



Taking on the world's toughest energy challenges.™

Managing Risk in Production Operations

SPE Asia Pacific HSS&E Conference & Exhibition
Bangkok, Thailand
September 10-12, 2007

Liam M. Mallon
Chairman
ExxonMobil Subsidiaries in Malaysia

Agenda

- **Risks in the Oil & Gas Business**
- **ExxonMobil's Approach to Risk Management:
Operations Integrity Management System (OIMS)**
- **Emergency Preparedness & Response**
- **Conclusions**

Risk Is Inherent In Our Business ...



... managing risk is critical

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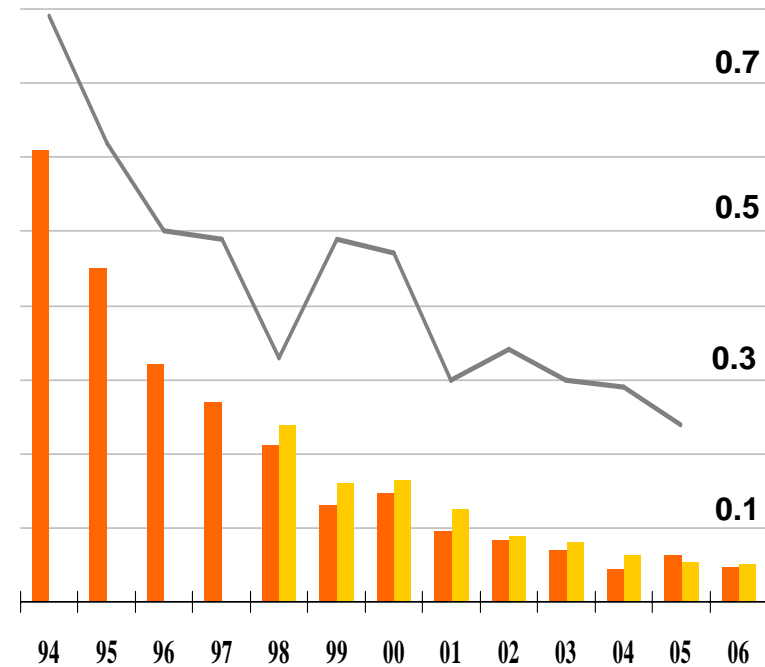
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Continuous Improvement In Performance



Lost-Time Injuries and Illnesses

- ExxonMobil Employees
- ExxonMobil Contractors
- U.S. Petroleum Industry Benchmark



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Operations Integrity Management System

Systematic, disciplined approach....requires continuous focus



Execution



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Risk Management Element

- Hazard Identification
- Risk Assessment
- Risk Management
 - Prevention
 - Mitigation

RISK = CONSEQUENCE X PROBABILITY

Operations Integrity Management...CSF's



- **Leadership commitment and accountability**
 - Clear expectations
 - Strong visibility
- **Workforce engagement and training**
- **Disciplined execution at all levels / strong culture of compliance**
- **Similar thinking applied to lower risk activities**

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Emergency Preparedness & Response

- Last defense to mitigate extent of a major incident
- Effective emergency response plan
 - Preparedness
 - Training
 - Drills
 - Equipment Reliability

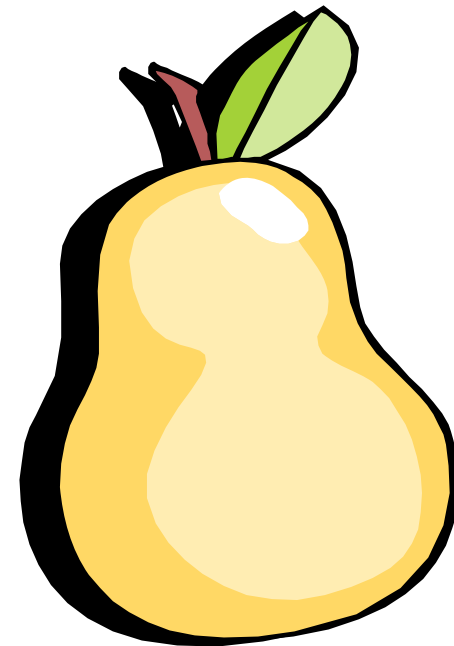


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ExxonMobil's Emergency Response Objectives

- Safeguard **P**eople
- Protect the **E**nvironment
- Protect company ... **A**ssets
- Protect company ... **R**eputation



EMEPMI Response to 2006 Helicopter Incident

- Effective emergency response saved 20 lives
 - Regular worksite drills
 - Helicopter underwater escape and brucker capsule training
 - Readiness of support systems
 - Close coordination with external agencies



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Conclusions

- Risk in the oil & gas industry can be managed
- Requires systematic approach
 - Structured integrity management system
 - Risk assessment and management
 - Emergency preparedness & response
- Strong leadership, workforce engagement and discipline in execution is key



“Nobody Gets Hurt”

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