

DATED 11 November 2015

NORTH YORK MOORS NATIONAL PARK AUTHORITY

and

THIRD ENERGY UK GAS LIMITED

and

MOORLAND ENERGY LIMITED

and

THIRD ENERGY ONSHORE LIMITED

AGREEMENT

**pursuant to Section 65 of the Environment Act 1995
relating to a planning application for gas production
at Ebberston Moor South Well site.**

THIS DEED is made the 11th day of November 2015

BETWEEN: -

- (1) **NORTH YORK MOORS NATIONAL PARK AUTHORITY** of The Old Vicarage, Bondgate, Helmsley, York, YO62 5BP ("**National Park Authority**"); and
- (2) **THIRD ENERGY UK GAS LIMITED** (Company Number 01421481) whose registered office is at Knapton Generating Station, East Knapton, Malton YO17 8JF ("**Third Energy**"); and
- (3) **MOORLAND ENERGY LIMITED** (Company Number 06714831) whose registered office is at Third Floor, Denman House, 20 Piccadilly, Piccadilly, London W1J 0DG ("**Moorland Energy**"); and
- (4) **THIRD ENERGY ONSHORE LIMITED** (Company Number 04946049) whose registered office is at Knapton Generating Station, East Knapton, Malton YO17 8JF ("**Parent Company**").

WHEREAS

- A. The National Park Authority is the local planning authority and resolved on 20 August 2015 to grant planning permission for the Development subject to the making of this Deed without which Planning Permission would not be granted.
- B. Third Energy and Moorland Energy and Parent Company by entering into this Deed do so to create obligations in favour of the National Park Authority pursuant to Section 65 of the Environment Act 1995 and to be bound by and observe and perform the agreements, conditions and stipulations in this Deed.

NOW THIS DEED WITNESSES as follows:

Definitions and interpretation

- 1.1. In this Deed the following words and expressions shall where the context so requires have the following meanings:

"Cessation of Development" means the date the Development permanently ceases to be operational or 20 years after the date of this Deed, whichever is the sooner;

"Commencement of Development"

means the date upon which the Development shall commence by the carrying out pursuant to the Planning Permission of a material operation as specified in Section 56 of the Town and Country Planning Act 1990;

"Development"

means the development to be carried out pursuant to the Planning Permission;

"Compensation Payment"

means the sum of £15,000 (fifteen thousand pounds) (Index Linked) to compensate for the impact of the Development on the special qualities of the North York Moors National Park:

"Index"

means the 12 month percentage change in the Consumer Prices Index published by the Office for National Statistics contained in the Monthly Digest of Statistics (or contained in any official publication substituted therefor) or such other index as may from time to time be published in substitution therefor;

"Index Linked"

means such increase or decrease to sums payable from the date of this Agreement until such date that payment of the sum is made based upon the difference between the Index at the date of this Agreement and the Index at the date of payment;

"Interest"

means interest at the rate of 2% above the official bank rate of the Bank of England in

force for the period when interest is payable;

“Planning Application”

means the application for natural gas production and water re-injection at the existing borehole at Ebberston Moor South Well Site, the drilling of a second borehole for water production and re-injection, the construction of a 13.9 km long 12 inch diameter underground pipeline from with Ebberston Moor South Well to the Knapton Generating Station at East Knapton, Malton and construction of ancillary works at the Generating Station with reference NYM/2014/0587/EIA submitted by Third Energy and Moorland Energy to the National Park Authority;

“Planning Permission”

means the planning permission issued by the National Park Authority for the Development pursuant to the Planning Application;

“Re-instatment Payment”

means the sum of £5,000 (five thousand pounds) (Index Linked) to re-instate special qualities of the North York Moors National Park:

CONSTRUCTION OF THIS DEED

- 1.2. For the purposes of this Deed the singular includes the plural and vice versa.
- 1.3. The expression “person” means any person, firm, authority or company or other legal entity.
- 1.4. Unless otherwise stated, references to clause numbers are references to the clauses in this Deed.
- 1.5. Unless otherwise stated, references to schedules and paragraph numbers are references to the schedules and paragraphs of schedules in this Deed.

LEGAL BASIS

2. This Deed is an obligation made pursuant to Section 65 of the Environment Act 1995 and all other powers so enabling and may be enforced by the National Park Authority against Third Energy and Moorland Energy and Parent Company.

PARTIES OBLIGATIONS

- 3.1 In consideration of the grant of the Planning Permission by the National Park Authority Third Energy and Moorland Energy jointly and severally agree to perform the obligations specified in the First Schedule and Parent Company agrees to perform the obligation in the Third Schedule.
- 3.2 In consideration of Third Energy and Moorland Energy and Parent Company entering into this Deed, the National Park Authority agrees to perform the obligations specified in the Second Schedule.

MISCELLANEOUS

- 4 It is declared as follows:
 - 4.1. The expression "National Park Authority" shall include its successor(s) to its statutory functions.
 - 4.2. The obligations contained in this Deed shall not become effective until the earliest date on which both the following conditions are satisfied:
 - (a) the Planning Permission has been granted; and
 - (b) save where otherwise stated in this Agreement the Commencement of Development occurs.
5. This Deed shall have effect as from the date specified in clause 4.2 until discharged but shall cease to have effect if the Planning Permission shall lapse or expire or be revoked or modified without the consent of Third Energy and Moorland Energy or for any reason cease to have effect before the Commencement of Development.
6. In the event that any party fails to make payment in accordance with their obligations set out in this Deed they shall pay Interest on the sum due from the date it becomes payable until actual payment thereof.

7. Third Energy and Moorland Energy shall pay to the National Park Authority prior to the completion of this Agreement £500-00 (five hundred pounds) (no VAT) being the reasonable legal costs of the National Park Authority incurred in the negotiation, preparation and execution of this Agreement.

IN WITNESS whereof this Deed has been duly executed by the parties the day and year first before written.

FIRST SCHEDULE

(Obligations- Third Energy and Moorland Energy)

COMPENSATION PAYMENT

1. To pay the Compensation Payment to the National Park Authority on the Commencement of Development.

RE-INSTATEMENT PAYMENT

2. To pay the Re-instatement Payment to the National Park Authority on the Cessation of Development.

ACCIDENTAL POLLUTION INSURANCE

3. To hold and maintain insurance cover, for the lifetime of the Development for the remediation of the site and any affected off-site areas following a significant accidental pollution event.

(1

SECOND SCHEDULE
(Obligations- National Park Authority)

USE OF PAYMENTS

1. When received, to use the Compensation Payment to compensate for the impact of the Development on the special qualities of the North York Moors National Park and to use the Re-instatement Payment to re-instate special qualities of the North York Moors National Park.

THIRD SCHEDULE
(Obligation - Parent Company)

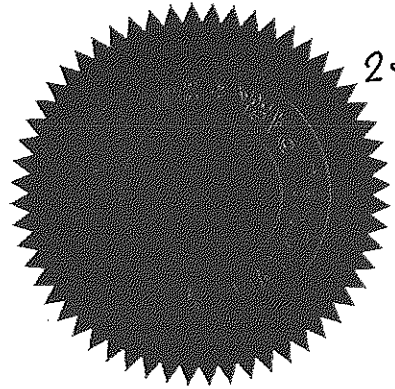
RESTORATION OF EBBERSTON MOOR SOUTH WELL SITE

1. To remove plant, equipment, buildings, fencing and roadways from Ebberston Moor South Well Site and return the site to as near pre-development condition as practicable within 6 months of the end of the commercial operation of the site.

**THE COMMON SEAL OF
THE NATIONAL PARK AUTHORITY**

Was affixed in the presence of:

(RICHARD SMITH)
Authorised Signatory



2036

EXECUTED AS DEED BY THIRD ENERGY

by the signatures of:

Director _____
in the presence of:

Witness _____
Witness name: BARBARA COMBEN

Witness address: 61 ISLIP MANOR RD, NORHOLT, MIDDLESEX, UB5 5EA

EXECUTED AS DEED BY MOORLAND ENERGY

by the signature of:

Director _____
in the presence of:

Witness _____
Witness name: BARBARA COMBEN

Witness address: 61 ISLIP MANOR ROAD NORTHOLT, MIDDLESEX, UB5 5EA

EXECUTED AS DEED BY PARENT COMPANY

by the signature of:

Director _____
in the presence of:

Witness _____
Witness name: BARBARA COMBEN

Witness address: 61 ISLIP MANOR ROAD, NORTHOLT, MIDDLESEX, UB5 5EA