

Agenda: 4-21-2010

<u>Item #</u>	<u>Topic</u>	<u>Time</u>
1.	Life Saving Rules: Status as of Now – a. Remember WHY we Started down this Path. b. Incident Summary c. Process Maturity / Learnings d. IMPACT	25 minutes
2.	Group Engagement: Table Exercise a. Issues / Concerns with Current State b. What can we do to enable Life Saving Rules to be a Success	20 minutes
3.	Wrap-Up / Final Questions and Comments	5 minutes

TODAY's GOALS: 1. Review Impact. 2. ID / Discuss Remaining Barriers.

Please think about these Questions:

1. How has Life Saving Rules Impacted our Safety Culture?

2. What Do Life Saving Rules Help / Prevent us from achieving Goal Zero?

International Labor Organization

estimates...

THE "WHY"

> **2.3 million**

people lose their lives
at work every year

Safety is a Value?





Simply stated, our aspiration of Goal Zero means:

A caring culture where I demonstrate no harm to people.

Our Principles

- *We don't hurt people here.*
- *We believe Goal Zero is achievable and we recognize it is achieved by thousands of people each day.*
- *Our commitment for safety takes us past compliance alone.*
- *We will accept and share feedback, learn, and improve.*
- *We will recognize and mitigate EXPOSURE.*
- *We will demonstrate our safety culture and the Value we place on safety.*
- *We will give positive and sincere reinforcement for these Goal Zero Principles.*
- *We are accountable for our safety performance.*

Offshore Production Leadership Team
January 2008

Shell Fatal Accidents – Historical Analysis

← THE “WHY” →

Cause	2004	2005	2006	2007	2008	2009 YTD
Air Transport						9
Road Transport	12	10	15	10	9	4
Assault / Security	6		16	5	3	3
Drowning		1	5		2	1
Other (struck by, electrocution, suffocation, lightning, etc.)	14	8	5	3	2	3
Crushing and Fall	5	13	1	1	2	
Fire / Explosion		4	1	2	8	
Total	37	36	43	21	26	20
Employee	2	3	2	1	2	1
Contractor	35	33	41	20	24	19

Note: 2004-2006 data is not restated to reflect revised JV guidelines
(Under Shell Operational Control for 2007-2009)

Focus areas continue to be Process, Contractor, and Road Safety

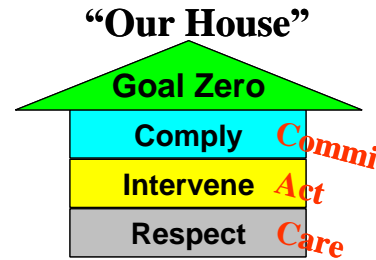
Life-Saving Rules

Safety is a Value
Goal Zero is a Mindset

Principles

1. Life Saving Rules are about saving lives.
2. Each event will be investigated.
3. Maximum appropriate consequences will be applied.
4. Outcomes are documented & communicated.

Life Saving Rules THE "WHAT"



Keep our house safe, always












Contractor Management

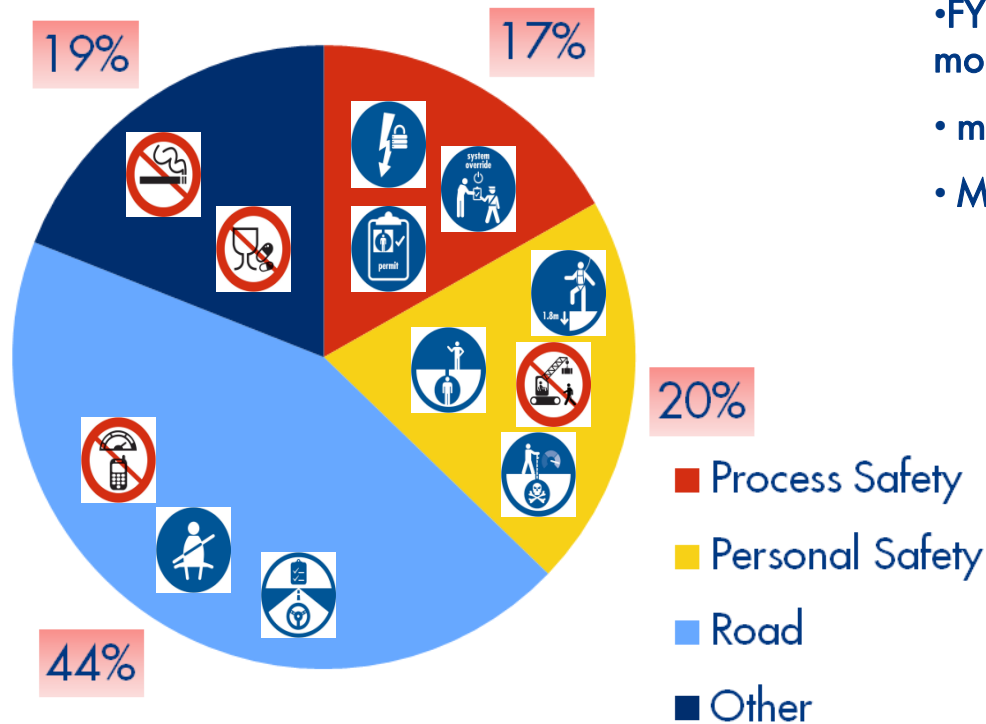


95% of fatalities
involve supply chain
partners

Life-Saving Rules THE "DATA" – Across Shell

Compliance July – September 2009

Violations workforce												TOTAL	
RDS	41	7	17	11	11	60	6	19	59	91	46	43	411



•FY 2009 (6 months) +/-200 violations per month

• majority in road

• Most violations:















Life-Saving Rules

Deep Water **THE "DATA"**

July 1st 2009 – March 15th 2010

Safety is a Value
Goal Zero is a Mindset

Rules	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
													
Events investigated	6		2		2	4			2		4		20
Violations	3		1			2			2		3		11

Number of people involved 40+

- 12 contractors were removed from our business
- 2 Shell employees terminated.

Rules violated

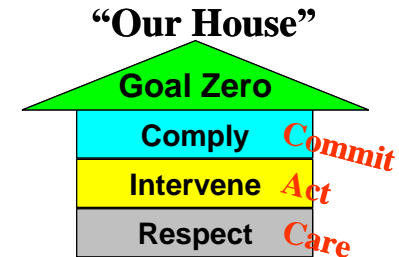
- #1 Work with a valid permit when required
- #3 Verify isolation before work begins, use specified life protecting equipment
- #6 Protect yourself against a fall when working at height
- #9 No alcohol or drugs while working or driving
- #11 - While driving do not use your cell phone and do not exceed speed limits

Life-Saving Rules:

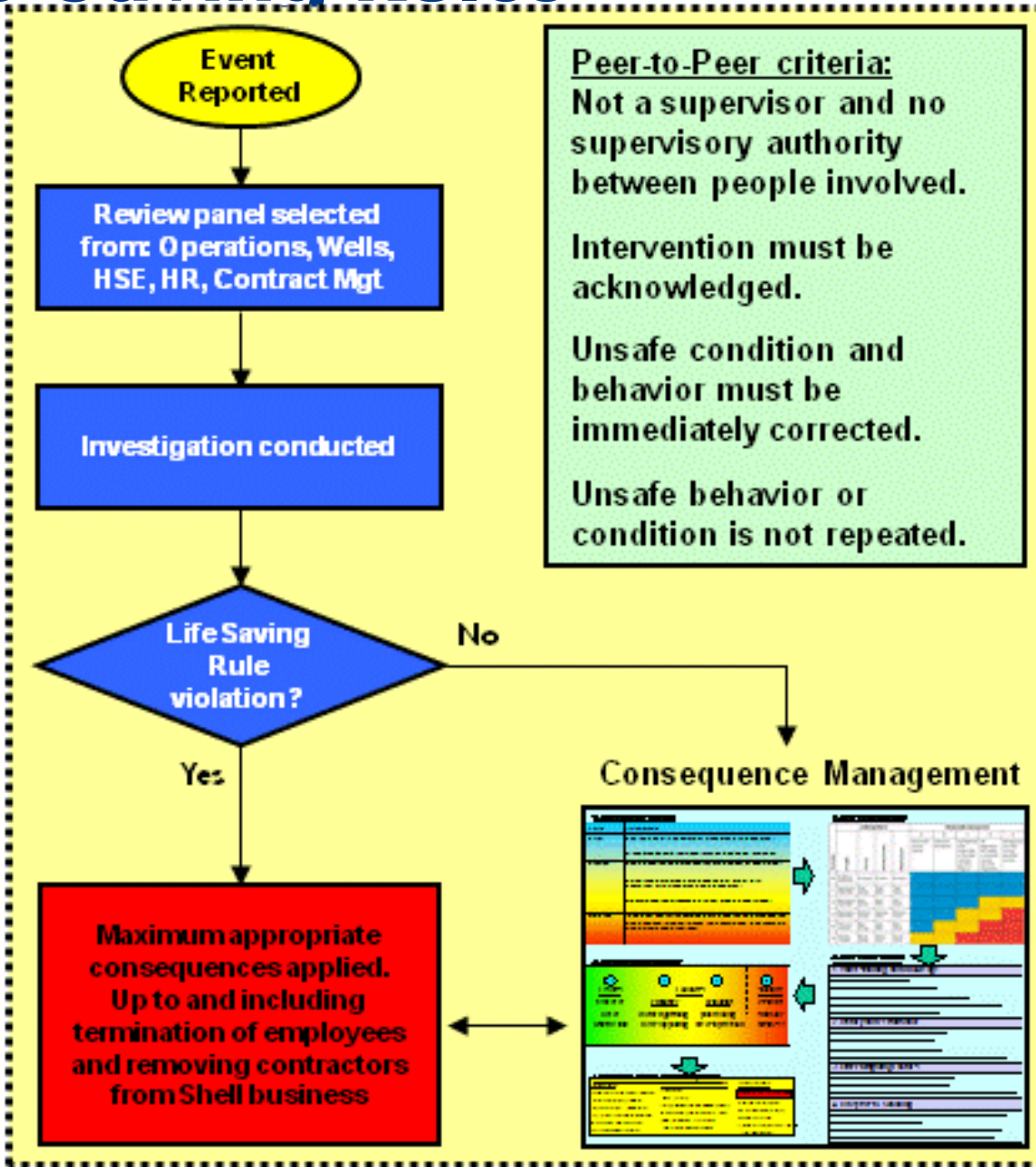
Safety is a Value
Goal Zero is a Mindset

Learnings on the Process:

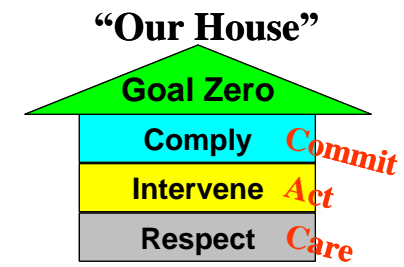
- A. Thorough & Consistent Investigation and Follow-Up
- B. Timely, Accurate Documentation and Communication of Incidents is Critical
- C. Interpretation of Rules **MUST** be Tight / Narrow.
- D. Peer-to-Peer Observations are a **MUST**



Life-Saving Rules



Safety is a Value
Goal Zero is a Mindset



Keep our house safe, always

Learning from a Life Saving event

The following is a short description of a Life Saving Rule event, investigation, follow up, and learning opportunities.

It is intended to help share information and learn from each event to prevent future occurrences.
It is about Saving Lives.

Everyone should ensure that we know the rules, follow the rules, and always intervene if there is the potential for unsafe behaviors or conditions. This applies to everyone: peers, supervisors, and visitors.

If in doubt, always consult your supervisor.

Event Summary

Lifting Equipment

<u>What happened:</u>
<u>What rule was Potentially Violated:</u>
<u>Investigation results:</u>
<u>Action taken:</u>
<u>Key Learning Points:</u>

It is about saving lives, and it is working.

Safety is a value, Goal Zero is a mindset

Life-Saving Rules

Safety is a Value

Goal Zero is a Mindset

THE "IMPACT"

- We are becoming more knowledgeable of our Requirements.
 - Incident Rates are showing Favorable Signs.

"Our House"

Goal Zero

Comply

Commit

Intervene

Act

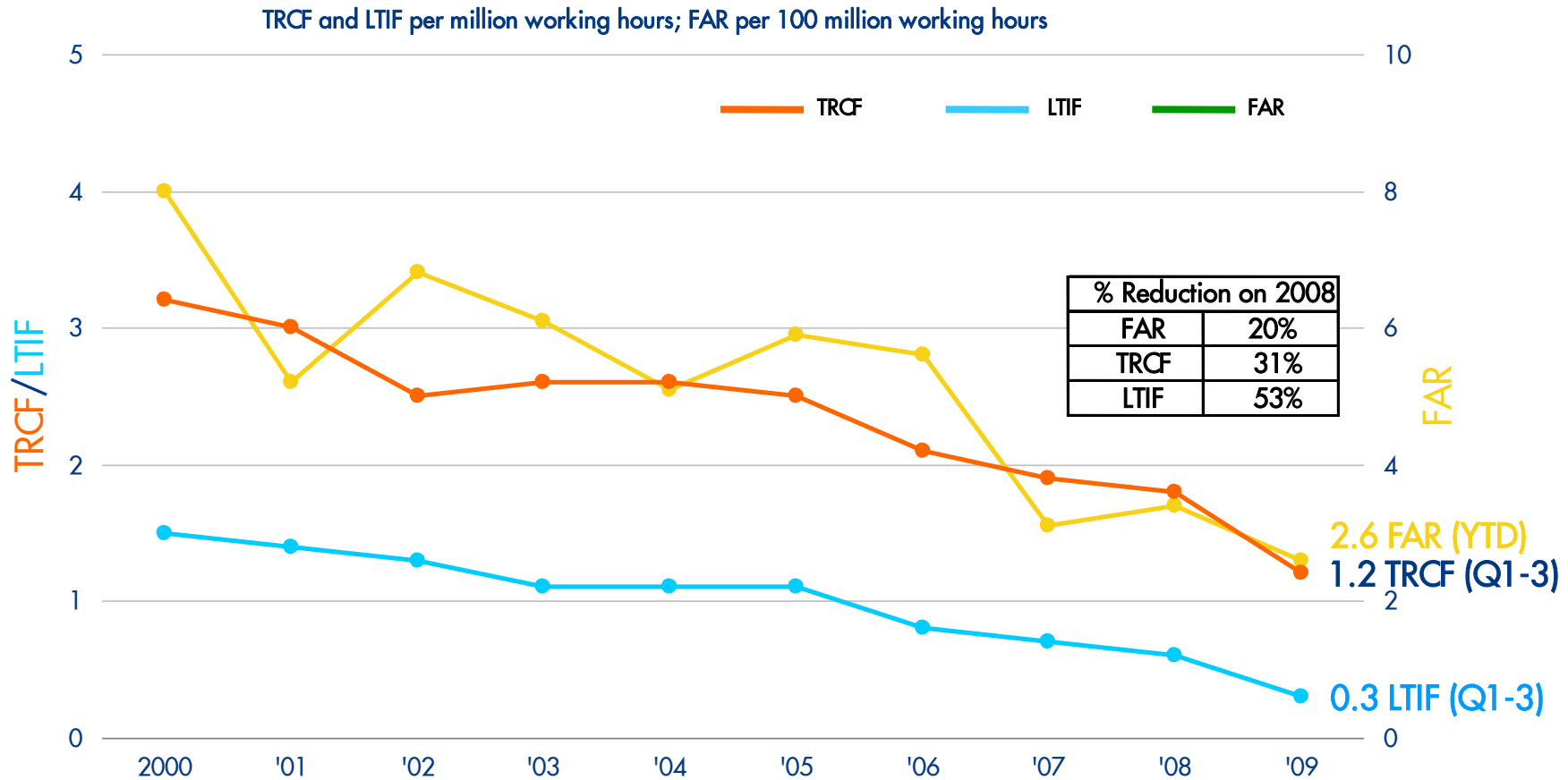
Respect

Care

Keep our house safe, always

Safety Performance – Mid Dec 2009

(Under Shell Operational Control)

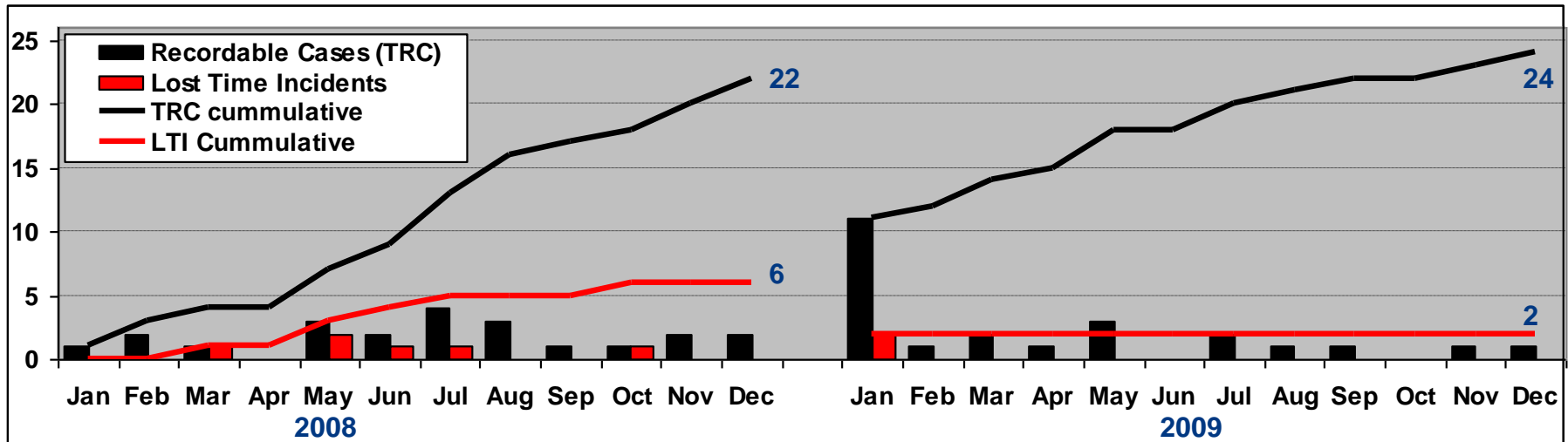
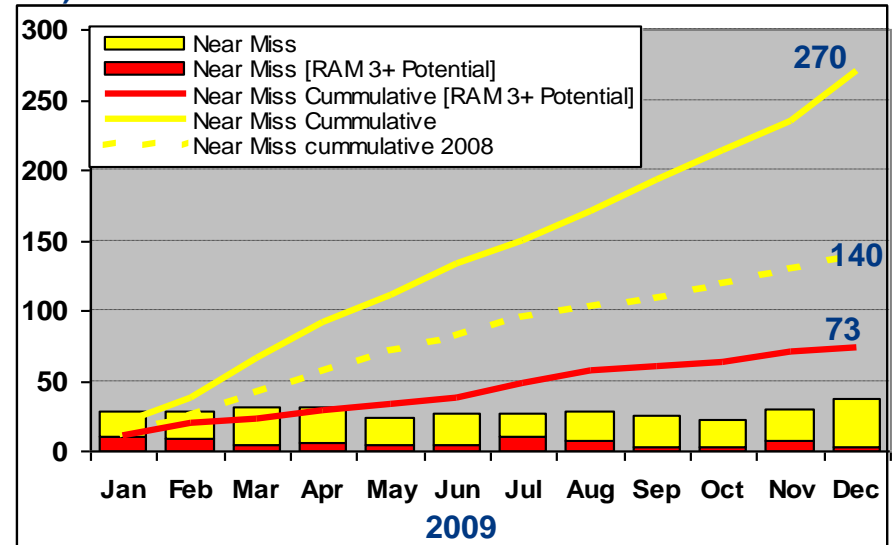
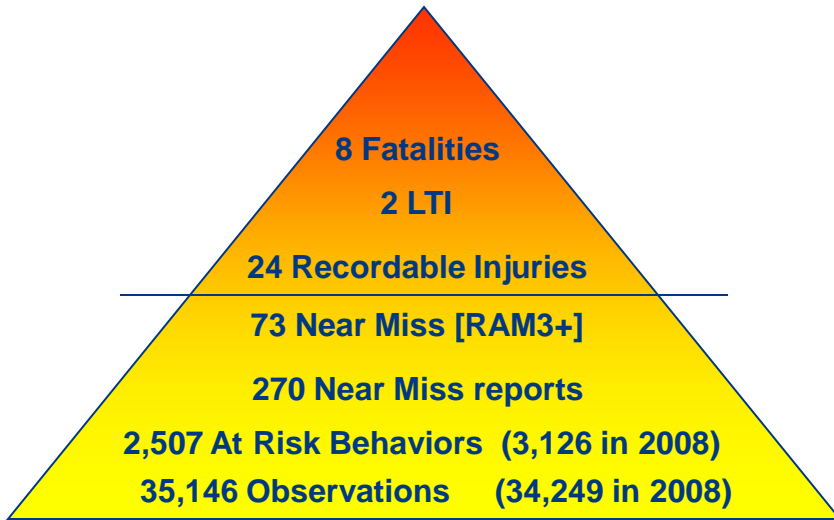


Long-term trend data illustrates underlying improvements in occupational safety performance as measured by LTIF and TRCF

2009 improvements in TRCF/LTIF are significant vs. previous 10-year annual average

Deep Water 2009 HSE Performance

- Offshore TLP and fixed platform drilling - 307 days w/o a recordable
- GoM Marine Operations - one year w/o a recordable (over 3 million man hours, 2200+ voyages, 750,000 tons moved).
Compared to a recordable incident every 45 days in the previous 2 years.
- Environmental - 358 days (and counting) without a reportable spill above 100kg
- 10.7 million exposure hours (up 14.6% from 9.4 million in 2008)



**GROUP Discussion / Exercise –
Define with Rob Juul**

Safety Performance – 2009

20 Group Recordable Fatalities – 1 employee and 19 contractor

(Under Shell Operational Control, includes cases confirmed and under review)

9 Air Transport	Helicopter crash resulted in 8 deaths in USA Commercial airline crash in The Netherlands
4 Road Transport	Vehicle accident and subsequent fire in Laos Vehicle accident during scheduled brake testing in Pakistan Struck by reversing vehicle during road construction in Qatar Vehicle accident and subsequent fire in USA
3 Assault/Security	Security related incident in Nigeria Assault at seismic base camp in Libya Shooting at vehicle convoy in Pakistan
1 Explosion	Explosion while working on tank roof in Cote-d'Ivoire
1 Drowning	Drowning at residential compound swimming pool in Qatar
1 Asphyxiation	Overcome by HC vapours during suspected theft
1 Struck by	Struck by object during hoisting operation in USA