

## Non Technical Summary

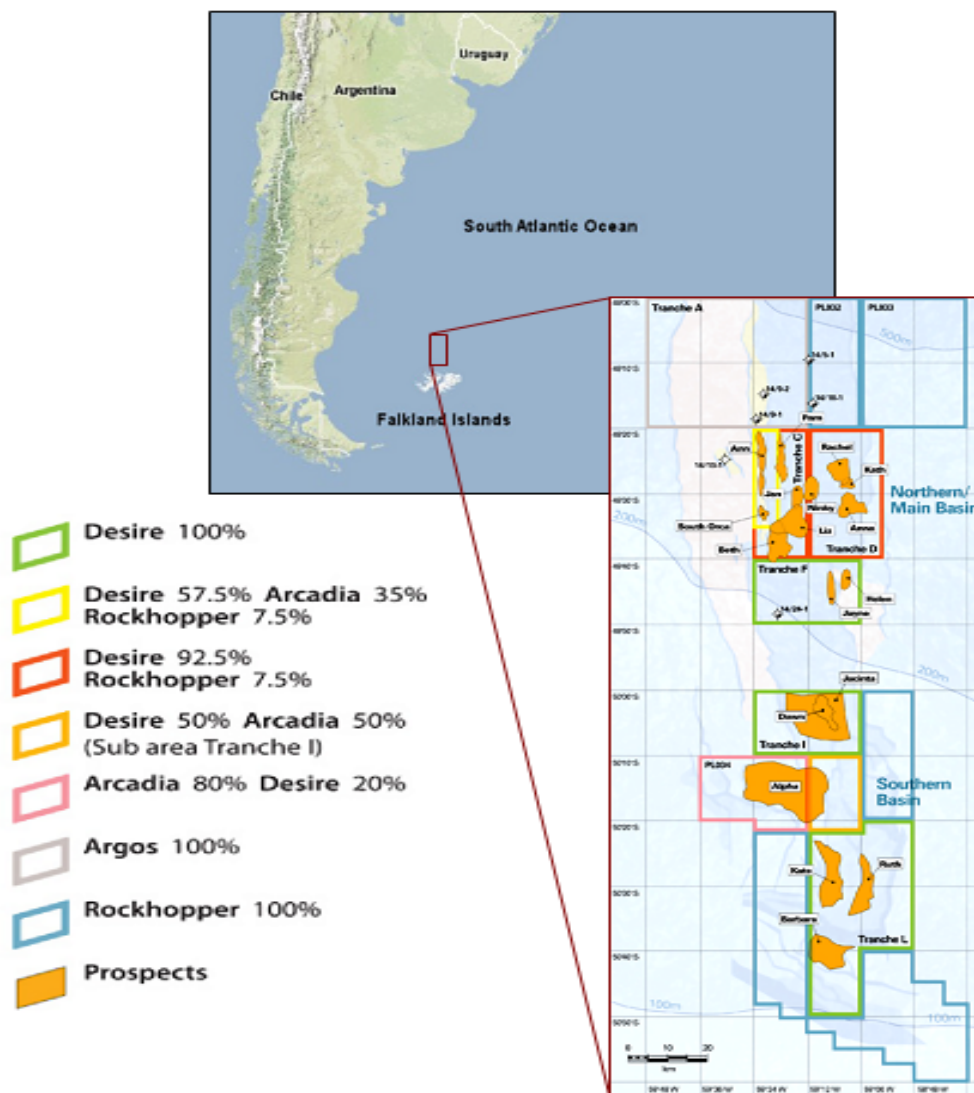
### Background

Desire Petroleum plc (hereafter referred to as ‘Desire’) is a UK company founded in 1996 dedicated to exploring for oil and gas in the North Falkland Basin. The company participated in the first round of drilling offshore the Falkland Islands in 1998 and now operates six Production Licences in the North Falkland Basin (PL003, PL004, PL005, PL006, PL007 and PL034).

In 2005, Desire submitted an Environmental Impact Statement (EIS) for drilling in PL003 and PL004, and in 2009 a further EIS was submitted for drilling in PL006, PL007 and PL034. Both were granted approval on the condition that an Operational Addendum be prepared (to include details of the drilling contractor, drilling unit, location and number of wells to be drilled and proposed dates of operation) and submitted to the Falkland Islands Government (FIG) for comment prior to the commencement of the proposed drilling operations.

Desire plans to drill up to six wells in its Production Licence areas using Diamond Offshore’s Ocean Guardian semi-submersible drill rig. Figure 1 shows the Desire Production Licence areas in relation to the other operators license areas in the Falkland.

*Figure 1: Location Map Showing Desire’s Production Licence Areas*



Drilling operations are anticipated to commence in February 2010. It is estimated that the rig will be on location for between 18 days and 30 days at each well, dependant on well depth.

Following drilling and evaluation, the wells will be plugged and abandoned.

It is currently proposed to test the wells if hydrocarbons are encountered. Well testing involves bringing hydrocarbons to the surface in order to assess the characteristics of the reservoir. As there are no facilities to store or export the hydrocarbons, they are burnt on the rig using specialist well test equipment. If tested, the rig will be on location for an additional 7 to 10 days.

It is proposed to use water based mud to drill the wells. All chemicals to be used during the drilling have been selected to minimise the potential environmental impacts as much as possible. The vast majority (by volume) of planned chemicals are naturally occurring products (e.g. barite) that are either biologically inert or readily dispersible or biodegradable. Other chemicals are selected based on drilling performance and environmental acceptability to ensure low toxicity and high biodegradability.

### Existing Environment

The Patagonian Shelf, on which the Falkland Islands sit, is of regional and global significance for marine resources. It comprises rich assemblages of seabirds, marine mammals, fish, squid and plankton populations.

The main fisheries resources in the Falkland Islands are the squid species, *Illex argentinus* and *Loligo gahi*. Other types of fisheries include finfish, ray and longline. However, the main fisheries areas are to the west of the exploration area for *Illex argentinus* and to the south west of the Falkland Islands for *Loligo gahi*.

The following species of cetacean may be sighted within the vicinity of the proposed drilling locations during the dates of the exploration campaign: Sei whale, minke whale, sperm whale, long-finned pilot whale and hourglass dolphin. Due to the migratory nature of cetaceans however, it is probable that other cetacean species may also be present. Overall however the area in the vicinity of the proposed wells is not considered to be an area of particularly high sensitivity for cetaceans during the proposed drilling months (February to July).

The Falkland Islands are an area of global importance for birdlife, particularly seabird species. The avifauna of the region is well studied and documented, and seabird distribution, breeding and foraging patterns have been studied extensively. A search of the BirdLife International website for the International Union for Conservation of Nature Red List aves in the Falkland Islands, found 10 species as either 'Endangered' or 'Vulnerable'. Species recorded at their peak within the licence area are the King penguin (June to September), Rockhopper penguin (September to November), Magellanic penguin (November to April) and various species of albatross, petrel, fulmar, prion and shearwater. Other seabirds including shags, ducks, skuas, gulls and terns occur in the nearshore areas outside of the licence blocks.

Based on recorded distributions, the proposed drilling activity will not result in any major disturbances to any of the recorded seabird species.

### Impacts and Management Measures

The results of the impact assessment indicate that impacts from the drilling operation will be low and probably undetectable shortly after drilling is completed. There are environmental risks associated with drill cuttings disposal, the risk of large offshore and near-shore oil spills, waste disposal and use of resources (i.e. fuel and potable water). However, these risks can be controlled using standard drilling practices and good planning.

The potential impacts of the proposed drilling activity will be mitigated in a number of ways, including:

- Maintaining a spirit of openness and ongoing consultation with the Falkland Islands Government (FIG), the public and key stakeholders.
- Applying established UK standards to operations, particularly in offshore chemical use and emissions reporting (Environmental Emissions Monitoring System, EEMS).

- Using water based drilling muds and low toxicity chemicals approved under the UK Offshore Chemical Notification Scheme.
- Implementing a high level of environmental management offshore and applying environmental procedures for potentially impacting operations (chemical storage, bunkering, waste handling, maintenance programmes, seafloor surveys etc).
- Establishing and implementing a project specific Oil Spill Contingency Plan and carrying out training of key personnel in spill response. Desire is members of Oil Spill Response Ltd which provide outside assistance in the case of a major spill.
- Implementing a waste management plan to minimise the quantity of waste going to landfill, prevent unsuitable disposal of waste, maximise the re-use of materials and establish procedures for the storage, treatment, transfer and disposal of waste materials. It is envisaged that normal waste will be disposed of on the Falkland Islands with hazardous transferred to the UK for safe disposal via Marchwood MOD sailing. This has yet to be confirmed.
- Collecting and sharing environmental data wherever possible, for example in offshore sightings, seabed surveys and meteorological and oceanographic conditions.

### **Conclusions**

In conclusion, despite the high sensitivity and international importance of the Falkland Islands' waters, there is clear dedication to carrying out these operations to a high environmental standard. Given the current operational commitments and proposed mitigation measures, it is considered that the proposed operations can be undertaken without significant impacts to the Falkland Islands' environment.