

Yarraville Terminal Environment Improvement Plan 2010 – 2012

Mobil

Introduction

Mobil Oil Australia Pty Ltd (Mobil) at all times strives to conduct its business in a manner that is protective of the environment and compatible with the environmental and economic needs of the communities in which it operates. Mobil is committed to operating the Yarraville Terminal with concern for the safety of those working at the site as well as all people in the surrounding community.

The Yarraville Terminal is Mobil's primary distribution point for petrol, diesel and heating oil in Victoria. In addition it houses the company's Lube Oil Blend Plant (LOBP) which manufactures finished lubricants for Australia, New Zealand and the Pacific Islands. The LOBP is planned to be closed by mid 2011.

A major focus of site activity during 2010 to 2012 is on the decommissioning of lubricants assets, such as pipework and tanks, to ensure that they are oil free once the LOBP closes down and minimise/avoid potential future environmental impacts from these sources.

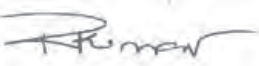
Our corporate environmental vision is to "Protect Tomorrow. Today." In order to achieve this we take a proactive approach to reduce emissions, conserve water and improve energy efficiency. We aim to minimise our environmental footprint through a process of continuous improvement and by providing robust management processes through our Operations Integrity Management System (OIMS).

I am pleased to bring you Mobil's third Environment Improvement Plan (EIP) for the Yarraville Terminal. This is our voluntary commitment to environmental improvement objectives and actions for the next three years. This EIP was developed in consultation with the Community Liaison Committee, EPA Victoria and local councils.

Areas of major focus for our improvement programs include:

- Substantial decommissioning project associated with the cessation of lubricants manufacture and storage at Yarraville Terminal in 2011.
- Continuing protection of fuels assets through our pipeline and tank integrity programs.
- Continued staged management of groundwater investigation and remediation program, including Stage 2 Report to EPA.
- Ongoing sustainable operating practices through effective waste, water and energy management.

I look forward to the opportunities that lie ahead and working with the local community to deliver these environmental commitments.



Ravinesh Kumar
Yarraville Terminal Manager
December 2010

Operations

The Terminal is Mobil's primary Australian fuels distribution facility, occupying an area of approximately 15 hectares in the inner Melbourne suburb of Yarraville. The Terminal's fuels distribution activities are operated as a joint facility with BP.

Petroleum fuels are supplied to the Terminal by pipelines from Mobil's Altona Refinery and Shell's Geelong Refinery as well as by ship via the common user bulk liquid berth at Holden Dock, owned and operated by the Port of Melbourne Corporation. Users of the Dock include Mobil, BP and Caltex.

From the Terminal, products are transported to end users in a variety of ways, including by road, pipeline and ship to wholesale and retail distributors.

Road tankers load-out fuel at the Terminal's Tank Truck Fill Stand. Each year approximately 3 billion litres of bulk product is loaded from the Terminal in this way for distribution to locations predominantly in Victoria and Southern New South Wales. Marine product load-out occurs via Holden Dock.

The majority of Mobil product is loaded out by road tankers. Between receipt and load-out products are stored in one or more of the Terminal's bulk fuel tanks.

The Terminal currently distributes about half of Victoria's requirements for petrol and diesel fuels.

What is an Environment Improvement Plan?

An Environment Improvement Plan (EIP) is a public commitment by a company to voluntarily work to improve its environmental performance. The EIP aims to continually improve environmental performance through necessary investment in plant and equipment, together with review of operating procedures and internal standards.

The first EIP for the Yarraville Terminal was developed in 2004 as a joint effort between Mobil, the EPA, and the local community. Under the EIP Mobil committed to taking measures to reduce impacts on the surrounding community, the environment and working interactively with our neighbours. The current EIP represents the third edition of this commitment, and remains a cornerstone in the development and management of our key environmental programs.

Protect Tomorrow. Today.

Mobil is committed to continually improving environmental performance throughout our operations. This ongoing commitment is documented in our Environment Policy which can be accessed on our website www.exxonmobil.com.au. Our Operations Integrity Management System (OIMS) provides a structured framework for implementing our environmental policy across all our operations.

OIMS includes the environmental aspects and impacts of the operation, and the controls and monitoring in place to reduce the potential for impacts on the environment. This forms the basis for day to day management of the facility. The EIP sets out specific longer term initiatives and actions to drive continual improvement in environmental performance at the site.

Environmental considerations are integrated into all facets of our strategic planning process in order to ensure that we maintain focus on our commitment to Protect Tomorrow. Today. This process includes an assessment of existing and expected environmental and business conditions, as well as evaluation of community issues and upcoming regulations.



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The following table reflects the action items that have been committed to in the Environment Improvement Plan.

EIP Actions

Ref	Aspect	Action
1	Air	Implement Class 3 Action Plan actions to reduce fugitive Volatile Organic Compound and benzene emissions from storage and transfer operations.
2	Air	Report the total site volatile organic compound emissions annually at Community Liaison Committee meetings.
3	Community	Produce a regular site Bulletin and hold a minimum of two Community Liaison Committee meetings every year.
4	Community	Notify Community Liaison Committee and wider community of all incidents and community complaints reported to government authorities and/or Mobil and actions taken to prevent recurrence.
5	Community	Conduct Community Survey every three years. Consider results and feedback from previous surveys when developing new EIP.
6	Energy	Annually report on total site greenhouse gas emissions at Community Liaison Committee meetings.
7	Energy	Initiate and implement awareness program for individual energy savings such as signage and turning off lights, computers and other office equipment.
8	Emergency Response	Develop a plan for periodic incident preparedness exercises and provide community access to plan. Routinely report at Community Liaison Committee meetings.
9	Emergency Response	Notify local council/community prior to highly visible Emergency Response Exercises as required
10	Soil & Groundwater	Decommission redundant Underground Storage Tanks (USTs) in accordance with EPA Publication 888.
11	Soil & Groundwater	Manage groundwater in accordance with the current EPA approved Groundwater Management Plan and report outcomes to Community Liaison Committee.
12	Soil & Groundwater	Develop and implement staged groundwater management and remediation strategy for the site in accordance with the Clean Up Notice. Report progress at Community Liaison Committee meetings.
13	Soil & Groundwater	Undertake annual groundwater monitoring program. Report to Community Liaison Committee annually.
14	Soil & Groundwater	Assess condition and integrity of pipelines in accordance with company tier practices. This includes integrity testing, bund penetration works and removal of redundant pipework.
15	Waste	Identify and evaluate potential opportunities to reduce Prescribed Waste generated on site.
16	Soil & Groundwater	Inspect and repair tanks in accordance with tank maintenance strategy.
17	Waste	Develop measurements and targets for waste reduction to enable historical comparison and tracking of waste minimization programs. Continue reporting to Community Liaison Committee.
18	Water	Complete site audit and undertake assessment of opportunities for water minimisation and reuse.
19	Water	Roll out refresher training for spill prevention to water and ground, as part of overall site training programs for new and current employees.

Monitoring and Reporting

The Terminal reports on progress with EIP action items every six months at the Community Liaison Committee (CLC) meetings. The CLC Meetings provide a forum for the community to hear and ask questions about the Terminal's environmental performance and improvements.

The Terminal is audited at least annually, with environmental performance being a key focus area. These audits are used to ensure agreed projects remain on track as well as to drive continuous improvement in our operations.

Contact Details

Yarraville Terminal Environmental Hotline – (03) 9286 5112