BSP begins exploratory drilling on 14 onshore wells
Dear Colleagues,

Improving our safety performance has been a major achievement, recently highlighted with 8.9 million manhours without a recordable case. Well done for your continued efforts in ensuring safe working and an area of our business that we should all feel immensely proud.

We are on track with oil production, but gas remains below target. Our costs are being managed well, with cost savings through business improvements having been achieved across our operations. Reserves replacement is excellent and well above target in all categories.

Latest updates from major projects, such as the EOR project and in the DEPO field, look promising. We have also safely removed and relocated six structures, as part of the ‘Rigs to Reef’ programme promoting marine life in local waters. Drilling in deepwater has moved to the next location, Keruwai.

We also recently had the Business Integrity Day with our vendors, as we continued the work to maintain the solid foundation in conducting our business.

We were honoured to host the President of Laos and his delegation, when he arrived in Brunei for a state visit. We showcased some of our technology, and the POCC and DOCC, and were able to share our successes and best practices. The President was very impressed with BSP, and he highlighted our performance, technology and the motivation of our staff.

As you know, I will be moving on in February next year after almost six years in Brunei. I would like to take this opportunity to thank you all for making my stay so memorable in this wonderful country.

We have faced many challenges together as one team, and I am proud that our performance now is amongst the very best in the industry worldwide. Above all, my greatest pleasure is the safety performance, which has been exceptional by any standards.

Before I depart, there will be time for us to share some of the special moments together. In the meantime, I know that everyone is pushing hard to meet the 2010 targets, but please remember to ensure that safety remains the top priority... every minute of every day.

Best wishes

Grahaeme Henderson
Managing Director, BSP
BLESS TO BOOST YOUTH CAPABILITIES

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It is of no surprise that when it comes to doing business with BSP, safety is the highest priority for all contractors to adopt in their company culture. The Coaching Scheme Initiatives (CSI) recently completed a coaching visit session for 11 local SMEs, specifically highlighting the importance of adopting a safety culture and safety procedures into their business operations to ensure a smooth and safe running of their human resources and delivery of their products or services without incurring additional costs in the

Participants in the workshop’s discussion
event of an incident. A total of 11 companies participated in the second cycle of the CSi programme which aimed to increase local SMEs overall capability, capacity and competitiveness through monthly workshops and one to one coaching from experienced coaches.

Other than coaching Health, Safety and Environment (HSE) elements, the CSi also touches on other subjects like Leadership, Finance, Strategic Planning, Human Resource Management, Quality & Marketing, which are essential elements companies must consider in order to become sustainable.

The CSi is part of BSP’s Community Development Flagship and is the first programme of its kind in Brunei where individual participating companies go through structured monthly workshops and coaching sessions. The programme is also supported by Mashhor Group of Companies, SKSWoods, Petrokon Utama Sdn Bhd, SKS/Joffren Omar and Baiduri Bank.
BSP welcomes President of Lao People’s Democratic Republic

Brunei Shell Petroleum hosted the visit from His Excellency Choummaly Sayasone, President of Lao People’s Democratic Republic who is in the country on a three-day state visit. President Choummaly who was accompanied by his spouse Dr Keosaychay Sayasone and senior officials Lao People’s Democratic arrived via helicopter at the Panaga Health Centre Helipad. Also with the delegation was Minister in attendance Yang Berhormat Pehin Orang Kaya Seri Kerna Dato Seri Setia Haji Awg Abu Bakar bin Haji Apong, Minister of Education.

His Excellency Choummaly Sayasone and Grahaeme Henderson at BSP’s Time Tunnel Gallery
He was welcomed upon arrival by Yang Berhormat Pehin Datu Singamenteri Colonel (Rtd) Dato Seri Paduka Haji Mohammad Yasmin bin Haji Umar, Minister of Energy at the Prime Minister’s Office, Grahaeme Henderson, Managing Director BSP, and their spouses. Shortly after arrival, the delegation then moved to the BSP Headquarters in Seria where they were welcomed by other senior officers of BSP. The visitors were then led to the Atrium where Grahaeme gave his welcoming remark highlighting the development of BSP and the oil and gas industry in Brunei Darussalam. It then proceeded with a video presentation on BSP and also a safety and production exhibition. From the Atrium, the President and delegation were ushered to the Darat Optimisation Collaboration Centre (DOCC) while another group was led to the Production Optimisation Collaboration Centre (POCC), located at BSP’s Technology Corridor in the BSP Headquarters. At the DOCC, President Choummaly was welcomed by Phillip Holweg, Head of Development Darat Asset & Chief Production Technologist who gave a briefing on the function and role of the facility. DOCC is a hub where all the DARAT facilities are linked and it plays a key role in the enhanced level of the asset communications required. The increased capability in communication and collaboration have maximised the value of the assets especially with new fields such as the Seria North Flank (SNF) and Darat Early Production Opportunity (DEPO) coming onstream. Meanwhile at the POCC, the visitors consisting of senior government officials from the Lao People’s Democratic Republic were given an overview of operations by Brigitte Dale-Pine, Champion West Project Leader. The POCC is the world’s first Collaborative Working Environment (CWE) that is specifically designed for the purpose of Field Management. It is staffed with an integrated team of engineers and technical staff. The POCC has made way for significant changes in how field management is conducted and with the integrations of real time communications between the facilities, has further improved the planning to decision-making process. BSP has a vision of becoming a Smart Fields Center of Excellence and the creation of such high tech communication and collaboration hubs like the POCC and DOCC is an important step towards this vision. Before concluding the visit to the BSP’s headquarters, President Choummaly toured the Time Tunnel which displays classic and past photographs of the company’s oil and gas breakthroughs from 1929 till date. From the headquarters, the President of Lao People’s Democratic Republic left for ‘49’, BSP Managing Director’s residence for a luncheon.
BI 1032: Cluster well-entry by area for hoist operations

Previously, hoist well entries were scattered over Seria, Panaga and Anduki. The well sequence was mainly based on fire-fighting modes with minimal planning and approved hoist sequences and P3e are not fully followed.

To improve operations, a BI team was formed to work on clustering the well entries by area i.e. working in S-304 at F-18 due to pump breakdown. The idea was to take the opportunity to service nearby wells within the same area (S-246 & S-418), and minimizing the distance required to move the hoist, and thus saving time for rig moves, reducing logistical hazards, reducing exposure on public roads and hence reducing costs per well. This is also done in parallel with proper hoist entry sequence and P3e alignment.
WHAT WERE THE RESULTS?

• Hoist operations coming to 6 years with Goal Zero
• Less time spent on rig moves. Target is 8 hours per site and most moves were completed in less than 4 hours
• Hoist has more available time hence increasing the usage of hoists for other activities such as installing completions or carrying out more non-routine activities
• Hoist operation is ahead of delivery target by 10% but within budget and time
• Savings of BND600,000 on tariffs and manpower

These improvements were then entered as a BI1000 efficiency idea and was subsequently awarded as the Gold Award winner for the Q2 MD Awards.

The same strategy is now also applied to other land operations such as rigless subsurface well abandonment and coiled tubing operations where most cabins are trailer-mounted.

The strategy of clustering operations is also shared with wireline operations and wellhead maintenance teams, where campaigns based on areas rather than individual wells. The same approach can also be applied to maintenance and inspection campaigns.

HSSE ISSUES ADDRESSED

• High risk exposure associated to rig moves between sites. Hoist operations move every 3 to 4 days, making over 200 moves per year
  - (2010 to August: 300km in 310hrs)
  - (2009: 786km in 480hrs)
  - (2008: 616km in 485hrs)
  - (2007: 450km in 430hrs)
• Moves also include the lifting of heavy equipment and machinery including mud pumps weighing over 5mt and 40-foot long fluid tanks and tubes
• Some well sites are remote; in forests and some are within residential areas
• For most moves between sites, the main public road is used, connecting two main towns in the district (Kuala Belait and Seria, along Jalan Tengah)

ACTIONS TAKEN

• Minimise lifting of heavy equipment and machineries by making them trailer mounted
• Enforce journey planning and management; no movement of heavy vehicles during peak hours between 7am and 9am, between 11am and 1pm and between 4pm and 6pm. Also no rig moves after 4pm.
• All vehicles including contractor light-duty trucks were sent for BSP compliance and certification on yearly basis to ensure of road worthiness.
• All of the above helps to reduce distance coverage and risk exposure on public roads. In some cases, none of the cabins were moved except the hoist carrier itself.

An illustration of clustering well entries by area (before and after implementation)
Brunei Shell Petroleum (BSP) has exceeded all its expectations by announcing the discovery of oil from its recent exploration activities in the offshore extension of the Seria Field as part of the Darat Early Production Opportunities (DEPO) Project in Anduki. From the first two wells, the DEPO Project has already discovered oil reservoirs measuring 400 metres in length, bearing in excess of 20 million barrels equivalent of oil and gas in place. These wells are the first two of 14 exploration wells which are planned as part of the first phase of the DEPO Project.

Considering the complex geology of the mature Seria oilfields, this extraordinary success was made possible only through BSP's use of world-class technology and innovation. By doing so, BSP has surpassed its own world record in drilling and completing the well at an angle of 141 degrees from the vertical, in a fishhook or uphill direction.

Fishhook wells are a high performance, leading edge well technology in the oil and gas industry, drilled to a depth of over 1500 metres, and then curved to enter the stacks of oil reservoirs at a steep angle in a distinctive fish hook shape. BSP integrated this technology with another world first, by applying a 'reverse port' gravel packing technique. This unique combination proved highly productive and cost efficient, by enabling oil reservoirs under the shallow waters of the sea to be drilled from the shoreline and thereby reducing costs.

Grahaeme Henderson, Managing Director of BSP highlighted, “DEPO has been a technically challenging project and I am pleased with the exploration discovery. We will bring the oil production onstream as quickly as possible, and in accordance with our highest safety and environmental standards. The project builds on the recent oil production from the Mampak and Bugan offshore platforms, and the recently installed Selangkir-Iron Duke platform.”

DEPO is a uniquely challenging, high technology project to open up the Nation’s mature oil and gas fields. Driving DEPO’s high performance is BSP’s innovative and total integration of technology, exploration and development teams across BSP. Through the involvement of highly creative young, local Petroleum Engineers and Geologists, and valuable coaching, support and motivation from experienced senior staff in BSP, DEPO continuously drives, builds and develops its local staff for the future.
The Offshore Logistics Module (OLM) Phase 2 for Campaign in SAP Blueprint which is to record the transportation of our Campaign material deliveries for drilling rigs, has gone live on 25th August 2010 exactly one year after OLM Phase I go-live on 25th Aug 2009. Offshore Logistics Module (OLM) also known as Remote Logistics Module (RLM) is a SAP EP Blueprint functionality covering the management of materials. This module is an existing solution within EPBlueprint but the implementation in BSP was delayed due to the availability of similar functionality in LOGOS.

With the implementation of OLM for Campaign in BSP, the system will offer improvements in the form of transparency by providing tracking facility in SAP for Campaign materials processes from the requisition stage, load-out to remote offshore locations and backload to onshore.
The main change to the process and people is, all materials receipt at offshore platform / workboat site will need to be receipted in the system in order to provide the correct information and status of materials availability. The management of Campaign materials are handled by a 3rd Party contractor, SKSWood Sdn Bhd, for the Offshore Construction and Maintenance contract.

This project is sponsored and championed by Haji Aji Haji Hitam (SCO). The implementation project includes impact assessment, data and system readiness, infrastructure readiness, testings and change management. It was managed and delivered by a team of people from SCO, IBA and SKSWood. The Project Manager is Pg Duraman Pg Ahmad (SCO/26) and the Technical Lead is Siti Jariah Abu Bakar (IBA/12), with strong support given by other IM and SAP team: Functional, Infrastructure and Change Management team members. The project team also received management support from SCM and STL as well as IM.

* OLM Shipping Management sub-processes are as indicated by the blue boxes with the red border.

Visit the OLM webpage for more information: http://sww-bsp.bsp.shell.bn/sap/OLM/Intro.htm
BSP launches MyCollaboration IT Programme

Brunei Shell Petroleum’s (BSP) IT Collaboration Team recently launched its MyCollaboration Programme with a four day awareness roadshow held at the BSP Head Office Atrium. The objective of the roadshow was to create staff awareness and also to equip them with the necessary knowledge and ability in using the Shell Collaboration tools. It is essential for staff to adapt to the Shell Collaboration tools and work effectively in a virtual environment.

The event was officially launched by BSP Technical Director, Cathy McRae where in her welcoming remarks, she acknowledged that the roadshow can help everyone to understand the collaboration tools that are available within Shell. She also noted that MyCollaboration is part of the IT transformation initiatives currently being implemented globally and locally, making remote meetings a painless and effective way to conduct business and fundamentally change the way we communicate and work with each other. “These tools can help everyone to operate efficiently and cost effectively. The utilization of the communication tools can help us being green, by reducing Brunei Shell Joint Venture carbon footprint. At the same time these tools will help us save millions on travelling cost and reduce HSSE Risks”, she added.

The roadshow showcased collaboration technologies, tools, processes and software applications such as Microsoft Office Communicator (MOC), MOC Audio Conferencing, LiveMeeting Internal and External, Roundtable and One-Stop-Shop. User Computing services were also on display covering areas in IT Consumer Demand Policy, MyRequest (EPRM), MyAsset (PTAP) and C&C (Client for Contractors).

Training and Demo Sessions were also conducted with participating staff, to provide hands on experience in using the Collaboration tools, which included a demo on the use of Microsoft Office Communicator which now can connect Live Meeting participants to each other visually and audibly. Audio calls through MOC enable users to call a colleague via computers without having to dial in a phone number.

Staff are encouraged to contact the BSP IT Collaboration Team for further information regarding the use of the MyCollaboration tools.

PROVIDING ALTERNATIVES TO TRAVEL

- Improved Work Life Balance
- Foundations of Green IT: Reduced BSJV Carbon footprint.
- It has helped save over 185M USD globally on travelling cost.
- Reduction in HSSE Risks
- Reduction in idle time e.g: time spent in the airport or travelling

COST SAVING

- Flexibility to work anywhere and anytime. Enables office optimization. Hence potential savings in office overhead costs.
- Lower telephone charges by using Office Communicator Calls and IP Softphone. Global savings of 5-10M USD.

NEW WAY OF WORKING

- With click of a button, participants of Live Meeting can be connected to each other via audio/video
- Audio calls via MOC enables a user to call a colleague without having to remember a phone number
- Enables us to work together better and more effectively
LiveWIRE Brunei Business Awards launched

In recognising Brunei’s budding young entrepreneurs, Brunei Shell Petroleum through LiveWIRE Brunei have launched the 2010-2011 LiveWIRE Brunei Business Awards.

A ceremony to launch the award was held at Rizqun Hotel witnessed by Yang Mulia Dato Paduka Awang Haji Mohd Daud bin Haji Mahmud, Permanent Secretary (Higher Education) Ministry of Education. Also present was Haji Zainal Abidin bin Haji Mohd Ali, Deputy Managing Director for Brunei Shell Petroleum Co Sdn Bhd and also the Chairman of LiveWIRE Brunei.

LiveWIRE Brunei is a community outreach initiative fully sponsored by Brunei Shell Petroleum as part of its commitment towards the economic development of the country. The 2010-2011 LiveWIRE Business Awards will be the eighth instalment since it was first introduced in 2001.

BSP’s Deputy Managing Director in his welcoming speech revealed that there have been a noticeable improvement and standard on its own class on the business plans submitted by the participants in recent years.

He explained that the Business Awards is to help ensure the importance of planning and professionalism in doing business.

“It is hoped to see the winners of these awards, unlock their potential even further which can become a vehicle for them to progress even higher”, Hj Zainal stated in his speech.

This year’s LiveWIRE Brunei Business Awards features three winning categories in Category A – Business Plan Award, with four winners in each category while there will be two winning categories in Category B – LiveWIRE Business Network and LiveWIRE Brunei SME Awards with three winning awards for each category.

Category A is open to students from any higher learning institutions or colleges and also LiveWIRE members. Meanwhile Category B is open to those who have attended the LiveWIRE Business Programme.

In addition to this, LiveWIRE is introducing two additional awards, LiveWIRE Brunei Most Outstanding Awards and LiveWIRE Brunei Highest Entries Award.

The LiveWIRE Brunei Most Outstanding Awards is for the most unique, realistic, inspiring, well presented and original business ideas and LiveWIRE Brunei Highest Entries Award to the highest entries of participation from any educational institutions.

The 2010-2011 LiveWIRE Business Awards introduced a concept that is of industry focused where participants are required to explore focused business ideas in different industries ranging from Agriculture, Tourism, Education, Aquaculture, Environment and Local Products.

All winners and runners-up will receive winning trophies, certificates of appreciation and cash prizes. The closing date for entries will be on 29th July 2011. More information can be obtained at LiveWIRE Brunei Centre at 2220964 or email at enquiry@livewire-brunei.com or visit www.livewire-brunei.com.
BSP drives road safety for youths and schools

The Brunei Shell Petroleum Company Sendirian Berhad (BSP) through its community development arm, the Oil and Gas Discovery Centre (OGDC), Seria, together with the Ministry of Education (MoE) and the National Road Safety Council (NRSC), are driving a nation-wide effort to boost the standards of road safety, especially amongst the youth and schools, culminating in this year’s BSP National Road Safety Education Competition Final held at the Gadong Centrepoint yesterday.

Present at the event were Yang Mulia Dayangku Hajah Mastoli binti Pengiran Seri Indera Pengiran Haji Ismail, the Director General of Education at the MoE, and Haji Kamaludin bin Haji Bungsu, the West Asset Manager of BSP.

In his opening speech, Haji Kamaludin stated that, “Despite our country’s small population, the number of deaths related to road-accidents (35 deaths in 2009), make our roads a potentially dangerous place to be... which sadly, our schoolchildren are not spared from.”

He also pointed out the main cause of most of these accidents were due to human recklessness. “However, we should be thankful for the relentless efforts in road safety campaigns from the government and private sector, as well as the public, such as today’s Competition and the Brunei Tell-A-Friend campaign,” continued the BSP West Asset Manager.

The BSP National Road Safety Education Competition, choir event champion, Seri Mulia Sarjana School
Inaugurated in 2007, the first BSP National Road Safety Education Competition was initially held at the Traffic Games Park, in OGDC, Seria, which saw participation from only 12 schools, and was only opened to secondary schools. In contrast to this year’s Competition, Haji Kamaludin remarked, “In the space of four years, thanks to ongoing efforts and a warm reception from all parties, as well as the ever growing interest and participation from schools all over the country, this year’s event has seen participation from 146 schools from all four districts, and now includes both secondary and primary schools.”

This year’s event also featured the launching of the OGDC Road Safety Club, the Choir Competition Finals, the Video Clip Finals, the Bookmark Competition and the prize giving ceremony. In line with the Competition’s wider efforts, Haji Kamaludin highlighted that, as part of BSP’s ongoing endeavours to inculcate road safety values at a grass roots level, the introduction of the OGDC Road Safety Club is expected to greatly benefit the wider society today and future generations tomorrow, in regards to road safety awareness.

The Brunei Tell-A-Friend campaign was officially launched by His Majesty Sultan Haji Hassanal Bolkiah Mu’izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam, in August 2009, during the BSP 80th Anniversary event. The campaign is based on five simple, life-saving messages which urge road users to ‘Fasten Your Seat Belt At All Times’, ‘Always Drive Within Speed Limit’, ‘No Handphones While Driving’, ‘Wear Your Helmet When Biking’ and ‘Use the Pedestrian Crossing to Cross the Road’.

The BSP National Road Safety Education Competition, in collaboration with the MoE and the NRSC, now in its fourth year, is part of BSP’s nation-wide effort promoting and educating road safety to the young, with the purpose of inculcating road safety values through raising the awareness of the rules and regulations and the practice of courtesy on the roads.

BSP is the sole sponsor of the BSP National Road Safety Education Competition, in its support of the NRSC’s efforts to maintain the highest level of road safety for Brunei Darussalam, and the Government’s efforts to embed the road safety message and safe driving habits among a widening community of road users throughout the country.
BSP HIGHLIGHTS

BLESS to boost youth capabilities

B
runei Shell Petroleum (BSP) has introduced a new scheme called “BSP’s Learning & Excellent Students Scheme” or “BLESS” to provide financial support to bright young students from underprivileged backgrounds.
The scheme was officially launched by the Guest of Honour, Yang Berhormat Pehin Orang Kaya Seri Kerna Dato Seri Setia (Dr) Haji Awang Abu Bakar bin Haji Apong, Minister of Education who also presented it to the first 36 recipients.
Also present was the Deputy Managing Director of BSP, Haji Zainal Haji Md Ali as well as senior officials from the Ministry to Education and Ministry of Culture Youth and Sports.
Under the scheme, BSP will sponsor 50 students every year from the commencement of their Year 9 studies until their graduation.
Considered the first of its kind, the scheme’s objectives include supporting students who excel academically but who are financially challenged.
This is particularly true of students who perform well in subjects such as Science and Mathematics and range from various educational institutes such as universities, secondary schools, technical and vocational schools.
Those selected will get monetary assistance amounting to a maximum of B$300 per month to cover school, tuition fees and school materials.
Students will also be eligible for volunteerism programme at OGDC during their school holidays. Among the strict criteria of those wishing to apply is that they must be full time registered students who are either citizens or permanent residents of Brunei Darussalam whose monthly family household income is not more B$250/month. The students must also maintain an average marks of at least 75 per cent in the Maths and Science subjects while those in University or higher institution, a 75 per cent mark of their overall courses. Students must have an impeccable record in school and a 90 per cent attendance record. The selection committee will comprise of officials from BSP, Ministry of Education and Ministry of Culture, Youth and Sports. The scheme is one of the various initiatives led by the company in close partnership with the Ministry of Education as a testament to its continuous support of Brunei Darussalam’s sustainable development. Its long term goal is to enhance local human resources capabilities in line with Brunei Darussalam’s 2035 national development plan.

One of the eight strategies within the 2035 NDP calls for an education scheme to prepare the nation’s youth for employment taking into consideration the requirements of the changing and increasingly competitive economy. Besides the scheme, other collaborations have included the contribution of B$1.5m for five years to the Institut Teknologi Brunei for funding of undergraduate and postgraduate degree programmes in petroleum and chemical engineering to further boost technological capabilities of the oil and gas sector in the nation.
LONG SERVICE

30 YEARS
Zainal Othman POP126
Hj Mohamad Hj A Rahman TSW4221

25 YEARS
Osman Hj Mohamad TSW431
Hjh Zaiton Daud HLD23
Hjh Julia Hj Tahir HBS31
Hj Suhamin Hj Ahmad TSW4111

20 YEARS
Abdul Razak Hj Abu Bakar HSE61
Mohamad Hj Bakar POP15
Dyg Normah Awg Hj Ering PPA202
Tina Hj Mohd Hussain HRS312
Haji Shahbudin Haji Musa MKA

15 YEARS
Jeroen CT Van Duin MKU
Liz Sturman EPE1

10 YEARS
Jaap Erik Van Krimpen ERE
Mohamad Zamzul Zaini SEN615
Jeromy De Pledge EPE21

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