


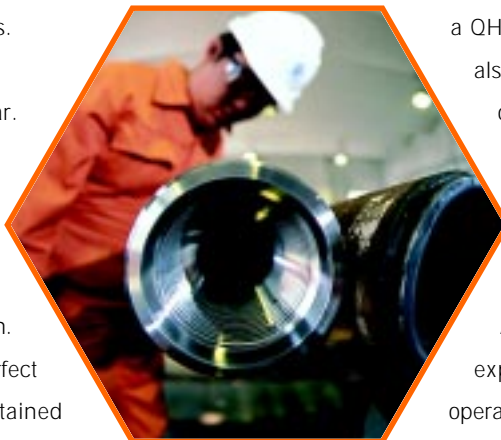
QUALITY, HEALTH, SAFETY AND ENVIRONMENT

A worker in a red uniform and white hard hat is working on an offshore oil rig. The worker is wearing safety glasses and gloves, and is focused on a task. The background shows the rig structure over the ocean.

Wherever we operate our employees are focused on our mission of providing **quality service to our customers**, whilst adhering to the **highest standards for health, safety and environmental protection.**

China Oilfield Services Limited has long been committed to quality products and services for our clients, health and safety for our employees, and respect for our environment. The establishment of our QHSE Department on January 15, 2002 reflects our commitment to these matters.

The focus of our QHSE program is clear. Wherever we operate our employees are focused on our mission of providing quality service to our customers, whilst adhering to the highest standards for health, safety and environmental protection. We have made determined efforts to perfect our system, and have successfully obtained Document of Compliance Certificate ("DOC").



Our QHSE Department regularly offers safety training and certifications for our employees. Over 2,000 of our employees participated in safety training programs in 2002. These programs covered topics such as safe production methods, hydrogen sulfide prevention, ISM training, marine safety and fire hazard awareness, etc.

COSL urges all of its divisions to educate team members on environmental protection issues. Our increased awareness ranges from the proper treatment of production waste and the avoidance of oil spills to the proper disposal of other waste.

To promote a healthy and safe environment in our workplace, we make every effort to ensure that work areas are safe and the water we drink are clean. We also have a crew-change scheme to ensure that our workers have enough rest prior to performing work.

During 2002, in addition to publishing a revised "QHSE Guideline" and a "QHSE Management Manual" in accordance with ISO9000, ISO14000 and OSHA 18000 standards for company wide distribution, COSL implemented a QHSE system in all of its divisions. COSL also conducts random safety audits on all of its offshore projects and operational vessels. And of course, we continually monitor the impact of our business activities on the environment.

As a result of our hard work, COSL experienced a safe and smooth year of operations in which no major incidents or at-fault deaths occurred. In 2002, COSL recorded a total of 29 occupational incidents. The OSHA occupational incident rate for the year 2002 was 0.45.

2002 COSL OCCUPATIONAL INCIDENT STATISTICS

Scope	Total average persons
Average person	5,161
Man-hour	12,888,000
Recordable cases	29
Death	0
Wounds	29
Incident rate	0.45