified in response to question 1 and 3 above, all actions in the MAP were completed in December 2011. Progress and implementation of the MAP was subject to oversight by the Australian Government Department of Resources, Energy and Tourism (**DRET**) including quarterly meetings (sometimes at Ministerial level) and 6 monthly independent audits by Noetic Group on behalf of DRET. These concluded in June 2013 after the Montara Field start-up.

#### PTTEP – CLL Plan

The CLL Plan had 13 main themes and 67 individual actions. The CLL Plan was developed to ensure lessons learned from Montara were applied at PTTEP headquarters and subsidiaries worldwide. The CLL Plan was completed in Q3 2012. Key actions included:

- (a) Recognition of the importance of senior management leadership and commitment. Actions to demonstrate this include regular visits to operational sites by senior management.
- (b) Development of a strong safety culture. Safety Culture surveys have been conducted regularly (now every 2 years) and improvement plans have been put in place. Steady progress has been achieved to our target of having a “generative” safety culture.
- (c) Strengthening of SSHE Due Diligence during mergers and acquisitions. A reference procedure was issued and is followed whenever due diligence is conducted.
- (d) Improvement of corporate oversight of subsidiary activities and SSHE management. This involves actions such as annual SSHE plans completion, regular audits by corporate, Service Level Agreements, routine reporting and coordination meetings.
- (e) Development of a Competency Management System to ensure technical disciplines at corporate level have competent personnel in place.
- (f) Review and updating of the corporate Drilling Management System to reflect industry best practices.

Progress against the CLL Plan was presented regularly at the quarterly audit meetings with DRET and Noetic Group mentioned above.

Although both the MAP and CLL Plans had discrete timescales the requirements they described were embedded into various company management systems, notably the Drilling Management System and SSHE Management System. Thus the improvements identified post-Montara are still in place and being applied throughout PTTEP.

## **Appendix: Scientific studies commissioned by PTTEP following the Montara oil spill**

In October 2009, PTTEPAA agreed to fund an environmental monitoring program to address any long term impacts of the Montara oil spill, under an agreement with the Australian Department of the Environment and Energy (formerly Department for Sustainability, Environment, Water, Population and Communities or DSEWPac).

Independent research was carried out by the following world-class Australian institutions:

- Queensland, Curtin, Monash and Charles Darwin Universities.
- Commonwealth Scientific and Industrial Research Organization (CSIRO).
- Australian Institute of Marine Science.
- Asia Pacific ASA.

The studies were released to the public through the Department of the Environment website. They can be viewed here: <https://www.environment.gov.au/marine/marine-pollution/montara-oil-spill/operational-monitoring-studies>

These studies found no lasting impact to the highly sensitive and biodiverse ecosystems in Australian waters closest to the oil spill and most likely to have been impacted. Among the results of the studies were that:

- (a) most of the freshly-spilled oil remained within 23 km of the Montara well head platform, with any oil outside of the containment area being mostly evident as sheens or waxy films;<sup>14</sup>
- (b) a survey of Ashmore Reef and Cartier Island found no evidence of recent major disturbance at either location;<sup>15</sup>
- (c) a survey of commercially important Timor Sea fish species revealed no consistent adverse effects on health or reproductive ability, with the fish assessed as safe to eat;<sup>16</sup>
- (d) a year after the spill, there was no visible evidence of oil on live or deceased birds and no impact on terrestrial vegetation – with the population of seabirds increasing since the spill;<sup>17</sup>
- (e) there was no evidence, more than four years after the spill, of any long term impact on sea snakes and marine turtles.<sup>18</sup>

This set of studies was one of the most extensive of its kind ever undertaken in Australia.

A positive outcome of the monitoring program is that a significant body of new baseline scientific data on the Timor Sea and Western Australian coastline was created. This has been shared with the industry and wider community.

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<sup>14</sup> PTTEP AA, Montara Environmental Monitoring Program: Report of Research (2013) at 10: <https://www.au.pttep.com/wp-content/uploads/2019/09/2013-Report-of-Research-Book-vii-1.pdf>

<sup>15</sup> Ibid.

<sup>16</sup> Ibid at 12. See Gagnon and Rawson, 'Assessment of effects on Timor Sea fish' (2011).

<sup>17</sup> Ibid at 80. See Clarke, 'Shoreline ecological ground surveys (seabirds and shorebirds)' (June 2010).

<sup>18</sup> Ibid at 10 and 14. See Guinea, 'Shoreline ecological ground surveys (turtles and sea snakes)' (2012-2013).



PTTEPAA has published Reports of Research in July 2012 and September 2013 to highlight the work done in producing this world-class body of scientific research into the region's marine environment which can be found via the following links:

- <http://www.environment.gov.au>
- <http://www.au.pttep.com/our-business/montara-incident/>

In addition, in 2010 and 2011, representatives of PTTEPAA met with the Government of Indonesia on a number of occasions and negotiated with the intention of establishing an independent committee mechanism under a Memorandum of Understanding to investigate and determine whether there had been any damage to the environment in Indonesia, and if so, how this would be compensated.

To further this objective, PTTEPAA submitted independent scientific research, including the results of water sampling around the reefs closest to Indonesian waters, where testing showed no presence of hydrocarbons from the Montara oil spill and that the condition of the coral communities in those areas was consistent with surveys conducted before the spill. At the time, the Government of Indonesia would not permit PTTEPAA to access Indonesian waters around West Timor for further scientific studies.