

## AANGETEKEND

Ministerie van Economische Zaken en Klimaat  
Directoraat-generaal Energie, Telecom & Mededinging  
Directie Energie & Omgeving  
Attn: Mr. [artikel 10.2.e Wob](#)  
CC: Mr. [artikel 10.2.e Wob](#)  
P.O. Box 20401  
2500 EK Den Haag

Date: 21 November 2018  
Ref: 246/ST/2018

Subject: Update on exploration licenses progress to date and request for extensions; Utrecht, Engelen and Oosterwolde

Dear Mr. [artikel 10.2.e Wob](#), Mr. [artikel 10.2.e Wob](#) and Mr. [artikel 10.2.e Wob](#),

With this letter Vermilion Energy Netherlands B.V. (VEN) would like to convey the progress and further planning with respect to the work programs of the exploration licenses that VEN currently holds; Engelen, Utrecht and Oosterwolde. Also, VEN hereby applies for an extension of 8 years on the license terms in order to be able to arrive at a maturation status that allows for tangible plans to drill exploration wells in these licenses.

At the meeting, held at MEAC's office on 8 August 2018 and attended by [artikel 10.2.e Wob](#), an overview was provided by Vermilion on the progress, further planning and prospectively in the Engelen, Utrecht and Oosterwolde exploration licenses. In the following chapters, Vermilion will further elaborate on the progress to date and planned exploration activities for the coming years.

### Exploration license Engelen

As indicated in our letter, dated April 8 2016 with Ref: 069/SS/2016, VEN has intentions to drill the [artikel 10.1.c Wob](#). In order to minimize the local effects of our mining activities, we have been aiming to drill multiple prospects from one location. This avoids the need to setup multiple surface locations, will minimize the burden on the local environment, and will improve project efficiency. To this effect, we are planning to combine the [artikel 10.1.c Wob](#) with the anticipated [artikel 10.1.c Wob](#) in the AndelVb production license. In this letter, it was also indicated that Vermilion needed a period of six years, to November 2022, in order to execute the permitting for tangible drilling activities.

In the period 2016-2017 we successfully scouted a suitable wellsite, which would allow to drill both wells. Currently, we are evaluating the implications of the [artikel 10.1.c Wob](#) on the area on the [artikel 10.1.c Wob](#)

In this period, we also conducted a more in depth study to assess the risk and volumes of the artikel 10.1.c Wob . Vermilion identified a fault bounded closure at artikel 10.1.c Wob on 2D seismic data, adjacent to artikel 10.1.c Wob . artikel 10.1.c Wob

artikel 10.1.c Wob . In order to better understand the volumetrics and deliverability of these prospects, a more in depth artikel 10.1.c Wob study will be conducted in Q4 2018 -Q2 2019 comparing and contrasting the core data from artikel 10.1.c Wob . Furthermore, we executed a high level prospectively review on a secondary target, artikel 10.1.c Wob , in the period 2016-2017. artikel 10.1.c W

artikel 10.1.c Wob

In order to mature artikel 10.1.c Wob , a more in depth subsurface study will be conducted in 2019 with three objectives: (1) better structural definition (2D data), (2) well productivity (biodegraded/residual oil), (3) stacking the three zones with artikel 10.1.c Wob .

Contingent on the results of above mentioned studies, Vermilion anticipates to drill the artikel 10.1.c Wob in 2022. However, as also indicated in the meeting held on 8 August 2018, Vermilion recognizes that any municipal permit refusals (similar to below artikel 10.1.c Wob ) could result in a delay of the presented project timelines of multiple years. Therefore, **Vermilion requests an extension of the Engelen exploration license with 8 years, until 24 November 2026.**

#### Exploration license Utrecht

In the Utrecht license, VEN has intentions to drill the artikel 10.1.c Wob . However, the necessary environmental permit that VEN submitted in July 2014, was refused by the municipality artikel 10.1.c Wob in February 2016, by refusing to give a declaration of no objections. After this refusal, VEN started a legal procedure in order to get approvals on the submitted environmental permits. The Court ruled against VEN in the appeal proceedings, which was later also confirmed by the ABRvS (Afdeling Bestuursrechtspraak van de Raad van State). The main consideration of the ABRvS was that the realization of the mining location impairs the open and agricultural character of the area and therefore doesn't harmonize with the scenic values that provincial and municipal policy pursue.

In the period 2016-2017, five artikel 10.1.c Wob gas prospects have been identified and matured; artikel 10.1.c W . In this area, gas presence and a working gas system is proven, resulting in high geological probabilities of success (Pg) prospects.

artikel 10.1.c Wob is a artikel 10.1.c Wob prospect. artikel 10.1.c Wob

In order to make a final investment decision to drill the artikel 10.1.c Wob , a more in depth subsurface study should be conducted to assess the three main uncertainties: artikel 10.1.c Wob

Furthermore, Vermilion started the scouting activities to secure a wellsite, allowing to drill the artikel 10.1.c Wob , in 2017. Currently, Vermilion is finalizing the contract details with the landowner and expects to sign a wellsite lease agreement in December 2018.

Once the wellsite is secured, permitting and public/governmental relation activities can be started up. Contingent on the results of above mentioned studies, Vermilion anticipates to drill artikel 10.1.c Wob in 2023

artikel 10.1.c Wob are moderate artikel 10.1.c Wob with a large potential structure. artikel 10.1.c Wob

In order to make a final investment decision to drill the prospects, a more in depth subsurface study should be conducted to assess the three main uncertainties: (1) Reservoir permeability/cementation, (2) GRV input due to uncertainty on fault positioning and sparse 2D data and (3) Reservoir productivity.

Furthermore, Vermilion started in Q1 2018 the scouting activities to secure a wellsite, allowing to drill the artikel 10.1.c Wob. Currently, Vermilion is finalizing the contract details with the landowner and expects to sign a wellsite lease agreement in January 2019. Once the wellsite is secured, permitting and public/governmental relation activities can be started up. Contingent on the results of above mentioned studies, Vermilion anticipates to drill artikel 10.1.c Wob in 2023.

artikel 10.1.c is a high artikel 10.1.c Wob. The structure is located on the western side of the Utrecht exploration. artikel 10.1.c Wob

Vermilion anticipates to drill the artikel 10.1.c Wob in 2022 (Figure 1 / Appendix A). However, as also indicated in the meeting held on 8 August 2018, Vermilion recognizes that another municipal permit refusal could result in a delay of the presented project timelines of multiple years. Therefore, **Vermilion requests an extension of the Utrecht exploration license with 8 years, until 24 November 2026.**

Exploration license Oosterwolde

Vermilion has identified two prospects in the Oosterwolde license; artikel 10.1.c Wob. However, both prospects are straddling the artikel 10.1.c Wob and would therefore be subject to unitization agreements between license holders.

In order to start commercial discussions on this area with NAM, Vermilion has evaluated artikel 10.1.c Wob

in the period 2017-2018 (Figure 1 / Appendix A).

artikel 10.1.c Wob, are moderate artikel 10.1.c Wob. artikel 10.1.c Wob

Furthermore, Vermilion evaluated different commercial alternatives that would allow Vermilion to make a final investment decision to drill the artikel 10.1.c Wob. artikel 10.1.c Wob artikel 10.1.c Wob

To complete the subsurface evaluation of the concession, a artikel 10.1.c Wob will be performed to complement the artikel 10.1.c Wob s that will be kicked off in Q1 2019

Contingent on the results of the abovementioned studies and the commercial negotiations with NAM, Vermilion anticipates to drill the artikel 10.1.c Wob in 2022.

Due to the commercial sensitivity of this prospect, no scouting activities to secure a wellsite have been conducted. Considering, the time to secure a wellsite, the actual permitting timelines and the risk that any municipal permit refusals (similar to below described artikel 10.1.c) could result in a delay of the presented project timelines of multiple years, **Vermilion requests an extension of the Oosterwolde exploration license with 8 years, until 24 November 2026.**

# artikel 10.1.c Wob

Your sincerely,  
Vermilion Energy Netherlands B.V.

artikel 10.2.e Wob

Sven  
Managing Director

Appendix A: Anticipated exploration timeline

# artikel 10.1.c Wob

