ConocoPhillips

U.K. Environmental Performance Review
2017

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Cover Picture: The Ensco 92 rig working on Jupiter Area decommissioning in the Southern North Sea.

CAUTIONARY STATEMENT

This report contains forward-looking statements. We based the forward-looking statements on our current expectations, estimates and projections about ourselves and the industries in which we operate in general. We caution you these statements are not guarantees of future performance as they involve assumptions that, while made in good faith, may prove to be incorrect and involve risks and uncertainties we cannot predict. In addition, we based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecast in the forward-looking statements. Economic, business, competitive and other regulatory factors that may affect ConocoPhillips' business are set forth in ConocoPhillips' filings with the Securities and Exchange Commission (including in Item 1A of our Form 10-K), which may be accessed at the SEC's website at www.sec.gov.

1. Introduction

The purpose of this report is to provide stakeholders and the public with an overview of ConocoPhillips operations and environmental performance in the U.K. for 2017.

This report aims to:

- Describe our main assets and activities
- Provide a brief overview of environmental management within the company
- Provide details on key environmental aspects and their impact
- Summarise the environmental performance of our U.K. business and detail the progress against objectives for the year

ConocoPhillips

ConocoPhillips is the world's largest independent exploration and production (E&P) company based on proved reserves and production of liquids and natural gas. We explore for, produce, transport and market crude oil, bitumen, natural gas, natural gas liquids and liquefied natural gas on a worldwide basis. As of Dec. 31, 2017, we had operations and activities in 17 countries.

ConocoPhillips' operations generally include a strong base of legacy production and an inventory of low cost of supply investment opportunities. The company also pursues focused conventional and unconventional exploration that over time can add to the company's low cost of supply resource base.

ConocoPhillips has operated in Europe for more than 50 years, with significant developments in the U.K. and Norwegian sectors of the North Sea. These include the Greater Britannia, J-Area and Southern North Sea (SNS) fields in the U.K. and the Greater Ekofisk Area in Norway. The company also conducts exploration activity in both Norway and the U.K. After 45 years of production from the Southern North Sea the focus of activity has now changed to decommissioning.

ConocoPhillips, through its entities: ConocoPhillips (U.K.) Limited, ConocoPhillips Petroleum Company U.K. Limited, ConocoPhillips (U.K.) Britannia Limited and Burlington Resources (Irish Sea) Limited together operate as the ConocoPhillips U.K. Business Unit (UKBU).

Offshore in the U.K., ConocoPhillips is operator of, or has interests in, the following producing fields: Britannia, Britannia Satellites, Judy/Joanne, Jade, Jasmine, CMS Area, LOGGS Area, Calder, Millom, Dalton, Clair, Galleon and Nicol.

The company also has an obligation in the following decommissioning fields: Victor, Viking, Jupiter, MacCulloch, Don and Miller.

Onshore in the U.K., the company has interests in the Rivers Terminal at Barrow-in-Furness, the Teesside Oil Terminal at Seal Sands, Middlesbrough and the Theddlethorpe Gas Terminal at Mablethorpe in Lincolnshire.

At ConocoPhillips, keeping people and assets safe, and being good stewards of the environment are critical to running our business well. Our SPIRIT Values — Safety, People, Integrity, Responsibility, Innovation and Teamwork — inspire our actions, they unify our organisation and we stake our reputation on being accountable to our stakeholders, communities and each other.

S — **SAFETY**
We operate safely.

P — **PEOPLE**
We respect one another, recognising that our success depends upon the commitment. capabilities and diversity of our employees.

I — **INTEGRITY**
We are ethical and trustworthy in our relationships with stakeholders.

R — **RESPONSIBILITY**
We are accountable for our actions. We are a good neighbour and citizen in the communities where we operate.

I — **INNOVATION**
We anticipate change and respond with creative solutions. We are agile and responsive to the changing needs of stakeholders and embrace learning opportunities from our experience around the world.

T — **TEAMWORK**
Our "can do" spirit delivers top performance. We encourage collaboration, celebrate success, and build and nurture long-standing relationships.

2. Achievements

Some of the key accomplishments of the UKBU during 2017 were:

The ConocoPhillips 10-year Decommissioning Activity Matrix was recognised by the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) as making a significant contribution in enabling them to complete their Strategic Habitats Regulations Assessment of proposed activities within or adjacent to two marine protected areas.

This allowed the Approval to be granted by OPRED for ConocoPhillips' first Decommissioning Programme for pipeline infrastructure (Viking, VDP1b).

In the J-Area, the Jasmine Development drilling programme recommenced after a two-year break.

In the MacCulloch field, a light well intervention vessel was used to carry out the initial suspension stages on 11 wells. This optimised the work scope for the future well abandonment programme, whilst also reducing safety and environmental risk.

Process Safety Barrier awareness training was developed and delivered to more than 600 personnel. This increased process-related near miss reporting and allowed other operating integrity training and procedural improvements to be identified.

The Viking export pipeline flushing programme was completed in February and the Viking B platform complex completed its transition to the 'cold suspension' phase of decommissioning by July.

Decommissioning operations commenced in the Jupiter Area of the Southern North Sea here, in a U.K. first, laser cutting technology was trialled successfully to cut the conductors on the Ganymede satellite wells. Each conductor was cut in two days: reducing risk and improving efficiency within our operations.

U.K. HSE Policy

Policy Statement Commitment

ConocoPhillips (U.K.) Limited is committed to protecting the health and safety of everybody who plays a part in our operations or lives in the communities in which we operate. Wherever we operate, we will conduct our business with respect and care for both the local and global environment and will systematically manage risks to drive sustainable business growth.

We will not be satisfied until we succeed in eliminating all injuries, occupational illnesses, unsafe practices and incidents of environmental harm from our activities.

Organisation and Responsibilities

The ConocoPhillips U.K. President has overall accountability for the Health, Safety and Environmental (HSE) performance of our U.K. operations.

Health, Safety and Environmental staff with reporting lines to senior management are appointed at various locations throughout the Company. These personnel are responsible for providing advice and guidance on matters relating to the health, safety and welfare of employees and on environmental matters.

All managers and supervisors at ConocoPhillips are responsible and accountable for the health and safety of their staff by:

- Ensuring that all applicable Health, Safety and Environment legislation and codes are adhered to and that appropriate actions are taken to ensure a safe working environment.
- The active participation of all employees in the achievement of Health, Safety and Environmental objectives.
- Conducting all activities in accordance with the requirements of the Operating Management System (OMS).

Employees are responsible for ensuring they comply with relevant legislation and the OMS, to ensure prevention of harm to themselves, their colleagues and the environment.

Arrangements

To meet our Policy Statement, ConocoPhillips (U.K.) Limited will:

- Demonstrate active Health, Safety and Environmental leadership and communication of this policy.
- Comply with relevant laws and regulations.
- Maintain “stop work policies” that establish the responsibility and authority for all employees and contractors to stop work they believe to be unsafe.
- Provide medical services to give advice, guidance, support and monitoring on health-related matters.
- Include environmental considerations in our business decisions and minimise the impacts of our activities on the environment.
- Implement procedures to ensure that integrity and reliability issues, which have the potential to cause an HSE impact, are properly considered at all stages in the asset life cycle.
- Ensure that all employees and contractors understand that working safely is a condition of employment, and that everyone is responsible for their own safety and for minimising environmental impacts of our operations.
- Manage all projects and processes through their life cycles in a way that protects health and safety, prevents pollution and manages wastes.
- Develop safe systems of work for all potentially hazardous situations; identify and assess major accident hazards.
- Provide employees, contractors and suppliers with the training, knowledge and resources necessary to achieve our Health, Safety and Environmental commitments.
- Provide effective emergency response systems allowing onshore and offshore personnel to deal effectively with emergency situations.
- Measure, audit and publicly report Health, Safety and Environmental performance and maintain open dialogue with stakeholder groups.
- Promote and adhere to the ConocoPhillips Life Saving Rules.
- Work with the regulator and other stakeholders to continuously improve Health, Safety and Environmental performance.

Terri King

…… **Terri King**, President, ConocoPhillips U.K.

“Nothing is so urgent or important, that we cannot take time to do it safely and in an environmentally prudent manner”

UK-00655 February 2018

3. Environmental Management

As a company, ConocoPhillips is committed to conducting our business with respect and care for both the local and global environment.

The ConocoPhillips U.K. Health, Safety and Environmental (HSE) Policy provides a framework for the integrated management of environmental issues related to the UKBU activities. It commits the company to comply with environmental legislation and strive for continual improvement in environmental performance.

3.1 Environmental Management Process

The UKBU has implemented a dedicated environmental management process that is fully integrated within its Deming Cycle-based Operating Management System (OMS). The OMS provides the governance by which the company’s HSE Policy is implemented throughout our operations.

The UKBU environmental management process has been designed to meet the requirements of the ConocoPhillips global HSE Management System Standard, utilising the framework contained in the internationally recognised environmental management systems standard ISO 14001.

3.2 Environmental Management System Certification

Our Environmental Management System (EMS) applies to all activities onshore and offshore carried out by the UKBU. It is currently certified to the ISO 14001:2004 version of the standard. In July 2017, an auditor from an accredited, independent certification body assessed the continuing compliance of our EMS against this standard. Four minor non-conformities were raised during this visit, which were addressed in our internal processes and managed through to effective closure.

Progress continued throughout 2017 to transition our EMS to meet the requirements of the ISO 14001:2015 standard. Arrangements are in place for attainment of accredited re-certification to the revised standard in 2018.

4. **Sustainable** Development

ConocoPhillips' approach to sustainable development is driven by our commitment to responsibly provide oil and natural gas for the world's growing energy demand.

Our sustainable development approach is integrated into the company's planning and decision making with a foundation of policies and positions, action plans, performance indicators, engagement and transparent reporting. Our governance model extends from the Public Policy Committee of the board of directors, through the executive team, to company leaders and subject matter experts. Business unit and functional sustainability risk assessments provide specific focus on significant issue areas, including climate change, water, biodiversity, stakeholder engagement and social responsibility.

Further information is available in the ConocoPhillips Sustainability Report:
www.conocophillips.com/company-reports-resources/sustainability-report/

A Minke Whale (Balaenoptera acutorostrata) surfaces in the Southern North Sea (Caister satellite and Murdoch platform complex in the background).

4.1 Viking and LOGGS Area Decommissioning

Marine Protected Areas (MPAs) are a key part of the European biodiversity strategy. Their purpose is to protect and conserve species, habitats, ecosystems or ecological processes of the marine environment and to strike a balance between this and economic activity to ensure the sustainable use of marine resources.

The UKBU is working to address the challenge of decommissioning the infrastructure associated with the Viking and LOGGS offshore gas production and export facilities, installed in the Southern North Sea (SNS) more than 30 years ago. Since that time, the offshore location where the Viking and the LOGGS infrastructure is situated is also now within the boundaries of two overlapping designated offshore MPAs.

- The 'North Norfolk Sandbanks and Saturn Reef, Special Area of Conservation (SAC)' is the most extensive example of the sandbank habitat type in UK waters, supporting communities of invertebrates typical of sandy sediments. Areas of biogenic reef are also present in the form of large accumulations of sand-tubes made by *Sabellaria spinulosa* (a polychaete worm).

- The 'Southern North Sea Candidate Special Area of Conservation (cSAC)' is designated for the protection of harbour porpoise *Phocoena phocoena*. This covers an area of 36,951 square kilometres and supports an estimated 17.5 percent of the U.K. North Sea Management Unit harbour porpoise population.

Working within or adjacent to designated MPAs has influenced the design of UKBU Decommissioning Programmes, promoting opportunities to reduce the environmental impact of our activities. The UKBU has applied the principles of the ConocoPhillips Biodiversity Position and Stakeholder Engagement practices to guide their SNS decommissioning strategy.

Following comprehensive risk assessment, our preferred option for the decommissioning of infield pipelines located within a MPA is to flush the pipelines to remove any mobile hydrocarbon residues and then leave them on the seabed with minimum intervention (that is the burial of cut pipeline ends or placement of rock over them, to reduce potential hazards to other users of the sea).

The Offshore Petroleum Regulator for Environment and Decommissioning (OPRED, a unit within the Department for Business Energy and Industrial Strategy) must determine the implications of a proposed offshore Decommissioning Programme for the conservation objectives of a MPA. They must also assess whether there is the likelihood of significant environmental impact occurring, either from an individual programme or in combination with other plans or projects proposed in the area. The decision-making procedure applied by the regulator to make this determination is known as a Habitats Regulations Assessment (HRA).

The UKBU has developed an activity matrix that identifies all decommissioning activities proposed to be undertaken by ConocoPhillips within the MPA over a 10-year period. It also quantifies their potential area of impact. The information provided by the UKBU was recognised by OPRED as making a significant contribution in enabling them to complete their Strategic HRA of proposed activities within the North Norfolk Sandbanks and Saturn Reef (Special Area of Conservation). OPRED concluded that the physical impacts arising from the planned decommissioning activities will not have an adverse effect upon the integrity of the North Norfolk Sandbanks and Saturn Reef SAC. Although the potential impacts from the proposed activities within the Southern North Sea cSAC may cause temporary and localised disturbance to harbour porpoise and their prey species, impacted individuals will locate to other suitable sites within the MPA and the overall integrity of this site would not be adversely affected. This addressed the remaining environmental concerns associated with the UKBU Decommissioning Programmes for the Viking Satellites Infield Pipelines (VDP1b) and for the LOGGS Satellites Vulcan UR, Viscount VO, Vampire OD and Associated Infield Pipelines (LDP1), which were approved by OPRED in November 2017.

In support of our approach to leave the infield pipeline infrastructure in place, and agreed with OPRED, a post-decommissioning monitoring programme has been developed to inspect the pipelines to identify emerging risks to other users of the sea and future remediation requirements. The total number of surveys required and their frequency will be determined on a case-by-case basis, dependent on the physical environmental conditions, socio-economic activities and the environmental sensitivities of the area.

Plantwise – Winner of the 2017 St Andrews Prize for the Environment.

4.2 The St Andrews Prize for the Environment

The St Andrews Prize for the Environment is a joint environmental initiative by the University of St Andrews and ConocoPhillips. The Prize rewards innovative, practical solutions to environmental problems, which can be replicated in different regions of the world, taking account of their social and economic implications. Since its launch in 1998, the Prize has attracted more than 5,400 entries from around the world and donated approximately two million U.S. dollars to environmental initiatives on a wide range of topics including: sustainable development, urban regeneration, waste and recycling, water, biodiversity, environmental health and sanitation issues, renewable energy, wildlife conservation, reducing human with animal conflict, food supply, and land use and maintenance.

www.thestandrewsprize.com

The St Andrews Prize for the Environment winner in 2017 was:

Plantwise – Increasing Food Security Across the Globe
Led by the Centre of Agriculture and Bioscience International (CABI), Plantwise is a collaboration working with more than 200 partners worldwide at a local, national and global level to increase food security and improve rural livelihoods. Plantwise has established networks of local plant clinics, where farmers can obtain climate-smart agricultural advice from trained plant doctors. Through these clinics, crop yields and farm incomes are increased, while the use of hazardous pesticides (which affect both human and environmental health) is decreased.

The runners-up in 2017 were:

The Pump, the Fish and the Garden – Aquaponics
Community Hopes Alternatives Inc. (CHAI), working in collaboration with the Bureau of Fisheries and Aquatic Resources (BFAR) and the Municipal Government of Pagbilao (MGP), uses aquaculture in an innovative way to provide food and nutrition to poor communities in the Philippines. The Aquaponics system uses the waste produced by farmed fish or other aquatic creatures to supply nutrients for vegetable plants grown hydroponically, which in turn purify the water. CHAI's modification of the traditional hydroponic process means that Aquaponics pumps can be introduced at a household level, where resources and space are limited.

The Solar Socket – Bringing Light to Health
Dulas Ltd have adapted their solar-powered refrigerators to act as stand-alone power sources for health care centres in disaster zones and unindustrialised regions.
The Solar Socket is a small panel of USB and car charger sockets for multi-purpose use, which plugs directly into the front of the refrigerator. The refrigerator remains able to operate with full temperature stability, and can now create a fully energised health centre with lighting and medical equipment. This innovation allows for a very basic setup to become more efficient and intelligent, empowering any facility to offer high-quality care.

5. U.K. Operations

ConocoPhillips UKBU Average Daily Net Production - 2017

Area	Interest	Operator	Crude Oil (thousand barrels per day)	NGL (thousand barrels per day)	Natural Gas (million cubic feet per day)	Total (thousand barrels of oil equivalent per day)
Britannia	58.7%	ConocoPhillips	2	1	68	14
Britannia Satellites	26.3%–87.5%	ConocoPhillips[1]	12	1	84	27
J-Area	32.5%–36.5%	ConocoPhillips	7	2	60	19
Southern North Sea	Various	ConocoPhillips	-	-	46	8
East Irish Sea	100%	Spirit Energy	-	-	14	2
Other	Various	Various	4	-	4	5
UK Total			**25**	**4**	**276**	**75**

[1] Includes Chevron operated Alder field.

5.1 J-Area

Judy/Joanne
Commercial oil production and gas sales from the J-Area's Judy/Joanne fields began in 1997. The Judy platform and bridge-linked Judy riser platform (JRP) are in Block 30/07a of the Central North Sea, approximately 260 kilometres south-east of Aberdeen. Joanne is a single subsea manifold tied back to the Judy platform. The Judy facilities provide full processing and conditioning of gas and condensate from the Judy, Joanne, Jade and Jasmine fields.

Gas processed on the Judy platform is transported through the Central Area Transmission System (CATS) pipeline, and liquids are transported to Teesside through the Norpipe system.

Jade
The Jade field came on stream in 2002 and consists of a normally unmanned platform tied back to Judy.

Jasmine
The Jasmine development lies approximately 8.5 kilometres west of the Judy production facility. It comprises a Jasmine Wellhead Platform (JWHP) and an accommodation and utility platform bridge-linked to the JWHP and a multiphase pipeline from the JWHP to the JRP. The Jasmine field began production in 2013.

The *COSL Rival* mobile accommodation unit, remained stationed at the Judy platform until the end of the first quarter of 2017, allowing completion of the J-Area Power Generation Improvement project and asset integrity workscopes.

In the first quarter of 2017, work was completed on replacement of the subsea control umbilical (six kilometres in length) that runs from the Judy platform to the Joanne subsea manifold; all hydraulic jumpers at the Joanne manifold were also changed out. The operations were carried out from a dive support vessel and a construction support vessel on location.

A well intervention campaign was carried out at the Jade platform and, in November, Jasmine development drilling recommenced after a two-year break. The first well in the series, Jasmine S10, targeted a higher Palaeocene reservoir than previous Jasmine wells.


View of the Judy Riser Platform, which is bridge-linked to the Judy platform.

5.2 Greater Britannia Area

Britannia

Britannia is one of the largest natural gas and condensate fields in the North Sea. It lies approximately 210 kilometres north-east of Aberdeen, primarily in Block 16/26 in the Central North Sea. The Britannia field is produced through the Britannia platform and a subsea centre located to the west. The Britannia Bridge-Linked platform (BLP) is connected to the Britannia platform by a 92-metre bridge. It receives gas condensate and oil from the Britannia Satellite fields, these are passed through to the Britannia platform for further processing, compression and export.

Condensate is delivered through the Forties Pipeline to the oil stabilisation and processing plant, Kerse of Kinneil, near the Grangemouth Refinery in Scotland, and natural gas is transported through a dedicated Britannia pipeline to the Scottish Area Gas Evacuation (SAGE) facility at St. Fergus, Scotland.

Britannia Satellites – Brodgar, Callanish and Enochdhu

The Brodgar field is located in Block 21/3 and the Callanish field in Blocks 15/29b and 21/4a. Production from both fields started in 2008. The fields produce via subsea manifolds and pipelines linked to the Britannia facilities. A third Brodgar well was completed and brought on stream in 2015.

Enochdhu is a single well tie-back to Callanish located in Block 21/5a, approximately 8 kilometres southeast of the Callanish subsea manifold. The Enochdhu field began production in 2015. Enochdhu production fluids are commingled with Callanish fluids and flow to the Britannia BLP via the existing Callanish facilities.

Alder

Alder is a high-pressure, high-temperature (HP/HT) gas condensate reservoir located in in Block 15/29a, 27 kilometres west of the Britannia facilities. The Alder development comprises a single subsea well tied back to the Britannia BLP. It is remotely operated by ConocoPhillips on behalf of Chevron. First production from the Alder field through the Britannia facilities was achieved in 2016.

During July and August there was a 36-day planned Britannia platform turnaround, with a total 27,000 hours worked across a range of complex activities. The turnaround was completed and the plant brought safely back to production one day ahead of schedule, and within permitted limits for the produced water discharge.

The Britannia Installation Safety Case, submitted under ConocoPhillips (U.K.) Britannia Limited duty-holdership, was accepted under the requirements of the Safety Case Regulations 2015. This required an assessment of whether the major accident hazards scenarios identified could cause environmental damage to aid in the identification of Safety and Environmentally Critical Elements.

The Britannia Platform.

The 'single vessel operations' model deployed for decommissioning at Vampire in the Southern North Sea.

5.3 East Irish Sea

ConocoPhillips' interests in the East Irish Sea include the Rivers Terminal at Barrow-in-Furness and six gas fields: Millom, Dalton, Calder, Darwen, Crossens and Asland. ConocoPhillips' assets in the East Irish Sea are operated by Spirit Energy.

Environmental data is reported under the public statement for Spirit Energy.

Calder produces sour gas. It was developed with an unmanned platform and three development wells feeding to a producing platform and then through a pipeline to the Rivers Terminal. Options for developing the additional sour gas fields of Darwen, Crossens and Asland will be considered once the Calder Field begins to decline.

Sweet natural gas from the Millom and Dalton fields is produced through a platform and two subsea manifolds. The natural gas is fed through to the third-party North Morecambe Terminal via the North Morecambe platform.

The Rivers Terminal processes sour gas from the Calder Field, providing compression and removing hydrogen sulphide before piping the sweetened gas to the third-party North Morecambe Terminal for further processing, including nitrogen removal.

The North Morecambe and Rivers Terminals were shut down by Spirit Energy for 8 months of 2017 to undertake asset integrity workscopes.

5.4 Southern North Sea

ConocoPhillips has various interests in producing gas fields in the Rotliegendes and Carboniferous areas of the Southern North Sea (SNS).

CMS

The Caister Murdoch System (CMS) consists of the Murdoch platform complex, the Caister satellite platform and the gas trunk line to the Theddlethorpe Gas Terminal. CMS acts as a hub for Boulton, CMS III, Katy, Kelvin, Munro and the Murdoch Fields and also provides third-party transportation. The Caister Field ceased production in 2016.

LOGGS

The Lincolnshire Offshore Gas Gathering System (LOGGS) complex started operating in 1988. This facility receives natural gas from the V-fields (North Valiant, South Valiant, Vanguard and Vulcan), the Saturn Unit (Saturn, Mimas and Tethys), as well as third-party fields. The gas is forwarded on to the Theddlethorpe Gas Terminal via pipeline. Decommissioning is ongoing in the Jupiter, Vampire and Viscount fields.

Theddlethorpe Gas Terminal

Located in Lincolnshire, the Theddlethorpe Gas Terminal (TGT) receives and processes natural gas produced through the LOGGS and CMS systems, as well as that from third-party fields.

5.5 Decommissioning

MacCulloch

The MacCulloch field ceased production in 2015. The field is located in Block 15/24b. The wells were tied back via two subsea drilling centres to a floating production, storage and offloading (FPSO) vessel, which was removed from location during the first phase of MacCulloch field decommissioning also completed in 2015.

A light well intervention vessel was on location in the MacCulloch field between April and July, which undertook well intervention and suspension workscopes, assuring two verified barriers in all 11 MacCulloch subsea wells. This optimised the work scope for the future full well abandonment programme.

SNS Decommissioning Operations

The Southern North Sea (SNS) decommissioning 'final clean and disconnect' workscope has been developed by the UKBU to reduce the requirements for re-boarding satellite installations until the platform removal phase. It comprises purging the platform topsides and flushing and cleaning the infield pipelines: a state termed 'cold suspension' in which there are no hydrocarbons present and the facility is ready for removal from the field.

In support of the continued programme to prepare SNS assets for final decommissioning, a further 18 wells were plugged and abandoned and eight production pipelines and associated methanol pipelines were flushed and cleaned in 2017.

The Viking export pipeline flushing programme was completed in February and the Viking BD well abandonment programme was completed in April, which marked the conclusion of 45 years of Viking B hub operations. The main Viking B complex was declared to be in cold suspension by July. The *GMS Endurance* accommodation work vessel (AWV) was stationed at the Viking AR platform before going off hire to ConocoPhillips in February. The *Seajacks Leviathan* AWV was brought in from April to provide accommodation facilities to support the final workscopes at Viking B. No additional stabilisation material was required to position either AWV safely on the seabed at these locations. Viking satellite platform removal is scheduled to start in 2018.

The 'single vessel operations' model - using the *Ensco 92* drilling rig to undertake simultaneous well abandonment and final clean and disconnect workscopes - was successfully used in the LOGGS Area. The Jupiter Area, Vampire and Viscount facilities were all transitioned to cold suspension in 2017. The Jupiter Area Field Development Plan (approved by the Department of Trade and Industry in 1998) was the first in the U.K. to be supported by a public domain Environmental Statement under new legislation requiring environmental impact assessment of offshore oil and gas activities.

The UKBU decommissioning team collaborated with the operators of third-party owned facilities tied back to LOGGS to share knowledge and seek synergies. This resulted in a joint-run well abandonment campaign for the Ann, Alison and Kx subsea wells and in achieving the flushing of the Ann to LOGGS infield pipeline, with downhole reinjection of the fluids at LOGGS.

The final departure from the Viking AR platform.

5.6 Well Operations

The *Ensco 92* jack-up drilling rig continued its programme of well abandonments across the SNS assets. Improvements in the efficiency of operations are occurring on a well by well basis both in terms of techniques used and in maximising the utilisation of the rig by also undertaking decommissioning workscopes. During 2017, 18 wells were abandoned with operations carried out at the Europa EZ, Ganymede ZD, Vampire OD and Viscount VO platforms.

In April, the *Well Enhancer* light well intervention vessel was on location in the MacCulloch field where it carried out a 90-day pre-abandonment campaign, which entailed a series of intervention and suspension activities on the MacCulloch wells. This efficient approach will reduce the scope of work required for the future full abandonment programme that will be undertaken by a semi-submersible drilling rig.

In July, the *Ensco 120* jack-up rig came on hire to the J-Area, undertaking well intervention work at Jade before moving to the Jasmine platform to commence the second phase of the Jasmine development drilling programme.

The Ensco 120 drilling rig on location at Jasmine.

6. Environmental Aspects and Performance

6.1 Atmospheric Emissions

The main combustion processes giving rise to atmospheric emissions that are undertaken at our facilities in the U.K. are the generation of electrical power, the compression of gas and the pumping of oil for transportation along export pipelines to the shore. A small amount of reservoir gas provides the primary fuel source with diesel used as a back-up. Emissions from well operations are primarily from running diesel driven engines used for power generation by rigs. Flaring and venting are used to safely dispose of excess produced gas released as a result of pressure control within the process system during oil and gas production and during unplanned events. Flaring and venting is restricted to the minimum required for the safe operation of the installations. Flaring is also used to remove hydrocarbons produced during well testing and clean-up following drilling.

Greenhouse Gas Emissions

The primary greenhouse gases (GHG) in the Earth's atmosphere are: water vapour, carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and ozone. ConocoPhillips calculates the amount of CO_2, CH_4 and N_2O, produced from their activities and express the total as their GHG emissions in CO_2 equivalent units (CO_2e) (a measure used to compare the emissions from various greenhouse gases based upon their global warming potential (GWP) relative to CO_2 which is assigned a GWP of 1). GWP factors of 25 for CH_4 and 298 for N_2O are used to convert to CO_2e.

The European Union GHG Emissions Trading System (EU ETS) is Europe's key tool for cutting GHG emissions from large-scale facilities in the power and industry sectors, as well as from the aviation sector. The EU ETS governs all CO_2 emissions from qualifying facilities. The third trading period (EU ETS Phase III) runs from 2013 to 2020 and is designed to deliver greater emissions reductions. It includes a centralised, EU-wide cap on emissions, which declines annually with the aim of delivering an overall 21% reduction of GHG emissions by 2020 (compared to a 2005 baseline). The Paris Agreement was adopted at the United Nations Climate Change Conference (COP-21) in 2015. This set a new global GHG emissions reduction framework starting from 2020.

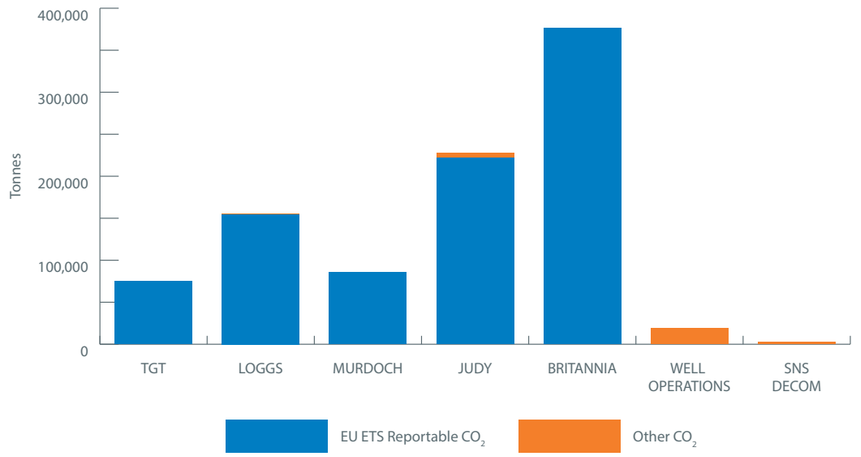
As part of the EU ETS, qualifying UKBU offshore installations and onshore terminals hold GHG emissions permits, which authorises them to emit CO_2 from the combustion of fuels. All qualifying UKBU facilities completed the 2017 EU ETS verification process and reported their verified CO_2 emissions within the required timeframe.

The Britannia and Judy platforms emitted the greatest amount of CO_2. This is due to their safety flaring requirements and their greater compression capacity compared with the Southern North Sea facilities. Atmospheric emissions from satellite platforms, decommissioning and rig-based activities are not reportable under EU ETS but are included in ConocoPhillips' company environmental metrics reporting and are shown here as 'Other CO_2 emissions'.

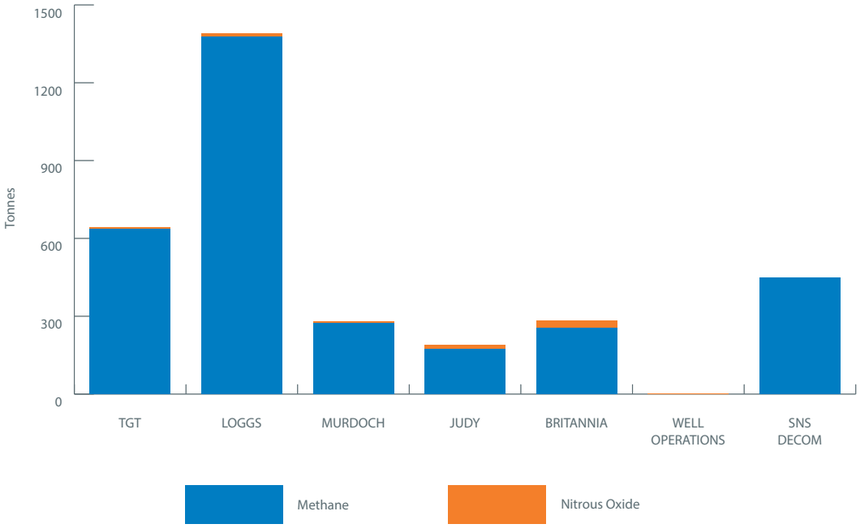
In December 2017, the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) carried out an Inspection of UKBU EU ETS Management. No findings and only two minor procedural improvements were identified, both of which have been addressed.

Methane is the main component of natural gas. Most of the methane that is released to the atmosphere from our UKBU activities is through venting. This is the controlled release of uncombusted gas, with smaller amounts released due to the incomplete combustion during flaring, power generation and compression.

CO_2 Emissions from ConocoPhillips UKBU Locations 2017



Methane and Nitrous Oxide Emissions from ConocoPhillips UKBU Locations 2017



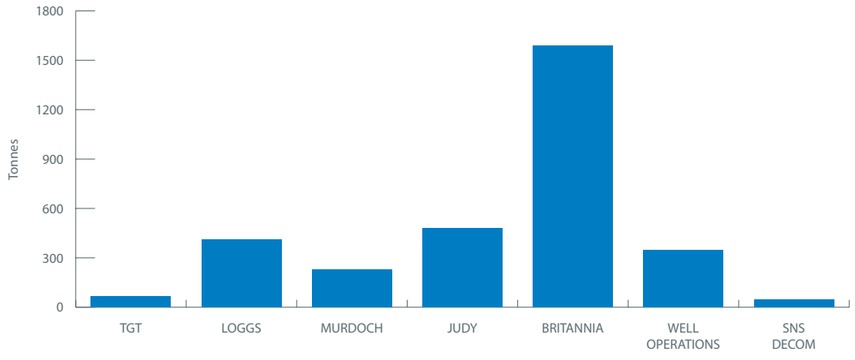
Other Atmospheric Emissions

The Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013 (PPC) regulate atmospheric emissions (with the exception of CO2) from offshore oil and gas facilities. The Judy, Britannia, LOGGS and Murdoch platforms each hold a PPC permit that specifies maximum annual amounts of emissions of the gases: nitrogen oxides; sulphur oxides; carbon monoxide; methane; and non-methane volatile organic compounds. The quantity of gases emitted to air are calculated based on fuel consumption and composition data and industry-agreed emission factors. The emissions generated from the combustion of fuels at our UKBU facilities, reported in 2017, were within the maximum permitted limits for each asset.

Nitrogen oxides (NOx) are produced by chemical reactions between oxygen and nitrogen present in air during combustion and are generated in the gas compression and power generation turbines as well as in smaller diesel engines. NOx includes nitrogen monoxide and nitrogen dioxide. For new applications, ConocoPhillips has a proven record of installing low NOx emissions gas turbines. This technology is utilised on the Murdoch platform, Judy Riser Platform and on the Britannia Long Term Compression (LTC) facility, as well as at the Theddlethorpe Gas Terminal (TGT).

A total of 3,170 tonnes of NOx emissions were reported from our UKBU locations in 2017. The amount emitted from individual facilities is dependent on turbine type, fuel type and individual operating profile. The greatest contribution to our NOx emissions was from the Britannia platform, which, in addition to running two gas export compressors, operates a booster compressor for the LTC facility. Due to the platform turnaround and export pipeline outages, the Britannia platform also used more diesel fuel in 2017, which increased NOx emissions compared to the previous year.

Nitrogen Oxides Emissions from ConocoPhillips UKBU Locations 2017



6.2 Discharges to Sea

Oil Discharges

The Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005 (as amended) (OPPC) regulate oil discharges to sea via a permit system.

Water from oil and gas reservoirs (more commonly called produced water) is one of the largest sources of discharges to sea from the offshore oil and gas industry. The UKBU produces only a small percentage of the total produced water generated by the industry. Although there are treatment systems in place offshore to separate oil from the produced water, the discharge still has some residual oil content.

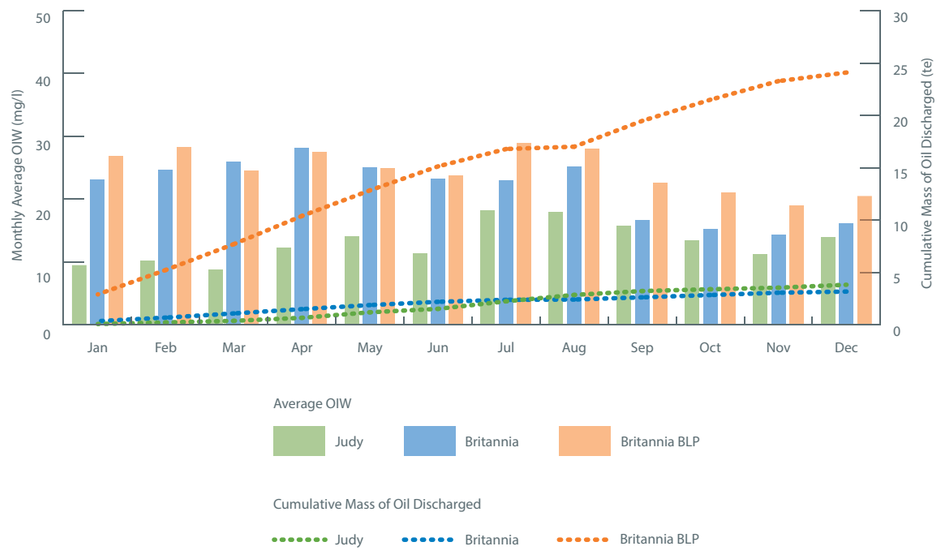
Throughout 2017, all UKBU produced water discharges maintained OPPC compliance with respect to the OPPC maximum monthly average concentration of 30 milligrammes of oil per litre of water (mg/l). There were two occasions in 2017 when the concentration of oil in the Britannia platform produced water discharge measured more than the 100 mg/l OPPC permit limit. A management plan for controlling produced water quality was included in the start-up procedure for the Britannia platform turnaround. The plant was brought safely back to production within permitted limits for the produced water discharge.

Produced fluids from our Southern North Sea (SNS) offshore facilities flow to Theddlethorpe Gas Terminal (TGT) with the export gas. There is no offshore discharge of produced water from these locations. The LOGGS facility is permitted to make periodic discharges to sea of sand and scale with entrained condensate.

The oil concentration in drainage discharges from offshore facilities is also regulated under OPPC. The Britannia, Judy, Jade, Jasmine and LOGGS platforms all have OPPC permits for their drainage discharges.

Short-duration (term) OPPC permits were in place to support pipeline flushing and cleaning operations for decommissioning operations in the SNS. All former production pipelines were cleaned to a concentration of below 30 milligrammes of hydrocarbons per litre of flush fluids.

Oil in Produced Water Discharges 2017



Chemical Discharges

Chemicals used for offshore oil and gas operations are regulated under the Offshore Chemicals Regulations 2002 (as amended). A key objective of these regulations is to minimise discharges to the marine environment and 'identify chemicals that might be considered hazardous and to ensure wherever possible their substitution by less hazardous or non-hazardous chemicals'.

A substitution warning is assigned to an offshore chemical if a component appears on the OSPAR prescribed lists for priority action, or if the component fails to meet set criteria with respect to persistence, bioaccumulation potential or toxicity.

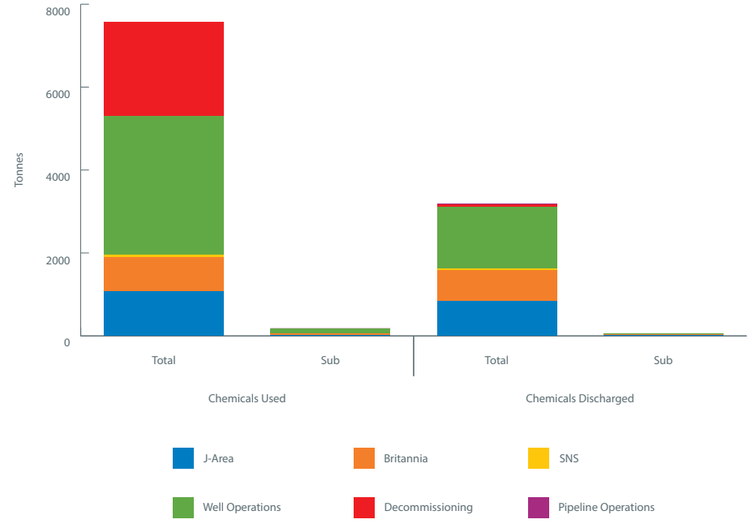
Each production platform within the UKBU that holds a chemical permit has a Chemical Substitution Plan that monitors where chemicals that carry a substitution warning are being used, justifies why these chemicals are required in the operation and identifies opportunities for their replacement with less hazardous alternatives. Typical production chemicals include; hydrate inhibitors, corrosion inhibitors, biocides, de-oilers and utility chemicals such as turbine wash and deck-cleaning agents. For J-Area and Britannia, methanol, ethylene glycol, corrosion inhibitor, wax inhibitor, scale inhibitor, demulsifier and deoiler are used in the largest quantities. Britannia also requires water-based hydraulic fluid to supply its subsea satellite facilities. J-Area chemical use increased in 2017 primarily due to a flow assurance project implemented to improve hydrogen sulphide removal from Jasmine field export gas. For Southern North Sea (SNS) installations methanol, corrosion inhibitor and water-based hydraulic fluid make up most offshore chemical use, whereas the discharge comprises deck and turbine-wash chemicals and hydraulic fluid.

Short-duration chemical permits were in place in 2017 to support well operations, pipeline operations and SNS decommissioning activities.

Well operations represent the largest chemical use and discharge within the ConocoPhillips UKBU, which comprises drilling mud, cement, completion and additive chemicals. With two rigs on hire in 2017, the amount of chemical usage increased compared to 2016.

The chemicals used for pipeline flushing for SNS decommissioning are presented under the chart for 'Decommissioning'. Chemicals varied dependent upon whether the original function of the pipeline was to transport hydrocarbons or to supply methanol or hydraulic fluid. The programmes typically used cleaning chemicals and ethylene glycol or methanol diluted in seawater. Discharges were minimised by using downhole reinjection or containment for onshore treatment and disposal wherever practicable.

Chemical Use and Discharge from ConocoPhillips UKBU Facilities in 2017



6.3 Waste

Directive waste is the term applied to waste types included in the scope of the EU revised Waste Framework Directive (WFD, Directive 2008/98/EC) and it is divided into two main categories: non-hazardous and hazardous waste. The latter is determined by whether the waste has one or more of the fifteen specified hazardous properties listed in Annex III to the WFD, using the methodology set out in the List of Wastes Decision (LoWD, 2000/532/EC).

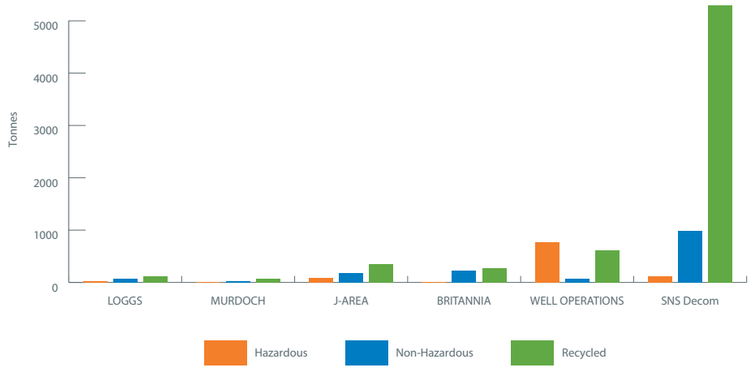
UKBU facilities work with waste management contractor companies to reduce waste, and to recycle and reuse items wherever possible. Non-hazardous waste types include packaging, galley and accommodation wastes, scrap metal and wood. Examples of hazardous waste include bulk liquid wastes from mobile accommodation or drilling units on hire, process sludges, oily rags, used chemicals, paint, batteries, fluorescent light tubes and electrical and electronic equipment.

To enable the safe recovery or disposal of waste without harming the environment, our duty of care as a waste producer is to accurately classify and describe all waste types and potential contaminants present in the waste that we consign. We are also responsible for ensuring that all our waste is transferred to facilities that are authorised to receive it. A tendering exercise for UKBU waste management services was completed in 2017 with emphasis on the selection of responsible waste routes and appropriately permitted facilities for our waste. All selected facilities were audited prior to contract award to confirm their suitability.

Waste attributed to decommissioning is that generated from dismantlement of platforms and pipeline flushing in the decommissioning offshore workscopes and the waste produced by the *GMS Endurance* and *Sea Jacks Leviathan* accommodation work vessels when supporting some of these activities. There was an approximately five-fold increase in the amount of decommissioning waste in 2017 compared with that generated in 2016, the majority of which was recyclable scrap metal or condensate and methanol recovered at the Theddlethorpe Gas Terminal during the Viking export pipeline flushing programme.

Waste generated from well operations includes the domestic and operational wastes from two drilling rigs: the *Ensco 92* throughout the year and the *Ensco 120* from July to December. The waste produced by the *COSL Rival* mobile accommodation unit and the associated additional personnel on board is included with the J-Area data in the graph below.

Waste Disposed from ConocoPhillips UKBU Locations in 2017



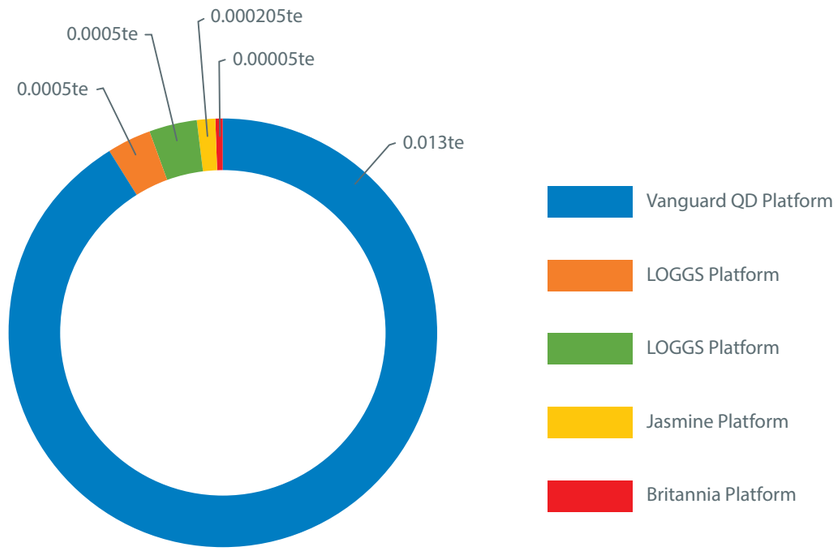
Great black-backed gulls (Larus marinus) resting on the Britannia facilities.

6.4 Spills to the Sea

Non-permitted releases of oil or chemicals to the sea are reported to the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) using a Petroleum Operations Notice 1 (PON1). This provides details of the spill and actions taken to prevent reoccurrence. All spills to sea are reported and investigated, regardless of size.

Oil Spills
There were five oil spills to sea from our UKBU operations in 2017, the largest of which was the loss of 13 kilogrammes of hydraulic oil from a leaking actuator on the Vanguard QD satellite platform in the Southern North Sea. Individual releases from the other oil spills did not exceed 0.5 kilogrammes in size; oil types comprised lubricant oil and diesel.

Oil Spills to the Sea from ConocoPhillips UKBU Facilities in 2017

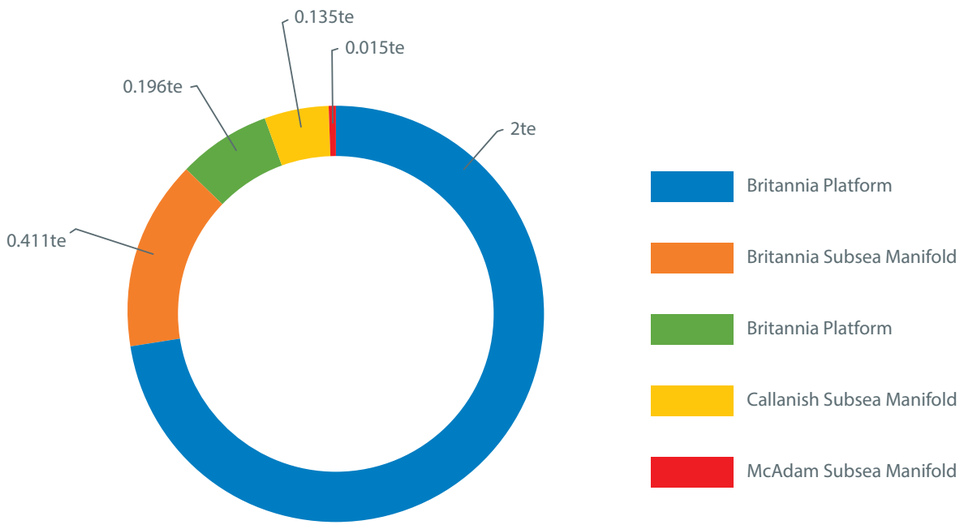


(Values shown indicate the amount, in units of tonnes (te), released from individual spill events.)

Chemical Spills
There were five spills of chemicals to sea from our UKBU operations in 2017: four of the releases were of water-based hydraulic fluids, the other was one of methanol.

All events related to the systems supplying these chemicals to subsea facilities and occurred either at the subsea manifold or at the point of supply on the platform. Causes included valve or hose failures or were as a result of diagnostic testing during remedial intervention works.

Chemical Spills to the Sea from ConocoPhillips UKBU Facilities in 2017



(Values shown indicate the amount, in units of tonnes (te), released from individual spill events.)

7. Goals and Performance 2017

Complete the transition of the main Viking B platform complex and Viking AR platform to the cold suspension phase of decommissioning. Apply the 'single vessel operations' model to complete the transition to cold suspension of the infrastructure in the LOGGS area Jupiter fields. Prioritise consideration of impacts to the seabed in protected habitats when planning the approach to the final clean and disconnect workscopes for other LOGGS area satellites. **Execute a Light Well Intervention campaign in the MacCulloch field to optimise and reduce safety and environmental risk before the future well abandonment programme.**	The Viking export pipeline flushing programme was completed in February and the Viking B platform complex completed its transition to the 'cold suspension' phase of decommissioning by July. A light well intervention vessel completed well intervention and suspension workscopes at MacCulloch, assuring two verified barriers in all 11 subsea wells. This optimised the work scope for the future full well abandonment programme.	The *Ensco 92* rig transitioned the Jupiter Area, Vampire and Viscount facilities to cold suspension, with no stabilisation material required to position the rig on the seabed at any of the locations visited. This minimised our impact on the seabed in the marine protected area.
Manage activities during the J-Area drilling campaign and Britannia Platform Turnaround to minimise the amount of oil discharged with the produced water and remain compliant with our permit conditions. **Develop atmospheric emissions monitoring programmes for qualifying gas-driven turbines on the Judy and Britannia platforms, to determine whether the concentration of nitrogen oxides (NOx) and carbon monoxide in their exhaust streams are below the emission limit values specified in the European Commission Large Combustion Plant Best Available Techniques Reference Document.**	A management plan for controlling produced water quality was included in the start-up procedure for the Britannia platform. The turnaround was completed and the plant brought safely back to production one day ahead of schedule, and within permitted limits for the produced water discharge. J-Area drilling commenced on the Jasmine S10 well in the fourth quarter of 2017; however, there was no well-flow back until 2018.	The proposed programmes for monitoring the exhaust gases emitted from the Judy and Britannia platform combustion equipment were delivered to the Department for Business Energy and Industrial Strategy (BEIS) by their deadline of end of March 2017. Detailed planning was progressed to ensure that the sampling surveys are conducted on both platforms in 2018.
Ensure effective change management for the consignment of UKBU decommissioning waste to specialist onshore handling facilities. Fulfil our responsibilities as a waste producer to exercise a duty of care over our waste, by evaluating all facilities used prior to initial waste transfers.	UKBU waste management services were retendered with emphasis on the selection of responsible waste routes and appropriately permitted facilities for our waste. All selected facilities were audited prior to contract award to confirm their suitability.	A guidance document was developed and rolled out to help the offshore teams working on decommissioning workscopes in completion of waste transfer documentation and to ensure that waste consignments were sent to the appointed onshore handling facility in each case.
Support the Department for Business Energy and Industrial Strategy (BEIS) by providing information to assist in their strategic Habitats Regulations Assessment (HRA) of the proposed decommissioning activities within the North Norfolk Sandbanks and Saturn Reef Site of Community Importance*. **Attain approval by BEIS of the first Decommissioning Programmes for the Viking infield pipelines (VDP1b) and LOGGS area infrastructure (LDP1).** **Undertake a decommissioning Comparative Assessment for the LOGGS Area pipelines to identify the preferred decommissioning option.**	The information provided by the UKBU was recognised by the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED), a unit within BEIS, as making a significant contribution in enabling them to complete their Strategic HRA of proposed activities within both the North Norfolk Sandbanks and Saturn Reef Special Area of Conservation (SAC)* and the Sothern North Sea candidate SAC. The Decommissioning Programmes for the Viking Satellites Infield Pipelines (VDP1b) and for the LOGGS Satellites Vulcan UR, Viscount VO, Vampire OD and Associated Infield Pipelines (LDP1) were approved by OPRED in November 2017. *Note: Site designated to full SAC status in September 2017.	The LOGGS Area pipeline Comparative Assessment was completed by a mixed-discipline team in a series of workshops using a pair-wise comparison process.

8. **Objectives** for 2018

Monitor our emissions and discharges by undertaking sampling programmes, in accordance with regulatory requirements, on both the Judy and Britannia platforms:

- To enable ecotoxicological risk-based assessments of our produced water discharges to the sea.
- To determine the concentrations of nitrogen oxides (NOx) and carbon monoxide in the atmospheric emissions from the exhaust streams of our gas-driven turbines.

Undertake the removal from the field of the Viking satellite platforms associated with our approved Decommissioning Programme VDP1.

Continue to prioritise the consideration of impacts to the seabed in protected habitats when planning the accommodation work vessel programme to support decommissioning workscopes.

Engage with key stakeholders to progress towards regulatory approval of further Southern North Sea (SNS) Decommissioning Programmes.

- Evaluate new technology for an automated identification system for shipping and for third-party remote monitoring of the continued function of the aids to navigation for satellite platforms whilst in cold suspension (awaiting full removal).
- Submit for consultation the Decommissioning Programmes for the remaining Viking Area facilities (VDP2 and VDP3). Support the Jupiter Area submission (LDP3) with a LOGGS Area Environmental Appraisal document, in accordance with the format specified in the revised decommissioning guidelines from the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED).
- Undertake a decommissioning Comparative Assessment for the CMS Area pipelines to identify the preferred decommissioning option. Deliver a 10-year decommissioning activity matrix for the CMS Area to support OPRED undertaking a Strategic Habitats Regulations Assessment of proposed activities within the Dogger Bank Special Area of Conservation.

Develop UKBU plans to contribute to the achievement of the ConocoPhillips global long-term target to reduce our greenhouse gas emissions intensity between 5 and 15 percent by 2030, from a 2017 baseline. Focusing on emissions forecasting quality and energy efficiency opportunities relevant to the UKBU post-SNS cessation of production.

Attain accredited re-certification of the UKBU Environmental Management System (EMS) to the ISO 14001:2015 standard. Ensure that the UKBU EMS is aligned with the support requirements of the new UKBU organisation post-SNS cessation of production.

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