2024 Annual Public Statement
Petrogas North Sea Limited

Reason for issue: for information

Revision	Date	Author	Reviewer(s)	Approver
7				
6				
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2				
1	*14/04/25*	*Environmental Specialist*	*Environmental Advisor* *HSEQ Manager*	*General Manager*

CONTENTS

1. OVERVIEW

1.1 BACKGROUND

Petrogas North Sea Limited (PNS), a Petrogas E&P LLC company (see Figure 1), is the licence operator of three licences located in United Kingdom Continental Shelf (UKCS). Two of these (P2025 and P2582) contain gas discoveries (Birgitta and Abbey), PNS drilled an exploration well in Q4 2024 on its P2433 (Baker) licence in the UK Continental Shelf (UKCS), fulfilling its licence commitment. This well successfully found the presence of gas, indicating the potential for commercial gas volumes in the area.

PNS obtained Well Operatorship for Licence P2025, to allow for the drilling of the Birgitta East appraisal well (22/19a-8), on 6 November 2019. A positive result was achieved and PNS is now working towards development of both the Birgitta and Abbey fields.

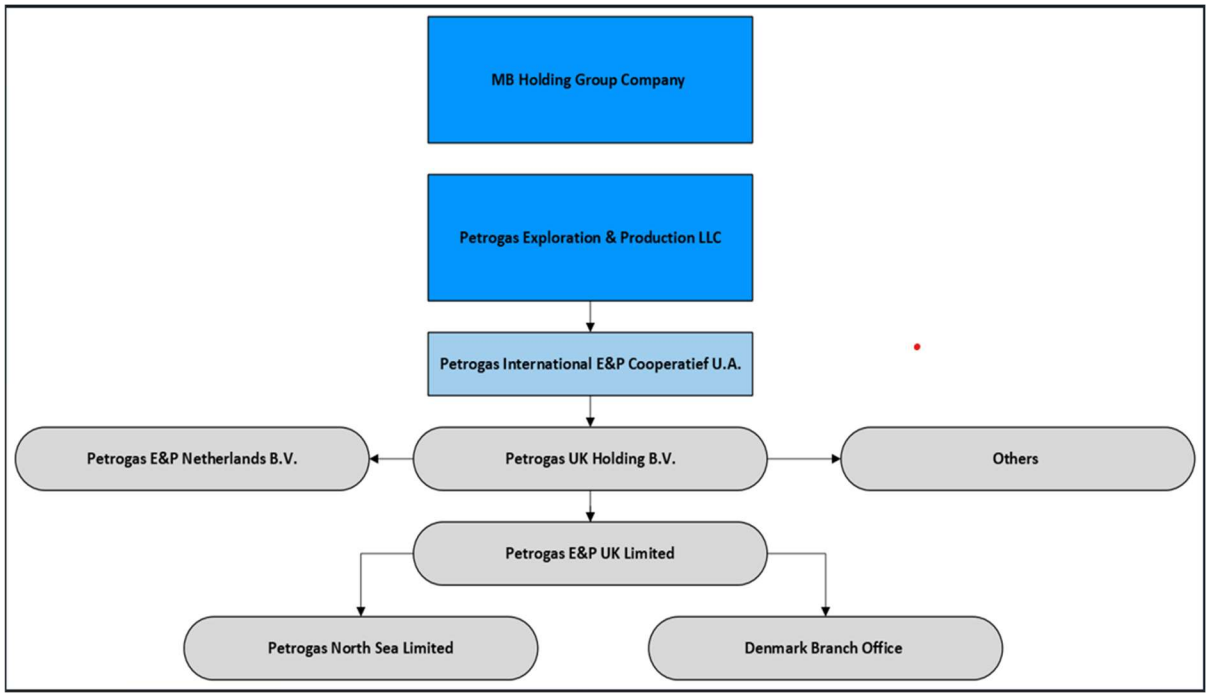


Figure 1 – Company Structure

1.2 CURRENT OPERATIONS

In 2024 a geophysical and geotechnical site survey was undertaken in the Baker field. The site survey was required to provide information about the seabed and sub-surface conditions, to assist in the safe installation of the subsea field infrastructure and operation of a jack-up drilling rig.

In Q4 2024 the Baker exploration well was successfully drilled and subsequently plugged and abandoned. The was proved a gas discovery.

In addition, an Abbey to York geotechnical and geophysical site survey was conducted in 2024. In late Q4 2024, the Abbey appraisal well was spudded.

The Birgitta Field is currently being developedand is in the Concept Select phase. A geotechnical and geophysical site survey for both export routes was conducted in Q4 2024. Petrogas aims to submit the concept select report to the authorities early 2025.

2. ENVIRONMENTAL MANAGEMENT SYSTEMS

PNS operates an ISO14001:2015 certified management system: the Business Excellence Management System (BEMS). The system was certified according to ISO 14001:2015 on 22 September 2021, prior to the commencement of offshore drilling activities on the UKCS. The management system therefore meets the requirements of OSPAR Recommendation 2003/5 to Promote the Use and Implementation of Environmental Management Systems by the Offshore Industry. The BEMS was successfully recertified in June 2024, following a three-year cycle.

The basis for the management system is the concept of "Plan Do Check Act", which provides an iterative process to achieve continual improvement in performance. Figure 2 reflects the elements of this process and the relationship to the ISO High Level Structure requirements.

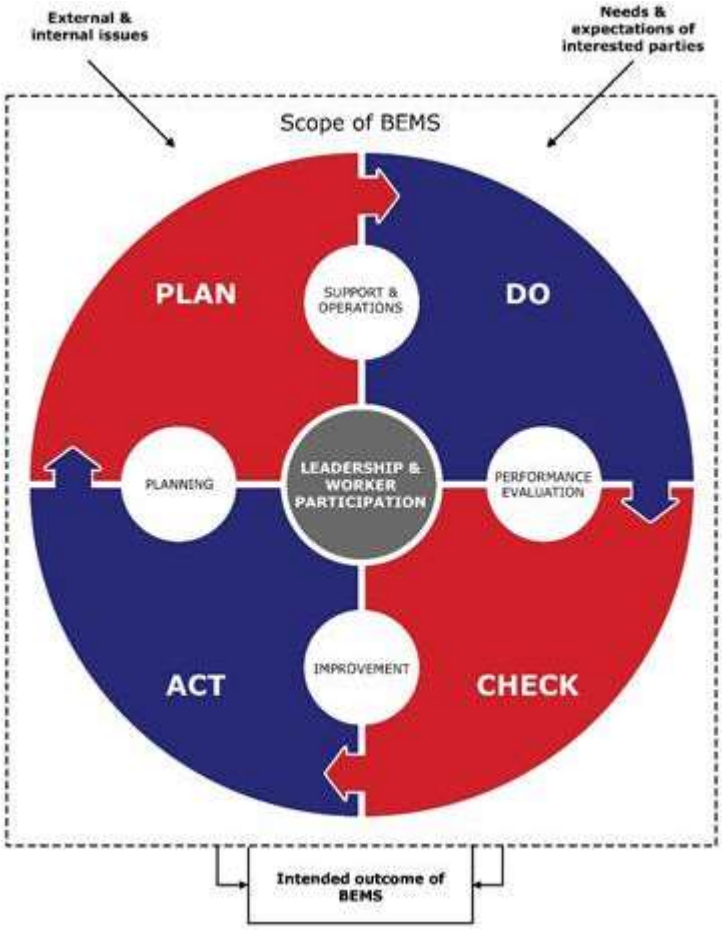


Figure 2: Plan-Do-Check-Act Loop

Figure 3

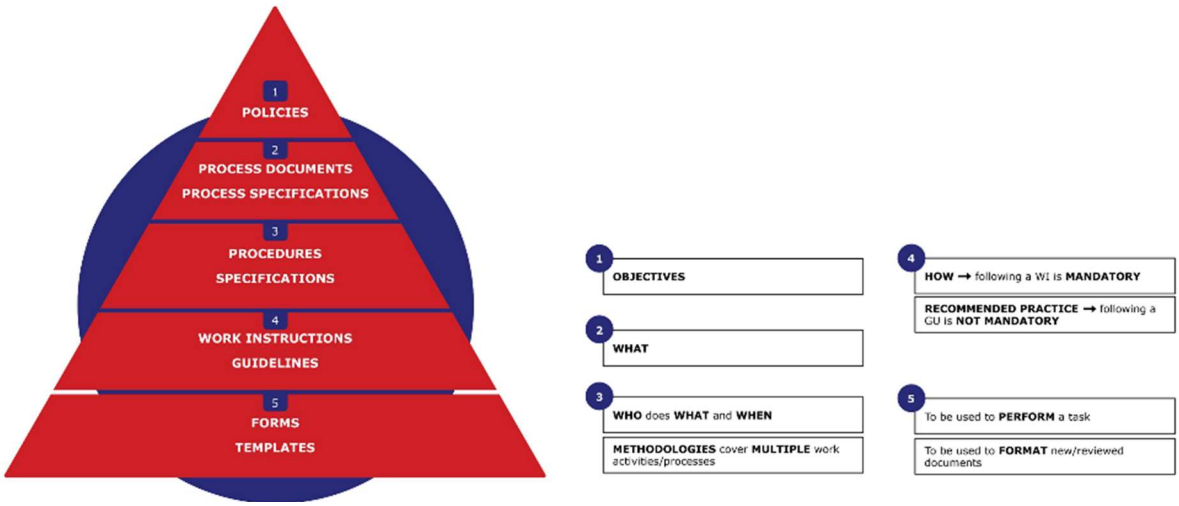


Figure 3 - BEMS Document Structure

The overall documentation structure for the BEMs is illustrated in Figure 3.

The BEMS includes an HSE Policy and Major Accident Prevention Policy (MAPP), as well as relevant safety and environmental processes and procedures as required by the ISO standards. The HSE Policy and MAPP are shown in Appendix C and Appendix D.

Key safety and environmental documents in the BEMS are listed in the table below.

Document Title
BEMS Manual
Business Ethics Policy
Competence Assurance Procedure
Compliance Assurance Process Specification
Emergency Management Process Specification
Environmental Aspects and Planning Procedure
Environmental Stewardship Process Specification
General Management Process Document
HSE Compliance Register
HSE Policy
HSE Risk Management Process Specification
HSEQ Process Document
Incident Investigation and Reporting Process Specification
Logistics Process Document
Major Accident Prevention Policy (MAPP)
Management of Change Procedure – Drilling and Well Engineering
Management of Contractors Procedure
Management System Process Specification
PNS Environmental Aspects Register
Project Compliance Plan
Project Management procedure/system

The overall responsibility for BEMS lies with the General Manager, who has committed to its development, implementation and continual improvement. The General Manager shall demonstrate leadership and commitment with respect to BEMS by:

- Taking accountability for the effectiveness of BEMS;
- Ensuring that safety and environmental policies and objectives are established and are compatible with the strategic direction and the context of the organization;
- Ensuring that the resources needed for BEMS are available;
- Communicating the importance of effective safety and environmental management and of conforming to BEMS requirements;
- Engaging, directing and supporting persons to contribute to the effectiveness of BEMS;
- Promoting continual improvement.

3. ENVIRONMENTAL PERFORMANCE

PNS is not operating any oil and gas assets, therefore, given the project development nature of Petrogas' operations during 2024, the potential for significant environmental impact arose from its drilling activities and specifically from:

- Atmosphere emissions from power generation;
- Chemical use and discharge;
- Waste management; and
- Accidental releases.

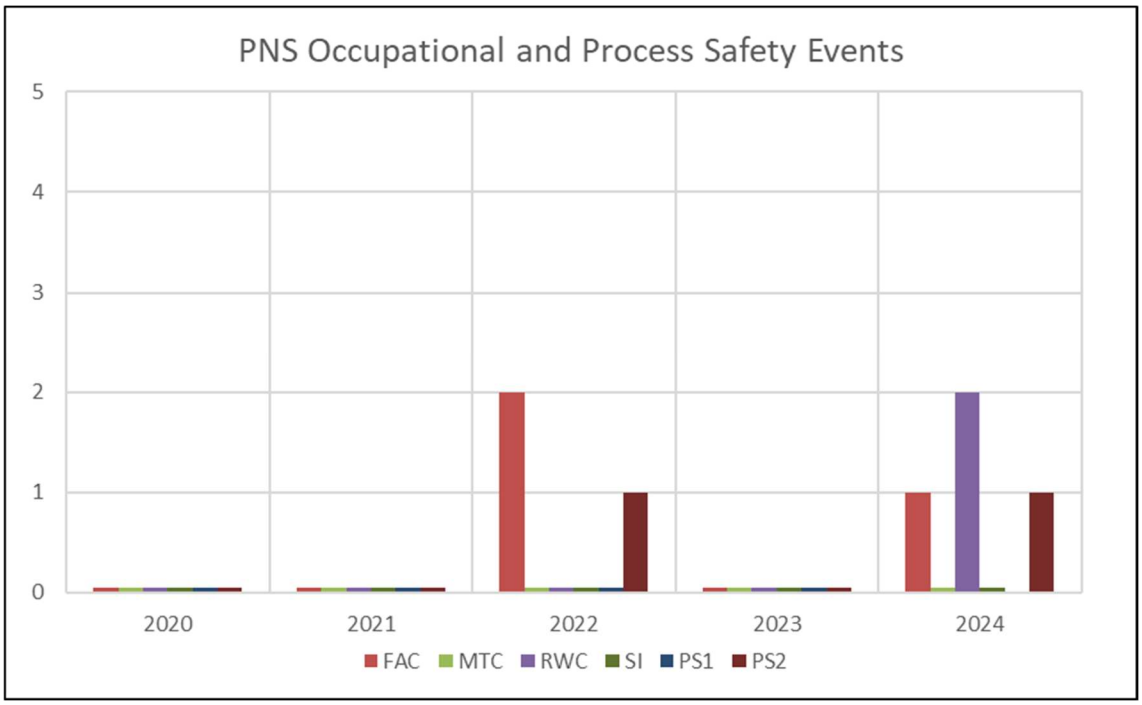
The environmental performance of Petrogas' operations since 2024 are summarised in the following sections and have been reported to the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) via the UK Environmental Emissions Monitoring System (EEMS).

Petrogas North Sea confirm they have:

- Had no major accidents[1] during the last five years in the North Sea;
- Never been subject to enforcement action by the Regulator in the North Sea;
- Never been subject to criminal or civil action and no such action is pending; and
- Never been convicted for any breaches of legislation.

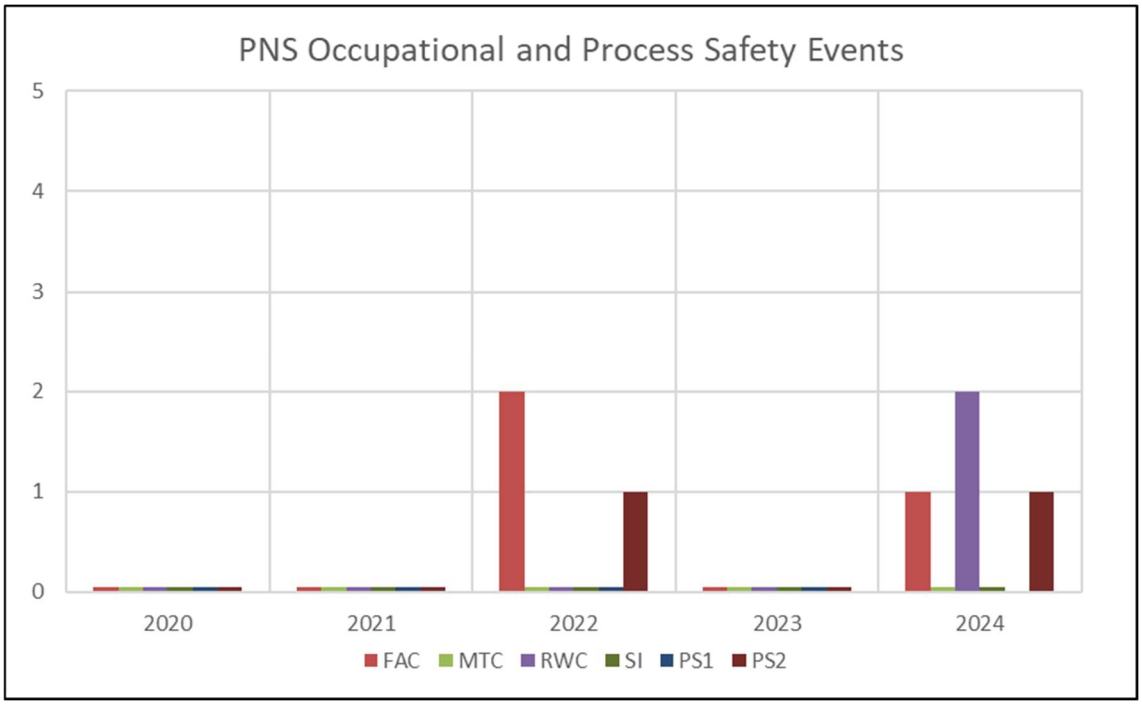
The last 5-years of PNS' occupational and process safety performance statistics since starting operational activities are shown in

[1] As defined in Article 2(1) of the EU Directive on safety of offshore oil and gas operations (2013/30/EU)



PS1 - Tier 1 Process Safety event may involve significant actual or potential impacts. PS2 - Tier 2 Process Safety Event is an LOPC with consequence. It is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials, from a process that results in consequences

Figure 4 below.



PS1 - Tier 1 Process Safety event may involve significant actual or potential impacts. PS2 - Tier 2 Process Safety Event is an LOPC with consequence. It is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials, from a process that results in consequences

Figure 4: PNS Occupational and Process Safety Events overview

3.1 ATMOSPHERIC EMISSIONS

Atmospheric emissions from Abbey are derived from the generation of power during the geophysical and geotechnical surveys.

A summary of the atmosphere emission generated from 2024 operations is given below.

2018 is set as the baseline year across the UKCS against which the sector must achieve its reduction targets outlined in the North Sea Transition Deal, providing a benchmark for performance against the baseline. The total GHG emissions for the UK upstream oil and gas industry in 2018 was 18.9 million tonnes CO_2e (OEUK, 2023). The latest year for which a full dataset is available is 2022 during which the total CO_2e emitted by the sector was 14.3 million tonnes (OEUK, 2023).

The emissions from the anticipated vessel use will amount to approximately 0.028 % of the total upstream UKCS emissions in 2018 and approximately 0.076 % of the total upstream UKCS emissions in 2024 and therefore represents a relatively small contribution to total UKCS emissions.

Source		**Atmospheric emissions (te)**							
		CO_2	**NOx**	**N_2O**	**SO_2**	**CO**	**CH_4**	**VOC**	**CO_2e**
EEMS Emissions Factor [1]		3.2	0.0594	0.00022	0.002	0.0157	0.00018	0.002	-
GWP [2]		1	-	265	-	-	28	-	-
Source	**Total tonnes**								
Birgitta Survey	51.22	163.9	0.80	3.05	0.01	0.19	0.01	0.10	167.86
Baker Survey	42.22	135.1	0.67	2.51	0.01	0.160	0.01	0.09	138.5
Baker Drilling	3,649.85	7,949.91	29.53	76.98	0.39	5.18	60.48	10.20	9,747.80
Total	**3,743.29**	**8,248.91**	**31.00**	**82.54**	**0.41**	**5.53**	**60.50**	**10.39**	**10,054.16[4]**
2018 UKCS CO_2 Emissions [3]		**13,200,000**	2018 UKCS CO_2e Emissions [3]						**14,630,000**
Total Emissions as a % of UKCS CO_2 Emissions, 2018		**0.028**	Total Emissions as a % of UKCS CO_2e Emissions, 2018						**0.076**

[1] Emissions calculated using EEMS emission factors (EEMS, 2008).
[2] CO_2e figure is calculated by multiplying CO_2, N_2O and CH_4 by their relevant GWP value (IPCC, 2014).
[3] Total CO_2 and CO_2e emissions from UKCS 2018 (OGUK, 2019).
[4] Abbey appraisal well emissions will be accounted for in 2025 Annual Statement since operations still ongoing at the time of writing.

Table 1 – Emissions evaluation

3.2 ACCIDENTAL RELEASES

The prevention of oil and chemical releases is of the highest priority during Petrogas' operations, and, consequently, we maintain procedures, training and awareness campaigns in order to minimise the risk of release and to ensure a rapid response to an such event.

Oil and chemical release incidents are reported to OPRED in accordance with the Petroleum Operations Notice 1 (PON1) system. Petrogas was responsible for the occurrence of two such incidents in 2024, a summary of which is provided in Table 5 below.

Reference	Date	Nature of Incidents	Type of spill	Estimated Maximum Quantity Released (Te)	Location
IRS/2024/4504/PON1	22/05/2024	Oil discharge to sea	Hydraulic Oil	0.006	Birgitta
IRS/2024/4502/PON1	19/05/2024	Oil discharge to sea	Hydraulic Oil	0.006	Birgitta

Table 2 - 2024 Oil and Chemical Release Incidents

3.3 WASTE

In total, 103.08 tonnes of waste was generated from the Baker operations in 2024. Of this, 40 tonnes consisted of drilling 'slops' that were shipped to shore, after the well was abandoned; this waste was sent for treatment and discharged under the approved consent.

Total Waste (tonnes)	Reused / Recycled (%)	Landfill (%)	WTE (%)	Incineration (%)	Treatment* (%)	Other (%)
103.08	17.9	2.77	38.26	0.31	20.87	0.62

Table 3 - Fate of Waste Generated from Petrogas Operations in 2024

**The disposal route treats the sludge by separating the water, oil and solids form the material through a thermal process. They are typically able to recycle 90% of the sludge by weight. Any recovered calorific waste is used in waste-to energy.*

3.4 CHEMICAL USE AND DISCHARGE

Offshore use and discharge of operations chemicals is regulated by the Offshore Chemical Regulations 2022 (as amended), where the word "chemicals" refers to fully formulated products used offshore, whether these are comprised of one or more distinct chemical substances. Such chemicals must appear on both the Centre for Environmental, Fisheries and Aquaculture Science (CEFAS) Definitive Ranked Lists of Registered Products and on the relevant Chemical Permit application.

All chemicals are tested and classified by CEFAS according to their potential to cause harm. The assessment relates to a combination of the rate of biodegradation, toxicity and potential to bio-accumulate. Environmental data are provided below according to those which are:

- Environmental benign i.e. labelled as **P**ose **L**ittle **O**r **N**o **R**isk (PLONOR);
- Low risk i.e. listed in the CEFAS lowest risk categories ('E' or 'Gold' (exclusion PLONOR));
- Higher risk i.e. listed in the CEFAS higher risk categories.

Products identified by CEFAS as containing chemicals marked for substitution with a more environmentally friendly alternative are flagged with a "SUB" warning. Use and discharge of such chemicals is included in the following sections.

Petrogas continually work with chemicals suppliers to evaluate the potential environmental hazards of chemicals used, and to select less hazardous alternatives where practicable.

3.5 WELLS DRILLING ACTIVITIES (DRA) CHEMICALS USE AND DISCHARGE

In 2024, Petrogas used 980,724.6 kg of chemicals during the Baker exploration well activities. 302,605.2 kg of the chemicals were discharged to the marine environment.

In terms of environmental, only one" SUB" chemical" was used, but not discharged during the operations.

	2024 Chemical Use / Discharge (kg)	
	Use	Discharge
Total	980,724.6	302,605.2

	2024 Chemical Use / Discharge (kg)	
Chemical Label Code	Use	Discharge
PLONOR	386,647.6	60,560.2
SUB	3,026.5	0

Appendix A References

Reference Documents/Forms	
Document Number	**Title**
PNS-GEN-PY-00001	PNS HSE Policy
PNS-GEN-PY-00002	PNS Major Accident Prevention Policy
PNS-GEN-PY-00003	BEMS Manual
---	GHG Protocol

Appendix B Abbreviations and Definitions

Abbreviations	
Abbreviation	**Description**
BEMS	Business Excellence Management System
CEFAS	Centre for Environmental, Fisheries and Aquaculture Science
E&P	Exploration and Production
OPRED	Offshore Petroleum Regulator for Environment and Decommissioning
OSPAR	Oslo Paris (agreement)
P&A	Plug and Abandonment
PEPN	Petrogas E&P Netherlands B.V.
PLONOR	Pose Little Or No Risk
PNS	Petrogas North Sea
PON	Petroleum Operations Notice
UKCS	United Kingdom Continental Shelf
WTE	Waste To Energy

Definitions	
Word	**Description**

Appendix C HSE Policy

HEALTH, SAFETY AND ENVIRONMENT POLICY

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PURPOSE AND OBJECTIVES

Our purpose is to protect our people, the public, our assets and the environment in which we work and live. It is a commitment that is in the best interests of our workers, the environment, our customers and all our other stakeholders.

The Management of all Health, Safety and Environmental (HSE) aspects within Petrogas North Sea limited (PNS) is embedded in the Business Excellence Management System (BEMS), which systematically manages all the BEMS processes.

The HSE objectives and targets are set by the PNS Management Team (PMT) consistent with the Company strategy.

SCOPE

This policy applies:

- All the offices and facilities operated by PNS;
- All the primary and supporting business processes related to the exploration, production and transportation of oil and gas;
- All the primary and supporting business processes related to the engineering, construction, maintenance and decommissioning of oil and gas facilities;
- Relevant management of operated exploration and production licenses;
- Management of suppliers/ service providers up- and midstream in the value chain.

The management of non-operated stakes is excluded from the management system, as is the management of produced oil and gas downstream in the value chain.

POLICY STATEMENTS

- We strive to reduce all Occupational Health and Safety and Environmental risks to as low as reasonably practicable, by engaging our workers to look for the elimination of hazards and when not possible, substitution or control of those hazards.
- We commit to create and maintain a working environment where we minimise the impact to the physical and mental health and safety of our workers. We will always look at ways to improve the health, safety and wellbeing of the workers.
- We ensure our workforce is trained and competent.
- We work together to create an environment where everyone feels safe to start the job and feels free to stop the job, when it is judged to be unsafe for people and / or the environment. We will never penalise anyone to stop a job or speaking up about hazards, injuries or undesirable behaviour.
- We strive for a place where every voice is heard.
- We design, build, operate, apply the latest technologies and maintain facilities with the highest integrity standards to prevent and mitigate undesirable events.
- We strive to prevent pollution and mitigate environmental impacts from our operations throughout their whole lifecycle, by improving the energy efficiency of our assets, minimising and/or eliminating emission, including greenhouse gasses, waste, water discharges, and the use of environmental harmful substances.
- We look for extending the lifetime of the resources we employ by maximising recycling and upcycling opportunities.
- Our ambition is to have a positive impact on biodiversity of the areas, where we operate.
- We endeavour to create more sustainable business to minimise the negative impact and maximise the positive impact of our operations to the community we work and live in, by applying thorough due diligence to us and our value chain.
- We want to learn from what we do well and what we do wrong; we learn and share from normal work, best practices, incidents investigations and audits. We apply the learnings to continuously improve.
- We enable, promote, and verify compliance with applicable stipulated legal and corporate HSE related requirements.
- We ensure transparency and we engage with all our Stakeholders on all our positive and negative impacts, and we work with them to maximise and minimise these impacts.

ORGANISATIONAL AND ARRANGEMENTS

The ***General Manager (GM)*** is accountable for guiding the organisation and ensuring that adequate resources such as people and finance are available to allow the policy requirements to be achieved. The GM ensures that the organisational HSE and Sustainability objectives are set and reviewed annually according to the BEMS Manual.

The ***PNS Management Team*** is responsible for ensuring that those areas of the organisation within their influence are directed in a manner which upholds the principles of the HSE policy and sustainable development, and supports operation in meeting their aims, and follows the requirements of the BEMS.

The ***HSEQ Manager*** ensures that adequate competent advice is provided to the organisation in order to ensures that legislative and policy requirements and HSE objectives are achieved.

The ***Project Manager*** directs the engineering and procurement activities in a manner to which always ensure that the legislative and policy requirements are achieved so that health, safety and environmental risks are avoided or minimised wherever practicable, with focus on prevention.

The ***Drilling Manager*** directs the operational activities in a manner to which always ensure that the legislative and policy requirements are achieved so that health, safety and environmental risks are avoided or minimised wherever practicable, with focus on prevention.

The ***Subsurface Manager*** directs the subsurface and geology activities in such a way that hydrocarbons resources are evaluated to provide evidence for their sustainable development.

The ***Technical Authorities*** have responsibility for ensuring that for their area of expertise, technical advice, design input and support meets the principles of the HSE policy and the requirements of its objectives.

All managers, supervisors, advisors, and authorised technical engineers will ensure that the principles of the policy and the aims of the objectives are reflected in any instruction, advice or development they are involved with. They will always ensure in their daily work that personal responsibility for the relevant HSE and sustainability aspects is displayed in their behaviour and decisions.

The Workers are responsible and accountable for identifying and addressing risks to themselves, others and the environment associated with their workplace and ensuring a safer and more sustainable work environment.

Nick Dancer

General Manager

Rev. 5 – 5th January 2024

Appendix D MAP Policy

MAJOR ACCIDENT PREVENTION POLICY

PURPOSE AND OBJECTIVES

Our goal is to protect our people, the public, our assets, the environment in which we work and live and our company reputation. It is a commitment that is in the best interests of our workers, customers and all associated stakeholders.

We at Petrogas North Sea ltd (hereafter PNS) recognise that due to the nature of our activities, exposure to major accident hazards could be possible to employees, contractor staff, visitors, members of the public and the environment. We therefore have the obligation to all these stakeholders to reduce the risks associated with such hazards to a level as low as reasonably practicable (ALARP), within our capabilities.

SCOPE

This policy applies to all offices and facilities operated by the PNS organization:

- Including all primary and supporting business processes related to the exploration and production of oil and natural gas;
- Including relevant management of operated exploration and production licences;
- And including management of suppliers/ service providers up- and midstream in the supply chain.

Management of non-operated stakes is excluded from the management system, as is the management of produced oil and gas downstream in the supply chain.

POLICY STATEMENTS

Leadership. The **Directors of PNS** have mandated the **PMT** to be responsible for ensuring that all the reasonably foreseeable major accident hazards associated with the PNS operations are identified, assessed and controlled so that the level of risk presented to people and the environment is reduced to an acceptable level. The **PMT** shall ensure that our integrated Business Excellence Management System (BEMS) holds effective health, safety, environmental, compliance and emergency response management arrangements and that these arrangements are implemented, maintained, and improved on an ongoing basis to meet the commitments of this Policy. Prevention of major accidents is an accountability that ultimately resides with the **PNS General Manager (GM**) and flows down as a responsibility through the line management structure to front line personnel performing work. All **PNS personnel** are responsible for managing major accident hazards within their role. All employees including contractors are empowered to act if they have any health, safety or environmental concerns.

Command and Control. PNS:

- ensures that arrangements for the identification, detection, control and prevention of major accident hazards and risks are clear and understood by all relevant people;
- ensures that responsibility and accountability placed on personnel for major accident prevention is made clear in the relevant BEMS documents and supported by associated training programmes and contractual arrangements;
- ensures effective management of interfaces between PNS and third-parties by placing on third-parties controls commensurate with the risks associated with their service or product;
- maintains emergency response plans to ensure clarity on the responsibilities and actions required of personnel in the event of a major accident.

Company (Safety) Culture. PNS:

- identifies and uses appropriate methods to reinforce to everyone the importance of major accident prevention;
- provides leadership training to the offshore managers and supervisors that is based around major accident events and major accident prevention;
- maintains strong links with the workforce through installation(s) visits and conducting conversations, audits and active monitoring relevant to major accident risk management;
- ensures that arrangements are in place for personnel to raise their safety and environmental protection concerns confidentially and securely;
- encourages the reporting of all accidents, incidents, safety concerns, and ensures that this is seen as a positive act, with no detrimental consequence to those involved;
- share improvement campaigns and initiatives which feature major accident prevention themes, designed to promote engagement
- ensures positive input to safe and environmentally sound behaviour is recognised, shared and awarded.

Competency. PNS:

- ensures that in addition to sharing our core safety value, all personnel engaged are aware of their individual role responsibilities with respect to major accident prevention management and have the competence and training to carry out these responsibilities;
- ensures the competency systems of service providers are reviewed as part of the selection process;
- ensures that training necessary for people to undertake safety and environmentally critical activities is identified and provided (including onboarding and skills and development trainings);
- ensures that ongoing competence assessments address competence in application of barriers to major accidents, and the safety criticality of people's roles is based upon their relevance to the availability and effectiveness of safety and environmentally critical elements.

Operational Control, Auditing and Review. PNS:

- ensures thru BEMS ongoing compliance with statutory requirements for major accident prevention management;
- ensures that effectiveness of the management system is assessed through a programme of audits and reviews undertaken by seconded Petrogas E&P International subsidiaries' employees, UK business, local offshore units and independent auditors;
- consult with our Independent Competent Person to ensure that understanding of the status of barriers against major accidents is validated and act as necessary to correct any shortfalls;
- ensure that the data collected to evaluate the status of major accident prevention controls (e.g. people, procedure and plant) is accurate through technical data security controls, which includes authorisation to access, system event logs and databases.

This Policy is reviewed and approved annually by the PNS Management Team.

Nick Dancer
General Manager

Rev. 6 – 1st September 2022