



**ARTA PREVEZA LEASE AREA
ENVIRONMENTAL REPORT 2021**

ARTA - PREVEZA LEASE AREA

ENVIRONMENTAL REPORT OF YEAR 2021

HSE Policies & System, Environmental Studies and Implementation

Hellenic Petroleum Exploration & Production of Hydrocarbons Arta-Preveza Single Member S.A (HELPE Arta-Preveza), 100% subsidiary of HELLENIC PETROLEUM EXPLORATION AND PRODUCTION OF HYDROCARBONS (UPSTREAM) S.A, owns all the rights to explore and produce hydrocarbons deriving from the Lease Agreement with the Greek State in the onshore area of Arta-Preveza. HELPE Arta-Preveza (100% Operator) officially signed the Lease Agreement with the Greek State on March 16th 2018.

HELPE Arta – Preveza, acting as Operator, is fulfilling its commitments and has planned the first phase of the exploration work program by implementing the most up-to-date, safe and environmentally friendly technological methods and practices with the outmost respect to local societies and socioeconomic activities.

According to the Lease Agreement and the Provisions of Article 12 for «Environmental Protection», the Lessee (Hellenic Petroleum) *“shall not be liable for any environmental condition or damage existing in the Contract Area prior to the commencement of the Lessee’s operation therein. For this purpose, the Lessee shall prepare a baseline report, to detail the condition of the environmental parameters and resources at the time prior to operation commencement. The baseline report will be submitted for review to the Lessor (Hellenic Hydrocarbons Resources Management – HHRM). If no objections will rise by the latter within twenty (20) Business Days of its submission, the report is deemed accepted”*.

The Environmental Baseline Report – EBR Stage I, has been submitted by HELPE Arta-Preveza to Competent Authorities for review and approval on August 23rd 2018. An unofficial opinion received upon EBR from Amvrakikos Management Body. Major comments were incorporated & an updated version of EBR I resubmitted to HHRM on May 20th 2019. The EBR Stage I has been officially approved by HHRM on August 22th 2019.

Furthermore, and according to the Provisions of Article 12 for «Environmental Protection», in case of activities for which an Environmental Impact Assessment (EIA) is not mandatory, but it is reasonably expected that any minor environmental impacts might occur, as in particular for the case of geophysical surveys, the Lessee shall prepare an Environmental Action Plan (EAP). The EAP aims to determine, assess and mitigate these impacts, focusing on prevention and minimization thereof in accordance with Good Oilfield Practices.

In the context of the Environmental Action Plan (EAP), the potential impacts of the project activities have been identified, with regard to abiotic, biotic and anthropogenic environment. The following two distinct EAP Studies have been prepared and submitted to the Competent Authorities (HHRM & DIPA) for review and approval:

- a) *Mini EAP Test Line of 26,5km*

An EAP concerning the test-line and the immediate areas of the related activities has been submitted by HELPE Arta-Preveza to the Competent Authorities for review and approval on February 6th 2019. The positive acceptance of the mini-EAP for the test-line has been issued by HHRM on August 22th 2019.

b) EAP for the Full Acquisition of the 2D Land Geophysical Program

The final EAP for the full 2D Land Geophysical Survey prepared and submitted by HELPE Arta-Preveza to the Competent Authorities on October 9th 2019. Approval of EAP for the full acquisition program by the Competent Authorities was left pending. EAP for the full Geophysical survey should have been approved also by the Minister of Environment & Energy.

Other Permitting Issues

- A decision from the Hellenic Council of State rejected WWF's annulment application of the 2D Land Geophysical survey (seismic acquisition) and its related environmental studies and permission at Ioannina block, a decision that should have offered a positive path for speeding up Ministerial Approvals for the Arta-Preveza EAP study.
- Municipality Land Permitting Issues of the 2D Land geophysical program: Eleven (11) Municipalities in the Arta-Preveza lease agreement area have been asked officially to give in writing their consent in order to allow the entering into the Municipality Lands, only three (3) municipalities decided, one (1) positively (Municipality of Dodoni) and two (2) negatively ((Municipalities of Arta and Central Tzoumerka). The remaining eight (8) Municipalities' consents (Souli, G. Karaiskakis, Preveza, Igoumenitsa, Parga, Zirou, North Tzoumerka and N. Skoufa) are still pending.
- The amendment of Hydrocarbon Law (N. 2289/1995) and Article 110 of the amended Environmental Law (Law 4685 07.05.2020), tried to allow HELPE Arta-Preveza to operate without permission inside any municipality as long as operations on a municipal property will last up to three (3) months. A consent should be provided by Municipalities for a period exceeding the three (3) months. This period did not seem to be sufficient for the safe completion of the exploration activities within the timeframes of the 1st exploration phase.

Within Year 2021 no environmental activities taken place into the Lease Area. Finally, during 3Q21, the on-shore exploration concession of "Arta-Preveza" was officially returned to the Greek State.