

DEED OF AMENDMENT

relating to

LICENCE CS001

between

OIL AND GAS AUTHORITY

and

BP EXPLORATION OPERATING COMPANY LIMITED

CARBON SENTINEL LIMITED

EQUINOR NEW ENERGY LIMITED

This DEED OF AMENDMENT is made on: 29th December 2020

BETWEEN

- (1) **Oil and Gas Authority** (registered number 09666504) and whose registered address is 21 Bloomsbury Street, London, WC1B 3HF ("**the OGA**"); and
- (2) **BP Exploration Operating Company Limited** (registered number 00305943) and **Carbon Sentinel Limited** (registered number 08116471) and **Equinor New Energy Limited** (registered number 06824625) (together the "**Licensee**").

WHEREAS

- (A) Carbon Dioxide Appraisal and Storage Licence CS001 was granted on 6 November 2012 by the Secretary of State for Energy and Climate Change to National Grid Twenty Nine Limited (now named Carbon Sentinel Limited) ("**the Licence**");
- (B) The Licence was amended by letter from the Secretary of State for Energy and Climate Change dated 23 June 2014 and letter from the OGA dated 1 October 2020;
- (C) The OGA and the Licensee are the current parties to the Licence; and
- (D) The OGA has agreed with the Licensee that the Licence shall be varied as follows.

NOW THIS DEED WITNESSES THAT:

1. Interpretation

1.1 In this Deed –

"Effective Date" means 1 January 2021.

1.2 Any terms used in this Deed shall, where the context permits, have the same meanings as in the Licence.

1.3 Unless the context otherwise requires, words in the singular include the plural and vice versa; words in the masculine gender include the feminine and vice versa.

2. Amendments

2.1 With effect on and from the Effective Date:

- (a) in clause 1 of the Licence, after the definition of "the Minister" insert –
"OGA" means the Oil and Gas Authority';
- (b) in clause 2 of the Licence after paragraph (2) insert –
"(3) The OGA may, as it considers appropriate and after consulting with the Licensee, modify the terms and conditions of this licence."
- (c) in clause 26(3) of the Licence after sub-paragraph (e) insert –
"(f) where the Licensee (or, where the Licensee is more than one person, one of those persons) ceases to hold a Crown lease in respect of an area comprising at least the Licensed Area;"
- (d) in Schedule 1, Part 2 of the Licence replace "1 January 2021" with "1 January 2025";
- (e) in Schedule 5 of the Licence replace the Work Programme with the work programme set out in Appendix 1 hereto.

3. This Deed may be executed in any number of counterparts with the same effect as if the signatures on the counterparts were a single engrossment thereof PROVIDED THAT this Deed shall not be completed until each party has signed a counterpart.

IN WITNESS WHEREOF, these presents consisting of this and the preceding pages are EXECUTED AS A DEED as follows: -

Signed for and on behalf of the Oil and Gas Authority by:

_____ (signature) _____ (full name)
(~~Director/Secretary~~/other authorised person – delete as appropriate)

on 29/12/20 (date), at _____ (town),

and either:

_____ (signature) _____ (full name)
(Director/other authorised person – delete as appropriate)

on _____ (date), at _____ (town),

or in the presence of this witness:

_____ (signature) _____ (full name)

of _____
(address).

Signed* for and on behalf of BP Exploration Operating Company Limited by:

_____ (signature) _____ (full name),
(Director)

on _____ (date), at _____
(town)

and either:

_____ (signature) _____ (full name),
(Director / Secretary – delete as appropriate)

on _____ (date), at _____
(town)

or in the presence of this witness:

_____ (signature) _____ (full
name)

of _____
(address)

Signed* for and on behalf of Carbon Sentinel Limited by:

_____ (signature) _____ (full name),
(Director)

on _____ (date), at _____
(town)

and either:

_____ (signature) _____ (full name),
(Director / Secretary – delete as appropriate)

on _____ (date), at _____ (town),

or in the presence of this witness:

_____ (signature) _____ (full name)

of _____
(address).

Signed* for and on behalf of BP Exploration Operating Company Limited by:

_____ (signature) _____ (full name),
~~(Director)~~ *AUTOMATIC ATTORNEY*

on *21/12/2020* (date), at _____ (town)

and either:

_____ (signature) _____ (full name),
(Director / Secretary – delete as appropriate)

on _____ (date), at _____ (town)

or in the presence of this witness:

_____ (signature) _____ (full name)

of _____
(address)

Signed* for and on behalf of Carbon Sentinel Limited by:

_____ (signature) _____ (full name),
(Director)

on _____ (date), at _____ (town)

and either:

_____ (signature) _____ (full name),
(Director / Secretary – delete as appropriate)

on _____ (date), at _____ (town),

or in the presence of this witness:

_____ (signature) _____ (full name)

of _____
(address).

Signed* for and on behalf of BP Exploration Operating Company Limited by:

_____ (signature) _____ (full name),
(Director)

on _____ (date), at _____
(town)

and either:

_____ (signature) _____ (full name),
(Director / Secretary – delete as appropriate)

on _____ (date), at _____
(town)

or in the presence of this witness:

_____ (signature) _____ (full
name)

of _____
(address)

Signed* for and on behalf of Carbon Sentinel Limited by:

_____ (signature) _____ (full name),
(Director)

on 21/12/2020 (date), at _____
(town)

and either:

_____ (signature) _____ (full name),
(Director / Secretary – delete as appropriate)

on _____ (date), at _____
(town)

or in the presence of this witness:

_____ (signature) _____ (full
name)

of _____
(address)

Signed* for and on behalf of Equinor New Energy Limited by:

_____ (signature) _____ (full name),
(Director)

on _____ (date), at _____
(town)

and either:

_____ (signature) _____ (full name),
(Director / Secretary – delete as appropriate)

on _____ (date), at _____
(town)

or in the presence of this witness:

_____ (signature) _____ (full
name)

of _____
(address)

* This deed must be executed by two authorised signatories (as defined in section 44(3) Companies Act 2006). They may be either two directors or a director and the company secretary. If only one authorised signatory signs, that person must be a director of the company and a second signatory must witness the director's signature.

on _____ (date), at _____
(town)

or in the presence of this witness:

_____ (signature) _____ (full
name)

of _____
(address)

Signed* for and on behalf of Equinor New Energy Limited by:

_____ (signature) _____ (full name),
(Director) *J*

on *20 DEC 2020* (date), at _____
(town)

and either:

_____ (signature) _____ (full name),
(Director / Secretary – delete as appropriate)

on _____ (date), at _____
(town)

or in the presence of this witness:

_____ (signature) _____ (full
name)

of _____
(address)

* This deed must be executed by two authorised signatories (as defined in section 44(3) Companies Act 2006). They may be either two directors or a director and the company secretary. If only one authorised signatory signs, that person must be a director of the company and a second signatory must witness the director's signature.

**This is Appendix 1 to the foregoing Deed of Amendment between the OGA,
and BP Exploration Operating Company Limited, Carbon Sentinel Limited and
Equinor New Energy Limited**

Work Programme

Part A

By 1 January 2021, the Licensee shall drill one well to a depth of 1600 metres, or 50 metres into the Bunter Shale, whichever is the deeper.

Part B

1. Early Risk Assessment

1.1. The Licensee shall:

- (a) by the end of Q3 2021, submit a Risk Assessment Report in writing to the OGA; and
- (b) within one (1) month after submitting that report, convene a Risk Assessment Workshop at a mutually suitable date/time/venue with the OGA and relevant external technical experts as agreed with the OGA.

1.2. The Risk Assessment Report will include at a minimum:

- (a) an analysis of potential threats to containment;
- (b) uncertainties in defining the storage site and storage complex;
- (c) the need for further studies, data gathering and/or appraisal.

1.3. The aim of the Risk Assessment Workshop is to:

- (a) review the Licensee's progress on the Work Programme and other Licensee work in respect of the project;
- (b) identify any risks to a future operational storage site including, but not limited to, any threats to containment of carbon dioxide in the storage site and storage complex and the uncertainties in defining the Storage Site and Storage Complex;

- (c) inform the OGA of the Licensee's criteria for the assessment of the storage site and storage complex and the Licensee's acceptable level of certainty;
- (d) identify and agree with the OGA any further risk reduction measures to be taken; and
- (e) inform the requirements for a potential future carbon dioxide storage permit application including, but not limited to, the measurement, monitoring and verification (MMV) and corrective measures (CM) plans.

2. Engagement Schedule

By the end of Q3 2021, the Licensee shall have agreed with the OGA a schedule of regular meetings with the OGA, through to submission of a storage permit application.

3. Stakeholder Engagement Plan

By the end of Q3 2021, the Licensee shall demonstrate to the OGA's satisfaction its stakeholder engagement plan to demonstrate to the OGA that the Licensees will consult and, as applicable, has consulted with other interested parties that might be affected by the proposed appraisal activities and any subsequent development activities under any storage permit (if granted) and that such parties will not be compromised by the appraisal and storage development plans.

4. Project Governance and Organisation

By the end of Q3 2021, the Licensee shall demonstrate to the OGA's satisfaction that appropriate project governance and organisation is in place, including but not limited to:

- (a) A project governance and management structure that defines the decision makers, project owners, joint venture partners and regulators;
- (b) The capability and competence of key roles including project managers and project leadership;

- (c) Defined, documented and distributed project goals, roles and responsibilities, delegation of authority, and a management of change process; and
- (d) A defined organisational structure to support an integrated approach including subsurface, well operations, facilities, injection operations, logistics, supply chain, commercial and finance, and joint venture partners.

5. Baseline Seismic Data Acquisition Survey 3

By the end of Q3 2021, the Licensee shall inform the OGA of its decision whether to acquire a 3D seismic baseline survey for future 4D monitoring and undertake a peer review with the OGA of that decision.

6. Site Characterisation Review

By the end of Q4 2021, the Licensee shall submit to the OGA a Site Characterisation Review, which will include but not be limited to:

- (a) the Licensee's assessment as to whether its current database is sufficient and suitable to deliver subsurface characterisation of the proposed storage complex and surrounding area as set out in regulation 7 of the Regulations in a form and of a quality suitable for inclusion in an application for a carbon dioxide storage permit as set out in paragraph 4 of this Schedule, or if further data acquisition will be required; and
- (b) a demonstration by the Licensee of the integration of site-specific data, including but not limited to seismic data and other static and dynamic subsurface data, into an evaluation of the suitability of the Storage Site and Storage Complex for the storage of carbon dioxide.

7. End 'Assess' Phase Review

By the end of Q2 2022, the Licensees shall undertake an End 'Assess' Phase Review, which shall demonstrate to the OGA, among other things, (i) that the Storage Site and Storage Complex are fully assessed and characterised, and (ii) the carbon dioxide transportation and facilities 'concept' selected by the Licensee.

8. End Define Phase Review

By the end of Q4 2023, the Licensees shall provide to the OGA an 'End Define Phase Review' of the Licensee's draft application for a storage permit demonstrating that the storage site and storage complex is integrated into a feasible project concept; including but not limited to a review of the Storage Site and Complex Development Plan, including the carbon dioxide pipeline/transportation and injection facilities; containment risk assessment measures; MMV plan; corrective measures plan, and provisional closure and post-closure plan; and financial security.

9. Storage Permit application

By the end of Q1 2024, the Licensee shall make an application for a storage permit in accordance with clause 9 and the application requirements; provided such application shall be supported by:

- (a) carbon storage development plan and/or such other necessary documents and other information as required by the application requirements in a form capable of the grant of permission by the OGA (if so minded) without further clarification, amendment or submission; and
- (b) a letter from the board of directors of the Licensee confirming that funds have been committed to the development of the storage site;

provided that where the Licensee is two or more persons, the reference to the Licensee in paragraph (b) is a reference to each of those persons.

10. Application

10.1. In the event of failure to comply with any of the obligations set out above by the specified deadline, the OGA may, at any time after that specified deadline, by notice direct that the rights granted by the licence shall cease and determine.

10.2. Fulfilment of the obligations set out above is separate from and without prejudice to the requirements for the submission of an application for a Carbon Storage Permit in accordance with the application requirements at the relevant time.