

NEO NEXT Energy Limited

Environmental Statement 2025

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01	Issued for Use	June 2026	Lynne Stephen Reporting Assistant Analyst	Andrew Wright Head of Environmental Operations	Michael Brady Director of HSE

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1 Introduction

In July 2025, NEO Energy announced the completion of a strategic merger with Repsol Resources UK. The combined group was renamed NEO NEXT Energy Limited (“NEO NEXT”) (the “Company”) and became one of the largest producers on the UK Continental Shelf (UKCS).

This Environmental Statement presents the 2025 performance of NEO NEXT in accordance with the OSPAR Recommendation 2003/5. It details the measures implemented to manage and reduce environmental impacts in line with Regulatory expectations, industry standards, and broader sustainability commitments, while continuing to support and contribute to the energy demand of the United Kingdom.

NEO NEXT exceeded both company and the North Sea Transition Deal (NSTD) CO₂e^{1,2} targets of 10 % by 2025 (based on a 2018 baseline), achieving a 47 % reduction in CO₂e.

Methane measurement was strengthened through enhancements to methane quantification techniques, including the implementation of in-house flare combustion efficiency and fugitive emissions methodologies. Multiple aerial (“top-down”) methane measurement campaigns were completed and successfully reconciled with “bottom-up” estimates, validating the effectiveness of the applied measurement approaches. These improvements support the Company’s progression toward achieving Oil & Gas Methane Partnership 2.0 (OGMP 2.0) Gold Standard by the end of 2026.

The Company remains committed to strong environmental governance, rigorous emissions monitoring, and continuous improvement. Environmental performance is regularly reviewed at Senior Management engagements to ensure timely decisions, clear accountability, and compliance.

Compliance monitoring has been enhanced through the development of dashboards to track chemical usage against permit consent limits and the introduction of digital reporting to support monitoring of PPC (Pollution Prevention and Control) Non-GHG emission permit consents.

Progress is accelerated by collaboration. In 2025, NEO NEXT contributed to the UK Industry Guidance, including work on Methane Aerial Measurement and Emission Reduction Action Plan initiatives, and shared lessons learned across the North Sea and Internationally.

Environmental performance data presented in this report is derived from internal operational systems and is subject to internal verification and validation controls.

¹ Operated assets, Scope 1 emissions, GWP AR5 values

² 2025 emission actuals not fully representative due to asset uptime challenges

2 UK Operations

2.1 Installations and Terminals

The Company operates 10 offshore installations (8 fixed and 2 floating). The Company also operates an onshore terminal at Flotta, a small island on the southern side of Scapa Flow in the Orkney Islands archipelago, just north of the Scottish Mainland. The Nigg oil terminal in northeast Scotland is currently undergoing demolition and site remediation.

2.2 Oil & Gas Production

Oil reservoirs naturally contain oil, water, and gas. Offshore platforms separate these well fluids into their individual components using separation vessels. The oil is then exported to shore via subsea pipelines or shipped in the case of the Bleo Holm and GP111.

2.3 Drilling

With field maturation and availability of improved reservoir data, additional wells may be drilled or existing wells re-entered. Such operations can be conducted from the platform or via mobile drilling rigs. Subsurface analysis and production performance data are used to establish the number of wells required to ensure efficient and environmentally responsible production.

3 Safety & Environmental Management

The Company operates an integrated Safety and Environmental Management System (SEMS) designed to minimise environmental impact and drive continuous improvement. The SEMS provides a structured framework for planning, implementing and maintaining safety and environmental policies, and has been independently verified as compliant with the OSPAR Recommendation 2003/5.

Our Health, Safety & Environmental Policy commits the Company to minimising environmental impact and meeting all applicable legal and internal standards. Key environmental aspects, including climate change, air quality, release prevention, water quality and waste are subject to continuous monitoring.

3.1 Environmental Management Strategy

3.1.1 Impact Identification and Primary Mitigation

Environmental impacts are identified and assessed based on local sensitivities, Regulatory and Company standards, and stakeholder expectations. Primary mitigation measures are embedded in facility design and include:

- › Closed-system processes for safe containment of reservoir fluids.
- › Pressure, temperature, flow control and shutdown systems to maintain safe operating conditions.
- › Bunding of areas with spill potential.

3.1.2 Operational Controls and Secondary Mitigation

Environmental management strategies are integrated into business and operational systems to support safety, asset integrity and security of supply. Secondary mitigation measures include:

- › Corrosion prevention, monitoring and preventative maintenance programmes.
- › Assessment of accident and emergency scenarios to ensure appropriate prevention, control and mitigation measures.
- › Procedures to minimise leaks and spills, supported by readily available spill-response equipment.
- › Training to ensure personnel can operate and maintain all safeguards effectively.

3.2 Objectives and Targets 2025

Annual environmental objectives and targets are endorsed by the Executive Leadership Team. Performance is monitored against established KPIs. Environmental performance in 2025 was supported by the following initiatives:

- › Delivery of Emission Reduction Action Plan measures.
- › Completion of Energy Efficiency and Emission Reduction Assessments across Company assets.
- › Top-down methane measurement surveys in line with global methane initiative requirements.
- › Deployment of flare combustion efficiency software.
- › Ongoing third-party flare gas recovery assessments.
- › Emergency response and oil spill response exercises.
- › Offshore emissions awareness engagement by the Emissions Team.



- Continued support for Emission Reduction Action Plan implementation through engagement with Company workforce, industry and Regulatory groups.
- Continued focus on Produced Water performance.
- Optimisation and minimisation of chemical applications.
- Focus on substitution chemical change out across the Company portfolio.

4 Health, Safety & Environmental Policies

As outlined in the introduction, in July 2025, NEO Energy announced the completion of a strategic merger with Repsol Resources UK. During 2025, two separate HS&E policies remained in place, as below.



HEALTH, SAFETY & ENVIRONMENT POLICY

The Company Policy is to conduct our business in a manner that ensures we:

- cause no harm to people;
- minimise our impact on the environment;
- comply with regulatory requirements;
- choose safety over operational results;
- maintain a state of emergency preparedness.

The objectives of this Policy are to ensure we:

- always comply with the law or Company standards, whichever is of a higher standard;
- operate our business to ensure proactive risk mitigation and continuous improvement;
- set goals and targets, and measure performance against them;
- communicate openly with those who may be affected by our activities;
- strive to prevent all accidents and incidents, prevent pollution, use resources sustainably and capitalise on lessons learned;
- are able to respond to any foreseeable emergency.

SAFE OPERATIONS IN ALL COMPANY ACTIVITIES IS A CORE VALUE

If operational results ever conflict with this Policy, we all have a responsibility to choose compliance with this Policy over operational results and Repsol Resources UK Limited will support that choice.

A handwritten signature in black ink, appearing to read "FR", with a horizontal line underneath.

Ferdinando Rigardo
CEO

IMS-POS-001, September 2024



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



5 Atmospheric Emissions

The Company recognises the need to reduce emissions and manage the carbon intensity of its operations. All activities are undertaken with a strong focus on emissions management, targeting reductions aligned with the North Sea Transition Deal's interim and Net Zero commitments.

5.1 2025 Emissions Performance

Atmospheric emissions from oil and gas production arise primarily from the combustion of hydrocarbons for power generation, as well as from flaring, venting and fugitive releases across production facilities. Our approach is therefore focused on managing these sources effectively and delivering sustained emission reductions across our operations. To accurately represent the full impact of our operations, all Greenhouse Gases (GHGs) are aggregated and reported as tonnes of CO₂ equivalent (CO₂e) using appropriate emission factors.

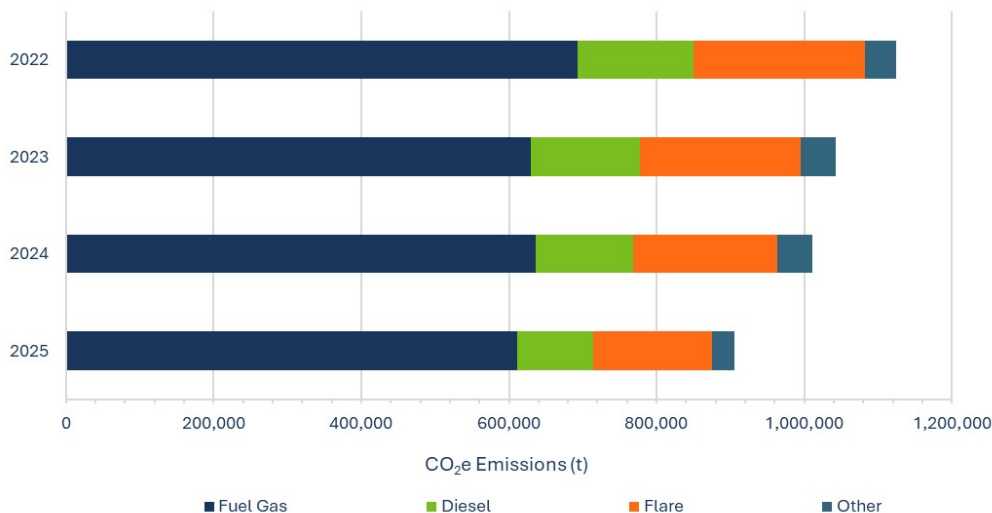


Figure 1: Mass (t) of CO₂e by Source Stream from 2022 – 2025

Figure 1 illustrates the Scope 1 contribution of CO₂e from each emission source stream over the last four years, emphasising a consistent reduction from 2022 - 2025. 2025 CO₂e emissions were influenced by a combination of operational factors, including asset uptime variability and the implementation of emissions reduction measures, and therefore may not fully reflect steady-state operating conditions.

Fuel Gas

A consistent reduction in fuel gas emissions has been achieved through the implementation of Emission Reduction Action Plans (ERAP) together with operational factors including variations in asset uptime, which also influenced fuel gas consumption over the course of the year.

Diesel

The Company continues to optimise the use of fuel gas with diesel as back up i.e. good uptime performance on the platforms will result in low diesel usage. Diesel consumption has been reduced due to ERAP line items, although these benefits have been offset during 2025 by increased diesel consumption associated with operational variability across certain assets.

Flare

Flare performance has continued to improve through efficient operations (start-up procedures / best practice) and targeted maintenance activities (valve replacement, etc.). However, over the course of 2025, flaring also decreased due to a series of unplanned shutdowns.

Other

This includes emissions from venting and fugitives. A consistent reduction in venting and fugitive emissions was achieved from lower asset uptime, maintenance of the flare system, and a shift from cold flaring / venting in favour of hot flaring. Hot flaring emits CO₂, whereas cold flaring and venting can result in proportionally higher CO₂e emissions due to the higher global warming potential of gas, i.e. methane.

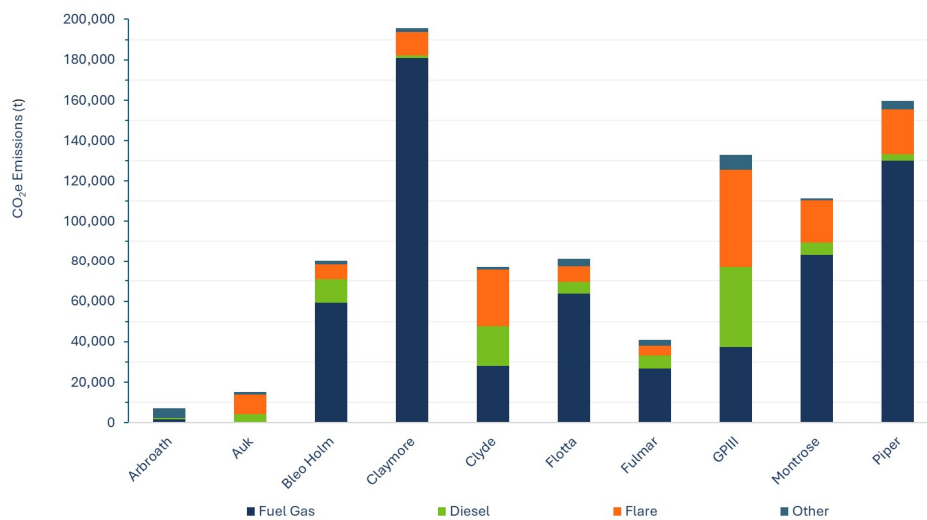


Figure 2: Mass (t) of CO₂e by Source Stream per Asset in 2025

Figure 2 illustrates the contribution of each source stream in tonnes of CO₂e by asset. Consistent with the Company's Decarbonisation Standard and broader ambition to operate more sustainably, there is an ongoing focus on optimising hydrocarbon fuel consumption and reducing flaring to proactively lower CO₂e emissions. In line with United Kingdom Continental Shelf (UKCS) basin trends, power generation remains the largest source of the Company's GHG emissions.

6 Oil in Produced Water (OiW)

Produced water is brought to the surface along with oil and gas, and after processing contains trace amounts of residual oil. This produced water is discharged to sea in accordance with applicable permit conditions under compliance with The Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005. The Company proactively monitors and manages compliance across assets.

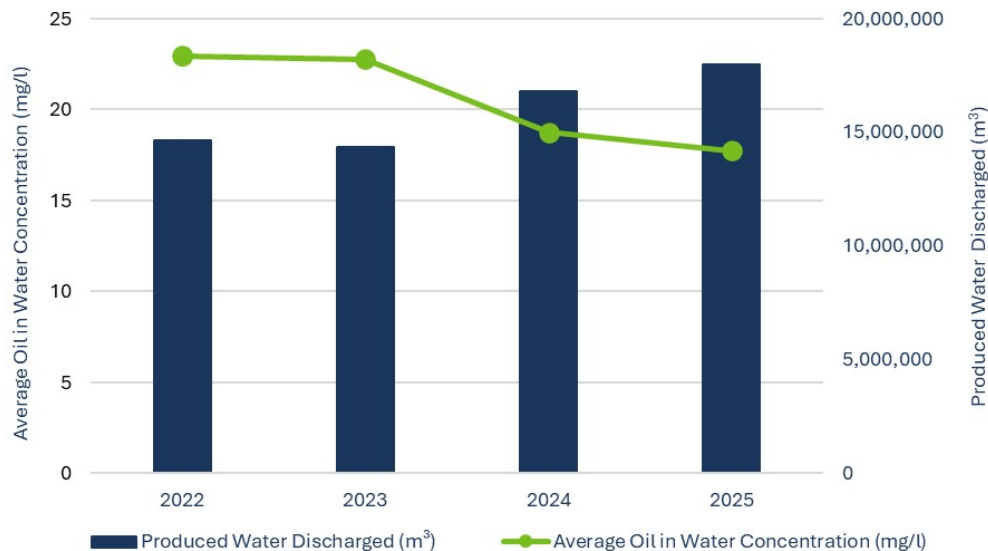


Figure 3: Average Oil in Water Concentration (mg/l) and Total Produced Water Discharged to Sea (m³) from 2022 - 2025

Figure 3 shows a 7 % increase in the produced water discharged to sea in 2025 relative to 2024. The increase in produced water discharged in 2025 was due to assets returning to production after operational shutdowns, plus changes in produced water treatment philosophy.

It also presents a 5 % decrease in the average oil in water concentration for 2025 compared to 2024. The Company average oil in water concentration discharge continued to remain below the permitted limit of 30 mg/l, with an annual average concentration of 17.74 mg/l in 2025. The continuing downward trend in the average yearly oil in water concentration reflects the Company's focus on produced water management, through process and chemical optimisation.

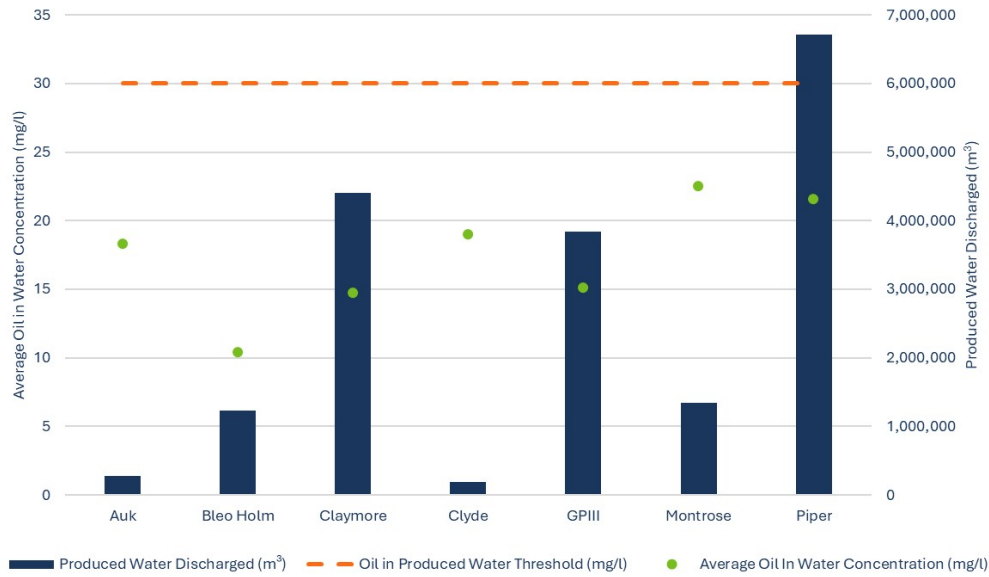


Figure 4: Average Oil in Water Concentration (mg/l) and Total Produced Water Discharged to Sea (m³) per Asset in 2025

Figure 4 demonstrates that during 2025 all assets' average oil in water concentration remained below the permitted threshold of 30 mg/l.

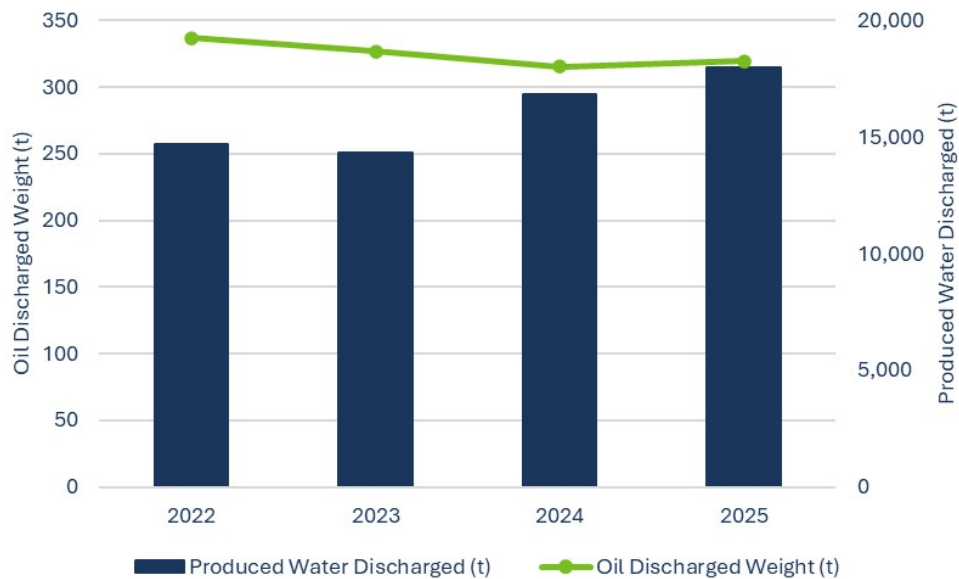


Figure 5: Total Oil Discharged Weight (t) and Produced Water Discharged to Sea (t) from 2022 – 2025

Figure 5 indicates a 7 % increase in the volume of produced water discharged in 2025 compared with 2024, while the corresponding increase in oil discharged to sea is 1.2 %. This reflects a reduction in the overall concentration of oil within the discharged produced water.

7 Production Chemicals

The use and discharge of production chemicals offshore is closely regulated through the approval of a chemical permit for each installation or activity. An approved permit incorporates Regulatory boundaries for each chemical used and discharged and is issued under the Offshore Chemical Regulations (OCR) 2002, as amended.

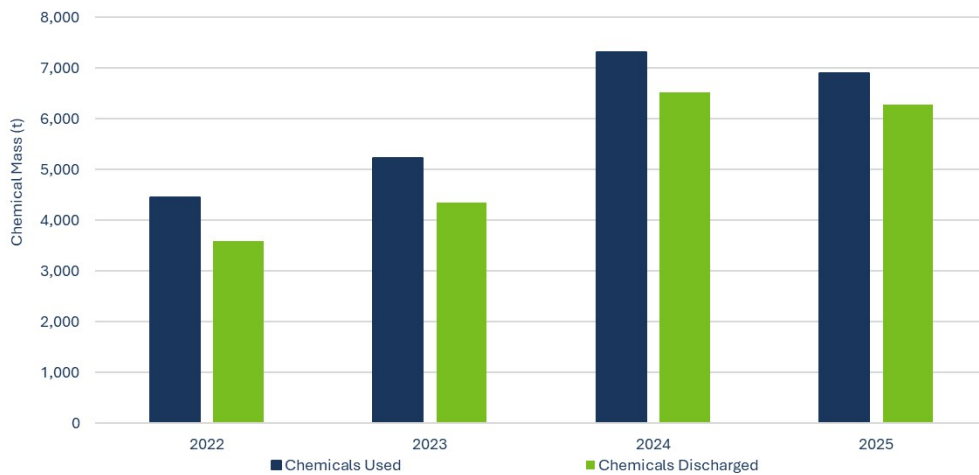


Figure 6: Production Chemicals Used (t) and Discharged (t) from 2022 – 2025

Figure 6 illustrates a decrease in the use and discharge of production chemicals in 2025 compared with 2024. This is generally associated with lower asset uptime and chemical optimisation.

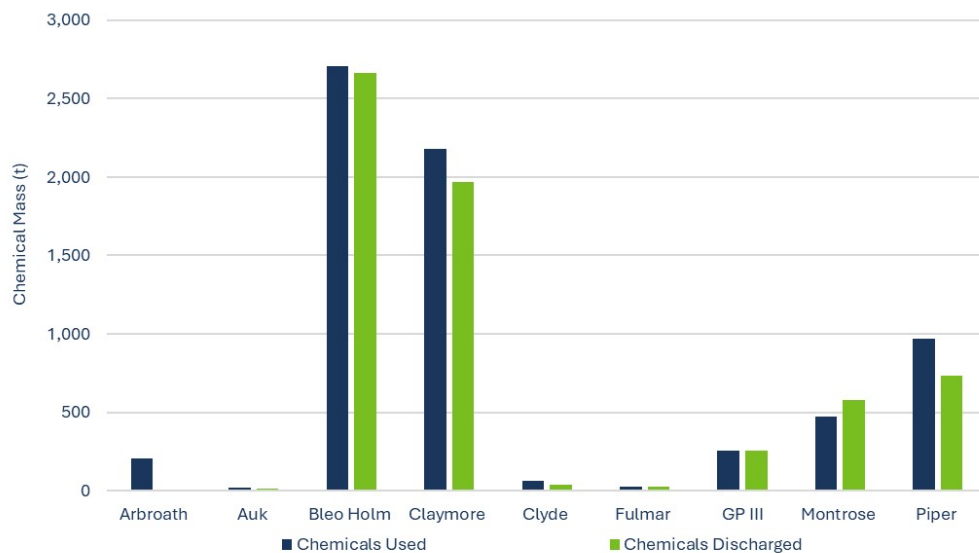


Figure 7: Production Chemicals Used (t) and Discharged (t) per Asset in 2025

Figure 7 illustrates the chemicals used and discharged by asset during 2025. Bleo Holm and Claymore demonstrate higher usage and discharge compared with other assets owing to naphthenate control and export

gas conditioning requirements respectively. Chemical discharges on Montrose appear higher than usage as chemicals applied on Arbroath are discharged via the Montrose platform.

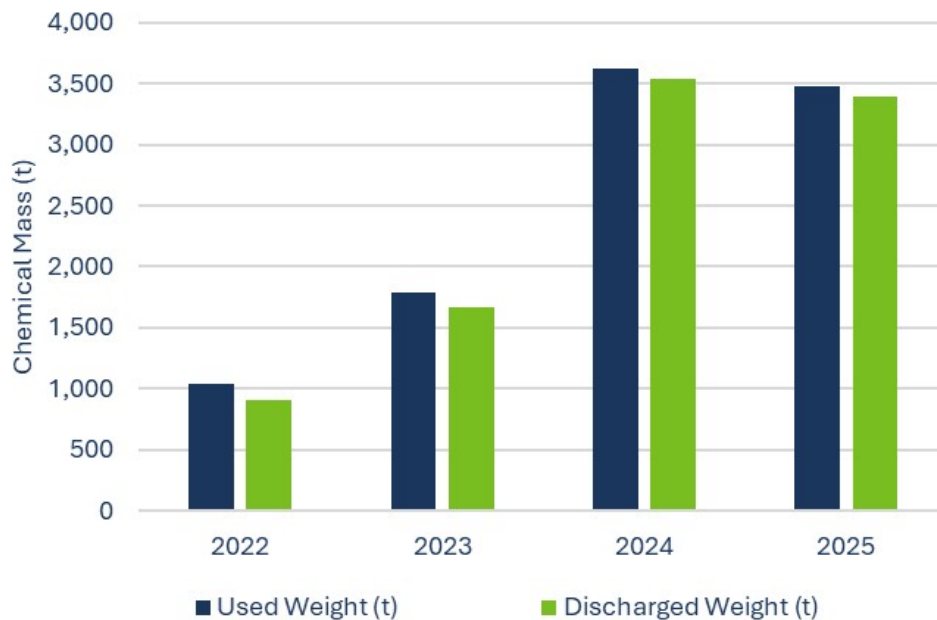


Figure 8: Used (t) and Discharge (t) of Substitution Chemicals from 2022 – 2025

Figure 8 shows a decrease in the use of chemicals with a substitution (SUB) warning in 2025 compared to 2024.

The Company works closely with contracted and independent chemical vendors to minimise the use of SUB chemicals across our installations. When replacing SUB chemicals, alternative chemistries are assessed based on environmental performance, functional performance and availability of alternatives. Where replacement of a SUB chemical is not currently feasible, optimisation and minimisation of use remain the focus in line with Regulatory requirements and industry good practice. It should be noted, the range of chemicals with SUB warnings continues to increase, obscuring the progress made on replacing these chemicals.

8 Drilling, Pipeline Operations, Well Abandonment and Well Intervention Chemicals

In 2025, the Company conducted drilling activities and well intervention operations. A number of Plug & Abandonment activities were completed and a substantial pipeline operation. These operations rely on the use of chemicals, all of which undergo a planned selection and permitting process to optimise the integrity, safety, and efficiency of the processes they are used in.

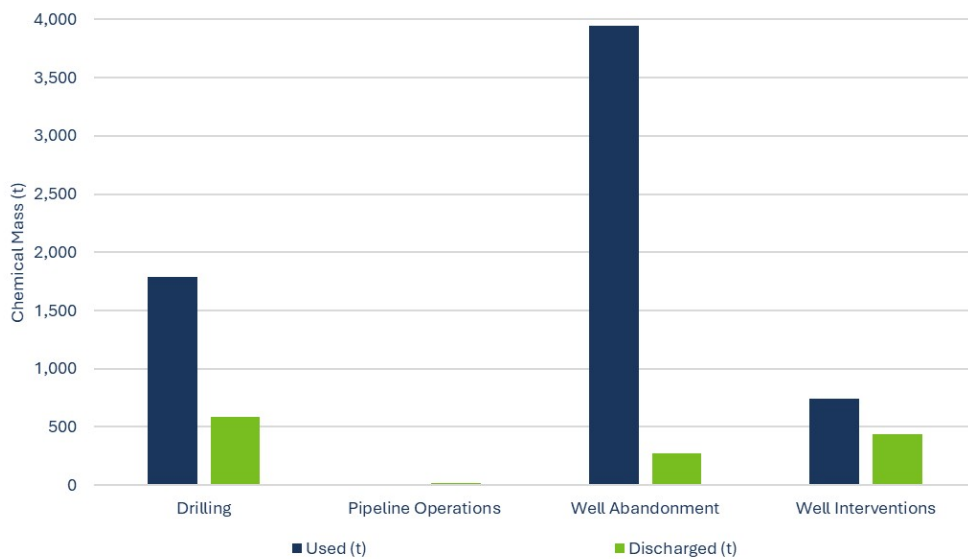


Figure 9: Chemical Use (t) and Discharge (t) in Drilling, Pipeline Operations, Well Abandonment and Well Interventions in 2025

Pipeline Operations

Chemical use and discharge in Pipeline operations were primarily due to the Affleck Pipeline project. This project, which completed in 2025, involved the installation of a 21 km production pipeline, control umbilicals production well jumpers, and control umbilical well jumpers. As part of the installation process, chemicals were used during leak and barrier testing to verify system integrity and ensure the infrastructure was suitable for hydrocarbon introduction.

Well Abandonment Activities

Well abandonment activities increased during 2025 as part of the ongoing decommissioning programme. This included a return to the Buchan field to undertake plug and abandonment operations, alongside the successful completion of abandonment activities at the Galley field and on Piper.

Drilling Activities

Drilling activities in 2025 included two infill wells drilled on the Piper installation.

Subsea and Well Intervention Activities

Subsea and well intervention activities in 2025 included operations such as scale squeeze, scale soak, wax dissolving, TVITs and well verification activities.

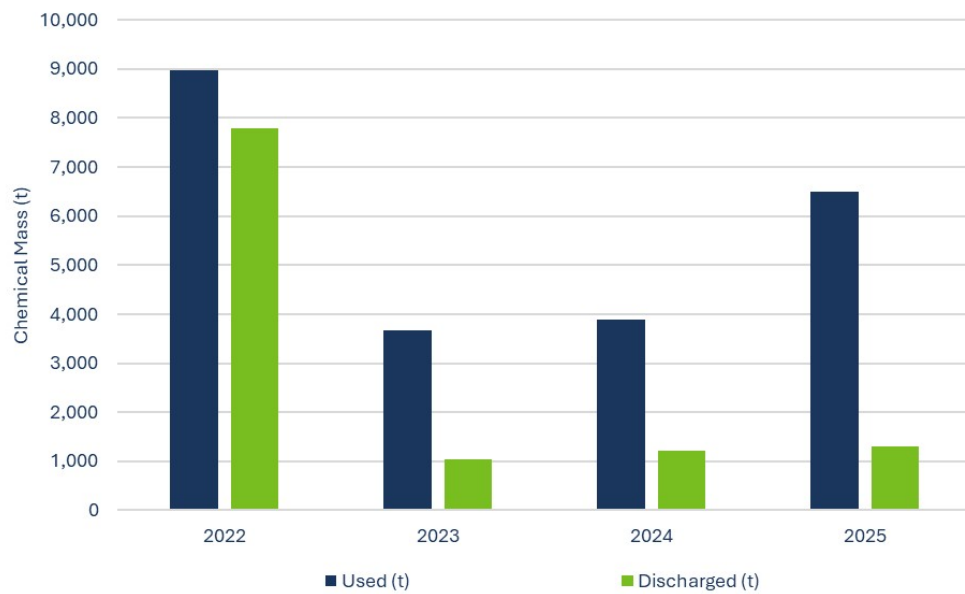


Figure 10: Total Chemicals Used (t) and Discharged (t) in Drilling, Pipeline Operations, Well Abandonment and Well Interventions from 2022 – 2025

Well-related activities increased in 2025 compared to the preceding two years, leading to an increase in overall chemical usage, while discharge volumes rose only marginally.

9 Releases to the Environment

The Company is committed to preventing releases to the environment. Maintaining plant integrity, promoting awareness, and ensuring personnel are competent in their roles are all critical to preventing releases. In the event that a release does occur, it is thoroughly investigated and reported to the Regulator.

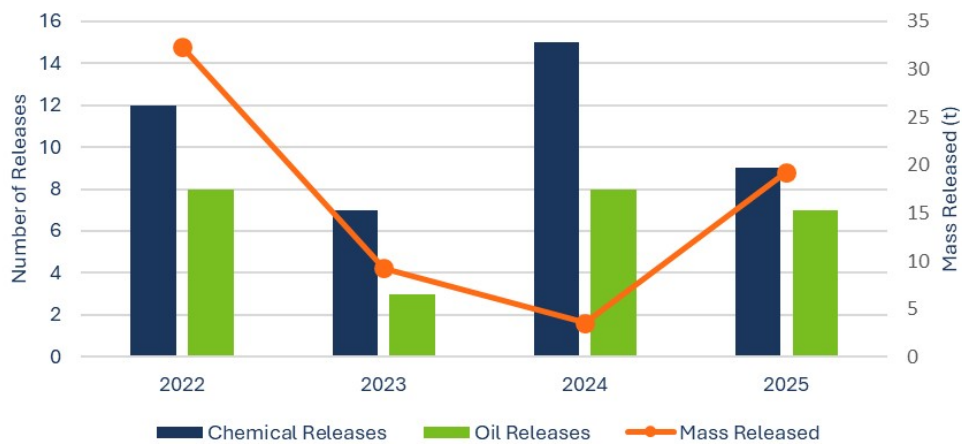


Figure 11: Number of Oil and Chemical Releases and the Mass Released (t) from 2022 – 2025

Figure 11 shows a decrease in release events for 2025 compared with 2024, however the total mass (t) released increased due to two chemical releases on Piper, which accounted for 97 % of the 2025 total.

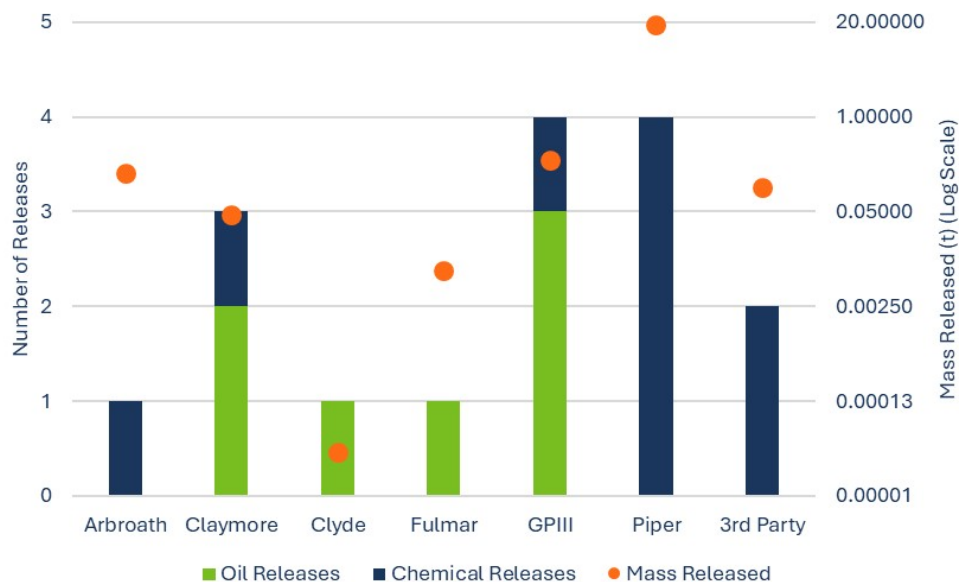


Figure 12: Reported Release Events with Associated Mass Released (t) per asset in 2025

Figure 12 details oil and chemical releases and the associated mass released (t) in 2025 per installation. There were two releases recorded with a mass greater than 2 tonnes, detailed in the table below:

Table 1: Release Events with Mass > 2 Tonnes in 2025

Installation	Details	Mass Released (Tonnes)
Piper	Water-based mud was discharged via the open drains caisson instead of the permitted cuttings caisson	12.7
Piper	Heavy vent (Barite) to sea during bunkering operations	5.9

These incidents were reported to the Regulator and appropriate corrective actions were implemented.

10 Waste Management

10.1 Operational

The Company has a Duty of Care to store, handle and dispose of waste safely and in compliance with legislation. Waste is managed by licensed carriers or facilities, material sent to landfill is minimised, and all waste transfers are documented through an auditable system. In line with statutory requirements, the Company applies the waste hierarchy to maximise resource value, minimise energy use and reduce waste to landfill.

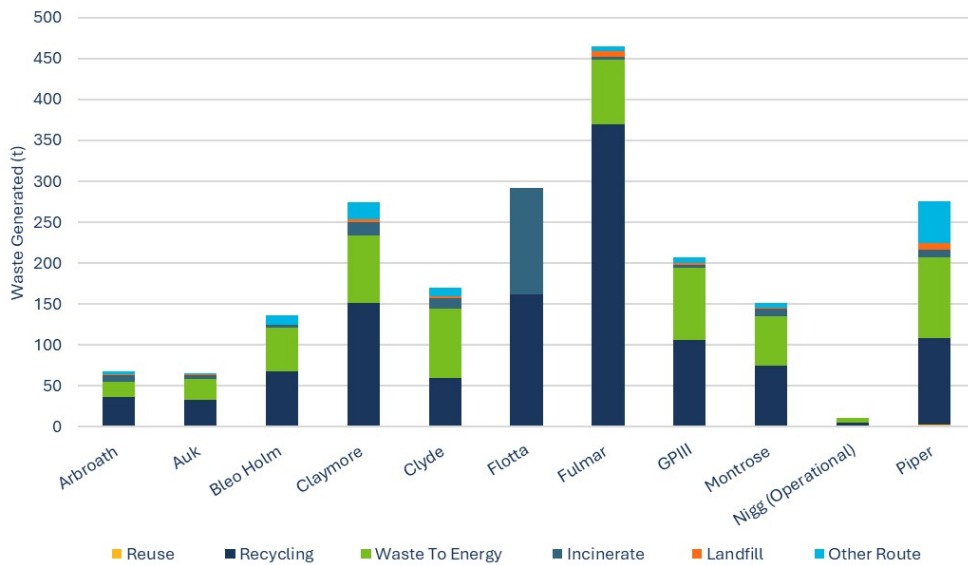


Figure 13: Mass (t) of Waste Generated per Asset and the Disposal Route Used in 2025

Figure 13 presents the disposal routes for operational waste in 2025, in line with the waste hierarchy. Recycling accounted for 54 % of waste managed, with only 1 % of waste generated consigned to landfill. Fulmar waste generation is higher than other assets, reflecting activities preparing the platform for decommissioning.

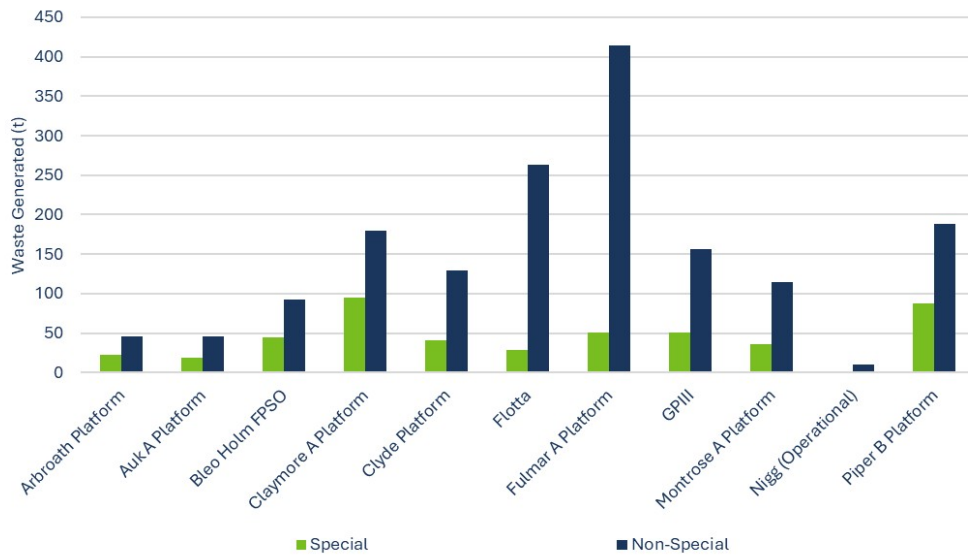


Figure 14: Mass (t) of Non-Special and Special Waste per Asset in 2025

Figure 14 shows that waste generated is predominantly non-special waste, accounting for 78 % of the total. The high mass of non-special waste on Fulmar is due to the reasons detailed previously.

10.2 Operational & Decommissioning

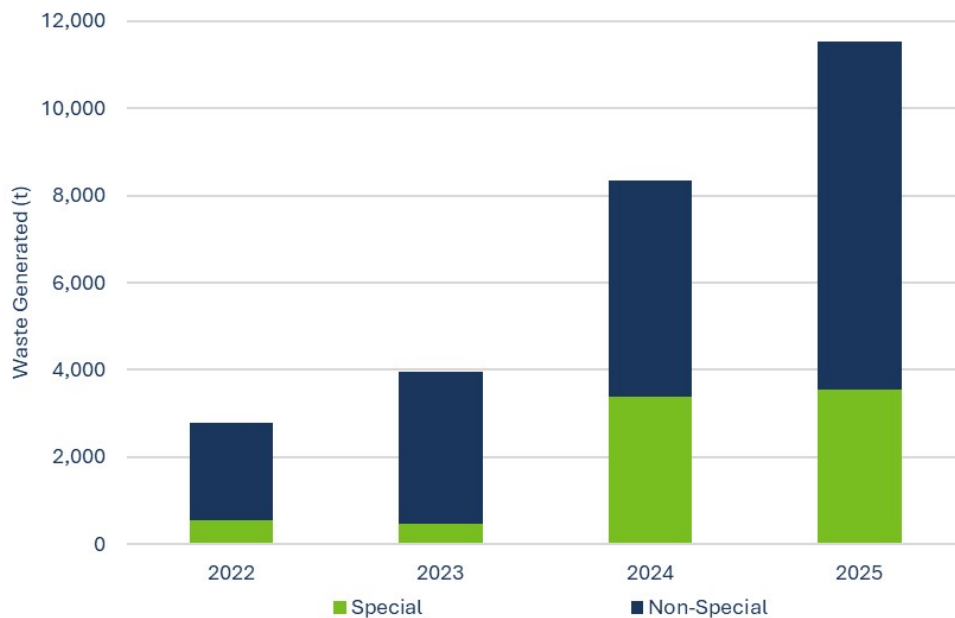


Figure 15: Mass (t) of Waste Generated from 2022 – 2025

Figure 15 highlights a 38 % increase in total waste generated from 2024 to 2025, reflecting decommissioning activities, however, special waste has only shown a small increase of 4 % over the same period.

10.3 Decommissioning

Beatrice, Saltire and Tartan have now ceased production, and all waste arising from these assets is classified as decommissioning waste. Decommissioning activities also continued at the Nigg Terminal, which accounted for 99 % of total decommissioning waste generated during the reporting year. In total, these assets produced 9,430 tonnes of waste in 2025, compared with 4,929 tonnes in 2024.

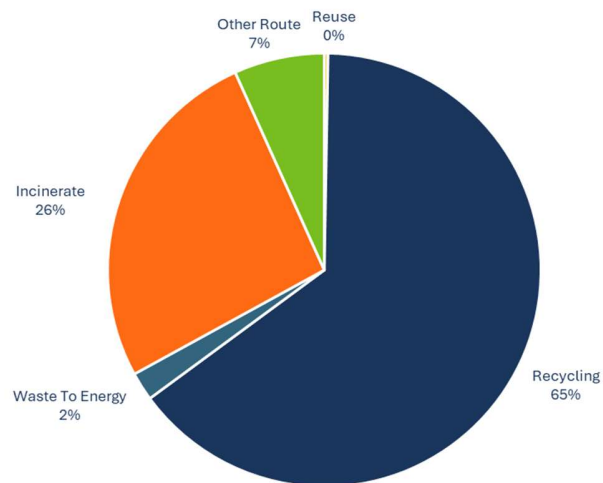


Figure 16: Percentage of Decommissioning Waste by Disposal Route in 2025

Figure 16 highlights 65 % of decommissioning waste was recycled in 2025. It is also notable that no decommissioning waste was disposed of to landfill during the reporting year.