



liverpool bay ccs

Phase 2 Tranche B Uncertain Cost Event Reopener – Full Business Case

September 2026

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1 DEFINITIONS AND ABBREVIATIONS

1.1 DEFINITIONS, ACRONYMS AND ABBREVIATIONS

Acronym / Abbreviation	Definition
AGI	Above Ground Installation
APA	Agreement for Preliminary Activities
APDP	Approved Project Development Plan, part of the Economic Licence
BNG	Biodiversity Net Gain
CAPEX	Capital Expenditure
CEMP	Construction Environmental Management Plan
CO ₂	Carbon Dioxide, as specified in the Network Code
COD	Commercial Operations Date
CPI	Company Provided Items
CPO	Compulsory Purchase Order
CTMP	Construction Traffic Management Plan
DCO	Development Consent Order
DEVEX	Development Expenditure
DF	Design Freeze
DNO	Distribution Network Operator
ENVID	Environmental Impact Identification study
EPC	Engineering, Procurement & Construction
EPUK	EniProgetti UK, a subsidiary of Eni SpA
ES	Environmental Statement
ESHIA	Environmental, Social and Health Impact Assessment
FAT	Factory Acceptance Test
FBC	Full Business Case
FCC	Flintshire County Council
FID	Final Investment Decision
FSD	Final Settlement Document
GI	Ground Investigation
Hanson	Previous name of HMUK (see below) but still used in some Economic Licence documents
HAZID	Hazard Identification study
HDD	Horizontal Directional Drilling
HMUK	Heidelberg Materials UK
HMP	Habitat Management Plan
HoT	Heads Of Terms
HSE	UK Health & Safety Executive
ICSS	Integrated Control & Safety System
LBCCS	Liverpool Bay Carbon Capture & Storage Limited
LCI	Life Cycle Information
LLI	Long Lead Items
LPA	Local Planning Authority
MFWA	Master Framework Agreement

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Acronym / Abbreviation	Definition
MP	Member of Parliament (UK)
MS	Member of Senedd (Wales)
NFU	National Farmers' Union
NBB	Net Benefit for Biodiversity
Ofgem	Office for Gas and Electricity Markets
PIns	Planning Inspectorate
PMT	Project Management Team
PSR96	Pipeline Safety Regulations 1996
QA	Quality Assurance
RLB	Red Line Boundary (the planning boundary)
T1PNL	Track 1 Project Negotiation List
T1X	Track 1 Expansion
T&S	Transport & Storage, in this case LBCCS CO ₂ Transport & Storage system
TCPA	Town & Country Planning Act
TDD	Technical Details Document, part of the Economic Licence
Ts&Cs	Terms & Conditions
WBS	Work Breakdown Structure

Term	Definition
Handover Works	As defined in the Economic Licence
Hanson Commitment Event	As defined in the Economic Licence
Licensee	LBCCS is the Licensee under the " <i>Carbon Dioxide Transport and Storage Licence for Liverpool Bay CCS Limited</i> "
Phase 1	As defined in the Economic Licence
Phase 2	As defined in the Economic Licence
Phase 2 Tranche B	As defined in the Economic Licence

1.2 REFERENCE DOCUMENTS AND LINKS

Unless specifically designated by date, the latest edition of each publication shall be used, together with any amendments/supplements/revisions thereto.

Ref.	Document Number/Link	Title/Description
(1)	Economic Licence, No document number	Carbon Dioxide Transport and Storage Licence for Liverpool Bay CCS Limited
(2)	APDP	Approved Project Development Plan, as referenced by the Economic Licence
(3)	TDD	Technical Details Document, as referenced by the Economic Licence
(4)	Network Code	CCS (Carbon Capture and Storage) Network Code
(5)	FSD	Financial Settlement Document

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2 EXECUTIVE SUMMARY

This document presents the Full Business Case (FBC) for the Padeswood Spur Pipeline, which is Phase 2 Tranche B of the Liverpool Bay CCS Project CO₂ Transport and Storage system, pursuant to Schedule 10 section 3.4 (d) of the Licensee's Economic Licence.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

The purpose of the Padeswood Spur Pipeline is to connect the CO₂ capture facility being developed by Heidelberg Materials UK, which has been selected by DESNZ as a "Priority List project" forming part of the preferred configuration of the HyNet cluster and which has taken a Final Investment Decision, to the main CO₂ onshore pipeline (part of the Phase 1 scope) of the Transport and Storage system.

The Padeswood Spur Pipeline is included in the Licensee's Approved Project Development Plan and agreed technical details are defined in the Economic Licence and referenced documents. [REDACTED]

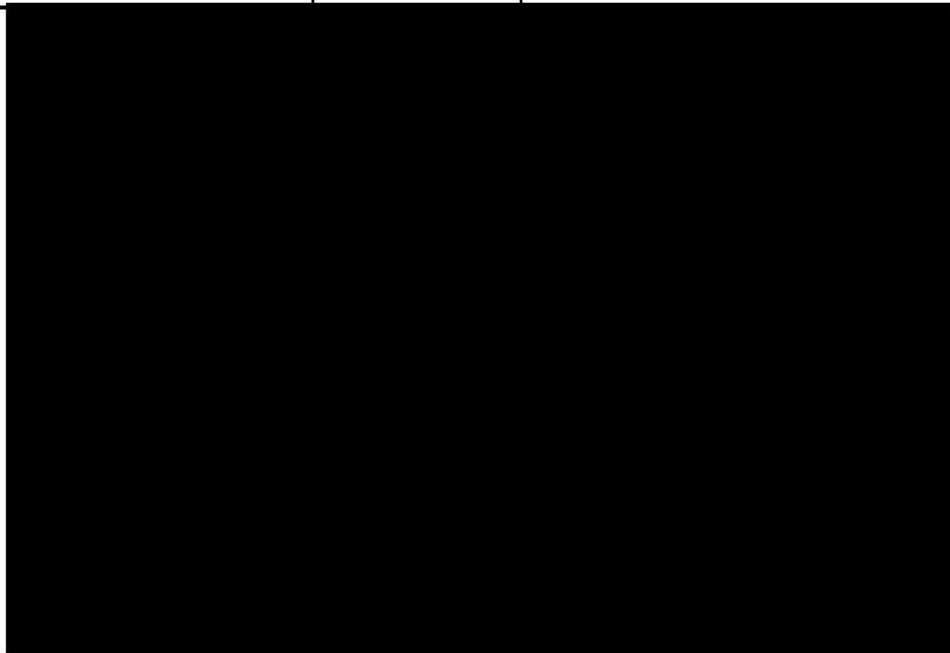
Pipeline routing and design: The Licensee has completed pre-FEED and FEED and has finalised the pipeline route to a nominally 50m wide corridor.

Consenting: Flintshire County Council has approved the Licensee's application under the Town and Country Planning Act.

[REDACTED]

[REDACTED]

Execution costs are summarised below.



Schedule key dates are presented below.

Submission of FBC: **September 2026**



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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Proposed Technical Detail Document:

Phase 2 Tranche B Scheduled Handover date: [REDACTED] or such later date as the Regulator may direct

Phase 2 Tranche B Scheduled System Acceptance Date: [REDACTED] or such later date as the Regulator may direct

[REDACTED]

[REDACTED]



3 INTRODUCTION

3.1 OVERVIEW

This document presents the Full Business Case (FBC) for the Padeswood Spur Pipeline that is being developed by Liverpool Bay CCS Ltd (LBCCS, the Licensee) as part of the Liverpool Bay CO₂ Transport and Storage (T&S) system. The Padeswood Spur Pipeline has the purpose of connecting a CO₂ capture project (Heidelberg Materials UK Ltd's (HMUK) Padeswood Cement Works project, which is referred to in the document as "the User") to the main T&S infrastructure.

In April 2025, the Licensee was awarded an Economic Licence (Ref.1) for the development and operation of the Liverpool Bay CO₂ Transport and Storage system. The Approved Project Development Plan (APDP, Ref 2), referred to by the Economic Licence defines the phased development of the system. The Padeswood Spur Pipeline is defined as "Phase 2 Tranche B" and can be considered as an incremental scope addition to the core T&S infrastructure that is defined in the APDP as "Phase 1". For the purpose of this document, the terms "Padeswood Spur Pipeline" and "Phase 2 Tranche B" have the same meaning and are used interchangeably.

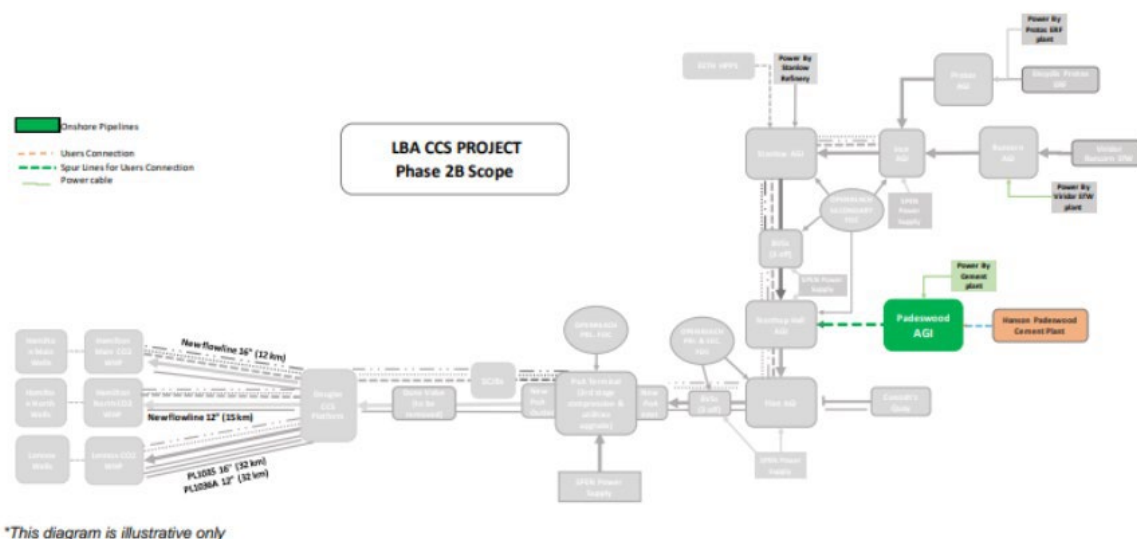


Figure 3.1 T&S System – Phase 2 Tranche B scope

The APDP and Technical Details Document (TDD, Ref 3, also referred to by the Economic Licence) together establish an obligation on the Licensee to construct and operate the Phase 2 Tranche B scope and to achieve the "Handover" milestone by a scheduled date, provisionally set at Licence Award as [REDACTED] (subject to Regulator's direction).

The Economic Licence also defines via the APDP the main technical details of the Phase 2 Tranche B scope that were assured and approved by DESNZ prior to the award of the Licence.

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3.2 DOCUMENT PURPOSE

The purpose of this document is to satisfy the Schedule 10 section 3.4 conditions. Together, these documents define and seek Ofgem's approval of the proposed execution schedule and execution costs for the Padeswood Spur Pipeline.



3.3 DOCUMENT STRUCTURE

This document sets out the needs case for the Padeswood Spur Pipeline and for completeness provides an overview of the development history and proposed solution, albeit noting that this is captured in the APDP. It also describes the consenting and stakeholder management work, and the contracting and procurement activities carried out to date.

From section 9 the document is forward looking and sets out the details of execution costs and schedule as well as an overview of the execution plans. Recommended adjustments to the Economic Licence are provided in Appendices.

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4 NEEDS CASE

4.1 REQUIREMENT FOR A SPUR PIPELINE

The Padeswood Spur Pipeline or Phase 2 Tranche B scope will form part of the CO₂ T&S system’s onshore pipeline network. It will transport CO₂ captured by HMUK’s Padeswood Cement Works capture project (the “User”) to a connection point on the main onshore pipeline, which is being developed as Phase 1 scope, as defined in the APDP.

In October 2022 the Licensee submitted an application for a Development Consent Order (DCO) for the “Hynet Carbon Dioxide Pipeline” to the Planning Inspectorate (PIIns). This application was the result of a multi-year program of design, construction planning, route development, surveys and assessment of environmental impact. During that development period, the Licensee was in discussion with HMUK in relation to its proposed development of a CO₂ capture project for the Padeswood Cement Works and recognised that such a project, if developed, would require a connection to the T&S system. At the time of submission of the DCO application HMUK was an applicant in the ongoing “Track 1 Phase 2 Cluster Sequencing” process, which was being managed by the Department for Energy Security and Net Zero (DESNZ) in order to select capture projects with which DESNZ would negotiate with the objective being that such projects would connect to the T&S system.

The Licensee’s DCO included a possible connection point for HMUK’s Padeswood Cement Works project but, due to the status of HMUK’s project as an applicant in the DESNZ selection process rather than a selected capture project, could not at that time justify the inclusion of a connecting pipeline in the DCO scope.

In March 2023 DESNZ published the outcome of the Track 1 Phase 2 Cluster Sequencing process in the “Track 1 Project Negotiation List” (T1PNL), which included HMUK’s Padeswood Cement Works CO₂ Capture Project. This initiated the Licensee’s development of the Padeswood Spur Pipeline to connect the HMUK project to the onshore pipeline of the T&S system, as at that time defined in the Licensee’s DCO application. Due to this later development phase, the Spur Pipeline followed a separate planning and approvals cycle.

In April 2025 the Licensee was awarded an Economic Licence for the development and operation of the T&S system. The Economic Licence references an Approved Project Development Plan (APDP) and Technical Details Document (TDD) which together define the Padeswood Spur Pipeline as Phase 2 Tranche B scope and

In August 2025, following the conclusion of the “Track 1 Expansion” selection process, also managed by DESNZ, HMUK’s project was confirmed as a “Priority List User”. In September 2025 HMUK reached a Final Investment Decision (FID) on the Padeswood Cement Works CO₂ Capture Project, having signed government support agreements, and commenced the execution phase. Simultaneously, at HMUK FID, LBCCS entered Construction, Connection and Code Accession Agreements with HMUK under the CCS Network Code (Ref 4).

In summary, the “needs case” for development of the Padeswood Spur pipeline

has the following elements:

- A User project that requires the Padeswood Spur Pipeline has been selected by DESNZ and has reached Final Investment Decision in September 2025.
- The User has executed a Construction Agreement and Connection Agreement with LBCCS under the CCS Network Code.

- [REDACTED]
- [REDACTED]
- Due to the relative timing of User project selection and T&S development and consenting, the necessary pipeline to connect the User could not be included as Phase 1 scope.
 - As a result, the connecting pipeline has been developed as an incremental scope element (Phase 2 Tranche B) via a separate development and consenting route.

4.2 ALTERNATIVES – THE “DO NOTHING” CASE

In the “do nothing” case, the Padeswood Spur Pipeline would not be developed and it would not be possible to connect the Padeswood Cement Works capture project to the T&S system.

[REDACTED]

4.3 ALTERNATIVES – OTHER PIPELINE ROUTES

During design development the Licensee considered a range of pipeline routes and the route described in this FBC emerged from that selection process as the best alternative and is specified in the Licensee’s APDP. In October 2025 the Licensee secured from Flintshire County Council (FCC) the approval of its Town & Country Planning Act (TCPA) planning application for the spur pipeline.

5 BACKGROUND AND DEVELOPMENT HISTORY

5.1 USER SELECTION by DESNZ

The Department for Energy Security and Net Zero (DESNZ) has managed the selection of CO₂ capture projects to connect to the T&S system.

T&SCo has developed the design of the T&S system to connect the CO₂ capture projects selected by DESNZ. These capture projects are termed “Users”.

The Padeswood Spur Pipeline is required to connect one User, HMUK’s Padeswood Cement Works capture project to the T&S system, this capture project having been selected by DESNZ and entered government support agreements.

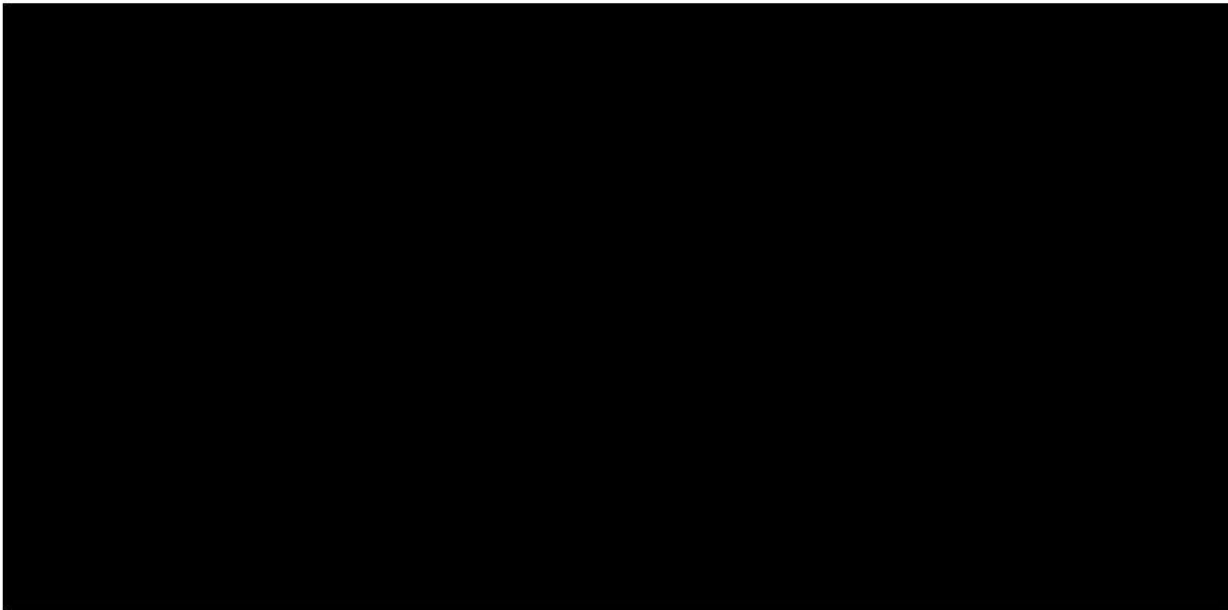
In September 2025 HMUK reached a Final Investment Decision on the Padeswood Cement Works Project and commenced the execution phase.

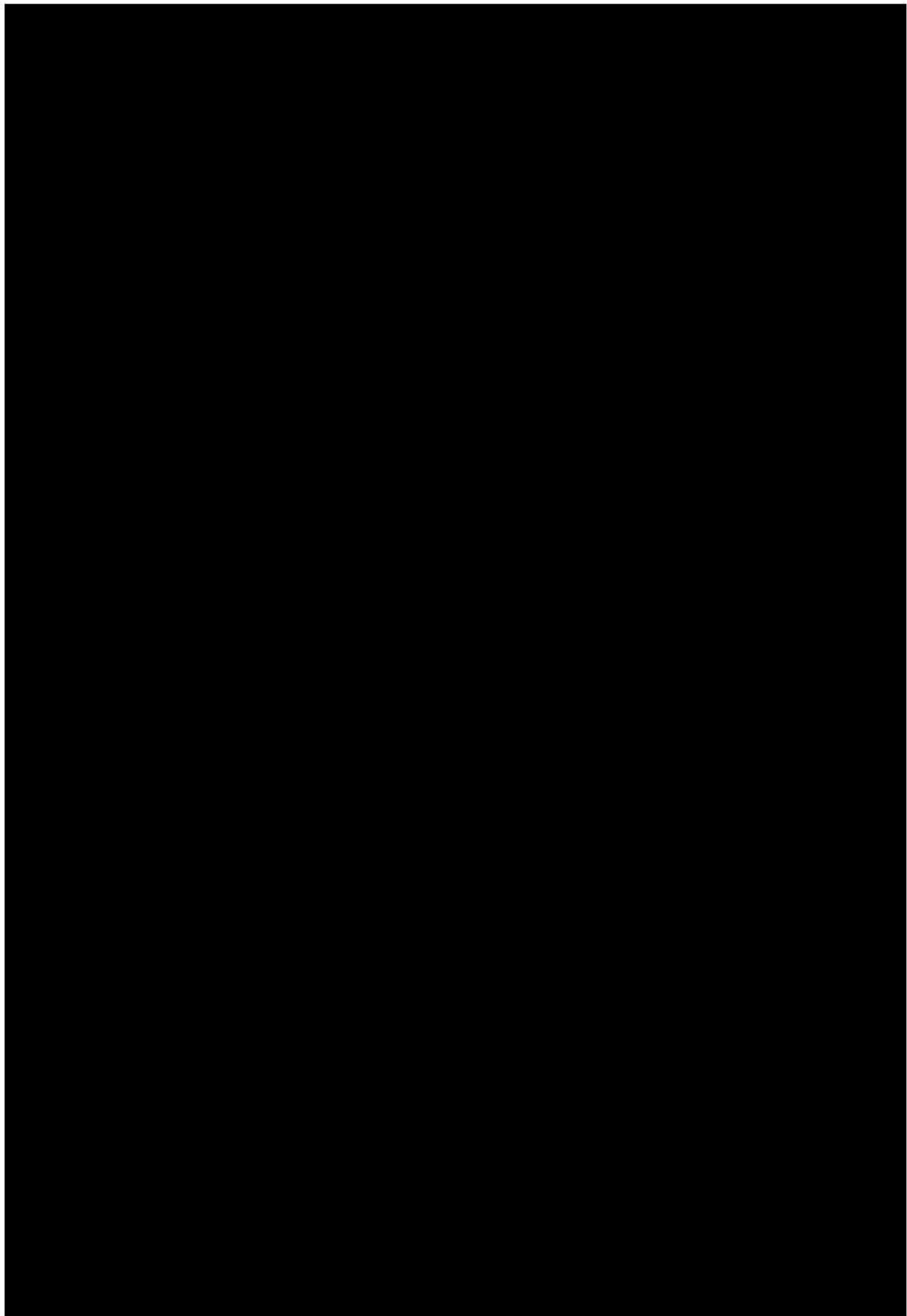
5.2 LICENSEE’S ENGAGEMENT WITH DESNZ & OFGEM PRIOR TO FBC SUBMISSION

During the Concept Select (including pre-FEED engineering) and Concept Definition (including FEED engineering) phases the Licensee has engaged closely with DESNZ and Ofgem to ensure that they were kept informed of progress.

Engagement with DESNZ commenced in 2023 and continued until award of the Economic Licence in April 2025, and therefore included the Concept Definition phase, including FEED. This engagement enabled the design to be described in the Economic Licence as detailed in section 6.2 below.

The Licensee commenced regular, typically monthly, engagement with Ofgem, meeting several times through Q2 2024 before commencing a series of regular monthly meetings from 11 October 2024 and has submitted the documents listed below to enable detailed review by Ofgem.





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Table 5.1

5.3 ROUTE SELECTION

The Licensee has developed a series of pipeline routing studies to progressively improve the level of definition to arrive at the final route described in this document. This final pipeline route has received planning approval and is generally as described in the APDP, with installation rather than routing differences, which are detailed later in this document. Initial screening studies considered a total of 16 route options for the Padeswood Spur Pipeline, comprising four main route corridors with an additional 12 route variation alternatives within those corridors. These routes were assessed against ranking criteria to select a preferred route corridor. Based on the results of surveys and investigations, a pipeline route was then progressively refined within this corridor by narrowing to first a 100m wide corridor and finally a 50m wide corridor. Figure 5.1 shows the consented Red Line Boundary ("Red Line Boundary" (RLB) is a term used in planning applications to indicate the extent of the land included in the application), and the indicative pipeline routing which is subject to confirmation during detailed design.

Refer also to Appendix A.

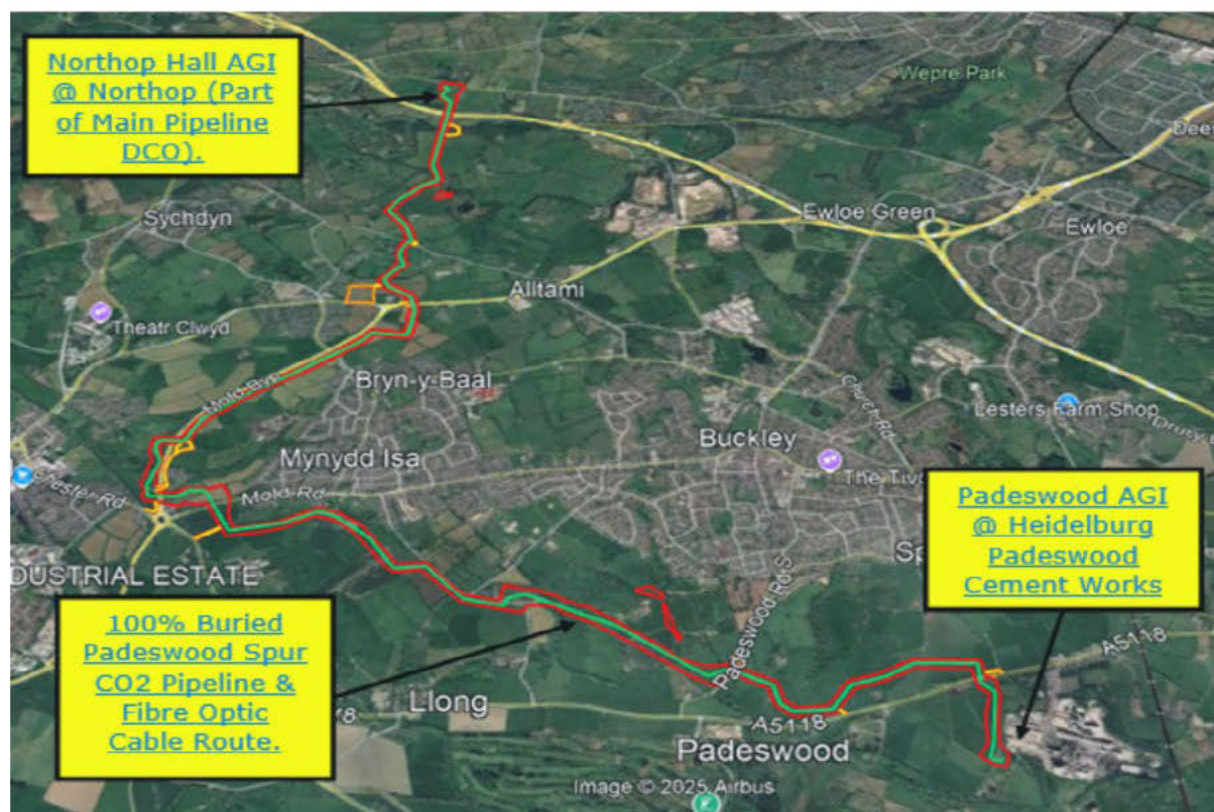


Figure 5.1 - Consented pipeline corridor and indicative pipeline routing

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5.4 INTERFACE WITH MAIN PIPELINE

The Padeswood Spur Pipeline will connect to the main pipeline at Northop Hall AGI, which was consented as part of the Hynet CO₂ Pipeline DCO and will be designed and constructed as part of the Phase 1 scope. The Northop Hall AGI provides a tie-in point for the Padeswood Spur Pipeline and has been consented with adequate space to accommodate the entry of the Padeswood Spur Pipeline and the additional equipment that will be required to facilitate connection. The additional equipment will be provided as part of the Phase 2B scope.

5.5 PRE-FEED DEVELOPMENT

The design of the Padeswood Spur Pipeline has been previously reviewed and assured, and the assured details have been incorporated into the Economic Licence and referenced documents. Details of the pre-FEED development included in / with this document are provided for completeness, but not for approval. This document will make clear where the final design proposed for execution varies from the assured design described in the Economic Licence and referenced documents.

Pre-FEED development is described in document [REDACTED] which the Licensee has provided to Ofgem during the engagement described in section 5.2 above. For completeness the document is included as Appendix B.

5.6 FEED DEVELOPMENT

The design of the Padeswood Spur Pipeline has been previously reviewed and assured. Details of the FEED development included in / with this document are provided for completeness, but not for approval. This document will make clear where the final design proposed for execution varies from the assured design described in the Economic Licence and referenced documents.

FEED development is described in document [REDACTED], which the Licensee has provided to Ofgem during the engagement described in section 5.2 above. For completeness the document is included as Appendix C.

5.7 CONSENTING

The planning application for the Padeswood Spur Pipeline is by means of a TCPA (Town & Country Planning Act) Planning application as the length of the pipeline and other aspects do not meet the minimum requirements for the development to be consented by means of the DCO (Development Consent Order) process used for the HyNet Main Onshore Pipeline.

[REDACTED]

The TCPA application for the Padeswood Spur Pipeline was submitted to Flintshire County Council (FCC) on 5 June 2025, thereby commencing the regular consultations by the local authority with public bodies and regulatory agencies.

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The TCPA application was approved by means of a “recommendation to grant” at the members’ planning committee meeting on 22 October 2025, with the Decision Notice being issued on 27 October 2025.

The Decision Notice included 24 planning conditions, which had been discussed in advance with FCC and the relevant consultee requesting the condition. The conditions imposed are not considered to be unusual and relate to the following aspects of the Environmental Statement.

- a) Requirement for construction to commence within 5 years.



- c) A series of pre-commencement conditions including the development of following management plans which need Local Planning Authority (LPA) approval based on consultee agreement prior to commencement of construction works.

- Construction Environmental Management Plan (CEMP).
- Construction Traffic Management Plan (CTMP).
- Habitat Management Plan (HMP).
- Pipeline construction phasing plan.
- Design approvals confirmed by local utility suppliers with which the pipeline will interact.
- Approval received from Welsh Government Trunk Road Agency regarding road crossings.

On 30 October 2025, in accordance with Schedule 10, paragraph 3.4(c)(i) of the Economic Licence LBCCS notified Ofgem that the Padeswood Planning Permission had been granted by the Competent Authority and that based on review by LBCCS legal advisors and planning advisors the proposed planning conditions are deemed to be acceptable.

5.8 ENGAGEMENT with USER

The Licensee has had significant engagement with the User (HMUK) across multiple workstreams.

5.8.1 CO₂ Quality

The Network Code specifies at Annexures B and C the agreed requirements governing the specification (permissible impurity levels, temperature and pressure) of the CO₂ to be delivered by the User at the “Delivery Point” which is located in the Padeswood AGI, how the parameters of the specification will be monitored, and how non-compliance will be determined. Agreements reached between the User and the Licensee are recorded in the Connection Agreement described below.

5.8.2 CO₂ Delivery Quantities

The User has confirmed various details including Registered Capacity, expected normal operating delivery quantity, and delivery quantity at maximum turn-down, all expressed in instantaneous flow terms. The User has also provided an estimate of annualised quantity that it expects to deliver to the Licensee. Where

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appropriate these have been formalised in the Connection Agreement described below.

The Network Code defines the requirements for flow measurement.

5.8.3 Engineering

The Licensee and User technical teams have worked closely to agree matters such as:

- Location of the Licensee’s Padeswood AGI, noting that this is inside the User’s Padeswood Cement Works boundary.
- Routing of the Padeswood Spur Pipeline where it is within the User’s boundary.
- Provision by User of an electrical power supply (operations phase) to the Licensee’s Padeswood AGI.
- Provision of Openreach telecoms connection.
- Definition of interface points, for piping, civils, electrical, and controls facilities.

5.8.4 Construction Schedule Interface

As noted above, Licensee’s Padeswood AGI and part of the Padeswood Spur Pipeline are located inside the boundary of User’s Padeswood Cement Works. In addition to the schedule interface that clearly exists in terms of readiness for operation of the User’s capture plant and the Licensee’s pipeline, this creates construction schedule interfaces. The Licensee and the User have aligned their schedules in respect of the schedule window in which the User is able to allow access to the AGI plot. It is recognised by both parties that it will be necessary to maintain an active engagement on this issue throughout the construction and commissioning period. The initial alignment on construction dates is recorded in the Construction Agreement described below.

5.8.5 Commercial

The User and the Licensee have developed and executed Construction and Connection Agreements in accordance with the templates defined in the CCS Network Code. These agreements are included in the appendices D and E to this document.

Key terms of the Construction Agreement:

User
User Works
T&SCo Works
Completion Date
Commissioning Programme Commencement Date
Longstop Date

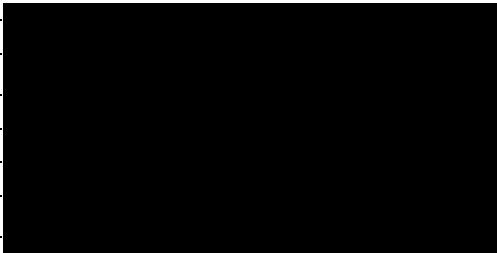


Table 5.2

Key terms of the Connection Agreement:

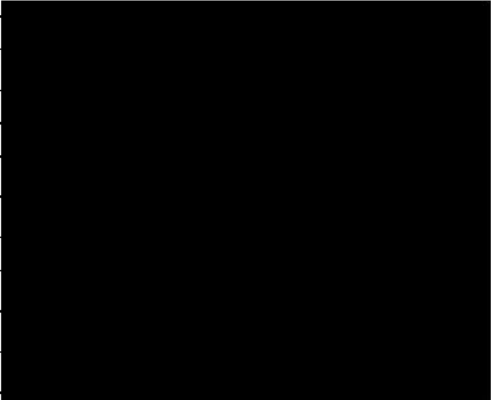
User	
User Facility	
User Type	
Scheduled Commencement Date	
Delivery Point	
Delivery Point Size	
Onshore/Offshore User	
Registered Capacity	
Period of Registered Capacity	
User	

Table 5.3

5.8.6 Land Agreements with HMUK

Recognising that the LBCCS Padeswood AGI is located in the northwest corner of the User’s Carbon Capture plant site, the Licensee will require suitable land agreements with HMUK as landowner to be able to install and operate the AGI on the surface site as well as the section of the pipeline that leaves the HMUK plant site to the West.

- 
- 
- 
- 

The key principles of these land agreements are already in place. Further to this the Licensee and HMUK have investigated in detail the timing and coordination of their respective works and how they interface.



5.8.7 Enabling Works and Temporary Construction Facilities

Enabling Works

- 
- 
- 
- 
- 



6 DESIGN AT END OF FEED

6.1 SUMMARY

As noted above, the design of the Padeswood Spur Pipeline has been previously reviewed and assured, and the assured details have been incorporated into the Economic Licence and referenced documents. Details of the FEED development included in / with this document are provided for completeness, but not for approval. This document will make clear where the final design proposed for execution varies from the assured design described in the Economic Licence and referenced documents.

FEED development is described in document [REDACTED], which for completeness is included as Appendix C.

6.2 INCLUSION IN THE ECONOMIC LICENCE

The Economic Licence and referenced documents include certain details of the Padeswood Spur Pipeline as established at the end of FEED.

The APDP:

- defines the Padeswood Spur Pipeline as Phase 2 Tranche B at section 3.2(b)(ii).
- provides a scope summary at section 3.2(g)(i) to (iii)
- describes the Phase 2 Tranche B Handover Works at section 3.2(j)(iii)(A) to (G)
- describes the Phase 2 Tranche B Commissioning Activities at section 3.2(k)(iii)(A) to (J)

6.3 DEVIATION OF PROPOSED DESIGN FROM THAT INCLUDED IN THE ECONOMIC LICENCE

The following tables summarise where the proposed design for the Padeswood Spur Pipeline varies from the parameters included in the Economic Licence.

As detailed in the tables, the only deviations from the parameters included in the Economic Licence relate to increases in the number and length of the trenched and trenchless crossings. In general these increases have arisen as part of the development of the design based on findings from ecological and environmental surveys along the pipeline route and in response to the feedback received from stakeholders and regulatory or statutory bodies. Details are provided below.

Phase 2B Approved Scope Elements	Changes	Comments
Pipeline route where it falls in / out of the red line boundary presented at licence award	No	No changes to red line boundary



The start / end point of the Padeswood Spurline as presented at licence award	No	No changes to location of the AGI's at Spurline start / end
Pipeline diameter as outlined in the APDP (i.e. nominal pipe diameter 16")	No	No changes, still 16" diameter
Material selection where such materials are consistent with those specified in [REDACTED]	No	No changes to pipeline metallurgy
Wall thickness selection where such wall thickness is consistent with those specified in section 4.1 of [REDACTED]	No	No changes to wall thickness selection
The number and/or type of crossings where the number and type of crossings are consistent with those specified in [REDACTED]	Yes	See separate table 5.5

Table 6.1

Crossing Type	Phase 2B Approved scope elements - Crossings.	Final proposed design at FBC - Crossings
Auger Bored	5 No. average length = between 25m / 45m each. Length approx. 5 x 35m = 175m	6 No. average length = 40m each. Length approx. 6 x 40 = 240m
Micro-tunnelled	6 No. average length = 80m each. Length approx. 6 x 80m = 480m	4 No. average length = 120m each. Length approx. 4 x 120m = 480m
Horizontal Directional Drilling (HDD)	0 No.	2 No. average length = 325m each. Length approx. 2 x 325m = 650m
Open Trenched Crossings	11 No. (at roads, tracks, watercourses, pipelines) average length = 20m each. Length approx. 11 x 20m = 220m	52 No. open trenched crossings (at roads, tracks, watercourses, pipelines) average length = 6.5m each. Length approx. 52 x 6.5m = 338m
	Total = 875m approx.	Total = 1,708m approx.

Table 6.2

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The main differences between the crossing design details included in the Economic Licence and referenced documents and that proposed in this document as a result of the development completed during the FEED phase and the consenting process are the Horizontal Directional Drilled (HDD) crossings introduced at two locations.

The first of the HDD crossings has been required following the ecological and topographical surveys which established the need to avoid disturbance of a badger sett and cross the ancient monument Wat's Dyke and negotiate a wooded gorge. The close proximity of these features set the necessary length of the crossing.

The second HDD crossing is that of the A55 North Wales Expressway. In addition to the A55, the crossing spans a section of ancient woodland and a stream (the Wepre brook). A single HDD crossing of all the features is proposed in this location due to the topography. During the Feasibility phase of the project the A55 was proposed to be crossed as a microtunnel with a shorter length, however due to the ecological and topographical surveys this was changed as described.

In addition to the HDD crossings, and due to the adjustment of the RLB and the proposed pipeline route during the FEED phase, further adjustments were made and more details were provided for crossing certain terrain features and utilities. This led to a greater definition of the open trenched crossings than during the feasibility phase.



7 STAKEHOLDER ENGAGEMENT & LAND MANAGEMENT

Meeting and managing stakeholder expectations during the course of project development and execution is essential to the successful delivery of the Padeswood Spur Pipeline. Stakeholder Engagement for the Padeswood Spur Pipeline will be a continuation of the established processes already in place for the Hynet Carbon Dioxide Pipeline (Main Onshore Pipeline).

7.1 OVERVIEW OF STAKEHOLDER MANAGEMENT

Comprehensive stakeholder identification and mapping took place during the pre-application consultation activity for the Padeswood Spur pipeline, which provided a solid basis for initiating and maintaining engagement with a wide range of stakeholders in the area.

The previous development of the HyNet Carbon Dioxide Pipeline (Main Onshore Pipeline) provided a platform on which to expand the narrative specifically relevant to the Padeswood Spur Pipeline, i.e. an identified User connecting to the T&S infrastructure. A Padeswood Spur Pipeline project specific stakeholder list used for consultation activity identified 167 stakeholders, including Specialist and Technical, Statutory Community, Political and Community / Landowner Groups.

Given the rural nature of the locality, and the TCPA consenting strategy, there was much interest in the project from landowners and the general community. As such it was and remains critical that landowner and community confidence in LBCCS is high. A 'no surprises' approach has therefore been adopted throughout to support delivery and extend the existing engagement strategy being adopted on the wider LBCCS T&S scope. This approach focuses on building a narrative which takes key stakeholders and landowners on the journey to development, ensuring a transparent and accessible form of communication.

Dedicated and accessible communication materials are available through the established HyNetHub portal, in which there is already a specific page for Spur Pipeline information and resources including FAQs, Fact Sheets and newsletters which are issued across the project on a bi-monthly basis. Briefings and monthly community information events allow an opportunity for direct engagement with project team members to explain developments and respond to queries in a timely manner. The establishment of the dedicated engagement contacts (email and phone lines) allow for the speedy resolution or escalation of queries / issues from stakeholders.

A key objective for stakeholder engagement is to continue to develop public understanding of the project by clearly articulating its wider context and the benefits it will bring. A number of communication methods have been utilised to help deliver this objective, providing multiple routes for engagement and discussion with stakeholder groups as shown in the table below. This has ensured mechanisms and channels exist for multi-layered engagement, allowing the opportunity to provide targeted information based on stakeholder's needs and a two-way dialogue in which meaningful input from stakeholders can be received and addressed.



Audience/ Channel	Focused conversations	Letter drops	Project website	Social Media	Dedicated comms	Press releases	Face to face meetings	Drop in events
Landowners	x	x	x		x		x	x
Community	x	x	x	x	x	x	x	x
Statutory	x		x	x	x	x	x	x
Political/ regulatory			x	x		x	x	x
Public			x	x		x	x	x
Others	x		x		x			x

Table 7.1

7.2 STAKEHOLDER ENGAGEMENT – LANDOWNERS

Land referencing and diligent enquiry was undertaken to identify all legal interests in land and ensure engagement took place with the correct parties. Land referencing limits were set at the widest extent of land to manage expectations and allow for routing options. Engagement with landowners identified five sub-categories; farmers and local landowners, businesses, local authorities, utility owners and statutory bodies and land for BNG / NBB opportunities. Land Agent engagement was maintained to assist with interpretation and negotiations with a defined compensation process in place from the outset. Prior to individual landowner discussions, the project commenced engagement with landowners through a dedicated Landowner Open Day in March 2024. This allowed the opportunity to meet with the project team, understand the proposals and help identify landowner concerns which could be managed through subsequent individual discussions with landowners and their agents.

7.3 STAKEHOLDER ENGAGEMENT – PUBLIC

As well as investing heavily in engaging with landowners, their agents and farming representatives, particular attention has been paid to ensuring key advocates have been identified and engaged with in advance of any significant developments. This has ensured information about the project has been available from 'trusted' community representatives and ensured speculation and rumour has been minimised or promptly addressed through the established channels. Briefings were held for elected officials (MPs and MSs) as well as Town and Community Councils and the Local Authority. Reference to this early and thorough engagement was identified by Planning Committee Members during the consenting process.

In the wider public context, numerous face-to-face events were hosted to provide opportunities for members of the public, residents and interested parties to engage with team members to ask questions and find out more information about the proposals. This included three dedicated consultation events (two in person events and one online) and a separate community information event. Residences

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within 1km of the pipeline route were issued postcards advising them of these events to ensure as many people as possible with potential for impact from the project had the opportunity to find out more. When trying to engage with different demographics, a number of invitations were issued to schools in the area offering a briefing and workshop experience. One school took advantage of the opportunity where students were able to hear about the project directly, find out more about career opportunities on infrastructure projects, participate in practical demonstrations of carbon capture and provide feedback on consultation engagement.

In addition to the above events, the HyNetHub remained a dedicated portal for project information. This included maps, FAQs and Factsheets to provide more information as well as a route for enquiries to be handled when more information or specific questions arose. Examples of some of the public engagement materials can be found below.

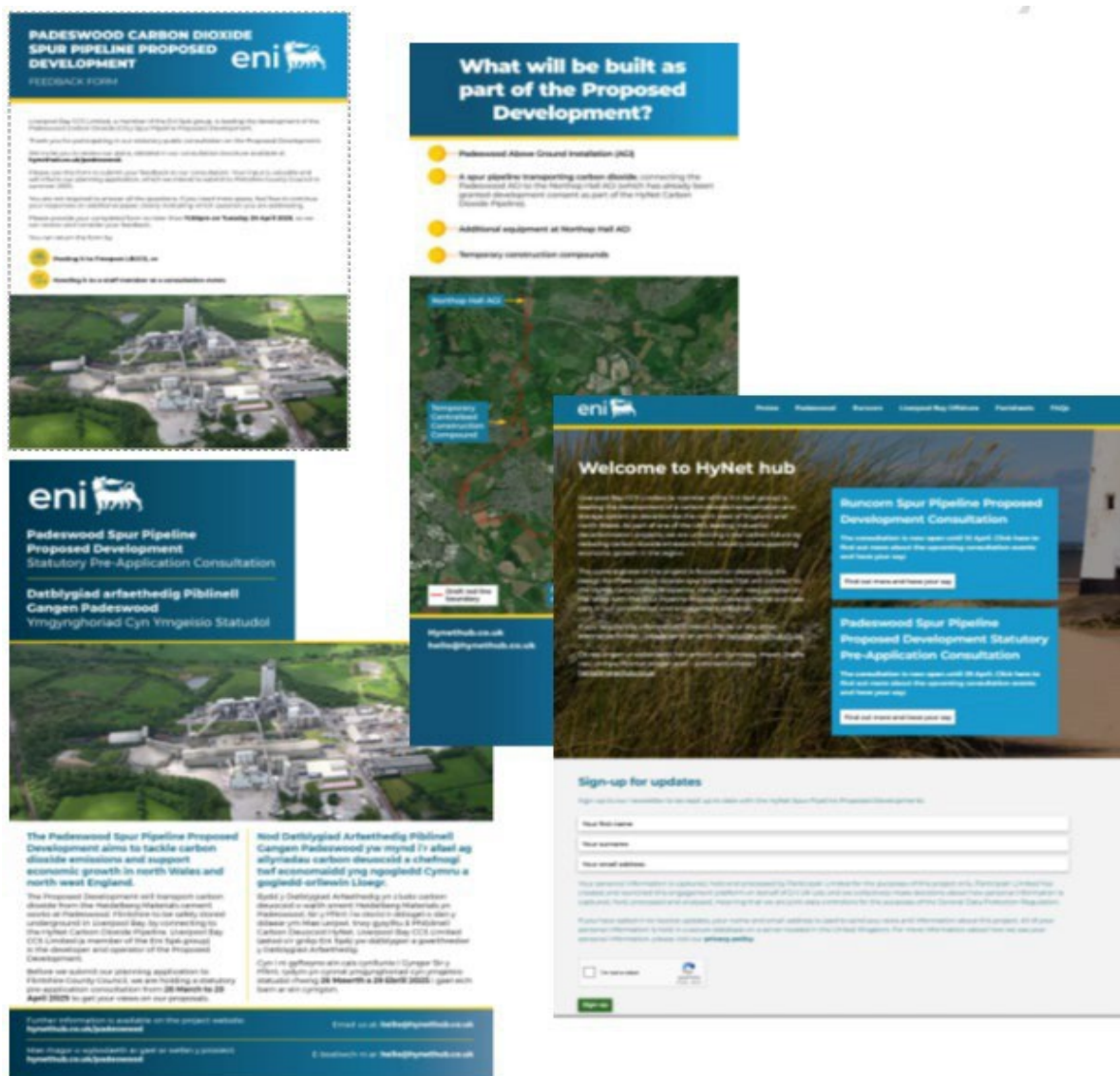


Figure 7.1 – Sample engagement materials

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7.4 LAND MANAGEMENT

7.4.1 General

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

7.4.2 Landowner Types

[REDACTED]

7.4.3 Farming Landowners

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

7.4.4 Business Landowners (non-farming)

[REDACTED]

[REDACTED]

[REDACTED]



8 CONTRACTING & PROCUREMENT

The approach to Contracting and Procurement described below recognises that the Padeswood Spur Pipeline, Phase 2 Tranche B of the T&S system, can be considered as incremental scope to the Phase 1 Handover Works and Commissioning Activities as defined in the APDP. It is also important to note that the Phase 1 scope includes the design, construction and commissioning of infrastructure that is very similar in nature to the Padeswood Spur Pipeline. Therefore, where sensible to do so, or where beneficial from a design consistency perspective, the contracting and procurement strategy has considered the extension of Phase 1 supply chain arrangements to cover the Phase 2 Tranche B scope.

8.1 BREAKDOWN OF WORK PACKAGES

The Phase 2 Tranche B scope will be procured as follows:

- An EPC contractor for onshore pipelaying will be responsible for the detail design, procurement of items other than the free-issue items described below, construction and assistance with commissioning.
- For consistency across the full T&S system, the Integrated Control & Safety System (ICSS) will be provided by the single ICSS supplier that was selected for the Phase 1 scope, acting as subcontractor of the EPC contractor.
- The line pipes and bends will be procured by the Licensee and free-issued to the selected EPC contractor.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

8.3 OTHER CONTRACTUAL PACKAGES

[REDACTED]

9 COSTS

9.1 COST SUMMARY

The table below provides a high-level summary of the Project CAPEX, grouped by work packages, for Phase 2 Tranche B of the LBCCS T&S project. It also includes a direct comparison between the agreed SRAV Capex and Opex Construction Period Allowance related to Phase 2 Tranche B and the current cost estimation based on the result of the engagement with each of the front runner contract bidders:

[REDACTED]	
------------	--

■ [REDACTED]

Table 9.1

9.2 DEVEX

[REDACTED]	
[REDACTED]	[REDACTED]
[REDACTED]	

[REDACTED]	
------------	--

Table 9.2

9.3 CAPEX

9.3.1 CAPEX Estimation Basis

This section describes the basis and underlying assumptions used to prepare the updated CAPEX estimate for Phase 2 Tranche B of the LBCCS project.

It should be noted that the CAPEX estimates for Phase 2 Tranche B included in the allowance agreed with DESNZ was prepared when the Padeswood Spur Pipeline



project was in the FEED phase and the design and consenting work was not yet completed, with options still under evaluation and full regulatory and planning requirements not yet defined. The estimate was therefore based on preliminary flow assurance studies, the initial site surveys (which do not include topographic, environmental, ecological, geological or geotechnical specialist surveys) and professional judgement based on the FEED work already completed on the LB CCS project.

The current estimation is mainly based on the result of the tendering process and relevant bid cost for each Work Package.



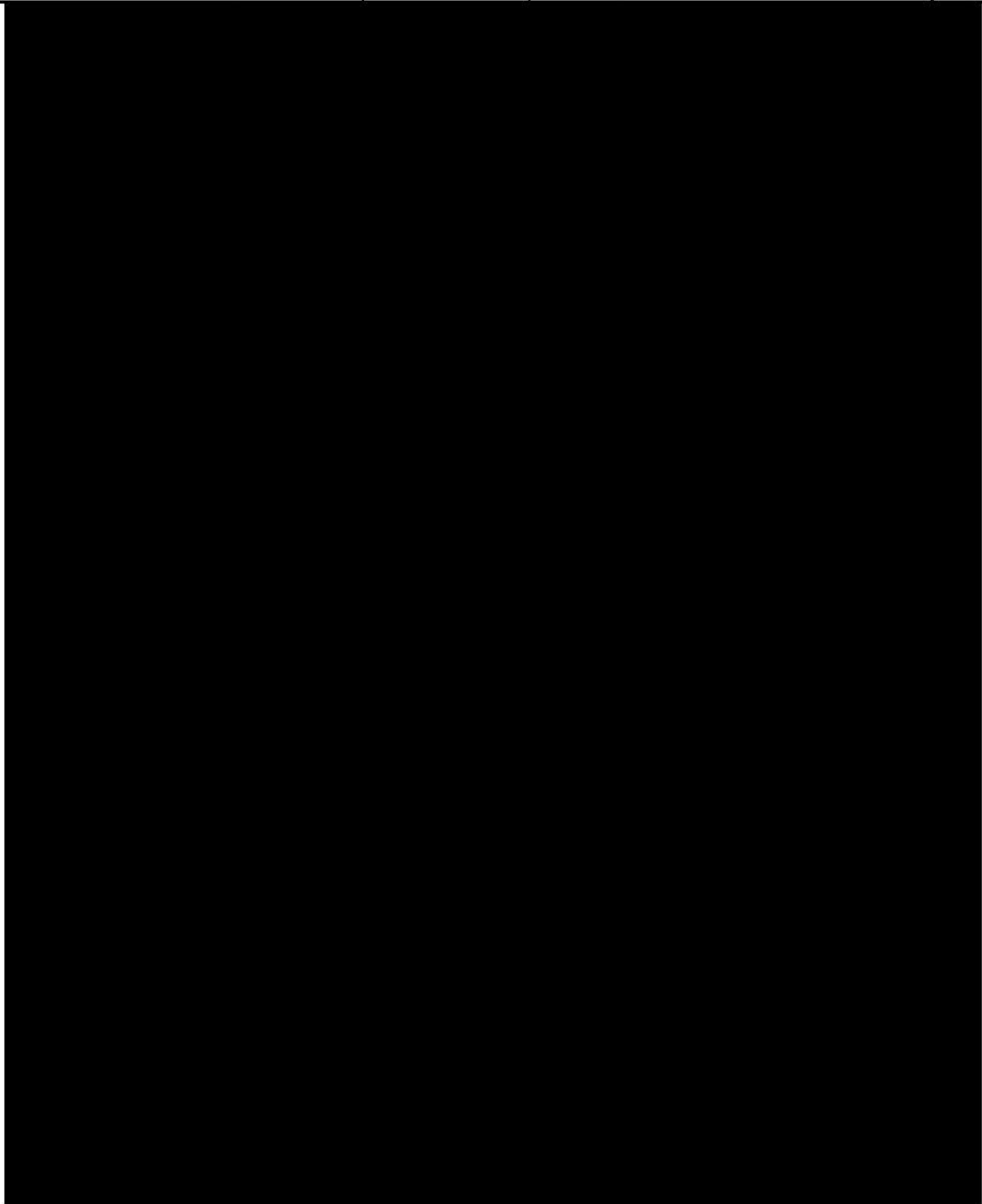


[Redacted Table Content]

Table 9.3

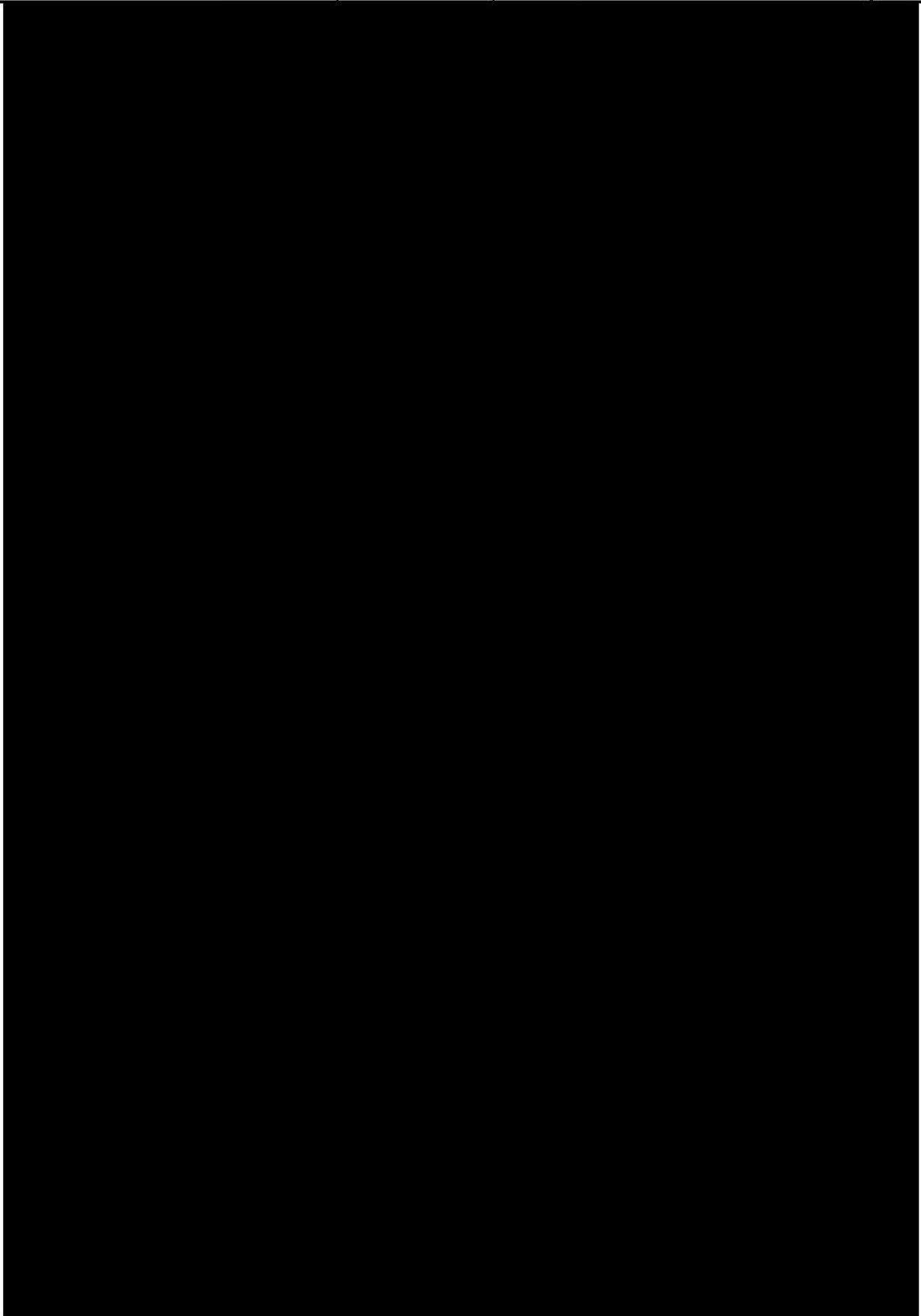
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Table 9.4



Table 9.5



9.3.5 Owner's Cost

Owner's Costs include several items that were estimated with different levels of accuracy and try to capture, to the maximum extent of the Licensee's current knowledge, the costs described below.

The cost elements included in the owner cost are:

- Project Management Team
- Survey & Third-Party costs
- IT/Telecom specific needs
- Land acquisition, compensation & reinstatement
- Local community requirements
- Licenses

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- General & Administration

Some costs are considered as a share of existing running costs such as

- Logistics

Other costs are not included, such as

- T&S Co corporate costs
- Training for operating personnel
- Operating organization pre-start up is considered as OPEX

The Phase 2 Tranche B Owner Costs track the cost in the period from the Spur Pipeline FID up to CO₂ deterministic readiness by [REDACTED] and subsequent activities to complete the scope.

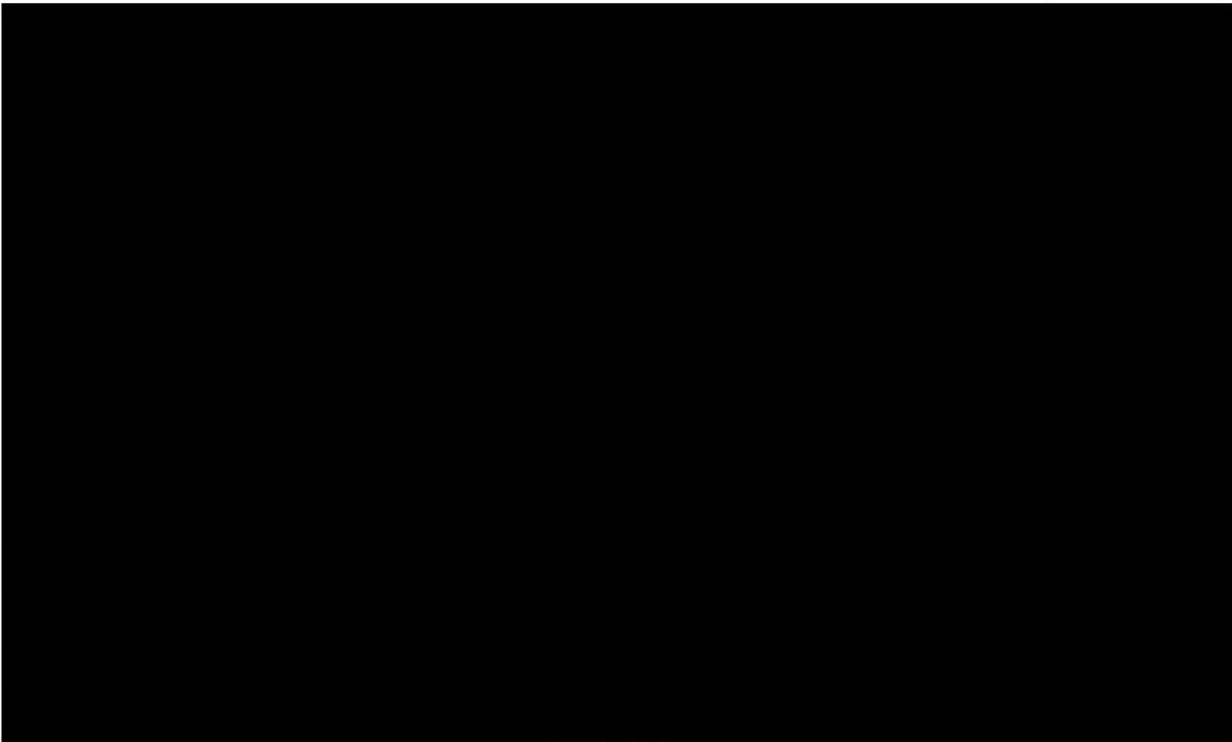


Table 9.6

9.3.6 Site Project Management Team, Supervision and Technical Follow up support

The Project Management Team will be responsible for all aspects of delivery of the Spur Pipeline including compliance with all applicable HSE regulations and standards, quality assurance, stakeholder management, engineering management including technical change control and assurance, interface management, contract and change management, readiness for operations and project schedule and cost controls.

The LB CCS project organization is led by a Head of Development Projects who is supported by a Project Management Team (PMT) responsible for project delivery

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and liaison with other technical departments.

The Project Management Team resourcing has been estimated based on proposed organization and manpower mobilization plan.

The Spur Pipeline Work Package Team will manage the project execution activities from definition phase onwards, while ensuring that human and financial resources are allocated efficiently and effectively to meet the project development and objectives.

The Spur Pipeline Work Package (WP) Manager will have responsibility for the management of all relevant activities, covering detail design, construction and installation activities, including the associated coordination, control and support required in the field.

The Work Pack Manager will be supported by cross-scope disciplines such as QA/QC, Project Services, Engineering, Commissioning & Start-up, HSE, Contract Administration. Engineering and construction will have oversight of the overall integration and consistency among work packages and emitters and serve as Local Technical Authority.

The Licensee's Environmental Health & Safety policy, HSE Management system and supporting guidelines will govern the project's management of all HSE matters. Given the contracting strategy, the implementation of HSE management will be largely in the hands of Work Package contractors whose performance in respect of HSE will be overseen by the PMT.

The EPC Contractor will be required to demonstrate compliance with the Licensee's Quality Assurance (QA) requirements, based on the ISO Management Systems and the expectations described in the EPC Contract, however the PMT will monitor the Work Package Contractors' ability to follow approved plans and procedures throughout the entire project, i.e. design, construction, commissioning and completion, and start-up, and will undertake a reasonable number of QA audits in order to confirm that activities are being performed in accordance with contract requirements.

The EPC contractor is responsible for engineering detail design activities through project execution, and the deliverables will be reviewed by PMT, ensuring that the design meets project objectives for cost, schedule, quality, safety and minimising environmental impact. The detail design follow up will performed by EPUK (a wholly owned subsidiary of Eni SpA) through appropriate service agreements.

It is recognized that during Construction & Commissioning phases the Licensee shall have a leading role rather than a control role, not duplicating Contractor role. When the project gets ready to start-up, an integrated team, with personnel from the Project Management Team and from Operations Department must manage the commissioning and enter into operational phase.

Implementation of effective construction and commissioning management is a fundamental part of successful project execution and smooth start-up operations. Strong guidance is required of all contractor activities within fabrication yards, and onshore sites, through detailed, methodical follow up and quantitative KPIs, although without interfering on contractual framework and responsibilities that will be executed by PMT with the support of a number of service contracts covering

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several aspects such as on site construction supervision, quality control, compliance with TCPA and various requirements and the Environmental Permit and its conditions, land agent, etc.

Inspection and Expediting services will be performed either by LBCCS personnel, for example for attendance at critical tests, Factory Acceptance Tests (FATs), or carried out by inspectors from company agencies for attendance at tests, FATs and expediting activity.

Minor optimisation of the Owner's project management and site teams will be implemented as appropriate during the execution phase.

9.3.7 Surveys, Logistics & Third Party

This includes a group of activities that are not covered by the EPC Contractor, these are mainly:

- Materials inspections
- Visits to engineering subcontractor
- Logistics activities related to the handling of CPIs provided by LBCCS
- Allowance for farm business assessment and structural surveys to listed properties along the Spur Pipeline route

9.3.8 Support for land acquisition and TCPA compliance

This item includes costs for:

- Specialist legal and planning advisors relating to discharge of TCPA planning consent conditions and obligations, land acquisition and management of execution phase construction consenting
- Stakeholder management
- Landowner interface management
- LBCCS Land agent fees

These costs are based on the estimations provided by LBCCS planning advisors, land agents and external legal advisors.

9.3.9 Padeswood AGI lands preparatory work and power and data connection

This item includes:

- Data connection to AGI (internal estimation based on current offers by Openreach to connect the AGIs of the main pipeline)
- Power to AGI provided by HMUK (cost estimation received from HMUK)
- HMUK preparatory work and land for AGI (cost estimation received from HMUK).
- Provision of temporary construction facilities by HMUK during construction of the Padeswood AGI.

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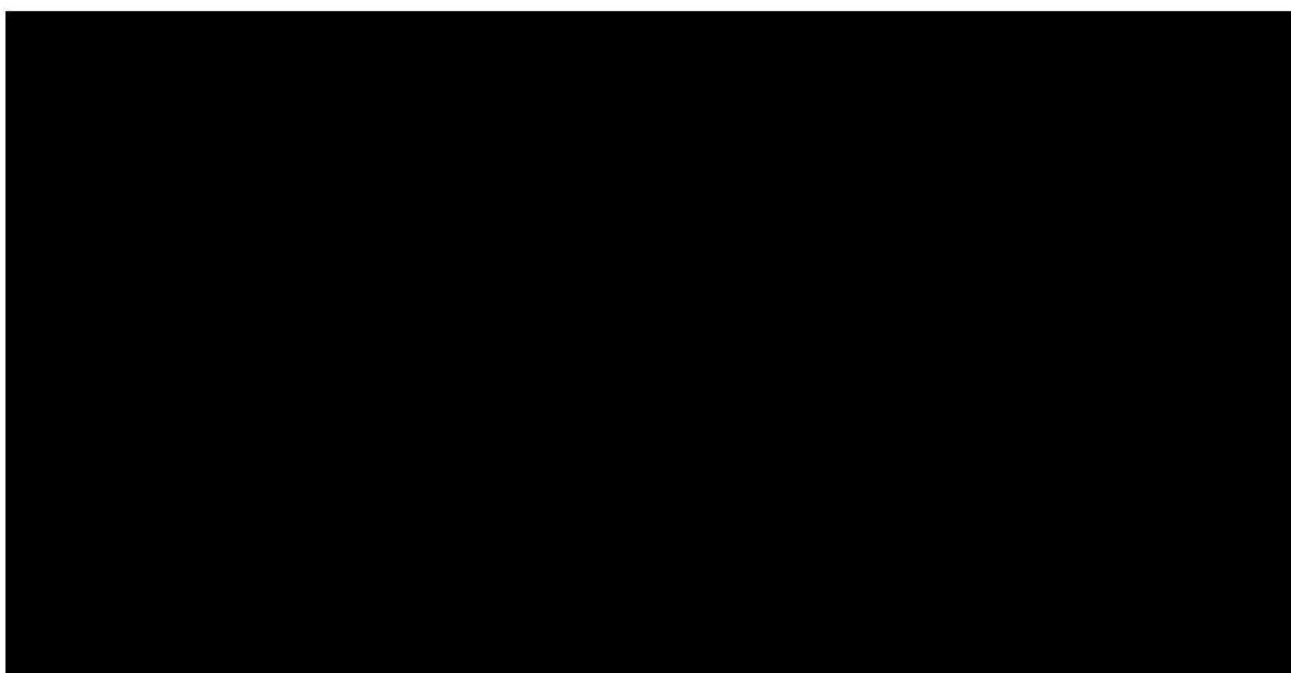


9.3.10 Manpower Plan

The organization responsible for project delivery will be manned up starting from spurline FID

The engineering team activity will start at contract award and will continue along the entire project execution to make sure the management of Life Cycle Information (LCI) that includes all data and documents produced during the design and execution of plants and facilities.

Overall manpower associated with activities of the base case above is represented in chart below



9.3.12 Contingency

The contingency, to be added into the base cost, covers uncertainties, risks and a nominal provision for "unknown unknowns". This provides an estimate with a significant probability of being successfully achieved at the end of the project activities.

Using a probabilistic approach, the contingency approach proposed adds the P50 output to the base cost to calculate a "risk adjusted" overall output, as show in the figure below.

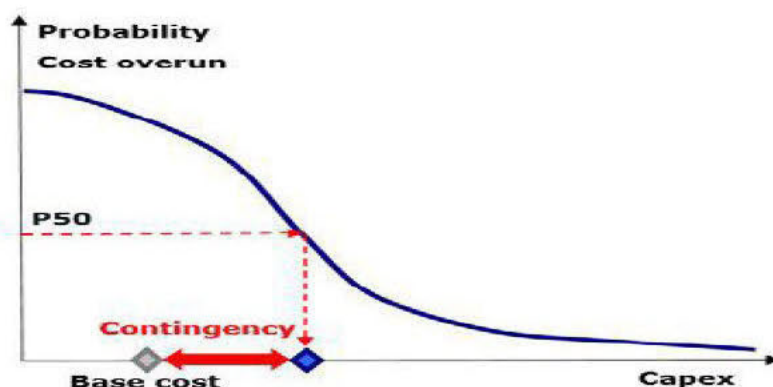


Figure 9.2

The probabilistic schedule and cost analysis uses the Primavera Risk Analysis and Palisade @Risk software, starting from the main inputs:

- Uncertainty ranges on task duration and cost estimated applying a Trigen distribution (P10, Most Likely, P90)
- Quantification of probability and impacts of risks from the Risk Register. Each risk is evaluated with a probability and impact.
- The risk and uncertainty inputs take account of the cost and schedule information from the ongoing tendering process.
- 10,000 iterations were undertaken for convergence/stability of outputs, and a Fixed Seed of '1' was used for repeatability to enable assurance reviews and comparison between successive versions of the analysis.

The workflow shown in the picture below outlines the CSRA process:

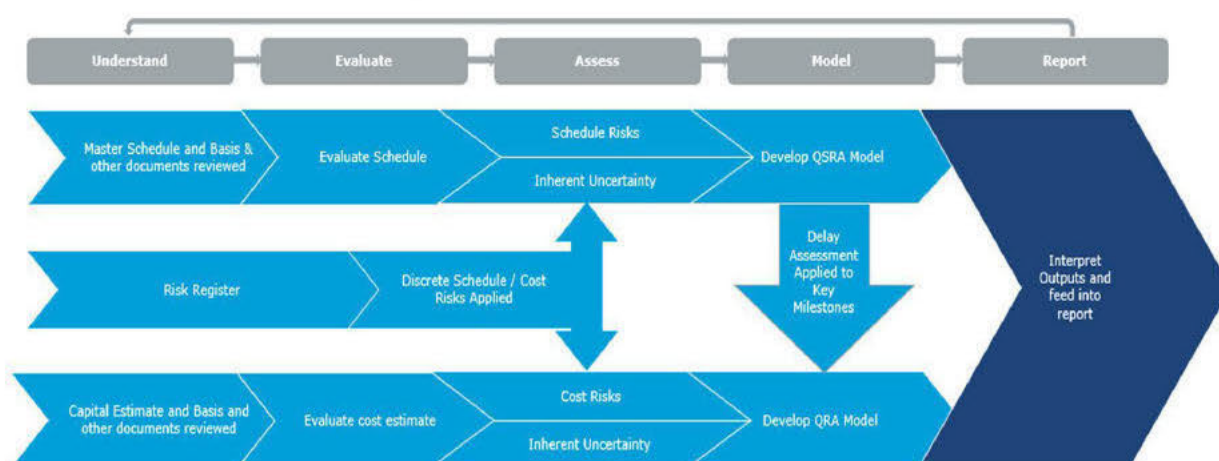


Figure 9.3

The overall probabilistic contingency included in the current Phase 2B cost estimation, based on the above methodology, has been evaluated [REDACTED]



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[REDACTED]

[REDACTED]

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9.3.13 Risk Management

The Risk Management process envisages a qualitative study and based on its outcome, a quantitative study whose level of complexity depends on project maturity and information availability.

Qualitative Risk Management consists of three basic steps:

- Risk identification
- Risk evaluation (Actual/Pre-mitigation & Target/Post-mitigation scenarios)
- Plan and control strategy definition.

Risk is defined as an uncertain event or condition that, if it occurs, has an effect (negative or positive) on the achievement of a project objective. Accordingly, a risk is defined as *Threat* (negative effect) or *Opportunity* (positive effect).

Quantitative Risk Management is based on a probabilistic approach (Monte Carlo analysis/Decision Tree analysis) to provide the project robustness against time and cost.

The Project Risk Management activities have been carried in compliance with Licensee's Development Management System (DMS) and Value Management System Best Practice.

The latest Risk Register used in the analysis is provided for reference as Appendix F.

9.4 MONETARY BASIS, INFLATION & ESCALATION, EXCHANGE RATES

9.4.1 Monetary basis

9.4.2 Inflation & Escalation

9.4.3 Exchange rates

For the conversion of any cost item originally provided in currencies different from GBP, the following exchange currency rates have been used:

Exchange rate	
GBP/USD	████
GBP/EUR	████

Table 9.7

9.5 OPEX

9.5.1 OPEX Context

LBCCS developed an operational strategy for the T&S Infrastructure, including all estimated OPEX costs, as part of the Licence application for the development and operation of the Liverpool Bay CO₂ Transport and Storage system. Since approval of this licence application in April 2025, LBCCS has continued to develop the Operational plan for the T&S Infrastructure in accord with this strategy.

This operational strategy included provision for OPEX for the gathering pipeline network, including spur pipelines and any necessary Above Ground Installations. The strategy was suitably flexible with regard to the location and specifics of user connection infrastructure. The elements of the operational strategy of relevance to user connection infrastructure are as follows: -

- **Above Ground Infrastructure Maintenance** – Current Operations Strategy includes resources (People, Equipment, Transport, etc.) to allow periodic planned and unplanned visits to AGIs to undertake planned and corrective maintenance tasks.
- **Pipeline Route Surveillance** – Current Operations Strategy includes provisions for periodic surveillance of the entire land pipelines infrastructure.
- **Pipeline Internal Inspection** – Current Operations Strategy includes provisions for periodic internal inspection of the entire land pipeline network using Intelligent Pigging.

The operational strategy was developed to be scalable for new users and associated infrastructure, so that the T&S Network operations could be seamlessly updated to accept future growth of the T&S Network.

9.5.2 OPEX impact of Padeswood Spur Pipeline

The Operational Strategy and associated OPEX that was developed for the April 2025 approved T&S Infrastructure Licence is considered suitable and sufficient for incorporation of the Padeswood Spur Pipeline. The resources and services identified therein did anticipate development of further connected infrastructure, the Padeswood Spur Pipeline can be readily incorporated into this strategy without material change.

Development of the detailed Operational Strategies for the T&S Network, and associated OPEX, will continue throughout the Project Execution period. The Padeswood Spur Pipeline, once approved, will be incorporated into the scope of this work.



10 SCHEDULE

10.1 EXECUTION SCHEDULE OVERVIEW

The Execution Base Schedule is based on the preliminary schedule provided by

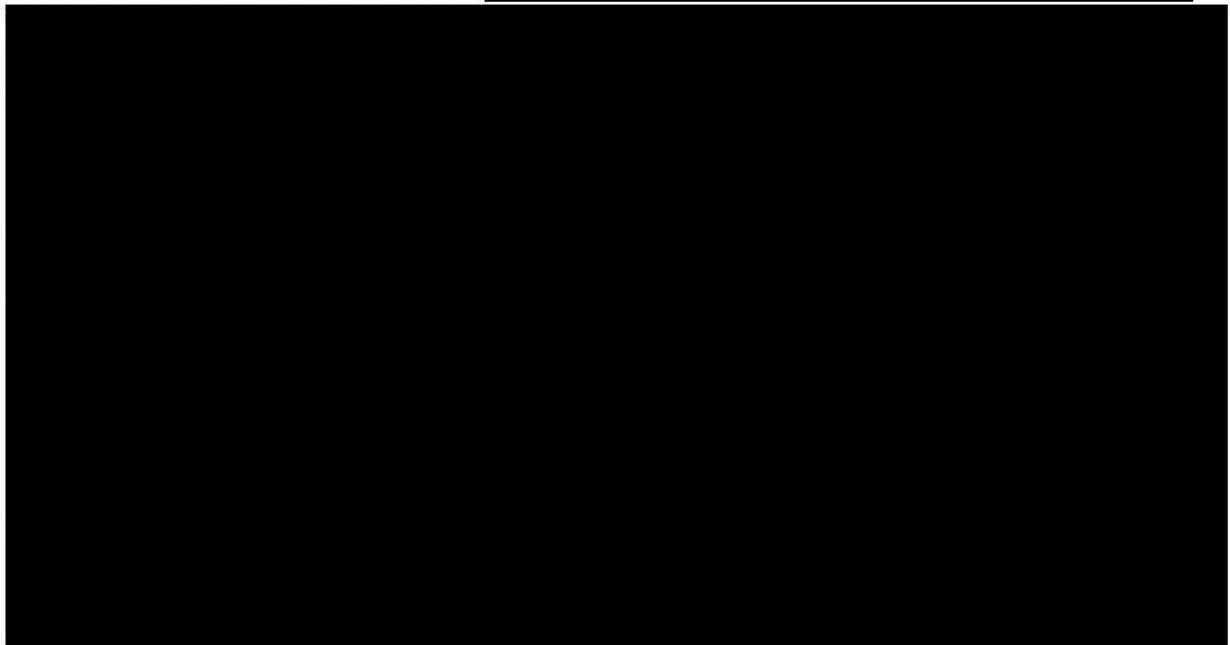


Figure 10.1



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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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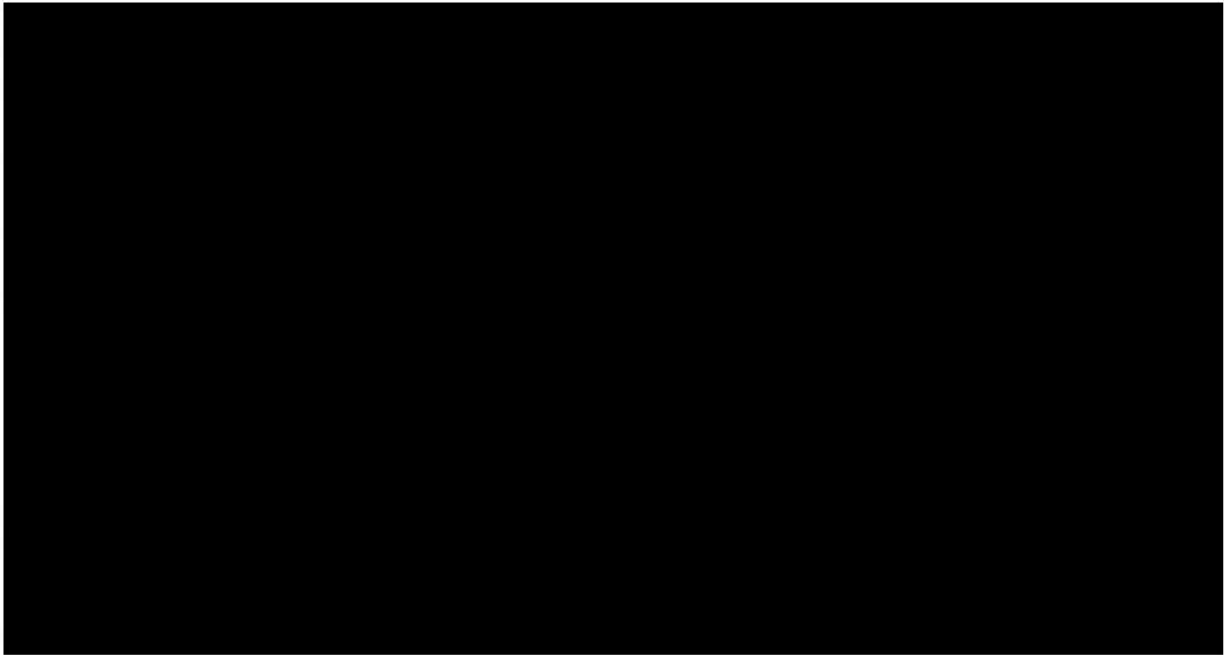
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11 PROJECT DELIVERABILITY

11.1 OVERVIEW

The Licensee considers that the Padeswood Spur Pipeline is within its delivery capacity and capability.

The scope is incremental to the Phase 1 scope that is already in execution and for which a project execution team has been established. The management and execution team structures exist and are suitable.

The nature of the Padeswood Spur Pipeline is substantially similar to the main pipeline scope that is in execution as part of Phase 1. The Licensee is therefore confident that it has in place the necessary skills.

Noting that [REDACTED]

[REDACTED], the Licensee has completed extensive pre-execution activities and has a full understanding of the scope and execution planning. These activities include but are not limited to:

- Pre-FEED and FEED engineering
- Construction planning
- Development of an ES to support the planning application
- Preparation of a TCPA planning application and approval of same by the Local Planning Authority (LPA)
- Completion of extensive stakeholder consultation, and ongoing engagement of stakeholders
- Development of a risk register and identification of risk management strategies, and where appropriate mitigation actions
- Robust definition of scope to prepare an ITT, and completion of tendering and tender evaluation to select preferred Contractors
- Satisfactory completion of internal assurance reviews

Section 9 also includes details of Licensee's execution planning and manpower planning to provide supporting explanation of the proposed costs

11.2 PROJECT TEAM

The Licensee has an established company structure and project delivery structure. The first level reports to the Managing Director of LBCCS Ltd. includes a "Project Development Manager", who is responsible for the delivery of the full LBCCS Project, including the execution phase of the Phase 2 Tranche B scope. An "Execution Manager" with responsibility for engineering, construction and commissioning matters reports to the Project Development Manager, reporting to whom are:

- Dedicated "Work Package Managers" who have day-to-day delivery responsibility for individual EPC and installation contracts. A dedicated Work Package Manager for the Padeswood Spur Pipeline will be added to

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the Execution Manager's team, supported by the following project-wide resources

- Owner's engineering team
- Interface Management
- Construction co-ordination
- Commissioning Co-ordination
- Materials Co-ordination
- Quality Control function

In considering resources for the execution phase of the Padeswood Spur Pipeline, the Licensee has taken account of:

- The incremental nature of the Phase 2 Tranche B scope
- The Phase 1 scope includes the main onshore pipeline, with which the Padeswood Spur Pipeline has many similarities
- There is schedule overlap between the main onshore pipeline execution schedule and the expected execution schedule for Phase 2 Tranche B

Noting that the Phase 1 scope is in execution phase and that the Padeswood Spur Pipeline (Phase 2 Tranche B) is incremental in nature and is similar to the main pipeline scope (WP4), the basic execution philosophy is to execute the Phase 2 Tranche B scope within the current Project Development and Execution team management structures, but with a dedicated WP manager and WP team. The Licensee has concluded that there are numerous opportunities for resource sharing between the execution team established for the Phase 1 scope and the incremental Phase 2 Tranche B scope. As a result, additional resources in the Licensee's team have been limited to:

- Dedicated Work Package Manager
- Dedicated Engineering Co-ordinator
- Dedicated QC engineer
- Dedicated Environmental co-ordinator

Other positions will be shared with the Phase 1 main onshore pipeline team, with resources passing fully to Padeswood Spur Pipeline when their work is completed on the main onshore pipeline.

11.3 PROJECT CONTROLS

The aim of the Project Control function is to ensure that the project adheres to its objectives, timelines, and budget constraints. The process includes mechanisms for identifying potential issues, implementing corrective actions, and reporting progress to stakeholders. The following will be implemented to meet this aim:

- Provide a systematic approach to Cost and Schedule information needed by the Project Management Team to manage the project and control changes to the approved projects budgets and schedules.

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- Implement industry standard tools and practices to develop Project schedules and Costs Reports
- Ensure Contractors' systems are aligned with the Project Control Procedure
- Continuously monitor progress against the plan and forecast costs and durations to ensure appropriate resources are in place to complete the project scope by early identification of changes to the scope and by proactively analyzing actual performance against the plan.
- Ensure accurate management reporting.

A Project Planner and Cost controller will support the Work Package Manager and will be functionally integrated in the overall LBCCS Project Control teams.

The Project control team will be responsible for:

- set up and maintain all planning activities from level 0 network to internal detailed activities.
- the timely and accurate recording of actual progress values in the project schedule and reporting.
- the preparation of Project disbursement plans (planned / actual / forecast)
- gathering all information allowing assessment of cost forecast, participating in cost reviews and verifying coherence of project forecast
- Risks identification and review

11.4 MANAGING HSE

The design philosophy of the Project is based on the concept that personnel safety and environment protection will be the priority. The established LBCCS HSE Philosophy and management systems will be implemented for the Padeswood Spur Pipeline.

11.5 MANAGING QUALITY

The mission of Quality management is to ensure that systems, processes, plans and procedures are established and fully implemented across the lifecycle of the project to achieve the project targets. The activities to achieve this are:

- applying the Quality Management System through the Project Quality Plan which will define how internal requirements and activities shall be carried out, either directly or by reference to appropriated documented procedures or other documents (e.g. project execution plan, procedures, work instructions, etc.);
- supporting the project team in preparing the documentation for ITT, the evaluation of tenders and kick-off meetings;
- ensuring compliance of contractors' quality management plans for execution activities to Company's quality requirements;
- in the execution phase, ensuring surveillance activities by performing audits and reviews of contractors' methods, procedures, activities and products to

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be delivered.

The established LBCCS quality management system will be employed on the Padeswood Spur Pipeline scope.

11.6 MANAGING PROJECT INTERFACES

The Padeswood Spur Pipeline scope will utilise the Project Interface procedures established for the Phase 1 scope, the objectives of which are listed below.

- To define a comprehensive process for identifying, managing and coordinating interfaces within the Project during the Execution Phase;
- To ensure that the interfaces are executed and closed out in a timely manner which is consistent with the overall Project objectives and schedule;
- Define the audit and close-out parameters for individual interface issues;
- Act as a functional specification that contractors can use to ensure that their interface processes and procedures comply with LBCCS requirements;
- To define the requirements for contractor external interfaces management procedures.

The Licensee's tool for handling project interface information during the project execution phase is "XFlow". XFlow is a web-based application designed to manage project information and workflows.

XFlow will store all interface information in a centralized database that will be shared with contractors and other parties involved in the interface management process, ensuring consistency across the entire LBCCS project. A fully customised XFlow with dedicated project workflow will be made available to the Padeswood Spur Pipeline contractors upon Contract award. XFlow will maintain live data in the system and will act as a unique repository for interface information.

11.7 PROJECT INFORMATION, DATA, LCI PLAN AND DOCUMENTATION MANAGEMENT

A Life Cycle Information (LCI) Plan has been developed in FEED in line with Licensee's normal practices and included in ITT packages for the bidders to apply during detail design.

Document management will be through the platform "Assai". As well as contractor deliverables, contractors will be required to collect and transfer to Company also all the deliverables originated by Vendors/Suppliers.

Document management procedures will be developed by contractors at the beginning of detail design phase to ensure alignment with LBCCS requirements.

Equipment and items for the project will be identified in line with Company numbering systems.

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11.8 CONTRACT MANAGEMENT

The “Contract Coordination Requirements” specification regulating the contract management activities will be attached to the contract of each work package.

This document describes general requirements and principles to be applied for the effective and efficient management and monitoring of the performance of the contract in terms of progress of the works and cost control.

It further describes the requirements concerning content, structure, timing, and the format of documents to be exchanged between the parties in connection with and for the performance of the contract.

11.9 MANAGING CHANGES

The Licensee has an established Management of Change procedure for use on the LBCCS Project. This procedure will be used for the Padeswood Spur Pipeline.

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13 APPENDIX A– ROUTE SELECTION

13.1 INITIAL OPTIONS

The preliminary pipeline routing screening studies considered a total of 16 route options for the Padeswood Spur Pipeline, comprising four main route corridors with an additional 12 route variation alternatives within those corridors. The route options are presented in Figure 1. The routes were compared against each other using a scoring assessment criterion based on the following three main categories: engineering (which due to the nature of the comparison parameters provided acted as a proxy for construction cost), environmental and safety.

1. Engineering

- Overall route length (km);
- Availability of a convenient AGI connection point at the main pipeline (already included in Phase 1 scope / new infrastructure required);
- Total number of major road / watercourse / rails crossings;
- Total length (m) of major road / watercourse / rail crossings

2. Environmental

- Total number of ancient woodland / national forest crossings;
- Total length of ancient woodland / national forest crossings;
- Total length of Sites of Special Scientific Interest (SSSI) crossings (m) wider area to final corridor

3. Safety

- Route proximity and / or interaction with residential or industrial areas;
- Route proximity and / or interaction with potentially problematic features such as mining features, historical landfills;
- Congested areas (multiple route constrained features in a confined area).

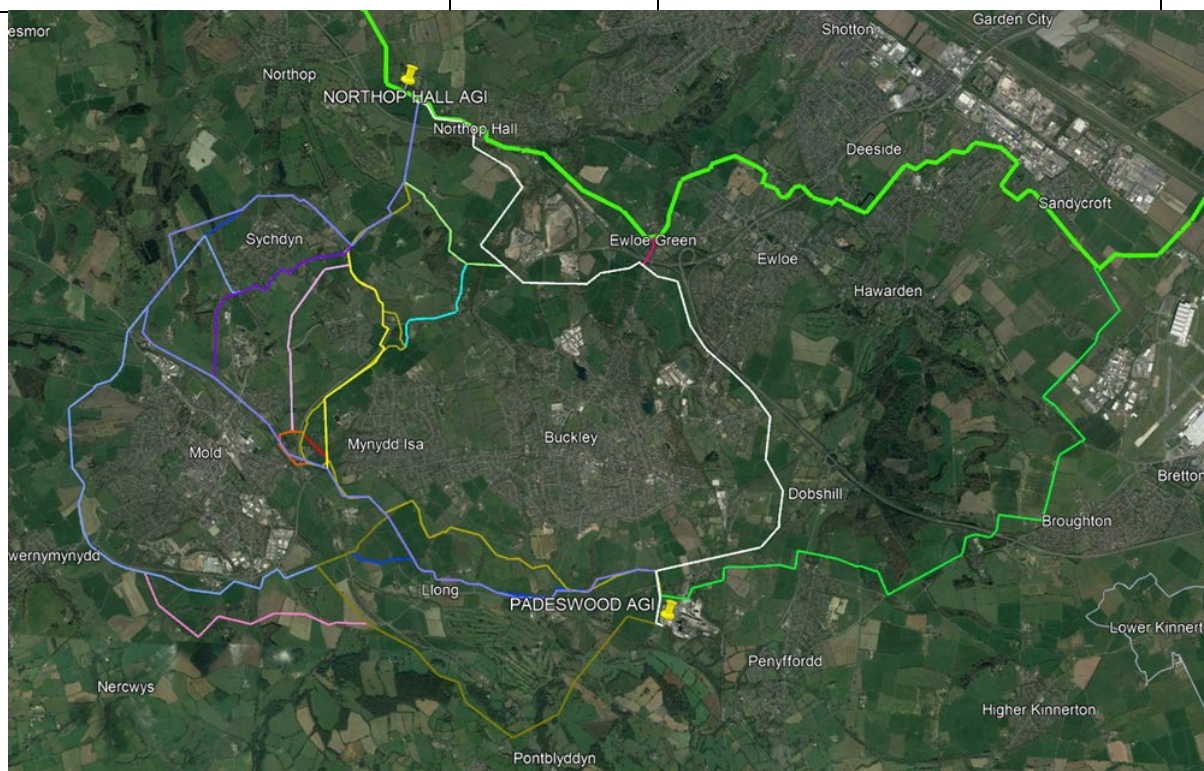


Figure 1 - Initial route options

13.2 SELECTION OF PREFERRED CORRIDOR

The seven route options with the highest score were selected to go to the next phase of the route selection process. Those seven routes represent the Design Freeze 0 (DF0) Red Line Boundary (RLB) corridor presented in Figure 5.2. "Red Line Boundary" is a term used in planning applications to indicate the extent of the land included in the application.

13.3 RED LINE BOUNDARY (RLB) DEVELOPMENT, DF0 – DF1

Figure 2 below presents the DF0 (red) and DF1 (green) RLBs.

DF0 is the result of the initial route option screening as described above. The corridor presented at DF0 (the red outline in Figure 2) was subject to a further selection study considering the main constraints in the corridor, such as population centres, coal mining, ancient woodland, buildings, special protection areas, site of special scientific interest, nature reserves etc., with the objective of reducing to a 100 metres wide RLB corridor to enable intrusive ground investigation, environmental surveys and landowner engagement to progress over a reasonable area of interest. This is presented as the DF1 RLB (shown in green) in Figure 2.

The DF1 RLB is a (generally) 100 metres wide corridor, identified to avoid or limit the interaction with features of concern.

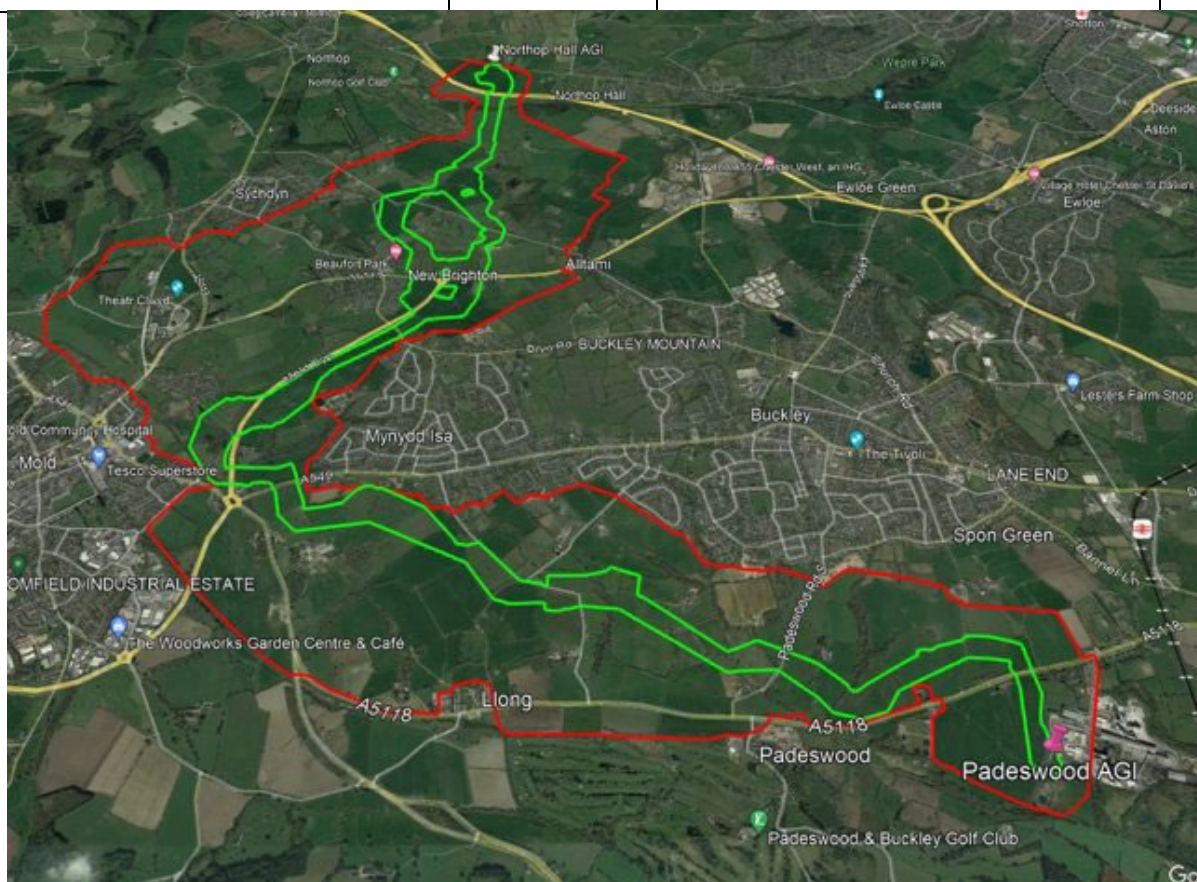


Figure 2 - DF0 RLB (red boundary) & DF1 RLB (green boundary)

13.4 RED LINE BOUNDARY DEVELOPMENT, DF1a

DF1a RLB corridor shown in Figure 3 is the result of a further reduction and optimisation of the DF1 corridor. The main optimisation on the pipeline corridor is identified as follows:

- Relocation and further definition of mitigation land (in light blue in Figure 3).
- Corridor opened in the "Donut Area" following initial surveys and landowner engagement.
- Central Construction compound site identified.
- Further considerations of the RLB near the "Mold By-Pass" due to proximity to coal mining features.

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Figure 3 - DF1a RLB

13.5 RED LINE BOUNDARY DEVELOPMENT, DF2

The DF1a corridor was then subject to further reductions following the environmental surveys, landowner engagement and engineering development to define a 50 metres wide RLB corridor, presented in Figure 4.

DF2 corridor development included the following updates:

- Reduction of corridor to 50m width.
- Definition of corridor in the "Donut Area"
- Definition of area around the main construction compound.
- Ecological Mitigation Area to the south of the Padeswood AGI removed.
- Several adjustments on RLB limits due to trees and hedgerows.
- New Trenchless crossing in the section south of Northop Hall due to Ancient Woodland.

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Figure 4 - DF2 RLB

13.6 FINAL ROUTE SELECTION and RLB

Figure 5 presents the final RLB and indicative pipeline route. From DF2 the following main optimisations were carried out:

- Reduction of corridor width in those locations which had previously retained a wider corridor for flexibility during ongoing development.
- Definition of preliminary trenchless crossing methodology, subject to future confirmation by the Engineering, Procurement & Construction (EPC) contractor during detailed design phase post contract award.
- Definition of access roads.
- Confirmation of preferred route in the proximity to coal mining areas following the assessment of results from the ground investigation (GI) campaign.

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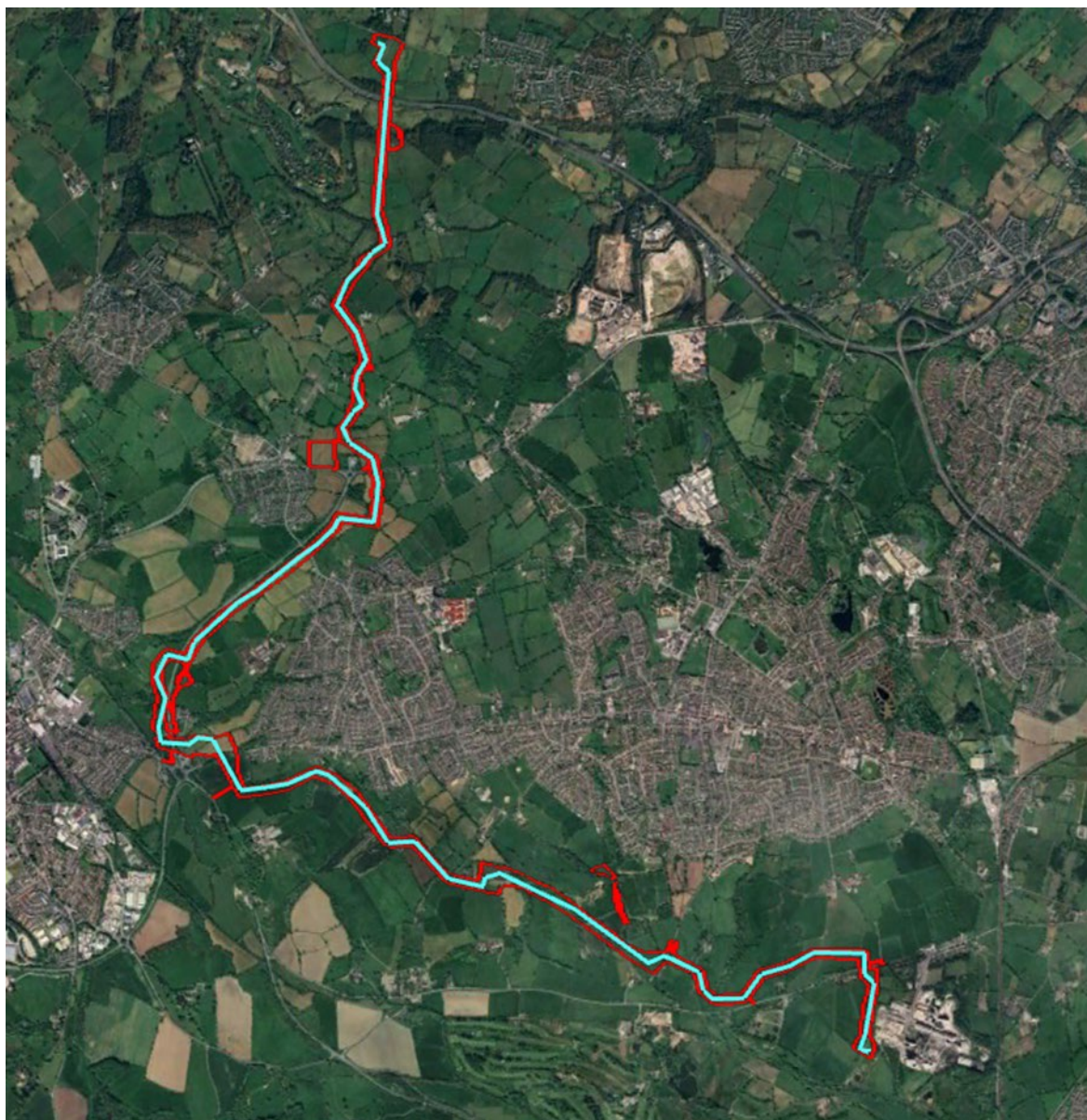


Figure 5 - Final RLB and final routing

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14 APPENDIX B

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19 APPENDIX G

19.1 PROPOSED AMENDMENTS TO FSD

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Financial Settlement Document relating to the carbon dioxide transport and storage licence granted to Liverpool Bay CCS Limited (company number 13194018) (the "**Licensee**") pursuant to section 7 (as modified by section 16 and schedule 1) of the Energy Act 2023, relating to the "Liverpool Bay T&S" T&S Network (the "**Licence**")

Any capitalised words and expressions used in this Financial Settlement Document have the meaning given to them in the Licence or the APDP, unless otherwise specified.

Part 1: Financial Settlement Document

General

Item reference	Item	Details
Definitions	Base Year	The period from 1 April 2021 to 31 March 2022 inclusive (2021/22), with average CPIH INDEX 00: ALL ITEMS 2015=100 of 113.117.
Definitions	Pre-Licence Award Devex	£154.3 million in Base Year prices
Definitions	Day1 SRAV	The sum of: a) Pre-Licence Award Devex (above); and b) upfront Debt Fees incurred at financial close of £21.9 million in Base Year prices. c) Pre-Licence Award Capex Costs of £51.8 million in Base Year prices.
Special Condition F5	Re-Use Assets Valuation(s) Subject to the provisions of Schedule 10 paragraph 11.1 and Special Conditions F5.3 and G8.3.	£[REDACTED] including £[REDACTED] for the provisional seed payment to the decommissioning fund in respect of Re-Use Assets, £[REDACTED] for scrap and land value and £[REDACTED] for differential payment, all in Base Year prices
Special Condition J4	Delay WACC	[REDACTED] % real
Special Conditions F12 and G15	PreCOD WACC	6.09% real
	PreCOD Cost of Debt	[REDACTED] % real

Item reference	Item	Details
	PreCOD Cost of Equity	■ % real
Special Condition H10	Notional Gearing	60%
	PostCOD WACC	5.55% real
	PostCOD Cost of Debt	■ % real
	PostCOD Cost of Equity	■ % real
Schedule 10 Paragraph 6	Pre-Licence Award Capex Allowance	£60.0 million in Base Year prices

Ongoing Devex Allowance

Item reference	Item	Details
Special Condition F9, G12 & H6	Ongoing Devex Allowance Combined allowances to include Devex during Construction, Commissioning and Operational Periods and any Additional Pre-Licence Award Devex Subject to the provisions of Schedule 10 and Ongoing Devex Re-Openers as noted in Special Condition J5 where applicable	Phase 1 and Phase 2 Tranche A (Lennox) Devex £0.0 million (zero)
		Phase 2 Tranche B (Padeswood Spurline) Devex £5.2 million in Base Year prices
		Runcorn Spurline Development Activities Devex £1.8 ¹ million in Base Year prices
		Phase 2 Tranche D (4.5Mtpa dense phase) Devex £25.5 million in Base Year prices

Early Development Activities Use-it-or-lose-it Allowance

Item reference	Item	Details
Special Condition J15	Early Development Activities Use-it-or-lose-it Allowance or EDA UIOLIA	£5 million in Base Year prices per Regulatory Period (being the “ EDA UIOLIA Regulatory Period Limit ”) with a respective limit of £2 million contributing to any potential Development Project (being the “ EDA UIOLIA Project Limit ”))

¹ Revised for Runcorn Spurline Development Activities allowance

Construction and Commissioning Period Allowances

Item reference	Item	Details
Special Condition F6	SRAV Capex and Opex Construction Period Allowance	£1,655.2million in Base Year prices which excludes Pass Through Costs of £9.3 million but includes the following allowances subject to Uncertain Cost Event Reopeners as noted in Schedule 10: Phase 2 Tranche B (Padeswood Spurline) Capex and Opex £99.5million Phase 2 Tranche C (Runcorn Spurline) Capex and Opex £0.0 million (zero) Phase 2 Tranche D (4.5Mtpa dense phase) Capex and Opex £0.0 million (zero)
Special Condition G10	SRAV Capex and Opex Commissioning Period Allowance	£74.5million in Base Year prices which excludes Pass Through Costs of £0.1 million but includes the following allowances subject to Uncertain Cost Event Reopeners as noted in Schedule 10: Phase 2 Tranche B (Padeswood Spurline) Capex and Opex £17.8 million Phase 2 Tranche C (Runcorn Spurline) Capex and Opex £0.0 million (zero) Phase 2 Tranche D (4.5Mtpa dense phase) Capex and Opex £0.0 million (zero)
Special Conditions F10 and G13	Debt Fee Allowance	£[REDACTED] in Base Year prices, to cover Debt Fees during the Construction and Commissioning period, but excluding upfront Debt Fees incurred at Financial Close which are included in Day1 SRAV above

Operational Period Allowances

Item reference	Item	Details
Special Condition H5	Ongoing Capex Allowance	The Ongoing Capex Allowance for the First Regulatory Period is Operational Charging Year 1 £2.0 million in Base Year Prices Operational Charging Year 2 £0.0 million (zero) Operational Charging Year 3 £0.0 million (zero)

¹ Revised for Runcorn Spurline Development Activities allowance

Item reference	Item	Details
		Operational Charging Year 4 £9.7 million in Base Year Prices Note that these figures are made up of Phase 2 Tranche B (Padeswood Spurline) Operational Charging Year 1 £2.0 million Operational Charging Year 2 £0.0 million (zero) Operational Charging Year 3 £0.0 million (zero) Operational Charging Year 4 £0.0 million (zero) in Base Year Prices Phase 2 Tranche C (Runcorn Spurline) £0.0 million (zero) in Base Year Prices in Operational Charging Year 1 Phase 2 Tranche D (4.5Mtpa dense phase) Operational Charging Year 1 £0.0 million (zero) Operational Charging Year 2 £0.0 million (zero) Operational Charging Year 3 £0.0 million (zero) Operational Charging Year 4 £9.7 million in Base Year Prices Note that Phase 2 Tranche D (4.5Mtpa dense phase) is expected to have a provisional Ongoing Capex Allowance of £375.3 million in Base Year prices (and which includes costs after the First Regulatory Period). Subject to the provisions of Schedule 10.

Special Condition H12	Opex Allowance (provisional)	Opex Allowance, on an annualised basis, including Variable Opex Allowance, but excluding Pass Through Costs and ETS Allowance, in Base Year prices Operational Charging Year 1 £56.1 million pa Operational Charging Year 2 £62.7 million pa Operational Charging Year 3 £73.3 million pa Operational Charging Year 4 £80.1 million pa The underlying Variable Opex Allowance is based on the following indicative throughputs in tCO₂ pa Operational Charging Year 1 [REDACTED] million tCO₂ pa Operational Charging Year 2 [REDACTED] million tCO₂ pa Operational Charging Year 3 [REDACTED] million tCO₂ pa Operational Charging Year 4 [REDACTED] million tCO₂ pa The underlying Variable Opex Allowance is based on the following Fixed Unit Costs in £/tCO₂ in Base Year prices Operational Charging Year 1 £[REDACTED]/tCO₂ Operational Charging Year 2 £[REDACTED]/tCO₂ Operational Charging Year 3 £[REDACTED]/tCO₂ Operational Charging Year 4 £[REDACTED]/tCO₂ The Fixed Unit Costs are based on a) The forecast energy relationship assumption in MWh/tCO₂ Operational Charging Year 1 [REDACTED] MWh/tCO₂ Operational Charging Year 2 [REDACTED] MWh/tCO₂ Operational Charging Year 3 [REDACTED] MWh/tCO₂ Operational Charging Year 4 [REDACTED] MWh/tCO₂ b) Indicative electricity prices £/MWh in Base Year prices Operational Charging Year 1 £[REDACTED]/MWh Operational Charging Year 2 £[REDACTED]/MWh
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Item reference	Item	Details
		Operational Charging Year 3 £■■■■/MWh Operational Charging Year 4 £■■■■/MWh c) The Re-Use Service Opex Allowance in £/tCO₂ in Base Year prices Operational Charging Year 1 £■■■■/tCO₂ Operational Charging Year 2 £■■■■/tCO₂ Operational Charging Year 3 £■■■■/tCO₂ Operational Charging Year 4 £■■■■/tCO₂
Special Condition H12 & H14	ETS Allowance(provisional)	The ETS volume component of the ETS Allowance will be set as a % of forecast throughput as follows: Operational Charging Year 1 ■■■■ % Operational Charging Year 2 ■■■■ % Operational Charging Year 3 ■■■■ % Operational Charging Year 4 ■■■■ %

Part 2: The Mandated Financing Terms

The following terms are the Mandated Financing Terms referred to in Standard Condition B18 (*Financial Resilience and Credit Quality*), applicable to the Licensee:

1. **Regulatory Asset Ratio**

- 1.1 Subject to paragraph 1.2, in respect of any Test Date, the RAR must be equal to or less than ■ per cent.
- 1.2 There shall not be a breach of the Mandated Financing Term in paragraph 1.1 if an Equity Cure Amount has been applied in accordance with paragraph 3 (Equity Cure) of Part B (Financial Covenants) of Schedule 3 (Covenants) of the Common Terms Agreement, such that following the recalculation of the RAR after receipt by the Licensee of such Equity Cure Amount, the RAR is equal to or less than ■ per cent.

2. **Lock-up**

No Restricted Payment shall be declared, made, paid or permitted by any Relevant Obligor and no amount shall be transferred or paid into the Restricted Payment Account unless:

- (a) (i) such Restricted Payment is a Permitted Payment and is made in compliance with the Financing Documents, the Licence and the Government Support Package; (ii) on any Test Date commencing from the first Test Date to occur after the earlier of (A) the Commercial Operations Date and (B) the commencement of the Licensee receiving Full Revenues, the Historic ADSCR, as specified in the MFT Compliance Certificate delivered to the Regulator in respect of the Test Date immediately preceding the date of the proposed Restricted Payment or transfer or payment into the Restricted Payments Account, is equal to, or in excess of, ■; and (iii) for any Restricted Payment or transfer or payment into the Restricted Payments Account to be made during the Secretary of State Discontinuation Decision Period only, the Projected ADSCR, as specified in the MFT Compliance Certificate delivered to the Secretary of State in respect of the Test Date immediately preceding the date of the proposed Restricted Payment or transfer or payment into the Restricted Payments Account, is equal to, or in excess of, ■; or
- (b) such Restricted Payment is (i) made in compliance with the Financing Documents, the Licence and the Government Support Package and (ii) made or paid by the Licensee from the Restricted Payments Account and in an amount not exceeding the amount standing to the credit of the Restricted Payments Account at the date of such Restricted Payment; or
- (c) such Restricted Payment or transfer or payment into the Restricted Payments Account otherwise constitutes a Permitted Payment.

3. **Initial Shareholder Change of Control**

Unless the Secretary of State has provided its prior written consent, no Change of Control shall occur during the Equity Lock-in Period.

4. **Operator Change of Control**

Unless the Secretary of State has provided its prior written consent, at all times prior to the replacement of the Interim Service Support Arrangements with an Acceptable Alternative Operating Arrangement, the Licensee shall remain an Eni Group Company.

5. **Governance**

Unless the Secretary of State has provided its prior written consent:

- (a) at all times on and from the SID Appointment Date, the Licensee must ensure (and procure that each other Relevant Obligor ensures) that, if its board of directors fails to decide the relevant matter unanimously (including with the consent of the SIDs), the SIDs, acting jointly, together with the directors directly or indirectly nominated for appointment by the Non-Related Shareholders or the Non-Related Shareholders themselves, have the power to make the following decisions for the Licensee and each other applicable Relevant Obligor (and to direct the implementation of those decisions through a duly appointed delegate or attorney):
 - (i) to exercise any right of termination and/or enforce or waive the Licensee's material rights under any Related Party Contract; and
 - (ii) to commence, discontinue and/or settle any material dispute, litigation, arbitration claim or proceeding against any counterparty to a Related Party Contract or in respect of the services performed (or to be performed) by any counterparty to a Related Party Contract,

without the consent of the directors appointed by the relevant Related Party Shareholder or the consent of the relevant Related Party Shareholder; and

- (b) it shall be a breach of this paragraph 5 (Governance) of these Mandated Financing Terms if any term of the constitutional documents of a Relevant Obligor or any agreement or arrangement in force with a Sponsor, Shareholder (or a Shareholders' or Sponsor's Affiliate) or a director of the Licensee circumvents, overrides or is otherwise inconsistent with the principles set out in this paragraph.

For the purpose of this paragraph 5 only, the enforcement or waiver of any of the Licensee's rights or the commencement, discontinuation and/or settlement of any such dispute, litigation, arbitration claim or proceeding shall be considered to be material where the liability, cost or expense or loss of profit (**Loss**) incurred by the Licensee exceeds or the Loss to be incurred by the Licensee could reasonably be expected to exceed £5,000,000 (or equivalent in other currency or currencies). When determining the amount of any Loss incurred or to be incurred by the Licensee in relation to any such event, the amount of such Loss shall be calculated in aggregate in relation to such event.

6. **Rating downgrade in respect of certain Acceptable Credit Support**

Unless the Secretary of State otherwise agrees in writing, if, at any time during which a Shareholder is required to procure and maintain Required Credit Support, a MFT Acceptable Credit Rating Event occurs with respect to Eni International B.V. as Acceptable Credit Support Provider providing Acceptable Credit Support pursuant to paragraph (a) of the definition of Acceptable Credit Support, the Licensee must procure that the Shareholder

replaces such Required Credit Support as soon as possible (or, in any event, no later than ten (10) Business Days) thereafter with alternative Acceptable Credit Support.

7. **Provision and content of MFT Compliance Certificate**

7.1 The Licensee must, on each date it is to deliver a Compliance Certificate under (and as defined in) the Financing Documents, deliver a MFT Compliance Certificate to the Regulator.

7.2 The MFT Compliance Certificate must:

- (a) set out in reasonable detail computations as to compliance with paragraph 1 (Regulatory Asset Ratio) and paragraph 2 (Lock-up) of the Mandated Financing Terms as at the most recent Test Date; and
- (b) confirm that:
 - (i) the contents of such certificate is accurate in all material respects; and
 - (ii) no breach of the Mandated Financing Terms has occurred that has not been waived or remedied in accordance with the Liaison Agreement and the Licence; and
- (c) be signed by two directors or a director and the company secretary of the Licensee.

8. **Defined terms**

8.1 Subject to paragraph 8.2, in these Mandated Financing Terms:

Acceptable Credit Support means:

- (a) a parent company guarantee from Eni International B.V.;
- (b) a parent company guarantee from an entity with (i) a credit rating of (I) BBB or higher in the case of S&P or Fitch; and/or (II) Baa2 or higher in the case of Moody's (as applicable); and (ii) either total assets valued at or above £10 billion, or funds under management valued at or above £5 billion;
- (c) a letter of credit from a bank or financial institution with a long-term unsecured debt obligations rating of (i) A- or higher by S&P or Fitch; and/or (ii) A3 or higher by Moody's (as applicable); or
- (d) cash collateral deposited in an account secured in favour of the Security Trustee;

Acceptable Credit Support Provider has the meaning given in the Master Definitions Agreement;

Acceptable Alternative Operating Arrangement means the Licensee self-performing the operation of the Project and (i) such arrangements have been approved by (A) the Secretary of State under the Government Support Package and (B) the NSTA under the Storage Permit and (ii) the arrangements are sufficient to enable the Licensee to issue a Certificate 1R or Certificate 2R for the purpose of Standard Condition B14;

Affiliates has the meaning given in the Master Definitions Agreement;

Base Equity Funding has the meaning given in the Shareholder Support Agreement;

Change of Control has the meaning given in the Discontinuation Agreement;

Closing Date has the meaning given in the Common Terms Agreement;

Committed Shareholder Funding has the meaning given in the Shareholder Support Agreement;

Common Terms Agreement has the meaning given to it in the Master Definitions Agreement;

Debt Service has the meaning given to it in the Master Definitions Agreement;

Default has the meaning given in the Master Definitions Agreement;

Eni Group Companies means Eni S.p.A. and each chain of persons in which each person in the chain holds all of the voting shares of the entity immediately below it in the chain (other than up to two persons in the chain provided that they hold at least 50 per cent or more of the voting shares of the entity immediately below it in the chain) and **Eni Group Company** shall be interpreted accordingly;

Equity Cure Amount has the meaning given in the Master Definitions Agreement;

Equity Lock-in Period means the period from the date of the Common Terms Agreement until the conclusion of the First Regulatory Period;

First Regulatory Period has the meaning given in the Master Definitions Agreement;

Full Revenues has the meaning given in the Master Definitions Agreement;

Issuer means (if applicable) a limited liability company incorporated as an Affiliate of the Licensee for the purposes of the issuance of any listed bonds or notes in connection with the financing of the T&S Network and the on-lending of the proceeds thereof to the Licensee;

MFT Acceptable Credit Rating Event means a public announcement by any of S&P, Moody's or Fitch (or, if applicable, any other rating agency appointed by or with the consent of Eni International B.V. or Eni SpA) that:

- (a) any credit rating of Eni International B.V.'s long-term unsecured debt obligations maintained or solicited by Eni International B.V. has fallen below BBB- in the case of S&P, Baa3 in the case of Moody's or BBB- in the case of Fitch (or any equivalent rating in the case of any other rating agency appointed by or with the consent of Eni International B.V.); and
- (b) where Eni International B.V. does not solicit or maintain a credit rating in respect of its long-term unsecured debt obligations from any of S&P, Moody's or Fitch, any credit rating of Eni SpA's long-term unsecured debt obligations maintained or solicited by Eni SpA has fallen below BBB- in the case of S&P, Baa3 in the case of Moody's or BBB- in the case of Fitch (or any equivalent rating in the case of any other rating agency appointed by or with the consent of Eni SpA);

MFT Compliance Certificate means a certificate delivered in accordance with paragraph 7 (Provision and content of MFT Compliance Certificate) of the Mandated Financing Terms;

Historic ADSCR has the meaning given in the Common Terms Agreement;

HoldCo means Eni CCUS Holding Limited;

Interim Service Support Arrangements means the arrangements between the Licensee and HoldCo for the provision of services by HoldCo to the Licensee, as well as various secondment arrangements entered into by the Licensee with Eni S.p.A., Eni International Resources Limited and EniProgetti S.p.A. or any other Eni Group Companies for the provision of secondees to the Licensee;

Master Definitions Agreement means the Master Definitions Agreement entered into between, amongst others, the Security Trustee, the Secretary of State and the Licensee on or about the date of Licence Award;

Net Cash Flow has the meaning given in the Master Definitions Agreement;

Non-Related Shareholder means, in respect of a Related Party Contract, any Sponsor who is not a Related Party Shareholder;

Permitted Payment has the meaning given in the Discontinuation Agreement;

Project has the meaning given in the Master Definitions Agreement;

Project Document has the meaning given in the Master Definitions Agreement;

Projected ADSCR means, in respect of a Projected Test Period, the ratio of (a) Net Cash Flow projected to be received in such Projected Test Period to (b) Debt Service projected to fall due in such Projected Test Period;

Projected Test Period means for the purpose of determining the Projected ADSCR, each period of twelve (12) months commencing on (but excluding) a Test Date;

Related Party Contract means any Transaction Document entered into by the Licensee with a Sponsor or Sponsor's Affiliate;

Related Party Shareholder means any Sponsor that is itself, or is a Sponsor's Affiliate of, a counterparty to a Related Party Contract;

Relevant Obligor means each of the Licensee and (if applicable) the Issuer;

Required Credit Support has the meaning given in the Shareholder Support Agreement;

Restricted Payment has the meaning given in the Master Definitions Agreement;

Restricted Payments Account has the meaning given in the Common Terms Agreement;

Shareholder has the meaning given to the term "Funding Shareholder" in the Master Definitions Agreement;

Shareholder Support Agreement has the meaning given in the Master Definitions Agreement;

SID Appointment Date means the date that is the earliest of:

- (a) three months after Licence Award; and
- (b) the date on which two SIDs are appointed;

Sponsor means the "Initial Investor" (as defined in the Master Definitions Agreement) or any subsequent (direct or indirect) owner of share capital in the Licensee;

Test Date means each 31 March, 30 June, 30 September and 31 December; and

Transaction Documents has the meaning given in the Master Definitions Agreement.

8.2 Interpretation

- (a) In this Part 2 of the Financial Settlement Document, except to the extent otherwise defined in paragraph 8.1 or as the context otherwise requires, words and phrases shall bear the respective meanings given to them in the Licence.
- (b) In this Part 2 of the Financial Settlement Document, where the terms used (and set out in paragraph 8.1) have been assigned meanings given to corresponding terms or definitions in the Financing Documents, the Common Terms Agreement, the Master Definitions Agreement or the Shareholder Support Agreement, those corresponding terms or definitions shall be as set out in the Financing Documents, the Common Terms Agreement, the Master Definitions Agreement and the Shareholder Support Agreement as at Licence Award, unless the Secretary of State has expressly consented to any amendment to any such definition.
- (c) For the purpose of paragraph 8.2(b), the Secretary of State shall be deemed to have expressly consented to any amendment to any such corresponding term or definition if it has provided its consent or approval of such amendment by way of the approval in accordance with any entrenched rights under the Financing Documents.

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20 APPENDIX H

20.1 PROPOSED AMENDMENTS TO TDD

CONFIDENTIAL AND COMMERCIALY SENSITIVE

This document is property of Liverpool Bay CCS Limited It shall neither be shown to third parties nor used for purposes other than those for which it has been sent.

Technical Details Document relating to the carbon dioxide transport and storage licence granted to Liverpool Bay CCS Limited (company number 13194018) (the "**Licensee**") pursuant to section 7 (as modified by section 16 and schedule 1) of the Energy Act 2023, relating to the "Liverpool Bay T&S" T&S Network (the "**Licence**")

Appendix H – Updated Technical Details Document

Original Section

Licence reference	Item	Details
Special Conditions F2.2 and G2.3	Project Programme	• Phase 2 Tranche B (Padeswood Spurline): ○ Date of appointment of Independent Certifier for Phase 2 Tranche B No later than the date which falls nine months following commencement of the Phase 2 Tranche B Handover Works or such later date as the Regulator may direct. ○ Reporting Commencement Date for Phase 2 Tranche B On commencement of the Phase 2 Tranche B Handover Works. ○ P2/ExpA Reporting Period for Phase 2 Tranche B From commencement of the Phase 2 Tranche B Handover Works until Handover of Phase 2 Tranche B, the P2/ExpA Reporting Period for Phase 2 Tranche B is a P2/ExpA Quarter. From Handover of Phase 2 Tranche B onwards, the P2/ExpA Reporting Period for Phase 2 Tranche B is a P2/ExpA Month. ○ Scheduled Phase 2 Tranche B Handover Date: [REDACTED] or such later date as the Regulator may direct

Licence reference	Item	Details
		○ Scheduled Phase 2 Tranche B Acceptance Date: The date determined as such by the Regulator under paragraph 3.4 of schedule 10 (<i>Project-specific conditions</i>) of the Licence or such later date as the Regulator may direct

Amended Section

Licence reference	Item	Details
Special Conditions F2.2 and G2.3	Project Programme	• Phase 2 Tranche B (Padeswood Spurline): ○ Date of appointment of Independent Certifier for Phase 2 Tranche B No later than the date which falls nine months following commencement of the Phase 2 Tranche B Handover Works or such later date as the Regulator may direct. ○ Reporting Commencement Date for Phase 2 Tranche B On commencement of the Phase 2 Tranche B Handover Works. ○ P2/ExpA Reporting Period for Phase 2 Tranche B From commencement of the Phase 2 Tranche B Handover Works until Handover of Phase 2 Tranche B, the P2/ExpA Reporting Period for Phase 2 Tranche B is a P2/ExpA Quarter. From Handover of Phase 2 Tranche B onwards, the P2/ExpA Reporting Period for Phase 2 Tranche B is a P2/ExpA Month. ○ Scheduled Phase 2 Tranche B Handover Date: [REDACTED] or such later date as the Regulator may direct ○ Scheduled Phase 2 Tranche B Acceptance Date: [REDACTED] or such later date as the Regulator may direct

Redactions

This document has been redacted to protect confidential and commercially sensitive information.