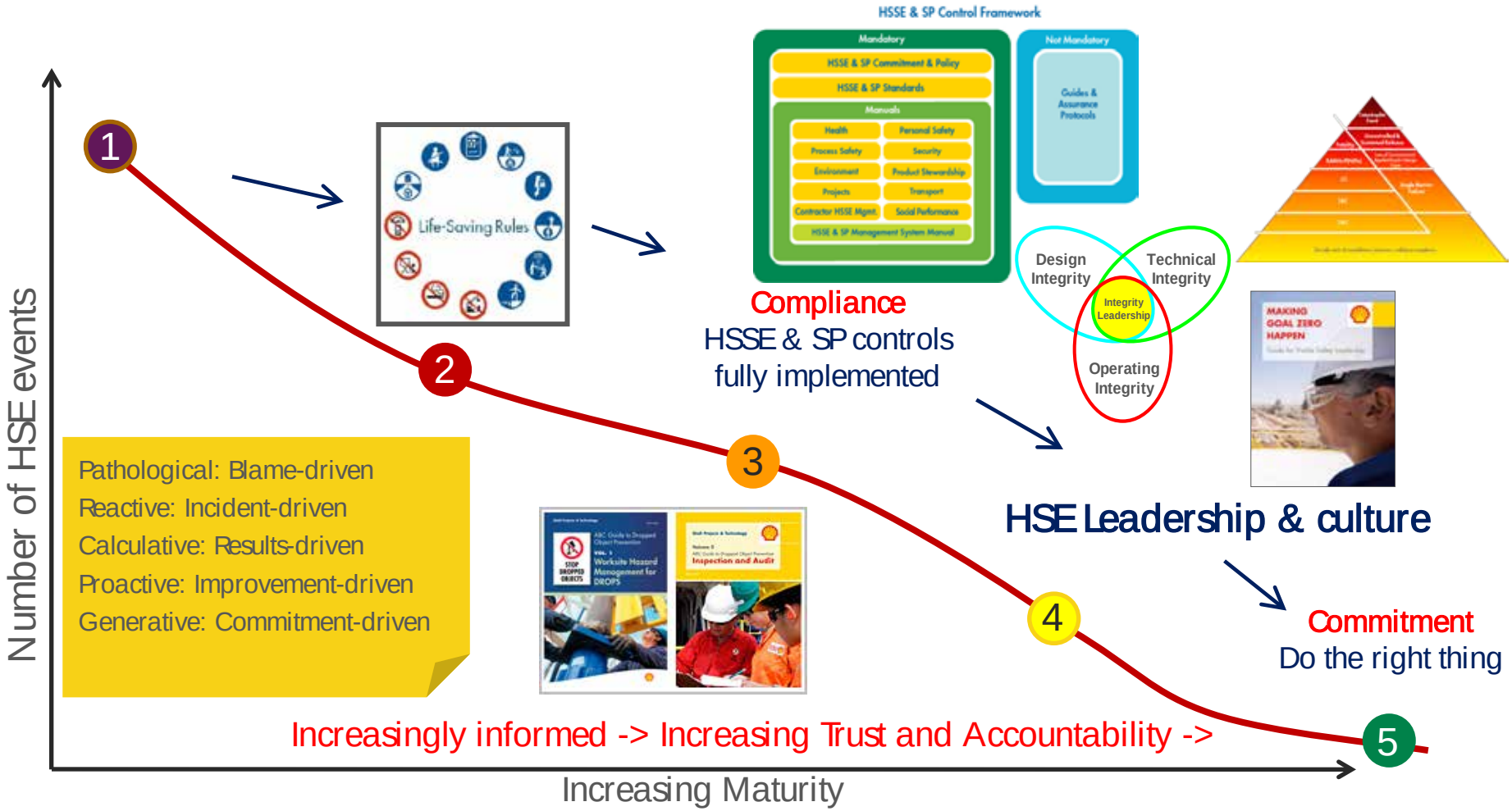
WELLS & DROPS

Current Performance and Future Challenges

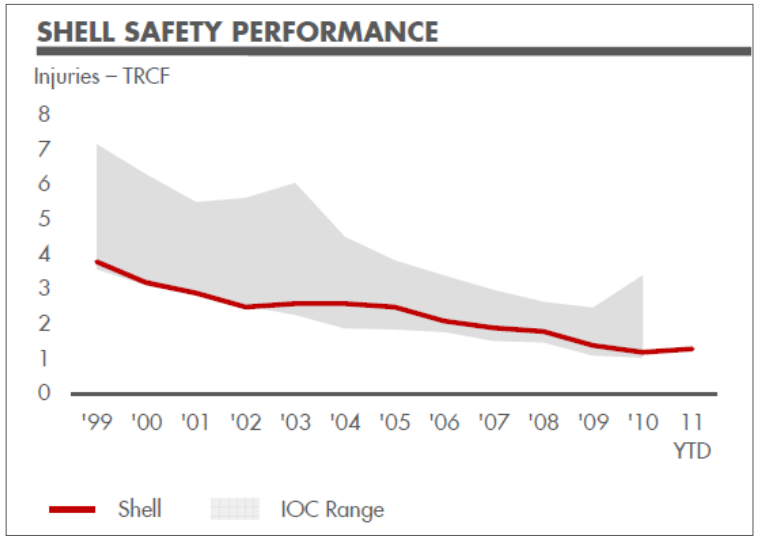
Scott Dennon
UIA Wells HSSE Manager

We are on a Journey to Goal Zero



PATHOLOGICAL	REACTIVE	CALCULATIVE	PROACTIVE	GENERATIVE
Who cares as long as we're not caught	Safety is important, we do a lot every time we have an accident	We have systems in place to manage all hazards	Safety leadership & values drive continuous improvement	HSE is how we do business around here

We can be proud of the improvements we have made



2006

37 fatalities

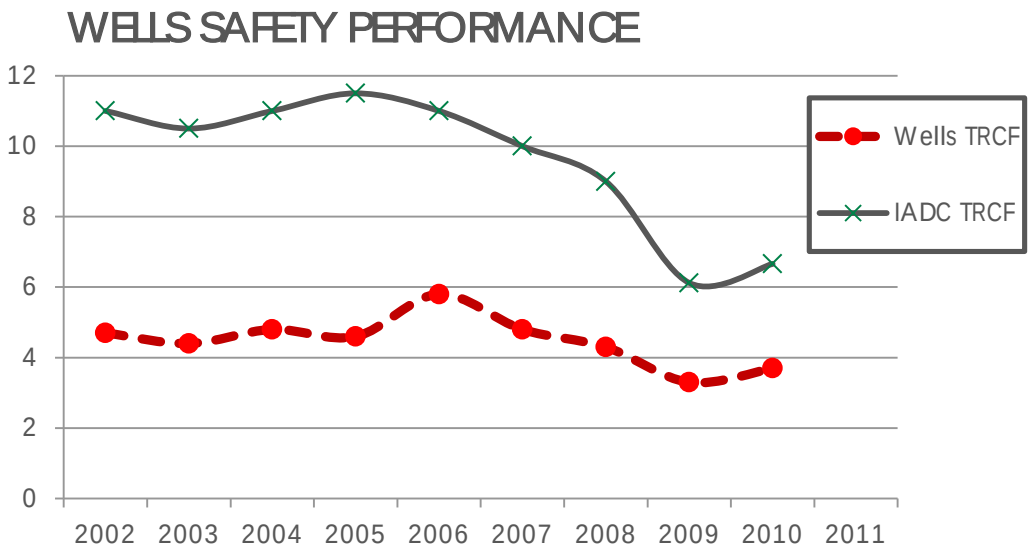
2011 (YDT)

5 fatalities

1 in a million

vs

3 in a million



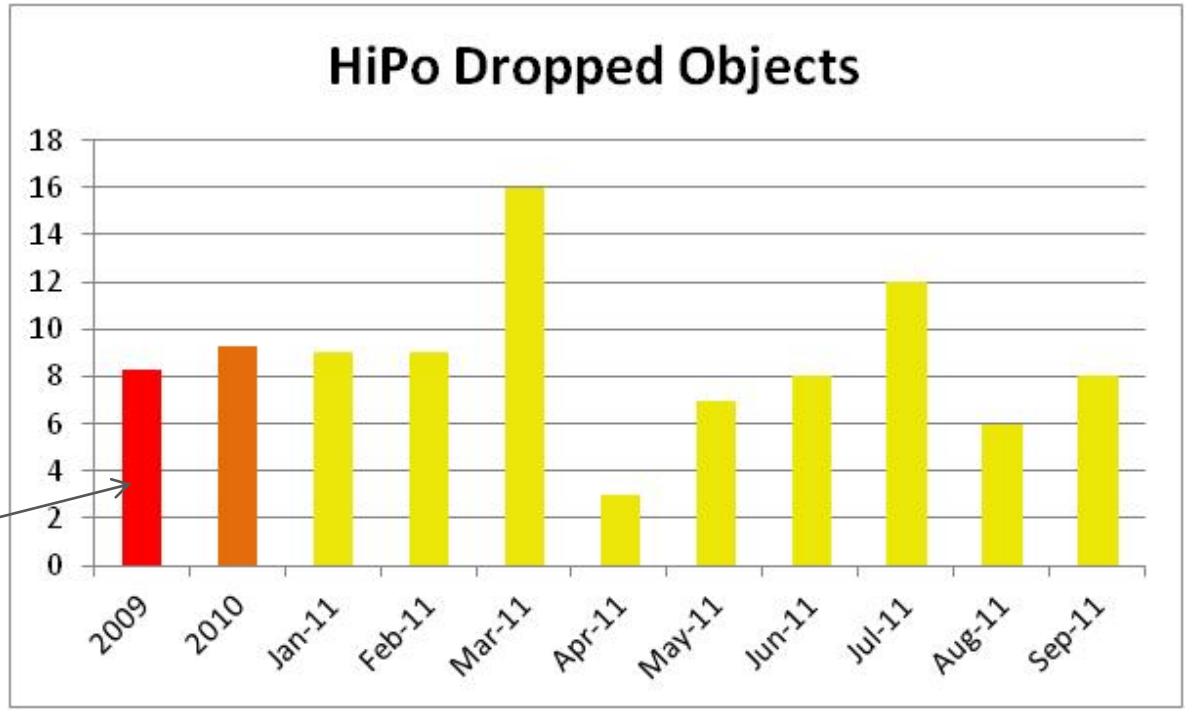
Last NUOC Fatality: 8th August 2010 (456 days)

Last UOC Fatality: 6th April 2009 (945 days)

As of 7/ 11/ 2011

… however, we are NOT at Zero…!

DROPS

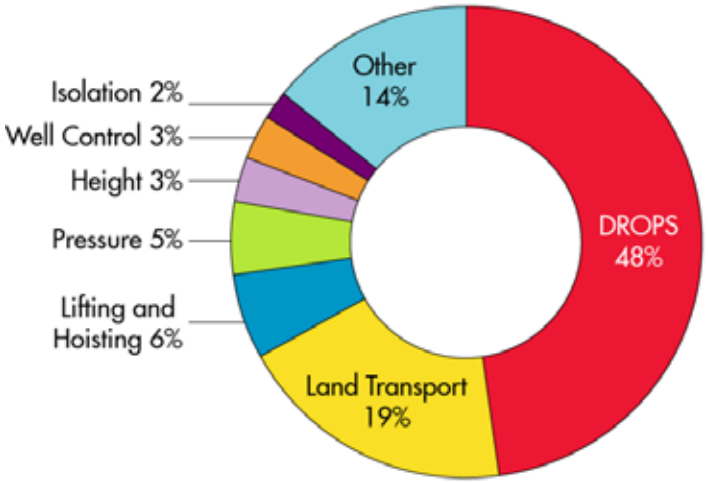


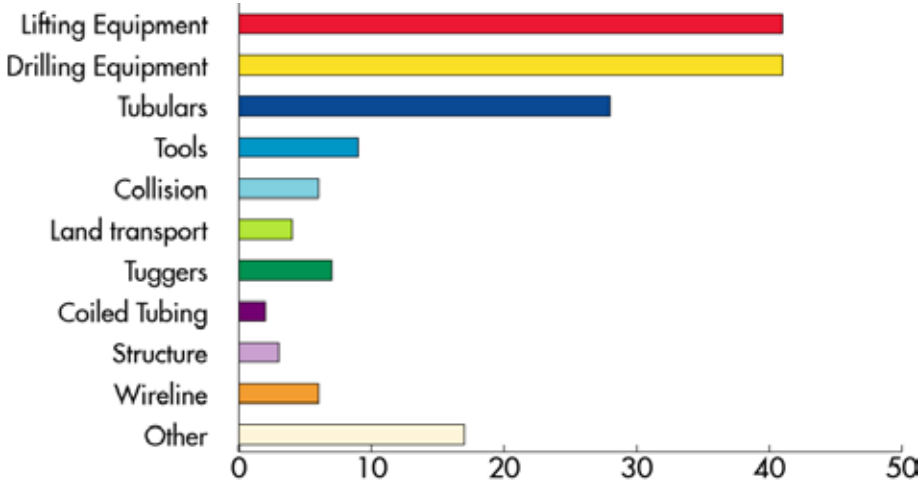
Campaign Commenced July 2009

- Compliance with Prevention of Dropped Objects Manual?
- Training Modules Roll Out?
- Incidents Properly investigated?
- Improved Conditions to achieve compliance (e.g. Tools and equipment)?
- Elimination of the risk?

WELLS DROPS 2012

- Continued trend of 8-10 HiPo's per month globally **(1 every 3 days)**
- More **Dynamic DROPS** incidents – hit something during L&H
- **Top Drive System** – things falling off
- **Red Zones** paramount…no-one hurt
- DROPS in **supply chain** issues – load out sheets?
- **Secondary retention** strength – weight + rotational torque
- UIA Wells = **6 out of 7** HiPo's are DROPS
- Challenge is increasing activity and reduced **competence**
- No fatalities since Aug 2010, HiPo's down from 80% to 50% to 30%





DROPS – WHAT ARE WE DOING?

Q3 2009	Published Prevention of Dropped Objects Manual	§Manual written with input from contractors §ABC Guide to Dropped Object Prevention §Gap Analysis template §Established central (internal) website
Q4 2009	Assigned and briefed DROPS leads	§Regional Drops Focal Points §Onsite Drops Leads §Performed initial Gap Analysis
Q1 2010 to Q3 2011	Run campaign	Address actions from Gap Analysis üTools at height üTubular handling üNo-Go Zones and Red Zones §Handling Lubricators and Toolstrings §Drilling Equipment §Winches and Tuggers §JSA
2012	Keep the Focus	§DROPS Vol 2 in BIP §Self Assessments §Regional HSE support §Regional Wells Induction including DROPS §Regional Audit capability §Elevators training
Ongoing	Build Commitment	§Audit and review §Best practice sharing §Refresher training §Poster campaigns §Go Home Safe videos §Just the way we do business

THE FOUR PRINCIPLES:

Principle 1:	Contractors providing equipment and personnel on Shell well sites shall have a Dropped Object Prevention Scheme
Principle 2:	A systematic dropped object inspection programme shall be in place.
Principle 3:	Worksite Hazard management for dropped objects shall be in place.
Principle 4:	Audits to check for compliance with the Dropped Object Prevention Scheme shall be in place.

Each principle has a series of mandatory requirements

QUESTIONS?