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COPY

LICENCE NO. P.340

Petroleum (Production) Act 1934

Continental Shelf Act 1964

THE SECRETARY OF STATE FOR ENERGY

and

BP PETROLEUM DEVELOPMENT LIMITED

LICENCE

to

Search and bore for and get petroleum
in Block(s) No. 16/7b

THIS LICENCE made the 24th day of March 1981 BETWEEN THE SECRETARY OF STATE FOR ENERGY (hereinafter referred to as "the Minister") for and on behalf of Her Majesty of the one part and BP PETROLEUM DEVELOPMENT LIMITED whose registered office is situate at Britannic House Moor Lane London EC2Y 9BU (hereinafter referred to as "the Licensee") of the other part

WITNESSETH as follows:-

**Incorporation
of clauses.**

A. Clause 1 and clauses 4 to 41 of the model clauses for production licences in seaward areas set out in Schedule 5 to the Petroleum (Production) Regulations 1976 (S.I. 1976 No. 1129) as amended by the Petroleum (Production) (Amendment) Regulations 1978 (S.I. 1978 No. 929) and the Petroleum (Production) (Amendment) Regulations 1980 (S.I. 1980 No. 721) shall be incorporated herein and (subject to paragraph E hereof) shall have effect as if herein set out at length.

**Term of
Licence.**

B. Clause 3 of the said model clauses shall be incorporated herein and shall have effect as if herein set out at length, the date 16 December 1980 being inserted therein as the date next after which the term of this Licence shall commence.

**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 Minister, 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 55.6 square kilometres more particularly described in Schedule 1 to this Licence being the area comprising block(s) No. 16/7b on the reference map deposited at the principal office of the Department of Energy, Thames House South, Millbank, London SW1P 1QJ.

Provided that nothing in this Licence shall affect the right of the Minister 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 clause 9 and clause 14 are for the purposes of this Licence Schedules 2, 3 and 4 respectively hereunder written.

E. The licensed area being situate in a designated area or part of a designated area in respect of which an Order in Council has been made pursuant to Section 3(2) of the Act of 1964 making provision for the determination of questions in accordance with the law in force in Scotland, it is hereby declared that the second alternative version of clause 36 and of paragraphs (2A) and (3A) of clause 41 of the said model clauses are incorporated herein to the exclusion of the respective alternative versions of those provisions set out in the said model clauses..

IN WITNESS whereof the Corporate Seal of the Minister and the Seal(s) of the Licensees 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) $58^{\circ} 47' N : 01^{\circ} 21' E$ | (2) $58^{\circ} 47' N : 01^{\circ} 24' E$ |
| (3) $58^{\circ} 40' N : 01^{\circ} 24' E$ | (4) $58^{\circ} 40' N : 01^{\circ} 19' E$ |
| (5) $58^{\circ} 45' N : 01^{\circ} 19' E$ | (6) $58^{\circ} 45' N : 01^{\circ} 21' E$ |

SCHEDULE 2

Consideration for Licence

Initial
payment

1. The Licensee shall pay to the Minister upon the grant of the Licence the sum of £5,000,000

Periodic
minimum
payments

2. - (1) Upon the Licensee exercising the option conferred by clause 4 to continue the Licence then upon the date specified in the notice referred to in clause 4, and on the anniversaries thereof during the term of the Licence as continuing pursuant to that clause the Licensee shall pay the Minister sums (in this Schedule referred to as "periodic payments") calculated as follows:-

- (a) upon the said date £300 multiplied by the area factor
- (b) upon the 1st anniversary of the said date £600 multiplied by the area factor
- (c) " " 2nd " " " £900 " " "
- (d) " " 3rd " " " £1200 " " "
- (e) " " 4th " " " £1500 " " "
- (f) " " 5th " " " £1800 " " "
- (g) " " 6th " " " £2100 " " "
- (h) " " 7th " " " £2400 " " "
- (i) " " 8th " " " £2700 " " "
- (j) " " 9th " " " £3000 " " "
- (k) " " 10th " " " £3300 " " "
- (l) " " 11th " " " £3600 " " "
- (m) " " 12th " " " £3900 " " "
- (n) " " 13th " " " £4200 " " "
- (o) upon the 14th and every subsequent anniversary of the said date £4500 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.

SCHEDULE 3

The appropriate percentage

For the purposes of this Licence the appropriate percentage (as defined in clause 9(1)) means $12\frac{1}{2}$ per centum

SCHEDULE 4

INITIAL TERM WORKING OBLIGATIONS

The Licensee shall before the expiry of the initial term of the Licence carry out not less than 100 kilometres of seismic survey work in the licensed area and drill therein two exploration wells, provided that the Licensee shall not be obliged to drill more than one exploration well, if not later than the date of any notice given pursuant to clause 4(1) of the model clauses incorporated in the Licence, the Licensee shall have satisfied the Minister that the drilling of the second exploration well is not justifiable having regard to the seismic, geologic and structural information available at that time.

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

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)
)

Assistant Secretary
Authorised by the Secretary of State

The Common Seal of BP PETROLEUM
DEVELOPMENT LIMITED
was hereunto affixed in the
presence of

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)
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Director

Secretary