

Report on completed negotiations - Use of facilities by others

This form is submitted pursuant to Section 14 of the Regulations relating to the use of facilities by others, laid down by the Ministry of Petroleum and Energy (MPE) on 20 December 2005. The owner and the user fill in the form. The user of the facility forwards the form to the Norwegian Petroleum Directorate (NPD), who will publish it. Please state volumes etc according to the metric system.

Contents:

1. Key elements in the agreement that has been made regarding others use of the facility
2. Information on the user's fields and streams¹
3. Information on the negotiation process

Title and date² of agreement	Agreement for Tie-in, Processing and Operating Services of the Skogul Field at the Alvheim Facilities. Dated 13 th December 2017
NPD reference number³	
NPD reference number for related agreements³	
Parties to the agreement⁴	Alvheim Group: <ul style="list-style-type: none"> - AkerBP ASA (operator) – 65% - ConocoPhillips Skandinavia AS – 20% - Lundin Norway AS – 15% Skogul Group: <ul style="list-style-type: none"> - AkerBP ASA (operator) – 65% - PGNiG Upstream Norway AS – 35%

1. Key elements of the agreement	
This form must state the key provisions regarding distribution of responsibilities and financial terms	
Services ⁵	<ul style="list-style-type: none"> • Receive process, store Vilje Blend / Skogul wellstream. • Redeliver oil and gas for export. • Deliver gas lift gas and umbilical utilities to Skogul • Disposal of water separated from the Skogul wellstream. • Metering, testing, sampling, monitoring composition, value adjustment and allocation.
Start and duration of services ⁶	<ul style="list-style-type: none"> • Commencement date is between 1st Nov '19 and 1st April '20. • Services will continue until Skogul permanently ceases production.
Tariffs ⁷	<ul style="list-style-type: none"> • Alvheim tariff = 9.5 – 12.5 NOK (2008)/boe escalated annually based on CPI. • A pro-rata share of Alvheim operating costs. • A share of major capital replacements based on Skogul's proportionate share of remaining reserves for all users of the

¹ What is transported, processed, injected, etc. will in the following be termed "streams"

² Must be updated if there are changes to, exception from or amendments to the agreement

³ To be determined by the Norwegian Petroleum Directorate (NPD)

⁴ The name of the owner and the user, cf. Section 3 of the Regulations, and the licensees' interests in the facility and user field

⁵ A description of the services included in the agreement, including information on entry point and redelivery point for streams.

⁶ Start and duration of services according to the agreement

⁷ Current compensation to the owner. Please also state any indexation and/or rate changes over time. The tariffs must be split to the extent this has been done in the agreement. If desirable, an interval or level may be given which must not deviate more than +/- 15% from the actual agreed compensation

	Alvheim facilities.
Other compensation ⁸	<ul style="list-style-type: none"> • Capital costs for provisions of the tie-in facilities paid at cost + 5%. • In-kind compensation for deferred production resulting from tie-in activity. • In-kind compensation for lost and deferred production due to constrained gas processing capacity. • Pro-rata share of potential future upgrade of water handling capacity. • Pro-rata share of potential future upgrade of gas handling capacities.
Capacity rights (over time) ⁹	<ul style="list-style-type: none"> • 15,000 bbls/d Reserved liquids capacity. • Reserved gas lift gas capacity up to 150,000 Sm³/d. • Reserved gas export gas capacity.
Flexibility in volumes ¹⁰	<ul style="list-style-type: none"> • Alvheim opex share linked to Reserved Capacity level.
Priority ¹¹	<ul style="list-style-type: none"> • The Alvheim Operator will optimise oil and gas production for the first 48hrs after a shutdown / reduced capacity. • After 48hrs capacity shared pro-rata based on average profile prior to the incident.
Technical requirements ¹²	
Special issues ¹³	

⁸ Reimbursable cost, compensation for postponed production for the owner of the infrastructure, and any other compensation (e.g. for use of risers) not covered by current compensation

⁹ To be specified for the applicable capacities according to the agreement. Changes over time and conditional changes should be shown

¹⁰ Please specify whether payment must be made irrespective of the actual use of the facility ("send or pay"), and whether unused rights may be transferred to later periods

¹¹ Priority for the user's streams when there is limited access to services

¹² Important technical requirements and particular issues related to the user's streams.

¹³ Any relevant supplementary information regarding the agreement

2. Information on the user's fields and streams	
This form describes the field and the streams etc. that are relevant to the agreement	
The user field	Skogul
Planned development solution ¹⁴	Single well subsea tie-back via Vilje subsea system and flowline to Alvheim FPSO. Production will be processed, stored and redelivered at Alvheim FPSO. In addition to Skogul utilizing the Vilje flowline, Vilje will provide "pass through" services to Skogul for gas lift gas and umbilical services.
Utilisation of the agreement services ¹⁵	
1. Start date and end date ¹⁶	2020 – 2032
2. Starting time plateau ¹⁷	2020
3. Plateau level	12,500 bbls/d
4. Duration of plateau	1 yr
5. Total volume	9.58 mmmboe
Unique characteristics of the streams ¹⁸	

3. Information on the negotiation process	
Date when the request regarding use was received ¹⁹	10 th January 2017
Date when the reply to this request was sent ²⁰	15 th February 2017
Milestones in the agreement negotiations ²¹	Fully termed agreement negotiated between September and December '17.
The structure of and roles in the negotiations ²²	Bilateral negotiations between Skogul (AkerBP led) and the Alvheim Negotiation Team (ConocoPhillips & Lundin). AkerBP took the role of Alvheim TSP.
Other important matters regarding the negotiations	

¹⁴ Overall description, possibly with an illustration of the development. The description must include the development solution (including changes to the owner's facility in connection with the agreement), gas lift, injection (gas and/or water), export solutions and, if relevant, used drilling slots/risers and any other important parameters

¹⁵ The field's expected streams and other figures relevant to the services in the agreement. State Items 1-5 per stream, etc. (e.g.: well stream, processed oil, gas, condensate, NGL, produced water, injected gas, the number of used risers or drilling slots)

¹⁶ Expected start date and end date for use of the service

¹⁷ Plateau is the highest level of service, e.g. well stream volume, water injection volume or the number of used drilling slots

¹⁸ This may for example be: low API, high H₂S, high CO₂, significant sand production, etc.

¹⁹ The date when the owner received a request regarding use, cf. Section 6 of the Regulations

²⁰ The date of the owner's reply to the request regarding use, cf. Section 6 of the Regulations

²¹ Start date, milestones (deadline kept: Y / N: Reason) and end date (deadline kept: Y / N: Reason) compared to the initial progress plan submitted to the Ministry, cf. Section 7 of the Regulations

²² Negotiation structure: polarized or round table. The parties' negotiation roles: Negotiation leader, facilitator, technical assistant.