



Annual Environmental Statement

2016

INDEPENDENT OIL & GAS PLC

June 1, 2017

ANNUAL ENVIRONMENTAL STATEMENT

2016

BACKGROUND

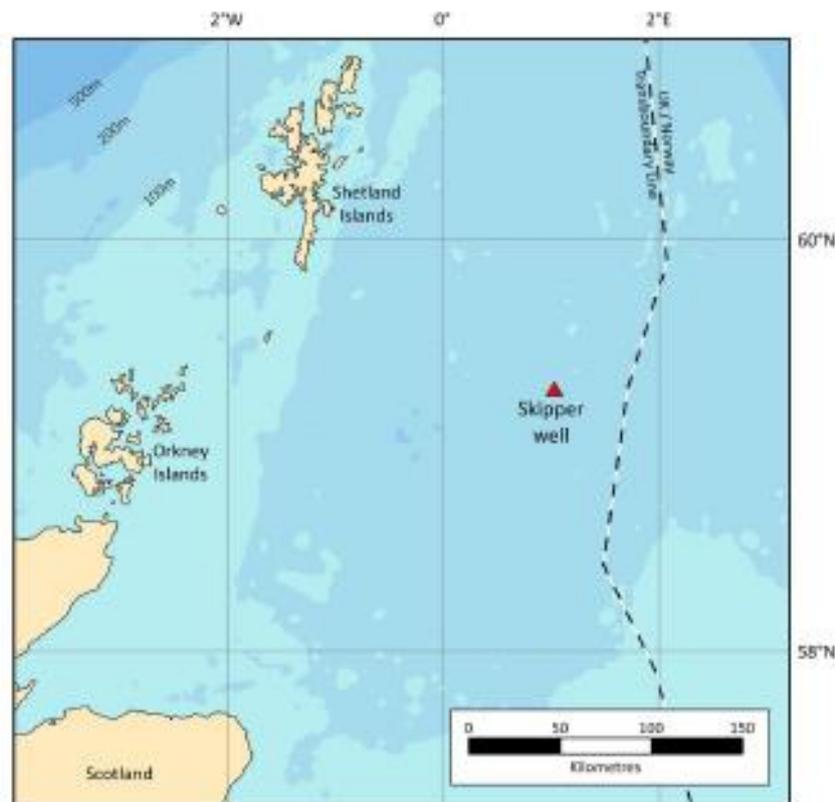
Independent Oil & Gas plc (IOG) was established in 2011 and listed on the AIM stock exchange in 2013.

IOG's strategy is to identify and progress new oil and gas projects with a view to creating the development of oil and gas production hubs on the offshore UK Continental Shelf (UKCS).

This public statement is issued in accordance with OSPAR Recommendation 2003/5 to Promote the Use and Implementation of Environmental Management Systems by the Offshore Industry.

2016 OPERATIONS

During 2016, IOG North Sea Limited, a wholly owned subsidiary of IOG, drilled an appraisal well in the 'Skipper' oil discovery, Block 9/21a, of the Northern North Sea, under offshore petroleum license P1609.



The well was drilled to a total vertical depth of 5,578ft and achieved the primary objective of retrieving quality oil samples from the reservoir. Following completion of these activities, the well was plugged and abandoned.

These Skipper drilling and appraisal operations comprised the sole offshore activities undertaken by IOG during 2016.

ENVIRONMENTAL POLICY



Health, Safety and Environmental Policy

Independent Oil and Gas is committed to minimising the impact of its activities on the environment and to ensuring a safe and healthy working environment for its employees, contractors and those directly affected by its business activities.

Independent Oil and Gas is committed to:

- Successfully applying this policy and achieving continuous improvement in all of our business processes, in compliance with strategic goals and objectives.
- Complying with and striving to exceed, all applicable legislation, rules and standards.
- Identify, evaluate and control the risks and impacts associated with our business activities.
- Respond to employee and community concerns regarding the impact of our operations on the environment.
- Reduce our power and water usage and wastage by evaluating operations and ensuring they are as efficient as possible.
- Prevent pollution through the proper planning, operation, supervision and maintenance of our activities and assets.
- Assisting our suppliers to reduce their environmental impact on our operations.
- Ensuring that adequate emergency and oil spill response plans are in place for all our activities.
- Ensuring that waste is minimised and that waste disposal is achieved responsibly by actively promoting the Reduce, Reuse, Recycle mantra internally and amongst our partners and suppliers.
- Conducting our operations in a sustainable fashion as far as possible.

To assist us undertaking these aspirations, we have implemented Management Systems which describe how we operate. The Board of Directors, all employees and contractors are committed to these policies and their application. The Independent Oil and Gas management team will ensure that all employees and contractors are familiar with and competent to apply this Health, Safety and Environmental Policy.

A handwritten signature in blue ink that reads 'Mark Routh'.

Mark Routh, CEO Independent Oil and Gas plc

27th February 2014

ENVIRONMENTAL MANAGEMENT

As the Exploration and Appraisal Operator, IOG North Sea Limited appointed AGR Well Management Limited as the Well Operator for the Skipper well, in accordance with the IOG Environmental Management System (EMS), and within the terms prescribed by the Offshore Safety Case Regulations.

AGR, in turn, procured the services of the offshore drilling installation Transocean Sedco 704 to undertake the necessary drilling and well activities.

Accordingly, AGR as Well Operator, together with the Sedco 704 Offshore Installation conducted the offshore Skipper activities in compliance with their own detailed environmental management systems and procedures, and the overarching policy and requirements of the IOG EMS.

ENVIRONMENTAL OBJECTIVES

As IOG progresses toward its business objectives of developing oil and gas production hubs on the UKCS, we continue to develop our EMS in order to maintain a structured and systematic approach to environmental risk management and regulatory compliance.

The EMS is based upon the principles of BS-EN-ISO 14001:2004, and hence establishes and implements underlying themes of promoting best practice and maintaining continual improvement.

As the most significant environmental activities during 2016 for IOG were those associated with the Skipper well operations, our environmental objectives and targets for 2016 were to ensure the selection and procurement of an environmentally competent Well Operator and to align and bridge effectively our respective environmental management systems for the duration of the activities.

ENVIRONMENTAL PERFORMANCE

The IOG EMS was successfully developed and applied during 2016 to conduct the Skipper well operations.

There were no adverse environmental incidents experienced during 2016, and specifically there were no Petroleum Operations Notice No. 1 (PON) notifications made to the Regulatory Authority.

Returns of authorised emissions from the Transocean Sedco 704 Offshore Installation during the Skipper well operations were made in accordance with the requirements of the Environmental and Emissions Monitoring System (EEMS) industry database.

Independent Oil & Gas PLC

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