ANNUAL PUBLIC STATEMENT ENVIRONMENTAL MANAGEMENT SYSTEM 2017

Petrofac Facilities Management Limited



INTRODUCTION

This report is Petrofac Facilities Management Limited's 2017 annual public statement for environmental management, covering our UK Operations.

Prepared in line with the reporting requirements of the UK's Department for Business, Energy and Industrial Strategy, it meets the requirements of the Oslo Paris (OSPAR) Convention Recommendation 2003/5. This report outlines our Environmental Management System (EMS) and focuses on our 2017 environmental performance.

WORKING RESPONSIBLY

Our EMS was developed alongside our Health, Safety, Security and Environment framework and the ISO 14001 standard for environmental management. It enables us to manage the environmental impacts arising from our activities and is based on the internationally approved 'Plan-Do-Check-Act' process. This ensures we have the philosophy, procedures and methods in place to manage significant environmental risks throughout the life cycle of our projects.

As a provider of managed solutions to our clients in the UKCS we fulfil the role of 'Operator' on behalf of the asset owner. As a result, our EMS has been designed to support our operating responsibilities:

- The environmental goals for the prevention and elimination of pollution from offshore sources and the protection and conservation of the maritime area against other adverse effects of offshore activities
- Provision of trained emergency and oil spill responders and specialist emergency response facilities
- Continual improvement in environmental performance

CONTENTS

04 Thinking Differently About Delivery

06 Our Operating Models

08 Our Offshore Operations

10 Environmental Management System

12 Managing our Impact on the Environment

13 Environmental Objectives and Targets

14 Environmental Performance of Assets

14 Anasuria FPSO

16 Kittwake

18 Schooner and Ketch

20 Transocean Spitsbergen

22 BP Miller

23 Irish Sea Pioneer



Our vision is to reach Horizon Zero; a future with no accidents or incidents

THINKING DIFFERENTLY ABOUT DELIVERY

As a leading service provider to the oil and gas production and processing industry, we design, build, operate and maintain oil and gas facilities.

We think differently about delivery. By providing standalone or integrated services we align our approach to meet our clients' operating strategies and project objectives, unlocking significant value.

One example of this is our innovative Operator models, which have evolved from the Duty Holder model we pioneered in 1997, whereby we take responsibility for the Safety Case on behalf of a client.





OUR OPERATOR MODELS

Following the introduction of the 2015, Safety Case Regulations, our outsourced Duty Holder model evolved to incorporate Installation Operator (including Duty Holder) responsibility; to manage the environmental aspects of an installation.

Responsibility for wells and pipelines (Well Operator and Pipeline Operator) can be combined within one outsourced model called Service Operator.

SERVICE OPERATOR

ANASURIA OPERATING COMPANY (AOC), ANASURIA CLUSTER AND FPSO, UKCS

During 2017, as Service Operator for AOC we managed the Anasuria FPSO, its wells and associated pipelines. We have focused on providing an integrated and aligned approach to the operation and development of the cluster to support our client in its objective to extend the life of the field.

WELL OPERATOR

HURRICANE ENERGY, WEST OF SHETLAND, UKCS

In 2017, as Hurricane Energy's appointed Well Operator, we completed drilling and testing operations at both the Lincoln and Halifax prospects in the Greater Lancaster Area, west of Shetland, utilising the Transocean Spitsbergen semi-submersible mobile offshore drilling unit.

We have worked with Hurricane Energy since 2013, demonstrating our ability to deliver and manage wells in line with health, safety and environmental policies.

INSTALLATION OPERATOR

KITTIWAKE, MILLER, SCHOONER AND KETCH PLATFORMS AND **IRISH SEA PIONEER**

Throughout 2017 our Installation Operator portfolio included the Kittiwake platform, Irish Sea Pioneer and Schooner and Ketch platforms. As Installation Operator we develop and maintain Safety Cases for assets and infrastructure facilities. We maintain the necessary organisational and technical competence, capacity and management systems to support the commitments made in each Safety Case, to ensure the on-going safety of operations.

OUR OFFSHORE OPERATIONS

On behalf of their owners we currently operate a range of platforms and undertake offshore oil and gas production actives including:

- Non-producing intervention vessel operation
- Oil and gas production platform operation
- Late-life/decommissioning platform operations
- Drilling activities with third-party rig provision

Under the requirements of this disclosure, the UKCS Operator responsibilities and UKCS assets highlighted within this statement include:

- Service Operator (including Installation Operator) – The Anasuria FPSO, Irish Sea Pioneer, BP Miller, Schooner and Ketch, Kittiwake
- Well Operator Transocean Spitsbergen





Anasuria FPSO

The Anasuria FPSO is owned by Anasuria Operating Company, a joint venture between Hibiscus Petroleum Berhad and Ping Petroleum Limited. It is located 175km east of Aberdeen.

Beginning in 2016 and throughout 2017, Petrofac was Service Operator for the FPSO and associated cluster, with responsibility for the installation, wells and pipelines.



BP Miller

Petrofac became Installation Operator for the Miller Platform, a non-producing asset in the Central North Sea, in August 2016. The last day of production on Miller took place in July 2007. Since then BP has undertaken well abandonment and topsides clean up on the asset. Petrofac managed the first heavy lift removal of the Helideck and accommodation modules.

The remainder of the topside and jacket removal is planned for 2018.



Schooner and Ketch

Schooner and Ketch, located in the fields of the same name in the Southern North Sea, are normally unmanned gas platforms. Petrofac has been Duty Holder for the Schooner and Ketch assets since 2005 on behalf of current and previous owners Faroe Petroleum and Tullow Oil respectively.

In March 2017 Petrofac became Installation Operator and assumed responsibility for the environmental performance for assets.

Transocean Spitsbergen

Petrofac was appointed Well Operator by Hurricane Energy in 2016 to support wells located in the Greater Lancaster Area, West of Shetland.

As Well Operator, we manage all well engineering and project management support services for Hurricane Energy's well activities.

These were conducted from the Transocean Spitsbergen, a semi-submersible drilling rig, contracted to continue development of the naturally fractured granite basement oil producing reservoir.



Kittiwake

Petrofac has been the Duty Holder for the Kittiwake, a fixed steel jacket platform in the Central North Sea, since 2004, on behalf of current and previous owners, EnQuest, Centrica and Venture Production respectively.

In June 2017 Petrofac became Installation Operator and assumed responsibility for the environmental performance for the asset.





Irish Sea Pioneer

Petrofac has been Installation Operator of the Irish Sea Pioneer since 2015, prior to which Petrofac had been Duty Holder of the asset since 2006.

The non-producing mobile platform is owned by ENI, Liverpool Bay and provides intervention services to the ENI operations in the Liverpool Bay area of operations.

Petrofac 😰

PETROFAC LIMITED

ENVIRONMENTAL POLICY

Vision

Petrofac will be recognised as a company that maximizes energy efficiency and conducts business in an environmentally responsible manner.

Commitment

The Petrofac Board of Directors has ultimate responsibility for environmental performance and is committed to the achievement of environmental excellence. Petrofac and its business units are therefore committed to:

- Conducting its business in an environmentally responsible manner, consistent with its 'Horizon Zero' initiative which aims to eliminate all incidents within the company
- Promoting a strong culture of leadership in environmental matters
- Encouraging all employees to share our environmental commitments and take personal responsibility for protecting the environment
- · Complying with all applicable environmental laws, regulations, relevant standards, and compliance obligations
- Minimising our impact on the environment through pollution prevention, minimising waste and emissions and the efficient use of energy and other resources
- Transparency in the reporting of the Company's environmental performance and sharing of knowledge
- Setting objectives and targets for continual improvement with auditing and monitoring of performance

Responsibility and implementation

Environmental protection is a line responsibility that starts with the Group Chief Executive and flows down through the line management structure to front line employees performing work. Every leader at Petrofac is responsible for proactively leading the management of risks to the environment with their teams. Every Petrofac employee is responsible for making themselves aware of the risks to the environment in their work area and to proactively play their part in reducing these risks. All employees are empowered to speak up if they have any environmental concerns.

Ayman Asfari, Group Chief Executive



Objectives

- To meet this commitment at Group level Petrofac will:
- Develop and maintain Petrofac minimum standards and expectations
- Publish regular performance reports and openly discuss our environmental performance with internal and external stakeholders
- · Periodically review the suitability and effectiveness of this policy, our management systems, targets and objectives

Each Petrofac business unit will:

- Provide suitable resources for the protection of the environment
- Develop and maintain environmental management systems that comply with ISO 14001, the International Standard for Environmental Management Systems
- Provide appropriate training to all employees to enable them to carry out their work with due respect and care for the environment
- Engage with clients, contractors and suppliers to deliver a high standard of environmental performance

ENVIRONMENTAL MANAGEMENT SYSTEM



March 2017



As part of our Business Management System (BMS), our EMS is certified to the ISO 14001:2015 International Standard, and complies with the Oil Spill Prevention, Administration and Response Fund. It is governed by the Petrofac Group Health Safety and Environment Management Strategy.

HSE MANAGEMENT STRATEGY ELEMENTS

- . Leadership and accountability
- 2. People and competence
- Subcontractors, suppliers and partners
- Customers. products and services
- Community and stakeholders
- Risk assessment and management
- Design and construction
- 8. Operations and maintenance
- 9. Management of change
- 10. Information and documentation
- 11. Incident investigation and analysis
- 12. Crisis and emergency management
- 13. Assessing and improving effectiveness

Our EMS is flexible enough to maintain continuity with existing practices during the transfer of platforms to the Petrofac system, whilst taking on board best practice where identified which is then shared across other assets.

MANAGING OUR IMPACT ON THE ENVIRONMENT

Specific areas of our offshore operations require daily focus to ensure their impact on the environment is managed effectively. These include:

DISCHARGES TO SEA

OIL IN WATER

Water is extracted from wells, along with oil and gas. The water, known as produced water, is then separated from the oil and treated. Although treatment removes most of the oil from the water, residual traces are still discharged. These traces are regulated and released under permitted conditions.

DRILL CUTTINGS DISCHARGE

Drill cuttings and fluids discharged from drilling operations can also contain residual oil associated with the formation.

CHEMICAL DISCHARGES

Prior to approval and discharge for use offshore, chemicals are subjected to a risk assessment. The potential impact from chemical discharges is graded using the ranking system below:



ATMOSPHERIC EMISSIONS

The combustion of diesel and gas to generate power and the burning of flare gas creates atmospheric emissions of Carbon Dioxide (CO₂) and other combustion products including:

- Nitrous oxides
- Sulphurous oxides
- Carbon Monoxide (CO)
- Methane (CH4)
- Other Volatile Organic Compounds (VOCs)

During activities on the FPSO, refrigerant gases are used offshore, primarily to support living conditions and equipment cooling. This activity is regulated and reported on annually.

WASTE MANAGEMENT

Waste generated offshore is managed to allow maximum reuse or recycling of materials before being treated, incinerated or disposed to landfill. Petrofac follows the waste management hierarchy below:



PETROLEUM OPERATIONS NOTICE AND **NON-COMPLIANCE REPORTING**

land or in water using

a given situation.

methods appropriate for

• Surface discharge

All notices and non-compliance are recorded within Petrofac's incident management system, detailing the circumstances, investigation, outcomes and actions. The system is also used for lesson sharing and incident trending to assist with continuous improvement.

PETROLEUM OPERATIONS NOTICE

Any spill to sea of oil or chemical is reported to the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) using the Petroleum Operations Notice (PON 1).

The loss of any objects to sea which may have an impact on the environment or sea users are reported to OPRED using a PON 2 Notice.

NON-COMPLIANCE

A non-compliance against any of the permit conditions is reported using the appropriate format to OPRED.

ENVIRONMENTAL OBJECTIVES AND TARGETS



In 2017, the Petrofac Environmental Management System was successfully transitioned to meet the new 2015 Standard. All operated assets met the requirement of the standard in 2017. The role out will continue across new assets and projects during 2018.

2018 OBJECTIVES

Roll out new compliance management system across operated assets

Roll out Environmental Management System awareness

2017 ACHIEVEMENTS

Transition of environmental permits for the Kittiwake and Schooner and Ketch assets were completed in 2017

> Work continuing into 2018 with chemical management training

The Petrofac Environmental Management System achieved transition to the ISO 14001: 2015 standard

Assets improvement registers in place

Roll out computer-based chemical management training

ANASURIA FPSO

The environmental permits in place for the Anasuria FPSO are associated with oily water discharges to sea, offshore chemical use and discharge and atmospheric emissions from power generation and flaring.

DISCHARGES TO SEA

OIL IN PRODUCED WATER

Water discharges are monitored and reported in accordance with the Oil Pollution, Prevention and Control Permit. The average oil in water concentrations over both discharges for the period was 12.8 mg/l.

The total volume of water and mass of oil discharged over the period of operation was 1,623,025 m³ and 18,406 kg of oil.



CHEMICAL USE AND DISCHARGE

The majority of chemicals in use on the Anasuria FPSO are in the least harmful Gold and E categories. Ongoing chemical management aims to continue to minimise the impact of chemicals on the environment.



DISCHARGES TO ATMOSPHERE

Flare

Power generation is the main source of atmospheric emissions. Other sources are flaring and venting gas. 130,358 tonnes of CO₂ emissions were verified for greenhouse gas reporting purposes. Other emissions were reported through the Environmental Emissions Monitoring System.



WASTE MANAGEMENT



nd	On Facility (kg)	Emitted (kg)	CO ₂ Equivalent Factor (kg)	CO ₂ Equivalent (t)
1a	2	0	1,430	0
1a	36	7	3,922	27
2d	39	82	2,729	222
	77	89		249

REPORTS AND NOTIFICATION

During 2017 there were no releases of hydrocarbon reported. There was one unpermitted discharge of chemical reported and closed out through the PON 1 reporting system and one reported a permitted discharge notification:

PON 1 Notification details

	Oil/Chemical type	Discharge (t)
eak on fire pump	Engine coolant	0.06
yond 500m Zone	Permitted discharge	0.56

A total of four non-compliances with permit conditions were submitted to OPRED during 2017:

	Non-Compliance	No.
rge permit	Oily water discharged overboard not quantified as a result of a passing valve	1
permit	Unpermitted use of diesel as a spacer prior to a chemical treatment on a blocked injection quill	1
o Locate	Failure of navigation aid light	1
se gas permit	Flare meter operating incorrectly	2

KITTIWAKE

Data for the Kittiwake platform is included for the period June to December 2017.

DISCHARGES TO SEA

OIL IN PRODUCED WATER

Water discharges are monitored and reported in accordance with the Oil Pollution, Prevention and Control Permit. The average oil in water concentration for the period was 28.16 mg/l.

The total volume of water and mass of oil discharged over the period of operation was 620,558 m³ and 17,559 kg of oil.

Elevated oil in water results were experienced during August and September due to a period of instability following restart after the summer shutdown.







DISCHARGES TO ATMOSPHERE

Power generation is the main source of atmospheric emissions. Other sources are flaring and venting gas. 112,108 tonnes of CO₂ emissions were verified for greenhouse gas reporting purposes. Other emissions were reported through the Environmental Emissions Monitoring System.



There are five hydrochlorofluorocarbon (HCFC) refrigerant compounds in use on Kittiwake Alpha. The inventory and emission details are monitored and reported on the right:

HC-600a (I

WASTE MANAGEMENT



Activity Bunkering

Produced PDN – pro PDN – dra

Permit Oil discha

Oil discha Oil discha Chemical Consent t

Compound	On Facility (kg)	Emitted (kg)	CO ₂ Equivalent Factor (kg)	CO ₂ Equivalent (t)
HFC-134	10	0	1,100	0
HFC-134a	2	0	1,430	0
HFC-404a	36	7	3,922	254
HFC-422d	39	82	2,729	3,179
C-600a (Isobutane)	0.03	0	3	0

REPORTS AND NOTIFICATION

During the reporting period, there were four PON 1 submitted. There was one diesel loss during bunkering and three oil-related PON 1s:

PON 1 Notification details

	Oil/Chemical type	Discharge (t)
	Diesel	0.0001
water system	Oil	0.07488
oduced water system	Oil sheen	0.013
ains system	Emulsion spotting	0.015

A total of six non-compliances with permit conditions were submitted to OPRED during the reporting period:

	Non-Compliance	No.
rge permit	Monthly discharge limit exceeded	2
rge permit	Hazardous Drain pump failure	1
rge permit	Produced water meter fault	1
Permit	Chemical overuse	1
o locate	Naming boards not fully illuminated	1

SCHOONER AND KETCH

Schooner and Ketch are normally unmanned gas platforms in the Southern North Sea. They have no produced water discharges and minimal chemical use. Power for the assets is provided by diesel generators. There is no fuel gas or flare combustion.

DISCHARGES TO SEA



DISCHARGES TO ATMOSPHERE

Power generation is the only source of atmospheric emissions.



WASTE MANAGEMENT REPORTS AND NOTIFICATION



There were no reported PONs or non-compliances reported for Schooner or Ketch in 2017.

TRANSOCEAN SPITSBERGEN

The Transocean Spitsbergen completed a four well campaign in the Greater Lancaster Area in March 2017.

Produced water discharged m³

Total Oil Discharged (t)

Average oil in water concentration (mg/l)

Total Quantity of Cuttings Discharged (t)

Total Quantity of Oil Discharged (t)

Cuttings Discharged (%)

Fluids Discharged (%)

Average Oil on Oil Bearing Reservoir

DRILLING FLUIDS DISCHARGE

Total Quantity of Oil Discharged (t)

Average Oil on Oil Bearing Reservoir

Total Quantity of Fluids Discharged (t)

312.27

6.33

0.002

29.645

0.0664

1149.5

0.0585

0.005

0.67

DISCHARGES TO SEA

OIL IN PRODUCED WATER	OIL IN	PRODUCED WATER	R
-----------------------	--------	----------------	---

Water discharges are monitored and reported in accordance with the Oil Pollution Prevention Permit and Conditions. The average oil in water discharge was 6.33 mg/l.

A total of 29.6 tonnes of water based drill cuttings were discharged to sea during drilling activities. The total oil discharged associated with cuttings was 0.066 tonnes.

DRILLING CUTTINGS DISCHARGES

Total Quantity of Cuttings Discharged (t)	29.645
Total Quantity of Oil Discharged (t)	0.0664
Average Oil on Oil Bearing Reservoir	0.67
Cuttings Discharged (%)	

BASE OIL DISCHARGE

The volume of base oil discharged associated with the well test and suspension activities is reported	Waste Stream Nature	Volume of discharged (m ³)	Maximum concentration of base oil discharged (mg/l)	Weight of base oil discharged (kg)	
in the table on the right:	Base oil discharge	54.7	28.92	1.58	

CHEMICAL USE AND DISCHARGE

The majority of chemicals in use on the Transocean Spitsbergen are in the least harmful Gold and E categories. Ongoing chemical management aims to continue to minimise the impact of chemicals on the environment.



DISCHARGES TO ATMOSPHERE

Emissions to atmosphere generated from drilling activities are associated with power generation using diesel fuelled engines and gas flaring gas drilling operations. The main combustion product is Carbon Dioxide (CO²). A total of 15,915 tonnes of CO² were emitted from the sources described below:

EMISSIONS BY SOURCE



WASTE MANAGEMENT

to disposal under licence.

Recycle

Landfill

Reuse

Other

Waste to Energy

A total of 322 tonnes of waste was brought

Spitsbergen during its activities. A large proportion

special wastes and require further treatment prior

0.9

WASTE

DISPOSAL

/1.02

9

of this waste was tank washings which include

onshore for disposal from the Transocean

Activity BOP Con

Activity Anchor ha

Rough Se Rough Se

Activity Chemical Consent

ROUTES (%)

350

VOCs 9.934 0.16

REPORTS AND NOTIFICATION

During its activities for Petrofac, PON 1 Notifications were submitted by the Transocean Spitsbergen. The total discharge was less than one tonne of fluid – the details of which are indicated below:

PON 1 Notification details

	Oil/Chemical type	Discharge (t)
trol fluid	Control Fluid – V2 Pelagic Glycol	0.890

The permit non-compliances submitted during the drilling activities, as indicated below:

	Non-compliance	Description
andling	PON 2	Loss of 200kg steel materials
as	PON 2	Loss of ladder
as	PON 2	Loss of Wind Sock fixture

	Non-compliance	No.
Permit	Discharge 2.89 tonnes of cement	1
o Locate	PON 10 Emergency Lighting Failure	1

BP MILLER

The BP Miller platform ceased operation in 2007. Current environmental risks are therefore greatly reduced compared to the risks whilst producing. During 2017 a chemical discharge permit and consent to locate were in place for the asset.

DISCHARGES TO SEA **DISCHARGES TO ATMOSPHERE**

Permitted discharges to the		
sea were associated with		
legacy chemicals in pipelines,		
one of which is no longer on		
the CEFAS register.		
Band Ka		

PLONOR 2 Previous Blue 20

All discharges to atmosphere were associated with powering the accommodation and work sites. Power generation was achieved by diesel generators only. The production turbines have ceased operation. The CO₂ produced by the power generation

was 4,032 tonnes

and the associated combustion emissions are shown on the right.



IRISH SEA PIONEER

The Irish Sea Pioneer has no production capability and is powered by diesel generators. Emissions to the environment are related to the maintenance of the accommodation and movement of the vessel.

DISCHARGES TO ATMOSPHERE



There are three HCFC refrigerant compounds in use. There were no releases from the ISP during 2017, the inventory details are monitored and reported.

Compound	On board (kg)	Emitted (kg)	CO ₂ Equivalent Factor (kg)	CO ₂ Equivalent (t)
HFC-134A	11.15	0	1430	0
HFC-404A	35.30	0	3922	0
HFC-422D	49.00	0	2729	0

WASTE MANAGEMENT



WASTE MANAGEMENT



REPORTS AND NOTIFICATION

During 2017 there was one spill to the marine environment.

PON 1 notification details

Activity	Oil/Chemical type	Discharge (t)
Fuel supply	Diesel	0.096

Permit non-compliances

Permit	Issue	No.
Consent	PON 2 – loss	1
to locate	of platform	
	signage to sea	
Consent	PON 10 -	1
to locate	lighting failure	



REPORTS AND NOTIFICATION

PON 1 notification details Oil/Chemical type Discharge (t) Activity Thruster Lube oil Lube oil

Other notification

Permit/ notification	Issue	No.
Consent to locate PON 10	Defective navigation light	1
PON 2	Loss of mannequin to sea	1

0.0046



CONTACT

Petrofac

Engineering & Production Services Bridge View, 1 North Esplanade West, Aberdeen, AB11 5QF, UK **T:** +44 1224 247 109 **E:** petrofac.environment@petrofac.com

www.petrofac.com