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<b>Source :</b>	<b>BANGKOK POST</b>	<b>61229134</b>
<b>Date:</b> 7 JUL 2018	<b>Page :</b> 33	<b>No :</b>

# PTTEP offloads Montara field

SE Asia, Middle East  
to get more focus

**YUTHANA PRAIWAN**

PTT Exploration and Production Plc (PTTEP) is divesting a 100% stake in the Montara field to align with the company's business strategy, aiming to focus on operations and projects in other strategic locations.

Chief executive Somporn Vongvuthipornchai said PTTEP Australasia (Ashmore Cartier) Pty Ltd (PTTEP AA), PTTEP's subsidiary, had agreed to sell the 100% stake in the Montara field to Jadestone Energy (Eagle) Pty Ltd for US\$195 million (6.49 billion baht).

But the value will be adjusted for working capital from operations until the transaction date is completed, expected later this year.

Apart from the purchase value, PTTEP will have additional contingent consideration of up to \$160 million, depending on production levels, oil prices and future development milestones being achieved.

Completion of the sale is subject to the conditions as prescribed in the sale and purchase agreement, including the regulatory approval in Australia from the National Offshore Petroleum Titles Administrator and the National Offshore Petroleum Safety and Environmental Management Authority.

"The sale of the Montara field is in alignment with our strategic direction in increasing investment in focused areas in



**Mr Somporn at the Bongkot off-shore gas block in the Gulf of Thailand. He says the sale of the Montara field aligns with the company's strategic direction.**

Southeast Asia and the Middle East, where we have experience and expertise," he said. "These areas have high petroleum potential, low cost structures and low risks that will help us add more petroleum reserves and enhance long-term growth for the company."

The Montara field is located off the coast of Australia. The average production volume from the field in the first half was 7,694 barrels per day.

On March 7, PTTEP announced the Indonesian government had halted prosecution of the company's wholly-owned subsidiary, PTTEP AA, which was sued last

May for US\$2.1 billion for alleged damages to the environment from an oil spill in the Timor Sea eight years ago.

Indonesia's Environment and Forestry Ministry withdrew the lawsuit at the Central Jakarta District Court.

PTTEP AA operated the Montara well-head in 2009, when it caught fire and leaked many hundreds of thousands of litres into the Timor Sea, off the northern coast of Western Australia. The company was fined A\$510,000 (12.62 million baht) by the Darwin Court.

The company's outlook for crude oil production is 10,000 barrels per day.

During the Montara incident, PTTEP AA worked closely with the Australian government to handle the situation, the company said in a statement.

All 69 personnel on board at the time of the incident were evacuated safely, and the relief well drilling operations to stop the leak were successfully completed.

The company also funds a long-term independent environmental monitoring programme in the Timor Sea.

Independent scientific studies have shown that no oil from Montara reached the Australian mainland or the Indonesian coastline, the company said.