OSPAR 2003/5 Environmental Management System 2024 Annual Public Statement

Revision:	Date:	Author:	Reviewer:	Approver:
01	May 2025	Jo Makin Environmental Lead	John Cowie Head of HSE	Andy McIntosh CEO

Contents

1 INTRODUCTION

This statement is written in compliance with the requirements set out in the OSPAR recommendation 2003/5. The statement provides the NEO Energy (NEO) annual public environmental statement for 2024 and is focused on the environmental issues associated with operations which were directly under NEO Energy's control.

NEO is an independent full-cycle energy business and a leading producer in the UK Continental Shelf (UKCS), which combines value creation from the North Sea basin with a commitment to being a responsible and efficient business. We operate a high-quality asset base with scope to grow production organically by extending asset life.

NEO was founded in July 2019 by HitecVision, a leading private equity investor focused on Europe's offshore energy industry. In October 2019, NEO integrated with Verus Petroleum and from 2020 to 2022 completed several major acquisitions. These included transactions with Total, ExxonMobil and JX Nippon to acquire UKCS assets and the acquisition of Zennor Petroleum.

Further information on NEO Energy can be found at https://www.neweuropeanoffshore.com/

The remainder of this report is structured as follows:

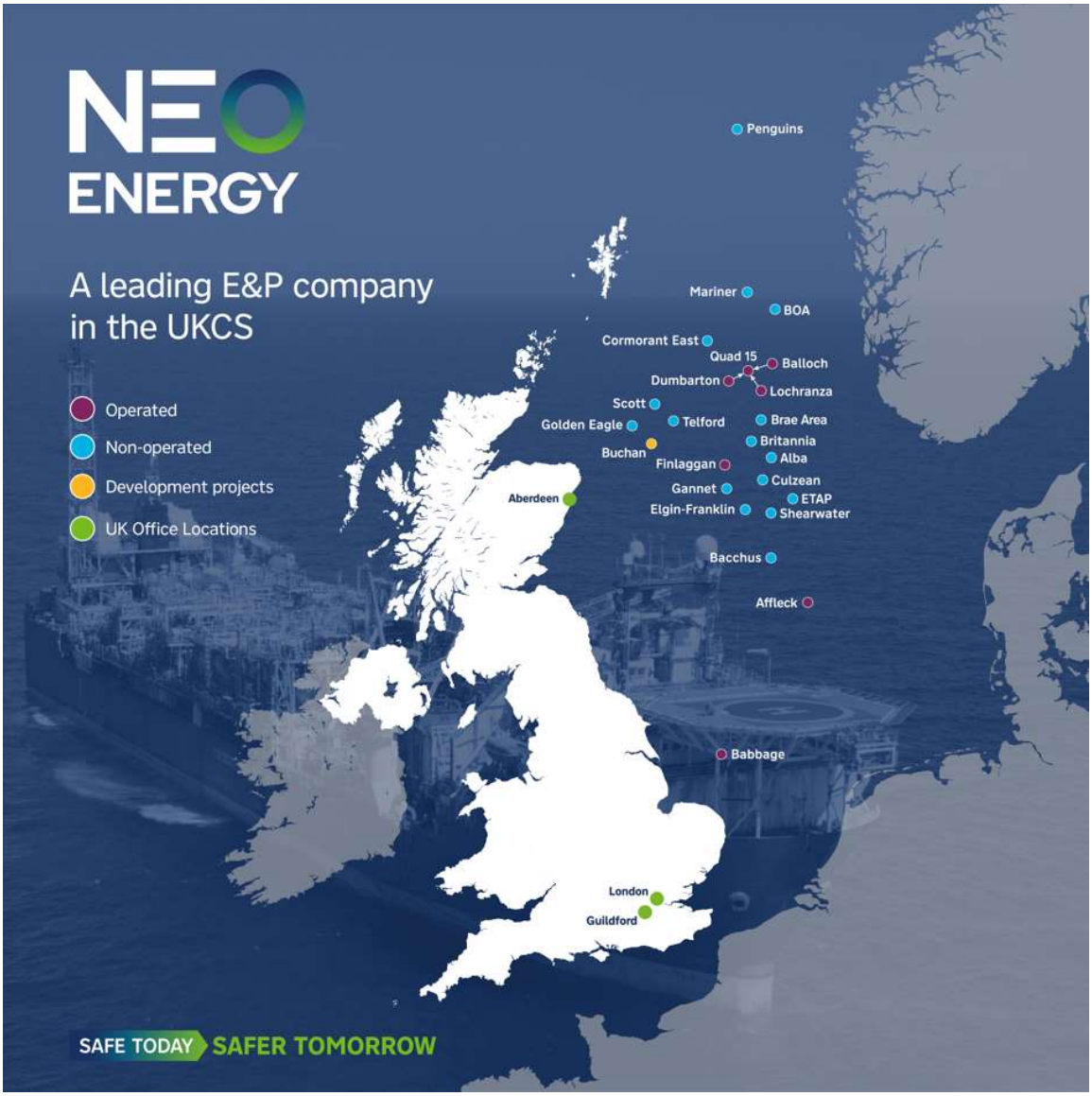
- Section 2 provides an overview of NEO Energy's portfolio and briefly describes our operated assets and offshore project activities undertaken in 2024.
- Section 3 provides an overview of NEO Energy's environmental management system, including our environmental, social and governance policy, and summarises the progress made against the environmental objectives set for 2024.
- Section 4 presents 2024 environmental performance data for NEO Energy's operated assets directly under our control namely the Floating Production, Storage and Offloading (FPSO) vessel Global Producer III (GPIII), as well as relevant project activities; and
- Section 5 identifies the environmental objectives set for 2025.

2 NEO ENERGY UK OPERATIONS

NEO Energy operates and holds interests in high-quality UK North Sea assets, offering organic growth opportunities, including infill drilling and development of discoveries close to existing infrastructure. We aim for a balanced portfolio of production, development, and low-risk exploration assets.

An overview of NEO Energy's portfolio, which comprises a mix of operated and non-operated production and exploration assets, is provided in Figure 1.

Figure 1: NEO Energy's Portfolio



2.1 Operated Assets

NEO Energy's operated assets in the UK North Sea are:

- Quad 15, Affleck and Finlaggan in the Central North Sea (CNS); and
- Babbage in the Southern North Sea (SNS).

A brief description of these assets is provided in Sections 2.1.1 to 2.1.4.

2.1.1 Quad 15

NEO Energy Production UK Limited is operator of the Quad 15 area, comprising the Dumbarton, Lochranza and Balloch oil fields, the hydrocarbons from which are processed through the GPIII FPSO. The 2024 environmental performance data for GPIII is presented in Section 4.

NEO Energy Equity	100%	
Operator	NEO Energy	
First Production	**Dumbarton**	2007
	Lochranza	2010
	Balloch	2013
Description	Part of the Quad 15 area, the Dumbarton, Lochranza and Balloch fields are tied back to the GPIII FPSO via subsea manifolds.	
Sector	Central North Sea	
Blocks	**Dumbarton**	15/20a 15/20b
	Lochranza	15/20a 15/20c
	Balloch	15/20a
Hydrocarbon	Oil	
Water Depth	Approx 140 m	

2.1.2 Affleck

The Affleck field was not in production in 2024, first production from Affleck occurred on 15 January 2025.

Affleck fluids are commingled with Talbot field fluids prior to delivery to the Harbour Energy operated Judy platform. As the host operator, Harbour Energy is responsible for reporting environmental performance at Judy.

NEO Energy Equity	100%
Operator	NEO Energy
First Production	2009 (ceased production 2016)
Description	Affleck was discovered by Shell in 1975. The primary reservoir is Tor chalk formation with a small gas cap. The field was developed via two horizontal production wells tied back to the then Maersk-operated Janice field, 28 km to the West. Oil was routed via Janice into the Norpipe pipelines, and gas was routed via the Clyde platform and onwards to the Fulmar gas line to St Fergus. The Affleck field ceased production in May 2016 and the Affleck wells have remained closed in since then, after producing a total of 4.3 million barrels (mmbbl) of oil. Offshore subsea work to redevelop the Affleck field was completed in 2024. The redevelopment makes use of existing infrastructure still in place at Affleck. First production from the Affleck field redevelopment occurred on 15 January 2025. Following the Affleck field redevelopment, Affleck fluids are commingled with Talbot field fluids prior to delivery to the Judy platform. Affleck and Talbot fluids are commingled on the Judy platform with fluids from various J-Block area fields. Gas is exported from the Judy platform via the Central Area Transmission System (CATS) to the CATS terminal at Teesside. Liquids are exported from the Judy platform via the Norpipe system.
Sector	Central North Sea 6 km from the UK/Norway median line
Block	30/19a
Hydrocarbon	Oil and gas
Water Depth	79 m

2.1.3 Finlaggan

NEO Energy acquired Finlaggan in July 2021, completing hook-up and commissioning activities to achieve first gas in October 2021. During 2023 NEO completed the drilling of development well F3H. Production from F3H was brought on stream 25th August 2023.

Production fluids from Finlaggan are processed on the Harbour Energy operated Britannia platform. As the host operator, Harbour Energy is responsible for reporting environmental performance at Britannia.

NEO Energy Equity	100% (beneficial interest held by NEO Energy Production UK Limited)
Operator	NEO Energy
First Production	2021
Description	Finlaggan is a two well tie-back to the Britannia platform. Gas is exported to the Scottish Area Gas Evacuation (SAGE) terminal, St Fergus and liquids are exported to the Forties Pipeline System (FPS).
Sector	Central North Sea
Block	21/5c
Hydrocarbon	Gas condensate
Water Depth	138 m

2.1.4 Babbage

NEO Energy has an outsourced model for the Babbage asset, with ODE as the installation operator. The environmental performance of the Babbage asset is therefore reported in ODE's OSPAR annual public statement.

NEO Energy Equity	60%
Partner	Dana Petroleum E&P 40%
Operator	NEO Energy
First Production	2010
Description	The Babbage field produces high-quality gas from five horizontal multi-fracked wells. The Babbage platform is operated as a Not Permanently Attended Installation (NPAI) with temporary living quarters for up to thirty persons on board during well intervention operations, maintenance, or annual shutdowns. The topsides consist of three levels and contains test separation, metering and export facilities. Produced gas is exported via a 12" pipeline to the WSB subsea tie-in structure which is tied back to the West Sole System. The platform is controlled remotely from Dimlington. There are spare well slots available for future expansion. NEO use an operated-outsourced model for Babbage with ODE as duty holder, installation and pipeline operator, responsible for all operations and maintenance activities under an integrated services agreement. THREE60 Energy are Well Operator, responsible for well integrity and maintenance activities under a well services agreement.
Sector	Southern North Sea
Block	48/2a
Hydrocarbon	Gas
Water Depth	42 m

2.2 Decommissioning Projects

Victoria

The Victoria asset was a gas producing subsea tie-back operated by NEO Energy in the SNS. Production ceased on 15 January 2016. The asset was shut in and the gas export route has been disconnected. A Decommissioning Plan was submitted to the Offshore Petroleum Regulator for the Environment and Decommissioning (OPRED) which was approved on 14th April 2022. During 2023 NEO Energy completed the well P&A in-line with the latest OEUK Guidelines for Decommissioning wells. In addition, the removal of subsea pipeline, umbilical and valve skid commenced alongside mattress, grout bags and debris recovery.

Remaining mattresses, grout bags, debris and the wellhead protection structure was recovered during the final offshore campaign during March/April 2024, followed by a final site survey to confirm clearance requirements have been met. A close-out report was submitted to OPRED on 27 September 2024.

Quad 15

Initial planning for the decommissioning of the GPIII FPSO and the associated fields has commenced, this will be split into two parts: the first part being the sail away of the FPSO, the second part being the decommissioning of the subsea infrastructure and well plugging and abandonment. Internal and external stakeholder engagement is ongoing.

3 ENVIRONMENTAL MANAGEMENT SYSTEM

3.1 Overview

NEO Energy operates under an integrated Health, Safety, Environmental and Quality Management System (the NEO Management System (NMS)), which is designed to meet the requirements of international standards, including ISO 14001.

The NMS provides assurance that all NEO Energy activities are managed in a safe and environmentally responsible way and conducted in accordance with the company's Health, Safety, Security and Environment Policy Statement (see below).

NEO ENERGY

Health, Safety, Security and Environment Policy Statement

Our Vision

Our vision is to be a next generation UKCS energy platform by breathing new life into the North Sea. We will conduct our business activities with a full commitment to the health, safety and security of our people and to the protection of the environment.

Our Commitments

To meet our commitments, NEO (New European Offshore) Energy shall ensure that:

- Effective leadership is in place and all employees and contractors promote a positive HSSE (Health, Safety, Security and Environment) culture.
- Robust systems and processes are implemented to ensure that all applicable health, safety, security and environmental legislation, standards and other requirements are met.
- All personnel hold responsibility for their own health, safety and security, observe company values and are trained and competent for their roles.
- All personnel are aware of their responsibility to choose safety over operational results.
- All personnel are aware of the expectation that they will use their "Stop Work Authority" if they see or suspect an unsafe condition or behaviour.
- Safe, secure, and healthy workplaces are provided to protect workers from injury and ill health with robust barriers in place aimed at preventing work-related incidents.
- All operated assets adopt the IOGP life-saving rules to build an incident and injury free culture.
- We minimise our environmental impact and prevent pollution.
- All risks are identified, assessed, and managed to levels that are as low as reasonably practicable.
- Integrity of our assets is maintained over their lifecycle from design and construction to decommissioning.
- All changes are identified and managed to ensure they are implemented correctly as per our company procedures.
- Effective engagement is maintained with all stakeholders.
- HSSE performance is prominent in the selection of our contractors and suppliers.
- Incidents and near misses are reported in a timely manner and are fully investigated.
- Appropriate plans for emergency situations and incidents are in place and regularly tested.
- HSSE management and performance is regularly assessed, reviewed, and audited to achieve continuous improvements.
- By integrating human and organisational factors into all our business activities, our personnel are equipped with the underlying Human Factors principles that enable them to ensure the interaction between people, the environment, equipment, and procedures are considered in all aspects of our activities.

15th October 2024

Andrew McIntosh
Chief Executive Officer

3.2 Scope & Structure

The scope of the NMS applies to NEO Energy's portfolio of assets and encompasses all NEO Energy functions, companies, and subsidiaries. Where a third party is contracted to execute and manage offshore oil and gas activities on behalf of NEO Energy, the responsibility for environmental management is delegated to those parties through contractual agreement.

The NMS provides a flexible management framework through which the company can systematically identify and manage its Health, Safety and Environment (HSE) risks and opportunities, accommodating individual operational complexities, changing statutory and business requirements, and the company's commitment to continuous improvement.

To demonstrate that environmental management is undertaken in accordance with the requirements of a recognised environmental management system standard, the NMS was recertified to the ISO14001:2015 Standard in November 2023.

3.3 Environmental, Social & Governance

NEO Energy's ESG strategy aims to increase awareness and engagement to deliver against the selected UN SDGs and is committed to embedding ESG through increased engagement and collaboration. A double materiality assessment was conducted in 2025 and NEO's ESG strategy will remain focused on the critical topics identified as part of this assessment.

3.4 Progress Against 2024 Environmental Objectives

An integral part of NEO Energy's continuous improvement process are environmental objectives and targets, which are considered with the annual business plan.

In 2024, NEO Energy successfully completed the following objectives:

- Implementation of energy savings opportunities detailed in the GPIII ERAP, including an offshore power management philosophy to reduce spinning reserve
- Reduction in GPIII diesel CO_2 emissions of 17k tonnes
- Extensive work on GPIII Gas Turbines to reinstate fuel gas use and minimise diesel consumption
- Optimisation of GPIII chemical usage resulting in reduced chemical injection rates and improved oil in water performance
- Expanded Scope 3 reporting and introduced an ESG assessment element into NEO's supply chain contractor onboarding process
- Regulatory compliance tool to manage Environmental Legislation populated and in use
- Incident Management procedures reviewed and updated
- Incident Investigation Tool identified and training to be delivered in 2025
- Development of corporate PLANC procedure
- Completion of NMS document review project
- Oil Spill Response training held for applicable staff

4 2024 ENVIRONMENTAL PERFORMANCE

4.1 GPIII Atmospheric Emissions

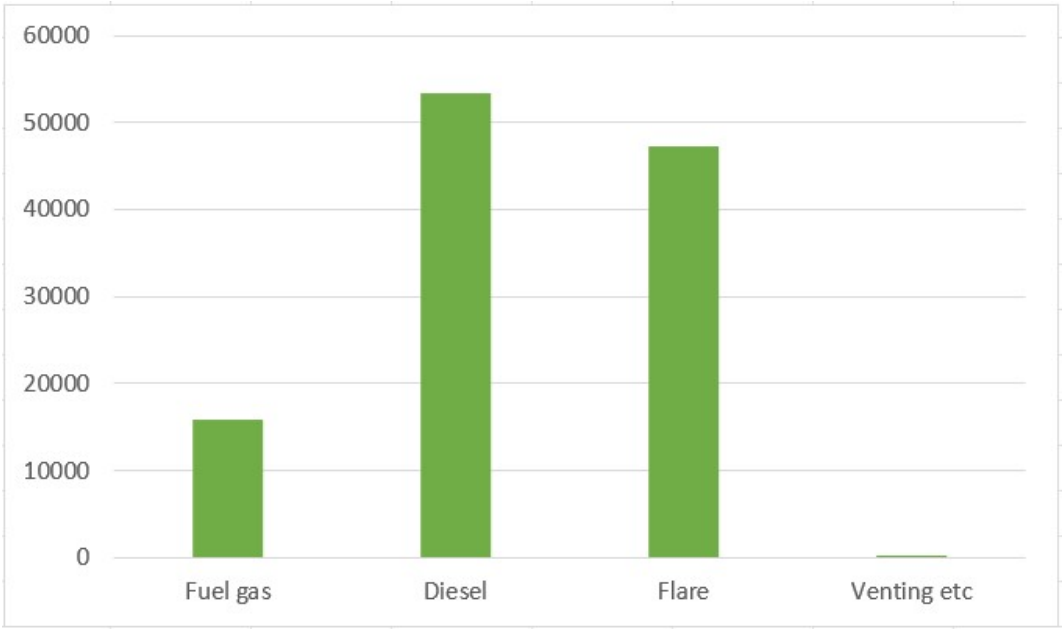
4.1.1 Carbon Dioxide (CO_2) Emissions

The majority of GPIII's CO_2 emissions in 2024 (116,595 tonnes), resulted from the combustion of fuel gas, diesel, and the safe disposal of excess gas (flaring). Fuel gas is used as fuel for power generation in the gas turbines, diesel is used as fuel for power generation in engines and turbines, cranes, fire water pumps and other diesel driven equipment.

The remaining CO_2 emissions totalling 19.3 tonnes are attributed to venting, fugitive emissions and propane use.

Figure 2 shows the CO_2 emissions by source produced from GPIII during 2024.

Figure 2: CO_2 Emissions (tonnes) by Source



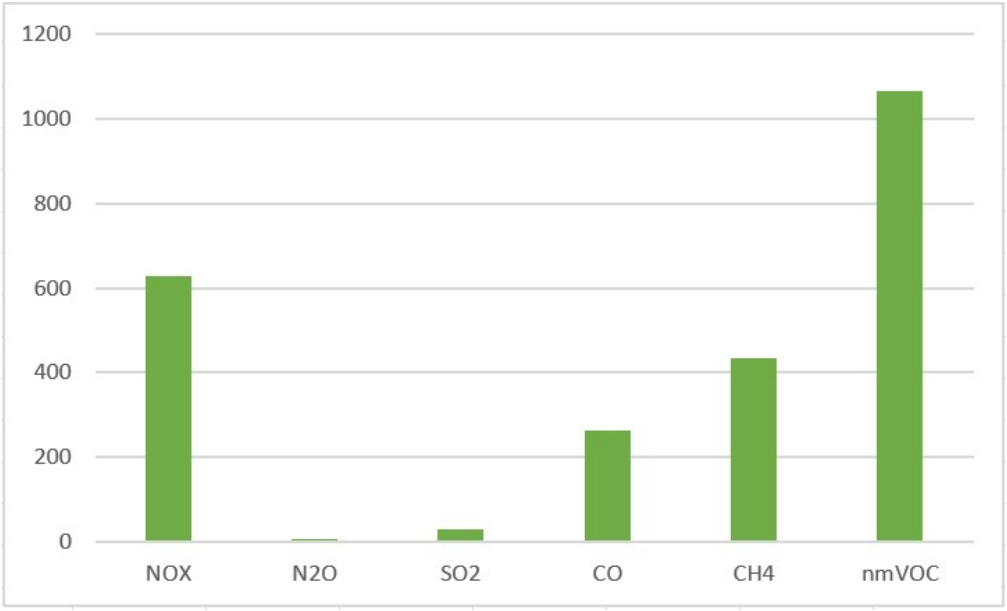
4.1.2 Other Atmospheric Emissions

In addition to CO_2, other gases can be released to the atmosphere from the following activities:

- Offshore combustion of diesel, fuel gas and flare gas.
- Venting of cargo oil tanks, fugitive emissions, and cold flaring.

Figure 3 shows the total tonnes of atmospheric pollutants emitted by GPIII.

Figure 3: Other Atmospheric Emissions (tonnes)



4.2 GPIII Oil in Produced Water (OIW)

The GPIII is subject to regulatory controls under the Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005 (as Amended) (OPPC). Oil extraction results in the co-production of produced water containing hydrocarbons, some naturally occurring materials and residues of the chemicals used in the offshore production process.

The produced water treatment system on GPIII is designed to minimise the OIW concentration prior to either re-injection into the reservoir or overboard discharge.

The quantity of oil discharged to sea under permitted conditions for 2024 is shown in the table below. In total, 42.31 tonnes of oil was discharged to sea via the produced water treatment system compared to 55.99 tonnes in 2023, a decrease of 24.4% continuing the decrease seen during 2023 operations. The average oil in water concentration of the discharge stream also continued the downward trend and reduced by 31.2% from 2023 to 2024.

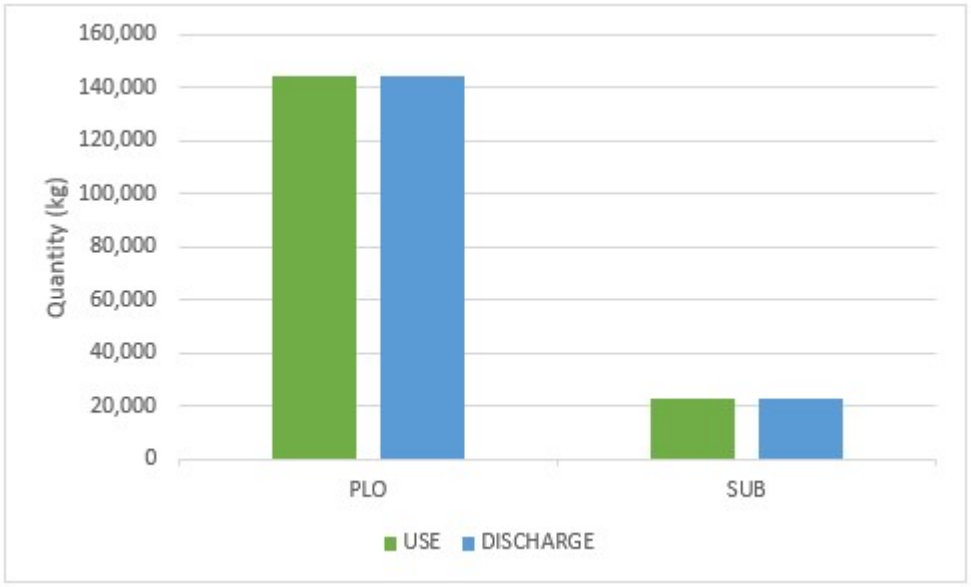
Year	Total Water Overboard (m^3)	Average Oil in Water Overboard (mg/l)	Total Oil Discharged Overboard (tonnes)
2021	1,722,207	28.2	49.03
2022	2,702,107	26.92	72.85
2023	2,526,236	22.17	56.02
2024	2,773,128	15.26	42.31

4.3 GPIII Chemical Use and Discharge

Chemicals are an essential requirement on GPIII; primarily to control corrosion, inhibit bacterial growth and assist with the production process. The use and discharge of chemicals is subject to permit and control under the Offshore Chemicals Regulations (OCR) 2002 (as amended). NEO Energy selects chemicals for use based on both their technical specifications and environmental performance and, where possible, avoids the use of chemicals which carry a substitution (SUB) warning.

Under the Offshore Chemical Notification Scheme (OCNS) classification scheme, 43% of the chemicals used in production operations on GPIII by NEO Energy in 2024 had a classification of Pose Little or No Risk to the environment (PLONOR) and 7% as containing a substance that is on the OSPAR list of chemicals classified for substitution action (Figure 4).

Figure 4: GPIII Chemical Use and Discharge 2024 – PLONOR and Candidates for Substitution



4.4 GPIII Waste

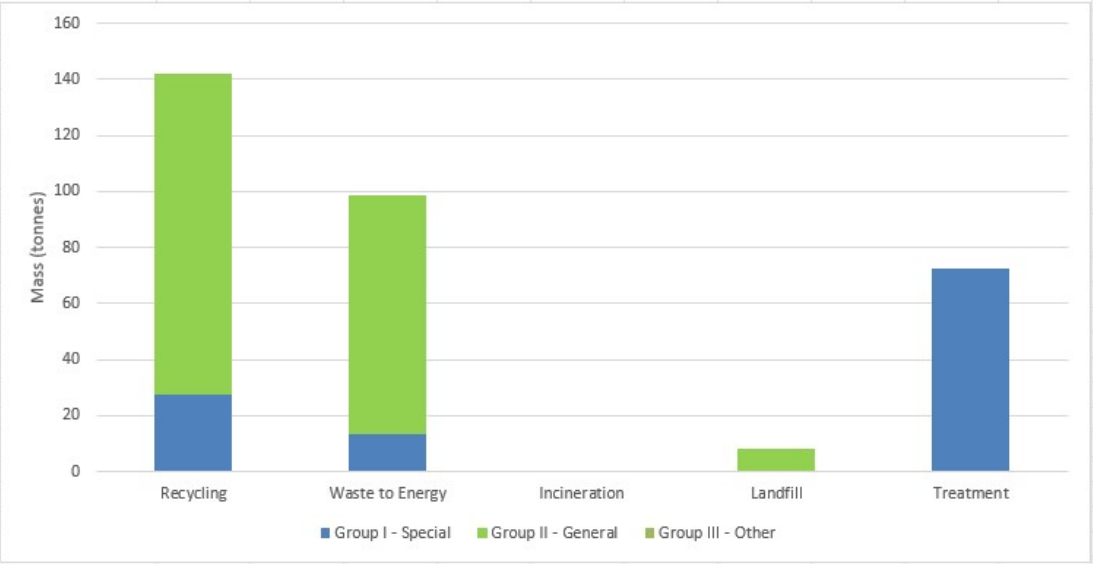
Offshore operations on GPIII produce a variety of waste streams. These waste streams are classified as either:

- Group I – Special Waste, e.g., paints, oils, and waste chemicals
- Group II – General Waste, e.g., wood, plastics, and scrap metal
- Group III – Other, e.g., clinical waste

NEO Energy work to reduce the amount of waste that we produce, to re-use or recycle what remains and avoid waste to landfill, where possible.

The amount of waste generated on GPIII during 2024 is shown in Figure 5 against the disposal route.

Figure 5: GPIII Waste Disposal 2024



A breakdown of the mass generated per waste category is summarised in below.

Waste Category	Mass (tonnes)
Group I – Special	112.7
Group II – General	208.2
Group III – Other	0.52 (all clinical waste)

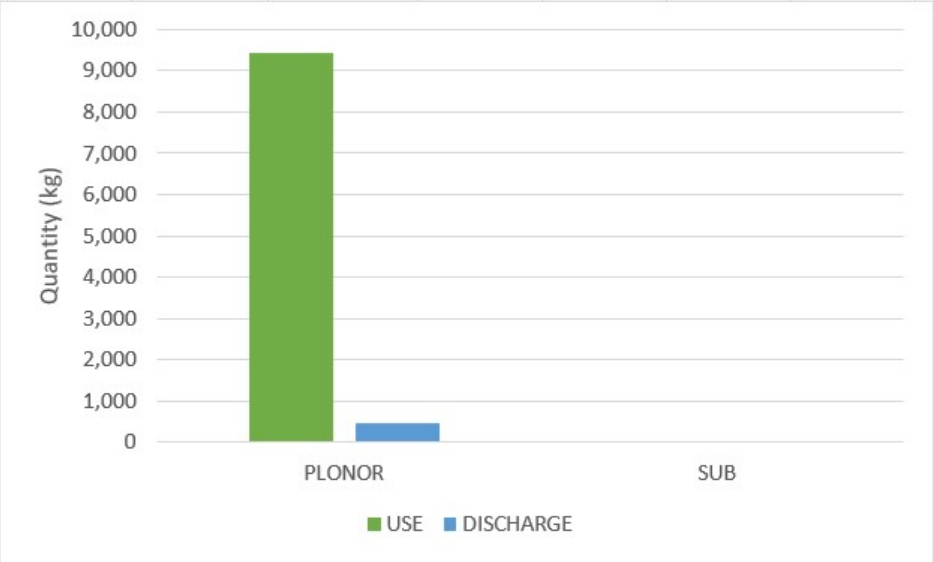
4.5 Project Oil Discharges

There were no oil discharges in 2024 from project scopes.

4.6 Project Chemical Use and Discharge

During 2024, NEO executed one subsea project on GPIII, the reconfiguration of the P1 well. Under the OCNS classification scheme, over 99% of the chemicals used by NEO Energy projects in 2024 had a classification of Pose Little or No Risk to the environment (PLONOR) and with less than 1% as containing a substance that is on the OSPAR list of chemicals classified for substitution action (shown in Figures 6 and 7).

Figure 6: Project Chemical Use and Discharge 2024 – PLONOR and Candidates for Substitution by OCNS Classification



4.7 NEO Unplanned Oil and Chemical Releases to Sea

In accordance with regulatory requirements, all unplanned releases of hydrocarbons and chemicals to sea must be reported on a Petroleum Operations Notice Number 1 (PON1).

During 2024, twelve PON1s were submitted by NEO Energy, there were seven hydraulic fluid releases, three oil releases and two chemical releases. Most of the incidents resulted in less than 100 kg being released, four incidents were greater than a tonne and details of these are summarised below. The subsea hydraulic release from P6 is intermittent and ongoing, it is being carefully managed and monitored by NEO with ongoing dialogue with OPRED.

Location	Substance Released	Quantity Released	Source of Release
GPIII	Hydraulic fluid	19,642kg	Subsea hydraulic fluid release - P6 Production Bay Isolation Valve
GPIII	Hydraulic fluid	3,060kg	Subsea hydraulic fluid - P8 Orifice Valve Skid
GPIII	Hydraulic fluid	3,671kg	Subsea hydraulic fluid - Gas Lift Riser Emergency Shutdown Valve
GPIII	Hydraulic fluid	1,192kg	Subsea hydraulic fluid - P6 Subsea Control Module

5 2025 ENVIRONMENTAL OBJECTIVES

NEO Energy's environmental objectives for 2025 are summarised below:

Issue	Objective
Greenhouse Gas (GHG) emissions	Meet NEO Energy portfolio and GPII asset Emissions Intensities
	Meet GPIII fuel gas uptime target
	Progress optimisation of GPIII diesel usage through software package
Chemical Management	Continue chemical optimisation on GPIII
Management System	Provide a biodiversity training package available to all staff
Emergency Response	Review organisational oil spill response capability