

EnQuest PLC
UKCS Environmental
Statement 2019



SAFE
RESULTS



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Welcome to EnQuest's public statement on environmental management and UKCS environmental performance for 2019.

Executive summary

This statement has been prepared to fulfil the regulatory requirement under the OSPAR recommendation 2003/5 to produce an annual public environmental statement.

It represents an open and transparent representation of our environmental performance across our UK offshore operations for the year 2019.

The statement covers an overview of our HSEA policy, values and Environmental Management System ('EMS').

It also describes our assets and the extent to which we are meeting our environmental goals and outlines our future objectives.

Identifying ways to improve environmental performance and minimise the risk of unplanned environmental non-conformances was a key focus for EnQuest in 2019. The recorded number of unplanned spills to the marine environment numbered 17 during this period. Thirteen of these were hydrocarbon releases, three were chemical and one was a permitted discharge notification.

Total CO2 equivalent emissions resulting from the assets where EnQuest is duty holder amounted to 1,272,443.83 tonnes in 2019.

Throughout 2019, EnQuest maintained an increased focus on atmospheric and ways to reduce our CO2 emissions. In addition, we have

improved and integrated our EMS with more sophisticated technology to monitor our procedures and performance.



HSEA Policy

Figure 1: EnQuest HSEA Policy

“Across health, safety, environment and assurance there are many areas we will continue to focus on in our drive to improve our HSEA performance. We encourage you to read the HSEA policy and understand the role you play in the delivery of safe results, with no harm to people and respect for the environment”

Mark Wilson – HSEA Director

HSEA Policy

Health, Safety, Environment & Assurance



EnQuest is a production and development company, with operations in the UK North Sea and Malaysia. We are committed to operating responsibly and will not compromise our health, safety or environmental standards to meet our business objectives.

Through respect for our people, our contractors, our customers, our stakeholders and the environment, we will operate to achieve our principal aim: *safe results, with no harm to people and respect for the environment.*

To achieve this we will manage our business such that we:

- Process Safety Management**
 - Demonstrate strong process safety leadership
 - Provide trained and competent resources
 - Maintain high-quality systems and processes
 - Maintain the integrity of our assets over their life cycles
 - Recognise, assess and manage HSE risks
 - Plan and be prepared for potential emergencies
- Environment**
 - Integrate environmental management into all aspects of our operations
 - Manage and mitigate our impact on the environment
- Wellbeing**
 - Maintain safe and healthy workplaces
- Engagement**
 - Encourage open and honest communication
 - Ensure our contractors and suppliers comply with our policies and procedures
 - Comply with all applicable legislation and industry standards
 - Recognise, assess and manage change
- Sharing & Learning**
 - Investigate and learn from HSE events
 - Drive for continual improvement in our HSE performance

Should operational results and this policy ever come into conflict, we all have a responsibility to our principal aim of *safe results, with no harm to people and respect for the environment* over operational results. This includes the responsibility to stop a job whenever activities may conflict with this policy.



Amjad Bseisu
Chief Executive Officer
EnQuest PLC, January 2020



Bob Davenport
Managing Director – North Sea
EnQuest PLC, January 2020

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www.enquest.com

Overview

EnQuest is an independent production and development company with operations in the UK North Sea and Malaysia.

The Group's strategic vision is to be the operator of choice for maturing and underdeveloped hydrocarbon assets by focusing on operational excellence, differential capability, value enhancement and financial discipline.

Principal UK assets

At the end of 2019 EnQuest was the licensee, well, pipeline and offshore installation operator for Heather, Thistle, Northern Producer, EnQuest Producer and Magnus and onshore operator for the Sullom Voe Terminal ('SVT').

EnQuest has an equity stake of 15.1% in SVT, 18.0% in the Ninian Pipeline System and 41.9% in the Northern Leg Gas Pipeline.

EnQuest is the licensee, well and pipeline operator for the Greater Kittiwake Area. Petrofac became the installation operator of Kittiwake in June 2017.

EnQuest is the licensee, well and pipeline operator of the Kraken fields. Bumi Armada is the installation operator of the Kraken FPSO.

EnQuest also has a non-operated interest in Alba oilfield.

EnQuest is supported by third party exploration and drilling units when required.

Delivering Sustainable Growth

EnQuest is proving that it can deliver sustainable growth through increasing production and reserves. In 2019, production

averaged 68,606 Boepd, growing by 24% compared to 2018

The combination of improved Kraken performance, a full year contribution at Magnus and strong performances at Scolty/Crathes and PM8/Seligi, drove significant production growth and free cash flow generation, which facilitated a material reduction in the Group's net debt.

At the beginning of 2020, EnQuest announced the decision not to re-start production at both the Heather and Thistle assets, which were impacted in 2019 by unplanned shutdowns. At the Heather field, this followed an incident with one of our gas compressors on the platform. Thistle was down-manned in October 2019 on a precautionary basis due to concerns about the propagation of cracks in the structural connections to the main platform legs of two redundant crude oil storage ('COS') tanks.



Respect for the environment

As a responsible operator, we manage our operations to prevent incidents and minimise our environmental impact:

- At EnQuest, respect is paramount for our people, our environment and the safety of others;
- Effective management of Health, Safety and Environmental performance is a key objective across the business.



Figure 2: The Five Golden Rules for the Environment which are key to maintain focus in protecting the environment. Safety sits at the core of everything we do as we aim for SAFE results, with no harm to our people and respect for the environment.



Figure 3: Our Values which represent everything EnQuest stands for: achieving safe results, working collaboratively, with respect and openness, driving a focused business and pursuing growth and learning.

Production and development

At the end of December 2019, EnQuest had interests in 17 UK production licences and was the operator of 15 of these licences.

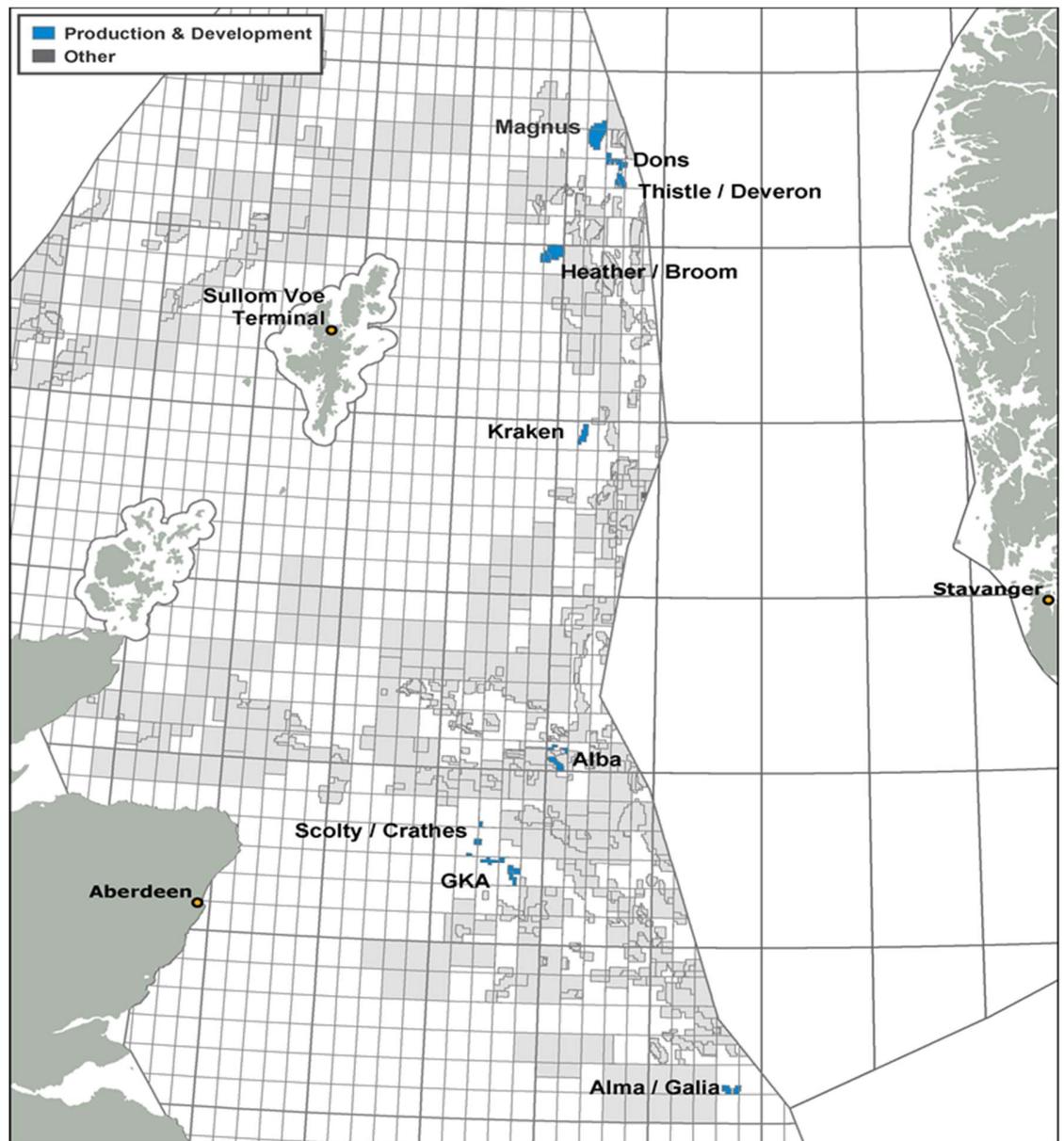


Figure 4: EnQuest's present areas of production and development, along with areas in which the company holds a licence.

Our Assets

Thistle



The Thistle field was discovered in 1973. A single steel jacket platform was installed in 1976 and production began in February 1978 for BNOG/ Britoil/ BP. The licence operatorship subsequently changed to DNO in 2003, then to Lundin in 2004 before the demerging of Lundin's UK assets in 2010, when EnQuest became the operator.



Northern Producer

In the Don field, oil was discovered in the sandstone of the Middle Jurassic Brent Group in 1973. The discovery was subsequently appraised by Shell/ ESSO in 1976 and then developed by BP in the 1990s. EnQuest's redevelopment began production in 2009. The development consists of four sub-sea tie-backs: Don South West, West Don, Conrie and Ythan all tied back to the Northern Producer installation.

Heather/Broom



Discovered in 1973, with first oil production in 1978, the Heather field lies in the East Shetland Basin. Oil is exported from the platform to the Ninian pipeline system and hence to the Sullom Voe Terminal. The Heather platform acts as the host for the nearby Broom field sub-sea development, providing services to the Broom wells and processing the produced fields.

Alma/Galia

Reflecting the natural decline of the field, Alma/ Galia will be the first EnQuest asset to be decommissioned. It is expected the FPSO vessel will move off-station during the second half of 2020. The field is located in the central North Sea, 310 kilometres south-east of Aberdeen in water depth of approximately 80 metres.



Magnus

The Magnus oilfield was discovered in March 1974 in the 4th Offshore Licensing Round. Oil was found 2,709 metres below the seabed in a water depth of 186 metres. The field was named after the Viking saint of Orkney – Magnus.



Having acquired an initial 25% interest and operatorship of the asset in December 2017, at the end of 2018 EnQuest successfully completed the acquisition of the remaining 75% interest in Magnus.

Kittiwake

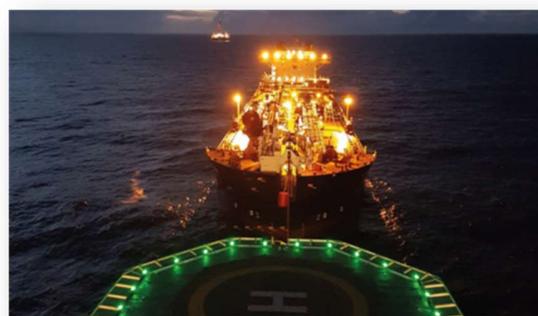
The Kittiwake field was discovered in 1981. It was developed with a fixed steel jacket platform and production began in 1990.

In February 2014, EnQuest acquired a 50% stake and operatorship of GKA which consists of the Kittiwake field and surrounding development/ acreage. EnQuest also acquired a 100% interest in the Kittiwake to Forties oil export pipeline. The Scolty/ Crathes development consists of a single horizontal well drilled in to each of the Scolty and Crathes fields. The fields are tied back to the Kittiwake platform and have greatly extended the useful life of this production hub.



Kraken

Kraken is a heavy oil producing asset, located in the East Shetland basin, to the west of the North Viking Graben, approximately 125 kilometres east of Shetland. First oil was delivered in June 2017, with the field development plan completed around the end of the first quarter of 2019. Kraken is expected to have a long field life of over 20 years.



Environmental Management System ('EMS')

We manage our environmental activities via our integrated Safety and Environmental Management System ('SEMS').

As an operator of offshore oil and gas installations on the UKCS, the environmental regulators BEIS OPRED and SEPA require companies to have in place an EMS that:

- Achieves the environmental goals of the prevention and elimination of pollution from offshore sources and of the protection and conservation of the maritime area against other adverse effects of offshore activities;
- Maintains and encourages continual improvement in environmental performance; and
- Is in accordance with the principles of internationally recognised standards such as ISO 14001:2015.

We have implemented an integrated ('SEMS') which is accessed via EnQuest's Business Management System ('BMS') on our intranet.

The EMS element of the SEMS has been established and implemented to ensure Company activities are conducted in such a way that minimises risks to the environment throughout Company operations. It provides a framework for the achievement of objectives in order for us to manage risk in accordance with the requirements of Company policies, applicable legislation, national/international

standards and contractual or partnership commitments.



Figure 5: The EnQuest EMS Structure

Environmental performance

Effective management of HSE performance is a key objective for the whole organisation.

EnQuest regularly monitors and reports its environmental performance in relation to these aspects in line with the requirements of EU and UK law.

This section outlines EnQuest's environmental performance in 2019 regarding liquid discharges, spills, material waste and atmospheric emissions.

Atmospheric emissions

We use energy in extracting, processing and exporting oil and gas. Atmospheric emissions generated by these activities are regulated by the Greenhouse Gases Emission Trading Scheme (ETS) and the Offshore Combustion Installation (Prevention and Control of Pollution) Regulations 2013.

We seek to use energy efficiently within our facilities and continually look to identify opportunities that may reduce emissions from our operations. In addition, we report our annual greenhouse gas (GHG) emissions in our Directors' Report as per the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013 within the Annual Report and Accounts.

Liquid discharges

EnQuest aims to minimise the environmental impact of the discharge of produced water. Treatment plants at our assets remove the majority of hydrocarbons and solids present in the produced water stream. All our water is treated and monitored prior to discharge.

As produced water contains traces of hydrocarbon, the Offshore Petroleum Activities (Oil Pollution, Prevention & Control) Regulations 2005 (as amended) sets the daily permitted average oil content of produced water at 30 mg/l.

Spills

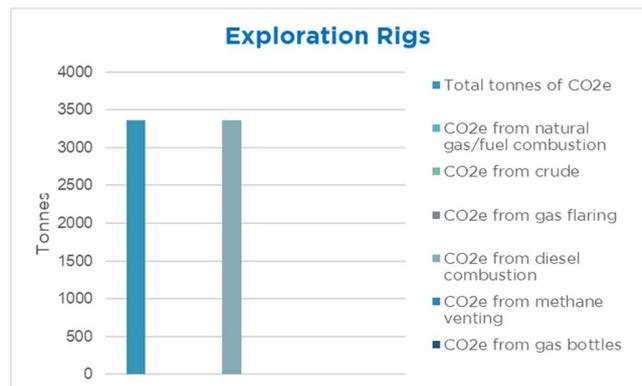
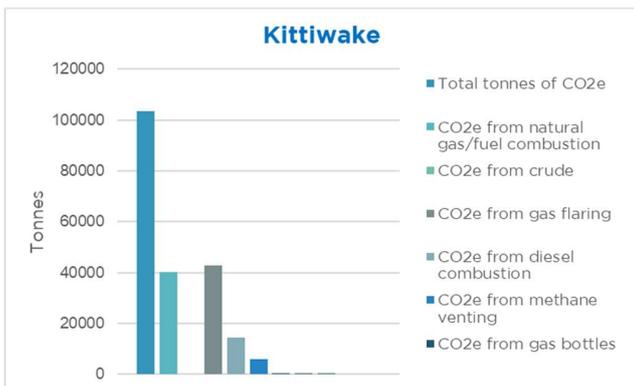
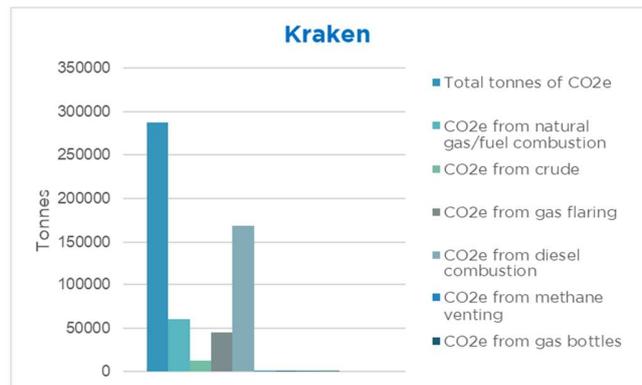
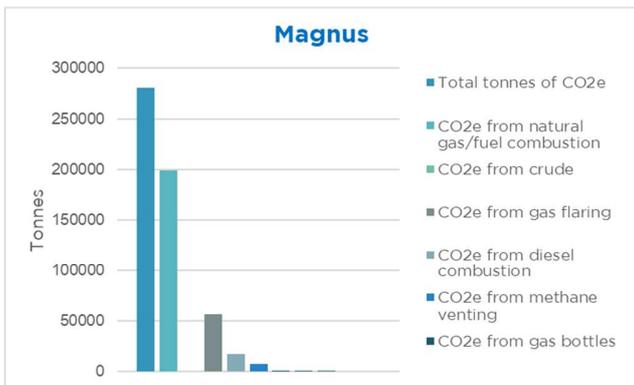
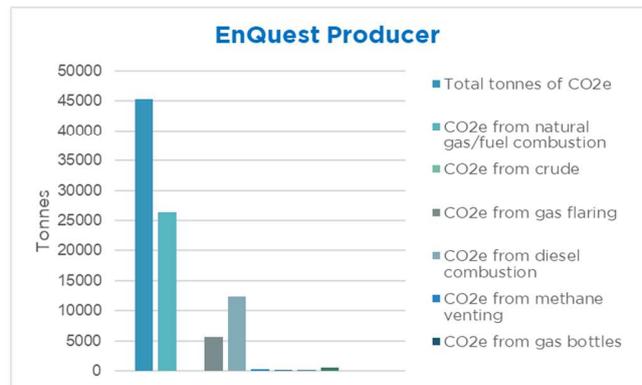
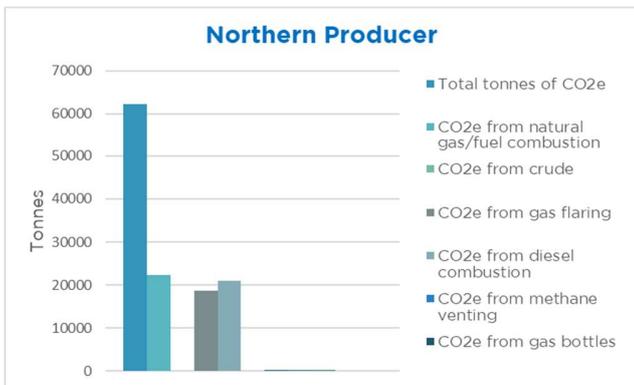
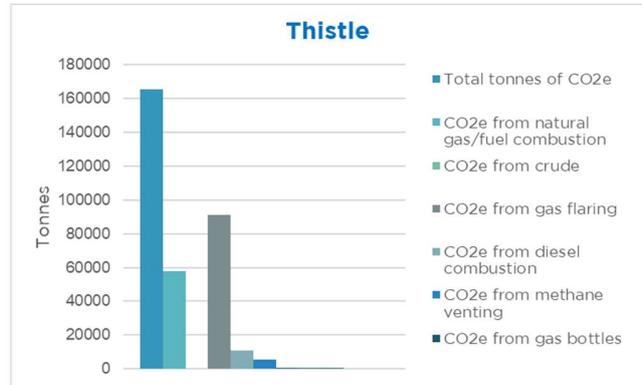
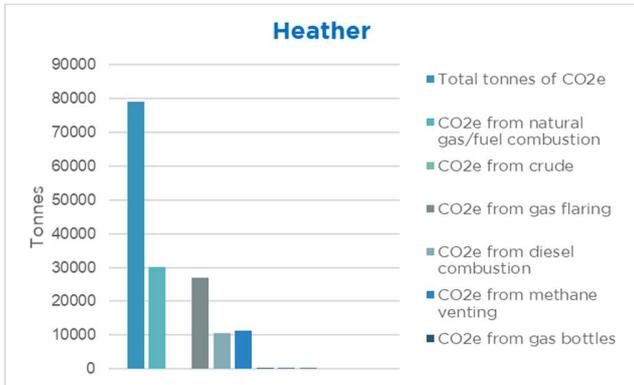
As spills at sea can have consequences for the marine environment, we work to minimise the risk with a focus on prevention. We have BEIS OPRED-approved oil emergency pollution plans in place across all our assets and are a member of Oil Spill Response Limited, the world's largest spill response organisation.

All spills to the marine environment, regardless of volume, must be reported to BEIS OPRED via a PON1 ('Petroleum Operations Notice No.1') submission.

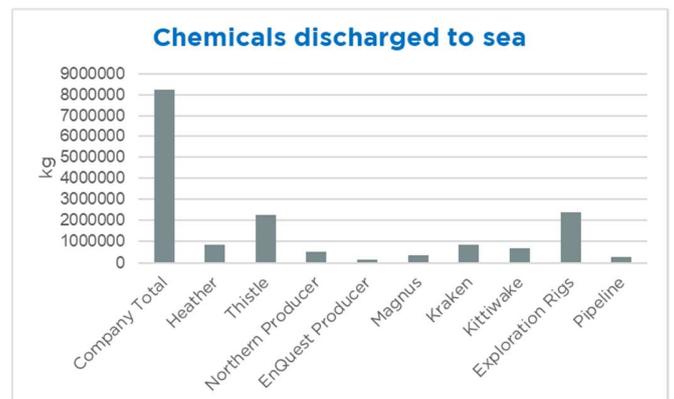
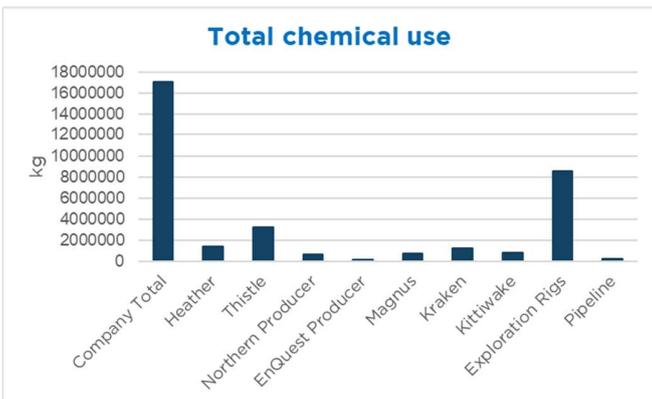
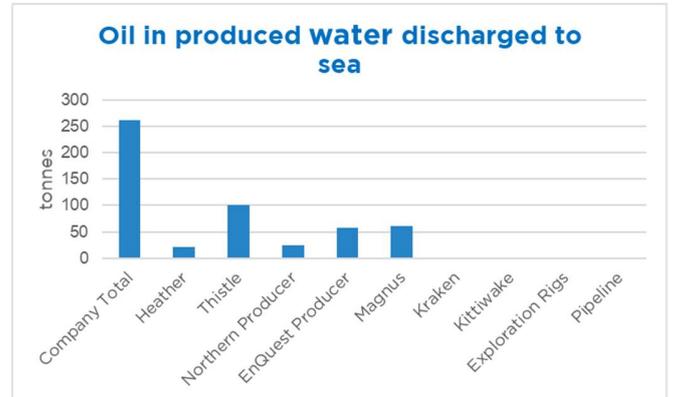
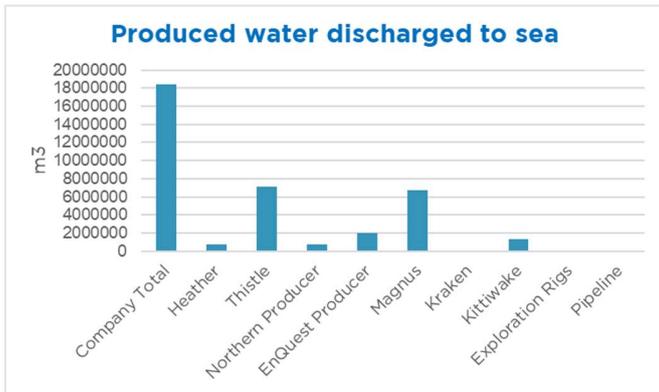
Material waste

Our operations consume natural resources and other material which generate a range of wastes. We must ensure that the segregation, transportation and eventual disposal of waste are managed in accordance with legislative requirements. We work closely with our onshore waste management contractors to identify recycling routes for as much of our waste as possible and conduct regular audits to evaluate waste management practices.

Atmospheric emissions

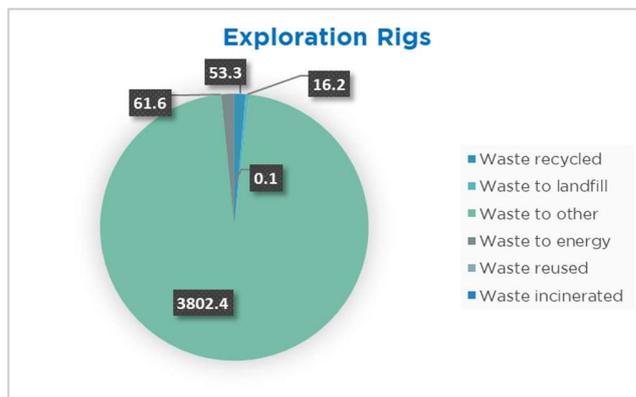
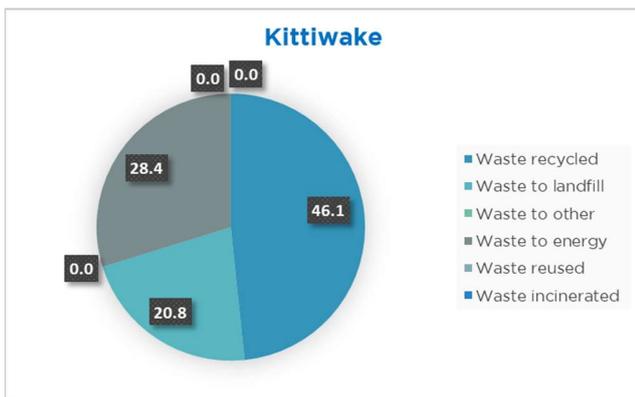
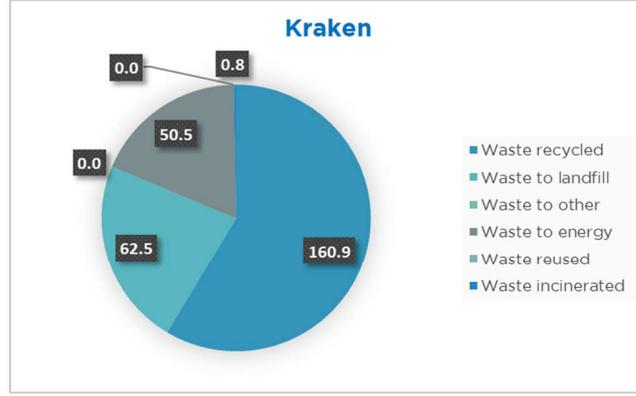
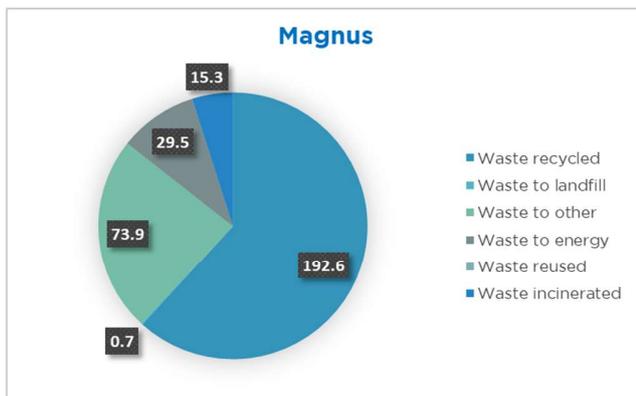
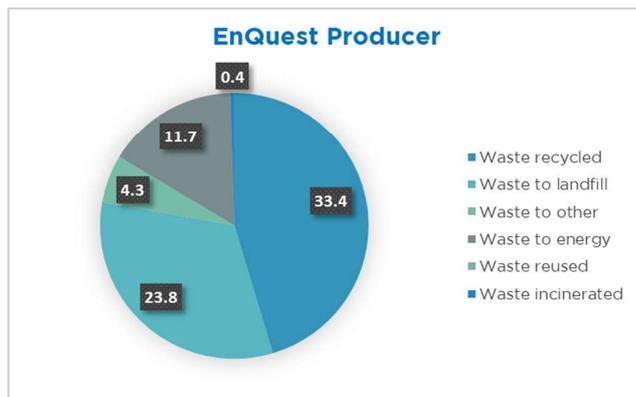
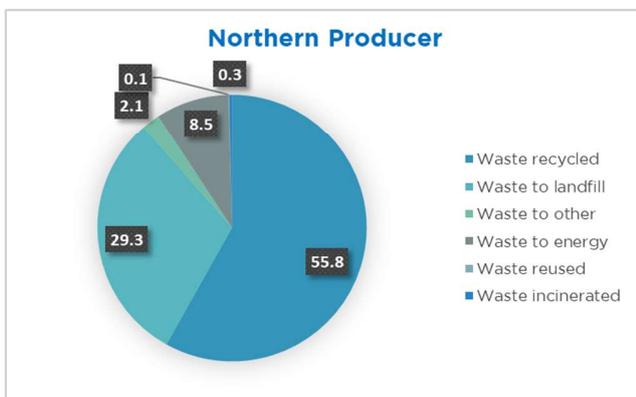
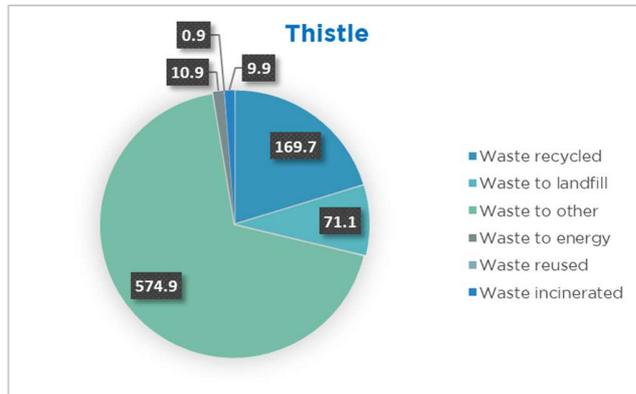
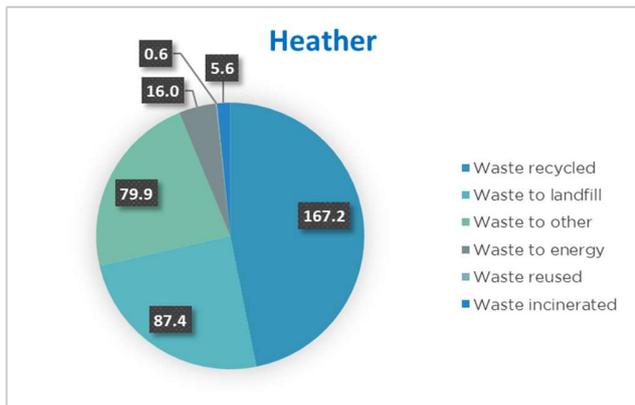


Liquid discharges



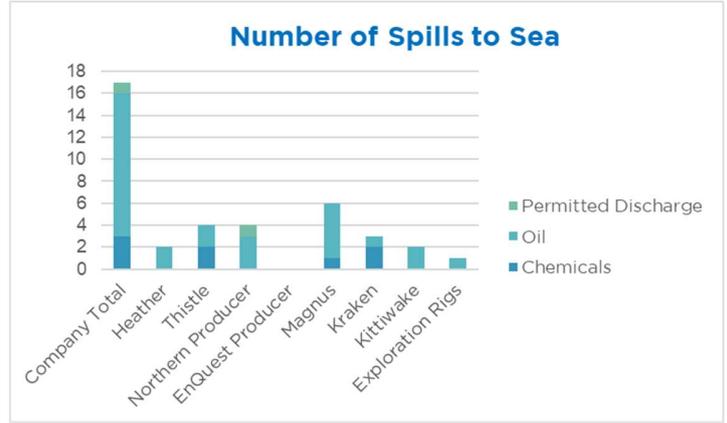
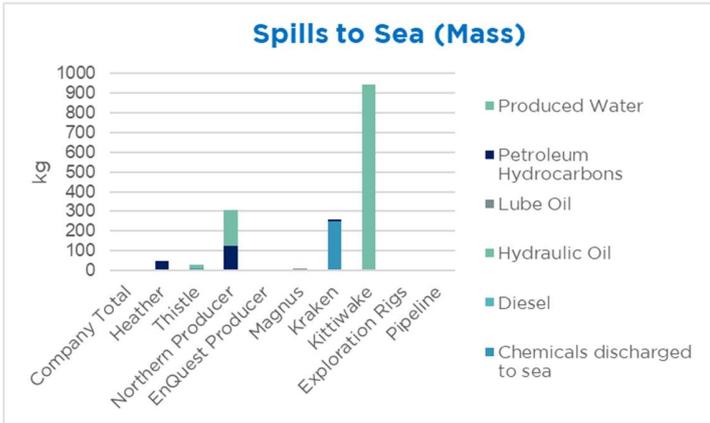
Material waste

All data presented in tonnes





Spills



Looking Forward

To reinforce our environmental commitment, an environmental compliance manual has been developed and rolled out. This explains the roles and responsibilities pertaining to environmental permit obligations and risks associated with our offshore activities as well as how to control and measure them.

We have also established an ESG committee that is looking to develop specific targets on emissions. As stated in our Annual Report and Accounts: "Current legislation requires the UK to achieve net-zero by 2050. EnQuest is committed to contribute positively towards achieving this target and in 2020, a systematic programme of work is being undertaken to put in place plans that will deliver a pathway to support this. These plans will include specific, measurable emissions reduction targets, supported by specific projects, which will form the basis of our 2021 corporate targets."

Other key Environmental objectives for 2020 are to:

- Improve EMS Integration with all our operational activities;
- Work collaboratively with government and industry for new energy transition opportunities;
- Reduce the number of environmental incidents.

Across our assets, we continue to raise awareness of environmental legislation and permit conditions to prevent permit non-compliances.

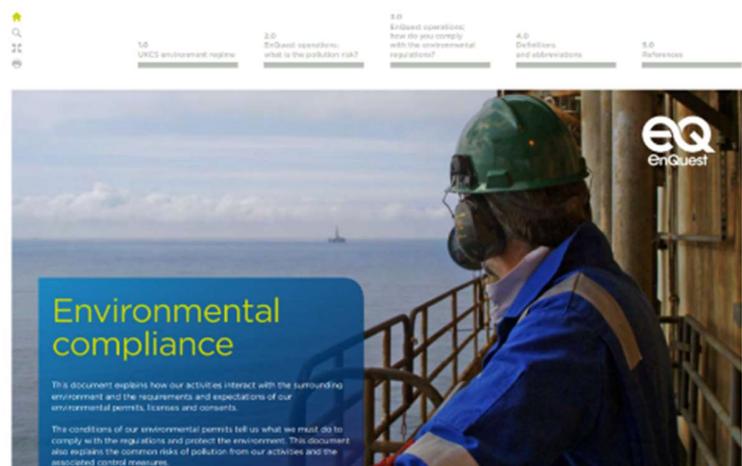


Figure 6: Front page of the EnQuest environmental compliance manual

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