



**Oil & Gas
Authority**

Oil & Gas Authority
21 Bloomsbury St
London WC1B 3HF
E: [ogauthority.co.uk](mailto:ogauthority@ogauthority.co.uk)
www.ogauthority.co.uk

15 November 2016

IGAS Energy PLC
7 Down Street
London
W1J 7AJ

Dear

LICENCES PEDL147

Thank you for your letter of 26 September 2016 in which you requested the creation of a Retention Area on PEDL147.

The Secretary of State approves your proposed Retention Area:

PEDL147 RA1

- The geographic area of the Retention Area is the entire licenced area of PEDL147
- The expiry date of the Retention Area is 30 June 2021.
- The Retention Area Work Plan is to acquire new 3D seismic data by 30 June 2020 and drill a well by 30 June 2021.
- The Approval date for the Retention Area is 15 November 2016.

Yours sincerely

Sr Geoscientist
Cc:



Incorporating

DART ENERGY

26th September 2016

– Senior Geoscientist
The Oil & Gas Authority
21 Bloomsbury Street
London
WC18 3HF

Dear

Re – PEDL 147 – Definition of Retention Area and Associated Work Programme

I am writing on behalf of GP Energy Limited as licence administrator and Operator of PEDL 147. The licence group comprises

GP Energy Limited	25.00 %
ENGIE E&P UK Limited	25.00 %
INEOS Upstream Limited	50.00 %

This licence was recently converted to 14th Round Model Clauses by way of a Deed of Variation but no Retention Area or Work Programme was defined at the time.

The licence group would like to request that a Retention Area be defined and the licence group sets out below the Work Programme that it intends to carry out and the associated timescales :

Geographical Location	The whole of the licence area
Proposed Expiry Date	June 2021
Proposed Work programme	By
3D Seismic Acquisition	June 2020
Drilling of Exploration Well	June 2021

The timing of the drilling of the exploration well will be dependent on obtaining the necessary MPA Planning Permissions and Environment Agency Permits.

For the avoidance of doubt, the partnership have agreed that the seismic and exploration well will be dependent on the results of PEDL 189 and PEDL 190 and timing is linked to a basinal approach being adopted.

IGas Energy PLC, 7 Down Street, London, W1J 7AJ Tel: 020 7993 9901 www.igasplc.com
Registered in England and Wales with Company No 04981279

IGas Energy Group Comprises

IGas Energy PLC	Star Energy Group Ltd	IGas Energy (Caithness) Ltd	Island Gas Operations Ltd	Island Gas Ltd
IGas Exploration Ltd	Star Energy Ltd	Star Energy Wold Basin Ltd	Island Gas (Singleton) Ltd	Dart Energy Ltd and subsidiaries

Registered Office: 7 Down Street, London, W1J 7AJ



I trust this information is satisfactory to enable you respond to this request.

Yours Sincerely

For and on behalf of GP Energy Limited

Petroleum Act 1998

DEED OF VARIATION

**THE SECRETARY OF STATE FOR
ENERGY AND CLIMATE CHANGE**

and

ENGIE E&P UK LIMITED

GP ENERGY LIMITED

INEOS UPSTREAM LIMITED

Execution page

In witness of which the variation to the Licence on this and the preceding pages is **EXECUTED AS A DEED**, and delivered on the date of this Deed of Variation, as follows:—

**By THE SECRETARY OF STATE
FOR ENERGY AND CLIMATE CHANGE**

whose Corporate Seal hereunto affixed is aut

Simon Joel.....(full name) signature)

an official in the Oil and Gas Authority, authorised by the Secretary of State.



By Engie E&P UK Limited signed¹ on its behalf by:

Ruud Zoon.....(full name) ..(signature), (Director)

Katherine Am.....(full name) ... (signature), (~~Director~~/Secretary/Witness)²

By GP Energy Limited signed¹ on its behalf by:

JOHN BLAYMIRE.....(full name).....), (Director)

.....(full name)..... (signature), (~~Director~~/Secretary/Witness)²

By Ineos Upstream Limited signed¹ on its behalf by:

ANNE BOWDEN.....(full name): (signature), (Director)

(full name) (signature), (Director/Secretary/Witness)

¹ If two officers of a company sign on its behalf, they may be either two directors or a director and the company secretary. If only one officer so signs, that person must be a director of the company and must sign in the presence of a witness.

² Delete as appropriate.

This Deed of Variation dated the 28th day of JUNE 2016 is made between the Secretary of State for Energy and Climate Change (referred to as "the Minister"), on behalf of Her Majesty, of the one part, and the companies listed in Appendix 1 (together referred to as the "Licensee") of the other part, supplemental to the licence described in Appendix 2 (referred to as "the Licence").

INTRODUCTION:

- 1) Those persons making up the Licensee are together the current holder of the Licence;
- 2) The Minister has agreed with the Licensee that the Licence should be varied as follows.

THIS DEED WITNESSES THAT:

The Licence shall be construed and have effect as if—

- a) Subject to paragraphs b) and c) below, the clauses incorporated as Part 1 of the Licence, save for clause 2, were clause 1 and clauses 3 to 44 of the model clauses for petroleum exploration and development licences set out at Schedule 2 to the Petroleum Licensing (Exploration and Production) (Landward Areas) Regulations 2014 (2014 No. 1686) (referred to as "the 2014 Model Clauses");
- b) The following paragraph is inserted into clause 19 of the Licence after paragraph (1):
 - “(1A) The Licensee may also-
 - (a) define one or more geographical locations, within which the Relevant Works take place, which are to be "Development Areas";
 - (b) if production has not yet started, state the latest date by which the Licensee will get petroleum within each Development Area; and
 - (c) where the Licensee intends to carry out source-rock production, include a Development Area Plan in respect of each Development Area, setting out the activities that the Licensee intends to carry out in the Development Area in order to get Petroleum and the timescales over which those activities are to be carried out.
 - (1B) Any matters carried out under paragraph (1A) above shall be treated, for the purposes of the remainder of this Licence, including paragraphs (2) – (7) of this clause, as if they were carried out under their equivalent provision in paragraph (1).”
- c) No matters carried out under paragraph b) more than 6 months after the date of execution of this Deed will have any effect.
- d) Schedule 2 to the Licence was replaced by the Schedule set out in Appendix 3 hereto;
- e) Schedule 1 continues to apply to the clauses as amended, subject to any surrenders of acreage that the Licensee may have performed pursuant to Clause 7 before the date of this deed;
- f) Schedules 3 and 4 continue to apply to the clauses as amended;
- g) Appendix 4 hereto was appended to the Licence as Schedule 5; and

- h) any approval or consent granted, any notice served, or any act performed, pursuant to the Licence shall be treated as though it had been granted, served or performed under the 2014 Model Clauses as incorporated herein.

APPENDIX 1

Licensee

Name	Registered Number	Address
Engie E&P UK Limited	03386464	40 Holborn Viaduct, London, EC1N 2PB
GP Energy Limited	07240286	One, London Wall, London, EC2Y 5AB
Ineos Upstream Limited	09121775	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG

APPENDIX 2

Description of the Licence

The Licence to search and bore for and get petroleum in Blocks SJ36 made the first day of April 2005 between the Secretary of State for Trade and Industry, on behalf of Her Majesty, of the one part and the companies listed below of the other part as the initial licensee.

Name	Registered number
Greenpark Energy Limited	4557422

APPENDIX 3**Schedule 2 to the Licence****CLAUSE 12****Consideration for Licence**

- Periodic minimum payments
- (1) On the date on which the Initial Term begins ("the said date") or upon the grant of this Licence, whichever is the later, and on subsequent anniversaries of the said date during the term of the Licence, the Licensee shall pay the Minister sums (in this Schedule referred to as "periodic payments") calculated as follows:
- | | | |
|-----|--|--------|
| (a) | on the said date, £25 multiplied by the area factor; | |
| (b) | on the 1st anniversary of the said date, £25 multiplied by the area factor; | |
| (c) | " 2nd | £25 |
| (d) | " 3rd | £25 |
| (e) | " 4th | £25 |
| (f) | " 5th | £25 |
| (g) | " 6th | £50 |
| (h) | " 7th | £100 |
| (i) | " 8th | £150 |
| (j) | " 9th | £200 |
| (k) | " 10th | £250 |
| (l) | " 11th | £300 |
| (m) | " 12th | £400 |
| (n) | " 13th | £500 |
| (o) | " 14th | £600 |
| (p) | " 15th | £700 |
| (q) | " 16th | £800 |
| (r) | " 17th | £900 |
| (s) | " 18th | £1,000 |
| (t) | " 19th | £1,100 |
| (u) | on the 20th and every subsequent anniversary of the said date, £1,200 multiplied by the area factor. | |
- (2) During the Licence's Production Period, for that part of the Licensed Area that is comprised either within a Retention Area or a Development Area at the date when an Annual Rental falls due, the Annual Rental shall be calculated at a rate either (a) of £100 or (b) the rate specified at paragraph (1) above, whichever is the lower; multiplied by the area factor.
- (3) The periodic payments specified falling due after the sixth anniversary shall be subject to variation in accordance with the following provisions:
- (a) subject to sub-paragraph (d) below, the periodic payments shall be increased or reduced at two-yearly intervals in line with movements in the Index of the Price of Crude Oil acquired by Refineries (published in the Digest of UK Energy Statistics) if the Minister so determines. The Minister shall give notice of any such determination ("biennial determination") not less than one month preceding the date on which such payment falls due, and shall specify in the notice the increase or reduction in the amount payable. Movements in the Index shall be calculated by reference to a comparison between the arithmetic mean of the Index levels for the two latest calendar years for which figures are available at the time when the determination is made, and the arithmetic mean of the Index levels for 2001 and 2002. In the event that the Index of the Price of Crude Oil acquired by Refineries ceases to be published, the Minister may substitute arrangements for redetermination of periodic payments having substantially similar effect to those set out above based on such other comparable Index as he may determine;
- (b) The increase or reduction specified in a biennial determination shall be payable or take effect on the anniversary of the date of commencement of this Licence next following the date of the relevant determination.

- (c) No biennial determination shall have effect so as to reduce the periodic payments below the levels set out in sub-paragraph (1) above.
 - (d) The Minister shall not make a biennial determination increasing or reducing the amounts payable where that increase or reduction would be 5% or less of the levels set following the previous biennial determination.
- (4) In this Schedule "the area factor" means the number of square kilometres comprised in the Licensed Area at the date upon which the periodic payment in question becomes due.

APPENDIX 4

Schedule 5 to the Licence

Timing provisions

The **Start Date** is First October 2004.

The **Initial Term** is the period of seven years beginning with the Start Date.

The **Second Term** is the period of six years beginning with the day after the Initial Term ends.

The **Production Period** is the period of eighteen years beginning with the day after the Second Term ends.