



Italian Session Report

Venice 7th – 10th November, 2004



Mediterranean Oil Industry Group
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MOIG Meeting
Venice, Italy
7th – 10th November, 2004

ATTENDEES:

MOIG Members

Last Name	First Name	Company	Country
Stiglic	Sonja	JANAF	Croatia
Bashat	Hazem	PIEPC /Shell	Egypt
Bishr	Hassan	Apache	Egypt
Sabet	Ashraf	PESCo	Egypt
Byrnes	Richard	PESCo	Egypt
Khan	Murad	IEOC	Egypt
Lavigne	Clément	TOTAL	France
Amato	Ezio	ICRAM	Italy
Del Manso	Franco	Unione Petrolifera	Italy
Giordano	Giuseppe	ENI	Italy
Di Sienna	Antonio	ENI	Italy
Eid	Ellie	Navy Group	Lebanon
El Hanish	Mohamed	ARC/Oil	Libya
El Misani	Amer	ARC/Oil	Libya
Marrah	Khaled	AGIP Oil	Libya
Pisani	Paul	Alpha Oil Services	Malta
Bouchet	Pierre	Service de la Marine	Monaco
Rodriguez	Sergio	Maritime Safety	Spain
Goaied	Mongi	G.M Consultant	Tunisia
Dimassi	Hamed	ETAP	Tunisia
Hammami	Ridha	MARETAP	Tunisia
Salimov	Pavriz	Petro-Canada	Tunisia
Ouazaa	Slimane	Petro-Canada	Tunisia
Melikoglu	Cem	Exxon Mobil	Turkey

International Organisations:

Patruno	Roberto	REMPEC	Malta
Nicolau	Alexander	ITOPF	UK
Liebert	Thomas	IPIECA	UK
Parthiot	François	CEDRE	France
Taylor	Peter	OSPRI	UK
Nevin	Andrew	OSRL	UK
Hurdley	Richard	OSRL	UK

Invited Guest:

Stephanie	Seddon-Brown	ERM Iberia	Spain
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Italian Invited Guests: Please see attached list.

INTRODUCTIONS

Introduction and Official Opening Session

Hazem Bashat, MOIG Chairman, welcomed the attendees and thanked Eni Italy for hosting this very important session of MOIG, then asked Mr Fabrizio d'Adda to open the Session.

Mr d'Adda, HSE Vice President, ENI S.p.A, welcomed the attendees on behalf of Eni S.p.A and made a presentation on the Eni policy on Health, Safety and Environment and the Protection of the Mediterranean Sea.

Mr d'Adda highlighted the risk of oil spill in the Mediterranean Sea stating that the maritime accidents frequency has a strong statistic correlation with the increase of oil traffic, the average age of the oil fleet, the tonnage and the flag flown by tankers. He mentioned the European legislative framework and the Protocol and Convention for the protection of the Mediterranean Sea aiming at diminishing risks in the maritime transport of oil and chemical products. This European framework set up actions such as a timetable for phasing out single-hull oil tankers and European Maritime Safety Agency, establishing agreements with the Oil Industry and an information system to improve the monitoring of traffic.

Mr d'Adda presented then the Eni vision, policy and HSE Management System to prevent accidents and protect the environment.

Admiral Roberto Patruno, Director of REMPEC, emphasized the need for better cooperation in the Mediterranean Region in the field of oil spill prevention, preparedness and response. The Industry through MOIG and the Governments through REMPEC could work together more effectively to reach their common goal to protect the Mediterranean Sea. REMPEC is an ideal body through which Industry and coastal states can liaise on issues related to improvement of prevention and response strategies.

Mr Franco Del Manso, Manager of Unione Petrolifera, Italian Oil Industry Association, presented the actions taken by their Organisation to protect the marine environment. He mentioned some of the voluntary actions taken such as the vetting and the ship inspection report programme for the choice of the ship in this issue, the quality and the reliability of the ship owners constitute the most important element of the quality of the ship.

For the Bonifacio Strait considered to be at a very high risk, voluntary actions are taken to minimise the impact of the tankers' movements in this region where we find very frequent strong winds with many rocks and small islands. Mr Del Manso emphasized that the Oil Industry will continue to maintain cooperation with REMPEC in conjunction with MOIG to institute a permanent collaboration. He also mentioned that this Association elaborates documents and proposals for discussion at the international level and prepares technical support of Oil Sector to the Environment Ministry.

Mr Cosentino, Italian Ministry for Environment, made a presentation on the impact of the maritime traffic on the sea and especially the Mediterranean Region and gave some statistics about the maritime transport and the amount of oil spilled each year either due to accidents or through «routine operation». He mentioned then the actions taken by their administration in collaboration with the industrial sector to prevent and confront the spill risks. The OPRC 90 convention ratified by Italy December 1998 was found as the best way to combine efforts of prevention. In this issue, Mr Cosentino precisely stated that the creation of MOIG brings certainly a big contribution in cooperation between Oil Industry around the Mediterranean Sea to work together on preventing oil spill accidents and the protection of the region.

Captain Mancini, Italian Coast Guards, illustrated the Italian organisation for the protection of the Mediterranean Sea. He presented the role of the Coast Guards as well as the coordination of their Department with the different Italian Ministries in preventing marine accidents, management of ports and safety of the maritime traffic.

In case of an emergency, the Operation Centre of the Coast Guards is in direct contact with the emergency room of Eni and gives the support needed to identify the spilled product and takes the adequate actions of intervention. He presented the equipments and naval units ready to be used in case of an oil spill or other accident.

Captain Giovannini, Civil Protection Department, presented the national organisation on marine pollution emergencies and the cooperation between the Italian State and the Industry section as well as the regulations concerned by this cooperation.

He clarified the roles of the State and industry committee and the technical and scientific committee that is called only in case of an emergency at sea. The main activities of this organisation are updating of the Marine Pollution National Contingency Plan and assuring prevention at sea.

REGIONAL AND COUNTRY STATUS PROFILES

Hazem Bashat, MOIG Chairman, gave a presentation on the MOIG's journey since its initiation in 1992 emphasizing what has been accomplished during the last 9 months since it was formally establishment as an independent Group. He stated that the vision of MOIG is to be an active Mediterranean Network of Industry Experts in Oil Spill Response having effective local and regional communications and capability of providing diversified high level expertise in case of major spills in the Mediterranean Sea. The MOIG's mission is to promote regional cooperation within the industry and between governments and industry and to enhance and support all efforts aiming at prevention of, preparedness for and response to oil spill incidents. He indicated that more than 65 Oil Companies have participated in MOIG meetings and during the last year, 11 new members have joined the Group. This reflects a strong industry interest and shows how important it is to maintain such interest to strengthening the MOIG's Network.

Captain Richard Byrnes, PESCo Egypt, presented the development and execution of the major oil spill response exercise Ra Atum IV. The exercise was staged at the last MOIG session in Egypt at which time Petro Environmental Services Company (PESCo) in association with the Oil Sector, conducted this real-time “Exercise” in ‘SUMED Oil Terminal at Sidi Kerir’ West Alexandria, Egypt on 17th and 18th of May, 2004. This exercise reflected a realistic response to a major oil pollution incident. There was an Exercise Steering Committee formed from Egyptian government and industry to oversee the exercise development and execution. Success of oil pollution response depends primarily on the way the situation is handled at the onset of the incident. The quicker the response the less potential damage to the environment, although the exercise scenario was a shipping incident, the type of response required involves a host of companies and organizations. The cooperation shown during this exercise goes a long way in better protecting the Egyptian Environment. Each of the participating companies and organizations are to be complimented on the response of personnel and resources to this challenging scenario. The MOIG participation helped by observing and evaluating the exercise which was used constructively in developing lessons learned and establishing action plans to ensure continual improvement to the pollution response mechanism of Egypt.

Stephanie Seddon Brown, ERM Iberia, presented the ERM Environmental Resources Management that is an international environmental consultancy covering a variety of services. ERM is represented in over 37 countries worldwide and has considerable expertise in the Mediterranean region working on projects in Spain, Libya, Algeria, Morocco, Tunisia, Egypt, Turkey and other countries. The presentation highlighted some of the Environmental and Social Impact Assessments conducted as well as assistance to companies with their oil spill contingency plans.

RECENT DEVELOPMENTS IN THE MEDITERRANEAN

Admiral Roberto Patrino, Director of REMPEC, presented the activities of the Centre. He informed the attendees of the adoption of several recommendations during the 13th Ordinary Meeting of the Contracting Parties to Barcelona Convention held in Catania in November 2003. The main recommendation concerned the monitoring of maritime traffic. A regional strategy 2006/2015 for the implementation of the new prevention – Emergency Protocol was mandated to REMPEC to be prepared and proposed to the 14th Contracting Parties Meeting for adoption. REMPEC will facilitate the implementation of this new Protocol during the next year. Also, REMPEC will try to balance its activities related to preparedness and response with those related to prevention. Concerning the cooperation with MOIG, Admiral Patrino proposed that a Memorandum of Understanding be signed between REMPEC and MOIG for a better collaboration in the future.

Ridha Dhaoui, Director of MOIG, briefly presented a report on the activities of the Group since its official implementation. The biggest challenge was to promote MOIG and develop its Memberships. Three visits were made during the last year to Malta, Libya and Egypt. After meetings with different oil companies and presentation of MOIG, its aims, objectives and benefits; we managed to convince 11 new companies to join our Group. A Focal Point for MOIG was identified and designated for each one of these countries. During the year 2004, a Technical Workshop in January and two MOIG Sessions were organised respectively in Tunisia, Egypt and Italy. Also, a two-day oil spill drill was organized in Alexandria by SUMED and PESCo in which the MOIG Members were involved as Observers.

For next year, an optimistic Business Plan is presented to be approved by the Management Committee Members. The future program will make the Members more involved and more motivated to work together through MOIG.

Alexander Nicolau, Technical Adviser – ITOPF, made a presentation on incident analysis and recent developments. He informed the attendees of some interventions of ITOPF on Oil Spill during the two last years. Additionally, ITOPF continued to advise and assist countries with Contingency Planning.

Alexander presented then the status and developments of International Conventions. Regarding the chapter oil spill incidents, statistics tables were presented to show the evolution of incidents, spill volumes and ITOPF attendance from 1970 to 2002.

Richard Hurdley and Andy Nevin, OSRL, presented the oil spill that happened at a wellhead in the Ninotsminda oil field. Ninotsminda is located 40km East of Tbilisi, Georgia and covers approximately 17km². The reservoir is approximately 500m thick at depths between 2,600m and 3,000m. The oil is of high quality crude with virtually no sulphur. Total oil reserves of 6.762 MMbbls.

The wellhead blow-out happened on Friday September 10th. The reason apparently was that no blow-out preventer was fitted. The well was blowing at between 5,000 and 10,000 bbls per day 30m into the sky for four days. The world leading well control specialists - Boots and Coots - capped the well.

Well head was approximately 1km from Ninotsminda village and 800m above sea level.

OSRL response:

- Friday 10th Sept: Well head blow out.
- Monday 13th Sept: OSRL contacted - 1 Team leader and one technician to travel to Georgia to assess situation.
- Tuesday 14th Sept: 4 more technicians left Southampton to assist in operations.
- Friday 17th Sept: OSRL equipment flown to Georgia.
- Sunday 19th Sept: Equipment on site (equipment was delayed due to customs within Georgia).

To minimise the impact and the spread of oil, OSRL used the following methods:

Containment and damming / temporary storage pits and skimming operations. The plan was developed by: Site Surveys / Environmental impact assessment / Oil type. Spill site was then split into 3 - Wellhead / Forestry / Pits. Wellhead: Oil flushed into pits at lip of well. Skimmers used to transfer oil from pits to temporary storage and road tankers. Pumps used to pump water from pits back into use for flushing. Forestry: Flushing used to guide oil down side of mountain to the bottom site where separation could occur. Good signs of natural recovery in forest meant few trees required to be felled despite the heavy contamination. Pits: Big three stage separator dug using excavators and bulldozers. Pits connected with pipes to control flow of water and oil. Oil recovered from pits 1 and 2 using a termite skimmer and rope mop. 3rd pit was water, water tested before being released along its natural path through the village's storm drains.

Challenges found: Lack of temporary storage facilities, obtaining approval for final disposal, air monitoring and water testing, acquiring legitimate readings and lack of water supply for use in flushing.

GLOBAL ISSUES

Thomas Liebert presented IPIECA and its activities. IPIECA is the association representing the petroleum industry on key environmental issues including oil spill preparedness and response, global climate change, biodiversity, etc. Serving as a key international forum to help improve oil spill contingency planning and response around the world, the Oil Spill Working Group have several missions such as enhancing the state of preparedness and response to marine oil spill incidents in priority locations around the world. Over the last years, OSWG helped MOIG in its infrastructure and capacity building. Thomas highlighted some important activities of the OSWG like updating with ITOPF the compensation guide, producing new reports and translating most of IPIECA technical series into several languages. He outlined that MOIG offered the possibility to translate these technical documents into Arabic.

François Parthiot, Delegate for the Mediterranean, CEDRE, gave a presentation on the situation in the Mediterranean Sea and the use of satellite radar to improve surveillance of oil pollution. Mr Parthiot showed how the satellite should help to assess the situation and help the polmar aircraft to target polluters saying that the area to be surveyed is large. In order to exploit the image of satellite, there is a need to have careful screening and to use all the available info. Mr Parthiot concluded by recommending to implement a good cooperation between all concerned countries to achieve a good deterrence in the Mediterranean Sea through the combined use of aircraft and satellite.

Mr Peter Taylor, Manager of the Oil Spill Preparedness Regional Invitation (OSPRI), presented his organisation that aims essentially to make Industry and Governments work cooperatively to promote proven credible, integrated sustainable oil spill response capabilities in the Black and Caspian Seas. OSPRI acts to support regional planning, develop effective Tier 2 capacity by implementing cooperation and mutual aid including the facilitation and integration of Tier 3.

ENI HSE DEPARTMENT

Mr Russo, Safety Manager, Eni HSE Department, emphasized at the beginning of his presentation the aim of ENI S.p.A which is to promote a synergy among Divisions and Subsidiaries for sharing resources, facilities and equipment in case of an Emergency; like: fire, explosion, release and pollution, for both onshore and offshore Eni activities. He clarified the philosophy of his Company to cover the tier concept. Mr Russo talked about the communication procedures in case of Emergency. The Eni Crisis Unit is in charge of coordinating the search of resources, facilities and equipment, supporting emergency management with the aid of model simulation, managing communications and cooperating with Authority when dealing with an emergency not related to the Company activities. In addition to the Italian Institutions to be contracted (Italian Environment, Interior and Defence Ministries, ICRAM, Coast Guards, Fire Fighter and Police) Eni contracts IMO, MOIG, REMPEC, IPIECA, CEDRE and others. Mr Russo concluded by presenting the Eni Emergency Room and all the tools that it is equipped with.

Mrs F. Polla Mattiot, Eni HSE Department, gave further details on oil spill modelling considered as a tool for emergency support. On offshore Tier 3 emergency for oil or chemical spills, vast information is collected to serve as input for the spill modelling result. This model uses particles to compute transport, behaviour and effects of pollutants released to the environment. Also the response action and biological exposure are taken into account.

Dr Giuseppe Giordano, Eni's Emergency Response Manager, highlighted in his presentation the locations of the different oil spill response companies in the Mediterranean Sea and the UK. Looking at all these response companies, Dr Giordano proposed the creation of Observation Groups for monitoring to work on the following issues: traffic, routes, naturalistic areas and response system. He divided the Mediterranean Region into three zones: Western, Central and Eastern Mediterranean as marine areas of interest. This Working Group can be assisted by the Mediterranean Oil Companies with the scientific contribution of Eni Technology, ICRAM, CEDRE and other partners. Dr Giordano also proposed that the Eni's Emergency Room be at the disposal of the Mediterranean Oil Companies and information; such as chemical data safety sheet, oil model or chemical diffusion in air and at sea, response actions can be consulted as well as the organisation of exercise of mutual aid.

ITALIAN RESPONSE ARRANGEMENTS

Mr Francesco Crescenzi, Enitecnologie, explained during his presentation that in case of an oil spill and taking into account the behaviour of oil, its evaporation and recovering actions taken, it appears that there is a need to develop new tools to deal with the uncovered oil. That is why Eni R&D developed a project on a new bio surfactant for this uncovered oil. Tests at the laboratory showed that this bio surfactant called EPS helps in the biodegradation of oil remaining in the

seawater. This new biological product is non-toxic, totally biodegradable and biodegrades faster than chemically dispersed oil.

Mr W. Perticaroli, Polimeri Europe PE, presented his Company as an Italian petrochemical company owned by Eni. Its business includes chemicals, polyethylene, elastomers and styremics and its commercial network covers all the European countries. All steps involved in designing, producing and marketing of its products are certified according to UNI EN ISO 9001. A risk assessment has been carried out by the company to prevent and control the Sea eco-system pollution. Polimeri Europe established a manual, available on CD that gives detailed information to the operators on main matters for the risk analysis. On this issue, safety data sheet of the product, chemical and physical properties from TROCS database, risk characteristics and suggestions on the right anti-pollution strategy to adopt are given in order to assess the Personal Protection Device.

Mr R. Falcone, Tecnomare SpA, an independent engineering Company presented its activities that cover all phases of upstream development in the perspective of a « life cycle » approach. Tecnomare develops Quantitative Risk Assessment (QRA) studies to protect oil Industry facilities from injuring people and causing damage to the environment; this QRA is a technical discipline of the Risk Management that furnishes a tool to control the risk from the first phase of the life cycle of a plant.

Mr M. Fontolan, SONSUB, presented the response capabilities and experience of his Company that has today a large experience in underwater operations and deep water intervention capability on sunken tankers. The representative of SONSUB presented the details of their intervention on the « PRESTIGE » that sunk in two parts on the 19th of November 2002, 240 Nautical Miles from shore in a water depth of 3,830 meters. The recovering of oil from the tanker started in October 2003, and after three months needed to develop the concept for the mobilisation of the recovering equipment. October 2004, 13,400 tones of oil were recovered. The operation on the PRESTIGE had been successfully performed.

Mr Di Mento, ICRAM, described the research of the institute in terms of follow-up studies on the ecology and benthos following oil and chemical spills in the Mediterranean including environmental restoration work and damage assessment. The areas of research include monitoring of water, sediments and biota; sustainable management of fisheries; coastal and seabed management; sustainable aquaculture; marine protected areas; global climate change; species conservation and accidental marine pollution. ICRAM serve as technical advisors to the Ministry of Environment and coordinate the activities of all research centres in Italy should there be a marine pollution emergency. ICRAM was designated by the Italian Ministry of Environment to draw up and carry out the monitoring plan aimed at verifying the potential environment effects of discharged produced water during offshore activities.

Mr Pastorelli, CASTALIA Ecolmar, gave then a presentation on the Italian National Antipollution Structure. Castalia Ecolmar is a consortium regrouping 34 shareholders with many of the most outstanding Italian ship owners who operate in the field of antipollution and emergency response. He highlighted the main activities of the Italian National Structure consisting of patrolling of the territorial waters with specific attention to the protected sea areas and the close sea waters, measures to protect sea and coastal areas through the mechanical removal and physical disposal of liquid and solid pollutants, collection at sea, stocking, transport and disposal of liquid and solid materials including carcasses of cetaceans and other animals and finally first aid, assistance and rescue. Mr Pastorelli presented also the areas covered by the service, the location of naval means and protected areas and how actions are coordinated and communicated between the intervenient.

After providing a briefing on the results of their activity from 1999 to 2004, Mr Pastorelli presented the agreement between ENI and CASTALIA Ecolmar for Integrated Response System which aims to coordinate response with actual emergencies, define incident scenarios and relative plans of intervention, find available antipollution means and equipment, define and maintain the inventory of equipment and training courses and organise with ENI periodical exercises.

MANAGEMENT COMMITTEE MEETING

The following Members attended the Committee:

Hazem Bashat, Chairman

Ezio Amato, Vice Chairman with Proxy from Pierre Bouchet

Richard Byrnes, Vice Chairman

Giuseppe Giordano, Member

Thomas Liebert, Member

Clement Lavigne, Member

Dimassi Hamed, Member with proxy from Abdallah Ouedhani

Ridha Dhaoui, MOIG Director

The objectives of this meeting were essentially to discuss the financial issues related to the MOIG and how to make members more motivated to join our Group.

In addition to the different points raised and discussed during the Meeting, the Management Committee Members prepared the Business Plan of MOIG for the year 2005 to be approved later by the MOIG General Assembly.

All the details of the Business Plan 2005 and the minutes of the Management Committee Meeting No. 4 are in separate documents that will be forwarded to all the MOIG Members and may be consulted on the MOIG website.

Later and during a separate session, the Management Committee Members presented the MOIG Business Plan for 2005 and the conclusions and recommendations of the meeting to the General Assembly, after discussions the document was approved by all the General Assembly Members.

During the last day of the Session and due to the extremely bad weather conditions, the exercise that was prepared by Eni and Castalia was cancelled but we could assist in the meeting room and attended a presentation from the representative of Castalia to explain the objectives of the exercise, the scenario chosen, the different Italian Departments involved and the equipment to be used.

During the conclusion session, **Ezio Amato, MOIG Vice Chairman**, thanked - on behalf of all the MOIG Members - Eni Staff for all the efforts exerted to make this Italian Session one of our most successful events; where more than 18 oil companies from 10 countries throughout the Mediterranean region actively participated and contributed to its success.

It was indeed a great pleasure for MOIG members to meet in Venice and enjoy the Italian hospitality and generosity.

The MOIG Management has been receiving overwhelming appreciation from member companies; appraising and commending Eni's impressive oil spill preparedness and response measures and its integrated plans with the relevant Italian Authorities that reflect the high standards and professionalism needed for continuously improved performance.



See you in Lebanon Q2 2005

R.Dhaoui