



Health, Safety and Environment Management System

*For
Bridgeport Energy Ltd
Level 7, 111 Pacific Highway
North Sydney 2011*

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Forward

At Bridgeport Energy the corporate principal is that high performance in Health, Safety and Environmental management is essential to achieve our aim of providing continuing growth to our investors through exploitation of value adding energy assets.

This Health Safety and Environmental Management System (HSE MS) provides guidance to all our staff and contractors on the effective management of health, safety and the environment associated with the activities undertaken throughout our organisation.

We appreciate that full implementation involves considerable effort on everyone's part, however, we feel that the benefits are worth it and request your active participation in the implementation of this HSE MS.

Chris Way

Chief Executive Officer

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1 Introduction

Bridgeport Energy was established during 2009 and has a strong technical organisation with a successful past track record in onshore and offshore operations throughout Australia and in the international arena. To date, Bridgeport Energy has acquired interests in onshore permits in Queensland. The main producing permit, PL 214 is operated by Bridgeport and currently produces nearly 100bopd. The company will be drilling further development wells in the field as well as exploring for oil & gas in nearby acreage. Bridgeport Energy strives to be operator of most of its projects, particularly where the Company can add technical value, and it plans to be an active participant onshore and offshore Australia with a robust exploration program.

This manual has been written to provide the guidance and tools necessary to develop and operate a Health, Safety and Environmental Management System (HSE MS).

In this document the word "Company", unless described otherwise, is taken to mean Bridgeport Energy Pty Limited, its affiliates and subsidiaries and all contractors and employees who work for Bridgeport or its subsidiaries or affiliates.

1.1 Objective

The objectives of this HSE MS are to:

- Provide Company employees and contractors with guidance on all aspects of HSE management for Company operated activities;
- Provide a description of how risks are identified and managed to an acceptable level during operations;
- Specify the implementation requirements of the HSE MS;
- Be a reference document for operations, work practices, project and contractor management, training programs; and
- Align with the intent of relevant Australian Standards (see Appendix 1).

Description of the HSE Management System

This document is based on the E&P Forum 'Guidelines for the development and application of health, safety and environmental management systems' which provides a description of what should be in an HSE MS for a typical E&P Company.

This document describes key components of the HSE MS that shall be implemented and adhered to by all employees and contractors (Figure 1). It is a key tool in managing health, safety and environmental responsibilities, issues and risks associated with the Company activities.

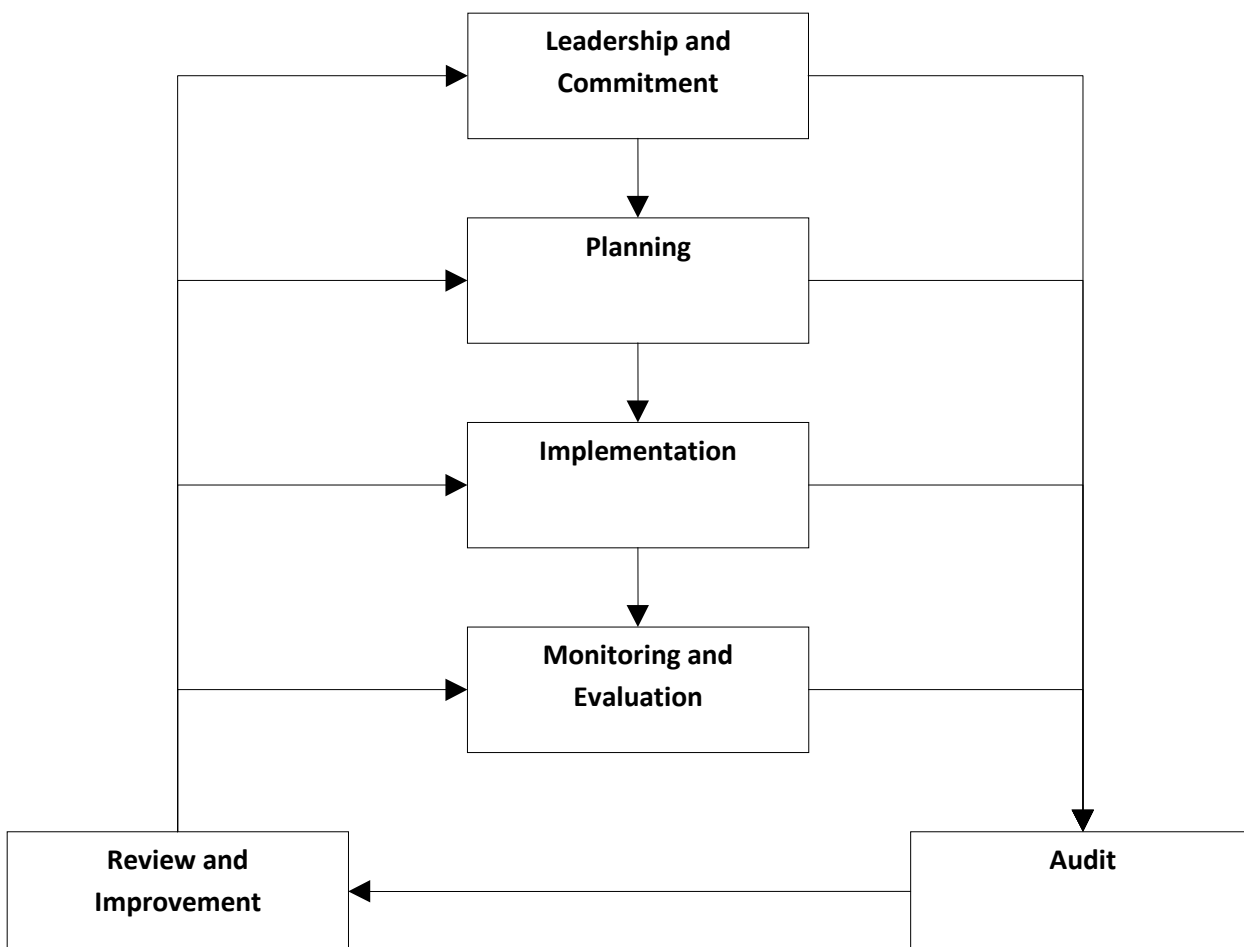
The HSE MS integrates the management of health, safety and environmental issues from a management level to individual site operations. The system ensures that the Company meets its 'Duty of Care' obligations as an employer under relevant legislation, so far as is practicable, providing and maintaining a safe working environment for employees.

The HSE MS is not in itself a procedure but rather a description of how the relevant policies, systems and procedures are managed. It provides a linkage to the organisation via clearly defined accountabilities and standards.

1.2 Ownership and Review

The implementation and effectiveness of this HSE MS is the responsibility of all Company employees and is reviewed annually by Bridgeport Energy management. The custodian of the document is the Operations Manager or until such a position is established, the Chief Executive Officer.

Figure 1: HSE Management System Components



Source: Revised from ISO 14001

2 Leadership and Commitment

Bridgeport Energy management should provide strong, visible leadership and commitment, and ensure that this commitment is translated into the necessary resources, to develop, operate and maintain the HSE MS and to attain the policy and strategic objectives.

Company management should ensure that full account is taken of HSE policy requirements and should provide support for local actions taken to protect health, safety and the environment.

To achieve the goals stated in the Health and Safety and the Environmental Policies (Appendices 2 and 3) and for effective HSE management, every employee and contractor, not just Management, must, by their actions, demonstrate leadership and commitment to the HSE MS.

Commitment and leadership can be demonstrated, in many ways including:

- Integrating health, safety and environmental objectives into the core business objectives;
- Maintaining the corporate culture to uphold HSE philosophies;
- Including HSE performance evaluation in staff or contractor reviews;
- Including HSE requirements in position descriptions, annual work targets and Business Plans;
- Active management contribution in developing, reviewing and incorporating the HSE MS into work activities;
- Using competent and experienced personnel in activities which are potentially associated with risks or impacts to personnel or the environment;
- Keeping HSE issues in the forefront of day to day activities by promoting matters in company meetings and publications;
- Workers inspecting their activities and surrounds for HSE policy compliance; and
- Supplying appropriate resources to control HSE issues.

All staff and contractors, as part of their position description, should be dedicated to health, safety and the environment in all of their activities.

3 Policies and Strategic Objectives

HSE policies and strategic objectives are the corporate principles of action and aspirations with respect to health, safety and the environment with the aim of improved HSE performance.

3.1 Policies

The Company is strongly committed to the health and safety of its people and to protecting the environment within which it operates. Our commitment can only be achieved by compliance with policies and procedures and an ongoing effort by all personnel to report hazardous situations, poor practices and unsafe acts. By so doing, procedures can be implemented to further ensure a safe and healthy working environment, and risk to the environment can be reduced to as low as reasonably practical.

The primary policies for HSE are:

- The **Health and Safety Policy** which states Bridgeport Energy's commitment to conducting its activities with the health and safety of its employees, contractors and third parties as a fundamental consideration. The Company believes that all injuries and industry related diseases are preventable and therefore strives to continuously improve its health and safety performance (see Appendix 2)
- The **Environmental Policy** which states Bridgeport Energy's commitment to developing resources in an environmentally responsible manner and conducting all activities in a manner consistent with the principles of Ecologically Sustainable Development (see Appendix 3).

Policies shall be reviewed every 2 years or in response to a change to the scope or structure of the Company business.

3.2 Strategic Objectives

Objectives: are goals that the organisation wishes to achieve over the long term. They provide the basis for judging progress and achievements (i.e. what do we want?)

Strategies: are the frameworks for plans to achieve the objectives (i.e. how shall we do it?)

Targets: the detailed performance requirements that need to be set each year in order to achieve the Objectives (i.e. how shall we measure our success?)

Strategic HSE objectives will be set by those senior management responsible for operating environments to support the Company development as it strives to achieve continuing growth for its investors through exploitation of value adding energy assets (See Table 3-1).

Table 3-1: HSE Strategic Objective

Objective	Strategy	Target
Establish and implement HSE MS	Prepare draft HSE MS	Draft HSE MS by Oct 2009
	Implementation of HSE MS	Implementation starts by Dec 2009

4 Organisation, Responsibilities, Resources and Documents

Bridgeport Energy believes the participation and commitment of staff and contractors at all levels is necessary to maintain and improve HSE performance throughout the company. All employees and contractors have a duty of care to implement safe work practices and to reduce the risk of environmental damage, while Managers must also exercise due diligence by establishing systems to ensure HSE regulations are complied with and that adequate resources and supervision are provided.

4.1 Organisational Structure & Responsibility

Responsibility for HSE in Bridgeport Energy operates within the structure shown in Figure 2.

All Managers are responsible for HSE management since it is a fundamental aspect of the organisation. From time to time HSE specialists may be engaged to assist Managers in implementing specific elements of the HSE MS.

Management must ensure that:

- Appropriate health, safety and environmental management techniques are in place;
- Position descriptions define individual HSE responsibilities and how they are accountable;
- Activities that have a potential health or a safety risk or an environmental impact are defined for personnel;
- Only capable employees or contractors undertake HSE activities;
- Sufficient resources are available to meet HSE responsibilities;
- Systems of HSE communication are established within the company; and
- HSE systems and decisions are appropriately documented and all legislative requirements are met.

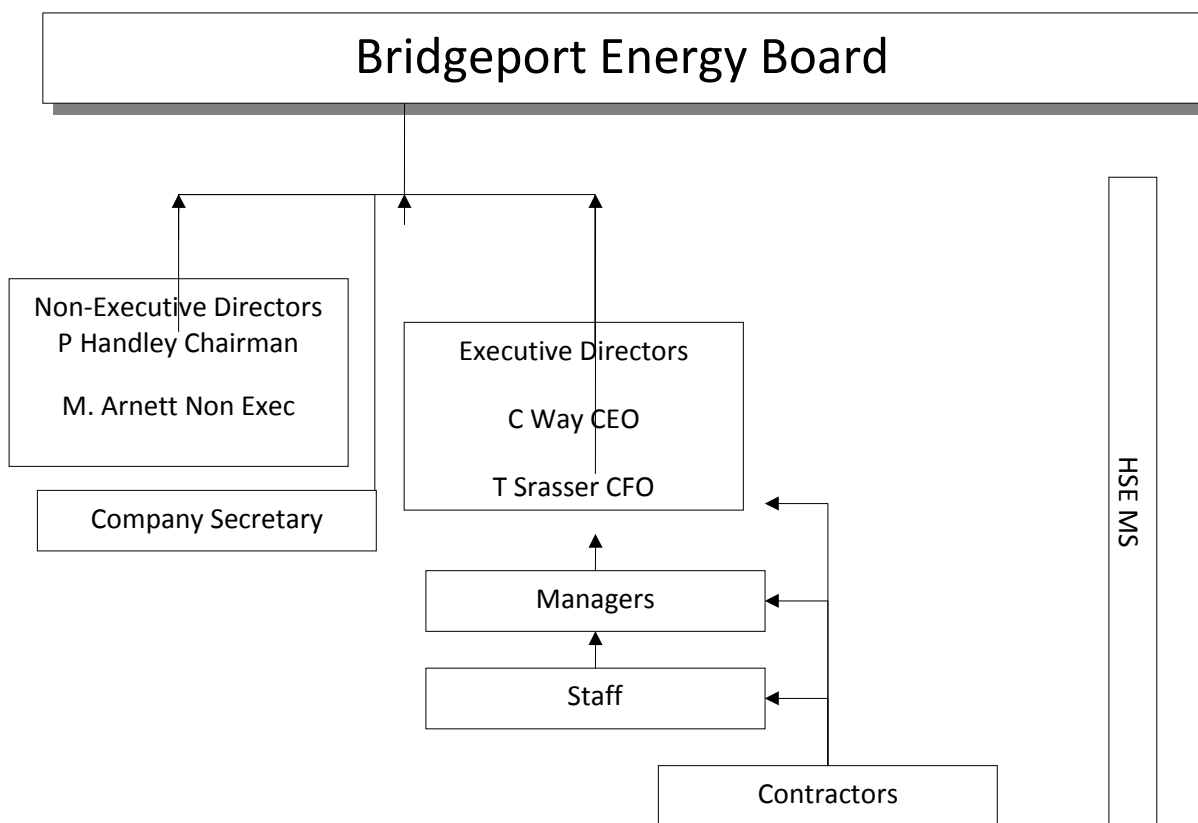
Responsibilities, accountabilities and authorities for all employees for the implementation of the HSE Management System, shall be defined and maintained within their job description, to ensure safe and efficient operation of all activities.

Copies of the company's HSE Policies shall be displayed prominently at all work sites and office locations. The Policies shall be communicated in all appropriate company publications and dealings with external parties.

Responsibilities of the Board

The Board is required to provide direction to the company in relation to the overall approach to the HSE MS. It is important that they make available adequate human and financial resources to meet the requirements of the HSE MS and to contribute to the critical appraisal and ongoing assessment of the HSE MS. The Board is also required to monitor activities within the HSE MS by requiring adequate and timely reporting by Management.

Figure 2: Bridgeport Energy Organisational Structure.



Responsibilities of Management

Management are responsible for the continual development and improvement of the HSE MS. They shall ensure personnel satisfactorily and safely carry out all responsibilities allocated to them, that personnel are adequately trained and that all risk controls are in place. Management are to ensure all incidents and accidents are investigated, reported, evaluated and corrected.

Responsibilities of Employees and Contractors

All Company employees and contractors are responsible for conducting their activities within the bounds of all agreed standards relevant to the Company operations using appropriate resources. Only those employees or contractors with the assigned authority can make decisions that have the potential to create risk or impact to personnel or the environment. Employees and contractors are accountable for their actions and overall Management cannot delegate accountability.

4.2 Management

Management responsibilities for the promotion, implementation and achievement of all health, safety and environmental aspects of the policies and objectives are reflected in employee and contractor job descriptions.

4.3 Resources

Adequate and appropriate resource requirements shall be identified and provided, so as to ensure that the specified requirements can be met and maintained. This shall include management and verification activities. Resource requirements shall be continually monitored through management review. Staff members shall be assigned to activities based on their qualifications supported by training records.

It is Company policy to maintain human resource procedures to ensure that all personnel understand company requirements. Procedures relating to human resources shall be established, documented and maintained. These procedures shall indicate individual position responsibilities, levels of authority, policies and guidelines.

4.4 Competency and Training

Employees shall be selected by Bridgeport Energy on the basis that they are competent to carry out the requirements of the job. Incorporating the HSE MS into day to day activities shall be included in the position description and their ability to meet the requirements shall form part of the selection criteria.

4.4.1 Competency

The Company shall ensure employees involved in activities are competent to meet the responsibilities and health, safety and environmental risk exposure of their position.

A competent person can be defined as having the appropriate ability or skill in an area or activity to carry out a certain task. Employees and contractors increase their competency skills by undergoing further training and undertaking exercises (e.g. emergency response) to increase their skill base. It is important to define the level of competency required for tasks associated with potential HSE risks or impacts. Those actions, which have potential risks or effects, have to be performed competently, to avoid or mitigate adverse impacts on health, safety or the environment.

Management is responsible for providing competent personnel or, if none available, providing alternatives to that action. This concept is applicable to all roles regardless of whether employees of the Company, contractors, vendors, representatives or service companies carry them out.

It is expected that management shall identify those roles that involve HSE critical activities and ensure that these positions are documented and assessed. HSE requirements should be included in the Position Description.

4.4.2 Training

The Company is responsible for ensuring all employees or contractors involved with operational activities receive appropriate safety induction training and communication to ensure competency and awareness with the Bridgeport HSE requirements. This training shall be documented and recorded.

Managers are responsible for ensuring that where a training need exists for an employee, the employee receives the relevant competency based training.

4.5 Contractors

Contractors play a considerable part in meeting resource requirements for the Company operations. Contractors shall be required to carry out all work activities in accordance with this HSE MS.

Bridgeport Energy management are responsible for ensuring that Contractors, within their area of responsibility, comply with this HSE MS.

Management shall review Contractor's operating procedures and Health and Safety and Environmental Policies and Plans for alignment with the Company HSE MS prior to acceptance of any tender. The review shall include an appraisal on whether the Contractor can meet all responsibilities of the HSE MS or whether the Contractor needs to prepare a project specific HSE Management Plan.

4.6 Communication

Bridgeport Energy shall implement a number of mechanisms to provide staff and stakeholders with an appreciation of the health, safety and environmental issues associated with its activities. Further, good communication with the wider community shall create a feeling of trust between the community and the Company, which is highly advantageous due to the widespread activities of the company.

Key stakeholders may include, but not be limited to employees, contractors, investors, customers, shire councils, government departments, major suppliers, industrial organisations, media, lobby groups, property owners, and the general public.

The Company shall from time to time develop and distribute corporate brochures that communicate the Health and Safety and Environmental Policies and details of commitments.

4.6.1 Internal Communication

Meetings of employees, workgroups and or committees foster discussion of health, safety and environmental issues, as well as providing a means of disseminating information on new technologies, standards, and procedures to all staff. Minutes shall be maintained of all issues discussed and any action items, including person responsible for ensuring the action is completed.

Within the Company management structure there are requirements for reporting progress on all areas of the operation at regular intervals.

Due diligence requires compliance with Government legislation, both State and Commonwealth. There are also requirements to report environmental progress to government departments and regulatory authorities.

With regard to its HSE MS, the Company shall establish and maintain procedures for:

- Internal communication between the various levels and functions of the Company; and
- Receiving, documenting and responding to relevant communication from external interested parties.

The Company shall develop procedures for ensuring that pertinent HSE information is communicated to and from employees and other interested parties.

4.6.2 External Communication

Continuous improvements to achieve best practice standards requires effective liaison with external groups. This provides an opportunity to share expertise, coordinate efforts, and maintain awareness of new developments throughout the industry.

It is a key objective of the Company to work closely with government departments to resolve HSE concerns.

Detailed records must be maintained of all contact with external groups and regulatory agencies and should include the department, name and title of contact, the date, topic discussed and any outcomes or agreed actions.

For all the Companies activity areas; landholder contact details and other relevant information is to be maintained and updated on a regular basis. Landholder contacts shall be coordinated in conjunction with relevant government agencies for change of registered owners as well as landholders for change of tenants or contact details. All other relevant details about land use, landholder concerns and issues shall be recorded for future reference and reporting.

Formal contact with all landholders shall be determined relevant to the perceived risk, with ongoing liaison throughout the year. Contact will usually involve the dissemination of information about the Company, discussion of any concerns and education of health, safety and environmental issues to increase awareness.

4.7 Regulatory Requirements and Standards

The Company shall have access to all legal and other requirements that are directly applicable to the HSE issues related to its activities, products or services, including relevant relationships with contractors or suppliers. The Company shall keep this information up to date and shall make a commitment in its Health and Safety and Environmental Policies with regard to laws, regulations and standards. It shall communicate relevant information on legal and other requirements to its employees. Each operation and/or facility is required to determine which legislation and standards apply, that they are understood and that they are appropriately documented.

Examples of the various sources may include but not be limited to:

- Commonwealth laws;
- State laws;
- Regulations (e.g. Environmental Protection, Occupational Health and Safety);
- Schedules (e.g. Petroleum (Submerged Lands) Act);
- International agreements (e.g. International Convention for the Prevention of Pollution from Ships (MARPOL));
- Various standards from state, national and international bodies (e.g. ANZECC, NHMRC, NOH&SC); and
- Industry associations standards (e.g. APPEA Code of Practice).

Document Control

The purpose of controlling documents is to ensure that any activities that may affect people, equipment, materials, the environment or process are documented. Controlled documents shall be clearly identified as such and controlled by a Company document control system, to ensure that all personnel have access to the current versions of critical documents, and that changes are communicated to appropriate personnel.

The Company shall control documents through a designated person, appointed by Management and made known to all employees. The designated person is responsible for ensuring that, where required, documents be appropriately authorised, identified and controlled to ensure that relevant personnel have the current revision at all times.

Controlled documents within the Company include, but are not limited to, the HSE MS, Emergency Response Plan, work procedures, project management plans and applications to conduct activities that require regulatory approval.

Daily communications shall be controlled by the use of standard Bridgeport Energy templates and file management system.

Bridgeport Energy management must authorise any external distribution of corporate sensitive documents.

5 Evaluation and Risk Management

5.1 Identification of Hazards and Effects

Bridgeport Energy management, employees and contractors shall systematically assess the risks associated with operational activities, and identify all potential hazards and associated risks which may affect people, equipment, materials, process or the environment so that actions can be taken to either eliminate or control the identified hazards.

The Company's principal contractors shall develop comprehensive risk assessment and analysis processes to systematically identify hazards, assess risks and implement appropriate control measures to reduce risks to as low as reasonably practicable.

5.2 Evaluation

Each identified activity shall be assessed against accepted criteria, taking into account the likelihood of occurrence and the severity of any consequences. This is normally carried out using a Qualitative Risk Assessment - a process for assessing the hazards associated with the operation of a project or system modification.

5.3 Recording of Hazards and Effects

All hazards and environmental issues, relative to activities, shall be recorded in a register. The register shall identify the operating procedures, instructions and employee training that shall be developed and documented for activities. Bridgeport Energy management shall ensure a current copy of the register is made available to employees and contractors in the workplace.

5.4 Objectives and Performance Criteria

Bridgeport Energy management shall set health, safety and environmental objectives and targets, at each relevant function and level within the organisation, in line with the Company's strategic objectives.

When establishing and reviewing its objectives, the Company will consider its legal and other requirements, its significant HSE aspects, its technological options and its financial, operational and business requirements, and the views of interested parties.

The objectives and targets set are consistent with the health and safety and the environmental policies.

The Company shall develop Key Performance Indicators (KPI's) to measure if the company objectives and performance criteria have been met. Development of KPI's should have the following characteristics:

- Reflect positive efforts;
- Be measurable;
- Be consistent with strategic objects;
- Relate to identified risks; and
- Be based on industry accepted criteria.

Risk Reduction Measures

Risk control measures for hazards shall be developed and evaluated by the individual or team conducting the assessment and by using the following hierarchy of controls:

1. Elimination or substitution;
2. Engineering control;
3. Administrative controls; and
4. Use of personal protective equipment with appropriate training.

6 Planning

6.1 Program Management

It is the responsibility of Bridgeport Energy management to ensure that suitable procedures are in place which outlines the safe operating conditions to ensure asset integrity. These procedures should also take into account personnel health and safety and the protection of the environment.

It is the responsibility of the Company to ensure that all activities are planned prior to commencement and that the designated authority responsibly for regulating that activity approves these plans.

Activity planning occurs at all levels within the company and includes all staff and contractors. It is Managements responsibility to ensure that the correct planning tool is implemented for a given task, and that employees and contractors understand which planning tool should be used, how it should be used and when it should be used.

6.2 Management of Change

Changes, both temporary and permanent, to processes, procedures, facilities and people, shall be planned and controlled, to mitigate potential risks/impacts to HSE.

The process for the management of change shall include how the HSE hazards shall be addressed in relation to the change characteristics and their possible impacts and should include:

- Identification and documentation of the proposed change and implementation;
- Who is responsible for reviewing and recording the potential HSE hazards from the change or its implementation;
- Documentation of the agreed change and implementation procedure, including:
 - measures to identify HSE hazards and to assess and reduce risks and effects;
 - communication and training requirements;
 - time limits, if any;
 - verification and monitoring requirements;
 - acceptance criteria and action to be taken if breached; and
 - authority for approval to implement the proposed change.

6.3 Contingency and Emergency Planning

The Company shall manage emergency incidents during any Bridgeport operated activity and/or over the life of any Company owned and/or operated asset and/or facility through an effective Emergency Response Plan (ERP). The ERP shall provide management guidance for actions to be taken to minimise the consequence of an emergency situation.

A necessary part of the Bridgeport Energy HSE MS is to ensure that potential incidents are identified and appropriate emergency procedures are documented, practiced and understood by all employees.

In the event of an emergency the Company policy is that the safety of life takes precedence over all other activities associated with the activity, operation or facility. An ERP defining organisation, roles, responsibilities, communications protocol and actions shall be established for each Company operation. This shall enable Company personnel to direct operational/project teams implementing approved emergency response procedures.

The Bridgeport Energy Operations Manager or until such a position is established, the Chief Executive Officer, is responsible for establishing and reviewing the ERP. As well as advising Company employees and relevant regulatory bodies of any proposed changes to the ERP and ensuring that there is a clear understanding among all participants before any changes take place.

Any contractor conducting an activity for the Company, or providing a service to the company shall follow Bridgeport Energy's ERP or use their own existing ERP that has been reviewed and approved by the Company.

The Bridgeport Energy Operations Manager or until such a position is established, a person nominated and identified to all employees, by the Executive Directors, is responsible for ensuring employees and contractors are competently trained in the Bridgeport Energy ERP, and for an annual review of the ERP and implementation of improvements identified in the review.

7 Implementation

Full implementation of the HSE MS means all employees and contractors, at all levels, are conducting activities in a safe and mindful manner, fully aligned with the intent of the HSE MS.

7.1 Activities and Tasks

Bridgeport Energy Management is responsible for ensuring that employees and contractors are conducting activities in accordance with this HSE MS. Company management is required to demonstrate compliance with the HSE MS by reporting on how they are implementing aspects of the HSE MS.

Reporting should address issues such as:

- The execution of emergency response exercises;
- Identified risk control measures being applied during the planning and work phase;
- Jobs being carried out according to the operating procedures and/or implementation checks in line with the relevant change management procedure; and
- The nature of the inspections carried out to confirm that the requirements are being met within the HSE MS.

Monitoring

To ascertain the effectiveness of this HSE MS Bridgeport Energy management shall monitor progress towards objectives and targets.

In addition the Company shall use established contactor procedures to monitor and measure, on a regular basis, the key characteristics of its operations and activities that can have a significant impact on health, safety and the environment. This shall include the recording of information, performance and relevant operational controls.

Bridgeport Energy management shall identify those situations where employee health surveillance is required and shall implement appropriate systems. Employees shall have access to their own individual results. Where specified by legislation, the health of employees exposed to specific hazards shall be monitored and recorded.

7.2 Records

Records are evidence of ongoing operation of the HSE MS and should cover:

- Legislative and regulatory requirements;
- Permits;
- HSE aspects and their associated impacts;
- HSE training activity;
- Inspection, calibration and maintenance activity;
- Monitoring data;
- Details of non-conformance: incidents, complaints and follow up action;
- Supplier and contract information; and
- HSE audits and management reviews.

The effective management of these records is essential to the successful implementation of the HSE MS. All records where possible must be legible and clearly identifiable. Records must be accessible and stored in a way that minimises deterioration, damage and loss. The key features of good HSE MS information management include means of identification, collection, indexing, filing, storage, maintenance, retrieval, retention and disposition of pertinent HSE MS documentation and records. The retention time of records is determined by statutory regulations, contractual agreements or as determined by management with consideration to the Trade Practices Act and Common Law.

Pertinent subcontractor records shall also be maintained. Where contracts specify that a customer has access to records, copies of those records shall be made available by the Management on request and in a timely manner.

7.3 Non-compliance and Corrective Actions

Bridgeport Energy management shall establish and maintain procedures for defining responsibility and authority for handling and investigating non-conformance, taking action to mitigate any impacts caused and for initiating and completing corrective and preventative action.

Any corrective or preventative action taken to eliminate the causes of actual and potential non-conformances shall be appropriate to the magnitude of the problem and commensurate with the potential consequences associated with the issue.

Bridgeport Energy management shall implement and record any changes in the documented procedures resulting from corrective and preventative action.

The findings, conclusions, and recommendations reached as a result of measuring, monitoring, audits and other reviews of the HSE MS should be documented, and the necessary corrective and preventative actions identified. Management should ensure that these corrective and preventative actions have been implemented and that there is a systematic follow-up to ensure their effectiveness.

Bridgeport Energy shall establish and maintain procedures for:

- Investigating, responding to, and taking action to minimise any harm caused from incidents;
- Investigating and responding to system failures; and
- Initiating and completing appropriate corrective and preventative action.

Incident Reporting and Follow-up

Bridgeport Energy management shall report and evaluate, where they have a 'Duty of Care', all incidents and system failures, HSE performance, hazard identification, risk assessment, preventative and corrective action etc. The Company shall establish appropriate procedures for relevant and timely reporting of information to ensure that the HSE MS is monitored and performance improved.

Contractors have the same 'Duty of Care' obligations and accountabilities. If an incident occurs with a contractor, their procedures for investigation, reporting and evaluating the incident shall be used.

All incidents and hazards shall be reported to the Company head office. Appropriate corrective action shall be implemented. Records shall be analysed to identify areas of improvement. This data shall form the basis for the development of annual Key Performance Indicators.

8 Audit and Review

8.1 Audit

Through the audit and review process the Company shall verify that it is effectively managing its HSE risks, and thus demonstrate compliance with regulatory requirements. The audit and review also provides a mechanism to demonstrate “due diligence”.

Internal audits shall be conducted regularly by the Company to assess the effectiveness of the HSE MS, ensure compliance with HSE MS performance criteria and to facilitate continuous improvement. Where non-conformances or problems are identified, actions shall be established, implemented and followed up to ensure rectification.

A schedule shall be created and maintained to ensure all aspects of the HSE MS is audited. The schedule of activities to be audited shall typically cover:

- HSE MS documentation;
- Objectives, goals and targets;
- Previous audit reports;
- Critical risk areas; and
- Where applicable, work sites and activities.

Internal audits may also be triggered by:

- A major incident; or
- Recurring incidents.

Suitably qualified and experienced personnel, internal or external shall carry out all audits.

Audit findings shall be documented and a report sent to Bridgeport Energy management so that they may review the audit findings and determine any corrective action necessary to correct deficiencies identified during the audit. All corrective actions shall be followed up to ensure effectiveness. The audit findings shall also be used to assist in monitoring goals and objectives for the HSE MS.

Assessment of the implementation and effectiveness of the corrective action taken shall be recorded during the following audit.

8.2 Review and Improvement

Company management shall review the HSE MS to ensure its continuing suitability, adequacy and effectiveness. The management review process shall ensure that the necessary information is collected to allow effective evaluation. This review shall be documented. Management shall review the continued relevance of, and change where appropriate, policy, objectives, responsibilities and other elements of the HSE MS, in the light of HSE MS audit results, changing circumstances and the commitment to continual improvement.

System improvements may arise from:

- System deficiencies;
- Problems which become apparent over time (monitoring/analysis of trends);
- Cost effectiveness issues; and
- Productivity/efficiency problems.

Once reported, problems shall be assessed, and investigated as appropriate to their severity. Actions commensurate with the problem shall be established, implemented and followed up to correct the causes, prevent recurrence and ensure the continued improvement of the HSE MS.

HSE MS improvements shall be reviewed to ensure that actions taken are appropriate and effective, and that requests for improvements are completed and closed out in a timely manner. Records shall be maintained of all system improvements to document problems identified, causes and actions taken.

Bridgeport Energy management shall monitor the HSE MS improvement process to ensure that it is effectively capturing and correcting compliance issues, thus ensuring successful implementation of the HSE MS.

Appendix 1

Bridgeport Energy HSE MS Relationship to Australian Standards

Bridgeport Energy HSE MS Relationship to AS 4801 and AS/NZS ISO 14001.

Bridgeport Energy		AS 4801		AS/NZS ISO 14001	
1.0	Introduction	4.1	General requirements	4.1	General requirements
2	Leadership and Commitment	4.2	OHS policy	4.2	Environmental policy
5.1	Identification of Hazards and Effects	4.3.1	Planning identification of hazards, assessment and control of risks	4.3.1	Environmental aspects
4.7	Regulatory Requirements and Standards	4.3.2	Legal and other requirements	4.3.2	Legal and other requirements
3.2	Strategic Objectives	4.3.3	Objectives and targets	4.3.3	Objectives and targets
				4.3	Planning
4.1	Organisational Structure and Responsibility	4.3.4	OHS management plans	4.3.4	Environmental management programme(s)
				4.4	Implementation and operation
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		4.4.1.2	Responsibility and accountability	4.4.1	Structure and responsibility
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			-		-
		4.4.3.2	Communication	4.4.3	Communication
		4.4.3.3	Reporting		-
6.3	Management of Change	4.4.4	Documentation	4.4.4	EMS documentation
4.8	Document Control	4.4.5	Document and data control	4.4.5	Document control
5.1	Identification of Hazards and Effects	4.4.6	Hazard identification risk, assessment and control of risks	4.4.6	Operational control

6.4	Contingency and Emergency Planning	4.4.7	Emergency preparedness and response	4.4.7	Emergency preparedness and response
				4.5	Checking and corrective action
7.2	Monitoring	4.5.1	Monitoring and measurement	4.5.1	Monitoring and measurement
			-		-
			-		-
		4.5.1.2	Health surveillance		-
7.5	Incident Reporting and Follow-up	4.5.2	Incident investigation, corrective and preventative action	4.5.2	Nonconformance and corrective and preventative action
4.8	Document Control	4.5.3	Records and records management	4.5.3	Records
8.1	Audit	4.5.4	OHSMS audit	4.5.4	EMS audit
8.2	Review and Improvement	4.6	Management review	4.6	Management review

Appendix 2

Bridgeport Energy's Health and Safety Policy



Health and Safety Policy

Bridgeport Energy is committed to conducting its activities with the health and safety of its employees, contractors and third parties as a fundamental consideration. Bridgeport Energy believes that all injuries and industry related diseases are preventable and therefore strives to continuously improve its health and safety performance.

To meet these commitments the Company and its contractors shall:

- Manage health and safety matters as a critical business activity;
- Delay or stop activities where effective mitigation controls are not in place to manage identified hazards;
- Apply a systematic approach to all activities that demonstrates continual improvement in health and safety performance;
- Assess the health and safety hazards associated with all activities and employ mitigation measures to reduce those hazards;
- Include health and safety performance in the appraisal of staff and reward accordingly;
- Require contractors to manage health and safety in line with this policy;
- Set targets and regularly monitor, audit and report performance against those targets; and
- Apply and demonstrate compliance with applicable occupational health and safety laws and regulations.

The implementation and effectiveness of this health and safety policy is the responsibility of all Bridgeport Energy employees and shall be reviewed annually by Bridgeport Energy Management. The Executive Directors of Bridgeport Energy are accountable to the Board of Directors for ensuring this health and safety policy is implemented. This policy shall be updated every two years.

Chris Way
Chief Executive Officer
June, 2010

Appendix 3

Bridgeport Energy's Environmental Policy



Environmental Policy

Bridgeport Energy is committed to developing resources in an environmentally responsible manner and shall conduct all activities in a manner consistent with the principles of Ecologically Sustainable Development.

Activities shall be planned and implemented in a sustainable way to ensure impacts to the environment are either avoided or kept to an acceptable level.

To meet these commitments, the Company and its contractors shall strive to:

- Adopt best practice management strategies and implement continual improvement programs;
- Manage environmental matters as a critical business activity;
- Comply with applicable environmental laws and regulations;
- Delay or stop activities where effective environmental mitigation controls are not in place to manage identified hazards;
- Apply a systematic approach to reduce impacts to the biological, physical and social environments and ensure continuous improvement in environmental performance;
- Where possible to reduce energy use, emissions, waste and discharges;
- Require contractors to manage the environment in line with this policy;
- Communicate openly with our employees, contractors, Government and the wider community regarding environmental matters;
- Set targets and regularly monitor, audit and report performance against those targets; and
- Where appropriate provide support to environmental research, education and training to promote an awareness ethic within Bridgeport Energy, its contractors and the wider community.

The implementation and effectiveness of this environmental policy is the responsibility of all Bridgeport Energy employees and shall be reviewed annually by Bridgeport Energy management. The Executive Directors of Bridgeport Energy are accountable to the Board of Directors for ensuring this environmental policy is implemented. This policy shall be updated every two years.

Chris Way
Chief Executive Officer
June, 2010

Appendix 4

Bridgeport Energy's Emergency Policy



Emergency Policy

An emergency is any situation that is, or could potentially be, a threat to the safety of people, property or the environment.

The objectives of Bridgeport Energy's Emergency policy are to prevent or minimise:

- injury to persons;
- property loss or damage;
- production loss; and
- detrimental impact upon the environment and wildlife.

These objectives shall be achieved by establishment and maintenance of a capability to quickly identify and professionally respond to any accident, incident or hazardous situation.

Bridgeport Energy is committed to ensuring the components of prevention, preparedness, response and recovery are exercised and addressed at all times in order to achieve the aforementioned objectives.

Chris Way
Chief Executive Officer
June, 2010