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Faroe Petroleum (UK) Limited
Environmental Management System
2014 OSPAR Public Statement

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ABBREVIATIONS

BMS	Business Management System
CH ₄	Methane
CMS	Caister Murdoch System
CO	Carbon Monoxide
CO ₂	Carbon Dioxide
DECC	Department of Energy and Climate Change
EMS	Environmental Management System
HSE	Health, Safety and Environment
NO _x	Oxides of Nitrogen
N ₂ O	Nitrous dioxide
NUI	Normally Unmanned Installation
OCNS	Offshore Chemical Notification Scheme
OSPAR	Oslo Paris Convention
SK	Schooner and Ketch
SO ₂	Sulphur Dioxide
SUB	Candidate for Substitution
TGT	Theddlethorpe Gas Terminal
UKCS	United Kingdom Continental Shelf
VOC	Volatile Organic Compounds

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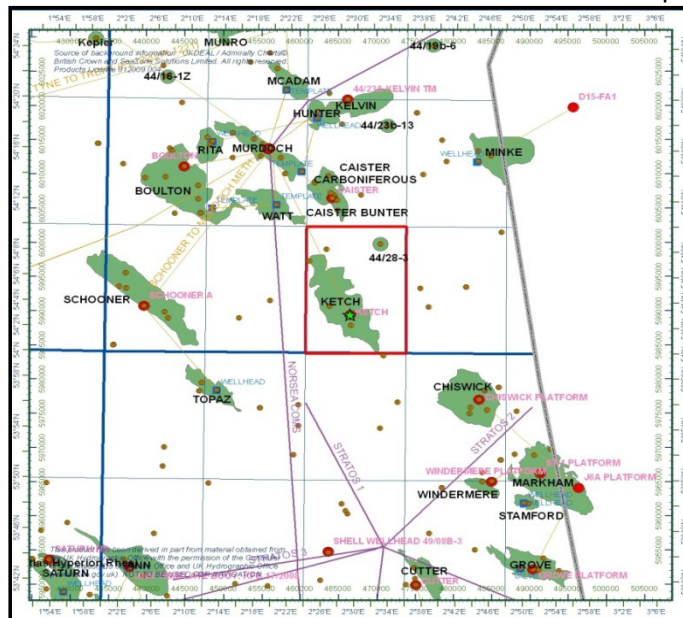
1 Introduction

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

2 Faroe's UKCS Operations

Faroe is an independent oil and gas group focused on exploration, appraisal and production in Norway, the Atlantic Margin and the UKCS. Faroe recently (10th October 2014) acquired two producing assets (Schooner and Ketch) from Tullow Oil SK Limited both of which are located within the UK Southern North Sea gas basin. The Schooner and Ketch fields are located within Block 44/26a, and Blocks 44/28b respectively, approximately 150 kilometres from the Theddlethorpe Gas Terminal (TGT) on the Lincolnshire coast.

Figure 2.1. Location of the Schooner and Ketch Field Developments



Both the Schooner and Ketch field platforms (Figure 2.2) are four legged, twelve slot Normally Unmanned Installations (NUI). The wells are remotely controlled from the Murdoch Field platform through which the

gas is exported and where separation and compression occurs, before being transported via the ConocoPhillips operated Caister Murdoch System (CMS) Infrastructure to the TGT for processing.

Figure 2.2. Schooner and Ketch NUIs



3 The Environmental Management System

The Business Management System (BMS) in operation within Faroe has been designed to incorporate the elements of an Environmental Management System (EMS) which aims to:

- achieve full compliance with the OSPAR Recommendation 2003/5 to promote the use and implementation of Environmental Management Systems by the offshore industry;
- achieve the general objectives of the OSPAR offshore strategy;
- achieve the environmental goals of the prevention and elimination of pollution from offshore sources and of the protection and conservation of the maritime area against other adverse effects of offshore activities; and
- maintain continual improvement in environmental performance.

The EMS elements:

- have been implemented at a strategic level and integrated into corporate plans and policies;
- identify the organisation's impacts on the environment and set clear objectives and targets to improve its management of these aspects and the organisation's overall environmental performance;
- ensure preventative actions are incorporated to avoid negative impact to the environment;
- are designed to deliver and manage compliance with environmental laws and regulations on an ongoing basis, and to quickly initiate corrective action where potential cases of legal non-compliance are identified;
- identify Faroe's significant resource use and aim to deliver good resource management; and
- incorporate assured requirements and performance metrics that demonstrate the above and can be communicated in a transparent manner.

Figure 3.1. Faroe’s Health Safety and Environment (HSE) Policy



Faroe

HSE Policy Statement

Faroe Petroleum is committed to high standards of health, safety and environmental performance across its business. The health and safety of people, and the protection of the environment and compliance with applicable legal requirements and industry best practice are critical to the overall success of our company.

Environmental Policy

The Company’s environmental policy is to;

- avoid undesirable effects on the environment resulting from our activities
- assess risk and continuously improve environmental performance
- contribute to sustainable development

Safety Policy

The Company’s policy on safety is to;

- seek to prevent all accidents
- assess and control risk to people and assets
- strive for continuous safety improvements

Health Policy

The Company’s policy on health is to ensure;

- a good working environment characterised by respect, trust and cooperation
- the avoidance of work related illnesses
- active health promotion, aiming at preventing health risks associated with the environment and life style of our employees

As an operator, Faroe Petroleum will seek to ensure that contractors have adequate organisations supporting their activity.

Performance will be routinely monitored and reported regularly to the Board of Directors, who will ensure that the necessary resources are provided to support this Policy fully.

September 2014


 John Bentley – Chairman


 Graham Stewart – CEO


 Tim Read


 Roger Witts


 Helge Hammer


 Jonathan R Cooper


 Jorunn Sætre

FARO-Q-PY-0007 Faroe HSE Policy

4 2014 Environmental Reporting

4.1 2014 UKCS Offshore Production Operations

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

4.2 2014 Summary of Reportable Emissions

Reportable emissions for the Schooner A and Ketch A Platform from 10th October to 31st December 2014 are as presented in Table 4.2. As a result of the transfer of operatorship, the split in reportable emissions is detailed 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 (Ref: T-GB-EHS-STM-0001).
Chemicals	Use/discharge between 01.01.14 and 09.10.14 reported via the Tullow public statement (Ref: T-GB-EHS-STM-0001). 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 (Ref: T-GB-EHS-STM-0001).

Table 4.2. Faroe's 2014 UKCS Reportable Emissions

Environmental Indicator	Unit	Schooner A Platform	Ketch A Platform
Gas Production			
Producing assets	-	1	1
Drilling Activities			
Wells drilled	No. of wells	0	0
Environmental Incidents			
Chemical release	No. of incidents	0	0
Hydrocarbon releases	No. of incidents	0	0
Atmospheric Emissions			
Fuel consumption (diesel)	Tonnes	See Tullow Public Statement (Ref: T-GB-EHS-STM-0001)	See Tullow Public Statement (Ref: T-GB-EHS-STM-0001)
Flaring (oil/gas)	Tonnes		
CO ₂	Tonnes		
CO	Tonnes		
NO _x	Tonnes		
N ₂ O	Tonnes		
SO ₂	Tonnes		
CH ₄	Tonnes		
VOC	Tonnes		
Chemical Usage and Discharges *			
Gold (use / discharge)	Kilograms	0 / 0	0 / 0
SUB** (use / discharge)	Kilograms	0 / 0	0 / 0
A (use / discharge)	Kilograms	0 / 0	0 / 0
B (use / discharge)	Kilograms	0 / 0	0 / 0
C (use / discharge)	Kilograms	0 / 0	0 / 0
D (use / discharge)	Kilograms	0 / 0	0 / 0
E (use / discharge)	Kilograms	5,069 / 0	0 / 0
Waste			

Environmental Indicator	Unit	Schooner A Platform	Ketch A Platform
Special (Group I) Hazardous	Tonnes	See Tullow Public Statement (Ref: T-GB-EHS-STM-0001)	See Tullow Public Statement (Ref: T-GB-EHS-STM-0001)
General (Group II) Non-hazardous	Tonnes		
Other (Group III)	Tonnes		
Back Loaded Drill Cuttings	Tonnes		

* The chemical returns cover the period 10.10.14 until 31.12.14, 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.

5 2015 Objectives and Targets

As a new operator within the UKCS during the latter part of 2014, Faroe set corporate HSE objectives and targets for the business to meet during 2015 which are presented below.

Table 5.1. Faroe's HSE Objectives and Targets

Goal	Activity
1. Corporate HSE Activities	
1.1	Ensure the BMS fits with Faroe activities.
1.2	Promote a good and healthy working environment.
1.3	Ensure necessary HSE competence across Faroe business.
1.4	Ensure internal HSE reporting is completed.
1.5	Promote a good relationship with relevant HSE stakeholders (including authorities).
1.6	Establish and execute the Faroe annual HSE program and Audit Verification Plan.
1.7	Maintain risk registers – including compliance with the UK Corporate Governance Code.
2. HSE Follow up of Non-op / Partner Activities	
2.1	Follow up and support the non-operated activity (producing assets, exploration drilling, seismic,

	site-surveys, etc)
2.2	Ensure training and implementation of BMS “see to” requirement to ensure compliance with Faroe procedures.
3. Follow up of Faroe Operational activity	
3.1	Ensure HSE commitments, submission of reports, applications and statements to Authorities within time limits.
3.2	Ensure follow up of an effective environmental aspects register for Schooner and Ketch.
3.3	Ensure maintenance of emergency response organisation in the UK.
3.4	Zero serious injuries, high potential incidents or discharges to the environment.