



Our Ref: PC/ZA.SUR.057/EXP

November 30, 2016

The Chief Executive Officer
AGM Petroleum Ghana Limited

The Chief Operating Officer
GNPC Exploration & Production Company Limited

House No. 73, 15 NME Lane,
Airport Residential Area
Accra, Ghana

Dear Sir,

RE: APPLICATION FOR EXTENSION OF INITIAL EXPLORATION PERIOD

Reference is made to your letter dated October 28, 2016 on the above subject matter under the Petroleum Agreement (PA) between the Government of the Republic of Ghana, the Ghana National Petroleum Corporation (GNPC), the GNPC Exploration and Production Company Ltd (GNPC Explorco) and AGM Petroleum Ghana Limited (AGM) in respect of the South Deepwater Tano Block (SDWT) dated September 10, 2013.

We have examined critically your request to grant you an extension of an additional forty-two (42) months for the Initial Exploration Period and note the following:

1. That you deemed it impossible to meet your work obligations due to the Provisional Measures imposed by the ruling of the Special Chamber of ITLOS made on April 25, 2015.
2. Under the terms of Article 4 of the PA, you were required during the period defined as the Initial Exploration Period commencing on the effective date of the PA and terminating at the end of the first half of the 4th Contract Year (a total of 42 months) obliged among others to drill a minimum of two (2) Exploration Wells.
3. The targeted prospects of highest potential of exploration success where you expect to drill the first two commitment wells are within the area subject to the Provisional Measures imposed by the ruling of the Special Chamber of ITLOS.
4. That, up to date, you have not been able to secure well data from offsetting discoveries to enable you carry out majority of the detailed work required to de-risk the SDWT contract area.


5. That you commit to perform a new 3D seismic survey over the south eastern portion to complete 100% coverage of the SDWT contract area by early 2017.
6. Upon completion of the technical work indicated above, you will commence the drilling of the first exploratory well after the Provisional Measures imposed by Special Chamber of ITLOS have been lifted. The second commitment well will be drilled after full analysis of the results of the first well.

Pursuant to Section 21 (4) of the Petroleum (Exploration and Production) Act, 2016 Act 919 and considering the above in the light of certain constraints you enumerated in your letter, the Commission hereby extends the original duration of three and one half years for the Initial Exploration Period as granted under Article 3.1 (a) of the PA to further three years making a total of six and one half years for the Initial Exploration Period from the Effective Date of the PA. Please be reminded that this extension is within the seven (7) years Exploration Period provided under Article 3.1 of the PA.

However, the Commission requires that you submit a revised Work Programme reflecting the above that will be considered and reviewed with your good selves during quarterly Technical Meetings at the Commission.

The Commission is hopeful that this extension will enable you to build a prospect inventory, undertake the required additional seismic acquisition and perform the drilling campaign in accordance with the PA.

Yours Faithfully,



KWAKU BOATENG
DIRECTOR, SPECIAL SERVICES
for **AG. CHIEF EXECUTIVE OFFICER** ✓

cc: The Hon. Minister For Petroleum
Ministry Of Petroleum

Ag. Chief Executive Officer,
Ghana National Petroleum Corporation

Chief Operating Officer,
GNPC Explorco