

CAMELOT CA OPERATIONS

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1. Summary

Energy Resource Technology (U.K.) Limited (ERT) as operator of the Camelot CA platform are pleased to issue our environmental statistics for operations undertaken in 2009. This is our third published report following the transfer of ownership in December 2006.

The first half of 2009 saw production operations continue following the rejuvenation activities of the previous year. In the second half however a combination of equipment and operational issues caused the platform to remain shut in.

In December 2009 the ERT Environmental Management system was audited by DnV who confirmed that it complies with the requirements of DECC and Ospar.

Work is currently underway to evaluate the best way to re-start the platform and ERT will continue to work with the Camelot Duty Holder in 2010 to ensure environmental performance meets our established objectives and targets.

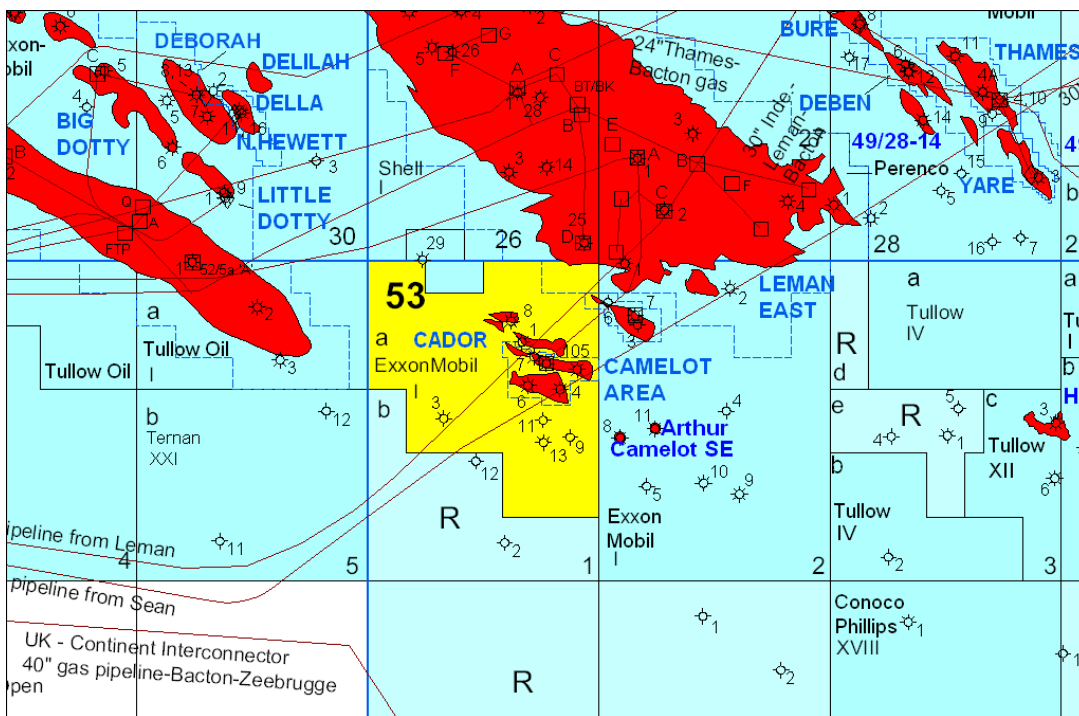
Other than Camelot CA production operations, ERT was involved in no other exploration, drilling or production activities during 2009.

2. Quick Facts

ERT are part of Helix Energy Solutions Group Inc. a company listed on the New York Stock Exchange (HLX), incorporated in Minnesota USA and with principal executive offices in Houston, Texas, USA.

In December 2006 ERT acquired the Camelot field and facilities which included a small gas production platform in the Southern North Sea (53/1a) with 6 Producing Wells and a gas export pipeline to the Lemman platform (49/27A). From Lemman the gas is compressed and transported to the onshore reception facility at Bacton.

Camelot is located 30 miles off the coast of Norfolk in a water depth of 12m (LAT). It is a normally unmanned, limited facility platform for the extraction, processing and export of gas from an offshore reservoir.



Source WoodMac

The reservoir was discovered in 1967 and all production wells were completed in 1989.

Camelot had almost ceased production when it was purchased by ERT. A significant amount of work was required to return the facility to production operations. The facility produced approximately 0.4bcf of gas in 2009.

3. The Environmental Management System

Energy Resource Technology (UK) Limited (ERT) has developed and operates an Environmental Management System (EMS) as part of its obligations as the License Operator of the Camelot Field and facilities. The EMS was developed through 2007 to be compliant with BS EN ISO14001:2004 and comprises the following structure:

1. Environmental Policy
2. Planning
3. Implementation and Operation
4. Checking and Corrective Action
5. Management Review

The structure of the EMS is intended to promote the efficient and effective review and continued improvement of the company's environmental performance. Significant aspects and impacts associated with company operational activities have been identified and are contained within a register. This register is available on request. The aspects broadly cover the following:

1. Aerial discharges
2. Marine discharges
3. Waste management

The EMS was successfully verified against OSPAR Recommendation 2003/5 by DNV in December 2009 and is due for re-verification in December 2011.

Interface arrangements with our Duty Holder ensures the obligations and requirements of the respective EMS and Policies are consistently implemented. Environmental performance and compliance is monitored bi-annually by an Environmental Team comprising representatives from ERT and the Duty Holder.

The ERT Environmental Policy is given below:



Environmental Policy

Energy Resource Technology (U.K.) Limited (ERT) are the license operator of the Camelot field and facilities in the Southern North Sea. This field produces natural gas for delivery to homes across the country. ERT have a clear objective to minimise the impact that these activities have on the environment.

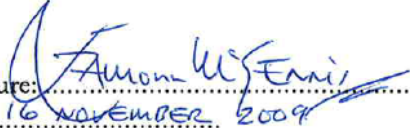
To achieve this goal we have first identified the aspects of our activities and operations that can impact on the environment. We have then analysed each of these impacts to determine which are significant. We have then implemented all reasonably practicable measures to minimise any environmental impact, prevent pollution and comply with all current environmental regulations and legislation.

ERT set appropriate environmental objectives and targets and work with main contractors to continually improve environmental performance through a robust review process and by taking improvement action. The areas reviewed include spills, discharges and emissions, the handling of waste and the prudent management of resources. ERT is committed to open communication of its environmental performance to all its stakeholders.

ERT operate and maintain an Environmental Management System (EMS) based on the BS EN ISO14001:2004 Standard. All ERT employees and main contractors are aware of the EMS and their responsibilities under the system and receive awareness training.

ERT have emergency plans and arrangements to respond to major environmental incidents and these plans are tested and documented on an annual basis to ensure emergency preparedness.

This Policy expresses the values and commitments of the ERT organisation and is approved by the General Manager. The Policy will be reviewed periodically and revised if necessary to reflect changing conditions and information.

Signature: 

Date: 16 NOVEMBER 2009

Eamonn McGennis
General Manager
Energy Resources Technology (UK) Limited

4. Summary of Environmental Performance for 2009

a. Drilling and Well Operations

No drilling or well work took place at Camelot during 2009.

b. Production

In 2009 production continued during the first half of the year only.

Item	Unit	Value
Condensate Production	Tons	166
Total Gas Production	Mscf	433,200

c. Marine Discharges

Oil in Produced Water in 2009

Produced Water is a consequence of gas and condensate extraction particularly as reservoirs mature. The volumes of produced water were in line with those anticipated and the treatment facilities managed to meet the mandatory levels permitted under UK regulation and OSPAR recommendations.

Item	Unit	Value
Total volume of produced water discharged to sea	bbls	87,748
Total volume of condensate included in discharged water	tons	0.196

The average concentration of condensate in the water discharged to the sea was 13ppm over the year. This is less than the mandatory target of 30ppm.

ERT continue to seek cost effective solutions to meet our oil in water obligations.

Chemicals

No production chemicals are used or discharged by the Camelot Facility. (No PON15D requirement).

Unplanned Discharges

There were no reportable oil spills (PON 1) from the Camelot Facility.

d. Aerial Emissions

Atmospheric emissions from Camelot only arise from the venting of the piping on the platform during emergency safety shut downs. This happened six times in 2009 down from eight times in 2008.

CO2 emissions from Camelot are well below the regulated threshold under the EU ETS so they do not need to be measured as they are too small.

As this document only reports the activities under the control of ERT we have not included any details from the transport, piping and sale of the gas through third party facilities. These third party facilities report their aerial emissions in their own annual report so details are not included here.

e. Waste Management

A small volume of waste was generated on the platform in 2009. Our total waste generated of 1,327Kg is just over twice the UK average per capita of 560Kg so our environmental footprint cannot be considered excessive.

Of the waste generated a considerable volume was associated with the replacement of older redundant equipment which was largely un-suitable for recycling due to its early 1980's design and construction.

This redundant equipment restricted our recycle to landfill ratio to 23% which reflects more the nature of the older equipment that was replaced than the segregation management/control on the platform.

Item	Unit	2009	2008
Total Waste Generated	Kg	1,327	2,030
General Rig waste	Kg	1,080	1,730
Recycled Waste	Kg	247	300
Scrap Waste (part recycled)	Kg	0	0
Treated Waste	Kg	0	0

Wastes continue to be segregated appropriately on the platform before being sent ashore. It is our intention that waste generated offshore will continue to be recycled wherever practicable.