

**CALL FOR BIDS
No. NL20-CFB01
(Eastern Newfoundland)**

**Exploration Licences in the
Canada-Newfoundland and Labrador Offshore Area**

TABLE OF CONTENTS

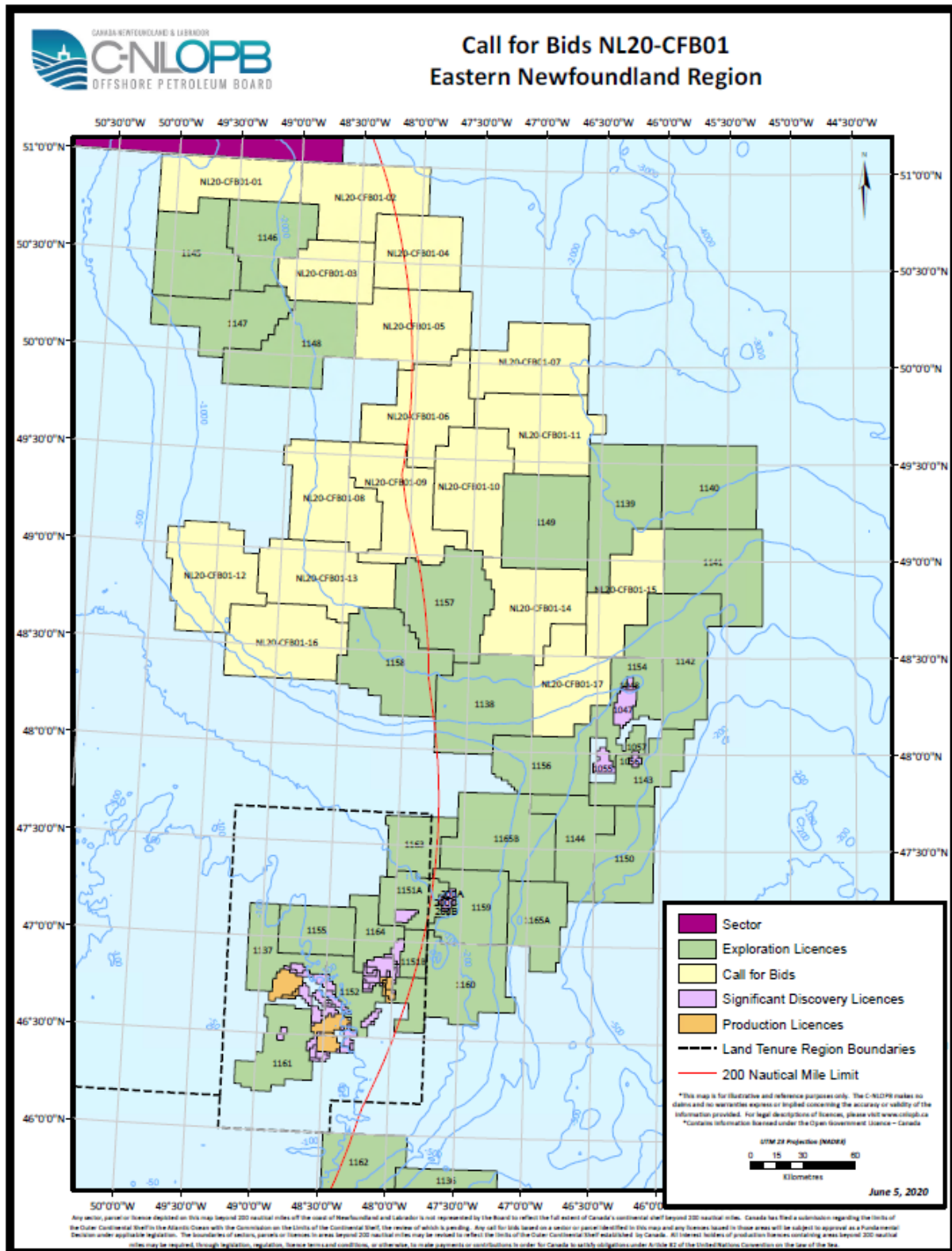
1.0	Canada-Newfoundland and Labrador Offshore Petroleum Board - Profile ...	3
2.0	Call for Bids No. NL20-CFB01 - Land Plats.....	4
3.0	Call for Bids No. NL20-CFB01	5
3.1	Call for Bids	5
3.2	Submission of Bids	5
3.3	Bid Selection Criterion	7
3.3.1	Work Expenditure Bid	7
3.3.2	Minimum Bid.....	7
3.3.3	Deposits	7
3.4	Parcel Issuance Fee	9
3.5	Terms and Conditions	10
3.6	Identity of Bidder	10
3.7	Notification to Bidders.....	10
3.8	Canada-Newfoundland and Labrador Benefits Plan	10
3.9	Environmental Studies Research Fund (ESRF)	10
3.10	Acceptance and Rejection	11
3.11	Tied Bids.....	12
3.12	Issuance of Interests	12
3.13	Surrender of Interest	12
3.14	Non-Compliance	12
	SCHEDULE I - LAND DESCRIPTION	13
	SCHEDULE II - BID RESPONSE FORM	21
	SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT.....	23
	SCHEDULE IV - SAMPLE EXPLORATION LICENCE.....	31

1.0 Canada-Newfoundland and Labrador Offshore Petroleum Board - Profile

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB or the Board) is responsible, on behalf of the Government of Canada and the Government of Newfoundland and Labrador, for the regulation of petroleum-related activity in the Canada-Newfoundland and Labrador Offshore Area.

The Board's authority is derived from the legislation implementing the February 11, 1985 Atlantic Accord between the two governments. The *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* and the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act* (“the Accord Acts”) provide for joint management of the offshore area.

2.0 Call for Bids No. NL20-CFB01 - Land Plats



3.0 Call for Bids No. NL20-CFB01

3.1 Call for Bids

The C-NLOPB hereby makes a call for the submission of bids in respect of seventeen **(17)** parcels of land in the Canada-Newfoundland and Labrador Offshore Area as described in Section 2.0 and Schedule I.

This call for bids is made pursuant and subject to the *Accord Acts*.

The Board informs prospective bidders that, for any parcel entirely or partially beyond Canada's 200 nautical mile zone, it has been advised by the Government of Canada that, in order to meet obligations arising pursuant to article 82 of the *United Nations Convention on the Law of the Sea*, additional terms and conditions may be applied through legislation, regulations, amendments to licences or otherwise.

Any submission of a bid in response to this call for bids shall be made with the understanding that the person(s) submitting the bid accepts and agrees to the terms and conditions in this call for bids. Any bid submitted that does not conform to the terms and conditions provided in this call for bids will not be considered by the Board. Unless otherwise provided herein, all terms used in this call for bids will have the same meaning as provided under the *Acts*.

The Eastern Newfoundland land tenure region includes a number of important areas for fish harvesters who fish crab and other species. Potential bidders are reminded that companies acquiring Exploration Licences would be expected to engage with fishing interests before any oil and gas activities are authorized. The C-NLOPB is continuing its own engagement efforts with fishery stakeholders, recognizing that the fishing and petroleum sectors, both important industries, operate in this common marine environment.

3.2 Submission of Bids

- a) This call for bids will close at **12:00** p.m. Newfoundland Standard time, on **November 4, 2020** (the "Closing Date"). Bids must be received at the Board's address in 3.2(c) below prior to the Closing Date. Bids received after the Closing Date will not be considered.
- b) The manner of submitting bids shall be through the submission of Bid Packages. Each Bid Package shall be comprised of the following:
 - One Bid Response Form (either a Single Parcel Bid form or a Priority Parcel Bid form)
 - a Bid Deposit cheque

- a Parcel Issuance Fee cheque
- cheques to be denominated in Canadian dollars

Each Bid Package shall be in a separate sealed envelope clearly marked as follows:

Call for Bids No. NL20-CFB01
Canada-Newfoundland and Labrador Offshore Area

- c) Bid Packages may be grouped together in one courier envelope. Bid Packages must be sent to the Board at the following address:

Canada-Newfoundland and Labrador Offshore Petroleum Board
 Suite 101, TD Place
 140 Water Street
 St. John's, NL A1C 6H6
 ATTENTION: The Chair

- d) Bids may be submitted as a Single Parcel Bid or as a Priority of Parcels Bid. Each bidder has the option of either restricting a particular bid to a single parcel, using the form found in Part A of Schedule II (Single Parcel Bid), or allowing a particular bid to apply to more than one parcel offered in Call for Bids No. NL20-CFB01 in the order of the bidder's stated preference, using the form found in Part B of Schedule II (Priority of Parcels Bid). Where a bidder exercises the Priority of Parcels Bid option, that particular bid will continue to apply in the order as stated in the form, as a separate bid for each of the preferred parcels in turn, until the bid becomes the highest acceptable bid for that particular parcel. Should that occur, the bid would then affix itself to that parcel.

For greater certainty, no more than one parcel can be awarded for a particular Priority of Parcels Bid, nor can such a bid be combined with any other bid submitted.

- e) No submission received in response to this call for bids will be returned.
- f) Each Bid Response Form shall be in the form provided at Schedule II and shall contain only the information required in the appropriate Bid Response Form (i.e. Single Parcel Bid or Priority of Parcels Bid).
- g) This call for bids may be amended at any time up until 10 days prior to the Closing Date specified in paragraph 3.2(a). Any amendment made to this call for bids shall be published on the Board's website (www.cnlopbc.ca) under the heading "What's New!".

- h) With respect to any future work or activity on a parcel, in addition to the environmental assessment requirements to be addressed in accordance with the issuance of an authorization for a work or activity, it should be noted that the area covered by this call for bids was included within the scope of the C-NLOPB's 2014 *Eastern Newfoundland Strategic Environmental Assessment* (SEA) and are also included within the study area for the Regional Assessment of offshore oil and gas exploratory drilling. The SEA included scientific assessment and meaningful public consultation to ensure the public's interest is served in advance of new lands being offered for bid in the region. The SEA examined the environmental effects that may be associated with a plan, program or policy proposal and allows for the incorporation of environmental considerations at the earliest stages of program planning.

3.3 Bid Selection Criterion

3.3.1 Work Expenditure Bid

- a) For the purpose of assessing and selecting a bid, the sole criterion to be used for all parcels will be the total amount of money the bidder commits to expend on exploration of the respective parcel and on research and development and education and training within Period I ("Work Expenditure Bid");
- b) In submitting a Work Expenditure Bid, the bidder commits to spend at least 95% of the Work Expenditure Bid on exploration of the respective parcel;
- c) There is no obligation for the bidder to include or to commit to spend money during Period I on research and development or education and training, as part of the Work Expenditure Bid. However, in the event the bidder spends money for such purposes, a maximum of 5% of the Work Expenditure Bid may be applied for as an Allowable Expenditure in accordance with the terms and conditions more particularly described in the Sample Exploration Licence, annexed as Schedule IV of this Call for Bids No. NL20-CFB01.

3.3.2 Minimum Bid

A Work Expenditure Bid of at least **\$10 million CAD** for each of the parcels in this Call for Bids NL20-CFB01 will be required.

3.3.3 Deposits

- a) Bid Deposit
 - (i) For all parcels, each Work Expenditure Bid must be accompanied by a **bank draft or certified cheque** in the amount of \$10,000.00 CAD made

payable to the **Receiver General for Canada** ("Bid Deposit"). No more than one Bid Deposit will be required for parcels included as part of a Priority of Parcels Bid referred to in paragraph 3.2(d). Electronic Fund Transfers will not be accepted.

- (ii) Each successful bidder will receive a refund, without interest, of the Bid Deposit when the Security Deposit (defined below) is posted within the time specified.
- (iii) Failure to post the Security Deposit within the specified time will result in forfeiture of the Bid Deposit and disqualification of the bid.
- (iv) Upon announcement of the bid results, the Bid Deposits of unsuccessful bidders will be returned, without interest, as soon as possible.

b) Security Deposit

- (i) For all parcels, the successful bidder will be required to provide, within fifteen (15) days of notification of being the successful bidder either:
 - (a) a promissory note, accompanied by a bank acceptance letter;
or
 - (b) irrevocable standby letter of credit

in the amount of twenty-five percent (25%) of the Work Expenditure Bid ("Security Deposit").

- (ii) A credit against the Security Deposit will be made following each anniversary date of the Exploration Licence on the basis of twenty-five percent (25%) of Allowable Expenditures more particularly described in the Sample Exploration Licence annexed as Schedule IV of this Call for Bids No. NL20-CFB01. Any Security Deposit balance remaining:
 - (a) at the end of Period I, in the case of a well commenced and terminated within Period I, or
 - (b) following the termination of a well commenced in Period I which is pursued diligently and terminated within Period II, or
 - (c) upon surrender of rights,will be forfeited.

Allowable Expenditures which are expended in Period II shall not be credited against the Security Deposit except in the case of expenditures related to a well referred to in subparagraph 3.3.3(b)(ii)(b) above.

- (iii) The Board will allow bidders submitting a joint bid to submit separate promissory notes, accompanied by separate bank acceptance letters or irrevocable standby letters of credit, representing their proportionate shares of the required Security Deposit. **A bidder's designated representative will be responsible for collecting and submitting promissory notes and bank acceptance letters or irrevocable standby letters of credit of the joint bidders.** A default in submitting the Security Deposit will result in forfeiture of the Bid Deposit, disqualification of the bid, and notification to the second place bidder, if one exists, that they are the successful bidder.
- (iv) The promissory notes and bank acceptance letters or irrevocable standby letters of credit are to be submitted in a form attached hereto as Schedule III.

c) Return of Bid Deposit

Bid Deposits will be returned by courier service.

3.4 Parcel Issuance Fee

A cheque in payment of the Parcel Issuance Fee recoverable pursuant to the *Canada–Newfoundland and Labrador Offshore Petroleum Cost Recovery Regulations* is required and to be made payable to the Receiver General for Canada. Such fee must be submitted with each Bid Package in the respective amount indicated below:

Parcel No. 1	\$2,500	Parcel No. 2	\$3,250	Parcel No. 3	\$2,750
Parcel No. 4	\$3,000	Parcel No. 5	\$3,750	Parcel No. 6	\$3,500
Parcel No. 7	\$4,000	Parcel No. 8	\$3,750	Parcel No. 9	\$4,000
Parcel No. 10	\$3,500	Parcel No. 11	\$4,250	Parcel No. 12	\$3,500
Parcel No. 13	\$4,000	Parcel No. 14	\$3,000	Parcel No. 15	\$2,250
Parcel No. 16	\$3,500	Parcel No. 17	\$2,500		

Cheques for issuance fees will be returned to unsuccessful bidders in accordance with paragraph 3.3.3.

Note that for greater certainty, separate cheques for the respective issuance fee must be submitted for each parcel included in a Priority of Parcels Bid option referred to in paragraph 3.2(d).

3.5 Terms and Conditions

The Terms and Conditions for any Exploration Licence issued as a result of this Call for Bids No. NL20-CFB01 can be found in the Sample Exploration Licence, annexed hereto as Schedule IV.

3.6 Identity of Bidder

All bids must identify the parties making the bid and their participating shares. The Board will accept bids from land brokers acting on behalf of bidders, provided the Board is notified of the identities of the bidders represented by the broker and their participating shares if the bid is successful.

The Board will disclose the identity of the successful bidders at the time of the public notice setting out the terms and conditions of the successful bid. The Board will also disclose the identity of unsuccessful bidders on a confidential basis to Ministers, if requested by a Minister, pursuant to section 18 of the *Accord Acts*.

3.7 Notification to Bidders

The Board will advise bidders of the outcome of their bids as soon as possible after the closing date of this call for bids.

3.8 Canada-Newfoundland and Labrador Benefits Plan

With respect to any future work or activity on a parcel, a benefits plan shall be submitted to the Board and approved in accordance with section 45 of the *Accord Acts*.

The successful bidder will be required to comply with the procurement, employment and reporting procedures established by the Board in its *Exploration Benefits Plan Guidelines* which can be found on the Board's website (www.cnlopb.ca) under the heading "Legislation and Guidance".

3.9 Environmental Studies Research Fund (ESRF)

- (a) The successful bidder must pay Environmental Studies Research Fund (ESRF)

levies under Part VII of the *Canada Petroleum Resources Act*, R.S.C. 1985, c. 36 (2nd Supp.), for the year in which the Exploration Licence is issued and retroactive levies for the two preceding years. Thereafter, ESRF levies as fixed from time to time by the federal Minister of Natural Resources will be payable unless the Interest Owner surrenders the Exploration Licence prior to the payment due date.

- (b) ESRF matters are not administered by the Board and are the responsibility of the federal Minister of Natural Resources. ESRF levies are determined by multiplying the number of hectares of land included in the Exploration Licence by the ESRF levy rate for the applicable region. Rates are provided on the ESRF website: www.esrfunds.org.

Parcel #	Region 8 Hectares	Region 9 Hectares
1		216 298
2		257 646
3		174 855
4		211 518
5		263 571
6		256 543
7		245 140
8		266 079
9		264 500
10		265 223
11		258 622
12	29 355	242 433
13		271 649
14		256 928
15		202 087
16		272 792
17		215 270

- (c) ESRF levies must be submitted to the ESRF Secretariat within 15 days of notification of being the successful bidder.

3.10 Acceptance and Rejection

The Board is not obliged to accept any bid nor is the Board required to issue an interest as a result of this call for bids.

3.11 Tied Bids

In the event of two or more bids being tied, each bidder involved will be notified of the tie and will have the opportunity to submit a new bid in its proper form, within a time frame specified by the Board, which will not be more than 24 hours after being notified.

3.12 Issuance of Interests

(a) Exploration Licence

Any Exploration Licence that may be issued with respect to the lands described in Schedule I shall be in the form and contain the terms and conditions of the Sample Exploration Licence, annexed hereto as Schedule IV, and forming part of this call for bids, subject to such changes or additions as may be necessary to be consistent with the *Acts* or the regulations and the terms and conditions provided therein.

(b) Resulting Significant Discovery Licence

Any resulting Significant Discovery Licence respecting the lands of any Exploration Licence resulting from the offer of a parcel in this Call for Bids NL20-CFB01 will be subject to the terms and conditions for Significant Discovery Licences existing at the time a Significant Discovery Licence is requested pursuant to the *Act*. A sample Significant Discovery Licence can be found as a Schedule to the sample Exploration Licence.

3.13 Surrender of Interest

An interest may be surrendered, at any time, in accordance with the *Acts* or regulations promulgated thereunder.

3.14 Non-Compliance

Failure to comply with any term or condition of the Exploration Licence or Significant Discovery Licence may result in cancellation of the respective Licence.

SCHEDULE I - LAND DESCRIPTION
CALL FOR BIDS NO. NL20-CFB01

*All Coordinates are expressed in the North American Datum (1927)

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 1	50°50'N	49°00'W	8-10, 18-20, 28-30, 38-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100	9802
	50°50'N	49°15'W	8-10, 18-20, 28-30, 38-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100	9801
	50°50'N	49°30'W	8-10, 18-20, 28-30, 38-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100	9801
	50°50'N	49°45'W	8-10, 18-20, 28-30, 33-40, 43-50, 53-60, 63-70, 73-80, 83-90, 93-100	21253
	50°50'N	50°00'W	3-10, 13-20, 23-30, 33-40, 43-50, 53-60	15696
	51°00'N	49°00'W	1-100	32597
	51°00'N	49°15'W	1-100	32596
	51°00'N	49°30'W	1-100	32597
	51°00'N	49°45'W	1-100	32597
	51°00'N	50°00'W	1-60	19558
			Hectares	216298

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 2	50°40'N	48°15'W	57-60, 67-70, 77-80, 87-90, 97-100	6559
	50°40'N	48°30'W	7-10, 17-20, 27-30, 37-40, 47-50, 57-60, 67-70, 77-80, 87-90, 97-100	13117
	50°40'N	48°45'W	7-10, 17-20, 27-30, 37-40	5247
	50°50'N	47°45'W	86-90, 96-100	3268
	50°50'N	48°00'W	6-10, 16-20, 26-30, 36-40, 46-50, 56-60, 66-70, 76-80, 86-90, 96-100	16342
	50°50'N	48°15'W	6-10, 16-20, 26-30, 36-40, 46-100	24527
	50°50'N	48°30'W	1-100	32712
	50°50'N	48°45'W	1-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100	18966
	51°00'N	47°45'W	81-100	6519
	51°00'N	48°00'W	1-100	32597
	51°00'N	48°15'W	1-100	32597
	51°00'N	48°30'W	1-100	32598
	51°00'N	48°45'W	1-100	32597
			Hectares	257646

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 3	50°20'N	48°15'W	58-60, 68-70, 78-80, 88-90, 98-100	4952
	50°20'N	48°30'W	8-10, 18-20, 28-30, 38-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100	9905
	50°20'N	48°45'W	8-10, 18-20, 28-30, 38-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100	9905
	50°20'N	49°00'W	8-10, 18-20, 29, 30	2641
	50°30'N	48°15'W	51-100	16471
	50°30'N	48°30'W	1-100	32941
	50°30'N	48°45'W	1-100	32942
	50°30'N	49°00'W	1-30, 32-40, 42-50, 52-60	18776
	50°40'N	48°15'W	51-56, 61-66, 71-76, 81-86, 91-96	9855
	50°40'N	48°30'W	1-6, 11-16, 21-26, 31-36, 41-46, 51-56, 61-66, 71-76, 81-86, 91-96	19711
	50°40'N	48°45'W	1-6, 11-16, 21-26, 31-36, 41-46, 51-56, 61-66, 71-73, 81-83, 91-93	16756
			Hectares	174855

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 4	50°30'N	47°30'W	73-80, 83-90, 93-100	7904
	50°30'N	47°45'W	3-10, 13-20, 23-30, 33-40, 43-50, 53-60, 63-70, 73-80, 83-90, 93-100	26344
	50°30'N	48°00'W	3-10, 13-20, 23-30, 33-40, 43-50, 53-60, 63-70, 73-80, 83-90, 93-100	26344
	50°30'N	48°15'W	3-10, 13-20, 23-30, 33-40, 43-50	13172
	50°40'N	47°30'W	71-100	9848
	50°40'N	47°45'W	1-100	32826
	50°40'N	48°00'W	1-100	32827
	50°40'N	48°15'W	1-50	16414
	50°50'N	47°30'W	71-75, 81-85, 91-95	4911
	50°50'N	47°45'W	1-5, 11-15, 21-25, 31-35, 41-45, 51-55, 61-65, 71-75, 81-85, 91-95	16371
	50°50'N	48°00'W	1-5, 11-15, 21-25, 31-35, 41-45, 51-55, 61-65, 71-75, 81-85, 91-95	16371
	50°50'N	48°15'W	1-5, 11-15, 21-25, 31-35, 41-45	8186
			Hectares	211518

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 5	50°00'N	47°30'W	100	332
	50°00'N	47°45'W	10, 20, 30, 40, 50, 60, 70, 80, 90, 100	3325
	50°00'N	48°00'W	10, 18-20, 28-30, 38-40, 48-50, 58-60	5321
	50°10'N	47°30'W	35-40, 45-50, 55-60, 65-70, 73-80, 83-100	16584
	50°10'N	47°45'W	1-100	33183
	50°10'N	48°00'W	1-100	33174
	50°10'N	48°15'W	1-100	33170
	50°20'N	47°30'W	31-100	23148
	50°20'N	47°45'W	1-100	33060
	50°20'N	48°00'W	1-100	33056
	50°20'N	48°15'W	1-57, 61-67, 71-77, 81-87, 91-97	28104
	50°30'N	47°30'W	31, 32, 41, 42, 51, 52, 61, 62, 71, 72, 81, 82, 91, 92	4619
	50°30'N	47°45'W	1, 2, 11, 12, 21, 22, 31, 32, 41, 42, 51, 52, 61, 62, 71, 72, 81, 82, 91, 92	6598
	50°30'N	48°00'W	1, 2, 11, 12, 21, 22, 31, 32, 41, 42, 51, 52, 61, 62, 71, 72, 81, 82, 91, 92	6598
	50°30'N	48°15'W	1, 2, 11, 12, 21, 22, 31, 32, 41, 42	3299
			Hectares	263571

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 6	49°30'N	47°45'W	38-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100	7053
	49°30'N	48°00'W	8-10, 18-20	2015
	49°40'N	47°30'W	95-100	2009
	49°40'N	47°45'W	5-10, 15-20, 25-100	29485
	49°40'N	48°00'W	1-20, 25-30, 35-40, 45-50, 55-60, 65-70, 75-80, 85-90, 95-100	22777
	49°40'N	48°15'W	5-10, 15-20, 25-30, 35-40, 45-50, 55-60, 65-70	14069
	49°50'N	47°30'W	11-19, 21-29, 31-100	29391
	49°50'N	47°45'W	1-100	33398
	49°50'N	48°00'W	1-66, 71-76, 81-86, 91-96	28067
	49°50'N	48°15'W	1-6, 11-16, 21-26, 31-36, 41-46, 51-56, 61-66	14042
	50°00'N	47°30'W	31-99	22967
	50°00'N	47°45'W	1-9, 11-19, 21-29, 31-39, 41-49, 51-59, 61-69, 71-79, 81-89, 91-99	29969
	50°00'N	48°00'W	1-9, 11-17, 21-27, 31-37, 41-47, 51-57	14658
	50°10'N	47°30'W	31-34, 41-44, 51-54, 61-64, 71, 72, 81, 82	6643
			Hectares	256543

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 7	49°50'N	47°15'W	90, 100	667
	49°50'N	47°30'W	10, 20, 30	1000
	50°00'N	46°30'W	52-60, 62-70, 72-80, 82-90, 92-100	14975
	50°00'N	46°45'W	2-10, 12-20, 22-30, 32-40, 42-50, 52-60, 62-70, 72-80, 82-90, 92-100	29950
	50°00'N	47°00'W	2-10, 12-20, 22-30, 32-40, 42-50, 52-60, 62-70, 72-80, 82-90, 92-100	29950
	50°00'N	47°15'W	2-10, 12-20, 22-30, 32-40, 42-50, 52-60, 62-70, 72-100	30617
	50°00'N	47°30'W	1-30	9985
	50°10'N	46°30'W	51-100	16585
	50°10'N	46°45'W	1-100	33170
	50°10'N	47°00'W	1-100	33170
	50°10'N	47°15'W	1-14, 21-24, 31-34, 41-44, 51-54, 61-64, 71-74, 81-84, 91-94	15271
	50°10'N	47°30'W	1-4, 11-14, 21-24	3985
	50°20'N	46°30'W	51-53, 61-63, 71-73, 81-83, 91-93	4964
	50°20'N	46°45'W	1-3, 11-13, 21-23, 31-33, 41-43, 51-53, 61-63, 71-73, 81-83, 91-93	9929
	50°20'N	47°00'W	1-3, 11-13, 21-23, 31-33, 41-43, 51-53, 61-63, 71-73, 81-83, 91-93	9929
	50°20'N	47°15'W	1-3	993
			Hectares	245140
Parcel No. 8	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
	49°10'N	48°00'W	92-100	3046
	49°10'N	48°15'W	2-10, 12-20, 22-90, 94-100	31815
	49°10'N	48°30'W	4-10, 14-20, 24-30, 34-40, 44-50, 54-60, 64-70, 74-80, 84-90, 94-100	23682
	49°10'N	48°45'W	4-10, 14-20, 24-30, 34-40, 44-50, 54-60, 64-70, 74-80	18949
	49°20'N	48°00'W	91-96	2026
	49°20'N	48°15'W	1-6, 11-100	32388
	49°20'N	48°30'W	1-100	33740
	49°20'N	48°45'W	1-80	26997
	49°30'N	48°15'W	81-83, 91-93	2020
	49°30'N	48°30'W	1-100	33634
	49°30'N	48°45'W	1-80, 87-90, 97-100	29595
	49°30'N	49°00'W	7-10	1344
	49°40'N	48°30'W	1-4, 11-14, 21-24, 31-34, 41-44, 51-54, 61-64, 71-74, 81-84, 91-94	13423
	49°40'N	48°45'W	1-4, 11-14, 21-24, 31-34, 41-44, 51-54, 61-64, 71-74, 81-84, 91-92	12749
	49°40'N	49°00'W	1, 2	671
			Hectares	266079

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 9	49°00'N	47°30'W	99, 100	678
	49°00'N	47°45'W	8-10, 18-20, 28-30, 38-40, 48-50, 58-60, 69, 70, 79, 80, 90, 100	8141
	49°00'N	48°00'W	10, 18-20, 28-30, 38-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100	9498
	49°00'N	48°15'W	8-10, 18-20, 28-30, 38-40, 48-50, 58-60	6106
	49°10'N	47°30'W	23-28, 33-38, 43-48, 53-58, 64-68, 74-78, 84-88, 91-98	15909
	49°10'N	47°45'W	1-8, 11-18, 21-28, 31-100	31820
	49°10'N	48°00'W	1-91	30803
	49°10'N	48°15'W	1, 11, 21	1017
	49°20'N	47°45'W	31-100	23615
	49°20'N	48°00'W	1-90, 97-100	31711
	49°20'N	48°15'W	7-10	1348
	49°30'N	47°45'W	31-37, 41-47, 51-57, 61-67, 71-77, 81-87, 91-97	16484
	49°30'N	48°00'W	1-7, 11-17, 21-100	31608
	49°30'N	48°15'W	1-80, 84-90, 94-100	31606
	49°40'N	48°00'W	21-24, 31-34, 41-44, 51-54, 61-64, 71-74, 81-84, 91-94	10735
	49°40'N	48°15'W	1-4, 11-14, 21-24, 31-34, 41-44, 51-54, 61-64, 71-74, 81-84, 91-94	13421
			Hectares	264500
Parcel No. 10	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
	49°10'N	47°15'W	11-70, 73-80, 83-90, 93-100	28430
	49°10'N	47°30'W	3-10, 13-20, 29, 30, 39, 40, 49, 50, 59, 60, 69, 70, 79, 80, 89, 90, 99, 100	10823
	49°10'N	47°45'W	9, 10, 19, 20, 29, 30	2028
	49°20'N	47°15'W	11-100	30362
	49°20'N	47°30'W	1-100	33736
	49°20'N	47°45'W	1-30	10121
	49°30'N	47°00'W	87-90, 97-100	2687
	49°30'N	47°15'W	7-100	31605
	49°30'N	47°30'W	1-100	33623
	49°30'N	47°45'W	1-30	10087
	49°40'N	47°00'W	81-84, 91-94	2684
	49°40'N	47°15'W	1-100	33511
	49°40'N	47°30'W	1-94	31501
	49°40'N	47°45'W	1-4, 11-14, 21-24	4025
			Hectares	265223

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 11	49°30'N	46°30'W	47-50, 57-60, 67-70, 77-80, 87-90, 97-100	8062
	49°30'N	46°45'W	7-10, 17-20, 27-30, 37-40, 47-50, 57-60, 67-70, 77-80, 87-90, 97-100	13436
	49°30'N	47°00'W	7-10, 17-20, 27-30, 37-40, 47-50, 57-60, 67-70, 77-80	10749
	49°40'N	46°15'W	100	335
	49°40'N	46°30'W	10, 20, 30, 40-100	21445
	49°40'N	46°45'W	1-100	33510
	49°40'N	47°00'W	1-80, 85-90, 95-100	30827
	49°50'N	46°15'W	91-95	1671
	49°50'N	46°30'W	1-5, 11-15, 21-25, 31-35, 41-45, 51-100	25055
	49°50'N	46°45'W	1-100	33397
	49°50'N	47°00'W	1-100	33397
	49°50'N	47°15'W	1-89, 91-99	32730
	49°50'N	47°30'W	1-9	3006
	50°00'N	46°30'W	51, 61, 71, 81, 91	1667
	50°00'N	46°45'W	1, 11, 21, 31, 41, 51, 61, 71, 81, 91	3334
	50°00'N	47°00'W	1, 11, 21, 31, 41, 51, 61, 71, 81, 91	3334
	50°00'N	47°15'W	1, 11, 21, 31, 41, 51, 61, 71	2667
			Hectares	258622

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 12	48°40'N	49°15'W	54-60, 64-70, 74-80, 84-90, 94-100	11960
	48°40'N	49°30'W	4-10, 14-20, 24-30, 34-40, 44-50, 54-60, 64-70, 74-80, 84-90, 94-100	23924
	48°40'N	49°45'W	4-10, 14-20	4784
	48°50'N	49°00'W	43-46, 53-56, 63-66, 73-80, 83-90, 93-100	12265
	48°50'N	49°15'W	3-10, 13-20, 23-30, 33-40, 43-100	30669
	48°50'N	49°30'W	1-100	34080
	48°50'N	49°45'W	1-20, 23-30, 33-40	12265
	49°00'N	49°00'W	71-78, 81-88, 91-98	8155
	49°00'N	49°15'W	1-8, 11-18, 21-100	32614
	49°00'N	49°30'W	1-100	33963
	49°00'N	49°45'W	1-40, 46-50, 56-60	16978
	49°10'N	49°15'W	21-25, 31-35, 41-45, 51-55, 61-65, 71-77, 81-87, 91-97	15583
	49°10'N	49°30'W	1-7, 11-17, 21-27, 31-37, 41-47, 51-57, 61-67, 71-77, 81-87, 91-97	23707
	49°10'N	49°45'W	1-7, 11-15, 21-25, 31-35, 41-45, 51-55	10841
			Hectares	271788

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 13	48°40'N	48°15'W	89, 90, 99, 100	1366
	48°40'N	48°30'W	9, 10, 19, 20, 30, 40, 50	2390
	48°50'N	48°00'W	44-50, 54-60, 64-70, 74-80, 84-90, 94-100	14303
	48°50'N	48°15'W	4-10, 14-20, 24-30, 34-40, 44-50, 52-60, 62-70, 72-100	27932
	48°50'N	48°30'W	1-50, 54-60, 64-70, 74-80, 84-90, 94-100	28956
	48°50'N	48°45'W	4-10, 14-20, 24-30, 34-40, 44-50, 54-60, 64-70, 74-80, 84-90, 94-100	23839
	48°50'N	49°00'W	4-10, 14-20, 24-30, 34-40, 47-50, 57-60, 67-70	13620
	49°00'N	48°00'W	41-47, 51-57, 61-67, 71-77, 81-87, 91-97	14271
	49°00'N	48°15'W	1-7, 11-17, 21-27, 31-37, 41-47, 51-57, 61-100	27855
	49°00'N	48°30'W	1-100	33961
	49°00'N	48°45'W	1-100	33961
	49°00'N	49°00'W	1-70	23777
	49°10'N	48°15'W	91-93	1017
	49°10'N	48°30'W	1-3, 11-13, 21-23, 31-33, 41-43, 51-53, 61-63, 71-73, 81-83, 91-93	10166
	49°10'N	48°45'W	1-3, 11-13, 21-23, 31-33, 41-43, 51-53, 61-63, 71-73, 81-83, 91-93	10167
	49°10'N	49°00'W	1-3, 11-13, 21-23, 31-33	4068
			Hectares	271649

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 14	48°30'N	46°45'W	78-80, 88-90, 98-100	3083
	48°40'N	46°45'W	54-60, 64-100	15039
	48°40'N	47°00'W	1-100	34185
	48°40'N	47°15'W	1-66	22563
	48°50'N	46°30'W	41-100	20444
	48°50'N	46°45'W	1-100	34073
	48°50'N	47°00'W	1-100	34073
	48°50'N	47°15'W	1-34, 41-42, 51-52	12951
	49°00'N	46°30'W	41-47, 51-57, 61-67, 71-77, 81-87, 91-97	14271
	49°00'N	46°45'W	1-7, 11-17, 21-27, 31-37, 41-47, 51-57, 61-67, 71-77, 81-87, 91-97	23785
	49°00'N	47°00'W	1-7, 11-17, 21-27, 31-37, 41-47, 51-57, 61-67, 71-77, 81-87, 91-97	23785
	49°00'N	47°15'W	1-7, 11-40, 44-50, 54-60, 67-70	18676
			Hectares	256928

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 15	48°40'N	46°15'W	21-100	27347
	48°40'N	46°30'W	1-40	13674
	48°50'N	46°00'W	51-100	17036
	48°50'N	46°15'W	1-100	34073
	48°50'N	46°30'W	1-40	13629
	49°00'N	46°00'W	1-100	33961
	49°00'N	46°15'W	1-70	23773
	49°10'N	46°00'W	1-100	33849
	49°10'N	46°15'W	1, 2, 11, 12, 21, 22, 31, 32, 41, 42, 51, 52, 61, 62	4745
			Hectares	202087

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 16	48°30'N	48°15'W	89, 90, 99, 100	1370
	48°30'N	48°30'W	9-100	31551
	48°30'N	48°45'W	1-100	34295
	48°30'N	49°00'W	1-100	34295
	48°30'N	49°15'W	1-60	20577
	48°40'N	48°15'W	81-88, 91-98	5471
	48°40'N	48°30'W	1-8, 11-18, 21-29, 31-39, 41-49, 51-100	31794
	48°40'N	48°45'W	1-100	34184
	48°40'N	49°00'W	1-100	34184
	48°40'N	49°15'W	1-53	18120
	48°50'N	48°30'W	51-53, 61-63, 71-73, 81-83, 91-93	5117
	48°50'N	48°45'W	1-3, 11-13, 21-23, 31-33, 41-43, 51-53, 61-63, 71-73, 81-83, 91-93	10234
	48°50'N	49°00'W	1-3, 11-13, 21-23, 31-33, 41, 42, 51, 52, 61, 62, 71, 72, 81, 82, 91, 92	8188
	48°50'N	49°15'W	1, 2, 11, 12, 21, 22, 31, 32, 41, 42	3412
			Hectares	272792

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 17	48°10'N	46°30'W	30, 40, 50, 60, 70, 76-80, 86-90, 96-100	6897
	48°10'N	46°45'W	6-10, 16-20, 26-30, 36-40, 46-50, 56-60, 66-70, 76-80, 86-90, 96-100	17245
	48°20'N	46°15'W	66-70, 76-80, 86-90, 96-100	6876
	48°20'N	46°30'W	6-10, 16-100	30963
	48°20'N	46°45'W	1-100	34406
	48°30'N	46°15'W	61-100	13718
	48°30'N	46°30'W	1-100	34295
	48°30'N	46°45'W	1-77, 81-87, 91-97	31213
	48°40'N	46°30'W	41-100	20511
	48°40'N	46°45'W	1-53, 61-63	19146
			Hectares	215270

**SCHEDULE II - BID RESPONSE FORM
CALL FOR BIDS NO. NL20-CFB01**

A. SINGLE PARCEL BID

1. Parcel No. _____ -
2. Work Expenditure Bid -
3. Bid Deposit - \$10,000.00 CAD
4. Issuance Fee -
5. Bidding Companies
(with participating shares) -
6. Designated Representative -
(name of individual, company name)

Signatures:

Designated Representative (name of individual, name of company)

Bidder 1 (name of individual, name of company)

Bidder 2 (name of individual, name of company)

Bidder 3 (name of individual, name of company)

etc.

SCHEDULE II - BID RESPONSE FORM
CALL FOR BIDS NO. NL20-CFB01
(continued)

B. PRIORITY OF PARCELS BID

1. Priority of Parcels

The bidder(s) hereby requests that the Work Expenditure Bid indicated below apply in the following order of preference:

First Preference - Parcel No. _____;
Second Preference - Parcel No. _____;
Etc.

2. Work Expenditure Bid -

3. Bid Deposit - \$10,000.00 CAD

4. Issuance Fee - \$_____ CAD for Parcel No. ____;
\$_____ CAD for Parcel No. ____;
Etc.

5. Bidding Companies -
(with participating shares)

6. Designated Representative -
(name of individual, company name)

Signatures:

Designated Representative

Bidder 1

Bidder 2

Bidder 3

etc.

**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT
CALL FOR BIDS NO. NL20-CFB01**

PART A - INFORMATION BANK LETTER OF GUARANTEE

A bank letter of guarantee must:

- be dated;
- be issued by one of the Schedule I banks as defined in the *Bank Act*, unless otherwise approved by the Board;
- be on the Bank's letterhead;
- be executed by an identified signing officer of the bank;
- be addressed to the Board;
- refer to the note being a guarantee of the note provided by the company;
- be explicit in agreeing to pay on demand to the Receiver General for Canada the sum named in the note;
- refer to the Call for Bids and parcel number, appropriate licence, or other conditions, as appropriate, which give rise to the requirement to post Financial Security
- be either without an expiry date, or if stated, must not expire earlier than 180 days following expiry of the period for which the security is posted;
- be explicit as to address of the branch where the note may be presented in St. John's;
- contain conditions:
 - requiring the note to be signed by the company;
 - stating the words required in the note to indicate the bank's "Approved for Issue", including the names of persons authorized to sign.

**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT
CALL FOR BIDS NO. NL20-CFB01
(Continued)**

PART B - SAMPLE BANK LETTER OF GUARANTEE

Bank Letterhead
(Address)

(Date)

C-NLOPB Address

It is our understanding that, in accordance with Para. 3.3.3(b) of the Call for Bids No. NL20-CFB01, Parcel No. _____, _____ (CORPORATE NAME) is depositing with you its demand promissory note in the amount of \$ _____ CAD and dated _____.

_____ (BANK BRANCH), engages to pay, on demand, to the Receiver General for Canada, the amount named in the said note upon the following conditions:

- 1) The said note is signed by _____ (CORPORATE NAME) and is payable to the Receiver General for Canada;
- 2) The said note is presented during normal banking hours at BANK NAME & FULL ADDRESS FOR SERVICE - ST. JOHN'S BRANCH:
- 3) The said note is presented not later than _____ (a date 180 days after the expiry date of the period for which security is required);
- 4) The said note bears the words "Approved for Issue" and is countersigned by or on behalf of the bank by a signing officer;

(BANK NAME)

SIGNING OFFICER & TITLE

SIGNING OFFICER & TITLE

**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT
CALL FOR BIDS NO. NL20-CFB01
(Continued)**

PART C - INFORMATION PROMISSORY NOTE

A Promissory Note must:

- be identified as a non-interest bearing demand promissory note;
- be accompanied by a bank letter of guarantee;
- be executed by identified signing officers of the company;
- be dated;
- be payable on demand to the Receiver General for Canada;
- be payable at a clearly addressed branch of the bank in St. John's;
- refer to the Call for Bids and parcel number or the relevant licence or any condition therein giving rise to the posting of the security;
- be without an expiry date;
- be explicit as to the amount;
- be countersigned as "Approved for Issue" by an identified signing officer of the bank;
- be on corporate letterhead;
- be addressed to the Board.

**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT CALL FOR BIDS NO.
NL20-CFB01
(Continued)**

PART D - SAMPLE PROMISSORY NOTE

Company Letterhead
(Address)

NON-INTEREST BEARING DEMAND PROMISSORY NOTE
(NUMBER, FILE, ETC.)
AMOUNT

(Date)

____ (CORPORATE NAME) undertakes to pay, on demand, to the Receiver General for Canada the sum of _____ dollars (\$_____) (CAD) if this note is presented at the BANK NAME & FULL ADDRESS FOR SERVICE - ST. JOHN'S BRANCH.

This demand promissory note is issued in accordance with para. 3.3.3(b) of the Call for Bids No. NL20-CFB01, Parcel No. ____.

CORPORATE NAME

SIGNING OFFICER & TITLE

SIGNING OFFICER & TITLE

APPROVED FOR ISSUE

SIGNING OFFICER & TITLE
(BANK BRANCH)

**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT CALL FOR BIDS NO.
NL20-CFB01
(Continued)**

PART E — INFORMATION IRREVOCABLE STANDBY LETTER OF CREDIT

A irrevocable standby letter of credit must:

- be dated;
- be issued by one of the Schedule I banks as defined in the *Bank Act*, unless otherwise approved by the Board;
- be on the Bank's letterhead;
- be issued in accordance with the International Chamber of Commerce (ICC) International Standby Practices - ISP98;
- state the country of expiration is Canada;
- be executed by an authorized signing officer of the bank;
- have the beneficiary named as the Board;
- be explicit in agreeing to pay on demand the sum named in the letter;
- be explicit as to the address of the branch where the irrevocable standby letter(s) of credit may be presented (in St. John's, Newfoundland and Labrador, or elsewhere as required by the issuing Bank)
- refer to the Call for Bids and parcel number, appropriate licence, or other conditions, as appropriate, which give rise to the requirement to post the Security Deposit;
- be deemed to be automatically renewed without amendment for one year, unless at least 120 days prior to such date, the beneficiary is notified;
- not have a final expiry that is less than 180 days following expiry of the period for which the Security Deposit is posted; and
- not impose restrictions on the manner of endorsement by persons or agencies who may present them for payment on behalf of the Receiver General for Canada.

**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT CALL FOR BIDS NO.
NL20-CFB01
(Continued)**

PART F — SAMPLE IRREVOCABLE STANDBY LETTER OF CREDIT

NOTE: The Letter of Credit must be issued by a bank found in Schedule I of the Bank Act (S.C. 1991, c. 46).

(DATE OF ISSUE)

IRREVOCABLE STANDBY LETTER OF CREDIT NO. (L/C NO.) FOR (\$ AMOUNT CAD.)

BENEFICIARY

THE CANADA-NEWFOUNDLAND AND LABRADOR OFFSHORE PETROLEUM BOARD
140 WATER STREET
Suite 101, TD PLACE
ST. JOHN'S, NL A1C 6H6
ON BEHALF OF THE RECEIVER GENERAL FOR CANADA

APPLICANT

(Name & Address)

AMOUNT \$_____CAD.
(amount in words)---00/100 Canadian Dollars

EXPIRY DATE

[1 year from date of issue] and auto renewal clause included in text below

PLACE OF EXPIRY

Canada

At the request of and for the account of our customer (**Applicant - Name and Address**) the "Customer", we hereby establish in the Beneficiary's favour our Irrevocable Standby Letter of Credit **number (L/C NO.)** for a sum not exceeding in the aggregate amount of **(Amount in Words)--00/100 Canadian Dollars (\$_____ CAD.)**.

This Irrevocable Standby Letter of Credit is given in accordance with paragraph 3.3.3(b) of Call for Bids No. NL20-CFB01 (Parcel #__), made by the Canada-Newfoundland and Labrador Offshore Petroleum Board and relates to the terms and conditions in the resulting Exploration Licence, equal in the amount to the sum of this Credit.

Our obligation to pay the Beneficiary under this Irrevocable Standby Letter of Credit is irrevocable, absolute and unconditional and, in furtherance and support thereof and without limiting the irrevocable, absolute and unconditional nature of our obligations to the Beneficiary hereunder, any demand by the Beneficiary shall be honoured without any inquiry as to the Beneficiary's rights to make such demand, without regard to or recognition of any contractual rights, claims or defences (legal or equitable) of the Customer against the Beneficiary and without regard to any other defence to the Beneficiary's demand for payment, arising as a result of any dispute between the Beneficiary and the Customer or between the Customer and ourselves.

Payment under this Irrevocable Standby Letter of Credit shall be available to the Beneficiary on sight against presentation by the Beneficiary to (issuing Bank, name and address) of a written demand for payment, purportedly signed by a duly authorized representative of the Beneficiary, which demand we shall honour without inquiring whether the Beneficiary has a right as between the Beneficiary and the Customer to make such a demand, without recognizing any claims of the Customer and without raising any defence arising as between the Customer and ourselves, accompanied by a certification purportedly signed by the Beneficiary or a duly authorized representative of the Beneficiary that the Customer is in default under the terms of the Exploration Licence.

Partial drawings are permitted.

We irrevocably and unconditionally agree to pay you at sight, without protest or notification, or without inquiry into further proof or conditions and without consideration for any objections or protest made by the Customer.

It is understood that the Bank is obligated under this Irrevocable Standby Letter of Credit to the payment of monies only and not the performance of the Exploration Licence.

It is a condition of this Irrevocable Standby Letter of Credit that it **shall be deemed to be automatically renewed** without amendment, for one year from the present or any future expiration date hereof, **unless at least one hundred and twenty (120) days** prior to any such date, we shall notify the Beneficiary in writing at the address noted above, by courier that we elect not to consider this Irrevocable Standby Letter of Credit renewed for any such additional period. Upon receipt by you of such notice, you may draw by means of your written demand.

Notwithstanding the auto-renewal clause mentioned herein above it is a condition of this Irrevocable Standby Letter of Credit that it shall not be auto-renewed beyond one hundred and eighty (180) days after the expiry date of Period I of the Exploration Licence (the "Final Expiry Date") and shall expire on the Final Expiry Date.

The rights of all parties and any disputes with respect to this Irrevocable Standby Letter of Credit, shall be governed by the laws of the Province of Newfoundland and Labrador and shall be dealt with by the courts within that jurisdiction.

This Irrevocable Standby Letter of Credit is issued subject to the International Standby Practices 1998 (ISP98) (International Chamber of Commerce Publication No. 590).

Payments under this Irrevocable Standby Letter of Credit are to be made payable to the Receiver General for Canada.

(Authorized Signature)

Countersigned:

(Authorized Signature)

**SCHEDULE IV - SAMPLE EXPLORATION LICENCE
CALL FOR BIDS NO. NL20-CFB01**

EXPLORATION LICENCE NO.

THIS LICENCE is effective as of the _____ day of _____, 201__.

ISSUED BY

The Canada-Newfoundland and Labrador Offshore
Petroleum Board

TO THE INTEREST OWNER,
(Individually, the “Interest Holders”)

WORK EXPENDITURE BID: \$XXXXXX (CAD)

WHEREAS the Board is empowered pursuant to the *Act* to issue an Exploration Licence (hereinafter called the "Licence") relating to the Lands described in Schedules I and II;

AND WHEREAS the Board has selected the bid submitted by _____, as the winning bid in respect of the Call for Bids No. NL20-CFB01, Parcel No. _____;

AND WHEREAS _____, in submitting such a bid has agreed to the terms and conditions of this Licence;

NOW THEREFORE this Licence is issued upon the following **terms and conditions**:

1. INTERPRETATION

In this Licence, including all Schedules annexed hereto, unless the context requires otherwise:

- (1) "**Act**" means the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* and the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act* and regulations thereto and any *Acts* or regulations made in substitution therefor; and
- (2) Any words or phrases defined in the *Act* shall have the same meanings in this Licence unless the context otherwise requires.

2. RIGHTS

- (1) This Licence confers the rights attaching to an exploration licence pursuant to the *Act* with respect to those Lands described in Schedules I and II;
- (2) Any resulting Significant Discovery Licence respecting the lands of this Licence will be subject to the terms and conditions for Significant Discovery Licences existing at the time a Significant Discovery Licence as requested pursuant to the *Act*.

3. AGREEMENT

The submission of a bid by the Interest Owner in response to the Call for Bids No. NL20-CFB01 and its selection by the Board as the winning bid constitutes an agreement between the Interest Owner and the Board as to the terms and conditions contained herein.

4. WORK COMMITMENT

The Interest Owner has successfully bid and committed to expend \$_____ CAD on exploration of the Lands and on research and development and education and training within Period I (the "Work Commitment").

5. TERM

- (1) The effective date to commence the term of this Licence is **XXXX, 202X**.
- (2) This Licence shall have a term of nine (9) years, consisting of two periods referred to as Period I and Period II. Period I shall commence as of the effective date. Period II shall immediately follow Period I and consists of the balance of the term of this Licence.
- (3) Period I is a period of six (6) years commencing on the effective date of this Licence. Period I may be extended as described herein.
- (4) In order to validate this Licence for Period II, the drilling of a well must be commenced within Period I and diligently pursued to termination in accordance with good oilfield practice (a "Validation Well"). Failure to fulfil this drilling requirement will result in the termination of this Licence at the end of Period I.
- (5) The Validation Well must adequately test a valid geological target to be declared to the Board by the Interest Owner prior to the commencement of the well.
- (6) Upon the expiration of Period II, this Licence shall terminate and all Lands shall revert to the Crown except those which have been converted to a Significant Discovery Licence or a Production Licence.

6. SECURITY DEPOSIT

- (1) As a condition of the issuance of this Licence, the Interest Owner has posted a security deposit with the Board in the amount of \$_____ CAD equal to 25% of its Work Commitment (the "Security Deposit"). The Security Deposit will be refunded to the extent of 25% of the allowable expenditures expended in Period I. Such expenditures must be submitted to the Board no later than thirty days after the end of Period I. Allowable expenditures which are expended in Period II shall not be credited against the Security Deposit. No interest will be paid on the Security Deposit.
- (2) The Interest Owner is not obligated to perform work under this Licence. However, if the Interest Owner does not meet its Work Commitment, the non-

credited remaining balance of the Security Deposit will be forfeited to the Receiver General for Canada upon the termination of Period I.

7. EXTENSIONS OF PERIOD I

The Interest Owner may at its option extend Period I by up to three 1 year extensions based upon the following escalating drilling deposits (each one a separate “Drilling Deposit”):

- Period I A – 1 year extension - \$5 million dollars (CAD)
- Period I B – 1 year extension - \$10 million dollars (CAD)
- Period I C – 1 year extension - \$15 million dollars (CAD)

If a Drilling Deposit is posted, it will be refunded in full if the well commitment is met during the respective period of extension. Otherwise, a Drilling Deposit will be forfeited upon termination of that period extension.

A Drilling Deposit posted in accordance with this section will be refunded in full if the Licence is validated for Period II by the drilling of a well on the Lands. No interest will be paid on a Drilling Deposit.

If a Validation Well is not drilled, a Drilling Deposit will be forfeited to the Receiver General for Canada upon the termination of the Licence at the end of Period I. Allowable Expenditures cannot be applied against a Drilling Deposit.

No extension to Period I will be granted if there are unpaid Environmental Studies Research Fund (“ESRF”) levies.

8. ALLOWABLE EXPENDITURES

- (1) Allowable Expenditures may be claimed for those permitted expenses more particularly described in paragraphs 8(2)(iii), (iv) and (vi) incurred from the date of the announcement of the Call for Nominations NL18-CFN01 (Areas of Interest) up to and including the effective date of this Licence.
- (2) The Allowable Expenditures for any given year shall be the total calculated expenditures for that year (i.e. monies actually spent) based upon the following rates:
 - (i) Drilling costs shall be claimed “at cost” when carried out by a party at arm’s length from the operator. Drilling costs are subject to Board approval subject to the following conditions:
 - (a) each claim must be accompanied by a cost statement prepared and certified by an external auditor satisfactory to the Board;

- (b) the Board shall approve the Terms of Reference/Scope of Work in relation to any audit to be performed in accordance with 8(2)(i)(a) above; and,
 - (c) the Board reserves the right to conduct its own audit if for any reasons it deems it necessary to do so.
- (ii) Drilling costs in a non-arm's length transaction shall be the lesser of cost or fair market value as established by an independent third party expert consistent with:
 - (a) each claim must be accompanied by a cost statement prepared and certified by an external auditor satisfactory to the Board;
 - (b) the Board shall approve the Terms of Reference/Scope of Work in relation to any audit to be performed in accordance with 8(2)(ii)(a) above; and,
 - (c) the Board reserves the right to conduct its own audit if for any reasons it deems it necessary to do so.
- (iii) Seismic, Well-Site or Electromagnetic Survey costs shall be claimed "at cost" when carried out by a party at arm's length from the operator. Seismic, Well-Site or Electromagnetic Survey costs are subject to Board approval subject to the following conditions:
 - (a) each claim must be accompanied by a cost statement prepared and certified by an external auditor satisfactory to the Board;
 - (b) the Board shall approve the Terms of Reference/Scope of Work in relation to any audit to be performed in accordance with 8(2)(iii)(a) above; and
 - (c) the Board reserves the right to conduct its own audit if for any reasons it deems it necessary to do so.
- (iv) Seismic, Well-Site or Electromagnetic Survey costs in a non-arm's length transaction shall be the lesser of cost or fair market value as established by an independent third party expert consistent with:
 - (a) each claim must be accompanied by a cost statement prepared and certified by an external auditor satisfactory to the Board;
 - (b) the Board shall approve the Terms of Reference/Scope of Work in relation to any audit to be performed in accordance with 8(2)(iv)(a) above; and,
 - (c) the Board reserves the right to conduct its own audit if for any reasons it deems it necessary to do so.
- (v) For the purposes of subparagraphs 8(2)(i), 8(2)(ii), 8(2)(iii) and 8(2)(iv), persons are not dealing at arm's length if they are not dealing at arm's length for the purposes of the Income Tax Act, section 251.

- (vi) Seabed & Other Surveys/Studies
 - (a) Environmental field studies when they are required to obtain an authorization for work or activity. At cost.
 - (b) Any other survey/study at a rate agreed to by the Board prior to the program commencement.
- (vii) Overheads

10% of the Allowable Expenditures as described in subsection 8(1) or paragraphs 8(2)(iii), 8(2)(iv) and 8(2)(vi).
- (viii) Research & Development/Education & Training
 - (a) An Interest Owner will be permitted to apply for an maximum of 5% of the Expenditure Bid as an Allowable Expenditure during Period I for these purposes;
 - (b) Any Allowable Expenditure made in relation to research and development/education and training and applied for as a credit against the Security Deposit, must be approved by the Board;
- (3) The Interest Owner may submit an application for credit against the Security Deposit or rentals, as the case may be, in the form and manner required by the Board. The following conditions will apply:
 - (i) An application for credit against the Security Deposit must be received by the Board no later than thirty (30) days following the expiry of the relevant event referred to in subsection 5(4) above. Any expense which would otherwise be considered as an Allowable Expenditure, but was made prior to the date of announcement of the Call for Bids, shall be considered for inclusion as an Allowable Expenditure for Period I;
 - (ii) Applications for credit against rentals must be received by the Board no later than thirty (30) days following the anniversary date in Period II following the year in which the Allowable Expenditures were incurred;
 - (iii) Failure to submit such applications within the appropriate time referred to above, shall be deemed to mean that no Allowable Expenditures were incurred.

The above rates of Allowable Expenditures will have application throughout Period I of the Exploration Licence. However, the rates of Allowable Expenditures will be reviewed, and may be amended at the expiration of Period I.

9. RENTALS

- (1) Rentals will be applicable only in Period II at the following rates:

1 st year	\$5.00 per hectare
2 nd year	\$10.00 per hectare
3 rd year	\$15.00 per hectare

- (2) If this Licence continues in force beyond Period II, rentals will be payable at the rates applicable during the last year of Period II.
- (3) Rentals shall be due on the anniversary date of this Licence and shall be paid annually in advance, no later than 30 days following the anniversary date of the Licence, and are to be submitted by bank draft or certified cheque payable to the **Receiver General for Canada**, except for rentals under subsection 9(2), which will be payable monthly, in advance, at the rate of one-twelfth (1/12) of the applicable annual rates.
- (4) For greater certainty, rentals shall be calculated on the basis of the total hectareage of Lands held as part of this Licence, as of the anniversary date.
- (5) Rentals will be refunded annually, to a maximum of one hundred percent (100%) of the rentals paid in that year, on the basis of a dollar refund for each dollar of Allowable Expenditures for that year, excepting Allowable Expenditures related to a well commenced and being pursued diligently but not terminated within Period I.
- (6) To the extent that Allowable Expenditures for a given year are greater than the amount of the applicable refund, the excess shall be carried forward to reduce the rentals otherwise payable in ensuing rental years.
- (7) Rentals will apply to lands subject to a Declaration of Significant Discovery during the term of the Licence at the rates and levels of refundability specified above.

10. ENVIRONMENTAL STUDIES RESEARCH FUND (ESRF)

The Interest Owner of this Licence is liable for the payment of ESRF levies in accordance with s. 101 of the *Act*.

11. EXPLORATION PLAN

The Interest Owner must file an exploration plan within six months of the effective date of this Licence outlining the anticipated activities for the Lands. The plan shall be updated annually and filed by the anniversary date of the initial plan.

12. JOINT OPERATING AGREEMENT

In any instance where the Interest Owner is comprised of more than one Interest Holder, the Interest Owner must acknowledge in writing within six months of the effective date of this Licence that all Interest Holders have entered into an agreement in the nature of a joint operating agreement addressing voting procedures and a procedure to allow less than all participants to proceed with a program which is not approved pursuant to the voting procedures with provisions for maintenance of participant ownership and sharing of results within non-participant Interest Holders where a program proceeds and is successful.

13. LIABILITY

- (1) An Interest Holder shall be liable under the provisions of this Licence, the Act, and the Regulations for all claims, demands, losses, costs, damages, actions, suits or other proceedings, in respect of any work or activity conducted, or caused to be conducted, by, through, or under, or with the consent of such Interest Holder. Any transfer, assignment, or other disposition of the interest, or of a share therein, shall not have the effect of discontinuing such liability in respect of such work or activity, related to the interest, or share therein, so disposed, that was conducted before that transfer, assignment, or other disposition was registered pursuant to the Act and Regulations. For greater certainty, liability, as aforesaid, does not attach to an Interest Holder for any work or activity conducted after such party ceases to be an Interest Holder in this Licence.
- (2) This section shall survive this Licence and will be incorporated into any Significant Discovery Licence and Production Licence that arises therefrom.

14. INDEMNITY

- (1) It is a condition of this Licence that the Interest Holders shall, in respect of that portion of the Lands to which each such Interest Holder's share relates, at all times, jointly and severally, indemnify and save harmless the Board as well as Her Majesty the Queen in right of Canada or in right of the Province of Newfoundland and Labrador from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings by whomsoever made, sustained, brought or prosecuted, in any manner based upon, occasioned by, or attributable to, anything done or omitted to be done by, through, or under, or with the consent of the Interest Owner, or an Interest Holder, notwithstanding any agreement or arrangement entered into by an Interest Owner or Interest Holder which does or may result in the transfer, assignment or other disposition of the interest or share therein, in the fulfilment of the terms and conditions made herein or in the exercise of the rights or obligations contained herein.

- (2) For greater certainty, Interest Holders in this Licence who do not hold shares with respect to that portion of the Lands in relation to which a claim, demand, loss, cost, damage, action, suit or other proceeding arises are not liable to indemnify the Board, Her Majesty the Queen in right of Canada or in right of the Province of Newfoundland and Labrador under subsection 14(1) above.
- (3) For the purposes of subsections 14(1) and 14(2), "Her Majesty the Queen in right of Canada or in right of the Province of Newfoundland and Labrador" shall not include a Crown corporation.
- (4) This section shall survive this Licence and will be incorporated into any Significant Discovery Licence and Production Licence that arises therefrom.

15. TIME LIMITATIONS

- (1) In the event any Interest Holder wishes to submit an application for a Declaration of Significant Discovery pursuant to the Act ("Application"), unless the Board otherwise agrees in writing, such Application shall be submitted within six (6) months following rig release of the drilling unit respecting the prospective discovery well, or six (6) months prior to the scheduled expiry date of this Licence, whichever occurs later.
- (2) Where any judicial review is explicitly stated to be available under any provision of the Act respecting any order, decision, or action by the Board, any application for such judicial review shall be made no later than thirty (30) days following the date upon which such order, decision or action is effective pursuant to the Act.

16. SUCCESSORS AND ASSIGNS

Subject to sections 13 and 14, the Licence enures to the benefit of and is binding on the Board and the Interest Owner and their respective heirs, administrators, successors and assigns.

17. NOTICE

Any notice, communication or statement required under the Act shall be served on the Board or the Interest Owner's representative, as the case may be, by personal delivery, facsimile or e-mail at that address specified in Schedule III hereof, or such other addresses as may be designated from time to time by the Board or the Interest Owner's representative, as the case may be.

18. REPRESENTATIVE

The Interest Owner shall appoint a representative who shall be more particularly described in Schedule III. The representative may be changed from time to time during the term of the Licence.

ISSUED at St. John's, Newfoundland and Labrador this _____ day
of _____, 202X.

CHAIR
THE CANADA-NEWFOUNDLAND AND LABRADOR
OFFSHORE PETROLEUM BOARD

SCHEDULE I - LANDS

<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
-------------------------	--------------------------	------------------------	------------------------

Total Hectares

*North American Datum 1927

SCHEDULE II - OWNERSHIP

INTEREST HOLDER

% SHARE

SCHEDULE III - REPRESENTATIVE(S) AND ADDRESSES FOR SERVICE

Representative:

Address:

Canada-Newfoundland and Labrador Offshore Petroleum Board
Suite 101, TD Place
140 Water Street
St. John's, NL
A1C 6H6

Attention: The Chair

(Schedule to Sample Exploration Licence)
**SCHEDULE IV – RESULTING SIGNIFICANT DISCOVERY LICENCE WHERE A SIGNIFICANT
DISCOVERY IS DECLARED WITHIN THE LANDS
SIGNIFICANT DISCOVERY LICENCE No.**

THIS LICENCE is effective as of the _____ day of _____, 20____.

ISSUED BY The Canada-Newfoundland and Labrador Offshore
Petroleum Board.

TO THE INTEREST OWNER
(Individually, the “Interest Holders”)

WHEREAS the Board is empowered pursuant to the *Act* to issue a Significant Discovery Licence (Hereinafter called the “Licence”) relating to the Lands described in Schedules I and II of this Licence;

AND WHEREAS the Board selected the bid submitted by _____ as the winning bid in respect of the Call for Bids No. ____, Parcel No. ____;

AND WHEREAS _____, in submitting such a bid agreed to the terms and conditions of this Licence;

NOW THEREFORE this Licence is issued upon the following **terms and conditions**:

1. INTERPRETATION

In this Licence, including all Schedules annexed hereto, unless the context requires otherwise;

- (1) **“Act”** means the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* and the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act* and regulations thereto and any *Acts* or regulations made in substitution therefor; and,
- (2) Any words or phrases defined in the *Act* shall have the same meanings in this Licence unless the context otherwise requires.

2. RIGHTS

This Licence confers the rights and obligations attaching to a Significant Discovery Licence pursuant to the *Act* [***applicable at the time of issuance of the Licence***] with respect to those Lands described in Schedules I and II.

3. AGREEMENT

The submission of a bid by the Interest Owner in response to Call for Bids No. __ and its selection by the Board as the winning bid constitutes an agreement between the Interest Owner and the Board as to the terms and conditions contained herein relating to the portion of the Canada-Newfoundland and Labrador Offshore Area described in Call for Bids No. ____, Parcel No. _____ that becomes subject to a Declaration of Significant Discovery and this Licence. That agreement applies to any successors in interest of the Interest Owner.

4. ALLOWABLE EXPENDITURES

The Allowable Expenditures for any given year shall be the total calculated expenditures for that year (i.e. monies actually spent) based upon the following rates:

- (i) Drilling costs shall be claimed “at cost” when carried out by a party at arm’s length from the operator. Drilling costs are subject to Board approval subject to the following conditions:
 - (a) each claim must be accompanied by a cost statement prepared and certified by an external auditor satisfactory to the Board;
 - (b) the Board shall approve the Terms of Reference/Scope of Work in relation to any audit to be performed in accordance with subparagraph 4(i)(a) above; and,
 - (c) the Board reserves the right to conduct its own audit if for any reasons it deems it necessary to do so.
- (ii) Drilling costs in a non-arm’s length transaction shall be the lesser of cost or fair market value as established by an independent third party expert consistent with:
 - (a) each claim must be accompanied by a cost statement prepared and certified by an external auditor satisfactory to the Board;
 - (b) the Board shall approve the Terms of Reference/Scope of Work in relation to any audit to be performed in accordance with subparagraph 4(ii)(a) above; and,
 - (c) the Board reserves the right to conduct its own audit if for any reasons it deems it necessary to do so.
- (iii) Seismic, Well-Site or Electromagnetic Survey costs shall be claimed “at cost” when carried out by a party at arm’s length from the operator. Seismic, Well-Site or Electromagnetic Survey costs are subject to Board approval subject to the following conditions:
 - (a) each claim must be accompanied by a cost statement prepared and certified by an external auditor satisfactory to the Board;
 - (b) the Board shall approve the Terms of Reference/Scope of Work in relation to any audit to be performed in accordance with subparagraph 4(iii)(a) above, and
 - (c) the Board reserves the right to conduct its own audit if for any reasons it deems it necessary to do so.

- (iv) Seismic, Well-Site or Electromagnetic Survey costs in a non-arm's length transaction shall be the lesser of cost or fair market value as established by an independent third party expert consistent with:
 - (a) each claim must be accompanied by a cost statement prepared and certified by an external auditor satisfactory to the Board;
 - (b) the Board shall approve the Terms of Reference/Scope of Work in relation to any audit to be performed in accordance with subparagraph 4(iv)(a) above; and,
 - (c) the Board reserves the right to conduct its own audit if for any reasons it deems it necessary to do so.
- (v) For the purposes of paragraphs 4(i), 4(ii), 4(iii) and 4(iv), persons are not dealing at arm's length if they are not dealing at arm's length for the purposes of the *Income Tax Act*, section 251.
- (vi) Seabed & Other Surveys/Studies
 - (a) Environmental field studies when they are required to obtain an authorization for work or activity. At cost.
 - (b) Any other survey/study at a rate agreed to by the Board prior to the program commencement.
- (vii) Overheads

10% of the allowable expenditures in paragraphs 4(iii), (4)(iv) and 4(vi).

5. RENTALS – EXPLORATION LICENCE TERM

A Significant Discovery Licence issued during Period I or II of an Exploration Licence shall be subject to the rental rates applicable to that Exploration Licence until the earlier of the natural expiry of that Exploration Licence or the surrender of that Exploration Licence.

6. RENTALS – POST EXPLORATION LICENCE TERM

The rental rates are to be determined by the Board at the time of Significant Discovery Licence issuance. The 2020 rentals rates provided below in 6(a) and 6(b) are an example of rentals that could apply to an Significant Discovery Licence issued in 2020.

Each Significant Discovery Licence shall be subject to the following rental regime upon the determination of the date reference in Section 5:

- (a) Rentals on Significant Discovery Licences, following the expiry date of the Exploration Licence, shall be at the following base rates:

Year 1 to 5	\$0.00 per hectare
Year 6 to 10	\$40.00 per hectare
Year 11 to 15	\$200.00 per hectare
Year 16 to 20	\$800.00 per hectare

The rental rates applicable to any Significant Discovery Licence resulting from Call for Bids No. NL20-CFB01 will be payable in constant (inflation adjusted) 20XX dollars.

Commencing on December 31, 20XX, the rental rates in the above-noted table will be adjusted by applying the annual change in the Consumer Price Index for Canada. The rental rates will be adjusted in the same manner on each December 31 thereafter. Pro-rated rental rates for year one of a Significant Discovery Licence shall be paid prior to the issuance of the Significant Discovery Licence with the applicable adjusted annual rental rate payable on or before January 15 of each year thereafter.

- (b) Rental rates of \$800.00 will increase by \$100.00 for each year beyond year 20, and will be payable in constant (inflation adjusted) 20XX dollars until the Significant Discovery Licence is relinquished or converted to a Production Licence. For greater certainty, the Interest Owner may relinquish lands to reduce future rental payments.
- (c) There shall be no carry forward of excess allowable expenditures from Exploration Licences.
- (d) Rentals are to be submitted by bank draft or certified cheque payable to the **Receiver General for Canada**.
- (e) For greater certainty, rentals shall be calculated on the basis of the total hectareage of lands held as part of the Significant Discovery Licence, as of the anniversary date.
- (f) Rentals will be refunded annually, to a maximum of one hundred percent (100%) of the rentals paid in that year, on the basis of a dollar refund for each dollar of allowable expenditures for that year.
- (g) To the extent that allowable expenditures for a given year are greater than the amount of the applicable refund, the excess shall be carried forward to reduce the rentals otherwise payable in ensuing rental years.]

7. ANNUAL REPORT

The Interest Owner shall provide to the Board in writing an annual report describing activities undertaken to advance development of the Licence. The annual report shall be filed each year on the anniversary of the issuance of this Licence.

8. NON-COMPLIANCE

Failure to comply with any term or condition of this Licence may result in cancellation of the Licence.

9. INDEMNITY

(1) It is a condition of this Licence that the interest holders shall, in respect of that portion of the Lands to which each such interest holder's share relates, at all times, jointly and severally, indemnify and save harmless the Board as well as Her Majesty the Queen in Right of Canada or in Right of the Province of Newfoundland and Labrador from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings by whomsoever made, sustained, brought or prosecuted, in any manner based upon, occasioned by, or attributable to, anything done or omitted to be done by, through, or under, or with the consent of the Interest Owner, or an interest holder, notwithstanding any agreement or arrangement entered into by an Interest Owner or interest holder which does or may result in the transfer, assignment or other disposition of the interest or share therein, in the fulfilment of the terms and conditions made herein or in the exercise of the rights or obligations contained herein.

(2) For the purposes of subsection 9(1), "Her Majesty the Queen in Right of Canada or in Right of the Province of Newfoundland and Labrador" shall not include a Crown corporation.

(3) This section shall survive this Licence and will be incorporated into any production licence that arises therefrom.

10. LIABILITY

(1) An interest holder shall be liable under the provisions of this Licence and the Act, for all claims, demands, losses, costs, damages, actions, suits or other proceedings, in respect of any work or activity conducted, or caused to be conducted, by, through, or under, or with the consent of such interest holder. Any transfer, assignment, or other disposition of the interest, or of a share therein, shall not have the effect of discontinuing such liability in respect of such work or activity, related to the interest, or share therein, so disposed, that was conducted before that transfer, assignment, or other disposition was registered

pursuant to the *Act* and Regulations. For greater certainty, liability, as aforesaid, does not relate to any work or activity conducted after such party ceases to be an interest holder in this Licence.

- (2) This section shall survive this Licence and will be incorporated into any production licence that arises therefrom.

11. SUCCESSORS AND ASSIGNS

Subject to sections 9 and 10, the Licence enures to the benefit of and is binding on the Board and the Interest Owner and their respective heirs, administrators, successors and assigns.

12. NOTICE

Any notice, communication or statement required under the *Act* or this Licence shall be served on the Board or the Interest Owner, as the case may be, by personal delivery, facsimile or e-mail at that address specified in Schedule III hereof, or such other addresses as may be designated from time to time by the Board or the Interest Owner, as the case may be.

13. REPRESENTATIVE

Unless otherwise designated in the prescribed manner, for the purpose of this Licence the representative or representatives, as the case may be, of the Interest Owner shall be as specified in Schedule III.

ISSUED at St. John's, Newfoundland and Labrador this ____ day of _____, 20__.

**CHAIR
THE CANADA-NEWFOUNDLAND AND LABRADOR
OFFSHORE PETROLEUM BOARD**

SCHEDULE I - LANDS

<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
-------------------------	--------------------------	------------------------	------------------------

Total Hectares

*North American Datum 1927

SCHEDULE II - OWNERSHIP

INTEREST HOLDER

% SHARE

SCHEDULE III - REPRESENTATIVE(S) AND ADDRESSES FOR SERVICE

Representative:

Address:

Canada-Newfoundland and Labrador Offshore Petroleum Board
Suite 101, TD Place
140 Water Street
St. John's, NL
A1C 6H6

Attention: The Chair