



Shell sues Woodside and Paladin over \$87m oil platform clean-up bill

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Body

Energy giant **Shell** is suing Woodside Energy and Paladin Resources for \$86.6m for the clean-up bill for the Northern Endeavour **oil** platform, saying it struck agreements almost two decades ago which absolved it of any responsibility to pay remediation costs.

The question of who should pay to remediate Northern Endeavour, on Western Australia's North West Shelf, and abandoned **oil** and **gas** projects more broadly, prompted the previous government to introduce laws to protect taxpayers from having to foot the bill, should operators not be able to meet their obligations.

Woodside sold the platform to junior operator Timor Sea **Oil** and **Gas** Australia in July 2015, however TSOGA was forced to shut down production over a safety issue and subsequently went into voluntary administration.

There were fears the federal government would have to step in and bear the cost of the clean-up. Instead new rules around trailing liability provisions were introduced, which could slug former owners of the licence areas with the bill, thereby putting the onus on them to do adequate due diligence should the assets change hands.

The exploration permit in the current matter was granted to Woodside, **Shell** and BHP Billiton Petroleum in 1997, with Woodside owning a half share and the other two companies one quarter each.

Production from the Laminaria and Corallina oilfields began in 1999. The writ filed with WA's Supreme Court says **Shell** then sold two-thirds of its interest to Woodside in March 2005, and one-third to British company Paladin.

Shell says in its claim that the agreement with each company "expressly provided ... that Woodside/Paladin is liable for all environmental, abandonment, reclamation, remediation and restoration claims". The claim says following the failure of TSOGA, neither that company nor its liquidator made any efforts to remediate the platform. Woodside was contacted for comment.

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