

ABOUT YOU AND YOUR COMPANY

Fort Saskatchewan offers firefighting and more

One of the Western Canada stations that has led the pack in providing industrial safety services is Fort Saskatchewan, Alberta. The location was originally the office of Scotford Safety Inc. and was acquired by HSE Integrated in October 2004. Located northeast of Edmonton in an area known locally as chemical alley, the branch has always focused on customers in the petrochemical processing and refining industries.

The station offers a range of contract safety services relating to plant maintenance and shutdowns. In recent months it has also done a brisk business in providing contract on-site safety personnel and standby firefighting services.

Gregg Gallaway, Technical Services Manager, Industrial Services Division, said that a major customer for on-site safety services is Celanese Canada Inc., an integrated global producer of industrial chemicals. For about a year, HSE has been providing staff to lead the Celanese firefighting team and handle routine safety functions.

Two HSE personnel – Ken Breau and Dave Mogg – have been alternately serving as on-site safety leads. Ken and Dave not only provide standby firefighting services, but also handle a number of other safety functions at the plant. Emergency Response Plan implementation, safety inspections, monthly unit safety meetings and accident in-

vestigations are just some of the tasks they perform.

“For the firefighting function, our guys work out of the Celanese fire station, utilizing Celanese equipment and backup crews,” Gregg explained.

He added that a similar project to supply firefighting and emergency response personnel was recently completed at Shell Canada Limited’s Scotford Refinery. During a turnaround at the refinery HSE provided a Rapid Intervention Team (RIT), which is a three-person crew capable of providing high angle rescue, confined space rescue, emergency medical and backup firefighting services. The contract was supposed to run four weeks, but was extended to two and one-half months.

The Fort Saskatchewan model of providing firefighting and emergency service consultants to utilize customer-owned equipment should serve HSE well in other locations.

“For many customers, hiring contractors to operate client-owned firefighting equipment out of their own fire stations makes sense,” Gregg said. HSE people have

the training and experience to offer an array of top-notch emergency response services, which is what many clients are looking for. Many of our emergency response personnel are cross-trained as certified Construction Safety Officers (CSOs), firefighters and emergency responders (EMRs).



Handling on-site emergency response and firefighting services at the Celanese petrochemical plant near Fort Saskatchewan are Ken Breau (L) and Dave Mogg (R). Both are certified CSOs and EMRs, qualified firefighters and high angle rescue technicians. Shown with them is Gregg Gallaway (C), Fort Saskatchewan-based Technical Services Manager, Industrial Services Division.



Best Wishes for a Happy Holiday Season and a Safe New Year!



HSE excels on safety audit

Our company recently underwent a major external safety audit and was able to renew its Certificate of Recognition (COR) with an exceptional score.

Betty Carew, HSE's corporate Safety Manager, explained that the Alberta Human Resources and Employment department issues CORs to employers that develop health and safety programs meeting established standards. Achieving and maintaining a valid COR is important to HSE for many reasons. Not only is it required by many of our customers, but it also nets our company financial incentives through the Alberta provincial Partners in Injury Reduction program. Above all, it confirms our commitment to protecting our employees and our material assets.

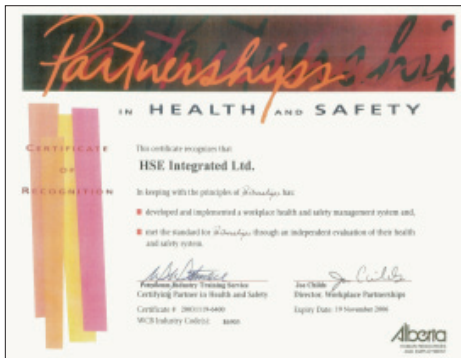
A COR certificate is valid for three years and is issued by a corporation's certifying partner, which in the case of HSE is *Enform*. To obtain an *Enform*-certified COR, an employer must achieve a grade of at least 80% on a safety audit conducted by an independent registered petroleum safety auditor.

Betty explained that preparing for the audit process takes some time. "We started gearing up for this last April," she said. Betty added that for a company

the size of ours, the audit itself took about two weeks. The auditor evaluated our company's safety processes and documentation, observed workers on the job and conducted interviews at all levels, from executives to field personnel.

Betty was pleased to report that our final grade was 95%. This is particularly significant in light of the fact that many HSE stations grew from small companies that had never before been through the COR audit process.

"Now we have to work to maintain that standard," Betty commented.



Field sales team profile

Daryl Morrison – Grande Prairie, Alberta



Another member of HSE's field sales team is Daryl Morrison, who's been working out of the Grande Prairie station for eight months. Originally from Red Deer, Daryl spent 18 years working as a firefighter and paramedic in that city. Then in the mid-'90s he felt it was time

for a change so he spent seven years as a long-haul trucker. He said that his trucking career saw him put in more than 2.5-million kilometers travelling across the U.S. and Canada.

While he loved trucking, by 2006 Daryl felt that he had spent too long away from his five daughters – aged 14 to 30 – and decided to put down roots in Alberta again. He ultimately ended up in Grande Prairie and made the switch to sales with HSE in March of this year.

When asked if he ever imagined himself in sales, he laughed. "No way! I always thought sales involved trying to talk people into buying something. But it isn't. It's about building relationships and offering people services they need." He added that an essential part of his job is following through to ensure the service the customer received met expectations. "Clients have a number of service companies they can choose from, so we need to offer them not just a product, but also a relationship that works," Daryl said.

He added that sometimes those relationships go beyond work. For instance, one of his personal off-duty pursuits is youth counseling, an area in which he's been involved for about 10 years. One of his oilfield clients recently asked him to do some one-on-one counseling to his son, which Daryl happily provided.

Although Daryl is no longer in the trucking business, he still spends a great deal of time hitting the road for HSE. He estimates that he puts in 9,000 kilometers every two weeks to cover his 45,000-square-kilometer territory out of Grande Prairie. His clients are primarily gas plants and pipeline firms.

Advertising campaign features technical support expertise

A few months ago our company began an advertising campaign to show clients the significant experience and technical depth that help support our core service lines. The series, which is running in oil industry trade publications, was conceived by Chairman and CEO David Yager and executed by Sasges Inc., an ad agency out of Calgary. The portraits – shot by a Calgary photographer – appear in black and white to reinforce the greens of the HSE corporate logo.

The theme of the series is, “If you’re serious about safety.” Each ad profiles one or more HSE people and describes how their expertise and commitment to their jobs proves that they and HSE are indeed serious about our business. The ads have been appearing in *Oilweek* magazine, *The Roughneck* and *Alberta Oil*. Ultimately the following individuals will be featured:

- Mark Waygood, SCBA service expert
- Kevin Lanigan and Phyl Mason, career paramedics
- Betty Carew, health and safety manager
- Rob Graefer, manager emergency response and fire services
- Brad Turner, master electrician and air quality monitoring expert
- Rick Jondreau, API-certified tank inspector and oilfield safety expert



meet
Kevin Lanigan
and Phyl Mason,
career paramedics

With 30 combined years of public ambulance experience between them, Kevin and Phyl have seen it all when it comes to personal injury. For decades they've dealt with every manner of accidents, industrial and otherwise.

The two are in charge of HSE's onsite medical services. When somebody gets hurt, Kevin and Phyl are there to back up our front-line responders to ensure the next move is the right move.

Kevin and Phyl are another good reason you can count on HSE when it really matters.

if you're serious
about safety

HSE
INTEGRATED

HSE INTEGRATED LTD.
Corporate Office:
1000, 630 - 68th Avenue SW
Calgary, Alberta T2P 0S8
Telephone: 403-246-1933
For field locations and more information:
(403) www.hseintegrated.com

PROVIDING INDUSTRIAL HEALTH,
SAFETY AND ENVIRONMENT SERVICES

Kevin Lanigan, Director of Medical Services (Calgary) and Phyl Mason, Medical Services Field Operations Manager (Edmonton), certainly do look pretty serious about something in this trade industry magazine ad.

HSE ON THE JOB



◀ On a recent road trip HSE Chairman and CEO David Yager visited the Tembec Inc. pulp and paper mill in Chetwynd, B.C. For more than four years the Fort St. John station has been providing a range of services to the company. For the last year and a half we've had an Emergency Response Team (ERT) on site at the mill. One of team members is Ashley Annas, Safety Supervisor, who has been with the company for just over a year.

Ashley started with HSE as an entry-level first aid technician and has been steadily upgrading her skills in anticipation of a career in safety. Other members of the HSE ERT at Tembec are Rob Orr and Claude Courville.

Dan Dumas, the Tembec Human Resources manager at the plant, told David, “Tembec and HSE have an excellent relationship.”

Dartmouth launches United Way campaign in style

For the fifth year in a row HSE's Dartmouth office is participating in the United Way of Halifax's Workplace campaign. The 2007 event was launched in style with the Dartmouth team gathering for a lunchtime presentation at a local restaurant. Attending the lunch were representatives from the local United Way organization.

The HSE Dartmouth 2007 campaign will once again be led by Jocelyne Clarke, Client Services Advisor. At the lunch Jocelyne introduced Mark Chedrawe, the Halifax United Way rep working with the HSE group. Jocelyne explained that Mark is a Dalhousie University Bachelor of Commerce student who has been seconded to the United Way for the next couple of months. Mark described United Way's purpose and structure, and explained this year's campaign goals. He said that the money raised will be used to fund 51 different agencies and 130 separate programs throughout the community.

At the lunch Jocelyne also welcomed Dawn MacFarlane-Smith, Executive Director of Wee Care Developmental Centre, one of the organizations that currently receives special program funding

from United Way.

Jocelyne outlined this year's workplace campaign and advised that she would be available to answer any questions.

"Our Dartmouth group has worked actively with United Way for some time," Jocelyne said. She added that in early December four HSE Dartmouth staff took part in the association's *Day of Caring*, where companies donate their time to do on-site work for the UW cause of their choice. The

project chosen by the HSE group involved painting a kitchen and cabinets at the Halifax Sexual Health Centre. Participants were Jocelyne, Tom Hickey, Cheri Spicer, Emile Touesnard and Scott Perrott.



Jocelyne Clarke, Client Services Advisor at the Dartmouth location, is the contact person for HSE's participation in the 2007 United Way of Halifax Workplace campaign.

HSE takes a HIKE with Halliburton training



Dwayne Jenkins is one of the HSE instructors participating in the HIKE training program offered by Halliburton Energy Services in conjunction with NAIT.

Three members of the HSE Nisku training department were recently invited to a ceremony honouring the graduates of the 11th HIKE program. HIKE, which stands for *Hands-on Information Knowledge Exchange*, is a recruiting and training initiative offered by Halliburton Energy Services, one of the world's largest oilfield service companies. Working in conjunction with the Northern Alberta Institute of Technology (NAIT), Halliburton created the HIKE program to address the shortage of skilled labour in

the Western Canada oilpatch.

HIKE uses Canadian job fairs to recruit and train qualified candidates for entry-level positions in the oilfield service sector. The package, which is offered

in Edmonton, includes a series of courses and hands-on training sessions to set students up with Class 1 drivers licenses and all the safety and operations training they need to get started. After graduation, the new employees are stationed at one of the many Halliburton branches in Western Canada.

Since the HIKE program's inception in 2005, HSE's training department has participated in teaching Workplace Hazardous Materials Information Systems (WHMIS), Transportation of Dangerous Goods (TDG), as well as Standard First Aid with B.C. certification. The HIKE 11 program started on October 2, 2006, and saw HSE instructors Dwayne Jenkins teach WHMIS and TDG, and Larry Bryant and Phil Beale instruct first aid.

When the most recent program wrapped up, several HSE staffers were invited to attend the graduation ceremonies at NAIT. On hand for the event were Dwayne, as well as Gord Atkinson, Industrial Services Training Manager, and Lance Pratt, Edmonton Regional Training Manger. The HIKE 12 program is set to start on January 20, 2007.



◀ The crew at the Red Deer Training center had no trouble getting into the Christmas spirit thanks to Tosheena Thompson, the center's new receptionist. Tosheena, shown at left, created this HSE gingerbread house, shown at right. She and Angie Hagman, Safety Instructor, also decked the HSE halls in corporate green by decorating the Christmas tree.



▼ A group from the Sylvan Lake office got into the spirit of the season by joining a host of other local volunteers in donating items and assembling gift baskets for the Red Deer Women's Outreach Society, an association that assists women and children fleeing abusive relationships. This particular project is aimed at helping women and children that must spend Christmas away from home by providing gifts for children to give their mothers. The HSE staffers put together 40 baskets and still had many gift items left over for next year's efforts. HSE employees participating in the project included: Back Row (L-R): Tracy Hamilton; Stephanie Hookey; Jane Bauer. Middle Row: Lori Gross; Carrie Schweitzer. Front Row: Sharon Heptonstall; Nicole Dedeluk. Missing from the photo: Marj Olive and Gerald Perreault.



▲ The children's Christmas party at the Fort St John, B.C. station welcomed a special guest. The mystery Santa was in fact Acting Station Manager Mike Reid, who apparently was convincing enough that he received a few job offers for next year.



Meet the HSE Board of Directors

Public companies normally have several “outside” directors; individuals that don’t work for the corporation and who are elected to represent the best interests of shareholders. In the the next few issues of *HSE News*, we will be profiling the company’s outside board members.

Doug Robinson, Calgary



Doug was invited by David Yager, HSE Chairman and CEO, to join our board in 2003 when HSE was re-structured.

Doug and David met in the early 1980s when David was co-owner of *The Roughneck* magazine and Doug co-owned Norwest Shooters, an

oilfield logging and perforating company in Fort St. John, B.C. Doug had worked since the mid-’60s in the oilfield service sector, and his entrepreneurial spirit saw him establish and build Norwest into Canada’s largest independent cased hole wireline company. In 1996 Norwest (renamed NorJet) was sold to service industry giant Computalog. Although Doug started at the top with Computalog as CEO, he nevertheless found himself in a position where he worked for someone else.

Doug explained that by 1999 he needed a change of direction, so he took over as CEO of Reliance Services Group, another publicly traded logging and perforating company. In 2000 that company merged with OTATCO Inc., a public oil industry service company that had been founded by David. OTATCO and Reliance became Integrated Production Services Ltd. (IPS), a company that is still active in Canada as a subsidiary of Complete Production Services, Inc., which trades on the New York Stock Exchange.

In 2002 both Doug and David left IPS to pursue other opportunities. Today Doug is President of Enerchem International Inc., a manufacturer and distributor of hydrocarbon drilling fluids, fracturing fluids and specialty solvents for the oil and gas drilling and production industries.

Doug has been actively involved in public companies since 1996. In addition to serving on the boards Enerchem and HSE, he is also a director for three other companies: Trican Well Service Ltd., Wellco Energy Services Trust and Desmarais Energy Corporation. He has lived in Calgary since the mid ’80s. He and his wife have six children ranging in age from 26 to 35, and five grandchildren.

New HSE corporate website on track for ‘07

For several months now the Communications Department has been working on a revamped company website. We are pleased to announce that after several delays, the bulk of the new HSE site will be unveiled in early January 2007.

Some of the current HSE web content will remain unchanged. The existing corporate information – such as the management team, investor relations and financials – will be virtually the same as it is now. The major change will be in how the product and service information is presented.

The new HSE home page will show four icons, each representing a different division: HSE Oilfield Services (HOS), Industrial Services (HIS), Environment Monitoring (HEM) and Training. Clicking on the

www.HSEIntegrated.com

icons for the three operating divisions will bring the user to divisional home pages that list the various services offered by those divisions. In many cases specific services might be found under more than one division. For example, the description for Medical Services will be accessible through both the HOS and HIS portals. Similarly, Tank Cleaning and Inspection services may be found under the HIS and HEM sections.

The only section that won’t be fully functional in the initial launch will be Training. The Training

Continued on page 7...

HSE SAFETY FIRST

2006 soon to be a memory

As 2007 arrives it's time to reflect on 2006. The Safety Department experienced a year of growth, learning, challenge and success. With HSE's five acquisitions in 2006 came new people offering experience and ideas that contributed enormously to our in-house safety programs.

The biggest challenge to HSE – and to industry as a whole – continues to be driving to and from the worksite. Our company's senior management is committed to meeting this challenge and reducing our rate of collisions. Recently an internal task group was charged with researching how companies similar to ours manage their driving risks. We are confi-

dent that we can introduce initiatives that will address our most significant hazard. The additional expertise and resources within the organization have been very helpful in improving our processes.

A very positive note this year was the excellent results of our COR audit this fall (see page 2). In preparation for this audit, much of the year was spent mentoring, conducting orientations and providing training in new procedures and processes. Thanks to the everyone's efforts we achieved a grade of 95%, proving that HSE continues to be committed to worker safety through proper training and mentoring.

- Betty Carew, CRSP, Safety Manager

New HSE website (continued)...

department, in conjunction with HSE's IT department and the contract web developers, are working on an ambitious new online functionality, but it's not quite ready to roll out yet. For the time being, visitors to the HSE website will find the station training calendars and online registration form that have been available for some time. However the link to this information from the corporate home page will be more prominent with the Training icon.

By the end the first quarter of 2007, clients will find a more efficient Internet registration system that will offer many new features, including the ability to pay online. Stay tuned for more information on the major changes that are in store for the web-based Training functionality.

In building the new website we've tried to balance the input and requirements of the various departments, divisions and locations. However it is possible that there may be initial questions about the way in which some of the information is presented. We request that everyone check out the new site, and evaluate whether it meets the specific needs and expectations of all stakeholders.

Feedback on the new website will be gratefully received and every effort will be made to accommodate the inquiries and requests of HSE personnel. Please contact Susan Andre, Communications Administrator, by email at sandre@hseintegrated.com, or by phone at 403-266-1833, extension 241.

HSE Safety jacket award winners

We recently wound up the safety incentive program that saw jackets awarded to eligible shop and field personnel putting in 12 accident-free months. There were 81 winners in total, two of whom are pictured below.



▲ Kevin Keller (L), a Firefighter out of Whitecourt, received his jacket from David Yager, HSE Chairman and CEO of Calgary.



▲ Gary Freer (R), a Field Instructor from Sarnia, was presented with his jacket by Sarnia Station Manager Dave Stead.

Cliff provides quick Fix for Grande Prairie car fire

HSE Grande Prairie station Environment Monitoring Manager Jeremy Nyuli recently received a letter from a local woman with high praise for the quick emergency response of one of our employees. Angie Burt wrote to commend the actions of Clifford (Cliff) Fix, an Electronics Technician for Environment Monitoring.

In her letter she explained that she and her baby were driving in her older model VW beetle last summer and noticed some smoke in her rearview mirror. She said she hadn't thought much of it since the car often smoked a bit when she started it. However, Cliff pulled up beside her and "nonchalantly" asked her if she knew her car was on fire. She immediately jumped

out of her vehicle and removed her baby. Before she had time to retrieve her own fire extinguisher, Cliff had already put out the fire with the extinguisher from his company truck. She added that she wasn't sure how long she might have driven on, not knowing that her car was burning.

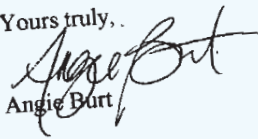
Cliff explained that the fire was caused by a broken fuel line that had dripped gasoline onto the distributor. The distributor had caught fire and ignited the engine, which in the old beetles is in the back of the car and not that visible to the driver.

HSE is proud of the way Cliff came through, and Angie was hugely grateful to him for dealing with the emergency situation so calmly and professionally.

I have sent Cliff a thank-you card, but I wanted to tell you as well. He is a great asset to your Company and I would encourage you to recognize his performance in telling others and if you feel it is appropriate, feel free to include this letter in his personnel file.

There are Angels among us - they are just hiding in ordinary people who do outstanding actions for others. Cliff is one of them!

Yours truly,


Angie Burt

► Cliff Fix, an Electronics Technician for the Environment Monitoring Division out of Grande Prairie, came to the aid of a woman and baby whose car was on fire. An excerpt from the woman's letter to the Grande Prairie station is shown above.



HSE NEWS

ABOUT YOU AND YOUR COMPANY

PUBLISHED BY:

HSE / Industrial
INTEGRATED / Health
Safety
Environment

Head Office: #1000, 630 – 6th Avenue SW
Calgary, Alberta • T2P 0S8
Phone: 403-266-1833 • Fax: 403-266-1834
Website: www.hseintegrated.com

HSE NEWS is distributed to all the company's employees, contractors and consultants. All rights reserved.

No part of this newsletter may be reproduced in whole or in part without permission from the publisher. Copyright © 2006 HSE Integrated Ltd.

Publisher: David Yager, Chairman and CEO
Editor: Susan Andre,
Communications Administrator
sandre@hseintegrated.com