

Effectiveness of Risk Assessment in the Oil and Gas Industry

The oil and gas industry are a very high-risk environment, where operation is complex and has lots of hazards. This study aims to evaluate the effectiveness on these risk assessment models and to propose improvement where necessary.

The risk management is to identify and analysis the hazards that the company might face when operating an oil and gas felids and control them.

The reason for these hazards might be finance, technology, bad management or nature disaster.

Importance of the research is to understating the effectiveness of risk assessment models is vital for the oil and gas industry to enhance safety measures, reduce environmental impact, and improve operational efficiency. This research will contribute to the development of more robust risk management strategies, thereby reducing the likelihood of accident and improving overall industry standers.

The important of risk management:

- 1- Predicting of hazards and identify the reason.
- 2- Analysis and measure the hazards.
- 3- Chose the best methods to handle the hazards.

Oil and Gas industry in all its phases is a dangerous industry, so there must be a strict measure from the leaders of the companies, and apply all safety procedure for the employees.

Risk factors in the oil and gas industry:

- 1- Failure to define the company's safety procedures.
- 2- Not following the risk management plan.
- 3- Failure to properly analyze risks the right way.
- 4- Failure in the communication system.
- 5- Not taking a lesson from the last incidents.

The biggest risks in the oil and gas industry:

- 1- Political risks.
- 2- Geological risks.
- 3- Supply and demand risks.

The main reason for risk management in oil and gas industry is to grantee the continues of the production throw manage the hazards and make sure they never happen in the future.

In conclusion risk management will help to prevent or minimize the hazards in the industry.

Reference (London Premier Center).