

Oil & Gas Authority 21 Bloomsbury Street London WC1B 3HF

17th January 2017

Dear

PEDL137 and PEDL246 - Retention Area Work Programmes

Further to our recent meeting, please find below the discussed Retention Area (RA) work programmes for your written consent.

The programme below represents a phased appraisal programme for both the Horse Hill Portland and the Kimmeridge limestone discoveries, and reflects the planning application submitted to Surrey County Council (SCC) in October 2016.

Please note that the proposed timings utilise the anniversary date of each licence.

PEDL137 RA (licence anniversary 30th September):

- 1. By end 2016, submit appraisal Planning Application to SCC COMPLETED
- 2. By 30 September 2017, commence extended flow testing of the Horse Hill -1 (HH-1) well.
- 3. By 30 September 2018, drill a Portland appraisal well (HH-2).
- 4. By 30 September 2019, drill a HH-1 Kimmeridge appraisal sidetrack (HH-1z).
- 5. By 30 September 2021, acquire 40 km² of 3D seismic.

PEDL246 RA (licence anniversary 30th June):

- 1. By 30 June 2020, purchase 15 km of UKOGL 2D seismic and acquire 25 km of new 2D seismic.
- By 30 June 2021, acquire 10 km² of 3D seismic. This survey to form part of the larger PEDL137 3D survey as per item 5 above.
- 3. By 30 June 2021, drill a well to test the Kimmeridge limestones in the licence.

Yours Sincerely

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Stephen Sanderson Chairman

Please note that this letter contains commercially sensitive information relating to timing and commercial strategy ("Confidential Information"), which, if disclosed to the public, would adversely affect the legitimate economic interests of HHDL. The Confidential Information is provided in confidence for the purposes of the application and should be treated as confidential and should not be disclosed to any third party, placed on any register or published in any way without the consent of HHDL. In the event of a request under the Freedom of Information Act 2000 or any other relevant legislation, our views should be sought prior to any disclosure.