

FACT FILE 2018

Building a Sustainable Future




Proud to
Serve Oman



شركة تنمية نفط عمان
Petroleum Development Oman

www.pdo.co.om

Petroleum Development Oman LLC (PDO) is the leading exploration and production company in the Sultanate of Oman. We deliver the majority of the country's crude oil production and natural gas supply, but above all we focus on delivering excellence, growth and sustainable value creation within and well beyond our industry.

2018 Production Highlights

Oil production:

610,170
barrels per day (bpd)

highest since 2005



Condensate:

65,300 bpd

Gas supply:

64.8
million m³/d



Combined oil, gas and condensate production of **1.205** million barrels of oil equivalent per day (boepd)



The Company is owned by



60%

THE GOVERNMENT OF OMAN



34%

SHELL GROUP



4%

TOTAL

PARTEX
OIL AND GAS

2%

PARTEX

Quick Facts

> 8,000 active wells

28 production stations

46 rigs

209 producing oil fields

> 30,500 km of pipelines and flowlines

35 hoists

205 operating units

22,400 completion and well intervention activities – highest ever with the same resources

55 gas fields

600 wells drilled

Capital expenditure (CAPEX)

US\$5.5 billion

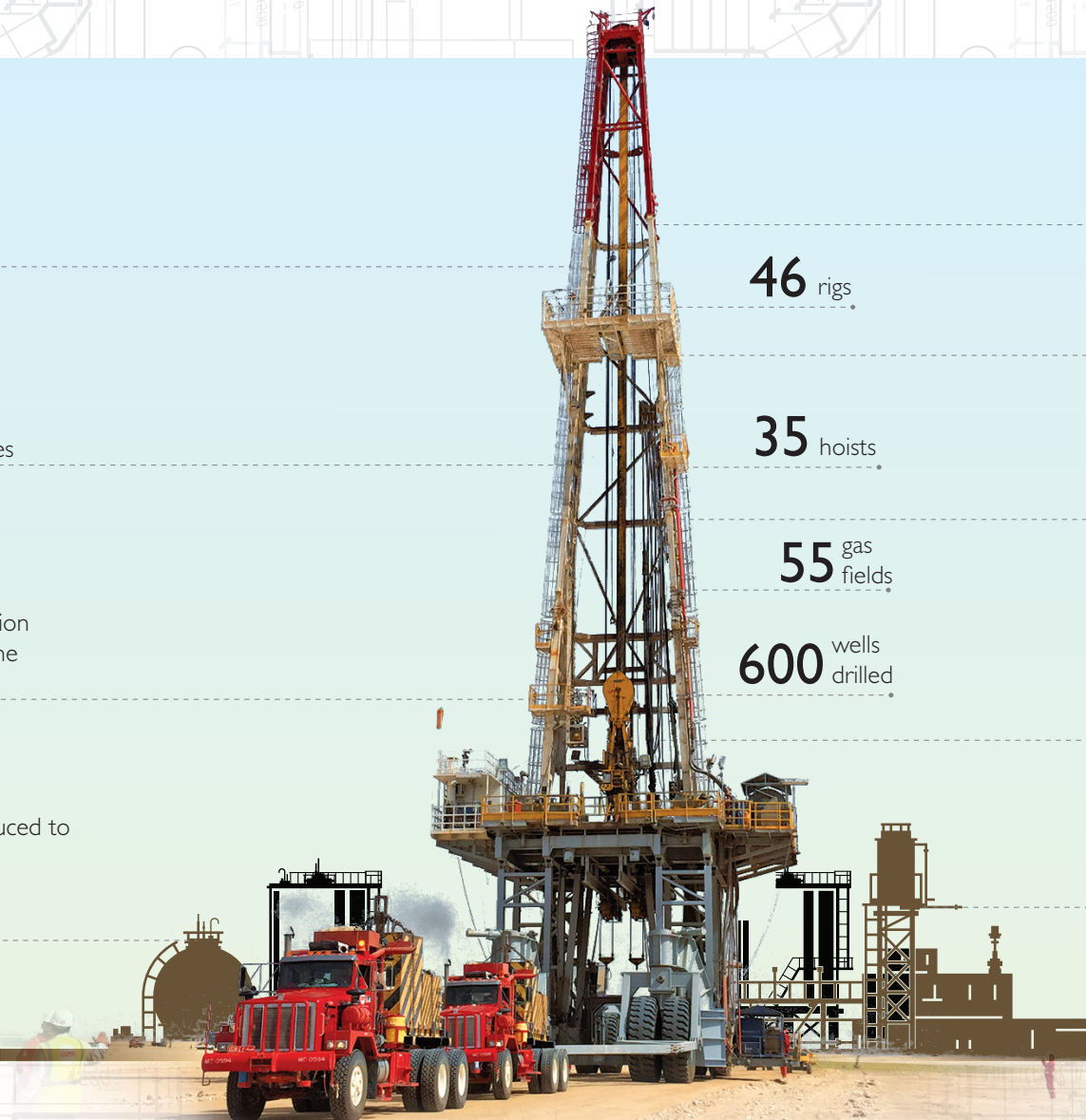
Gas required to generate 1 MWh has been reduced to

301 m³/MWh,

19 m³/MWh, less than what it was in 2010

Operating expenditure (OPEX)

US\$1.9 billion



Operations Excellence Highlights




2



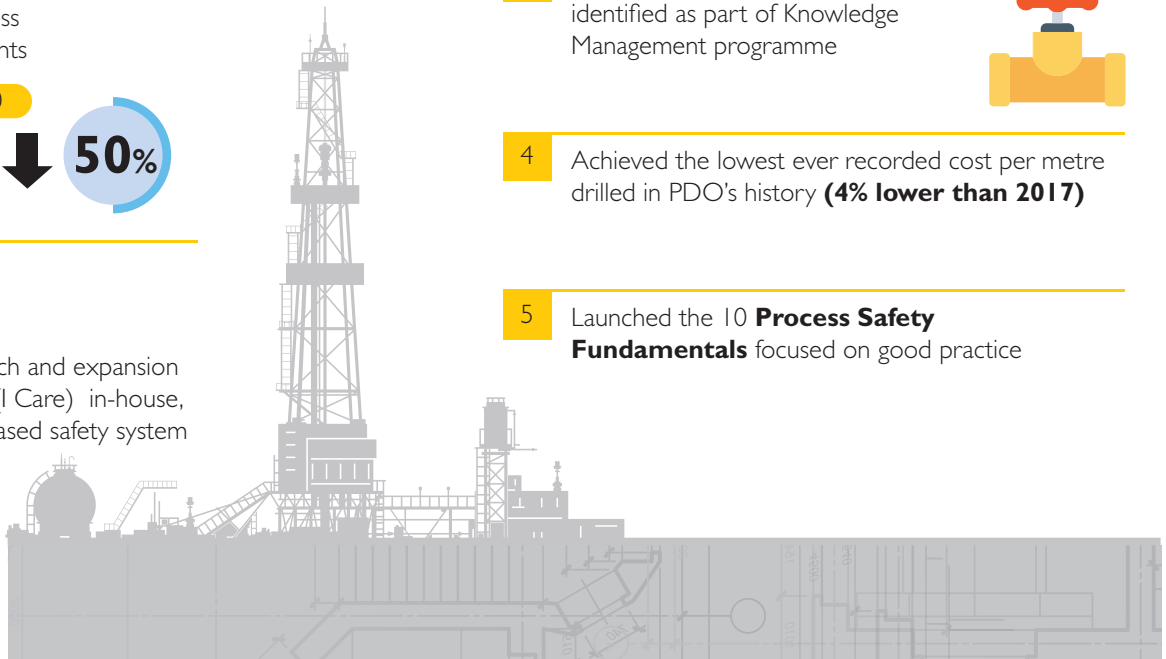
Official launch and expansion of Ihtimam (I Care) in-house, behaviour-based safety system

3 Over **US\$700 million** cost avoidance identified as part of Knowledge Management programme



4 Achieved the lowest ever recorded cost per metre drilled in PDO's history (**4% lower than 2017**)

5 Launched the 10 **Process Safety Fundamentals** focused on good practice



Cost Control/Lean Business Efficiency Highlights



1

Oil Capex savings of

US\$107 million

2

Gas Capex savings of

US\$54 million

3

Held 25 Cost Optimisation Reviews (CORs), identifying a potential **saving of**

US\$60 million over a 3-4 year period



4

US\$152 million cost savings through Lean business efficiency initiatives

5

More than **12 strategic standardisation projects** were executed using in-house capabilities to build a stronger foundation for the next stages of Continuous Improvement transformation

6

More than **80 managers** have taken a new training and coaching programme which has been upgraded for Lean to become state-of-the-art

7

All MDC members subscribed to an extensive Continuous Improvement coaching programme fully supported by our in-house coaching capability

8

112 staff completed the extensive Lean Practitioner (LP) training programme, raising the total of certified LPs to 400

9

More than **15,700 ideas** have been **generated** from across the Company and more than 6,000 have been implemented

10

Organised Lean awareness sessions for over **800 representatives** from more than 50 public and private organisations in Oman



Project Delivery Highlights

- 1 Saih Nihayda (SNDC-2) and Kauther (KDC-2) came **on stream** well **ahead of schedule**
- 2 Tayseer EDF, Ghafeer A2C Field Development, and Mabrouk Deep Phase 3 projects were brought on stream
- 3 **Continued good progress** on both Rabab Harweel (RHIP) and Yibal Khuff “mega” projects
- 4 Re-Organisation of Engineering and Project Delivery to centralise the execution of all projects, enabling **higher productivity**, faster decision making and project delivery cycles

Enhanced Oil Recovery (EOR) Highlights

- 1 More than **23%** of PDO's production will come from EOR projects by 2025
- 2 17.7 million barrels of oil have been delivered as a result of polymer injection in the Marmul field to date. The average **production gain** in 2018 was 6,500 bpd, an increase of **13%**
- 3 Birba Field yielded an additional 45.7 million barrels of oil with a **total field recovery factor of 21%**. To-date, 5.95 billion cubic meters of gas been injected
- 4 3.81 billion m³ of gas have been injected in Harweel 2AB project (Zalzala field), with oil to date rate of around **14.1 million barrels**
- 5 The Amal steam project has the **highest annual average steam injection rate** of around 7,854 tonnes per day; the year-average oil production was 10,611 bpd
- 6 266 million tonnes of steam have been injected into the Shuaiba oil-bearing formation, producing 83 million barrels of oil. Record levels of steam injection were achieved with peak rates **exceeding 17,000 tonnes** per day



Miraah Solar Project

Exploration Highlights

1 Booked **119** million barrels of contingent oil resources

2 Booked significant gas volumes (**4.5 Tcf**) largely in the Mabrouk area

3 **Significant oil discoveries** in Rakid South (Gharif) and Ara (Mowaffaq and Shujairat East)

4 Completed the first Ultra-High Productivity (UHP) 3D Wide Azimuth (WAZ) seismic data acquisition

In-Country Value

1 JOB CREATION & TRAINING



Created

17,027

employment-related opportunities in the oil and gas sector and beyond

2,457 young Omanis graduated from Training For Employment (TFE) programmes

Undergoing training of **150** Omanis to be certified by OPITO or Edexcel and work as key commissioning staff in O&G sector

2 GOODS & SERVICES

Contracts worth **US\$3.7 billion** awarded to nationally registered firms

44% Value retained in-country in 2018



3 SUPPORTING OMANI BUSINESSES

Sponsored a technical support initiative programme for **300** entrepreneurs in co-operation with Riyadh

Total Value of Super Local Community Contractors (SLCC) and Local Community Contractors (LCCs)

US\$494 million, a 25% increase in 2017

Total spend on SMEs

US\$329 million, a 41.2% increase in 2017



4 COMMUNITY SUPPORT & SOCIAL INVESTMENT



Delivered more than **400,000 m³** of water annually to more than 1,785 beneficiaries from local communities

Sponsoring **165 general diploma graduates** annually from the concession area to continue their higher education



Sponsoring **50 students annually** for the Tawteen programme, to work as teachers in their own communities

Committed to **36 new social investment projects**, totaling US\$15.5 million

Built five majlises and a fish market

Distributed **US\$1.2 million** in sponsorships, grants and donations

Donated more than **RO 5 million** to those affected by Cyclone Mekunu

and a further **RO 50,000** to those affected by floods in Kerala, India



5 PEOPLE & STAFF DEVELOPMENT

Signing of a landmark Terms of Reference (TOR) agreement with the PDO Trade Union



Expansion of the **Maktabi** (My Office) remote working pilot



Maternity Leave Increased to **112** calendar days



★ ★ RECORD ★ ★

1,032

female staff, including 946 Omanis

8,596 staff

The Omanisation rate increased to **81%** from 79%

720 Omani Graduates

1,537 Omani promotions with 310 Omanis in senior positions

General Welfare Highlights



- 1 Delivered a record road safety performance
- 2 The Lost Time Injury Frequency (LTIF) per million man-hours worked fell by **25%**
- 3 More than **750 million km** driven without any work-related motor vehicle fatality

Environmental Stewardship

- 1 Substantial reduction in oil spills - No major oil spills were recorded in 2018
- 2 Launch of the initiative to ban single-use plastic as part of Estidama Campaign
- 3 Significant improvement in waste management

1,600 tonnes of non-hazardous waste recycled	204% increase in volume of treated hydrocarbon-contaminated soil
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- 4 Adoption of global HSE management system ISO-45001
- 5 Contract agreed for new solar power site at Amin
- 6 Significant improvement in power generation efficiency

Road Safety Highlights

- 1 Journey Management Control Centre (JMCC) led to **97%** drop in the average number of violations per vehicle per month (such as speeding and not wearing seat belts)
- 2 Monitoring more than **8,250** vehicles in the PDO/contractor fleet across 224 contracts
- 3 Commuter bus scheme now covers 28 hubs and 65 villages
- 4 **80%** of PDO staff are using one of the commuting modes provided by the Company
- 5 The **“Tell A Friend”** campaign covered locations in Saham, Salalah and Sur and a four-day event was organised in Nizwa area