

2 C & MD AWARD
HEALTH,
O SAFETY &
ENVIRONMENT

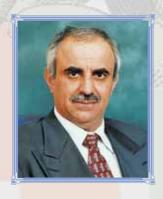


KUWAIT OIL COMPANY (K.S.C)

With compliments of the C & MD HSE Award Committee







Speech of the Patronizer Chairman & Managing Director Mr. Farouk Hussain Al-Zanki 6th June, 2005

Dear guests,

We welcome you in a new year that has witnessed numerous remarkable achievements. For the 8th consecutive year, we gather here once more today to honour the winners of C&MD HSE Award for 2005.

Our targets are clear; we seek to have a clean environment in which everyone enjoys a healthy life. This reflects our strong belief in maintaining a natural work environment where employees can work in a protected harmless area.

Sisters and brothers,

Achieving a safe and clean environment requires each one of us to produce better performance combined with strong determination to face future challenges. We are all required to work at our set plan in order to harvest the fruits of those targets.

It is every one's responsibility to show more determination and sincerity while carrying out our daily duties.

Every year, the C&MD HSE Award adds more support to the efforts of employees and their children as well as contractors while we join hands to reap the fruits of safe life for all.

Distinguished guests,

Allow me now to review with you some of our achievements at KOC in the field of Health, Safety and Environment. The positive reflection of such achievement has spread well beyond the Company's boundaries and has extended to those living all over Kuwait.

- 1- by the end of 2004, KOC commissioned its environment programme by planting 1 million palm trees.

 This programme aims at:
 - a- Provide a healthy environment for future generations
 - b- Stabilize the soil to prevent the sand from drifting and to limit its negative impact on the oil industry and the health of the inhabitants.
 - c- Reduce the CO2 pollution in the fields' areas in particular and in Kuwait in general, to progress gradually along with the industrial and population growth.
 - d- Improve the picture and add a beautiful sight to the fields' areas as well as provide better home for natural & wildlife.

C&MD's HSE Award 2005



- 2- Utilization of the treated sewage water and low-salinity water. This project consists of three irrigation systems: Water-flooding, open ducts and droplet.
- 3- KOC has adopted a long-term strategy until 2020 in which the reduction of damages to health and environment is set as a major target. There is already a plan to reduce gas-flaring to 1% by 2006.
- 4- Effluent water disposal project at Burgan and Magwa fields.

 After the successful commissioning of water injection project in west Kuwait, the Company started similar project in Burgan and Magwa. Commissioning is expected to be in 2006.
- 5- Assessment of the condition of buried pipeline outside the gathering centers.
- 6- Implementation of the insurance companies recommendations:
 - The first and second phases of the action plan set by the insurance committee have been completed. This action plan underlines the remarkable improvement in the Company's concern towards the safety of employees, compared with the evaluation results made during 2003/2004. The 2005 insurance companies report highlighted the progress attained in the safety standards that were a direct result of the continued implementation of the correct safety measures at work. The report also noted that further improvement is expected on the completion of the planned safety projects all over the Company.
- 7- Reinforcing the fire and gas protection system throughout the Company's facilities.
- 8- Protection of containers and separators by inhibiting corrosion.
- 9- Establish national parks in certain locations within the Company's areas in order to protect wildlife and flora.

Dear guests,

I would like to thank all colleagues in the Company for their outstanding role in the support of our HSE forward drive. My thanks go also to for the contractors for their sincere concern in HSE matters. My appreciation to the Committee members' efforts, for everyone who worked with us; employees, volunteers and contractors. My congratulations go to the winners, with the best wishes for all future participants.

Finally, I would like to express my gratitude for those individuals whose patriotism played a major role in supporting our HSE efforts, namely:

- o Dr. Fayza Al-Yamani, KISR
- o Mr. Khaled Al-Nasrallah, Head of Birds' Protection Society

May God protect Kuwait, under the leadership of HH The Amir of Kuwait Sheikh Jaber Al-Ahmad Al-Jaber Al-Sabah, HH Crown Prince Sheikh Saad Al-Abdullah Al-Salem Al-Sabah and the wise Government.





Speech of the Committee Chairman
Director of Export & Marine Operations Group
Captain Khalifa Al-Duaij
6th June, 2005

Dear guests,

For the 8th consecutive year, Kuwait Oil Company celebrates the winners of C&MD HSE Award. This event that was meant to inspire and create the drive for excellence has now become a well-established tradition in reflection of the shining side of the Company.

Every major Company has its own priorities, and maintaining our health, safety and environment is ranked at our top ones. However, such target has its own requirements and limitations, and we are working with our best in order to fulfill the Company's future ambitions.

HSE is a dear and valuable goal, and production can not stand as a target by itself unless it moved in parallel with the safety regulations and the sense of responsibility towards the employees' health who should work within a safe and clean environment.

In its 8th year, C&MD HSE Award has achieved great goals & won more popularity among employees and their children as well as contractors. 142 competitors participated this year, a clear indication of the continuous and deeper interest in HSE matters.

During the first three years of launching the C&MD HSE Award eight years ago, safety has become the main interest among competitors. Perhaps that was due to the fact that safety was the first when compared with health, environment and awareness. Nevertheless, in the last four years we have started to see a more tendency towards all four tracks: health, safety, environment and awareness. In a close glance at the participants' works, we find new and creative ideas, especially in the awareness side.

The target we set for the Award is now progressing in those four parallel tracks. Everyday, for more than eight years ago, we are noticing better awareness and interaction.

On the other hand, we see our contractors progressively and effectively participating in more useful themes that extend out to the Kuwaiti society. It is also noticed, however, that the Kuwaiti contractor is showing more concern in all aspects of health, safety and environment.

Furthermore, our children have shown clear interest & enthusiasm while working on their competition. As early as the start of their school holiday. They have shown good signs of creativity and innovation as well as composing poetry directly reflecting their heartful thoughts about HSE.

I would like to thank you all for those sincere efforts. God bless you.

Dear brothers,

The increasing number of participants and the variety of subjects year after year truly show the increasing awareness in health, safety and environment matters, which receive the senior management full support. On your behalf, I would like to express my appreciation for the management for their concern. I do also thank the Committee members for their continuous effort while choosing the winners.

I congratulate the winners, and wish the others success in the years to come.





Capt. Khalifa Al-Duaij Manager (Export & Marine Opns.)

Members of C&MD's HSE Award Committee 2005



Mr. Abdullah Al-A/Salam Team Leader HSE (S&EK)



Mr. A/Hameed Khajah Team Leader Admin (Kuwait Project)



Team Leader Operational Technical Services (EK)



Mr. Bader Al-Qaoud Team Leader Water Handling (WK)



Mr. Bader Abu Taleb Team Leader HSE (WK)



Mr. Nayef Al-Anzi Team Leader Drilling & Work Over (IV)



Dr. Lina Abu Dheir Head of Pharmacy & Medical Supplies



Mr. Adnan Al-Shammari Team Leader Operational Technical Services (NK)



Mr. Dhari H. Al-Gharabally Snr. Environment Engineer







Mr. Ahmad Al-Eidan • Mr. M.L. Chawla • Mr. Salahuddin Abdul Hasib Mr. H.B Chetri • Mr. Manowar Ahmed

Long-Term Testing of SA-153 through Early Production Facility

Long Term Test of SA-153 is being carried out through "Early Production Facility (EPF)" since 10th February 2004, the produced fluids from wells connected to the EPF contain H₂S in the tune of 7000-10000 ppm, which is being sweetened within 4 ppm and 70 ppm for Oil and Gas respectively. This has been the first of this kind implemented by KOC and maintained highest HSE standards through out the year.





Modification To Flow Line Manifold During Work-Over Operation with ESP Wells

Modification to flow-line was carried out to divert the flow to Gathering Center during the Work-Over operation, while commissioning ESP wells. To avoid flaring and to save well production.



WINNERS ENVIRONMENT



Ali Ja'afar Al-Bairami • Ishaq Khalil Al-Qaed • Ahmad Ali Abdul Raheem Hamad Hussain Al-Omairi • Sameer Abdul Mohsen Mohd

Fabrication of Wheel Monitors from Scrap Materials

The effort and knowledge were put together to fabricate 18 Nos. of Ground Wheel Monitors from writtenoff scrap materials which were available at Burgan Fire Station. These Ground Wheel Monitors were tested
for its functionality and stability at Burgan Fire Station. The performance and stability of Ground Wheel
Monitors were fully satisfactory and provided water/foam throw of 66 meters at 10 bar pressure. The
Wheel Monitors are operational now. This fabrication not only saved the cost but also helped to recycle
the scrap materials and thereby contributing to effective waste management.





Fadhel Safar Ali Safar • Bader Ahmed Al-Saíad

KOC Production Development & Support group HSE training program

HSE Training is the corner stone for any HSE Management system to implement and to increase the employee's awareness of that system.

PDS HSE training program is a program for all group employees to help ensure that all parties concerned are aware of work hazards, their roles and responsibilities, also to help in building up HSE culture among all of them supporting KOC HSE MS implementation success.

This training program started by training analysis which depended on the oilfield industry known hazards, Field visits, accident reviews and the HSE training survey, then the program set an approved and agreed on procedure, training materials (slides, Videos & practical sessions) record keeping tools and reviewing matrix.







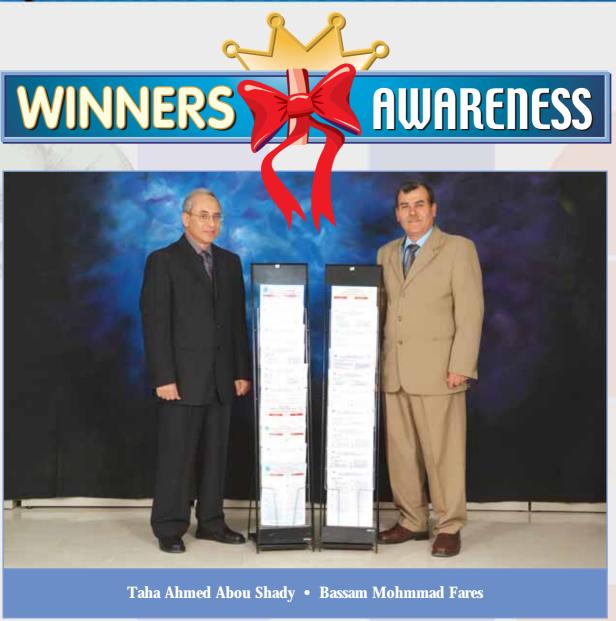
Capt.Pawan Chaudhry • Khalil Safer • Hasan Al-Bairami • Ali Abdulla • Ray Cruz

Marine Oil Spill Response Equipment

Export & Marine Operations Group is one of responsible parties for marine oil spill combating in Kuwait's coastal areas. For this purpose, KOC owns many specialized combat equipment.

The purpose of this manual is to enlist these various units as well as enhance awareness and training of all marine staff, and other persons who are associated with marine oil spill combating operations.





Patient Medication Leaflets

We initiated this project to increase Health Awareness of the medication safety. The leaflets are chosen from the prescribed mostly medicine. The leaflets include, How to take the medicine? What to avoid? Diet, Interactions with other drugs, What to do if a dose is missed? Side effects, Precautions, etc.

As a result of this, patients will get the maximum benefit with minimum risk and better patient's compliance, curative rate will be improved, and this shall decrease Hospital clinic visits and casualty visits. The final result is minimum cost and better healthy Community.







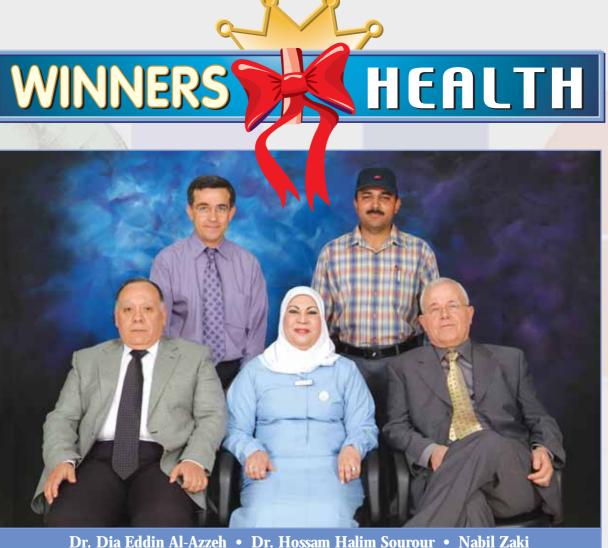


Ayedh R. Al-Hajeri • Ali H. Al-Kandari • Abdulla Al-Qabandi Abdulla Al-Qadeeri • Kapilendra Tripathy

Implementation of Employee Motivation Scheme at Opns. (West Kuwait) Field Areas

The Employee Motivation scheme evaluation criteria were devised to enhance employee's motivation thereby maintaining the safety & efficiency standards in day to day activities. The scheme was based on the overall assessment of GC/BS employee's HSE performance, productivity & maintainability including documentation. Various evaluation measures were accounted for each of the participating shifts in the era of HSE, productivity and efficient both inside and outside the plant facilities. The scheme was successfully implemented on 9th March & 29th November 2004 and evaluated by experienced reviewers from Groups other than Ops (WK) for fair assessment. In both the evaluation processes implemented, the winning "Best Facility" & "Best Operating Shift" were rewarded. Subsequent to implementation of scheme, remarkable enthusiasm and interest for participation amongst field employees was noticed which actually contributed to employee's motivation to meet safe and efficient working environment standard. The entire scheme was implemented through in-house efforts of Ops (WK) Group.





Dr. Dia Eddin Al-Azzeh • Dr. Hossam Halim Sourour • Nabil Zaki Nafeesa Amer • Ghulam Abbas

Diabetic & Asthma Awareness Day

Both Diabetes & Asthma are the most common deseases in the State of Kuwait, increased awareness enables to prevent the disease and optimize care. The event '2days' was successful in these objectives as a large number of guests "3000" attended the functions. The statistics of actual Diagnostics Tests came to were 7% of guests where captured with high glucose levels. Significant attendance was given by the media. In addition from the great efforts were made through programms on TV & radio. Which meant that the public who did not attend benefit as well from the campaign.







Khalid M. Al-Khamees • Esmaiel M. Qasem • S. Chandra Sekhar S. Chockalingam • Basant Goyal

Rectification of Fire & Gas Detection Systems at GC's and BS's (17 Centres)

Fire & Gas (F&G) Detection System is an essential part of the production facility to safely operate / maintain different process equipment, locations, etc. Such F&G Systems were not functional since inception at 17 facilities. The Team therefore took initiative and completed the mammoth task of thorough site survey, design, drawings preparation, formulating fast track installation of thousands of different kinds of field equipment, hardware and software installation, modification of panels and equipment, commissioning & handing over to Operations & Maintenance, the F&G Systems at 17 locations along with project submittals, training, drawings and manuals. This task has enabled to improve Insurance Risk Ranking from a Property Damage Viewpoint, enhanced KOC's reputation about its adherence to International / KOC standards on Safety, Effective Operation of Production facilities and HSE Awareness.





Replacement of Fibrous Gaskets with Stainless Steel Spiral Wound Gasket in all 300 No. Flange Joints and Modification of ESD Valve Closure Timing in GC-27 & GC-28

There were incidents of oil leaks in GC-27 and GC-28 wherein the Desalter Dehydration Trains experienced gasket ruptures on a number of flange joints upon shutting down the DDP on ESD resulting in heavy hydrocarbon leaks. The team studied the problem and the failures were attributed to a combination of 2 factors (1) Use of inadequate fibrous gaskets in 300# flange joints and (2) Occurrence of surge while stopping the flowing stream abruptly.

As per the recommendations, all the critical 300# flange joints with fibrous gaskets were provided with Stainless Steel spiral wound gaskets in GC-27 & GC-28(Approximately 1500 nos fibrous gaskets in GC-27 and 1000 nos in GC-28). Modification to the instrumentation was carried out in both the GCs to control valve closing time to prevent surge.

After the gaskets replacement and the instrumentation modification, no incident of any flange joint leak has occurred in any of GC-27 or GC-28.







Samih Sarhan • Dr. Fatima Al-Abdali • Hamed Y.Al-Anezi • Ahmed Abdulnabi

An Innovative Procedure for Biocide Filling

Due to the presence of several chemicals at SWTP & CIPF site, including Biocide which tends to be a highly toxic chemical; and since KOC operators tended to be unaware of the correct and safe procedures in handling such chemicals, Water handling Team at North Kuwait, with the assistance of the H&E Team, have developed an innovative procedure for filling the tanks with the needed chemicals. This procedure implements a methodology that keeps KOC operators and employees at safe conditions, ensuring much safer operational environment. The innovative procedure for Biocide Filling comprises of the step-by-step guidelines for each of the specified number of employees needed to take part in the filling process. It also contains a list of special requirements of the PPE for the specified chemical, including the chemical badge for detection of the concentration of the active ingredient within each chemical. The procedure also includes a detailed chemical response plan in cases where a chemical spillage may occur.



WINNERS

CHILDREN



Name : Mariam Saleh Fahad Al-Azmi

Age : 9 Years



Name: Chhavi Chaudhry

Age : 11 Years



Name: Dana Ahmad Mohd. Ashkanani

Age : 11 Years



Name: Hussain Ahmed Abbas

Age : 12 Years









H 1002



Name : Sara A/Razzak Behbehani

Age : 13 Years

WRITE UP
SMOKING



Name : Hasan Abdul Tawab

Age : 14 Years



Name: Tulika Gupta

Age : 14 Years



Name : Lubna Siddiqi

Age : 17 Years



WRITE UP
ENVIRONMENT
RESPONSIBILITY FOR
KUWAIT

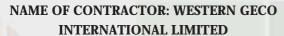




CONTRACTORS

HALLIBURTON OVERSEAS LIMITED

An exception and outstanding performance during the business year 2004 with zero recordable injury and zero recordable motor vehicle accidents in the KOC (Successful Community operations. Connection Initiatives, The roll-out of "Al-Sulokeyat Al-Salema" Spot the hazard initiative, Cost effective training through learn (through Halliburton's implementation of Continuous PII (QHSE), Continuous focus on taking QHSE beyond the "Red Zone" Initiative, etc.).



Pre and Post Camp site environmental surveys to ensure that the camp area leaves no "footprints" on the environment. Waste water management, monitoring of emissions from engines and generators, recycling of waste material and spill protection management within the Camp conforms to KOC HSE standards. Innovative measures adopted against Western Gecois standard template. Utilizing thousands of biodegradable makers for indicating source and receiver positions which are made of special plastic which biodegrades within six months. Ordinance clearance along corridors for receiver and source lines by experienced EOD expert/spotters. Real Time GPS Vehicle Tracking System for monitoring of all vehicles used daily during seismic operations.

NATIONAL PETROLEUM SERVICES

Employee Health Surveillance Program - involves medical tests. New Employee HSE Orientation as well as HSE orientation lectures given to students at the Public Authority for Applied Education and Training (PAAET). Driving monitors installed on vehicles - to evaluate driver performance. Monthly and manual



safety awards as incentives. NAPESCO facility environmental assessment conducted. Weekly safety meetings and training for all NAPESCO employees. Sponsorship of Kuwait Drilling Safety Leadership Initiative meeting at NAPESCO and distribution of training material for contractors. Participation with American Society of Safety Engineers in best HSE practices lecture and community outreach HSE program for school students. Sponsorship of the International Day for the Prevention of the Ozone Layer. Employee Continuous HSE Education.

TARIQ AL-GHANIM GENERAL TRADING CO.

A new, environment-friendly method (Willacy system) has been implemented for desludging & cleaning of crude oil tanks. The method involves removal of the sludge using hydraulically driven equipment (robotic or manually driven hydrodozer) and treating it (by heating and centrifuging) to recover the oil, which is stored in an intermediate tank and then transferred to an adjacent crude oil storage tank if it meets the quality specifications. Separated water from the process is disposed of in the drain system and the dry sediment is collected for disposal, thus contributing towards protecting the environment (besides enhancing oil recovery).





STATISTICS

	05	04	03	02	01	00	99	98
KOC EMPLOYEES								
 The total number of applications received The total number of winning applications Wining applications: Health Safety Environment Awareness The number of winning groups 	142 11 2 3 3 3 13	78 10 2 4 2 2 2 15	124 9 1 3 3 2 10	83 11 2 5 3 1 9	95 10 2 2 3 3 11	77 10 1 3 4 2 8	92 13 4 3 4 2 7	85 16 2 4 7 3 6
CONTRACTORS								
Number of nominationsNumber of groups which submitted nominations	15 9	6 5	17 7	8 5	7 4	10 5	7 3	3 2
YOUTH & CHILDREN								
 The total number of the youth entries The total number of children entries	42 87	26 26	14 25	19 24	30 30	15 24	16 21	11 39

WINNING GROUPS								
Group	No. of Employees	Group	No. of Employees					
Prod. Dev. Support	9	HSE Group	2					
Operations (WK)	8	Exploration	2					
Medical	7	Drilling Operations	2					
Industrial Services	5	Support Services (SEK)	1					
Export & Marine Operation	s 5	Operations (SK)	1					
Operations (EK)	4	Fields Development (NK)	1					
Operations (NK)	3							