

XYZOIL

EMPLOYEE SAFETY BOOKLET

SAFETY POLICIES AND GUIDELINES

FOREWORD

This booklet has been prepared as a quick reference guide for the safe performance of work by all XYZOil employees. It is not limited to personnel offshore but includes people working at all facilities and at all levels in the Company.

Since differences in exposures to hazards exist, however, between facilities, the subjects in this booklet are only briefly indicated. Not all subjects will apply to all people.

This booklet is not intended as a detailed learning tool, nor to replace other manuals and reference texts. Further materials must be consulted to obtain additional details. In case of doubt ask your Facility Supervisor for help.

Breda, February 22, 2004

Safety and Loss Prevention

Willem Top

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SECTION 1

XYZOIL SAFETY AND LOSS PREVENTION POLICY

The management of XYZOil believes that the safety and health of its employees and contractors is a fundamental responsibility and that the successful future of our operations depends upon the protection of our resources; both personnel and material. Therefore, Safety and Loss Prevention must be thoroughly integrated in all company activities. XYZOil employees and contractor personnel must be willing to accept individual as well as collective Safety and Loss Prevention responsibilities in order to achieve our objective of an accident-free work environment.

Therefore, as a matter of policy, Management will:

- Promote safety on and off the job
- Implement accident prevention programs, systems and techniques
- Implement fire, safety and rescue training programs
- Provide a work environment in which occupational hazards are controlled when elimination is not feasible, and
- Work with the Authorities to optimize employee safety and environmental hygiene

Facility Supervisors will:

- Be the administrators of the XYZOil Safety and Loss Prevention Program and be responsible and accountable for a superior level of safety performance
- See to it that necessary instructions have been given, necessary means have been provided and supervision has been exercised to ensure safe working practices
- Educate and train employees regarding job hazards and emergencies
- Report all accidents/incidents that will come to their knowledge

All Employees will:

- Perform their jobs in the safest manner possible in accordance with XYZOil Safety Procedures, Standards and Practices
- Conduct themselves in a way that enhances their personal safety and that of their fellow workers
- Report workplace hazards and recommend improvements
- Cooperate and contribute towards the overall success of the XYZOil Safety and Loss Prevention Program

The success of the Company depends on the safety and well being of its employees, contractors and their families. Therefore, it is imperative that workplace hazards and near misses be identified, appropriately evaluated and effectively controlled in order to prevent accidents and their consequences. This worthwhile objective can only be achieved with the commitment and complete support of everyone.

Signature
XYZOil

Nick Top
Vice President and General Manager

SCOPE OF SAFETY PROGRAM

Safety cannot be separated from doing a proper job. It is through mistakes and omissions or oversights that accidents occur. Safety and Loss Prevention must therefore be incorporated in all segments of work carried out within the organization, in decision making and the execution of work, in purchasing and design, in training and observation of work, maintenance, inspections and the reporting of hazardous conditions accidents and near-miss incidents.

Safety and Loss Prevention is the responsibility of XYZOil management and employees alike.

MANAGEMENT LEADERSHIP AND INVOLVEMENT

Successful Safety and Prevention of accidents can only be obtained through the combined effort of management and employees. It is, however, the responsibility of management to create the proper organization, work atmosphere, and conditions necessary for implementation of safe work habits by employees. This booklet, although intended as a guide for employees, starts out by indicating some of the major ways by which XYZOil management fulfils its important role. It is expected that this management example will be followed by proper employee performance in line with the directives provided in this booklet.

1. Loss Exposure Identification and Evaluation

TASK ANALYSIS AND THE PREPARATION OF SAFE PRACTICES AND PROCEDURES.

All functions or occupations have been analyzed to identify those work activities that represent an increased possibility for accidents. For those work activities, proper guidelines have been set up in the form of procedures, work practices, rules, etc. These shall be followed at all times. Failure to do so will open the road to accidents that may result in damage to property and to injury to yourself, and other persons.

Task and work environments are subject to change. It is therefore that the Task Analyses, work procedures, practices, etc. will have to be reviewed from time to time. Normally this will happen at least once per year by your Facility Supervisor. He will need your assistance when this applies to work you do. Give him your support: it contributes to your own safety.

TASK OBSERVATION.

The work procedures, practices, etc. that come from the Task Analyses are there to guide your work and form the basis for your job training with XYZOil This training has to be effective to obtain the best results: your ability to perform your work properly, without accidents and incidents.

Sometimes, however, changes in the work environment may occur, over a period of time, which may affect your work.

To establish the effectiveness of training and the need for possible update of work environment or work procedures/practices, it will be necessary that your Facility Supervisor will observe how you do the critical tasks that are part of your work. Normally this will be done at least once a year for every critical task you carry out. These observations provide excellent opportunities for you and your supervisor to discuss any present or potential problems that are in your way of doing the task correctly and safety. This may lead to such things as updating of training, changes in the work

environment, purchasing better tools, equipment, etc. This is well worth your time and effort: give this your full support.

PLANNED INSPECTIONS.

While Task Observations are directed at uncovering any potential improvement aspects of the way that the work is being carried out, Planned Inspections are meant to find any conditions that need further attention. Basically there are two types of Planned Inspections: the General Inspection and the Critical Item Inspection. Both types exist within the XYZOil organization.

GENERAL INSPECTION.

The Planned General Inspection is carried out in your own department on a regular basis. The frequency of these inspections is weekly for the Platforms, the Supply Base and the Terminal, monthly for other areas such as the Offices. This General Inspection is carried out by the Facility Supervisor, together with one or more people of the department. When it is your turn to participate, give this your full support. The Inspection is worth it: uncovering and correcting the conditions that may lead to future accidents.

The Planned General Inspections are supported by the Management Safety and Loss Prevention visits, carried out by the Management of the Company on a quarterly basis. These Management visits are related to Safety and Good Operations and provide a possibility for you and Management to exchange ideas about items that are important to all of us: prevention of accidents, losses and other unnecessary expenses.

CRITICAL ITEM INSPECTIONS.

The other type of inspection is the Critical Item Inspection. These are very much related to the computerized preventive maintenance program of our Company and directed at specific parts of installations and the work environment that require regular attention and, if necessary, correction, before problems can occur. You may be asked to carry out these types of inspections yourself, if you have the required expertise. The Critical Item Inspection program will be reviewed by your Facility Supervisor on a regular basis. Purpose is to identify any items that should be added to the inspection program. He may need your help in this because you are the expert on your job and on the equipment and installations you work with. Give him your support in this: often accidents are caused by the failure of specific items. You don't have to wait, however, until you are asked. If you think that certain parts should be in the Critical Item Inspection program, tell your Facility Supervisor. He knows how this can be done.

2. Safety Engineering

SAFETY IN DESIGN OF FACILITIES AND MODIFICATIONS.

Safety is a prime consideration in the design of installations and processes, as well as in any modifications. XYZOil Project and Production engineers and the Safety and Loss Prevention Coordinator work closely together for the safest design possible. They will most likely involve you as the on-the-floor expert, to obtain your opinion about changes in installations and equipment. When they ask you, give them your help: prevention of accidents in the design stage is Loss Prevention in optima forma.

If you feel that certain items can be improved through design changes, tell your Facility Supervisor. He will be happy to help you in furthering your ideas.

SAFETY IN PURCHASING.

Purchasing is another important function where the entering of unsafe items into the Company can be prevented. It is therefore that the Logistics and Purchasing Manager and the Safety and Loss Prevention Coordinator combine their efforts to set up safety and health criteria for equipment, tools, materials, etc. to be purchased.

Should any unsafe items arrive at the work floor, tell your Facility Supervisor. Again, he will support you in your efforts to exclude improper and unsafe items from the work environment.

PREVENTIVE MAINTENANCE.

The preventive Maintenance program coordinated by the Maintenance Supervisor is directed at the inspection and maintenance of installation items that could cause problems, including accidents, when not in proper order. The reference to the Critical Item Inspection program has been discussed above.

CONTRACTOR SAFETY.

Often, on our Facilities, work will be carried out by people from outside the Company, by contractors.

XYZOil feels that it can demand the same safety performance from its contractors as it is asking of its own personnel. Safety, therefore, is a prime consideration in the selection of contractor firms. We do not, however, have the same amount of communication with contractor personnel, as we have with our own people.

We do not wish any contractor employee to put himself at unnecessary risk or form a risk to our own personnel or installations. Should you spot an employee of a contractor firm putting himself or others in danger, then help him to improve his performance. Help him to do things our way. And get help from your Facility Supervisor if you feel that is required.

3. Compliance with standards

Compliance with accepted Company, industrial and legislative requirements is a major concern of XYZOil. These rules, regulations and practices are established as minimum guidelines because of the inherent hazards involved. They should be followed at all times. There is no excuse for knowingly not following accepted standards of work. Your Facility Supervisor will encourage following these requirements and enforce them, if needed.

FAILURE TO COMPLY WITH ACCEPTED STANDARDS, RULES, REGULATIONS, ETC. WILL NOT BE TOLERATED BY THIS COMPANY and will make you subject to the implementation of our Disciplinary Policy.

SAFETY LEGISLATION, RULES AND DIRECTIVES.

Applicable legislation, rules, directives, etc. will be made known to you when you enter the Company. An extract of the Mining Regulations Continental Shelf is included at the end of this booklet. You shall make yourself familiar with these and follow them at all times. Ask when you are not sure!

PERSONAL PROTECTIVE EQUIPMENT.

The Company does whatever is needed to provide a safe work environment, including the provision of the necessary Personal Protective Equipment. This equipment is made available free of charge.

ALL PRESCRIBED PERSONAL PROTECTIVE EQUIPMENT SHALL BE USED AT ALL TIMES AND AS APPLICABLE. Use the equipment, they are meant to protect you, just in case.

You are responsible for the protective equipment that is provided to you: keep it in good condition and use it well.

BARRIERS AND SAFEGUARDING.

Equipment often comes with safeguards and/or protective barriers. These are necessary and integral parts of the item concerned.

It is the policy of this Company to purchase the required safety equipment on the tools, machinery, etc.

OPERATION OF TOOLS, MACHINERY, ETC. WITHOUT THE PROPER SAFEGUARDS IS PROHIBITED.

Safeguards may only be removed for maintenance purposes and shall be put back in their proper position, as soon as possible.

OCCUPATIONAL HEALTH.

It is the policy of this Company to purchase materials that can be used safely without undue precautions, whenever this is possible and feasible.

The Company does not wish or allow the unnecessary exposure of its employees to hazardous materials. Therefore directives have been established in case such materials shall be use, handled or stored and contact with the material is possible.

HANDLING OF (HAZARDOUS) MATERIALS MUST BE IN ACCORDANCE WITH THE GUIDELINES PROVIDED IN THE MATERIAL SAFETY DATA SHEETS WHICH SHALL BE FOLLOWED AT ALL TIMES.

The materials you will work with will be explained to you when entering the Company or whenever a new material is being introduced.

The Material Safety Data Sheets (MSDS) as applicable to your work are available in your department.

In case of doubt, if you are not certain about the hazards of the material you work with, consult the MSDS or ask your Facility Supervisor.

ENVIRONMENTAL PROTECTION.

It is the policy of XYZOil to contribute to a safe and clean environment by controlling all the waste product streams that leave its facilities or processes. The criteria set by legislation and industry for this purpose are being considered as minimum levels.

This Company can only live up to these standards with the full support of all its employees.

YOU SHALL NOT OPERATE ANY PIECE OF INSTALLATION, EQUIPMENT, ETC. THAT WILL CAUSE POLLUTION OF THE ENVIRONMENT, endanger our relations with the governmental agencies concerned or cause negative statements about this Company in the press media.

4. Personnel Developments

JOB SAFETY ORIENTATION.

Knowledgeable, motivated people are of prime importance to this Company in the accomplishment of its important work.

The Management of XYZOil has therefore set up an orientation program to welcome every new and transferred employee to its operations. This orientation is intended to make you familiar with XYZOil as part of the XYZOil organization and to introduce you to our general policies, philosophies and the way we think about Safety, Health and Loss Prevention.

You will receive the orientation program from several persons, including Personnel Department, the Safety and Loss Prevention Coordinator and your own Facility Supervisor.

EMPLOYEE HIRING AND PLACEMENT.

The Management of XYZOil strives to adapt the work environment to the possibilities of the average person seeking employ in the offshore industry.

In the selection of personnel, this Company will not discriminate against any person for reasons other than those required to fulfill the job in a superior way. Because of its nature, however, this type of industry puts certain mental and physical requirements on people that may differ from those that apply to other activities. Individual persons, will vary in physical capabilities, vulnerability to certain environmental conditions, etc. which make it necessary to employ hiring procedures directed at obtaining people that are physically and mentally able to do the work required.

Once you have successfully gone through the medical examinations that are employed by this Company, you are considered capable for the job for which you applied. Depending on the type of work you do, the Company will request you to attend medical checks at regular intervals during your employment with XYZOil These medical test are normal routine and should not disturb you: they are intended for your own wellbeing and in compliance with the Mine Regulations Continental Shelf.

EMPLOYEE TRAINING.

The Company will provide you with the training required for you to do your work correctly and safely.

Once you have gone through the orientation program you will receive more in-depth job training that will make you ready for the work that you have to carry out. The time this will take depends on the work that you will have to do and the education and experience that you obtained before joining the Company.

The training will be provided by various persons, but certainly include your Facility Supervisor who will be directly responsible to see that you will get the necessary training. You will also receive the necessary Safety and Emergency training, if you are to work offshore. This training will be repeated during your stay with the company and is indicated in the annual Safety, Environmental and Health Plan.

Besides this specific safety training, your job training will include the safety and health aspects that are related to your work. Learn these seriously: they may one day prevent you from having an accident or even save your life. You may also be asked, once you are experienced in the job you to, to pass your experience on to other employees. Then, you become the teacher. If we find you capable of doing this, we will ask you. Before you will be "turned loose", however, we will assist you in this task by providing you with a practical course on instruction techniques. So you can combine your expertise with teaching skills for most effective training.

SAFETY CONTACTS.

During your employment there will be many occasions on which safety will be discussed with you. The purpose of this is to keep safety awareness at a certain level.

Your Facility Supervisor will informally discuss safety and health matters with you as part of the daily routine and provide you with valuable tips and hints that will enable you to do your work better, faster and safer.

A more formal contact is the regular "Incident Recall Interview". Purpose of this discussion is to uncover any situation or practice that you may have witnessed that could have resulted in an injury or damage, should the circumstances have been slightly different. The purpose of these interviews is to learn from what went wrong, without having the accident first: you can help the Company, yourself and your colleagues, by giving your full cooperation here.

Safety and Good Operations Meetings.

Besides the daily contacts related to Safety and Loss prevention, regular formalized communication is required to introduce and discuss matters of interest to the entire department or workgroup.

Safety and Good Operations meetings will take place offshore on a weekly basis and monthly on the Supply base. Normally these meetings are under the direction of the Facility Supervisor. Give these meetings your full support and cooperation: they are there for you too.

5. Response to Incidents

EMERGENCY PREPAREDNESS.

XYZOil Management directs its efforts at an accident free work environment. However, not withstanding our efforts, emergency situations or accidents may happen, also through other people.

If this is the case, an adequate emergency organization will be available to cope with the situation. This organization includes hardware, like fire protection equipment or detection such as anti collision radar systems on our platforms or our fast rescue boats, and the availability of trained personnel. Both from within the Company and from outside organizations. You may be requested to fulfill your role in this emergency organization. If so, give this your support. Maybe, sometimes, this may save your life and those of others.

Upon entering the Company, you will be instructed, by your Facility Supervisor, in the Emergency Procedures that apply to your department.

LEARN ALARM SIGNALS BY HEART AND KNOW WHAT TO DO IN CASE OF EMERGENCY - it may save your life someday.

XYZOil emergency programs are tested regularly. You must participate: knowing the right things to do is of utmost importance in an emergency situation.

FIRST AID AND MEDICAL TREATMENT.

Part of the emergency preparedness is how to deal with casualties, people that are injured or ill. For this, the company has set up an efficient organization of certified first aid people, and medical assistance on board the platforms by the medic. Besides that, contacts have been established with outside organizations to obtain further assistance when needed.

First Aid is not just there for you, it is also to help other people. Accept your responsibility in this and follow the First Aid training - as a part of your job.

IN CASE YOU ARE INVOLVED IN AN ACCIDENT - GET FIRST AID TREATMENT IMMEDIATELY.

In case someone else is involved in an accident - know what to do and give first aid treatment immediately.

ACCIDENT/INCIDENT REPORTING AND INVESTIGATION.

XYZOil Management feels that the causes of property damage accidents and injury type accidents are often the same. We believe therefore that both should be investigated so we can learn from what went wrong.

Before accidents can be investigated, they have to be reported.

REPORT ANY ACCIDENT IMMEDIATELY TO YOUR FACILITY SUPERVISOR.

Reporting accidents or incidents is encouraged by the Management of this Company and we appreciate the information you will give us because it helps us to solve problems.

Failure to report will negatively influence your records and the way Management feels about you.

All accidents/incidents shall be reported:

- Injuries
- Property damage
- Fires, explosions
- Spills (product or chemicals)
- Infringements of platform safety zones
- Missing items
- Security type incidents

You are one of our sources of information if it comes to solving accidents and other problems. Help us to achieve our goal of an accident free work environment by reporting accidents and incidents. Help us too by giving us the advantage of your expertise: make suggestions how to solve the problem. Your Facility Supervisor will ask for it, when investigating accidents.

6. Employee Responsibilities

COMPLIANCE WITH PROCEDURES, STANDARDS, PRACTICES, ETC.

To guide safe and proper execution of work to be done, this Company has adopted a set of rules, instructions, procedures, standards, practices, etc.

These are either regulatory requirements or accepted industry or Company rules, instructions, etc.

These rules, instructions, etc. shall be followed at all times. There cannot be an excuse for employees or management to work in a manner other than intended by these directives.

Management and Supervision will see to it that rules, etc. are complied with at all times and set the example. Employees, however, have their own responsibility: to work as professionals, in accordance with the rules.

YOU ARE REQUIRED TO WORK ACCORDING TO APPLICABLE GUIDELINES AND DIRECTIVES AND TO FOLLOW RULES, INSTRUCTIONS, ETC. AT ALL TIMES.

Failure to comply with rules, instructions, etc. will have consequences for your appraisal and could have severe consequences for your employment with XYZOil

Rules, etc. are provided to guide work activity so it can be performed safely and correctly at all times. Give this your full support. Tell your Facility Supervisor when you think you cannot work according to the rules. Don't start experimenting yourself.

PRE-USE EQUIPMENT, TOOLS AND WORK AREA INSPECTIONS.

XYZOil has the policy to provide its employees with safe equipment, tools and work areas. This is accomplished through a combination of design, purchasing, maintenance, inspections, etc.

However, without the cooperation of each employee, this will be a difficult task to accomplish. We need your expert eye and advice. We need you to check you work area and the tools and equipment you work with, every time before you start your work shift. To check for any unsafe or unwanted conditions, for missing guards, damage, housekeeping, etc.

YOU ARE REQUESTED TO CHECK YOUR EQUIPMENT, TOOLS, AND WORK AREA FOR ANY UNSAFE OR UNWANTED CONDITION, BEFORE YOU START WORKING.

You are one of the most important assets of the Company in the control of accidents and damage. We need your support to make our Company safe and profitable. If you notice any unsafe or unwanted conditions, take action - report it to your Facility Supervisor.

REPORTING UNSAFE CONDITIONS AND PRACTICES.

It is the policy of XYZOil to perform its business in a safe and profitable manner, within the requirements of the regulations and as a responsible partner in society. To do so it's Management is committed to the control of accidents, incidents, unwanted loss and unnecessary expenses.

We realize, however, that we cannot accomplish our goals without proper information and help from the people that are working at the frontline - from our employees, from you.

Therefore:

YOU ARE REQUESTED TO IMMEDIATELY REPORT ANY CONDITION OR PRACTICE THAT REPRESENTS A HAZARD OR POTENTIAL LOSS. You should report these conditions and practices to your Facility Supervisor.

As a professional in your job, also expect professionalism from others. Expect them to do their work correctly and safely, without endangering themselves or others, including you. Don't look upon the reporting of unsafe conditions or practices as snitching on people. Consider it as the first step to solving a problem that could seriously harm people, the Company or the environment. Help us improve our performance by providing your information without limitation.

SAFETY SUGGESTIONS.

By now, it must be clear to you that the Management of XYZOil wants your assistance in making this Company a safe one.

We have provided the channels of communication, through training, meetings, reporting procedures, etc. All we need is your help to help us.

YOU ARE REQUESTED TO PROVIDE YOUR SUGGESTIONS TO MAKE OUR OPERATIONS SAFE. DO THIS WITHOUT LIMITATIONS.

If you have suggestions to make your work or the work of others safer, tell your Facility Supervisor. Write a Condition Report. Discuss things at the next Safety and Good Operations meeting. Any channel is good, as long as you share your suggestions with us.

SECTION 2

Following are some of the main rules, procedures, standards and practices that apply to XYZOil operations. These are rules that apply to all employees or to a major group of employees. No attempt is made here to list all rules, procedures, standards and practices that apply to separate occupations or tasks, nor is an attempt made to list full details. Consult other manuals including the Procedures, Standards and Practices section of the Management Guide to Safety and Loss Prevention. Ask your Facility Supervisor if you are not certain.

GENERAL PLATFORM AND SAFETY RULES

Good operations and safe operations go hand in hand! Therefore, all personnel must become familiar with, and confirm at all times to, the following General Platform and Safety Rules. More detailed instructions about these rules shall be consulted whenever necessary and can be found in the XYZOil Safety and Loss Prevention Manuals.

BASIC RULES

1. Smoking is not allowed except in the living quarters and in specifically assigned and identified areas. Matches and lighters should not be carried outside the living quarters.
2. Good housekeeping aids to safe and good operations. All personnel will keep their work areas clean and orderly.
3. Horseplay and practical jokes do not belong in the working environment and will not be permitted.
4. The use and/or possession of drugs or intoxicating beverages are strictly forbidden at all XYZOil facilities.
5. Equipment guards must not be removed while equipment is operating and must be in place before start-up.
6. Handrails will not be removed without permission and procedures set up by the Facility Supervisor.
7. No work shall be performed without the appropriate Safe Work Permit and without the authorization of the Facility Supervisor or his Deputy.
8. Atmospheric conditions such as adequate ventilation, presence of oxygen and absence of explosive gases must be assured before entering tanks, vessels, or other confined spaces.

EMERGENCY

9. Know your "Station Bill". These procedures must be followed when an emergency arises. You will be expected to participate in all drills and musters as outlined in the "Station Bill".
10. Know the locations of fire fighting equipment. Report used or missing fire extinguishers. Never use fire-fighting equipment, including fire hoses, for other purposes than fire fighting.

PERSONAL PROTECTIVE EQUIPMENT AND CLOTHING

11. All personnel will wear safety hats and shoes outside the living quarters. The only exception is the helideck where safety hats shall not be worn.
12. Adequate eye and face protection must be worn during any operation where the eyes are exposed to flying particles or splashing chemicals.
13. Hearing protection must be worn by all personnel in designated high noise level areas and during helicopter flights.

14. Protective clothing such as rubber aprons, gloves and eye and face protection and gas masks shall be worn when handling harmful chemicals.

TOOLS AND EQUIPMENT

15. All electric power tools and equipment must be kept in good condition and shall be checked before use. A UNI Electrical Safety Inspection sticker must have been issued for all contractor equipment.
16. Use of electrical tools monitoring equipment and photo cameras will require a Hot Work Permit.
17. All cables and slings used shall have the proper UNI color code.

SCAFFOLDING, LADDERS AND WORKING OVER WATER

18. All scaffolding will be subject to the "Scafftag" system and will comply with P-6 regulations.
19. All ladders will be equipped with safety shoes and shall be tied off at the top support joint, when in use.
20. All personnel must wear life vests and safety belts, including stop chutes, when working over water.
21. Safety belts, including stop chutes, must be worn when performing duties eight feet or more above ground and when permanent platforms with proper guardrails are not provided.

TRANSPORTATION

22. Observe all safety rules established for helicopter and crew boat transportation.
23. The personnel basket is to be used for the transfer of people and personal baggage only. The basket is limited to four persons at a time. Follow instructions for proper use of basket.
24. While being transported over water all persons must wear life jackets securely fastened.
25. All personnel must log on and log off the platform at the radio room.

REPORTING

26. It is the responsibility of each person to correct and/or report any unsafe situation or practice that he or she observes.
27. All on-board personnel injuries, even of minor nature, must immediately be reported to the platform medic and/or the Facility Supervisor.
28. Regular weekly Safety and Good Operations Meetings will be held to discuss and promote accident prevention on your platform. All personnel must attend these meetings.

POLLUTION PREVENTION

29. Whenever free oil is noticed on any deck area or location where it should not normally be, this must be reported to the Facility Supervisor immediately. All spills into the sea must be reported to DNS and SSM through the XYZ Oil Spill Coordinator.
30. Nothing may be thrown overboard or be allowed to fall into the sea.

WORK SMART

31. Stay alert at all times. Know what is going on around you. Know the safe operating procedures concerned with your assigned duties. When in doubt, ask your Supervisor.

32. Always get help when physically lifting heavy loads. Use proper lifting techniques. Do not walk, work or stand under suspended loads

SAFE WORK PRACTICES

Following are a number of the most important Safe Work Practices that do apply to anyone performing, or intending to perform the activity concerned. The guidelines given below are in abbreviated form only. They are provided as brief reminders of the main points to take into consideration. Ask your Facility Supervisor where to get other manuals or information to consult.

1. Safe Work Permits

Safe Work Permits are intended to guide the proper performance of work. The purpose of the Safe Work Permit system is to obtain safe working conditions. It defines duties and responsibilities of all persons involved, and provides a method of documenting that each person has carried out his responsibilities. These permits must be followed at all times, when working in areas, or on equipment, where this is required. Whenever you are not sure about the need for a Safe Work Permit, ask your Facility Supervisor.

ANYONE OBSERVED WORKING WITHOUT THE NECESSARY PERMIT WILL BE SUBJECT TO SEVERE REPERCUSSIONS, including possible lay-off.

The Safe Work Permit system basically cover the following:

HOT WORK

Any work to be performed that will require an open flame or create a source of ignition, such as burning, welding, grinding, the use of electrical tools, or any spark producing device.

Not following the guidelines provided by the Permit may create hazardous conditions resulting in fire, explosion, damage and/or injury.

- Obtain permission from Facility Supervisor.
- Only authorized persons are allowed to welding, cutting, and other work in hazardous areas, with a valid permit.
- Does the work have to be done at this time, at this place? Does the work have to be done at all?
- Check for possible combustible materials in the area, in drums, containers, process equipment. Check for flammable gases, if potentially present. Be aware of heat transfer through metal beams, installation parts, etc. They can transfer heat to the other side of a wall and ignite materials there.
- Take precautions to eliminate fire. Remove combustibles outside the range of sparks. Cover materials that cannot be removed.
- Make fire extinguishers available at the spot so that you can use them immediately, when necessary.
- Welding or cutting in a hazardous area shall be done with one man as a helper, and another one as a fire watch. A continuously operating gas detector shall also be present.
- Check the workplace after work is finished or interrupted. If necessary check again later for possible fire, glowing material, etc.

CONFINED SPACE ENTRY

Whenever any process unit vessel, tank, boiler, pit, platform leg, dead air space, etc. is to be entered. Not following the guidelines provided by the Permit may results in injury or death from asphyxiation due to lack of oxygen or from poisoning due the presence of toxic gases.

- Obtain permission from the Facility Supervisor.
- All pipelines into a tank of confined space must be isolated (blinded, disconnected, locked out) and de-energized.
- Test for oxygen deficiency or flammable or toxic vapors, if those can be expected. Wash, purge, steam, etc. Ventilate!
- Continuously monitoring for combustible gas and oxygen deficiency must be installed.
- Do not enter if flammable gases are present.
- Use respiratory equipment in case of oxygen deficiency or toxic gases.
- Always have two persons on guard at the confined space entrance. Their duty is to provide assistance in case something may happen to you. These persons must be provided with respiratory equipment and shall not leave their position for any other reason but providing assistance to you.
- Use safety belt and attach line secured at entrance.
- Place clear signs, and/or cover openings, to prevent people from falling into the opening if this is possible.

OTHER NON OPERATIONAL WORK

Any other type of work assigned by the Facility Supervisor to be performed under coverage of a Safe Work Permit.

Such work may include:

Line Breaking

Whenever piping has to be disconnected.

Not following the guidelines provided by the Permit may cause damage or injury due to release of liquids or gases from a line, vessel or tank which may contain hazardous materials or materials under pressure.

- Obtain permission from Facility Supervisor.
- Advice the operator(s)
- Make sure what materials are contained by the pipeline concerned.
- Use prescribed protective equipment and clothing.
- Lock and tag upstream valves, pumps, etc.
- Depressurize line.
- Purge, wash, steam, etc.
- Use proper scaffolding, when required.
- Loosen bolts in required order.
- Break seal carefully, retighten immediately when under pressure.
- Use hoisting equipment whenever possible.

Installation/Removal of blinds

Used whenever blinding of pipelines has to take place for isolation of pipes, to prevent flow of liquid or gas and to protect people. Or for the removal of blinds, after work has been carried out and systems are put back on stream.

Not following the guidelines provided by the Permit may cause injury to people due to contact with hazardous materials or with materials under pressure.

- Follow guidelines for line breaking.
- Use the correct blind, seize, material, thickness, handle?

When removing blinds:

- Obtain permission of Facility Supervisor.
- Advice operator(s).
- Follow guidelines for line breaking.
- Advice operator(s) when ready to put system back on stream.

Electrical Isolation

Used whenever work is to be performed on electrical equipment or electrically driven equipment.

Not following guidelines provided by the Permit may cause injury, including electrocution and electrical burns, from live electrical systems.

- Obtain permission from Facility Supervisor
- Contact Electrician.
- Lock and tag circuit breakers, switches or isolators in open position.
- Remove fuses.

Electrical De-isolation

Used whenever a previously isolated electrical circuit is energized again.

Not following the guidelines provided by the Permit may cause damage or injury.

- Obtain permission from Facility Supervisor.
- Contact Electrician.
- Make sure electrical equipment is properly connected.
- Advice operator(s) when putting system back on stream.

Erection of Scaffolds (Scafftag)

Used whenever scaffolds are to be erected.

Not following guidelines provided can cause injury or damage due to incorrect erection of the scaffold.

- Obtain permission from Facility Supervisor.
- Erect scaffold according to guidelines given by competent person.
- Use red tag "Do Not Use Scaffold", unless scaffold has been inspected and approved by competent person.
- Do not use scaffold unless approved and provided with green tag.

2. Lockout and tag

Lockout and tag must be used whenever energizing of systems can be hazardous to persons working on or near the equipment involved.

Whenever you have to work on or near equipment:

- Are there any people that could be injured due to your activities?
- Could you be injured if, during your work, the equipment would be energized without your knowledge?
- Alert the operator(s) of your activity.
- Lock out switches, valves, circuit breakers, etc. with your own padlock and make sure you have the only key in circulation.
- When ready, before removing your padlocks and energizing the system, alert the operator(s).

3. Hazardous Materials Handling

ALL CHEMICALS

WHENEVER YOU HAVE TO WORK WITH OR HANDLE MATERIALS THAT ARE HAZARDOUS, USE THE GUIDELINES PROVIDED BY THE MATERIAL SAFETY DATA SHEETS (MSDS).

All chemical product containers must carry appropriate labels identifying product hazards. **DO NOT HANDLE ANY UNKNOWN MATERIAL.** If not sure, ask your Facility Supervisor.

- Handle all chemicals with care. Follow guidelines provided in the MSDS.
- Use the proper Protective Equipment and Clothing
- If any leakage occurs, handle in accordance with the instructions given in the MSDS.

OIL AND GAS

Do not forget that the materials that we produce, like oil and gas, are in itself hazardous. They are flammable and may be under high pressure. They may also cause serious skin irritation if prolonged or repeated contact takes place.

- Whenever working on or near equipment containing oil or gas, get a Work Permit first.
- Use proper Personal Protective Equipment.
- Remove contaminated clothing as soon as possible.

HYDROGEN SULFIDE GAS (H₂S)

Some of the products that often come with the oil and gas, can be hazardous. One of the most dangerous is H₂S or Hydrogen Sulfide gas. It has the familiar smell of rotten eggs and it can kill fast, if concentrations are high enough. Luckily, the Hydrogen Sulfide concentration in the products we produce is negligible.

- . Whenever there is the slightest suspicion of the presence of H₂S, withdraw immediately from the area and inform your Facility Supervisor. Gas tests will be carried out and precautions will be taken. Use appropriate Protective Equipment.

CARBON MONOXIDE (CO)

Carbon monoxide is a colorless and odorless gas that we all know as the killing gas from improperly burning stoves. It is formed by to incomplete combustion of coal or hydrocarbons due the insufficient oxygen or air. Its presence can be expected whenever combustion engines or oil or gas fueled heaters are present.

- . Whenever there is the slightest suspicion of the presence of carbon monoxide gas (for example in enclosed, badly ventilated, areas), inform your Facility Supervisor immediately. Test will be carried out and precautions will be taken. Handle as in confined space entry.

4. Ladders and Scaffolds

Whenever you have to work at an elevated height and have to use ladders or scaffolds, make sure that you have the proper equipment and use it in the right way.

Using improper ladders or scaffolding, or using them improperly, can have the obvious result of falling and consequently injury.

LADDERS

Only safe ladders are purchased by XYZOil and we request the same from the contractors working for us. However, it is still good to memorize the main safety features, when dealing with ladders:

- Only metal ladders shall be used, except for in electrical switch rooms where unpainted wooden ladders shall be used.
- All ladders shall be provided with rubber feet to prevent slipping.
- The feet of the ladder should be set at about 1/4 the ladder height from the vertical plane the ladder is resting against.
- Straight ladders shall extend 1 meter above the level to be served and shall be tied off if they are higher than 3 meters.
- If ladders are to be used in front of doors, post signs and lock the door if possible.
- Ladders, while in use, must be secured at the top.

SCAFFOLDING

Scaffolding used on XYZOil facilities is subject to the Scafftag system. Only scaffolds provided with a green tag may be used. The green tag means that the ladder has been properly erected and has been inspected and approved by a competent person.

- If the scaffold you are supposed to work on does not carry a green tag, you are not allowed to use it. Inform your Facility Supervisor about the situation.

DO NOT USE SCAFFOLDS UNLESS THEY ARE PROVIDED WITH A GREEN SCAFFTAG.

Fall protection shall be used when erecting or dismantling scaffolds.

5. Working at elevated heights

Working at elevated heights creates the hazard of falling materials or falling persons.

- Do not work at heights if it will make you afraid. Tell your Facility Supervisor.
- Use fall protection.
- Make your presence overhead known to people below by posting signs r, even better, by roping off the area below.
- Prevent objects from falling down if you work overhead areas where people are passing.

6. Working over water

All personnel must wear life vests and safety belts, including stop chutes, when working over water.

7. Lifting, hoisting, rigging

Whenever you have to lift manually, bend your knees. Let the muscles of your legs do the work. Also when you have to bend to pick up something light: go down by bending your knees, save your back! Use lifting aids, whenever possible.

Do not, on your own, try to lift any material that weighs over 20 kg. Get help: you can only waste your back once.

Hoisting of materials can create obvious hazards of falling loads on people, walking surfaces, buildings, installations, etc. These may be created by such things as using improper hoisting equipment, improper rigging, improper use of the equipment, etc., all originating from inadequate knowledge.

Use of hoists, cranes, etc. is permitted only to authorize persons. If you are not such a person, do not use the equipment.

Ask for help whenever you need to handle heavy materials.

UNAUTHORIZED USE OF HOISTING EQUIPMENT IS PROHIBITED. USE OF THIS EQUIPMENT WITHOUT PROPER AUTHORIZATION WILL HAVE SEVERE REPERCUSSIONS.

For more detail on hoisting and rigging, consult section 04 of the Management Guide to Safety and Loss Prevention.

8. Welding and Cutting

Welding and cutting may only be done by authorized persons and only when those persons are in the possession of a valid work permit.

UNAUTHORIZED USE OF WELDING AND CUTTING EQUIPMENT IS PROHIBITED AND WILL HAVE SEVERE REPERCUSSIONS.

9. Use of Pressurized Air

Compressed air is used for several purposes, including cleaning and drying of instruments or machine parts. Whenever you do this, use proper protective equipment, including eye protection.

Do not use compressed air for cleaning of floors, benches, etc.

Do not use compressed air to clean clothes and do not direct the nozzle at other persons. Air under pressure may enter the body through small cuts and create painful injury.

- Use an approved safety air nozzle to keep pressure at about 2 kg/cm²
- Do not pressurize a hose unless the end is properly held or secured
- Do not kink the hose to cut off the air
- Be sure the hose is depressurized, before disconnecting

10. Hand tools

XYZOil purchases proper tools of high quality and in accordance with accepted safety standards.

Whenever you have to use hand tools, use the proper ones, and use them in the right way.

If you do not know how to use the equipment, ask your Facility Supervisor. If you notice any tools that are not safe, do not use it and tell it to your Facility Supervisor.

Non-availability of the proper tools is no excuse for using the wrong equipment.

Whenever using electrical or otherwise powered hand tools:

- Be sure you know how to use the equipment. Do not operate any equipment unless you have experience with it.
- Inspect the equipment before using: are cords in proper condition? Are proper grounding facilities available?
- Obtain work permits, if you have to work in hazardous areas. If you are not sure, ask!
- Return the equipment to its proper place.

If you use grinding wheels:

- Check the proper wheel speed and check the wheel for proper condition (no cracks or broken-off pieces).
- Be sure that the tool rest is in the proper position and at the proper distance from the wheel.
- Use Personal Protective Equipment, including eye protection.

11. Machine Guards

XYZOil purchases tools and equipment that are safe to use and provided with the necessary guards and safety devices, to prevent injury or damage.

These guards will be at their proper position at all times. They may only be removed for maintenance purposes, by persons that are authorized to do this.

USE OF EQUIPMENT WITHOUT PROPER GUARDS AND SAFETY DEVICES IS PROHIBITED UNDER ALL CIRCUMSTANCES. FAILURE TO COMPLY WITH THIS RULE WILL HAVE SEVERE REERCUSSIONS.

12. Electrical

Electrical work can only be carried out by authorized persons. If you are not such a person, do not get involved. Do not even chance a plug.

If you authorized to do electrical work, you know how to work safe.

- Get proper work permits for starting and ending work.
- Do not use metal ladders when working on or near energized electrical equipment.
- Use approved electrical hardhats only.
- Make a checklist of equipment you use and make sure you take this equipment away from the job. Do not leave tools inside junction boxes, switch panels, etc.

13. Radiation

The use of devices employing a radioactive source is limited to the extent possible. However, it is unavoidable to use such equipment for certain jobs. Equipment with radioactive sources can be used safely, without any problems, if you know how and if you follow the procedures for such work. Use of such equipment is only allowed by authorized persons, or under the supervision of such person. In all other cases, stay away from it.

DO NOT HANDLE OR OPERATE ANY EQUIPMENT CONTAINING A RADIOACTIVE SOURCE, UNLESS YOU ARE AUTHORIZED TO DO SO.

TO END

In this booklet we have provided you, as an employee of XYZOil, with information about our Safety and Loss Prevention program and with the main guidelines that direct our conduct and work activity. Our Safety and Loss Prevention is much more comprehensive and if you want to know more about it, ask your Facility Supervisor.

And remember: we can only make our Company safe with your help. If you have any suggestions for improvement, share them with us.

ACKNOWLEDGEMENT}

This is to acknowledge that I have received my personal copy of the Employee Safety Booklet of XYZOil

I have understood the contents of this booklet and will act accordingly.

Name : _____

Date : _____

Signature : _____