

EnQuest PLC

# UKCS Environmental Statement 2023

## Welcome to EnQuest's public statement on environmental management and UKCS environmental performance for 2023.

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## 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 2023.

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. Having progressed three significant new energy and decarbonisation opportunities at Sullom Voe Terminal during 2023, the Group launched Veri Energy, with responsibility for delivering the Group's short- and medium-term emission reduction objectives and advancing longer-term renewable energy and decarbonisation opportunities.

During 2023, EnQuest's Board approved a commitment to reach net zero in respect of Scope 1 and Scope 2 emissions by 2040. The Group continues to make good progress in reducing its absolute Scope 1 and 2 emissions during the year. Since 2018, UK emissions have reduced by c.41%, 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. In addition, Scope 3 Category 5 'Waste generated in operations' formed part of EnQuest's Streamlined Energy and Carbon Reporting (SECR), accounting for 450 tonnes of CO<sub>2</sub> equivalent from UK offshore operations.

Total CO<sub>2</sub> equivalent emissions resulting from UK offshore operations where EnQuest is duty holder amounted to 298,844 tonnes in 2023.



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

The Group focuses on the delivery of SAFE Results while realising its business objectives.

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

“

EnQuest are committed to contribute positively to achieve net zero and are implementing plans to sustainably operate our asset portfolio and deliver large scale decarbonisation projects centred around the SVT site and associated infrastructure.”

Corporate  
Head of HSE

## 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

Steve Bowyer  
General Manager  
North sea

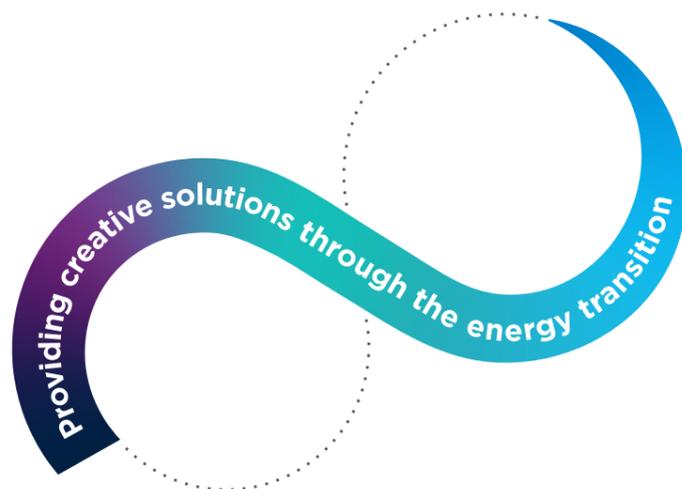
Radzif Ahmed  
General Manager  
Malaysia

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

# EnQuest is an independent energy company with operations in the UK North Sea and Malaysia.

We focus on mature late-life assets, responsibly optimising production to provide energy security. Where we can, we repurpose our infrastructure to deliver renewable energy and decarbonisation projects before executing world-class decommissioning. We see our purpose as providing creative solutions through the energy transition and are investing in infrastructure and new energy to drive the transition.



## Principal UK assets

At the end of 2023, EnQuest was the licensee well and pipeline operator for Magnus, Heather, Thistle, the Dons Fields and Alma/Galia Fields, and the offshore installation operator for Magnus, Heather and Thistle.

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.



Enquest is committed to a Just Energy Transition, working to meet the UK’s oil and gas demand while delivering the cleanest energy available.”

**Steve Bowyer**  
General Manager  
North Sea

## An energy transition company

EnQuest’s business model spans the energy transition, ensuring that through time the transition is managed in a just and sustainable manner. By responsibly managing existing assets, we will continue to contribute to energy security today while advancing our new energy and decarbonisation opportunities through Veri Energy to support a future lowercarbon energy system, before safely decommissioning those assets. Our business model is underpinned by several complementary, transferable, proven

capabilities and provides longterm opportunities for our people.

EnQuest has a Board-approved target to reach net zero in terms of Scope 1 and Scope 2 emissions by 2040. The Group is progressing its transition plans and aims to institute a net zero roadmap during 2024. The decarbonisation and new energy opportunities at the Sullom Voe Terminal add significant credibility to the Group’s net zero ambitions.

## 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

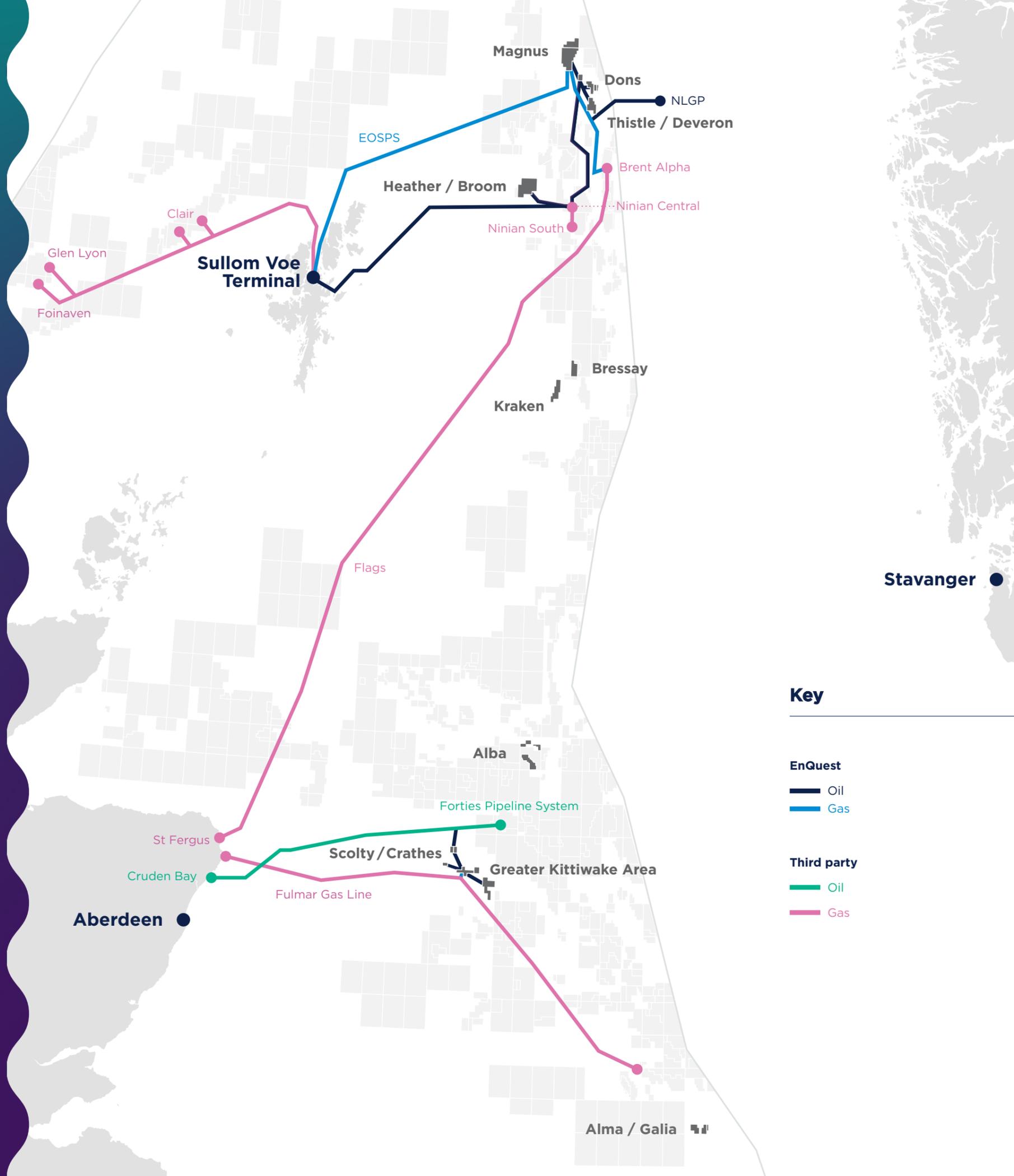
openness, ensuring a diverse range of ideas are shared and considered. We work collaboratively to achieve exceptional results, driving a focused business to achieve success, always pursuing growth, and learning opportunities to unlock our full potential as individuals, teams and the Company as a whole.



## 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 2023, EnQuest had interests in 17 UK production licences and was the operator of 13 of these licences.



## Operations

### 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.

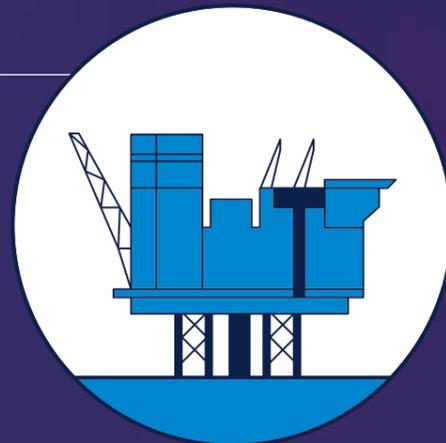
In 2023 Magnus celebrated its 40th anniversary. The group executed an extensive wellwork programme, with three wells returned to service following P seal repair/replacement works, execution of a perforation scope and the completion of an infill drilling programme which included the Northwest Magnus injector in May and two further infill wells which came online in August and December, respectively.



### 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.

Kittiwake asset has achieved an 84% reduction in flare (from 2020) after the reinstatement of production from Mallard (higher molecular weight gas) and the re-mapping of the compression system to maximise utilisation of produced gas.



### 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 bought 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.

The production reinstatement project undertaken at Kraken, following the anomalous failure of HSP transformer units in May 2023, illustrates the differentiated operational capability which exists at the heart of everything we do. Working alongside the vessel owner, Bumi Armada, the EnQuest asset team mitigated a potentially significant impact on production through the efficient and effective refurbishment and reinstatement of damaged transformer units.

The Group continues to optimise Kraken cargo sales into the shipping fuel market, with Kraken oil a key component of International Maritime Organization ('IMO') 2020 compliant low-sulphur fuel oil while avoiding refining-related emissions.

### 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

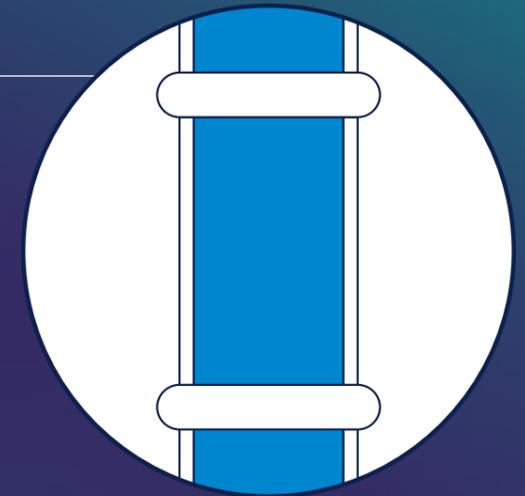
### Pipelines

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. However, following the decision to cease production during 2020, 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 with 13 wells successfully abandoned in 2023.

The Thistle project team implemented a third activity string, in the form of a hydraulic workover unit, to accelerate the recovery of conductors on available wells. This resulted in seven wells being abandoned to the final stage of the well P&A process, which focuses on removing the surface infrastructure and ensuring the well poses no future environmental or safety risks.



### 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 with 12 wells successfully abandoned in 2023. In the second half of the year, the contract award for the disposal of the Heather topsides was awarded, while the removal of the platform topsides will be completed in a single lift in 2025 utilising the Pioneering Spirit heavy lift vessel ('HLV').

### The Dons

The Dons are a collection of offshore oil fields that produced 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.

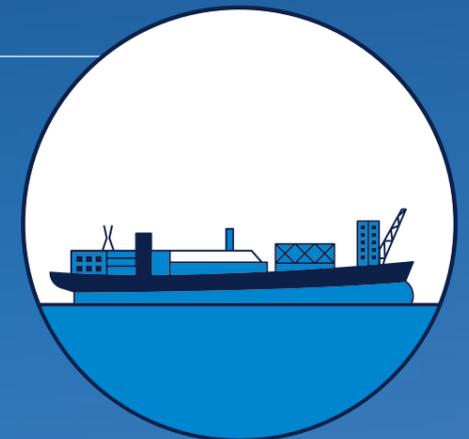
Cessation of production occurred in March 2021 following receipt of regulatory approvals and subsea infrastructure removal within the 500-metre zone was completed in October 2022.

Throughout 2023, EnQuest progressed the detailed engineering work on the subsea wells at Alma Galia, Dons and Broom, while continuing to discuss the future work programmes with the North Sea Transition Authority.

### 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 Well P&A for Alma/Galia is in the Define phase of the Well Delivery Process, with Well P&A planned to begin in 2029.



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

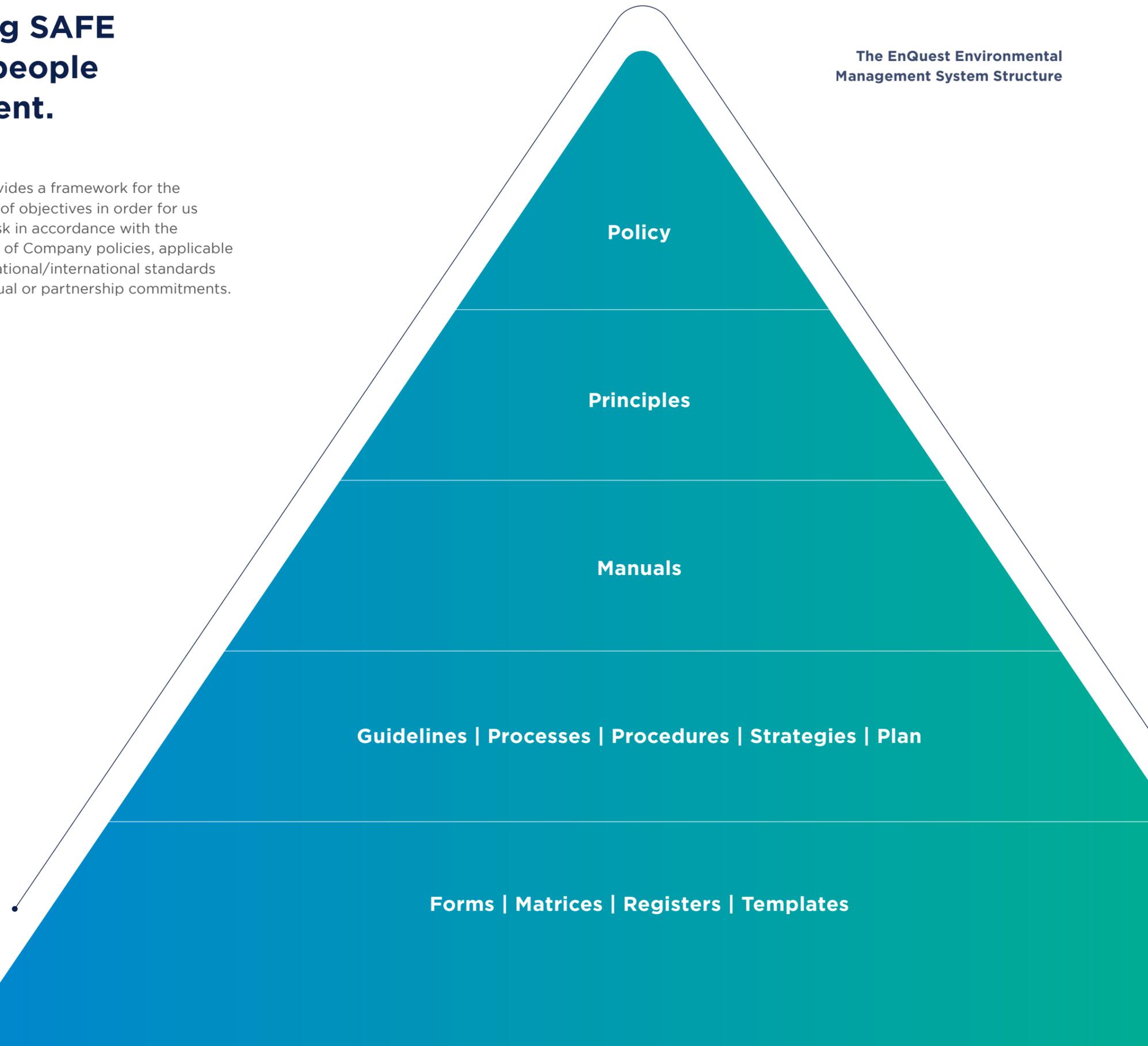
Our Environmental Management System ('EMS') ensures our activities are conducted in such a way that we manage and mitigate our impact on the environment, which includes permitted hydrocarbon releases and discharges. Non-compliant releases and discharges from the Group's operations carry adverse reputational, 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 2023 regarding liquid discharges, spills, material waste and atmospheric emissions.



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

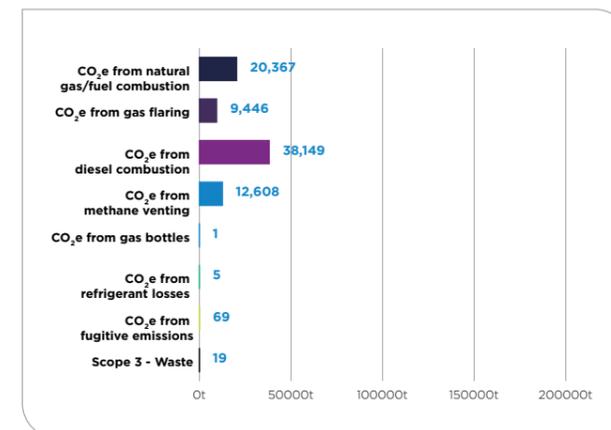
Atmospheric emissions generated by these activities are regulated by the Greenhouse Gases Emission Trading Scheme ('ETS') and the Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013.

We seek to use energy efficiently within our facilities and continually look to identify opportunities that may reduce emissions from our operations. The Group continued to make good progress in reducing its absolute Scope 1 and 2 emissions during the year, with CO<sub>2</sub>

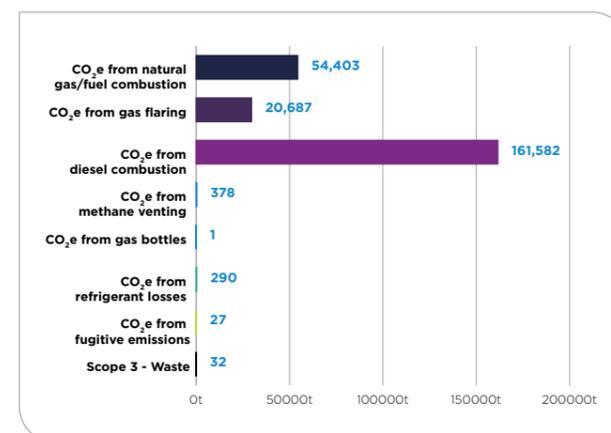
equivalent emissions from the UK offshore assets included in this report now reduced by 33% versus the 2020 baseline, reflecting operational and facilities improvements and lower flaring and diesel usage.

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>, nitrous oxide and methane.

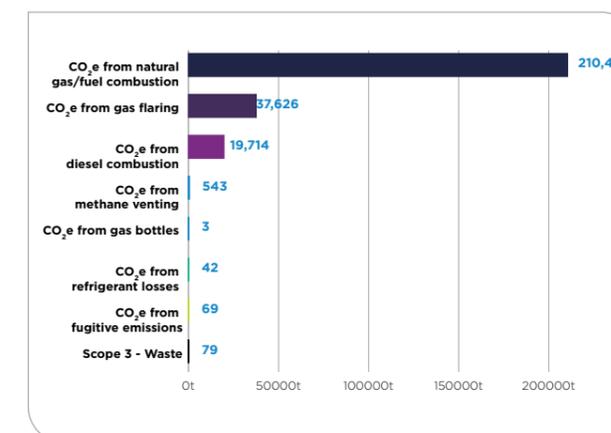
**Kittiwake | Total: 80,665t**



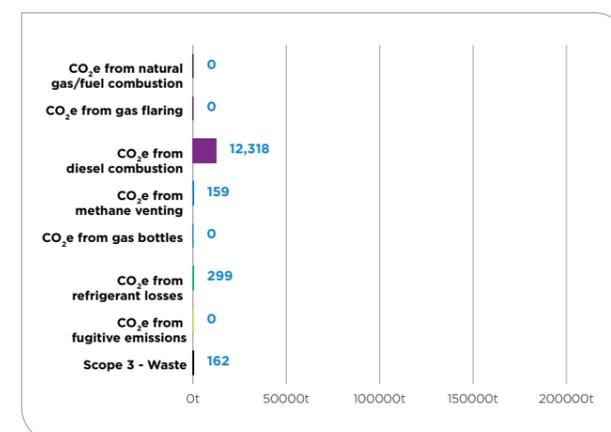
**Kraken | Total: 237,401t**



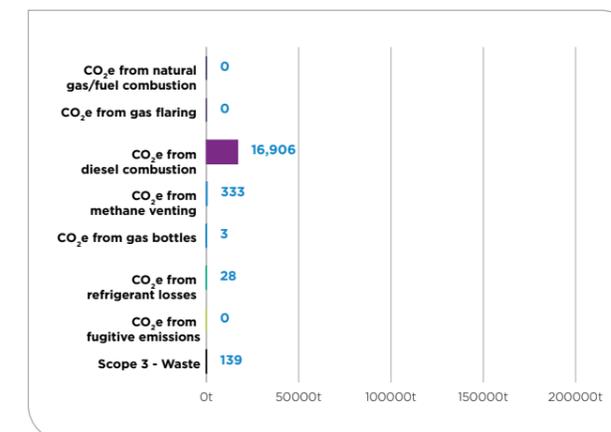
**Magnus | Total: 268,497t**



**Thistle | Total: 12,938t**



**Heather | Total: 17,409t**



\* Note, any discrepancy in totals is due to rounding

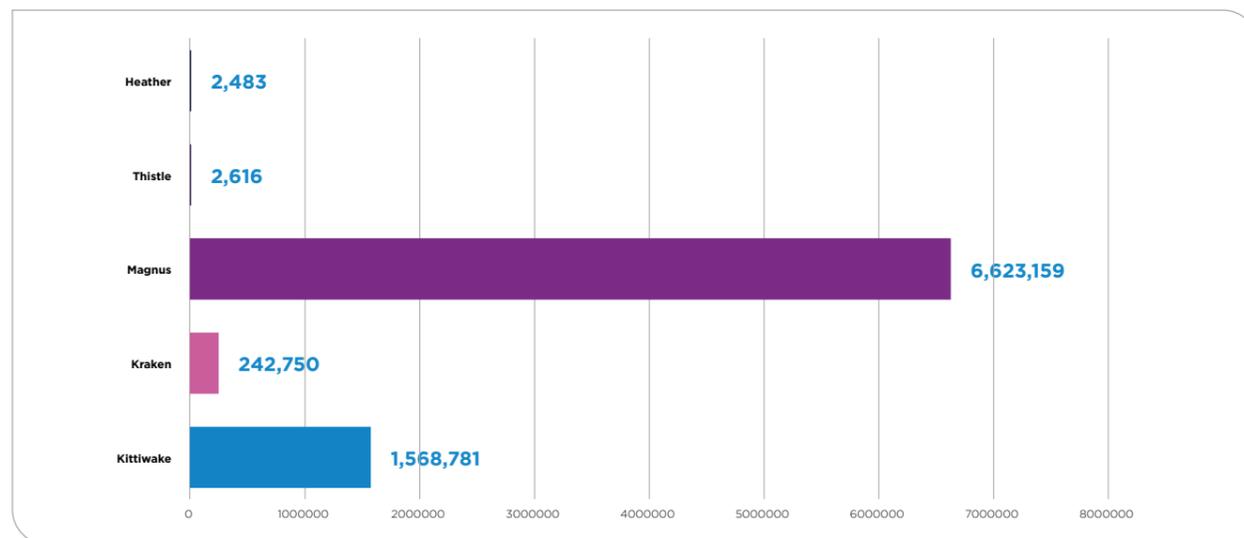
## EnQuest aims to minimise the environmental impact of the discharge of produced water.

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.

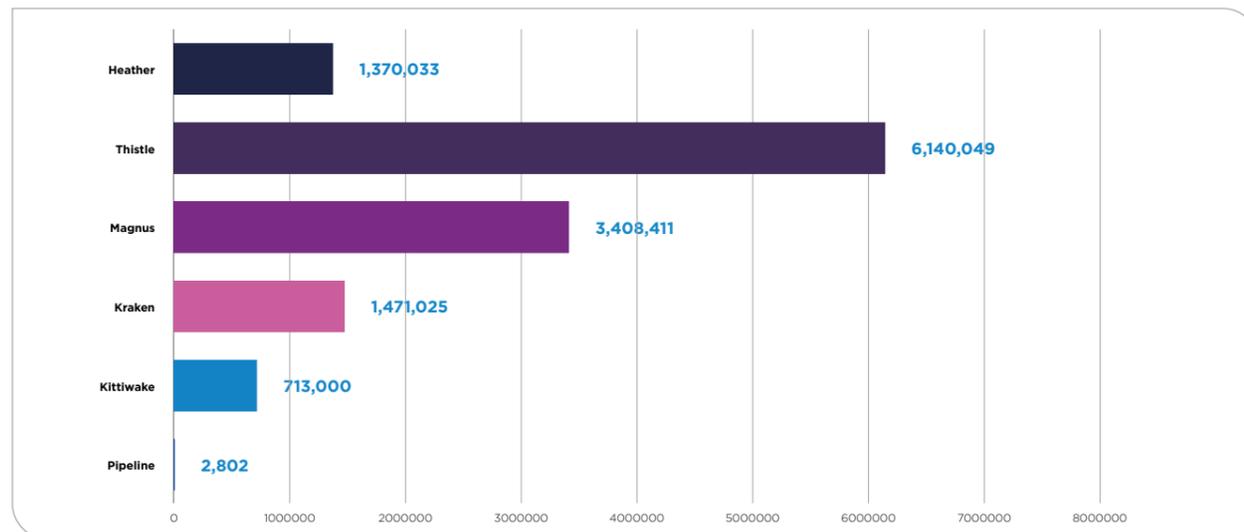
Activities (Oil Pollution Prevention & Control) Regulations 2005 (as amended) sets the monthly permitted average oil content of produced water at 30 mg/l.

As produced water contains traces of hydrocarbon, the Offshore Petroleum

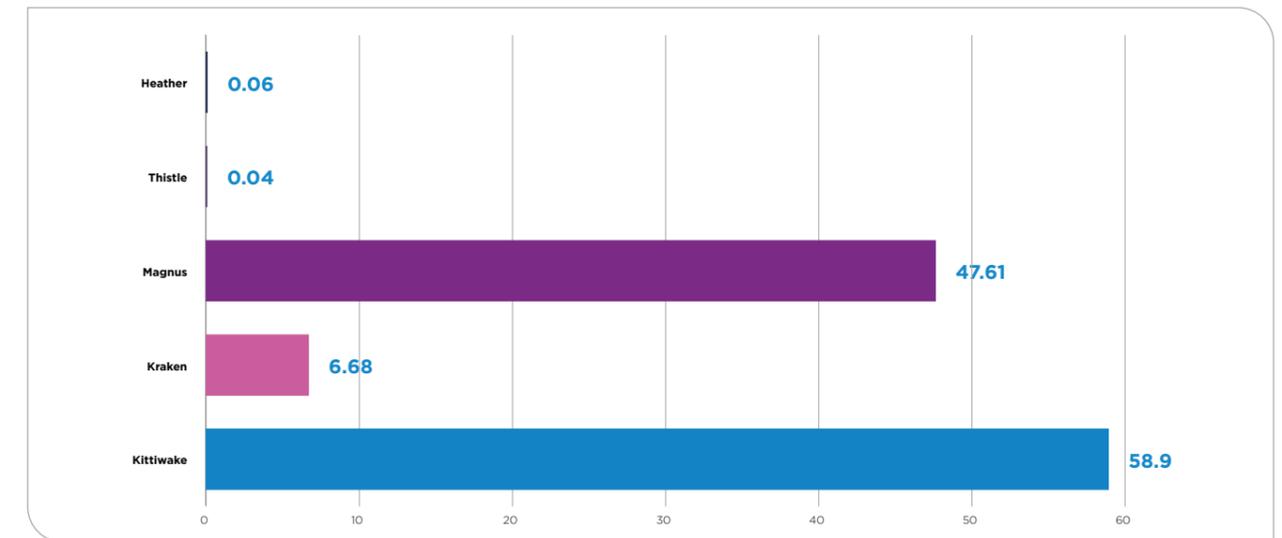
**Total produced water discharged to sea (m<sup>3</sup>)**



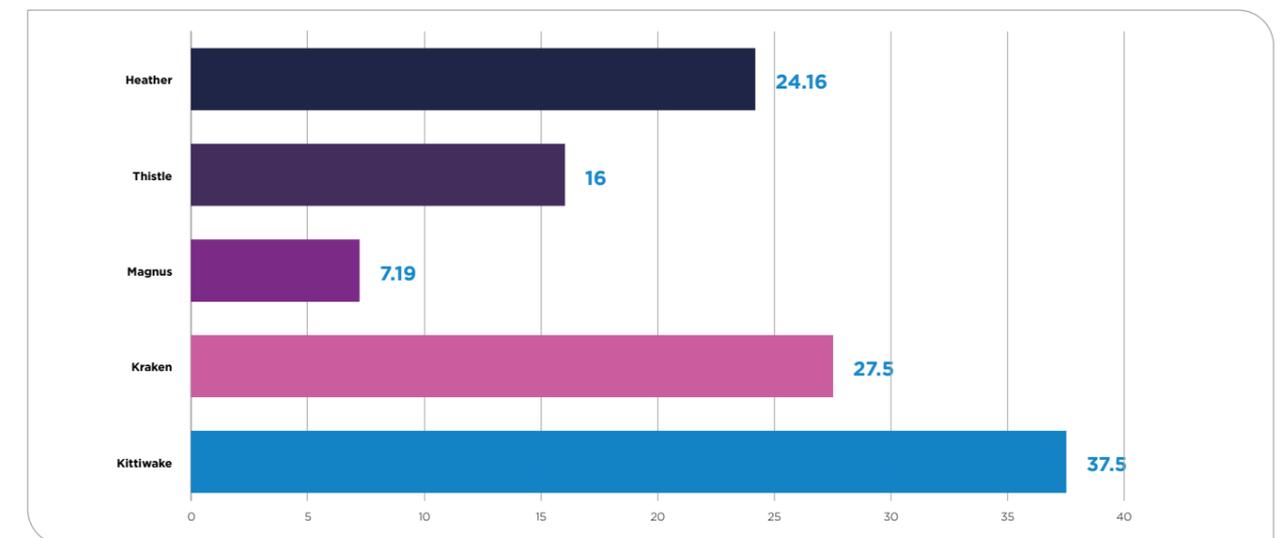
**Total chemical use (kg)**



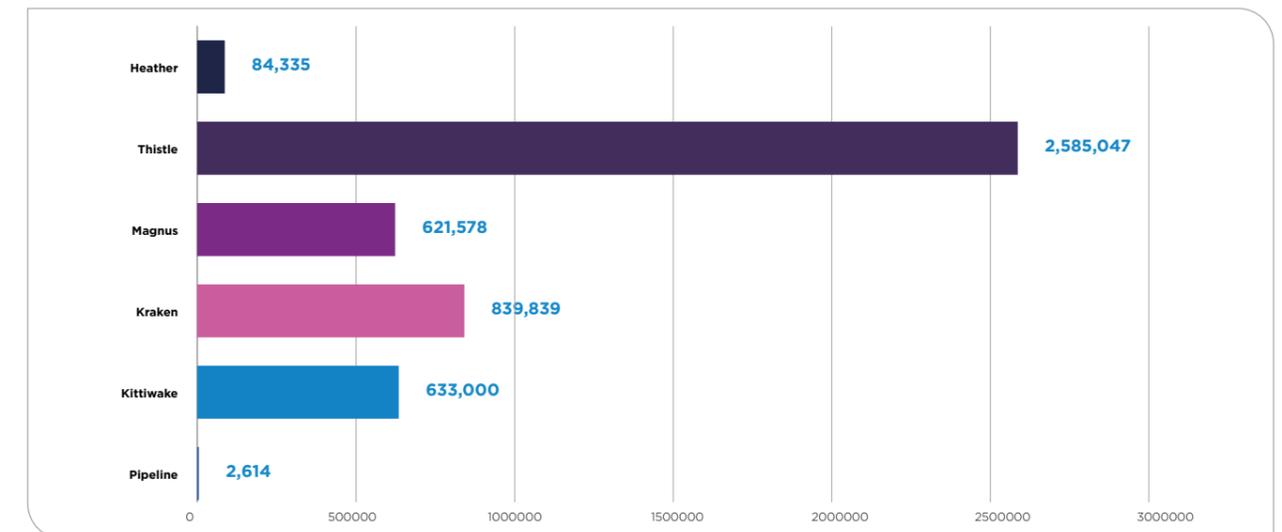
**Oil in produced water discharged to sea (tonnes)**



**Average oil in water (mg/l)**



**Total chemical discharge (kg)**

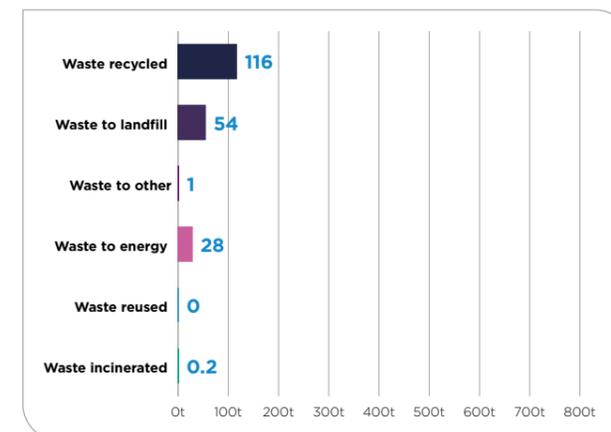


# Our operations consume natural resources and other material which generate a range of wastes.

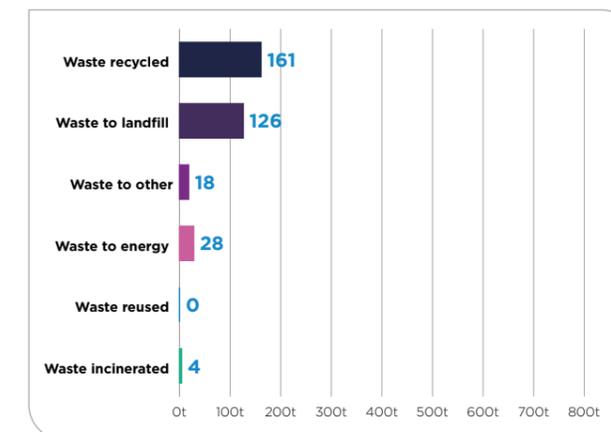
We must ensure that the segregation, transportation, and eventual disposal of waste are managed in accordance with legislative requirements. We work closely with our onshore waste management contractors to identify recycling routes for as much of our waste as possible and conduct regular audits to evaluate waste management practices.

In 2023 the Group embarked on the reporting of waste as a Scope 3 emission, aligned to Category 5 of the Greenhouse Gas Protocol 'waste generated in operations'.

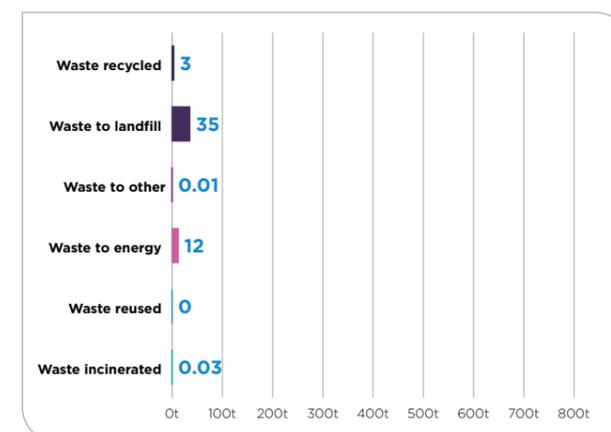
**Kraken | Total: 198t**



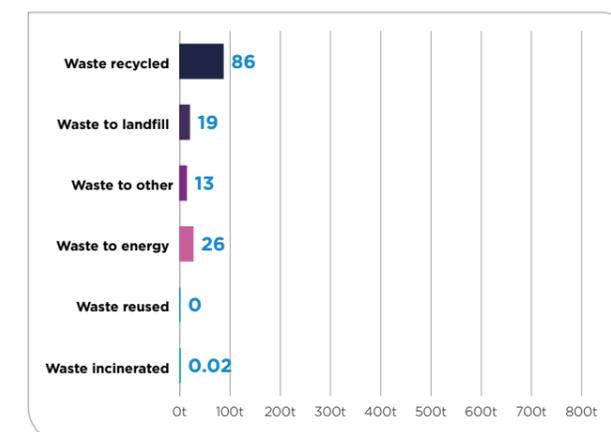
**Magnus | Total: 337t**



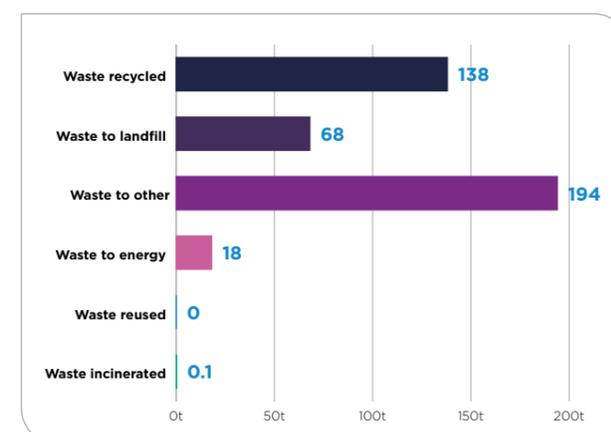
**Vessels | Total: 51t**



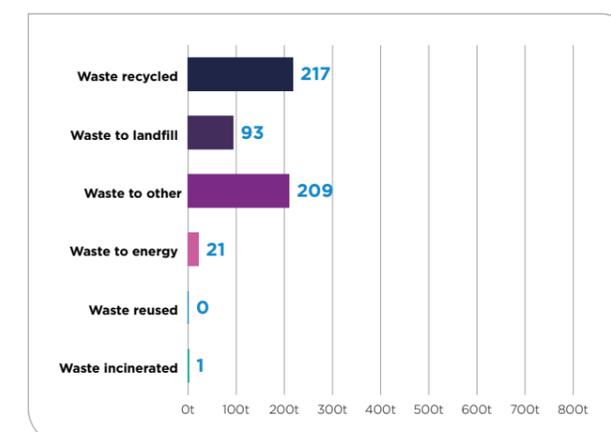
**Kittiwake | Total: 144t**



**Heather | Total: 418t**



**Thistle | Total: 541t**

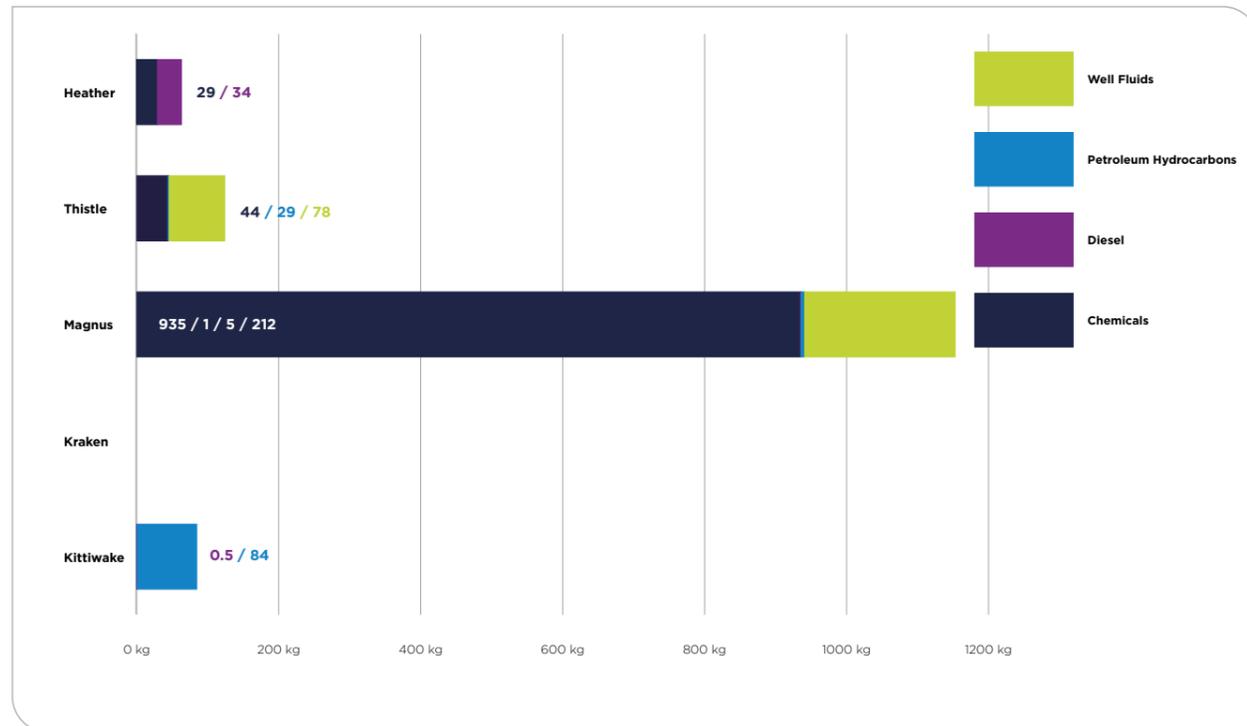


## As spills at sea can have consequences for the marine environment, we work to minimise the risk with a focus on prevention.

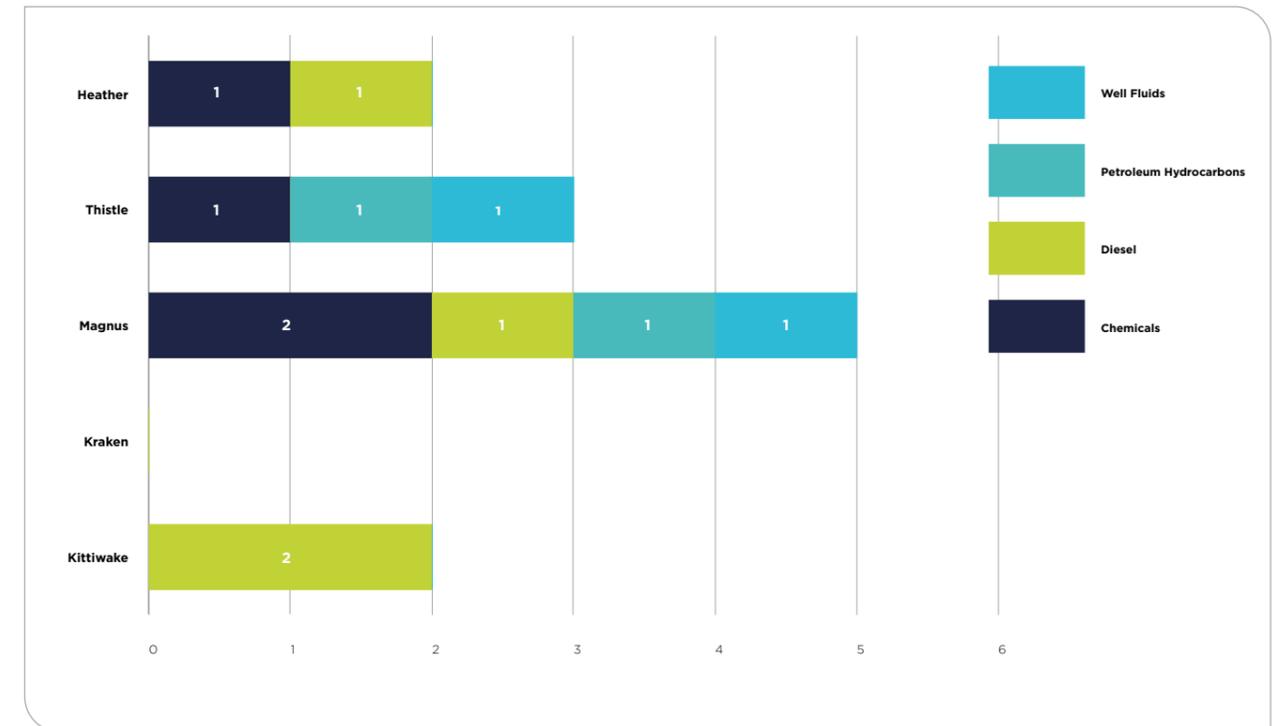
We have OPRED approved Oil Pollution Emergency Plans ('OPEP's) in place across all our assets and are a member of Oil Spill Response Limited, the world's largest spill response organisation.

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) | Total: 1,424



Number of spills to sea | Total: 12



**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.**

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 emission reduction targets having committed to Net Zero Scope 1 and 2 emissions by 2040, with the Veri Energy business having overall responsibility for delivering the Group's decarbonisation ambitions and specific emission reduction objectives.

Within EnQuest's core Upstream and Decommissioning businesses, the Board is focused on a strategy that recognises that hydrocarbons will remain a key element of the global energy mix for many years, and through which the Group can pursue a business model which helps to fulfil energy demand as part of the transition to a sustainable lowercarbon world, while reducing Scope 1 and Scope 2 emissions from its own business operations where practicable.

EnQuest recognises the complexity and scope of EnQuest's value chain and has carefully considered how reporting of Scope 3 emissions can be introduced. For 2023, a baseline of 'Waste generated in operations' (Category 5) has formed part of the Group's Streamlined Energy & Carbon Reporting ('SECR') in the UK. The expansion of Scope 3 emissions reporting to other categories such as 'Use of sold production' (Category 11) is included in the Group's Continuous Improvement Plan ('CIP') with alignment to the United Nations-adopted Sustainable Development Goal ('SDG') 12, Responsible Consumption & Production.

For the longer term, the Veri Energy subsidiary is evaluating and progressing opportunities to utilise existing infrastructure, including the Sullom Voe Terminal ('SVT'), pipelines, and underground reservoirs, to facilitate potential wind-powered electrification of offshore oil and gas infrastructure, green hydrogen and derivative production, and carbon capture and storage ('CCS') initiatives. Its CCS ambitions, which aim to permanently store CO<sub>2</sub> shipped to site from isolated emitters in the UK, Europe and further afield, provide the potential to remove CO<sub>2</sub> in multiples of the Group's own emissions footprint. The Group's electrification plans could lower emissions associated with offshore production in the West of Shetland at assets that could produce into the 2050s. The production of green hydrogen and derivatives through harnessing the advantaged natural wind resource around Shetland could provide a low-carbon alternative fuel which would help decarbonise a number of industries.

In 2023, the Group was awarded four CCS licences for East of Shetland reservoirs by 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. 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 Net Zero Technology Centre ('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.

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