

PETROLEUM INDUSTRY ACT 2021

THE FEDERAL REPUBLIC OF NIGERIA



ORIGINAL

PETROLEUM MINING LEASE



THE FEDERAL REPUBLIC OF NIGERIA



PETROLEUM MINING LEASE No.21, granted pursuant to the Petroleum Industry Act, 2021

THIS LEASE is granted on this 1ST Day of DECEMBER 2023

By

THE GOVERNMENT OF THE FEDERATION OF NIGERIA, acting through the **Honourable Minister of Petroleum Resources** (or any person designated by the President of the Federal Republic of Nigeria as having responsibility for overseeing the petroleum industry), whose address is at NNPC Towers, Central Business District, FCT, Abuja (hereinafter referred to as the “**Government**”);

In favour of

1. **GAB AND NUELLA PETROLEUM LIMITED**, a company incorporated under the laws of the Federal Republic of Nigeria with RC No.1789690, whose registered address is at 268 Muri Okunola Street, Victoria Island, Lagos, Nigeria
2. **PRIME EXPLORATION AND PRODUCTION LIMITED**, a company incorporated under the laws of the Federal Republic of Nigeria with RC No.496636, whose registered address is at Bankers House PC, Adeola Hopewell Street, Victoria Island, Lagos, Nigeria
3. **MUTUAL EXPLORATION & PRODUCTION LIMITED**, a company incorporated under the laws of the Federal Republic of Nigeria with RC No.1052303, whose registered address is at No 21 River Niger Street, Off Danube Street, Maitama, Abuja, FCT, Nigeria

(all hereinafter referred to as “**Lessees**”, which expression shall, where the context so admits include its successors-in-title and assigns).

WHEREAS the property and ownership of Petroleum within Nigeria, its territorial waters, continental shelf and exclusive economic zone is vested in the Government of the Federation of Nigeria.

WHEREAS under the Petroleum Industry Act 2021 (**Act**), the Minister of Petroleum Resources (**Minister**) is vested with the power to grant Petroleum Mining Leases on behalf of the Government; while the Nigerian Upstream Petroleum Regulatory Commission (**Commission**) is responsible for the technical and commercial regulation of the upstream petroleum industry in Nigeria, including the determination and recommendation of applicants who have fulfilled the conditions for the grant of upstream

petroleum leases.

WHEREAS Section 94(1) of the Act stipulates that a producing marginal field shall convert to a petroleum mining lease within 18 months from the effective date of the Act. The Lessees are the holders of Asaramatoru Marginal Field, which is a producing marginal field.

WHEREAS in compliance with Section 94(1) of the Act, the Commission has recommended to the Minister that this Lease be granted to the Lessees in respect of the Lease Area, more particularly described in Schedule B (the "**Lease Area**"), which is derived from Asaramatoru Marginal Field.

WHEREAS the Minister on behalf of the Government has accepted the Commission's recommendation and has agreed to convert Asaramatoru Marginal Field to a petroleum mining lease and issue this Lease in respect of the Lease Area, based on the terms contained herein.

AND WHEREAS the Lessees have represented that they have the required financial capability, technical competence and resources necessary to continue to undertake Upstream Petroleum Operations within the Lease Area and have met all the conditions for the conversion of Asaramatoru Marginal Field on terms agreed with the Commission and have fulfilled all other statutory conditions as contained in the Act for the grant of this Lease.

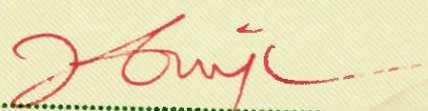
NOW THEREFORE:

1. In this Lease all capitalised words and expressions shall have the meanings assigned to them in the General Lease Conditions hereinafter attached as Schedule A.
2. The following documents shall be deemed to form and be read and construed as part of this Lease:
 - 2.1. **Schedule A** – General Lease Conditions
 - 2.2. **Schedule B** – Lease Area Description
 - 2.3. **Annexure 1** – Model Contract
 - 2.4. **Annexure 2** – Field Development Plan / Work Programme
 - 2.5. **Annexure 3** – WP Performance Security
3. In consideration of the Lessees agreeing to be bound by the Petroleum Industry Act, 2021 and for other good and valuable consideration, the Government as beneficial owner of any Petroleum within the Lease Area, hereby grants this Lease to the Lessees, subject to the Petroleum Industry Act, 2021 and any subsidiary legislation thereunder now in force or which may come into force during the continuance of this Lease, and also subject to the terms and conditions as contained in this Lease, its Schedules and Annexures, the following rights:
 - 3.1. to carry out Petroleum Exploration Operations within the Lease Area on a non-exclusive basis;
 - 3.2. to drill exploration and appraisal wells and carry out related test production within the Lease Area on an exclusive basis;

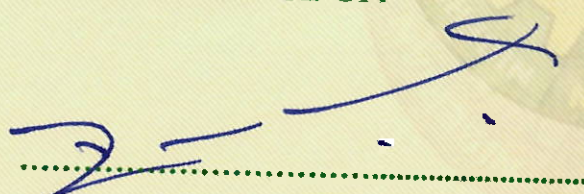
- 3.3. to carry out the development and production of petroleum with respect to the formations under the Lease Area on an exclusive basis; and
- 3.4. to win, work, carry away and dispose of crude oil, condensates and natural gas won or extracted during the activities in paragraphs 3.2 and 3.3 above.
4. The term of this Lease shall be twenty (20) years commencing from the 1ST day of DECEMBER 2023 (the "**Lease Commencement Date**") and may be renewed in accordance with the terms of the General Lease Conditions.
5. Consequent to the grant of the Lease, the Lessees participating interest under the Lease shall be as follows:
- 5.1. GAB AND NUELLA PETROLEUM LIMITED - 49%
 - 5.2. PRIME EXPLORATION AND PRODUCTION LIMITED – 35.44%
 - 5.3. MUTUAL EXPLORATION & PRODUCTION LIMITED – 15.56%
- provided that each Lessee shall have an undivided interest in the Lease Area.
6. The Lessees hereby accept the grant of the Lease and covenants to abide by the restrictions and conditions as contained in Schedule A and Annexure 1 as well as all legislations and directives pertaining to this Lease, both existing and issued by the Commission from time to time.

IN WITNESS WHEREOF the parties have executed and delivered this document the date and year first above written.

SIGNED AND DELIVERED

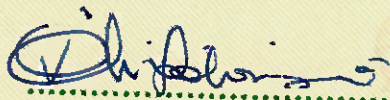

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BY THE HONOURABLE MINISTER OF PETROLEUM RESOURCES
FOR AND ON BEHALF OF THE GOVERNMENT OF THE FEDERATION OF NIGERIA

IN THE PRESENCE OF:


.....
ENGR. GBENGA KOMOLAFE FNSE
COMMISSION CHIEF EXECUTIVE
THE NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION

ACCEPTED BY THE WITHIN NAMED LESSEE

GAB AND NUELLA PETROLEUM LIMITED
Acting by:

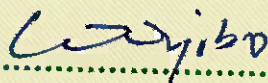


Director

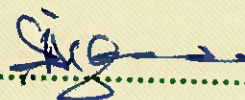


Director/Secretary

ACCEPTED BY THE WITHIN NAMED LESSEE
PRIME EXPLORATION AND PRODUCTION LIMITED
Acting by:



Director

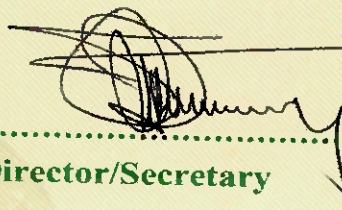


Director/Secretary

ACCEPTED BY THE WITHIN NAMED LESSEE
MUTUAL EXPLORATION & PRODUCTION LIMITED
Acting by:

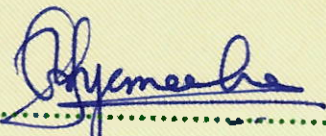


Director



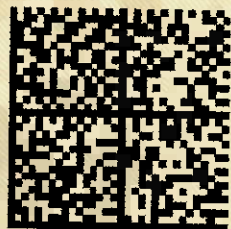
Director/Secretary

AUTHENTICATED BY THE NIGERIAN UPSTREAM PETROLEUM REGULATORY
COMMISSION THIS 1ST Day of DECEMBER 2023



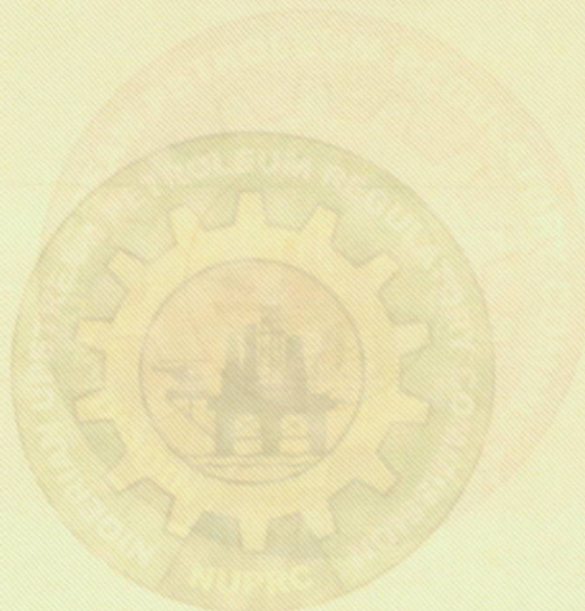
OLAYEMI ANYANECHI

COMMISSION SECRETARY AND LEGAL ADVISER
NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION



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