

NEGOTIATIONS WITH LANDOWNER, FUNDING

**THE VPI IMMINGHAM LLP (LAND AT ROSPER ROAD) COMPULSORY PURCHASE
ORDER 2024**

DOCUMENT CD 8.21

APPENDICES TO REBUTTAL STATEMENT OF EVIDENCE

**Jonathan Briggs
Development and Delivery Director
VPI Holding Limited**

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APPENDIX 1

VPI LLP HUMBER ZERO CCS PROJECT

PROPOSED HEADS OF TERMS FOR CCS SITE OPTION AND LEASE

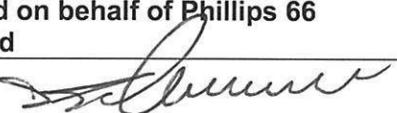

Item	Comments
Landlord	Phillips 66 Limited (00529086) of 7th Floor, 200-202 Aldersgate Street, London, EC1A 4HD ("P66")
Tenant	<p>To align with the Collaboration Agreement the option holder will be VPI Immingham LLP ("VPI LLP"). The option can be assigned to a third party subject to the assignee being an Acceptable Assignee or procuring an Acceptable Guarantor, as such terms are defined in the draft option agreements referred to as the 'Property Agreements' within the Compromise Agreement dated 7 August 2020 (see appendix).</p> <p>The lease can be taken by another company that is an Affiliate (as defined in the Main Site Lease, (see appendix) of Vitol and/or VPI LLP (a "CCS Co"). The identity of CCS Co. is to be confirmed prior to any such assumption of the lease. CCS Co shall be an Acceptable Assignee or procure an Acceptable Guarantor.</p>
Property	<p>Land on the west side of Rosper Road, South Killingholme, Immingham, registered at HM Land Registry with freehold title number HS299803 as shown edged red on the attached plan marked 'Plan 1'.</p> <p>If during the Option Period the Tenant is able to demonstrate to the Landlord's reasonable satisfaction that additional land is reasonably required for the development and operation of the VPII Project (as defined in a Collaboration Agreement dated 16 April 2021 between P66 and VPI LLP) then the Landlord shall make available only such additional areas of land as are shown to be required; such areas of land shall be limited however to land within that area edged red on Plan 2 (the "Incremental Land").</p> <p>Following service of an option notice pursuant to the Option and for a period only of 5 years from the date of these Heads of Terms the landlord agrees to grant to the tenant a temporary lay-down and construction licence, in connection with the VPII Project, (such licence to be excluded from the provisions of the Landlord and Tenant Act 1954, and to be terminable by the landlord on 6 month's notice) of such areas of land shown outlined in green on Plan 1 (to include any areas of the Incremental land not being proven to be required for the VPII Project) that the landlord does not itself require for the development, either for itself or in conjunction with third parties, of a CO2 transportation and logistics facility .</p> <p>The Parties shall meet monthly during the first 14 months of the Option period in order to assess additional land requirements as referred to above.</p>
OPTION AGREEMENT	
Option	The Tenant will be granted an option by the Landlord to take (or for CCS Co to take) a lease over the Property.

Option Period	The Option Period will be 3.5 years from the date of the grant of the Option.
Conditions	<p>The Option will be conditional upon:-</p> <ol style="list-style-type: none"> 1. A positive final investment decision being taken by the board of directors or members of VPI LLP in respect of the VP11 Project and written notice of such decision being served on P66; and 2. The Parties entering into good faith discussions and agreeing any amendments required to the existing energy supply agreements in place between the Parties.
Termination	The Tenant will be permitted to terminate the Option Agreement at any time during the Option Period by giving not less than 60 days' prior written notice to the Landlord.
Option Fee	A peppercorn.
Rights Granted during Option Period	<p>The right of entry for the Tenant and its authorised personnel (to include contractors, sub-contractors, employees, licensees etc.) onto the Property for the purposes of carrying out ecological surveys, environmental surveys and other intrusive and non-intrusive site investigations).</p> <p>Prior authorisation must be obtained before entry onto the Property and the Tenant shall comply with such reasonable regulations and requirements pertaining to such entry as the Landlord shall consider necessary. Where such surveys and site investigations are intrusive, these shall additionally be subject to completion of a suitable licence and indemnity and to the Landlord's approval of the Tenant's proposed method statements (the agreement of such licence and approval of such method statements not to be unreasonably withheld or delayed).</p>
Landlord's Covenants during Option Period	<p>The Landlord will not be permitted to grant any other options or leases over the Property during the Option period.</p> <p>The Landlord will not grant any new rights in favour of any third party over the Property which may prejudice the VP11 Project without the prior written consent of the Tenant such consent not to be unreasonably withheld or delayed.</p> <p>At the cost of the Tenant the Landlord will enter into any planning agreements, wayleaves or other agreements (on terms agreed by the Landlord acting reasonably) as shall be reasonably required by the Tenant to facilitate its use and operation of the Project. Provided it shall be reasonable for the Landlord to refuse to enter into any agreement that might reasonably be expected to have a detrimental impact on the use and operation of the Refinery.</p> <p>In the event that the parties' joint studies discover any utilities or service media on the Property and, if requested by the Tenant, the Landlord will permit and allow any such utilities or service media (including drains, cables, pipes etc) located on the Property which are or may become a nuisance or obstacle to the Tenant's use of the Property for the Permitted Use at the Tenant's cost to be relocated within the Property, diverted or removed as necessary.</p> <p>Other standard restrictions will be placed on the Landlord's dealings with the Property, such as a restriction on the submission of planning</p>

	applications, an obligation not to object or support any objection to any application for consents in relation to the VP11 Project, and a restriction on the erection of buildings on the Property throughout the Option Period.
Alienation	<p>The Tenant shall be entitled to assign the benefit of the Option Agreement to any group company, funder or project SPV with the Landlord's consent such consent not to be unreasonably withheld provided that requirements as to an Acceptable Assignee / Guarantor are met.</p> <p>The Tenant shall be entitled to assign the benefit of the Option Agreement to CCS Co subject to that company satisfying the Acceptable Assignee/Guarantor test without Landlord's consent.</p> <p>The Landlord shall not dispose of the Property without first obtaining a deed of covenant from any purchaser to comply with the terms of the Option Agreement.</p>
CCS SITE LEASE	
Lease Term	The Lease will be for a term of years expiring on 12 February 2047
Lease Premium	A peppercorn.
Rent	<p>Rent – market rent – based on RICS Valuation – Global Standards (Red Book Global) as augmented by the current UK Supplement</p> <p>Any dispute to be referred to independent third party dispute resolution</p>
Rent Review	As provisions contained in the Main Site Lease.
Permitted Use	The Property is to be used by the Tenant for all activities relating to the VP11 Project including the construction, installation, maintenance and operation of carbon capture facilities and all associated plant and equipment, and any other activities reasonably required for a carbon capture and storage project associated with the use of the Main Site Lease.
Rights Granted during Lease Term	<p>CCS Site:</p> <p>Rights for the Tenant to:</p> <ul style="list-style-type: none"> • Use the Property for the Permitted Use; • Subject to the consents required under the Main Site Lease to enter onto so much of the CHP Site as is necessary with or without vehicles, plant and machinery for all purposes necessary to make connections to the stack and electricity supply located thereon; • Subject as above to construct, install, lay, maintain and operate infrastructure and service media necessary to make the connections outlined above from the CHP Site to the Property; • Relocate the Killingholme Ditch identified on Plan 1 within the Property.
Landlord's Covenants	These will be broadly the same as the covenants in the Option Agreement.

Reservations	<ol style="list-style-type: none"> 1. to access common systems and infrastructure constructed within the Property. 2. of rights to use existing pipelines and utilities crossing the Property. 3. unencumbered use and flow of Killingholme Ditch identified on Plan 1), access rights etc. In the event the ditch is relocated such rights to apply to the relocated ditch. <p>All reserved rights are subject to conditions on entry per the Main Site Lease.</p>
Alienation	<p>As per the Option Agreement.</p> <p>The Tenant shall be entitled to charge the Lease in accordance with the provisions of the Main Site Lease For the avoidance of doubt, references to the Car Park Lease in the Main Site Lease shall be deemed <i>pro non scripto</i> for this purpose.</p> <p>Change of control is permitted without the Landlord's consent.</p>
Break Rights/Termination	<p>In the event the Main Site Lease determines for any reason the CCS Site Lease shall also determine.</p> <p>Usual commercial forfeiture provisions to be included.</p>
Insurance	<p>Insurance provisions to follow principles agreed in the Main Site Lease.</p>
Repair / Reinstatement	<p>Repair: Tenant to be responsible for keeping all plant and other apparatus installed on the Property in a good repair and safe condition, compliant with all relevant laws and regulations. The exterior of the property shall be landscaped and kept clean and tidy. See under Environmental Liability the Tenant shall not be liable for any contamination identified as present in the Property by a schedule of condition to be undertaken as part of the parties' joint studies.</p> <p>Reinstatement: At the end of the Term the Tenant may (and if requested by the Landlord or required by planning must) remove the plant and any other apparatus, equipment or works erected or installed on the Property and will reinstate the Property.</p> <p>Reinstatement provisions to follow those agreed in the Main Site Lease where relevant.</p>
Additional Tenant Covenants	<p>Not knowingly to do anything on the Property to affect the COMAH risk of the Landlord's adjoining property.</p>
Environmental Liability	<p>An environmental baseline study will be carried out to evidence the baseline condition of the Property at the start of the Term.</p> <p>The Lease shall contain reciprocal indemnities in respect of contamination (including hazardous substances which have migrated to/from the Property) with reference to that baseline.</p>
Equipment	<p>All plant, machinery, equipment and any other fixtures and fittings brought on to the Property by the Tenant shall remain the property of the Tenant and shall not be regarded as a fixture to the Property.</p>

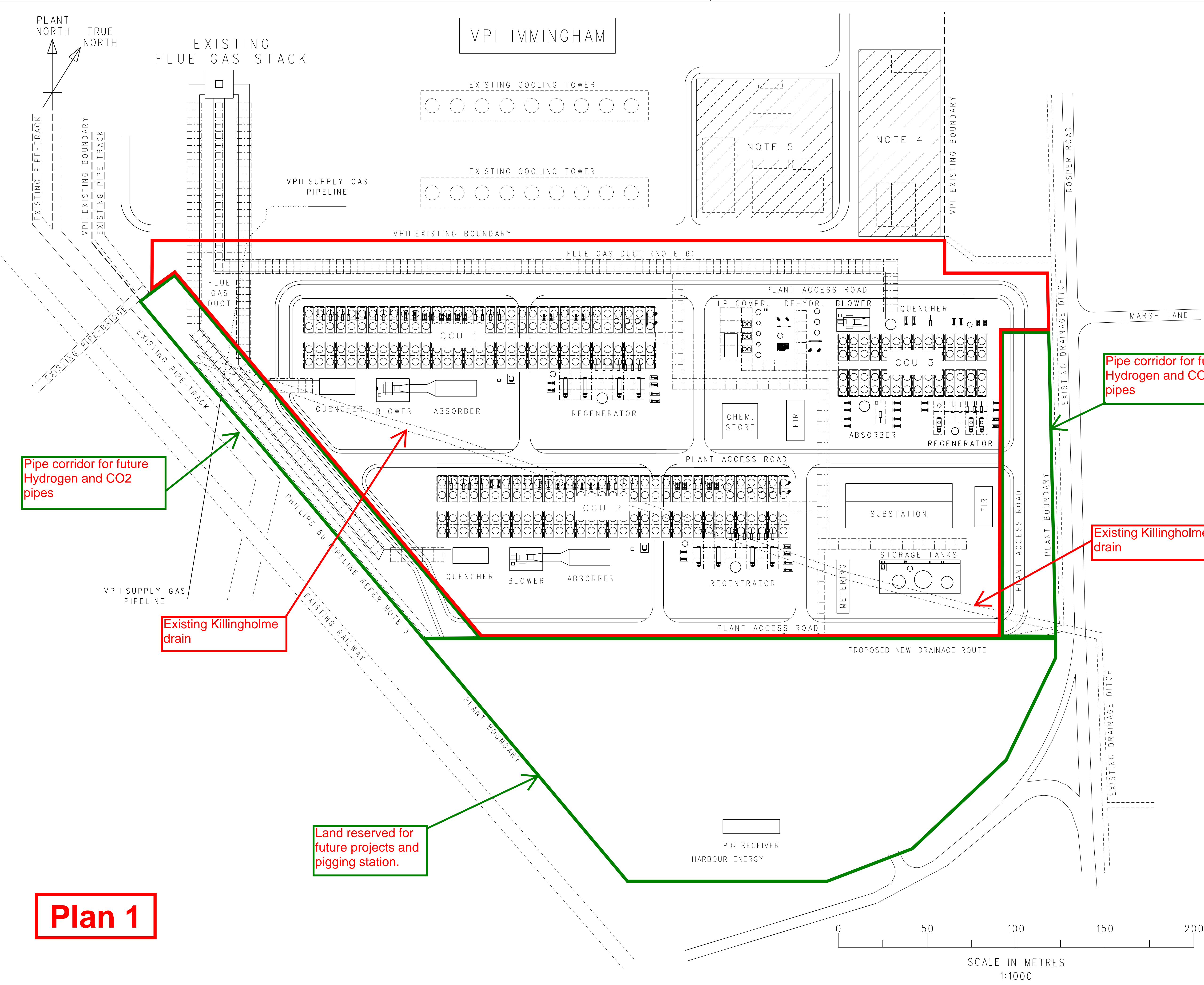
1954 Act	The security of tenure provisions of Part II of the Landlord and Tenant Act 1954 are to be excluded from the Lease.
MISCELLANEOUS	
Landlord's Solicitor	P66 In House Legal Team
Tenant's Solicitor	Pinsent Masons LLP 141 Bothwell Street, Glasgow, G2 7EQ Contact: Graham Wallace Tel: 0141 567 8652 Email: graham.wallace@pinsentmasons.com

These Heads of Terms are not intended to create any legally binding obligations and are subject to contract and approval. The proposed Option and Lease Agreement may contain further terms as the Parties may require, including additional terms on matters that are covered in this document.	
Signed on behalf of Phillips 66 Limited	Signed on behalf of VPI Immingham LLP
Signed 	Signed 
Print Name DARREN CUNNINGHAM	Print Name Simon Hale
Dated 08/02/22	Dated 9 February 2022

SCHEDULE (FOR INFORMATION ONLY)

EXISTING AGREEMENTS OTHER PARTIES AND ADDITIONAL DOCUMENTS REQUIRED	
Existing Agreements	
Main Site Lease	A lease of the main CHP Site dated 29 August 2013 between P66 and VPI LLP
Car Park Lease	A lease of area of car park/laydown adjacent to the Main Site Lease dated 23 July 2013 (Reversionary Lease) between P66 and VPI LLP
First Pipeline Lease (HOR)	A lease of gas pipeline dated 16 February 2005 between P66 and VPI LLP as varied by Deed dated 23 July 2013 between P66 and VPI LLP
Second Pipeline Lease (East End Farm)	A lease of gas pipeline dated 16 February 2005 between P66 and VPI LLP as varied by Deed dated 23 July 2013 between P66 and VPI LLP
ESA	An agreement for the supply of steam and power to P66 made between VPI LLP and P66 dated 15 January 2002.
Compromise Agreement dated 7 August 2020	<p>An agreement between P66 and VPIB dated 7 August 2020 whereby VPIB have the right to call for P66 to execute and complete the following options:</p> <ul style="list-style-type: none"> • To vary the Main Site Lease • To vary and assign to PipeCo the First and Second Pipeline leases • To vary and assign to PipeCo the Car Park Lease • For VPIA and VPIB to take a pipebridge/pipeline easement.
Other Parties	
<p>VPI Immingham Energy Park A Limited – 'VPIA'</p> <p>VPI Immingham B Limited – 'VPIB'</p> <p>PipeCo - an entity intended to be set up within the corporate group of VPI LLP and which will be party to the relevant documents to be entered into pursuant to the Compromise Agreement.</p>	
Additional Documents Required	
Conditional Option to vary the Main Site Lease	<p>Option conditional per CCS Site option</p> <p>The Main Site Lease will need to be varied in order to allow the CCS Site to connect into the CHP site's stack as well as any other interfaces (such as electricity or access). A corollary of these changes may also be amendments to the existing VPI A and B option agreements existing in respect of the Main Site Lease.</p>
Conditional Option to vary Car Park Lease	<p>Option conditional per CCS Site option</p> <p>The Car Park Lease will need to be amended in order to cater for access / other use in connection with the CCS Site. The VPI B option to vary and assign may also need to be amended.</p>
Option to vary First and Second Pipeline Leases	<p>The gas pipeline route runs directly beneath the proposed connection between the CCS Site Lease and the Main Site Lease and, as such, interface arrangements may need to be considered requiring a variation to these leases, as possibly varied pursuant to the options referred to above.</p>

APPENDIX 2



- NOTES
1. ALL EXISTING REFERENCE DATA SHALL BE CONFIRMED BY SITE SURVEY DURING FEED.
 2. ALL EQUIPMENT SIZES ARE PRELIMINARY
 3. IT IS PROPOSED THAT THE PHILLIPS 66 HP PIPELINE IS ROUTED ALONG THE EXISTING PIPE-TRACK AND THE VPI PLANT BOUNDARY FENCE
 4. SPACE AVAILABLE WITHIN EXISTING POWER PLANT SITE FOR PROPOSED LOCATION OF NEW WATER TREATMENT PLANT AND PONDS
 5. ADDITIONAL SPACE AVAILABLE WITHIN EXISTING POWER PLANT SITE FOR CCU FACILITIES IF REQUIRED
 6. COMMON UTILITY PIPING TO BE ROUTED ALONG DUCT SUPPORT STRUCTURE TO INTERCONNECTING PIPE-RACK

- REFERENCES
1. BASIC ENGINEERING DESIGN DATA (BEDD): 2180-8820-SP-001
 2. OVERALL BLOCK FLOW DIAGRAM: 2180-8110-20-001

REV	DATE	DESCRIPTION	BY	CHK	APPR
01	02/09/21	ISSUED FOR COMMENT			

**HUMBER
ZERO**

HUMBER ZERO PRE-FEED

wood.

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VPI CARBON CAPTURE PLANT
CONCEPTUAL LAYOUT

WOOD CONTRACT NO: 502180	CLASS: 3
WOOD DRG NO: 2180-8230-56-001	DSN: 169 REV: 01

Plan 1

Land reserved for future projects and pigg station.

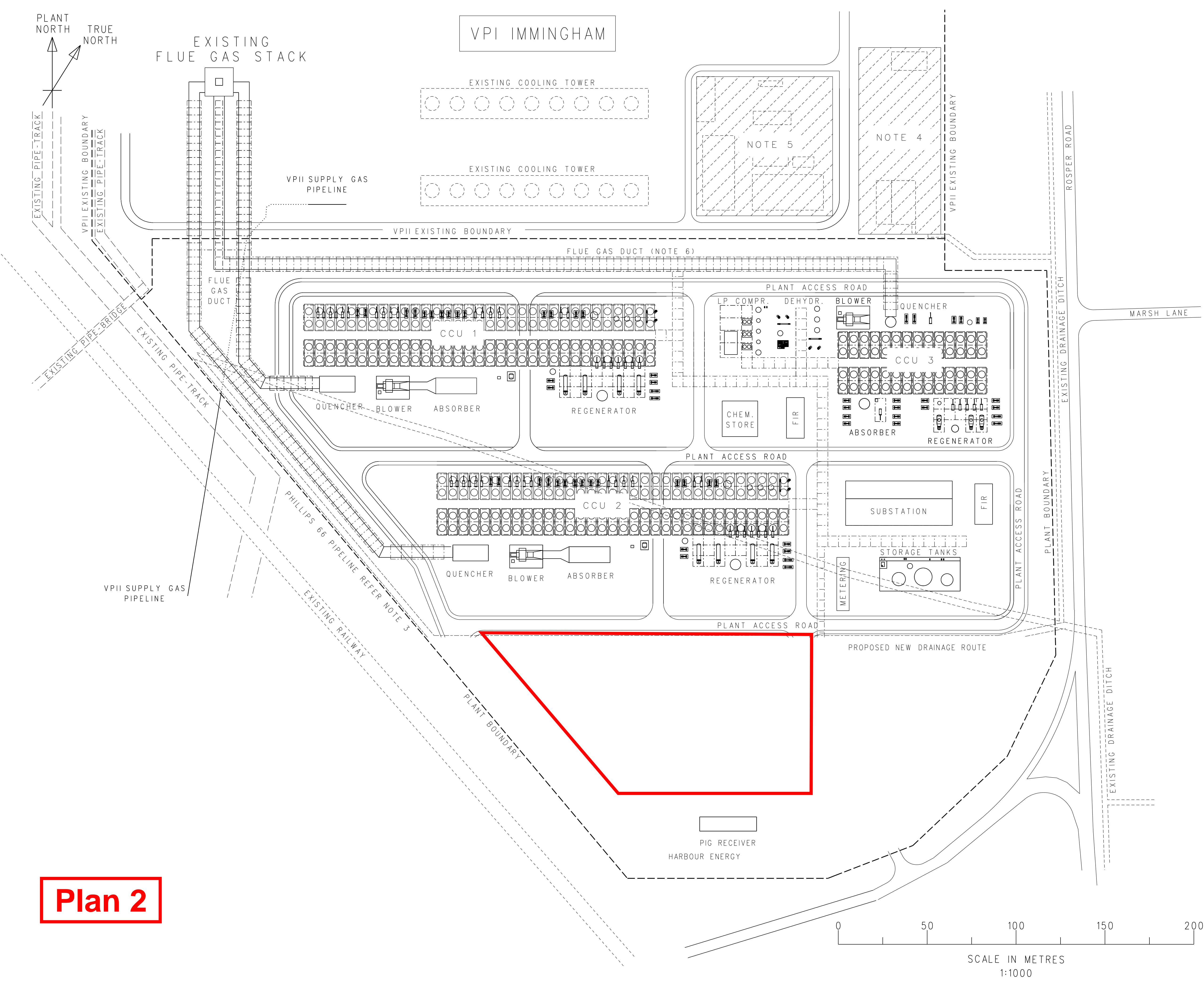
Pipe corridor for future Hydrogen and CO2 pipes

Existing Killingholme drain

Pipe corridor for future Hydrogen and CO2 pipes

Existing Killingholme drain

APPENDIX 3




Plan 2


- NOTES
- 1. ALL EXISTING REFERENCE DATA SHALL BE CONFIRMED BY SITE SURVEY DURING FEED.
 - 2. ALL EQUIPMENT SIZES ARE PRELIMINARY
 - 3. IT IS PROPOSED THAT THE PHILLIPS 66 HP PIPELINE IS ROUTED ALONG THE EXISTING PIPE-TRACK AND THE VPI PLANT BOUNDARY FENCE
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HUMBER ZERO PRE-FEED



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VPI CARBON CAPTURE PLANT CONCEPTUAL LAYOUT					
WOOD CONTRACT NO: 502180			CLASS:	3	
WOOD DRG NO: 2180-8230-56-001			DSN:	169	REV: 01

APPENDIX 4

Eleanor Croft

From: Eleanor Croft
Sent: 07 May 2025 16:40
To: Eleanor Croft
Subject: FW: Security vs Insurance

From: Phil Hauxwell <PHauxwell@vpi.energy>
Sent: 29 April 2025 17:35
To: Michael Wailes <Michael.Wailes@p66.com>; Dwight Gomes <DGomes@vpi.energy>
Subject: RE: Security vs Insurance

Hi Mike,

The amount of security we can provide is related to the underlying assets and liabilities. Because in this case the underlying liability is not £200m if we are required to guarantee this amount it impacts on our ability to guarantee other existing liabilities we may have (e.g. obligations to make payments under EPC contracts). We anticipate having approximately £300M available in letters of credit for the entirety of the Humber Zero project, so allocating 2/3 of this amount (or even 1/3 of this amount) to service a lease, is financially infeasible. The fact none of our other leases include such a burden, makes it even more difficult to justify.

Additionally, your request (for a £200m guarantee with 15-year tenor) would cost 10X the rental per annum. If the requirement was halved it would cost 5X the rental. This doesn't make sense.

	£ p.a.
Lease cost	500k
Guarantee cost – term of lease	5.2m
Guarantee cost – annually replaced	2m
Insurance increase to £200m	130k

The underlying liabilities under the lease are to pay rent and to make the site good at the end of the tenor. If we assume 1 year's rent + ~£5m decommissioning cost (assuming that scrap value broadly offsets decommissioning costs) then a guarantee of ~£6m might be appropriate. In the spirit of trying to find a compromise position, we are willing to consider providing a guarantee/ letter of credit for this exposure and will work towards confirming the accuracy of the decommissioning cost if this approach is acceptable to you. Again, something we deem quite generous given none of our other leases with you contain any such provisions and VPI is of sufficient financial standing to stand behind these liabilities. Any guarantee will be replaced annually – if it is not replaced within an agreed time frame, P66 can draw on it prior to expiry to cover outstanding liabilities existing under the lease at that time.

As previously discussed, we would increase our third-party cover limit to £200m such that if damage does occur caused by us our policy would pay out up to the agreed cap on our liability.

Regards,

Phil Hauxwell

Head of Treasury and Corporate Finance

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From: Wailes, Mike <Michael.Wailes@p66.com>

Sent: 17 April 2025 18:38

To: Dwight Gomes <DGomes@vpi.energy>

Cc: Phil Hauxwell <PHauxwell@vpi.energy>

Subject: RE: Security vs Insurance

Hi Dwight / Phil,

Thanks for following up on this. As discussed with Dwight on Monday, we are looking for a firm indication from VPI on the maximum level of LC / bond which it can offer as part of a structured security.

The other points I raised around improving our comfort on insurance and managing annual renewals are secondary to that; subject to finding an agreeable point on the LC / bond where insurance could be a top-up. Before setting up another meeting, it would be helpful to confirm VPI plan to propose an LC / bond basis.

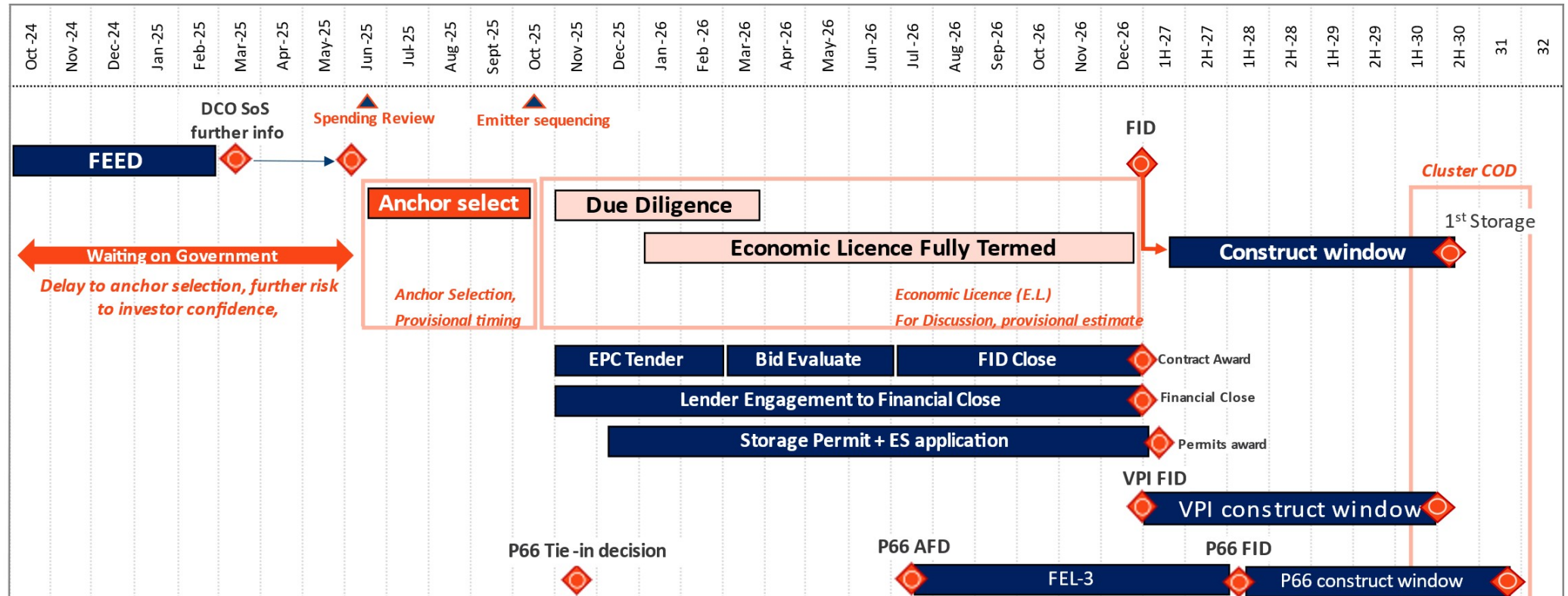
Regards,

Mike

APPENDIX 5

Viking CCS – T&S Schedule

Viking CCS can meet COD in 2030, subject to Track 2 progress in 2025



- Anchor emitter selection in October 2025 enables FID Q4 2026 and COD in 2030.
- Track 2 funding and anchor emitter selection is urgently needed to underpin investor confidence and projects continuation.
- Jeopardy point June 2025: no funding in June means no anchor emitters in October 2025.