



HSE Corporate Business Plan 2012



**GOLDEN
RULES**

- Comply
- Intervene
- Respect



**LIFE
SAVING
RULES**

12 Life
Saving Rules



**GOAL
ZERO**

“No Harm to People
& Environment”

MD's Message on HSE

I want to make sure all our staff and contractors working with PDO clearly understand that Health, Safety and the Environment (HSE) is an over-arching priority for me which is integrally linked to the definition of success.

We have many key performance indicators and we all want to attain production, reserves, costs and other targets, but what I want above all, is to make sure that in delivering these targets, each and every one of you, PDO staff, contractors and our neighbours, are safe and unhurt and have the opportunity to share success stories with your friends, family and loved ones at the end of each day and at the end of every rotation.

If we look at our 2011 HSE performance, I am pleased to see significant improvements in Lost Time Injury / Total Recordable Case Frequencies (LTIF/TRCF) and in the fields of environment, asset integrity process safety management and health.

I am delighted to recognise and celebrate that some sections in our operations have achieved our Goal Zero target of "no harm to people and the environment". Hence we need to sustain these sterling achievements and learn how best to replicate across our company.

The 2012 HSE Business Plan is therefore designed to uphold the gains, with additional focus on areas needing improvement. This year, we will place additional emphasis in promoting visible, caring and felt leadership, implementing focused Behaviour Based Safety Programmes, launching the updated and simplified HSE Management System, and enhancing our support to road safety initiatives, particularly in the area of commuting procedure.

I need you all to live by and implement the Golden Rules by complying with our standards in your respective areas of work, intervening where you see non-compliance or an unsafe act, respecting our neighbours and the environment. I also need you to comply with the Life Saving Rules and continue to raise the reporting of near-misses, a "gift and blessing" learning opportunity to avoid future incidents we cannot and must not waste.

Please take care of your own safety and those around you and continue to build on our 2011 achievements.

Thank you,

Raoul Restucci
Managing Director

“ I am delighted to recognise and celebrate that some sections in our operations have achieved our Goal Zero target of 'no harm to people and the environment'. ”

LIFE SAVING RULES

WHAT ARE THEY?

- 1  Work with a valid work permit when required
- 2  Conduct gas tests when required
- 3  Verify isolation before work begins and use the specified life protecting equipment
- 4  Obtain authorisation before entering a confined space
- 5  Obtain authorisation before overriding or disabling safety critical equipment
- 6  Protect yourself against a fall when working at height
- 7  Do not walk under a suspended load
- 8  Do not smoke outside designated areas
- 9  No alcohol or drugs while working or driving
- 10  Wear your seat belt
- 11  While driving, do not use your phone and do not exceed speed limits
- 12  Follow prescribed Journey Management Plan



HSE Management System

...Making Goal Zero Happen



SIGNIFICANT CHANGES IN 2012

- Promote Visible, Caring and Felt Leadership
- Fully functional In-Vehicle Monitoring System (IVMS)
- Behaviour Based Safety (BBS)
- Revise and implement commuting procedure
- Manage HSE of Support Services
- Small fields HSE Management
- Enhance Communication
- Build Incident Investigation Capability
- Focused efforts on Well Engineering
- Raise process safety competency of interior operations staff
- Close gaps in Process Safety Basic Requirements
- Move to "Calculative" status for Integrity Assurance
- Sign-off on the Statement of Fitness

HSE PROJECTS

VISIBLE, CARING AND FELT LEADERSHIP

- Increase HSE capability in senior Non-HSE professionals
- Enhanced focus in managing HSE Must-Win Project Teams
- Implement HSE leadership qualities tool

Raoul Restucci (MD)

ROAD SAFETY

- Fully functional IVMS
- SP2000 Compliance
- Revised Commuting Procedure

Intisaar al-Kindy (XD)

CONTRACT HSE MANAGEMENT

- Verify Closure of LOA Findings
- LOA verification of High/Medium risk contract
- Map and Manage HSE of Support Services

Suleiman al-Tobi (OSD)

PROCESS SAFETY

- People and Systems
- Operating Integrity
- Design Integrity
- Technical Integrity

Abdullah al-Shueley (UEOD)

WORKSITE HAZARDS

- Behavioral Based Safety
- Lifting Operations
- Enhance management of STOP, LSR, Near Miss

Abdulsattar al-Murshidi (UWD)

NORM & OILY WASTE MANAGEMENT

- Manage NORM risks
- Manage Oily Waste

Dr Ali al-Gheithy (UPD)

PROCESSES & SYSTEMS

- Implement new HSE-MS
- Build HSE Investigation Capability
- Annual Review of HSE-MS

Naaman al-Naamany (MSEM)

ENVIRONMENT

- Well Test Flaring
- Operational Flaring Strategy
- Data Management System

Naaman al-Naamany (MSEM)

HEALTH

- Revise and update health management standards
- Enhance engagement with Contract Holder

Dr. Suleiman al-Rawahi (MCC)

2012 HSE CORPORATE SCORECARD

KPI	Wt.	0	1	2
-----	-----	---	---	---

Lost Time Incident Frequency (LTIF)	10%	0.51	0.36	0.27
-------------------------------------	-----	------	------	------

Process Safety: Implementation of Process Safety Improvements	10%	90%	100%	110%
---	-----	-----	------	------

Total **20% of Corporate Scorecard**

Raoul Restucci
Managing Director



“Striving for continuous improvement in all areas”

Demonstrating visible, caring and felt leadership is a key enabler towards achieving our safety objective of 'no harm to people and the environment'. As the first requirement in our HSE Management System, I seek to see our individual and collective leadership enhanced through improved personal HSE capabilities, greater ownership of HSE Must-Win projects and improved HSE Leadership quality assessments.

Raoul Restucci
Managing Director

Golden Rule	Objective	Action Item	Performance Measure	Directorates												Timeline					
				MSEM	MCC	OND	OSD	UWD	UEOD	UID	XD	GD	UPD	UCPD	HD	FD	Q1	Q2	Q3	Q4	
Respect	Promote visible, caring and felt leadership	Expose 50 non-HSE professionals (ELT) to HSE	100% completion	R		S	S	S	S	S	S	S		S	S	S	•	•	•	•	
		Develop a structured HSE Leadership qualities tool and conduct fingerprint at the Executive Training	Improved Executive Training Fingerprint for each leader	R		S	S	S	S	S	S	S		S	S	S				•	•
		Invite international HSE speakers to share success stories	Invite 1 speaker	R		S	S	S	S	S	S	S		S	S	S		•			
		Hold Bi-Monthly HSE Must-Win Steering Committee Meetings	100%	R	R	R	R	R	R		R							•	•	•	•
		Present Directorate HSE Performance to MDC	100%	R		R	R	R	R	R	R	R	R	R	R	R	R	•	•	•	•



“The Road Safety accidents numbers, LTIs & fatalities have seen further improvements”

The initiatives that were run in 2011 as part of the Must-Win in addition to the other initiatives on road safety, have resulted in maintaining the good records that we achieved in 2010.

The IVMS, Driving Forums and active role of the Road Safety Standard Team (RSST) have added another dimension in improving road safety. The “A” Defects reports have dropped in this year compared to last year because we kept implementing strict consequences.

Life Saving Rules have once again proven to be vital. The number of Life Saving Rules violations and non compliances has dropped.

The focus in 2012 will be to implement the new strategy on commuting, continue with the RSST focus on compliance, Safe Journey Management (SJM) Audits and other proactive Hearts & Minds tools that will assist and encourage safe driving.

Several road shows are planned to enhance roles and responsibilities of drivers and ensure effective and proactive usage of the IVMS System.

Roadworthiness Assurance Scheme (known as RAS) will take another diversion by incorporating the Royal Oman Police directives to merge the RAS with the annual ROP vehicle registration and renewal. This will become an additional project for 2012.

A trial on the new self-energised reflectors technology will commence by second quarter of 2012, and hopefully it will add to safety while driving on roads within the PDO concession area. The trial will involve the full length of the road between Nimr Roundabout and Rima Roundabout, which is a stretch of nearly 70kms

Thank you and wish everyone a safe journey.

Intisaar al-Kindy (XD)
Road Safety Champion

Golden Rule	Objective	Action Item	Performance Measure	Directorates												Timeline					
				MSEM	MCC	OND	OSD	UWD	UEOD	UID	XD	GD	UPD	UCPD	HD	FD	Q1	Q2	Q3	Q4	
Comply	Enhance driving behaviours	Embed IVMS management system in PDO/Contractors	IVMS management system fully functional	R		S	S	S	S	S	S	S	S		S	S	S	•	•	•	•
Comply	Effective commuting	Revise & implement revised commuting procedure	Revised procedure implemented	R		S	S	S	S	S	S	S		S	S	S		•			
Comply	Comply with standards	Execute Level II SP2000 compliance Audits	Effective closure of audit findings	S		R	R	R	R	R	R	R		R	R	R				•	



“The management of HSE in contracts is critical to improving the HSE performance”

The role of “Contractor HSE Management” Must-Win Project in achieving Goal Zero is highly significant, as the work by contractors accounts for more than 80% of PDO’s total exposure hours and much of this work is of high or medium risk in nature. During the 2005-2011 period, contractors accounted for 97% of all incidents. Therefore, it is absolutely crucial that we work very closely with our contractors in order to improve on our overall HSE performance.

It is encouraging to see improvement in the overall involvement of CEOs of our contractors in taking ownership and control of their respective businesses in terms of HSE delivery and performance.

Sadly, despite the improvement in statistics, we still experience incidents and high potential near-misses in our operation, which result in loss of lives and cause pain to our workers and their families. Unless we work together responsibly and with full commitment, these incidents will not go away.

I truly believe in Goal Zero and I therefore request every one of us to make 2012 a better year and a year of Goal Zero because it’s achievable. We can achieve this through:

- Compliance to Golden Rules (Respect, Comply and Intervene) and 12 Life Saving Rules
- Continuous by measuring the performance and maintaining the gains
- Ensuring that the past and new findings receive your attention
- Disseminate lessons learnt to new contractors
- Show clear and transparent leadership and commitment to HSE

Our 2012 Must-Win plan aiming to ensure the Health and Safety of our staff and protection of the environment are primal to everything we do and is pivotal to our daily engagements. I’m looking forward to CEOs, PDO LT and all our PDO and contractors’ staff support to make 2012 a Goal Zero year.

Thank you.

Suleiman al-Tobi (OSD)
Contractor HSE Champion

Golden Rule	Objective	Action Item	Performance Measure	Directorates												Timeline						
				MSEM	MCC	OND	OSD	UWD	UEOD	UID	XD	GD	UPD	UCPD	HD	FD	Q1	Q2	Q3	Q4		
Comply		Effective and Verified closure of all 2011 LOA findings	100% completion	S		R	R	R	R	R	R	R							•	•	•	•
Intervene		Conduct HSE Evaluation (banding) for new High / Medium risk contracts	100% M & H contracts tendered in 2012	R		S	S	S	S	S	S	S							•	•	•	•
Comply		Conduct LOA for 8 new High / Medium risk contracts	8 LOAs	R		S	S	S	S	S	S	S							•	•	•	•
Comply		Verify effective closure of findings from HSE Audit and LOA on Small Field contractors (Petrogas and Medco respectively)	100% completion	S			R												•	•	•	•
Intervene		Carry out HSE competence assessment of CH/CSR managing High / Medium Risk contract.	100% completion of competency assessments and a plan to close the identified gaps	S		R	R	R	R	R	R	R							•	•	•	•
Intervene		Map out Support Services and their HSE management	Documented evidence of mapping i.e. all interfaces and sub-contracting risk exposure	S		R	R	R	R	R	R	R							•	•	•	•

Health, Safety & Environmental Key Performance Indicators (KPI)

SI	KPIs	Measurement	Overall 2011
1	LTI's	#	55
2	LTIF	Target (Actuals)	0.43 (0.36)
3	Tier1 Process Safety Events (PSE)	#	
4	Days since last PSE (New)	#	
5	Near-miss (includes LSR)	#	408
6	Unsafe acts/conditions (includes LSR)	#	505
7	Life Saving Rules reported	Total (Closed)	139 (47)
8	Overdue actions in FIM (excluding L1 audits) (New)	#	
9	SIR Action status	Total (Closed)	3 (3)
10	HSE plan	% target	
11	HSE plan progress	% completion	
Road Safety			
1	Class "A" defects	Total (Closed)	218 (77)
2	Rollovers	#	39
3	RTAs	#	93
Contract HSE			
1	Open LOA actions	#	69
2	Total CHs and CSRs	#	176
3	CHs and CSRs assessed for HSE competency	#	59
4	CHs and CSRs competent	#	58
5	HSE Banding Results	100% of companies	8 34 46

SI	KPIs	Measurement	Overall 2011
Worksite Hazards			
1	STOP Training sessions (WE Only) (To include all WE Sr. WE, WE, Rig Superintendents, HSE Advisors)	# of Rigs/Hoists & participants covered	
2	Life Saving Rules coaching sessions (WE Only)	# of Rigs/Hoists & participants covered	
NORM Contamination			
1	NORM Training sessions /PDO and cont.	# of staff	937
2	Wells with NORM	#	35
Occupational Health			
1	Occupational illnesses and TROIF (PDO and Contractors)	TROIF and # of ill- nesses reported and investigated	13 cases- PDO-TROIF 1.28
2	Staff assessed for fitness-to-work	Number of staff	465
3	Non-Accidental Deaths (NAD) reports	# NAD (investigated and report completed)	12 (12)
4	Progress with annual Health plan action items	% of completion	
Environment			
1	Volume of Hydrocarbon Spills	Target (actual) M ³	69 (60.3)
2	Contaminated soil	Tonnes cumulative	596,000
3	Global Warming Potential (GWP)	Million Tonnes CO ₂ equiv	5.8
HSE-MS			
1	L1 HSE-MS audits High actions overdue	#	0
2	HSE-MS Review	Score	
Visible Management / Incident Investigators			
1	Non-HSE professionals exposure to HSE	#	
2	No. of professional Incident Investigators	2 per Directorate	

HSE CORPORATE CALENDAR 2012

Activities	Act. P.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Road Safety Management	MSE13												
IVMS Review & Process	MSE/13 & 54				20								
Commuting Procedure Improvement	MSE/13 & 54										1		
Safety Training	HLD8												
HSE Trainers' CPD Workshops			23			17				13		29	
HSE STOP materials training*					24-25					11-12			9-10
HSE Safety Leadership facilitation (Phase A)						5 - 7					20 - 22		
HSE Safety Leadership facilitation assessments (Phase B)						12 - 14					27 - 29		
*Worksite Hazard Activities (dates are being worked out now and will be available in a week)	MSE11												
STOP Training sessions (Well Engineering only) (To include all Sr. WE, WE, Rig Superintendents, HSE Advisors)													
Life Saving Rules coaching sessions (Well Engineering only)													
Lifting campaign													
BBS Survey Recommendations Status													
Environment Day	MSE2												
Lecture in T001		7											
Event at EcOman (School students will present their environmental projects)		9											
Participate in the Environment Day Expo		11											
Environmental Inspections	MSE23												
MAF (UIT, UID, UIB, MCO)			4-8										
Qarn Alam				3-7									
Yibal				17-21									
Lekhwair				17-21									
Fahud				17-21									
Nimr						5-9							
Bahja						5-9							
Harweel						5-9							
Marmul						5-9							
Drilling rigs													
Amal Steam Project										22-26			
SNDC Project										22-26			
Nimr C, G Project											13-17		
QA Steam Project											13-17		
Environmental Awareness Sessions	MSE24												
Fahud					14-25								
Yibal					14-25								
Lekhwair					14-25								
Qarn Alam					14-25								
Bahja						12-23							
Nimr						12-23							
Marmul						12-23							
Harweel						12-23							
Launch of Revised HSE-MS (dates are being worked out now and will be available in a week)	MSE11												
OND													
OSD													
GD													
XD													
Well Engineering													

*It may be necessary to run a 3rd day if there are a large number of participants due to time taken on individual assessments

HSE CORPORATE CALENDAR 2012

Activities	Act. P.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Corporate HSE-MS Audits	MSE53												
Verify effective closure of High action from 2011 Level 1 HSE-MS audits				12 (UID)		7 (Amal)		9 (Radiation)			2 (Small fld)		17 (WSH)
Exploration		31 Dec - 11 Jan											
Permit-to-Work			18 - 29										
ISO 14001 Surveillance Audits				31 - 4									
Logistics & Road Safety					7 - 18								
Oil North Directorate						26 - 6							
Well Engineering									8 - 19				
Al Noor MGI Phase 3A											13 - 24		
Pipeline (MOL, Gas, SBM & Sub-Sea lines)												24 - 10	
Joint Management Site Visits	MSE5211												
Marmul + Power Generation	OSO	9											
Fahud incl. MOL Booster Station	ONO	22											
Nimr Operations + Power Generation	OSE		13										
Drilling EOR + Gas	UWX		21										
Terminal on and off-shore facilities	UIT		22										
Bahja incl. MOL Booster Station	OSO			5									
Logistics South	UWL			13									
Coastal Offices and Facilities	UIB			21									
CPP	GGO			26									
Harweel	OSGO				9								
Drilling North	UWN				9								
Nimr Lab & Nimr Chemical Yard	UIK				16								
Qarn Alam Operations + Power Generation	ONO				16								
Drilling South	UWS					14							
Saih Nihayda	GGO					28							
Fahud Operations + Power Generation	ONE								10				
Qarn Alam Project	ONQO										14		
Amin	OSEA										17		
Yibal Operations + Power Generation	ONO										21		
Lekhwaier + Power Generation	ONO											6	
Kauther KDC	GGE											11	
RAH Phase1 Site	UIR											12	
Al Noor MGI (2 Days)	OSEG											12	
Logistics North	UWL												10
HSE MD/DMD Meetings	MSEM												
MDC (First / Second Sunday each Month)													
MDIRC (Every Monday 13:15)													
Bi-Monthly HSE Must-Win Steering Committee													
Communication	MSE51												
Conduct Directorate HSE plans sharing session		28											
Conduct CH HSE Workshop				20									
Conduct Contract HSE Managers Workshop			1										
Safety Day							6						
CEO HSE conference					24								
2013 HSE Plan kick-off meeting									21				

PDO HSE Management System



Element 1: Leadership & Commitment

- Demonstrate Visible, Felt & Caring Leadership
- Be well informed and involved
- Be proactive in target setting

Element 2: Policy & Strategic Objectives

- Demonstrate understanding of the PDO HSE Policy and the specific activities to achieve its aims

Element 3: Organisation, Responsibilities, Resources, Standards & Documents

- Resourced Organisation Structure: Staff and Standards
- Clearly defined HSE Roles & Responsibilities for each employee/team
- Establish Competence Assurance Structure
- Establish Communication Structure

Element 4: Hazards & Effects Management

- Identify all HSE Hazards
- Assess the HSE risk of identified hazards using the Risk Assessment Matrix
- Apply the PDO hierarchy of Risk Control
- Identify and implement control and recovery measures to reduce the risk to as low as reasonably practicable

Element 5: Planning & Procedures

- Translate the business objectives into HSE Goals, Objectives and Target, and Proactive KPIs
- Incorporate HSE requirements into Business Plans, Work Plans & Procedures
- Plan to implement the Emergency Response Management Plan
- Plan to implement the Discipline Controls and Assurance Framework System
- Plan to implement the Management of Change Programme

Element 6: Implementation & Operation

- Operationalise HSE requirements as described in the Procedures and Specifications

Element 7: Assurance: Monitoring & Audit

- Monitor HSE Performance Indicators
- Conduct audits and take actions to improve
- Investigate and learn from incidents

Element 8: Review

- Regularly conduct HSE Management review to ascertain suitability of the HSE Management System and implement opportunities for improvement

Your Safety performance is a direct reflection of the quality of your leadership.
Everyone is a Leader and is Accountable.