



EnQuest PLC

# UKCS Environmental Statement 2022



# Welcome to EnQuest's public statement on environmental management and UKCS environmental performance for 2022.

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<b>Executive Summary</b>	<b>02</b>
<b>HSEA Policy</b>	<b>03</b>
<b>Overview</b>	<b>04</b>
<b>Production and Development</b>	<b>05</b>
<b>Our Assets</b>	<b>06</b>
<b>Environmental Management System</b>	<b>09</b>
<b>Environmental Performance</b>	<b>10</b>
<b>Atmospheric Emissions</b>	<b>11</b>
<b>Liquid Discharges</b>	<b>12</b>
<b>Material Waste</b>	<b>13</b>
<b>Spills</b>	<b>14</b>
<b>Looking Forward</b>	<b>15</b>



## Managing emissions from existing operations and advancing new energy opportunities

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 2022.

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.

EnQuest recognises that industry, alongside other key stakeholders such as governments, regulators and consumers, must contribute to reducing the impact on climate change of carbon-related emissions.

The Group is committed to playing its part in the achievement of national emissions reduction targets and the drive to net zero. The Group continued to make good progress in reducing its absolute Scope 1 and 2 emissions during the year, with CO<sub>2</sub> equivalent emissions reduced by 22.7%. Since 2018, UK emissions have reduced by 43.1% driven by the decisions to cease production at a number of the Group's

assets and the further reductions achieved in 2022, which is significantly ahead of the UK Government's North Sea Transition Deal target of achieving a 10% reduction in Scope 1 and 2 CO<sub>2</sub> equivalent emissions by 2025.

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

Total CO<sub>2</sub> equivalent emissions resulting from UK offshore operations where EnQuest is duty holder amounted to 285,868 tonnes in 2022.





## Underpinning the Group's licence to operate is its health, safety and environmental 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.



Year-on-year CO<sub>2</sub>e emission reductions and other improvements in our environmental performance are a clear demonstration of EnQuest's commitment to the energy transition and our focus on reducing our impact whilst delivering our business objectives."

**Peter Hepburn - HSEA Director**

## HSEA Policy

Health, Safety, Environment & Assurance



EnQuest is a production and development company, with operations in the UK 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:

### Safety Management

- Demonstrate strong 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, including emissions

### Wellbeing

- Maintain safe and healthy workplaces
- Provide wellbeing awareness and support

### 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

Richard Hall  
Chief Operating Officer

ENQ-COR-HS-POL-00005 Rev. C13 April 2023

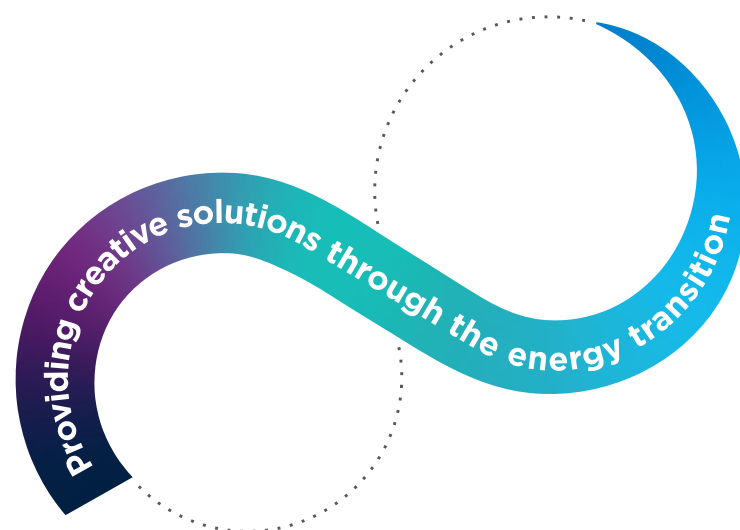
[www.enquest.com](http://www.enquest.com)



# 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 partner of choice for the responsible management of existing energy assets, applying our core capabilities to create value through the transition.



## Principal UK assets

At the end of 2022, 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 fields. Bumi Armada is the installation operator of the Kraken FPSO.

EnQuest also has a non-operated interest in the Alba and Golden Eagle oilfields.

EnQuest is the onshore operator for SVT. EnQuest is supported by third party exploration and drilling units as and when required.

## An energy transition company

EnQuest's business model spans the energy transition spectrum.

The Group will contribute to a just and sustainable transition by responsibly managing existing assets, we will continue to provide the production the world needs today while advancing our new energy and decarbonisation opportunity set to support a lower-carbon energy system, before safely decommissioning those assets.

Our business model is underpinned by several complementary transferable, proven capabilities

and provides long-term opportunities for our people.

UK production of 40,801 Boepd was 4% higher than in 2021, reflecting a strong performance at Kraken and improved performances at Magnus, partially offset by the expected natural declines across the portfolio.

## Respect for the environment

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

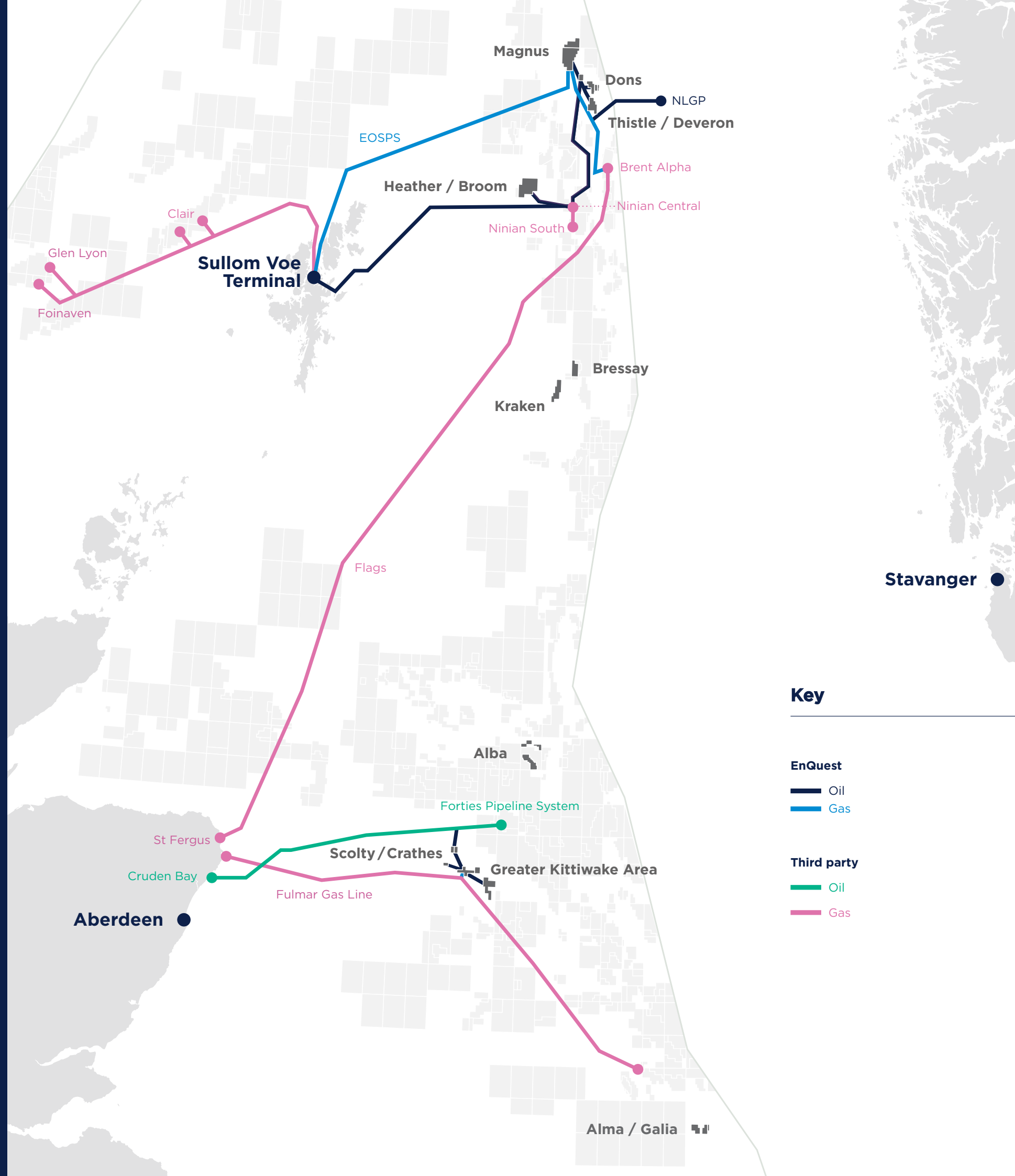
### 5 Golden Rules for the environment

- 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 2022, EnQuest had interests in 19 UK production licences and was the operator of 15 of these licences.





## Upstream

### Magnus

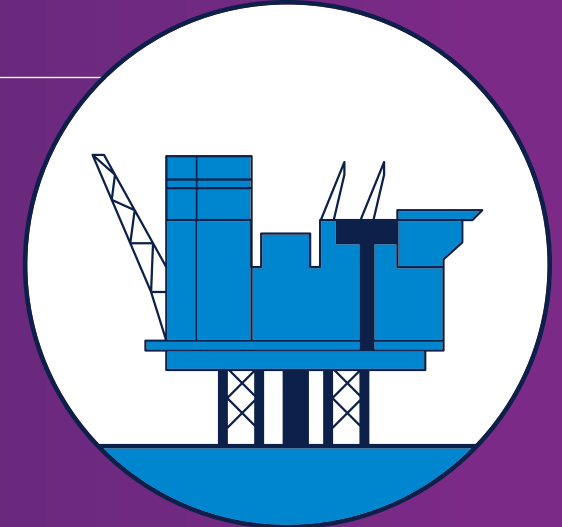
EnQuest's acquisition of an initial interest in Magnus in 2017 and the increasing of its interest to 100% in 2018, was welcomed by all stakeholders as having the "right assets, in the right hands" and reflected our production improvement and life-extension successes at our other assets.

The acquisition has increased production and cash flow through the addition of significant low-cost 2P reserves. Magnus has significant reserves and resource potential that requires further evaluation to identify further 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. In 2020, a producer and injector pair drilled into the western area was completed and brought onstream.

Kraken is expected to have a long field life of over 20 years and continues to offer infill opportunities and near-field opportunities through the evaluation and development of the Pembroke, Antrim, and Maureen sands discoveries and prospects in the western area.



### Scolty/Crathes

The Scolty/Crathes development consists of a single horizontal well drilled into 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.



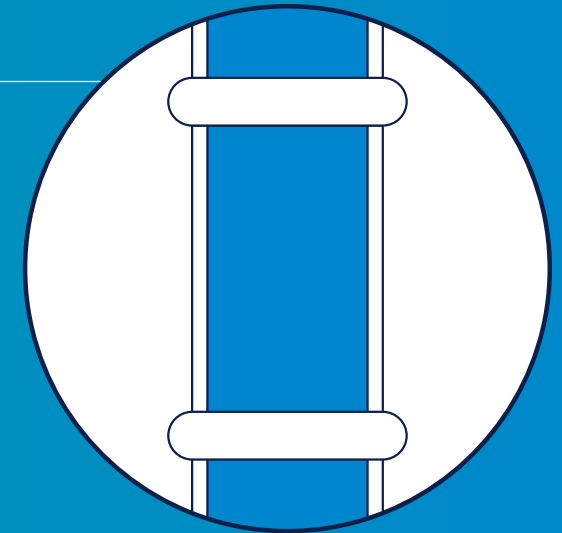
## Infrastructure and New Energy

### Pipelines

EnQuest operates a large number of in-field pipelines, risers and control umbilicals which support the efficient operation of our upstream and decommissioning asset base, offshore in the UKNS. These pipelines are of strategic importance to EnQuest, our partners and to the UK energy sector.

The control of these pipelines is a unique factor in EnQuest's ability to successfully deliver carbon capture and sequestration for carbon storage in the North Sea, which is a long-term project the Company is engaged on developing.

The Ninian Pipeline System (NPS), where EnQuest has an 18.05% share, transports crude oil to the Sullom Voe Terminal (SVT). The East of Shetland gas pipeline, which is 100% EnQuest owned, provides the route for West of Shetland gas via the Magnus asset to the Northern Leg Gas Pipeline (NLGP), where EnQuest has a 43.9% working share. The NLGP system delivers natural gas for onward transportation via the Shell-operated Far North Liquids and Associated Gas System (FLAGS) pipeline and into the UK National Transmission System (NTS).





## 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.

A CoP application was approved by the regulator in July 2020 with an effective decommissioning date of 31 May 2020. The decommissioning team continue to progress the asset's plug and abandonment (P&A') campaign.



### 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.

Subsea infrastructure removal within the 500-metre zone has been completed on time and budget, with the final phase executed in October 2022.

### 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.

The Company received regulatory approval in respect of Heather CoP in May 2020 while the CoP application for Broom was approved by the regulator in March 2021. The decommissioning team continue to progress the asset's plug and abandonment (P&A')

campaign and in September 2022, EnQuest awarded the Heather topsides removal contract with a single lift operation scheduled in 2025, with the Heather jacket removal scope subject to a separate process.

### 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.





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

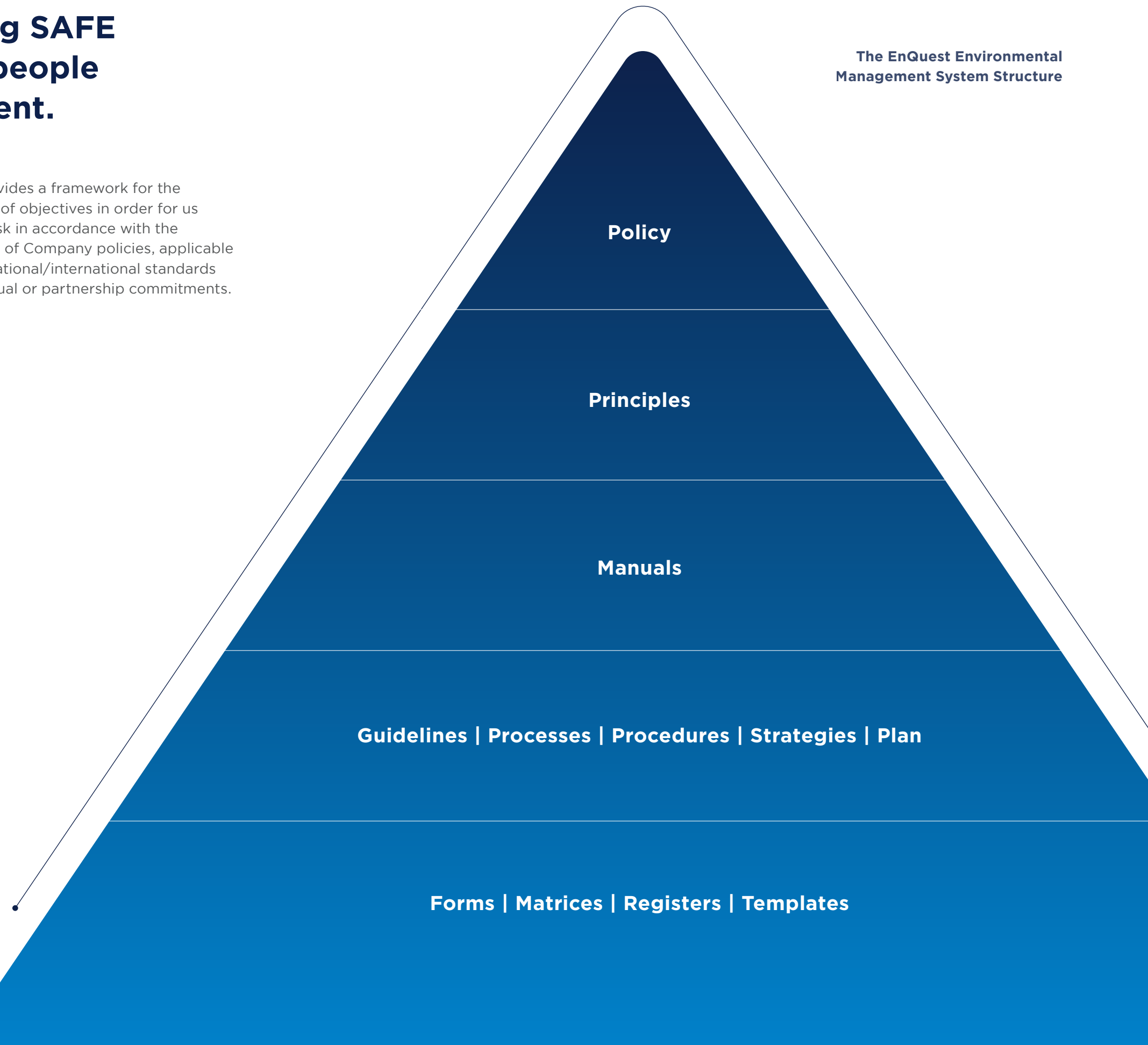
Our Environmental Management System ('EMS') ensures our activities are conducted in such a way that we manage and mitigate our impact on the environment, which includes permitted hydrocarbon releases and discharges. Non-compliant releases and discharges from the Group's operations carry adverse reputational, financial and other consequences.

As an operator of offshore oil and gas installations on the UKCS, the environmental regulators Offshore Petroleum Regulator for Environment & Decommissioning (OPRED) (part of the Department for Energy Security and Net Zero (DESNZ)) and the Scottish Environment Protection Agency (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
- 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





## 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 section outlines EnQuest's environmental performance in 2022 regarding liquid discharges, spills, material waste and atmospheric emissions.



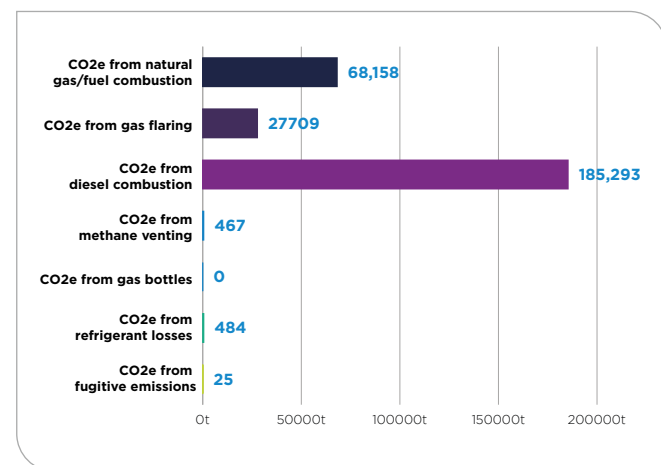
## We use energy in extracting, processing and exporting oil and gas.

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

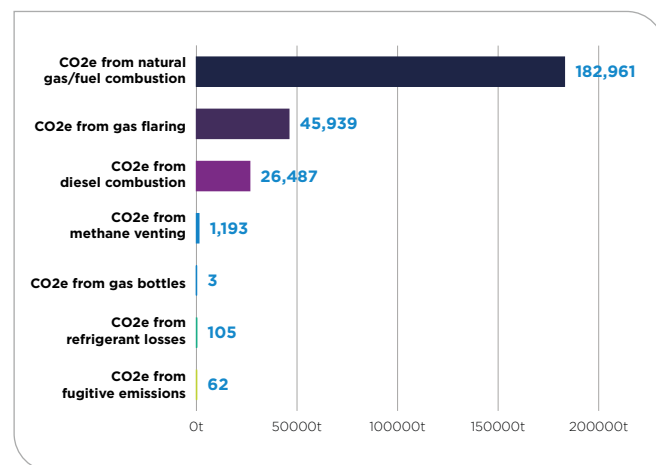
We seek to use energy efficiently within our facilities and continually look to identify opportunities that may reduce emissions from our operations. We are comfortably on target to deliver a 10% reduction in absolute Scope 1 and 2 emissions by the end of 2023 from

a 2020 baseline. 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. GHG emissions are reported on a carbon dioxide equivalent (CO<sub>2</sub>e) basis, including CO<sub>2</sub> and methane.

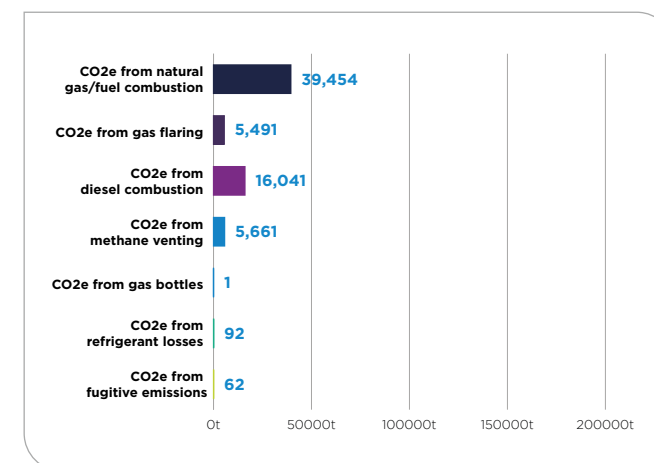
**Kraken | Total: 282,135t**



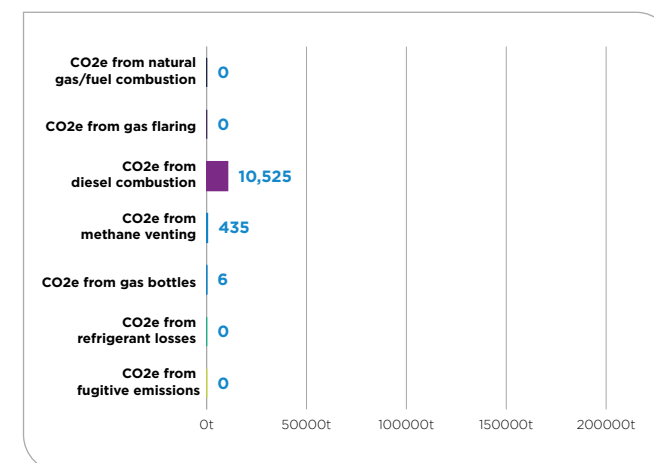
**Magnus | Total: 256,749t**



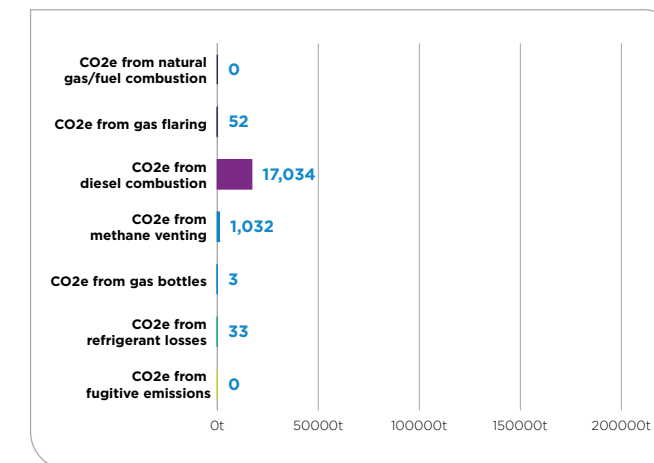
**Kittiwake | Total: 66,802t**



**Thistle | Total: 10,965t**



**Heather | Total: 18,154t**



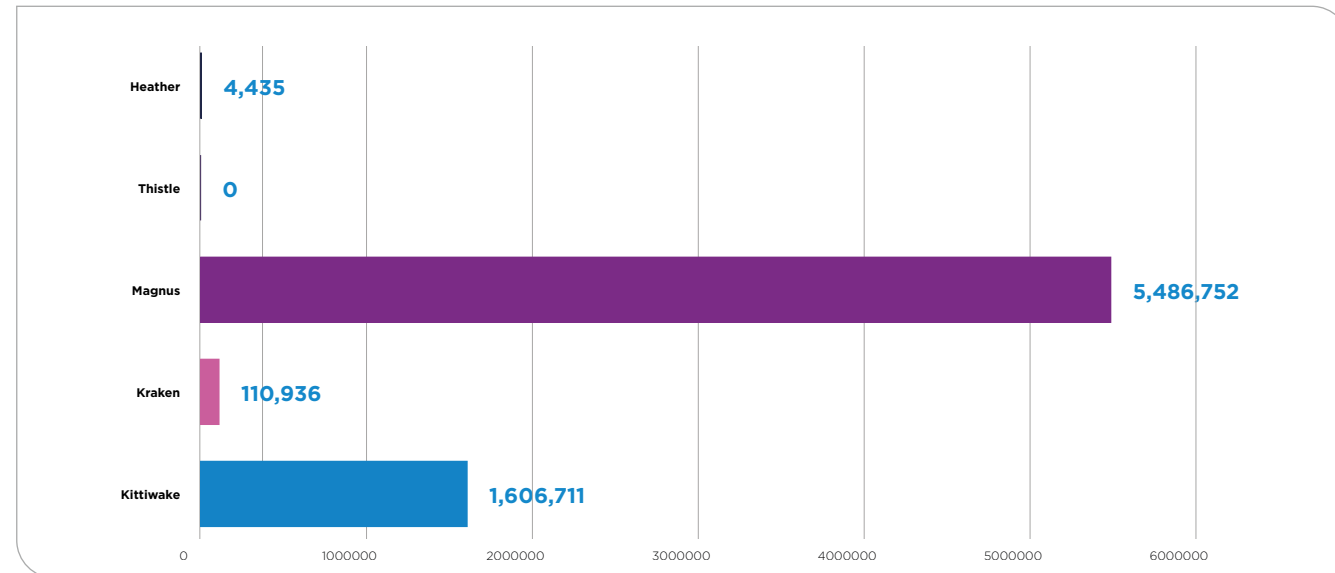


## EnQuest aims to minimise the environmental impact of the discharge of produced water.

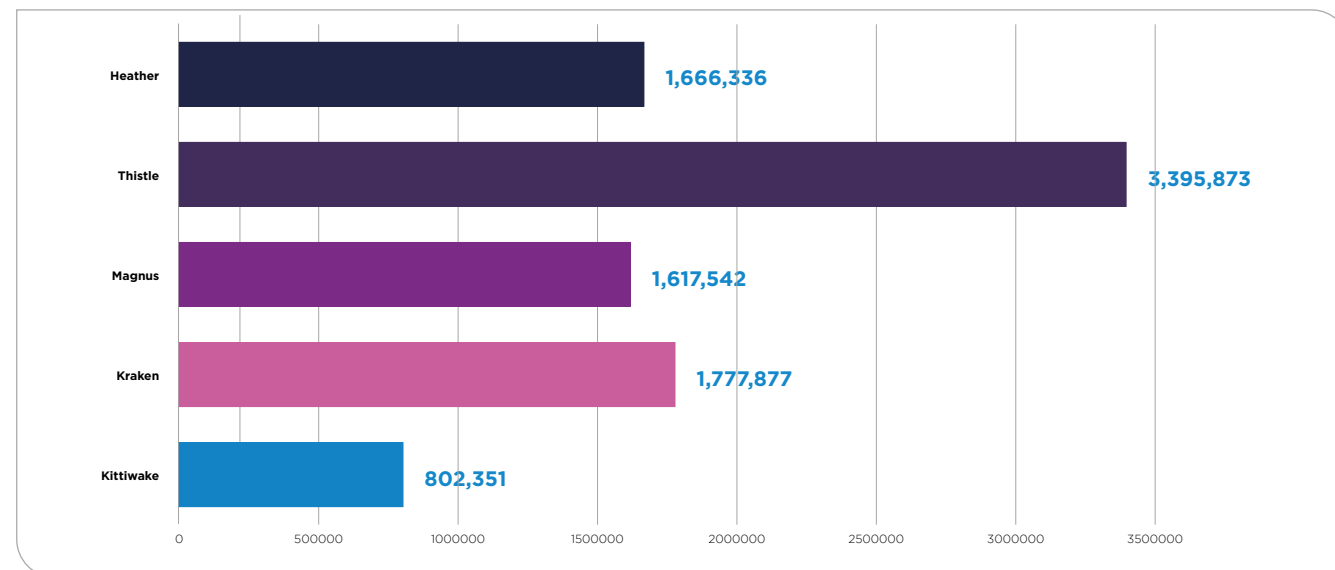
Treatment plants at our assets remove the majority of hydrocarbons and solids present in the produced water stream. All our water is treated and monitored prior to discharge.

As produced water contains traces of hydrocarbon, the Offshore Petroleum Activities (Oil Pollution Prevention & Control) Regulations 2005 (as amended) sets the monthly permitted average oil content of produced water at 30 mg/l.

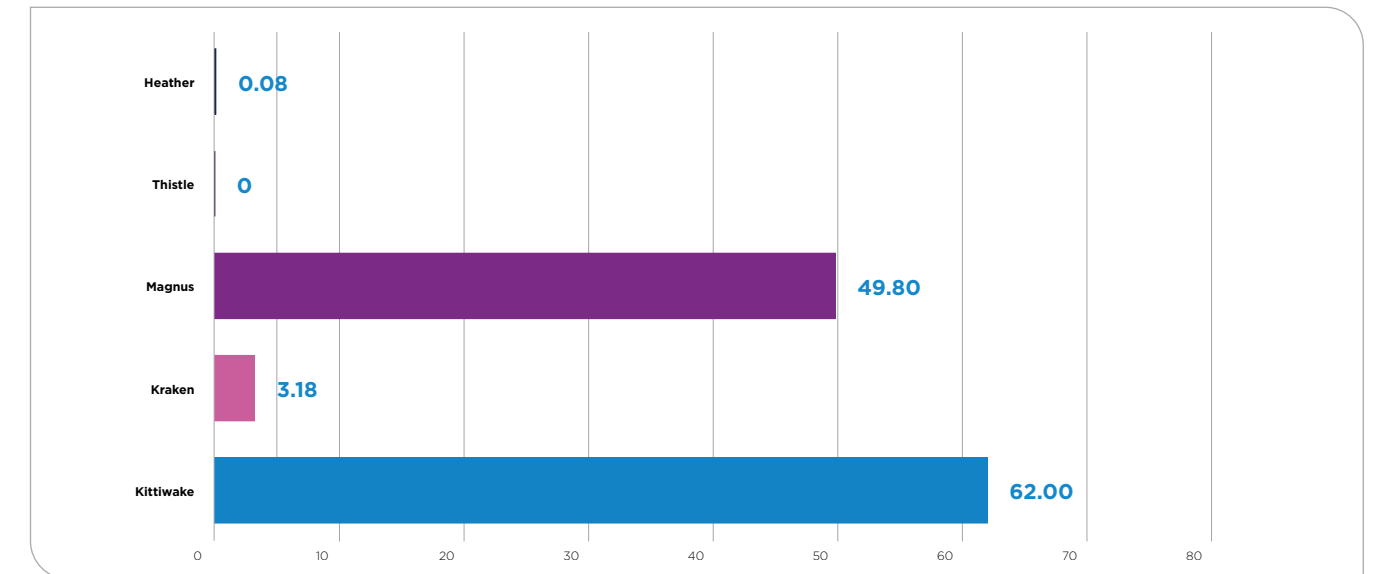
Total produced water discharged to sea (m<sup>3</sup>)



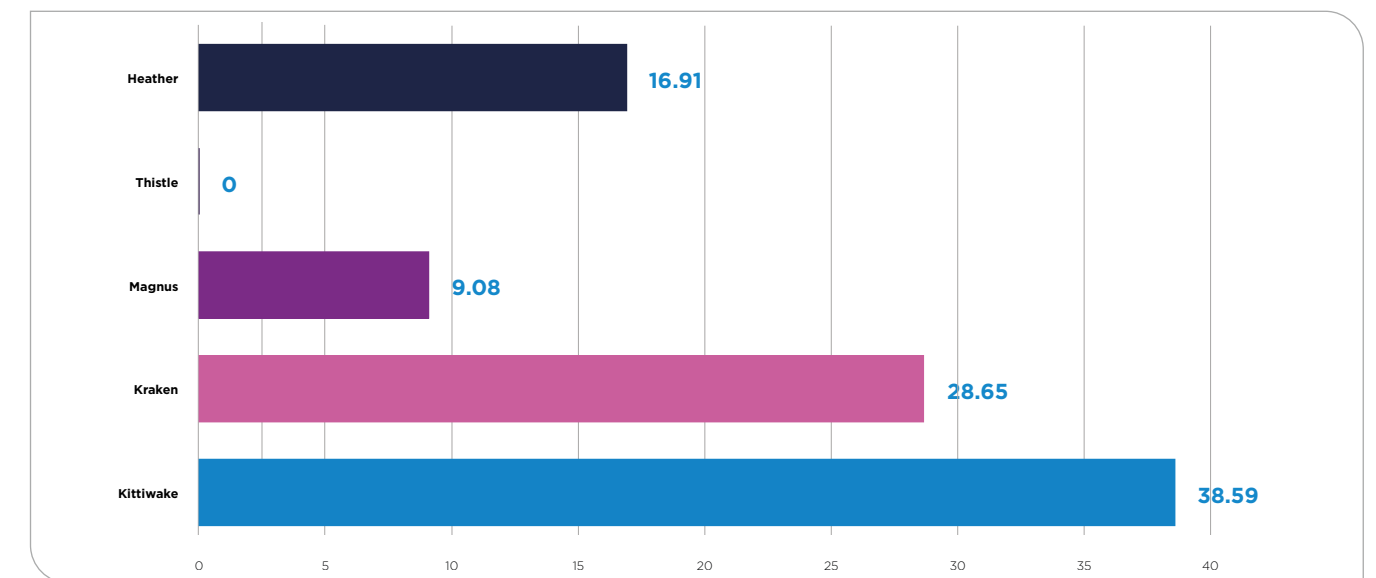
Total chemical use (kg)



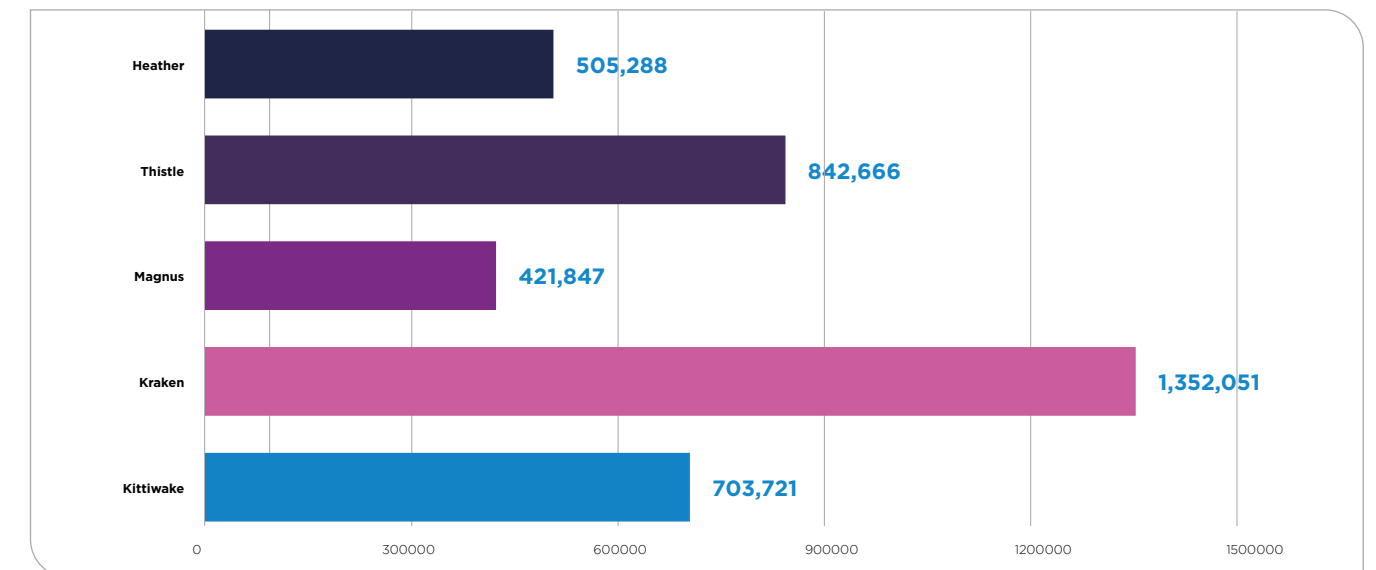
Oil in produced water discharged to sea (tonnes)



Average oil in water (mg/l)



Total chemical discharge (kg)



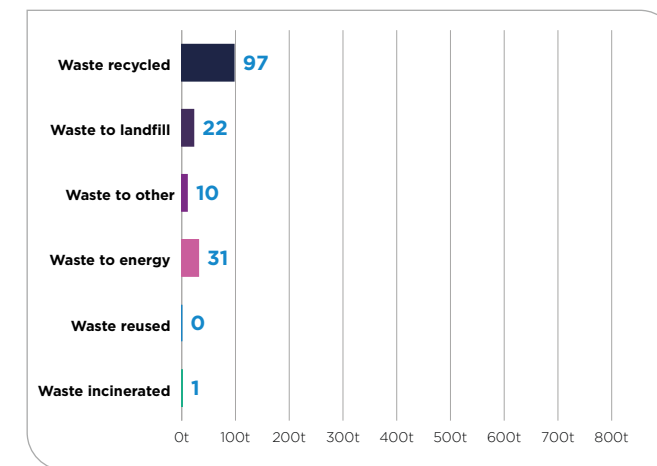


# Our operations consume natural resources and other material which generate a range of wastes.

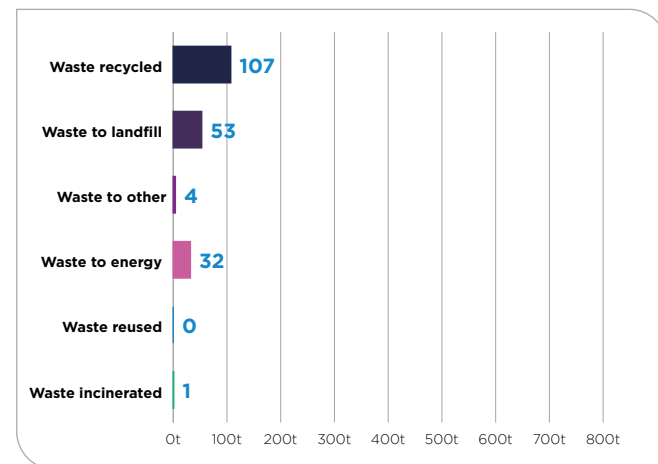
We must ensure that the segregation, transportation and eventual disposal of waste are managed in accordance with legislative requirements. We work closely with our

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.

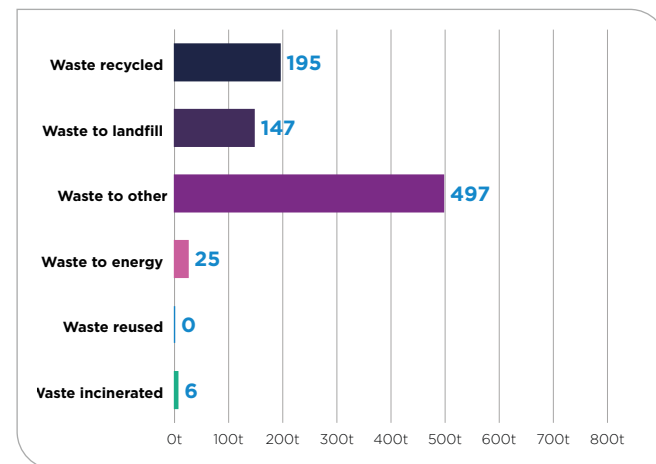
**Kittiwake | Total: 161t**



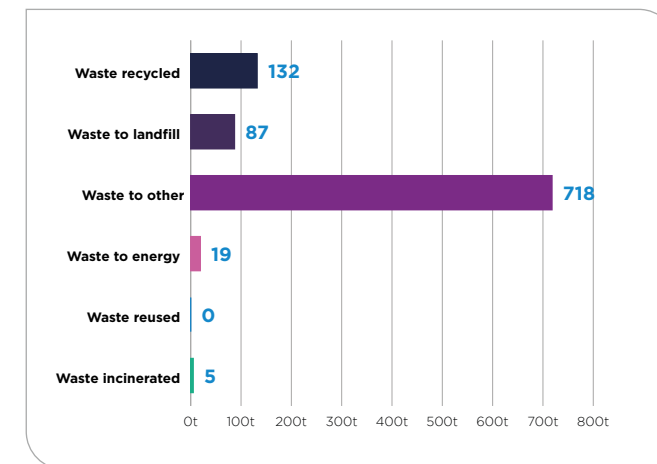
**Kraken | Total: 198t**



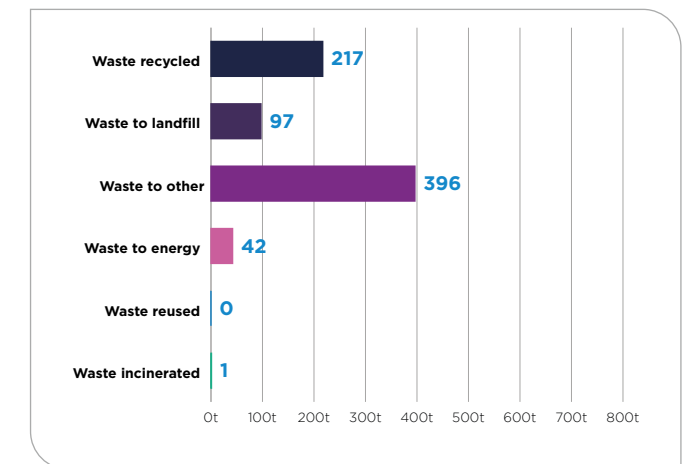
**Magnus | Total: 870t**



**Heather | Total: 961t**



**Thistle | Total: 752t**



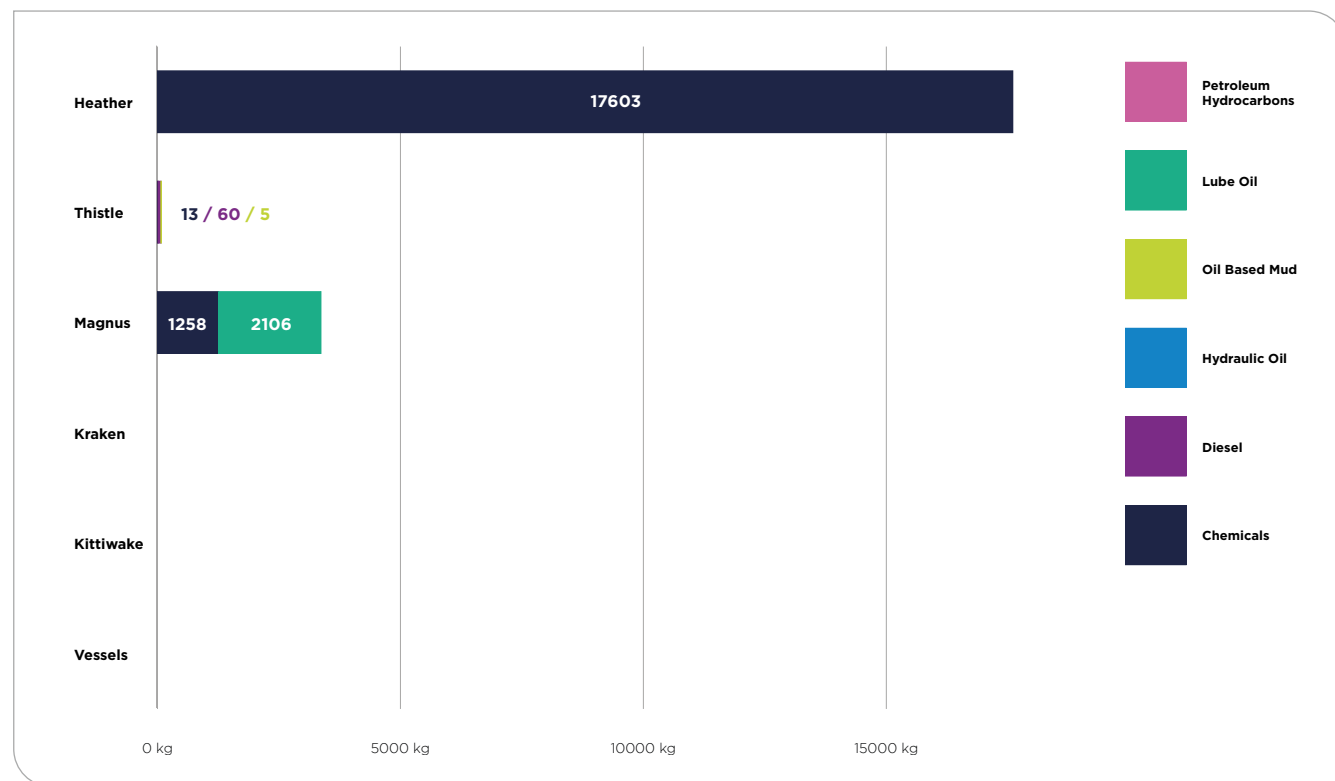


# As spills at sea can have consequences for the marine environment, we work to minimise the risk with a focus on prevention.

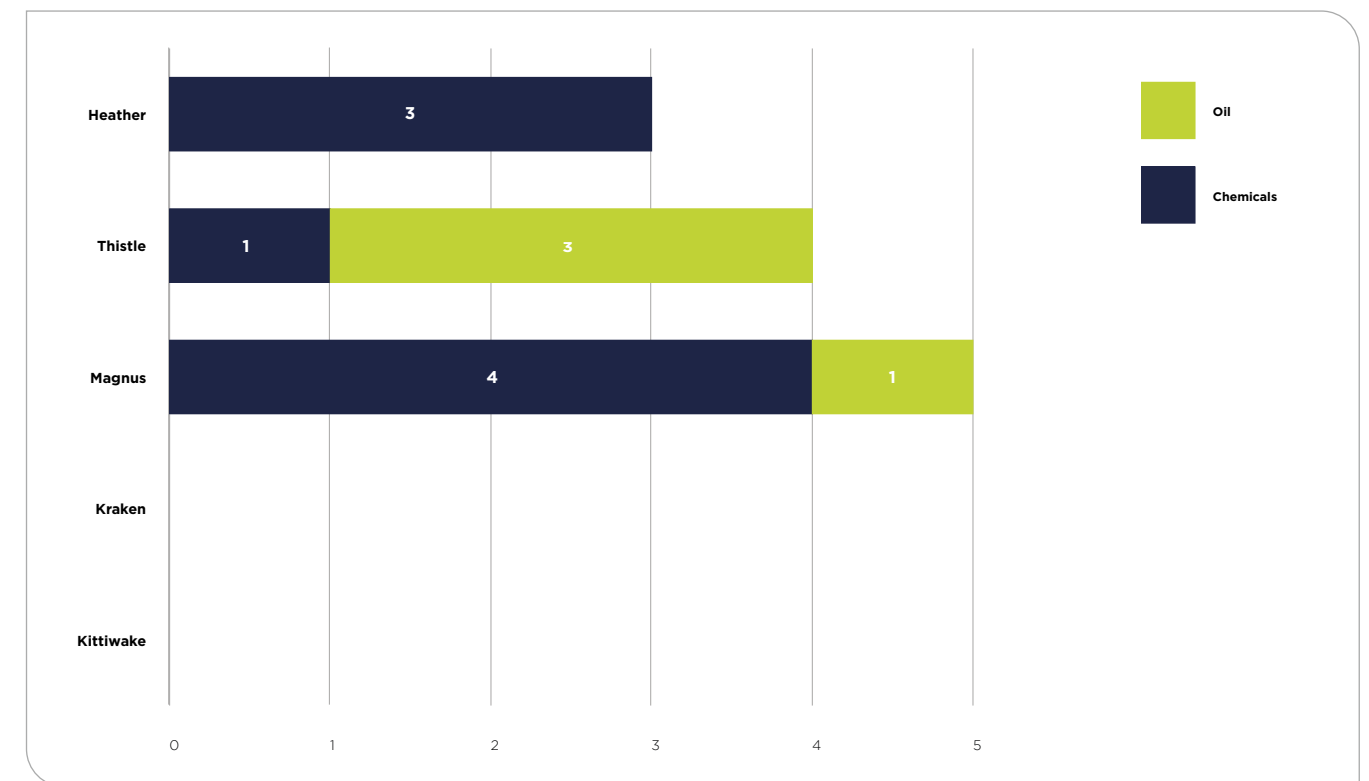
We have OPRED approved Oil Pollution Emergency Plans ('OPEP's) in place across all our assets and are a member of Oil Spill Response Limited, the world's largest spill response organisation.

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

Spills to sea (mass)



Number of spills to sea



## The Group can make a positive contribution towards the future of North Sea oil and gas through doing its part in ensuring that each asset is in the right hands.

Environmental, Social and Governance ('ESG') factors continue to grow in importance for companies, reflecting the focus on company purpose, widespread concerns about climate change, the importance of stakeholder considerations and the emphasis on long-term value enhancement.

As majors and other operators continue to shift their focus from mature basins within various geographies, particularly the UK given the introduction of the Energy Profits Levy in 2022, it is expected there will be further opportunities for the Group to access additional oil and gas resources. However, time and careful consideration will be taken to find the right opportunities where EnQuest can deliver incremental emission reductions relative to the carbon footprint in the hands of the seller. The Group can make a positive contribution towards the future of North Sea oil and gas through doing its part in ensuring that each asset is in the right hands.

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.

EnQuest's Infrastructure and New Energy business continues to mature renewable energy and decarbonisation opportunities at SVT, including those involving the repurposing of existing site infrastructure.

In 2022, the Group applied for CCS licences for East of Shetland reservoirs from the North Sea Transition Authority ('NSTA'). Initial studies suggest that these available reservoirs have a minimum 500 million tonnes CO<sub>2</sub> storage capacity and, with EnQuest estimating that c.10 million tonnes per annum could be processed through SVT infrastructure, this amounts to a multi-decade project. EnQuest continues to engage with entities such as Offshore Energies UK, the NZTC and the NSTA, to better understand how it can contribute further to the industry approach to achieving net zero, while remaining aligned with EnQuest's strategy and Values.

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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