

2023 Annual Public Statement Petrogas North Sea Limited

Reason for issue: for information

7				
6				
5				
4				
3				
2				
1	23/04/24	Environmental Specialist	Environmental Advisor HSEQ Manager	General Manager
Revision	Date	Author	Reviewer(s)	Approver

CONTENTS

1.	OVERVIEW	3
1.1	BACKGROUND	3
1.2	CURRENT OPERATIONS.....	4
2.	ENVIRONMENTAL MANAGEMENT SYSTEMS.....	5
3.	ENVIRONMENTAL PERFORMANCE.....	8
3.1	ATMOSPHERIC EMISSIONS.....	9
3.2	ACCIDENTAL RELEASES	9
3.3	WASTE	9
3.4	CHEMICAL USE AND DISCHARGE	10
APPENDIX A	REFERENCES	11
APPENDIX B	ABBREVIATIONS AND DEFINITIONS.....	11
APPENDIX C	HSE POLICY	12
APPENDIX D	MAP POLICY	14

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), which PNS is planning to develop. Licence P2433 (Baker) is an exploration licence, and PNS is planning to drill an exploration well before February 2025, to test for the presence of commercial gas volumes.

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. The Birgitta East drilling operations, with the jack-up drilling rig Maersk Resilient (Currently owned by Noble Drilling), was successfully completed during the period January 2022 to May 2022, which fulfilled the licence commitment. A positive result was achieved and PNS is now working towards development of both the Birgitta and Abbey fields.

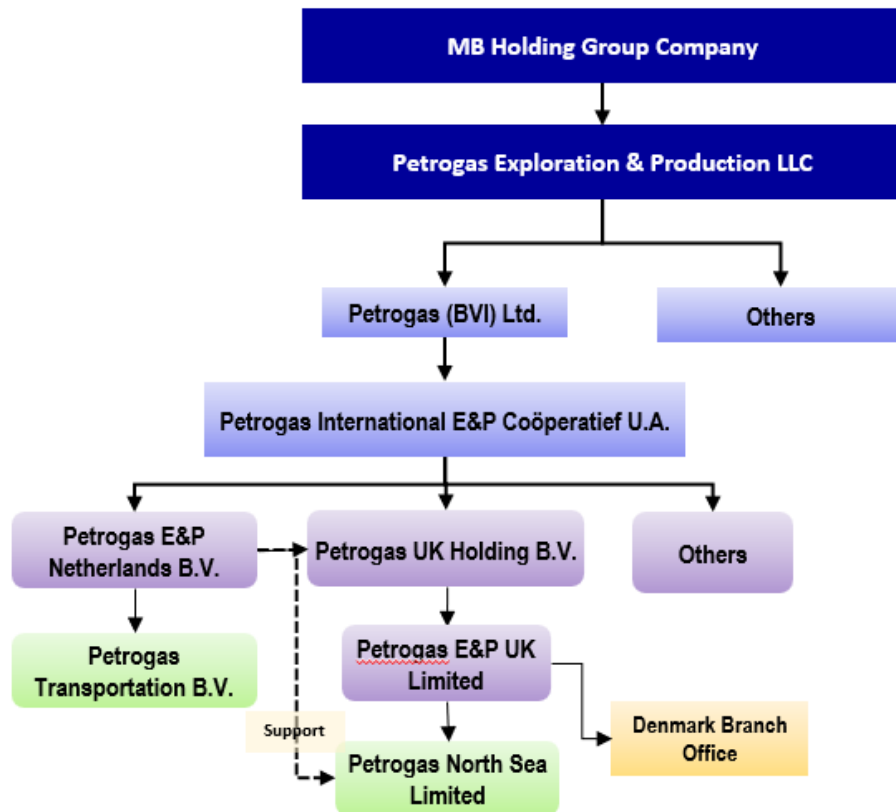


Figure 1 – Company Structure

1.2 CURRENT OPERATIONS

In 2023 a Geophysical and geotechnical site survey was undertaken in the Abbey 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.

A further survey to determine the host route will be conducted in the Abbey field early January 2024, in addition an appraisal well is also planned for Q3 2024.

Alongside the Abbey survey, a geotechnical and geophysical survey will be conducted in the Baker Field in early January 2024, in addition an exploration well is also planned for Q3 2024.

The Birgitta Field is currently under development, having already taken Concept Select for the project. A geotechnical and geophysical survey will be conducted early January 2024.

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 annual verification audit has been successfully executed in September 2023, following a three-year revalidation cycle. A recertification audit is already planned for June 2024.

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.

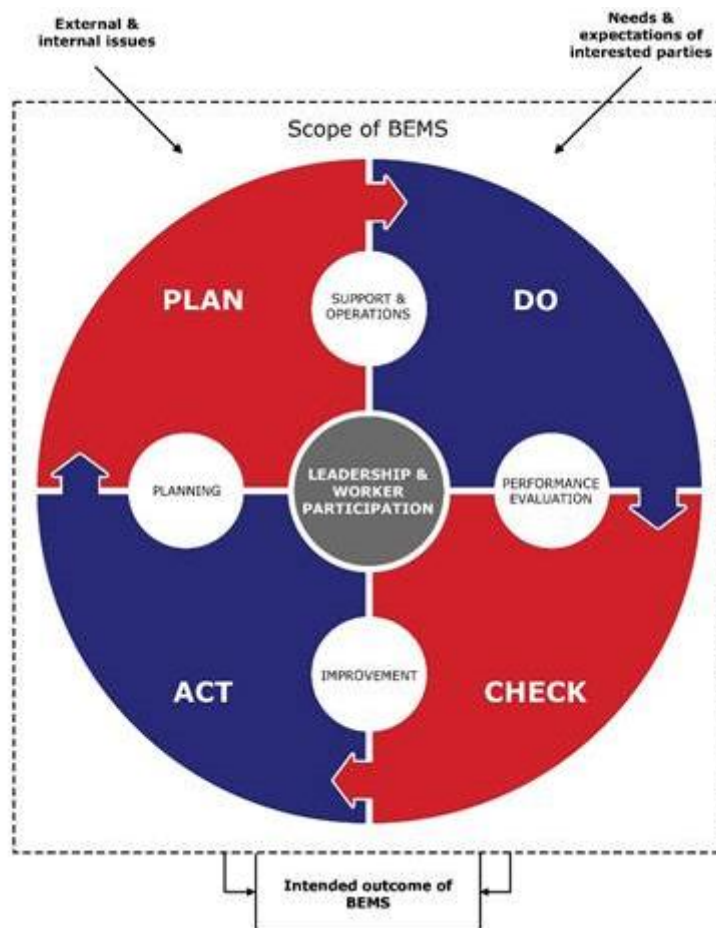


Figure 2: Plan-Do-Check-Act Loop

Figure 3

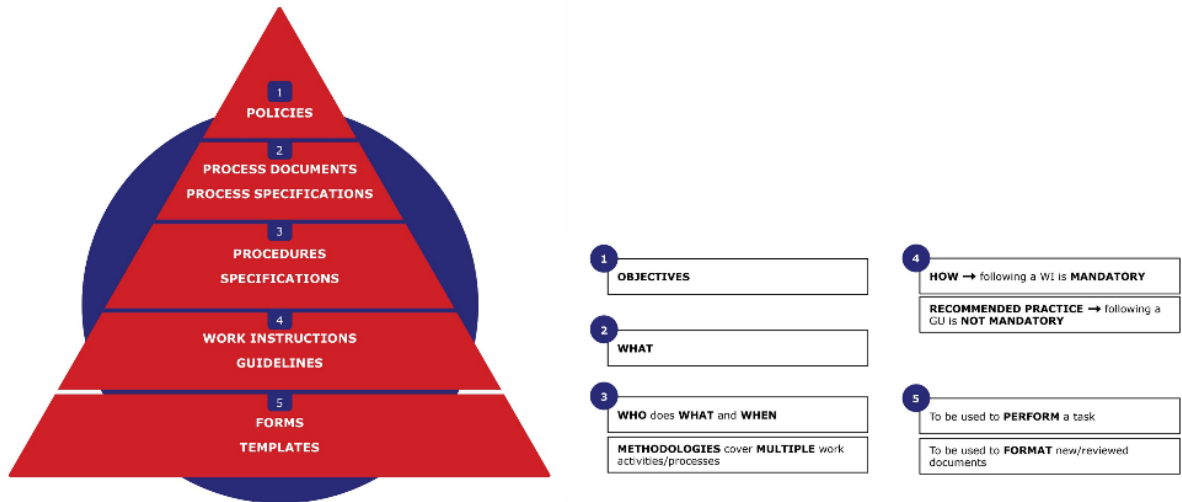


Figure 3 - BEMS Document Structure

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

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

Given the nature of Petrogas’ operations during 2023, the potential for significant environmental impact arose from:

- Atmosphere emissions from power generation

The environmental performance of Petrogas’ operations since 2023 are summarised in the following sections and have been reported to the Department for Business, Energy & Industrial Strategy (BEIS) via the UK Environmental Emissions Monitoring System (EEMS).

Petrogas North Sea confirm they have:

- Had no major accidents¹ 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

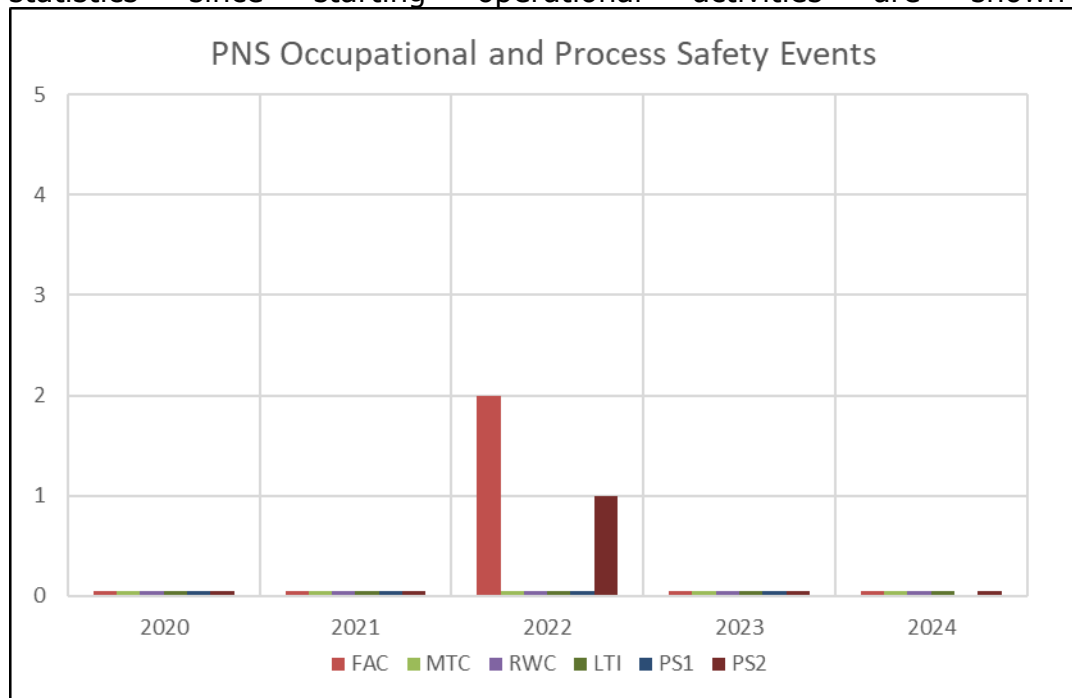


Figure 4 below.

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

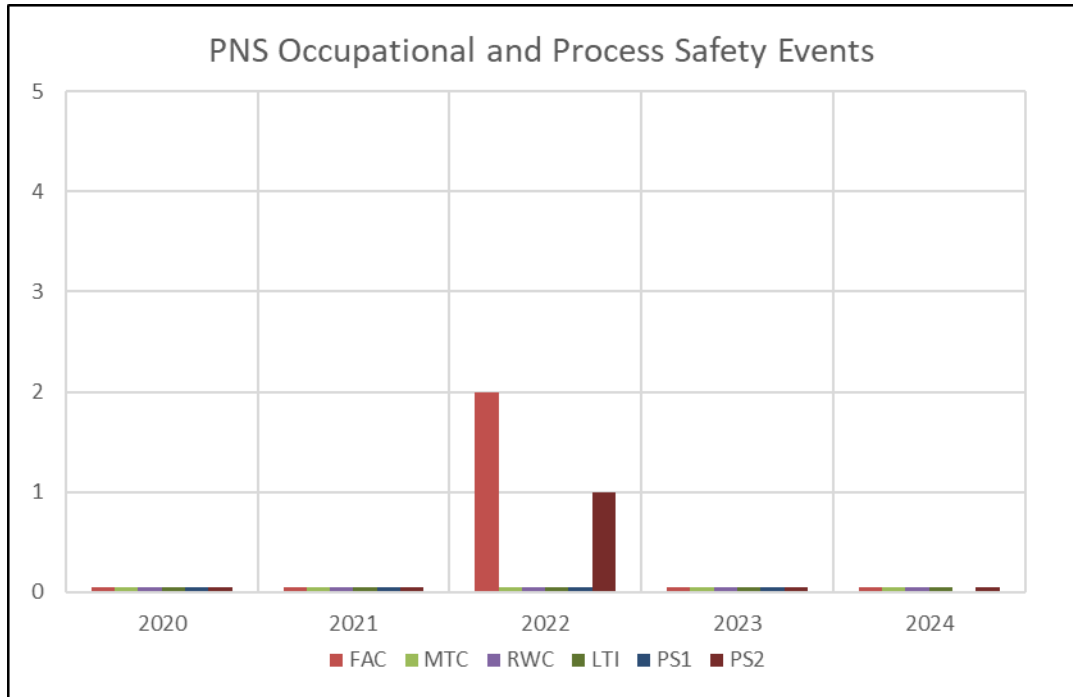


Figure 4: PNS Occupational and Process Safety Events overview

3.1 ATMOSPHERIC EMISSIONS

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

A summary of the atmosphere emission generated from the Abbey operation 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 CO₂e (OEUK, 2023). The latest year for which a full dataset is available is 2022 during which the total CO₂e emitted by the sector was 14.3 million tonnes (OEUK, 2023).

The emissions from the anticipated vessel use will amount to approximately 0.002 % of the total upstream UKCS emissions in 2018 and approximately 0.002 % of the total upstream UKCS emissions in 2023 and therefore represents a relatively small contribution to total UKCS emissions.

Source		Atmospheric emissions (te)							
		CO ₂	NO _x	N ₂ O	SO ₂	CO	CH ₄	VOC	CO ₂ e
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								
Abbey Survey	101.4	324.48	6.02	0.02	0.20	1.59	0.02	0.20	339.90
Total	101.4	324.48	6.02	0.02	0.20	1.59	0.02	0.20	339.90
2018 UKCS CO ₂ Emissions ³		13,200,000	2018 UKCS CO ₂ e Emissions ³						14,630,000
Total Emissions as a % of UKCS CO ₂ Emissions, 2018		0.002	Total Emissions as a % of UKCS CO ₂ e Emissions, 2018						0.002
¹ Emissions calculated using EEMS emission factors (EEMS, 2008). ² CO ₂ e figure is calculated by multiplying CO ₂ , N ₂ O and CH ₄ by their relevant GWP value (IPCC, 2014). ³ Total CO ₂ and CO ₂ e emissions from UKCS 2018 (OGUK, 2019).									

Table 1 – Emissions evaluation

3.2 ACCIDENTAL RELEASES

There was no oil and chemicals releases during 2023.

3.3 WASTE

There was no operational waste generated during 2023.

3.4 CHEMICAL USE AND DISCHARGE

There was no chemical use and discharge generated during 2023.


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
BEIS	(Department for) Business, Energy and Industrial Strategy
BEMS	Business Excellence Management System
CEFAS	Centre for Environmental, Fisheries and Aquaculture Science
DCS	Dutch Continental Shelf
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

Definitions	
Word	Description

	<h1 style="text-align: center;">2023 ANNUAL PUBLIC STATEMENT</h1> <h2 style="text-align: center;">GM - MANAGING SYSTEM PROCESS</h2>		
Revision-01	Date: 23-04-24	Doc No: PNS-0000-HES-RPT-PTG-0000-00050-00	Page 12 of 14

Appendix C HSE Policy

	<h2 style="text-align: center;">HEALTH, SAFETY AND ENVIRONMENT POLICY</h2>		
Revision-05	Date: 31-01-2024	Doc No: PNS-GEN-PY-00001	Page 1 of 2

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.

Uncontrolled copy

printing date: 22/04/2024

Go to the internal Petrogas E&P NL BEMS site to find the latest and controlled version of this document

- 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 ensure 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.

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