

Francis Egan CEO, Cuadrilla Bowland Ltd Cuadrilla House Unit 6 Sceptre Court Sceptre Way, Bamber Bridge Preston PR5 6AW The Rt Hon Claire Perry MP Minister of State for Energy and Clean Growth

Department for Business, Energy & Industrial Strategy 1 Victoria Street London SW1H 0ET

T +44 (0) 20 7215 5000

E enquiries@beis.gov.uk

W www.gov.uk

19 September 2018

Dear Francis,

RE: DEPARTMENT FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY HYDRAULIC FRACTURING CONSENT

I am writing to you further to my letter of 24 August 2018 wherein Cuadrilla Bowland Limited was granted Hydraulic Fracturing Consent for its 'Preston New Road 1Z' well, under licence EXL269 and PEDL165, subject to conditions.

Following advice from the Infrastructure and Projects Authority (IPA), Condition 1) (a) of the Consent letter stated that "no associated hydraulic fracturing may commence pursuant to this consent until you have submitted to the Department a copy of the unqualified audited report and accounts relating to the latest full financial year of Spirit Energy Limited and I have confirmed to you in writing that I am satisfied that they are broadly in line with unaudited financial statements previously submitted to the IPA in support of your application for Hydraulic Fracturing Consent."

Upon receiving the aforementioned accounts, the Department sent them to the IPA for due scrutiny. The Department has subsequently taken into consideration further advice from the IPA, which set out that the qualifications to Spirit Energy's accounts are not material to the overall assessment of the financial resilience of Cuadrilla Bowland Limited.

I am now satisfied that Condition 1) (a) has been discharged. Condition 2 will remain in place for the period for which this Hydraulic Fracturing Consent remains in force.

Yours sincerely, THE RT HON CLAIRE PERRY MP Minister of State