Week 25 (17<sup>th</sup> - 23<sup>rd</sup> June 2015)

#### This Week

### **HIGHLIGHTS**

#### HSE

- 2nos UA/UC raised and still open
- Monthly HSE meeting preparation in progress. Team members encouraged to know their 'Be Well' numbers before the planned meeting & to ensure Goal Zero is uphold by reporting Unsafe Act/ Unsafe conditions identified.
- Offshore Asset June monthly HSE Engagement session (Lagos Office based).

#### People/Planning/Integration

- ❖ Attended and presented BBIP Program progress update at the Bonga AFPR workshop.
- SNEPCO Deepwater July 2015 MT-IAP asset integration session.
- FPSO Marine staff recertification and competence development strategy session held. Action logs being addressed.
- Plan being developed to engage all PD Young Professionals and newly engaged Graduates on Competitiveness and Business Improvement
- Integration of Business Finance Advisers for Assets on Efficiency Improvement opportunities actual savings timely banking
- Started looking at developing strategy for sustainable CI mind set in PD
- Cost Ambition Analyst and Onshore BIM position resourced and successful candidates expected to be on seat latest by 1<sup>st</sup> of August

#### **Cost Reduction Agenda**

- Project EBENEZER:
  - o PD actual Savings and number reduction being put together by the corporate project team
  - Bonny Terminal cost reduction effort as reported by logistics team by releasing two vessels MV Charis and MV Deborah on the 23<sup>rd</sup> of May
    - Saving from efficient use of resources (Vessels + fuel) from Jan to May (F\$560,170)
    - Saving from releasing 2 vessels from May to Dec 2015 (\$501,481)
    - Fuel saving from May to Dec 2015 605,200LITRES@ .83USD/ltr (\$502,316)
  - EA Asset achieved zero PR/PO discrepancy this week
  - o Restoration of the 12 service contractor personnel completed with only one outstanding
  - o SPDC/SNEPCO Contractor personnel database clean up in progress to weed out unidentified names in PD.

Summary of 3 main PD Cost saving
buckets

buckets				
	Target(\$)	2015 YTD savings (\$)	Q2 LE (\$)	Remarks
Deep Dive		144,157,369		Value driven - Banked and sealed
Deep Dive Opportunities	12,743,783	2,463,970		LE engagement in progress and saving as nominated by the Assets being reviewed prior to banking
Efficiency Improvement Opportunities	47,200,000	7,006,833		LE engagement in progress and saving as nominated by the Assets being reviewed prior to banking

Received post negotiation cost saving offer letter from NetcoDietsmann on AFAM O&M contract, C&P/AFAM and C&BI team reviewing, prior to acceptance or to negotiate further

#### **Improvement Projects**

Continued with the in-house model development for SNEPCO Airframe demand with all stakeholders (Bonga Ops, Wells/Projects, EA and Air Ops).

153,628,172.00

- Continued with the revalidation of all estimated potential savings for all identified opportunity projects in PD
- Fuel value chain analysis project for 9 work streams: Final report presentation to GMP, FM Nigeria/Gabon, SNEPCO FD by Olga scheduled
- Draft Offshore/Onshore Protocol for Managing PD Efficiency Improvement Opportunities sent to the GM Onshore and Offshore for review.

# Onshore - Business Improvement

- Follow up on SPDC Onshore PD Deep-Dive and Efficiency Improvement opportunities, continuous.
- Engaged Land1 team on their readiness for RPI Verification planned for July'15, ongoing.
- Daily Cost Tracking (DCT)— Awaiting approval of SAP BW request for the DCT Phase2 Roll out nominees

# Offshore - Business Improvement

- Reviewed the TOR for ISRM and E2E maintenance strategy for sustainable improvement with SIEP P&T representative (BBIP), M&I manager and GMOA. Strategy and forward plan supported. Workshop(s) set for the month of July 2015. Front end planning ongoing.
- EA Improvement program Ideas and theme generated. Draft program developed and reviewed by stakeholders. Strategy supported directionally by GMOA. Commitment and reflection session being plan for 29<sup>th</sup> of June 2015.
- Waterflood system causal learning session held for key stakeholders and business leaders to share the benefits of the methodology and great observations, insights and conclusions for intervention efforts. Waterflood CL Corrective action(s) development workshop held with key stakeholders in attendance.
  Waterflood CL corrective Actions published and will be monitored via the monthly ORIP meeting.
- GMOA and Offshore leadership reviewed the offshore Efficiency improvement opportunities. Assigned activity owners to further fine tune opportunity. Monthly review session agreed for tracking and new ideas collation/adoption. Further engagement with various activity owners ongoing to calibrate understanding and progress ongoing.
- Offshore Asset cost savings Deep dive review and 2015 activities portfolio segmentation finalised to achieve value driven cost reduction in OPEX and CAPEX. Review and tracking for compliance against LE in progress.
- Demurrage improvement Workshop held on the 05th June 2015 with key stakeholders in attendance. Report finalized and published. Actions being tracked and development of Visual Mgt in progress.
- ❖ Bonga BIP ISRM Dashboard under construction using "TIBCO Spotfire" software. Initial design review carried out.
- Offshore Asset Continuous Improvement (CI) roadmap being developed. Engaged GMOA and secured approval for the roadmap.
- Bonga 2016 TAM assurance review (TAR1) concluded with establish current state of preparedness in line with guideline.

# Competitiveness and Benchmarking

- Continued programs performance & gap identification review for ORIP, RPI, OI, MIE on plant sales availability Data gleaning in collaboration with Hydrocarbon Management System team
- Draft Competitiveness roadmap and what it is to PD, reviewed by GMP with input and to be tested further with PDLT.
- Finalised data query, validation and initial review of input data with Ziff Energy. Data gathering stage feedback sent to Ziff.
- Historical Bonga versus Erha benchmarked exercise data collected. Scope planning for 2015 exercise ongoing. Sample data for collection shared with NOV benchmarking focal point.
- Continue with benchmarking of 2 Land Assets' EMSCO Pump Maintenance for 2014 (rework).

# Programme Management Office (PMO)

- Cost Transparency and Cost Efficiency Monitoring: Modifications to the webpages completed; awaiting final data for publication.
- Resuscitating of IT Share Point space for C & BI blog, web repository is ongoing. Contract Holders approved.
- Plotting of the final Deep Dive opportunity and banked data on the Cost Monitoring tool

# LOWLIGHTS

Slow response from the SAP Security team to the Approval of SAP/BW Access for DCT Phase II role out Nominees.

# Share and communicate Roadmap for Continuous Improvement (CI) Mind-set embedment in Offshore Asset. Sea Eagle Improvement program development – Reflective & Commitment session with GMOA and EA team. Continue offshore Asset PD Efficiency improvement opportunities engagement. EPST Job description and DRB support requirement session with key stakeholders. Bonga PM Library localization Workshop IV. Monthly Bonga PML steering committee meeting. Bonga ST (90 Day) IAP/ IPP July – Sept 2015. Benchmarking focal points session (Solomon/Ziff Offshore Study). Create an Interface to upload Power Point Cost Saving Stories on the Cost Monitoring tool. Present the analysis of benchmarking of the 2 Land Assets' EMSCO Pump Maintenance for 2014- planned for 25/06/2015.