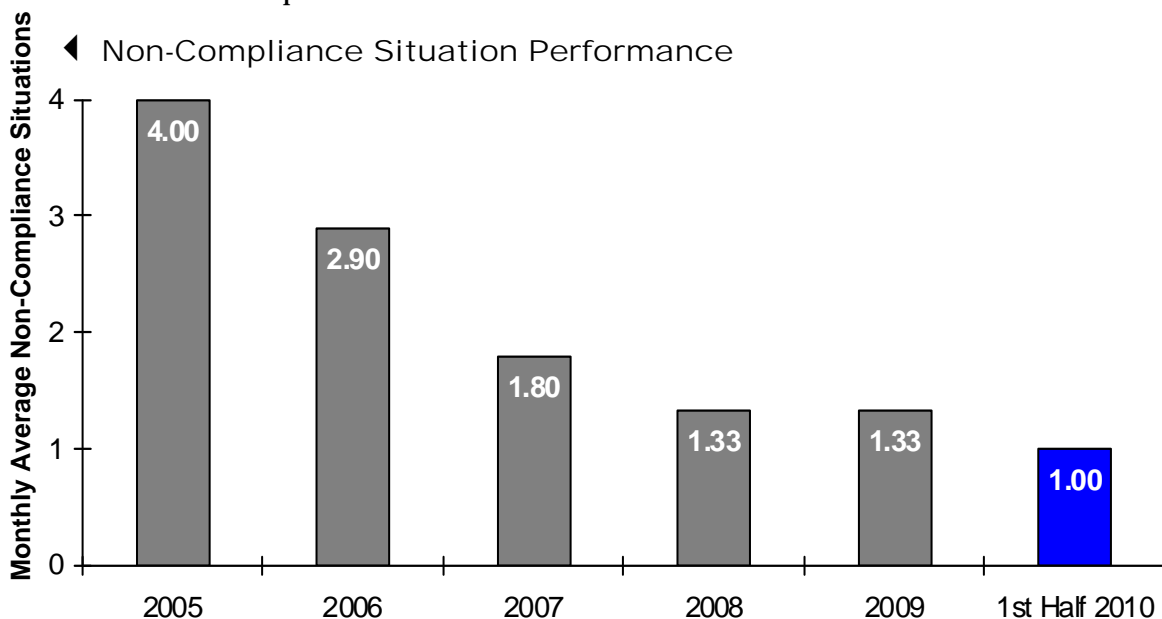


Reportable Environmental Management Plan Situations

The project achieved a new record for Environmental Management Plan (EMP) compliance in the first and second quarters of 2010.

- Six non-compliances were recorded during the period, the lowest number since project construction got underway ten years ago.
- There were no Level II or III non-compliances and the ones that were recorded were all at the lowest classification, Level I.
- The project’s compliance performance index improved to 1.00 per month at the mid-point of 2010.



The project dropped its monthly non-compliance rate to 1.00 as of the end of June, an improvement of about one-third compared to the rate in 2009 and the lowest rate since the early days of project construction a decade ago.

Spills Two spills took place in the first half of 2010. In each case the spill was quickly contained and cleaned up with no lasting harm to the environment.

22 April: A sudden intense squall struck the Marine Terminal overnight during an export operation. The unusually high winds of up to 60 knots shifted direction constantly and ultimately pushed the export tanker out of alignment

with the Floating Storage and Offloading vessel. The double mooring lines between the two vessels parted and the marine breakaway couplings built onto the ends of the export hose activated. As designed, the couplings sealed the ends of the hose so that less than one barrel of oil escaped into the water. About four barrels of oil were released on the deck of the export tanker and some of it washed into the sea because of the torrential rain.

As specified in the Area Specific Oil Spill Response Plan, dispersants were applied to the thin film of oil on the water. One day after the spill no oil sheen was detectable on the water. Six days of beach patrols were conducted after the spill but no oil reached shore

A full force emergency response was initiated until it could be determined that the spill was a minor one. Cameroonian government officials and local officials in the Kribi area were notified and kept informed throughout the response.

Following a detailed investigation, several actions were taken to prevent a future occurrence.

- Improved existing weather procedures by contracting with a private weather forecasting company that provides severe weather alerts.
- Updated operating procedures relating to tanker alignment, the quick disconnect system, weather conditions and mooring tensions.
- Replaced the mooring gear with new equipment.

10 May: Maintenance was underway on valve number 4 on the export pipeline at kilometer point 98. As work was underway, oil began flowing out of a lubrication line when a small check valve failed. The export pipeline system was immediately shut down.

All of the spilled oil was contained within the deep excavation around the valve that was under repair. The emergency response team, dispatched with a vacuum truck, arrived at the site within a few hours. Using the vacuum truck, the team removed about 27 barrels of oil from the excavation. That allowed the team to enter the excavation and re-couple the lubrication line.

Based on the post-incident investigation, procedures for conducting mainline valve maintenance have been changed to prevent future occurrences.

Reportables Tally for 1st & 2nd Quarters ◀ Total Reportable Situations by Country

	<i>1st Qtr 2010</i>				<i>2nd Qtr 2010</i>			
	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>
Chad	0	0	0	0	2	0	0	2
Cameroon	1	0	0	1	3	0	0	3
Total	1	0	0	1	5	0	0	5

◀ Non-Compliance Situations by Company

	<i>1st Qtr 2010</i>				<i>2nd Qtr 2010</i>			
	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>
Africa Security	0	0	0	0	1	0	0	1
Bantou	1	0	0	1	0	0	0	0
FMC	0	0	0	0	1	0	0	1
PSN	0	0	0	0	3	0	0	3

◀ Non-Compliance Situations by Category

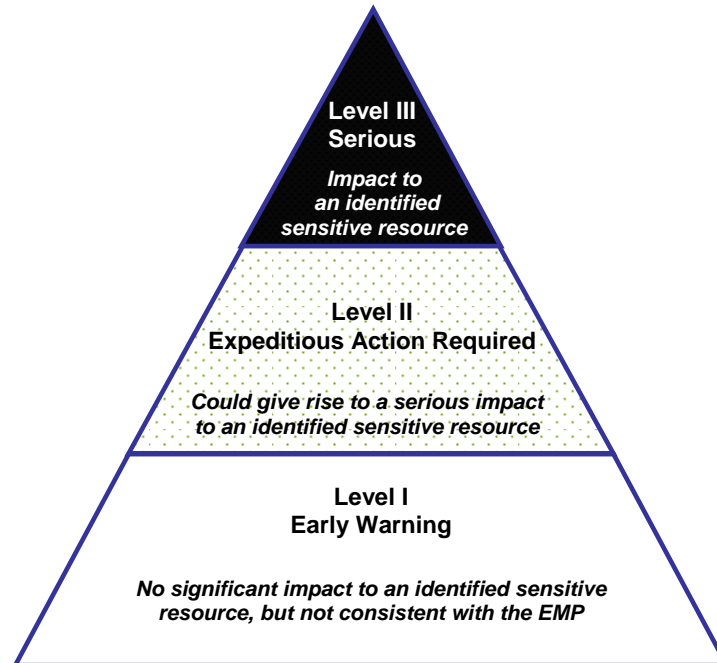
	<i>1st Qtr 2010</i>				<i>2nd Qtr 2010</i>			
	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>
Health/Occupational Health	0	0	0	0	1	0	0	1
Labor – Labor Code	1	0	0	1	0	0	0	0
Land – Unapproved Use	0	0	0	0	1	0	0	1
Land — Reinstatement/Restoration	0	0	0	0	1	0	0	1
Waste Management – Handling/Transportation	0	0	0	0	2	0	0	2
Total	1	0	0	1	5	0	0	5

Context: The project's Environmental Management Plan includes reporting standards for non-compliance situations and for spills. The standards provide methodical and consistent mechanisms for measuring performance on environmental protections and spill prevention.

EMP Reporting

Non-Compliance Situations

The project's three-level ranking system for EMP non-compliance situations was designed to provide an early warning mechanism to detect issues and help correct non-compliant behaviors and practices well before they became serious enough to cause damage.



This pyramid illustrates the project's early warning system approach for identifying and managing EMP non-compliance situations. The first two levels serve to alert the project to potential environmental impacts. Only the top level, Level III, indicates actual serious environmental impact to a defined sensitive resource.

Spills

The Environmental Management Plan requires the reporting of spills of one barrel of oil, 10 barrels of produced water or 100 kilograms of a chemical.