

Public Statement on Environmental Management and Environmental Performance for 2011





WELCOME TO ENQUEST'S PUBLIC STATEMENT ON ENVIRONMENTAL MANAGEMENT AND ENVIRONMENTAL PERFORMANCE FOR 2011.

This statement has been prepared in fulfilment of the Department of Energy and Climate Change (DECC) requirement under OSPAR recommendation 2003/5 for operators who have an Environmental Management System (EMS) which is not accredited to international standards such as ISO 14001:2004 or EMAS to produce an annual EMS performance statement.

It represents an open & transparent picture of our environmental performance across our offshore activities for the year 2011. The statement covers environmental performance, describes the extent to which we are meeting our environmental goals and outlines our future objectives.

Our environmental performance remains in line with the industry average. Across all assets, the volume of liquid waste produced remains generally within permitted volumes for the year. Problems with the average oil concentration of oil in water on the Heather platform have been identified and investigated, resulting in the installation of hydrocyclones designed to act as a supplementary produced water treatment which is likely to improve this issue. At EnQuest we strive to minimise the overall volume of chemicals we use. Throughout the year we worked with our contractors to replace, where possible, chemicals with more environmentally acceptable alternatives. Identifying ways to minimise the risk of potential of unplanned spills to the marine environment was also a key objective for 2011. A specific project was initiated to assess a number of minor accidental spills during the transfer of fluids from supply vessels. As a result, improvements have been made to the bunkering process. Flaring across our assets is unavoidable and CO₂ emissions were marginally higher than last year as a result of additional flaring on the Thistle. However overall emissions remained within permitted limits. Finally, over the year a significant effort was put into maximizing waste recycling and minimizing waste disposal resulting in an overall increase in recycling across our activities.

As a mature province the UKCS presents itself as a challenging place to work. Nevertheless, we are committed to maintaining the integrity of our assets and in 2012 EnQuest is committed to further improving its environmental performance. For any enquiries please contact enquiries@enquest.com.

We hope you find this statement interesting and informative.



Overview

Production and Development

Our Activities

Our Environmental Management System

Our Environmental Performance

Our Environmental Improvements

Our Environmental Aspects

- **Liquid Waste**
- **Waste Management**
- **Atmospheric Emissions**
- **Accidental Spills**

Looking Forward

HSEQ Policy



EnQuest is committed to operating responsibly. We will never knowingly compromise our health, safety or environmental standards to meet our operational objectives.

Through respect for our people, our customer, our stakeholders and the environment, EnQuest will operate in a manner that strives to achieve our principal aim: *safe results*.

To achieve this we will:

- Provide appropriate resources
- Encourage open and honest communication
- Assign appropriate accountabilities and responsibilities
- Maintain high-quality systems and processes
- Assess and manage risks
- Protect the environment
- Maintain safe and healthy workplaces
- Strive for continuous improvement in our performance
- Investigate and learn from incidents
- Plan and prepare for potential emergencies
- Ensure our contractors and suppliers meet the standards of this policy
- Meet or surpass statutory requirements and best practice

Should operational results and safety ever come into conflict, we all have a responsibility to choose safety 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, July 2011

ENQ-COR-HS-000-POL-0001 Rev. 4

www.enquest.com

OVERVIEW



ENQUEST IS AN OIL AND GAS DEVELOPMENT AND PRODUCTION COMPANY: THE LARGEST UK INDEPENDENT PRODUCER IN THE UK NORTH SEA

Principal Assets

EnQuest's principal assets at the end of 2011 were its interest in the Heather/Broom, Thistle/Deveron, West Don, Don Southwest and Conrie producing oilfield and the Alma and Galia development. Further development opportunities exist in the Southwest Heather, Cairngorm, Pilot, Crathes, Scolty, Torphins, Crawford, Porter and Kildrummy discoveries which EnQuest will be progressing in 2012.

Operational Scale

With a direct workforce of around 300, and 1,300 including offshore contractors, EnQuest has a breadth and depth of expertise matched by few if any UK companies of its size.

Track Record of Delivering Sustainable Growth

It is EnQuest's intention to deliver sustainable growth by focusing on exploiting its existing reserves, commercializing and developing discoveries, converting contingent resources into reserves and pursuing selective acquisitions.

Financial Strength

With a strong balance sheet and strong cash flow generation, combined with its technical skills and operational scale, EnQuest is increasingly becoming the natural partner of choice for major integrated development projects in the UK North Sea.

Respect for the Environment

- In 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.
- We work in collaboration with our contractors, service companies and suppliers to deliver compliance with regulatory requirements and to drive continual environmental improvements.

As a responsible operator, we work towards reducing the environmental impact from all our operations.

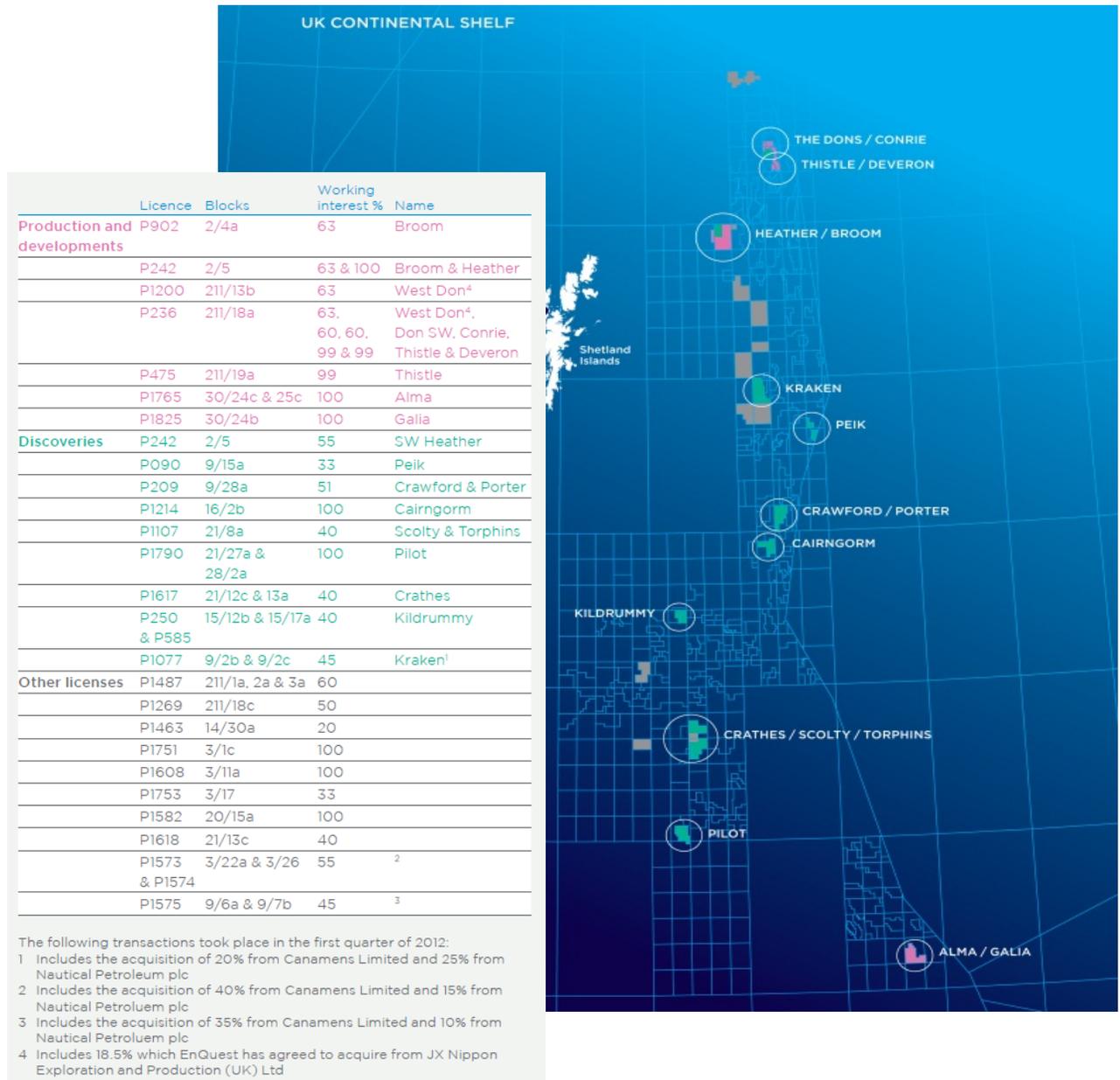
Guiding all our activities is our principal aim: **safe results, no harm to people & respect for the environment.**



OUR ACTIVITIES



AT THE END OF DECEMBER 2011 ENQUEST HAD WORKING INTERESTS IN 22 PRODUCTION LICENCES COVERING 27 BLOCKS OR PART BLOCKS IN THE UKCS AND WAS THE OPERATOR OF 19 OF ITS 22 LICENCES



The figure detailed shows our present areas of production and development, along with discoveries and areas in which we hold a licence.

PRODUCTION & DEVELOPMENT



THE STATEMENT COVERS OUR OFFSHORE ACTIVITIES

Heather

Discovered in 1973, with first oil production in 1978, the Heather field lies in the East Shetland Basin. Oil is currently produced from 20 production wells, using gas lift. Oil is exported from the platform to the Ninian pipeline system and thence to the Sullom Voe Terminal. The Heather platform acts as the host for the nearby Broom field subsea development providing services to the Broom wells and processing the produced fields. Production achieved a net 5,492 average Boepd in 2011, up 20.0% on 2010.



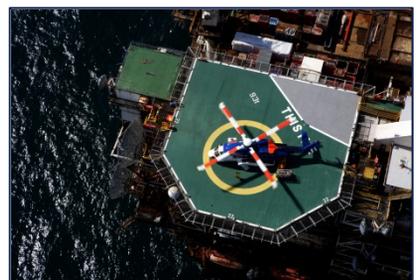
Northern Producer

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 and field life is expected to be up to 15 years. The development consists of three sub-sea tie-backs: Don South West, West Don and Conrie. During 2011 Production achieved a net 12,770 Boepd, up 9.5% over 2010.



Thistle

The Thistle was discovered in 1973. A single steel jacket platform was installed in 1976 and production began in February 1978. Although the field was originally developed and operated by BNOC, the intervening years have seen a number of operator changes, culminating in the current arrangement wherein EnQuest is the Licence Holder and Operator and Petrofac Facilitates Management is the official Duty Holder. During 2011 production at the Thistle achieved a net 5,436 boepd, up 12.4% on 2010.



John Shaw Drilling Rig

The John Shaw is an 'enhanced pacesetter' semi-submersible drilling rig owned by Transocean and built in 1982. The rig has been on hire to PEDL, and then EnQuest to drill subsea wells in the Don field since 2008. It completed its work in the Don field in the summer of 2011. It was then used to drill a further 2 exploration wells elsewhere in the North Sea before its contract with EnQuest ended at the start of 2012.

OUR ENVIRONMENTAL MANAGEMENT SYSTEM

OUR AIM: SAFE RESULTS, NO HARM TO PEOPLE AND RESPECT FOR THE ENVIRONMENT



ACROSS ALL OUR OPERATIONS, WE MANAGE OUR ENVIRONMENTAL ACTIVITIES VIA OUR ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

EnQuest has established a framework for the effective management of environmental issues relating to activities and to achieve company aims. The EMS has been established to ensure company activities are conducted in such a way that minimises risk to the environment throughout our operations. The system operates as part of the company's broader integrated EnQuest Management System ("EQMS").

The overall purpose of the EMS is to:

- Describe arrangements for a consistent approach to environmental management
- Provide a framework for the achievement of objectives in order for EnQuest to manage risk in accordance with the requirements of company policies, applicable legislation, national/international standards and contractual or partnership commitments and achieve continual improvement.

As the EMS is subject to yearly auditing & review, our goal of surpassing statutory requirements is repeatedly challenged. Furthermore, as we apply our EMS across all our operations, we are able to share and learn from best practice and to achieve our goal of minimising risk of damage to the environment.

Our EMS is structured in line with the requirements of the international standard for environmental management and has been externally verified to meet the requirements of OSPAR Recommendation 2003/5 (November 2010). We are working to achieve ISO:14001 certification by the end of 2012.



HSEQ is EnQuest's top priority. It is a crucial and deeply embedded part of our culture and values, and is integral to how we manage our business, with regard to people, installations and the environment in which we operate.

Our HSEQ policy underpins how our environmental goals are progressed throughout our business operations. We are fully committed to operating responsibly so that environmental risks are minimised.

OUR ENVIRONMENTAL PERFORMANCE

EFFECTIVE MANAGEMENT OF ENVIRONMENTAL PERFORMANCE IS A KEY OBJECTIVE



OUR ENVIRONMENTAL PERFORMANCE REMAINS IN LINE WITH THE INDUSTRY AVERAGE

Across all assets, the volume of liquid waste produced remains generally within permitted volume for the year. Problems with the average oil concentration in water on the Heather platform have been identified and investigated, resulting in the installation of hydrocyclones designed to act as a supplementary produced water treatment which is likely to improve this issue. At EnQuest we strive to minimise the overall volume of chemicals we use. Throughout the year we worked with our contractors to replace, where possible, chemicals with more environmentally acceptable alternatives. Identifying ways to minimise the risk of potential of unplanned spills to the marine environment was also a key objective for 2011. A specific project was initiated to assess a number of minor accidental spills during the transfer of fluids from supply vessels. As a result, improvements have been made to the bunkering process. Flaring across our assets is unavoidable and CO₂ emissions were marginally higher than last year as a result of additional flaring on the Thistle. However overall emissions remained within permitted limits. Finally, over the year a significant effort was put into maximizing waste recycling and minimizing waste disposal resulting in an overall increase in recycling across our activities.

Overview of Environmental Non-Conformances

The Northern Producer had 5 incidents that required notification to regulators during 2011. Each incident involved accidental spills to sea reportable via a PON1 to DECC.

Heather had 8 incidents that required notification to the regulator during 2011. Four incidents involved accidental spills to sea reportable via PON1s, while 4 involved oil in water concentrations above the permitted amount.

Thistle had 7 incidents that required notification to the regulator during 2011. All incidents involved accidental spills to sea reportable via PON 1s to DECC.

Improving Performance

At EnQuest we are committed to improving our environmental performance. Our Late Life Extension (LLX) project on our Thistle platform is a key example of our commitment to investing in our infrastructure with an emphasis on removing or reducing risk to the environment.

The following section details environmental improvements made across our assets during 2011.

OUR ENVIRONMENTAL IMPROVEMENTS



WITH RESPECT TO CONTINUAL IMPROVEMENT, OUR 2010 REPORT DETAILED EXAMPLES OF ENVIRONMENTAL IMPROVEMENTS THAT WERE BEING INVESTIGATED. THE FOLLOWING DETAILS THE OUTCOME OF THESE INVESTIGATIONS AND THE PROGRESS OF ANY SUCH IMPROVEMENTS

Thistle

Improving environmental performance is a key objective of the Thistle LLX project. As part of the extension work, plans to re-inject produced water and flare gas clean-up for use as flare gas were investigated. Unfortunately no economic case using best available technology was found. These issues will be revisited in 2014. Nevertheless, other improvements have been made. As a result of poor power generation uptime, a new 30 MW power generation turbine was sanctioned, which has significantly improved combustion efficiency.

Minimizing the risk of unplanned leaks of hydrocarbons to the marine environment is also a key objective. Thistle is currently undergoing a 50% reduction in the amount of equipment and operating systems on board with a view to reducing avenues for unplanned leaks. Finally, 2011 saw a significant effort was put into maximizing waste recycling and minimizing waste disposal.

Heather

Improving oil in water performance on the Heather was a main objective for 2011. Hydrocyclones were installed in December 2011 to act as a supplementary produced water treatment. This was a significant initial step and in the long term is likely to improve oil in water concentrations on the Heather once full optimization of the process has been carried out. This remains a key objective looking forward to 2012.

Northern Producer

A number of environmental improvements highlighted in 2010 have been investigated and progressed during 2011. At present, maximizing of gas export from Northern Producer is being undertaken, where a pipeline to neighboring Dunlin will help to reduce flaring.

Further, a fuel gas metering upgrade will be carried out during 2012 so to comply with EU ETS monitoring requirements. Also, commissioning of a Dry Low Emissions engine is scheduled for 2012, which will help up displace our diesel backup system by using a jet turbine to generate electricity.

Looking Forward

We are committed to continually improving our environmental performance. Please see our Looking Forward section on page 13 for an overview of actions being taken with a view to mitigating risks and improving our environmental performance.

OUR ENVIRONMENTAL IMPACTS

REPORTING OPENLY AND HONESTLY: A TRANSPARENT PICTURE OF OUR PERFORMANCE.



IN COMMON WITH OTHER OFFSHORE OIL AND GAS OPERATORS, ENQUEST HAS IDENTIFIED THE FOLLOWING AS SIGNIFICANT ENVIRONMENTAL IMPACTS OF ITS OPERATIONS. ENQUEST REGULARLY MONITORS AND REPORTS ITS ENVIRONMENTAL PERFORMANCE IN RELATION TO THESE ASPECTS IN LINE WITH THE REQUIREMENTS OF EU & UK LAW

Liquid Waste

Oil & gas extraction has associated produced water. On EnQuest's offshore installations, hydrocarbons are separated from produced water as part of the production process. However as traces of oil inevitably remain, the discharge of produced water is strictly controlled by the Offshore Petroleum Activities (Oil Pollution, Prevention & Control) Regulations 2005. These regulations set a limit on the average oil content of the water discharged. Liquid waste also consists of production chemicals discharged to water in the extraction process. Any chemical used offshore during oil and gas production must be approved by the Centre for Environment, Fisheries and Aquaculture Science (CEFAS). The use and discharge of production chemicals is controlled under the Offshore Chemical Regulations 2002. In collaboration with our chemical suppliers, EnQuest strives to use environmentally acceptable alternatives where possible in our operations through the chemical management process.

Accidental Spills

Given the nature of our activities, there is always a risk that accidental spills may occur. All spills, regardless of volume, must be reported to DECC via a Petroleum Operations Notice (PON1). At EnQuest we take our responsibilities to prevent accidental spills very seriously. We have processes and risk assessments in place to minimise the risk of accidental spills. In addition to statutory reporting requirements, we internally record and investigate any releases of unpermitted chemical or oil. This helps improve our understanding of the root causes and identify actions to prevent similar incidents occurring in future.

Material Waste

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

Atmospheric Emissions

EnQuest uses energy in extracting, processing and exporting oil & gas. Atmospheric emissions generated by these activities across are regulated by the European Union Emissions Trading Scheme (EUETS) and the Offshore Combustion Installation Regulations 2001. EnQuest seeks to use energy efficiently within our facilities, and continually looks to identify opportunities that may reduce emissions from its operations.

THESE ASPECTS ARE EXPLAINED IN MORE DETAIL BELOW, WHERE EXAMPLES OF GOOD PERFORMANCE ARE HIGHLIGHTED ALONG WITH AREAS IN WHICH IMPROVEMENTS ARE BEING MADE.

LIQUID WASTE



ENQUEST AIMS TO MINIMISE THE ENVIRONMENTAL IMPACT OF DISCHARGES OF PRODUCED WATER. TREATMENT PLANTS AT OUR ASSETS REMOVE ANY HYDROCARBONS, CHEMICAL AND SOLIDS PRESENT IN THE PROCESS WASTE WATERS. ALL OUR WASTE WATER IS TREATED AND MONITORED AS NECESSARY BEFORE DISCHARGE

Fig 1: Volume of liquid waste (t)

Figure 1 shows the total volume of liquid waste produced across our assets for 2011. Formation water is naturally trapped in oil and gas reservoirs and despite all efforts to produce the hydrocarbons selectively, a fraction of this water is brought to the surface admixed with oil and gas. Additional water is also injected into the reservoir to help raise oil to the surface for extraction. As a result both formation and injected water are eventually produced along with the hydrocarbons.

The large volume of produced water on the Thistle is attributed to the way the field is developed, requiring a large volume of water injection to extract oil from the reservoir. Produced water has a complex chemistry. It contains reservoir water, traces of oil and traces of chemicals added during the production/separation process.

EnQuest carries out risk assessments in relation to any chemical used as part of the chemical permitting process. In accordance with The Offshore Chemicals Regulations (OCR) 2002 (as amended), it is the policy of EnQuest, in consultation with our chemical suppliers, to minimise overall chemical use and, where possible, to replace chemicals with more environmentally acceptable alternatives which fulfill the same function.

Extensive research has been undertaken to assess the environmental effects of produced water discharges in many of the oil producing regions of the world. The overall conclusion to date is that no significant impact can be found, indicating that the assimilative capacity of the marine environment is not being exceeded.



LIQUID WASTE

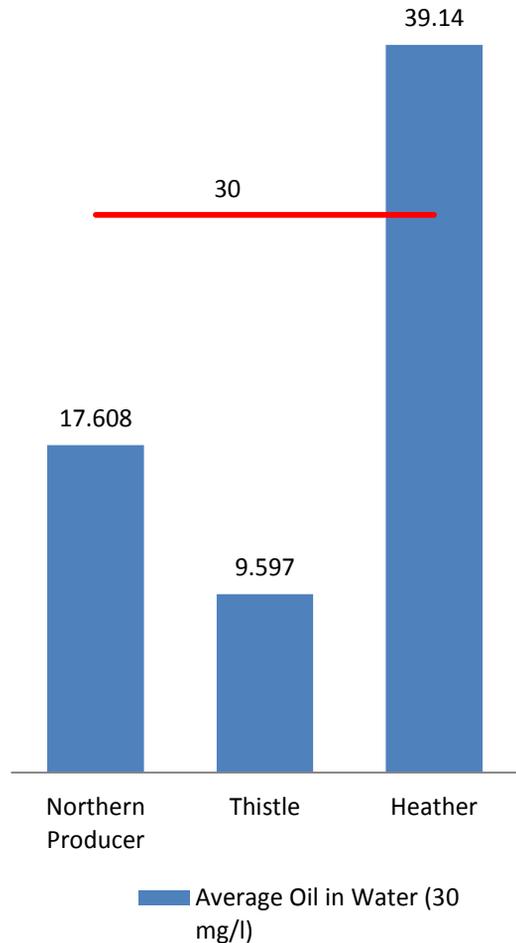


As produced water contains traces of hydrocarbon, the Offshore Petroleum Activities (Oil Pollution, Prevention & Control) (OPPC) Regulations 2005 sets the daily permitted average oil content of produced water at 30 mg/L.

Figure 2 shows average oil concentration of produced water across our assets for 2011. Both the Thistle and Northern Producer yearly average oil concentration sit comfortably within the 30 mg/L.

Oil in produced water has been a problem for Heather during 2011, with 4 OPPC non-conformances. As a result, the yearly average concentration of oil in water is above the permitted allowance, at 39.14 mg/L. Several investigations and specific projects to tackle this issue were carried out in 2011. In December, hydrocyclones were installed to act as a supplementary produced water treatment. This was a significant step and in the long term is likely to improve oil in water concentrations on the Heather once full optimization of the process has been carried out during 2012.

Fig 2: Average oil in water concentration mg/L



ACCIDENTAL SPILLS



AS ACCIDENTAL SPILLS AT SEA CAN HAVE CONSEQUENCES FOR THE MARINE ENVIRONMENT, WE WORK TO MINIMIZE THE RISK WITH A FOCUS ON PREVENTION. WE HAVE DECC APPROVED OIL EMERGENCY POLLUTION PLANS IN PLACE ACROSS ALL OUR ASSETS AND ARE A MEMBER OF OIL SPILL RESPONSE, THE WORLD'S LARGEST SPILL RESPONSE ORGANISATION

Number of Spills

All spills, regardless of volume, must be reported to DECC via a Petroleum Operations Notice (PON1). **Figure 3** (below) details the number of PON 1s submitted to DECC during 2011 across all our activities.

Overall the total number of PON 1s submitted to DECC increased by 5 compared to 2010. A number of these can be attributed to oil spills resulting from the transfer of fluids from supply vessels. During 2011, EnQuest undertook a specific project with its contractors to tackle this issue. As a result, modifications to the bunkering process have been implemented including new procedures for yearly change out of hoses, new hose registers and storage, standardization and storage of hoses. At EnQuest we take our responsibility to prevent accidental spills seriously. Where spills have occurred we report timeously, and undertake detailed investigations with a view to rectifying lessons learned. Looking to 2012 EnQuest remains committed to identifying and minimising risks.

Fig 3: Number of PON1s

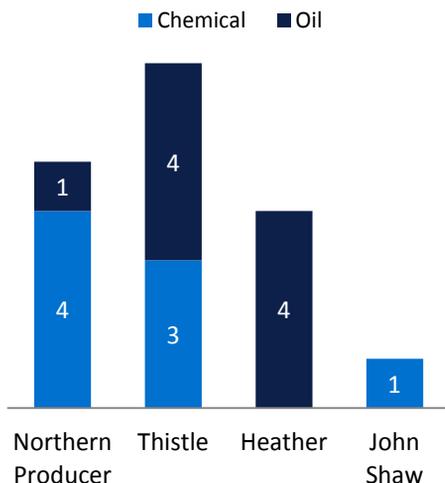
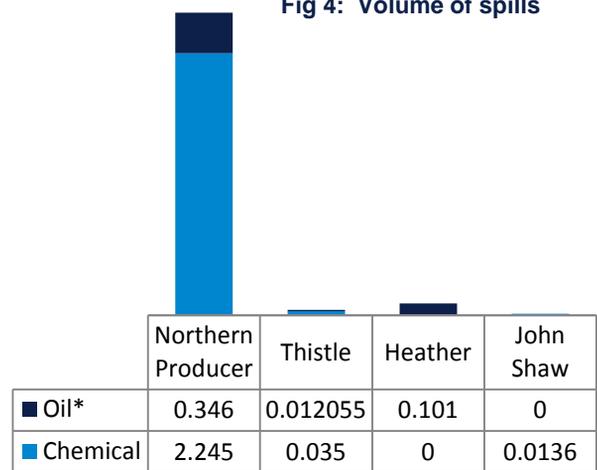


Fig 4: Volume of spills



Volume of spills

Figure 4 (above) details the total volume of oil or chemical spills originating in 2011 across our activities.

Both Thistle and Heather recorded a decrease in total volume of chemical/oil lost to sea compared to 2010. However, in addition to the four minor hydrocarbon leak which occurred during 2011, Heather has a historical PON1 yet to be closed out for an ongoing leak of low environmental impact subsea fluid – the chemical, Transaqua is composed of 98% water. A repair has been designed and will be implemented during summer 2012.

The high chemical volume spilled from the Northern Producer is principally due to an ongoing leak of scale inhibitor at the West Don subsea infrastructure. This spill occurred during Nov 2011. Investigative works scheduled are scheduled for 2012, a repair is anticipated in Q4. The chemical in question is discharged in low quantity as part of the production process and poses a low environmental impact.

ATMOSPHERIC EMISSIONS



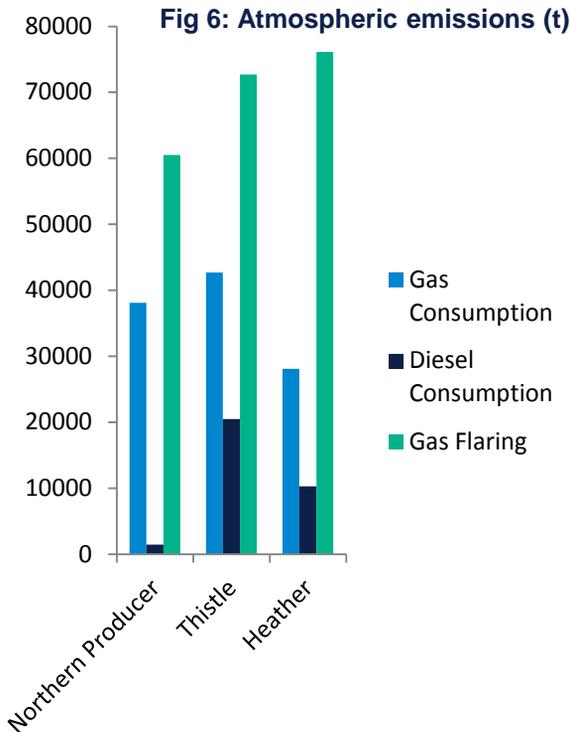
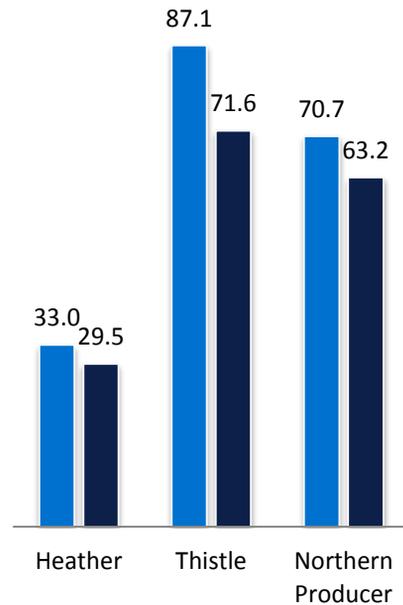
ALL OUR OPERATIONS USE ENERGY IN EXTRACTING, PROCESSING AND EXPORTING OIL & GAS. ENQUEST SEEKS TO USE ENERGY EFFICIENTLY WITHIN OUR FACILITIES, AND CONTINUALLY LOOKS TO IDENTIFY OPPORTUNITIES THAT MAY REDUCE EMISSIONS FROM ITS OPERATIONS

Atmospheric emissions on all of our facilities are dominated by CO₂ created by gas flaring and power generation. The primary fuel for power generation is natural gas produced as a by-product of our operations. Diesel is used as a backup fuel source. EnQuest strives to increase energy efficiency and decrease emissions and has several ongoing projects across all assets, aimed at reducing atmospheric emissions. Flaring throughout the year remained within our permitted allowance across all assets. See **figure 5** (right).

The percentage of CO₂ & CO₂ equivalent emissions generated for gas, diesel and flaring across all assets for 2011 are detailed in **Figure 6** (below).

Fig 5: Flare

■ tonnes/day consent
■ tonnes/day actual



As **Figure 6** shows diesel consumption for 2011 was slightly higher on the Thistle compared to our other assets. There are plans in place to remove 4 diesel generators from the platform and replace with a single 30MW GELM 2500. This is the most efficient mid-size gas turbine available. It will significantly reduce diesel consumption – thus contributing to energy efficiency and reduction in CO₂ emissions.

WASTE MANAGEMENT



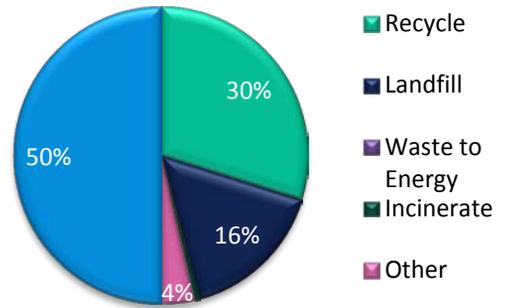
OUR OPERATIONS CONSUME NATURAL RESOURCES AND OTHER MATERIAL WHICH GENERATE A RANGE OF WASTES. WE MANAGE OUR WASTE ACCORDING TO THE WASTE MANAGEMENT HIERARCHY – REMOVE, REDUCE, REUSE, AND RECYCLE. WE SEEK TO MINIMISE THE QUANTITY OF WASTE DISPOSED TO LANDFILL

Both the Thistle and Northern Producer have seen an increase in the total volume of waste recycled compared to 2010, from 16.56% to 29.4% and 41.88% to 47.27% respectively. In the coming years, due to the LLX project EnQuest envisages much of the old steel work on the Thistle will be taken down and will be recycled.

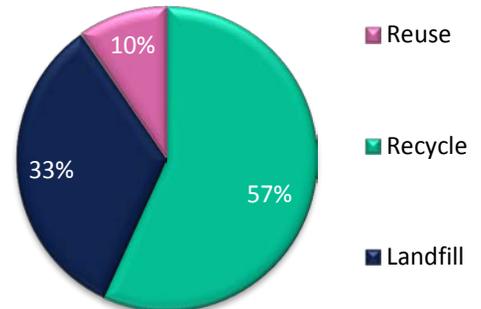
Heather saw a small decrease in recycled waste as an overall percentage of the total waste – from 27.3% in 2010 to 24.8% in 2011. However, the volume of waste recycled increased by 2500 tonnes in 2011 compared to 2010. Therefore the volume of total recycled waste across all assets continues in an upward trend.

John Shaw is a drilling rig, thus the large volume of waste segregated to land fill. In 2012 we aim to undertake a review of waste management across drilling operations with the aim of improving environmental performance.

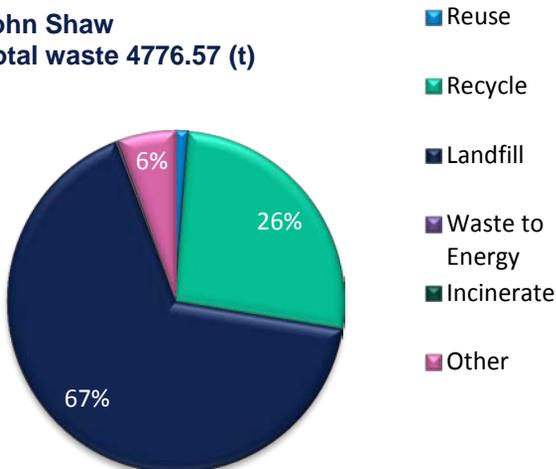
Thistle
Total waste: 399.53 (t)



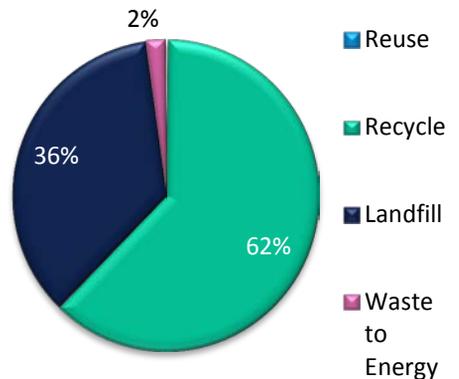
Heather
Total waste: 242.72 (t)



John Shaw
Total waste 4776.57 (t)



Northern Producer
Total waste: 110.816 (t)



LOOKING FORWARD



AS A MATURE PROVINCE THE UKCS PRESENTS ITSELF AS A CHALLENGING PLACE TO WORK. NEVERTHELESS, WE ARE COMMITTED TO MAINTAINING THE INTEGRITY OF OUR ASSETS. LOOKING FORWARD TO 2012, ENQUEST IS COMMITTED TO FURTHER IMPROVING ITS ENVIRONMENTAL PERFORMANCE

Thistle

Minimising risks to the environment is one of the key objectives of the Thistle LLX. 2011 was the year in which concept studies were undertaken with a view to ensuring all system and equipment are suitably designed to accommodate life extension. A number of projects will be scoped and progressed between 2012-2015 to ensure good environmental practice is inherent in Thistle LLX. EnQuest are committed to removing gas based compressors and replace with electrical compressors. This will reduce the potential for high pressure gas leaks and will maximize energy efficiency. As an asset ages, the potential for any hydrocarbon or chemical spill increases. However, one of the key objectives of the Thistle LLX project is to invest in best available technologies (BAT) to reduce this risk. A bunkering hose initiative will be implemented. Further a new drainage system will be implemented so that no pipe work will be below deck, reducing the risk of a direct spill to sea. Finally, 50% of equipment will be removed from the platform to reduce the number of possible avenues for spills to occur.

Heather

A number of environmental improvements are being undertaken on the Heather to support field life extension. New waste oil storage tanks are to be commissioned and improvements in sampling across the assets will be implemented. A review of chemical injection skids recommended bunding to reduce risk of spills. Finally, EnQuest are fully committed to resolving the oil in water issue on the Heather and is confident the substantial sums of money invested thus far will result in a positive impact in the long term.

Northern Producer

A number of environmental improvements will be implemented for the Northern Producer in 2012. The Dry Low Emissions engine will be commissioned to reduce diesel consumption, export to the Dunlin will result in reductions in CO₂ emissions, while bunkering stations improvements will reduce the risk of spills to sea. Looking to the future, EnQuest is currently undertaking life of field study therefore any long term potential improvements will be implemented where necessary.

Drilling

The 2012 programme of work is substantially larger than the 2011 programme. As well as continuing to operate and develop our existing seven production fields, the drilling programme will expand to three operated drilling rigs. Eleven new wells will be drilled. Detailed design, procurement and construction of the Alma/Galia project will continue. Assessment of the Crawford field and the Crathes/Scolty area for the development will also continue. In addition, EnQuest will play a leading role in the recently announced acquisition of the Kraken field development.

THOUGH WE ARE EXPANDING, ENQUEST REMAINS COMMITTED TO IMPROVING ITS ENVIRONMENTAL PERFORMANCE.