

SAFETY PERMIT
Reference Number: SP 09A
under Section 13P of the Electricity Regulation Act 1999, as amended

granted to

PSE Seven Heads Limited
Island (Seven Heads) Limited; and
Sunningdale Oils (Ireland) Limited

on

15th December 2016

in respect of the carrying on of certain designated petroleum activities related to production

under or in connection with

the Petroleum Lease granted pursuant to section 13 of the Petroleum and Other Minerals
Development Act 1960, as amended, dated 13th November 2002;

in accordance with

Production Safety Case (KG-17-SR-PRD-00349-G-H2) (30th May 2016); and
Production Safety Case (KG-17-SR-PRD-00349-G-H1) (24th November 2014)

PART I: Safety Permit

The Commission for Energy Regulation (the “**Commission**”) in the exercise of the powers conferred by Section 13P of the Electricity Regulation Act 1999, as amended, (the “**Act**”):

HAVING CONSIDERED:

- the Production Safety Case KG-17-SR-PRD-00349-G-H1 (24th November 2014); and
- the Production Safety Case KG-17-SR-PRD-00349-G-H2 (30th May 2016)

submitted by or behalf of PSE Seven Heads Limited, Island (Seven Heads) Limited and Sunningdale Oils(Ireland) Limited each a “**Grantee**” on 28th November 2014 and 1st June 2016 as supplemented by the Additional Information furnished by or on behalf of the Grantee and in connection with the following petroleum authorisation:

1. Petroleum Lease granted pursuant to section 13 of the Petroleum and Other Minerals Development Act 1960, as amended, dated 13th November 2002;

(the “**Safety Case**”).

BEING SATISFIED THAT—

1. the information contained in the Safety Case complies with the requirements of section 13M(5) of the Act;
2. the Grantee is capable of implementing the safety management system described in the Safety Case(s), and
3. the Grantee is, subject to the conditions (the “**General Conditions**”) set out in Part II, and the special conditions (the “**Special Conditions**”) set out in Part III of this safety permit (together the “**Conditions**”), capable of carrying on the designated petroleum activities described in the Production Safety Case(s) in compliance with its duties under section 13K of the Act;

HEREBY ACCEPTS the Safety Case (the “**Accepted Safety Case**”) subject to the Conditions; and

HEREBY GRANTS to the Grantee a safety permit in respect of the Production Activities, subject to the Conditions.

This safety permit shall come into force on 15th December 2016 and, subject to the Conditions, shall continue in full force and effect until its expiry date, as per Part III: Special Conditions Paragraph 3.1, or until it is revoked by the Commission or replaced by a new safety permit.

Sealed with the common seal of the Commission for Energy Regulation on 15th December 2016.



Garrett Blarney
Chairperson
Commission for Energy Regulation

PART II: General Conditions

1. Definitions and Interpretation

1.1 Unless the context otherwise requires or unless otherwise defined in this safety permit, words or phrases defined in the Act shall have the meanings given to them in the Act.

1.2 Unless the context otherwise requires, in this safety permit:

“**Act**” means the Electricity Regulation Act 1999, as amended;

“**ALARP**” means as low as is reasonably practicable;

“**Accepted Safety Case**” has the meaning given in Part I of this safety permit;

“**Levy Order**” means an order made under paragraph 16 of Schedule 1 to the Act;

“**Petroleum Authorisations**” means those authorisations listed in Part I of this safety permit;

“**Petroleum Infrastructure**” means all or any part of the facilities structures and installations described in the Accepted Safety Case;

“**Production Activities**” means those designated petroleum activities in respect of which the Accepted Safety Case has been prepared which fall within the class of designated petroleum activity described in Regulation 4(2) of the Petroleum Safety (Designation of Certain Classes of Petroleum Activity) Regulations 2013; and

“**Relevant Authority**” means an authority listed under section 13H(4) of the Act.

1.3 In this safety permit

(a) “**Grantee**” refers to the person or each person to whom this safety permit is granted and any reference to “the Grantee” refers to each Grantee severally.

(b) a reference to:

(i) a Part, Condition or paragraph, unless otherwise specified, is a reference to a Part, Condition or paragraph of this safety permit;

(ii) the singular includes the plural and vice versa and references to one gender includes all genders;

(iii) any other document referred to in this safety permit is a reference to that document as amended, varied, novated or supplemented at any time.

(c) a reference to a statute or statutory provision shall be construed as a reference to the laws of Ireland unless otherwise specified and includes:

(i) any subordinate legislation made under it including all regulations, by-laws, orders and codes made thereunder;

(ii) any repealed statute or statutory provision which it re-enacts (with or without modification); and

- (iii) any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it.
- (d) any phrase introduced by the terms "including, "include" and "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- (e) The headings are inserted for convenience only. They are to be ignored in the interpretation of this safety permit.

2. **Compliance with the Conditions**

- 2.1 The Grantee shall comply with the Conditions until the Grantee discharges all obligations under or in connection with the Petroleum Authorisations and the Grantee ceases to carry out any activities under or in connection with the Petroleum Authorisations.
- 2.2 Notwithstanding anything else in this safety permit, the Conditions shall cease to be binding on the Grantee when the Grantee has discharged all obligations under or in connection with the Petroleum Authorisations and the Grantee has ceased to carry out any activities under or in connection with the Petroleum Authorisations.

3. **The Safety Case**

The Grantee shall at all times act in accordance with the Accepted Safety Case.

4. **Safety Performance Requirements**

The Grantee shall comply with such safety performance requirements as may be specified by the Commission from time to time.

5. **Audits and Reporting Requirements**

- 5.1 The Grantee shall furnish to the Commission, in such manner and at such times as the Commission may require, such information and shall procure and furnish to it such reports as the Commission may consider necessary or appropriate to enable the Commission to monitor the Grantee's compliance with the Conditions or as it may require for the purpose of performing its functions under the Act.
- 5.2 Without prejudice to the generality of paragraph 5.1 of this Part II, the Grantee shall comply with any reporting and / or audit requirements specified by the Commission under any compliance assurance procedures published by it from time to time.
- 5.3 The power of the Commission to request information under paragraph 5.1 of this Part II is without prejudice to any other power of the Commission to request information whether pursuant to any other Condition of this safety permit, the Act or any other enactment or otherwise.
- 5.4 The Grantee shall furnish to the Commission, within seven days of receipt, a copy of any report, notice, direction or censure issued by a Relevant Authority detailing any non-compliance with a regulatory requirement.
- 5.5 In this Condition, "**information**" shall include any books, documents, records, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Commission) of any description and in any format specified by the Commission.

6. Transfer of Petroleum Authorisation

6.1 In the event that all or any of the Petroleum Authorisations, or the benefits thereof, are proposed to be assigned, novated or otherwise transferred, in whole or in part, such that:

- (a) all or any of the Grantees will cease to carry on all or any of the Production Activities; and/or
- (b) a new petroleum undertaking which is not the holder of a safety permit in respect of the Production Activities wishes to carry on those Production Activities,

and provided that no material alteration is proposed to be made to the Accepted Safety Case, the Grantees shall apply to the Commission to have this safety permit replaced with a new safety permit in the names of the new petroleum undertakings.

6.2 Nothing in this Condition 6 shall prejudice the obligations of any Grantee or any other petroleum undertaking in respect of any material alteration to an Accepted Safety Case.

7. Review and revision of the Accepted Safety Case

7.1 The Grantee shall procure that an independent review of the Accepted Safety Case be carried out in accordance with the reasonable requirements of the Commission when directed to do so by the Commission and in any case not later than 5 years following the date of Production Safety Case (KG-17-SR-PRD-00349-G-H1, dated 24th November 2014), and thereafter not later than the fifth anniversary of any such review.

7.2 Where, as a consequence of such review, or otherwise, it is necessary to make a material alteration to an Accepted Safety Case, the Grantee shall submit a revised safety case to the Commission for its review as soon as is reasonably practicable after completion of the review pursuant to paragraph 7.1.

7.3 The Grantee shall not be permitted to make a material alteration to an Accepted Safety Case until such material alteration is accepted by the Commission.

7.4 Any failure by the Grantee to submit a satisfactory required material alteration to a safety case to the Commission in accordance with the requirements of paragraph 7.2 shall be considered a breach of this Condition 7 of Part II.

7.5 In this Condition 7 a 'satisfactory required material alteration' is a material alteration which is (1) sufficient to address any risk to safety identified by a review carried on pursuant to paragraph 7.1; and (2) is capable of being accepted by the Commission having regard to the requirements of the Act.

8. Notices

8.1 The relevant notice details for each Grantee shall be as specified in the Special Conditions, provided that the Grantee may notify the Commission of any changes to the notice details specified on not less than two (2) clear weeks' prior written notice.

8.2 The Grantee (the "Appointor") may authorise another Grantee to act as agent for service of notices under this safety permit. In such case the Appointor agrees that any

notice and / or request for information under this safety permit shall be effectively served on it in connection with this safety permit if such notice or request is properly served on its agent.

- 8.3 A copy of any notice served on an agent shall be sent by post to the Appointor. Failure or delay in serving such a copy shall not prejudice the effectiveness of the notice.

9. Revocation

9.1 The Commission may at any time revoke this Production Safety Permit by not less than 21 days' notice in writing to the Grantee:

- (a) if the Grantee fails to comply with the Conditions of this Safety Permit;
- (b) if the Grantee fails to comply with an Improvement Notice issued under section 13Z of the Act
- (c) where, in the opinion of the Commission, the petroleum undertaking is not complying with its duties under section 13K of the Act; or
- (d) in accordance with section 13T(2)(iv) of the Act.

10. Petroleum Safety Levy

The Grantee shall pay to the Commission any amounts specified in, or determined under a Levy Order, in accordance with the provisions of such Levy Order.

PART III: Special Conditions

1. Definitions and Interpretation

1.1 Unless the context otherwise requires, in this safety permit:

“Additional Information” means:

- In connection with Production Safety Case (KG-17-SR-PRD-00349-G-H1) (24th November 2014):
 - (a) Responses to Additional Information Request Letter no. 1 of 17th December 2014 as follows:
 - (i) 13th July 2015/ CER/SP08/00101;
 - (b) Response to Additional Information Request Letter no. 2 of 22nd January 2015 as follows:
 - (i) 14th July 2015/ CER/SP08/00102;
 - (c) Responses to Additional Information Request Letter no. 3 of 18th March 2015 as follows:
 - (i) 16th July 2015/ CER/SP08/00104;
 - (d) Responses to Additional Information Request Letter no. 4 of 23rd April 2015 as follows:
 - (i) 16th July 2015/ CER/SP08/00105;
 - (e) Responses to Additional Information Request Letter no. 5 of 12th May 2015 as follows:
 - (i) 16th July 2015/ CER/SP08/00106
 - (f) Responses to Additional Information Request Letter no. 6 of 22nd May 2015 as follows:
 - (i) 16th July 2015/ CER/SP08/00107
 - (g) Responses to Additional Information Request Letter no. 7 of 9th June 2015 as follows:
 - (i) 16th July 2015/ CER/SP08/00108
 - (h) Responses to Additional Information Request Letter no. 8 of 2nd July 2015 as follows:
 - (i) 16th July 2015/ CER/SP08/00109
 - (i) Responses to Additional Information Request Letter no. 9 of 6th July 2015 as follows:
 - (i) 21st October 2015/ CER/SP08/00111

- (j) Responses to Additional Information Request Letter no. 10 of 14th July 2015 as follows:
 - (i) 21st October 2015/ CER/SP08/00112
 - (k) Responses to Additional Information Request Letter no. 11 of 20th July 2015 as follows:
 - (i) 21st October 2015/ CER/SP08/00113
 - (l) Responses to Additional Information Request Letter no. 12 of 19th August 2015 as follows:
 - (i) 27th October 2015/ CER/SP08/00114
- In connection with Production Safety Case (KG-17-SR-PRD-00349-G-H2) (30th May 2016):
- (a) Responses to Additional Information Request Letter no. 1 of 8th July 2016 as follows:
 - (i) 15th August 2016/ CER/SP08/00123
- 1.2 in each case as submitted by PSE Seven Heads Limited for and on behalf of the Grantee.

2. Prohibition on the carrying on of specified activities without ALARP Demonstration

- 2.1 This safety permit does not permit the carrying on of well interventions and workovers from the Alpha and Bravo installations noted in the Safety Case where an ALARP demonstration has not been furnished for such methods, systems equipment or components.

Reason: Each petroleum undertaking is required to demonstrate that it has reduced risks to a level that is ALARP in respect of each petroleum activity undertaken. Where alternative methods, systems, equipment or components are flagged in the Safety Case, they will nevertheless require a full ALARP Demonstration prior to their employment.

3. Safety Permit to be limited to five years

- 3.1 This permit expires on 14th January 2021.

Reason: To comply with the accepted safety case.

4. Safety Case Fees

The Grantee shall pay to the Commission any outstanding safety case assessment fee, where the costs incurred by the Commission in the assessment of the Safety Case and matters directly pertaining to the Safety Case including the costs and expenses incurred in determining conditions relating to issue of this safety permit, exceeded the initial safety case fee paid.

Reason: To secure the recovery by the Commission in accordance with Section 13R of the Act of costs associated with the review of the Safety Case and the issue of the safety permit. This provides for the recovery of the difference between the initial (estimated) fee and the final (actual fee) in respect of the safety permit.

5. **Notices**

The notice details for each Grantee are as follows:

PSE Seven Heads Limited

[REDACTED]

Island (Seven Heads) Limited

[REDACTED]

Sunningdale Oils (Ireland) Limited

[REDACTED]

6. **General**

For the avoidance of doubt, the Conditions in this safety permit are not exhaustive of the obligations of the Grantee and are additional to and without prejudice to any other obligations of the Grantee under any applicable law or regulatory instrument.