


**Qingdao McDermott Wuchuan Offshore
Engineering Co. Ltd**
Health, Safety and Environmental Philosophy

McDermott Wuchuan is committed to preventing all Health, Safety and Environmental (HS&E) accidents and has adopted the following philosophies:

- All occupational and environmental accidents can be prevented.
- All operations must be performed safely and with minimal environmental impact.
- All personnel have the right and responsibility to stop any work they feel may be unsafe.
- Working safely and following Company HS&E policies and procedures are conditions of employment.

The Company empowers and expects all employees, contractors, customers and vendors to perform their duties in accordance with these philosophies as well as Company policies and procedures.



Du Zuo Yun
Deputy GM
Qingdao McDermott Wuchuan Offshore
Engineering Co. Ltd



Asan Sofian
General Manager
Qingdao McDermott Wuchuan Offshore
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Health, Safety and Environmental Policy

McDermott Wuchuan considers the protection of human Health, Safety, and the Environment for all its employees, contractors, customers, and the community to be of primary important. As such the Company will maintain a Health, Safety and Environmental (HS&E) program conforming to the best Management practices of marine and construction operations. The overall success of the HS&E program is based on the following:

Management, commitment, planning, and accountability: Management is responsible and accountable for protecting employees, assets, and the environment in accordance with the company Charter and Philosophy. In addition, the prevention of injuries, illnesses and pollution must be made a priority during project planning, operations, maintenance and construction activities.

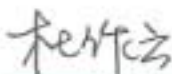
Employee participation and accountability: Managers and supervisors are accountable for the actions of their subordinates and will always reinforce safe work behaviors. All employees are responsible for stopping and reporting unsafe acts and conditions, and for following Company HS&E policies and procedures.

Compliance: The Company will comply with all applicable Health, Safety & Environmental regulations, codes, and standards, and will develop and enforce procedures that provide instruction to all employees identifying their responsibilities for meeting or exceeding these requirements.

Training: The Company will provide training to ensure understanding of good HS&E practices, Company procedures and regulatory requirements.

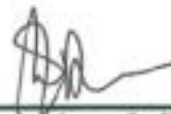
Continuous Improvement: The Company will strive for continuous improvement in its HS&E performance through regular measurement and review of its targets, objectives, programs, procedures and processes.

Managers, supervisors, employees, contractors, customers, and vendors must work together to develop proper attitudes, practice and promote proper work habits, use good judgment, and comply with all applicable HS&E rules and regulations to ensure McDermott Wuchuan is a safe and respectable environment in which to work.



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General Manager

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***Qingdao McDermott Wuchuan Offshore
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Ethics Policy Statement***

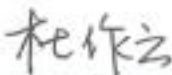
We promote a company culture that encourages trust, high Ethical standards and adherence to our Code of Business Conduct.

We are strongly committed to business and personal integrity and compliance both in letter and spirit of applicable regulations and law.

We foster an environment where every employee exercises due diligence to prevent, detect and report conduct that violates our Code of Business Conduct or applicable laws or regulations.

We treat Safety, Quality, Ethics and Productivity as equal values.

By these actions, we protect the Company's reputation and name, promote and advance its interests, and increase shareholder value.



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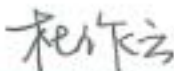
***Asan Sofian
General Manager
Qingdao McDermott Wuchuan Offshore
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Qingdao McDermott Wuchuan Offshore Engineering Co. Ltd Security Policy Statement

The protection of the Company's personnel, assets, information and integrity from potential threats is our priority. Compliance with International, Federal, State and local laws and regulations shall be the cornerstone of our operations. This, combined with best industry practice, provides the necessary governance to conduct secure operations. Likewise, employee participation, commitment and accountability are a requisite.

The protection of the Company's personnel, assets, information and integrity from potential threats shall be achieved by adopting the following principles:

- The security and protection of employees shall always be a priority in all McDermott Wuchuan business activities.
- Responsibility for the security related aspects of McDermott Wuchuan's business activities lies with Management.
- Security procedures and guidelines shall reflect the seamless integration of security and business activities.
- Prevention of security related incidents, based on threats analysis and risk evaluation, shall be carried out on a continuous basis.
- Preparedness and Contingency Planning is essential to mitigate incidents rapidly and effectively.
- Response plans shall be developed and tested annually
- Regular review, audit and analysis of procedures and standards shall be conducted to ensure that personnel are in possession of accurate information.
- The necessary tools, training and equipment shall be provided to ensure compliance with this policy.
- All incidents, including security breaches and irregularities, shall be reported, investigated and recorded. Corrective and preventive action shall be taken to ensure continual improvement of the overall standard of security.
- The conduct of security personnel shall remain beyond reproach.



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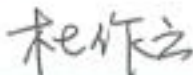
**Qingdao McDermott Wuchuan Offshore
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Drug and Alcohol Policy Statement**

Our goal is a workplace free from substance abuse of any kind. Employees are expected to be fit for duty and capable of performing their assigned responsibilities in a safe and productive manner. The use of illegal substances, alcohol or the misuse of controlled substances in the workplace is inconsistent with this goal, therefore McDermott Wuchuan:

- Prohibits the use, sale, transfer, purchase or possession of illegal substances on Company premises or while conducting Company business.
- Prohibits the illegal use, sale, transfer, purchase or possession of controlled substances on Company premises or while conducting Company business
- Prohibits the use of impairing levels of, or being impaired by, controlled substances on Company premises or while conducting Company business.
- Prohibits the use of impairing levels of, or being impaired by alcohol on Company premises or while conducting Company business.
- Prohibits the possession or use of alcohol on Company premises, or while conducting Company business unless specifically authorized by the Company for Company functions.

These prohibitions are minimum requirements and apply to McDermott Wuchuan. Local laws and regulations may add to these requirements, but shall not reduce them.

Where permitted by law, to assure compliance, the Company reserves the right to test for the use of alcohol or chemical substances both legally controlled and illegal. The Company may conduct searches in the workplace if there is a reason to suspect a violation of this policy statement.



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