



Resources giants headed to court over \$86 million clean-up bill

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Highlight: Shell has dragged resources giants Woodside and Paladin Resources to court after being lumped with an \$86.5 million clean-up bill for the Northern Endeavour oil platform, claiming the bill should never have been its to pay.

Body

Shell has dragged resources giants Woodside and Paladin Resources to court after being lumped with an \$86.5 million clean-up bill for the Northern Endeavour oil platform, claiming the bill should never have been its to pay.

According to a writ lodged in the WA Supreme Court, Shell claims it was forced to pay assessment notices issued by the Australian Taxation Office in 2023 and 2024 totalling \$86.5 million in February 2024.

The payment demand was made under an offshore petroleum levy enacted by the federal government in 2022 in direct response to the costs associated with the unmanned vessel.

But Shell claims it should never have been saddled with that clean-up bill, pointing to a clause allegedly buried in the share purchase deal it inked with Woodside and Paladin more than a decade ago it argues rendered the two companies liable.

Shell claims both Woodside and Paladin were to reimburse Shell for any claims arising from or in connection with the venture.

Woodside, Shell and BHP established a joint venture in the late 1990s after being granted exploration and petroleum production licenses over the Corallina and Laminaria oil fields in the Timor Sea, about 550 kilometres west north-west of Darwin.

Under the joint venture, led by Woodside as majority owner and operator, the trio built the Northern Endeavour floating production vessel, which was permanently moored to the seabed.

Woodside and Paladin bought Shell out before handing the floating rig to Perth-based company Northern Oil and Gas Australia (NOGA) in 2015.

But within four years that rig was shut down amid safety warnings from the regulator, National Offshore Petroleum Safety and Environmental Management Authority, and NOGA collapsed just months later.

The collapse coupled with environmental concerns prompted the federal government to take the decommissioning of the vessel into its own hands - an exercise which has cost hundreds of millions of dollars since 2020.

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That eye-watering clean-up bill is now at the centre of a Supreme Court battle between **Shell**, Woodside and Paladin Resources.

In the writ, **Shell** claims it penned two letters between February 2023 and March 2024 demanding payment from Woodside and Paladin Resources, but that the pair both denied liability.

Now **Shell** wants the Supreme Court to intervene by forcing Woodside and Paladin to reimburse it to the tune of \$86.5 million.

It also wants a declaration that Woodside and Paladin Resources are to compensate it for all future costs it may incur as part of the decommissioning, which is only in the first of three stages.

Woodside has been contacted for comment.

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