

SCHEDULE 2

Model clauses for petroleum exploration and development licences

Determination of Licence during Initial Term where a Drill-or-Drop Period is specified

4.—(1) Where a Drill-or-Drop Period is specified, this licence shall, unless the Minister in his discretion decides otherwise, automatically cease and determine on the expiry of that period in the event of failure by the Licensee before the expiry of that period to—

- (a) take the actions that are described in Part 1 of the Work Programme; and
- (b) undertake to complete on or before the expiry of the Initial Term the work described in Part 2 of the Work Programme.

(2) In this clause, “Drill-or-Drop Period” means the period (if any) specified as such in Schedule 5 to this Licence.