

| Oil and Gas Authority |
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| 21 Bloomsbury Street |
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24 January 2019

Dear

PEDL137 Retention Area ("RA") Work Programme

Due to a significant delay in the grant of necessary regulatory consents for the Horse Hill-1 ("HH-1") extended well test ("EWT"), the subject RA's timelines require minor amendment. The delay was beyond HHDL's immediate control.

The original RA programme required HHDL to commence the HH-1 EWT by 30 September 2017, subject to planning permission and other regulatory approvals. However, planning consent was not granted until 1 November 2017, with pre-commencement conditions finally waived by SCC in March 2018. The subsequent OGA consent timeline was therefore also pushed back, with consent finally granted for the HH-1 recompletion and EWT on 14 June 2018. HHDL commenced the HH-1 EWT as soon as practicable some 10 days later, on 25 June 2018.

Consequently, as the EWT is still ongoing, this has also had a knock-on effect to subsequent drilling at Horse Hill. The programme's original HH-2 drilling start date was 30 September 2018, following completion of the estimated six month duration EWT.

Given the above, HHDL hereby requests that OGA amend the RA programme as follows:

- Commence the HH-1 EWT by 30 September 2018
- Commence drilling of both HH-2 and HH-1z by 30 September 2019

The other timelines within the RA programme would remain unchanged.

Yours sincerely,

Stephen Sanderson Director