



Dropped Object Prevention Program

Prevention, Operations Excellence, Continuous Improvement

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ABOUT TESCO

Vision

To become our customer's strategic partner in eliminating Non-Productive Time (NPT).



Mission

To be acknowledged by our customers as the premier drilling services company.

- Move from being a Top Drive only AMSS company to a full rig maintenance company
- Move from a call-out CDS™ Service Company to a full offering, broad based tubular services company
- Move from a Top Drive only product sales company to a full rig mechanization products company



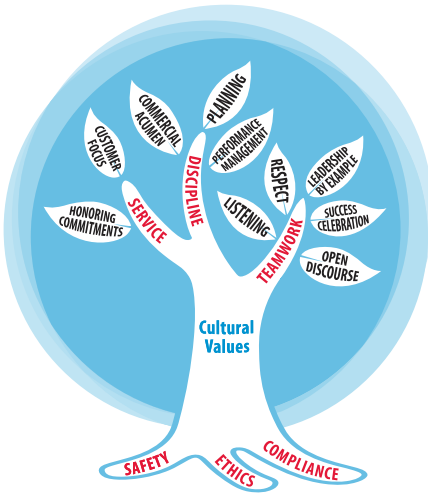
HOW IMPORTANT IS SAFETY TO TESCO?

Safety

Safety is one of three roots that make up the foundation of our Cultural Values Tree.

The vision of the Dropped Object Prevention Program is to create a drop-free workplace to increase the safety in our workshops and field locations. This will be accomplished through:

- Awareness campaigns and training
- Preventative inspections and aggressive tool inventory
- 3rd party supplier awareness of Dropped Object Prevention
- Dropped Object Prevention Committees that act as guardians to ensure implementations and corrective actions



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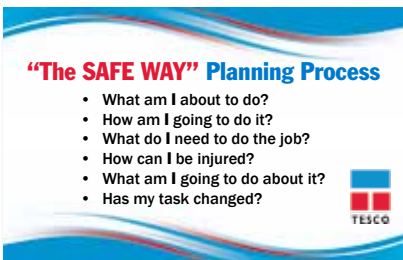


“Status Quo is Not an Option”

Driven by our commitment to safety, the purpose of this program is to protect our personnel and clients from dropped objects. The implementation of the Dropped Object Prevention Program is intended to guide and assist our employees in identifying potential Dropped Object hazards and provide solutions and recommendations for mitigating Dropped Object potential risk.

As such, the overall goals of our Dropped Object Prevention model are to:

- Train our employees and communicate the Dropped Object Prevention methods and tools
- Prevent injury to our people as a result of a Dropped Object
- Prevent the incidence of loss sustained in locations globally due to dropped objects
- Prevent damage to equipment due to dropped objects
- Foster a Sustainable-Accident-Free-Environment (SAFE WAY) appropriate to our activities and our people



Scope

This Dropped Object Prevention Program describes how to proactively mitigate the occurrence of dropped objects through raising awareness from the Research & Development stage to the Field Operations. The content of this booklet applies to all TESCO personnel and contractors working in TESCO locations.

The basis of this program has been adopted from industry best practices and the Dropped Object Prevention Scheme (DROPS) online material. TESCO is an active member of DROPS.

Visit dropsonline.org to learn more.



DROPS

DROPPED OBJECTS
PREVENTION SCHEME



Objective

The objective of this program is to guide our employees on Dropped Object awareness and prevention through:

- Identification and understanding of potential Dropped Object hazards
- Forming a TESCO Dropped Object Prevention Committee, with employee representation in all districts and regions to ensure focus and sustainability of the TESCO Dropped Object Prevention Program
- Raising employee awareness of Dropped Object risks and potential consequences
- Providing mitigation techniques to prevent dropped objects from happening

TESCO's Definition of Dropped Objects

For TESCO, a dropped object is “any object that falls from an elevated position, whether static or dynamic.”

Further definition of Static Dropped Objects and Dynamic Dropped Objects are as follows:

- Static Dropped Object: An object that has fallen from a stationary position
- Dynamic Dropped Object: An object that has fallen as a result of being struck by another object or involved in a collision



Why Does TESCO Need a Dropped Object Prevention Program?

TESCO cares about our employees and all personnel involved with our equipment and operations. Statistics show that dropped objects are among the top 3 causes of fatality and serious injury in the Oil and Gas Industry. Likewise in all industries, dropped objects account for 35% of all safety related incidents and 80% of High Potential Incidents (HiPo's).

The consequences of a Dropped Object can include:

- Personnel Injury/Death
- Damage to Equipment
- Structural Damage
- Environmental Damage



Our Strategy

This Program was founded on three basis: "Prevention, Operations Excellence and Continuous Improvement". With this in mind, the aim is to adopt an employee culture that proactively looks to identify dropped object hazards, communicate the risks, implement solutions, and monitor their effectiveness.

What Causes a Dropped Object?

- Poor Planning
- Poor Design
- Poor Housekeeping
- Poor Maintenance
- Lack of Risk Assessment Tools
- No Regular Inspection Procedures
- Carrying Equipment at Height
- Scrap and Debris Left Aloft
- No Lanyards on Tools Used at Heights
- Improperly Secured Loads

What Are the Potential Effects of a Dropped Object?

A Dropped Object can result in minor to serious injury or potential fatality. Even a small object falling from height can result in disability or fatality. Risk calculation is crucial to ensure effective corrective actions.

TESCO has adopted internationally recognized standards to ensure that the best practices from the industry are put in place. The DROPS Calculator is used to determine the potential harm to the individual, if the item were to drop, based on the mass of the object and the height from which it could potentially fall.

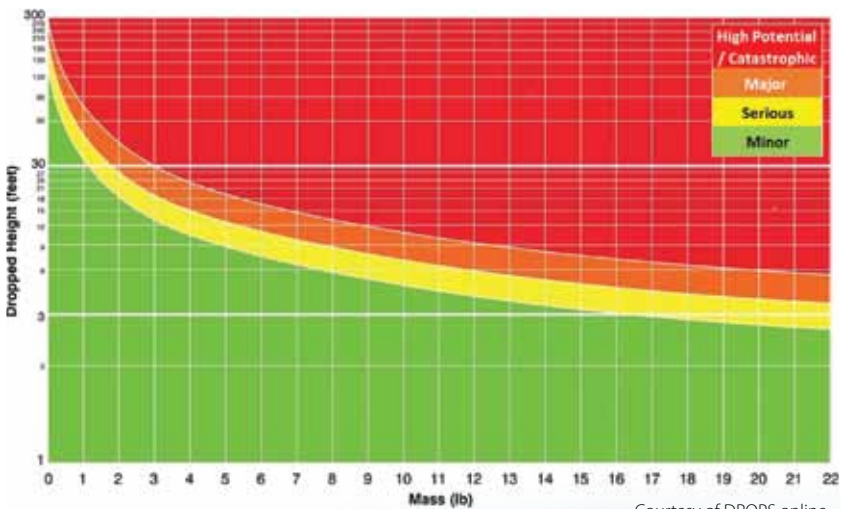
Risk Calculator

THE DROPS CALCULATOR IS A GUIDE ONLY providing cursory indication of possible outcome.

With light objects (<0.1 kg) a key influencing factor is the effect of an object punching the skin and damaging tissue/organ functions. The calculator assumes a blunt object so is not compatible with broken glass, metal shards etc.

The wearing of standard PPE, e.g. hard hat, safety boots and eye protection, is assumed in the calculator.

The DROPS Calculator is used by simply plotting the mass of a dropped object against the distance it falls to.



Courtesy of DROPS online

How is TESCO Preventing Dropped Objects?

This Program aims to raise the awareness with regards to potential Dropped Object hazards within TESCO, our vendors and our clients. Once the hazard is identified the goal is to determine what measures are necessary to remove the immediate hazard (eliminate, substitute or control) and what long term measures are necessary to ensure that the risk is permanently eliminated.

Communication is key to the success of the Dropped Object Prevention Program. TESCO has put in place a Dropped Object Prevention Committee consisting of employees within each of our districts and regions. The committee meets monthly to discuss dropped object incidents, hazard hunt findings, action items and industry best practices. It is also the responsibility of the committee to ensure that adequate communication material is available and displayed (DROPS posters, toolbox talks, DROPS alerts etc.). Contact TESCO QHSE to learn more about the committee.

Identification Tools

No matter where you work, the risk of a Dropped Object is present. If the risks are not identified, then incidents and injuries can and will happen. TESCO has imbedded Dropped Object Prevention awareness reminders into several operational processes to ensure that the potential dropped objects are being identified. This program integrates easily with our JSA's, the SAFE WAY Process, equipment inspections, and tool & equipment inventory.

In addition, our Research and Development and Sustaining Engineering teams have been involved in the conception of the program to ensure that Dropped Object Prevention potential is at the forefront of thought. Beginning at the conceptual design phase through to the manufacturing phase.

Hand Tools for Working at Height

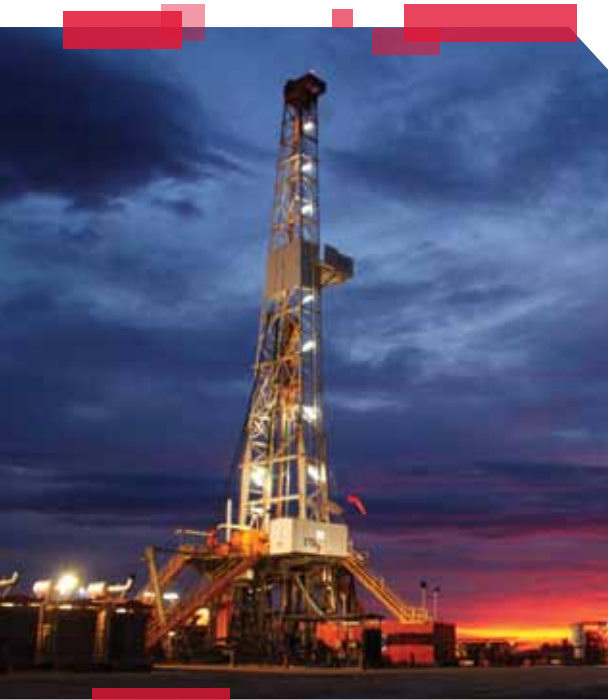
To eliminate the risk of dropping hand tools when working at height, TESCO has implemented specially designed hand tool kits. The kits consist of a tooling bag; tool lanyards and tools intended for working at heights. The tools are designed to enable user freedom and maintain product functionality but continue to safely control the tools. The kit itself is designed with tool control foam which provides quick visual inventory control and all tools are engraved with TESCO and the kit number for easy identification.



Hazard Hunts

TESCO has implemented, as a proactive measure, hazard hunts in all our facilities and worksites. These hunts are aimed towards potential Dropped Object identification and prevention.

TESCO is training employees and bringing awareness of the risks regarding dropped objects on the rigs, in the workshops, and within office areas. Once hazards are identified, employees will be guided as to how to put corrective actions in place to remove the risks completely or mitigate them effectively.





TESCO[®]

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