Feedback On Recent Insurance Survey

13 October 2022

South African Petroleum Industry Association

August 2022 Onshore Insurance Survey

During the visit, the underwriter found:

- Significant gap on COW practices against the procedures
- Raised concerns of funding and constrained resources limiting project deliverables
- High number of leaks on fire water system compromised emergency response in case of fire incident
- Action plans are not detailed and do not appreciate limited timeline concerns

Insurance Survey Findings

- The recent concluded employee severance separation process together with company financial status raised significant deteriorations in risk quality caused by the loss of personnel and lack of funding the training.

  - Level of Authority removed

  - Inadequate and/or poor job handover

- Internal auditing of PTW practices is improving from a reactive perspective of quantitative reporting as they're now begin to identify gaps for areas of improvement.

- Good progress made from practice of sharing the LFI with employees at different levels, however, the unavailability of action list denies the opportunity to learn new lessons and influence improved incident investigation process.

Insurance Survey Findings

- Concerns around the prioritization of the preservation of GTL equipment.
- Funding constraints impacting procurement of chemicals leading to corrosion inhibitors not being dosed as per routine requirement e.g. condensate pipeline
- The equipment degradation concern highlights the risk of environmental incident and a significant spend on restart.
- Degradation of fire water system due to corrosion is observed with high number of leaks compromising our fire safety emergency preparedness with the routine testing of fire water pumps been put on hold.
- They summarized our approach to safety as having a high appetite for risk and underwriters were not impressed by lack of prioritization to safety elements.
- **Lesson learned:** The safety slogan of “Safety Comes First” is not always true when the funds run dry.

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Questions