

COPY

(4)

LICENCE NO. P.359

Petroleum (Production) Act 1934

Continental Shelf Act 1964

THE SECRETARY OF STATE FOR ENERGY

and

SHELL U.K. LIMITED

ESSO PETROLEUM COMPANY, LIMITED

LICENCE

to

Search and bore for and get petroleum
in Block(s) No. 23/16b

THIS LICENCE made the 11th day of June 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 SHELL U.K. LIMITED whose registered office is situate at Shell-Mex House Strand London WC2 ODX and ESSO PETROLEUM COMPANY, LIMITED whose registered office is situate at Esso House Victoria Street London SW1 (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 118.2 square kilometres more particularly described in Schedule 1 to this Licence being the area comprising block(s) No. 23/16b on the reference map deposited at the principal office of the Department of Energy, Thames House South, Millbank, London SW1P 4QJ.

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 Licensee have been hereunto affixed the day and the year first above written.

SCHEDULE

Licence No P.359

Licensed Area from 4 November 1987

<u>Block No</u>	<u>Area</u> <u>Sq Km</u>	<u>Co-Ordinates</u>
23/16b	61.2	(1) 57° 30' N : 2° 02' E dividing line between the UK & Norwegian continental shelf that is (2) 57° 30' N : 2° 10' 14.08" E and thence along the dividing line to (3) 57° 26' N : 2° 12' 14.28" E (4) 57° 26' N : 2° 04' E (5) 57° 28' N : 2° 04' E (6) 57° 28' N : 2° 02' E

TOTAL 61.2

Agreed on behalf of Shell U.K. Limited

By:
a duly authorised officer

Dated: 1 Feb 1988

Agreed on behalf of Esso Exploration and Production UK Limited

By:
a duly authorised officer

Dated: 5/2/88

SCHEDULE

Licence No. P.359

Retained Area from 17 December 1986

<u>Block No</u>	<u>Area</u> <u>Sq. Km</u>	<u>Co-ordinates</u>
23/16b	60.2	57° 30' 00"N 2° 02' 00"E 57° 30' 00"N UK/Norway Median Line 57° 26' 00"N UK/Norway Median Line 57° 26' 00"N 2° 04' 00"E 57° 28' 00"N 2° 04' 00"E 57° 28' 00"N 2° 02' 00"E

TOTAL 60.2

Agreed on behalf of Shell U.K. Limited

By

a duly authorised officer

Dated 04 DEC 1986

Agreed on behalf of Esso Exploration and Production UK Limited

By

a duly authorised officer

Dated 04 DEC 1986

SCHEDULE 1

Description of Licensed Area

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

(1) $57^{\circ} 30' N : 02^{\circ} 00' E$

(3) $57^{\circ} 25' 49' N : 02^{\circ} 12' E$

(5) $57^{\circ} 22' N : 02^{\circ} 10' E$

(7) $57^{\circ} 24' N : 02^{\circ} 04' E$

(9) $57^{\circ} 26' N : 02^{\circ} 00' E$

(2) $57^{\circ} 30' N : 02^{\circ} 09' 56'' E$

(4) $57^{\circ} 22' N : 02^{\circ} 12' E$

(6) $57^{\circ} 24' N : 02^{\circ} 10' E$

(8) $57^{\circ} 26' N : 02^{\circ} 04' E$

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 drill one exploration well in the licensed area to test the Paleocene and the Jurassic.

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 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