

Total E&P UK Press Conference in Aberdeen – March 29, 2012, 12:00 PM

Transcript of Philippe Guys' speech, Managing Director of Total E&P UK

Firstly, I would like to stress the very deep regret which I personally, and everyone at Total, is feeling over the incident at the Elgin complex. Our top priority, as always, is the safety of our personnel. I therefore have to commend everyone who was on-board the Elgin at the time of the incident, as their response led to the prompt and safe evacuation of all 238 people on the platform, and the adjacent Rowan Viking drilling rig, when the leak was identified.

In that regard, I would also like to commend everyone involved in the evacuation for their professionalism and also to praise the professionalism and dedication of all the support teams that have been dealing with this incident. Their collective attitude to this challenging situation is outstanding.

Now, I would like to turn briefly to some of the key details of the incident itself and how we propose to try and resolve the problem.

On February 25th we observed irregular pressure in the annuli on the plugged G4 well on the Elgin field. We very quickly moved to kill the annuli pressure by pumping it full with high density mud. During this process, on March 25th, we observed a sudden pressure increase followed by an escape of mud and then gas. This was released below the well head at deck level on the platform, not subsea.

In the G4 well, the main producing reservoir situated at around 5,500 m depth has been plugged for more than one year. The leaking hydrocarbons are believed to be coming from a rock formation above (at a depth of 4,000 meters below the sea bed). This tight formation at high pressure is not a producing reservoir in the Elgin field, however it contains a non toxic gas which could have migrated to the annuli.

From our observations, we believe there has been little change over the five days since the incident and the leak remains ongoing. And while we cannot make a direct measurement of the leakage rate, based on recorded data and reservoir modelling, we estimate it to be around 2 kg per second (about 200 000 m³/day).

We continue to observe the situation using satellites, surveillance spotter planes three times a day, and maintaining standby vessels in the vicinity of the installation.

With respect to stopping the leak, we have launched two main actions which we are progressing in parallel. The first is to carry out the well kill operations using a floating support; the second is to drill two relief wells and, to that end, we have suspended operations on two of our drilling rigs in order to make them available for work on the relief

wells. We have notably mobilized a strong team of internal and external experts and a number of specialized support vessels.

Now, the question has been asked if there could be similar problems with other wells on Elgin? What I can tell you is that when the platform was evacuated, all other wells were left in a safe condition. Onboard safety systems, known as the Christmas tree valves and down-hole safety valves, were activated and we know the operation was successful from the platform control room.

Following the incident on G4, our experts have been working hard to identify the cause and, as part of that process, have reviewed the design and history of all other wells on Elgin. At the end of February, we observed abnormal pressure behavior on the well G4. No such abnormal behavior was observed on the other wells of Elgin.

And finally, some people have been asking why we have kept a few people on our Franklin Wellhead Platform. The answer is because they can offer valuable assistance with the monitoring of the situation and, at a distance if more than 5 kilometres from the Elgin platform, we consider them to be in no danger. If we did, they would have been instantly removed.

Now, I know that isn't a fully comprehensive appraisal of the situation, but there will be an opportunity to address some of the other issues during our question and answer session. So for the moment, I'd like to leave it there and invite the Minister to say a few words.