



DRILLSAFE PRESENTATION

14 December 2006

A Services Company
HSE Journey





Agenda

- Catalyst for Change
- Search for Excellence
- Integrated Management System (IMS)
- Action Plan
- Performance Management
- Current Initiatives
- Key Challenges



Catalyst for Change

- Transition Pressures
 - Early Years Trucking company
 - Middle Years Logistics company
 - Recent Years Service company
- Core business focussed on oil and gas industry with more demanding standards and expectations
- Requirement for a more sophisticated Safety Management System lead to development of an Integrated Management System developed for Bayu Undan Project – CoP requirements and our weaknesses was the key turning point
- Opportunity to strive for best practice and achieve market differentiation

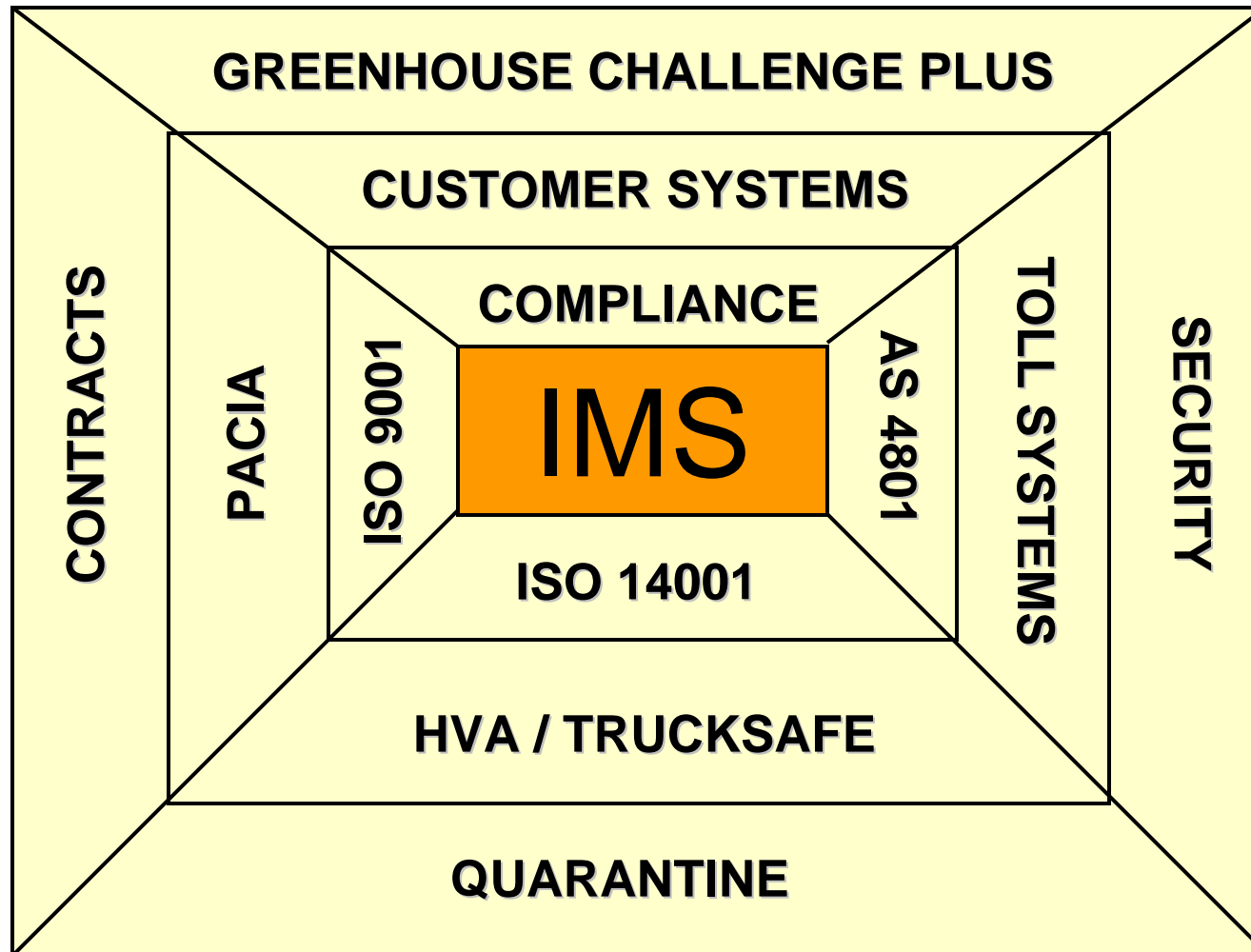


Search for Excellence

Key areas requiring improvement included:

- Leadership, management and accountability
- HSE framework
- Operational processes and procedures
- Hazard identification, elimination / mitigation
- Training
- Inductions and supervision
- Introduction of professional HSE skills
- Reporting, investigation and analysis
- Culture – mindset, attitudes and practices

Integrated Management System





HSE Action Plan (annual)

- Implement systems to ensure accountability and improve knowledge
- Develop measurable improvement in leadership and commitment at all levels of management
- Develop measurable improvement in communications, motivation and employee involvement
- Strive to conduct operations in a risk free environment
- Train all employees and service providers and ensure that they are proficient to perform the given task
- Report, investigate and analyse all incidents to ensure learning outcomes are transferred to the workplace
- Ensure delivery of quality services to customers
- Minimise operational impacts on the environment
- Implement systems to ensure compliance against regulatory requirements for heavy vehicle operations
- Implement and monitor IMS systems to achieve full compliance

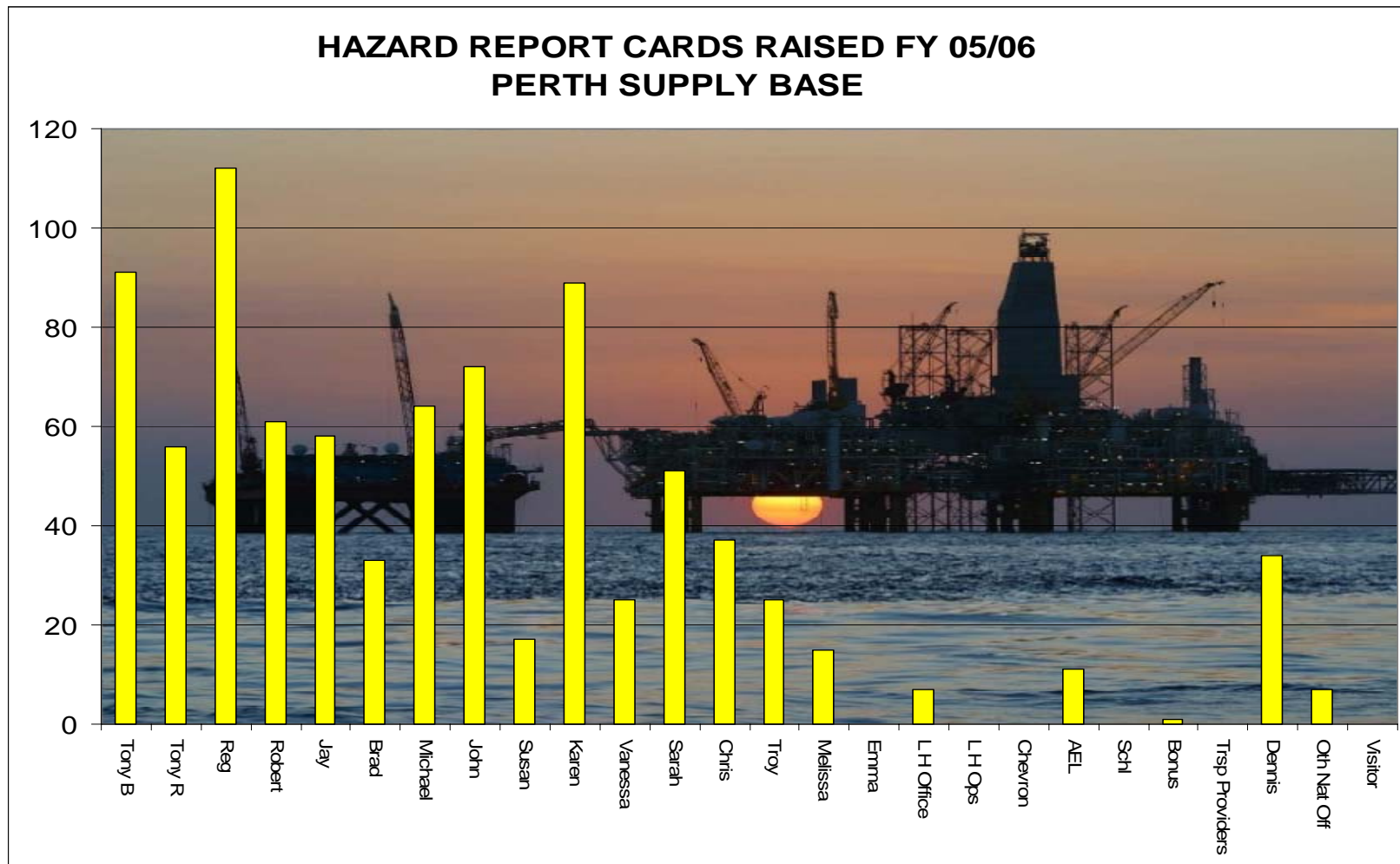


Performance Measurement - Plan

Summary

- 35 criteria with 102 measurable action objectives
- All levels of management held accountable
- Total employee / service provider involvement
- Customer input at operational level
- Third party and customer auditing / compliance

Performance Measurement

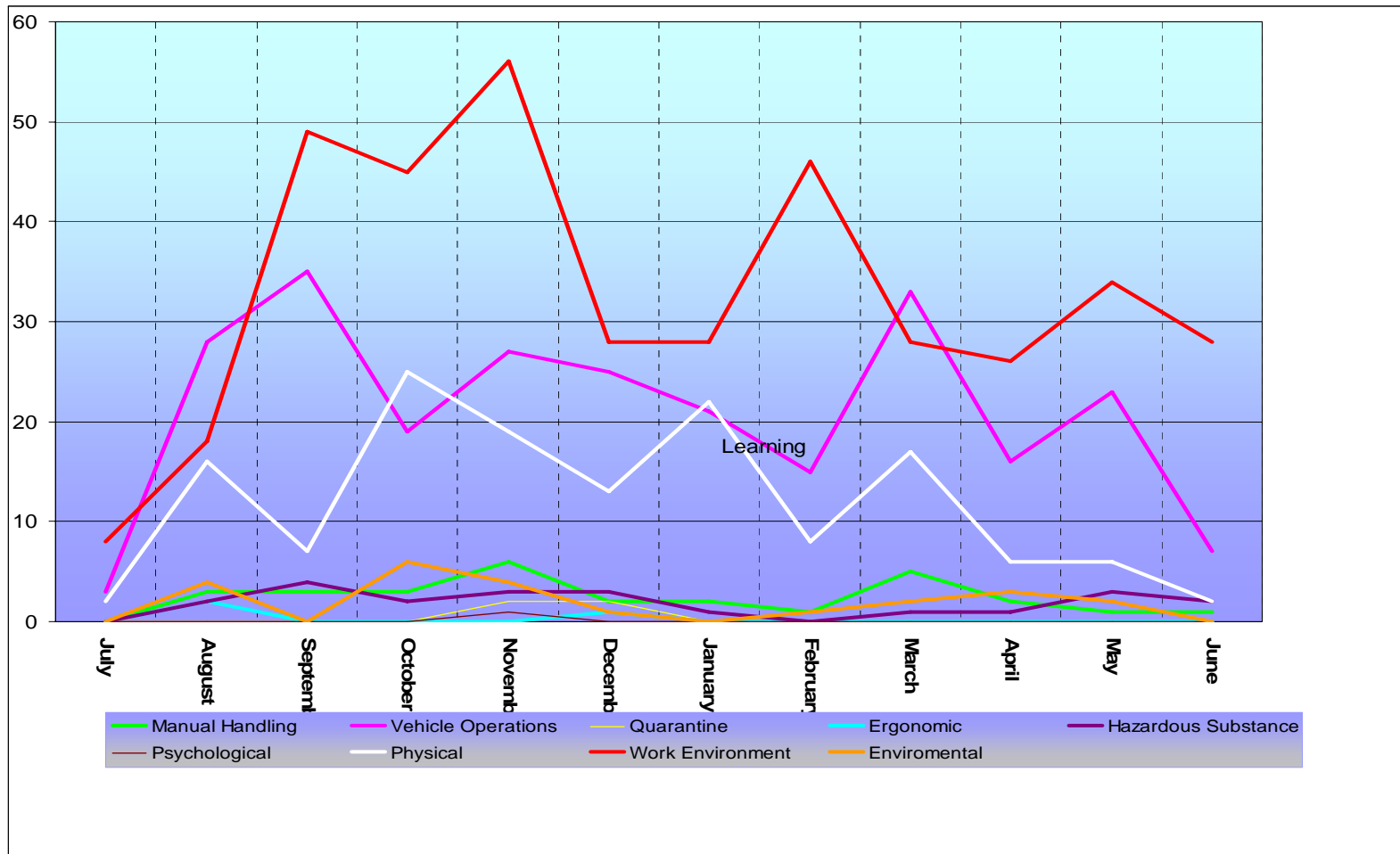




Performance Measurement

HAZARD REPORTS BY TYPE FY 05/06

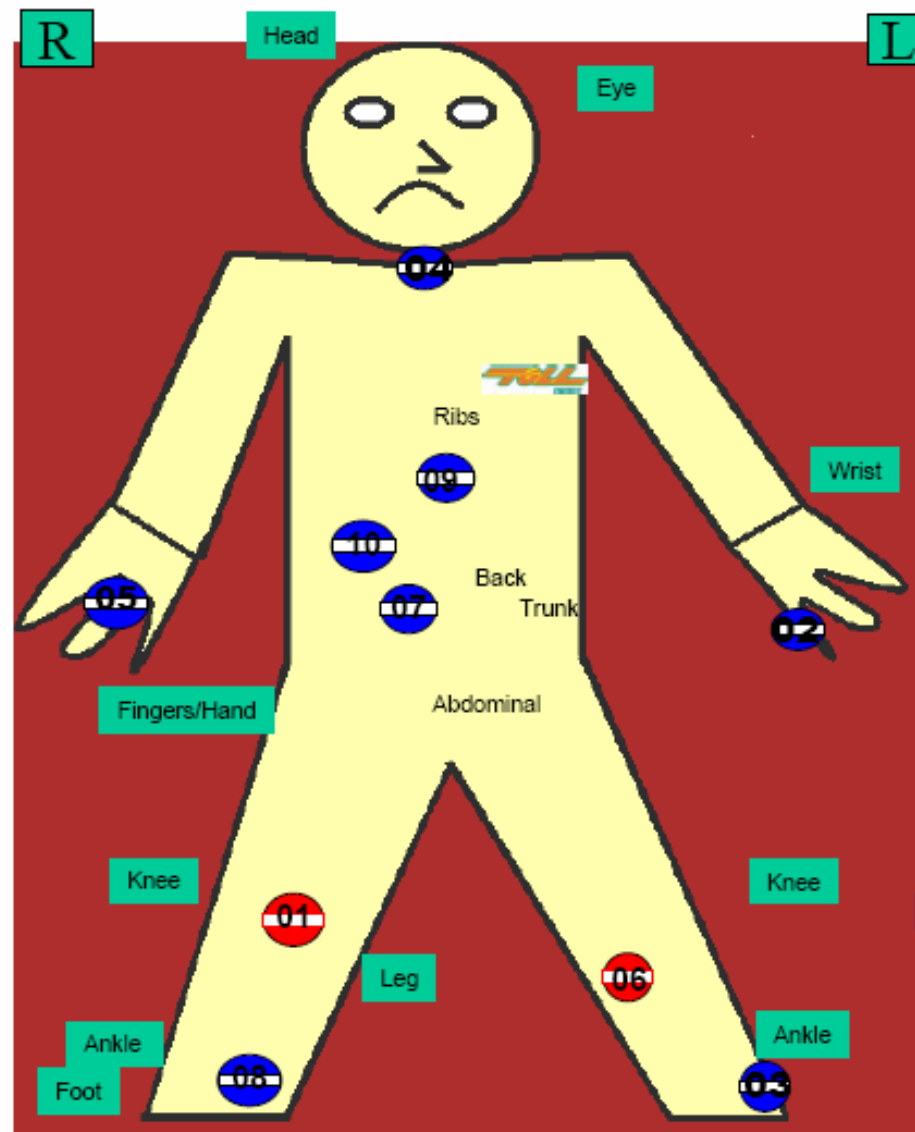
PERTH SUPPLY BASE



1 Jan – 31 Dec 05 ACCIDENT/INJURY BODY CHART

01	Darwin	14/02/05
02	Dampier	17/02/05
03	Perth	11/05/05
04	Victoria	10/02/05
05	Perth	16/06/05
06	Victoria	28/06/05
07	Dampier	11/07/05
08	Victoria	16/08/05
09	Dampier	22/09/05
10	Perth	13/10/05

MTI
 LTI





Incident Reporting

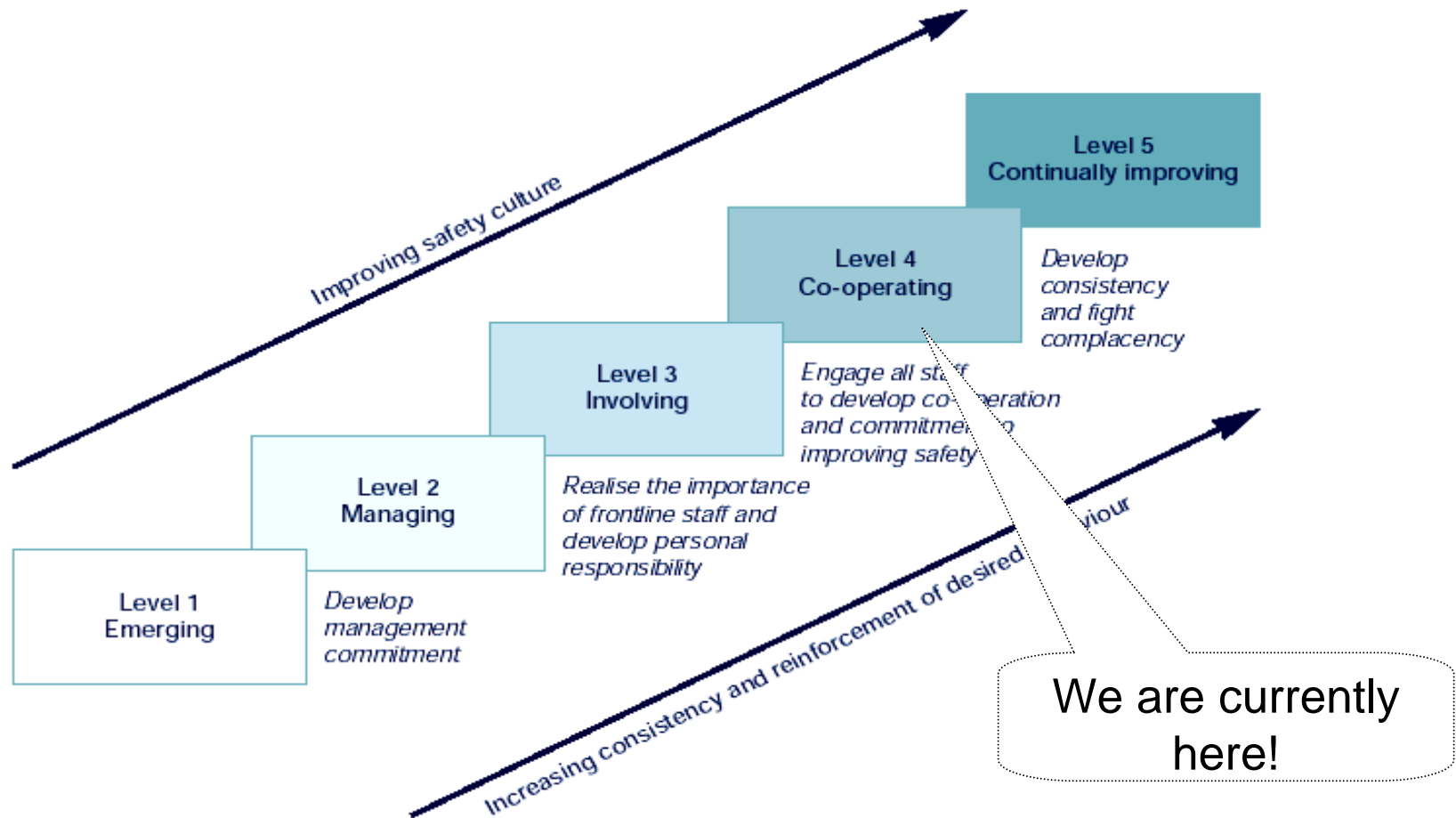
- All incidents reported and investigated (achieving steady progress with near miss reporting)
- A new performance measure was introduced in 2006 – all recordable injuries. This includes:
 - LTI's
 - Restricted work injuries
 - MTI's
- Incidents are reviewed to ensure that trends are recognised and actions taken to identify root cause (manual handling, tubular pipes, forklift operations, fingers, eyes, fall from height) and take appropriate action
- Current LTIFR is 6.4 compared to 2005 result of 13.7. Average LTIFR for the transport and storage industry is 17.2 and for oil & gas extraction is 9.0



Areas Requiring Sustained Focus

- Operational practices
 - Technical innovation with MHE (specialised forklifts)
 - Manual handling including tubular management
 - Vehicle operations
- Logistics planning – communication issues with customers and service providers
- Facility improvement
- Service provider/ labour hire management
 - Selection and induction
 - Supervision
 - HSE awareness and training
- Leadership, cultural attitudes and mindset

Behavioural Change





Current Initiatives

- HSE professionals on key operational sites
- Paraplegic Benefit Fund Australia SPINE program
- Behavior based safety program
 - TriPod, Dupont, Step Change, Zero Incident Process pilot program conducted in Perth
- Management incentive scheme
- More robust analysis to provide key lessons learned
- Employee recognition program (in progress)
- Developing an in-house supervisor leadership program
- Daily toolbox meetings
- Service provider selection, management and training



Key Challenges

- Leadership and accountability
- High risk industry
- Operating environment and facilities
- Industry attitudes / culture / regulation / compliance
- Cost versus Risk – low margin industry sector
- Sustainability - long HSE journey
- Alignment:
 - Customers
 - Service providers



Questions