

## The Montara spill and Rote sagas

*March 2015 to August 2016*

### Saturday, March 14, 2015 10:56 PM

You remember we met with Ferdi Tanoni, the representative for the Montara oil spill claimants, at the end of January 2014 in our hotel room in Kupang. The conversation started on a friendly note, with us thinking about how to help out of the Montara gas proceeds, but Mr. Ferdi soon stated that he was after \$7.5 billion, five years at \$1.5 billion a year. This amount is quite huge and exceeds the total GDP for not only the coastal populations of Nusa Tenggara Timur, but also the entire population of the province, and therefore largely exceeds the alleged losses due to the spill. I remarked that that was several times the total value of the field and of PTTEP's assets in the Timor Sea, but that did not seem to affect him in the least. He and his friends saw an opportunity, are after a windfall, and of course are supported in their improbable quest by the usual professional western activists.

The response from PTTEPAA recounts several of the issues I had conveyed to you a few months ago, in particular that very thorough environmental surveys were conducted since 2009 by the Australian Ministry in charge of environmental protection (which we'd be surprised could be suspected of being overly friendly to a foreign oil and gas corporation). No environmental damage was found by the Australian environmental authorities anywhere, or on any shore of Australia, be it in the Kimberleys, the Ashmore and Cartier Islands or even Christmas Island. The well-known general oceanic throughput that pushes waters westwards from the Pacific to the Indian oceans, plus the strong eastern monsoon that was blowing at the time of the spill and lasted several months, make it extremely unlikely, if not impossible, that any oil could have drifted against both wind and current, and, as Mr. Tanoni told me in Kupang, all the way to the island of Alor, north of East Timor. There has been no report of any spill anywhere in East Timor, even in the areas immediately adjacent to the reportedly affected West Timorese areas.

In addition, you are well aware, as an active participant in our contracts for the Government of East Timor, of the fact that we spent very extensive periods on the south coast of East Timor running exhaustive meteorological and oceanographic studies in Suai, very close to the Indonesian border, and in Beaco, from the end of 2009 until 2012. You remember that as a result of running our scientific studies we spent most of our days on or in the water and never observed, nor had any

hint of, any trace of any spill, as tenuous as could be. Likewise, we never heard any report of any particular disturbance from any of the numerous fishermen in the region.

I have collected and studied hundreds of pages of survey reports by the Australian authorities regarding the potential spill effects.

MMM



Thursday, May 28, 2015 10:47 AM

Justice! Messrs. Tanoni and Phelps at it again, both no doubt either for greed or for a romantic cause, or both.

When I met with Mr. Tanoni to discuss how we could assist once the gas came to West Timor, he said he wanted \$1.5 billion for every year since the spill. That would be \$9 billion by now.

Mr. Tanoni says “at least 100,000 people from the coastal community have suffered as a result of the disaster”. Nusa Tenggara Timur is the second poorest province of Indonesia, with a gross regional product of \$550 a year. For 100,000 people that’s \$55 million a year and for 6 years \$330 million, less than 4% of what Mr. Tanoni claims.

Incidentally, the whole population of Rote Island is 120,000 people and subsists mostly on agriculture, fishing being a supplement to the economy.

Assuming that one third of the population of Rote had lost 75% of its income and that this income was twice the gross regional product, the grand total would amount to \$200 million for the last 6 years, 2% of the claim.

On the other hand, it seems the whole volume of the Indonesian fishing industry is between \$7.5 and \$10 billion a year, or \$30 to \$40 per capita, which would translate into \$4 to \$5 million a year for the whole of Rote, or less than \$30 million for the 6 years since the spill. That’s a third of 1% of the claim.

When it comes to illegal immigrants and smugglers, couldn’t the fact that Rote is the easily accessible Indonesian island closest to Australia have some influence?

To think that these poor people will entrust the little savings they have to one law firm in the vain expectation of becoming millionaires! Shame on the deluded would-be defenders of the poor, the widow, and the orphan! They are destroying East Timor, are they now thinking of laying waste to West Timor?

MMM

## **IN THE MEDIA**

### **Sydney Morning Herald - May 23, 2015**

#### ***Class action planned over Montara oil spill***

*Jewel Topsfield, Jakarta -- An Australian law firm is preparing a class action on behalf of Indonesian fishermen and seaweed farmers who say their livelihoods were devastated by one of Australia's worst oil disasters.*

*In 2009, a leak in the Montara oil field, off the northern coast of Western Australia, spewed tens of thousands of barrels of oil into the Timor Gap.*

*The company responsible, PTTEP Australasia, says studies show no oil reached the Australian and Indonesian mainlands and there was little or no detectable impact on any marine ecosystem or species.*

*But coastal communities in Nusa Tenggara Timur -- one of Indonesia's poorest provinces -- say the oil spill killed fish and seaweed and caused skin diseases.*

*And the Australian Lawyers Alliance has suggested the poverty caused by the oil spill may have led to an increase in people smuggling from the region.*

*West Timor Care Foundation chairman Ferdi Tanoni will fly to Australia this week to discuss the class action with law firm Ward Keller. He says at least 100,000 people from the coastal community have suffered as a result of the disaster.*

*"The income for local seaweed farmers has dropped between 75 and 90 per cent," Mr Tanoni says. "People are dying because they have no income and their kids can't go to school. Every month I get 10 or 20 text messages from people who say they can't pay their bills."*

*Greg Phelps is a senior associate at law firm Ward Keller, which has been working*

*with the Nusa Tenggara Timur community since 2011. "It's just a blatant injustice -- it's a tragedy beyond belief in many ways."*

*Mr Phelps expects the class action to be launched within six months. However, he says this will not solve the whole problem because it would only benefit those who can demonstrate economic loss.*

*Ward Keller, the Australian Lawyers' Association, the West Timor Care Foundation, the Australian Greens and the Indonesian government have consistently called on PTTEP to fund a study to determine the impact of the Montara oil spill in Indonesian waters.*

*"But they are not game to do it because they are afraid of what they will find," Mr Phelps says.*

*A PTTEP spokesman says the company is aware of the claims and has been consistently willing to address them with the Indonesian government.*

*"To date, we have not received any credible evidence that oil from Montara caused damage to the environment in West Timor," he says.*

*"The Montara Environmental Monitoring Program showed there was no long-term damage to the marine environment, notably at various reefs and shoals in Australian waters closest to Montara."*

*The spokesman says independent studies published by the Australian Environment Department found 98 per cent of Montara oil stayed in Australian waters.*

*Indonesian fisherman Mustafa Arsyad found blobs of oil in 2009, which when analysed by Victorian laboratory Leeder Consulting were found to match the Montara crude oil.*

*"We want the waters to be clean again so fish will return to the sea," says Mr Arsyad, who was forced to become a carpenter in 2011 because none of his men could find fish*

anymore.

*"Many fishermen, including people working the crab ponds and shrimp farmers, gave up their jobs because nothing is there anymore. But the ones who suffered the most are the seaweed farmers because they have to soak in the sea everyday."*

*Mr Arysad says the men have itchy boils all over their bodies which medicine won't make go away. "We don't know if the disease was caused by the oil spill or not because there has been no study conducted."*

*Australian Lawyers Alliance legal and policy officer Emily Mitchell says scientific studies that found oil did not reach Indonesia were based on observed evidence.*

*"The real issue is that these studies never did any primary evidence gathering themselves in Indonesia," she says. "Communities saw oil wash up on the coastline and watched their seaweed farms die. In one village in Rote Island, oil swept through the mangroves and destroyed them. The village was subsequently flooded by the ocean."*

*In its submission to the 2012 Expert Panel on Asylum Seekers, the Australian Lawyers Alliance said the Montara oil spill may have led to an increase in people smuggling in the region.*

*"In 2012, the Australian Human Rights Commission conducted an inquiry into the treatment of people charged with people smuggling while suspected of being minors. Under freedom of information laws, we found that of 157 individuals whose place of origin had been identified, 57.5 per cent came from Nusa Tenggara Timur. Of these, half again, came from Rote Island, which was particularly devastated after the spill," Ms Mitchell says.*

*Law firm Ward Keller has written to three successive Australian prime ministers urging the government to help resolve the Montara tragedy.*

*"Sadly, the Australian government has been shamefully slow in taking any action to*

*assist the victims of Montara in the Nusa Tenggara Timur region. They say they can't do anything -- of course they could do a lot," he says.*

*Last month, Foreign Minister Julie Bishop wrote to Mr Phelps reiterating the government had no jurisdiction to compel Australian companies to settle disputes with other governments or perform research activities in another country.*

*However she did say Nusa Tenggara province was a focus area for the Australian aid program. "The government of Indonesia has not asked that Australia's assistance be directed to communities in that region affected by coastal pollution," she wrote.*

*Mr Phelps would like to think Ms Bishop was steering them in the right direction. But he's sceptical; he's been there before. "When we go back and say: 'Here's a request from the Indonesian government saying please help these poor people' they have another excuse." (With Karuni Rompies)*

#### **Thursday, July 16, 2015 8:10 PM**

I was writing you a new email but this analysis renders it redundant.

As I understand it, the Indonesian plaintiffs can sue Australian PTTEPAA in Australia for damages inflicted in a foreign country (ref. Amoco-Cadiz legal action, 1978 to 1990: the French Breton plaintiffs sued Amoco in court in Chicago, and won their case, at least partially), but at any rate the impact studies were conducted by the plaintiffs at their own expense, before legal action was initiated, if only for reasons of conflict of interest.

The way it's started, the Phelps class action is likely to take years to develop. In Brittany the damage was obvious and enormous, with 50 miles of rocky shores covered by a thick layer of viscous black material and thousands of dead birds and other animals, and the army and the population cleaning the shore for months. Still, it took 12 years for the plaintiffs to finally be awarded \$120 million in 1990, out of the \$2 billion they were claiming in 1978. In 2014 money that would be \$217 million awarded, against \$7,262 million claimed (3%). The Briton claim is less than what Phelps is claiming for an invisible spill, with a sparse population earning \$550 a year. In populous Brittany annual revenue is more like \$40,000 and Brittany is a highly touristic region with millions of visitors every year.

Still, in the Gulf of Mexico in 2010 another almost invisible spill commanded payments by BP-Amoco of a staggering \$54 billion and BP had to pay for a lot of research incriminating itself, including from boats I know, on BP's payroll for months to look for signs of the spill that they never found.

Well, Rote Island is not Britany and Britany is not the U.S. States of the Gulf of Mexico.

MMM

*PS: I happened to be on a plane from Chicago to Paris in the same section as the Breton plaintiffs flying back home after the award. A lot of Champagne was drunk. They did not sound like they had won only 3% of their claim.*

#### **Thursday, July 16, 2015 4:36 PM**

It seems the Mr Phelps thinks otherwise. The SMH article reads:

***“However the Australian Lawyers Alliance says the evidence it has gathered is sufficient to trigger an independent, scientific investigation – which it says PTTEP should fund.***

*It calls on the Australian government to negotiate with the governments of Indonesia and Timor-Leste, affected communities and PTTEP Australasia to ensure the commencement of the investigation.”*

MMM

#### **Wednesday, 15 July 2015 10:43 AM**

I am not sure anyone interested in the article will think, any more than they think about the even more obvious issue of the lines of equidistance in the Timor Sea.

There is no reason why the Australian government should pay for new research, but PTTEPAA could be requested by an Australian court to fund research in West Timor (or could it? I don't know. Would this be possible?).



Let's keep our eyes and ears open. No matter what, this brouhaha is not good for PTTEP's public relations.

MMM

**Wednesday, 15 July 2015 9:44 AM**

Right on time, already July 15<sup>th</sup> in Australia. We're talking to bankers again in a few hours.

I don't see how a chemical dispersant, typically a surfactant (detergent, or soap), can induce infections but I'm not a physician.

I read that "Indonesia's Centre for Energy and Environmental Studies estimates that the economic loss caused by the Montara oil spill to the fishing and seaweed industries in Nusa Tenggara Timur amounts to about \$1.5 billion per year since 2009". This figure is in accordance with and confirms Ferdi Tanoni's. I also read that "the villagers of Landu island, off the east coast of Rote island, say they were amongst the hardest hit because of their close proximity to the Australian coast", from which I infer that others were not as badly hurt (incidentally, Landu is off the southwest side of the island, not the east coast).

The island of Landu is 2.5 square miles with a population of the order of 500 people. Its annual revenue cannot much exceed \$500,000, most of it from tourism. There are a little over 5 million fishermen in Indonesia (oceanic captures and aquaculture), with a revenue for these activities of a little over \$5 billion. That's \$1,000 annually per fisherman. If Landu had half its male adult population engaged in full time fishing, revenue would be around \$100,000 to \$150,000 a year.

The whole annual regional revenue for the whole of West Timor, of which Rote Island is a small island and Landu Island an even smaller one, is about \$1.1 billion with its 2 million inhabitants, about 10% to 20% of which may derive their livelihood from the Timor Sea. If the proportion of fishermen in the whole of West Timor, Flores and Sumba was the same as in the rest of Indonesia, compared to the general population, there would be 100,000 fishermen in the Province. Double that would be 200,000 and if they had lost 100% of their activity in all those islands, which spread over 700 km from east to west and 300 km from north to south, the damage would be \$200 million per year. If the percentage of fishermen is the same as elsewhere in Indonesia and they lost 50% of their revenue across the whole Province, the loss would be \$50 million per year.

How do they get to \$1,500 million for the "fishing and seaweed industries" is a mystery.

It will be difficult for Mr. Phelps to justify his claim.

MMM

### **Monday, 3 August 2015 1:28 PM**

Interesting read, thanks for it. The technical aspects are not necessarily well understood by the authors and they seem to perhaps believe that more regulation will reduce the overall risk, which I don't think it will, but the paper provides good insight about the current regulatory changes.

Incidentally, I am always perplexed by the fallacy (in my view) that more regulators, by definition less experienced and skilled (if not talented) than operators, will really help reduce the already very low incidence of disasters. The fact that the two recent disasters occurred in the U.S. and Australia instead of in more regulated Europe or the Middle East, or Asia, does not mean much, there is just not enough occurrences to devise reliable statistics. What will help decrease the incidence of such catastrophes, though, is the extremely heavy fines paid by operators after the incident occurred. Not that the operators all of a sudden will become less negligent, as I don't think they ever were, especially a BP, small PTTEPAA being a different story, but operators are likely to invest in the future a lot more money than in the past to fund better BOP's and well systems.

When comparing Macondo and Montara, BP paid \$54,000 million in various penalties and fines, 100,000 as much as PTTEPAA.

MMM

**Thursday, October 15, 2015 10:57 PM**

"We ask for very little and certainly nothing more than the Australian government should have done many years before now," the foundation's president, Mr Tanoni, said ....

\$9 billion out of a field that is worth \$250? That's what he calls "little"?

Why should the Australian Government investigate in Indonesian waters? That is the responsibility of the Indonesian Government.

Doesn't SMH see how unmeritorious the whole thing is? What is their rationale for finding space in their papers for the likes of Tanoni and Xanana, but never for plain common sense?

MMM

## ***IN THE MEDIA***

### **Sydney Morning Herald - October 14, 2015**

#### ***Indonesian government poised to sue over Montara oil spill***

*Jewel Topsfield, Jakarta -- The Indonesian government is poised to sue the oil company responsible for the worst oil spill in the history of Australia's offshore petroleum fields.*

*Fishermen and seaweed farmers in Nusa Tenggara Timur -- one of Indonesia's poorest provinces -- say their fish stocks and seaweed crops were devastated after the 2009 Montara oil spill in Australian waters in the Timor Sea.*

*However PTTEP Australasia, a subsidiary of Thai state-owned oil company PTTEP, has repeatedly said it has not received any credible evidence that oil from Montara caused damage to the environment in West Timor.*

*Fairfax Media was told the Indonesian government summoned Australia's Ambassador Paul Grigson on September 23 and asked the Australian government to put pressure on PTTEP to pay compensation.*

*"I said we will wait for the Australian (government) and if they don't return with tangible action we will sue (PTTEPAA). The problem has been going on for years," the senior government official told Fairfax Media. He said the case would be heard in the Central Jakarta District Court.*

*"PTTEPAA has never shown any goodwill with their behaviour."*

*Greg Phelps, the Australian Lawyers Alliance national president, is this week also taking detailed statements from affected villagers on Rote island in West Timor with a view to taking separate legal action in Australia. "We are contemplating a class action, that's for sure," Mr Phelps said.*

*A spokeswoman for the Department of Foreign Affairs and Trade said the Australian government had been active in encouraging the parties to re-establish discussions to resolve any outstanding issues.*

*"But at the same time, we (the Australian Government) have no jurisdiction to compel an Australian company to settle a dispute with another government," she said.*

*"The Australian government remains willing to assist and is in contact with the Government of Indonesia on this issue."*

*However West Timor Care Foundation president Ferdi Tanoni said that under international law a country is meant to ensure that damage from activities in its own state does not impinge on the sovereignty of another. "This has never been the case in the Montara Oil spill," he said.*

*For more than 10 weeks in 2009 oil and gas flowed unabated into the Timor Sea, about 250 kilometres off the northwest coast of Australia. Estimates of the surface coverage of the hydrocarbons range from 6000 to 25,000 square kilometres.*

*The 2010 Montara Commission of Inquiry, which had nearly all the powers of a Royal Commission, found "the way that PTTEPAA operated the Montara Oilfield did not come within a 'bull's roar' of sensible oilfield practice".*

*Commissioner David Borthwick said it was unlikely the full environmental consequences of the blowout would ever be known.*

*"The evidence before the Inquiry indicated that hydrocarbons did enter Indonesian and Timor Leste waters to a significant degree," the report said.*

*The West Timor Care Foundation has repeatedly asked the Australian government to fund an environmental assessment of the impact of the Montara oil spill on the Nusa Tenggara Timur community.*

*"We ask for very little and certainly nothing more than the Australian government should have done many years before now," the foundation's president, Mr Tanoni, said in a letter to the office of Foreign Minister Julie Bishop.*

*"The spill commenced in Australian waters under the regulation of the Commonwealth and Australia has not taken a single step to investigate the impact in waters of NTT. Your government chooses to turn a blind eye."*

*PTTEPAA refused to comment.*

**Thursday, June 16, 2016 4:48 PM**

Thanks for the article, which makes a number of statements without any scientific support, although some studies are vaguely mentioned.

At its highest level, the oil spill was 2,000 barrels per day, which after 74 days would have led to a total of 150,000 barrels. Independent studies have shown that the total spill was between 30,000 and 215,000 barrels. The article, seems to imply that between 750,000 and 1,500,000 barrels were spilled, a difference of 2,500% and 700% respectively. It is probable that Mr. Ferdi and the journalist mixed up barrels and gallons (there are 42 gallons in a barrel)

It is rather fascinating that the reported oil pollution does not affect industrial fishing.

MMM

### ***IN THE MEDIA***

#### **Jakarta Post - June 15, 2016**

##### ***2009 Montara oil spill still reducing catches and inflicting losses***

*Djemi Amnifu, Kupang -- Oil spilled into the Timor Sea for approximately 74 days in 2009, resulting in a change of fish migration patterns in the area, which is now costing the local fishing industry.*

*The pollution, the result of a blowout at the Montara oil rig in August 2009, has caused the catches of local fishermen in East Nusa Tenggara to decline, among other problems.*

*"The massive pollution due to the oil spill from the Montara oil rig is the main cause of fish depletion in the Timor Sea," West Timor Care Foundation (YPTB) head Ferdi Tanoni told reporters on Monday.*

*Conditions are getting even worse for the fishermen now with the use of fish aggregating devices, locally*

*known as rumpon, by large ships from Benoa, Bali. The devices are believed to have obstructed the migration of fish and made it difficult for local fishermen to catch large quantities, as many fish have already been trapped.*

*Ferdi, who is fighting against Timor Sea pollution through an Australian court, said based on research by fisheries and marine experts from the US and Australia, the oil pollution in the Timor Sea has altered the flow of fish migrating from Australian waters.*

*"Many facts prove that the pollution in the Timor Sea has caused changes in fish migration from Australia. It is evidenced by the dozens of whales that were found dead and dolphins stranded off Savu and Lembata islands recently," he said.*

*Besides the impact on fish migration, Ferdi added, the pollution had also destroyed seaweed farming in NTT, especially in coastal areas on Rote Island, south of Timor Island and Sumba Island.*

*Ferdi has asked the Maritime Affairs and Fisheries Ministry to pay attention to the tens of thousands of seaweed farmers in NTT, who since 2009 have suffered significant losses -- of up to 85 percent of revenue - - due to declining seaweed harvests as a result of pollution.*

*"A number of coastal areas have started to cultivate seaweed now, but its quality is already poor due to oil contamination," he said.*

*Besides that, he added, a strange phenomenon of crocodiles appearing in coastal areas in Kupang regency, which have killed a number of local residents, was indication that their habitat had been polluted.*

*According to Australian fisheries experts, a scientific study must be conducted on the phenomenon because the crocodiles are likely to have faced difficulty obtaining food in the sea so have been forced to appear in the areas and prey on people.*

*Citing research from the Australia World Wildlife Fund, Ferdi said the oil pollution to the south of Rote Island, which is the center of fish migration from Australia to the Timor Sea, had led to changes in fish migration.*

*"The giant fish traps installed in the Timor Sea may also have contributed to the changes in the migration of*

*fish, but they are not too significant when compared with the case of Montara oil rig's blast into the Timor Sea on Aug. 21, 2009," he said.*

*In the southern part of Rote Island, he continued, research by experts from the US showed the crude oil discharge, mixed with chemicals and poisonous toxic dispersant, had reached a rate of 10,000 to 20,000 barrels per day, continuing for 74 days. A barrel is equivalent to 159 liters.*

*"The fish traps as well as the practice of illegal fishing in the Timor Sea by giant trawlers have been ongoing for a long time, but did not significantly alter the migration of fish," said Ferdi.*

#### **Friday, July 22, 2016 7:35 PM**

Crazy Ferdi Tanoni at it again!

If any proof were needed, the man is seriously deluded: annul a treaty? How does he think this can be achieved? In addition, the treaty in question is the one that gave the water column to Indonesia with all exclusive economic rights above the seabed. Does Mr. Tanoni wish for Indonesia to lose it, so that perhaps Australia then gives the whole thing to East Timor? Is he an agent of Dili? Good luck with his endeavor!

Indonesia would have zero advantage at invalidating the agreement, and on the contrary would experience a serious loss. I doubt Ferdi's brilliant idea of relinquishing all of the Indonesian Exclusive Economic Zone above Australian seabed to Australia will have much traction in Jakarta.

MMM



## IN THE MEDIA

### **The Jakarta Post**

#### ***Australia-Indonesia maritime boundary treaty must be annuled: activist***

*Djemi Amnifu, The Jakarta Post  
Kupang, East Nusa Tenggara | Thu, July 21 2016 | 11:54 am*

*Protest – Timor Leste people stage a peaceful rally to protest against Australia, accused of illegally occupying the country's maritime territory in the Timor Sea, in Dili, Timor Leste, in March. (Tempo/Yohanes Seo)*

*President Joko “Jokowi” Widodo’s administration has been called on to immediately annul a treaty between the Australian government and the Indonesian government, which establishes the boundary of an exclusive economic zone and certain seabed boundaries in the Timor Sea, signed on March 14, 1997.*

*Ferdi Tanoni, the mandate holder for the West Timor people’s customary rights, said the agreement, which was signed by then Foreign Minister Ali Alatas and his Australian counterpart, Foreign Minister Alexander Downer, in Perth, Western Australia, has expired.*

*“The Indonesia-Australia agreement has never been ratified by the legislative branches of the two countries. It also cannot be implemented because East Timor became an independent country through a referendum in 1999,” he told journalists in Kupang on Wednesday.*

*Ferdi, who is also the chairman of the Care for West Timor Foundation (YPTB), said the agreement must be annulled and discussed again by the two countries following the changes caused by the declaration of independence of Timor Leste as a new country in the area of the Timor Sea.*

*“When the treaty was signed, East Timor was still an integral part of the Unitary State of the Republic of Indonesia. In a referendum in August 1999, East Timor decided to separate from Indonesia and establish a new country, the Democratic Republic of Timor Leste,” said Ferdi.*

*He further said the 1997 agreement only consisted of 11 articles and should take effect only after an exchange of ratification charters between the two countries. However, he said Australia had unilaterally implemented the 1997 agreement.*

*“Even if the Australian parliament had ratified the 1997 agreement, Jakarta must reject it because the House of Representatives never ratified the treaty,” said Ferdi.*

*In 1986, the Indonesian and Australian governments signed a memorandum of understanding (MoU) on handling oil pollution at sea.*

*Ferdi said the MoU should have been implemented to handle the Montara oil spill in the Timor Sea in 2009, but Australia ignored it.*

*Around 500,000 liters of oil were dumped into the ocean every day in the incident. It is considered one of Australia’s worst oil disasters. (ebf)*

### **Wednesday, August 3, 2016 8:39 PM**

I see that the claim is now A\$200 million, whereas Ferdi Tanoni always claimed at least US\$3 billion, if not US\$9 billion. That’s a whopping 95% drop.

MMM

## **IN THE MEDIA**

### **Australian Broadcasting Corporation**

#### ***Montara oil spill compensation case launched in Federal Court by Maurice Blackburn***

*By business reporter [Sue Lannin](#)*

*Updated August 3, 2016*

*Law firm Maurice Blackburn is seeking more than \$200 million in compensation for Indonesian seaweed farmers from Australia's worst oil spill, in the Timor Sea in August 2009.*

*The Montara oil spill was caused by a huge explosion, also known as a blowout, at an oil well drilled by a subsidiary of state-owned Thai oil firm PTT Exploration and Production Public Company (PTTEP).*

*Maurice Blackburn principal and NSW manager Ben Slade said more than 13,000 Indonesian farmers are party to the class action in the Federal Court in Sydney.*

*The law firm is suing PTTEP Australasia (Ashmore Cartier) Pty Ltd, a subsidiary of PTTEP.*

*Mr Slade said the Indonesian farmers are claiming damages from the environmental disaster which devastated their livelihood.*

*"They are claiming compensation for the loss and suffering caused by the negligence of the oil rig operator," he explained.*

*"We say that runs into hundreds of millions of dollars. Our assessment to date is something north of \$200 million that they are entitled to."*

*'Things were going really well' for farmers until spill*

*Indonesian seaweed farmer Daniel Sanda will be the lead plaintiff in the case. Mr Sanda is a subsistence farmer who lives on the shores of Rote Island.*

*Mr Slade said PTTEP Australasia had a duty of care towards the farmers.*

*"Things were going really well for their community and, in fact, they had a bumper year in 2008 but towards the end of 2009 everything stopped and their crops died," he said.*

*"It was really quite a horrific incident and the company has for many years now tried to avoid compensating the Indonesians who suffered so greatly.*

*They have taken many years to get back to any sense of normal production.*

*Mr Slade said the legal team would be relying on official records from Indonesian authorities for evidence, although he conceded the case will be challenging.*

*"This case is replete with many problems. The analysis of the losses is difficult, but there are records, people paid tax," he observed.*

*"The records are there, it's just a big job to get it together."*

*10 swimming pools of oil a day gushed for 10 weeks*

*The oil spill occurred in Australian waters, nearly 700 kilometres west of Darwin and 250 kilometres away from Rote Island in southern Indonesia.*

*It took just over 10 weeks for the massive oil leak to be plugged and an estimated 300,000 litres of oil gushed into the Timor Sea each day.*

*That is equivalent to 10 Olympic swimming pools of oil over the 10 weeks.*

*PTTEP Australasia operates the Montara oil field and the Cash Maple gas condensate field in the Timor Sea, employing more than 200 people in Perth, Darwin and the Timor Sea.*

*PTTEP is publicly listed on the Thai stock exchange and operates more than 40 projects globally with 4,000 workers.*

*In 2013, four years after the spill, PTTEP Australasia said the Timor Sea had been given "a clean bill of health" by the Montara Environmental Monitoring Program, which was developed by PTTEP and the Australian Government.*

*Oil spill 'worst of its kind' in Australian history*

*A commission of inquiry set up to investigate the Montara oil spill described the disaster as "the worst of its kind in Australia's offshore petroleum industry."*

*The inquiry found that PTTEP Australasia (PTPAA) did not observe sensible oilfield practices at the Montara Oil field.*

*"Major shortcomings company's procedures were widespread and systemic, directly leading to the blowout," the inquiry said.*

*The inquiry also criticised the Northern Territory Department of Resources (NT DOR) as "not a sufficiently diligent regulator."*

*"The way the regulator (the NT DOR) conducted its responsibilities gave it little chance of discovering PTPAA's poor practices," the Montara Commission of Inquiry report noted.*

**Saturday, 6 August 2016 12:02 PM**

I carefully analyzed the winds in the Timor Sea from the date of the Montara spill on August 21, 2009, until the end of 2010, and found that particles of floating matter leaving Montara since day one of the spill would have drifted within the red area below until January 10, 2010. The spill stopped on November 3.

I analyzed 3,170 sets of data, one every 3 hours between August 1 2009 and August 31, 2010. The theoretically affected area is 80,000 km<sup>2</sup>. If the spill had been as big as reported in the paper, the average thickness of the condensate would have been 0.25 micron, which would have been noticed, but was not, especially in the Van Diemen Gulf.

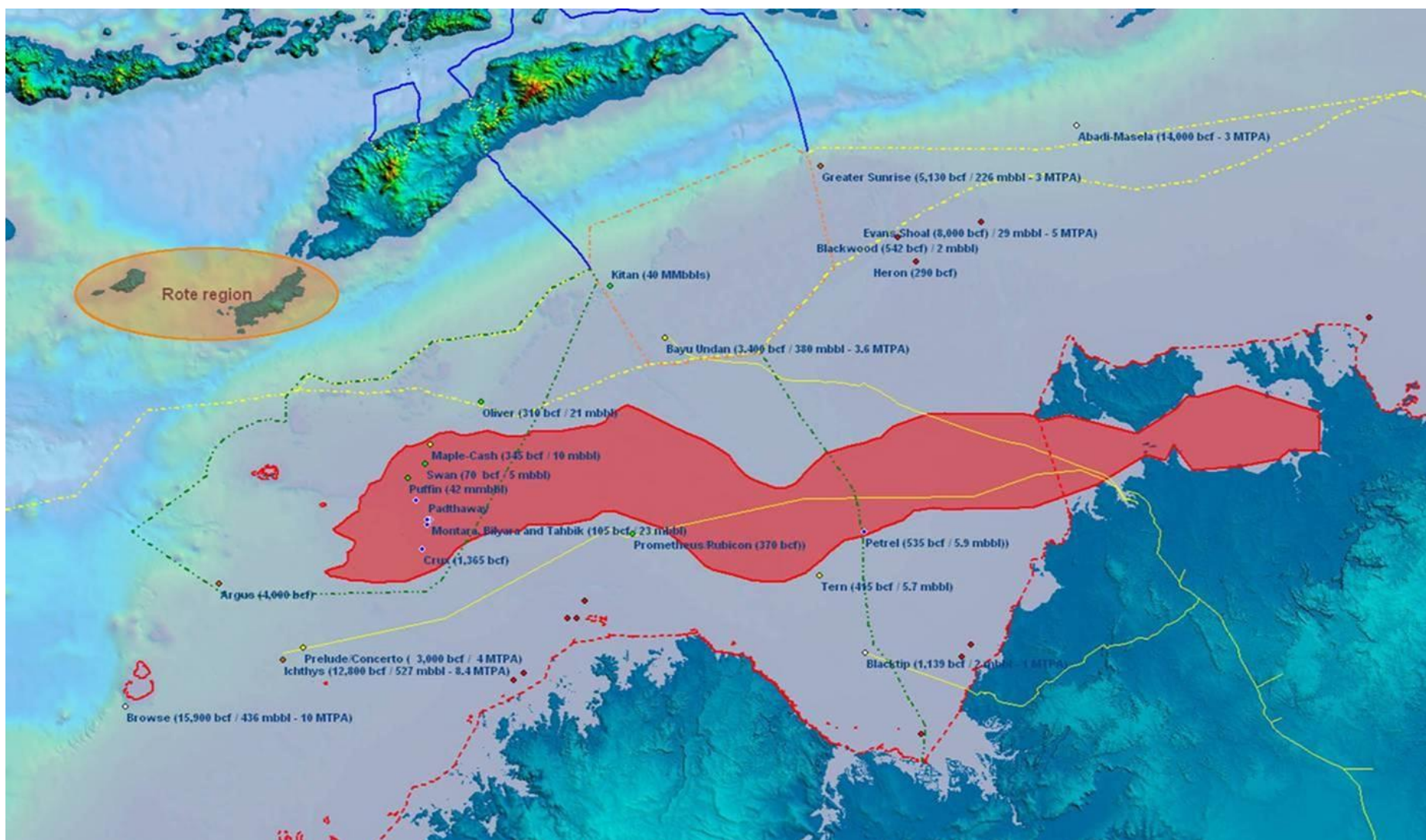
This would be without taking into consideration the oceanic current pushing WSW and considerably stronger than the wind effect, or any evaporation, dispersion, emulsification, dissolution, oxidation, sedimentation, and biodegradation, at all. We know that these effects would have removed almost all of the spill, as shown at Macondo, which was a considerably bigger spill.

No oil was noticed in the Beagle or Van Diemen Gulfs, nor on the shores of Bathurst and Melville Islands.

The paper you sent me yesterday states a spill of 300 m<sup>3</sup> per day, which after 74 days would total 22,200 m<sup>3</sup>, or 6 real standard Olympic pools (not 10). However, all literature about the incident concurs in stating that the total spill was between 4,500 and 35,000 m<sup>3</sup>, so the paper was at the top of the range.

MMM





**Thursday, 25 August 2016 4:14 PM**

As you know we have now incorporated Rote (the home of the plaintiffs) into the NTT electrification plan, at the request of the Governor, together with the rest of the Province. A lack of a reasonably cooperative mindset on the part of the plaintiffs would endanger the project, and would alienate against them the Governor and all the other Regencies, as well as the central government in Jakarta. The risk for them would be to have their own people side with PTTEP in this extremely fragile case, the legitimacy of which is quite questionable.

We would be prepared to discuss with them special conditions for our electricity delivery (provided PLN agreed of course), irrespective of a responsibility that we would not acknowledge anyhow. They wouldn't have to prove the validity of their claims to us and it is likely that the Northern Territory would help somewhat, through reduced taxation on the field, for the sake of the NTT-NT-ET Triangle. In my opinion, neither PTTEP nor the government of Australia would recognize any responsibility, nor would they give any financial reward to the plaintiffs. I believe their only chance to get anything would be to talk with us.

MMM

**Thursday, 25 August 2016 2:55 PM**

So now Ferdi is going after the Australian Commonwealth, because one single individual claims 7 years later that he saw one airplane over the area. Can he swear the aircraft was Australian? What was the tail number? Does he have any evidence that the liquid reportedly dropped was dispersant? Were pictures of the spill taken, samples collected and analyzed?

MMM



## **IN THE MEDIA**

### **The Jakarta Post**

#### ***Indonesian fishermen implicate Oz in Montara oil spill***

*Jakarta Post - August 23, 2016*

*Djemi Amnifu, Kupang -- Indonesian fishermen from East Nusa Tenggara kicked off their legal battle on Monday at an Australian court, demanding justice for an oil spill in the Montara oil field that has destroyed their livelihoods for the past seven years.*

*The head of Care for West Timor Foundation's (YPTB) legal team, Ferdi Tanoni, who represents more than 13,000 fishermen in the class action lawsuit filed at the Federal Court of Australia in Sydney, said that other than Thailand's PTT Exploration and Production (PTTEP) Australasia, the Australian government should also be held accountable for the accident.*

*"Australia can't wash their hands of this case because some eyewitnesses saw an Australian aircraft flying low above the Timor Sea while spraying liquid on top of the oil spill," he told The Jakarta Post on Monday.*

*A fisherman, Muhammad Hatta, said he witnessed a red aircraft flying a week after the incident, during which the Montara oil rig, owned by oil and gas exploration firm PTTEP Australasia, exploded some 690 kilometers west of Darwin and 250 kilometers southeast of Rote Island, East Nusa Tenggara.*

*"We were around Kolbano waters in Timor Tengah Selatan regency, East Nusa Tenggara. We saw the Australian airplane spray liquid on top of the oil spill in Kolbano waters," he said.*

*Ferdi said the liquid was used to disperse the oil spill to the bottom of the ocean based on a laboratory analysis done by experts from Australia, the US and Indonesia.*

*The dispersant is highly toxic and thus could destroy the marine ecosystem, Ferdi said. It was alleged that the aircraft, caught by satellite photos, was operated by the Australian Maritime Safety Authority (AMSA).*

*After the horrific explosion in 2009, gas and oil from the rig gushed into the Timor Sea for more than 70 days. It is estimated that in excess of 300,000 liters of oil per day contaminated the sea, equivalent to pouring 10 Olympic swimming pools of toxic sludge into the ocean over the months the spill continued.*

*The oil spill has had a devastating effect on the livelihood of fishermen and coastal communities in East Nusa Tenggara, with fish catches and seaweed harvests continuing to decline in the heavily polluted waters.*

*Timor Sea Traditional Fishermen Alliance (Antralamor) chairman Mustafa said the fishermen in East Nusa Tenggara earned 70 percent less than what they got before the incident. "Before the pollution, we could get Rp 20 million [US\$1,510]; now it is Rp 5 million," he said.*

*More than 13,000 seaweed farmers sued PTTEP for potentially more than A\$200 million (\$152 million) to cover damages.*

*Reuters reported that a Darwin-based lawyer, Greg Phelps, has pushed for compensation for Indonesian seaweed farmers whose livelihoods he believes were affected by the oil spill. Funding for the case will come from UK-based Harbour Litigation Funding.*