

Safety in the LNG Trade

The key to continued growth and
community acceptance



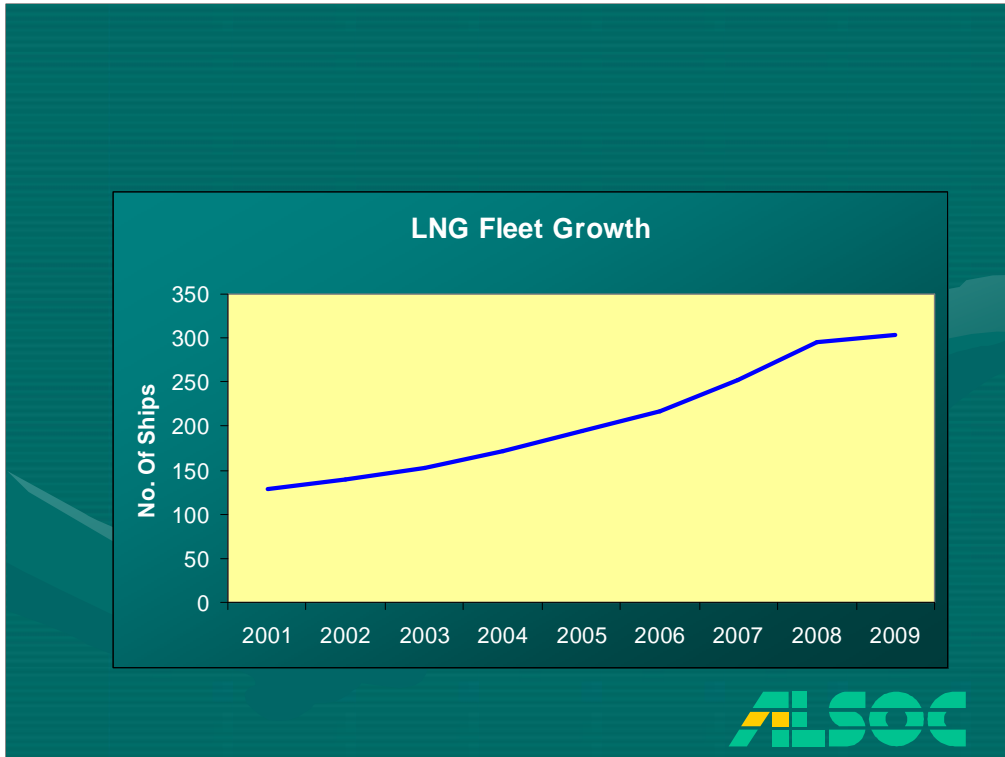
APGAS Forum 2005

**Panel Speaker – Peter French, Australian LNG Ship Operating Company
Safety in the LNG Trade.**

The Key To Continued Growth And Community Acceptance.

The LNG trade exists because of its excellent safety record. The ongoing success of the industry is dependent on maintaining that safety record. It is a legacy we should be proud of, but not taken for granted.

After more than 30 years of operation we are seeing a generational change in the industry. Many of the leaders and experienced operators that built this trade are retiring. On top of this change we are seeing unprecedented growth.



If we look at shipping, we have seen the LNG fleet grow by 50% in the last 4 years and according to the current order book it will grow another 66% in the next four years. A total of 175 ships in 8 years, and more than double the ships trading at the beginning of 2002.

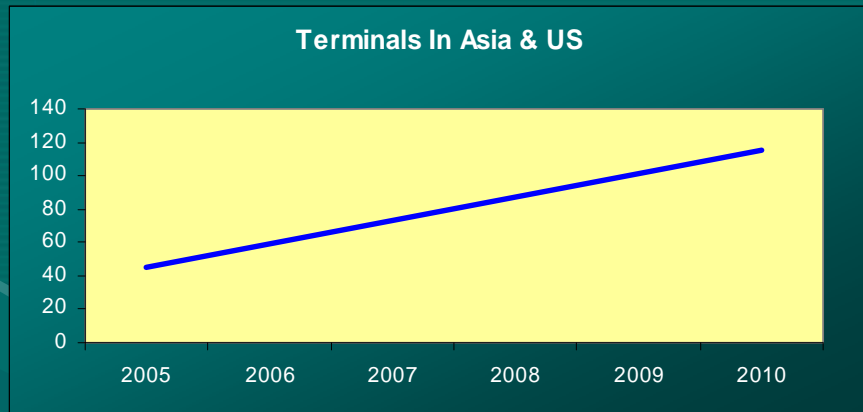
Often discussed is the shortage of qualified seafarers to man the growth in the LNG Fleet. This is a real and serious concern. I have found in my own fleet that we are losing people quicker than we can train them. Losses are occurring due to retirement, poaching by other ship operators, demand by pilot authorities, port and government departments, classification societies, and for shore side management.

We find that we are promoting people faster than before which leads to concerns over competency and experience.

To counter this concern we are providing extra officers on our ships to enable an under study program. We are asking some of our senior Captains and Chief Engineers to be training officers. These training officers are riding on the ships assessing the competency of our officers and crew, developing programs of study and work for each employee, reporting on performance, auditing procedures and implementing safety initiatives and programs. Most importantly we are trying to build and maintain a strong safety culture. A safety culture that constantly assesses and mitigates hazards, reports all unsafe acts, unsafe conditions, near misses, and non-conformances. A culture where our people are alert and look after themselves and their colleagues.

We have also implemented strong procedures for all tasks with excellent work planning work and risk assessment. We have a program of reviewing a number of procedures each month to ensure that they are current and followed but, more importantly, it is constant training for those given the review task.

Terminal growth



ALSO

Whilst the competency of those on board our ships is a major issue in our industry, shipping is only part of the LNG supply Chain.

The growth of the LNG trade also means growth in terminals, both in number and volume. It means an increase in shipping movements through ports. In Asia there are 40 LNG receiving terminals existing or under construction. 9 more are approved or about to be approved. In the US there are 5 existing terminals with a staggering 61 proposed.

To maintain the safety and security of the LNG trade the new terminals and ports need to ensure that they also operate to the highest standards set by those that have gone before us. The supply of LNG experienced terminal operators, marine pilots, surveyors, port state inspectors and the training of a new generation of personnel is an issue that can be considered by those in this room.

The theme and goal of this conference is broadly about what the APEC governments can do to foster a viable LNG and gas trade. Of prime importance is the safety and security of those elements of the supply chain that reside in your countries.

1 September 2005



We Want This



Not This



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