

SANCTION NOTICE

To: **CNR International (U.K.) Limited**
Company Number: 00813187

Address: **C/O Pinsent Masons LLP**
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Leeds
United Kingdom LS1 5AB

Date: **30 September 2026**

1. SANCTION NOTICE

- 1.1. This Sanction Notice is given to CNR International (U.K.) Limited (“**CNR**”) pursuant to section 42 of the Energy Act 2016 (the “**2016 Act**”).
- 1.2. For the reasons given in this Sanction Notice, the North Sea Transition Authority (“**NSTA**”) gives a Sanction Notice to CNR for its failure to comply with a petroleum-related requirement and a Financial Penalty Notice which imposes on CNR a financial penalty of **£300,000 (three hundred thousand pounds)**.

2. SUMMARY OF FACTS

- 2.1. This Sanction Notice relates to an exceedance of the vent consent for the period **15 June 2024 to 31 December 2024** in the licensed areas of petroleum production licence numbers P119, P199, P202, P203, P204 and P1606 known as the Ninian, Lyell, Columba E, Columba B/D, Orlando and Strathspey fields (collectively “**Ninian Fields**”).
- 2.2. A short-term vent consent for the Ninian Fields for the period **15 June 2024 to 31 December 2024** (the “**Consent**”) was issued on **14 June 2024** and allowed for an average of 1.366 tonnes per day (amounting to a cumulative limit of 273.2 tonnes for the 200-day period **15 June 2024 to 31 December 2024**).
- 2.3. CNR informed the NSTA on **26 November 2024** that the Consent had been exceeded at 2am the same day. By the time a new consent was put in place on **29 November 2024**,

CNR stated that a total of 294.1 tonnes had been vented, exceeding the Consent by 20.9 tonnes.

3. BACKGROUND

3.1. CNR previously exceeded its vent consent at the Columba B/D, Columba E, Lyell and Ninian fields (collectively “**Ninian Assets**”) on two occasions in 2023. An investigation was opened into those two exceedances by the NSTA, and CNR was found to have breached a petroleum-related requirement on two occasions in 2023 and a Sanction Notice was given to CNR on **22 December 2025** with a total fine of **£250,000** (the “**2023 Exceedances**”).

3.2. In relation to the present investigation, on **26 November 2024** CNR emailed the NSTA explaining:

“... we have breached the Vent Consent on Ninian. The actual breach occurred this morning at around 2am, however during a recheck of the figures over the last week we started excessively venting at the beginning of last week. This was noted however the data until last week had not been fully accounted for and there are a couple of flare meter mis-measurements currently being investigated. In any case the estimated 42 tonnes of gas vented this morning has exceeded the current consent of 273.2 tonnes. As I mentioned this morning we currently have issues with both the gas compressor on NSP [Ninian South Platform] and NCP [Ninian Central Platform] and had reduced production to ensure our Flare consent would not be breached. Unfortunately with no compressor on NCP the normal mitigation of pushing the Flare Gas forward to the compressor and reducing Import Gas was not available to the platform and they continued to attempt to relight the flare to no avail until 08:53 this morning when it was successfully relit.

Due to us currently being in breach I have instructed for NCP to shutdown tonight, to conduct some opportune repairs. Should the Flare go out before then they will start the shutdown at this point. Unusually NSP has also seen an increase in venting which has not helped the situation and used considerably more Vent Consent that [sic] it would normally. Until last week the Vent Consent was monitored monthly but this has now been increased to daily monitoring form [sic] the Morning Reports from all three assets. NSP will continue to produce but have been advised to shutdown should their flare go out.”

3.3. The NSTA opened an investigation into the consent exceedance on **26 March 2025**.

3.4. In its **11 April 2025** response to the NSTA’s Information Notice, CNR stated that:

3.4.1. Following the 2023 Exceedances referred to in para 3.1 above, CNR had expended considerable effort to ensure it was better prepared to manage and monitor the vent consent for 2024. It carried out surveillance from **March 2023** to **March 2024** on the impact wind direction and strength has on venting on NCP. Its surveillance

highlighted that a figure of 25 tonnes per month from April to September, and 50 tonnes per month from October to March, on NCP was required for any vent consent. NSP did not have a history of significant venting issues.

- 3.4.2. CNR had contacted the NSTA in **May 2024** to request a vent consent in line with the figures above, which it believed would be sufficient to take account of operational and meteorological events that could reasonably be foreseen.
- 3.4.3. During **October 2024**, NSP experienced several issues with wind speed and direction affecting the flare which resulted in venting which consumed approximately 41 tonnes of the Consent. At the time, CNR believed that the remaining circa 90 tonnes on the Consent would be sufficient for its operations until the end of the year.
- 3.4.4. During an unexpected six-day production outage caused by a third-party pipeline equipment failure in early **November 2024**, both NCP and NSP were shutdown which resulted in 26.5 tonnes of venting. As a result of that, CNR took the decision to apply to the NSTA to increase the vent consent for the remainder of the year. However, before it submitted that application, the vent consent was exceeded in the early hours of **26 November 2024**.
- 3.4.5. On **26 November 2024**, the flare on NCP went out due to an unusual combination of wind direction and high wind speed. CNR said high wind speeds make it significantly more difficult to relight the flare and it took 57 attempts (via flare gun), over a nine-hour period, before the flare was successfully relit. During that period, the flare was diverted between the north and south flare booms to try and increase the chance of a successful ignition.
- 3.4.6. CNR contacted the NSTA immediately with an initial notification at 08:31 on **26 November 2024** and followed up with confirmation of the exceedance at 15:07 later that day, by which time the flare had been reignited.
- 3.4.7. Since **26 November 2024**, more frequent and more analytical reviews of venting events had been put in place, including daily reviews of venting events, rather than weekly or monthly.
- 3.4.8. In requesting the Consent, contingency was added in to forecast the impact of adverse winter weather on NCP, but no contingency was put in place for NSP, as historically no significant venting issues due to winter weather had been experienced. No contingency had been put in place for unplanned production outages with fuel gas remaining online.
- 3.4.9. Since the 2023 Exceedances, CNR created a stronger interface and a more proactive approach with the NSTA and the 2024 exceedance was reported within 24 hours, with causes and proposed solutions presented within two days. All subsequent concerns and potential exceedances had been communicated in

advance and by working together with the NSTA, CNR, in their view, had managed to solve potential issues before they materialised.

4. LICENSEES

- 4.1 Licences P119, P199, P202, P203, P204 and P1606 have multiple licensees¹. However, the Lyell, Columba E, Columba B/D, Orlando and Strathspey fields all feed their vents into the Ninian field. The Ninian field has the venting stack that the vents from all the other fields feed into, and from which venting is released². CNR is the Primary Operator of the Ninian Fields and is responsible for applying for and managing the Consent. CNR has not suggested that responsibility lies elsewhere or is attributable to co-licensees nor has the NSTA investigation established this, and therefore, enforcement action has only been taken against CNR.

5. FAILURE TO COMPLY

- 5.1 The NSTA may use its sanction powers under Chapter 5 of Part 2 of the 2016 Act where there has been a failure to comply with a petroleum-related requirement. A petroleum-related requirement includes a requirement imposed on a person by or under a provision of the 2016 Act which is sanctionable in accordance with Chapter 5.

The petroleum-related requirement

- 5.2 The Consent was issued pursuant to section 12A of the Energy Act 1976 (the “**1976 Act**”). Section 12A(1)(b) of the 1976 Act specifies that the NSTA’s consent is required for the disposal of natural gas “*by releasing it unignited into the atmosphere in connection with activities carried out under a licence granted under...*” section 3 of the Petroleum Act 1998 or section 2 of the Petroleum (Production) Act 1934.
- 5.3 Licences P119, P199, P202, P203, P204 were granted under section 2 of the Petroleum (Production) Act 1934 and licence P1606 was granted under section 3 of the Petroleum Act 1998. CNR’s venting at the Ninian Fields occurred in connection with activities carried out in association with licences P119, P199, P202, P203, P204 and P1606.
- 5.4 The NSTA considers that CNR disposed of natural gas by releasing it unignited into the atmosphere in connection with activities carried out under licences granted under section 3 of the Petroleum Act 1998 and section 2 of the Petroleum (Production) Act 1934 without the necessary consent, contrary to section 12A of the 1976 Act (“**the Breach**”).
- 5.5 Section 12A(3) of the 1976 Act provides an exemption from obtaining the consent of the NSTA to dispose of gas where it is necessary to dispose of the gas in order to reduce or avoid the risk of injury, that the need to dispose of the gas could not reasonably have been foreseen and it was not reasonably practicable to obtain consent to dispose of the

¹Several have multiple licensees including CNR, some just have CNR as sole licensee

² Note that the Ninian field is one of the fields within the definition of the Ninian Fields.

gas in the time available. CNR has not made representations that it needed to vent pursuant to section 12A(3) of the 1976 Act, as such there is no evidence to suggest that section 12A(3) of the 1976 Act applies.

- 5.6 Section 12B of the 1976 Act makes failure to comply with section 12A of the 1976 Act a petroleum-related requirement for the purposes of Chapter 5 of Part 2 of the 2016 Act and is therefore sanctionable under section 42 of the 2016 Act.

6. REPRESENTATIONS IN RESPECT OF THE SANCTION WARNING NOTICE

- 6.1. A Sanction Warning Notice (**SWN**) was given to CNR on **25 June 2026** and CNR was given the opportunity to provide representations, which it did on **16 July 2026**. The NSTA has considered those representations, which, along with the NSTA's responses, are summarised in Annex A below.

7. THE SANCTION

- 7.1. Pursuant to Section 12B(2) of the 1976 Act, a failure to comply with the requirements under section 12A cannot lead to a revocation notice, an enforcement notice or an operator removal notice. Therefore, a failure to comply with the requirements set out in section 12A of the 1976 Act, can only be dealt with by way of a financial penalty notice.
- 7.2. The NSTA gives this Sanction Notice imposing a financial penalty of **£300,000** (“**the Financial Penalty**”) in respect of the Breach, which must be paid within 30-days of the date of this Sanction Notice to the NSTA, which will be paid to the HM Treasury. In arriving at the level of the proposed Financial Penalty, the NSTA has had regard to those matters listed in section 8 of the 2016 Act, in particular the need to maintain a stable and predictable system of regulation which encourages investment in relevant activities. Enforcement of vent consent breaches preserves a stable, predictable regulatory regime that industry, investors and the public can have confidence in by demonstrating the NSTA's commitment to ensuring that regulatory obligations are complied with.

Consideration of the NSTA's Sanction Procedure and Financial Penalty Guidance

- 7.3. The NSTA has considered carefully the aims set out in paragraph 24 of the Sanction Procedure³ and paragraph 16 of the Financial Penalty Guidance⁴, which are that any financial penalty determined should be among other things:

³ [Sanction Procedure](#)

⁴ [Financial Penalty Guidance](#)

- 7.3.1. Effective in addressing the underlying cause for the failure to comply;
- 7.3.2. Dissuasive of future failure to comply, either by the person or, further to publication of the Sanction Notice, other persons in similar circumstances; and
- 7.3.3. Proportionate to the significance of the failure in the context of the petroleum-related requirement and the impact on the relevant persons.
- 7.4. Paragraph 17 of the NSTA's Financial Penalty Guidance sets out various matters that the NSTA may also take into account when determining the amount of a financial penalty.
- 7.5. The specific criteria relevant to adjust the starting figure of any financial penalty are considered, as follows:
- 7.6. Whether CNR gained as a consequence of the failure to comply

There is no evidence currently before the NSTA to suggest that CNR gained (financially or otherwise) from the failure to comply other than being able to vent more than was consented for.

- 7.7. The degree of harm caused, or increased costs incurred by the failure to comply

CNR's failure to comply undermines trust and confidence in its asset management and its oversight of its regulatory obligations.

- 7.8. The severity of the failure to comply

CNR previously exceeded two vent consents in 2023 for fields venting at Ninian. From its experience of the 2023 Exceedances, CNR should have known that it needed to manage its consents very carefully and alert the NSTA as soon as it knew there was a risk of a consent being exceeded. CNR did inform the NSTA promptly after the breach occurred, but failed to engage with the NSTA at an earlier opportunity after the occurrences of the unplanned events in October and November.

The NSTA has repeatedly signalled to Industry that compliance with its regulatory obligations is vitally important and that a failure to comply with the terms and conditions of a licence or consent has the potential to undermine public confidence in the ability of the Industry to operate within prescribed limits. It may also undermine the confidence of investors and has the potential to undermine the authority of and confidence in the regulator, particularly if action is not taken when there is evidence a breach has occurred. That CNR breached the Consent within a year of twice previously breaching their vent consents at Ninian is of particular concern.

- 7.9. The extent to which CNR may have sought to benefit from the failure to comply

There is no evidence currently before the NSTA to suggest that CNR sought to benefit from the failure to comply.

7.10. Whether there are any relevant industry Codes of Practice

Whilst the NSTA has issued Flaring and Venting Guidance, there are no industry codes of practice governing flaring and venting.

7.11. The duration of the contravention

The data provided by CNR shows that the Consent was exceeded on **26 November 2024** and it informed the NSTA of the exceedance on the same day. A new consent was issued three days later on **29 November 2024**.

7.12. The NSTA's Financial Penalty Guidance states that the NSTA may take into account any relevant mitigating (paragraph 17.2) and aggravating (paragraph 17.3) factors. In proposing the fine level, the NSTA has taken into account the following:

Mitigating circumstances

- a. CNR has fully co-operated with the NSTA's investigation;
- b. CNR has taken steps to prevent future vent consent exceedances, including moving from monthly to daily monitoring of vent consents; and
- c. CNR responded quickly once it was aware the Consent had been exceeded and informed the NSTA within hours of the breach occurring and shutting down NCP.

Aggravating circumstances

- a. CNR had previously exceeded two vent consents in 2023 for fields venting at Ninian and should have known that it needed to manage its consents very carefully. That it breached again, and particularly as CNR had not fully taken on board the learning from the 2023 Exceedances and does not appear to have considered all contingencies when managing the Consent, is of concern and indicates a lack of robust internal processes.
- b. That CNR did not contact the NSTA when it knew it was approaching the Consent limit (and before it actually breached the Consent) is also indicative of a lack of robust internal processes.

Financial Penalty

- 7.13. Taking into account the above, and in the exercise of its regulatory judgement, the NSTA must determine an appropriate financial penalty. The NSTA considers that it is the responsibility of the operator to anticipate circumstances where venting might occur and make reasonable provision for such events within its applications for vent consents. The NSTA also expects operators to engage proactively with the NSTA where concerns arise in respect of compliance with a regulatory consent. As noted above, in response to CNR's position that it did not know the Consent was likely to be breached until a few days before it was, the NSTA encourage and expect stakeholders to engage early with the NSTA regarding unplanned events that might increase the risk of a Consent breach. Taken on its own, the circumstances of this breach (in terms of duration and proportional volume) would ordinarily place it towards the lower end of the NSTA's available scale of financial penalties for a vent consent breach. However, the fact that this is the third breach of a vent consent by CNR at the same location in consecutive years demonstrates an absence of effective internal processes and a failure to learn sufficiently from the previous breaches. Accordingly, this must increase the appropriate financial penalty.
- 7.14. Given that this exceedance occurred less than a year after the second of the two exceedances in 2023, and that, despite unplanned events in the run up to the Breach being indicative of circumstances that could realistically create a risk of a consent breach, CNR did not take the necessary steps to prevent the Breach, the NSTA considers that it would be appropriate to impose a sanction in respect of the Breach and that a financial penalty set at **£300,000 (three hundred thousand pounds)** would send a strong message to CNR and other persons in similar circumstances that the NSTA takes compliance with the need to have appropriate venting consents in place seriously. In that regard, the NSTA considers that the level of the Financial Penalty would be effective in addressing the underlying cause of the Breach, dissuasive of future failures to comply with regulatory obligations, and proportionate to the significance of the Breach.

8. PUBLICATION OF THE SANCTION NOTICE

- 8.1 Pursuant to section 53 of the 2016 Act, the NSTA may publish details of any Sanction Notice given in accordance with Chapter 5 of the 2016 Act.
- 8.2 The NSTA may not publish anything that, in the NSTA's opinion is (a) commercially sensitive; (b) not in the public interest to publish; or (c) otherwise not appropriate for publication.
- 8.3 The NSTA does not consider that the Sanction Notice contains any commercially sensitive information. Further, the NSTA considers that publication of the Sanction Notice without redaction is both in the public interest and appropriate. The NSTA considers that the public interest in publishing the Sanction Notice includes:

- 8.3.1. developing public and investor confidence in the UK Continental Shelf by demonstrating how the NSTA is acting to ensure that regulatory obligations are complied with;
 - 8.3.2. encouraging licensees to come forward with information that can assist NSTA investigations;
 - 8.3.3. enhancing licensee and public understanding of when the NSTA does, and does not, consider it appropriate to take enforcement action;
 - 8.3.4. providing a means of achieving due process and ensuring that parties directly involved in the case are treated fairly; and
 - 8.3.5. dissuading others from failure to comply.
- 8.4. Therefore, the NSTA considers it appropriate to publish the Sanction Notice.

Jane de Lozey
Director of Regulation
North Sea Transition Authority

Annex A

9. CNR's representations in respect of the SWN and the NSTA's response to those representations are set out in sections A-D below.

A. When CNR became aware it was likely to exceed the Consent

CNR's representations in respect of the SWN

- 9.1. CNR stated that, contrary to the wording in the SWN (which was informed by information provided to the NSTA by CNR in response to the statutory Information Notice), it did not know 16 days before the Consent was breached that it was approaching the Consent limit. It said active monitoring was taking place on a daily basis from **18 November 2024**, but it had no grounds to believe it was approaching its consent limit until **22 November 2024** at the earliest, at which point, it still thought there was enough volume remaining on the Consent, but took the precaution of starting to prepare an application to request additional venting volume to cover the possibility it could exceed the Consent if circumstances changed and unplanned venting took place.
- 9.2. CNR said that, in its experience, the NSTA required a robust case from an operator to request an increase to a vent consent and that, even if it had requested an increase on **22 November 2024**, it believed the NSTA would challenge that, on the grounds that CNR could not demonstrate at that time that it was likely to breach the Consent. CNR thought it was doubtful that it could have obtained an increase to the Consent in advance of the breach on **26 November 2024**.
- 9.3. CNR said it was only on **25 November 2024** that it became aware that it was approaching the Consent limit, following potential excessive venting on NSP over the preceding weekend. The Consent was then breached in the early hours of **26 November 2024** following an unplanned event.

NSTA's response

- 9.4. The NSTA has considered CNR's **16 July 2026** response to the SWN against statements made in response to the original Information Notice and compared them for consistency. We have also taken into account published guidance in relation to the expectations the NSTA set regarding industry engagement on flaring and venting consent revisions. Our rationale is set out further below.
- 9.5. The SWN was informed by information provided by CNR in its **11 April 2025** response to the statutory Information Notice, which stated an outage in the period **6 to 10 November 2024** released 26.5T of vent and that "*as a result of this*" CNR decided to apply for an increase in the Consent. Therefore, the SWN stated CNR had had 16 days to contact the NSTA to request a revised vent consent before the breach occurred on **26 November 2024**.

- 9.6. The NSTA notes that CNR has said in its representations of **16 July 2026** that it had no grounds to believe it was approaching its consent limit until **22 November 2024** at the earliest, but also that it was only on **25 November 2024** that it became aware that it was approaching the Consent limit. CNR has also said it introduced daily monitoring from **18 November 2024**, even though it did not at the time have any concerns about reaching the Consent limit.
- 9.7. The NSTA notes that the NSTA Flaring and Venting Guidance (“**the Guidance**”) states:
- “Operators must inform the OGA as soon as it becomes clear that there is a risk of flaring or venting consent breach; this includes notifying the OGA of new risks of, or unexpected increases in, flaring or venting. Requests for consent variations must be submitted in sufficient time for the OGA to consider the relevant details and respond accordingly. Failure to notify the OGA in good time of a likely breach of consent may be taken as evidence of poor management of emissions and the OGA may deny requests for consent variations and/or pursue sanction action”*
- 9.8. Taking both responses from CNR into account, it is not clear exactly when it realised it was approaching the Consent limit. However, regardless of whether it became aware on **10 November 2024**, or **22 November 2024**, the Guidance is clear that the NSTA should be contacted “*as soon as it becomes clear that there is a risk of flaring or venting consent breach*”, including “*notifying the OGA of new risks of, or unexpected increases in, flaring or venting*” which CNR did not do.
- 9.9. CNR has stated that it believes even if it had applied for the Consent to be revised on **22 November 2024**, that would have been challenged by the NSTA; however, CNR cannot have known what the NSTA response would be, and that is the reason why early engagement is required, to allow the NSTA to consider the request and respond accordingly.
- 9.10. A change has been made from the wording in the SWN to remove the reference in the Sanction section to 16 days; however, the NSTA is still of the view that CNR ought to have contacted the NSTA to engage at an earlier point, before the risk of breach was inevitable.

B. The actions taken by CNR

CNR’s representations in respect of the SWN

- 9.11. CNR reiterated that it had taken prompt action on **26 November 2024** to inform the NSTA about the breach.
- 9.12. CNR outlined the learning it had taken on board since the 2023 Exceedances, namely:
- 9.12.1. The year-long surveillance programme mentioned in 3.4.1,

- 9.12.2. The appointment of a single focal point with oversight for venting across the Ninian Assets,
- 9.12.3. A review of current monitoring practices, including details of the unlit hours of the flare to be included in daily reports for NCP and NSP.
- 9.13. Since 2024, CNR had taken the following steps to strengthen its internal processes:
 - 9.13.1. More frequent and analytical review of venting events to more accurately assess future venting requirements,
 - 9.13.2. More rigorous measures put in place to monitor NSP venting and consolidate that with NCP venting data,
 - 9.13.3. Management support for operations team to take decisive action where there is a risk of a breach.
- 9.14. CNR believed the 2024 breach was caused by unforeseeable events, which could be differentiated from the factors that led to the 2023 Exceedances. CNR said the lessons learned from 2023 could not have prevented the 2024 breach due to the different underlying circumstances.

NSTA's response

- 9.15. The NSTA notes that CNR alerted the NSTA promptly to the breach, and the steps CNR has taken following both the 2023 Exceedances and the exceedance in 2024. These actions are taken into account in the mitigating circumstances listed at paragraph 7.12. The NSTA, however, maintains its position that, following the 2023 Exceedances, CNR should have known to contact the NSTA as soon as they were aware there was a risk the Consent could be breached and, in accordance with the Guidance, notify the NSTA of any “*new risks of, or unexpected increases in, flaring or venting*” which would have included the unexpected events in October and early November which occurred in the run up to the Consent breach.

C. Venting measurement and reconciliation

CNR's representations in respect of the SWN

- 9.16. CNR stated its view that the process for accurately measuring venting data and tracking it against a consent is complex and difficult for all operators, but in this instance particularly for them due to four possible flare stacks being used across Ninian and difficulties in relighting the flare in winter weather conditions.
- 9.17. CNR has no real-time data for venting and has to use retrospective figures to calculate inexact daily venting numbers and to highlight trends. Biweekly and weekly reporting might then provide more accurate figures but a final reconciliation exercise showing

actual venting numbers does not happen until the end of the month. CNR also said that there can be errors in the flare metres which require mismeasurements to be applied. Whether the flare is lit or not then needs to be overlaid on the correct numbers. CNR said, therefore, that there was a potential to over or under report until the final verification is carried out and that non-routine events can also impact the accuracy of the data.

- 9.18. CNR said there is little margin for error if a daily venting figure turns out to be significantly lower than the final corrected figure, especially when consent limits are tight. It said there was a time lag between when venting occurred and any operator knowing the actual venting tonnage.

NSTA's response

- 9.19. It is the NSTA's position that, if an operator knows that there can be problems with reconciliation and measurement inaccuracies then these should be reflected in the contingencies that form part of their request when applying for a consent, so that the NSTA can take them into account. The NSTA expects an operator to have considered all circumstances when seeking consent.
- 9.20. The NSTA also considers that, if an operator thinks that there are potential issues in having accurate venting figures, then early engagement with the NSTA is even more important to ensure that a consent is not breached.

D. Contingencies and unforeseeable events

CNR's representations in respect of the SWN

- 9.21. CNR said that unplanned incidents occurring later in the consent year have a more dramatic effect on the consent than if they occur earlier in the year, making an exceedance more likely. CNR noted it had experienced a series of unplanned events in 2024 which resulted in higher than anticipated venting, the most significant of which were:

9.21.1. **October 2024** – issues encountered with wind speed and direction

9.21.2. **Early November 2024** – six day production outage due to third-party equipment failure; and

9.21.3. **26 November 2024** – NCP flare was extinguished due to adverse weather conditions

- 9.22. CNR said that the number of significant venting events was unpredictable and not something that was reasonably foreseeable when it submitted its application for the Consent, or which could be factored in to any application for additional allowance.

- 9.23. CNR stated its view that the NSTA only accepts contingencies if they are justified and foreseeable and does not generally support consents with headroom for unplanned events. In CNR's view that makes a breach more likely if there are unexpected incidents.
- 9.24. CNR referred to its 2025 vent consent application to the NSTA which was originally submitted in **September 2024**, before the Breach. Following the Breach, and the subsequent short-term consent that was issued for the remainder of 2024, in late 2024 CNR requested an increase to the 2025 consent limit but was advised by the NSTA at that time to wait until later in 2025. CNR contacted the NSTA in **December 2025** to request an increase to their 2025 vent consent as it was concerned it could breach the consent. The NSTA granted an increase to the vent consent limit and subsequently also granted a further increase to give more contingency following an unforeseen single event which had led to significant venting and led to another request from CNR for further contingency.
- 9.25. CNR said, in its experience, the NSTA did not normally grant an increase to a vent consent if there was still capacity in an existing consent, and that requesting contingency could be challenging.

NSTA's response

- 9.26. The NSTA notes CNR's assertion that the NSTA does not generally support consents with headroom for unplanned events; however, the NSTA may agree to a contingency for unplanned events, where an adequate justification is given for these and it is appropriate in the circumstances. An assumption made by CNR on the outcome of a process should not have precluded CNR from engaging with the NSTA on the issue at the earliest opportunity.
- 9.27. The NSTA considers that the description provided of CNR's actions in 2025 represent a good demonstration of the actions we would expect an operator to take when running close to a consent limit. CNR requested an increase as it was concerned that it was close to the consent limit, the NSTA granted an increase. CNR then requested a further increase following a significant unforeseen event, which, again, the NSTA granted. Those actions demonstrate that the NSTA does offer revisions to allow for contingencies late in the year and that early engagement with the NSTA can help ensure that breaches of vent consents do not occur.

E. Level of proposed fine

CNR's representations in respect of the SWN

9.28.CNR believe that, for the reasons given in its representations in respect of the SWN, the proposed fine of **£300,000** is disproportionate and excessive.

NSTA's response

9.29.The NSTA will always consider, and has so considered in this case, the specific circumstances of each individual case when deciding whether to give a sanction and, if so, the type and level of sanction in line with its relevant guidance. The NSTA has considered all of the points made by CNR in both its letter of **11 April 2025** and its letter of **16 July 2026**. In view of the facts of this case, in particular that the Breach occurred the year after the 2023 Exceedances, as outlined in paragraph 7.13 above, and the NSTA's consideration of factors in its Financial Penalty Guidance, the NSTA remains of the view that a financial penalty of **£300,000** is not excessive and is a proportionate sanction in this matter.