

LIFE SAVING RULES

STOP WORK AUTHORITY



ENERGY
ISOLATION

SAFE LIFTING
OPERATIONS



DRIVE
SAFELY

CONDUCT
HAZARD
ASSESSMENT



PERMIT
TO WORK



WORKING AT
HEIGHTS



CONFINED
SPACE
ENTRY

ALCOHOL &
DRUG FREE



FOREWORD

“Safety First” is one of Nexen’s core Cultural Beliefs® and is a key component of Nexen’s continued commitment to create a safe work environment for our employees and contractors. Safety First provides the cultural foundation required to achieve our HSE Key Result of 0 / 0/ 0 every day. Utilizing clear direction and instruction about occupational health & safety, the Life Saving Rules apply job performance standards and workplace rules in a fair and consistent manner to all employees and contractors of Nexen. The rules align with the International Association of Oil & Gas Producers (IOGP) and our parent company CNOOC Limited. They were created from industry lessons; they are a tangible contribution to strengthening our safety culture and are intended to be shared across Nexen’s businesses and operations.

Whether it is a conventional drilling site, or a state-of-the-art offshore platform, successful safety management will determine both operating performance and business success. Nexen is committed to creating a safe work environment for our employees, contractors and communities; we want our people to make the right choices when it comes to health and safety. Together let’s do the right things for the right reasons.



SAFETY FIRST

NEXEN'S LIFE SAVING RULES

Nexen's Life Saving Rules are created from industry lessons to strengthen our safety culture and are intended to supplement and support existing company management systems, policies and programs across Nexen's businesses and operations. The Life Saving Rules set the standard for worker and supervisor behaviours in the workplace by raising awareness of activities which are most likely to result in fatalities. They also highlight simple actions individuals must take to protect themselves and others.

For Nexen's Life Saving Rules program to strengthen our Safety First Culture, there must be accountability for compliance with the rules and consequences for rule breaking or willful violations at all levels throughout the organization. It is critical all Nexen employees and contractors drive towards a 100% compliance culture.

Disciplinary action up to and including termination of employment will follow once an investigation has proven a willful violation of a Life Saving Rule has occurred. The intent is to apply consistent disciplinary action that is appropriate to each situation.


NEXEN'S ACCOUNTABILITY MODEL

NEXEN will provide a safe place of work and a Safety First Culture where:

- Health, Safety and Environment (HSE) expectations and individual responsibilities are effectively communicated.
- Hazards of the work will be assessed and appropriate controls developed and in place before work commences.
- Appropriate personnel are trained, competent and in place to effectively and safely perform all activities.
- Personal Protective Equipment (PPE) is available as per the activity and minimum site requirements.
- Individuals have the authority to decline any unsafe work – STOP WORK AUTHORITY.

It is expected that YOU shall:

- Take personal responsibility for HSE and for putting Safety First.
- Work to the defined instructions, procedures and practices for the work you are doing and immediately advise if any control measures are inadequate.
- Obey all signs and barriers and use the correct PPE for the task.
- Report all incidents, including near misses, immediately.
- Speak to your supervisor about work that you feel you are not trained for or competent to carry out.
- **STOP any job that feels or is unsafe.**



NEXEN'S LIFE SAVING RULES

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ENERGY ISOLATION

Verify energy isolation. Remain out of the line of fire.

2

DRIVE SAFELY

Obey the law and avoid distractions while driving.

3

WORKING AT HEIGHTS

Protect yourself and others against a fall when working at heights.

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CONFINED SPACE ENTRY

Obtain authorization before entering a confined space.

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SAFE LIFTING OPERATIONS

Ensure all lifting operations are planned and executed safely.

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CONDUCT HAZARD ASSESSMENT

Identify and control hazards or STOP WORK.

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PERMIT TO WORK

All work must be completed under an authorized permit to work system. Complete a hot work permit when introducing an ignition source in areas where hydrocarbons may be present.

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ALCOHOL & DRUG FREE

Be fit for work.

ENERGY ISOLATION

Verify energy isolation. Remain out of the line of fire.



Being “in the line of fire” of electrical, mechanical, hydraulic, pneumatic, chemical, nuclear, thermal, gravitational or any other form of energy can cause serious injuries or fatalities.

When working with energized equipment you must:

- Ensure energized sources are isolated by competent personnel and stored energy is discharged prior to starting work.
- Ensure areas which pose a danger are restricted and only authorized and trained personnel are permitted access.
- Secure (Lock & Tag) any isolation point that could inadvertently be returned to an energized state.
- Follow your business area specific Isolation/Lock & Tag practice or procedure.
- Verify the isolation effectiveness prior to starting work and continue to monitor throughout.

DRIVE SAFELY

Obey the law and avoid distractions while driving.



Distractions while driving increases the risk of losing control of your vehicle or equipment.

If you are a driver, you must:

- Not use your cell phone and other unnecessary electronic devices when operating a vehicle or equipment.
- Prepare for your trip by following journey management practices.
- Secure loose items that could become a projectile with a sudden turn or stop.
- Obey posted signage and drive according to road and weather conditions.
- Wear seatbelts when operating a vehicle or mobile equipment.
- Understand that you are prohibited from using, possessing, or being under the influence of alcohol or drugs when operating a vehicle or equipment.
- Ensure safety devices are utilized and in good working order (e.g. seat belts, back up alarms, kill switches).

WORKING AT HEIGHTS

Protect yourself and others against a fall when working at heights.



Only personnel adequately trained in fall protection will conduct, supervise work or develop fall protection plan(s) when a fall protection system is required.

You must:

- Ensure a fall protection and rescue plan is in place and communicated to all affected personnel.
- Use a certified fall protection system when working at heights or when a potential fall hazard exists.
- Conduct pre and post-use inspections of all fall protection system components and immediately remove damaged equipment from service.
- Ensure all tools and loose objects are stored in a secured manner to prevent dropped objects.
- Ensure areas below the elevated work are controlled to restrict access.

CONFINED SPACE ENTRY

Obtain authorization before entering a confined space.



A confined space, such as a vessel, tank, pipe or restricted space area can contain flammable gas, toxic atmosphere or other dangers such as limited access or egress.

You must:

- Consider all work activity alternatives prior to beginning a confined space entry plan.
- Assume the confined space to be hazardous until proven safe.
- Only personnel adequately trained in confined space entry will conduct, supervise work, or develop entry plan(s) when work requires entry into a confined space.
- Ensure confined spaces are clearly identified and access is restricted to authorized personnel.
- Ensure safe work and rescue plans are in place and communicated to all workers involved prior to entry of the confined space.
- Follow the requirements of the issued work permit and entry plan.
- Ensure the atmosphere in the confined space is safe/monitored and documented by a competent person throughout the duration of work.

SAFE LIFTING OPERATIONS

Ensure all lifting operations are planned and executed safely.



Non-critical lifts are planned through the permit to work system. Critical lifts require a specific lift plan.

You must:

- Communicate the lift requirements to all workers involved and ensure everyone understands their responsibilities.
- Ensure lifting devices are certified for use and confirm the load does not exceed rated capacity.
- Confirm the equipment is level and positioned on a solid surface.
- Verify safety devices on the lifting equipment are installed and operational.
- Secure the area and restrict it to essential personnel; never work under a suspended load.
- Use tag lines to control suspended loads.
- Ensure proper clearances from overhead powerlines.

CONDUCT HAZARD ASSESSMENT

Identify and control hazards or STOP WORK.



Ensure all pre-work and site hazards associated with your tasks are identified, communicated and controlled prior to starting any work.

If new or unexpected hazards arise while performing work, you must:

- Immediately stop work activities and report to your supervisor.
- Complete a re-assessment of work activities to identify new hazards and required controls.
- Communicate, and resume work with any newly identified controls in place to minimize risks.
- Stop any work that does not comply with any safety rules, regulations and/or procedures.

PERMIT TO WORK

All work must be completed under an authorized permit to work system. Complete a hot work permit when introducing an ignition source in areas where hydrocarbons may be present.



A work permit provides authorization to conduct work and describes what you must do to work safely.

As the Authorizing Authority, you must:

- Ensure site hazards and task specific requirements are communicated to all involved personnel.
- Assign responsibilities to control the hazards and ensure a safe operating envelope is provided.
- Communicate to all affected personnel the location of the on-site safety equipment as well as the site specific emergency response procedures.

As the Performing Authority, you must:

- Verify the work permit is valid.
- Communicate work permit requirement to all workers involved and ensure everyone understands their responsibilities and complies with requirements.
- Obtain a new work permit when conditions change.
- Ensure the work permit and associated documentation are returned to the permit issuer, upon completion of work.

In areas where hydrocarbons may be present, you must:

- Obtain a hot work permit when potential ignition sources are part of the work activity.
- Conduct gas testing to prove safe atmosphere prior to introducing an ignition source; monitor throughout the work activity.
- Treat motorized vehicles/equipment and electronic/electrical devices that are not intrinsically safe as potential ignition sources.

ALCOHOL & DRUG FREE

Be fit for work.



Using alcohol or illegal drugs, or misusing legal drugs or other substances, will reduce your ability to do your job safely.

You must:

- Complete pre-access Alcohol & Drug testing prior to working in a safety sensitive work location.
- Always inform the supervisor/manager in charge if you are taking medications that may have an effect on your ability to perform your tasks.
- Notify a supervisor/manager if you are aware of or reasonably suspect another worker is not “fit for work”.

SAFETY FIRST EXPECTATIONS

Creating a Safety First Culture and a Safe Work Environment

- Every individual is accountable to protect the safety and well being of themselves, co-workers and the communities and environment in which they work.

Setting Clear Expectations

- At all levels of the organization, provide clear direction, instruction and coaching on Nexen's safety standards and safe work procedures.

Planning Ahead

- Include HSE in your work scope planning.
- Conduct thorough hazard assessments.
- Adopt safe systems of work.
- Ensure you bring the proper equipment for the work activity.
- Ensure management of change (MOC) is applied when required.

Behaving Pro-actively

- Do not hesitate to STOP WORK if conditions may be unsafe, proper procedures are not being followed or conditions have changed.

Learning and Sharing

- Apply continuous improvement to all safety procedures.
- Communicate lessons learned to improve safety awareness.

Leading by Example

- Do it safely or not at all. There is always time to do it right.
- Demonstrate safe work practices in everything we do.
- Reinforce Nexen's safety culture through coaching, recognition and performance management.

PROMOTING SAFE BEHAVIOUR

Encouraging and Recognizing

- Praise positive safety behaviors.
- Provide recognition for above average or exceptional safety performance – individuals and groups.

Coaching and Mentoring

- Provide regular feedback on progress or where performance could be improved.
- Encourage shared learnings and new approaches to improve safety performance.

CORRECTIVE ACTION

These Life Saving Rules are designed to save lives. All intentional breaches of these rules will be reviewed and actioned against Nexen's Human Resource disciplinary procedures and service providers contractual commitments.

NOTES

STOP WORK AUTHORITY

Save a life. Speak up!

- Each of us is expected to comply with all Nexen safety rules, regulations and procedures including the Life Saving Rules
- As an employee or contractor for Nexen, you are responsible and authorized to stop any work that does not comply with any safety rule, regulations and/or procedure
- There will be no repercussions - that is our commitment to you

Key Principles:

- Do it safely or not at all
- There is always time to do it right



Fang Zhi
Chief Executive Officer

