

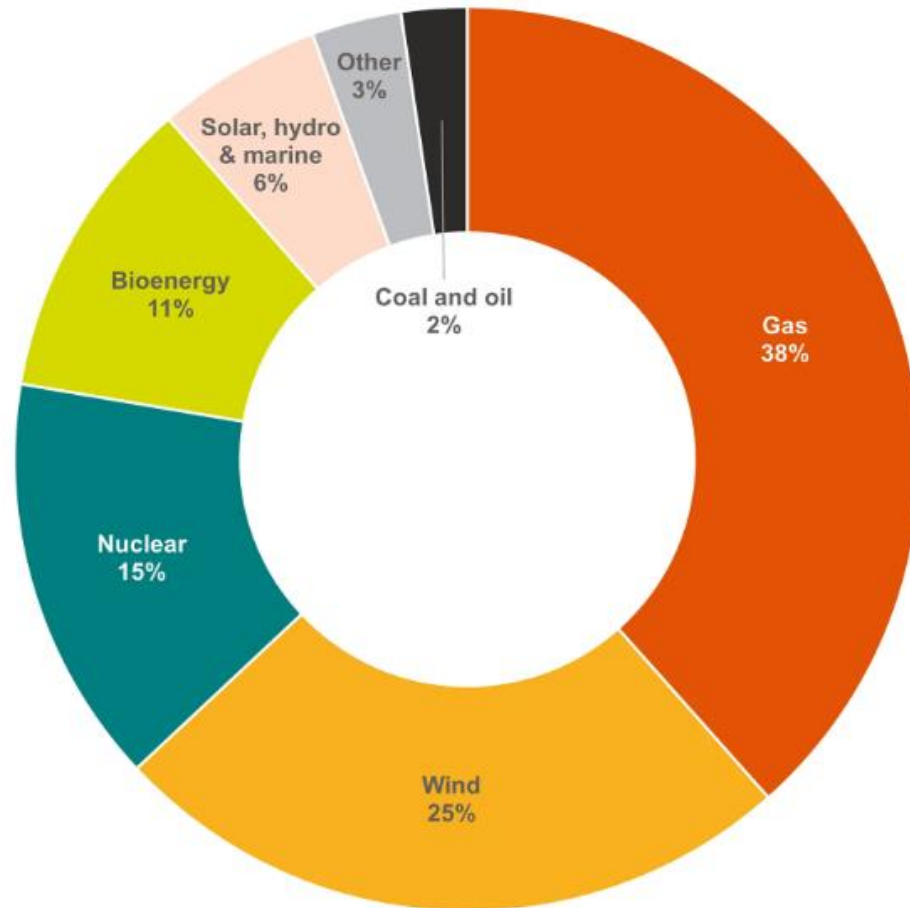


kellas

MIDSTREAM

**Natural Gas has a part to play
in Energy Security and ESG**

Natural Gas is having, and will continue to play a major role in Energy Security



UK electricity generation, 2022

Source: Energy Trend March 2023 (DESNZ, 2023)

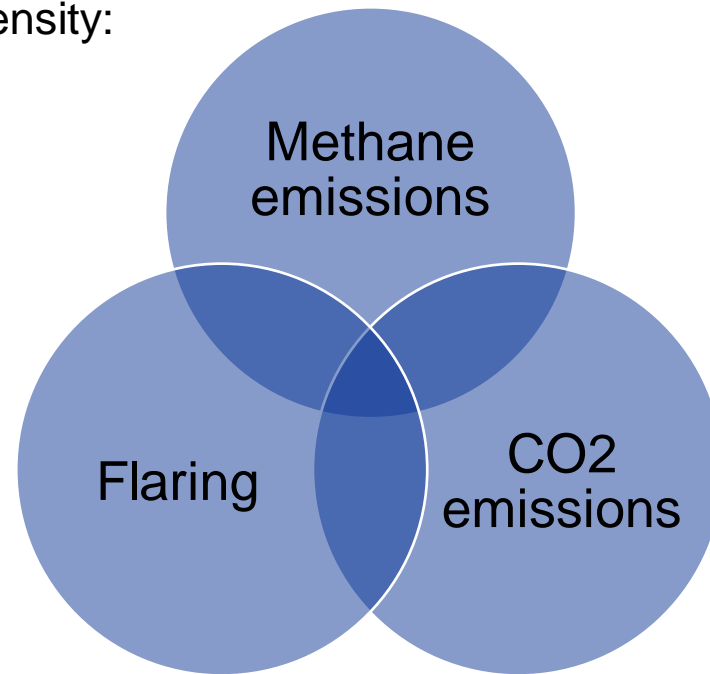
We are representing Midstream Infrastructure Owners:

- Natural Gas Processing facility on Teesside, UK.
 - Located in one of the most carbon intensive industrial regions.
- Central Area Transmission System (CATS)
- Transports and processes 20% of UKCS gas production, equating to 10% of UK gas demand.
- Operating since 1993.
- Owned by Investment funds Blackrock and GIC.
- Managed via Kellas Midstream.
- Operating Partner - Wood PLC.

Energy Security coupled with ESG



Trichotomy of Carbon Intensity:



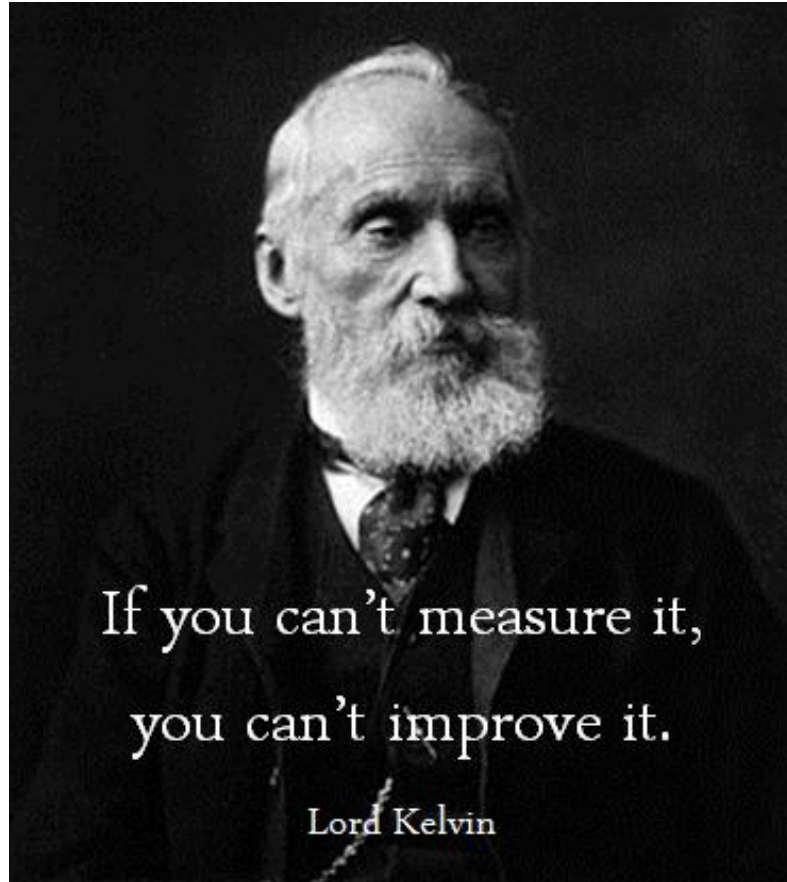
Develop sustainability management system:

**PEOPLE – PLANT – PROCESSES – PERFORMANCE
MANAGEMENT**

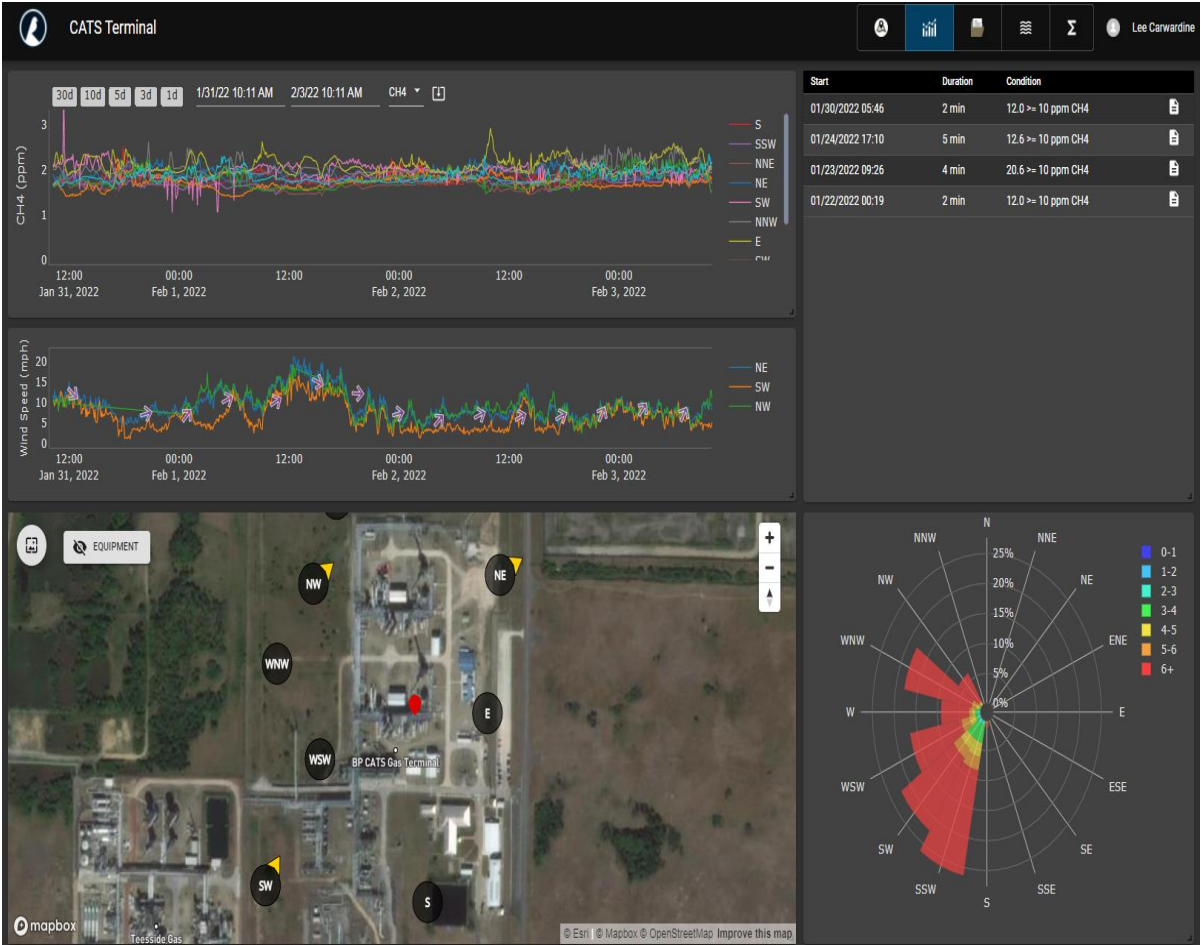
IDENTIFY – MEASURE – ASSESS - REDUCE



How do we reduce Methane Emissions – 1st step, measure!



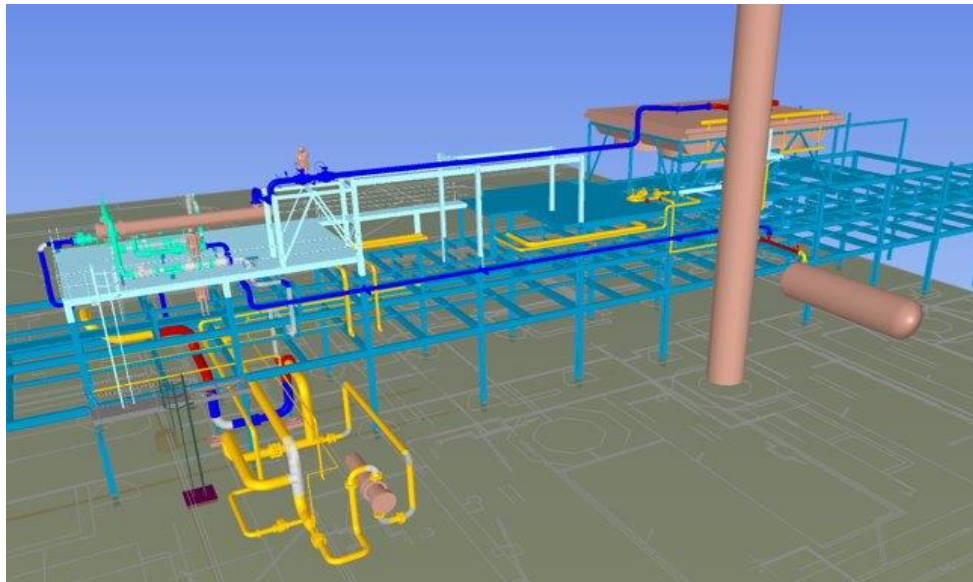
Project Canary detectors allow CATS to monitor atmospheric Methane levels and assist operators in locating source of fugitive emission



FACT – Did you know that there is a baseline of around 2-3 ppmv of Methane in the UK atmosphere.

Decarbonisation Initiatives

1. Optimise operating parameters:
 - Improving the understanding and culture of “challenging the norm” of front line technicians.
2. Replacing items of equipment for more efficient ones.
3. Modifications to improve carbon and energy intensity:
 - Multi million pound project to improve heat recovery.



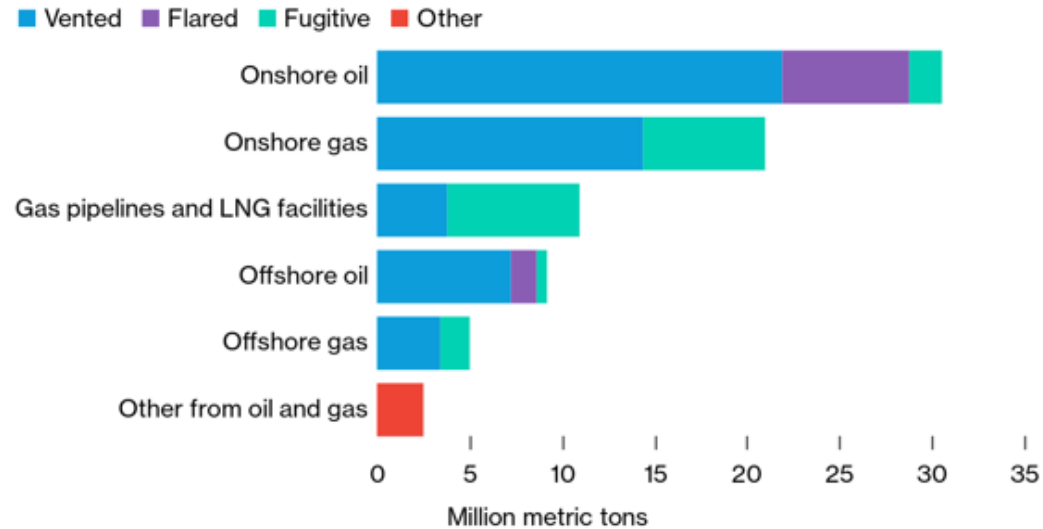
Questions to ponder?



How confident are you that your business measures and understands its sources of environmental impact?

Oil and Gas Hotspots

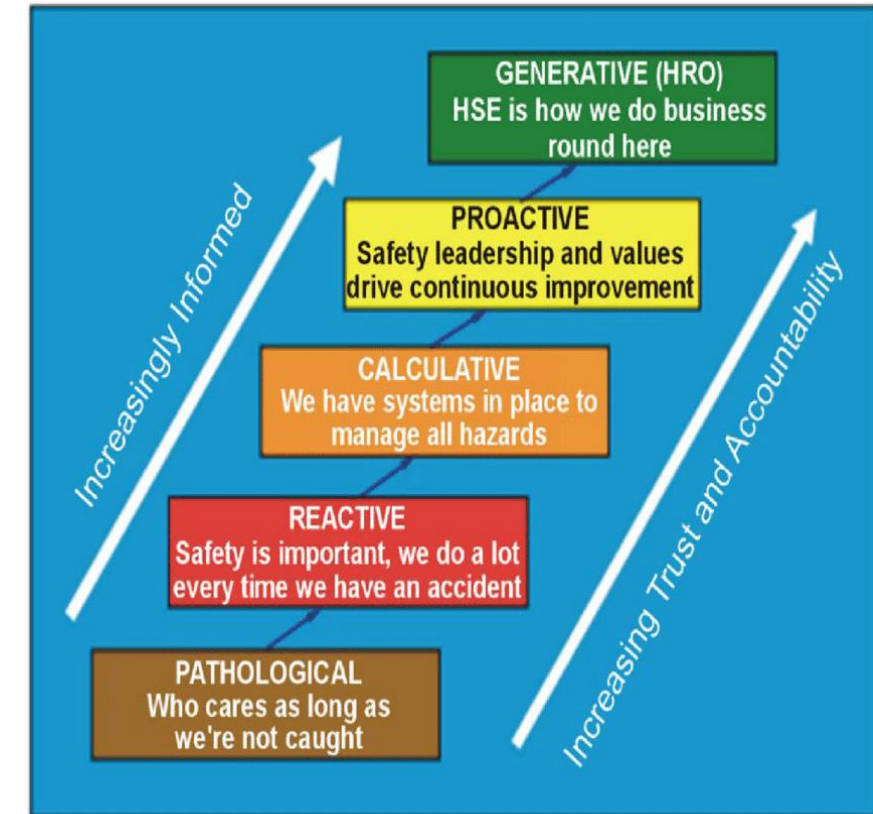
Venting accounted for most of the industry's global methane emissions in 2021



Source: International Energy Agency (2022) Methane Database, as modified by BloombergNEF.

Note: Chart does not include satellite-detected large leaks.

BloombergNEF



Source: Hudson (2007)

Where would you assess your team or business culture in relation to the environment / sustainability?

