

## SCHEDULE 2

### Model clauses for petroleum exploration and development licences

#### **Option to continue Licence as to part of the Licensed Area**

5.—(1) At any time not later than 1 month before the expiry of the Initial Term the Licensee may—

- (a) subject to payment of those sums hereinafter provided for and to performance of the terms and conditions herein contained including, without limitation, those set forth in paragraph (2) of this clause; and
- (b) conditional upon due performance by the Licensee of the Work Programme on or before expiry of the Initial Term,

give notice in writing to the Minister in the manner hereinafter provided that he desires this licence to continue in force in relation to part of the Licensed Area (hereinafter called “the Continuing Part”).

(2) Where the Licensee gives notice to the Minister in accordance with paragraph (1) of this clause such notice must indicate that he will determine this licence in relation to such part of the Licensed Area as shall be described by the Licensee in the notice (hereinafter called “the Surrendered Part”) in accordance with the requirements of paragraph (3) of this clause.

(3) Subject to paragraphs (4), (5) and (6) of this clause the Surrendered Part, when taken together with any one or more areas previously surrendered in accordance with clause 7 hereof, must consist of—

- (a) not less than half of the Initial Licenced Area; or
- (b) so much of the Initial Licensed Area as is not—
  - (i) a Retention Area; or
  - (ii) a Development Area.

(4) The Licensee shall not be obliged to surrender so much of the Licensed Area that following such surrender the Licensed Area comprises less than 25 square kilometres.

(5) The Licensee shall not be obliged to surrender such part of the Licensed Area as the Minister considers, on an application being made to him in that regard by the Licensee, necessary to secure the recovery of Petroleum from such area.

(6) Paragraph (2) of clause 9 of this licence applies to the Surrendered Part as it applies to parts of the Licenced Area surrendered under paragraph (1) of that clause.

(7) Any notice served in accordance with paragraph (1) of this clause shall specify a date not later than expiry of the Initial Term on which the Surrendered Part is to be surrendered.

(8) This licence shall, upon the option conferred by this clause being duly exercised but subject to the provisions of clause 3 of this licence, continue in respect of the Continuing Part for the Second Term.