

SUBJECT TO THE POSITIVE VETTING OF THE ATTORNEY GENERAL

THE REPUBLIC OF TRINIDAD AND TOBAGO



**EXPLORATION AND PRODUCTION
(PUBLIC PETROLEUM RIGHTS) LICENCE**

TO

XXX

AND

XXX

FOR

XXX

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THE REPUBLIC OF TRINIDAD AND TOBAGO

THIS DEED OF LICENCE is made in **TRIPPLICATE** on the day of in the Year Of Our Lord Two Thousand and Twenty-Two, under the Petroleum Act, Chapter 62:01 (hereinafter referred to as “the Act”) and the Petroleum Regulations (hereinafter referred to as “the Regulations”) among the **PRESIDENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO, HER EXCELLENCY PAULA-MAE WEEKES**, Intendant of State Lands (hereinafter referred to as “the President”) of the First Part **THE MINISTER OF ENERGY AND ENERGY INDUSTRIES, XXX**, acting for and on behalf of the Republic of Trinidad and Tobago, (hereinafter referred to as “the Minister”) of the Second Part and **XXX**, a company incorporated under the Companies Ordinance Chapter 31 No. 1 of the Laws of the Republic of Trinidad and Tobago and continued under the Companies Act Chapter 81:01 of the Laws of the Republic of Trinidad and Tobago with its registered office at **XXXX** (hereinafter to as “**XXXX**”) and **XXXX**, a company registered under the Companies Ordinance Chapter 31 No. 1 of the Laws of the Republic of Trinidad and Tobago and continued under the Companies Act Chapter 81:01 of the Laws of the Republic of Trinidad and Tobago, with its registered office at **XXXX** (hereinafter referred to as “**XXXX**”) of the Third Part.

For all intents and purposes **XXXX** and **XXXX** are hereinafter together referred to as “the Licensee” (which expression shall where the context so permits include their respective successors in title or assigns) and the President, the Minister and the Licensee are hereinafter collectively referred to as “the Parties”.

WHEREAS:

Section 3 of the Act provides that public petroleum rights (as defined in the Act) are vested in the State and are exercisable by the President on behalf of the State.

AND WHEREAS, Section 5 of the Act provides, inter alia that the Minister is charged with the general administration of the Act.

AND WHEREAS, the Minister under Regulation 4 of the Petroleum Regulations, made under the Act, issued on the **XX** day of **XX**, 2022, the Petroleum Regulations (Onshore and Nearshore Competitive Bidding) Order, 2022 published as Legal Notice No. **XX** of 2022 by which bids were invited for certain areas described in **ANNEX “A1”** therein.

AND WHEREAS, **XXX** submitted a bid on the **XX** day of **XX**, 2022 in accordance with and pursuant to the Petroleum Regulations (Onshore and Nearshore Competitive Bidding) Order, 2022 and was selected for as the preferred bidder for the **XXX** Block (more particularly defined in **ANNEX “A1”** and outlined on the reference map in **ANNEX “A2”** herein below as the “Licenced Area”).

AND WHEREAS Heritage Petroleum Company Limited has **XX** percent (**XX**%) participating interest in the Licence with a carried interest for certain works, payments and obligations as

specified in the Model Joint Operating Agreement in accordance with Section 10 of the Petroleum Regulations (Onshore and Nearshore Competitive Bidding) Order, 2022 and XXX has an XX percent (XX%) participating interest in this Licence.

AND WHEREAS the Licensee has represented to the Minister that it has the financial ability, technical competence and professional skills necessary to carry out Petroleum Operations within the Licensed Area.

NOW THIS DEED WITNESSETH

A. Public Petroleum Rights

- (i) In consideration of the premises, and the payments and royalties hereinafter reserved and the performance and observance by the Licensee of all the terms and conditions hereof, the Minister in exercise of the powers conferred upon him by the Act, hereby grants and the President hereby grants and confirms unto the Licensee **EXCLUSIVE LICENCE AND LIBERTY** during the continuance of this Licence and subject to the provisions hereof to search and bore for, and get petroleum in the Licensed Area comprising an area of approximately xxx hectares more particularly described in **Annex “A1”** of this Licence being the area outlined on the reference map in **Annex “A2”** of this Licence.

B. Private Petroleum Rights

- (i) This Licence grants the Licensee exclusive rights to carry on Petroleum Operations in the Licensed Area, except that, the Licensee shall be required to acquire the leases or other interests in Private Petroleum Rights from the owners thereof in order to legally conduct Petroleum Operations in Open Private Rights Areas.
- (ii) The regulatory provisions of this Licence under the Act and the Regulations shall apply to all Private Petroleum Rights within the Licensed Area at any time held by the Licensee, throughout the term of the Licence provided however, that the provisions of **clause 10.2 – Royalties and other Payments, clause 10.3- Minimum Payments and clause 10.8-Annual Surface Rental** shall not apply to areas in the Licensed Area that are subject to Private Petroleum Rights.

- C. That in consideration of the premises and in consideration further of the payments and royalties hereinafter reserved and the performance and observance by the Licensee of all the terms and conditions hereof, the Minister in exercise of the powers conferred upon him by the Act, hereby grants and the President hereby grants and confirms to the Licensee **EXCLUSIVE LICENCE AND LIBERTY** during the continuance of this Licence and subject to the provisions hereof to search and bore for, and get petroleum in the Licensed Area comprising an area of approximately XXXX Hectares (XXXX Ha), more particularly described in **ANNEX “A1”** of this Licence and outlined and coloured XXX-on the reference map annexed hereto and marked **ANNEX “A2”**.

NOW IT IS HEREBY DECLARED AND AGREED BETWEEN the Parties as follows: ⁷

1. This Licence incorporates by reference the following provisions of the Regulations: 13 through 18; 22(1); 23(1); 26 through 43(t); 44 through 77; 78(1)(b) and (2); 79 through 82; 87 through 89; 91 through 94 and Section 19 of the Act.
2. In this Licence: -

"Act" means the Petroleum Act, Chapter 62:01 of the Laws of the Republic of Trinidad and Tobago and all regulations, rules and orders made thereunder and any re-enactments or statutory modifications thereto.

"Affiliate" means an affiliated body corporate within the meaning of this **clause 2**.

- (1) For the purposes of this Licence—
 - (a) one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other, or both are subsidiaries of the same body corporate, or each of them is controlled by the same person; and
 - (b) if two bodies corporate are affiliated with the same body corporate at the same time, they are affiliated with each other.
- (2) For the purposes of this Licence—
 - (a) a body corporate is the holding body corporate of another if that other body corporate is its subsidiary; and
 - (b) a body corporate is a subsidiary of another body corporate if it is controlled by that other body corporate.
- (3) For the purpose of this definition **"control"** in relation to a body corporate means the power of a person to ensure by:
 - (a) the holding of shares or the possession of voting power in relation to that body corporate; or
 - (b) any other power conferred by the articles of incorporation or other document regulating the body corporate, that the business and affairs of the body corporate are conducted in accordance with the wishes of that person.

"Commercial Discovery" means a Discovery that the Licensee commits itself to develop and produce under the terms of the Licence and, in the case of a Pre-Existing Field, means a Discovery which a licensee/lessee has developed and produced prior to the Effective Date and from which Petroleum production continues after the Effective Date.

"Crude Oil" means Petroleum in a liquid state at 60 degrees Fahrenheit and 14.7 pounds per square inch absolute pressure.

“Discovery” means any Petroleum not previously known to have existed within the Licenced Area, which is recovered at the surface in a flow measurable by conventional Petroleum industry testing methods.

"Effective Date" means the date on which this Licence has been signed by all Parties as first hereinabove appearing.

"Energy Equivalent Basis" means the equivalent of Natural Gas in Barrels of Crude Oil with 5,800 standard cubic feet of Natural Gas being equivalent to one Barrel of Crude Oil.

"Enhanced Oil Recovery" means any secondary or tertiary recovery method including water injection, gas injection, carbon dioxide or steam injection.

"Exploratory Well" means any well drilled in search of Petroleum in a structure or geologic trap in which Petroleum in significant quantities has not previously been encountered.

"Field" means an area within the Licensed Area which has been determined to be a Commercial Discovery, consisting of a Petroleum reservoir or multiple Petroleum reservoirs all grouped on or related to the same or stacked geological structures or stratigraphic conditions from which Petroleum may be produced commercially plus an additional zero point five (0.5) kilometre zone surrounding the outermost geographic limits of the reservoirs and any Pre-Existing Field within the said Licensed Area as contemplated under Clause 3(3).

"Government" shall mean the government of the Republic of Trinidad and Tobago.

"Licensed Area" means that area commonly known as the XXX more particularly described in ANNEX “A1” to this Licence and outlined on the reference map annexed hereto for illustration purposes only and marked ANNEX “A2”. The Licensed Area may be varied from time to time and reduced by surrender in accordance with **clause 6** hereof and the relevant provisions of the Act.

"Licence Year" means a period of twelve (12) consecutive months within the term of the Licence, beginning on the Effective Date or any anniversary thereof.

"Local Content" means the local value added to goods, works or services measured as the amount of money or percentage of each dollar of expenditure remaining in Trinidad and Tobago after the production of the good or the performance of the work or service employed in the conduct of Petroleum Operations under this Licence.

"Local Content Policy" means the policy of the Government with respect to Local Content.

"Local Contractor or Local Supplier" means a person, firm or entity performing works, services and/or supplying goods and materials to the Contractor, whether as a Subcontractor or otherwise, whose business enterprise is incorporated or otherwise

organised under the laws of Trinidad and Tobago and whose principal place of business is in Trinidad and Tobago.

“Local Enterprise” means a person, firm or entity performing works, services and/or supplying goods and materials to Contractor, whether as a Subcontractor or otherwise, whose business enterprise is incorporated or otherwise organised under the Laws of Trinidad and Tobago and whose principal place of business is in Trinidad and Tobago and which is effectively owned and controlled by nationals of Trinidad and Tobago.

“Local Goods” means materials and/or equipment mined, grown or produced in Trinidad and Tobago, whether through manufacturing, processing or assembly. An article, which is produced by manufacturing, processing or assembly, must differ substantially in its basic characteristics, purpose or utility from any of its imported components. Manufactured goods would be considered to be of local origin if the cost of the local materials, labour and services used to produce the item constitute not less than fifty (50%) percent of the cost of the finished product.

“Local Services” means works or services performed or supplied by a Local Enterprise.

"Minister" means the member of Cabinet to whom responsibility for the matters related to Petroleum is assigned from time to time.

"Natural Gas" means Petroleum in a gaseous state.

“Open Private Rights Areas” means those portions within the Licensed Area which are subject to Private Petroleum Rights and over which the Licensee does not have any Private Petroleum Rights.

"Petroleum" means any mixture of naturally occurring hydrocarbons and hydrocarbon compounds.

"Petroleum Operations" means the operations related to the various phases of the petroleum industry and includes natural gas processing, exploring for, producing, refining, transporting and marketing petroleum or petroleum products or both, and manufacturing and marketing of petrochemicals; but does not include mining operations involving the extraction of petroleum from bituminous shales, tar sands, asphalt or other like deposits.

"Pre-Existing Field" means any area within the Licensed Area which was, prior to the Effective Date, developed and produced up to the Effective Date and capable of further production after the Effective Date.

“Private Petroleum Rights” means rights to petroleum that are not public petroleum rights;

“Public Petroleum Rights” means rights to petroleum in its natural condition in strata existing in—

- (i) State Lands;
- (ii) submarine areas;

"Regulations" means the Petroleum Regulations made under the Petroleum Act, Chapter 62:01 of the Laws of the Republic of Trinidad and Tobago.

"State" means the Republic of Trinidad and Tobago.

3. TERM

- (1) The term of this Licence, unless sooner determined shall be and continue in force for a period of six (6) years from the Effective Date, but may be extended or renewed in the manner hereinafter provided.
- (2) In the event of a Commercial Discovery or commercial production from a Pre-Existing Field, where the Licensee, at least one hundred and eighty (180) days before the expiry of the initial six (6) year term, gives notice to the Minister of its desire to renew this Licence, it shall be extended as to part of the original area (which subject to Regulation 17, shall include any Pre-Existing Field or Fields) for a maximum term of twenty-five (25) years from the Effective Date.
- (3) In the event that there is a Pre-Existing Field within the Licensed Area capable of further commercial production, the Licensee shall submit the coordinates of the outline of the Pre- Existing Field to the Minister within the three (3) months of the Effective Date and upon verification and approval of said coordinates by the Ministry, the Licensee shall be granted approval to continue its production for a period of twenty five (25) years from the Effective Date under the terms of this Licence. Should the Licensee deem that commercial production is no longer possible and the Minister concurs, the Pre-Existing Field shall be decommissioned in accordance with **clause 10.4(6)** and the Act. In the event that the Licensee deems that commercial production is no longer possible but the Minister determines that commercial production is still possible from the Pre-Existing Field, the Licensee shall hand over to the Minister, without consideration, the Pre-Existing Field and all facilities required for carrying out existing operations, in good working order, normal wear and tear excepted, but only to the extent that such facilities are not otherwise required for continued Petroleum Operations in other producing Fields or Pre-Existing Fields. Upon the transfer of said Pre-Existing Field and related facilities, the Minister shall assume all responsibility for the facilities and their abandonment and hold Licensee harmless against any liability with respect thereto accruing after the date of such transfer to the Minister.
- (4) Where the Licensee, at least two (2) years before the end of the twenty-five (25) year period provided in **clauses 3(2)** and **3(3)** above, indicates to the Minister its desire to further renew this Licence, it shall be extended for five (5) years from the

end of the twenty-five (25) year period in accordance with terms which shall be laid down by the President in light of the circumstances then prevailing.

- (5) The Minister may grant further five-year (5) extensions from the end of each renewal period in the same manner stated in **clause 3(4)** above.

4. MINIMUM WORK PROGRAMME

The minimum work programme to be carried out by the Licensee shall be as follows:

- (a) **Geological:**
- (b) **Geophysical:**
- (c) **Drilling:**

5. ANNUAL WORK PROGRAMME AND BUDGET

- (1) As soon as reasonably practicable following the Effective Date, and at least sixty (60) days before the beginning of each subsequent calendar year, the Licensee shall prepare and submit for approval by the Minister, an annual development and production work programme and budget for such calendar year covering all operations, costs and expenditure including but not limited to workover operations and enhanced oil recovery schemes to be carried out in relation to the Licensed Area for such calendar year and a forecast of operations for, production, capital expenditure, fixed and variable operations expenditure and administrative and general expenditure for the ensuing period of five (5) calendar years in the form set out in **ANNEX "B"** hereto ("**Annual Work Programme and Budget**").
- (2) Within thirty (30) days after receipt of an Annual Work Programme and Budget, the Minister shall have the right to make suggestions to the Licensee as to the Annual Work Programme and Budget, including in respect of the content, budget, timing and scope of such programmes and budgets. If the Minister does not respond with suggestions within thirty (30) days after receipt of an Annual Work Programme and Budget, the process set out in this **clause 5(2)** shall be deemed to be complete. If the Minister submits his suggestions to the Licensee, the Licensee shall consider such suggestions in good faith and shall, within fourteen (14) days of receipt of the Minister's suggestions and at the request of the Minister, meet and discuss the same with the Minister. Within fourteen (14) days of such discussions, the Licensee shall provide the Minister with the final Annual Work Programme and Budget. If such final Annual Work Programme and Budget does not account for such suggestions made by the Minister, the Licensee shall, within fourteen (14) days of a request from the Minister, submit its rationale for not accepting such suggestions; *provided that* nothing in this **clause 5** shall be construed as imposing an obligation on the Licensee to revise an Annual Work Programme and Budget to account for any suggestions made by the Minister.

6. GUARANTEE

- (1) The guarantee required pursuant to Regulation 45 shall be for the total amount of the expenditure obligation which has been calculated as XXXX in the currency of the United States of America (**USD XXXX**).
- (2) The guarantee shall be delivered to the Minister on the Effective Date in the form of a bond or banker's guarantee or in such other form acceptable to the Minister, for the total amount of the expenditure obligation stipulated.
- (3) The amount of such bond or guarantee shall be reduced at the end of each twelve (12) month period by the actual exploration expenditure of the period upon presentation of all technical data obtained from the surveys made and the interpretation thereof as well as data and results from any other work performed thereon.

7. SURRENDER PROVISIONS

Subject to Regulation 18, the Licensee shall surrender by the end of the sixth Licence Year, all acreage in the Licensed Area which does not form part of a Field or Fields or Pre-Existing Field which the Licensee and the Minister have agreed to continue to produce by the end of the sixth Licence Year, provided however that:

- (1) The Licensee shall be at liberty to surrender this Licence as to the whole or any part of the Licensed Area at any time on giving to the Minister not less than one hundred and eighty (180) days' notice in writing;
- (2) Surrender shall not affect any obligations or liabilities imposed on or incurred by the Licensee under this Licence or under the Act, that have not been performed or discharged prior to the date of surrender;
- (3) During the term of this Licence or any extension thereof, the Licensee shall not be required to surrender any Field discovered or any Pre-Existing Field within the Licensed Area; and
- (4) Areas for surrender shall be identified, defined and demarcated on the surface of the Licensed Area and shall consist, as far as practicable, of rectangular blocks bounded by lines running either due North and South or due East and West in accordance with Regulation 17(3).

8. COMMERCIALISATION OF NATURAL GAS OR CRUDE OIL

- (1) Where a Discovery of Natural Gas or Crude Oil is made the Licensee shall immediately submit a written notification informing the Minister of such Discovery.
- (2) The Licensee shall inform the Minister thirty (30) days after the notification, at **clause 8(1)** hereof, whether the Discovery has commercial potential.
- (3) Where a Licensee has indicated that a Discovery has commercial potential pursuant to **clause 8(2)** above, the Licensee shall declare to the Minister within eighteen (18) months from the date of Discovery whether the Discovery is a Commercial Discovery and if such Discovery is a Commercial Discovery, shall immediately, upon such declaration, present for the Minister's approval a development plan.
- (4) Where the Licensee fails to declare a Discovery of Natural Gas or Crude Oil as a Commercial Discovery in the time specified herein, such Discovery shall at the end of the sixth year of the Licence form part of the area to be surrendered as stated in **clause 7**.

9. PRICING OF NATURAL GAS

- (1) The Licensee shall apply to the Minister for approval of the pricing provisions for any new Natural Gas sales contract or amendments to the pricing provisions of any existing Natural Gas sales contract from the Effective Date.
- (2) In applying for such approval, the Licensee shall demonstrate to the reasonable satisfaction of the Minister that the price of such Natural Gas represents a market reflective price obtainable for such Natural Gas.
- (3) Upon the preceding approval by the Minister of the pricing provisions for any new Natural Gas sales contract or amendments to the pricing provisions of any existing Natural Gas sales contract, the approved pricing provisions shall be deemed to constitute the fair market value obtainable for such Natural Gas when sold in accordance with such pricing provisions for the purposes of all laws and regulations applicable to the Licensee and the Licensed Area.

10. FINANCIAL OBLIGATIONS

10.1 BONUSES

- (1) **Signature Bonus**
The Licensee shall pay a signature bonus of XXXX **DOLLARS** in the currency of the United States of America (**USD XXXX**) payable within ten (10) days of the Effective Date.

(2) **Production Bonuses**

The Licensee shall pay production bonuses on first attainment of a sixty (60) consecutive day average at or in excess of the production levels computed on an Energy Equivalent Basis as detailed hereunder:

Petroleum production in Barrels Oil Equivalent per Day (BOE/D)	Production bonus payments in USD
500	4,000
1,000	8,000
1,500	12,000
Thereafter for every 500 BOE/D exceeding 1,500 BOE/D	6,000

In computing the production levels referred to above, Natural Gas production shall be added to Crude Oil production after converting to Barrels of Crude Oil on an Energy Equivalent Basis.

(3) Technical Equipment Bonus

The Licensee shall provide to the Minister a technical assistance and/or equipment bonus of **TWENTY FIVE THOUSAND DOLLARS** in the currency of the United States of America (**USD 25,000.00**) payable as directed by the Minister either:

- (i) in cash within ten (10) days of the Effective Date; or
- (ii) in technical assistance and/or equipment to a total delivered cost of **TWENTY FIVE THOUSAND DOLLARS** in the currency of the United States of America (**USD 25,000.00**). Such technical assistance and/or equipment shall be delivered to the Minister within three (3) months of the date that a list of such technical assistance and/or equipment is agreed between the Minister and the Licensee.

(4) Environmental Bonus

The Licensee shall pay an environmental bonus of **FIFTY THOUSAND DOLLARS** in the currency of the United States of America (**USD 50,000.00**) within ten (10) days of the Effective Date. This payment is in addition to the on-going obligation of the Licensee to implement an agreed programme of environmental remediation of any identifiable sites of chronic oil pollution in the Licensed Area in accordance with the applicable law.

10.2 ROYALTIES AND OTHER PAYMENTS

- (1) Royalties shall be paid pursuant to the Petroleum Regulations as currently in force and as amended from time to time.
- (2) The Licensee shall make all other payments including import duties, income tax, excise duties, charges and fees for services rendered and fees of general application as may be appropriate to the Licence and in accordance with any applicable law.

10.3 MINIMUM PAYMENT

- (1) The minimum payment for the Licensed Area payable quarterly in accordance with Regulations 56 and 57 shall be:

	U.S. \$ per hectare per quarter
During the 1 st Licence Year	4.00
During the 2 nd Licence Year	4.25
During the 3 rd Licence Year	4.50
During the 4 th Licence Year	4.75
During the 5 th Licence Year	5.00
During the 6 th Licence Year	5.25

Thereafter the minimum payment shall increase annually at a rate of six percent (6%) for the unexpired term of the Licence.

- (2) The above minimum payment shall be payable within thirty (30) days after the Effective Date and thereafter in advance within ten (10) days of the start of the quarter on each hectare of State Land and Submarine Area held by the Licensee from time to time throughout the period of the Licence, in accordance with **clause 7**, in the Licensed Area as of the date of payment. No refund shall become due if before the end of a quarterly period a part of the Licensed Area has been surrendered.
- (3) In accordance with Regulation 58, in respect of any quarterly period for which royalties become payable under this Licence, where the sum of such royalties is equal to or exceeds the amount already paid as minimum payment for the same period, then the amount of minimum payment so paid shall be deducted from the royalties payable in respect of such quarterly period.

10.4 ESCROW ACCOUNT

- (1) Within sixty (60) days after cessation of Production or the sooner relinquishment of some or all of the Licenced Area, the Licensee shall carry out to the Minister's satisfaction an abandonment programme agreed with the Minister for all installations and pipelines provided by the Licensee under this Licence that the Minister elects not to have delivered up to him in accordance with **clause 3(3)**. With respect to the area being relinquished and/or facilities thereon, such abandonment programme shall comply with sound and current international Petroleum industry principles and guidelines for abandonment and decommissioning of facilities.
- (2) From the earlier of the date of first Commercial Discovery or the date of first commercial production under this Licence, the Minister and the Licensee shall agree to establish an interest bearing escrow account in the name of the Minister at

a financial institution determined by the Minister to accumulate cash reserves for use to fund against possible pollution and eventual abandonment of wells and decommissioning of facilities related to Petroleum Operations in this Licence Area.

- (3) The Licensee shall pay twenty-five (25) cents in the currency of the United States of America per Barrel of oil equivalent produced into said escrow account from the date of first production.
- (4) The Minister may at his sole discretion access funds from the escrow account in the event that the Licensee fails to (i) effect environmental clean-up, or (ii) properly abandon wells, or decommission facilities to the satisfaction of the Minister. Where the Minister accesses the escrow account as aforementioned during the term of this Licence, the Licensee shall be required to pay into the account the sum used for said purposes within sixty (60) days.
- (5) The Licensee shall submit for the Minister's approval, at least five (5) years prior to the Licensee's anticipated final cessation of Production of a Field or of operation of a pipeline, a proposed programme for abandonment and decommissioning of facilities and budget in relation to all such installations and pipelines provided by the Licensee under this Licence.
- (6) The Minister shall act without unreasonable delay in reaching a decision on the Licensee's proposal under **clause 10.4 (5)** and may approve or modify or impose conditions thereon. Before modifying or imposing conditions on the proposal, the Minister shall notify the Licensee of the proposed modification or conditions and give the Licensee the opportunity to make written representations within sixty (60) days thereafter with regard to the proposed modifications or conditions. After taking into consideration such representations, the Minister and the Licensee shall utilise their best efforts to mutually agree on the proposed modifications or conditions of the programme and budget for abandonment and decommissioning of the facilities. In the event that the Minister and the Licensee cannot mutually agree on the proposed abandonment programme and budget for abandonment and decommissioning of facilities, either Party may, by written notice to the other Party, propose that the dispute be referred for determination in accordance with the provisions of **clause 20**. Until such time that the determination has been made, the Licensee shall make payments into the escrow account referred to in **clause 10.4 (2)**, based on its proposed abandonment programme and budget for abandonment and decommissioning of the facilities. After the determination is made, the Licensee shall adjust the payments to such escrow account to reflect the abandonment and decommissioning programme of the facilities and budget so determined.
- (7) In the event that the Licensee does not present a timely proposal to the Minister under **clause 10.4 (5)**, the Minister, after giving thirty (30) days' notice to the Licensee of his intention to do so, may prepare an abandonment and decommissioning programme of facilities and budget for this Licence Area if the

Licensee does not present a proposal by the end of the thirty (30) day period. When the Minister has so prepared the abandonment and decommissioning of the facilities programme and budget, it shall have the same effect as if it had been submitted by the Licensee and approved by the Minister.

- (8) The approved budget for carrying out the approved abandonment and decommissioning programme of the facilities shall be provided for by monies paid into the escrow account established under **clause 10.4 (2)**. If the approved budget is more than the value of the escrow account, the Licensee shall pay the difference based on a per unit of Production assessment. The assessment shall be calculated dividing the difference between the approved budget and the value in the escrow account by the estimated units of Production to be produced and saved by the Licensee between the date of the Minister's approval and the anticipated date of the abandonment.
- (9) (a) Upon determination of this Licence, where the Licensee fulfils all obligations in respect of environmental remediation, abandonment of wells and decommissioning of facilities to the satisfaction of the Minister, all existing funds in the escrow account shall be returned to the Licensee.
- (b) In the event the Minister elects to have the facility delivered up to him, the Minister, shall assume all responsibility for the facility and its abandonment and hold the Licensee harmless against any liability with respect thereto accruing after the date of such transfer to the Minister.

10.5 TRAINING

- (1) The Licensee shall provide to the Minister within ten (10) days of the Effective Date and thereafter within the first ten (10) days of the start of each Licence Year, a training contribution of **TWENTY THOUSAND DOLLARS** in the currency of the United States of America (**USD 20,000.00**) to the University of Trinidad and Tobago or the University of the West Indies or such other institute as the Minister may direct for the financing of training of nationals of the Republic of Trinidad and Tobago in fields of study in accordance with the priority needs of Trinidad and Tobago for the first year of the Licence Year and increasing annually at a rate of six percent (6%) for the unexpired term of the Licence.
- (2) From the earlier of the date of first Commercial Discovery or the date of first commercial production under this Licence, the Licensee shall further provide to the Minister within ten (10) days of such date and thereafter within the first ten (10) days of the start of each Licence Year, an additional training contribution of **TWO THOUSAND DOLLARS** in the currency of the United States of America (**USD 2,000.00**) during the first year and increasing annually at a rate of six percent (6%) for the unexpired term of the Licence.

10.6 RESEARCH AND DEVELOPMENT

- (1) The Licensee shall provide to the Minister within ten (10) days of the Effective Date of this Licence and thereafter within the first ten (10) days of the start of each Licence Year, a Research and Development contribution of **TWENTY THOUSAND DOLLARS** in the currency of the United States of America (**USD 20,000.00**) for the first year of the Licence and increasing annually at a rate of six percent (6%) for the unexpired term of the Licence. This contribution shall be used for the financing of research and development activities in appropriate fields of study associated with Petroleum Operations.
- (2) From the earlier of the date of first Commercial Discovery or the date of first commercial production under this Licence, the Licensee shall further provide to the Minister within ten (10) days of such date and thereafter within the first ten (10) days of the start of each Licence Year, an additional research and development contribution of **TWO THOUSAND DOLLARS** in the currency of the United States of America (**USD 2,000.00**) during the first year and increasing annually at a rate of six percent (6%) for the unexpired term of the Licence.

10.7 SCHOLARSHIPS

The Licensee shall:

- (i) fund the following scholarships as stipulated in **clause 10.7(ii)** herein in the manner prescribed by the Minister.
- (ii) annually fund the award of scholarships for the training of nationals of the Republic of Trinidad and Tobago in appropriate fields of study in accordance with the priority needs of the Government. The value of such funding shall be **TWENTY THOUSAND DOLLARS** in the currency of the United States of America (**USD 20,000.00**) for the first year of the Licence and increasing annually at a rate of six percent (6%) for the unexpired term of the Licence.

10.8 ANNUAL SURFACE RENTAL

- (1) The annual surface rental for the Licensed Area payable in accordance with Regulation 60 shall be as follows:

	U.S. \$ per hectare per annum
1st Licence Year	5.00
2nd Licence Year	5.25
3rd Licence Year	5.50
4th Licence Year	5.75
5th Licence Year	6.00
6th Licence Year	6.25

Thereafter, annual surface rental shall increase annually at a rate of six percent (6%) for the unexpired term of the Licence

- (2) The annual surface rental shall be payable within thirty (30) days after the Effective Date and thereafter on each anniversary date of the Effective Date for all State Lands in the Licensed Area which the Licensee has taken up on lease, is using or is occupying for the purpose of this Licence and in accordance with **clause 7** as of the date of payment. No refund shall become due if before the next anniversary date any part of the Licensed Area has been surrendered.

11. RIGHTS AND DUTIES OF LICENSEE

(1) Exclusive Rights

This Licence confers upon the Licensee exclusive rights in respect of the Licensed Area to search for, drill, get and win Petroleum and to dispose of Petroleum so won in accordance with the provisions contained in this Licence but nothing in this clause shall be taken to confer ownership of any Petroleum in strata or confer any other rights in law within the Licensed Area.

(2) Right of Licensee to Petroleum Won and Saved

Subject to the right of pre-emption pursuant to Section 36 of the Act; the right to take royalty in kind and the right of distraint provided for in the Regulations and the Minister's right to approve only the pricing provisions for any new Natural Gas sales contract or amendments to the pricing provisions of any existing Natural Gas sales contract under **clause 9**, the Licensee shall have the right to export all Petroleum won and saved from the Licensed Area and to sell the same whether in Trinidad and Tobago or abroad.

(3) Ancillary Rights

The Parties agree and acknowledge that pursuant to Section 38(4) of the Act those ancillary rights formerly held by the licensee under or pursuant to the Former Leases and Licences are deemed preserved and granted under Section 25(a) of the Act. If the Licensee considers that ancillary rights are required for carrying out Petroleum Operations he may apply to the Minister for the grant of such a right in accordance with Part II of the Act.

(4) Operating Rights

The Licensee may, subject to Regulation 31, exercise the entire rights incidental to the conduct of Petroleum Operations under this Licence and contained hereunder:

- (i) To bore, dig, sink, drive, make, use and maintain all such boreholes, pit, shafts, drift, levels, excavations and other facilities for searching for and the producing of Petroleum in the Licensed Area.
- (ii) To construct, operate, maintain and administer plants, tanks, reservoirs and other storage facilities, gas-oil separators, casing head gasoline plants and other facilities

for producing and otherwise treating Crude Oil and Natural Gas within the Licensed Area or any other area acquired by the Licensee.

- (iii) To construct, operate, maintain and administer within the Licensed Area or any other area acquired by the Licensee, pipelines, pumping stations, power houses, power stations, power lines, telegraph, telephone, radio and other communications facilities, factories, warehouses, offices, houses, buildings, conveyances, railways, tramways, roads, bridges, airways, airports and other transport facilities, garages, hangars, workshops, foundries and repair shops and all ancillary services required for the purposes of or in connection with the operations, of exploring for and producing Petroleum under this Licence and all such further and other rights and powers as are or may become necessary or reasonably incidental to the carrying out of such operations, it being understood that the erection of any railway lines, telecommunication services, power stations and aviation facilities shall require the previous consent in writing of the authorities concerned.
- (iv) To construct, make, operate, maintain, use and administer dams, drains, watercourses, ports, docks, harbours, piers, jetties, dredgers, breakwaters, submarine loading lines and terminal facilities, vessels and all ancillary services required for the purpose of or in connection with exploring and producing operations, with the previous consent in writing of the authorities concerned.

(5) Use of Water

The Licensee may for the purposes of its operations appropriate and use, free of charge, with the approval of the Water and Sewerage Authority and subject to third party rights, any water that it may find in the Licensed Area, in accordance with Regulation 33. For the avoidance of doubt, this sub-clause does not apply to water supplied by the Water and Sewerage Authority.

(6) Right to Use Natural Gas

- (i) The Licensee shall have the right to use Natural Gas in Petroleum Operations.
- (ii) The Licensee shall return associated Natural Gas, not required for use in Petroleum Operations or for sale, to the subsurface structure. Where such associated Natural Gas cannot be economically used, or sold or returned to the subsurface structure, the Licensee shall submit reasons with supporting engineering and economic justification to the Minister why such Natural Gas cannot be economically used or sold or returned to the subsurface structure. Permission may be granted to flare such associated Natural Gas. Notwithstanding the above, associated Natural Gas may be flared at any time if necessary for the conducting of well and production tests and during an emergency.
- (iii) The Minister may at any time call upon the Licensee to deliver to him at the field separator, without compensation, any quantity of Natural Gas produced in association with Crude Oil and not required by the Licensee for its operations or for sale, which may be needed in the public interest. Where the recovery, delivery

or storage of such Natural Gas requires the construction of any new facilities, such facilities shall be provided by the Minister. Such Natural Gas or other substances shall be free of royalty to the Licensee.

(7) Duty to Produce Petroleum and Other Duties

The Licensee shall:

- (i) produce petroleum in accordance with Regulation 50 where it discovers petroleum in commercial quantities;
- (ii) provide the Minister in accordance with ANNEX "C" any and all data, reports, samples, information, interpretation of such data and all other information or work product pertaining to the Licensed Area;
- (iii) provide the Minister with annual and complete information concerning all Petroleum Operations and shall present to the Minister prior to execution of specific work information relative thereto;
- (iv) allow such persons as duly authorised by the Minister, to inspect the plant, operations, records and accounts of the Licensee;
- (v) cooperate and consult with other parties conducting Petroleum Operations within the same geographical area; provided that the Licensee shall have the right to consult with the Minister in the event of a failure to reach agreement with such other parties;
- (vi) meet on a quarterly basis with the Minister or his representatives in order to give updates on their operations and receive any relevant guidance and instructions on such operations; and
- (vii) perform all other duties stipulated under the Act.

(8) Environmental Remediation

At the beginning of each Licence Year, the Licensee shall submit to the Minister for approval, the programme of environmental remediation that it intends to undertake within the Licensed Area. On approval of such programme, the Licensee shall execute such programme forthwith.

(9) National Oil Spill Contingency Plan

The Licensee shall comply with all provisions of the National Oil Spill Contingency Plan of Trinidad and Tobago in force at the time of the Effective Date, or as modified from time to time.

12. ASSIGNMENT, SUBLICENCE OR TRANSFER

The Licensee shall not allow a change in control of this Licence and shall not sub-licence, assign or transfer in whole or in part any of the rights acquired or obligations undertaken herein, without the previous consent in writing of the Minister. Any change in control, sub-licensing, assignment or transfer made without such previous consent shall be null and void and may result in a forfeiture of the Licence in accordance with Section 24A of the Act and Regulation 28.

13. LOCAL CONTENT OBLIGATION

- (1) The Licensee shall in accordance with Regulation 42(2)(f) of the Petroleum Regulations:
 - (i) minimise the employment of foreign personnel by ensuring that such employees are engaged only in positions for which the operator cannot, after reasonable advertisement in at least one (1) daily newspaper circulating in the Republic of Trinidad and any other media, for seven (7) days, find available nationals of the Republic of Trinidad and Tobago having the necessary qualifications and expertise;
 - (ii) determine the rules of employment including compensation packages in such manner as to ensure that all employees in the same category enjoy equal conditions irrespective of nationality.
- (2) The Licensee shall employ and contract nationals of the Republic of Trinidad and Tobago in the key areas of the energy sector which allows nationals to take more value-added, analytical and decision-making roles, inclusive of areas such as:
 - (a) technical or professional nature including general management, design engineering, project management, seismic data processing, human resource development, legal; and
 - (b) business strategic skills including leadership, business development, executive management, commercial, analytical, negotiating, strategy development and trading know-how and acumen.
- (3) The Licensee shall maximise to the satisfaction of the Minister, the level of usage of Local Goods and Local Services, Businesses and Financial Institutions.
- (4) In the instance where works are to be performed in the Republic of Trinidad and Tobago the Licensee shall, allow Local Enterprises an equal opportunity to compete in its tender process for Local Goods and Local Services by providing access to all its

tender invitations through publishing:

- (a) in at least two (2) newspapers of daily circulation; and
 - (b) on any other publicly accessible media in the Republic of Trinidad and Tobago.
- (5) The Licensee may be required to provide justification to the Minister, where the circumstances warrant, for any part of the tender process to be conducted outside the Republic of Trinidad and Tobago.
- (6) The Licensee shall ensure equal treatment to Local Enterprises by including high weighting on local value-added in the tender evaluation criteria.
- (7) The licensee shall ensure that contracts are sized, as far as it is economically feasible and practical to match the capability (time, finance and manpower) of Local Enterprises and shall manage the risk to allow their participation.
- (8) The Licensee shall promptly pay all Local Enterprises for all Local Goods and Local Services provided to the Licensee.
- (9) The Licensee shall maintain records to facilitate the determination of the Local Content expenditure incurred in respect of the conduct of Petroleum Operations, Decommissioning and Abandonment. These records shall include supporting documentation evidencing the cost of Local Goods, Local Services and labour used, which shall be subject to audit by the Minister.
- (10) The Licensee shall prepare and submit a Statement of Local Content and supporting documentation, as detailed in ANNEX “D”, whereby such documents shall be submitted to the Minister every three (3) months.

14. MINISTER’S COVENANTS

The Minister covenants with the Licensee as follows:

- (1) that the Republic of Trinidad and Tobago has title to and sovereign rights over the State Land comprising the Licensed Area and power to grant unto the Licensee this Licence.
- (2) subject to the Licensee obtaining all necessary consents from third parties, the Licensee shall peacefully enjoy and conduct the Petroleum Operations together with all the rights, privileges and benefits herein granted.
- (3) that the Minister shall defend this Licence, on behalf of the Government, and the rights, privileges and benefits herein granted unto the Licensee as against any person claiming the same.

- (4) that no other person has been granted any licence to carry out Petroleum Operations in the Licenced Area.

15. LABOUR AND IMMIGRATION AUTHORIZATION

The Minister shall, in accordance with the applicable law, and subject to the requirement that the Licensee shall obtain all the necessary consents from the relevant authorities, facilitate the issuance and approval of labour and immigration authorizations required for the employment of foreign personnel of the Licensee and sojourn of such personnel and their dependants in Trinidad and Tobago.

16. CONFIDENTIALITY

- (1) All data acquired by the Licensee in the course of Petroleum Operations or furnished to the Licensee by the Minister under this Licence shall remain the sole property of the State, and subject to the exemptions stated in **clauses 16(1)(a) to (h)** and **clauses 16(3) and (4)** below, be treated as strictly confidential, for the term of this Licence or any extension or renewal hereof and for a period of three (3) years thereafter, except that the Minister and the Licensee shall have the right to use such data for the purpose of any arbitration or litigation between the Minister and the Licensee. Provided however that either Party shall be entitled to disclose such data in the following circumstances:
- (a) to an Affiliate of such Party, provided such Affiliate maintains confidentiality as provided in this clause;
 - (b) to a Government agency or entity;
 - (c) to the extent such data and information is required to be furnished in compliance with any applicable laws or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon a Party;
 - (d) to contractors, sub-contractors, consultants and attorneys-at-law employed by either Party where disclosure of such data or information is essential to the work of such contractor, consultant, sub-contractor or attorney-at-law;
 - (e) to a bona fide prospective transferee of a Party's interest in this Licence;
 - (f) to a bank or other financial institution to the extent appropriate to either Party arranging for funding for its obligations under this Licence;
 - (g) to the extent such data and information must be disclosed pursuant to any rules or requirements of any government or stock exchange having jurisdiction over such Party, or its Affiliates; provided that if either Party

desires to disclose information in an annual or other periodic report to its or its Affiliates' shareholders and to the public and such disclosure is not required pursuant to any rules or requirements of any government or stock exchange, then such latter disclosure shall be subject to the prior consent of the Minister;

- (h) to its respective employees for the purposes of Petroleum Operations, subject to each Party taking customary precautions to ensure such data and information is kept confidential.
- (2) Disclosure pursuant to **clauses 16(1) (d) (e) and (f)** above shall not be made unless prior to such disclosure the disclosing Party has obtained a written undertaking from the recipient to keep the data and information strictly confidential and not to use or disclose the data and information except for the express purpose for which disclosure is to be made.
- (3) Data related to exploration and/or development activities in areas which have been surrendered by the Licensee, shall be released immediately on surrender.
- (4) Data related to the exploration and/or development activities in areas not surrendered in accordance with the terms of this Licence may be released at the end of the third (3rd) year of the Licence or one (1) year after acquisition of such data whichever period is earlier in time.

17. PENALTIES FOR BREACH

Subject to the provisions of this Licence the Licensee shall strictly observe the provisions of the Act and shall be liable for any breach thereof as specified in Section 32 of the Act and in Regulation 94.

18. DISTRAINT BY THE MINISTER

- (1) In accordance with Regulation 59, if the minimum payment, rents or royalties payable by the Licensee or any part thereof remains unpaid for the period of thirty (30) days next after the due date of payment, the Minister may enter on the Licensed Area occupied by the Licensee and distrain on all or any of the stock of Petroleum and petroleum products and all things found in or upon the Licensed Area.
- (2) If after fourteen (14) days from the date of the distraint, the sums due still remain unpaid, the Minister may sell all or any part of the goods so distrained, recovering therefrom the amounts due and paying the surplus, if any, to the Licensee.
- (3) If the Minister acts under the foregoing provisions of this clause he shall be indemnified by the Licensee against all actions, claims, liabilities and other

obligations to the Licensee arising directly or indirectly from such action, notwithstanding that by any rule of law the Licensee would not be so liable.

19. POWER OF REVOCATION

- (1) Where any of the events specified in **clause 19(2)** occurs, the Minister may revoke this Licence, whereupon all rights, licences, privileges and powers conferred upon the Licensee and all grants and leases of State Lands held for the purpose of carrying out Petroleum Operations under this Licence shall determine, provided that, in each case except **clause 19(2)(f)**, the Minister shall have given written notice of non-compliance to the Licensee reasonably in advance of such revocation, specifying the particular ground for the exercise of the right of revocation.
- (2) The events referred to in **clause 19(1)** are:
 - (a) failure on the part of the Licensee to fulfil the minimum work obligations pursuant to **clause 4** hereof or failure to meet expenditure obligations under **clauses 6 and 10**.
 - (b) failure on the part of the Licensee to execute any approved development plan within the time limits prescribed;
 - (c) breach of other terms and conditions contained in this Licence in a material particular, the Minister being sole judge of such materiality;
 - (d) failure of the Licensee:
 - (i) to make the minimum payments specified in the Licence in accordance with Regulation 57 in respect of the Licensed Area; or
 - (ii) to make payments in respect of rent, royalty, Petroleum impost, Petroleum production levy or taxes other than taxes derived from Petroleum Operations hereunder within three (3) calendar months of the date on which such payment falls due; or
 - (iii) to maintain the escrow account as provided for in **clause 10.4(1)** at the level required pursuant to **clause 10.4(4)** hereof.
 - (e) failure on the part of the Licensee to pay any sum that may have been awarded against it in arbitration proceedings as provided for herein within three (3) months of the date fixed in the award, provided that notice shall have been duly given to it of its obligation to make such payment;
 - (f) bankruptcy of the Licensee or its going into voluntary or involuntary liquidation;
 - (g) proof of wilful misrepresentation by the Licensee in any material particular

in the process of applying for this Licence.

- (3) Revocation and determination of this Licence shall not affect any obligation or liability that may have been incurred under the terms of this Licence or in connection with the Petroleum Operations or under any other licences issued in connection herewith.
- (4) In cases falling under **clause 19(2)** above, except **clause 19(2)(f) and (g)**, if in the opinion of the Minister the breach or non-observance committed is capable of remedy, the Minister shall notify the Licensee, specifying the particular material breach complained of and requiring the Licensee to remedy the breach or non-observance and pay compensation therefore, within such reasonable time as the Minister may stipulate, failing which the Licence may be revoked forthwith.
- (5) Without prejudice to the rights of the Minister under this **clause 19**, the Licensee may make representations to the Minister concerning any breach or non-observance by the Licensee of any provision in the Licence and the Minister may consider any such representations.
- (6) Where in the case of revocation under a provision in the Licence made in accordance with **clause 19(2)(c) or (g)** but no other, the Licensee is aggrieved by the decision of the Minister to revoke the Licence, he may have recourse to arbitration in accordance with the Act and, if such recourse to arbitration is made, the revocation of this Licence shall be of no effect, unless confirmed by the award of such arbitration, upon which the revocation shall take effect and all Petroleum Operations authorized by this Licence shall cease, subject to the award.
- (7) In cases of serious and repeated violations of any of the terms and conditions of this Licence or of any law or directions of the Minister, the President may order such of the operations provided for in this Licence as she may think fit to be temporarily discontinued.

20. DETERMINATION BY LICENSEE

In accordance with Regulation 87, the licensee shall be at liberty to determine this Licence in whole or in part, on giving to the Minister not less than one hundred and eighty days' notice in writing. Such determination shall not affect any obligations or liability imposed on or incurred by the Licensee under this Licence that have not been performed or discharged prior to the date of determination.

21. DISPUTE RESOLUTION

- (1) The Parties shall use their best efforts to settle any dispute, which may arise from, in consequence of, or in connection with the performance or interpretation of any

provision of this Licence, through good faith, discussions and amicable negotiations, upon the written request of any Party.

- (2) In the event any such dispute has not been resolved through good faith discussions and amicable negotiation within sixty (60) days after the dispute arises, the Minister or the Licensee may by notice in writing to the other, propose that the dispute be referred for determination by arbitration in accordance with the procedures and terms set out in Sections 20(3) and 21 of the Act.

22. AMENDMENT

This Licence shall not be amended, modified, altered or supplemented other than by means of a written instrument executed by all Parties.

23. GOVERNING LAW

The validity, interpretation and implementation of this Licence shall be subject to and governed by the Laws of the Republic of Trinidad and Tobago and any amendments or re-enactments thereto.

24. MISCELLANEOUS

- (1) Reference to any statute or statutory provision includes a reference to that statute or statutory provision as from time to time amended or re-enacted;
- (2) Headings of this Licence are for convenience of reference only and not intended to define, interpret, limit or describe the scope or intent of any of the provisions of this Licence.

25. NOTICES

- (1) A notice, approval or other communication given under or in connection with this Licence:
 - (a) must be in writing; and
 - (b) will be deemed to have been duly given or made when it is delivered by hand, delivered by a recognized courier delivery service or sent by pre-paid post with registered delivery to the addresses specified in this clause or sent by email to the email addresses set out in this clause or by facsimile to the facsimile numbers which are specified in this clause and marked for the attention of the person so specified herein or to such other address, email address or facsimile number and marked for the attention of such other person as specified by the relevant Party by notice given in accordance with this clause.

IF TO THE LICENSEE:

XXXX

Attention: XXX

Telephone: (868) XXX

Telefax: (868) XXX

Email: XXX

XXXX

Attention: XXX

Telephone: XXX

Telefax: XXX

Email: XXX

IF TO THE MINISTER:

Permanent Secretary

Ministry of Energy and Energy Industries

International Waterfront Centre,

Level 26, Tower C

1A Wrightson Road

Port of Spain, Trinidad

Telephone: (868) 225-4334

Telefax: (868) 225-5746

Email: PermSec@energy.gov.tt

- (c) Any notice sent by any of the methods specified herein shall be effective on the date of actual receipt and if by registered mail, the receipt date shall be deemed the date shown on the return receipt and if by email the date of the read receipt.
- (d) The Minister or the Licensee may at any time change the nomination of the official constituting its authorized representative and its contact information herein, on giving the other Party ten (10) business days' notice in writing.

IN WITNESS WHEREOF, XXX, Commissioner of State Lands, as and for the act and deed of HER EXCELLENCY PAULA-MAE WEEKES, the President of the Republic of Trinidad and Tobago has hereunto set her hand the _____ day of _____, 2022, XXX, THE MINISTER OF ENERGY AND ENERGY INDUSTRIES has hereunto set his hand the _____ day of _____, 2022, the Common Seal of XXX was hereunto affixed the _____ day of _____, 2022 and the Common Seal XXX was hereunto affixed the

_____ day of _____, 2022.

SIGNED AND DELIVERED by the)
 within-named, XXX)
 Commissioner of State Lands, pursuant)
 to the provisions of the State Lands Act)
 Chap. 57:01 as and for the act and deed of)
 the President of the Republic of)
 Trinidad and Tobago in the presence of:)
)
 XXXXX)
 XXXXX)
 Ministry of Energy and Energy Industries)
 Level 15, 22-26)
 Tower C – Energy Trinidad & Tobago)
 International Waterfront Centre)
 #1A Wrightson Road, Port-of-Spain)
 And of me,

Attorney-at-Law

SIGNED AND DELIVERED by the)
 within-named, the)
 XXXXXXXX)
 Minister of Energy and)
 Energy Industries, as and for his act)
 and deed in the presence of:)
)
 Ms. Penelope Bradshaw-Niles)
 Permanent Secretary)
 Ministry of Energy and Energy Industries)
 Level 15, 22-26)
 Tower C – Energy Trinidad & Tobago)
 International Waterfront Centre)
 #1A Wrightson Road, Port-of-Spain)

And of me,

Attorney-at-Law

The Common Seal of)
 XXXX)
 XXXX)
 was hereunto affixed by the Secretary)
)
 in the presence of:)
)
)
 one of the Directors by order and authority)
 of the Board of Directors and in conformity)
 with the By-laws of the Company in the)
 presence of:)

And of me,

Attorney-at-Law

The Common Seal of XXX)
 XXX)
 was hereunto affixed by)
 the Secretary/Director)
 in the presence of:)
)
 One of the Directors and in conformity with)
 the By-Laws of the said Company as and for the)
 act and deed of the said Company in the presence of:)
)

.....

And of me,

Attorney-at-Law

ANNEX “A1”

GEOGRAPHICAL DESCRIPTION OF LICENSED AREA

This is **ANNEX “A1”** referred to in the prefixed Licence made on the Effective Date between, XXX, Commissioner of State Lands, as and for the act and deed of **HER EXCELLENCY PAULA-MAE WEEKES**, the President of the Republic of Trinidad and Tobago of the First Part, XXX, **MINISTER OF ENERGY AND ENERGY INDUSTRIES**, of the Second Part, XXX.

ANNEX “A1”

GEOGRAPHICAL DESCRIPTION OF LICENSED AREA

ANNEX "A2"

MAP OF LICENSED AREA

Attached hereto is **ANNEX "A2"** as referred to in the prefixed Licence made on the Effective Date between **XXX**, Commissioner of State Lands, as and for the act and deed of **HER EXCELLENCY PAULA-MAE WEEKES**, the President of the Republic of Trinidad and Tobago of the First Part, **XXX, MINISTER OF ENERGY AND ENERGY INDUSTRIES** of the Second Part, **XXX**

SUBJECT TO THE POSITIVE VETTING OF THE ATTORNEY GENERAL

ANNEX "A2"

MAP OF LICENSED AREA

ANNEX "B"

WORK PROGRAMME AND BUDGET

Attached hereto is **ANNEX "B"** as referred to in the prefixed Licence made on the Effective Date between, XXX, Commissioner of State Lands, as and for the act and deed of **HER EXCELLENCY PAULA-MAE WEEKES**, the President of the Republic of Trinidad and Tobago of the First Part, XXX, **MINISTER OF ENERGY AND ENERGY INDUSTRIES** of the Second Part, XXX.

ANNEX “B”

WORK PROGRAMME AND BUDGET

	2022 Annual Budget	2023 Budget Forecast	2024 Budget Forecast	2025 Budget Forecast	2026 Budget Forecast
Total Production, mboed					
Total Cash Costs, \$m					
Total Capex, \$m					
Exploration and Appraisal					
Activity 1					
Activity 2					
Major Projects					
Activity 1					
Activity 2					
Infill Drilling Programmes					
Activity 1					
Activity 2					
Other					
Commentary (description of activity):					

ANNEX "C"

DATA TO BE SUBMITTED BY LICENSEE

Attached hereto is ANNEX "C" as referred to in the prefixed Licence made on the Effective Date between, XXX, Commissioner of State Lands, as and for the act and deed of **HER EXCELLENCY PAULA-MAE WEEKES**, the President of the Republic of Trinidad and Tobago of the First Part, XXX, **MINISTER OF ENERGY AND ENERGY INDUSTRIES** of the Second Part, XXX.

ANNEX "C"

DATA TO BE SUBMITTED BY LICENSEE

1. Monthly, quarterly and annual progress reports.
2. Reports on magnetic and gravity surveys and any other geophysical surveys performed, including where applicable but not limited to:
 - (a) Flight path maps in 1:50,000 and 1:100,000 scales.
 - (b) Magnetic recording tapes of field data on a model to be specified by the Minister.
 - (c) Daily records of the earth's magnetic fields.
 - (d) Specifications of equipment used in magnetic and gravity surveys and any other geological or geophysical survey performed.
 - (e) Reports on the interpretation of items (a), (b) and (c) together with maps showing the intensity of magnetic and gravity readings, depth of basement and structural maps in 1:50,000 and 1:100,000 scales, in transparencies, paper prints and in digital form.
 - (f) Magnetic tapes of the processed and navigation data on a medium and format specified by the Minister.

Reports on items (a), (b), (c) and (d) shall be submitted within thirty (30) days after completion of the magnetic and gravity surveys, and reports on item (e) shall be submitted within ninety (90) days following preparation.

3. Reports on geological surveys conducted both within and outside the Licensed Area in respect of Petroleum Operations under the Licence, to be submitted within ninety (90) days after completion of such surveys, including but not limited to:
 - (a) Geological maps in 1:10,000 and 1:100,000 scales and maps showing the location of the collection of samples in 1:25,000 scale in transparencies, paper prints and digital form.
 - (b) Analysis of Petroleum reservoirs specifying all reservoir parameters including but not limited to the rock types, petrology, permeability and porosity.
 - (c) Petroleum source rock analyses.
 - (d) Palaeontology analysis, stratigraphy and environment of deposition.

4. Reports on seismic data and interpretations thereof, including where applicable the following in relation to seismic surveys:
- (a) Survey design including but not limited to fold, and source and receiver pattern diagrams.
 - (b) Specifications of equipment used in seismic surveys.
 - (c) Maps showing permanent markers used in the survey in 1:50,000 scale.
 - (d) Seismic shot point maps in 1:50,000 and 1:250,000 scales, transparencies, paper prints and in digital form.
 - (e) Source wave form characteristic analysis.
 - (f) Field and processed navigation tapes and seismic final processed tapes; and reprocessed tapes if they have been used for reinterpretation and/or location of well(s). These data are to be supplied on a medium and in a format specified by the Minister on approval of these surveys.
 - (g) Root mean square velocity and interval velocity analysis carried out on each line.
 - (h) Seismic interpretation of every horizon that Licensee has interpreted as well as any thickness, facies, environment, maturity and any other interpretive maps prepared by the Licensee.
 - (i) Structural contour maps based on the interpretations in (g) and (h) at a scale specified by the Minister.
 - (j) For 3D seismic surveys the Minister retains the right to be supplied with a copy of the field tapes including navigation tapes and observer reports at any time in the life of the Licence at Licensee's cost.
 - (k) 2D/3D seismic intermediate and final processed data including navigation to be supplied on magnetic recording tapes and medium and format specified by the Minister on approval of the survey.

Reports on items (a), (b), (c), (e) (f) and (g) shall be submitted within sixty (60) days after completion of the processing.

Reports and seismic interpretation project on items (h) and (i) shall be submitted within thirty (30) days of completion of each seismic interpretation.

5. Reports on drilling operations including the following:

- (a) a daily report by 13:00 hours of the following day, which must contain the following details where applicable:
- (i) Name of well and of Licensee.
 - (ii) Date and time of operation.
 - (iii) Name of drilling rig.
 - (iv) Days of previous operation on the particular well.
 - (v) Depth of well at time of report.
 - (vi) Diameter of well.
 - (vii) Type and size of drill bit.
 - (viii) Deviation of well.
 - (ix) Type, weight, and specification of drilling mud.
 - (x) Operations and problems during previous twenty-four (24) hours.
 - (xi) Lithology within previous twenty-four (24) hours.
 - (xii) Petroleum found.
 - (xiii) Type, size, weight and depth of casing.
 - (xiv) Cementing.
 - (xv) Pressure test of petroleum blow-out preventer, casing, and other related equipment.
 - (xvi) Well-logging, including type and depth of logging.
 - (xvii) Core sampling.
 - (xviii) Flow tests and the depth thereof.
 - (xix) Well abandonment.
 - (xx) Drilling rig released.
 - (xxi) Conditions of weather.
- (b) Two (2) complete sets of well logs at 1:500 and 1:200 scales spliced into continuous logs, both paper print and digital form, to be submitted within twenty (20) days after the completion of well logging operations (in addition to well logs which the Licensee supplies while drilling).
- (c) Well completion reports to be submitted within sixty (60) days after completion of drilling. These reports shall contain a well completion log, a complete description of the results of the well, the results of tests and the details of geology and lithology. The well completion log will be at 1:1000 scale and should include at least the following:
- (i) log curves;
 - (ii) lithologic plot and description;
 - (iii) formation tops;
 - (iv) velocity information;
 - (v) shows and tests;
 - (vi) casing and plugs;
 - (vii) cores;
 - (viii) paleontologic and palynologic markers;
 - (ix) environment of deposition;

- (x) any other information which Licensee has plotted on its own 1:1000 scale logs which contributes to an interpretation of the results of the well.

The well completion report shall also include where applicable:

- (i) reports on analysis of any samples taken;
- (ii) reports on any well tests conducted;
- (iii) analysis of Petroleum and water;
- (iv) pressure analysis.

6. Reports on production of Petroleum, including the following:

- (a) A daily report by 13:00 hours of the following day, with the following details:

- (i) Quantity of Petroleum produced.
- (ii) Quantity of Petroleum used in Petroleum Operations.
- (iii) Quantity of Petroleum measured at measurement point(s).
- (v) Quantity of Petroleum flared.
- (vi) Tubing and casing pressure.
- (vii) Choke size.
- (viii) Well test.
- (ix) Operations during the previous twenty-four (24) hours.

- (b) Reports detailing the results obtained with respect to the following shall be submitted immediately they become available after the relevant analyses are carried out:

- (i) Gravity and viscosity.
- (ii) Vapour pressure.
- (iii) Pour point.
- (iv) Dew-point and composition of Natural Gas.
- (v) Impurities.
- (vi) Water produced and results of the analysis.

- (c) Workover report, giving reasons, length and details of workover within thirty (30) days after the completion of the workover.

- (d) Stimulation report, stating methods and details of materials used for the purpose within thirty (30) days after the completion of operations.

- (e) Bottom hole pressure test within fifteen (15) days after the completion of the test.

- (f) Production test report including details of calculation within thirty (30) days after completion of the test.

- (g) Structural contour maps for all producing horizons together with well location, reserve assessment, and detailed calculation and reservoir simulation report, if, and when prepared within thirty (30) days prior to production, and every six (6) months during production in the event of change.
- 7. Reports on investigation of Petroleum reserves, Field limits and related economic evaluations as required under the Licence and the Regulations.
- 8. Safety programmes and reports on accidents.
- 9. Representative samples of all cores and fluids extracted from wells drilled in the Licence Area.
- 10. Such other samples, data, reports, plans, designs, interpretations or information as the Minister may request including anything for which the cost was recorded by the Licensee in its books as a cost of Petroleum Operations.
- 11. Revisions of reports, data, analyses or processing shall be submitted to the Minister within thirty (30) days of completion.
- 12. **All reports, maps and log data are required to be submitted in digital format along with any of the hard copies requested.**
- 13. Within fifteen (15) days from the end of each Calendar month Licensee shall supply the Minister with a production statement on petroleum produced and saved from the License area.
- 14. Within sixty (60) days after the end of each calendar quarter Licensee shall supply the Minister with:
 - (a) a statement of Local Content in accordance with the Local Content Order and **ANNEX “D”**.
 - (b) a statement of the expenditure contemplated for the budget year and modifications made thereto during the year.
- 15. The Licensee shall annually supply an inventory statement containing all materials and physical assets required for Petroleum Operations under the Licence.

ANNEX "D"

LOCAL CONTENT REPORTING

Attached hereto is **ANNEX "D"** as referred to in the prefixed Licence made on the Effective Date between **XXX**, Commissioner of State Lands, as and for the act and deed of **HER EXCELLENCY PAULA-MAE WEEKES**, the President of the Republic of Trinidad and Tobago of the First Part, **THE MINISTER OF ENERGY AND ENERGY INDUSTRIES XXX** of the Second Part, **XXXX**.

ANNEX “D”

LOCAL CONTENT REPORTING

1. Licensee shall maintain records to facilitate the determination of the Local Content of expenditures incurred in respect of Petroleum Operations. These records shall include supporting documentation certifying the cost of local materials, labour and services used and shall be subject to audit.
2. Licensee shall prepare and render to the Minister, no later than sixty (60) days after each calendar quarter, a statement of Local Content.
3. The statement of Local Content shall include but not be limited to the following categories:
 - a) Payments made to Local Contractors and Local Suppliers who supply Local Goods and Local Services.
 - b) Payments to Local Contractors and Local Suppliers for providing a service in the supply of non-local goods.
 - c) Payments made to non-local contractors and suppliers who supply Local Goods;
 - d) Payments of salaries, profits, dividends on shares and other tangibles paid to persons who are nationals of Trinidad and Tobago;
 - e) Statement on human resource development outlining the level of involvement of nationals of Trinidad and Tobago in the key areas of the Petroleum Operations being conducted under this Licence;
 - f) List of all contracts awarded during the quarter and services and/or equipment contracted;
 - g) a detailed description of the procedures adopted during the calendar quarter to identify and purchase goods and services from local suppliers.
4. For the purpose of measurement, Local Content shall be comprised of all costs incurred as direct materials, direct sub-contracts, indirect materials, indirect subcontracts, construction management and other costs. Local Content shall not include any taxes or other statutory payments to Government including payments made under this Licence.