



Third Energy UK Gas Limited

www.third-energy.com

Oil & Gas Authority
4th Floor
21 Bloomsbury Street
London
WC1B 3HF

14th August 2017

Dear

Confirmation of Sufficient Contingency Funds for Proposed Activities

Thank you for your letter of 10th May 2017 and I am pleased to confirm that Third Energy UK Gas Limited has timely access to sufficient funding to enable it to remedy any obligations arising from a departure from the operation to hydraulically fracture the Kirby Misperton 8 well.

The funding is in the form of our insurance cover which is in place for activities that arise as a result of loss of control of the well, damage to third party property or injury to a third party including where that damage or injury is caused by seepage or pollution. This will cover all events that might arise from the operation to hydraulically fracture Kirby Misperton 8 well.

The policy covering loss of control of the well is up to a maximum of £10m and the policy for third party liability is for a maximum of £10m. The Board has given this level of cover due consideration and believes that this is more than sufficient given the nature of the operation, the safeguards in place and the level of risk.

The funding will flow from our energy package policy, the lead underwriter of which is Allianz. The policy is renewable annually and was renewed on 27th September 2016 for the policy year from 1st October 2016 to 30th September 2017. The underwriters were specifically informed of the operation to hydraulically fracture Kirby Misperton 8 well at the time of renewal.

We keep our insurers informed of the timing of all activities and, as a matter of course, will inform them when the operation to hydraulically fracture Kirby Misperton 8 well is to commence. The directors reasonably expect that, in the unlikely event that funding is required, it will be immediately available.

This letter is issued on behalf of the Board of Directors of Third Energy UK Gas Ltd that has authorised me to sign on behalf of the board. I trust this confirmation is sufficient to enable you to consent to the above operations but please let me know if you would like further details regarding our insurances.

Yours sincerely

John Dewar
Director
Third Energy UK Gas Limited