

GALP

ENVIRONMENTAL IMPACT ASSESSMENT AMENDMENT OF THE CURRENT ECC FOR THE PROPOSED OFFSHORE EXPLORATION WELL DRILLING IN PEL83 (ORANGE BASIN) OFF THE COAST OF NAMIBIA: WELL TESTING

BACKGROUND INFORMATION DOCUMENT

1. INTRODUCTION

“PEL83” is a Joint Venture between the block partners, namely Windhoek PEL28 B.V. (Galp), the National Petroleum Corporation of Namibia (NAMCOR) and Custos. Galp holds an 80% controlling interest in Petroleum Exploration Licence (PEL) 83, while NAMCOR and Custos each hold 10%. Galp is currently the operator of PEL 83, which is located in the Orange Basin off the coast of Namibia (see Figure 1).

Galp is proposing to drill two exploration wells in PEL 83. PEL 83 covers an area of approximately 9 954 m² and is located between 130 km and 250 km from the coastline in water depths ranging from approximately 500 m to 2 500 m.

In 2019, Windhoek PEL28 B.V. applied for an Environmental Clearance Certificate (ECC) for the above mentioned activity, with the successful completion of an EIA process and the submission of an EIA Report and Environmental and Social Management Plan (ESMP). The Application and associated reports (including the ESMP) was approved by the Ministry of Environment, Forestry and Tourism (MEFT): Department of Environmental Affairs (DEA) and an ECC issued in April 2020. The ECC was renewed in March 2023.

The original EIA (SLR, 2019) did not include any well or flow testing related activities, hence an amendment to the existing EIA needs to be conducted. The additional well testing activities to be conduct are described in section 5 below.

2. ENVIRONMENTAL CLEARANCE

Windhoek PEL28 B.V. received the renewed ECC on the 7th of March 2023 for their proposed offshore exploration well drilling in PEL83, on the basis of a renewal application. The original EIA Report and ESMP formed the basis of the renewal application.

Prior to commencement of the proposed amendments (i.e. testing at least one of the wells, in case of a positive discovery), an application will be submitted to the MEFT: DEA in terms of the Environmental Management Act, No. 7 of 2007 and associated EIA Regulations (January 2012).

The related EIA (amendment) process will include a scoping (and updating the assessment of impacts from the original EIA) phase and an amendment to the approved EMP.

Namisun Environmental Projects & Development (Namisun) has been appointed by Galp as the independent Environmental Assessment Practitioner to undertake the EIA (amendment) process for the proposed Project.

3. PURPOSE OF THIS DOCUMENT

This document has been prepared by Namisun to inform you about:

- Description of the well / flow test activities (Section 5);
- The EIA process (section 6);
- Key environmental issues (i.e. aspects and potential impacts) relating to the proposed well testing activities (Section 7); and
- How you can register as an interested and /or affected party (I&AP) (sections 4 and 8).

4. PARTICIPATION IN THE EIA PROCESS

Public participation is an essential part of the EIA process. If you want to register as an I&AP and have input into the EIA process, please refer to the box below. All comments / questions / concerns will be recorded and addressed in the EIA process. Key focus group meetings will be set up and further scheduled on request.

HOW TO REGISTER AS AN I&AP

Please register as an I&AP and submit any questions or comments through communication with Namisun.

Attention: Werner Petrick **E-mail address:** wpetrick@namisun.com **Cell number:** +264 (0)81 739 4591

If you would like your comments to be addressed in the EIA Amendment Report please submit them by
31 May 2023.

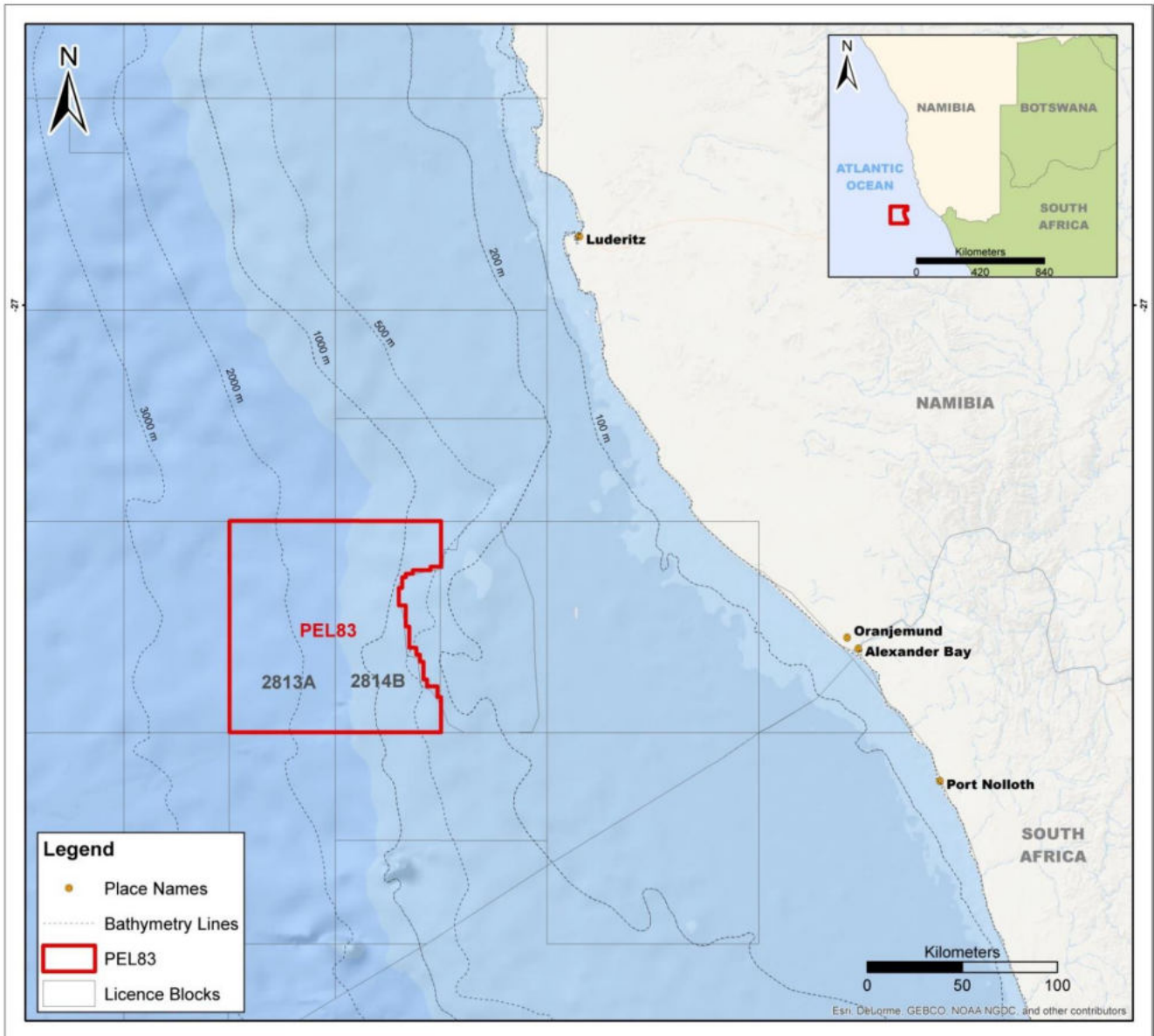


FIGURE 1: LOCATION OF PEL 83 (FIGURE FROM ORIGINAL EIA REPORT, SLR 2019)

5. WELL TESTING RELATED ACTIVITIES

A well test operation will require approximately 30 additional drillship days on location to prepare for and conduct the testing. However, actual testing may take approximately 48 to 72 hours. A Drill Stem Test (DST) would involve flowing formation fluids, including oil and/or natural gas, up to the drillship where it will flow through special equipment to be separated, measured and then safely disposed of using modern hydrocarbon burners or flares. It is routinely used to evaluate well and field performance, diagnose reservoir characteristics, integrate test results with other studies, plan for future development and perform the overall management of the reservoir.

At the end of an appraisal well test, the well is typically abandoned (i.e. a well that is permanently sealed with no intention of coming back to it later) or suspended (i.e. a well that is safely secured with the intention to come back later for further testing and/or production).

As a standard well test procedure, a fluid separator will be used to separate all producing fluids from gas, oil to water. Each fluid will be treated at the appropriate level to be discharged or sent to shore for final treatment. No fluids will be discharged unless compliant with local and International Standards.

6. EIA PROCESS

The main objectives of the EIA process are to:

- Provide information on the activities undertaken by Galp during the well testing.
- Identify / update, in consultation with I&APs, the potential negative and positive environmental aspects.
- Assess the potential impacts resulting from well testing and update the assessment of potential impacts.
- Report on measures required to avoid impacts or mitigate such impacts to acceptable levels by updating the approved ESMP.
- Further develop specific environmental monitoring requirements.

The likely steps and timeframes of the EIA process are provided in Table 1.

Table 1: EIA Process for the well testing activities

STEPS IN THE EIA PROCESS
PHASE I: Project initiation & Internal Screening (April - May 2023)
<ul style="list-style-type: none">• EIA project initiation.• Identify / update environmental issues.• Identify key stakeholders.
PHASE II – Combined Scoping & Assessment Phase and updated ESMP (May – July 2023)
<ul style="list-style-type: none">• Notify the Ministry of Mines and Energy (MME) and MEFT through the submission of the EIA (amendment) Application Form and online (MEFT) Registration.• Notify other relevant regulatory authorities and I&APs of the proposed project (via newspaper advertisements, the BID, emails, site notice).• Conduct key stakeholder focus group meetings.• Carry out specialist investigations (marine biologist).• Assess (re-assess) the potential impacts of the proposed Project activities and compile an EIA Amendment Report and updated ESMP.• Distribute the EIA reports for review and comment by regulatory authorities and registered I&APs.• Consider comments received and compile the final reports (including an Issues and Response Report).• Submit the final reports to MME and MEFT for their review and decision-making.

A draft EIA Amendment Report (including an Amended ESMP) for the well testing by Galp will be made available for a public review and comment period. Registered I&APs will be notified via e-mail of the review period and the availability of the draft Report.

The final EIA Amendment Report, along with all IA&P comments, will be submitted to the MME and MEFT (Environmental Commissioner) for review and a final decision.

7. KEY ISSUES RELATED TO THE WELL TESTING ACTIVITIES

Various Specialist Studies and associated Specialist Reports (compiled by 'Environmental Experts / Specialists') formed part of the initial EIA. These studies will be referred to where necessary in the amendment EIA.

A Marine Ecologist has been appointed to assess / re-assess potential impacts on the marine ecology resulting from the well testing activities. In addition, impacts resulting to greenhouse gasses from the well / flow test activities will be qualitatively assessed.

8. INVITATION TO REGISTER AND COMMENT

If you would like to register as an I&AP to the proposed Project and EIA (amendment) application process, or if you have any questions / comments, please contact Namisun.

As only focus group meetings will be set up, please contact Namisun should you wish to either participate in one of them or schedule a separate meeting.

For comments to be included in the EIA Amendment Report they must reach Namisun by no later **31 May 2023**.