

SAFETY PERMIT
Reference Number: SP 16

under Section 13P of the Electricity Regulation Act 1999, as amended

granted to

**Shell E&P Ireland Limited;
Equinor Energy Ireland Limited;
Vermilion Energy Ireland Limited; and
Nephin Energy Limited**

on

5th December 2018

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 15th November 2001, as amended and/or assigned from
time to time;**

**the consent granted pursuant to section 5 of the Continental Shelf Act 1968, as amended, dated 15th
April 2002; and**

**the consent granted pursuant to section 40 of the Gas Act 1976, as amended, dated 25th February
2011 and 29th December 2015**

in accordance with

Production Safety Case (COR-52-SH-0024, Rev A3) (1st November 2017)

and

Additional Information as per SP 01D, dated 12th November 2018

PART I: Safety Permit

The Commission for Regulation of Utilities (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 (COR-52-SH-0024, Rev A3) (1st November 2017);

submitted by **Shell E&P Ireland Limited**, on 21st March 2018 as supplemented by the Additional Information furnished by Shell E&P Ireland Limited in connection with the following petroleum authorisation(s) held by Shell E&P Ireland Limited, Equinor Energy Ireland Limited, Vermilion Energy Ireland Limited and Nephin Energy Limited, each a **Grantee**.”

1. Petroleum Lease granted pursuant to section 13 of the Petroleum and Other Minerals Development Act 1960, as amended, dated 15th November 2001, as amended and/or assigned from time to time;
2. Consent granted pursuant to section 5 of the Continental Shelf Act 1968, as amended, dated 15th April 2002; and
3. Consent granted pursuant to section 40 of the Gas Act 1976, as amended, dated 25th February 2011 and 29th December 2015,

(the “**Safety Case**”).

BEING SATISFIED THAT—

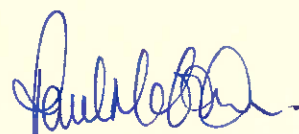
1. the information contained in the Safety Case complies with the requirements of section 13M(5) of the Act;
2. the Operator is capable of implementing the safety and environmental management system described in their Safety Case; and
3. the Grantee is, subject to the conditions (the “**General Conditions**”) set out in Part II, and the special conditions (the “**Special Conditions**”) set out in Part III of this safety permit (together the “**Conditions**”), and is capable of complying with its duties and obligations under section 13K and 13KA of the Act;

HEREBY ACCEPTS the Production Safety Case (COR-52-SH-0024, Rev A3) (1st November 2017) (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 upon Nephin Energy Limited becoming a Petroleum Undertaking in accordance with the Electricity Regulation Act 1999 (the “**Commencement Date**”) and shall continue in full force and effect until it is revoked by the Commission or replaced by a new safety permit.

Sealed with the common seal of the Commission for Regulation of Utilities on 5th December 2018.



Paul McGowan
Chairperson
Commission for Regulation of Utilities

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:

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

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

“**Letter of Acceptance**” means the letter issued to the Operator providing notification of acceptance of the submitted safety case referenced in Part I of this safety permit, and setting out the Requirements of the Letter of Acceptance placed on the Operator;

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

“**Operator**” means the entity appointed under section 13KA (1) to conduct designated petroleum activities including managing and controlling the functions of petroleum infrastructure (except non-production installations) in carrying out petroleum activities as defined in Section 13A of the Act;

“**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;

“**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(s);

“**Petroleum Undertaking**” means a person to whom a petroleum authorisation has been given or granted as defined in Section 13A of the Act;

“**Requirements of the Letter of Acceptance**” means the requirements placed on the Operator, listed in Annex A of their Letter of Acceptance;

“**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 include 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 The Grantee shall procure that the Operator comply with the Conditions. Any breach of a Condition or Conditions as a result of an act or omission of the Operator, shall be deemed to be a breach of such Condition or Conditions by the Grantee.
- 2.3 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 procure that the Operator shall at all times act in accordance with their Accepted Safety Case, and where relevant the combined operations notification accepted by the Commission under section 13OA(11) of the Act.

4. Letter of Acceptance

- 4.1 The Grantee shall procure that the Operator shall comply with the Requirements placed on the Operator in the Letter of Acceptance:

Shell E&P Ireland Letter of Acceptance, D/18/8669, 12th November 2018.

5. Safety Performance Requirements

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

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 Grantee(s) 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 Cases, the Grantee(s) shall apply to the Commission to have this safety permit replaced with a new safety permit in the names of the new petroleum undertaking(s).

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

7. **Notices**

7.1 The relevant notice details for the 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.

7.2 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 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.

7.3 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.

8. **Revocation**

8.1 The Commission may at any time revoke this safety permit by not less than 21 days' notice in writing to the Grantee:

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

9. **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.

10. **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 under any applicable law or regulatory instrument.

PART III: Special Conditions

1. Definitions and Interpretation

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

“**Additional Information**” means:

(a) In connection with Production Change Safety Case (COR-52-SH-0024, Rev A3):

(i) Responses to Additional Information Request 1 of 10th April 2018 as follows:

(A) 10th April 2018/VET-COR-PSC AIR-001

(ii) Responses to Additional Information Request 2 of 4th May 2018 as follows:

(A) 4th May 2018/VET-COR-PSC AIR-002

in each case as submitted by Shell E&P Ireland Limited for and on behalf of the Grantee.

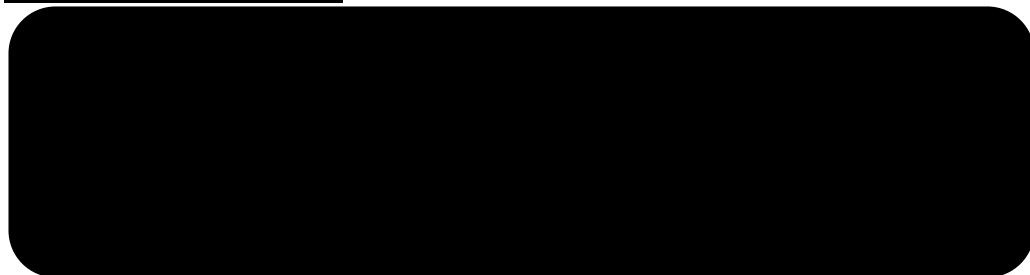
2. Replacement of Safety Permit SP 01D Dated 12th November 2018

With effect from the Commencement Date, this safety permit replaces Safety Permit SP 01D dated 12th November 2018, which was granted in accordance with Production Safety Case (COR-52-SH-0024, Rev A3) and with effect from the Commencement Date, Safety Permit SP 01D dated 12th November 2018 is no longer in force.

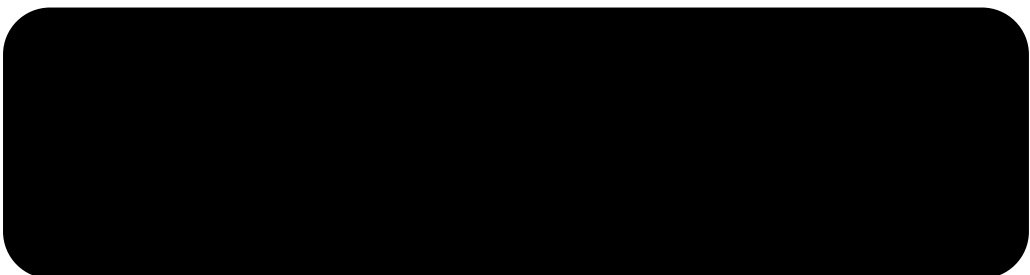
3. Notices

The notice details for each Grantee are as follows:

Shell E&P Ireland Limited



Equinor Energy Ireland Limited



Vermilion Energy Ireland Limited

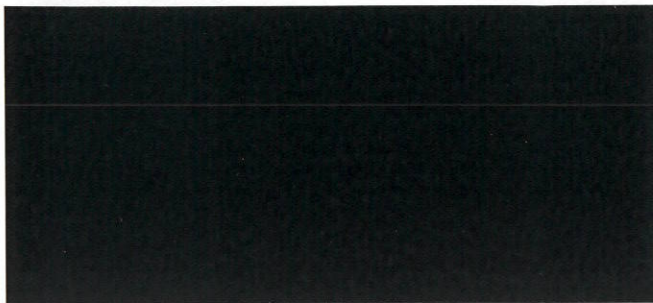


Nephin Energy Limited





Reference Number: D/18/8669



Re: Letter of Acceptance: SP01D - Production Safety Case

Dear 

The Commission for Regulation of Utilities (the Commission) wish to inform you that the Shell E&P Ireland Limited Production Safety Case (Ref: COR-52-SH-0024, Rev A3, signed and dated 1st November 2017) including additional information as set out in Annex B of this letter, submitted on 21st March 2018 has been accepted by the Commission subject to the Conditions set out in associated safety permit SP01D. The Requirements of this Letter of Acceptance must be read in conjunction with the conditions of SP01D.

To ensure compliance with SP01D, Shell E&P Ireland Limited should be aware of the Conditions placed on the Grantee with the safety permit. In particular I would like to draw your attention to the following Conditions of SP01D:

2. Compliance with the Conditions

The Grantee shall procure that the operator comply with the Conditions. Any breach of a Condition or Conditions as a result of an act or omission of the operator, shall be deemed to be a breach of such Condition or Conditions by the Grantee.

3. The Safety Case

The Grantee shall procure that the operator shall at all times act in accordance with their Accepted Safety Case, and where relevant the combined operations notification accepted by the Commission under section 130A(11) of the Act.

4. Letter of Acceptance

The Grantee shall procure that the operator shall comply with the Requirements placed on the operator in the Letter of Acceptance

The Requirements in this Letter of Acceptance, the compliance with which is placed on Shell E&P Ireland as operator, are set out in Annex A.



An Coimisiún
um Rialáil Fónas
**Commission for
Regulation of Utilities**

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T +353 1 4000 800
F +353 1 4000 850
E info@cru.ie
www.cru.ie

Should you have any questions on the above please don't hesitate to contact the Petroleum Safety team.

Sincerely,

Signed:  _____

Paul McGowan
Chairperson
For and on behalf of the
Commission for Regulation of Utilities

ANNEX A

'Requirements' means:

1. Audits and Reporting

- 1.1 The operator shall furnish to the Commission, in such manner and at such times as the Commission may require, such information and such reports as the Commission may consider necessary or appropriate to enable the Commission to monitor compliance with the Conditions of SP01D and compliance with the Act or as it may require for the purpose of performing its functions under the Act.
- 1.2 Without prejudice to the generality of paragraph 1.1 the operator:
 - (a) shall comply with any reporting and / or audit requirements specified by the Commission under any compliance assurance system published by it from time to time; and
 - (b) shall submit a report on its safety performance in a form satisfactory to the Commission on the dates specified by the Commission
- 1.3 The operator 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.

2. Review and Revision of the Accepted Safety Cases

- 2.1 The operator 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 the Production Safety Case [COR-52-SH-0024, Rev A0, dated 10th February 2014), and thereafter not later than the fifth anniversary of any such review.
- 2.2 Where, as a consequence of such review, or otherwise, it is necessary to make a material alteration to an Accepted Safety Case, the operator 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 2.1.
- 2.3 The operator shall not be permitted to make a material alteration to an Accepted Safety Case until such material alteration is accepted by the Commission.
- 2.4 Any failure by the operator to submit a satisfactory required material alteration to a safety case to the Commission in accordance with Requirement 2.2 shall be considered a breach of Requirement 2.
- 2.5 In this Requirement 2, 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 2.1; and (2) is capable of being accepted by the Commission having regard to the requirements of the Act.

3. Safety Case Fees

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

'Information' includes 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.

See SP01D for additional definitions.

ANNEX B

'Additional Information' means:

- (a) In connection with Production Safety Case (COR-52-SH-0024, Rev A0):
 - (i) Responses to Additional Information Request 1 of 4th April 2014 and subsequent follow up clarification requests dated 8th May 2014, 30th June 2014, 24th July 2014 & 24th August 2014 as follows:
 - (A) 15th April 2014/COR-01-SH-GM-2006 & 29th April 2014/COR-01-SH-GM-2011;
 - (B) 13th June 2014/COR-01-SH-GM-2015;
 - (C) 18th July 2014/COR-01-SH-GM-2027;
 - (D) 13th August 2014/COR-01-SH-GM-2036; and
 - (E) 22nd September 2014/ COR-01-SH-GM-2043;
 - (ii) Responses to Additional Information Request 2 of 8th May 2014 and subsequent follow up clarification requests dated 30th June 2014, 24th August 2014 & 23rd September 2014 as follows:
 - (A) 13th June 2014/COR-01-SH-GM-2015;
 - (B) 18th July 2014/COR-01-SH-GM-2027 & 13th August 2014/COR-01-SH-GM-2036;
 - (C) 22nd September 2014/COR-01-SH-GM-2043; and
 - (D) 23rd September 2014/COR-01-SH-GM-2044;



- (iii) Responses to Additional Information Request 3 of 27th May 2014 and subsequent follow up clarification requests dated 30th June 2014 as follows:
 - (A) 19th June 2014/COR-01-SH-GM-2018; and
 - (B) 18th July 2014/COR-01-SH-GM-2027;
- (iv) Responses to Additional Information Request 4 of 25th June 2014 and subsequent follow up clarification requests dated 24th July 2014 & 24th August 2014 as follows:
 - (A) 18th July 2014/COR-01-SH-GM-2027;
 - (B) 13th August 2014/COR-01-SH-GM-2036; and
 - (C) 22nd September 2014/COR-01-SH-GM-2043;
- (v) Responses to Additional Information Request 5 of 24th July 2014 June and subsequent follow up clarification requests dated 24th August 2014 as follows:
 - (A) 13th August 2014/COR-01-SH-GM-2036; and
 - (B) 22nd September 2014/COR-01-SH-GM-2043; and
- (vi) Responses to Additional Information Request 6 of 23rd September 2014 as follows:
 - (A) 23rd September 2014/COR-01-SH-GM-2044,
- (b) In connection with Production Change Safety Case (COR-52-SH-0024, Rev A2):
 - (i) Responses to Additional Information Request 1 of 22nd February 2017 as follows:
 - (A) 9th March 2017/COR-01-SH-GM-2256.
 - (ii) Responses to Additional Information Request 2 of 27th March 2017 as follows:
 - (A) 29th March 2017/COR-01-SH-GM-2257.
 - (iii) Responses to Additional Information Request 3 of 6th April 2017 as follows:
 - (A) 6th April 2017/COR-01-SH-GM-2259.
- (c) In connection with Production Change Safety Case (COR-52-SH-0024, Rev A3):

(i) Responses to Additional Information Request 1 of 10th April 2018 as follows:

(A) 10th April 2018/VET-COR-PSC AIR-001

(ii) Responses to Additional Information Request 2 of 4th May 2018 as follows:

(A) 4th May 2018/VET-COR-PSC AIR-002