

Summary of presentations given, and commitments made, at the first Poseidon Challenge meeting 31 March 2006 in Singapore.



KEY NOTE SPEAKER – OWNERS – Graham Westgarth, President, Teekay Marine Services, Teekay Shipping (Canada) Ltd

Graham has over 34 years of industry experience that includes 5 years seagoing command experience and 12 years with the Maersk Company Ltd. (UK). During his final 5 years at Maersk he served as general manager of a fleet of 40 vessels consisting of container ships, tankers, LPG carriers, ro/ro vessels and anchor handlers, and also established and managed A.P. Moller's FPSO operation in the UK sector of the North Sea. In 1997 he completed the Senior Executive Development Program at Columbia University in the U.S.

Graham joined Teekay in 1999 on the Marine Operations side and four years later was appointed President of Teekay Marine Services division, responsible for the day-to-day operations of the Teekay fleet of more than 150 vessels, and over 5,000 multi-disciplined sea and shore staff. His mandate includes newbuildings, conversions, repair and maintenance, manning and training, procurement, marine, and last but by no means least, health, safety, environment, and quality.

Poseidon Challenge is about the risks we manage, the tools to manage them, and our individual and collective responsibilities. It is about an obsessive and sustained commitment to pursue best practices, a willingness to embrace change, an openness and desire to learn from our mistakes. Ultimately, if it is not supported by time, energy, money and passion, it won't work. We have to walk the talk.

Structural Integrity Management Systems (SIMS)

- ensure vessels structurally sound at all times
- eliminate unscheduled drydockings (for structural reasons)
- minimise downtime (for structural reasons)
- improve crew competence
- eliminate drydock overruns - both financial and time

The benefits of SIMS are:

- cost-effective asset management
- improved internal knowledge of fleet's structural condition
- centralised database
- improved seafarer competence
- building customer confidence

Seafarer Competence for Operational Excellence (SCOPE)

- an initiative focused on sea staff
- designed to continually improve competence, confidence and performance
- provides evidence of professional excellence
- enhances customer service and satisfaction

Competence is about the overall ability and motivation to fulfil a defined role, safely and successfully, to Teekay's standards. It is about overall knowledge and understanding, about recognition of aptitude, about sharing of experience, about attitude and motivation.

The benefits of SCOPE are:

- enhanced career progression
- structured training and mentoring
- continuing professional development for sea staff
- international recognition for Teekay seafarers

Strategies for compliance.

The key focus is on fostering the right culture. Environmental leadership programme, which includes:

Procedures and policies:

- enhanced oil record book procedures
- improved handover templates
- new engineering change management process
- enhanced onboard familiarisation programme

- enhanced waste management procedures, specifically:
- seals and tags (with logbook) for overboard lines and flanges
- tank sounding log
- reviewed systems risk for environmental equipment
- streamlined approvals for non-budget environmental expenditure
- enhanced maintenance job descriptions
- reviewed critical spare parts lists

Progress on equipment includes:

- installation of ‘white boxes’ on oily water separators
- dry-bilge concept with improved separation of oil and waste water, and increased efficiency of incinerator and oily water separator
- implementing mechanical seals
- piloting of centrifugal and emulsion-breaking oil water separators

An environmental awareness survey completed over five weeks covered 1,018 employees (533 officers, 433 crew and 52 office staff) on 53 ships and ship staff on leave in six centres worldwide.

To help achieve a compliance culture:

- environmental audits/surveys performed by dedicated environmental auditors, vessel managers, classification societies
- extensive communication programme which includes a pledge to our environment, prominent posters, presentations to sea and shore staff, amended job descriptions with focus on environment
- sea staff conferences and workshops around the world, which include inter alia updates on industry issues and Teekay environmental initiatives, and also group discussions and feedback on compliance issues.

COMMITMENTS:

- Identify best oily water separator and commence fitting to vessels in Teekay fleet
- Work with class to look at newbuildings
- Continue development of the continuous improvement programmes in 1) sea staff welfare and competence, 2) risk management tools
- Support industry training programmes



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