

LICENCE NO. P.251

Petroleum (Production) Act 1934

Continental Shelf Act 1964

THE SECRETARY OF STATE FOR ENERGY

and

HYDROCARBONS GREAT BRITAIN LIMITED

LICENCE

to

Search and bore for and get petroleum

in Blocks No. 110/3 and 110/8

THIS LICENCE made

6th July

1976 between

The SECRETARY OF STATE FOR ENERGY (hereinafter referred

to as "the Secretary of State") for and on behalf of Her Majesty

of the one part and HYDROCARBONS GREAT BRITAIN LIMITED whose

registered office is at 59 Bryanston Street, Marble Arch,

London, W1A 2AZ

(hereinafter referred to as "the Licensee") of the other part

WITNESSETH as follows:-

Incorporation
of clauses.

A. Clause 1 and clauses 4 to 40 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.814)
and by the Petroleum and Submarine Pipe-lines Act 1975 shall be
incorporated herein and shall have effect as if herein set out at
length with the modification that, in paragraphs (2) and (4) of clause
10, for the words "paragraph 3 (2) of Schedule 2" there shall be
substituted the words "paragraph 3 of Schedule 2."

Term of
Licence.

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 16 June 1976 being inserted
therein as the date next after which the term of this Licence shall
commence.

end date

16-6-2022

Right to search
and bore for
and get
petroleum.

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 488.6 square kilometres more particularly described in Schedule 1 hereto being the area comprising block(s) No. 110/3 and 110/8 on the reference map deposited at the office of the Department of Energy, 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 14 (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 of the Licensee have been hereunto affixed the day and the year first above written.

SCHEDULE 1

Description of Licensed Area

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

- (1) $54^{\circ} 00' 00''$ N : $3^{\circ} 36' 00''$ W (2) $54^{\circ} 00' 00''$ N : $3^{\circ} 24' 00''$ W
(3) $53^{\circ} 40' 00''$ N : $3^{\circ} 24' 00''$ W (4) $53^{\circ} 40' 00''$ N : $3^{\circ} 36' 00''$ W

SCHEDULE 2

Considerations for licence

Initial
payment

1. The Licensee shall pay to the Secretary of State upon the grant of the Licence the sum of £21,987

Periodic
minimum
payments

2. - (1) Upon the date specified in the notice referred to in clause 5 (the marginal note whereof is "Option to continue Licence as to part of the licensed area"), and on the anniversaries thereof during the term of the Licence as continuing pursuant to that clause the Licensee shall pay to the Secretary of State sums (in this Schedule referred to as "periodic payments") calculated as follows:-

(a) upon the said date £50 multiplied by the area factor

(b) upon the first anniversary of the said date £80 multiplied by the

area factor.

(c) " " second " " " " " £110 "

(d) " " third " " " " " £140 "

(e) " " fourth " " " " " £170 "

(f) " " fifth " " " " " £200 "

(g) " " sixth " " " " " £230 "

(h) " " seventh " " " " " £260 "

(i) " " eighth " " " " " £290 "

(j) " " ninth " " " " " £320 "

(k) " " tenth and every subsequent anniversary of the said date

£350 multiplied by the area factor.

(2) In this paragraph "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.

Deductions
from
royalties

3. 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.

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 at least three test wells provided that the Licensee shall not be obliged to drill more than two test wells if he satisfies the Secretary of State that the drilling of a third test well is not justified having regard to seismic, geologic and structural information available at the time.

The Corporate Seal of the Secretary of State)
for Energy hereunto affixed is)-
authenticated by)

Assistant Secretary
Authorised by the Secretary of State

The Common Seal of Hydrocarbons Great Britain)
Limited was hereunto affixed in the presence of)

Director

Secretary