

LICENCE

LICENCE NO. P.132

Petroleum (Production) Act 1934

Continental Shelf Act 1964

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY

and

SHELL U.K. LIMITED

ESSO PETROLEUM COMPANY LIMITED

LICENCE

to

Search and Bore for and get petroleum
in Block(s) No. 39/12 & 39/17,
49/9 & 49/14b

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6405

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THIS LICENCE made *Twenty eighth of February* 1972 between
the SECRETARY OF STATE FOR TRADE AND INDUSTRY (hereinafter referred
to as "the Secretary of State") for and on behalf of Her Majesty
the one part and SHELL U.K. LIMITED whose registered office is at
Shell Centre, London, S.E.1 and ESSO PETROLEUM COMPANY LIMITED
whose registered office is at Esso House, Victoria Street, London
S.W.1 (hereinafter referred to as "the Licensee") of the other part

WITNESSETH as follows:-

A. Clauses 1 and clauses 4 to 34 of the model clauses for
production licences in seaward areas set out in Schedule 4 to the
Petroleum (Production) Regulations 1966 (S.I. 1966 No. 898) as amended by
the Petroleum (Production) (Amendment) Regulations 1971 (S.I. 1971 No. 214)
shall be incorporated herein and shall have effect as if herein set out
at length.

B. Clause 3 of the said model clauses (the marginal note whereof is
"Term of Licence") shall be incorporated herein and shall have effect
as if herein set out at length, the date 31 December 1971 being inserted
therein as the date next after which the term of this licence shall
commence.

C. In consideration of the payments and royalties hereinafter
provided and the performance and observance by the Licensee of all
the terms and conditions hereof, the Secretary of State in exercise
of the powers conferred upon him by the Act of 1934 and the Act of
1964, hereby grants to the Licensee EXCLUSIVE LICENCE AND LIBERTY
during the continuance of this Licence and subject to the provisions

hereof to search and bore for, and get, petroleum in the sea bed and subsoil under the seaward area comprising an area of 536.6 square kilometres more particularly described in Schedule 1 hereto being the area comprising block(s) No. 39/12 & 39/17, 49/9 & 49/14b on the reference map deposited at the office of the Department of Trade and Industry, Thames House South, Millbank, London, S.W.1.

Provided that nothing in the Licence shall affect the right of the Secretary of State to grant a methane drainage licence in respect of the whole or any part of the licensed area or affect the exercise of any rights so granted.

Schedules

D. The Schedules referred to in the said model clauses namely clause 8 (the marginal note whereof is "Payment of consideration for Licence") and clause 12 (the marginal note whereof is "Working Obligations") are for the purposes of this Licence schedules 2 and 3 respectively hereunder written.

IN WITNESS whereof the Corporate Seal of the Secretary of State and the Common Seal(s) of the Licensee have been hereunto affixed the day and the year first above written.

SCHEDULE I

Description of Licensed area

First the sea area bounded by lines joining the following co-ordinates on European Datum:

- | | |
|--|--|
| (1) $55^{\circ} 40' 00''\text{N} : 3^{\circ} 12' 00''\text{E}$ | (2) $55^{\circ} 40' 00''\text{N} : 3^{\circ} 19' 49.4''\text{E}$ |
| (3) $55^{\circ} 21' 04.6''\text{N} : 3^{\circ} 12' 00''\text{E}$ | |

Secondly

- | | |
|--|--|
| (1) $53^{\circ} 50' 00''\text{N} : 2^{\circ} 36' 00''\text{E}$ | (2) $53^{\circ} 50' 00''\text{N} : 2^{\circ} 48' 00''\text{E}$ |
| (3) $53^{\circ} 34' 00''\text{N} : 2^{\circ} 48' 00''\text{E}$ | (4) $53^{\circ} 34' 00''\text{N} : 2^{\circ} 36' 00''\text{E}$ |

saved by the Licensee in the period from the grant of the Licence to the end of the half year in which it was granted and in each succeeding half year respectively without any deduction except as provided by the next sub-paragraph.

(2) The Licensee may deduct from the amount of royalty due in respect of the period from the grant of the Licence to the end of the half year in which it was granted and from the amount of royalty due in respect of each succeeding half year respectively -

- (a) If the period in respect of which that royalty is due is one in which a periodic payment was due and paid, one half of that periodic payment; or
- (b) if the period in respect of which that royalty is due is a half year next following a half year in which a periodic payment was due and paid, an amount equal to that periodic payment less any part thereof deducted from the amount of royalty due in respect of the period in which that periodic payment was due,

but if any periodic payment is greater than the amounts of royalty which would apart from this paragraph be payable in respect of the period in which the periodic payment is due and paid and in respect of the next following half year, no repayment to the licensee of the whole or any part thereof shall be made nor shall the same be taken into account in respect of the royalty due in respect of any other half year.

(3) The royalty shall be paid on the value of petroleum shown by the statement of value referred to in clause 11 (the marginal note whereof is "Value of petroleum") in respect of each half year, and in the event of a direction that paragraph (2) of that clause shall

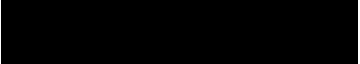
of a dispute as to the value of petroleum, the Licensee shall pay to the Secretary of State any additional sums due or the Secretary of State shall pay to the Licensee any amount overpaid as the case may require, within two months after the service of the notice containing that direction or after the award of the arbitrator or any prior settlement as to the value of the petroleum won and saved in the period in question, as the case may require, save that in the event of a provisional statement of value being prescribed the royalty shall be paid on the value of the petroleum shown by the provisional statement of value in respect of each half year and the Licensee shall pay to the Secretary of State any additional sums due or the Secretary of State shall pay to the Licensee any amount overpaid as the case may require within two months after the award of the arbitrator or any prior settlement as to the value of the petroleum won and saved in the period in question.

SCHEDULE 3

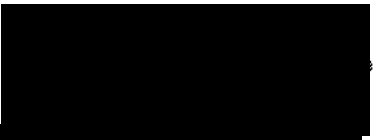
Working obligations

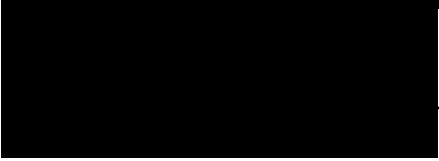
The Licensee shall during the term of this Licence carry out seismic survey work in the licensed area and drill therein one exploration well.

The Corporate Seal of the Secretary of State
for Trade and Industry hereunto affixed is
authenticated by


Assistant Secretary
Authorised by the Secretary of State

The Common Seal of Shell U.K. Limited was
hereunto affixed in the presence of


Director


Secretary

The Common Seal of Esso Petroleum Company
Limited was hereunto affixed in the presence
of


Director


Secretary