## Report on completed negotiations - Use of facilities by others

This form is submitted pursuant to Section 14 of the Regulations relating to the use of facilities by others, laid down by the Ministry of Petroleum and Energy (MPE) on 20 December 2005. The owner and the user fill in the form. The user of the facility forwards the form to the Norwegian Petroleum Directorate (NPD), who will publish it. Please state volumes etc according to the metric system.

Contents:

- 1. Key elements in the agreement that has been made regarding others use of the facility
- 2. Information on the user's fields and streams<sup>1</sup>
- 3. Information on the negotiation process

Title and date <sup>2</sup> of agreement	Agreement for Tie-in and Transportation Services for the Skogul Wellstream at the Vilje Facilities. Dated 13 <sup>th</sup> December 2017
NPD reference number <sup>3</sup>	
NPD reference number for related agreements <sup>3</sup>	
Parties to the agreement <sup>4</sup>	<ul> <li>Vilje Group: <ul> <li>AkerBP ASA (operator) – 46.904%</li> <li>Statoil Petroleum AS – 28.853%</li> <li>PGNiG Upstream Norway AS – 24.243%</li> </ul> </li> <li>Skogul Group: <ul> <li>AkerBP ASA (operator) – 65%</li> <li>PGNiG Upstream Norway AS – 35%</li> </ul> </li> </ul>

1. Key elements of the agreement		
This form must state the key provisions regarding distribution of responsibilities and financial terms		
Services <sup>5</sup>	<ul> <li>Receive the Skogul Wellstream.</li> <li>Transport the Skogul Wellstream through the Vilje Facilities and redeliver Vilje Blend at the Alvheim riser base.</li> <li>Transportation of gas lift gas to the Skogul tie-in point.</li> <li>Pass through of umbilical services as provided by Alvheim to the Skogul tie-in point.</li> </ul>	
Start and duration of services <sup>6</sup>	<ul> <li>Commencement date is between 1<sup>st</sup> Nov '19 and 1<sup>st</sup> April '20.</li> <li>Services will continue until Skogul permanently ceases production.</li> </ul>	
Tariffs <sup>7</sup>	<ul> <li>Alvheim tariff = 2-3 (2017) NOK/boe escalated annually based on CPI.</li> <li>A pro-rata share of direct Vilje operating costs.</li> <li>A share of major capital replacements based on Skogul's proportionate share of remaining reserves for all users of the</li> </ul>	

<sup>&</sup>lt;sup>1</sup> What is transported, processed, injected, etc. will in the following be termed "streams"

<sup>&</sup>lt;sup>2</sup> Must be updated if there are changes to, exception from or amendments to the agreement

<sup>&</sup>lt;sup>3</sup> To be determined by the Norwegian Petroleum Directorate (NPD)

<sup>&</sup>lt;sup>4</sup> The name of the owner and the user, cf. Section 3 of the Regulations, and the licensees' interests in the facility and user field

<sup>&</sup>lt;sup>5</sup> A description of the services included in the agreement, including information on entry point and redelivery point for streams.

<sup>&</sup>lt;sup>6</sup> Start and duration of services according to the agreement

<sup>&</sup>lt;sup>7</sup> Current compensation to the owner. Please also state any indexation and/or rate changes over time. The tariffs must be split to the extent this has been done in the agreement. If desirable, an interval or level may be given which must not deviate more than +/- 15% from the actual agreed compensation

	Shared (Vilje) Subsea Facilities.
Other compensation <sup>8</sup>	<ul> <li>Capital costs for provisions of the tie-in facilities paid at cost + 5%.</li> <li>In-kind compensation for deferred production resulting from tie-in activity.</li> <li>In-kind compensation payed to Vilje for lost and deferred production due to increased Vilje flowline pressure resulting from Skogul tie in</li> </ul>
Capacity rights (over time) <sup>9</sup>	<ul> <li>Liquid capacity limited to Vilje's capacity rights with Alvheim. In-kind compensation mechanism holds Vilje "whole".</li> <li>Gas lift gas capacity limited to Vilje's capacity rights with Alvheim. Vilje has first rights access to capacity rights.</li> </ul>
Flexibility in volumes <sup>10</sup>	<ul> <li>Reasonable Endeavours right to increase above capacity booking.</li> </ul>
Priority <sup>11</sup>	<ul> <li>The Alvheim Operator will optimise oil and gas production for the first 48hrs after a shutdown / reduced capacity.</li> <li>After 48hrs capacity shared pro-rata based on capacity booking.</li> </ul>
Technical requirements <sup>12</sup>	
Special issues <sup>13</sup>	

<sup>&</sup>lt;sup>8</sup> Reimbursable cost, compensation for postponed production for the owner of the infrastructure, and any other compensation (e.g. for use of risers) not covered by current compensation

<sup>&</sup>lt;sup>9</sup> To be specified for the applicable capacities according to the agreement. Changes over time and conditional changes should be shown <sup>10</sup> Please specify whether payment must be made irrespective of the actual use of the facility ("send or pay"), and whether unused rights may be transferred to later periods <sup>11</sup> Priority for the user's streams when there is limited access to services

<sup>&</sup>lt;sup>12</sup> Important technical requirements and particular issues related to the user's streams.

<sup>&</sup>lt;sup>13</sup> Any relevant supplementary information regarding the agreement

2. Information on the user's fields and streams		
This form describes the field and the streams etc. that are relevant to the agreement		
The user field	Skogul	
Planned development solution <sup>14</sup>	Single well subsea tie-back via Vilje subsea system and flowline to Alvheim FPSO. Production will be processed, stored and redelivered at Alvheim FPSO. In addition to Skogul utilizing the Vilje flowline, Vilje will provide "pass through" services to Skogul for gas lift gas and umbilical services.	
Utilisation of the agreement services <sup>15</sup>		
1. Start date and end date <sup>16</sup>	2020 – 2032	
2. Starting time plateau <sup>17</sup>	2020	
3. Plateau level	12,500 bbls/d	
4. Duration of plateau	1 yr	
5. Total volume	9.58 mmboe	
Unique characteristics of the streams <sup>18</sup>		

3. Information on the negotiation process		
Date when the request regarding use was received <sup>19</sup>	10 <sup>th</sup> January 2017	
Date when the reply to this request was sent <sup>20</sup>	3 <sup>rd</sup> May 2017	
Milestones in the agreement negotiations <sup>21</sup>	Fully termed agreement negotiated between May and September '17.	
The structure of and roles in the negotiations <sup>22</sup>	Roundtable negotiations.	
Other important matters regarding the negotiations		

<sup>&</sup>lt;sup>14</sup> Overall description, possibly with an illustration of the development. The description must include the development solution (including changes to the owner's facility in connection with the agreement), gas lift, injection (gas and/or water), export solutions and, if relevant, used drilling slots/risers and any other important parameters

<sup>&</sup>lt;sup>15</sup> The field's expected streams and other figures relevant to the services in the agreement. State Items 1-5 per stream, etc. (e.g.: well stream, processed oil, gas, condensate, NGL, produced water, injected gas, the number of used risers or drilling slots)

<sup>&</sup>lt;sup>16</sup> Expected start date and end date for use of the service

<sup>&</sup>lt;sup>17</sup> Plateau is the highest level of service, e.g. well stream volume, water injection volume or the number of used drilling slots

 $<sup>^{18}</sup>$  This may for example be: low API, high H<sub>2</sub>S, high CO<sub>2</sub>, significant sand production, etc.

<sup>&</sup>lt;sup>19</sup> The date when the owner received a request regarding use, cf. Section 6 of the Regulations

<sup>20</sup> The date of the owner's reply to the request regarding use, cf. Section 6 of the Regulations

<sup>&</sup>lt;sup>21</sup> Start date, milestones (deadline kept: Y / N: Reason) and end date (deadline kept: Y / N: Reason) compared to the initial progress plan submitted to the Ministry, cf. Section 7 of the Regulations

<sup>&</sup>lt;sup>22</sup> Negotiation structure: polarized or round table. The parties' negotiation roles: Negotiation leader, facilitator, technical assistant.