



Tullow Oil UK

ENVIRONMENTAL MANAGEMENT SYSTEM PUBLIC STATEMENT FOR 2014 UK OPERATIONS

MAY 2015

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ABBREVIATIONS

ALARP	As low as reasonably practicable
BU	Business Unit
CH ₄	Methane
CMS	Caister Murdoch System
CO	Carbon Monoxide
CO ₂	Carbon Dioxide
COMAH	Control of major accident hazards
DECC	Department of Energy and Climate Change
EEMS	Environmental Emissions Monitoring System
EHS	Environmental Health and Safety
ESMP	Environmental and Social Management Plan
GVP	pharmacovigilance practices
IADC	International Association of Drilling Contractors
LTI	Lost Time Incident
MS	Management System
N ₂ O	Nitrous dioxide
NO _x	Oxides of Nitrogen
OCNS	Offshore Chemical Notification Scheme
OGP	The International Association of Oil & Gas Producers
OSPAR	Oslo Paris Convention
plc	Public limited company
SK	Schooner and Ketch
SO ₂	Sulphur dioxide
SUB	Candidate for substitution
toes	Tullow Oil Environmental Standards
UK	United Kingdom
UKCS	United Kingdom Continental Shelf
VOC	Volatile Organic Compounds
YTD	Year to Date



1. Introduction

Under the OSPAR Recommendation 2003/5, the Department of Energy and Climate Change (DECC) require that all existing UKCS oil and gas operators undertaking offshore operations during 2014 must prepare an annual statement of their environmental performance, covering that calendar year, and make that statement available to the public. This document represents Tullow Oil plc's (Tullow) annual public environmental statement for 2014 in relation to UKCS OSPAR reporting.

2. Tullow's Background

Tullow is a global oil and gas exploration and production company with its headquarters in London, UK. Its primary focus is in African and Atlantic margin operations; however, Tullow has operations in 22 countries worldwide. In the UK, Tullow's well established producing assets lie in the Southern Gas Basin offshore and are centred around two gas producing hubs (Thames and CMS) and the associated fields and infrastructure. Tullow also has a portfolio of blocks offshore in the Netherlands.

3. The Environmental Management System

Tullow has developed and implemented an Integrated Management System that sets out key business standards which are maintained across the company. One of these standards is the EHS Management System (EHS MS) framework which brings together people, the organisation and procedures (see Figure 3.1 below). This enables Tullow to comply with legislation, and other relevant standards, to manage EHS risks effectively and to demonstrate continual improvement.

Tullow's EHS MS documents the company's safe systems of work and environmental control measures. It includes the Tullow Safety Rules and the Tullow Oil Environmental Standards (toes) that set minimum standards for safe working across a range of activities, to ensure that all of its activities are managed in a responsible, manner.

The structure and content of the EHS MS has been designed to enable risks to be identified and managed so that the threat to the health and safety of personnel and to the environment are reduced to a level deemed to be as low as reasonably practicable (ALARP). The EHS MS provides a flexible management framework through which the company can systematically identify and manage its EHS risks and opportunities, accommodating individual operational complexities, changing legal and business requirements and the company's commitment to continuous improvement.

Tullow is also continually developing its policies, procedures and management systems that support the highest standards of governance and corporate responsibility. The Group has a framework for the consistent application of the standards that all Tullow operations must comply with. This is safeguarded through corporate governance processes together with monitoring and oversight by the Board. Benchmarking is achieved through Internal Audit reviews.

The Tullow EHS policy statement is the primary EHS document in these systems and sets out the company's commitment to responsible operations (see Figure 3.2 below).

The EHS MS is certified to the international standard for environmental management systems – ISO 14001 (see Figure 3.3 below) – and adopts a structure that accords with both ISO 14001 and OHSAS 18001, the internationally accepted standard for health and safety management systems.



Figure 3.1: Tullow’s Business Management System Model

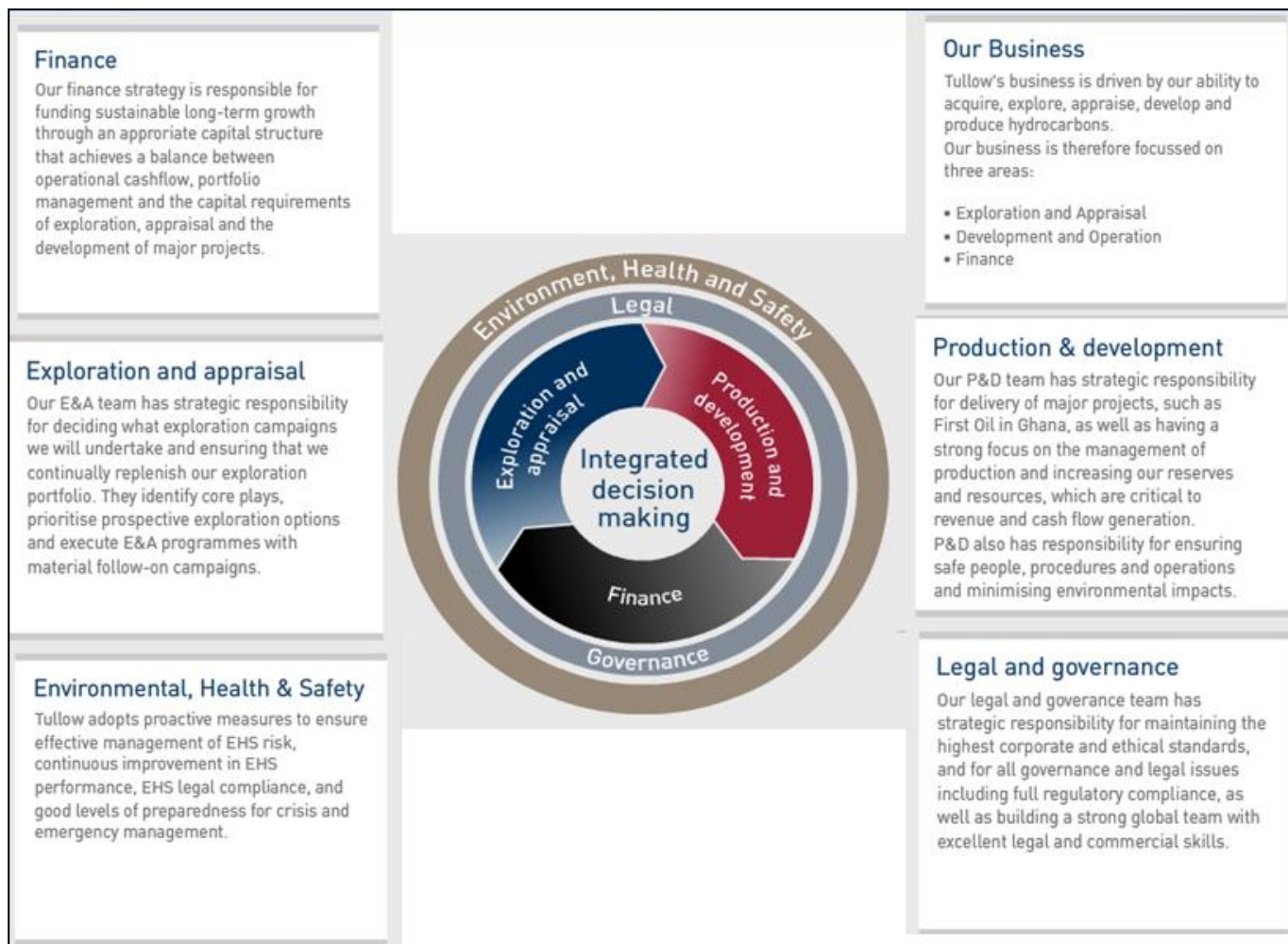


Figure 3.2: Tullow's HSE Policy

- Think Environment
- Think Health
- Think Safety
- Think Forward

Environment, Health and Safety Policy

At Tullow Oil, we expect everyone to **Think** about their role in managing Environmental Health and Safety (EHS) risks that exist in our business and, in particular, within their own area of responsibility and influence.

To help us manage these risks we require everyone connected with our activities to:

- **Respect** our stakeholders and our values
- **Reflect** on lessons learned and their actions
- **Protect** the environment and each other

By following these principles and **Thinking Forward** we will ensure that EHS risk management forms an integral part of our day-to-day working practices and alignment with the EHS Vision.

To achieve this, we commit to:

- Proactively manage EHS risks and plan our operations taking those risks into account;
- Maintain a safe working environment by implementing safe systems and taking responsibility for the health and wellbeing of our staff and contractors;
- Comply with the requirements of all applicable EHS laws and regulations, and apply industry best practice where legislation is lacking;
- Ensure those working on our behalf adopt similar high standards of EHS;
- Invest in building a competent and capable organisation to deliver consistently high levels of operational and EHS performance, supported by strong visible EHS leadership;
- Monitor our progress against strong EHS objectives and targets to continually improve our performance.
- Prevent pollution and minimise other adverse impacts on the environment and the local communities where we operate;

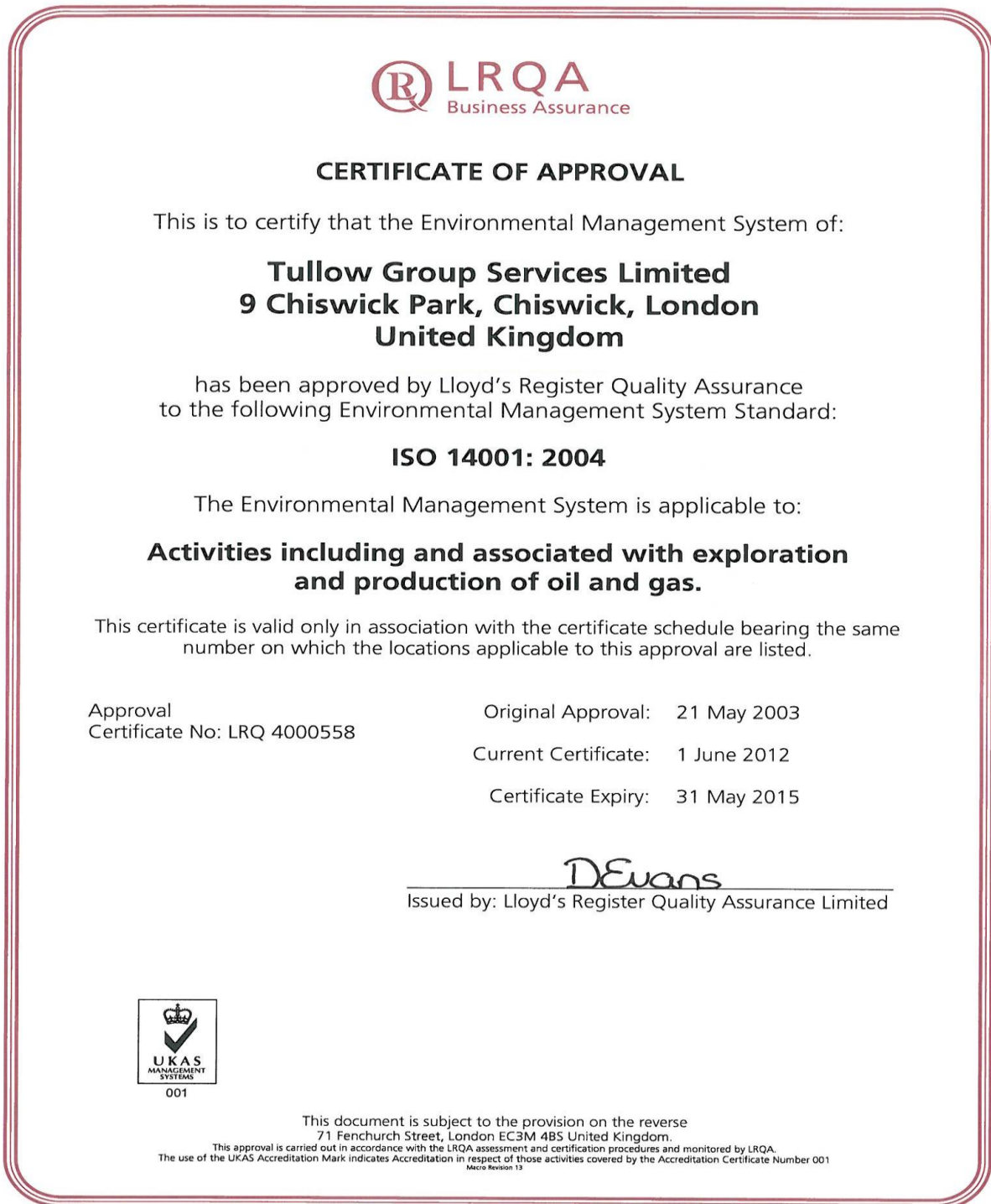
In adhering to this Policy, everyone in Tullow or working on our behalf is empowered to stop any activity they regard as irresponsible or unsafe.

Aidan J Heavey
Chief Executive Officer, Tullow Oil plc
May 2012

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Figure 3.3: Tullow's ISO 14001 certification



Tullow Group Services Limited was recertified for ISO 14001: 2004 compliance during April 2015 (LRQA reference: LRQ4000558/0047). The certificate is not yet available.

4. 2014 Environmental Reporting

4.1 2014 UKCS OFFSHORE PRODUCTION OPERATIONS

Both the Schooner A and Ketch A platforms were producing in 2014. On the 10th October 2014, operatorship of the Schooner A Platform and the Ketch A Platform transferred from Tullow Oil SK Limited to Faroe Petroleum.

The Horne, Wren and Wissey reservoirs have depleted to a stage where none of the existing wells sustain production, and the Thurne and Orwell pipelines are shut in and depressurised. The infrastructure will be decommissioned as part of the wider Thames Area Decommissioning Programme, with Phase One planned for 2015.

4.2 2014 SUMMARY OF REPORTABLE EMISSIONS

Reportable emissions for the Schooner A Platform and Ketch A Platform are provided in Table 4.2. As a result of the transfer of operatorship, the split in reportable emissions is described in Table 4.1 below.

Table 4.1: Reportable Emissions - Operator Split

Environmental Indicator	Operator Split
Atmospheric Emissions	Annual report – reported entirely via the Tullow Public Statement.
Chemicals	Use/discharge between 01.01.14 and 09.10.14 reported via the Tullow public statement. Use/discharge between 10.10.14 and 31.12.14 reported via the Faroe Petroleum Public Statement.
Waste	Annual report – reported entirely via the Tullow Public Statement.



Table 4.2: Tullow's 2014 UKCS Reportable Emissions

Environmental Indicator	Unit	Schooner A Platform	Ketch A Platform
Gas/Oil Production			
Producing Assets	-	1	1
Environmental Incidents			
Chemical release	No. incidents	0	0
Hydrocarbon releases	No. incidents	0	0
Atmospheric Emissions*			
Fuel Consumption (diesel)	Tonnes	91.6	87.45
Flaring (natural gas)	Tonnes	2.88	1.92
CO ₂	Tonnes	302.3	286.0
CO	Tonnes	1.5	1.4
NO _x	Tonnes	5.6	5.3
N ₂ O	Tonnes	0.0	0.0
SO ₂	Tonnes	0.4	0.4
CH ₄	Tonnes	0.0	0.0
VOC	Tonnes	0.2	0.2
Chemical Usage and Discharges**			



Environmental Indicator	Unit	Schooner A Platform	Ketch A Platform
Gold (use / discharge)	Kilogrammes	92 / 92	46 / 46
SUB** *(use / discharge)	Kilogrammes	92 / 92	46 / 46
A (use / discharge)	Kilogrammes	0 / 0	0 / 0
B (use / discharge)	Kilogrammes	0 / 0	0 / 0
C (use / discharge)	Kilogrammes	0 / 0	0 / 0
D (use / discharge)	Kilogrammes	25 / 25	0 / 0
E (use / discharge)	Kilogrammes	0 / 0	0 / 0
Waste			
Special (Group I) Hazardous	Tonnes	1.2 - Recycling 1.55 - Treatment	1.5 - Recycling 0.1 - Incineration 0.4 - Treatment
General (Group II) Non-hazardous	Tonnes	6.710 - Recycling 1.46 - Landfill 38.500 - Grey water to sea	2.38 - Recycling 0.78 - Landfill 31.50 - Grey water to sea
Other (Group III)	Tonnes	0.0	0.0

Notes:

*Atmospheric emissions have been calculated using Oil and Gas UK emission factors, and the Emissions Factors for Gas Venting (natural gas). Data as reported in the Environmental Emissions Monitoring System (EEMS).

**The chemical returns cover the period 01.01.14 until 09.01.14, when transfer of operatorship occurred.

***The SUB chemical figures are a sum of all chemicals (e.g. OCNS A, B, C, D, E, and Gold) assigned with a 'SUB' warning.



4.3 2014 ENVIRONMENTAL OBJECTIVES

As part of its EHS Plan, Tullow set a series of environmental objectives at a corporate (group) level for 2014. These objectives and their status at the end of 2014 are listed in Table 4.3 below.

Table 4.3: 2014 Environmental Objectives and Targets

LAGGING INDICATORS	Total Number	No. closed YTD	No. With Overdue Actions
Level 4 & 5 Incidents Ensure 100% closeout of all actual and potential Level 4/5 incidents including review, approval, and action close out.	25	21	0
LTI s Ensure 100% closeout of all LTI incidents including review, approval, and action close out	13	10	0
LAGGING INDICATORS	Target	No. YTD	12 month Average (rate)
Occupational Safety Achieve a 20% reduction in LTIF on a rolling average basis from 2013 performance (0.80) as part of a five year plan to achieve 1st Quartile OGP Performance.	20%	13	0.58
Environmental Protection Reduce Spills by 20% from 2013 performance. (0.47)	20%	15	0.67



5. 2015 Key Milestones and environmental goals

Corporately Tullow has set EHS objectives and targets for the business during 2015 which are listed below. These Corporate targets will be taken and tailored to become Business Unit specific to reflect the particular set of challenges associated with that particular operation.

Table 5.1: 2015 Corporate Objectives and Targets

LAGGING INDICATORS
<p>Level 4 & 5 Incidents</p> <p>Ensure 100% closeout of all actual and potential Level 4/5 incidents including review, approval, and action close out.</p>
<p>LTIs</p> <p>Ensure 100% closeout of all LTI incidents including review, approval, and action close out.</p>
<p>Occupational Safety</p> <p>Achieve a 20% reduction in LTIF on a rolling average basis from 2013 performance (0.80) as part of a five year plan to achieve 1st Quartile OGP Performance.</p>
<p>Environmental Protection</p> <p>Reduce Spills by 20% from 2013 performance. (0.47)</p>
<p>Process Safety – Operational Integrity</p> <p>Achieve no more than a rolling average of 3 (across the year) wells under construction that operate under a formal policy dispensation for barrier related issues (signed by the Tullow Group Well Engineering Manager).</p> <p>Achieve no more than 5% of production wells (producing, injecting or shut in) of total well stock operating under a formal written well integrity dispensation for production wells(signed by the Tullow Group Well Engineering Manager).</p>

LEADING INDICATORS
<p>Investigations and Learning</p> <p>At the Group level, instigate quarterly reviews of 'lessons to be learned' from Level 4 and 5 incidents, with reviews led by an RBM or BUM from outside the region in which the incident occurred.</p> <p>At the Regional Level, conduct a follow-up of corrective actions arising from 2013 investigations for Level 4 and 5 and LTIs to assess sustainability of improvements, including how the lessons were shared and what actions were taken to prevent reoccurrence.</p>
<p>Process Safety</p> <p>Ensure 100 % of offshore and greater than 95% of onshore contracted drilling rigs operate under an independently verified IADC, or equivalent, Safety Case regime within 3 months of well spud. (Tracked Quarterly).</p> <p>Undertake independent verification of 100% of producing asset Safety Cases and ensure that 100% of Tullow-</p>



operated new developments have either a Safety Case or COMAH before first oil.

Environmental and Social Performance

Execute GVP – Safety, Sustainability, and External Affairs level assurance for all ESMPs prior to 2014 operation start-ups.

Execute GVP – Safety, Sustainability, and External Affairs level assurance to ensure delivery of ESMP commitments for all 2014 project completions.

Occupational Safety - Land Transport (LT)

Conduct LT Gap Analysis in all BUs by the end of Q2 for Green, Q3 for Amber, and more than this Red.

Ensure all BUs have LT Management Plans verified by end 2014.

Health

Achieve compliance with the Travel Fitness to Work portion of the Medical Fitness to Work Procedure.