

MINISTER FOR THE MARINE AND NATURAL RESOURCES

ENTERPRISE ENERGY IRELAND LIMITED

STATOIL EXPLORATION (IRELAND) LIMITED

MARATHON INTERNATIONAL PETROLEUM HIBERNIA LIMITED

FORESHORE LICENCE

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THIS LICENCE is made the 17th day of May, 2002

PARTIES

- (1) **THE MINISTER FOR THE MARINE AND NATURAL RESOURCES** of Leeson Lane, Dublin 2, Ireland (“**the Minister**”);
- (2) **ENTERPRISE ENERGY IRELAND LIMITED** having its registered office 52 Lower Leeson Street, Dublin 2 (“**Enterprise**”);
- (3) **STATOIL EXPLORATION (IRELAND) LIMITED** having its registered office at 6 George’s Dock, IFSC, Dublin 1 (“**Statoil**”); and
- (4) **MARATHON INTERNATIONAL PETROLEUM HIBERNIA LIMITED** having its principal place of business in Ireland at Mahon Industrial Estate, Blackrock, Cork (“**Marathon**”).

INTRODUCTION

- A.** The Licensees have applied to the Minister for a Foreshore Licence to enter onto, use and occupy the Licensed Area for the purpose of constructing, locating and operating the Facilities.
- B.** The Minister, in exercise of the power conferred on him by section 3(1) of the Foreshore Act, has agreed to grant a Foreshore Licence to the Licensees on the terms and conditions set out in this deed.

IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Licence the following words and expressions have the following meanings:

- (1) “**Act of 1960**” means the *Petroleum and Other Minerals Development Act 1960*;
- (2) “**Affiliate**” means in relation to a party:
 - (a) any body corporate which is a Subsidiary of that party;
 - (b) any body corporate of which that party is a Subsidiary; or
 - (c) any body corporate which is a Subsidiary of another body of which that party is also a Subsidiary;
- (3) “**Arbitration**” has the meaning set out in clause 25.9;

- (4) “**Assignment**” means any assignment, novation, transfer or any other legal or equitable parting with possession of any description, directly or indirectly or in whole or in part;
- (5) “**Business Day**” means a day that is not a Saturday, Sunday or a bank or public holiday in a place where an act is to be performed or a payment is to be made;
- (6) “**Change in Control**” means any change in the Control of a Licensee, occurring other than as a result of a transfer of the legal or beneficial ownership of any shares that are listed on a stock exchange;
- (7) “**Commencement Date**” has the meaning in clause 3.1;
- (8) “**Confidential Information**” means any information in whatever form:
- (a) in relation to the subject matter of this Licence;
 - (b) in relation to a party to this Licence or an Affiliate of a party to this Licence;
 - (c) in relation to any employee, servant, agent, contractor or advisor of a party to this Licence or an Affiliate of a party to this Licence;
 - (d) in relation to the business, products, services, methods or work of a party to this Licence or an Affiliate of a party to this Licence,
 - (e) which is by its nature commercially sensitive and/or confidential;
 - (f) which is designated by the Disclosing Party as Confidential Information; or
 - (g) which the Recipient knows or ought reasonably to know is Confidential Information;
- but does not include:
- (h) information which is or becomes generally available to the public (other than by reason of a breach of this Licence or any other contract);
 - (i) information which is known to the Recipient at the time of its disclosure;
 - (j) information which is subsequently acquired by the Recipient from a third party on terms that permit it to be disclosed and/or used, provided that such third party is lawfully entitled to disclose the information on such terms; or
 - (k) this Licence;
- (9) “**Control**” has the same meaning as in section 432 of the *Taxes Consolidation Act, 1997*;

- (10) “**Control Umbilical**” means the sub-sea control umbilical system described in section 2 of Schedule 1;
- (11) “**Cure Notice**” has the meaning set out in clause 13.1;
- (12) “**Discharge Pipeline**” means the pipeline described in section 3 of Schedule 1;
- (13) “**Disclosing Party**” means a person who discloses Confidential Information;
- (14) “**Dispute**” means a difference or dispute of whatsoever nature arising between all or any of the parties under or in connection with this Licence;
- (15) “**Dispute Notice**” has the meaning set out in clause 25.2;
- (16) “**Dispute Resolution Procedure**” means the procedure described in clause 25;
- (17) “**EMG**” means the environmental monitoring group to be established by the Minister, in consultation with Mayo County Council, which will be charged with monitoring all stages of construction and development within the Licensed Area and with ensuring compliance with the approved EMP. The EMG will include representatives of:
- (a) The Department of the Marine and Natural Resources;
 - (b) Mayo County Council;
 - (c) the Licensees;
 - (d) Duchas;
 - (e) the Northwestern Regional Fisheries Board; and
 - (f) local fishing interests and local residents;
- (18) “**EMP**” means the environmental management plan required to be produced by the Licensees pursuant to Schedule 3;
- (19) “**Encumber**” means to grant or create or cause or permit to be granted or created any mortgage, lien, pledge, assignment by way of security, charge, hypothecation, security interest, title retention or any other security agreement or arrangement having the effect of conferring security, or other form of encumbrance;
- (20) “**EQS**” means environmental quality standards as specified by the Environmental Protection Agency, established pursuant to section 19 of the *Environmental Protection Agency Act 1992*, and modified by the Environmental Protection Agency from time to time;
- (21) “**EURIBOR**” means:
- (a) the percentage rate per annum equal to the offered quotation which appears on the page of the Telerate Screen which displays an average

rate of the Banking Federation of the European Union for the Euro (being currently page 248) for such period at or about 11.00am (Brussels time) on the quotation date for such period or, if such page or such service ceases to be available, such other page or such other service for the purpose of displaying an average rate of the Banking Federation of the European Union agreed by the parties; or

- (b) if no quotation for the Euro for the relevant period is displayed and the parties have not agreed an alternative service on which a quotation is displayed, the arithmetic mean (rounded upwards to four decimal places) of the rates at which each of the Reference Banks was offering to prime banks in the European interbank market deposits in the Euro of an equivalent amount for such period at or about 11.00am (Brussels time) on the quotation date;
- (22) “**Euro**” means the single currency of participating member states of the European Union;
 - (23) “**European Site**” has the same meaning as in section 2 of the *Planning and Development Act, 2000*;
 - (24) “**Expert**” means a person appointed pursuant to clause 25.8;
 - (25) “**Facilities**” means the Gas Pipeline, Discharge Pipeline and Control Umbilical located or to be located in the Licensed Area, more fully described in Schedule 1;
 - (26) “**Facilities Decommissioning Plan**” means a plan of that name submitted by the Licensees and approved by the Minister pursuant to the Facility Decommissioning Agreement;
 - (27) “**Facility Decommissioning Agreement**” means the agreement of that name dated 15 November 2001 between the Minister and the Licensees;
 - (28) “**Force Majeure**” means an event or circumstance or combination of events and/or circumstances not within the reasonable control of a party which has the effect of delaying or preventing that party from complying with its obligations under this Licence, including:
 - (a) acts of terrorists or protesters;
 - (b) war declared or undeclared, blockade, revolution, riot, insurrection, civil commotion, invasion or armed conflict;
 - (c) sabotage, acts of vandalism, criminal damage or the threat of such acts;
 - (d) extreme weather or environmental conditions including lightning, fire, landslide, accumulation of snow or ice, meteorites, volcanic eruption or other natural disasters, measured by reference to local meteorological records published by Met Eireann over the previous 10 years;

- (e) the occurrence of radioactive or chemical contamination or ionising radiation, explosion including nuclear explosion, pressure waves caused by aircraft or other aerial devices travelling at supersonic speeds and impact by aircraft or other vehicles;
- (f) any strike or other industrial action which is part of a labour dispute of a national or industry wide character occurring in Ireland;
- (g) the act or omission of any contractor or supplier of a party, provided that the act or omission was due to an event which would have been an event of Force Majeure had the contractor or supplier been a party to this Licence;
- (h) the unavailability of essential infrastructure or services required to comply with obligations pursuant to this Licence, other than due to an act or omission of all or any of the Licensees; or
- (i) mechanical or electrical breakdown or failure of machinery, plant or other Facilities owned, installed or utilised by any party, which breakdown or failure was outside the control of the party acting in accordance with Good Industry Practice and Law,

provided that Force Majeure shall not include:

- (j) lack of funds and/or inability of a party to pay;
 - (k) mechanical or electrical breakdown or failure of machinery, plant or other Facilities owned, installed or utilised by any party, other than as a result of the circumstances identified in clauses 1.1(28)(a) to 1.1(28)(i), above; or
 - (l) any strike or industrial action not falling within clause 1.1(28)(f), above;
- (29) “**Foreshore**” has the same meaning as in section 1 of the Foreshore Act;
 - (30) “**Foreshore Act**” means the *Foreshore Act 1933*;
 - (31) “**Gas Pipeline**” means the pipeline described in section 1 of Schedule 1;
 - (32) “**Good Industry Practice**” means, in relation to activities under this Licence, conducting activities in a proper and workmanlike manner in accordance with applicable international standards, methods and practices customarily used in good and prudent oil and gas field practice and with that degree of diligence and prudence reasonably and ordinarily exercised by skilled and experienced operators engaged in a similar activity under similar circumstances and conditions;
 - (33) “**Government Agency**” means any Minister, government department, statutory authority or any authorised representative of a Minister, government department or statutory authority, including any local authority;

- (34) **“Insolvency Event”** means in respect of a party:
- (a) the party is unable to pay its debts within the meaning of section 214 of the *Companies Acts 1963 to 2001* or any analogous legislation or any indebtedness of the party is not paid when due (save for normal trade debts or any debts which are disputed in good faith), any indebtedness of the party is declared to be or otherwise becomes due and payable prior to its specified maturity or any creditor or creditors of the party become entitled to declare any indebtedness of the party due and payable prior to its specified maturity;
 - (b) the party commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness (except in the course of a solvent amalgamation or reconstruction approved by all other parties), or with a view to agreeing a moratorium on its indebtedness or makes a general assignment for the benefit of or a composition with its creditors;
 - (c) the party takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, protection by the court, dissolution, administration or re-organisation or for the appointment of a liquidator, receiver, examiner, administrator, administrative receiver, trustee or similar officer of it or of any or all of its revenues or assets;
 - (d) a distress, execution or other legal process in respect of a claim of €1,250,000 or more is levied, enforced or sued out upon or against any substantial part of the property or assets of the party;
 - (e) a person exercises its rights under an Encumbrance to take possession of the whole or any part of the undertaking, property or assets of the party;
 - (f) the party stops or threatens to stop payment of its debts or ceases or threatens to cease to carry on or changes its business or a substantial part of its business;
 - (g) any judgement or order in an amount equal to or in excess of €320,000 is made or awarded against the party and is not wholly stayed or complied with within seven days; or
 - (h) the consolidated financial statements of the party for any period contain a qualification that such statements do not reflect the financial position of the party;
- (35) **“Joint Operating Agreement”** means the Corrib Field Operating Services Agreement dated 24 May 2001, and any other agreement or agreements between the Licensees, and in special circumstances another person or persons, pursuant to which an operator or operators are appointed in respect of the Corrib gas field;

- (36) “**Law**” means any Act of the Oireachtas, regulation, statutory instrument, European Community obligation, direction of a regulatory or other competent authority, condition of any consent, authorisation, licence or other permission granted by any regulatory or other competent authority and any decision of a court of competent jurisdiction, but does not include this Licence;
- (37) “**Licence**” means this deed and any Schedule to it, as may be amended by supplemental indenture from time to time;
- (38) “**Licensed Area**” means that part of the Foreshore adjacent to Dooncarton, Co. Mayo upon which the Facilities are located, which is more accurately described in Schedule 4;
- (39) “**Licensee**” means each of Enterprise, Statoil and Marathon and “**Licensees**” means all of them;
- (40) “**Marine Institute**” means the organisation of that name established pursuant to the *Marine Institute Act, 1991*;
- (41) “**Northwestern Regional Fisheries Board**” means the organisation of that name established pursuant to section 10 of the *Fisheries Act, 1980*;
- (42) “**Petroleum**” has the same meaning as in the Act of 1960;
- (43) “**Petroleum Lease**” means a petroleum lease granted to the Licensees pursuant to section 13 of the Act of 1960 in respect of the Corrib Gas Field;
- (44) “**Pollution Control Licence**” means an Integrated Pollution Control Licence granted pursuant to Part IV of the *Environmental Protection Agency Act 1992*, or such other pollution prevention or control licence or licences as may be required from time to time, including pursuant to European Council Directive 1996/61/EC of 24 September 1996 concerning Integrated Pollution Prevention and Control, or any regulations or legislation transposing such Directive into Irish Law;
- (45) “**Recipient**” means a person who receives Confidential Information from a Disclosing Party;
- (46) “**Representations and Warranties**” means the representations and warranties given by the Licensees to the Minister pursuant to clause 17.1;
- (47) “**Special Conditions**” means the special conditions set out in Schedule 3, as may be amended from time to time pursuant to clause 8.3;
- (48) “**Specifications**” means the specifications set out in Schedule 2, as may be amended from time to time pursuant to clause 7.2;
- (49) “**Subsidiary**” has the same meaning as in section 155 of the *Companies Act 1963*;
- (50) “**Term**” has the meaning set out in clause 3.2; and

- (51) “**Value Added Tax**” means the value added tax chargeable under the provisions of the *Value Added Tax Act 1972* and/or any other tax of a similar nature on the supply of goods or services which may hereafter replace or supplement such tax.

1.2 In this Licence, unless the context otherwise requires:

- (1) other grammatical forms of defined terms shall have a corresponding meaning;
- (2) the table of contents and headings are for convenience only and do not affect interpretation;
- (3) words importing persons or parties include any individual, body corporate, firm, corporation, joint venture, trust, unincorporated association, organisation or partnership and any other entity, in each case whether or not having a separate legal personality, and all references to persons includes their legal successors and permitted assignees;
- (4) an act which is required to be done on a day which is not a Business Day shall be done instead on the next Business Day;
- (5) all monetary amounts are in Euro (“€”), unless otherwise specified;
- (6) “including” and similar words are not words of limitation; and
- (7) a reference:
 - (a) to a gender includes a reference to each other gender;
 - (b) to the singular includes a reference to the plural and vice versa;
 - (c) to legislation, regulations, directives, orders, directions, instruments, codes or other enactments includes any orders or regulations made pursuant to such legislation or other enactments and includes all amendments, modifications and replacements to such legislation, regulations, directives, orders, directions, instruments, codes or other enactments;
 - (d) in this Licence to a party, Schedule, Attachment or Appendix is a reference to a party, Schedule, Attachment or Appendix, as the case may be, to this Licence;
 - (e) in this Licence to a clause, is a reference to a clause in this Licence (excluding the Schedules); and
 - (f) in a Schedule to this Licence to a section, is reference to a section in that Schedule.

2. GRANT OF LICENCE

2.1 The Minister, in exercise of the powers vested in him by section 3(1) of the *Foreshore Act 1933*, hereby grants to the Licensees a licence to enter onto, use and occupy the Licensed Area, on the terms and conditions set out in this Licence, for the purposes of:

- (1) constructing, installing or locating the Facilities;
- (2) operating, maintaining, inspecting, testing, repairing or replacing all or any of the Facilities; and
- (3) carrying out works which are necessary or incidental to the activities described in clauses 2.1(1) and 2.1(2).

2.2 Unless otherwise permitted by Law, the Licensees shall not use the Licensed Area for any purpose other than the purposes described in clause 2.1.

3. TERM

3.1 This Licence shall commence on the date of execution (“**Commencement Date**”).

3.2 Subject to clause 14, this Licence shall remain in force for a period of 99 years from the Commencement Date (“**Term**”).

4. RENT

4.1 In consideration of the grant of this Licence, the Licensees shall pay to the Minister the sum of:

- (1) €3,050,000 on execution of this Licence; and
- (2) €1.00, if demanded, on or before each anniversary of the Commencement Date.

5. COMMENCEMENT OF OPERATIONS

5.1 The Licensees shall not commence any works associated with the construction or installation of Facilities in the Licensed Area, without the prior written consent of the Minister.

5.2 The Minister is not obliged to grant consent pursuant to clause 5.1 unless and until the Licensees have obtained and provided to the Minister in respect of the relevant works, activities or operations copies of all necessary consents, permissions, permits, licences and authorisations.

6. COMPLIANCE WITH APPLICABLE LAWS

6.1 The Licensees shall at all times comply with all applicable Laws.

6.2 Without prejudice to the generality of clause 6.1, the Licensees shall at all times hold all necessary licences, consents, permissions, permits or authorisations associated with any activities of the Licensees in connection with the Licensed Area.

7. SPECIFICATIONS

7.1 Unless the prior written approval of the Minister is obtained, which approval may be granted subject to conditions, the Licensees shall ensure that:

- (1) all Facilities are constructed and/or installed in accordance with the Specifications and such Facilities at all times comply with the Specifications which were applicable at the date that such Facilities were constructed and/or installed; and
- (2) no development, work, construction or installation is undertaken in the Licensed Area that does not comply with the Specifications.

7.2 The Specifications may be amended from time to time:

- (1) by agreement between the parties; or
- (2) by the Minister by notice in writing to the Licensees if the Minister reasonably considers it necessary to do so for reasons of public safety, protection of the environment or consistency with Good Industry Practice.

7.3 If at any stage the Licensees become aware that any Facilities or works do not comply with the Specifications that were applicable at the date that such Facilities were constructed and/or installed or such works were performed (whether as a result of notification by the Minister or other competent authority or otherwise), the Licensees shall immediately:

- (1) notify the Minister, unless the Licensees were notified by the Minister; and
- (2) unless the Minister otherwise agrees in writing, take all reasonable steps to ensure that:
 - (a) such Facilities or works comply with the Specifications that were applicable at the date that such Facilities were constructed and/or installed or such works were performed, as the case may be; and
 - (b) any adverse consequence arising out of the fact that Facilities were not constructed and/or installed in accordance with the Specifications or works were not performed in accordance with the Specifications, as the case may be, are rectified to the satisfaction of the Minister as soon as is reasonably practicable.

8. OPERATIONS IN CONNECTION WITH THIS LICENCE

- 8.1 The Licensees may, from time to time, with the prior consent of the Minister occupy and use such area adjacent to the Licensed Area as is reasonably required by the Licensees to exercise their rights pursuant to clause 2.1
- 8.2 Without prejudice to any other rights and obligations under this Licence or at Law, in exercising any rights or performing any obligations in connection with this Licence, the Licensees shall:
- (1) comply with the Special Conditions at all times;
 - (2) ensure that all Facilities or other works or structures in the Licensed Area are at all times maintained in a good and proper state of repair and condition, to the satisfaction of the Minister, which ensures that they do not constitute a public health hazard or danger to persons, animals, marine life or the environment;
 - (3) not Encumber this Licence or any Facility without the prior written consent of the Minister;
 - (4) at all times maintain appropriate resources to ensure the proper exercise of all rights and the performance of all obligations in connection with this Licence, including:
 - (a) ensuring that all necessary competent persons are engaged to carry out any works, activities or operations pursuant to this Licence; and
 - (b) using suitable machinery and equipment which is in good repair and condition and maintained to proper safety standards;
 - (5) use all reasonable endeavours to minimise damage and disturbance to the sea bed, fisheries and all other maritime activities and restore any damage which does occur to the satisfaction of the Minister;
 - (6) not commit or suffer any waste, spoil or destruction on the Foreshore, other than waste, spoil or destruction:
 - (a) which is reasonably necessary as a consequence of the exercise of rights and performance of obligations pursuant to this Licence; and
 - (b) in respect of which the Licensees hold all necessary consents, licences or permissions required by law;
 - (7) unless otherwise permitted by Law, not undertake any works, activities or operations, other than navigation, outside the Licensed Area without the prior written consent of the Minister and, where appropriate, any occupiers of such sea bed;
 - (8) not, without the prior written consent of the Minister, carry out any works, activities or operations which, in the reasonable opinion of the Minister, are

injurious to or interfere unreasonably with fishing, navigation, adjacent lands, approved scientific research or the public interest; and

- (9) ensure that adequate warning notices, fencing or other appropriate security and safety measures are in place at all works and structures during construction and, where necessary, for the duration of this Licence.

8.3 The Special Conditions may be amended from time to time:

- (1) by agreement between the parties; or
- (2) by the Minister by notice in writing to the Licensees if the Minister reasonably considers it necessary to do so for reasons of public safety, protection of the environment or consistency with Good Industry Practice.

8.4 Without prejudice to any other remedy under this Licence or at Law, if the Minister is of the view that the Licensees are in breach of any obligation pursuant to clause 8.2, the Minister may, by notice in writing, require that the Licensees rectify such breach, within such reasonable time period as is specified by the Minister.

8.5 The Licensees shall comply with any direction of the Minister under clause 8.4 within the time specified in the notice.

9. OTHER ACTIVITIES IN THE LICENSED AREA

9.1 This Licence does not preclude and the Licensees shall not have the right to interfere with:

- (1) the laying of pipelines or cables of any kind by a person in, on or above the Licensed Area, provided that this has been approved by the Minister and that the Minister is satisfied, acting reasonably, that this would not cause unreasonable inconvenience to works, activities or operations under this Licence;
- (2) lawful fishing in the Licensed Area provided that such fishing shall not endanger or create unreasonable inconvenience to works, activities or operations under this Licence;
- (3) exploration for and development of natural resources of any kind, provided that:
 - (a) such activities do not endanger or create unreasonable inconvenience to works, activities or operations under this Licence;
 - (b) the prior written consent of the Minister is obtained; and
 - (c) such persons give the Licensees not less than 90 days notice of their intention to engage in such activities;
- (4) lawful navigation in the Licensed Area;

- (5) the carrying out of approved scientific research, provided always that the Minister shall not approve any person to carry out such scientific research in a manner or in an area which would tend to unreasonably or unnecessarily obstruct or impede the conduct of works, activities or operations under this Licence; or
- (6) the exercise of any other rights or the undertaking of any other activities permitted by Law.

10. REPORTING AND ACCESS TO INFORMATION

10.1 The Licensees shall at all times ensure that books of account, records and vouchers are kept in accordance with normal accounting procedures and in accordance with Section 202 of the *Companies Act, 1990*.

10.2 The Licensees shall provide to the Minister immediately upon termination of this Licence or otherwise within 20 Business Days after receipt of a request from the Minister:

- (1) copies of any records of the Licensees referred to in clause 10.1 which are requested by the Minister;
- (2) such other information as the Minister may at any time require in relation to this Licence or any works, activities or operations conducted in connection with this Licence; and
- (3) such information required by the Minister as to the progress and future plans of the Licensees in its works activities and operations in connection with this Licence;

10.3 The Licensees shall:

- (1) as soon as practicable notify the Minister of any actual or anticipated breach of this Licence;
- (2) as soon as is reasonably practicable, notify the Minister of the making of any claim or the commencement of any action, suit, proceedings or arbitration (“**Claim**”) arising out of the exercise or purported exercise of the rights granted to the Licensees by this Licence and shall furnish to the Minister all information which the Minister may from time to time require in relation to any such Claim; and
- (3) notify the Minister in writing within 5 Business Days of receipt of any notice from any competent authority of non-compliance with any consent, permission, permit, licence or authorisation, which is in any way connected with works, activities or operations pursuant to this Licence.

10.4 Information provided to the Minister, or to which access is granted, pursuant to clauses 10.2 and 10.3 shall be:

- (1) to the best of the Licensees' knowledge, complete, accurate and not misleading in any material particular;
- (2) provided within time limits specified in this Licence or by the Minister, or if no time limit is specified, within a reasonable time; and
- (3) provided at the cost of the Licensees.

11. INVESTIGATIONS, INSPECTIONS AND ENQUIRIES

- 11.1 The Minister may conduct or cause to be conducted such investigations, inspections and enquiries in connection with this Licence as he or she sees fit.
- 11.2 The Licensees shall use all reasonable endeavours to co-operate fully and provide all reasonable assistance in relation to any investigation, inspection or enquiry conducted pursuant to clause 11.1.
- 11.3 The Licensees acknowledge and agree that, unless the contrary intention is expressed, any investigation, inspection or enquiry undertaken pursuant to this Licence:
 - (1) is without prejudice to the Licensees' rights and obligations under this Licence or at Law and does not amount to a waiver of any such rights or relieve the Licensees from any such obligations; and
 - (2) does not amount to an acknowledgement by the Minister, or any officer, servant or agent of the Minister, that the Licensees have complied with this Licence, Good Industry Practice or Law in relation to any matters to which the investigation, inspection or enquiry relates.

12. DECOMMISSIONING OF FACILITIES

- 12.1 It shall be the responsibility of the Licensees to make provision for, to carry out and to meet the costs of decommissioning of Facilities to the reasonable satisfaction of the Minister and in accordance with Good Industry Practice and Law.
- 12.2 In order to comply with the obligations pursuant to clause 12.1, the Licensees shall continue to be bound by and observe the terms of the Facility Decommissioning Agreement for the duration of this Licence and for such period following termination of this Licence until all Facilities which are required to be decommissioned are decommissioned.
- 12.3 For the avoidance of all doubt and without prejudice to any other rights under the Facility Decommissioning Agreement or at Law, any breach of the Facility Decommissioning Agreement shall be deemed to be a breach of this Licence.

13. STEP IN RIGHTS

- 13.1 If at any time any material obligation of the Licensees under this Licence is not performed, the Minister may give written notice to the Licensees ("**Cure Notice**")

describing the obligation which is not performed and requiring such failure to be remedied within the period specified in the Cure Notice (which period must be reasonable having regard to the nature of the obligation which was not performed).

- 13.2 If the failure to perform the obligation referred to in the Cure Notice is not remedied within the period specified in such notice, the Minister shall be entitled to engage any personnel, execute any works and to provide and install any equipment which in the opinion of the Minister may be necessary to secure the performance of the relevant obligations.
- 13.3 The Minister may recover the costs and expenses of exercising all rights under clause 13.2 from the Licensees as a civil debt in any court of competent jurisdiction.
- 13.4 The rights under this clause 13 are without prejudice to any other remedies available to the Minister under this Licence or at Law.

14. TERMINATION

- 14.1 The Minister may, without prejudice to any other remedies available under this Licence or at Law, terminate this Licence by notice in writing to the Licensees upon the occurrence of any of the following events:
 - (1) where, in respect of the application for this Licence, material information has been wilfully withheld from the Minister by a Licensee or Licensees or material information provided to the Minister by a Licensee or Licensees is false or misleading in any material particular;
 - (2) if any moneys payable by the Licensees under this Licence are not paid by the due date for payment and such failure is not remedied within 30 days after receipt by each Licensee of a notice from the Minister requiring such failure to be remedied and stating that this Licence may be terminated pursuant to this clause 14.1(2) if such failure is not remedied;
 - (3) any material breach or non-observance by any Licensee of any provision of this Licence or applicable Law, which is capable of being remedied and which is not remedied within 30 days after receipt by each Licensee of a notice from the Minister requiring such breach or non-observance to be remedied and stating that this Licence may be terminated pursuant to this clause 14.1(3) if such breach or non-observance is not remedied;
 - (4) any material breach or non-observance by any Licensee of any provision of this Licence or applicable Law, which is not capable of being remedied;
 - (5) repeated breach or non-observance by all or any of the Licensees of any provision of this Licence or applicable Law which has been notified to the Licensees by the Minister and which have not been disputed in good faith, whether or not they are remedied, which are not of themselves material breaches, but which collectively are reasonably determined by the Minister to constitute a material breach and which continue after receipt by the Licensees

of a notice from the Minister stating that the Licence may be terminated if such breaches or non-observances continue;

- (6) any Assignment of this Licence by all of the Licensees otherwise than in accordance with clause 18; or
- (7) termination or expiry of the Petroleum Lease.

14.2 The Minister may, without prejudice to clause 14.1 or any other remedies available under this Licence or at Law, terminate this Licence in respect of a Licensee, by notice in writing to that Licensee, upon the occurrence of any of the following events:

- (1) any of the Representations and Warranties in respect of the Licensee are not true and correct in any material respect or, at any stage during the Term, any of the Representations and Warranties in respect of the Licensee cease to be true and correct in any material respect;
- (2) any material breach or non-observance by the Licensee of any provision of this Licence or applicable Law, which is capable of being remedied and which is not remedied within 30 days after receipt by the Licensee of a notice from the Minister requiring such breach or non-observance to be remedied and stating that this Licence may be terminated pursuant to this clause 14.2(2) if such breach or non-observance is not remedied;
- (3) any material breach or non-observance by the Licensee of any provision of this Licence or applicable Law, which is not capable of being remedied;
- (4) repeated breach or non-observance by the Licensee of any provision of this Licence or applicable Law which has been notified to the Licensee by the Minister and which have not been disputed in good faith, whether or not they are remedied, which are not of themselves material breaches, but which collectively are reasonably determined by the Minister to constitute a material breach;
- (5) the Minister is of the view that the capability of the Licensee to discharge fully its obligations under this Licence is materially impaired, including by reason of:
 - (a) the occurrence of an Insolvency Event in respect of the Licensee ; or
 - (b) any other adverse change in the managerial, technical or financial competence of the Licensee ; and
- (6) any Assignment of this Licence by the Licensee otherwise than in accordance with clause 18 or any Change in Control in respect of the Licensee which is not notified in accordance with clause 18.

14.3 If this Licence is terminated in respect of all Licensees pursuant to clause 14.2:

- (1) this Licence shall be deemed to have terminated at the date of termination of this Licence in respect of the final Licensee or Licensees; and

- (2) the rights and obligations of the parties as at the date of termination of this Licence in respect of the final Licensee or Licensees shall be the same as if this Licence had been terminated pursuant to clause 14.1.

14.4 Without prejudice to any obligation or liability imposed by or incurred under the provisions of this Licence:

- (1) the Licensees may terminate this Licence by giving the Minister not less than 6 months notice specifying the proposed date of termination and this Licence shall terminate on the date specified in that notice;
- (2) an individual Licensee or Licensees may terminate this Licence in respect of itself or themselves, as the case may be, by giving the Minister not less than 6 months notice specifying the proposed date of termination and this Licence shall terminate in respect of that Licensee or Licensees on the date specified in that notice; or
- (3) the Licensees may terminate this Licence upon the occurrence of an event of Force Majeure which has extended for a continuous period of 12 months, by giving the Minister not less than 30 days notice specifying the proposed date of termination and this Licence shall terminate on the date specified in that notice.

14.5 A notice of termination under clause 14.4 shall be given in accordance with clause 26 and signed by all of the Licensees.

15. RIGHTS AND OBLIGATIONS ON TERMINATION OR EXPIRY

15.1 On termination or expiry of this Licence:

- (1) all rights and powers exercisable by the Licensees pursuant to this Licence shall cease and determine, but without prejudice to any obligation or liability arising under any applicable Law or pursuant to this Licence (including any accrued rights or obligations which exist at the date of termination or expiry of this Licence);
- (2) all Facilities which the Licensees are not required to remove pursuant to an approved Facilities Decommissioning Plan may, at the discretion of the Minister, become the property of the Minister without payment of compensation;
- (3) any moneys paid to the Minister under the terms of this Licence shall not be repaid; and
- (4) where this Licence expires or is terminated by the Licensees in accordance with clause 14.4, no party shall have liability to any other in respect of such termination or expiry, but rights and liabilities which have accrued prior to termination shall subsist.

15.2 On termination of this Licence in respect of one or more individual Licensees pursuant to clause 14.2 or 14.4(2), the remaining Licensees shall continue to be:

- (1) entitled to exercise all rights of the Licensees pursuant to this Licence; and
- (2) jointly and severally liable for the performance of all obligations pursuant to this Licence, including any obligations which were the responsibility of the Licensee in respect of whom this Licence is terminated.

16. PAYMENT AND INVOICING

16.1 All payments by the Licensees in connection with this Licence:

- (1) shall be made by cheque, bank draft or money order, delivered on or before the due date for payment, to the Minister's address for service pursuant to clause 26.1(1), or such other address notified to the Licensees by the Minister in writing; and
- (2) (except to the extent agreed by the Minister in advance or otherwise required by Law) shall be paid in full, without deduction or set off in respect of any amounts in dispute or any other amounts whatsoever.

16.2 If any amount which is payable under this Licence has not been paid on or before the date that payment is due:

- (1) the party to whom payment is due may institute proceedings for recovery from the other party; and
- (2) in addition to any other remedies under this Licence or at Law, the party to whom payment is due is to be paid interest on the outstanding amount at EURIBOR + 1% from the date that payment was due until the date of actual repayment.

16.3 Save where a sum paid by any party to another party is subsequently determined to have been paid in error by the paying party and accepted in good faith (which shall be repaid without any interest), if any sum paid by a party to another party is subsequently determined not to have been due and payable, the first party shall refund the amount to the other party and pay the other party interest on the amount at EURIBOR + 1%, such interest to be calculated from the date that payment was made to the date of actual repayment.

17. REPRESENTATIONS AND WARRANTIES

17.1 The Licensees severally represent and warrant to the Minister that:

- (1) each Licensee is duly incorporated and organised under the laws of its place of incorporation;
- (2) each Licensee has corporate capacity and authorisation (internal and external) to enter into and perform the terms of this Licence;
- (3) the representative signing this Licence on behalf of each Licensee is duly authorised in that behalf;

17.2 This Licence expressly excludes any warranty, condition or other undertaking implied at Law or by custom and supersedes all previous agreements and understandings between the parties, other than as expressly provided for in this Licence.

18. ASSIGNMENT AND CHANGE OF CONTROL

18.1 Subject to clauses 18.2 and 18.3, Licensee shall not Assign any interest in this Licence without the prior written consent of the Minister, such consent not to be unreasonably withheld or delayed.

18.2 In considering whether or not to grant consent under clause 18.1, the Minister may:

- (1) take into account the creditworthiness, relevant experience and technical capabilities of the intended assignee and any other relevant matters having regard to the rights and obligations of the Licensees under this Licence; and
- (2) require the proposed assignee to enter into a supplemental indenture with the Minister in a form acceptable to the Minister.

18.3 The Minister shall not charge a fee in relation to the grant of any consent pursuant to this clause 18. However, if the Minister requires execution of a supplemental indenture as a condition of the grant of any consent, the relevant Licensee(s) shall pay the reasonable legal costs of the Minister associated with the negotiation, preparation and execution of such supplemental indenture, upon presentation of an invoice from the Minister supported by reasonable documentary evidence of such costs.

18.4 A Licensee shall notify the Minister as soon as is reasonably practicable upon the occurrence of any Change of Control in respect of that Licensee.

19. INDEMNITIES

19.1 Subject to clause 30.1, the Licensees hereby indemnify, and agree to keep indemnified and hold harmless, the State, the Minister and his or her officers, agents and employees, against all actions, loss, claims, damages, expenses or demands arising in any manner whatsoever in connection with:

- (1) the grant of this Licence;
- (2) the performance of works in the Licensed Area by the Licensees or their servants, agents, employees or contractors; or
- (3) the exercise of any rights or performance or non-performance of any obligations pursuant to this Licence.

20. MINISTERIAL CONSENT

20.1 Upon receipt of any application for consent or approval in accordance with this Licence, the Minister:

- (1) may consult with all Government Agencies and other organisations which the Minister considers appropriate in relation to the application;
- (2) shall take all reasonable and proper steps to enable him to make a decision in respect of such consent;
- (3) shall inform the Licensees of such decision in accordance with the time periods specified in this Licence, or if no such time period is applicable, as soon as is reasonably practicable; and
- (4) may, in the event that such decision is to refuse consent, inform the Licensees of the grounds of such refusal when giving his or her decision.

20.2 Unless otherwise expressly provided in this Licence or at Law, whenever:

- (1) the consent of the Minister is required under this Licence, the Minister shall not unreasonably withhold or delay such consent or grant such consent subject to unreasonable conditions; or
- (2) the Minister is entitled to impose conditions pursuant to this Licence, the Minister may only impose such conditions as are reasonable in the circumstances.

20.3 The Licensees acknowledge and agree that, unless the contrary intention is expressed, any approval or consent granted by the Minister or any servant or agent of the Minister pursuant to this Licence:

- (1) is without prejudice to the Licensees' rights and obligations under this Licence or at Law and does not relieve any Licensee from any such obligations or restrict such rights; and
- (2) does not amount to an acknowledgement by the Minister, or any servant or agent of the Minister, that the actions to which the consent or approval relates comply with Good Industry Practice or Law.

21. JOINT AND SEVERAL LIABILITY

21.1 Save where otherwise specified, any obligations of the Licensees under this Licence are joint and several obligations.

22. FORCE MAJEURE

22.1 Except as otherwise provided by this Licence, where any party or parties are rendered wholly or partially incapable of performing all or any of their obligations under this Licence by reason of Force Majeure:

- (1) as soon as is reasonably practicable, the party affected by Force Majeure shall notify the other parties, identifying the nature of the event, its expected duration and the particular obligations affected and shall furnish reports at

such intervals reasonably requested by the other parties during the period of Force Majeure;

- (2) this Licence shall remain in effect but that party's obligations, except for an obligation to make payment of money, and the corresponding obligations of the other party, shall be suspended, provided that the suspension shall be of no greater scope and no longer duration than is required by the Force Majeure;
- (3) subject to full compliance with this clause 22.1, during suspension of any obligation pursuant to clause 22.1(2), the relevant party or parties shall not be treated as being in breach of that obligation;
- (4) the party affected by the Force Majeure shall use all reasonable efforts to remedy its inability to perform all or any of its obligations under this Licence by reason of Force Majeure and to resume full performance of its obligations under this Licence as soon as is reasonably practicable;
- (5) as soon as is reasonably practicable after notification of the Force Majeure, each party shall use all reasonable endeavours to consult with the other parties as to how best to give effect to their obligations under this Licence so far as is reasonably practicable during the period of Force Majeure;
- (6) upon cessation of a party's inability to perform all or any of its obligations under this Licence by reason of Force Majeure, that party shall notify the other parties; and
- (7) insofar as is possible, any party affected by an event of Force Majeure shall do all things reasonably practicable to mitigate the consequences of the Force Majeure.

22.2 Clause 22.1(4) will not require the settlement of any strike, walkout, lock-out or other labour dispute on terms which, in the sole judgement of the party involved in the dispute, are contrary to its interests.

23. CONFIDENTIALITY

23.1 Subject to clause 23.2, a Recipient shall keep confidential and shall not disclose any Confidential Information which the Recipient receives or acquires pursuant to this Licence, unless the Recipient is otherwise permitted to disclose such Confidential Information by the Disclosing Party.

23.2 It will not be a breach of clause 23.1 for a Recipient to disclose Confidential Information:

- (1) to the extent required by Law;
- (2) where permitted to do so by any other agreement, including any Petroleum Lease or Joint Operating Agreement; or

(3) to such of its Affiliates, employees, servants, agents, contractors or advisors who require access to such Confidential Information, provided that such Affiliates, employees, servants, agents, contractors or advisors are:

(a) made aware of the fact that the information is Confidential Information; and

(b) made aware of and bound by the obligations of Recipient under this clause 23.

23.3 For the avoidance of all doubt, the parties acknowledge that this Licence is a public document and that it will not be a breach of this clause 23 for either party to disclose this Licence to any person.

24. WRITTEN PUBLIC STATEMENTS

24.1 Unless prevented from doing so by Law or the rules of any Stock Exchange, the Licensees must not issue any written public statement in connection with this Licence without first furnishing a copy of the proposed statement to the Minister for his or her information in advance of publication.

24.2 If prevented from providing a copy of the proposed statement to the Minister in advance of publication, the Licensees must provide such statement as soon as is reasonably practicable following such publication.

25. DISPUTE RESOLUTION

25.1 Subject to clause 25.12, no party may commence proceedings in relation to any Dispute in connection with this Licence without first complying with the provisions of this clause 25.

25.2 Any party may notify another party or parties of the occurrence or discovery of any item or event which the notifying party acting in good faith considers to be a Dispute under or in connection with this Licence (“**Dispute Notice**”).

25.3 A Dispute Notice shall:

(1) set out the particulars of the issues in dispute in sufficient detail and be accompanied by sufficient supporting documentation (if relevant) to enable the recipient or recipients of the notice to fully understand the Dispute; and

(2) identify an individual to represent that party in discussions in relation to the Dispute, such individual to have:

(a) expertise or experience in the subject matter of the Dispute; and

(b) authority to negotiate in relation to the Dispute.

25.4 Any recipient of a Dispute Notice shall, within 10 Business Days after the date of the Dispute Notice:

- (1) appoint an individual to represent that recipient in discussions in relation to the Dispute, such individual to have:
 - (a) expertise or experience in the subject matter of the Dispute; and
 - (b) authority to negotiate in relation to the Dispute; and
 - (2) notify the details of that individual to the sender of the Dispute Notice.
- 25.5 The nominated representatives shall meet as soon as practicable, but in any event not more than 20 Business Days after the date of the Dispute Notice, to attempt in good faith using all reasonable endeavours to resolve the Dispute satisfactorily.
- 25.6 If a Dispute is not resolved to any party's satisfaction by the nominated representatives under clause 25.5 within 30 Business Days after the date of the Dispute Notice, the Dispute may, by notice in writing by any party to each other party to the Dispute, be referred for resolution in accordance with clause 25.7.
- 25.7 If the Dispute:
- (1) is of a technical or engineering nature (including in relation to the exploration, exploitation, extraction, measurement, transport or storage of Petroleum), it shall be referred for determination by an Expert in accordance with clause 25.8;
 - (2) is not a Dispute of the type referred to in clause 25.7(1), it shall be referred to Arbitration in accordance with clause 25.9; or
 - (3) if the parties to the Dispute are unable to agree whether or not the Dispute is of a technical or engineering nature, the issue shall be referred to the President for the time being of the Institution of Engineers of Ireland who, acting in good faith, shall make a final and binding determination in relation to whether or not the Dispute is of a technical or engineering nature within the meaning of clause 25.7(1).
- 25.8 The following provisions shall apply with respect to any Dispute which is referred to an Expert pursuant to clause 25.7:
- (1) The parties to the Dispute shall meet and, acting in good faith, endeavour to agree upon the Expert as soon as is reasonably practicable, but in any event no later than 5 Business Days after the later of:
 - (a) the date of the notice under clause 25.6; and
 - (b) the determination of the President for the time being of the Institute of Engineers of Ireland under clause 25.7(3).
 - (2) Failing agreement on the appointment of the Expert within the timeframe set out in clause 25.8(1), the Expert shall be appointed at the request of any party, after giving notice in writing to all other parties to the dispute, by the President for the time being of the Institute of Engineers of Ireland.

- (3) The Expert shall resolve the Dispute in such manner as the Expert, in his or her absolute discretion sees fit, provided that each party to the Dispute shall be given reasonable opportunity to make oral and written submissions to the Expert as part of the dispute resolution process and the Expert shall have regard to such submissions.
- (4) The Expert shall be asked to make his or her decision within 20 Business Days after referral of the Dispute.
- (5) Save in the event of fraud or manifest error, any decision of the Expert shall be final and binding upon the parties.
- (6) Unless otherwise determined by the Expert, the costs of the Expert in settling or determining a Dispute shall be borne equally by the parties to the Dispute.

25.9 The following provisions shall apply with respect to any Dispute which is referred for Arbitration pursuant to clause 25.7:

- (1) The Dispute shall be determined by a single arbitrator appointed by agreement between the parties.
- (2) The parties to the Dispute shall meet and, acting in good faith, endeavour to agree upon an arbitrator as soon as is reasonably practicable, but in any event no later than 5 Business Days after the later of:
 - (a) the date of the notice under clause 25.6; and
 - (b) the determination of the President for the time being of the Institute of Engineers in Ireland under clause 25.7(3).
- (3) Failing agreement on the appointment of an arbitrator within the timeframe set out in clause 25.9(2), the arbitrator shall be appointed at the request of any party, after giving notice in writing to all other parties to the Dispute, by the President for the time being of the Law Society of Ireland.
- (4) The provisions of the *Arbitration Acts 1954 and 1998* shall apply to the Arbitration.
- (5) The language of the Arbitration shall be English and the place of the Arbitration shall be Dublin, Ireland.
- (6) The parties shall be entitled to call witnesses and shall have the right of cross examination.

25.10 Notwithstanding anything else in this clause 25, a person shall not be appointed as an arbitrator or Expert, other than with the prior written consent of all parties to the Dispute, if that person:

- (1) is an employee or agent of:
 - (a) any Licensee;

- (b) the Government of Ireland or any County or political sub-division of Ireland; or
 - (c) any Department or agency of the Government of Ireland or any County or political sub-division of Ireland;
- (2) is otherwise connected with a party to the Dispute; or
- (3) for any reason may be obliged to or may expect favours from a party to the Dispute.

25.11 Performance of obligations under this Licence shall continue during any Dispute Resolution Procedure pursuant to this clause 25.

25.12 Nothing in this clause 25 prevents any party from seeking urgent declaratory, injunctive or other interlocutory relief.

26. NOTICES

26.1 Unless this Licence expressly provides otherwise, all notices and communications concerning this Licence shall be in writing, in the English language and addressed as follows:

- (1) in the case of the Minister:

The Minister for the Marine and Natural Resources
c/o The Department of the Marine and Natural Resources
Coastal Zone Management Division
Leeson Lane
Dublin 2, Ireland

Attention: Principal, Coastal Zone Management Division

Telephone: +353 1 619 9200

Facsimile: +353 1 619 9408

- (2) in the case of Enterprise:

Enterprise Energy Ireland Limited
52 Lower Leeson Street
Dublin 2

Attention: The Managing Director

Telephone: +353 1 669 4100

Facsimile: +353 1 669 4101

(3) in the case of Statoil:

Statoil Exploration (Ireland) Limited
6 George's Dock
IFSC
Dublin 1

Attention: The General Manager

Telephone: +353 1 636 8365

Facsimile: +353 1 463 3124

(4) in the case of Marathon:

Marathon International Petroleum Hibernia Limited
Mahon Industrial Estate
Blackrock
Cork

Attention: The President

Telephone: +353 21 435 7301

Facsimile: +353 21 435 6209

26.2 A party may change its address for service at any time by notice in writing to the other parties.

26.3 Notices shall be deemed served or delivered to the addressee or its office:

- (1) if delivered by hand, upon the date of delivery;
- (2) if delivered by pre-paid ordinary post within Ireland, 2 Business Days after sending;
- (3) if delivered by pre-paid ordinary post outside Ireland, 5 Business Days after sending; or
- (4) if delivered by facsimile, at the time that a transmission report is produced by the sender's facsimile machine confirming that the transmission has been satisfactorily completed.

26.4 The parties may agree to alternative methods of service of Notices from time to time.

27. WAIVER

27.1 A waiver of a right or power under this Licence is of no force and effect unless it is given in accordance with clause 26.

27.2 No delay, omission or forbearance by a party in enforcing a power or right under this Licence shall be deemed a waiver of that party's right to enforce that power or right.

- 27.3 Any single or partial exercise of any power or right shall not preclude any future exercise of that power or right.
- 27.4 Any waiver of a power or right in a particular instance shall not constitute a future waiver of that power or right in any other circumstance or in any way limit a party's future ability to exercise that power or right.

28. VARIATION

- 28.1 No amendment to this Licence shall be effective unless it is in the form of a supplemental indenture executed by all parties.

29. RELATIONSHIP OF PARTIES

- 29.1 Nothing in this Licence may be interpreted or construed as creating any landlord-tenant relationship, agency, association, joint venture or partnership between the Minister and all or any of the Licensees.
- 29.2 Except as is expressly provided for in this Licence, nothing in this Licence grants any right, power or authority to any party to enter into any agreement or undertaking for, act on behalf of or otherwise bind any other party.

30. COSTS AND EXPENSES

- 30.1 Each party shall pay its own costs associated with the negotiation, preparation, execution and, except to the extent that this Licence otherwise expressly provides, administration of this Licence.
- 30.2 The Licensees shall pay all reasonable expenses of the EMG, including reasonable travel and subsistence costs of members of the EMG.

31. TAXES AND DUTIES

- 31.1 The Licensees shall pay and discharge all taxes, assessments, duties, charges, impositions and other moneys properly due and payable which are now or may in the future be charged or imposed in connection with this Licence.
- 31.2 For the avoidance of all doubt, any amounts quoted in this Licence are exclusive of Value Added Tax.

32. FURTHER ASSURANCE

- 32.1 The parties agree to do all things, including execute all documents, to give effect to the provisions of this Licence.

33. SEVERABILITY

- 33.1 If any provision of this Licence is or becomes or is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or by order of the relevant body of the European Union, that provision shall be severed and the remainder of this Licence shall remain in full force and effect.
- 33.2 As soon as is reasonably practicable, but in any event no more than 25 Business Days after a provision of this Licence becomes or is declared invalid, unenforceable or illegal, the parties shall meet and use all reasonable endeavours to agree terms which, to the maximum extent possible, return each of the parties to the position that they would have been in had the provision not been or not become invalid, unenforceable or illegal.
- 33.3 If the parties are unable to agree terms under clause 33.2 within 30 Business Days of first meeting, then the matter shall be referred to an Expert pursuant to the Dispute Resolution Procedure. The Expert shall determine the changes to this Licence that are necessary to return the parties (so far as is practicable) to the position that they would have been in under this Licence had the provision not been or not become invalid, unenforceable or illegal.
- 33.4 The parties shall comply with this Licence as amended in accordance with this clause 33.

34. SURVIVAL OF CLAUSES

- 34.1 Notwithstanding any other provision of this Licence, clauses 1, 6, 10 to 16, inclusive, and 19 to 36, inclusive, shall survive termination of this Licence.

35. COUNTERPARTS

- 35.1 This Licence may be executed in any number of counterparts and the counterparts together shall form one and the same Licence.

36. GOVERNING LAW

- 36.1 This Licence shall be governed and construed in accordance with the laws of Ireland.
- 36.2 The parties hereby submit irrevocably to the non-exclusive jurisdiction of the courts of Ireland.

EXECUTED as a Deed on the date first above written.

PRESENT when the Official Seal of the)
Minister for the Marine and Natural)
Resources was affixed)
)

Signature of Witness

Frank Fahey, TD
Minister for the Marine and Natural
Resources

Name of Witness

Address of Witness

Occupation of Witness

PRESENT when the Common Seal of)
Enterprise Energy Ireland Limited was)
affixed in accordance with its Memorandum)
and Articles of Association)

Signature of Witness

Signature of Director

Name of Witness

Signature of Director/Secretary

Address of Witness

Occupation of Witness

PRESENT when the Common Seal of)
Statoil Exploration (Ireland) Limited was)
affixed in accordance with its Memorandum)
and Articles of Association)

Signature of Director

Signature of Witness

Signature of Director/Secretary

Name of Witness

Address of Witness

Occupation of Witness

PRESENT when the Common Seal of)
Marathon International Petroleum Hibernia)
Limited was affixed in accordance with its)
Memorandum and Articles of Association)

Signature of Director

Signature of Witness

Signature of Director/Secretary

Name of Witness

Address of Witness

Occupation Witness

SCHEDULE 1
THE FACILITIES

1. A gas export pipeline of 20” nominal outer diameter which transits the full width of the Foreshore from west to east (“**Gas Pipeline**”).
2. A sub-sea control umbilical system of 5” nominal outer diameter containing 5 electrical power and signal cables, 5 hydraulic fluid control lines and 5 chemical injection fluid control lines which transits the full width of the Foreshore from west to east (“**Control Umbilical**”).
3. A water discharge pipeline of 10” nominal outer diameter, terminating not less than 12km from the landfall and outside any European Site, in a seabed vertical diffuser, approximately 0.5 metres in diameter (“**Discharge Pipeline**”).

SCHEDULE 2

THE SPECIFICATIONS

1. The Facilities shall comply with all applicable Laws.
2. The Gas Pipeline shall:
 - (a) be constructed of high grade carbon steel with a wall thickness of in the range of 21mm to 27mm;
 - (b) follow the route indicated in the co-ordinates and map attached in Schedule 4; and
 - (c) be laid on the sea floor within the Licensed Area up to a point approximately 13km from landfall and shall be trenched beneath the sea floor from that point to a point approximately 1.2 km from the landfall, from whence it shall be buried and it shall be buried beneath the two Sruwaddacon crossings.
3. The Control Umbilical shall:
 - (a) be buried in a duct alongside the Gas Pipeline where the Gas Pipeline is buried and elsewhere at a distance of up to 50 metres to the south of the Gas Pipeline; and
 - (b) be trenched to below the seabed level for its entire length.
4. The Discharge Pipeline shall:
 - (a) be constructed of polyethylene;
 - (b) be buried alongside the Gas Pipeline;
 - (c) be trenched to below the seabed level for its entire length (excluding the seabed vertical diffuser located at the end of the Discharge Pipeline);
 - (d) terminate in a seabed vertical diffuser of approximately 0.5 metres in diameter, which stands 1.5 metres above the seafloor and is covered by an overtrawlable protection structure; and
 - (e) terminate not less than 12 km from the landfall and outside any European Site.

SCHEDULE 3

SPECIAL CONDITIONS

1. Prior to the commencement of any works, an Environmental Management Plan (“**EMP**”) shall be drawn up for the approval of the Minister (subject to such modifications, if any, as he or she may deem appropriate).

The EMP shall provide detailed construction methodology and shall further consider all potential and predicted impacts and how they shall be managed, the mitigation and control measures and how they shall be implemented as well as monitoring proposed.

The EMP shall also give details of the targets for discharges from the Discharge Pipeline and the measures to be undertaken to ensure that the targets are met in light of construction and operational requirements. The EMP shall address, separately, both construction aspects and operational aspects and should, as a minimum, include:

- (a) traffic management;
 - (b) noise control procedures;
 - (c) landfall restoration plan;
 - (d) waste management plan;
 - (e) oil spill control plan; and
 - (f) environmental emergency procedures and contingency plans.
2. The EMP shall be formally reviewed and submitted for the approval of the Minister (subject to such modifications, if any, as he or she may deem appropriate):
 - (a) annually until the commencement of production; and
 - (b) thereafter as determined by the Minister.
3. The Licensees shall:
 - (a) at all times comply with the EMP;
 - (b) provide the Minister and/or the EMG with such information in relation to environmental management and monitoring pursuant to the EMP as is reasonably required from time to time; and
 - (c) provide the Minister and/or the EMG with such information in relation to compliance with the EMP as is reasonably required from time to time in respect of works carried out on or in the Licensed Area.
4. The Licensees shall prepare a detailed construction constraints schedule demonstrating compliance with the ecological sensitivities of the Licensed Area. This shall address the particular periods of sensitivity for birds, fish and wild mammals,

and shall include details of the timing of construction works and protection measures for each of the protected species concerned. The construction methodology and timing shall be agreed with Dúchas and shall be included as part of the EMP.

5. The status of protected species at all construction sites shall be ascertained by survey. In the event that any such species are found, the Licensees shall notify Dúchas and shall comply with the requirements of Dúchas under relevant Law.
6. The timing and methodology of any additional survey work to be carried out shall be with the prior approval of Dúchas.
7. A benthic survey of the area adjacent to the seabed diffuser at the end of the Discharge Pipeline shall be carried out in consultation with the Marine Institute prior to the commencement of discharges.
8. The Licensees shall establish continuous lines of liaison with the Erris Inshore Fisherman's Association, the Killybegs Fishermen's Association and recreational users of the Licensed Area.
9. Prior to the commencement of construction work involving drilling and/or blasting in the Licensed Area, a detailed method statement, prepared in consultation with Dúchas and cetacean experts, to detail monitoring and mitigation measures for cetaceans shall be provided to the Minister.
10. Prior to commencement of any construction works in the Licensed Area, the Licensees shall:
 - (a) provide, to the satisfaction of the Minister, details of monitoring programmes to be undertaken. The proposed monitoring programmes shall be submitted prior to the commencement of each specific phase of construction. Detailed monitoring programmes shall be submitted for the approval of the Minister in respect of the following activities:
 - (i) impact of the Facilities on seabed conditions and benthos in the Licensed Area; and
 - (ii) impact of the discharge from the Discharge Pipeline on water chemistry sediments and biota, subject to any Pollution Control Licence;
 - (b) forward to Dúchas for assessment of the potential archaeological implications a map or maps showing:
 - (i) the proposed location of the Facilities within Broadhaven Bay;
 - (ii) dredge zones; and
 - (iii) areas of submerged peat; and
 - (c) appoint a project archaeologist, who will act on behalf of the Licensees as a focal point for liaison with Dúchas in relation to all matters pertaining to archaeology.

11. Immediately prior to and during construction of the crossings of Sruwaddacon Bay, monitoring of suspended sediment loads shall be undertaken within the confines of Sruwaddacon Bay and for a reasonable area outside Sruwaddacon Bay.
12. The Facilities should avoid areas of submerged peat.
13. The results of the geophysical surveys already completed shall be assessed by an archaeologist and a report on this assessment shall be forwarded by the Licensees to Dúchas for consideration.
14. For the duration of the construction phase of the project, the Licensees shall:
 - (a) maintain contact with the Development Applications Unit of Dúchas and comply with all requirements of Dúchas made in the exercise of its statutory functions in relation to activities along the route of the development or otherwise in connection with this Licence;
 - (b) seek the advice of Dúchas on finding any material of an archaeological nature in or adjacent to the Licensed Area and shall cease all works in the relevant areas until Dúchas agree that works should be resumed and comply with any conditions specified by Dúchas in relation thereto;
 - (c) as Broadhaven Bay is an area of high archaeological potential, ensure that archaeological monitoring is carried out in respect of all dredging works. This should be carried out by a suitably qualified maritime archaeologist and licensed under the *National Monuments Acts 1930-1994*. If material of archaeological significance is discovered as a result of such monitoring, further archaeological mitigation may be required such as preservation in situ, avoidance or excavation. Dúchas shall advise on such issues and the Licensees shall comply with any conditions specified by Dúchas in relation thereto;
 - (d) ensure that guard vessels or other appropriate protection methods are used to prevent snagging of fish trawl nets on the ends of any Facilities prior to tie-in; and
 - (e) appoint a competent liaison officer, whose functions shall include informing fishing vessels, other shipping and recreational users of the construction taking place in the Licensed Area.
15. The Licensees shall:
 - (a) on or before completion of construction of any Facilities in the Licensed Area, furnish to the Minister and the Marine Survey Office plans showing the exact location of such Facilities; and
 - (b) within two months of the completion of construction of any Facilities in the Licensed Area, give notice of such completion to the Minister and the Marine Survey Office.
16. Discharges from the Discharge Pipeline shall be treated to at least EQS as specified in the Licensees' Environmental Impact Statement using best available technology.

17. The Minister notes the OSPAR recommendation, signed at Sintra on 23 July 1998 (“**OSPAR Recommendation**”) that, by 2020 members should aim for zero emissions of certain hazardous substances into the marine environment. The Minister requires that discharges from the Discharge Pipeline should be treated in such a way as to minimise emissions of such hazardous substances to the greatest possible extent. The Minister also recommends that the Licensees meet the OSPAR Recommendation at the earliest possible date and in any case, prior to 2020.
18. Works or measures which would materially adversely impact upon protected species shall be avoided.

SCHEDULE 4

LICENSED AREA

The Licensed Area is comprised of the three areas delineated by the line marked in red on the attached map (which map forms part of this Schedule 4), more particularly described as follows:

1. A corridor 100 metres wide, whose centre is defined by an imaginary line:

- (a) from a point 54deg 20.64min N and 10deg 25.99min W
- (b) through a point 54deg 20.51min N and 10deg 21.73min W
- (c) through a point 54deg 20.41min N and 10deg 10.14min W
- (d) through a point 54deg 20.00min N and 10deg 4.82min W
- (e) through a point 54deg 20.16min N and 10deg 1.46min W
- (f) through a point 54deg 19.82min N and 9deg 59.71min W
- (g) through a point 54deg 16.90min N and 9deg 52.74min W
- (h) through a point 54deg 17.19min N and 9deg 51.15min W
- (i) to a point 54deg 17.00min N and 9deg 49.24min W,

and with changes of direction at each of these intermediate points in the form of a curve of radius 3000 metres, together with the additional area below high water at the landfall encompassed by an imaginary line:

- (j) from a point 54deg 17.05min N and 9deg 49.06min W
- (k) through a point 54deg 17.09min N and 9deg 49.06min W
- (l) through a point 54deg 17.39min N and 9deg 51.01min W
- (m) through a point 54deg 17.04min N and 9deg 52.39min W
- (n) through a point 54deg 16.98min N and 9deg 52.38min W
- (o) to a point 54deg 16.96min N and 9deg 49.26min W.

2. That part of Sruwaddacon Bay between:

- (a) an imaginary line from a point 54deg 16.85min N and 9deg 48.61min W to a point 54deg 16.79min N and 9deg 48.32min W; and
- (b) an imaginary line from a point 54deg 16.93min N and 9deg 48.67min W to a point 54deg 16.84min N and 9deg 48.26min W.

3. That part of Sruwaddacon Bay between:
- (a) an imaginary line from a point 54deg 15.50min N and 9deg 44.49min W to a point 54deg 15.39min N and 9deg 44.48min W; and
 - (b) an imaginary line from a point 54deg 15.58min N and 9deg 44.64min W to a point 54deg 15.42min N and 9deg 44.63min W.

