



Training and Employment

ConocoPhillips has a strong commitment to providing training and employment opportunities to the communities in which we operate.

Capacity building is part of our core culture. ConocoPhillips continuously seeks opportunities to invest in skills and systems that empower communities to improve their quality of life. Such investments take many forms, such as employment, infrastructure and the development and implementation of training programs.

Through targeted training and employment, we are providing Timor-Leste nationals with the skills and opportunities to secure a place in the oil and gas industry - a sector with unprecedented employment demand, and a career path that should provide employees with financial security and worldwide employment opportunities.

To date, ConocoPhillips and the Bayu-Undan project has directed in excess of US\$3,100,000 towards the training and employment of Timor-Leste nationals.

The employment of Timor-Leste nationals has to be considered in light of the availability of requisite skills and industry experience in Timor-Leste. Indicative of our capacity building commitment, ConocoPhillips, at the outset of our activities in the Timor Sea embarked on the ambitious goal to develop training courses that would meet the unique needs of Timor-Leste, be sustainable and lead to employment opportunities.

The overarching goal of these training courses is to develop skills, experiences and a work ethic essential for employment in the oil and gas industry. These are qualifications that typically require lengthy and intensive informal and formal knowledge building experiences. This is particularly so in the dynamic and technically advanced offshore work environment.

ConocoPhillips takes a structured, planned and practical approach to training Timor-Leste nationals for onshore and offshore positions.

Initially, we identify the positions that can be made available to trainees. The type and number of roles is determined based on our explicit knowledge of the industry. For instance our offshore facilities have physical limitations in terms of bed space and mentoring capabilities, which dictates the limits of our offshore training opportunities.

We then develop an appropriate training syllabus. This requires a significant amount of planning:

- where to conduct the training (based on availability of teachers and facilities);
- what logistics are required (in terms of accommodation, flights, transport, allowances, meals etc); and
- when to commence the various training programs and the appropriate duration for each (so as to optimize learning and ensure continuity and sustainability).

Finally we undertake a rigorous recruitment process for candidate trainees. It is essential for prospective trainees to understand the commitment required for employment within the oil and gas industry (especially for offshore work, where employees are based away from family members in a unique offshore environment). Our key aim in Timor-Leste is to identify people enthusiastic for the business, but we also must seek specific skills (for offshore work this includes an aptitude for English and mechanical reasoning capability).

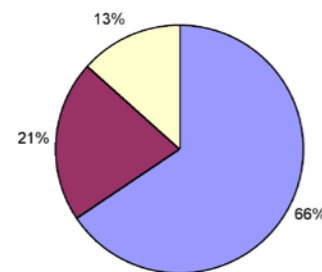




Training and Employment

As a result of this intensive process, which commenced in 2001, there are now approximately 90 Timor-Leste nationals training and/or employed on the Bayu-Undan project in various onshore and offshore positions.

Local Employment



■ Offshore Positions ■ Heliport Positions ■ Dili Office Staff

Offshore

Offshore positions include Process Plant Operators, Offshore Materials Controller, Riggers & Scaffolders, Deckhands, Caterers and a Data Entry Clerk.

Heliport

Our temporary heliport facility is located at the Nicolau Lobato International Airport. The heliport facilitates crew transit (450/500 per month) between Dili, offshore and their home country. The heliport employs Assistant Engineers, an Assistant Base Manager, Check-in and Ground Handling Staff, a Transit Crew Coordinator, Janitor and Security.

The heliport operation has injected close to US\$9,000,000 directly into the Timor-Leste economy through employment and expenditure on Timor-Leste based goods and services such as accommodation, maintenance services, consumables etc. This excludes US\$4,000,000 of aviation fuel supplied by Timor-Leste based vendors.

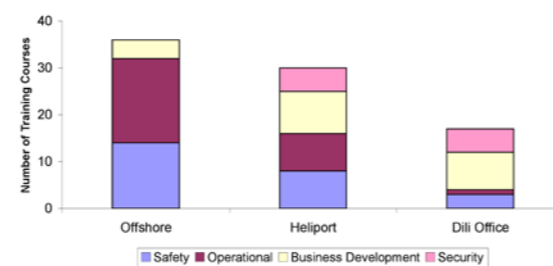


ConocoPhillips has a License Agreement with the Timor-Leste Government to construct a new heliport which would provide a significant number of jobs during the construction phase and ensure long-term secure employment for our core employees. Construction is pending Government planning reviews.

Dili Office

Located in Bidau, the general aim of our office is to develop onshore projects such as the heliport, generate capacity building opportunities and undertake Corporate Social Responsibility initiatives. The downtown office employs External Relations, Business Services, a soon to be appointed Administration Assistant, Gardener, Cleaner, Drivers and Security.

Training Courses Offered



A vast array of specific training programs is provided within each training category. Our trainees and employees undertake those that are relevant to their respective areas of responsibility.

Safety

Basic & General Safety Training • Firefighting • Fire Prevention • First Aid • Drug & Alcohol Testing • Health & Safety • Work-Safe Practices • Dangerous Goods • Chemical Handling • Helicopter Underwater Escape Training (HUET) • Tropical Basic Offshore Safety Induction & Emergency Training • Safe Working at Heights • Breathing Apparatus • Confined Space Entry • Permit to Work Awareness • Fall Arrest Training • Basic Safety Seamanship • Food Safety • Advanced Defensive Driver Training.

Operational

Certificate I, II & III in Process Plant Operation • ACEPT Process Operator Training • Charles Darwin University Engineering Training • Rigging & Scaffolding • Rigger / Dogman • Painting / Blasting • Engineering / Logistics • Forklift • Flange Management • Catering • Baggage / Ground Handling • Communications Management • Seafaring • Fast Rescue Craft • Helicopter Refueling • Helideck Team • Helicopter Landing Officer • Onshore & Offshore Work Experience • Mentoring.

Business Development

English • Cross Cultural Awareness • Ethics • Presentation for Work • Anti-Corruption Laws • ConocoPhillips Policies • Records & Document Filing Management • SAP Finance System Training • New Hire Orientation • 4 Conversations of Performance Excellence.

Security

Aviation Security • Passport Control • Basic Fitness • Security drills • Voice Commands • Unarmed Tactics • Patrolling • Observation • Traffic Control • Incident Awareness • Vehicle & Person Searching • Recording & Reporting Incidents.

Recent Employee Training

To further illustrate our intensive training process the following points describe the path of our most recent group of offshore trainees:

- The first phase of the training, conducted in Dili by international trainers, commenced in September 2007 (running for 14 weeks). The first 6 weeks qualified successful trainees with a Certificate I in Process Plant Skills. The subsequent 8 weeks provide the theoretical part of Certificate II in Process Plant Operations (relevant workplace experience and competency demonstration is required for certificate award). Both qualifications are to Australian standards and English language training is integrated into the course;

- The second phase of training was undertaken in Darwin in January 2008 (4 weeks). This program provided induction type programs, a basic rigging course and intensive safety related courses (including HUET, breathing apparatus, confined space entry, fire fighting, working at heights etc). The safety element of this training is a requirement for anyone working offshore;
- The third phase of training commenced at Charles Darwin University (CDU) in March 2008 (12 weeks). The focus of this training is to provide practical hands on skills (practical elements of Certificate II in Mechanical Engineering);
- Following this training, opportunities will be sought to provide 6 to 12 months work experience at DLNG, Bayu-Undan and the Australian Centre for Exploration and Petroleum Technology (ACEPT) at Henderson in Western Australia;
- These competency-based training courses and work experiences will allow graduates to progress into trainee production operator roles. Selected individuals will be employed offshore through our Operations & Maintenance contractor and their sub-contractors.

These training initiatives for our offshore operational trainees comply with internationally recognized and accredited qualifications.

Ongoing Training

For those selected for employment, such training opportunities continue throughout their career. Our first group of offshore operations trainees, who commenced training in 2003, are now undertaking Certificate III in Process Plant Operations, which involves completing practical assessments in the work place. Members of the same group are also attending ACEPT in Western Australia, which offers hands-on skills and problem solving training. Specifically they will carry out computer simulation and mini plant operations, and refresh the practical units from Certificate II in Process Plant Operations.

Trainees are continually assessed to gauge their suitability for the training courses and future employment. In some cases trainees have been transferred to areas where their skill sets are better suited.

Contractor Involvement

All of our major contractors play an integral role in providing these training and employment opportunities. Contractors include: Clough Amec Joint Venture (Bayu-Undan Operations & Maintenance), ESS Service (Bayu-Undan Catering & Cleaning), CHC Helicopter Corporation (Helicopter Services), SDV (Heliport Ground Services) and Riverwijs (Offshore Support Vessels).

International Exposure

Our training opportunities take many of the candidates to diverse and interesting locations, including Australia, the Philippines and Indonesia. This opportunity for travel provides the trainees with international exposure and the ability to network with other trainees and colleagues (presenting them with an expanded range of opportunities, now and in the future).

Dili Training Facilities

For our Dili based program, a training room and workshop was required. Unable to identify a suitable facility in Dili, ConocoPhillips assisted our Operations & Maintenance contractor to construct a purpose built facility. Located at the Venture Hotel this facility is available for use by others and continues to support additional employment at the Hotel. The support staff employed to service these activities is one example of the multiplier effect that our training programs have on the Timor-Leste economy (besides the direct injection of income into the economy through salaries/allowances paid to trainees).

Team Effort

ConocoPhillips is proud of the dedication of staff and contractors to ensure the success of our various training and employment programs. We are committed to the long term development of people and infrastructure required to meet these commitments and will continue to seek ways to improve the training and employment opportunities for Timor-Leste nationals in the oil and gas sector.

Job Fair Involvement

In support of university students and those seeking employment, ConocoPhillips participated in the first Dili Institute of Technology Job Fair. The Job Fair provided the opportunity for attendees to meet with businesses and ask questions about the Industry. We received many enquiries from students and members of the public about employment opportunities within the oil and gas industry.

Our presence at the job fair and our current training and employment activity reaffirms our commitment to providing maximum opportunities for Timor-Leste nationals within and beyond the scope of the Bayu-Undan project.

