

DEED OF AMENDMENT

relating to

LICENCE CS003

between

OIL AND GAS AUTHORITY

and

PALE BLUE DOT ENERGY (ACORN) LIMITED

This DEED OF AMENDMENT is made on: 17th November 2022

BETWEEN

- (1) **Oil and Gas Authority** (registered number 09666504) and whose registered address is Sanctuary Buildings, 20 Great Smith Street, London, England, SW1P 3BT (“**the OGA**”); and
- (2) **Pale Blue Dot Energy (Acorn) Limited** (registered number SC612627) and whose registered address is Johnstone House, 52-54 Rose Street, Aberdeen, United Kingdom, AB10 1HA (the “**Licensee**”).

WHEREAS

- (A) Carbon Dioxide Appraisal and Storage Licence CS003 was granted on 16 January 2019 by the Oil and Gas Authority to Pale Blue Dot Energy (Acorn) Limited (“**the Licence**”);
- (B) The OGA and the Licensee are the current parties to the Licence; and
- (C) 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 23 November 2022.

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 2, directly after “*to be carried on.*” Add new sub-clause (3):

“(3) The OGA may, as it considers appropriate and after consulting with the Licensee, modify the terms and conditions of this licence.”

- (b) in clause 3, delete from *“(1) The Licensed Area is: (a) the area the co-ordinates of which are set out in the Agreement for Lease, as amended from time to time; or (b) if a Crown lease is granted in accordance with the terms of the Agreement for Lease, the area, the volume or both, the co-ordinates of which are set out in that Crown lease as amended from time to time.”* and replace with:

*“(1) The Licensed Area is the area for the time being in which the Licensee may exercise the rights granted by this licence and is, subject to paragraph (2), the area and, where applicable, the volume the co-ordinates and details of which are set out in Schedule 2.
(2) Where a storage permit is granted under this licence, on the grant of the storage permit the Licensed Area shall be set out in clause 9.”*

- (c) in clause 9, delete *“(1) An application for a storage permit may be made, in accordance with the Regulations, in respect of a storage site within the Licensed Area. (2) If such a permit is granted: (a) it shall be annexed as Schedule 4 of this licence; and (b) subject to regulation 12, the conditions set out in Schedule 3 to this licence apply in respect of the storage site authorised under that storage permit.”* and replace with:

“(1) An application for a storage permit may be made, in accordance with the Regulations, in respect of a storage site situated in the Licensed Area (‘Storage Permit’).

(2) If a Storage Permit is granted:

(a) it shall be annexed as Schedule 4 to this licence;

(b) subject to regulation 12, the conditions set out in Schedule 3 to this licence shall apply in respect of the storage site authorised under that Storage Permit; and

(c) unless the OGA direct otherwise, with effect on and from the date of grant of the storage permit the Licensed Area shall be

reduced such that the Licensed Area shall be the area, volume or both as applicable of the storage site, details of which shall be set out in Schedule 4, and Schedule 2 shall be amended accordingly, and this licence shall cease and determine in respect of any area or volume that no longer forms part of the Licensed Area but without prejudice to any obligation or liability imposed upon the Licensee or incurred by them under the terms of this licence prior to that date.”

- (d) in clause 26, delete from “(1) The OGA may– (a) on the joint application of the Licensee and each proposed joint licence holder, include one or more persons as joint licence holders; (b) where the Licensee is a single person, on the joint application of the Licensee and each proposed transferee, transfer this licence to one or more persons; (c) where the Licensee is two or more persons, on the joint application of each of the joint licence holders and each proposed transferee, transfer this licence from one or more of the joint licence holders to one or more persons; and in any of these cases Schedule 1 shall be amended accordingly. (2) Where the Licensee is two or more persons and this licence is transferred in so far as it applies to one of those persons– (a) this licence continues to have effect in respect of any other person who constitutes, or persons who together constitute, the Licensee, including any person or persons to whom the licence has been transferred; and (b) If the OGA exercises the power in paragraph (1)(b) or (c), the authorisation granted to the person from the whom this licence is transferred ceases, but does not affect any obligation imposed upon, or liability incurred by, that person under the terms and conditions of this licence.” and replace with:

“The Licensee shall not, except with the consent in writing of the OGA and in accordance with the conditions (if any) of the consent, do anything whatsoever whereby, under the law (including the rules of equity) of any part of the European Union or of any other place, any right granted by this Licence or derived from a right so granted becomes exercisable by or for the benefit of or in accordance with the directions of another person.”

- (e) after clause 26 and before clause 27, insert the following:

“Change in control of Licensee

26A.— (1) *This clause applies if—*

- (a) the Licensee is a company, or*
- (b) where two or more persons are the Licensee, any of those persons is a company,*

and references in this clause to a company are to such a company.

(2) A change in control of a company is not permitted without the consent of the OGA.

(3) There is a “change in control” of a company if a person takes control of the company, not having previously been a person who controlled the company.

(4) If a change in control of a company is contemplated, the company must apply in writing to the OGA for consent at least three months before the date on which it is proposed that the change would occur (if consent were given).

(5) The OGA may—

- (a) consent to the change in control unconditionally,*
- (b) consent to the change in control subject to conditions, or*
- (c) refuse consent to the change in control.*

(6) If the OGA proposes to grant consent subject to any condition or to refuse consent, the OGA must, before making a final decision—

- (a) give the company an opportunity to make representations,*
and
- (b) consider any representations that are made.*

(7) The general rule is that the OGA must decide an application within three months of receiving it, but the OGA may delay its decision by notifying the interested parties in writing.

(8) Conditions as mentioned in paragraph (5)(b) may be imposed on the person taking control of the company (as well as on the company), and may include—

- (a) conditions relating to the arrangements for the change in control, including the date by which it must occur,*
- (b) conditions relating to the performance of activities permitted by this licence, and*
- (c) financial conditions.*

(9) The OGA's decision on the application, and any conditions as mentioned in paragraph (5)(b), must be notified in writing to the interested parties.

(10) In this clause "the interested parties" means—

- (a) the company,*
- (b) the person who (if consent were granted) would take control of the company, and*
- (c) if the company and another person or persons are the Licensee, that other person or those other persons.*

(11) For the purposes of this clause, "control" of a company is to be construed in accordance with sections 450(2) to (4) and 451(1) to (5) of the Corporation Tax Act 2010, modified as specified in clause 24(12).

(12) The modifications of sections 450(2) to (4) and 451(1) to (5) of the Corporation Tax Act 2010 referred to in paragraph (11) are—

- (a) for the words "the greater part" wherever they occur in section 450(3), there shall be substituted the words "one-third or more";*
- (b) in section 451(4) and (5), for the word "may", there shall be substituted the word "must"; and*
- (c) in section 451(4) and (5) any reference to an associate of a person shall be construed as including only—
a relative (as defined in section 448(2) of that Act) of the person;
a partner of the person; and*

a trustee of a settlement (as defined in section 620 of the Income Tax (Trading and Other Income) Act 2005) of which the person is a beneficiary.”

- (f) in clause 27(1), delete “, or the conditions specified in paragraph (4) are satisfied,”.
- (g) in clause 27(3), after “(e) in a jurisdiction other than Great Britain, the commencement of any procedure or the making of any arrangement or appointment substantially corresponding to any of those mentioned in sub-paragraph (b) to (d) of this paragraph;” insert new sub-paragraph (f):

“(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 at least the Licensed Area.”
- (h) in clause 27, delete sub-paragraphs (4), (5), (6) and (7).
- (i) in clause 28, delete “(b) the conditions specified in clause 27(4) are satisfied in relation to one of those persons.”
- (j) in Schedule 1, Part 2 of the Licence replace “22nd November 2022” with “22nd November 2026”;
- (k) in Schedule 2, delete “*The Option Agreement for rights relating to Carbon Dioxide storage site upon and under the bed of the sea at the Acorn Storage Site, for the proposed Acorn Hydrogen and CCS Project between Crown Estate Scotland (Interim Management) and Pale Blue Dot Energy (Acorn) Limited.*” and replace with the text set out at Appendix 2 of this Deed of Amendment.
- (l) in Schedule 3, clause 1(4) delete “*Termination*”.

3. Licence Obligations

3.1 With effect on and from the Effective Date, the Licensee shall before the expiry of the Initial Term carry out the obligations in accordance with the deadlines specified therein as set out in Appendix 1 of this Deed of Amendment.

4. 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 _____ (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 Pale Blue Dot Energy (Acorn) Limited by:

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

on _____ (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).

*Two persons must sign this document for each company. Where the law of Scotland applies (which will normally be where the licensed area lies within "the Scottish area" as defined by S.I. 1987/2197), one of the persons must be an authorised signatory, who may be a director of the company, the company secretary, or another person authorised to sign on the company's behalf. The second person may be either an authorised signatory, or another person who signs the document as a witness.

This is Appendix 1 to the foregoing Deed of Amendment between the OGA and Pale
Blue Dot Energy (Acorn) Limited

Licence Obligations

1. Early Risk Assessment for Acorn Central only: 30 April 2023

1.1 The Licensee shall:

- (a) by **30 April 2023**, 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; and
- (c) by **30 July 2023**, the Licensee shall demonstrate to the OGA's satisfaction that any further risk reduction measures agreed at the Risk Assessment workshop have been added to the Licensee's work scope.

2. Site Characterisation Review for Acorn Central only: 31 March 2024

2.1 By **31 March 2024**, 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 Appendix, 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.

3. Acorn Central Select Gate for Acorn Central: 30 June 2024

3.1 By **30 June 2024**, the Licensee shall confirm to the OGA the decision made at the APPRAISE to SELECT gate for the Acorn Central area and, if not progressing into SELECT, relinquish the Acorn Central area of the CS003 licence outwith the requirements for the Acorn South Storage site.

4. End 'Assess' Phase Review for Acorn South and Central: by 30 April 2023 and 31 March 2025 respectively

4.1 By **30 April 2023** for Acorn South, the Licensee shall undertake an **End 'Assess' Phase Review**, and shall submit to the OGA a report accompanying the End Assess Phase Review demonstrating, amongst other things:

- i. That the Storage Site and Storage Complex are fully assessed and characterised.
- ii. A preliminary, qualitative risk assessment.
- iii. An outline concept-select assessment of the carbon dioxide transportation and facilities 'concept' selected by the Licensee.
- iv. A preliminary Monitoring Plan.
- v. A corrective measures feasibility study.
- vi. A provisional post closure assessment study.
- vii. The activity plan and schedule for the Define/FEED phase.

**This is Appendix 1 to the foregoing Deed of Amendment between the OGA and Pale
Blue Dot Energy (Acorn) Limited (continued)**

4.2 By the **31 March 2025** for Acorn Central the Licensee shall undertake an **End 'Assess' Phase Review**, and shall submit to the OGA a report accompanying the End Assess Phase Review demonstrating, amongst other things:

- i. That the Storage Site and Storage Complex are fully assessed and characterised.
- ii. A preliminary, qualitative risk assessment.
- iii. An outline concept-select assessment of the carbon dioxide transportation and facilities 'concept' selected by the Licensee.
- iv. A preliminary Monitoring Plan.
- v. A corrective measures feasibility study.
- vi. A provisional post closure assessment study.
- vii. The activity plan and schedule for the Define/FEED phase.

5. End Define Phase Review for Acorn South by 31 December 2023 and for Acorn Central by 30 September 2025

5.1 By **31 December 2023**, the Licensee shall provide to the OGA an 'End Define Phase Review' for **Acorn South** 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:

- i. A review of the Storage Site and Complex Development Plan, including the site characterisation, carbon dioxide pipeline/transportation and injection facilities.
- ii. Containment risk assessment measures.
- iii. Monitoring plan.
- iv. Corrective measures ("CM") plan.
- v. Provisional post-closure plan.
- vi. Financial security.

5.2 By **30 September 2025**, the Licensee shall provide to the OGA an 'End Define Phase Review' for **Acorn Central** 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:

- i. A review of the Storage Site and Complex Development Plan, including the site characterisation, carbon dioxide pipeline/transportation and injection facilities.
- ii. Containment risk assessment measures.
- iii. Monitoring plan.
- iv. Corrective measures ("CM") plan.
- v. Provisional closure and post-closure plan.
- vi. Financial security.

**This is Appendix 1 to the foregoing Deed of Amendment between the OGA and Pale
Blue Dot Energy (Acorn) Limited (continued)**

6. Storage Permit application for Acorn South by 31 December 2024 and for Acorn Central by 31 July 2026.

6.1 By **31 December 2024**, the Licensee shall make an application for a storage permit for the Acorn South Storage Site 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 6.1.(b) is a reference to each of those persons.

6.2 By **31 July 2026**, the Licensee shall make an application for a storage permit for the Acorn Central Storage Site 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 6.2.(b) is a reference to each of those persons.

7. Application

7.1 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.

7.2 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.

8. Definitions

8.1 In this Appendix the following terms shall have the following meanings:

“application requirements” means the Regulations, the Act, and any other applicable legislation in force at the time of application and applicable *Carbon dioxide storage permit application* guidance published by the OGA;

“storage site” has the meaning given to it in regulation 1 of the Regulations;

“storage complex” has the meaning given to it in regulation 1 of the Regulations.

This is Appendix 2 to the foregoing Deed of Amendment between the OGA and Pale
Blue Dot Energy (Acorn) Limited

Licensed Area

A polygon, the boundary of which is defined by parallels of Latitude and Meridians joining the following points as defined on European Datum First Adjustment 1950 (ED50):

(1) 58 18' 02.33878680 ⁰ N	001 24' 23.95087200" W
(2) 58 08' 32.34582240 ⁰ N	001 04' 54.00735960" W
(3) 58 02' 32.34787800 ⁰ N	000 50' 24.04866480" W
(4) 58 02' 32.34560280 ⁰ N	000 47' 24.05335200" W
(5) 58 02' 32.32220280 ⁰ N	000 16' 24.10086000" W
(6) 57 56' 32.33491440 ⁰ N	000 15' 54.11883240" W
(7) 57 56' 32.34130080 ⁰ N	000 24' 24.10306560" W
(8) 57 59' 02.36487480 ⁰ N	001 05' 54.03276960" W
(9) 58 02' 32.36767080 ⁰ N	001 16' 24.00701160" W
(10) 58 10' 02.36052840 ⁰ N	001 28' 23.96793000" W
(11) 58 18' 02.34185760 ⁰ N	001 28' 23.94584760" W
(12) 58 18' 02.33878680 ⁰ N	001 24' 23.95087200" W

The lines joining coordinates (1) to (12) are navigated by loxodromes.

Signed for and on behalf of the Oil and Gas Authority

By 
Director / Secretary / other authorised person

*By _____
Director / other authorised person

