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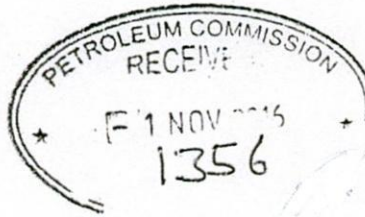


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MINISTRY OF PETROLEUM
REPUBLIC OF GHANA

26 October 2016

THE CHAIRMAN
BRITTANIA-U GHANA LIMITED
P.O. BOX C2444
CANTONMENTS
ACCRA-GHANA



RE: PETROLEUM AGREEMENT IN RESPECT OF SOUTH WEST SALTPOND BLOCK: REQUEST FOR EXTENSION OF EXPLORATION PERIOD

We write in reference to your letter dated 20 October, 2016, on the above subject matter.

We also refer to recent meetings held between Britannia-U and the Honourable Minister for Petroleum as well as with other officials of the Ministry, in a bid to resolve the disagreement in respect of the South West Saltpond Petroleum Agreement (SWS PA)

You will recall that in July 2014, you were informed that during the consideration of the SWS PA in Parliament, the then Chairman of the Select Parliamentary Committee on Mines and Energy, requested that in accordance with the spirit of the Petroleum (Local Content and Local Participation) Regulations, 2013, L.I. 2204, your local content partner, Hills Oil Marketing Company Limited be made a signatory to the SWS PA and a five percent (5%) interest holder in the entire Block, and not just a shareholder in Britannia-U Ghana Limited (Brittania-U).

Based on assurances from the Ministry that the requested amendments would be made to the SWS PA, the Committee went ahead and recommended the SWS PA to Parliament for ratification. Consequently, the SWS PA was ratified on 17th July, 2014.

Unfortunately however, when you were notified of the Committee's request, you declined to comply because the request had not been captured in the Committee's report to Parliament. You argued further through your solicitors that the ratification of the SWS PA had not been made subject to any conditions. According to you, as far as you were concerned, the ratification with Britannia-U as the sole Contractor concluded the process.

This disagreement resulted in a delay in the commencement of petroleum activities in the Block, in spite of the SWS PA becoming effective on 17 July, 2014 upon ratification.

Further to our meetings in the week of October 17, 2016, we have been advised that the SWS PA ratified by Parliament on 17th July, 2016 with Britannia-U as sole Contractor should

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be maintained for the conduct of petroleum activities in respect of the said Block. Kindly therefore find enclosed a copy of the said agreement for your records.

As you well know, Brittania U was granted an Initial Exploration Period of three (3) years from the effective date of the SWS PA. Currently, there remains only nine (9) months for the execution of your work programme for this period. In view of the fact that work did not commence as a result of the disagreement and following the recent resolution of this disagreement, Brittania-U is hereby granted an extension of twenty-seven (27) months from the end of the Initial Exploration Period, to enable you complete your work programme for the Initial Exploration Period.

Brittania-U is hereby urged to take immediate steps to commence its obligations under the SWS PA.



EMMANUEL ARMAH-KOFO-BOAH (MP)
MINISTER

CC

THE AG. CHIEF EXECUTIVE, PETROLEUM COMMISSION, ACCRA. ✓

THE AG. CHIEF EXECUTIVE, GHANA NATIONAL PETROLEUM CORPORATION, TEMA.