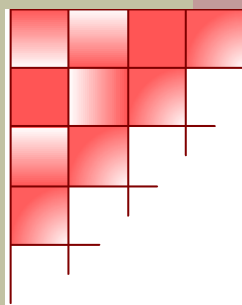




# NEWS



## What is J2E?

Journey Towards Excellence (J2E) is an integrated and holistic five-year program that targets all the areas that impact on the performance of Refining and Marketing, either directly or indirectly and will result in sustainable improvements in our performance in health, safety, environment (HSE) as well as our financial performance.

This will be achieved through more effective and efficient ways of working by the implementation/re-introduction of management systems, business processes, tools and techniques and by renewing the skills and capabilities of

our people all within a culture of performance and accountability where people are proud of their work and of their company.

Quantitatively, the program targets financial benefits of US\$0.70 per barrel, which amounts to US\$35 million annually.

Petrotrin has contracted the services of Shell Global Solutions International (SGSI) to assist in this performance improvement effort. SGSI personnel have actually operated refineries around the world and have implemented similar programs in refineries and other process plants with resounding success.

## Welcome

Welcome to our first issue of J2E News, a monthly newsletter with the primary objective of keeping everyone informed of ongoing and upcoming developments in this program. This newsletter will supplement the internal communication provided by your department and will serve as a catalyst for constructive dialogue and feedback.

We look forward to your comments and suggestions for improvement, both for this newsletter and for the overall J2E program. You can e-mail your feedback to Michelle Mahal or contact us at telephone extension 2721.

## J2E ... a Strategic Initiative

This performance improvement program is one of five initiatives in Refining and Marketing's Strategic Plan 2005 to 2009, to meet the competitive threats of the market and to ensure our long-term viability and profitability. The five major initiatives and their objectives are:

- Marketing Improvement  
To maintain market share and pricing in premium markets in spite of threats posed by the formation of Trading Blocs and other factors that may reduce demand in these markets.
- JV Partner Plan  
To evaluate possible JV Partners for upgrades that cannot or may pose unacceptable risks, if funded alone.
- Performance Development (J2E)  
To improve our HSE and economic performance through renewed focus on cost and performance and more effective/efficient ways of working.
- Clean Fuels Upgrade  
To meet market/customer requirements, as well as, shareholder direction and prevalent legislation, to offset predicted decline in product sales/volumes.
- Crude Supply Management  
To optimise the supply of indigenous crude for improved overall refinery economics and to minimise crude supply risks.

### Inside this issue:

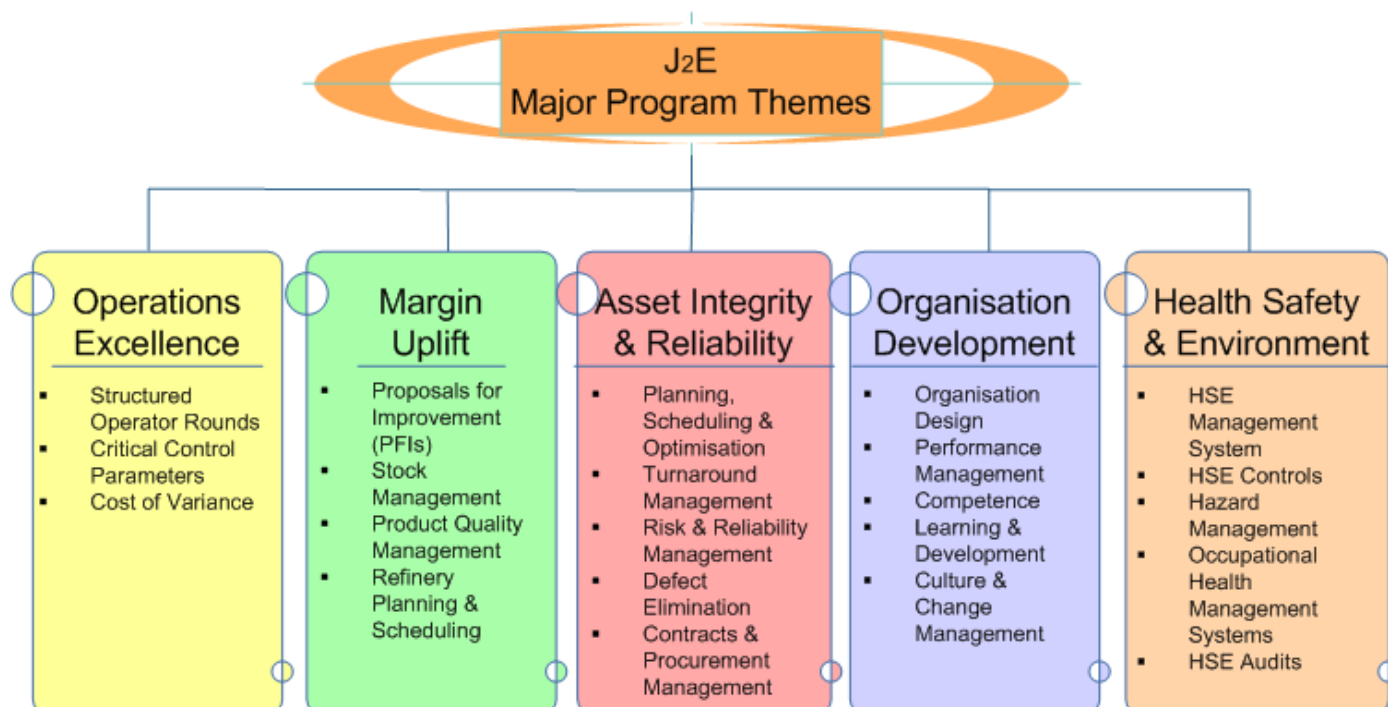
- *An overview of J2E five key drivers of performance*
- *A glance at the 3rd Quarterly Communication Forum*

# Program Themes

To achieve the above objectives J2E will focus on five key drivers of performance as shown in the diagram below and described on pages 3-7. Also shown are the key performance indicators (KPI's) and how these will be influenced through focus on the major program areas.

actively participate in a process that will create a refinery that you can be proud of, that will continue to support the economy for the benefit of your children and their children as well. Employees will also benefit from improved work processes and upgrade of their skills and knowledge base, through interaction with the various Project Teams involved in program implementation.

J2E provides an opportunity for all employees to



## Project Steering Group Members

- Wayne Bertrand President, Operations
- Rawlingson Agard VP, HRCS
- Kelvin Harnanan VP, R&M
- Haseeb Ali Project Manager
- Errol McLeod PG, OWTU
- Alan Fuller Project Manager, SGSI
- Erik Bonino Managing Principal, SGSI
- Sam Phillips Account Executive SGSI

## Theme Sponsors

- Roy Lloyd Operations Excellence
- Asgar Ali-Hosein Asset Integrity & Reliability
- Roy Lloyd Health, Safety & Environment
- Ken Allum Gross Margin Uplift
- Carol David Organisation Development

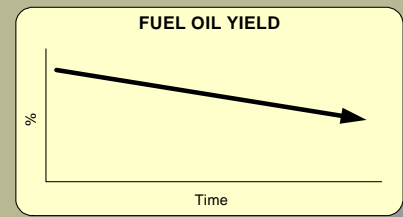
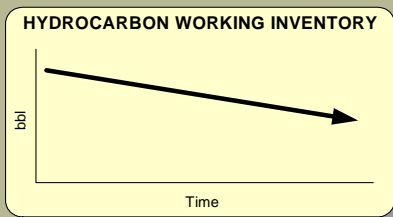
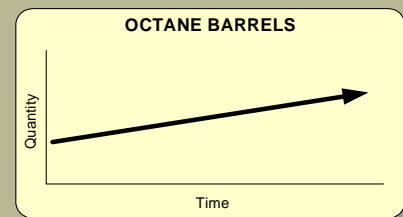
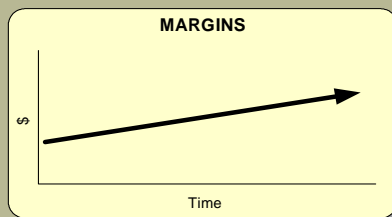
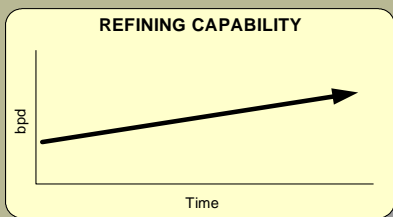
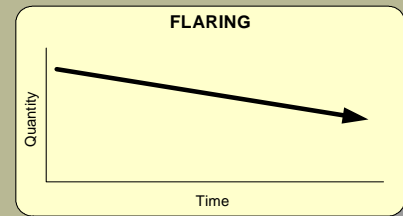
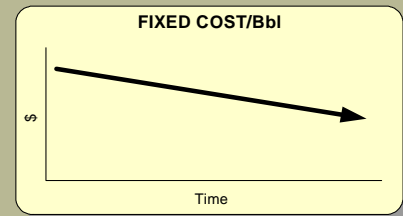
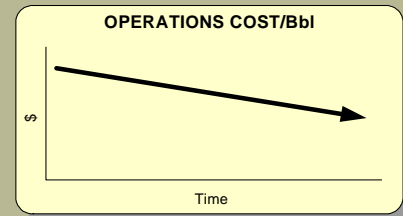
# Margin Uplift (MU) & Operations Excellence (OE)

Both of these components in J2E are responsible for maximising the financial returns of Refining & Marketing. This means that we will aim to deliver optimum plant operations at lowest cost; quality products in adequate volumes; full reliability at lowest cost. To achieve this we are focusing on:

- Operations Excellence**  
 This is aimed at optimising performance of our plant and oil stocks operations through the use of up to date and standardised procedures, structured operator rounds and monitoring of critical control parameters.
- Proposals for Improvement (PFIs)**  
 These are projects that have the potential to generate significant earnings for the company. The PFIs identified are projected to increase the operating margin by an estimated US\$0.32 per barrel, which translates into an incremental earning of

US\$MM17.6 per annum based on a crude throughput of 150,000 BPD.

- Stock Management**  
 This involves improving stock management through the use of Bottom Up Stock Targeting (BUST) methodology to set minimum targets for our hydrocarbon stock (crude and products). Reduced stock levels translate into savings in the bottom line.
- Product Quality Management**  
 Ensures that our products consistently meet customer specifications and that product giveaway is minimised. Best practices, tools and data management systems, will be employed to improve laboratory work processes and product blending.
- Refinery Planning & Scheduling**  
 Involves improving management of the supply chain by utilising IT tools to support refinery planning and scheduling.



# Asset Integrity & Reliability (AIR)

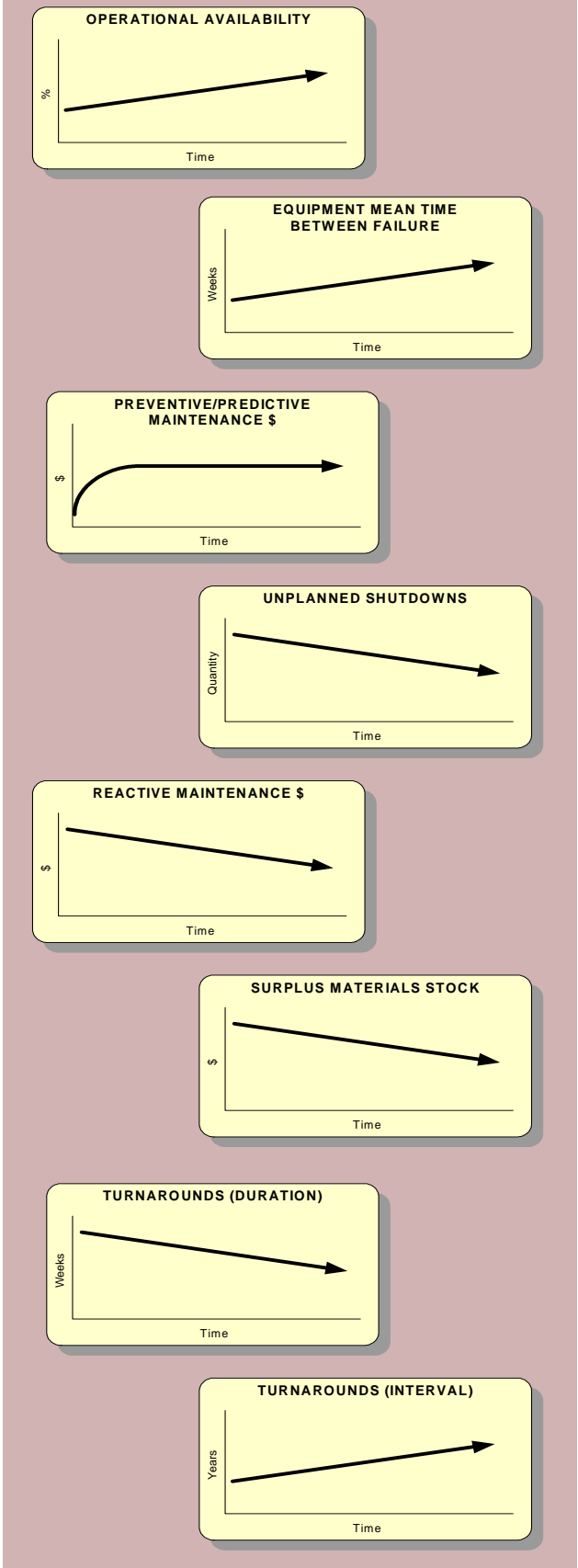
The objective of AIR is to maximise facility availability and minimise maintenance costs without jeopardising technical integrity or HSE. The main component in this theme are:

- Defect Elimination Management (DEM)**  
 Here we analyse past failures then focus on the most costly repetitive failures through structured Root Cause Analysis (RCA). Subsequently, solutions are developed and implemented that mitigate reoccurrence.
- Risk & Reliability Management**  
 This involves the application of Reliability Centred Maintenance (RCM) and Risk Based Inspection (RBI) methodology to review existing maintenance practices and where none exist, utilise best practices and local discipline experts to create.
- Planning, Scheduling and Optimisation**  
 A structured review of how routine 'day-to-day' work gets done in the Refinery; identifying and implementing ways to optimise.
- Turnaround Management**  
 This element focuses on incorporating industry best practices with successful practices from the past with a view to completing turnarounds within cost, schedule and quality targets.
- Contracting, Procurement, Warehousing & Transport (CPWT)**  
 Here we focus on developing and implementing strategies and tactics to improve our CPWT performance.

We trust that this gives you an overview of what the J2E AIR Theme team is all about. In subsequent issues, we will provide more details about each of the five key AIR elements and introduce you to the folks that are representing you.

In the meantime, you can help! In particular, please start to write SAP Notifications for every equipment failure. Did you know that only 20 - 30% of equipment failures are adequately documented in SAP? This is a fundamental requirement of any Asset Management program and each of the elements above are negatively impacted by this basic weakness. We need your help to improve; please start holding each other accountable to this critical success factor. You can help!

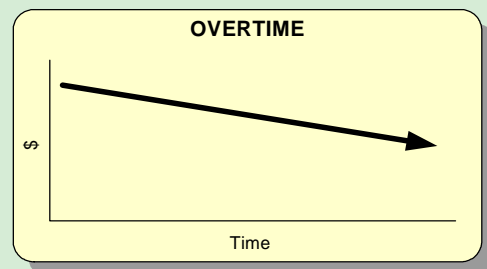
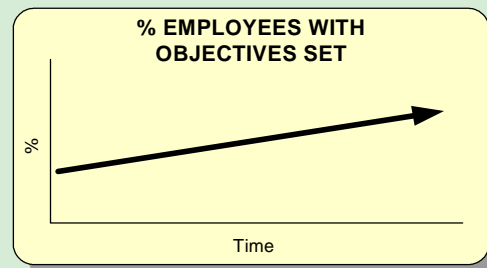
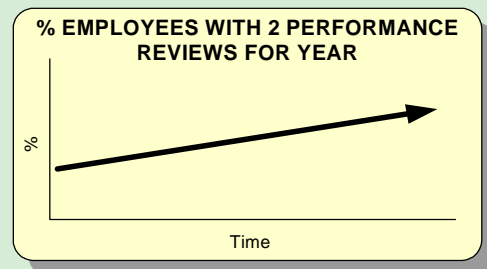
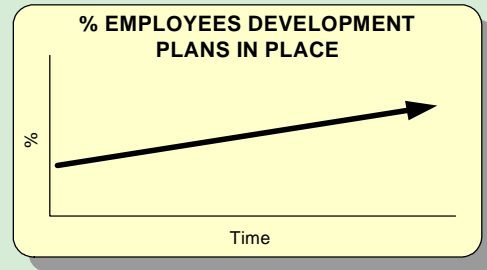
*How do you eat an elephant?  
 Answer: One bite at a time!*



# Organisation Development (OD)

Organisation Development (OD) is the component in J2E which is aimed at creating a work environment where each of us have the opportunity and are encouraged to contribute in achieving the objectives of R&M, and by extension Petrotrin. To achieve this objective OD will focus on the following areas:

- **Organisation**  
To promote a flexible but coherent overall organisation design framework and business process for optimum effectiveness.
- **Performance Management**  
Concentrates on performance appraisal and involves the promotion of coaching as a basic building block to enhance interpersonal relationships between manager/supervisor and employee.
- **Competencies**  
Competency development will develop a catalogue of competencies profiles for all jobs in R&M. Competency Assessment will measure the job competency requirements against individual competencies.
- **Learning & Development**  
Is about using the job competency profiles and assessments to identify areas for development. This enables individuals to focus on the knowledge and skills which have the most impact on performance. It is also about promoting a learning culture within R&M whereby individuals, teams and the organisation as a whole can engage in continuous learning.
- **Culture & Change**  
By institutionalising the above elements in OD we will foster the values, behaviours and relationships required for business success. We must communicate these and adopt them as part of our daily activities.



# Health Safety & Environment (HSE)

Health Safety and Environment has the objectives of: 1) facilitating the necessary conditions to continuously improve Petrotrin so as to achieve world class Health and Safety performance in our operations, thereby reinforcing R&M commitment towards safeguarding the health and safety of our employees, contractors, customers, suppliers, neighbours and others who may be affected by our operations and 2) reducing the impact of our operations on our natural environment by complying with all the applicable environmental legislation (EMA Act 2000) of Trinidad and Tobago to be a leading exponent of good environmental practice.

This program is divided into several areas, each geared towards achieving these objectives.

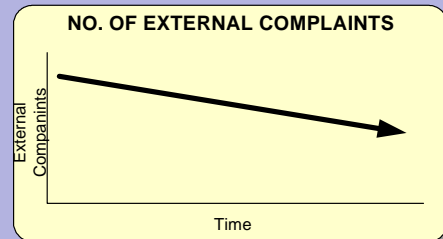
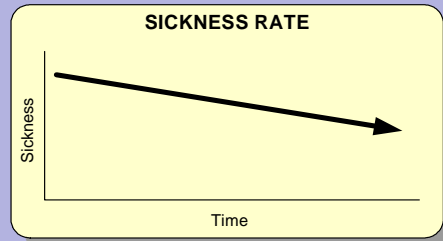
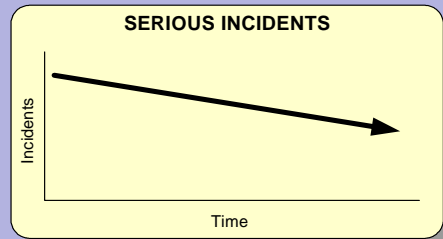
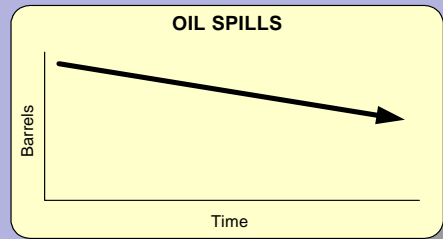
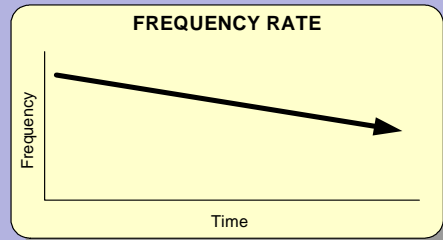
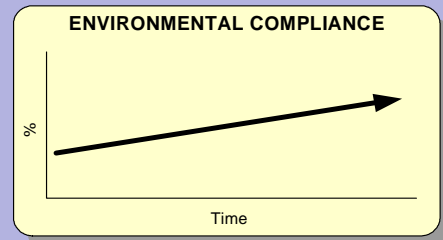
- **HSE Management System**  
Using OSHAS 18001 we will positively manage the health and safety for Petrotrin and contractor activities. In addition by using a structured HSE management system, together with the RAM, best practice exchange and feedback from our stakeholders, we will proactively manage the environment and this will assist in facilitating accreditation to ISO 14001.
- **HSE Controls**  
Is about learning and improving from: incidents and near miss reports through systematic investigations, implementation of recommendations and sharing of learning's with all stakeholders and

through site safety management systems such as safe visits.

- **Hazard Management**  
Includes regular reviews of Technical Integrity of all our units using HAZOPs and/or Technical HSE reviews as appropriate with rigorous implementation of the recommendations to ALARP.
- **Occupational Health Management System**  
Deals with monitoring and tracking performance in Process Safety, Personal Injury and Occupational Health through key performance indicators. It is also looking at improving the HSE capacity of all our personnel through training, rewarding appropriate behaviour, and discouraging inappropriate behaviour.
- **HSE Audits**  
Conduct regular audits to monitor compliance with our HSE management systems and to identify actions for continuous improvement.

Did you know that Petrotrin (excluding contractors) has a Lost Time Injury Frequency (LTIF) of 7.2 per million hours?

The top performers have a LTIF of zero!



# 3rd Quarterly Communication Forum

## Feedback on J2E

Approximately 633 R&M employees attended the J2E 3<sup>rd</sup> Quarterly Communication Forums held on August 26 and 31 and September 06 and 09 at the Staff Club Ballroom.

These forums are aimed at updating R&M employees on the initiatives that are currently being undertaken by the various Theme Teams. Presentations were made from all 5 areas in J2E, with presenters representing a cross section of the R&M organisation and included: Glenford Cheesman (Senior Utilities Superintendent); Sandra Spencer (Team Lead—OD); Gowtam

Maharaj (Senior Operator); Valerie Quanvie (Team Lead—HSE) and Derek Salandy (Process Engineering Superintendent). All sessions were well attended, and provided an opportunity for questions and comments from enthusiastic employees.

A Question and Answer Booklet resulting from the 2<sup>nd</sup> Quarterly Communication Forum were distributed and employees were also given the opportunity to submit questions for which a response will be provided at the next Communication Forum.

"I welcome the improvement of 8CDU T&I."

"I hope that the company continues this journey to the finish and that I as an employee would be able to say, I was part of a positive transformation, to make Petrotrin a globally recognized company."



Hyrroprocessing SRO - Michael Ramnath forwards a question to the J2E panel.

"Urgent attention must be given adequately staffing of departments."

"I think that Petrotrin is taking the right step in this J2E program. As time changes, we need to change with it. If we don't we'll be left behind. I think we have been left behind for sometime, but with this J2E, I think we'll catch up."

"Zero tolerance on safety/hazards."

"We need to improve the way we do things to remain competitive/increase yield of high value products. "

"It has made no great impact in my department which is oil stocks as yet."

"Keep up the efforts."

"Slowly people are coming on board."



Participants at the 3rd Quarterly Communication Forum looks on attentively.

"Just like the first session I attended – NOTHING, NO-THING was said, about UTILITIES, which is the core energy supplier for these plants."

"We must improve our Operator Rounds."

"Safe visits has built a new attitude in workers that management cares for us an individuals and as a company."

## Questions posed at 3rd Quarterly Communication Forum

“When will Coaching for Performance Workshop be implemented for Operators?”

“Are we seeing any present worthwhile improvement coming from J2E in Oil Stocks?”

“Performance management has been ‘talked’ about before, as can be evidenced in several old issues of Petrovision (2000) and today we are still ‘talking’ about performance management. What will make the difference now and why?”

A booklet is being prepared to answer these and all other questions submitted at the 3rd Quarterly Communication Forum which will be distributed at the next Forum.

“We are stressing on Health and Safety, when are you the company going to implement random drugs testing? Do you believe this is one of the down falls in our company?”

“Why is Petrotrin wasting money in having these forum? Couldn’t you just print information on booklets and distribute to employees? Wouldn’t it be more cost effective?”

“What is being done to improve the plant and equipment in the Marine environment?”

What are the plans to upgrade Utilities?

## What employees want to hear more about ?

- “Upgrade for Lab Services (both equipment and personnel).”
- “Specific action plan for Asset Teams.”
- “How are we progressing so far?”
- “I will like to hear more about Marine, because if we don’t bring in the ships, you can’t work.”
- “I would like to hear more about how Petrotrin together with SGSI are going to improve the refining process by producing higher cost products.”
- “What is the future of Petrotrin and what role will Shell be playing in it. Will they be a partner or a competitor?”
- “What time frame will the upgrades of these plants be completed, and where is the money to be sourced for these projects.”
- “Lab Operations towards J2E – Lab keeps back plant performance – takes too long to do samples and pass on results.”

JOURNEY TOWARDS  
EXCELLENCE



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COMMUNICATION ACTION TEAM

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Participants at the 3rd Quarterly Communication Forum

Got a question? E-mail or submit to the above address and look out for an answer in upcoming issues of J2E News