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RE: Shell Alaska Incident Reporting

TO: Shell's Alaska Contractor Community

The purpose of this communication is to explain Shell Alaska's incident reporting procedures and requirements. Shell is very proud of our employees and contractors and of the services they perform. Shell endeavors to ensure that each Shell employee and contractor leaves every task, job and/or hitch in as good or better condition than when it was started. One tool used to help meet this objective is incident reporting. By reporting incidents, Shell can analyze the causes and emplace effective barriers that prevent an incident from reoccurring. By learning from our incidents and sharing this knowledge, we will be able to avoid repeating them.

What is Reportable?

Reportable incidents include any event resulting in a personal injury or illness, property or asset damage, motor vehicle accident, environmental release (spill) or "near miss". Any spill of a chemical additive, fuel, or hazardous substance, or anything that creates a sheen on water must be reported immediately. A spill will also include any hazardous substances released to secondary containment. A near miss is simply a "close call" involving any release of energy or loss of control that did not otherwise result in injury to people, damage to property, or environmental release.

Why Report Incidents?

Shell reports incidents for a number of reasons. First, this helps ensure the injured person receives proper treatment in a timely manner and reduces the possibility the injury could get worse. Second, it allows others to learn from previous incidents. Finally, it provides a means of measuring how well Shell's safety and environmental programs are performing. Only thorough incident reporting allows Shell and our contractors to realize these benefits.

Incident Reporting Process

All incident notifications must be made immediately through your direct line of onsite supervision. Contractor supervisors are to inform the Shell Person In Charge (PIC) and Shell HSE representative who then escalate the notification to the appropriate level. Spills will be reported by the Shell PIC to Shell Regulatory Affairs by calling the duty phone at 907-830-7435. Shell

Regulatory Affairs will make all verbal and written notifications to the agencies. Note that a verbal notice to the regulators within 2 hours is required for some spills.

Shell Internal Incident Management Process

For each incident (except spills as discussed previously), the Shell PIC will utilize the following internal protocols:

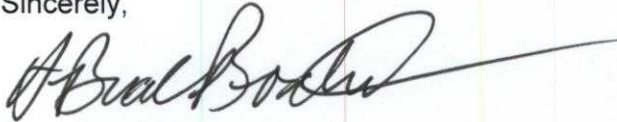
- *Initial notification (not to exceed 24 hours)*: usually by telephone, of any incident by those involved with or witnessing the incident.
- *Within 3 Business Days*: provide a written report including all facts known and immediate corrective actions taken to prevent recurrence.
- *Within 30 days*: Submit a complete and documented incident analysis package.

Incidents will be reported and tracked through Fountain, Shell's incident management system. These internal reports will include documentation provided by the contractors to Shell within the specified time frames.

Summary

Shell encourages a culture of openness in reporting all incidents, including near misses. While having an incident occur is unfortunate - and we constantly strive to prevent them - incident reporting and corrective action sharing allows each of us the opportunity to learn and Shell to meet it's commitments in Alaska to keep it safe, keep it clean and respect our neighbors. This enables Shell to build the safety culture within our respective Shell organizations. Let's work together and share what we know so that we all go home safely!

Sincerely,



Brad Boschetto
AK HSSE Manager