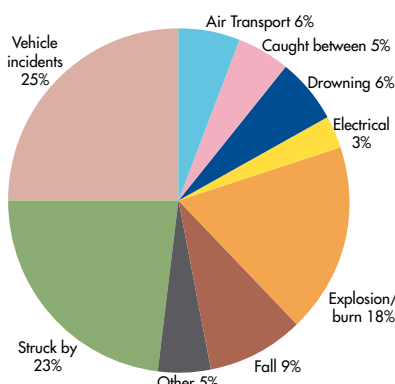


New safety report shows mixed results

In a report based on more hours worked than ever before – 3.3 billion, a 13% increase over the previous year's report – *Safety performance indicators - 2008 data* shows mixed results.



fatality causes (excluding 'unknown')

During the reporting period, lost time injury frequency (LTIF) was the lowest on record at 0.55 injuries per million hours worked. The total recordable injury rate (TRIR) was also at an all-time low of 2.08 injuries per million hours worked – continuing a long-term trend for improvement. However, the severity of incidents being reported is increasing. This is apparent from a 4% rise in the fatal accident rate (FAR) and the increasing number of days lost per each restricted workday case – up 16% on 2003-7 figures.

There has also been a decrease in the ratio of lost time injuries to fatalities (from 25:1 in 2006 to 22:1 in 2007 to 17:1 in 2008).

Figures from 2008 show that the most prevalent type of fatal incidents in the upstream oil and gas industry remain associated with vehicle operations, being struck by moving objects or falling victim to released energy. Collectively, these account for 48% of fatalities recorded by category.

According to the report's executive summary, also worth noting is the 'subtle

shift in power in reporting, with the volume of reports from the Middle East rising to account for 25% of all hours worked. This shift has resulted in what is probably better representation of the upstream safety performance as a whole.

'What we must remember,' says OGP Executive Director Charles Bowen, 'is that 103 people are reported to have died in 82 upstream-related incidents in 2008. That's about average for the past few years and is a figure that we can't accept with complacency.'

The report in full can be downloaded from the publications section of:

www.ogp.org.uk.

See page 2 for summary data on fatalities, lost time incidents and total incidents.

Horn of Africa piracy & upstream operations: a new service & a forthcoming conference

During the Tokyo EGM, Security Committee Vice-Chair Victor Watson gave a presentation on piracy off the Horn of Africa (see *Highlights May 2009* and the minutes on the members' website). Expanding on that topic, details have come from the UK Maritime Trade Operations (UKMTO) on how it can act as a point of contact and liaison with military authorities from its office in Dubai.

Among its services is a Voluntary Reporting Scheme under which merchant vessels – including oil and gas tankers – are encouraged to send daily reports on their positions between Suez and Dubai and their estimated times of arrival at port. UKMTO then tracks those vessels and passes the information on to headquarters. Once those links are established, emerging and relevant information regarding piracy can be passed directly to ships, which improves their ability to respond to any incident.

UKMTO also acts as the focal point for any incidents reported within the area – including suspicions about any vessels encountered. The team will then be able to advise the ship's master and, if an attack is underway, offer practical advice to the crew.

This service, centred at the Maritime Security Centre for Horn of Africa (MSCHOA), has been in place since December 2008. It is staffed by a combination of military and merchant naval personnel from several countries and co-ordinates closely with military forces operating in the region.

With piracy seen as a growing cause of concern for the upstream industry, operators and shippers should be aware of a two-day event, the Maritime Security & Anti-Piracy Conference, MSAPC-2009 on 29-30 September, followed by a one-day workshop on 01 October. Both will focus on the global issue of international piracy. Bringing together government officials from the United States, NATO, the European Union and regional states of the Horn of Africa, these gatherings in Washington DC will also feature senior decision-makers from the shipping industry.

According to organisers, New Fields, the agenda will include:

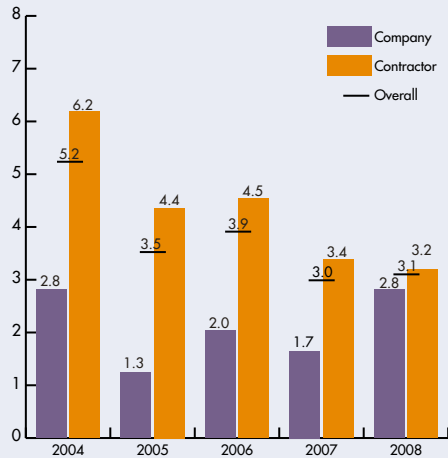
- Global commerce & modern piracy
- Crisis response
- Types of pirate attacks
- Legal challenges
- Co-ordination with patrolling naval forces

For more information, visit:

www.new-fields.com/MSAPC.



2008 safety performance indicators (continued)



Fatal accident rate
per 100 million hours worked

Fatalities

A total of 103 upstream fatalities were reported in 2008. Of these, 20 involved company personnel and the rest were contractors. This is compared with a total of 87 fatalities reported in 2007. Since then, there has been a 13% increase in work hours reported.

The overall fatal accident rate (FAR) is 3.1 per 100 million hours worked, an increase of 4% over last year's figure. The company FAR was 2.8, compared to 3.2 for contractors. The most common cause of fatalities was vehicle incidents, as was the case in 2007. The second most frequent cause was in the category denominated 'struck by'. Both categories were covered in recommended practice reports published by OGP in 2006.

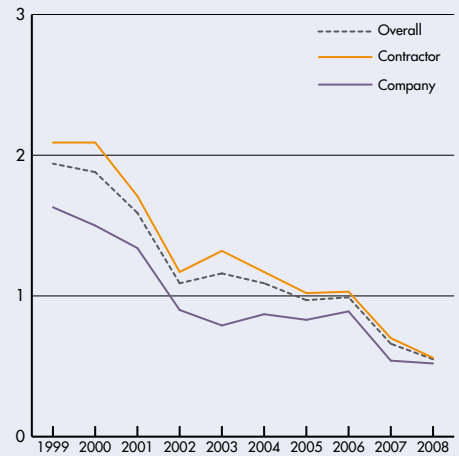
In the single incident with the highest number of deaths in 2008, an explosion killed seven contractor employees and injured two others during repair work on a pipeline in Nigeria.

Lost time injuries

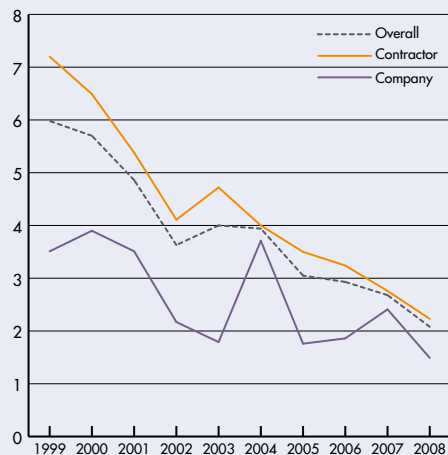
Defined as a measure of the number of incidents that resulted in one or more days away from work, the lost time injuries frequency (LTIF) in 2008 was 0.55 per million hours worked, a decrease of 17%. This continues a long-term downward trend.

The improvement was most marked in contractor performance, which was 20% lower, at 0.56 lost time injuries per million hours worked. As a result, the difference between company and contractor performance has also reduced, with contractor LTIF being just 8% greater than the company value.

In total, there were 1,709 reported injuries resulting in at least one day off work. This equates to an average of 33 such injuries every week of the year – a 7% reduction compared to 2007's results. About 269 person years were lost by reporting companies and their contractors as a result of injuries.



Lost time injury frequency – company & contractors
per million hours worked



Total recordable injury rate – company & contractors
per million hours worked

Total recordable injuries

The rate of total recordable incidents (TRI) was 2.08 injuries per million hours worked – a 22% improvement compared to 2007 and less than half of the 1997 result. This was the lowest value on record. TRI includes fatalities, lost workday cases, restricted workday cases and those incidents that required medical treatment.

Petrobras helps provide *indicadores* of performance in *saúde*

The joint OGP/IEPCA report on health performance indicators has just been translated into Portuguese, thanks to help from Petrobras.

This 2008 document updated an existing report to include recently agreed guidance on voluntary sustainability reporting and the growth of health management standards such as OSHA 18001. 'Now that the guidance is available in a language important on three continents, it will prove to be even more useful,' says Rob Cox, who provides secretariat support for the joint OGP/IEPCA Health Committee.

The document joins a growing portfolio of OGP reports translated into a range of languages including Chinese, Arabic and Farsi.

Underwater Sound Forum hears latest on sound & marine life

The eighth meeting of the Underwater Sound Forum (USF), which took place in London on 22 May, provided an opportunity for OGP to update attendees from the UK government, academia and NGOs on progress made by the OGP-managed Sound & Marine Life Joint Industry Programme.

OGP Technical Director John Campbell made the presentation, which he reports was well-received.

Key points raised at USF included:

- A summary of the consultation underway on proposals for Marine Protected Areas in the UK
- Concern over pile-driving
- The creation of a 'mitigation and monitoring' database as part of the www.oceanet.org system
- Delays to the UK government's plans to select and initiate studies on marine sound

For more detailed information contact: john.campbell@ogp.org.uk.



Taking OGP's safety message to Australia

OGP Executive Director Charles Bowen represented OGP at the APPEA 2009 Conference & Exhibition in Darwin, Australia during the first week of June. The event, which was subtitled 'New Frontiers', attracted industry leaders from around the world as well as the region.

Charles's talk on 01 June focused on emerging global safety issues. In addition to updating the meeting on developments in asset integrity and aviation safety – with special emphasis on recent helicopter incidents – he provided a preview of the Association's *Safety performance indicators 2008*.

'It was important to fly the OGP flag at this event, one of the most significant meetings of its sort in the region and organised by one of our most active national association members,' Charles said.



North Sea helicopter crash memorial fund

Following the tragic death of 16 people in the crash of Flight 85N off north-east Scotland on 01 April 2009, OGP member Oil & Gas UK has established a memorial fund through the UK Charities Aid Foundation.

The charities to benefit from contributions will be determined in conjunction with the wishes of the bereaved families and the companies directly concerned.

Meanwhile, donations received will be administered and distributed by the Charities Aid Foundation (CAF).

To find out more about the fund and how to contribute, visit:

www.oilandgasuk.co.uk.

OGP meets European Commission leaders on Strategic Energy Review

EU Committee Chair Barry King led an OGP delegation for discussions with DG TREN Director-General Matthias Ruete and Jan Panek, Head of the Coal & Oil Unit, on 02 June. The subject was the EU Commission's Second Strategic Energy Review.

According to OGP EU Affairs Director Beate, who was joined by EU Affairs Manager Richard Hall, the conversation focused on a wide range of topics including European production, external relations, security of gas supply, and carbon capture & storage (CCS).

On the subject of production, Mr. Ruete said that he supported the idea of a communication that would promote the sustainable production of all fossil fuels – with particular emphasis on indigenous supplies. That being said, he was also 'very keen' to deal with unconventional resources and to learn more about them – particularly unconventional gas, Beate reports. Mr. Ruete said that the DG TREN workplan included an energy strategy for the next five years that would form part of the next strategic energy review, due for publication next year.

Regarding external relations, Mr. Ruete was positive on the EU-Russia summit and the continuation of the EU-Russia energy dialogue, which he saw as a way of preventing interruption of supply – which would be enhanced by proposed regulation on infrastructure investment monitoring, he said.

The Commission team had a number of questions on CCS, Beate says. In particular, Mr. Ruete asked about the possibility of using depleted fields and existing oil & gas infrastructure for the process. Beate responded that while such potential exists, 'making the necessary alterations to existing infrastructure would have to be reviewed on a case-by-case basis.' In addition, she cautioned, open issues of the CCS Directive, such as stipulations relating to the purity of the gas and the years of liability for existing operators, would have to be resolved. However, awaiting such resolution 'should not become an additional stumbling block to progress,' she said. Overall, 'Mr. Ruete agreed with the importance of addressing public acceptance of CCS,' Beate concluded.

For more information about EU's Second Strategic Energy Review, contact: beate.raabe@ogp.be.

Flaring down, says GGFR

The Global Gas Flaring Reduction Initiative (GGFR), the public/private partnership with which OGP has been involved since its inception, has recorded progress in its aims.

According to the latest bulletin, 'satellite data for 2008, which is a joint effort between GGFR and the US national Oceanic & Atmospheric Administration, show that efforts are paying off. For the third consecutive year, the global estimate for gas flaring has continued to decrease and is now estimated at 138 billion cubic metres (bcm) per year.' This is compared to 151 bcm in 2007. In 2006 a total of 160 bcm entered the atmosphere from flaring and venting – 19 bcm lower than in 2005.

However, GGFR says, 'the ranking of flaring countries remains virtually the same, with Russia leading the pack, followed by Nigeria, Iran and Iraq.' The others in the top ten for flaring in 2008 were Algeria, Kazakhstan, Libya, Saudi Arabia, Angola and Qatar.

The bulletin, *The News Flare*, also reports on the GGFR Global Forum, which OGP co-organised in Amsterdam at the end of 2008.

For more information on GGFR, visit: www.worldbank.org/ggfr.



Coatings Task Force holds inaugural meeting

The Standards Committee's Coatings Task Force held its first meeting on 14 May in London.

Under the direction of Chair Muayyad Abdul Afo Ajjawi of Qatar Petroleum and Vice-Chair Mike Surkein of ExxonMobil, the agenda addressed terms of reference, a review of proposals and actions arising out of the workshop held the previous year and a number of technical presentations on issues including:

- Coating practices for floating, production, storage and offloading (FPSO) facilities
- Painting guidelines for ballast tanks
- Corrosion under insulation
- Coating of pipeline risers
- Coating systems for different climatic conditions

Commenting on the meeting, Mike Surkein cited the benefits of learnings, networking and training. Per Lunde of StatoilHydro focused on the benefits of 'sharing technical experiences, problems and solutions in a very open manner within all aspects of corrosion protective coating. The same approach extends to our exchanges between meetings,' he said.

The Task Force next meets at OGP's London office on 01-02 December. For more information, contact: alf.reidar.johansen@ogp.org.uk.

Task force/working group farewells

Derek Tate of Schlumberger has stepped down as Chair of the Safety Committee's Land Transportation task Force.

According to Committee Chair Hans Jørn Johansen, Derek was an active leader 'who loyally promoted the OGP Recommended Practices for Land Transportation in his own company as well as at international conferences. He was also the author of a wide variety of papers for the SPE HSE conferences. OGP owes him great thanks for his work and welcomes his decision to serve in a new role as Vice-Chair.

Recent & Forthcoming meetings

June

Mon	Tue	Wed	Thu	Fri	Sat	Sun
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
27	28	29	30			

July

Mon	Tue	Wed	Thu	Fri	Sat	Sun
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Committee	Date
Human Factors Task Force teleconference	04 June
Environment Committee	09-10 June
Biodiversity Working Group	09-10 June
Gas Work Group	11 June
Risk Assessment Data Directory TF teleconference	12 June
European Environment Subcommittee	16 June
Land Transportation Implementation TF telecon	18 June
EU Committee Strategy Meeting	23 June
Arctic Co-ordination Task Force	24-25 June
Safety Data Subcommittee teleconference	29 June
E&P Sound & Manne Life JIP TMC telecon	30 June - 01 July
EPI Subcommittee teleconference	13 July

Derek's successor is David Allison of Petrom, an OMV subsidiary.

The Chair of the EU Committee Gas Work Group has also resigned. Bjørn Melaa of Shell has left to take on new responsibilities within the company. His replacement as Shell's representative is Chris Mansfield.

The Work Group is expected to elect a new chair shortly.