




BUMIARMADA

2020 UKCS Environmental Statement



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This document describes the environmental performance of the Armada Kraken FPSO in 2020.

Rev	Date	Prepared	Reviewed	Approved
GG	28 Feb 2021	Helen Drewery	Crawford Jackson	Ron Edgar

For full revision history see next page

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1.0 ABBREVIATIONS

BAB	Bumi Armada Berhad
BAUK	Bumi Armada UK
Cefas	Centre for Environment, Fisheries and Aquaculture Science
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide Equivalent
EMS	Environmental Management System
ETS	Emissions Trading Scheme
FPO	Floating Production and Operation
FPSO	Floating Production Storage and Offloading
GHG	Greenhouse Gas
HS&E	Health, Safety & Environment
HSSEQ	Health Safety Security Environment and Quality
OMS	Offshore Marine Services
OPEP	Oil Pollution Emergency Plan
OPRED	Offshore Petroleum Regulator for Environment and Decommissioning
OSPAR	Oslo Paris Convention
OSV	Offshore Support Vessel
PON1	Petroleum Operations Notice
mg/l	milligrams per litre
R&LE	Repair & Life Extension
SC	Subsea Construction
UKCS	United Kingdom Continental Shelf

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2.0 INTRODUCTION

This statement has been prepared to fulfil the regulatory requirement under the OSPAR recommendation 2003/5 to produce an annual public environmental statement. It represents an open and transparent representation of the Armada Kraken FPSO environmental performance for the year 2020.

2.1 BUMI ARMADA OVERVIEW

Bumi Armada Berhad (BAB) is a Malaysia-based international provider of offshore production and support services with a presence in over 17 countries, spread across five continents, supported by over 1,700 people from 49 nationalities.

Bumi Armada UK Limited (BAUK) is the UK arm of the FPO Operations business unit, which was formed to operate the Armada Kraken FPSO on behalf of EnQuest.

Under the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015 (SI 398/2015) BAUK has been appointed as the Installation Operator for the Armada Kraken FPSO and are the appointed Installation Operator under the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015 (SI 385/2015).

2.2 ARMADA KRAKEN FPSO

The Armada Kraken FPSO is based upon the conversion of the 2007 built Suezmax sized conventional trading tanker Prisco Alcor (Figure 1). As a trading tanker, the vessel was classed with DNV as 1A1 ICE-1A (for max draught of 15.4 m) Tanker for Oil ESP SPM EO VCS-2 CLEAN TMON NAUTICUS (new building)) and was built by Hyundai Heavy Ind. Co. Ltd. The vessel has undergone R&LE to strengthen the hull to withstand the expected conditions of the North Sea.

2.3 KRAKEN OPERATIONS

The Kraken Field is located in Block 9/2b in the southern part of the East Shetland Basin in the northern North Sea. This area is approximately 130 km east of the nearest landfall at Noss, the Shetland Islands and 44 km west of the UK/Norway trans-boundary median line (Figure 2). The development consists of the North, Central and South Kraken Fields which all lie within UK Block 9/2b. The field was initially discovered in 1985 with further appraisal carried out over the period 2007-2013. Oil recovery is a line-drive horizontal well water-flood development consisting of 14 production and 11 injection wells. The wells are tied back to the Armada Kraken FPSO from 4 production/injection drilling centres.

First oil from the Armada Kraken was achieved on the 23rd June 2017.


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Figure 1: Armada Kraken FPSO.

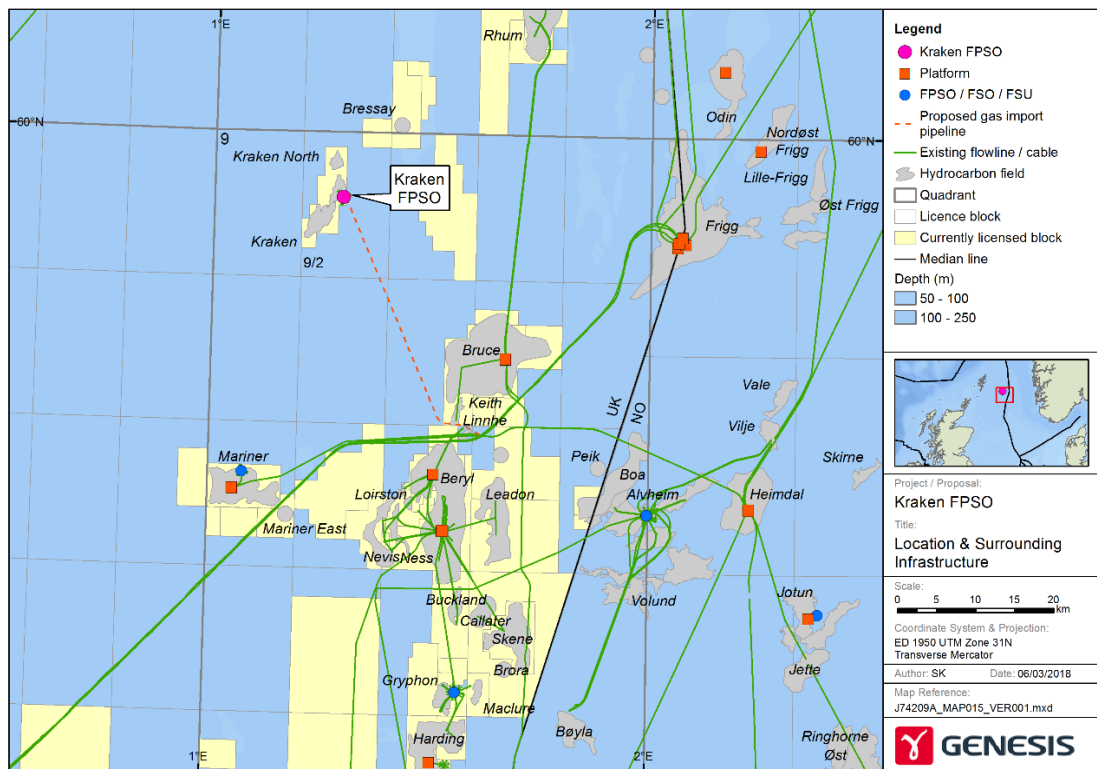




Figure 2: Location of Kraken on the UKCS.

3.0 ENVIRONMENTAL MANAGEMENT SYSTEM

BAUK implements and operates an integrated Health, Safety and Environment Management System (HS&E MS) which has been accepted and endorsed by the Board and embedded in the overall business culture. The HSE MS is an integral part of the overall management system. It is laid down in policies, procedures, standards and work instructions. Its general purpose is to prevent BAUK activities from putting people, the environment, property or the reputation of the company at risk. The Bumi Armada HSSEQ Policy is shown in (Figure 3).

The Environment Management System (EMS) has been verified against the requirements of the OSPAR 2003/5 criteria.

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BUMIARMADA

HEALTH, SAFETY, SECURITY, ENVIRONMENT & QUALITY MANAGEMENT POLICY

COMMITMENTS

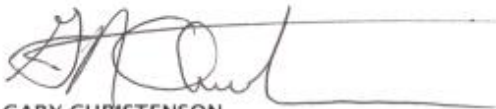
The "Company" (herewith refer to Bumi Armada Berhad and all its subsidiaries and joint ventures that are within its management and operational control) is committed to operating our business with the objective of safeguarding our people, the public and environment. The "Company" shall manage HSSEQ in line with this policy to ensure:

- Health and Safety of our employees, contractors and those who could be directly impacted by our business activities;
- Compliance with all relevant Health and Safety regulations and local governmental rules, and to adopt existing standards in regions where laws and regulations do not exist;
- Protection of the environment and the communities in which we operate through pollution prevention, waste management and emission minimisation;
- Mitigation of physical security risks to our employees, contractors and assets through adoption of relevant international security standards and statutory compliance;
- Continual improvement in Health, Safety, Environment and Quality performance through implementation of Integrated Management System (IMS) for all activities;
- Adoption of proper quality assurance and quality controls throughout our business.

PRINCIPLES

To achieve these objectives, the "Company" will operate with the following principles:


- Demonstrate and promote visible leadership commitment and employee participation to ensure health and safety of employee, the protection of the environment and the delivery of quality products / services;
- Encourage consultation and participation of workers, and, where they exist, workers' representatives on HSSEQ related matters;
- Promote and foster a culture of collaboration and participation among all employees in the implementation of our HSSEQ commitment;
- Eliminate identified hazards and reduce HSSEQ risks, including associated Cyber Security risks to As Low As Reasonably Practicable (ALARP) throughout the asset lifecycle by providing safe and reliable design and operational asset integrity processes;
- Demonstrate our capability to plan for, respond to, and recover from any HSE and Security emergency or crisis;
- Monitor and report our HSSEQ performance throughout the "Company" as a means of providing feedback and promote continuous improvement across the organisation;
- Implement quality assurance and control in all projects, operations, and provide services that meet the specified customer requirements and applicable codes & standards, thus ensuring the customer satisfaction.


GARY CHRISTENSON
 Executive Director / Chief Executive Officer
 Date: 4th January 2021

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BAB-GEN-HSQ-HSE-POL-00001-07
 Registration No. 19961041194 (370388-K)

Figure 3: Bumi Armada HSE Policy.

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4.0 ENVIRONMENTAL PERFORMANCE

The environmental statistics presented in this document cover the period 1st January 2020 until 31st December 2020.

4.1 DISCHARGES TO SEA

During normal production, water is produced when extracting hydrocarbons from the reservoir. Despite treatment, produced water still contains traces of oil and as such, produced water discharge is controlled via a permitting system managed by the UK regulatory authority, OPRED. The Oil Discharge Permit held by BAUK allows us to discharge produced water provided the hydrocarbon concentration is within the limit set out in the permit.

Discharges to sea include chemicals used in offshore production operations. During production operations, chemicals such as scale inhibitors, corrosion inhibitors, demulsifiers and biocides are used to assist with the separation of oil and water, prevent damage to infrastructure such as pipelines and to prevent 'souring' of the reservoir. Any chemical used offshore during oil and gas production must be approved by the Centre for Environment, Fisheries and Aquaculture Science (Cefas). The use and discharge of production chemicals is controlled under the Offshore Chemical Regulations 2002 (as amended).

BAUK, its contractors and chemical suppliers work on a continuous basis to use environmentally acceptable alternatives where possible in our operations through the chemical management process.

4.2 SPILLS

Given the nature of our activities, there is always a risk that accidental spills may occur. All spills to sea, regardless of volume, must be reported to OPRED via a Petroleum Operations Notice (PON1).


A number of processes are in place to prevent unplanned releases and these include planned maintenance of equipment, asset integrity inspections, activity risk assessment, area inspections, procedural controls and training and competency for individuals. BAUK also internally record and investigate any unpermitted releases of hydrocarbons or chemicals. This helps improve our understanding of the root causes and identify actions to prevent similar incidents occurring in the future.

4.3 ATMOSPHERIC EMISSIONS

Atmospheric emissions arise during offshore production operations predominately as a result of fuel combustion for power generation, boilers and gas flaring activities. Atmospheric emissions generated by these activities are regulated by the Greenhouse Gas Emissions Trading Scheme (ETS) and the Offshore Combustion Installation (Prevention and Control of Pollution) Regulations 2013.

4.4 WASTE MANAGEMENT

Armada Kraken operations consume natural resources and other material which generate a range of wastes. BAUK ensures that the segregation, transportation and eventual disposal of waste is managed in accordance with legislative requirements. BAUK works closely with its onshore waste management contractors to identify recycling routes for as much of its waste as possible and conducts regular audits to evaluate waste management practices.

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5.0 DISCHARGES TO SEA

BAUK aims to minimise the environmental impact of the discharge of produced water. Produced water treatment removes the majority of hydrocarbons and solids present in the produced water stream. All our waste water is treated and monitored prior to discharge.

5.1 OIL IN WATER

As produced water contains traces of hydrocarbon, the Offshore Petroleum Activities (Oil Pollution, Prevention & Control) Regulations 2005 (as amended) sets the daily permitted average oil content of produced water at 30 mg/l. Figure 4 shows the average oil concentration of produced water for each discharge route on the Armada Kraken FPSO for 2020. The WI/HSP Pump Min Flow discharge slightly exceeded the 30mg/l legal limit with a yearly average of 30.81mg/l. Whilst the yearly average via the WI/HSP route exceeded 30mg/l, the quantity of oil discharged via this route was minimal at 0.62 tonnes (as shown in Figure 6). An engineered solution is currently in development and will be implemented through the Management of Change process in order to prevent OiW non-compliances via this route going forward.

Figure 5 shows the volume of produced water discharged via each discharge route in 2020. Figure 6 shows the quantity of oil discharged in produced water via each discharge route in 2020.

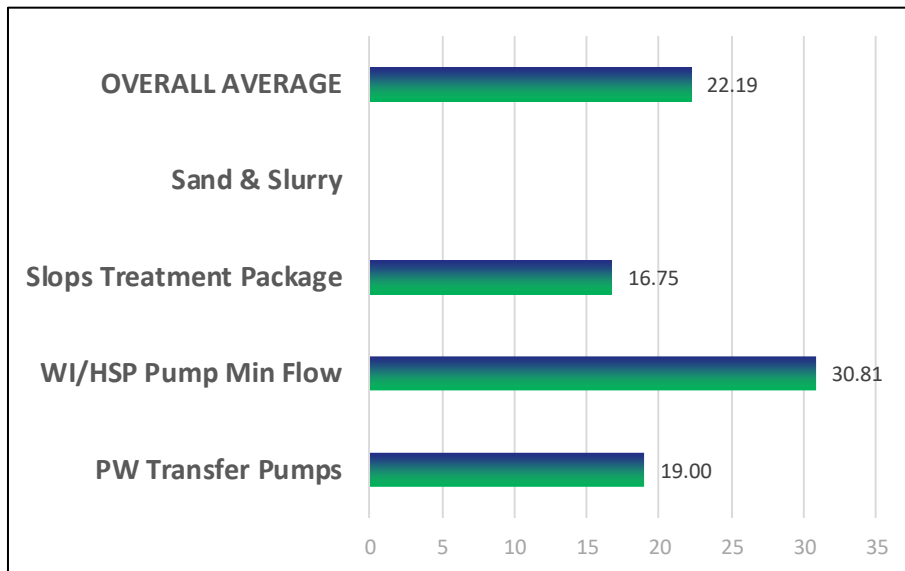



Figure 4: Average oil concentration in produced water by discharge route (mg/l) in 2020.

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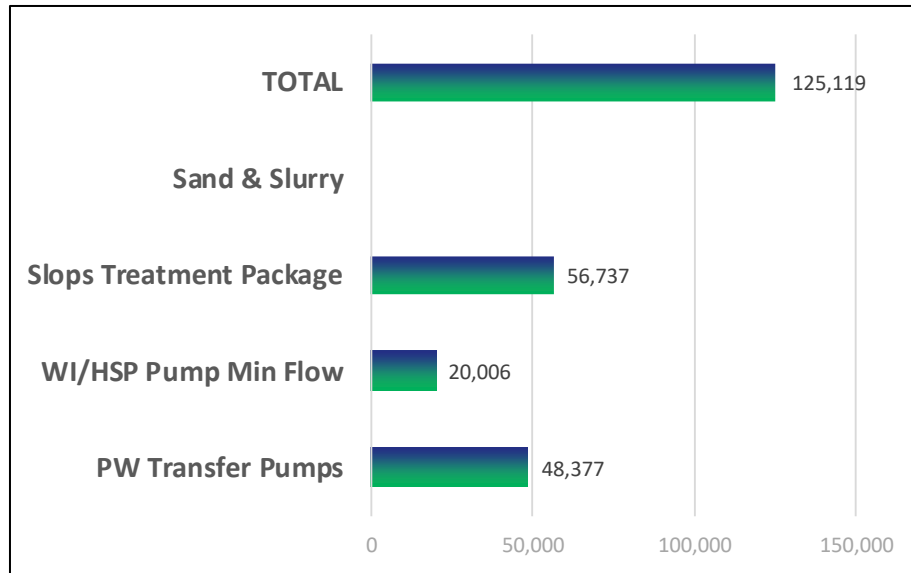


Figure 5: Volume of produced water discharged to sea via each discharge route (m³) in 2020.

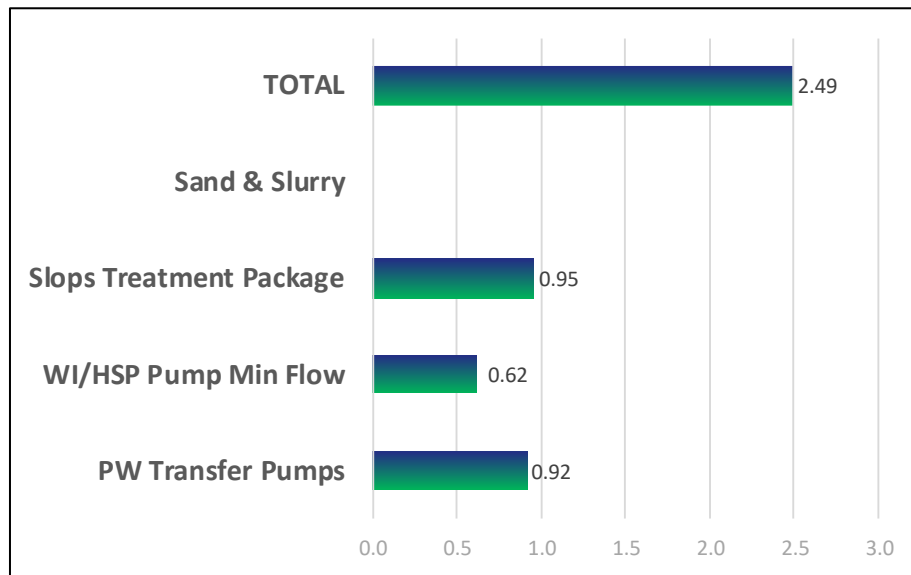



Figure 6: Quantity of oil in produced water discharged to sea via each discharge route (tonnes) in 2020.

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5.2 CHEMICAL USAGE

Total chemical use and discharge by the Armada Kraken FPSO in 2020 is shown in Figure 7.

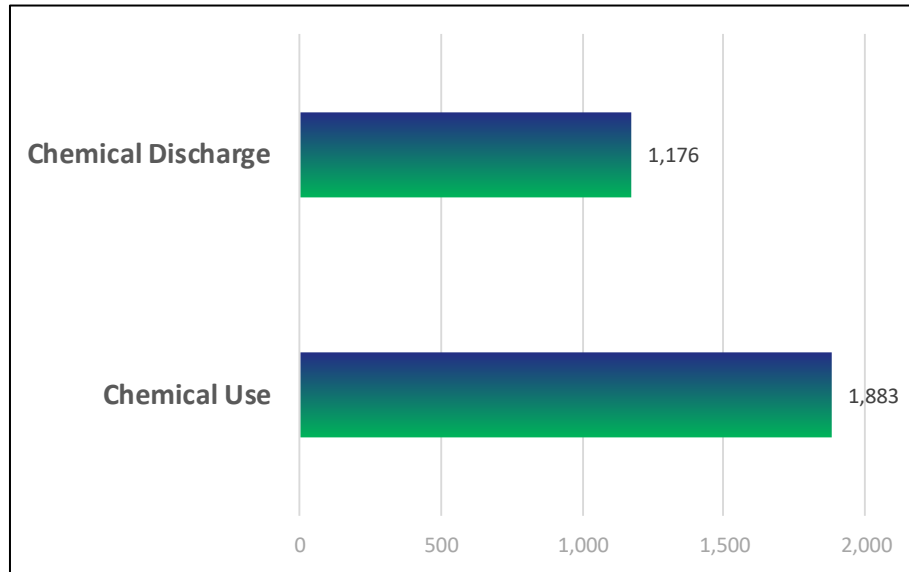


Figure 7: Total chemical use and discharge to sea in 2020 (tonnes).

6.0 SPILLS

As spills at sea can have consequences for the marine environment, BAUK work to minimise the risk with a focus on prevention. BAUK has an approved oil pollution emergency plan (OPEP) in place.

6.1 NUMBER OF SPILLS

All spills to the marine environment, regardless of their volume, must be reported to OPRED via a Petroleum Operations Notice (PON1). It can be seen from Figure 8 that one PON1 was submitted to OPRED during 2020.

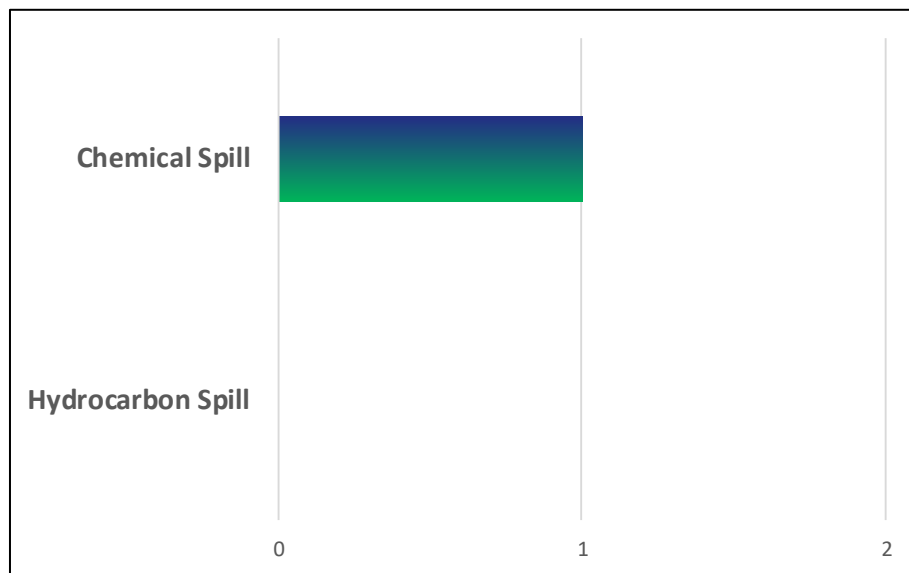



Figure 8: Number of spills (PON1) during 2020.

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6.2 MASS OF SPILLS

Figure 9 details the mass of the spills from the Armada Kraken FPSO reported via PON1s and reported to OPRED in 2020. The total quantity of chemicals accidentally released to the sea from the Kraken FPSO in 2020 was 0.01 tonnes.

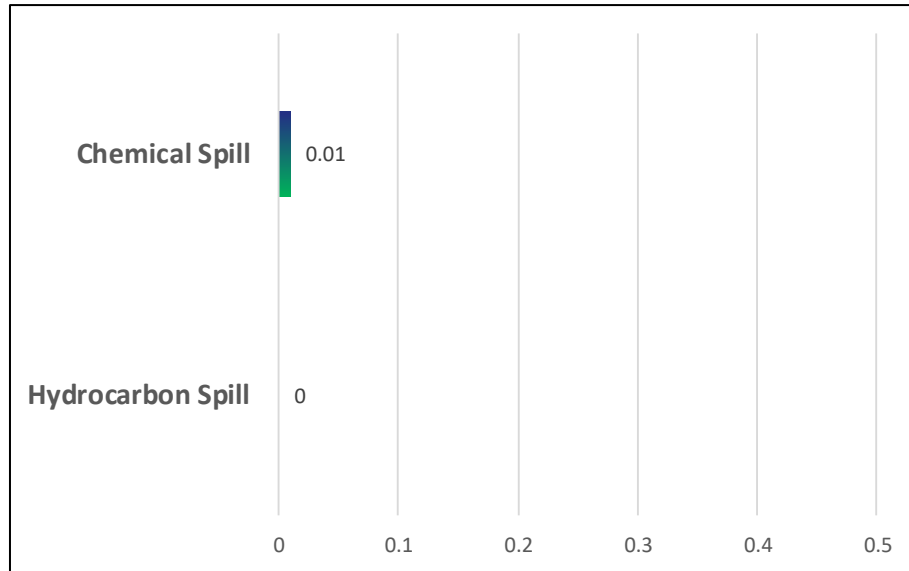


Figure 9: Mass of spills (PON1) during 2020 (tonnes).

7.0 ATMOSPHERIC EMISSIONS

The Armada Kraken operation uses energy during the extracting, processing and exporting of oil. BAUK manages energy consumption efficiently to reduce the emissions from Armada Kraken operations. Figure 10 provides the detail of the verified Armada Kraken Greenhouse Gas (GHG) 2020 emissions expressed as a CO₂ equivalent (CO₂e). In 2020, the Armada Kraken FPSO produced 286,794 CO₂e tonnes.

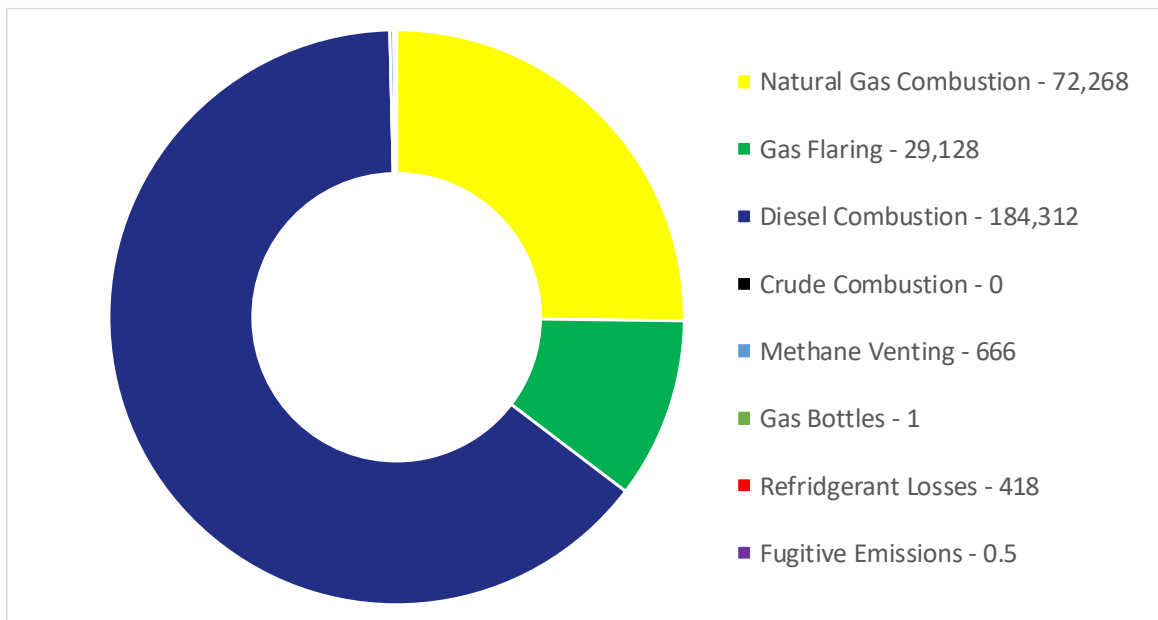



Figure 10: Armada Kraken GHG emissions CO₂ equivalent (tonnes).

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8.0 WASTE MANAGEMENT

Armada Kraken operations consume natural resources and other material which generates a range of wastes. BAUK manages waste according to the waste management hierarchy – Remove, Reduce, Reuse and Recycle. BAUK seeks to minimise the quantity of waste disposed to landfill. Figure 11 shows the destination of waste that was generated by the Armada Kraken FPSO in 2020. The total quantity of waste generated by the Armada Kraken FPSO in 2020 was 244 tonnes.

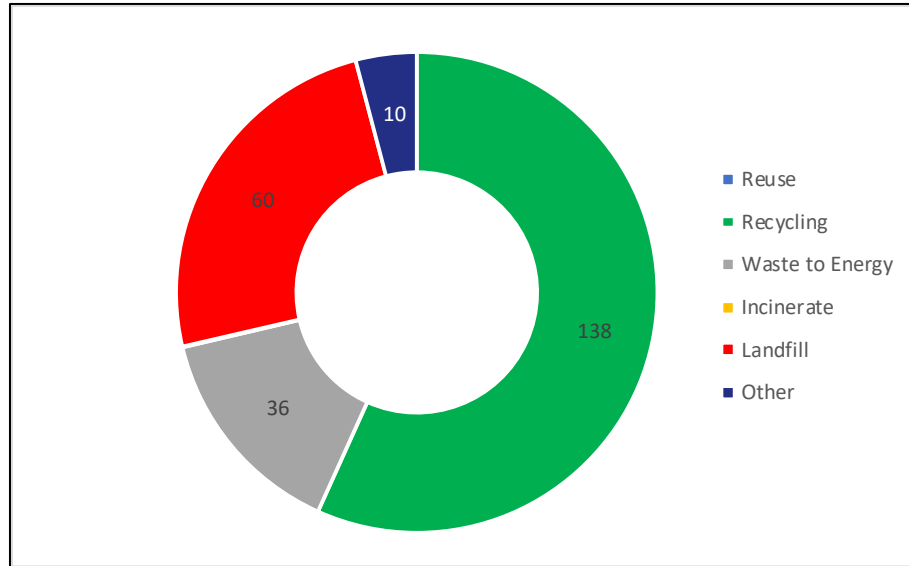


Figure 11: Armada Kraken operational waste 2020 (tonnes).