Azinor
Catalyst UK

OSPAR Public Statement 2017

Environmental Performance

Date: May 2018
Revision: 02

Azinor Catalyst Limited

OSPAR Public Statement 2017

Abbreviations

AZC	Azinor Catalyst Limited
BEIS	Department for Business, Energy & Industrial Strategy
CH_4	Methane
CO	Carbon Monoxide
CO_2	Carbon Dioxide
EEMS	Environmental Emissions Monitoring System
EMS	Environmental Management System
ePON	Electronic Petroleum Operations Notices
HQ	Hazard Quotient
HSE	Health, Safety and Environment
HSE MS	Health, Safety and Environment Management System
LTIF	Lost Time Injury Frequency
LTOBM	Low Toxicity Oil Based Mud
N_2O	Nitrous dioxide
NOx	Oxides of Nitrogen
OCNS	Offshore Chemical Notification Scheme
OCR	Offshore Chemical Regulations
OSPAR	Oslo Paris Convention
PLONOR	Posing little or no risk
SO_2	Sulphur Dioxide
SUB	Candidate for Substitution
TRIR	Total Recordable Incident Rate
UKCS	United Kingdom Continental Shelf
VOC	Volatile Organic Compounds
WBM	Water Based Mud
WMP	Waste Management Plan

Contents

1 Introduction

Under the OSPAR Recommendation 2003/5, the Department for Business, Energy & Industrial Strategy (BEIS) require that all existing United Kingdom Continental Shelf (UKCS) oil and gas operators undertaking offshore operations prepare an annual statement of their environmental performance, covering the calendar year, and make that statement available to the public. This document represents Azinor Catalyst Limited's (hereafter referred to as 'AZC') annual public environmental statement for 2017 in relation to UKCS OSPAR reporting.

2 AZC's UKCS Operations

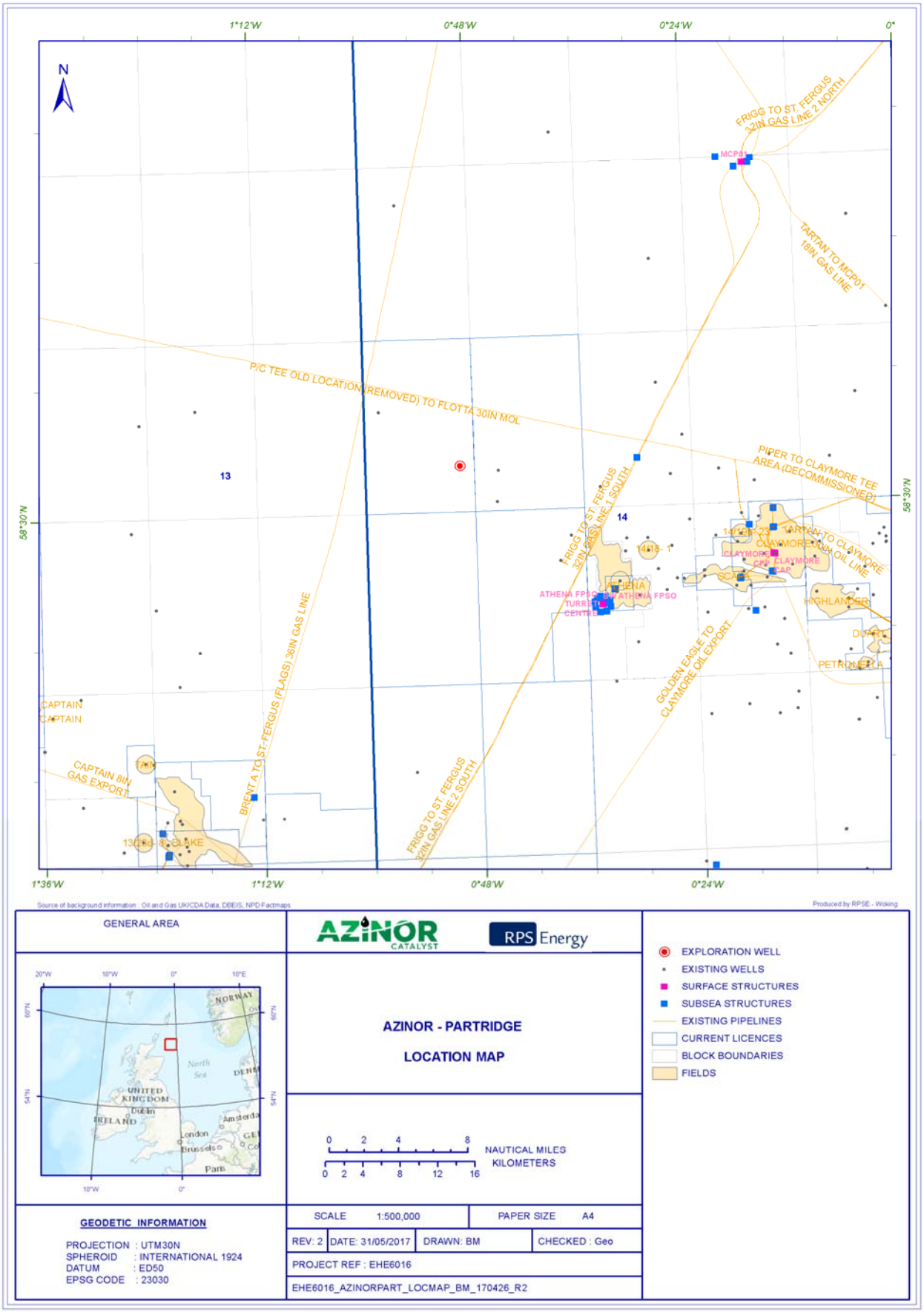
AZC is an independent oil and gas company focused on high value exploration and selective low risk production and development opportunities. During 2017, AZC drilled the Partridge exploration well under Licence P1989 in Block 14/11, approximately 115 kilometres east of the Orkney Islands coastline and Scotland main land (Inverallochy) (Figure 2-1).

The Partridge exploration well was drilled at 58° 32' 40.34" N / 00° 49' 33.37" W using the Ocean Guardian semi-submersible drilling rig. The well was spudded on the 15th August 2017.

The tophole sections of the well (42" & 17.5") were drilled with seawater and Hi Vis sweeps. Cuttings from these sections were discharged to the seabed.

The subsequent 8.5" well section was drilled with low toxicity oil based mud (LTOBM). Cuttings from these sections were captured on board the drilling unit and shipped to shore for treatment and disposal.

Figure 2-1 Location of the Partridge Exploration Well



3 The Environmental Management System

Health, safety and environmental protection are responsibilities shared by everyone working for AZC. The company wishes to build value through developing sustainable, long-term relationships between partners and the community.

AZC believes that prevention of accidents and ill-health, protection of the environment, and prevention of pollution are essential to the efficient operation of its business.

AZC's Health, Safety and Environmental Management System (HSE MS) ensures that AZC:

- Identifies and controls its HSE risk in a practical, effective and efficient manner;
- Complies with corporate HSE Policy and UK legislation; and
- Monitors and audits its HSE performance to assure itself and others (such as regulators, partners, licensing authorities and insurers) that it reflects best industry HSE practice.

Other key elements of the AZC HSE MS include procedures for HSE training, awareness and competence, contractor management and emergency preparedness and response.

The application of the HSE MS during the Partridge exploration well project ensured that AZC's HSE Policy was followed and that the company's responsibilities under all relevant regulations were met. AZC's HSE MS were integrated with the management systems of the main contracting parties involved in the Partridge exploration well operations, including the drilling contractor, through the development of a bridging document.

Figure 3-1 AZC's Health, Safety and Environmental Policy Statement

Azinor
Catalyst UK

Health, Safety and Environmental Policy Statement

Azinor Catalyst wishes to build value through developing sustainable long-term relationships between partners and the community. Azinor Catalyst believes that prevention of accidents and ill-health, protection of the environment and prevention of pollution are essential to the efficient operation of its business. The company is committed to achieving high standards of health, safety and environmental protection.

It is the Policy of Azinor Catalyst to comply with applicable legislation and other requirements where relevant. Azinor Catalyst will conduct all its activities in such a way as to:

- Protect the health and safety of all personnel involved in or affected by its operations;
- Consider the environmental impact of all of our activities and minimise adverse effects of its operations on the environment;
- Identify, evaluate and manage hazards and risks associated with our operations;
- Check that our employees and contractors are properly trained to work safely;
- Monitor and measure performance in relation to HS&E objectives;
- Monitor contractors to check that they meet our expected standards;
- Respect the interests of local citizens and communities; and
- Learn from our performance to continuously improve our systems and behaviours.

Health, safety and environmental protection are responsibilities shared by everyone working for Azinor Catalyst, and the full support of all staff, partners and contractors is vital to the successful implementation of this Policy. Azinor Catalyst will communicate the health, safety and environmental policy to all personnel along with details and relevant training for associated delegated responsibilities. Health, safety and environmental performance will be monitored and regularly reported to the Board of Directors.

Signed

Nick Terrell
Managing Director
March 2015




4 2017 Environmental Reporting

This section provides an overview of environmental emissions during the drilling of the Partridge exploration well.

4.1 Atmospheric Emissions

Atmospheric emissions arise from power generation. Table 4-1 provides a summary of the fuel combustion during the drilling of the Partridge exploration well as reported into the Environmental Emissions Monitoring System (EEMS) through the UK Energy Portal.

Table 4-1. AZC's 2016 Atmospheric Emissions

Atmospheric Emission	Unit	Partridge Exploration Well
Fuel consumption (diesel)	Tonnes	936.12
Flaring (oil/gas)	Tonnes	0
CO_2	Tonnes	2,995.60
CO	Tonnes	14.50
NOx	Tonnes	54.70
N_2O	Tonnes	0.20
SO_2	Tonnes	3.70
CH_4	Tonnes	0.20
VOC	Tonnes	1.80

4.2 Chemical Use and Discharge

The Partridge exploration well was permitted under the Offshore Chemicals Regulations 2002 as amended (OCR) for the use and discharge of chemicals. The table below summaries total chemical use during routine drilling operations. The majority of these chemicals were Hazard Quotient (HQ) Category 'E' chemicals (products considered to pose the least potential environmental hazard).

Table 4-2. AZC's 2017 Chemical Usage and Discharge

Atmospheric Emission	Unit	Partridge Exploration Well
Gold (use / discharge)	Kilogrammes	7,590.00 / 825.61
SUB* (use / discharge)	Kilogrammes	2,207.700 / 0.000
A (use / discharge)	Kilogrammes	0 / 0
B (use / discharge)	Kilogrammes	0 / 0
C (use / discharge)	Kilogrammes	100,840 / 0
D (use / discharge)	Kilogrammes	7,070.00 / 1000.00
E (use / discharge)	Kilogrammes	669,463.28/ 141,092.55

* The SUB chemical figures are a sum of all chemicals (e.g. OCNS A, B, C, D, E, and Gold) assigned with a 'SUB' warning.

4.3 Waste Management

During the 2017 Partridge exploration well drilling operations, a Waste Management Plan (WMP) was developed that encompassed the drilling unit, vessels and onshore support. The WMP covered the storage, transport and treatment of waste generated as part of the drilling programme. The WMP identified measures to reduce waste generated during drilling, as well as safe and responsible waste-handling procedures.

The Partridge exploration well produced a total of 283.229 tonnes of waste. The proportion of this waste per disposal route is shown in Table 4.3.

Table 4-3: AZC's 2017 Waste Production

Waste Category	Quantity of waste per disposal route (tonnes)							Totals (tonnes)
	Re-use	Recycling	Waste to Energy	Incinerate	Landfill	Other		
						Discharge under consent	Treatment	
Group 1 – Special (Hazardous) Waste								
Chemicals/ Paints	0.000	0.186	0.186	0.030	0.150	0.000	3.900	4.452
Drums/ Containers	0.216	0.532	0.040	0.000	0.024	0.000	0.000	0.812
Oils	0.000	3.130	0.000	0.000	0.000	0.000	0.000	3.130
Miscellaneous Special Waste	0.000	1.061	2.035	0.000	0.000	5.260	3.360	11.716
Sludges/ Liquids/ Tank Washings	0.000	0.071	0.000	0.000	0.059	0.179	0.000	0.309
Group 2 – General Waste								
Non-Hazardous Chemicals/ Paints	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Drums/ Containers	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Scrap Metal	0.000	8.360	0.000	0.000	0.000	0.000	0.000	8.360
Segregated Recyclables	0.000	3.840	0.000	0.000	0.000	0.000	0.000	3.840
General Waste	0.000	0.000	0.000	0.000	4.450	0.000	0.000	4.450
Non-Hazardous Sludges/ Liquids/ Tank Washings	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Group 3 – Other Waste								
No Group 3 waste produced								
Group 4 – Back-loaded Drill Cuttings								
Hazardous								
a) Solids	0.000	0.000	0.000	0.000	175.830	0.000	0.000	175.830
b) Oils	0.000	14.880	0.000	0.000	0.000	0.000	0.000	14.880
c) Water	0.000	0.000	0.000	0.000	0.000	55.450	0.000	55.450
Non-hazardous	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Totals (tonnes)	**0**	**32.06**	**2.261**	**0.03**	**180.513**	**60.889**	**7.26**	**283.229**

4.4 Environmental Incidents

During the 2017 Partridge drilling programme there were zero environmental incidents that required an ePON 1 to be submitted via the UK Energy portal.

5 2018 Objectives and Targets

AZC has set corporate HSE objectives and targets for the business to meet during 2018 which are presented in Table 5-1 below.

Table 5-1 AZC's HSE Objectives and Targets

No.	Category		2018 Objectives and Targets
1	Safety	Lost Time Injury Frequency (LTIF)	<0.5 (per million man hours)
		Total Recordable Incident Rate (TRIR)	<1.0 (per million man hours)
2	Environment	CO_2 Emission / Energy Consumption	Measure CO_2 emissions for offshore activities. Measure Energy Consumption / Intensity for onshore activities (except office activities onshore)
		Oil / Chemical Spill Incidents	Pollution Incidents = Zero Use of chemicals categorised as posing little or no risk to the marine environment (PLONOR chemicals) as far as practicable.