

ENVIRONMENTAL POLICY

BSOG – HS – POL – 003 D1



Black Sea Oil & Gas SRL (BSOG) is a Romanian oil and gas exploration and production company. BSOG's business comprises all the activities related to the exploration, development and production of hydrocarbons from the offshore Blocks located in the economic exclusive zone of the Romanian continental shelf of the Black Sea. It is the policy of BSOG to conduct all of its operations in a manner which will minimise its impact on the environment and strive to improve its environmental performance.

BSOG recognises that minimising environmental impact and the prevention of environmental incidents is essential to the efficient operation of its business. Accordingly, the management of environmental issues is an integral part of the company's management arrangements and commands at least equal prominence when balanced against operational and commercial considerations.

BSOG has an established Corporate Management System in place to ensure that:

1. There is a management organisation in place to plan operations to minimise the impact to the environment from its operations by identifying and managing the relevant environmental risks.
2. Environmental issues are considered from the outset when planning operations, to reduce and prevent waste, the consumption of resources, prevention of pollution to the environment and the minimizing of the impact of the activities carried-out by and for the company on the environment.
3. BSOG provides the necessary training for its employees and contractors to ensure that they have the knowledge and capability to conduct operations in an environmentally sensitive manner.
4. Adequate contingency plans for emergency/pollution situations are developed and implemented for all operations which may impact the environment.
5. BSOG complies with all the applicable environmental regulations and codes of practice.
6. BSOG is committed to continual improvement of its performance by setting and reviewing environmental objectives and targets.
7. BSOG will provide the necessary resources, advice and guidance to ensure the communication and implementation of this policy and to monitor and report on the company's environmental performance.
8. BSOG will ensure that all its contractors are fully aware of the company's environmental policies and the applicable legal requirements to any of the activities carried out for and on its behalf and shall require that such policy is observed and complied with by its contractors.

This Environmental Policy shall be applied at all BSOG's locations. BSOG will review and audit all aspects of the management system to ensure that it is being complied with and to seek improvements to the system. The management system will continue to be actively developed in line with the development of BSOG's business activities.

Mark Beacom

Chief Executive Officer
Black Sea Oil & Gas

Signed

Date: 21.06.2015

A handwritten signature in blue ink, appearing to read "Mark Beacom", is written over a horizontal line. The signature is stylized and extends upwards and downwards.