



Welcome to EnQuest's public statement on environmental management and UKCS environmental performance for 2020.

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Cover image: Northern Producer FPF
This page: Alba platform

An accountable and responsible approach.

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 our environmental performance across our UK offshore operations for the year 2020.

The statement covers an overview of our HSEA policy, our corporate Values and Environmental Management System ('EMS'). It also describes our assets and the extent to which we are meeting our environmental goals as well as laying out our future objectives.

Emissions performance is an area of great importance to EnQuest as a responsible operator of oil and gas assets through the multi-decade energy transition.

The Group aims to extend production lives safely, enhance cash flow profiles and reduce costs and emissions on mature assets, as society's reliance on hydrocarbons is reduced, thereby contributing towards the achievement of national emissions targets.

The Group's absolute Scope 1 and 2 emissions were 11.2% lower in 2020 compared to 2019, primarily reflecting the Group's decisions to cease production at its Heather/Broom, Thistle/Deveron and Alma/Galia assets.

The Group continues to optimise sales of Kraken cargoes directly to the shipping fuel market, avoiding emissions related to refining and helping reduce sulphur emissions in accordance with the IMO 2020 regulations.

Total CO₂ equivalent emissions resulting from UK offshore operations where EnQuest is duty holder amounted to 812,730 tonnes in 2020.

The Group has also set itself a challenging target to deliver a further reduction in Scope 1 and 2 emissions of c.10% over the next three years from its existing portfolio through the identification and implementation of economic emission reduction opportunities.



The Group's licence to operate is underpinned by its safety performance.

As such, the Group's priority is to deliver SAFE Results without compromising standards in order to meet other business objectives.

To achieve this, the business is managed in accordance with the Group-wide Health, Safety, Environment and Assurance ('HSEA') policy.



EnQuest's absolute priority has consistently been SAFE Results, no harm to our people and respect for the environment.

We have a strong safety culture at EnQuest, however there is no room for complacency and our HSEA Policy, supported by our people, plays a key part in ensuring we maintain the highest possible standards."

Mark Wilson - HSEA Director

HSEA Policy

Health, Safety, Environment & Assurance



EnQuest is a production and development company, with operations in the UK North Sea and Malaysia. We are committed to operating responsibly and will not compromise our health, safety or environmental standards to meet our business objectives.

Through respect for our people, our contractors, our customers, our stakeholders and the environment, we will operate to achieve our principal aim: *safe results, with no harm to people and respect for the environment.*

To achieve this we will manage our business such that we:

Process Safety Management

- Demonstrate strong process safety leadership
- Provide trained and competent resources
- Maintain high-quality systems and processes
- Maintain the integrity of our assets over their life cycles
- Recognise, assess and manage HSE risks
- Plan and be prepared for potential emergencies

Environment

- Integrate environmental management into all aspects of our operations
- Manage and mitigate our impact on the environment

Wellbeing

- Maintain safe and healthy workplaces

Engagement

- Encourage open and honest communication
- Ensure our contractors and suppliers comply with our policies and procedures
- Comply with all applicable legislation and industry standards
- Recognise, assess and manage change

Sharing & Learning

- Investigate and learn from HSE events
- Strive for continual improvement in our HSE performance

Should operational results and this policy ever come into conflict, we all have a responsibility to our principal aim of *safe results, with no harm to people and respect for the environment* over operational results. This includes the responsibility to stop a job whenever activities may conflict with this policy.

Amjad Bseisu
Chief Executive Officer
EnQuest PLC, January 2020

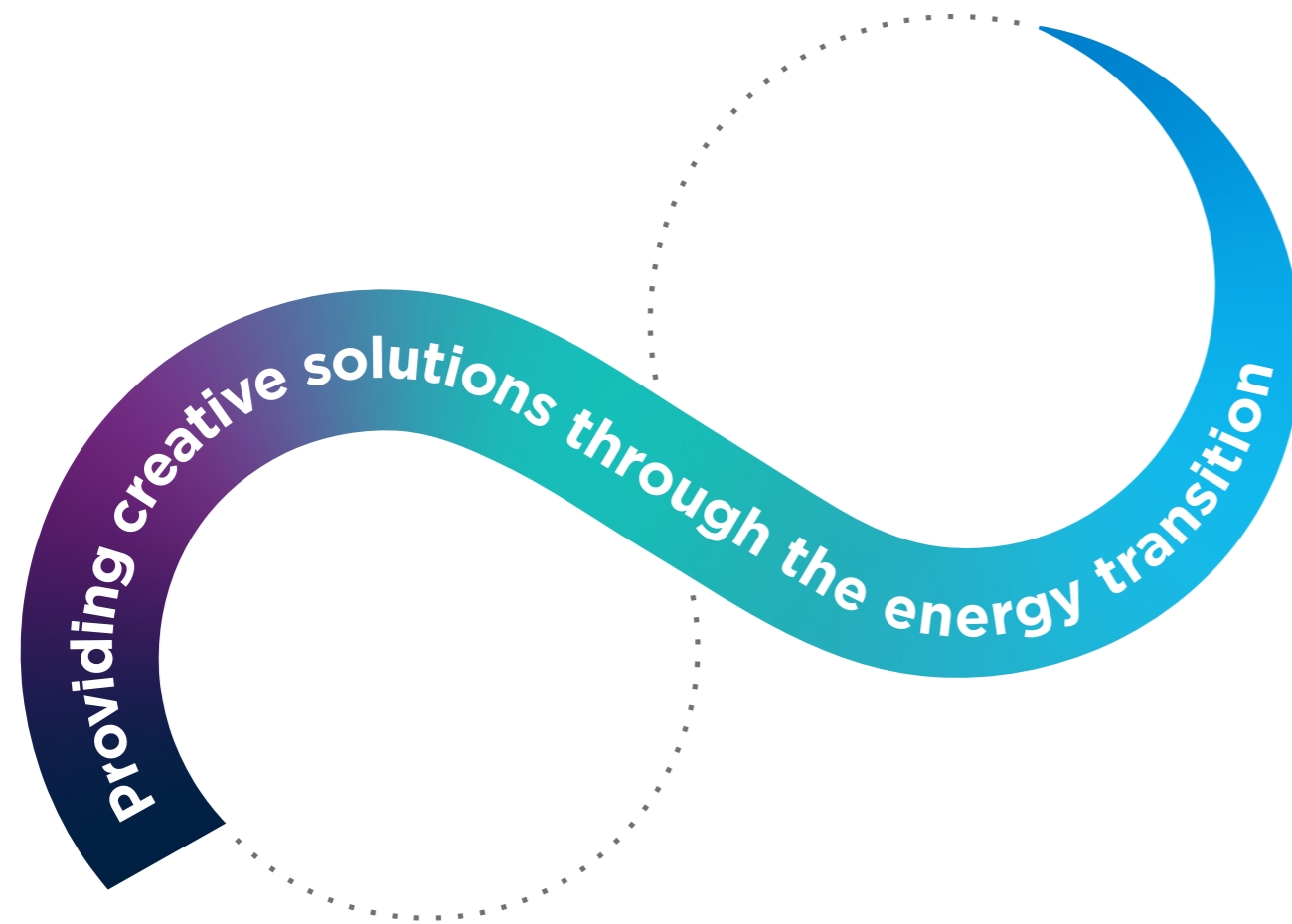
Bob Davenport
Managing Director – North Sea
EnQuest PLC, January 2020

ENQ-COR-HS-POL-00005 Rev.C10

www.enquest.com

EnQuest is an independent production and development company with operations in the UK North Sea and Malaysia.

We see our purpose as providing creative solutions through the energy transition.



The Group’s strategic vision is to be the operator of choice for maturing and underdeveloped hydrocarbon assets by focusing on operational excellence, differential capability, value enhancement and financial discipline.

Principal UK Assets

At the end of 2020, EnQuest was the licensee, well, pipeline and offshore installation operator for Heather, Thistle, Northern Producer, EnQuest Producer and Magnus and onshore operator for the Sullom Voe Terminal ('SVT').

EnQuest has an equity stake of 15.1% in SVT, 18.0% in the Ninian Pipeline System and 51.1% in the Northern Leg Gas Pipeline.

EnQuest is the licensee, well and pipeline operator for the Greater Kittiwake Area. Petrofac became the installation operator of Kittiwake in June 2017.

EnQuest is the licensee, well and pipeline operator of the Kraken field.

Bumi Armada is the installation operator of the Kraken FPSO. EnQuest also has a non-operated interest in the Alba oilfield.

A transformed company

EnQuest has been transformed in 2020 with a focused portfolio. We have a strong track record of improving the performance and extending the economic lives of assets within our portfolio.

Our capabilities have delivered material growth in production and reserves since the Company’s creation in 2010.

UK production of 50,334 Boepd was 2.5% higher than in 2019, reflecting strong performances at Kraken and Scolty/Crathes, partially offset by lower than expected performance at Magnus, cessation of production at Alma/Galia, absence of gas lift at the Dons and natural declines.



Respect for the environment

As a responsible operator, we manage our operations to prevent incidents and minimise our environmental impact.

Safety sits at the core of everything we do as we aim for SAFE Results with no harm to our people and respect for the environment.

We conduct our business and our relationships with respect and openness, ensuring a diverse range of ideas are shared and considered.

We work collaboratively to achieve exceptional results, driving a focused business to achieve success, always pursuing growth and learning opportunities to unlock our full potential as individuals, teams and the Company as a whole.

5 Golden Rules for the environment

- **Segregate** all waste
- Report any **leaks, weeps, seeps or sheens**
- Report any **blocked drains** and **bunds** containing liquids
- Report any **objects dropped** into the sea
- Do not **dispose** of any **liquids** into drains

At the end of December 2020, EnQuest had interests in 20 UK production licences and was the operator of 18 of these licences.

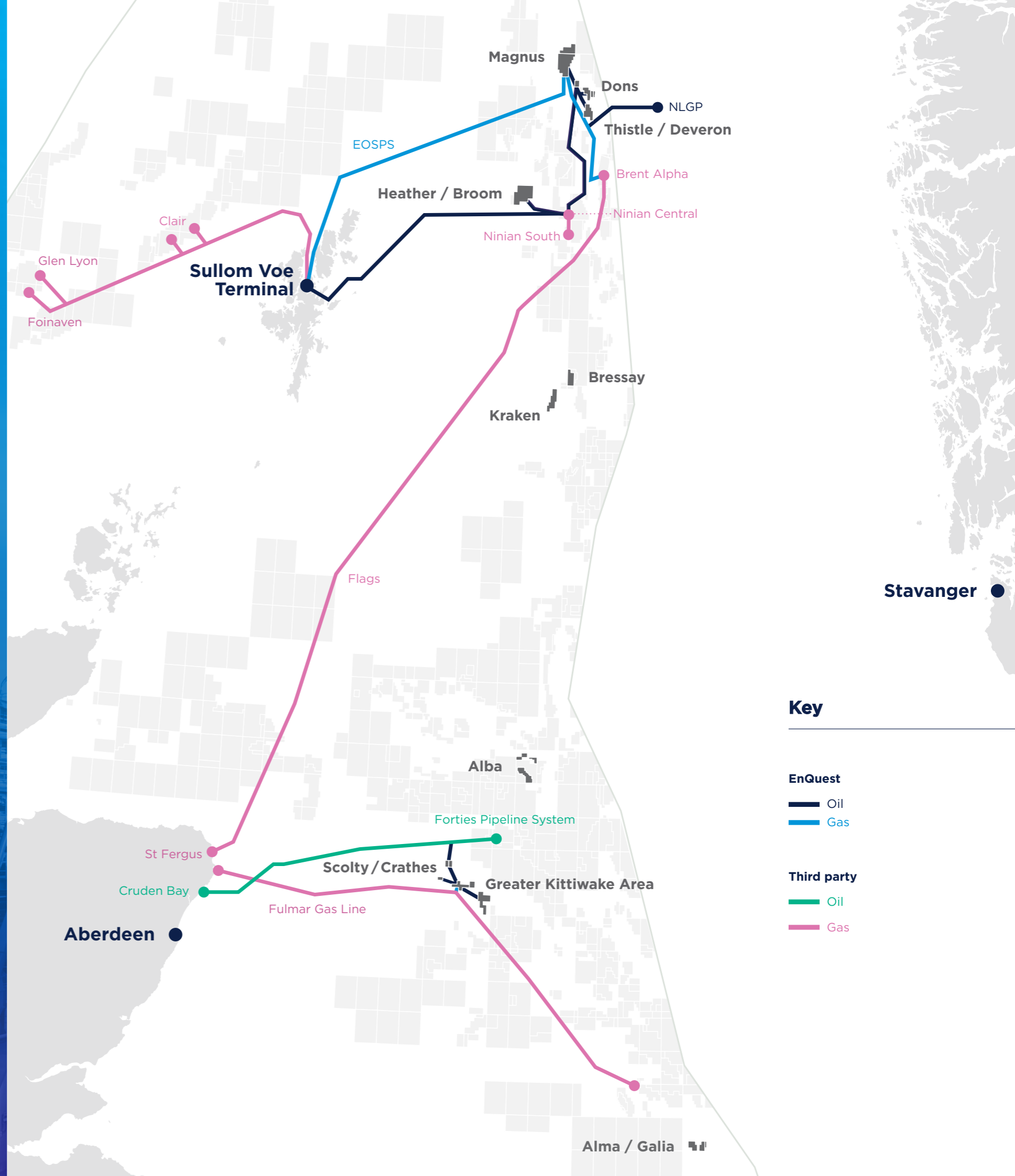


Image: Kraken FPSO

Upstream

Magnus

EnQuest's acquisition of an initial interest in Magnus in 2017 and the increasing of its interest to 100% in 2018, was welcomed by all stakeholders as having the "right assets, in the right hands" and reflected our production improvement and life-extension successes at our other assets.

The acquisition has increased production and cash flow through the addition of significant low-cost 2P reserves.

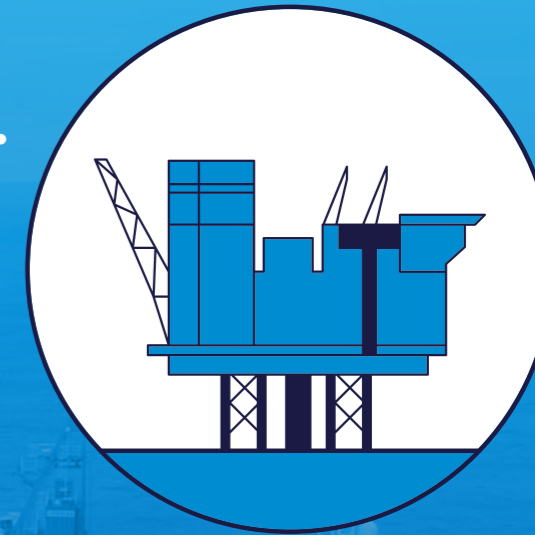
Magnus also has significant potential, with 2C resources of c.35 MMboe at the end of 2020, offering the Group significant low-cost drilling opportunities in the medium term, in addition to an estimated c.250 MMbbls of remaining mobile oil in place that requires further evaluation to identify future drilling and tie-back prospects.



Greater Kittiwake Area

The GKA area comprises five offshore oil fields: Kittiwake, Mallard, Gadwall, Goosander and Grouse.

Through successful rejuvenation of the well stock, improving water injection capability and a focus on debottlenecking the production system, significant increases in volume and uptime have been achieved.



Kraken

Kraken is a heavy oil producing asset and is the largest single asset in EnQuest's portfolio. First oil was delivered in June 2017, with the field development plan completed around the end of the first quarter of 2019.

More than 40 million barrels of oil equivalent have been produced since first oil to end of 2020 and the Group is now embarking on the next stage of the field's development, with a producer and injector pair having been drilled into the western area during 2020.

Assessment of further near-field, short-cycle drilling opportunities is ongoing. Kraken is expected to have a long field life of over 20 years with the prospect of relatively low decommissioning costs.



Scolty/Crathes

The Scolty/Crathes development consists of a single horizontal well drilled in to each of the Scolty and Crathes fields.

The fields are tied back to the Kittiwake platform and have greatly extended the useful life of this production hub.

Decommissioning

Thistle/Deveron

EnQuest acquired an interest in these fields in 2009 and put in place a program of work to extend their useful lives. Work was carried out on the wells and on the platform itself, which saw the asset's life expectancy increase significantly.

In March 2020, EnQuest announced it no longer expects to re-start production at the Thistle field. A CoP application was accepted by the regulator in July, with an effective decommissioning date of 31 May 2020. EnQuest's share of post-tax costs have reduced to 6.1% (from 99.0%).

Project activities related to the removal of the redundant crude oil storage tanks were completed in July. The facility remained permanently unmanned throughout 2020, with a well abandonment programme targeted for 2021.



Heather/Broom

Heather and Broom are adjacent oil fields that were produced through Heather Alpha, a fixed steel offshore platform, with Broom connected via a subsea tieback.

In February 2020, EnQuest confirmed it will not restart production from the Heather field following production being shutdown in late 2019. Acceptance of CoP was received from the UK Oil & Gas Authority in June 2020. A CoP application for Broom was accepted by the regulator in March 2021. EnQuest expects to begin a programme of well abandonment in 2021.

Alma/Galia

The Alma and Galia fields were re-developed as a single joint development, revitalising reservoirs where production had previously been shut-in, and tied back to the EnQuest Producer Floating Production, Storage and Offloading ('FPSO') vessel.

On 30 June 2020, CoP occurred as planned. In September, the EnQuest Producer FPSO moved off station and has moored at the oil terminal jetty at Nigg.

The Dons

The Dons are a collection of offshore oil fields that produce via subsea tiebacks to the Northern Producer Floating Production Facility. As the first fields owned by EnQuest, the redevelopment of the Dons area was a great example of EnQuest's ability to create value.

Cessation of production occurred in March 2021 following receipt of regulatory approvals.



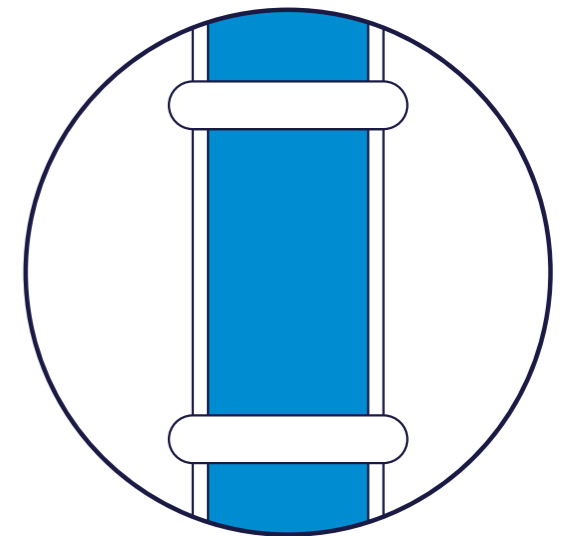
Image: EnQuest Producer FPSO

Midstream

Pipelines

When EnQuest acquired the operating interests in the producing Magnus asset and the onshore Sullom Voe Oil Terminal in Shetland, the associated pipelines were also purchased. These pipelines are of strategic importance.

The Ninian Pipeline System, in which EnQuest has an 18.0% share, transports crude oil to SVT, the east of Shetland gas pipeline, which is 100% EnQuest owned, provides the route for west of Shetland gas through the Magnus asset to NLGP. The Northern Leg Gas Pipeline, in which EnQuest has a 51.1% share, delivers natural gas for onward transportation via the Shell-operated FLAGS pipeline and into the UK National Transmission System.



EnQuest’s priority is delivering SAFE Results, with no harm to our people and respect for the environment.

Our Environmental Management System (‘EMS’) ensures our activities are conducted in such a way that we manage and mitigate our impact on the environment, which includes permitted hydrocarbon releases and discharges.

Non-compliant releases and discharges from the Group’s operations carry adverse reputational, financial and other consequences.

As an operator of offshore oil and gas installations on the UKCS, the environmental regulators OPRED (part of BEIS) and SEPA, require companies to have in place an EMS that:

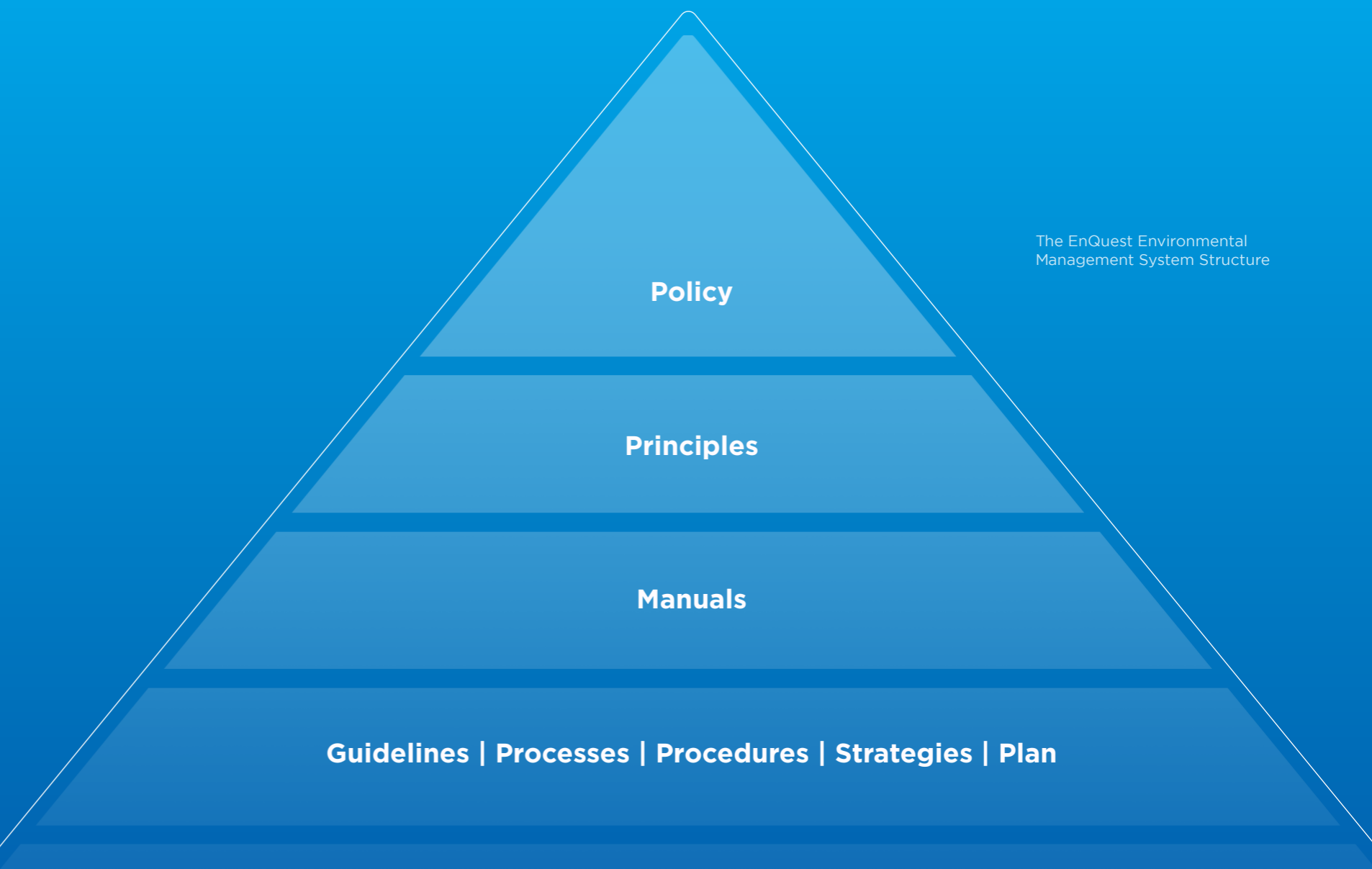
Achieves the environmental goals of the prevention and elimination of pollution from offshore sources and of the protection and conservation of the maritime area against other adverse effects of offshore activities;

Maintains and encourages **continual improvement** in environmental performance; and

Is in accordance with the principles of **internationally recognised standards** such as ISO 14001:2015.

Our EMS provides a framework for the achievement of objectives in order for us to manage risk in accordance with the requirements of Company policies, applicable legislation, national/international standards and contractual or partnership commitments.

The EnQuest Environmental Management System Structure



Policy

Principles

Manuals

Guidelines | Processes | Procedures | Strategies | Plan

Forms | Matrices | Registers | Templates

Effective management of HSE performance is a key objective for the whole organisation.

EnQuest regularly monitors and reports its environmental performance in line with the requirements of UK law.

This following sections outline EnQuest's environmental performance in 2020 regarding liquid discharges, spills, material waste and atmospheric emissions.



We use energy in extracting, processing and exporting oil and gas.

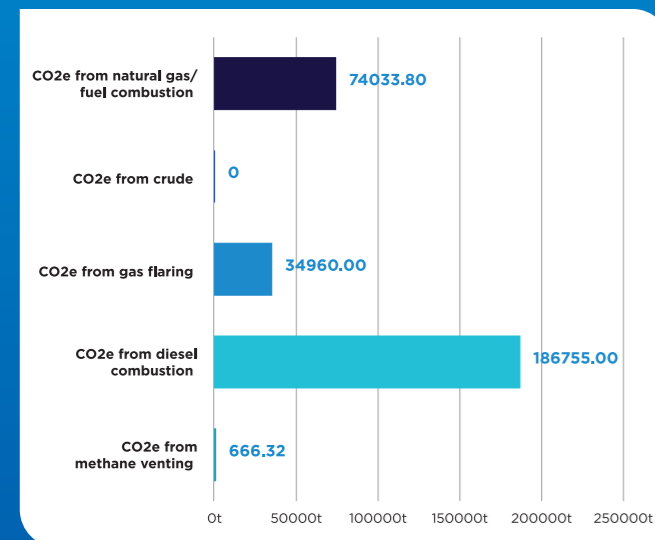
Atmospheric emissions generated by these activities are regulated by the Greenhouse Gas Emission Trading Scheme ('ETS') and the Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013.

In addition, we report our annual greenhouse gas (GHG) emissions in our Directors' Report as per the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013 within the Annual Report and Accounts.

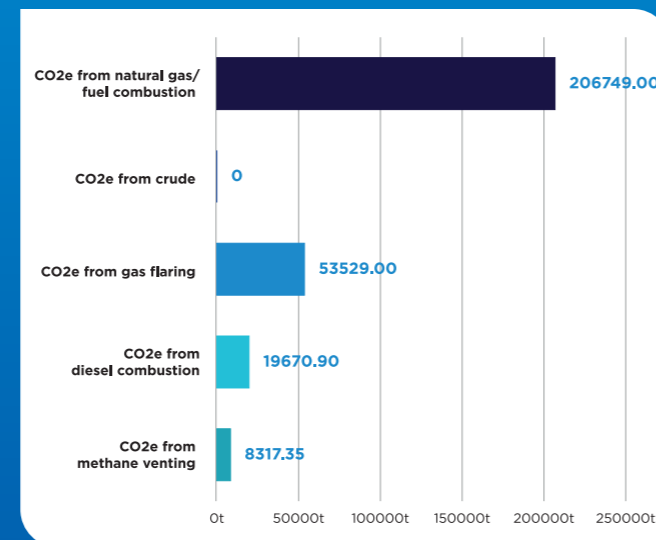
We seek to use energy efficiently within our facilities and continually look to identify opportunities that may reduce emissions from our operations, targeting a 10% reduction in absolute Scope 1 and 2 emissions by the end of 2023 from a 2020 baseline.

GHG emissions are reported on a Carbon Dioxide (CO²) equivalent basis, including CO² and methane.

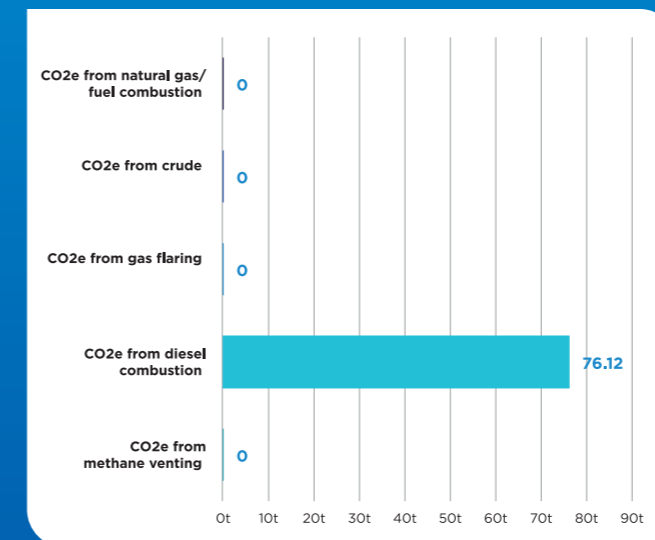
Kraken Total: 297446.22t



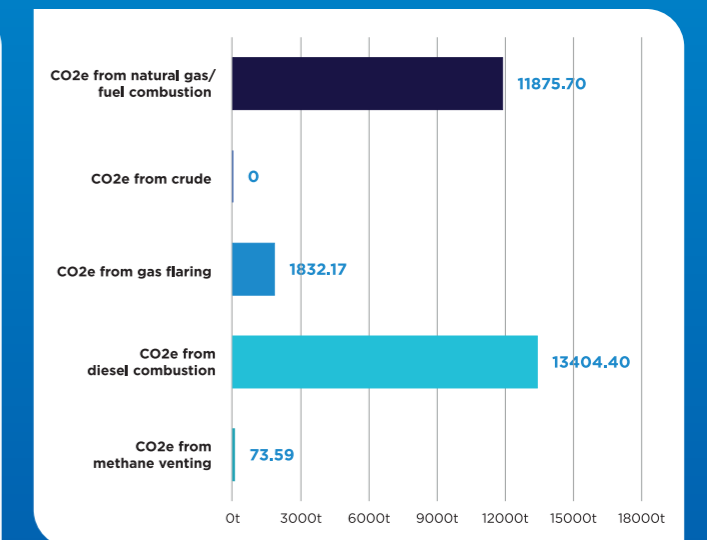
Magnus Total: 288579.41t



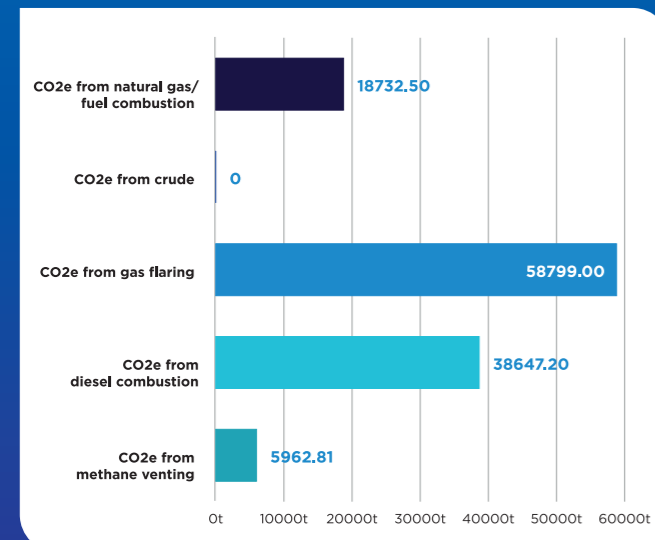
Thistle Total: 76.12t



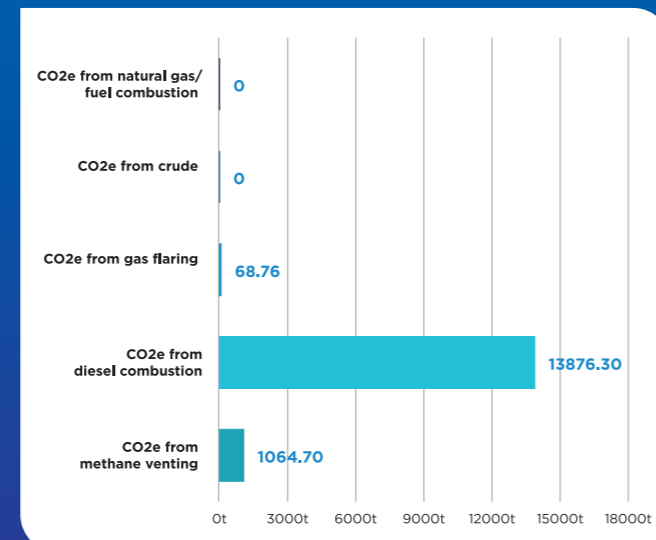
EnQuest Producer Total: 27779.52t



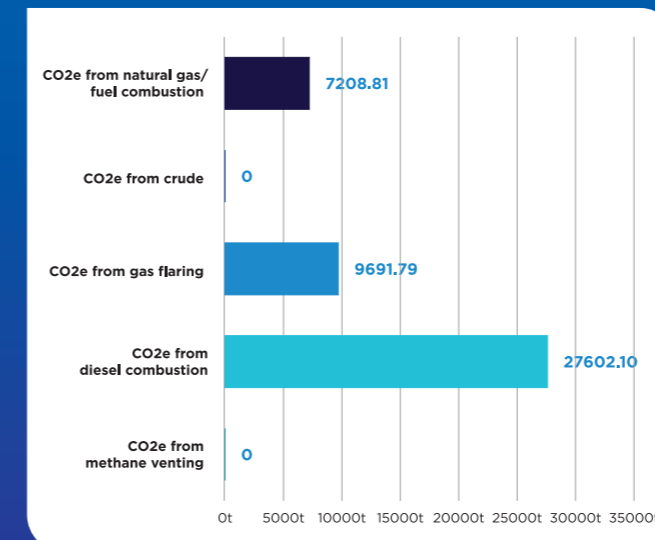
Kittiwake Total: 122280.86t



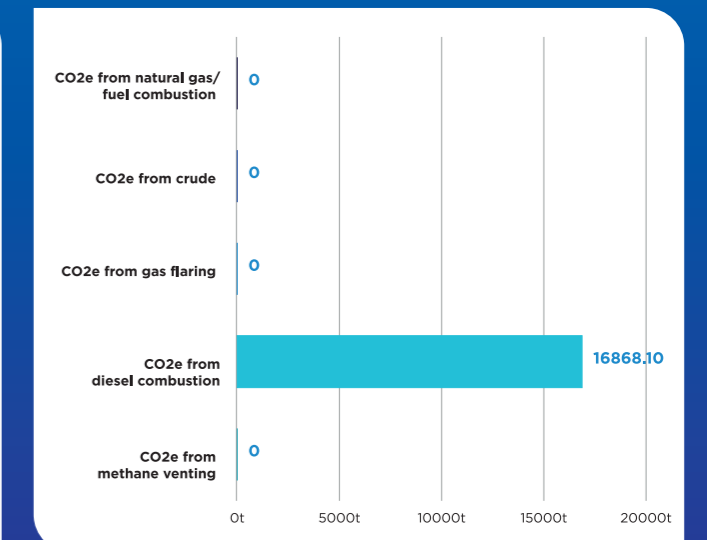
Heather Total: 15164.41t



Northern Producer Total: 44534.90t



Exploration Rigs Total: 16868.08t

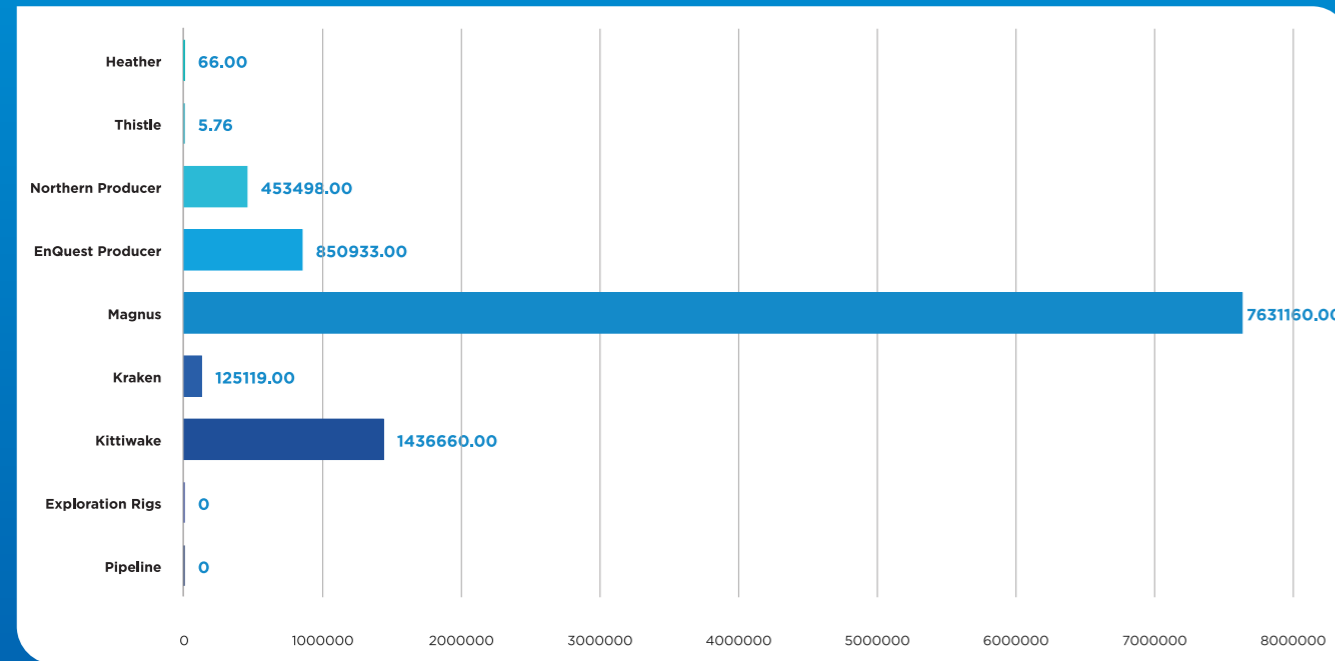


EnQuest aims to minimise the environmental impact of the discharge of produced water.

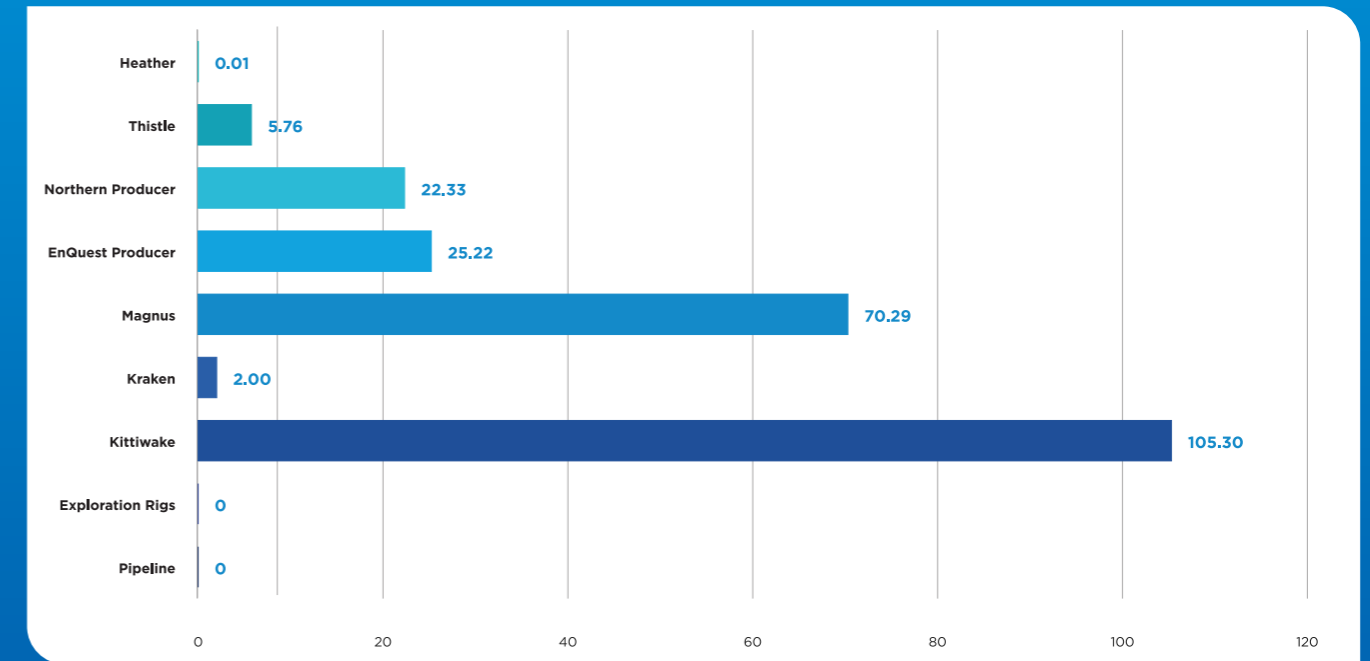
Treatment plants at our assets remove the majority of hydrocarbons and solids present in the produced water stream. All our water is treated and monitored prior to discharge.

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.

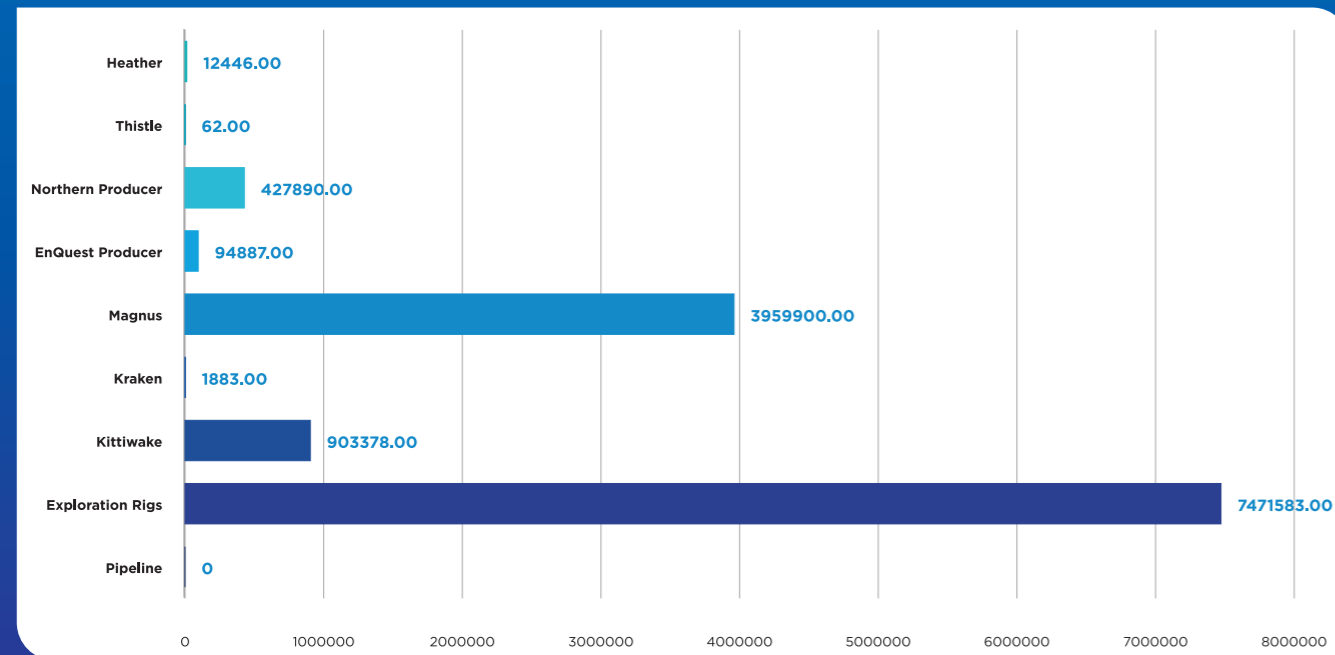
Produced water discharged to sea (m³)



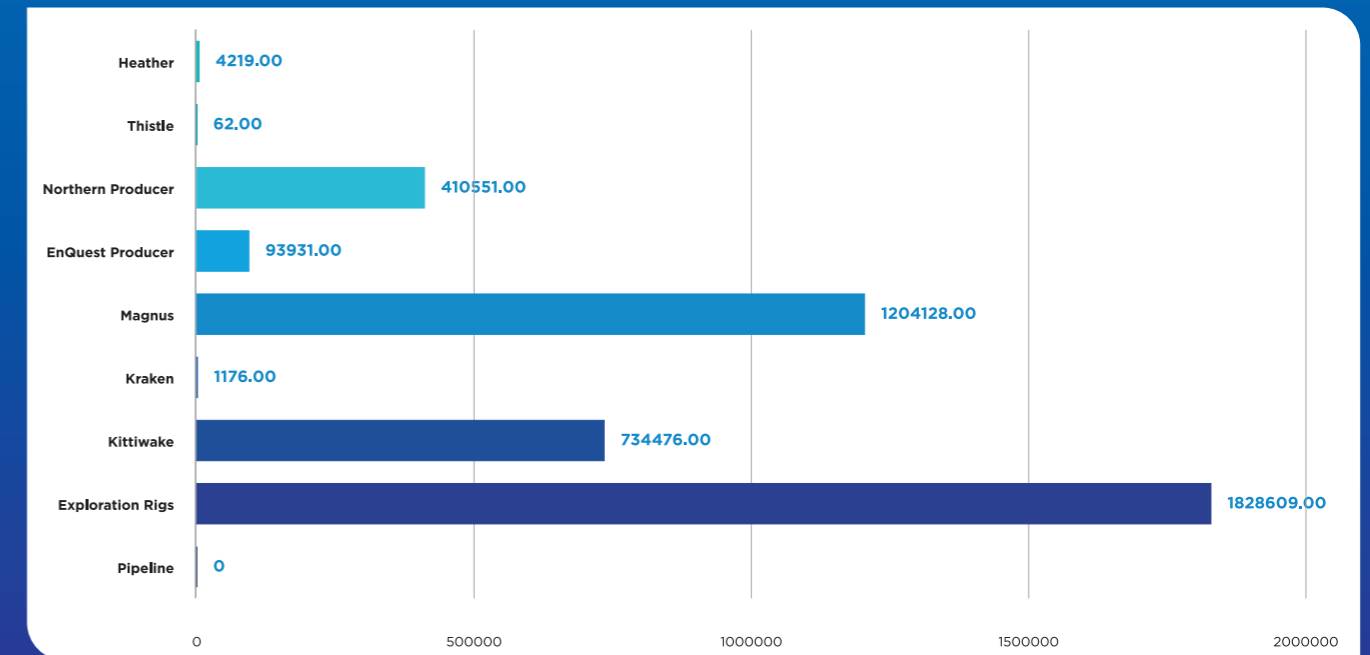
Oil in produced water discharged to sea (tonnes)



Total chemical use (kg)



Chemicals discharged to sea (kg)

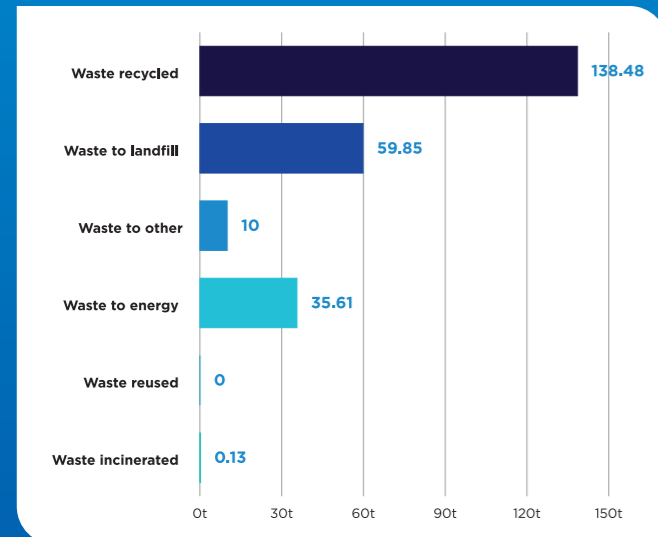


Our operations consume natural resources and other material which generate a range of wastes.

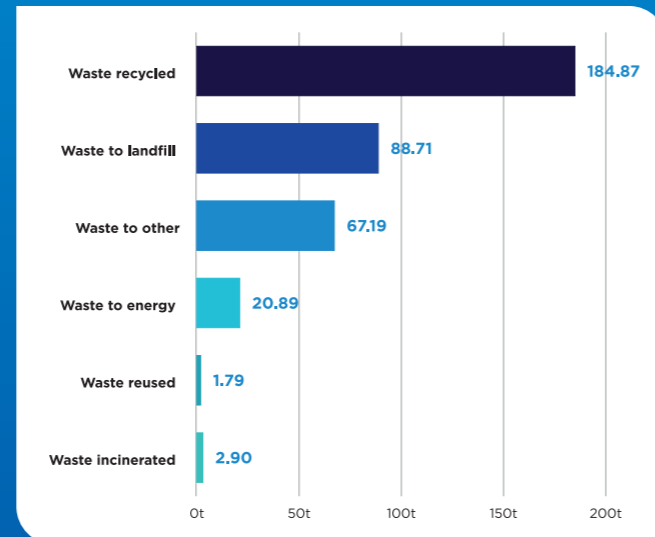
We must ensure that the segregation, transportation and eventual disposal of waste are managed in accordance with legislative requirements.

We work closely with our onshore waste management contractors to identify recycling routes for as much of our waste as possible and conduct regular audits to evaluate waste management practices.

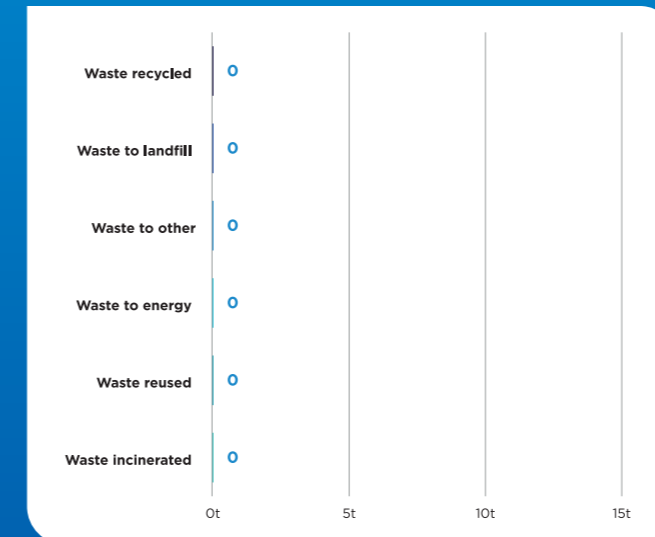
Kraken



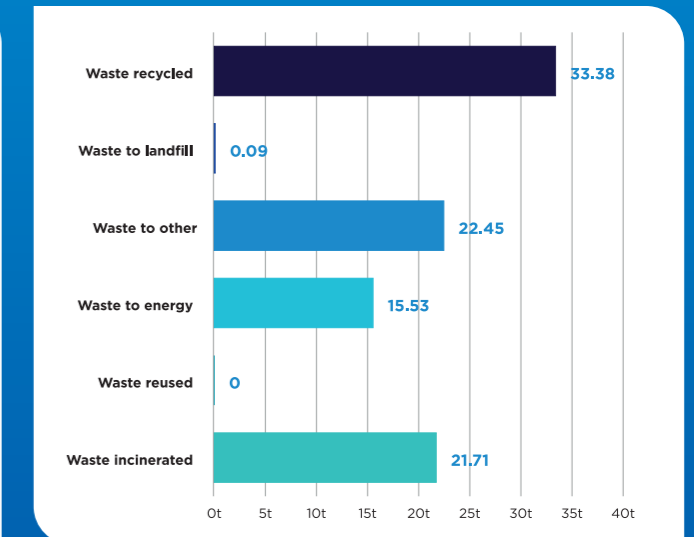
Magnus



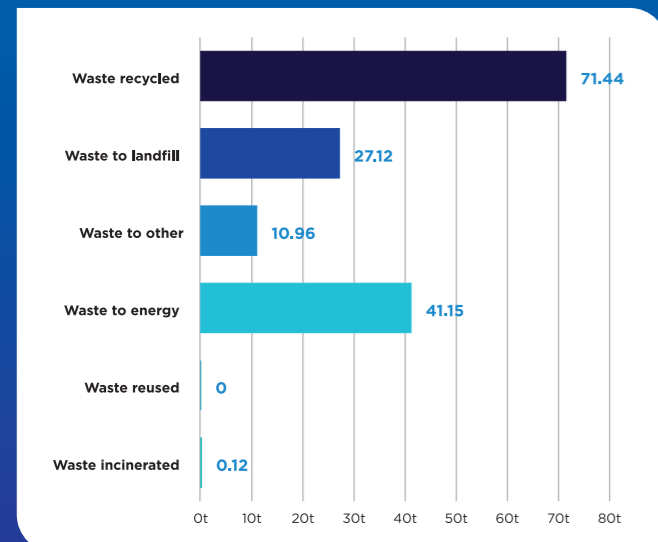
Thistle



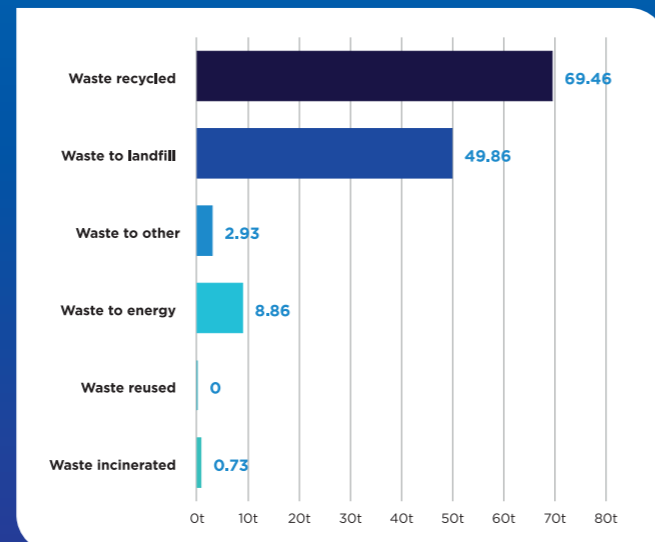
EnQuest Producer



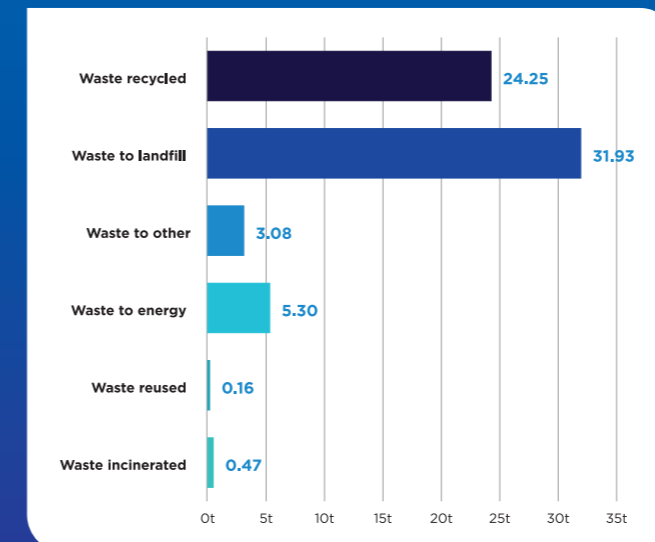
Kittiwake



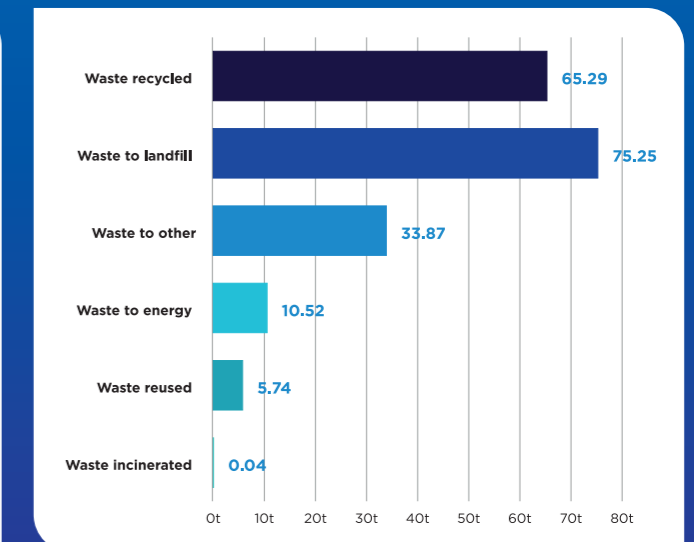
Heather



Northern Producer



Exploration Rigs

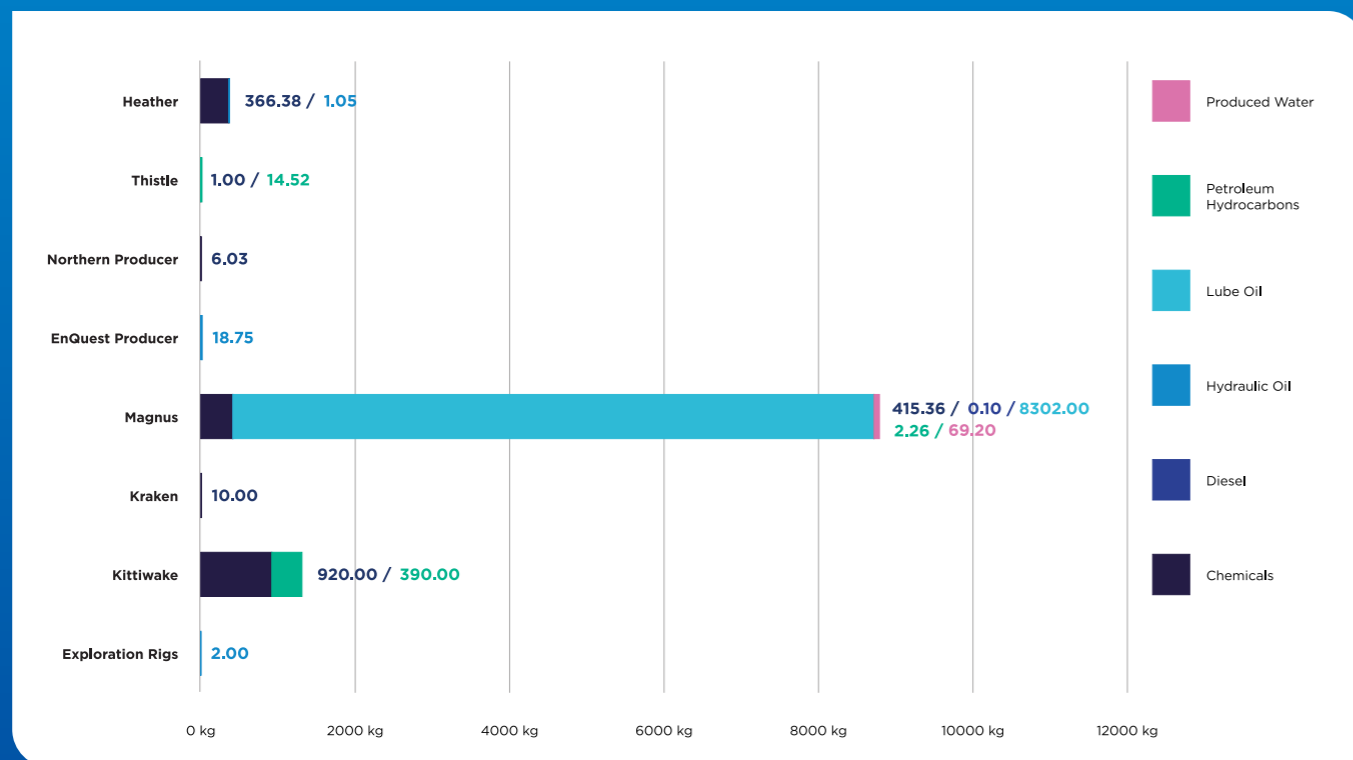


As spills to sea can have consequences for the marine environment, we work to minimise the risk with a focus on prevention.

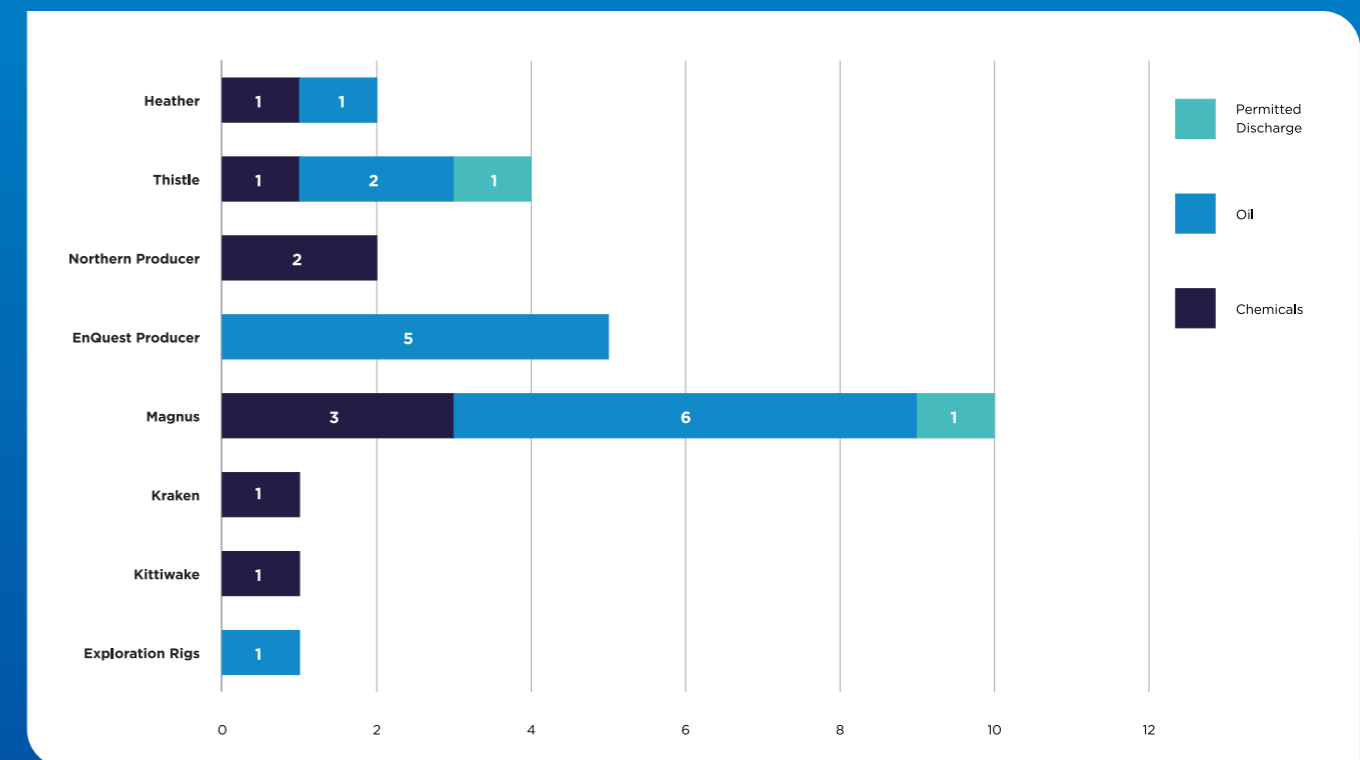
We have OPRED approved Oil Pollution Emergency Plans ('OPEP's) in place across all our assets and are a member of Oil Spill Response Limited, the world's largest spill response organisation.

All spills to the marine environment, regardless of volume, must be reported to OPRED via a PON1 ('Petroleum Operations Notice No.1') submission.

Spills to sea (mass)



Number of spills to sea



In recent years, Environmental, Social and Governance ('ESG') factors have continued to grow in importance for companies, reflecting the renewed focus on company purpose, widespread concerns about climate change and the increasing importance of stakeholder considerations, combined with a renewed emphasis on long-term value enhancement.

As such, the Group undertook a review of the extensive ESG landscape, in order to identify those factors which are relevant and applicable to its purpose and business model, ensuring its approach was clear, appropriate and easily understood by its stakeholders.

The Group concluded that its core ESG areas of focus are: health and safety, including asset integrity; the pursuit of emission reduction opportunities in order to contribute positively towards the achievement of national emissions targets; looking after our people and positively impacting the communities in which we operate; and upholding our robust risk management framework while acting with the highest standards of integrity in all that we do.

The Group aims to reduce absolute Scope 1 and 2 CO₂ equivalent emissions from its existing operations by 10% over the period 2021 to 2023. This target has been included as a key performance metric in the Group's long-term incentive scheme for Executive Directors and applicable employees.

To help achieve this target, a number of emission reduction opportunities have been identified, such as installing generator turbine water wash facilities and the use of high-efficiency particulate air filters on Magnus.

These projects alone however, will not enable the Group to meet its target. It is recognised that improved environmental performance is a continuous process and as such, there are working groups dedicated to the identification and implementation of economically viable emissions savings across the Group's portfolio of assets.

The UK Decommissioning directorate continues to work with the supply chain, industry participants and decommissioning workgroups to identify creative ways, such as alternative power generation options, in which emissions associated with decommissioning activities can be kept to a minimum.

Other opportunities continue to be explored, with EnQuest being an active participant in the Energy Hub, an initiative being developed by the Shetland Islands Council and the Oil and Gas Technology Centre ('OGTC'), which aims to deliver a clean, sustainable energy future for Shetland and the UK.

Additional areas of focus are looking at whether Kraken oil can be used as an alternative energy source and SVT power supply options. In Malaysia the Group continues to voluntarily limit emissions below the regulatory limit.

The Group continues to engage with entities such as Oil and Gas UK, the OGTC and the Oil and Gas Authority, to understand better how it can contribute further to the industry approach to net-zero, whilst remaining aligned with EnQuest's strategy.

The Group also seeks to use energy efficiently within its facilities for extracting, processing and exporting oil and gas and continually looks to identify opportunities that may reduce emissions from its operations.

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