

EXHIBIT IV
HEALTH, SAFETY AND ENVIRONMENT

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**EXHIBIT IV
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1.0 POLICY ON SAFETY, HEALTH AND ENVIRONMENT

1.1 Policy Statement and Objectives.

Contractor will conduct its operations in such a manner as to:

- Provide a safe working environment.
- Ensure the safety and health of contractor's Personnel and other individuals working within the contractor directed areas of operation.
- Protect the public from injury or ill health and prevent loss or damage to properties resulting from its activities.
- Ensure and safeguard the conservation of the environment.

1.2 Safety Targets

In taking steps to ensure a safe working environment, PETCO and contractor Personnel are to aim for:

- No fatalities;
- Prevention of loss time and any accidents.

1.3 Implementation Aspects

The policy is implemented with special attention to the following specific aspects:

- The requirements of all relevant government legislation are followed;
- PETCO standards, specifications, procedures and regulations are applied;
- Safety is given equal importance to productivity and cost;
- Each employee is given specific procedures related to his work;
- Each employee receives suitable technical and safety training;
- Work instructions are clear and pay due regard to safety requirements;
- Experience gained, lessons learned from accidents/incidents and new technical developments to be widely distributed amongst staff;
- To apply and maintain the "Regulations for Protection of the Environment in the Petroleum Industry in Sudan, Year 2002";
- To submit measures and standards in practice in regard to the protection of the Environment, Safety and Health to PETCO, that complies with PETCO policy and standards;
- To maintain an effective HSE Management System that covers all aspects of the activities;
- To maintain complete documentation of all procedures and manuals relating to the work, including accident/incident reporting;
- Shipments of regulated hazardous materials to PETCO must be consigned to PETCO's destination in full compliance with shipper and carrier responsibilities as stipulated by the applicable international national provincial and local laws/regulations/practices, relating to packaging, documentation, handling, use, storage and disposal.

2.0 SAFETY MEETINGS AND AUDITS

2.1 Safety Inspections/Audits

- Contractor's equipment shall meet all PETCO safety specifications and regulations.
- Prior to beginning any part of the Work, the PETCO Representative may inspect contractor's equipment. If safety concerns are discovered, subsequent inspections shall be made to ensure that proper actions have been taken to rectify earlier identified unsafe situations and that equipment is in working order.

2.2 Safety Awareness / Meetings

Contractor must participate in regular safety meetings / briefing and emergency drills.

The objectives of safety meetings are to:

- Provide opportunities for contractor Personnel to voice their concern over unsafe situations or procedures in their respective work places.

- Provide information and warning for other Personnel in regard to potential or existing hazards.
- Allow collective solutions to be put forward through discussion.

It is PETCO's requirement that all Contractor Personnel attend regular safety meetings and names of attendees shall appear on the minutes of such meetings. Non-attendance at a safety meeting must be authorized by a responsible person and a reason for non-attendance must be given in the minutes.

3.0 REPORTING

Contractor shall report all accidents and incidents related to the Work in accordance with PETCO Accident Reporting Procedure, within twenty-four (24) hours in the event of:

- a) Any loss of or damage to material or equipment supplied by PETCO Personnel.
- b) Any personal injury to any PETCO or Contractor Personnel, its agents or Subcontractors.
- c) Any injury to any third party.
- d) A near miss incident.
- e) A fatality accident involving any PETCO or contractor / subcontractor Personnel **shall** be reported within 12 hours of accident to the PETCO Representative.

4.0 SAFETY TOOLS AND EQUIPMENT

4.1 Contractor shall use correct, properly designed and serviceable tools and safety equipment as required. All contractor Personnel should be taught the proper and correct way of using safety tools and equipment.

4.2 Protective Equipment

- All protective equipment shall be of types manufactured to the acceptable HSE standards as per the guideline of PETCO's PPE policy and procedures.
- Contractor Personnel shall wear safety shoes and hard hats at all operation areas.
- Contractor Personnel shall wear face shields, eye goggles or welding shields as appropriate and as per PETCO policy.

4.3 Any vehicle operating under the contract or in discharging obligations under the contract within the concession area 1,2 &4 should be equipped with SPEED MONITORING SYSTEM DEVICE (VDO, VDR etc..) adjusted to a speed limit of 60km/hr.

5.0 HOUSEKEEPING

Contractor shall ensure that good housekeeping and cleanliness in the accommodation and Worksite is maintained.

6.0 EMERGENCY EQUIPMENT AND PROCEDURES

Contractor's Personnel shall comply with all PETCO Emergency Response Plan (ERP) procedures and conduct their response as required.

7.0 ACCIDENT REPORTING AND INVESTIGATION

7.1 For the purposes of this Article 7 of this Exhibit, "Accident" shall mean any unintentional or unplanned event or condition, which has or could have resulted in injury to a person or loss or damage to equipment, plant or property.

7.2 All Accidents, no matter how trivial, must be reported to PETCO Representative. Contractor shall ensure that its Personnel are aware of this requirement.

7.3 Contractor shall assist PETCO in any Accident investigation if so required. PETCO may call for a joint investigation with Contractor if necessary.

7.4 Prior to commencing the Work, Contractor shall either:

7.4.1 have Accident reporting and investigation procedures, if applicable, and shall maintain Accident statistics which shall be compatible with PETCO Accident Reporting Procedures; or

7.4.2 Adopt the current PETCO Accident Reporting Procedures.

7.5 Contractor shall submit the basic safety information to the PETCO Representative not later than the first day of the month following the month under review, by telex or fax.

8.0 ALCOHOL/ DRUG POLICY

8.1 Contractor Personnel shall not perform any Work for PETCO while under the influence of alcohol or any controlled substance. Contractor's Personnel shall not misuse legitimate drugs or possess, use, distribute, or sell illicit or unprescribed controlled substances or drug on PETCO business or premises. Contractor shall adopt and enforce work rules and policies in order to assure compliance with these obligations.

8.2 While on premises owned or controlled by PETCO, PETCO reserves the right to conduct searches for the possession of drugs and/or alcohol on the person, in vehicles, and in other property of Contractor and its Personnel. Any person who refuses to cooperate with any such search shall be removed from the premises and not permitted to return.

8.3 Contractor shall require its Personnel to submit to medical evaluation or alcohol or drug testing where cause exists to suspect alcohol or drug use.

8.4 Contractor shall remove from PETCO's premises any of its Personnel who either refuse to participate in medical evaluation or alcohol or drug tests, or who test positive for alcohol or another controlled substance. Such Personnel shall not be permitted to perform any further Work with PETCO.

8.5 Contractor shall maintain strict discipline and good order among its Personnel, and shall not permit any of them to engage in activities that PETCO deems contrary or detrimental to PETCO interests. If PETCO should request that any Personnel of Contractor or of Subcontractors be removed from PETCO property or Work site pursuant to this Contract for any reason, Contractor shall accede to such request and shall provide a replacement acceptable to PETCO at no additional cost to PETCO.

8.6 In the event Contractor is fails to comply with these obligations, PETCO shall have the right to terminate this Contract.

9.0 MEDICAL WELFARE

9.1 Contractor shall ensure that all its Personnel assigned for the performance of the Work are medically fit and healthy. Any medical disabilities including such disabilities which Contractor may consider will not adversely influence the person's ability to perform his role in the Work should be reported to PETCO prior to the start of the Work. Contractor, if requested by PETCO, shall provide medical certificates for Contractor and Subcontractor Personnel.

9.2 Contractor shall subject its key Personnel and its Subcontractor Personnel to regular medical examination at Contractor's cost. Records of such examination shall be made available to PETCO on request.

9.3 Subject to the other terms of this Contract, Contractor shall at no cost to PETCO be responsible for the medical welfare of its own Personnel and shall take care of arrangements for medical attendance treatment or hospitalization if and when necessary and will arrange suitable insurance coverage for such contingencies.

9.4 Contractor is to ensure that all its Personnel are informed of whatever first aid facilities are available at the Worksite. In the event of emergency, PETCO shall support Contractors own arrangements if necessary.

10 WASTE MANAGEMENT

10.1 The contractor shall be responsible for proper disposal of the waste generated by them in the project or in the Provision of required Service as per Scope of Work and in compliance to the environment statutory or Government regulation.

- END OF EXHIBIT IV -