

PERMIT NO. 1 FOR EXPLOITATION

OF

A SUBSEA RESERVOIR ON THE NORWEGIAN CONTINENTAL SHELF

FOR

INJECTION AND STORAGE OF CO₂ (EXPLOITATION LICENCE)

awarded to

Equinor ASA

By Royal Decree – 11 January 2019

The following has been stipulated by Royal Decree on 11 January 2019:

Pursuant to Regulation No. 1517 of 5 May 2014 relating to exploitation of subsea reservoirs on the continental shelf for storage of CO₂ and relating to transport of CO₂ on the continental shelf, an exploitation licence is awarded to the following licensee:

Equinor ASA

The exploitation licence shall be subject to the terms and conditions below and to all prevailing statutes and regulations.

1. RIGHTS – AREA

- a) The exploitation licence gives exclusive rights to store CO₂ within the area covered by the permit:

Field No.:	Block No.:	Km ² :
31	4	50.861 km ²
31	5	271.260 km ²
31	7	76.779 km ²
31	8	511.902 km ²
31	9	494.762 km ²
Total area		1,405.564 km ²

Corner coordinates (Datum=ED50):

Block 31/4 (part)

60°40'N 3°17'E
60°40'N 3°20'E
60°30'N 3°20'E
60°30'N 3°17'E

Block 31/5 (part)

60°40'N 3°20'E
60°40'N 3°36'E
60°30'N 3°36'E
60°30'N 3°20'E

Block 31/7 (part)

60°30'N 3°17'E
60°30'N 3°20'E
60°15'N 3°20'E
60°15'N 3°17'E

Block 31/8

60°30'N 3°20'E

60°30'N 3°40'E

60°15'N 3°40'E

60°15'N 3°20'E

Block 31/9 (part)

60°30'N 3°40'E

60°30'N 3°51'E

60°28'N 3°51'E

60°28'N 3°56'E

60°30'N 3°56'E

60°30'N 4°00'E

60°15'N 4°00'E

60°15'N 3°40'E

2. OPERATOR

Equinor ASA is been designated and has accepted the task as operator.

3. WORK COMMITMENT

Licensee is ordered to take on the following work commitment:

- a) By 15 January 2019, Licensee shall submit an overall plan for maturing a CO₂ storage site up to the submission of a plan for development and operation. Primary emphasis shall be placed on characterisation of the reservoir in the injection area and simulation of the extent of the CO₂ plume.
- b) By 17 April 2019, Licensee shall present documentation to the authorities that covers the planning phase, with a view toward being able to clarify potential problems at an early stage. This documentation shall include:
 - i. A plan for maturing and decision regarding well location, optimal drilling and implementation schedule, including data acquisition in the well, as well as risk assessment for how possible lack of well information can impact the decision basis by investment decision.
 - ii. An overall plan for monitoring pressure development in the reservoir, risk of leakage in legacy wells and along faults.
- c) By 31 December 2019, Licensee shall submit a plan for development and operation to the Ministry for approval.

If a plan for development and operation is not submitted, the exploitation permit will expire as from 31 December 2019.

- d) No later than one month after the Ministry of Petroleum and Energy has informed Licensee in writing that their plan for development and operation (PDO) is approved, Licensee shall make a final investment decision (FID).

If no FID is made, the exploitation licence will expire one month after the Ministry of Petroleum and Energy informed about the approved plan for development and operation (PDO).

The licensee shall, the same day as FID is made, in writing notify the Ministry of the decision with a copy to the Norwegian Petroleum Directorate.

4. OTHER TERMS AND CONDITIONS

When planning drilling activities, particular care must be taken with respect to fishery activities and marine organisms. Prior to exploration drilling, measures must be implemented to inform the parties concerned.

When planning seismic activities, the licensees must take particular care when designing the programmes with respect to fishery activities and marine organisms in critical life cycle stages.

Licensees are required to undertake necessary mappings of possible coral reefs and other important benthic communities, including important habitats for sand eels, that can be affected by petroleum activity in the awarded blocks. The licensees shall ensure that any such communities are not covered by mud or damaged by the petroleum activity. Special terms and conditions may be stipulated to avoid damage to coral reefs and important benthic communities. Refer to Mareano [www.mareano.no] for information on identified coral reefs on the Norwegian Continental Shelf.

Licensees are required to map and report discoveries of wrecks and other cultural monuments that can be affected by petroleum activity in the awarded blocks and, in cooperation with cultural monument administration, ensure that possible cultural monuments are not damaged by the activity.

Licensee shall apply for necessary permits well in advance of the planned activity, including to the Norwegian Environment Agency for permits pursuant to Section 11 of the Pollution Control Act for drilling, and Section 35 of the Pollution Control Regulations for storage.

As a general rule, no environmentally hazardous substances from the activity shall be discharged to sea, and the risk of environmental degradation caused by discharge of other chemical substances must be minimised.

When there are specific plans to carry out drilling and well activities, requirements relating to contingency plans in the event of accidental oil spills will be stipulated in accordance with the Pollution Control Act and underlying regulations, as well as the HSE regulations. Consent to conduct such operations is subject to emergency preparedness and other requirements. The scope and extent of such requirements will be determined in part by distance to the shoreline, proximity to environmentally sensitive areas and impact on other commercial interests.

To ensure prudent storage activity, it is important that relevant operational uncertainty and risk factors are well understood and dealt with before drilling and development take place.

The licensees are expected to contribute to the biological monitoring of living marine organisms in order to map potential effects of the activity.

A traffic separation system approved by the United Nations maritime organisation IMO has been established on the Norwegian Continental Shelf. In the event of petroleum activity in or close to the

geographically fixed traffic separation systems, the licensees must clarify the planned activity with the Norwegian Coastal Administration well in advance in order to ensure maritime safety.

5. AGREEMENT

If multiple legal entities decide to invest in the project and participate in BOG, the Licensee must, no later than three business days after BOG is resolved, enter into an agreement regarding exercise of the activity under this exploitation permit through a jointly owned legal entity, cf. Section 4-1 (6) of the Regulations relating to exploitation of subsea reservoirs on the continental shelf for storage of CO₂ and relating to transportation of CO₂ on the continental shelf.

Such agreement must be sent to the Ministry of Petroleum and Energy for approval no later than one business day after it is signed.

Simultaneously with submission of the agreement, application shall be made for transfer of the exploitation permit to the jointly owned legal entity.

Supplements to, changes in or exceptions from the agreement with enclosures are conditional on the Ministry's approval.

6. DISPENSATION

The Ministry, or its authorised agent, can grant dispensations from the provisions in this exploitation permit. An application for dispensation must be sent to the Ministry, with a copy to the Norwegian Petroleum Directorate, of all documentation necessary to evaluate the application.

7. DURATION

When the work commitment mentioned in Item 3 is fulfilled, Licensee can demand extension of the exploitation permit. The duration of such an extension is set at 25 years from start-up of ordinary operations.

The portion of the area of the exploitation permit that is not covered by the submitted plan for development and operation shall be relinquished. The Ministry stipulates the extent of the area that shall be retained, based on the submitted plan for development and operation.

The obligations for removal and clean-up that follow from the Regulations relating to exploitation of subsea reservoirs on the continental shelf for storage of CO₂ and relating to transportation of CO₂ on the continental shelf as well as other relevant regulations will apply even if the exploitation permit lapses pursuant to Item 3.

This exploitation permit is issued in 2 originals, of which the Ministry shall retain one.

Oslo, 15 January 2019

THE ROYAL MINISTRY OF PETROLEUM AND ENERGY

Kjell-Børge Freiberg (sign.)
Kjell-Børge Freiberg

Gunnar Hognestad (sign.)
Gunnar Hognestad