



AUSTRALIAN AMBASSADOR  
JAKARTA

24 October 2014

Drs. M.R. Karliansyah, MS  
Secretary to the Minister  
Ministry of the Environment  
Gedung B Lantai 2, Jalan di Panjaitan  
Kebon Nanas  
JAKARTA 13410

Dear Ibu Karliansyah

I am writing in response to a letter of 25 September from the then Minister of Environment, the Hon. Balthasar concerning the 2009 Montara oil spill incident.

It may be useful for me to make clear the Australian Government's position on the matters that have been raised.

Dr Balthasar's letter requested that that the Australian Government encourage the company involved in the incident, PTTEP Australasia, to resolve outstanding issues in negotiations that have been conducted with the Indonesian Government.

I should emphasise that the Australian Government has not been party to these negotiations and is not aware of the details of the matters under discussion. s 33(a)(iii)

As you will appreciate, the Australian Government has no jurisdiction to compel Australian companies to settle disputes with other countries.

Dr Balthasar's letter also referred to Indonesia's work in the International Maritime Organization (IMO) on the principles for guidance on model bilateral/regional agreements on liability and compensation issues connected with transboundary pollution damage from offshore exploration and exploitation activities. With regard to this issue, I can confirm that Australia supports ongoing consideration by the IMO.

Dr Balthasar's letter advised that the Government of Indonesia supported efforts by the West Timor Care Foundation / Yayasan Peduli Timor Barat (YPTB) to determine the social, economic and environmental impact of the Montara oil spill in Indonesian waters in conjunction with PTTEP Australasia. We have informed the company of this position.

I understand from the company that it has in the past offered to support independent research in Indonesia. You may wish to communicate directly about that issue with the company.

With regard to previous scientific research into the effects of the spill, you may be aware that a long-term independent environmental monitoring program has been conducted to determine any impacts from the spill in Australian areas of the Timor Sea. Reports associated this program have been shared with the Government of Indonesia and are available on the website of the Australian Department of the Environment.

I hope this information is of assistance.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Greg Moriarty". The signature is fluid and cursive, with a large initial "G" and a long, sweeping tail.

Greg Moriarty



Australian Government  
Australian Maritime Safety Authority

## CHIEF EXECUTIVE OFFICER

Captain Bobby Mamahit  
Director-General for Sea Transportation  
Ministry of Transportation  
Republic of Indonesia  
JL Medan Merdeka Barat No 8  
Jakarta 10110  
INDONESIA

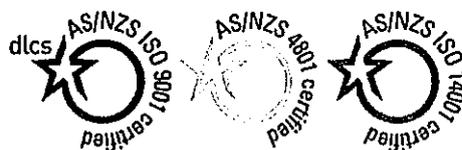
Dear Captain Mamahit

Thank you for your letter dated 19 September 2014 proposing enhanced cooperation between Australia and Indonesia on marine environment protection issues under the 1996 Memorandum of Understanding (MoU) on Oil Pollution Preparedness and Response.

AMSA would be pleased to work with the Directorate General of Sea Transportation (DGST) to update or replace the existing MoU. AMSA remains willing to explore further opportunities for bilateral and regional capacity building activities on oil pollution prevention, preparedness and response as part of this process and to review the Australia-Indonesia Oil Pollution Response Action Plan under the MoU. We would also be pleased to separately develop a desktop exercise covering response to a transboundary pollution incident between our nations.

AMSA is currently actively engaged in a number of regional training activities to strengthen pollution response capacity in the Asia-Pacific region. You may already be aware that Australia will be holding a training course on the coordination of responses to transboundary maritime pollution incidents as part of the Expanded ASEAN Maritime Forum's (EAMF) Expanded ASEAN Seafarer's Training (EAST) Initiative. Indonesia will of course be invited to attend once arrangements are finalised.

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In relation to your request for information on the Montara Oil spill incident, I would like to advise that AMSA's role in the incident was limited to the oil pollution response operation. You may recall that throughout the operation AMSA and the Australian government Department of Foreign Affairs and Trade (DFAT) consulted closely with the Government of Indonesia to provide up to date information about the location of the residual oil sheen and the progress of the clean-up and relief well drilling operations. AMSA also developed three operational monitoring reports during the operation, which have been shared with the Government of Indonesia and are also publically available on our website.

Additionally, a long-term independent environmental monitoring program has been conducted to determine any impacts from the spill in Australian areas of the Timor Sea. Reports associated with both short and long term monitoring studies have been shared with the Government of Indonesia and are publically available on the Australian Government Department of the Environment's website.

Regarding the Australian government's claim and compensation process for the incident, AMSA was only reimbursed for substantiated costs associated with our agency's oil pollution response operation.

The Australian government has not been party to the negotiations between PTTEP Australasia, the Government of Indonesia and the Nusa Tenggara Timur Community, and is not aware of the details of the matters under discussion. As you will appreciate, the Australian government does not have jurisdiction to compel Australian companies to settle disputes with other countries.  
s 33(a)(iii)

I trust the above information will be of use to you, and I look forward to working with you to further develop the regional cooperative arrangements between our agencies under the MoU.

Yours sincerely



MICK KINLEY

5 November 2014