

**Petroleum Act 1998**

**DEED OF VARIATION**

**OIL AND GAS AUTHORITY**

**and**

**THIRD ENERGY UK GAS LIMITED**

This Deed of Variation dated the Twenty sixth day of November 2018 is made between the Oil and Gas Authority (referred to as the 'OGA'), of the one part, and the company listed in Appendix 1 (referred to as the 'Licensee') of the other part, supplemental to the licence described in Appendix 2 (referred to as the 'Licence').

**INTRODUCTION:**

- 1) On 8 April 1968 the Minister of Power granted the Licence listed in Appendix 2;
- 2) The Licence was amended, *inter alia*, by deed of variation dated 30 October 2013, deed of variation dated 14 December 2016 and deed of variation dated 15 December 2017;
- 3) The Licensee is the current holder of the Licence; and
- 4) The OGA 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 paragraph b) below, the clauses incorporated as Part A of the Licence were clauses 1 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) Clause 19 (*Development areas*) of the Licence is amended as follows:
    - "(1) At the same time as the Licensee submits to the Minister a development programme by virtue of paragraph (2) of clause 17 (or at any other time during the term of the Licence if the Licensee so chooses), he must also -
      - (a) define one or more geographical locations, within which the Relevant Works are to take place, which are to be "Development Areas";
      - (b) 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."
- c) Part D of the Licence was deleted;

- d) Schedule 1 (*Description of Licensed Area*) continues to apply to the clauses as amended, subject to any surrenders of acreage that the Licensee may have performed before the date of this Deed of Variation;
- e) Schedule 2 (*Consideration for Licence*) was replaced by the Schedule set out in Appendix 3 hereto;
- f) Schedule 3 (*Working Obligations*) continues to apply to the clauses but was renamed "*Work Programme*";
- g) A new Schedule 4 (*Licensees*) was inserted into the Licence as set out in Appendix 1 hereto;
- h) Part B of the Licence was deleted and a new Schedule 5 (*Timing Provisions*) was inserted into the Licence as set out in Appendix 4 hereto, including a five year extension to the Production Period; and
- i) 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.

## 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 OIL AND GAS AUTHORITY

signed on its behalf by:

RUSSEL RICHARDSON (full name)  
LONDON

... (full name)

(Director/Secretary/Witness)

Authoised Signature  
(signature), (Director)

signature)

21 BLOOMSBURY STREET  
WC1B 3HF

### By THIRD ENERGY UK GAS LIMITED

signed<sup>1</sup> on its behalf by:

RASIK VALANI (full name) ..

...(signature), (Director)

(full name) ...

(signature),

(Director/Secretary/Witness)<sup>2</sup>

Office Manager

Unit 3.04, 3<sup>rd</sup> Floor, 2 Queen Caroline Street  
London, W6 9DX

<sup>1</sup> 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 and such witness should then sign and complete their address and job titl.

<sup>2</sup> Delete as appropriate.

**APPENDIX 1**  
**SCHEDULE 4 TO THE LICENCE**

<b>Licensees</b>		
<b>Name</b>	<b>Registered Number</b>	<b>Address</b>
THIRD ENERGY UK GAS LIMITED	01421481	Knapton Power Station, East Knapton, Malton North Yorkshire YO17 8JF

**APPENDIX 2**

**Description of the Licence**

The Licence to search and bore for and get petroleum in the county of York made the eighth of April 1968 between the Minister of Power, on behalf of Her Majesty, of the one part and the companies listed below of the other part as the initial licensees.

<b>Name</b>	<b>Registered office was:</b>
BP Petroleum Development Limited	Britannic House, Moor Lane, London EC2
Home Oil of Canada Limited	37 Upper Grosvenor Street, London W1

**APPENDIX 3****SCHEDULE 2 TO THE LICENCE****Consideration for the Licence**

Periodic minimum payments (1) On the date on which the Initial Term begins or upon the grant of this Licence, whichever is the later ("the said date"), and on subsequent anniversaries of the said date during the term of the Licence, the Licensee shall pay the OGA 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 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 OGA so determines. The OGA 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 the two latest calendar years before the date of the commencement of this Licence. In the event that the Index of the Price of Crude Oil acquired by Refineries ceases to be published, the OGA may substitute arrangements for redetermination of periodic payments having substantially similar effect to those set out above based on such other comparable Index as it 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 the 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 paragraph (1) above.
- d) The OGA 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 13 January 1968

The **Initial Term** is the period of 6 years beginning with the Start Date

The **Second Term** is not applicable to this Licence

The **Production Period** is the period of 50 years beginning on the day after the Initial Term ends