

PETROLEUM INDUSTRY ACT 2021

THE FEDERAL REPUBLIC OF NIGERIA



ORIGINAL

PETROLEUM PROSPECTING LICENCE



THE FEDERAL REPUBLIC OF NIGERIA



PETROLEUM PROSPECTING LICENCE No. 257, granted pursuant to the Petroleum Industry Act, 2021

THIS LICENCE is granted on this th2 day of **NOVEMBER**, 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. **ISLAND ENERGY LIMITED**, a company incorporated under the laws of the Federal Republic of Nigeria with RC No. 499963, whose principal place of business is at No. 26 Adetokunbo Ademola Street, Victoria Island, Lagos State, Nigeria.
2. **NUWAY OAKLANE LIMITED**, a company incorporated under the laws of the Federal Republic of Nigeria with RC No. 1414165, whose principal place of business is No. 30 Aso Pada Road, Off Aso Junction, Mararaba, Nassarawa State, Nigeria.
3. **CARNATION ENERGY LIMITED**, a company incorporated under the laws of the Federal Republic of Nigeria with RC No. 1596944, whose principal place of business is at 1 Owel Linkso St, Lekki, Lagos State, Nigeria.
4. **LIBERO ENERGY SERVICES LIMITED**, a company incorporated under the laws of the Federal Republic of Nigeria with RC No. 1674216, whose principal place of business is at No 150 Obafemi Awolowo Way, Ikeja, Lagos State, Nigeria

(all hereinafter referred to as the “**Licensees**” which expression shall, where the context so admits include their 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 is vested with the power to grant Petroleum Prospecting Licences 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 petroleum prospecting licences.

WHEREAS the Licensees, have emerged the winning bidders following the conclusion of an open, transparent, competitive and non-discriminatory bidding process conducted by the Commission for the right to conduct Upstream Petroleum Operations in respect of **PETROLEUM PROSPECTING LICENCE (PPL) 257** as more particularly described in Schedule B (the "**Licence Area**") or is otherwise entitled to the grant of the Licence pursuant to the Act.

WHEREAS the Commission has recommended to the Minister that the Licensees be granted the Licence and the Minister on behalf of the Government has accepted the Commission's recommendation and has agreed to grant the Licence to the Licensees based on the terms contained herein.

AND WHEREAS the Licensees have represented that they have the required financial capability, technical competence, and resources necessary to carry out Upstream Petroleum Operations within the Licence Area and have paid the sum of Two Billion, Four Hundred and Seventy-Five Million, Thirty-Eight Thousand, Four Hundred and Two Naira and Four Kobo Only (₦2,475,038,402.4) as signature bonus and fulfilled all other statutory conditions as contained in the Act for the grant of the Licence.

NOW THEREFORE:

1. In this Licence all capitalised words and expressions shall have the meanings assigned to them in the General Licence Conditions hereinafter attached as Schedule A.
2. The following documents shall be deemed to form and be read and construed as part of this Licence:
 - 2.1. **Schedule A** – General Licence Conditions
 - 2.2. **Schedule B** – Licence Area Description
 - 2.3. **Annexure 1** – Model Contract
 - 2.4. **Annexure 2** – Work Programme
 - 2.5. **Annexure 3** – WP Performance Security
3. In consideration for the Licensees paying the Signature Bonus to the Government, the Government as beneficial owner of any Petroleum within the Licence Area, hereby grants this Licence to the Licensees, 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 Licence, and subject to the terms and conditions as contained in this Licence, its Schedules and Annexures, the following rights:
 - 3.1. to carry out Petroleum Exploration Operations within the Licence Area on a non-exclusive basis;
 - 3.2. to drill exploration and appraisal wells and undertake corresponding test production within

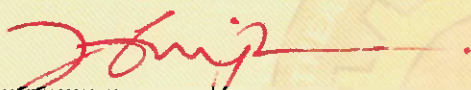
- 1.1. the Licence Area on an exclusive basis;
- 1.2. to carry away and dispose of crude oil or natural gas won or extracted during the activities in 3.2 above.
2. The term of this Licence shall be *three (3)* years commencing from this *2nd* Day of *NOVEMBER* 2023 (the "**Licence Commencement Date**") and may be extended in accordance with the terms of the General Licence Conditions.
3. Consequent on the grant of the Licence, each of the Licensees' participating interest in the Licence is as follows:
 - 3.1. **ISLAND ENERGY LIMITED– 27.17%**
 - 3.2. **NUWAY OAKLANE LIMITED– 24.77%**
 - 3.3. **CARNATION ENERGY LIMITED– 23.17%**
 - 3.4. **LIBERO ENERGY SERVICES LIMITED– 24.89%**

provided that each Licensee shall have an undivided interest in the Licence Area.

4. The Licensees hereby accept the grant of the Licence and covenant 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 Licence, 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**

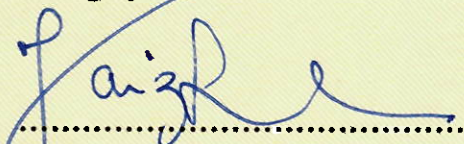
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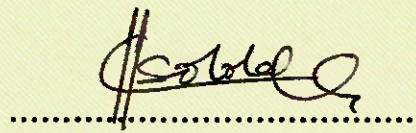

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**ENGR. GBENGA KOMOLAFE FNSE
COMMISSION CHIEF EXECUTIVE
THE NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION**

ACCEPTED BY THE WITHIN NAMED LICENSEES

ISLAND ENERGY LIMITED

Acting by

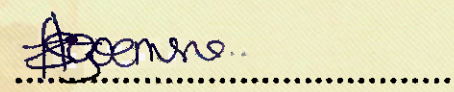

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Director


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Director/Secretary

NUWAY OAKLANE LIMITED

Acting by

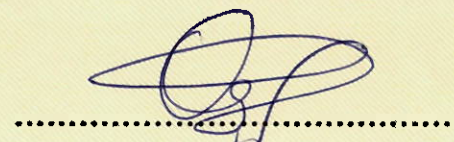

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Director


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Director/Secretary

CARNATION ENERGY LIMITED

Acting by


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Director


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Director/Secretary

LIBERO ENERGY SERVICES LIMITED

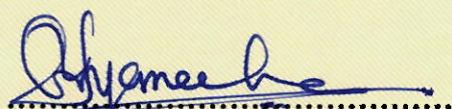
Acting by


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Director

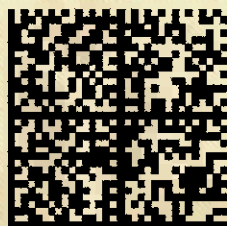

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Director/Secretary

AUTHENTICATED BY THE NIGERIAN UPSTREAM REGULATORY COMMISSION THIS
DAY OF ¹⁰NOVEMBER, 2023

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OLAYEMI ANYANECHI
COMMISSION SECRETARY/LEGAL ADVISER,
NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION



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