

Transition to Oil Production Phase

The complex effort of managing the transition from the construction phase to the operations phase is well underway, preparing the Project for the first oil production milestone in 2003.

- Engineers have developed detailed startup plans for the crude oil pipeline. The startup of the pipeline requires the coordination of numerous steps, much more complicated than just throwing a switch and turning on the pumps. The first crude oil that will be produced will take approximately two months to journey from Komé, Chad, through the 1,070 kilometer long pipeline, to the coast of Cameroon where it will be loaded onto tankers and delivered to world markets.
- Hiring and staff selection for the operations phase organization continues.
 - Many of the managers for the Project's operations phase organization have been selected and are on the job, assisting with the transition planning effort. Several of these individuals have been chosen from the staff that have participated in the construction phase of the Project.
 - A number of Chadians and Cameroonians have already been hired and trained for technical and engineering positions. Another 22 Chadians were sent letters this quarter, offering them employment with the Project as technicians.
 - Thirteen previously hired Chadian technicians have completed their formal technical training in Canada and are now being assigned to jobs in the U.S. to gain on the job experience.
- Planners are compiling detailed manuals for every facet of the operations phase work - all the information needed to operate the oil

wells, the Central Treatment Facility, the pump stations, the pipeline control room, the pipeline, the Floating Storage and Offloading vessel, and other Project facilities and management systems.