



Media Release - SafeWork SA

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SANTOS FINED FOR MOOMBA GAS BLAST

Resources giant Santos has been fined more than \$80,000 by the SA Industrial Relations Court today after being convicted of safety shortcomings that led to an explosion at its Moomba gas processing facility.

SafeWork SA's prosecution followed an investigation into the causes of blast, which occurred early on New Year's Day in 2004. Santos had earlier pleaded guilty to breaching section 19(1) of the *Occupational Health Safety and Welfare Act 1986* in that it failed to provide safe systems of work and a safe working environment.

The Industrial Relations Court was told that 13 employees were deemed at risk due to critical safety shortcomings at the facility such as:

- an inadequate hazard identification and risk assessment process which failed to identify the likelihood of plant failing due to liquid metal rendering it brittle and;
- an inadequate system of inspecting the plant to accurately determine the amount of mercury within, and to then remove it.

The Court was told the cause of the blast was traced to the Liquids Recovery Plant (LRP) where an inlet manifold and a related flange weld both failed after corrosion by mercury (which is extracted with natural gas). This led to the release of mercury and a cloud of flammable gases such as methane, ethane, propane and butane.

Upon noticing the cloud, the workers on duty raised the alarm, shut down the plant, and evacuated to designated safety points. Ten minutes after the leak, the gas cloud drifted north and ignited on contact with a heating unit 150 metres away. While there was significant damage to the plant, there were no serious injuries; although one worker received minor burns from the fireball and others reported ill-effects from exposure to hydrocarbon.

Today's conviction was Santos's second breach of the Act following a fatal blast in June 2001, and as such it was subject to a higher maximum fine of \$200,000 under the penalties applicable at the time of the second incident.

While acknowledging the risk of serious harm or fatality, Industrial Magistrate Michael Ardlie also noted the defendant's cooperation and extensive remedial action totalling 40 million dollars worth. He fined the company \$84,000 after a discount of 20%.

"While the profits are high in this type work, so are the dangers; and this incident clearly demonstrates why such complex hazards must be accurately identified and rigorously managed," says SafeWork SA Acting Executive Director, Bryan Russell.

"While we welcome the extensive remedial action that is now in place, the fact remains that this was the second major explosion to affect this plant, and all operators of such facilities need to ensure that they never rest in making such workplaces as safe as possible."