

LICENCE NO. P. 559

Petroleum (Production) Act 1934

Continental Shelf Act 1964

THE SECRETARY OF STATE FOR ENERGY

and

MONSANTO p.l.c.

PETROLEX U.K. LIMITED

NORTH SEA AND GENERAL OIL OPERATIONS PLC

SWEDISH PETROLEUM LIMITED

O.K. EXPLORATION (U.K.) LIMITED

MURPHY PETROLEUM LIMITED

OCEAN EXPLORATION CO. LIMITED

LICENCE

to

Search and Bore for and get petroleum

in Block No. 204/25

THIS LICENCE made the 23rd day of September 1985
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
MONSANTO p.l.c. whose registered office is situate at Monsanto House,
Chineham Court, Chineham, Basingstoke, Hampshire, PETROLEX U.K.
LIMITED whose registered office is situate at 37 Maddox Street,
London W1R 9LD, NORTH SEA AND GENERAL OIL OPERATIONS PLC whose
registered office is situate at 51 Bishopsgate, London EC2P 2AA,
SWEDISH PETROLEUM LIMITED whose registered office is situate at
14 Waterloo Place, London SW1Y 4AR, O.K. EXPLORATION (U.K.) LIMITED
whose registered office is situate at Stone House, Bishopsgate,
London EC2M 4JQ, MURPHY PETROLEUM LIMITED whose registered office is
situate at Winston House, Dollis Park, London N3 1HZ and OCEAN
EXPLORATION CO. LIMITED whose registered office is situate at Winston
House, Dollis Park, London N3 1HZ (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 5 to The Petroleum
(Production) Regulations 1982 (S.I. 1982 No. 1000) 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 13
June 1985 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 205.6 square kilometres more particularly described in Schedule 1 to this Licence being the area comprising block No. 204/25 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 clauses namely clause 7, clause 8 and clause 13 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 35 and paragraphs (1) and (2A) and (3A) of clause 40 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 Seals of the Licensee have been affixed to this Licence (consisting of this and the preceding two pages) the day and year first above written.

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 MONSANTO p.l.c)
was hereunto affixed in the)
presence of:-)

..... Director

..... Secretary

The Common Seal of PETROLEX U.K.)
LIMITED was hereunto affixed in the)
presence of:-)

..... Director

..... Secretary

The Common Seal of NORTH SEA AND GENERAL)
OIL OPERATIONS PLC was hereunto affixed in)
the presence of:-)

..... Director
..... Secretary

The Common Seal of SWEDISH PETROLEUM)
LIMITED was hereunto affixed in the)
presence of:-)

..... Director
..... Secretary

The Common Seal of O.K. EXPLORATION (U.K.))
LIMITED was hereunto affixed in the)
presence of:-)

..... Director
..... Secretary

The Common Seal of MURPHY PETROLEUM LIMITED)
was hereunto affixed in the presence of:-)

..... Director
..... Secretary

The Common Seal of OCEAN EXPLORATION CO.,)
LIMITED was hereunto affixed in the)
presence of:-)

..... Director

..... Secretary

SCHEDULE 1

Description of Licensed Area

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

1. $60^{\circ} 20' 00''\text{N}$: $04^{\circ} 12' 00''\text{W}$
2. $60^{\circ} 20' 00''\text{N}$: $04^{\circ} 00' 00''\text{W}$
3. $60^{\circ} 10' 00''\text{N}$: $04^{\circ} 00' 00''\text{W}$
4. $60^{\circ} 10' 00''\text{N}$: $04^{\circ} 12' 00''\text{W}$

Consideration for Licence

Periodic 2. - (1) Upon the Licensee exercising the option conferred by clause 4 to
minimum continue the Licence then upon the date specified in the notice referred to
payments 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:-

(b) upon the 1st anniversary of the said date £800 multiplied by the

(c)	"	"	2nd	"	"	"	£1200	"	"
(d)	"	"	3rd	"	"	"	£1600	"	"
(e)	"	"	4th	"	"	"	£2000	"	"
(f)	"	"	5th	"	"	"	£2400	"	"
(g)	"	"	6th	"	"	"	£2800	"	"
(h)	"	"	7th	"	"	"	£3200	"	"
(i)	"	"	8th	"	"	"	£3600	"	"
(j)	"	"	9th	"	"	"	£4000	"	"
(k)	"	"	10th	"	"	"	£4400	"	"
(l)	"	"	11th	"	"	"	£4800	"	"
(m)	"	"	12th	"	"	"	£5200	"	"
(n)	"	"	13th	"	"	"	£5600	"	"

(o) upon the 14th and every subsequent anniversary of the said date £6000 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 8(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 500 kilometres of seismic survey work in the licensed area and drill therein one exploration well to a depth of not less than 9,000 feet or basement whichever is the lesser depth provided that if the Licensee shall not have drilled the well before the expiry of the initial term of the licence, the Licensee shall:

- (a) notify the Minister in writing of the reason or reasons why the well has not been drilled; and
- (b) notwithstanding the requirements of Clause 5 of the Model Clauses incorporated in the Licence, shall surrender forthwith.