

NOGA in liquidation

NEW minister for resources Keith Pitt has had an eventful first day on the job Friday announcing the liquidation of Northern Oil & Gas Australia after it went into voluntary administration in September suggesting it was an “unprecedented” event for the oil and gas industry.



Fate of FPSO Northern Endeavour unclear, GR Engineering to record \$17.4M impairment

What will happen to its assets is being studied by government but there seem to be few options except the for Commonwealth to pay the \$200 million decommissioning bill.

NOGA took the Northern Endeavour floating production storage and offloading vessel and associated fields from Woodside Petroleum in 2016.

Though new entrants to fields must first jump through hoops set by the National Offshore Petroleum Titles Administrator, and then present an environmental plan and safety case to the National Offshore Petroleum Safety and Environmental Management Authority, those taking over projects are not subject to the same oversight.

The minister may refuse the transaction but does not have to sign off on it.

NOGA and its subsidiaries are in debt of up \$164 million.

"It is regrettable that a commercial solution could not be found to prevent

NOGA entering liquidation, but the government will do everything it needs to do to protect the safety and security of the Northern Endeavour production vessel to protect the environment and keep workers safe," Pitt said.

The vessel was shut down by the regulator in July, one of the reasons for the company's administration.

However managing director Angus Karroll has also suggested the maritime boundary with Timor-Leste ratified in August was a contributory factor as it rezoned a large portion of one of his fields into the smaller nation's jurisdiction.

The Australian government then did not allow the company to produce from both jurisdictions at the same time, he told Energy News.

The FPSO went into 'lighthouse' mode last week, with the last of the skeleton crew helicoptered off and the vessel shut in. The wells it has been producing from have also been shut-in but full decommissioning will require them to be plugged and abandoned.

The Australian government is establishing a taskforce across government and with industry to consider options to deliver a long term solution for the Northern Endeavour and the Laminaria-Corallina fields in the safest and most cost efficient manner, and limit any costs to Australian taxpayers as a result of the NOGA liquidation, Pitt's statement said.

GR Engineering, which owns Upstream Production Solutions which was operating the vessel, told the market late Friday it will record an impairment of A\$17.4 million in its half year ended December 31 as a result of liquidation.

Upstream will now de-register the safety case and terminate the O&M Agreement.

