

Tarong Energy Asset Management Systems

Overview

- Our Business and AM Processes
- History
- Asset Management Systems
- Systems Overview
- Lessons Learnt
- Questions

Our Business

Corporate Vision
Corporate Plan and
Statement of Corporate Intent
Provides our objectives



Which drive
The Asset Management Strategies

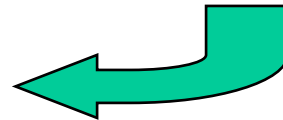


Which produce
The Asset Management Life Cycle Plan

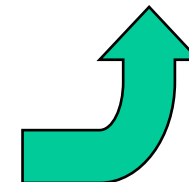


Which deliver
A fully optimised Asset at minimum cost

Shaped By

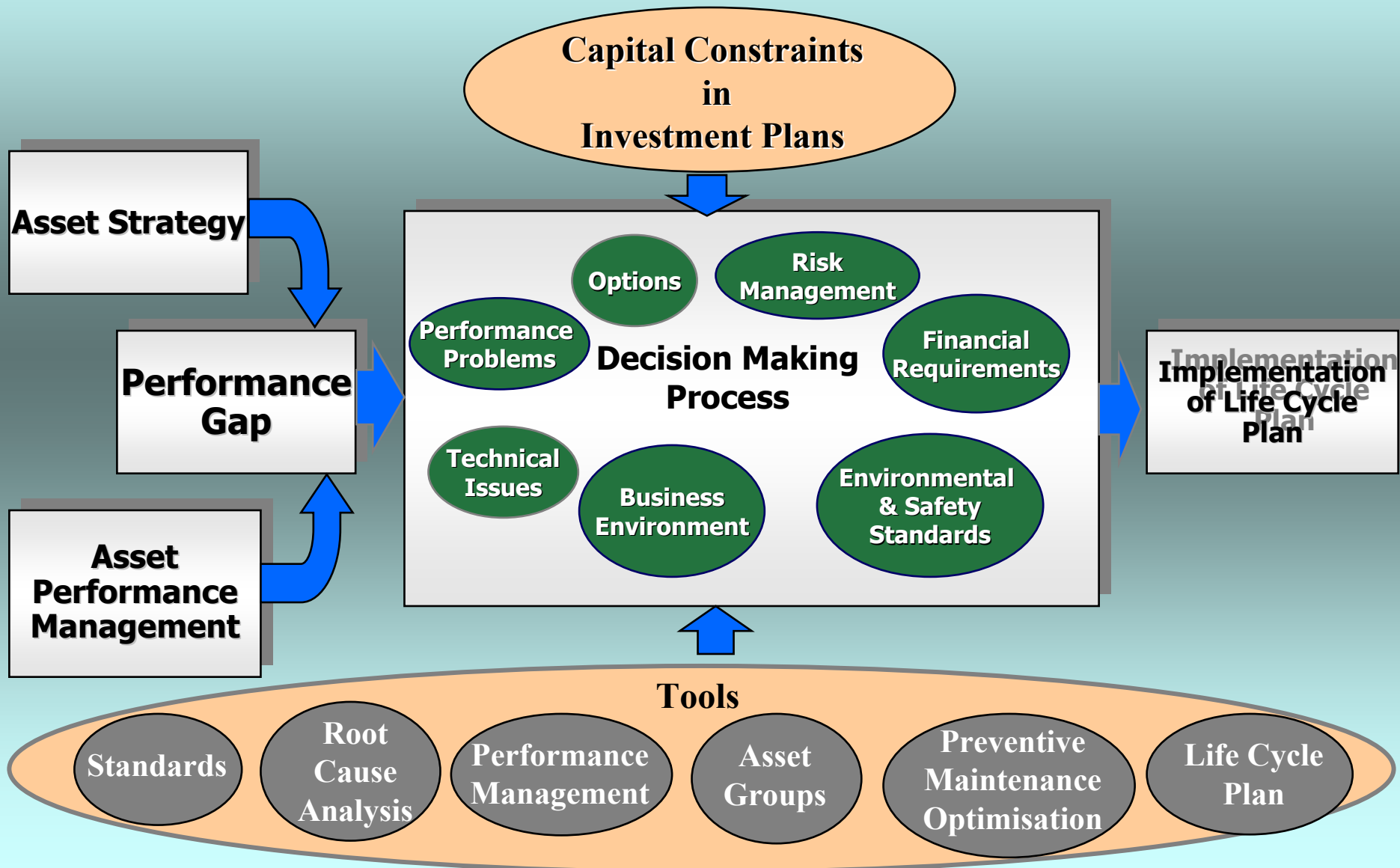


- Market Requirements
- Competition
- Policy & Procedures
- Asset Performance
- Asset Life Cycle
- Environmental Policy
- Public Perception
- Cost Reduction
- Risk Management
- Shareholder Value
- Capital Constraints
- Safety
- Asset Capacity
- Return on Investment



Maintaining

Overview - Asset Management Processes



History

- Formed Project Office in 1997 incorporating Asset Management processes
- Business Restructuring
 - Operations
 - Asset Management/O&M
 - Asset Strategy/Operations
 - Operations

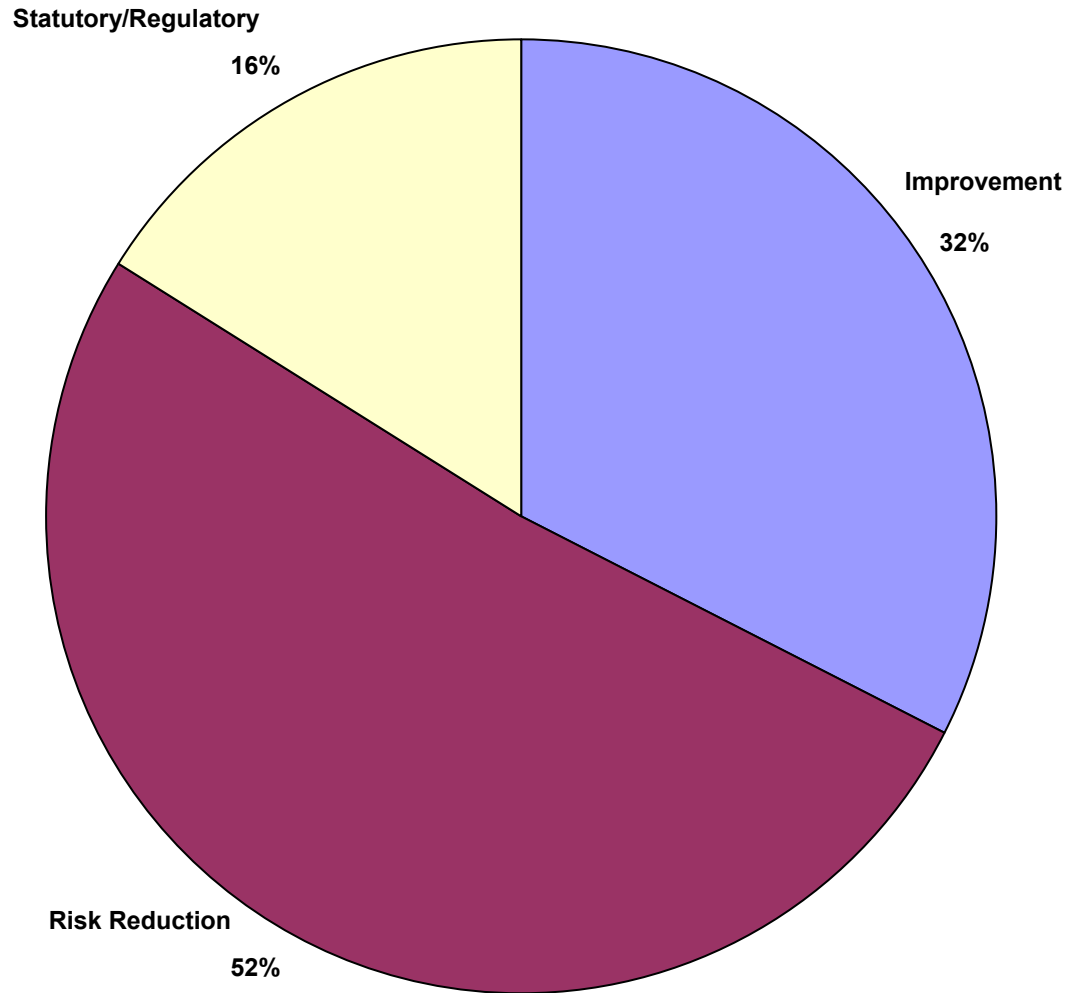
Asset Management Systems

- Decision Making Process Support / Project Office
 - Need to ensure that we focus limited resources on the right projects (ranking)
 - Need a streamlined process
 - Need to be able to justify portfolio of work (LCP)

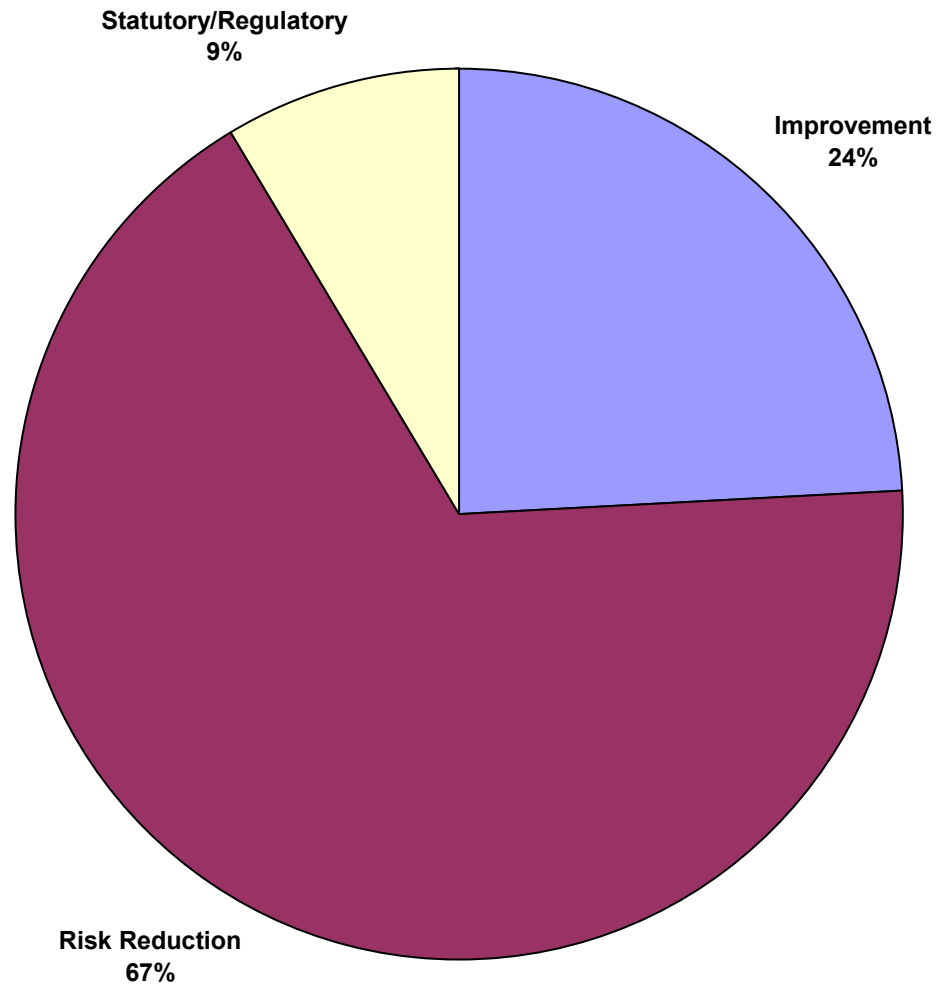
Project Justification/Ranking

- Each project is given a justification method
 - Statutory/Regulatory
 - Improvement
 - Risk Reduction

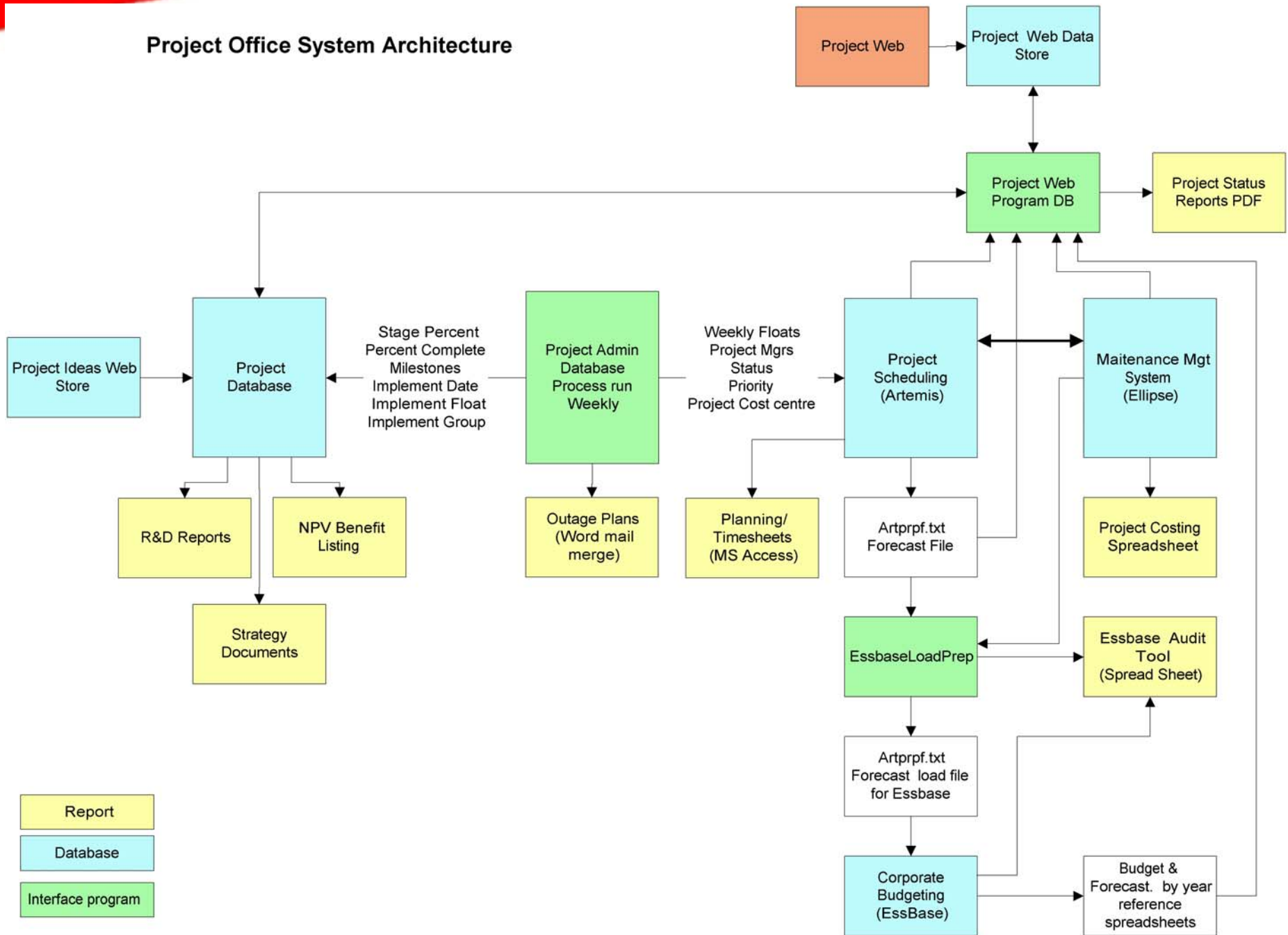
Current Project Numbers



Current Project Costs



Project Office System Architecture



Project Pack Overview

Identification, Justification and Approval

Identification (Refer Chart 2)

One Pager Document:

- What is the idea?
- What does it involve?
- What are the benefits?
- Issues and risks?
- Prioritisation

Conceptual Approval

Justification (Refer Chart 3)

Project Proposal

- Background
- Options/Recommendations
- Objectives
- Financial Considerations
- Scope
- Deliverables
- Success Criteria
- Key Milestones
- Statutory / Legal Considerations
- Issues / Hazards & Risks / Constraints
- Project Schedule / Cost Benefit Analysis / Prelim Design

Conditional Approval

Initiation and Startup

Initiation (Refer Chart 4)

Detailed Design (refer Checklist)

Expanded Schedule

- Effort estimation
- Work breakdown plan
- Resource names
- Budgets
- Project dependencies
- Implementation planning

Final Approval

Progress Monitoring and Reporting

Tasks and Monitoring (Refer Chart 5)

Project implementation

Resource control

Risk assessment & mitigation

Issue resolution

Quality control

Scope control

Milestone/stage signoffs

Project Reporting (Refer Chart 5)

Schedule updates

Status reporting

Handover and Signoff

Handover and Signoff (Refer Chart 6)

Acceptance of deliverables

Budget/cost summary

Project handover

Formal signoff

Project closure

Refer Final Output & Signoff section of Project Pack

Post Project Review

Post Project Review

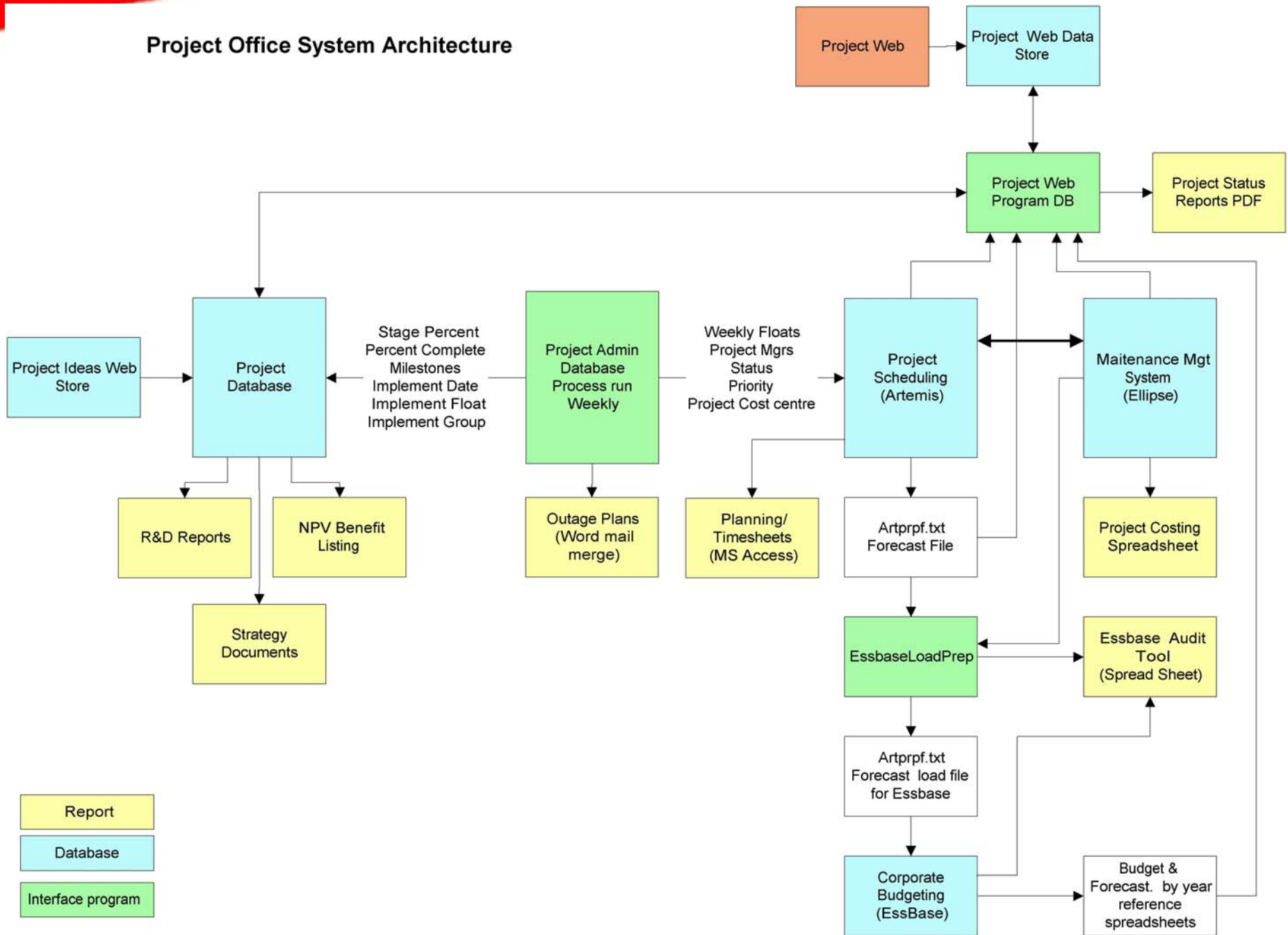
Formation of review team

Success criteria

- Lessons learned
 - Costs incurred
 - Benefits achieved
- Continuous improvement opportunities*
- Post project report (if required)*

Refer Post Project Review section of Project Pack

Project Office System Architecture



Key Lessons Learnt

- Buy in - Management Ownership
- Tailoring
- Prioritisation/Ranking
 - Feedback to originators of ideas
- Keep it simple
 - Have short cuts built in to the system

Questions