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R.N.O	116049
Att. Fees.	50.00
Reg Fee:	20.00
Stamp Duty	100.00
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	16-06-2017
	<i>[Signature]</i>

### PETROLEUM PRODUCTION LICENCE

**THIS DEED IS MADE** this 15<sup>th</sup> day of June 2017, between **Honourable Raphael G. C. Trotman, M.P.**, the Minister Responsible for Petroleum representing the Co-operative Government of the Republic of Guyana (hereinafter referred to as “the **Minister**”) of the one part;

-And-



**Esso Exploration and Production Guyana Limited**, a company incorporated in the Bahamas and registered in Guyana under section 259 of the Companies Act Chapter 89:01, with a registered office at 62 Hadfield And Cross Streets, Werk-en-Rust, Georgetown, Guyana (hereinafter referred to as “Esso”), **CNOOC Nexen Petroleum Guyana Limited**, a company incorporated in Barbados and registered in Guyana under section 259 of the Companies Act Chapter 89:01 with a registered office at 62 Hadfield And Cross Streets, Werk-en-Rust, Georgetown, Guyana (hereinafter referred to as “Nexen”), and **Hess Guyana Exploration Limited**, a company incorporated in Bermuda and registered in Guyana under section 259 of the Companies Act Chapter 89:01 with a registered office at 62 Hadfield And Cross Streets, Werk-en-Rust, Georgetown, Guyana (hereinafter referred to as “Hess”), all together hereinafter referred to as “the **Joint Venture Licensees**”) of the other part.

**WHEREAS** pursuant to the Petroleum (Exploration and Production) Act No. 3 of 1986 (hereinafter referred to as “the Act”) and the Regulations made thereunder, Esso representing the Joint Venture Licensees has applied to the Minister for the grant of a Petroleum Production Licence in respect of the block or blocks constituting the production area described and identified in the Schedule hereto and shown on the map in the said Schedule;

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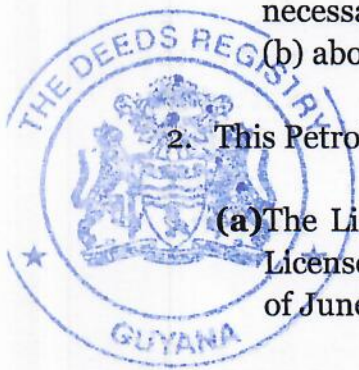
**NOW, THEREFORE** in exercise of the powers conferred upon the Minister by section 35(1) of the Act, I, the Honourable Raphael G. C. Trotman, M.P, Minister Responsible for Petroleum do hereby grant to the Joint Venture Licensees for a period of twenty (20) years next after the date hereof, this Petroleum Production Licence (hereinafter referred to as “the Licence”) in respect of the block or blocks constituting the production area described and identified and shown on the map in the Schedule hereto, conferring on the Joint Venture Licensees (hereinafter referred to as “the Licensee”), subject to the said Act and the Regulations, and conditions specified hereunder or to which the Licence is otherwise subject, including, but not limited to, the Development Plan submitted by Esso on behalf of the Licensees, as approved by the Minister and as may be amended from time to time with the approval of the Minister, and the Petroleum Agreement referred to herein and any subsequent amendments thereto made in proper form and with the approval of the Minister, exclusive rights –

- (a) to carry on prospecting and production operations in the production area;
- (b) to sell or otherwise dispose of petroleum recovered; and
- (c) to carry on such operations and execute such works in the production area as are necessary for, or in connection with, any matter referred to in paragraph (a) or (b) above.

2. This Petroleum Production Licence is granted subject to the following conditions: –

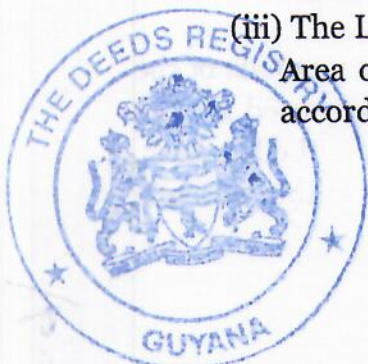
- (a) The Licensee shall give effect to the Petroleum Agreement entered into by the Licensees for a licence, such Petroleum Agreement being executed on the 27<sup>th</sup> day of June 2016 and effective as of the 7<sup>th</sup> day of October 2016.
- (b) Subject to the Petroleum Agreement, the Licensee shall supply petroleum or petroleum products to the extent specified by the Minister from time to time to meet the requirements of Guyana.
- (c) Subject to the Petroleum Agreement, the Licensees shall comply with such orders as may be made by the Minister from time to time with respect to the refining, disposal or sale of petroleum which may be recovered in the production area.

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- (d) The Licensee shall before commencing any production operations in the said production area furnish to the Minister the name and address of the Manager resident in the locality of the said area under whose supervision such operations are to be carried on. Any notice which the Minister or any person authorised by him is in conformity with this Licence required or entitled to serve upon the Licensee shall be sufficiently served if the same shall be delivered or sent by post to such Manager at such address.
- (e) The Licensee shall not remove petroleum from the area from which it has been obtained to any other area, or dispose of in any manner without the written consent of the Minister.
- (f) Any obligations which are to be observed and performed by the Licensee shall be joint and several obligations.
- (g) Subject to the Petroleum Agreement, the Licensee shall comply with such orders as may be made by the Minister from time to time with respect to the disposal or sale of petroleum won and saved from the licensed area.
- (h) The Minister hereby approves the Operator, Esso Exploration and Production Guyana Limited, which Operator may only be changed by the Licensee to another party not comprising the Licensee with the written consent of the Minister.
- (i) Work Commitments**
- (i) The Licensee shall adhere to the tenets of the plan for the development and operation of the licensed area and the approved Development Plan, which represents the Licensee's work commitments for the licensed area.
- (ii) The Development Plan including all its modifications, amendments, replacements, substitutions or conditions shall constitute an Attachment to this Licence and shall form part of the Licence.
- (iii) The Licensee shall not carry out any Development Plan either in the licensed Area or elsewhere, except with the consent in writing of the Minister or in accordance with the Development Plan which the Minister has approved.



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(iv) It shall be the duty of the Minister to expeditiously consider any Development Plan submitted to him and give notice in writing to the Licensee stating:

- (a) that the Minister approves the Development Plan; or
- (b) that the Minister approves the Development Plan subject to prescribed conditions; or
- (c) that the Minister rejects the Development Plan on one or both of the following grounds, namely—
  1. that the carrying out of any proposals included in the Development Plan may be contrary to good oilfield practice; and
  2. that any of the proposals included in the Development Plan are, in the opinion of the Minister, not in the national interest.

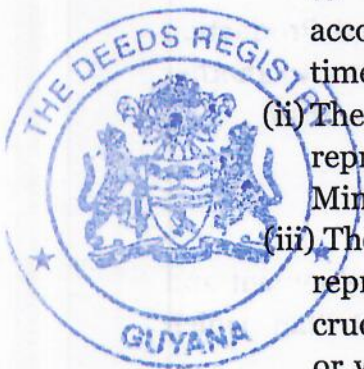
#### **(j) Measurements of Petroleum**

(i) The Licensee shall measure and weigh (the “measurements”) the volume, quality and composition of all petroleum won and saved from the area subject to the License using the measurement appliances and procedures in accordance with good oilfield practices, the Development Plan and as from time to time approved by the Minister.

(ii) The Minister maintains the right to attend the measurements or to have a representative attend on his behalf, and the Licensee shall provide to the Minister, reasonable notice of the conducting of such measurements.

(iii) The Minister maintains the right to be present, either in person, or through a representative(s) when an equipment or appliance for measuring or weighing crude oil or gas is being calibrated, re-calibrated, tested, compared, measured or weighed against a standard in accordance with good oilfield practices and as approved in writing by the Minister; and any such calibration shall be in accordance with accepted methods and procedures previously approved in writing by the Minister, and the Licensee shall provide to the Minister, reasonable and written notice thereof.

(iv) The Licensee shall not make any alteration in the method or methods of the measurements used by him or in any equipment or appliances used for the purpose without the prior consent in writing of the Minister, and the Minister may in any case require that no alteration shall be made save in the presence of a person authorised by him.



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- (v) The Minister may from time to time direct that any measuring or weighing appliance shall be tested or examined in such manner, upon such occasions or at such intervals and by such means as may be specified in the direction and the Licensee be responsible for the payment of such fees and expenses for tests and examinations as directed by the Minister.
- (vi) If any measuring or weighing appliance is, upon any such test or examination as mentioned in sub-paragraph (v) found to be false or unjust the appliance shall, if the Minister so determines after considering any representation in writing made by the Licensee, be deemed to have existed in that condition during a period that is represented by half of the period from the last occasion upon which the appliance was tested or examined pursuant to paragraph (v) to the date when the appliance was found to be false or unjust, and any royalty or other payment affected thereby payable under the License or Petroleum Agreement for that period shall be adjusted accordingly.
- (vii) The Minister reserves the right to conduct inspections and examinations of the measurement appliances and procedures, provided such inspections shall not unduly delay the operations of the Licensee.

### **(k) Natural Gas**

- (i) All facilities shall be planned and constructed so as to avoid any natural gas flaring or venting under normal operating conditions.
- (ii) The Licensee shall not flare or vent natural gas unless authorised in writing by the Minister under the following circumstances:
  - (a) during production testing operations;
  - (b) when necessary for the safety of operations in accordance with good oilfield practices;
  - (c) when re-injection is incompatible with best reservoir or petroleum engineering practice and the Minister is satisfied that there are no other means of utilising the natural gas; or
  - (d) it is required in order to comply with the Act, Regulations, or this Licence.
- (iii) In case of an emergency, the Licensee may undertake flaring or venting of natural gas without the prior approval of the Minister, but the Licensee shall ensure that flaring or venting is kept at the lowest possible level and shall submit to the Minister a technical report detailing the nature and circumstances that caused the emergency.



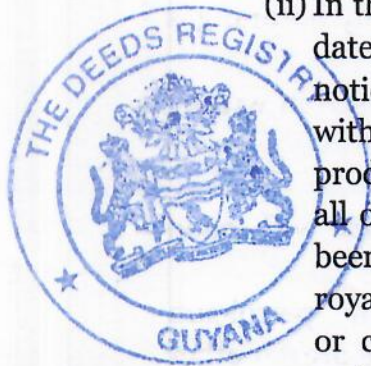
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- (iv) The Minister acknowledges and agrees that the Licensee is authorised to flare and vent natural gas only in accordance with the Environmental Permit issued by the Environmental Protection Agency as referenced in section 2(o)(i) of this Licence.
- (v) The Licensee shall conduct studies into the potential to supply by pipeline to Guyana associated gas available under this Licence and shall work cooperatively with the Minister, or any other designated Minister, and the Government of Guyana on all matters pertaining to the use, processing and disposal and/or sale of the said gas.

### **(l) Royalties**

- (i) Subject to the Petroleum Agreement, the Licensee shall provide for the payment of royalties on the value of total production of petroleum from the licensed area, excluding such quantities as used by the Licensee within the production area for fuel or transportation in petroleum operations, at the percentage rate(s) specified herein and in the Petroleum Agreement. Such royalties shall be determined payable in cash or kind and kind is referenced to mean delivery of petroleum price computed as on the date on which the royalty becomes payable.
- (ii) In the event the Licensee fails to pay any royalty payable on or before the due date, or any additional time granted by the Minister, the Minister may, by notice served on the Licensee, prohibit the removal of, or any dealings in, or with, any petroleum from the production area concerned, or from any other production area subject to a licence held by the Licensee, or from both, until all outstanding royalty in arrears has been paid or until an arrangement has been made, and accepted in writing by the Minister, for the payment of the royalty in arrears, and the Licensee shall comply with the notice. Any violation or contravention of a prohibition issued pursuant to this paragraph shall make the Licensee liable for civil penalties as prescribed by Section 48 of the Act and/or criminal penalties in accordance with Section 46(2) of the Act.
- (iii) The Minister may, from time to time, make such arrangements as appear appropriate to the Minister to secure that the Licensee complies with this Act and the terms and conditions stated herein, and in particular may accept guarantees in respect of that compliance from any person including from shareholders in a body corporate, whether or not the body corporate is, or is to be, the holder of a licence.



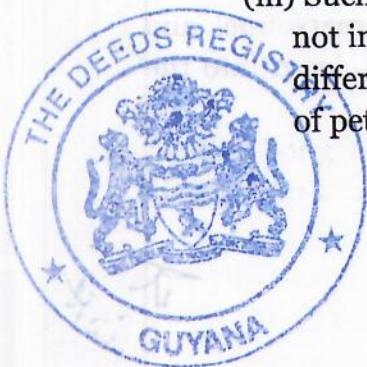
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- (iv) The Minister may, on application made to him by the Licensee and after consultation with the Minister assigned responsibility for finance, by order—
  - (a) remit, in whole or in part, any royalty payable by the applicant; or
  - (b) defer payment of any royalty, on such conditions (if any) as he may specify in the order.
- (v) Royalty payable pursuant to section 45 of the Act and any penalty payable under section 48 is a debt due to the State and recoverable in the same manner as revenues due to the State.
- (vi) A certificate by the Minister certifying that a specified amount of royalty or penalty is payable by a person identified in the certificate shall, in any proceedings taken against that person for the recovery of any royalty or penalty, be received as evidence of that fact, but without prejudice to the right to adduce evidence in rebuttal.
- (vii) Where royalty to be paid by the Licensee is payable in kind, the price of the petroleum payable as royalty computed as on the date on which it became payable, and any penalty payable under section 48 of the Act on account of the failure to pay the royalty on or before the date on which it became payable, may be recovered in accordance with subsections as provided herein.
- (viii) The provisions of this section shall be without prejudice to any other provision of the Act.

#### **(m) Production Statement**

- (i) The production statement required to be submitted by the Licensee to the Minister in keeping with the Act, Regulations and Petroleum Agreement shall include such other particulars as the Minister may from time to time direct.
- (ii) The Minister may serve notice in writing on the Licensee determining any other manner in which any quantity of petroleum or any quantity of any form of petroleum is to be expressed in the said production statement, such manner to be in keeping with good oilfield practices.
- (iii) Such production statements shall state separately, in the case of petroleum not in the form of gas, the specific gravity of the petroleum and if petroleum of different specific gravities has been won and saved, the respective quantities of petroleum of each specific gravity.



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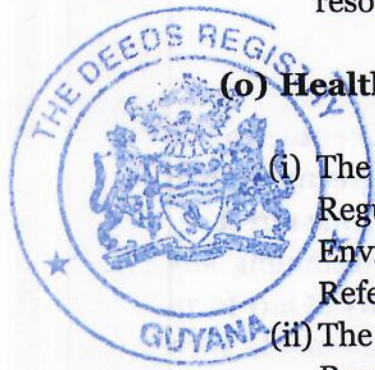
#### **(n) Local Content and Participation**

- (i) The Licensee shall prepare and submit to the Minister for approval in writing, within six (6) months next after the date hereof, a programme for training and employment of Guyanese nationals and to give preference to the purchase of Guyanese goods and services. Such programme shall provide information on:
  - (a) the goods and services to be procured in Guyana during the pre-production and production phases; and
  - (b) the training and employment of qualified Guyanese citizens in sufficient numbers of all employees in the pre-production and production phases.
- (ii) Thereafter, the Licensee shall submit to the Minister for approval in writing, an annual plan for the utilisation of qualified Guyanese suppliers and personnel for the coming year, and meet with the Minister to discuss and consider the effectiveness of the plan.
- (iii) The Licensee shall further provide to the Minister every six months a formal report regarding its achievements in utilising qualified Guyanese resources and personnel and on a quarterly basis, the Licensee shall provide the Minister with statistics regarding its utilisation of qualified Guyanese resources and personnel, and any notable developments or accomplishments during that quarter in relation to the utilisation of qualified Guyanese resources and personnel.

#### **(o) Health Safety and the Environment**

- (i) The Licensee shall abide by the Environmental Protection Act 1996, Regulations made thereunder and the terms and conditions of the Environmental Permit issued by the Environmental Protection Agency Reference No. 20160705 – EEDPF and dated 1<sup>st</sup> June 2017.
- (ii) The Licensee shall abide by Occupational Health and Safety Act 1997, Regulations made thereunder and all other applicable laws of Guyana relating to occupational health and safety.
- (iii) The Licensee shall at all times maintain adequate expert personnel and equipment to prevent and/or respond to any spillage of petroleum into the marine environment.
- (iv) The Licensee shall ensure that standards in keeping with good oilfield practices are implemented, upgraded from time to time and continuously

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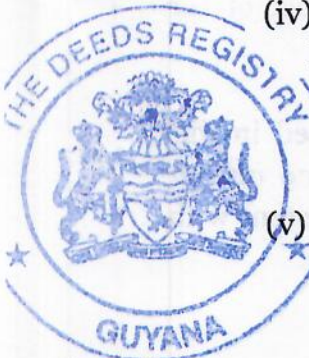
adhered to so as to ensure the safety of all personnel and ensure the protection of the marine environment.

**(p) Decommissioning Plan**

- (i) The Decommissioning Plan shall be executed in accordance with Article 20 of the Petroleum Agreement and upon such other terms and conditions as the Parties to this Deed may agree.
- (ii) The Licensee will consult with the Minister, along with EPA, the Fisheries Department of the Ministry of Agriculture, the Maritime Administration of Guyana and such other relevant Agencies as may be named or designated by the Minister, when developing the Decommissioning Plan and the said Plan will constitute the basis for assessing funding requirements to decommission the field.
- (iii) Upon approval, the Licensee shall commence the Decommissioning Plan.

**(q) Transfer of Licence**

- (i) This Licence shall not be transferred without the written consent of the Minister. Further, the Licensee shall furnish all details of the transfer at the time of making the application for the transfer.
- (ii) The Licensee may apply to the Minister for the transfer of this Licence in accordance with requirements set forth by the Minister or by Regulation, and shall fulfill any other financial obligations and/or requirements under the laws of Guyana.
- (iii) The Licensee shall, in a timely manner, submit all documentation and make available such information so as to assist the Minister in verifying and assessing the legal and technical capacity, competence and financial standing of the person to whom the Licence is proposed to be transferred.
- (iv) The Minister shall refuse the application for the transfer of this Licence, if in his opinion, the person to whom the Licence is proposed to be transferred does not meet the same qualifications and capability to do the work, as the Licensee, or if there has been a failure or refusal to furnish documents and information as requested.
- (v) Where the Minister approves the transfer of this License, the person to whom the Licence is transferred (the "Transferee") shall be required to comply with the provisions of the Act, Regulations, this Licence, the Petroleum Agreement,



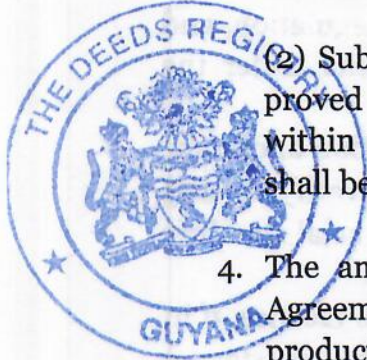
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the Development Plan and any other instrument to which this Licence may be subject as though the Transferee was the original Licensee.

**(r) Duties of the Licensee**

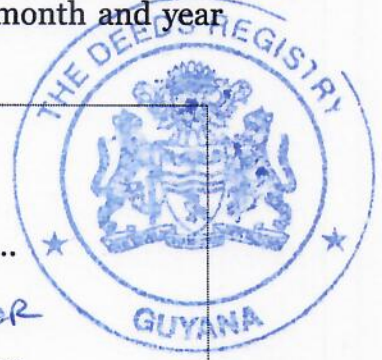
- (i) The Licensee undertakes to and shall carry out all activities under this Licence in compliance with the provisions of the Act, Regulations, this Licence, the Petroleum Agreement, the Development Plan, any other law and/or instrument to which this Licence may be subject and in keeping with good oilfield practice.
  - (ii) The Licensee may, with the written approval of the Minister, amend the Development Plan with respect to work and expenditure contained in the Development Plan, but the amendment shall not have effect so as to reduce any minimum requirements.
3. (1) The Licensees shall pay to the Government within the period specified therefor by the Minister royalty in respect of petroleum obtained by him in the production area to which this Licence relates at the rate of two (2) per centum of the production won and saved from the production area or where arrangements are made in the Petroleum Agreement for payment of royalty in kind wholly or in part, by making such payment and/or deliveries in accordance with aforesaid arrangements.
- (2) Subject to the provisions of the Petroleum Agreement, all petroleum that is proved to the satisfaction of the Minister to have been used by the Licensee within the production area for fuel or transportation in petroleum operations shall be free of royalty.
4. The annual licence rental charge referenced in Article 10 of the Petroleum Agreement includes and satisfies the rental charge payable in respect of the production area to which this Licence relates.
5. Unless the context otherwise requires, the terms and expressions used in this Licence shall have the same meaning as in the Act and Regulations and further this Licence shall be interpreted and applied in a manner that is consistent with the terms and provisions of the Petroleum Agreement referenced herein.



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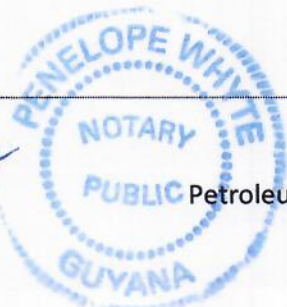


IN WITNESS WHEREOF, I the **Honourable Raphael G. C. Trotman, M.P**, the Minister Responsible for Petroleum, have granted this Licence and set my hand and affixed the seal and the **Licensee** has set his hand and seal, the day, month and year first herein above written.



<p>Signed by:</p> <p>The Minister Responsible for Petroleum Representing the Government of the Cooperative Republic of Guyana</p> <p><i>[Signature]</i> ..... 2017-6-15 Hon. Raphael G.C. Trotman, M.P Minister of Natural Resources Minister Responsible for Petroleum</p>	<p>Witnesses:</p> <p>1 <i>[Signature]</i> ..... Name: <i>JOANNA E-HOMER</i> Ministry of Natural Resources</p> <p>2 <i>[Signature]</i> ..... Name: <i>James Douglas McGehee</i> Esso Exploration and Production Guyana Ltd., Operator for the Licensee</p>
<p>Signed By:</p> <p>Esso Exploration and Production Guyana Limited</p> <p><i>[Signature]</i> 15 JUN 2017 ..... Name: <i>RODNEY D. HENSON</i> Designation: <i>COUNTRY MANAGER</i></p>	<p>Witnesses:</p> <p>1 <i>[Signature]</i> ..... Name: <i>JOANNA E-HOMER</i> Ministry of Natural Resources</p> <p>2 <i>[Signature]</i> ..... Name: <i>James Douglas McGehee</i> Esso Exploration and Production Guyana Ltd., Operator for the Licensee</p>

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15 June, 2017



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A TRUE COPY of the original which  
was registered in the Deeds Registry of  
Georgetown, Demerara, Guyana on the

16<sup>th</sup> Day of June 2017

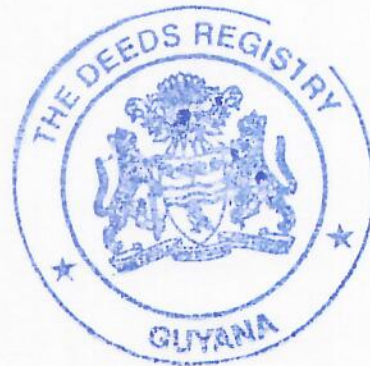
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Assistant Sworn Clerk  
16-06-2017



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**SCHEDULE**

Description and map of the block or blocks in the production area  
Identification of block or blocks in the production area



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## ANNEX A

### DESCRIPTION OF PETROLEUM PRODUCTION AREA-LIZA

The area comprises approximately 386 square kilometres described herein consisting of graticular blocks identified herein and shown on the Block Reference Map attached as ANNEX B.

Latitude and Longitude Measurements are West and North, respectively.

Point No.	Latitude	Longitude
1	8° 14' 00.62628" N	056° 52' 03.35892" W
2	8° 03' 00.91836" N	056° 52' 03.57528" W
3	7° 57' 35.02584" N	057° 01' 49.42740" W
4	8° 09' 58.52448" N	057° 01' 49.48284" W



*A. R. D.*

**ANNEX A (Cont.)**

**DESCRIPTION OF PETROLEUM PRODUCTION AREA-LIZA**

The following five (5) minute by five (5) minute square graticular blocks describe the area. The blocks as described are shown on the Block Reference Map attached as ANNEX B.

<b>BLOCK</b>	<b>NUMBER (BLOCK)</b>
K	120*, 132, 144*
L	109*, 110*, 121, 122*, 133*, 134*
Q	12*
R	1*

\*denotes part Block

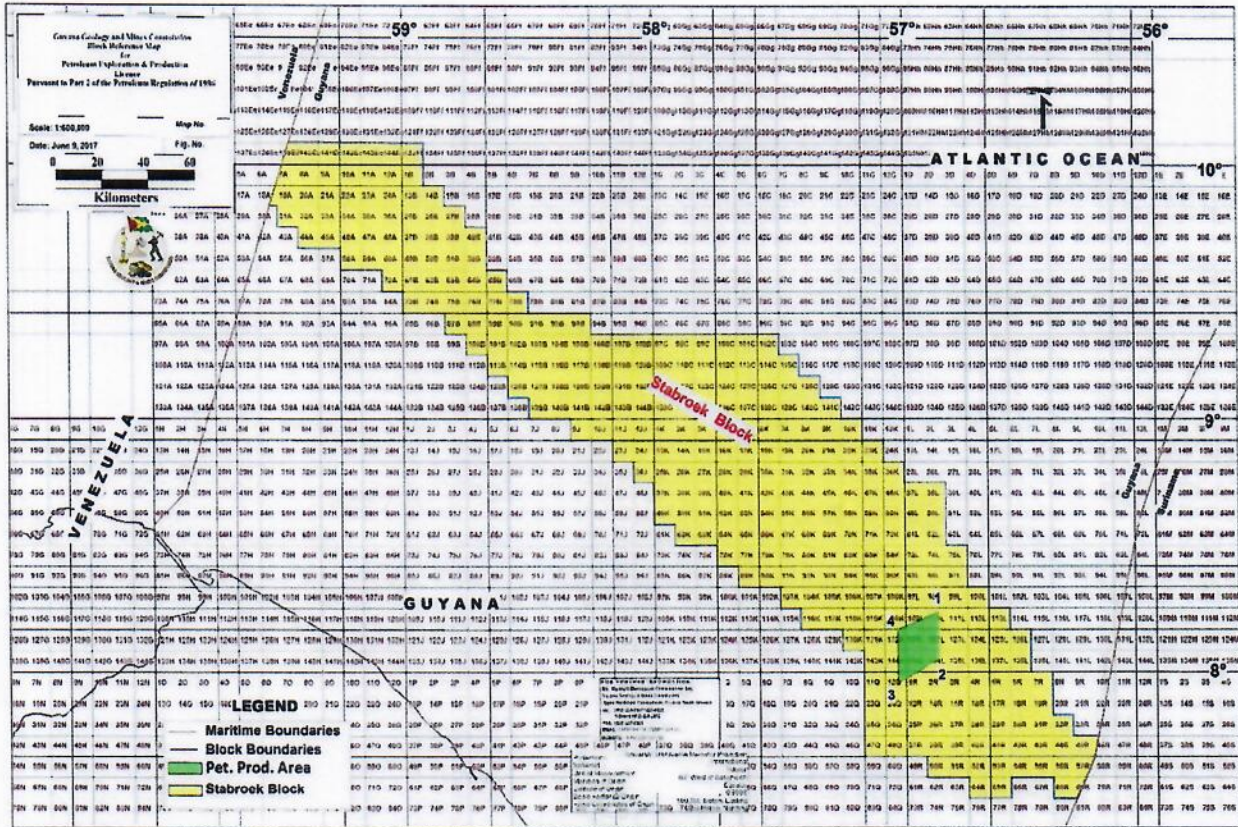


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# ANNEX B

## MAP OF CONTRACT AREA

### STABROEK BLOCK LIZA PRODUCTION AREA



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# LIZA PHASE 1 DEVELOPMENT PLAN



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