PETROLEUM AGREEMENT

BY AND AMONG

GOVERNMENT OF THE REPUBLIC OF GHANA

GHANA NATIONAL PETROLEUM CORPORATION

GNPC

EXXONMOBIL EXPLORATION AND PRODUCTION GHANA (DEEPWATER) LIMITED

AND

GOIL OFFSHORE GHANA LIMITED

IN RESPECT OF

Deepwater Cape Three Points Block (DWCTP)
Offshore the Republic of Ghana

2018

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THIS PETROLEUM AGREEMENT, made this 28th day of November 2018 by and among:

1. **Government of the Republic of Ghana** (hereinafter referred to as the "**State**"), represented by the Minister for Energy (hereinafter referred to as the "**Minister**");
2. **Ghana National Petroleum Corporation**, a public corporation established by the Ghana National Petroleum Corporation Law, 1983 PNDCL 64 (hereinafter referred to as "**GNPC**");
3. **ExxonMobil Exploration and Production Ghana (Deepwater) Limited**, a company incorporated in Ghana (hereinafter referred to as "**ExxonMobil**"); and
4. **GOIL Offshore Ghana Limited**, a company incorporated in Ghana (hereinafter referred to as "**GOIL**").

WITNESSES THAT:

1. All Petroleum existing in its natural state within Ghana is the property of the Republic of Ghana and held in trust by the State on behalf of the people of Ghana.

2. In accordance with the Petroleum Law, the Minister has prepared a reference map showing areas of potential petroleum fields within the jurisdiction of Ghana, divided into numbered areas and each of which is described as a "**Block**".

3. GNPC has, by virtue of the Petroleum Law, the right to undertake Exploration, Development and Production of Petroleum over all Blocks declared by the Minister to be open for Petroleum Operations.

4. GNPC is further authorised to enter into association by means of a petroleum agreement with a contractor for the purpose of Exploration, Development and Production of Petroleum.

5. The Contract Area that is the subject matter of this Agreement has been declared open for Petroleum Operations by the Minister, and the State desires to encourage and promote Exploration, Development and Production within the Contract Area. The State assures Contractor that all of the Contract Area is within the jurisdiction of Ghana.

6. Contractor, having the financial ability, technical competence and professional skills necessary for carrying out the Petroleum Operations herein described, desires to associate with GNPC in the Exploration for, and Development and Production of, the Petroleum resources of the Contract Area.

7. Contractor shall comply with all the applicable laws of Ghana, including without limitation any regulations, policies or directives issued by or other acts of the

Petroleum Commission pursuant to the Petroleum Commission Act, 2011 (Act 821).

8. The Parties are committed to providing qualified Ghanaian nationals employment at all levels in the petroleum industry, including technical, administrative and managerial positions, and Contractor accordingly commits to providing and supporting a programme of training for Ghanaian nationals as an integral part of this Agreement.

9. GNPC has aspirations of building operatorship capacity within a period of four (4) years from the Effective Date of this Agreement. Without prejudice to the rights of the Parties under this Agreement, Contractor is committed, pursuant to the terms of this Agreement, to supporting GNPC to develop its institutional capacity to enable GNPC to fulfill its aspirations.

10. The Parties are committed to providing an annual local content plan in line with Local Content Regulations for fulfilling the applicable Ghanaian content requirements with respect to the provision of goods and services.

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed and declared as follows:

Article 1

DEFINITIONS

1. **In this Agreement:**

1.1 "**Accounting Guide**" means the accounting guide which is attached hereto as Annex 2 and made a part hereof;

1.2 "**Additional Interest**" means the additional interest of GNPC provided in Article 2.5;

1.3 "**Affiliate**" means any person, whether a natural person, corporation, partnership, unincorporated association or other entity which directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with a Party. For this purpose, "**control**" means the direct or indirect ownership of in aggregate fifty percent (50%) or more of voting capital or voting rights of the entitlement (directly or indirectly) to appoint a majority of the directors or equivalent management body of, or to direct the policies or operations of the other entity;

1.4 "**Agreement**" means this agreement between the State, GNPC, and Contractor, and includes the Annexes attached hereto, as may be amended by mutual written agreement from time to time;

1.5 "**Additional Oil Entitlements (AOE)**" has the meaning given to such term in Article 10.2;

1.6 "**Appraisal**" means operations or activities carried out pursuant to an Appraisal Programme following a Discovery of Petroleum for the purpose of delineating the accumulations of Petroleum to which that Discovery relates in terms of thickness and lateral extent and estimating the quantity of recoverable Petroleum therein, and all operations or activities to resolve uncertainties required for determination of a Commercial Discovery;

1.7 "**Appraisal Programme**" means a programme approved by the Petroleum Commission pursuant to Article 8.5 for the conduct of Appraisal;

1.8 "**Appraisal Report**" has the meaning given to such term in Article 14.13;

1.9 "**Appraisal Well**" means a well drilled pursuant to an Appraisal Programme;

1.10 "**Arm's Length Transactions**" has the meaning given to such term in Article 11.8;

1.11 "**Associated Gas**" means Natural Gas produced from a well in association with Crude Oil;

1.12 "**Barrel**" means a quantity or unit of Crude Oil equal to forty-two (42) United States gallons at a temperature of sixty (60) degrees Fahrenheit and at fourteen and

sixty-five one-hundredths pounds per square inch at atmospheric pressure (14.65 psia);

1.13 "**Block**" means an area of approximately 685 squared kilometres depicted on the reference map prepared by the Minister in accordance with the provisions of the Petroleum Law;

1.14 "**Business Day**" means a day on which banks are open for business in Accra;

1.15 "**Calendar Year**" means a period of twelve (12) months of the Gregorian calendar, commencing on January 1 and ending on the succeeding December 31;

1.16 "**Carried Interest**" means an interest held by GNPC pursuant to this Agreement in respect of which Contractor pays for the conduct of Petroleum Operations, as set out in this Agreement, without any entitlement to reimbursement from GNPC;

1.17 "**Commercial Discovery**" means a Discovery which is determined to be commercial in accordance with the provisions of Article 8 of this Agreement;

1.18 "**Commercial Production Period**" means, in respect of each Development and Production Area, the period from the Date of Commencement of Commercial Production until the termination of this Agreement or earlier relinquishment of such Development and Production Area;

1.19 "**Contract Area**" means the area of approximately one thousand four hundred and seventy-four squared kilometers (1,474 km^2) covered by this Agreement in which Contractor is authorized, in association with GNPC, to explore for, develop and produce Petroleum, which is described in Annex 1 attached hereto and made a part of this Agreement, but excluding any portions of such area in respect of which Contractor's rights hereunder are from time to time relinquished or surrendered pursuant to this Agreement;

1.20 "**Contractor**" means, collectively ExxonMobil and GOIL and their respective permitted successors and assignees, individually a "Contractor Party" as the context may require;

1.21 "**Contract Year**" means a period of twelve (12) Months, commencing on the Effective Date or any anniversary thereof;

1.22 "**Crude Oil**" means hydrocarbons which are liquid at fourteen and sixty-five one-hundredths pounds per square inch at atmospheric pressure (14.65 psia) and sixty (60) degrees Fahrenheit and includes condensates and distillates obtained from Natural Gas;

1.23 "**Data**" has the meaning given to such term in Article 16.4;

1.24 "**Date of Commencement of Commercial Production**" means, in respect of each Development and Production Area, the date on which production of Petroleum under a programme of regular production, lifting and sale commences, as defined in a Development Plan;

1.25 "**Date of Commercial Discovery**" means the date referred to in Article 8.13;

1.26 "**Decommissioning Security**" means an irrevocable commercial bank guarantee from a bank that has a long term debt rating of at least A+ by Standard & Poor's, or A1 by Moody's Investors Service, or an equivalent rating by a successor entity to either agency, and has a net worth of at least five (5) times the secured amount.

1.27 **"Default Loan Agreement"** means a loan agreement:

(a) between the Contractor, or its Affiliate, as the lender and GNPC as the borrower;

(b) in a maximum amount not exceeding the contribution in respect of Production Costs referenced in Article 2.7 which GNPC has failed to pay plus any amounts in payment default under Article 15;

(c) available for automatic utilisation in the event that (i) GNPC has defaulted in the payment of its share of Production Costs referenced in Article 2.7 and then only to the extent of any amounts of such Production Costs which GNPC has failed to pay on the due date for the applicable cash call or (ii) the State has failed to make payment by the due date in relation to Crude Oil supplied with respect to the Domestic Supply Requirement under Article 15 and then only to the extent of any such defaulted amount which the State has failed to pay on the due date thereof;

(d) repayable out of the revenue obtained from GNPC's allocation from the Petroleum Holding Fund (established pursuant to Section 2 of the Petroleum Revenue Management Act, 2011 (Act 915) (as amended) derived from the lifting of Crude Oil from the applicable Development and Production Area;

(e) with an interest rate equal to LIBOR plus 5%;

(f) to be entered into by the Contractor, or its Affiliate, and GNPC on or prior to the date on which the Development Loan Agreement is entered into; and

(g) otherwise on the terms agreed between the Contractor and GNPC on or prior to the date hereof.

1.28 "**Delivery Point**" for: (a) Crude Oil has the meaning given to such term in Article 10.5; and (b) Natural Gas is as mutually agreed by the Parties;

1.29 **"Development Loan Agreement"** means a loan agreement:

(a) with Contractor, or its Affiliate, as the lender and GNPC as the borrower, subject to Articles 2.9 and 2.10;

(b) in a maximum amount not exceeding GNPC's proportionate share of the Development Costs relating to the Additional Interest incurred by the

Contractor with respect to the applicable Development and Production Area (such amount to be subject, if applicable, to the terms of Article 2.7);

(c) available for utilisation until the date on which the final cash call is due with respect to the Development Costs referred to in paragraph (b);

(d) repayable out of the revenue obtained from GNPC's allocation from the Petroleum Holding Fund derived from the lifting of Crude Oil from the applicable Development and Production Area in accordance with a detailed repayment schedule to be agreed;

(e) with a non-default interest rate equal to the Specified Rate; and

(f) otherwise on the terms agreed between the Contractor and GNPC on or prior to the date hereof.

1.30 "**Development**" or "**Development Operations**" means the following activities carried out in connection with a Development Plan: the design, engineering, building and installation of facilities for Production, including drilling of Development Wells, construction and installation of equipment, pipelines, facilities, plants and systems, in and outside the Contract Area, which are required for achieving Production, treatment, transport, storage and lifting of Petroleum, and preliminary Production and testing activities carried out prior to the Date of Commencement of Commercial Production, including all related planning and administrative work, and may also include the construction and installation of approved secondary and tertiary recovery systems including major facility replacements greater than five percent (5%) of the total Development Costs carried out within the first five (5) years after the Date of Commencement of Commercial Production.

1.31 "**Development Costs**" means Petroleum Costs incurred in Development Operations, including costs incurred in respect of lease, purchase, rental of assets;

1.32 "**Development and Production Area**" means that portion of the Contract Area proposed by Contractor and approved by the JMC (or proposed by GNPC if a Sole Risk Operation pursuant to Article 9) on the basis of the available seismic and well data to cover the areal extent of an accumulation or accumulations of Petroleum constituting a Commercial Discovery, enlarged in area by ten percent (10%), such enlargement to extend uniformly around the perimeter of such accumulation;

1.33 "**Development Period**" means, in respect of each Development and Production Area, the period from the Date of Commercial Discovery until the Date of Commencement of Commercial Production;

1.34 "**Development Plan**" means the plan for development of a Commercial Discovery prepared by Contractor in consultation with the JMC and approved by the Minister pursuant toArticle 8;

1.35 "**Development Well**" means a well drilled in accordance with a Development Plan for producing Petroleum including wells for pressure maintenance or increasing the Production rate;

1.36 "**Discovery**" means finding within a well during or at the end of drilling under Exploration Operations (an) accumulation(s) of Petroleum whose existence, until that finding, was not previously known or proven to have existed, which is or can be recovered at the surface in a flow measurable by conventional international petroleum industry testing methods (which, in the case of water depths greater than four hundred (400) metres, may include Modular Formation Dynamics Testing (also referred to as "MDT" by Schlumberger);

1.37 "**Discovery Area**" means that portion of the Contract Area, reasonably proposed by Contractor and approved by the JMC (or proposed by GNPC if such area occurs as a result of a Sole Risk pursuant to Article 9) on the basis of the available seismic and well data, that covers the areal extent of the geological structure in which a Discovery is made. A modification to the Discovery Area may be proposed by Contractor at any time and approved by the JMC (or proposed by GNPC to the extent permitted by Article 9, if applicable), if justified on the basis of new information, up to the date of submission of a report under Article 8.8;

1.38 "**Discovery Notice**" means a written notification of Discovery to the Minister, the Petroleum Commission, and GNPC pursuant to Article 8.1 providing information which shall include the date of Discovery, the name and location of the well from which the accumulation(s) have been found, the depth interval(s), estimates of gross and net pay thickness, stratigraphy, and type of reservoir and fluids encountered;

1.39 "**Domestic Supply Requirement**" has the meaning given to such term in Article 15.1;

1.40 **"DWCTP Proceeds"** means sums to be paid to Contractor at the direction of GNPC out of GNPC's allocation of revenue from the Petroleum Holding Fund in respect of liftings of Crude Oil from each Development and Production Area;

1.41 "**Effective Date**" shall have the meaning ascribed to it in Article 26.16;

1.42 "**Exploration**" or "**Exploration Operations**" means the search for Petroleum by geological, geophysical and other methods, and the drilling of Exploration Well(s) and Appraisal Wells, and includes any activity in connection therewith or in preparation thereof and any relevant processing and Appraisal work, including technical and economic feasibility studies, that may be carried out to determine whether a Discovery of Petroleum constitutes a Commercial Discovery;

1.43 "**Exploration Costs**" means Petroleum Costs incurred in Exploration Operations;

1.44 "**Exploration Period**" means the period commencing on the Effective Date and continuing during the time provided for in Article 3.1 within which Contractor is authorised to carry out Exploration Operations, and shall include any periods of

extensions provided for in this Agreement. The period shall terminate with respect to any Discovery Area on the Date of Commercial Discovery in respect of such Discovery Area;

1.45 "**Exploration Phase**" means any one of the Initial Exploration Period, the First Extension Period or the Second Extension Period;

1.46 "**Exploration Well**" means a well drilled in the course of Exploration Operations conducted hereunder during the Exploration Period, excluding Appraisal Wells;

1.47 "**Extension Period**" means either the First Extension Period or Second Extension Period, as applicable;

1.48 "**First Extension Period**" has the meaning given to such term in Article 3.1(a);

1.49 "**Force Majeure**" means any event beyond reasonable control of the party claiming to be affected by the event which has not been brought about at the instance of the party including, but not limited to, earthquake, storm, flood, lightning or other adverse weather conditions, war, acts of terrorism, embargo, blockage, riot or civil disorder.

1.50 "**Foreign National Employee**" means an expatriate employee of Contractor, its Affiliates, or its Subcontractors who is not a citizen of Ghana;

1.51 "**Ghana**" means the territory of the Republic of Ghana and includes rivers, streams, water courses, the territorial sea, seabed and subsoil, the contiguous zone, the exclusive economic zone, continental shelf, the airspace, and all other areas within the jurisdiction of the Republic of Ghana;

1.52 "**GNPC**" has the meaning given to such term in the Preamble;

1.53 "**Gross Negligence / Wilful Misconduct**" means any act, failure to act, or failure to exercise such minimum degree of care and prudence (whether sole, joint, or concurrent) by a Party which was in reckless disregard of or wanton indifference to the harmful consequences that the person knew, or should reasonably have known, could have on the safety or property of another person or entity;

1.54 "**Gross Production**" means the total amount of Petroleum produced and saved from a Development and Production Area during Production Operations, which is not used by Contractor in Petroleum Operations, and is available for distribution to the Parties in accordance with Article 10;

1.55 "**ICC**" has the meaning given to such term in Article 24.1;

1.56 "**ICC Rules**" has the meaning given to such term in Article 24.1;

1.57 "**Income Tax Law**" means the Income Tax Act, 2015 (Act 896);

1.58 "**Indigenous Ghanaian Company (IGC)**" means a company incorporated under the Companies Act, 1963 (Act 179) of Ghana:

(a) that has at least fifty-one percent (51%) of its equity owned by a citizen or citizens of Ghana;

(b) that has Ghanaian citizens holding at least eighty percent (80%) of senior management positions and one hundred percent (100%) of non-managerial and other positions; and

(c) whose Participating Interest in all rights and obligations under this Agreement shall be five percent (5%) in accordance with Regulation 4 of the Local Content Regulations and Article 2.12 of this Agreement.

1.59 "**Initial Exploration Period**" has the meaning given to such term in Article 3.1(a);

1.60 "**Initial Interest**" means the interest of GNPC in all Petroleum Operations provided for in Article 2.4;

1.61 "**International Oil Field Practice**" means those practices that are generally accepted in the international petroleum industry as good, safe, and efficient in exploring for, developing, producing, processing, and transporting Petroleum;

1.62 "**Joint Management Committee**" or "**JMC**" means the committee established pursuant to Article 6.1;

1.63 "**Joint Operating Agreement**" or "**JOA**" means an agreement among all of the Contractor Parties with respect to the Contract Area and their respective rights and/or obligations under this Agreement, as such agreement may be amended or supplemented from time to time;

1.64 "**LIBOR**" means the interest rate per annum equal to the London Interbank Offered Rate administered by ICE Benchmark Limited (or any other person which takes over the administration of that rate) for one (1) month U.S. dollar deposits, as published in London by the *Financial Times*. In the event that the *Financial Times* is not published, then as published by *The Wall Street Journal*;

1.65 "**LNG**" means Liquefied Natural Gas;

1.66 "**Local Content Regulations**" means the Petroleum (Local Content and Local Participation) Regulations, 2013, L.I. 2204;

1.67 "**Market Price**" means the market price for Crude Oil realized by Contractor under this Agreement as determined in accordance with Article 11.8;

1.68 "**Minister**" has the meaning given to such term in the Preamble;

1.69 "**Minimum Work Obligation**" means Contractor's obligations set forth in: (a) Article 4.3(a) with respect to the Initial Exploration Period; (b) Article 4.3(b) with respect to the First Extension Period; or (c) Article 4.3(c) with respect to the Second Extension Period;

1.70 "**Month**" means a month of the Calendar Year;

1.71 "**Natural Gas**" means all hydrocarbons which are gaseous at fourteen and sixty-five one-hundredths pounds per square inch at atmospheric pressure (14.65 psia) and sixty (60) degrees Fahrenheit, and includes wet gas, dry gas, and residue gas remaining after the extraction of liquid hydrocarbons from wet gas;

1.72 "**Non-Associated Gas**" means Natural Gas produced from a well other than in association with Crude Oil;

1.73 **"Operator"** means ExxonMobil or such other Party as may be jointly proposed by Contractor and GNPC and approved by the Minister to conduct Petroleum Operations hereunder on behalf of the Parties;

1.74 "**Participating Interest**" means the interest held by each Contractor Party (expressed as a percentage to four (4) decimal places) in accordance with the provisions of Article 2.12;

1.75 "**Party**" means each of the State, GNPC, ExxonMobil or GOIL, as the case may be;

1.76 "**Paying Interest**" means an interest held by GNPC in respect of which GNPC pays for the conduct of Petroleum Operations as expressly provided for in Articles 2.4 and 2.5;

1.77 "**Petroleum**" means Crude Oil or Natural Gas, or a combination of both;

1.78 "**Petroleum Commission**" means a body established by the Petroleum Commission Act, 2011 (Act 821) for the regulation and the management of the utilization of petroleum resources in the upstream sector;

1.79 "**Petroleum Costs**" means all expenditures made and costs incurred in conducting Petroleum Operations hereunder determined in accordance with the Accounting Guide;

1.80 "**Petroleum Law**" means the Petroleum (Exploration and Production) Act, 2016 (Act 919);

1.81 "**Petroleum Operations**" means all activities, both in and outside Ghana, relating to or in connection with the Exploration for, Appraisal of, Development, Production, handling, storage, processing, and transportation to the Delivery Point, of Petroleum contemplated under this Agreement;

1.82 "**Pre-Award Attachment**" means any order, decree, injunction, or other decision (however designated) of any court, arbitral body, or other competent authority requested by a Party and issued prior to a final arbitral award issued pursuant to Article 24 of this Agreement that attaches, seizes, freezes, or otherwise restricts the use or alienation of any property (whether tangible or intangible) of the other Party pending issuance of the final arbitral award, whether such property is in the possession or control of a Party or of a third party;

1.83 "**Production**" means the recovery and disposal of petroleum including any works and services connected with the discovery or disposal;

1.84 **"Production Costs"** means Petroleum Costs incurred in production of Petroleum;

1.85 "**Production Operations**" means activities, other than Exploration Operations or Development Operations, undertaken in order to extract, save, treat, measure, handle, store, load, or transport (to the Delivery Point) Petroleum to storage and/or loading points, and to carry out any type of primary, secondary or tertiary recovery operations, including recycling, recompression, injection for maintenance of pressure, and water flooding, and all related activities such as planning and administrative work, and shall also include maintenance and repair of facilities not covered under Development Operations, abandonment or decommissioning, including replacement of facilities of minor nature, and well workovers conducted after the Date of Commencement of Commercial Production of the respective Development and Production Area;

1.86 "**Proposed Appraisal Programme**" means a draft of a programme for the conduct of an Appraisal to be presented to the Petroleum Commission for approval;

1.87 "**Protected Assets**" means (a) property used for diplomatic or consular missions wherever located, (b) property of a military character and under the control of a military authority or defence agency of the State wherever located, (c) assets of Petroleum Funds (as defined in the Petroleum Revenue Management Act, 2011 (Act 815) as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893), (d) property located in the Republic of Ghana and dedicated to a public or governmental use (as distinct from property dedicated to a commercial use), to the extent such property and assets are protected under the laws of the Republic of Ghana;

1.88 "**Quarter**" means a period of three (3) consecutive Months, commencing January 1, April 1, July 1, or October 1, and ending March 31, June 30, September 30, or December 31, respectively;

1.89 "**ROR**" has the meaning given to such term in Article 10.2;

1.90 "**Royalty**" has the meaning given to such term in Article 10.1(a);

1.91 "**Second Extension Period**" has the meaning given to such term in Article 3.1(a);

1.92 "**Security**" means: (i) an irrevocable standby letter of credit or irrevocable commercial bank guarantee issued by a bank; (ii) an on-demand bond issued by a surety corporation; or (iii) an irrevocable guarantee issued by a company or government; provided that the bank, surety, company, or government issuing the guarantee, standby letter of credit, bond, or other security (as applicable) has a long term debt rating of at least A+ by Standard & Poor's, or A1 by Moody's Investors Service, or an equivalent rating by a successor entity to either agency, and has a net worth of at least five (5) times the secured amount. For company or GNPC or

government guarantees, ratings will be determined by looking at the ultimate parent company or sovereign rating;

1.93 "**Selling Party**" has the meaning given to such term in Article 25.5;

1.94 "**Senior Supervisory Personnel**" means, with respect to a Party: (a) any individual who functions as a senior resident manager who directs all operations and activities of such Party in the country or region in which he is resident; (b) any manager who directly reports to such senior resident manager above in such country or region responsible for Exploration, Development or Production; (c) any individual who functions for such Party or one of its Affiliates at a management level equivalent to or superior to the above specified senior resident manager or direct report positions and is responsible for Exploration, Development or Production; or (d) any designated officer or director of such Party or one of its Affiliates;

1.95 "**Sole Expert**" means the person appointed to resolve a dispute pursuant to Article 24.9;

1.96 "**Sole Risk**" means an operation conducted at the sole cost, risk, expense, and liability of GNPC referred to in Article 9;

1.97 "**Specified Rate**" means LIBOR plus two and a half percent (2.5%);

1.98 "**State**" has the meaning given to such term in the Preamble;

1.99 "**Subcontractor**" means a third party with whom GNPC or Contractor has entered into a contract for provision of goods or services for, or in connection with, Petroleum Operations;

1.100 "**Termination**" means termination of this Agreement pursuant to Article 23 hereof;

1.101 "**USPPI**" has the meaning given to such term in Article 10.2;

1.102 "**Work Programme**" means the annual plan for the conduct of Petroleum Operations prepared pursuant to Articles 6.4 and 6.5; and

1.103 "**Year**" means a continuous twelve (12) Month period.

Article 2

SCOPE OF THE AGREEMENT, INTERESTS OF THE PARTIES AND CONTRACT AREA

2.1 This Agreement provides for the Exploration for, and Development and Production of, Petroleum in the Contract Area by GNPC in association with Contractor.

2.2 Subject to the provisions of this Agreement, Contractor shall be responsible for the execution of such Petroleum Operations as are required by the provisions of this Agreement. In order that the Parties may cooperate in the implementation of Petroleum Operations, GNPC and Contractor shall establish a Joint Management Committee to oversee Petroleum Operations.

2.3 In the event that no Commercial Discovery is made in the Contract Area or that Gross Production achieved from the Contract Area is insufficient to fully reimburse Contractor in accordance with the terms of this Agreement, then Contractor shall bear its own loss; GNPC and the State shall have no obligations whatsoever to Contractor in respect of such loss.

2.4 GNPC shall have a fifteen percent (15%) Initial Interest in all Petroleum Operations under this Agreement. With respect to all Exploration Operations and Development Operations, the Initial Interest shall be a Carried Interest. With respect to all Production Operations GNPC's Initial Interest shall be a Paying Interest.

2.5 In addition to the Initial Interest provided for in Article 2.4, GNPC shall have the option, in respect of each Development and Production Area, to acquire an Additional Interest of up to three percent (3%) in the Petroleum Operations in such Development and Production Area, by contributing the corresponding proportionate share to all Petroleum Costs incurred after the Date of Commercial Discovery, in respect of such Development and Production Area. With respect to all Development Operations and Production Operations, the Additional Interest shall be a Paying Interest. GNPC shall notify the Contractor of its intention to acquire the Additional Interest within ninety (90) days of the Date of Commercial Discovery.

2.6 If GNPC elects to take an Additional Interest as provided for in Article 2.5 then within six (6) Months of the date of its election, GNPC shall reimburse the Contractor for all expenditures attributable to GNPC's Additional Interest incurred from the Date of Commercial Discovery to the date GNPC notifies Contractor of its election.

2.7 For the avoidance of doubt, GNPC shall only be liable to contribute to Petroleum Costs:

(a) incurred in respect of Development Operations in any Development and Production Area to the extent only of any Additional Interest acquired in

such Development and Production Area under Article 2.5 and the expenditures described in Article 2.6; and

(b) incurred in respect of Production Operations (excluding costs for abandonment and decommissioning) in any Development and Production Area to the extent of:

i) its Initial Interest; and

ii) any Additional Interest acquired under Article 2.5.

2.8 GNPC may during the Exploration Period contribute to Petroleum Operations by providing such relevant services as may be specified by the JMC from time to time. Prior to the provision of such services, and subject to JMC approval, Contractor must specify in writing whether GNPC is either to (i) be paid in cash for such services by Contractor upon receipt of invoice from GNPC, or (ii) earn credit for the costs of providing such services against GNPC's share, if any, of future Development and/or Production Costs. The amount of costs to be invoiced or credit earned by GNPC pursuant to this paragraph must be approved by the JMC prior to provision of the relevant services, and shall be at fair market rates at which such services could be obtained under freely competitive conditions at the time of such approval. If costs are to be invoiced, Contractor shall pay GNPC the invoiced amount within thirty (30) days of receipt of the invoice.

2.9 Upon notifying Contractor of its decision to acquire an Additional Interest pursuant to Article 2.5, GNPC shall specify in the notification one or more of the following:

(a) that notwithstanding the provisions in Article 2.6, GNPC shall, in accordance with and subject to Article 2.10, elect to have Contractor advance, in whole or in part, GNPC's proportionate share of Development Costs incurred in respect of the Additional Interest, and such advances shall be repaid with interest at the Specified Rate in accordance with the terms of the Development Loan Agreement; and

(b) notify Contractor of any arrangements for the payment of the balance of GNPC's total proportionate share of Development Costs.

2.10 If GNPC so elects pursuant to Article 2.9, the financing of the Development Costs associated with an Additional Interest in relation to a specific Development and Production Area determined in accordance with the terms of this Agreement (including the amount of expenditure described in Article 2.6), shall be advanced to GNPC by Contractor in the form of a loan, and such advances shall be repaid to Contractor by GNPC in accordance with the terms and conditions of the Development Loan Agreement.

2.11 In the event of any default by (i) GNPC to make any contribution in respect of Production Costs as referred to in Article 2.7(b) or (ii) default by the State in payment due to Contractor pursuant to Article 15, the amount of such defaulted payment shall be automatically converted into a loan, the advance and repayment

(which shall be subject to interest thereon in accordance with Article 26.6) of which shall be governed by the terms and conditions of the Default Loan Agreement. GNPC hereby agrees that it shall enter into the Default Loan Agreement for the above purposes on or prior to the Development Loan Agreement.

2.12 Contractor's Participating Interest in all Petroleum Operations and in all rights under this Agreement shall be eighty five percent (85%) of the total interest under this Agreement, reduced proportionately on each Contractor Party pro rata to its Participating Interest, at any given time and in any given part of the Contract Area by the exercise of the option of Additional Interest of GNPC pursuant to Article 2.5 or the exercise of the Sole Risk interest of GNPC pursuant to Article 9.1. As of the Effective Date, Contractor's Participating Interest is held by each Contractor Party as follows: (i) ExxonMobil – eighty percent (80%) and (ii) GOIL – five percent (5%).

2.13 As of the Effective Date, the Contract Area, as depicted by Annex 1, shall from time to time during the term of this Agreement be reduced according to the terms herein. During the term of this Agreement, Contractor shall pay acreage fees to the State for that area included within the Contract Area at the beginning of each Contract Year according to the provisions of Article 12.1(h)12.1(d) below.

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Article 3

EXPLORATION PERIOD

3.1 The Exploration Period shall begin on the Effective Date and, subject to Article 22.8 and any extensions as provided for in accordance with the Petroleum Law, shall not extend beyond six (6) Contract Years, except if Contractor elects to drill an Exploration Well in the Initial Exploration Period, the Exploration period shall be seven (7) Contract Years.

(a) The Exploration Period shall be divided into an Initial Exploration Period of two and a half (2 ½) Years ("**Initial Exploration Period**") and two (2) extension periods, the first of two (2) Years and the second of one and a half (1½) Years each (respectively, "**First Extension Period**" and "**Second Extension Period**") and, where applicable, the further periods for which provision is made hereafter. If Contractor notifies the Petroleum Commission of its election to drill an Exploration Well in the Initial Exploration Period, the Initial Exploration Period shall be extended to three and a half (3½) Years.

(b) Where Contractor has fulfilled its obligations set out in Article 4.3 before the end of the Initial Exploration Period or, as the case may be, the First Extension Period, and has exercised its option by applying to the Petroleum Commission in writing for an extension, the Petroleum Commission will be deemed to have granted an extension into the First Extension Period or, as the case may be, into the Second Extension Period.

3.2 Following the end of the Second Extension Period, subject to the provisions of Article 3.4, Contractor will be entitled to an extension or extensions, by reference to Article 8, of the Exploration Period as follows:

(a) Where at the end of the Second Extension Period Contractor is drilling or testing any well, Contractor shall be entitled to an extension for such further period as may be reasonably required to enable Contractor to complete such work and assess the results and, in the event that Contractor notifies the Minister that the results from any such well show a Discovery which merits Appraisal, Contractor shall be entitled to a further extension for such period as may be reasonably required to carry out an Appraisal Programme and determine whether the Discovery constitutes a Commercial Discovery;

(b) Where at the end of the Second Extension Period Contractor is engaged in the conduct of an Appraisal Programme in respect of a Discovery which has not been completed, Contractor shall be entitled to a further extension for such period as may be reasonably required to complete that Appraisal Programme and determine whether the Discovery constitutes a Commercial Discovery;

(c) Where at the end of the Second Extension Period Contractor has undertaken work not falling under Articles 3.2(a), 3.2(b), or 4.3(c) which is not

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completed, Contractor shall be entitled to a further extension for such period as the Minister in consultation with the Petroleum Commission considers reasonable for the purpose of enabling such work to be completed; and

(d) Where pursuant to Article 8 Contractor has before the end of the Second Extension Period, including extensions under Articles 3.2((a), 3.2((b), or 3.2((c) above, given to the Minister a notice of Commercial Discovery, Contractor shall, if the Exploration Period would otherwise have been terminated, be entitled to a further extension of the Exploration Period in respect of the Discovery Area during which Contractor must prepare the Development Plan in respect of the Commercial Discovery until either:

i) the Minister has approved the Development Plan as set out in Article 8; or

ii) in the event that the Development Plan is not approved by the Minister as set out in Article 8 and the matter or matters in issue between the Minister and Contractor have been referred for resolution under Article 24, one (1) Month after the date on which the final decision thereunder has been given.

3.3 Where at the end of the Initial Exploration Period or, as the case may be, at the end of the First Extension Period, Contractor has failed to complete its Minimum Work Obligations as specified in Articles 4.3(a) or 4.3(b) in respect of that period (including in the circumstances contemplated in Article 4.8) but has made reasonable arrangements during the Initial Exploration Period or the First Extension Period, as applicable, to remedy its default, Contractor may apply to the Minister for further extension. The Minister may refuse to grant or grant in his discretion an extension on the then current applicable period subject to such reasonable terms and conditions as the Minister may stipulate to assure performance of the work.

3.4 Save in respect of a Discovery Area:

(a) in the circumstances and subject to the limitations set forth in Section 21(5) of the Petroleum Law;

(b) in a case falling within the provisions of Article 3.2(d); or

(c) in circumstances where Article 22.8 applies,

subject to Article 3.5 and Article 8, nothing in Article 3.2 shall be read or construed as requiring the extension of the Exploration Period beyond seven (7) years from the Effective Date.

The provisions of Articles 3.2(a), 3.2(b), 3.2(c), and 3.3, so far as they relate to the duration of the relevant Extension Period to which Contractor will be entitled, shall be read and construed as requiring the Minister to give effect to the provisions of Article 8 relating to the time within which Contractor must meet the requirements of that Article.

Article 4

MINIMUM EXPLORATION PROGRAMME

4.1 Exploration Operations shall begin as soon as practicable and in any case not later than sixty (60) days after the Effective Date.

4.2 Petroleum Commission and GNPC shall, at the request of Contractor, make available to Contractor such records and information relating to the Contract Area as are relevant to the performance of Exploration Operations by Contractor and are in Petroleum Commission and GNPC's possession, provided that Contractor shall reimburse Petroleum Commission for licensing the data and for other costs reasonably incurred in procuring or otherwise making such records and information available to Contractor.

4.3 Subject to the provisions of this Article 4, in discharge of its obligations to carry out Exploration Operations in the Contract Area, Contractor shall, during the phases into which the Exploration Period is divided, carry out the obligations specified hereinafter:

(a) **Initial Exploration Period**: Commencing on the Effective Date and terminating two (2) Years and six (6) Months from the Effective Date, unless extended pursuant to Article 3.1(a).

Description of Contractor's Minimum Work Obligation:
Acquire, process and interpret two thousand two hundred and twenty-two squared kilometers (2,222 km^2) of 3D seismic.

Minimum Expenditure:
Contractor's minimum expenditure for the work in the Initial Exploration Period shall be twenty million United States Dollars (US$20 million).

Contractor's Optional Well:
Contractor may choose to drill an Exploration Well during the Initial Exploration Period. In the event Contractor elects to drill an Exploration Well, Contractor's minimum expenditure for the additional work in the Initial Exploration Period shall be thirty five million United States Dollars (US$35 million).

(b) **First Extension Period**: Commencing at the end of the Initial Exploration Period and terminating two (2) Years from the expiration of the Initial Exploration Period.

Description of Contractor's Minimum Work Obligation:
Drill one (1) Exploration Well.

Minimum Expenditure:
Contractor's minimum expenditure for the work in the First Extension

Period shall be thirty five million United States Dollars (US$35 million).

(c) **Second Extension Period**: Commencing at the end of the First Extension Period and terminating one (1) Year and six (6) Months from the expiration of the First Extension Period, or as may be extended under this Agreement. If, within the first six (6) Months of the Second Extension Period, Contractor fails to notify the Petroleum Commission of its election to drill an Exploration Well, the Second Extension Period shall terminate.

Description of Contractor's Minimum Work Obligation:
Drill one (1) Exploration Well.

Minimum Expenditure:
Contractor's minimum expenditure for the work in the Second Extension Period shall be thirty five million United States Dollars (US$35 million).

Work accomplished in any period in excess of the above obligations may be applied as credit in satisfaction of obligations called for in any other period. The fulfillment of any Minimum Work Obligation shall relieve Contractor of the corresponding minimum expenditure obligation. Without prejudice to Article 23.3(e) should Contractor fail to perform its Minimum Work Obligations under Articles 4.3(a), 4.3(b), or 4.3(c), as applicable, Contractor shall pay to GNPC an amount equal to the minimum expenditure obligation, as reduced by the value of work already performed, for the relevant Exploration Phase.

4.4 Within ninety (90) days after the Effective Date, Contractor shall provide to GNPC Security in the amount of twenty million United States Dollars (US$20 million) to cover the minimum expenditure obligation for the Initial Exploration Period. This Security shall be: (a) reduced proportionately by the work performed; and (b) released upon completion of the Minimum Work Obligation.

4.5 The seismic programme in Article 4.3(a), when combined with existing data, shall be such as will enable a study of the regional geology of the Contract Area and the preparation of a report thereon with appropriate maps, cross sections, and illustrations, as well as a geophysical survey of the Contract Area which, when combined with existing data, shall provide:

(a) A minimum seismic grid adequate to define prospective drill sites over prospective closures as interpreted from data available to Contractor; and

(b) A seismic evaluation of structural and stratigraphic conditions over the remaining portions of the Contract Area.

4.6 Each Exploration Well shall be drilled at a location and to an objective depth determined by Contractor in consultation with GNPC. Except as otherwise provided in Articles 4.7 and 4.8 below, the minimum depth of each Exploration Well in Articles 4.3(b) and 4.3(c) shall be whichever of the following is first encountered:

(a) the depth of four thousand five hundred (4,500) metres measured from the Rotary Table Kelly Bushing (RTKB);

(b) one hundred (100) metres below the depth at which the primary target is first encountered; or

(c) the depth at which Contractor encounters geologic basement; or conditions are encountered which render further commercial hydrocarbon potential highly unlikely;

unless GNPC consents otherwise, which consent shall not be unreasonably withheld or delayed.

4.7 The minimum depth of one (1) of the obligatory Exploration Wells in Article 4.3 shall be whichever of the following is first encountered:

(a) the depth of four thousand five hundred (4,500) metres measured from the Rotary Table Kelly Bushing (RTKB);

(b) the depth sufficient to penetrate three hundred and fifty (350) metres into the Campanian; or

(c) the depth at which Contractor encounters geological basement;

unless GNPC consents otherwise, which consent shall not be unreasonably withheld or delayed.

4.8 If in the course of drilling an Exploration Well Contractor concludes that drilling to the minimum depth specified in Articles 4.6 and 4.7 above is impossible, impracticable, or imprudent in accordance with International Oil Field Practice, then Contractor may plug and abandon the Exploration Well, and the JMC shall have the option of either: (a) waiving the minimum depth requirement, in which case Contractor will be deemed to have satisfied the obligation to drill such Exploration Well; or (b) requiring Contractor to drill a substitute Exploration Well at a location determined by Contractor in consultation with GNPC and to the minimum depth set forth in Article 4.6 or 4.7, except that if in the course of drilling such substitute Exploration Well Contractor establishes that drilling to the minimum depth specified in Article 4.6 or 4.7 above is impossible, impracticable or imprudent in accordance with International Oil Field Practice, then Contractor may plug and abandon the substitute Exploration Well and will be deemed to have satisfied the obligation to drill one (1) Exploration Well.

4.9 During the Exploration Period, Contractor shall have the right to perform additional Exploration Operations subject to the terms of this Agreement and approval by the JMC pursuant to Article 6.4, including performing gravity and magnetic surveys, drilling stratigraphic wells, and performing additional geological and geophysical studies, provided the Minimum Work Obligations are completed within the applicable period. Provided further that Contractor may elect

geological and geophysical studies, provided the Minimum Work Obligations are completed within the applicable period. Provided further that Contractor may elect to perform such additional Exploration Operations in the absence of approval by the JMC and the costs of such additional Exploration Operations shall not be considered Petroleum Costs. However, such costs shall only be Petroleum Costs for purposes of AOE if there arises a subsequent Commercial Discovery associated with such additional Exploration Operations. Any such subsequent Commercial Discovery shall be treated hereunder in the same manner as if such Commercial Discovery had been made in connection with operations that were not performed as sole risk operations including participation by GNPC in such Commercial Discovery.

4.10 During the Exploration Period, Contractor shall deliver to GNPC and the Minister summary reports on Exploration Operations conducted in the Contract Area during each Quarter within thirty (30) days following the end of that Quarter. Contractor shall comply with further reasonable requests for information by the Minister under Section 25(1) of the Petroleum Law within a reasonable time, and copies of documents and other material containing such information shall be provided by Contractor to GNPC.

4.11 No Appraisal Wells drilled or seismic surveys carried out by the Contractor as part of an Appraisal Programme undertaken pursuant to Article 8 and no expenditure incurred by Contractor in carrying out such Appraisal Programme shall be treated as discharging the Minimum Work Obligations under Article 4.3 above.

Article 5

RELINQUISHMENT

5.1 Subject to section 22 of the Petroleum Law and except as provided in Articles 5.2, 8.3, 8.10, 8.16, 8.18, 8.19, 8.20, 9.3, 9.9 (b) and 14.12, Contractor shall relinquish portions of the Contract Area in the manner provided hereafter:

(a) If on or before the expiration of the Initial Exploration Period Contractor elects to enter into the First Extension Period pursuant to Article 3.1(b), then Contractor shall retain fifty percent (50%) of the Contract Area;

(b) If on or before the expiration of the First Extension Period Contractor elects to enter into the Second Extension Period pursuant to Article 3.1(b), then subject to Article 5.2, at the commencement of the Second Extension Period the area retained shall not exceed twenty-five percent (25%) of the original Contract Area (excluding all Discovery Areas and Development and Production Areas pursuant to Article 5.2); and

(c) On the expiration of the Second Extension Period Contractor shall, subject to Article 5.2, relinquish the remainder of the retained Contract Area.

5.2 The provisions of Article 5.1 shall not be read or construed as requiring Contractor to relinquish any portion of the Contract Area which constitutes or forms part of either a Discovery Area or a Development and Production Area; provided, however, that if at the end of the Initial Exploration Period or the First Extension Period, as the case may be, Contractor elects not to enter into the First Extension Period or Second Extension Period, Contractor shall relinquish the entire Contract Area, except any Discovery Area(s) and Development and Production Area(s).

5.3 Each area to be relinquished pursuant to this Article shall be selected by Contractor and shall be, as far as possible, contiguous and compact units of a size and shape which will permit the carrying out of Petroleum Operations in the relinquished portions.

Article 6

JOINT MANAGEMENT COMMITTEE

6.1 In order that GNPC and Contractor may cooperate in the implementation of Petroleum Operations, GNPC and Contractor shall not later than thirty (30) days after the Effective Date establish a Joint Management Committee (JMC). Without prejudice to the rights and obligations of Contractor for day-to-day management of the operations and subject to Article 6.3, the JMC shall oversee and approve the Petroleum Operations and ensure that all approved Work Programmes and Development Plans are complied with and also that accounting for costs and expenses and the maintenance of records and reports concerning the Petroleum Operations are carried out in accordance with this Agreement and International Oil Field Practice.

6.2 The composition and distribution of functions within the JMC shall be as provided hereinafter:

(a) The JMC shall consist of two (2) representatives of GNPC and two (2) representatives of the Contractor. Any Contractor Party not represented on the JMC may appoint an observer to attend all JMC meetings and shall receive copies of all notices and materials distributed to the members of the JMC concurrently with the distribution of such notices and materials to the JMC members. GNPC and Contractor shall also designate an alternate for each of their representatives. In the case of absence or incapacity of a member of the JMC, such alternate shall automatically assume the rights and obligations of the absent or incapacitated member;

(b) The chairperson of the JMC shall be designated by GNPC from amongst the members of the JMC;

(c) Contractor shall be responsible, in consultation with GNPC, for the preparation of an agenda and supporting documents for each meeting of the JMC and for keeping records of the meetings and decisions of the JMC. GNPC shall have the right, upon reasonable notice, to inspect all records of the JMC during business hours. At least fourteen (14) days before the date of the meeting, Operator shall circulate the agenda and supporting documents for each meeting to all representatives designated pursuant to Article 6.2(a); and

(d) At any meeting of the JMC, three (3) representatives (including alternates, if applicable) shall form a quorum.

6.3 Meetings of the JMC shall be held and decisions taken as follows:

(a) All meetings of the JMC shall be held in Accra, Houston, or London, or such other place as may be agreed upon by members of the JMC;

(b) The JMC shall meet at least twice per Year and at such times as the members may agree;

(c) A meeting of the JMC may be convened by either GNPC or the Contractor giving not less than twenty (20) days' notice to the other or, in a case requiring urgent action, notice of such lesser duration as the members may agree upon;

(d) All decisions of the JMC, which are limited to only those decisions pursuant to Articles 1.32, 1.37, 2.8, 4.8, 6.3(h), 6.4, 6.5, 6.7, 6.10, 8.17, 9.8, and 18.6 shall require unanimity among GNPC and Contractor, and all representatives of a Party shall vote the same way;

(e) Any member of the JMC may vote by written and signed proxy held by another member, so long as such member is a representative of the same Party as the other member;

(f) Decisions of the JMC may be made without holding a meeting if all representatives of GNPC and Contractor notify their consent thereto in the manner provided in Article 27;

(g) GNPC and Contractor shall have the right to bring expert advisors to any JMC meetings to assist in the discussions of technical and other matters requiring expert advice;

(h) The JMC may also establish such subcommittees as it deems appropriate for carrying out its functions including:

i) a technical subcommittee;

ii) an audit subcommittee;

iii) an accounting subcommittee;

iv) a contract/procurement subcommittee; and

v) any other subcommittee as may be determined by the JMC

and each subcommittee shall function in an advisory capacity to the JMC or as otherwise determined unanimously by the JMC; and

(i) Reasonable costs and expenses, as evidenced by invoices and/or receipts related to attendance by GNPC in or outside Accra (e.g., travel, transportation, lodging, per diem, and insurance), in accordance with applicable laws, regulations, and GNPC policies and procedures shall: (i) be borne by Contractor and treated as Petroleum Costs; and (ii) not include any costs and expenses related to attendance for any GNPC expert advisors pursuant to Article 6.3(g) unless otherwise agreed by GNPC and Contractor.

6.4 The JMC shall oversee Exploration Operations as follows:

(a) Not later than sixty (60) days after the Effective Date and thereafter at least ninety (90) days before the commencement of each subsequent Calendar Year, Contractor shall prepare and submit to the JMC for review and approval a Work Programme and budget covering all Exploration Operations which Contractor proposes to carry out in that Calendar Year and shall also give an indication of Contractor's tentative preliminary Exploration plans for the succeeding Calendar Year. Where the Effective Date occurs later than June 30 in any Calendar Year, Contractor shall have the option of submitting a single detailed Work Programme and budget covering: (i) the remaining Months of the Calendar Year in which the Effective Date occurs; and (ii) the succeeding Calendar Year. If a Work Programme and budget for the subsequent Calendar Year is not approved by the JMC by December 15, the JMC shall be deemed to have approved a Work Programme and budget for the subsequent Calendar Year submitted by Contractor that sets out those Petroleum Operations that Contractor determines are: (i) consistent with the scope of, and not in conflict with, the Minimum Work Obligations and the commitments of a previously approved Work Programme and budget for Exploration Operations (if any); and (ii) reasonably necessary to keep this Agreement in full force and effect and to ensure the integrity of Petroleum Operations in accordance with International Oil Field Practice; provided that the submission of the Work Programme and Budget was done at least ninety (90) days before December 15;

(b) Upon notice to GNPC, Contractor may amend any Work Programme and budget submitted to the JMC pursuant to this Article 6.4, which notice will state why in Contractor's opinion the amendment is necessary or desirable. Any such amendment shall be submitted to the JMC for review and approval;

(c) Every Work Programme and budget submitted to the JMC pursuant to this Article 6.4, and every amendment thereof, shall be consistent with the requirements set out in Article 3.3 relating to the Minimum Work Obligation for the period of the Exploration Phase in which such Work Programme and budget falls;

(d) Notwithstanding Article 8.1, Contractor shall notify GNPC as soon as possible after Contractor determines there has been a Discovery, but in any event not later than two (2) days after Contractor's determination that there has been a Discovery. Pursuant to Article 8.4, Contractor may subsequently place before the JMC for review its Proposed Appraisal Programme. Within thirty (30) days of completion of the Appraisal Programme, a JMC meeting to discuss the results of the Appraisal Programme shall be convened before submission of the detailed Appraisal report provided for in Article 8.8;

(e) The JMC will review and approve Work Programmes and budgets (and any amendments or revisions thereto) and review the Proposed Appraisal Programmes (and any amendments or revisions thereto), submitted to it by

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Contractor pursuant to this Article 6.4, and timely give such advice as it deems appropriate which Contractor shall consider before submitting such Work Programmes and budgets or Proposed Appraisal Programmes (and any amendments or revisions thereto) for approvals required by law or this Agreement;

(f) After the date of the first Commercial Discovery, Contractor shall seek the approval of GNPC, which approval shall not be unreasonably withheld or delayed, on any proposal for the drilling of any further Exploration Well(s) not associated with the Commercial Discovery and not otherwise required to be drilled under Article 4.3. If approval is not secured by Contractor, Contractor may nevertheless elect to drill the Exploration Well(s) at its sole risk, and the costs of such Exploration Operations shall not be considered Petroleum Costs. However, such costs shall be Petroleum Costs for purposes of AOE if there arises a subsequent Commercial Discovery associated with such additional Exploration Operations. Any such subsequent Commercial Discovery shall be treated hereunder in the same manner as if such Commercial Discovery had been made in connection with operations that were not performed as sole risk operations, including participation by GNPC in such Commercial Discovery; and

(g) Contractor shall, not later than one hundred and fifty (150) days after informing the Minister that a Discovery is a Commercial Discovery, submit a Development Plan for approval by the JMC. If the JMC does not approve a Development Plan within thirty (30) days of Contractor's submission, then Contractor shall submit the Development Plan proposed by Contractor to the Minister pursuant to Article 8.11. When the Minister approves the Development Plan pursuant to Article 8, such Development Plan shall be deemed approved by the JMC.

6.5 From the Date of Commercial Discovery, the JMC shall oversee Petroleum Operations as follows:

(a) Within sixty (60) days after the Date of Commercial Discovery, Contractor shall prepare and submit to the JMC: (i) for approval any revisions to its annual Work Programme and budget that may be necessary in order to implement the Development Plan for the remainder of that Calendar Year; and (ii) with respect to the Contract Area (excluding the Discovery Area) an indication of Contractor's tentative plans for the rest of the Exploration Period;

(b) At least ninety (90) days before the commencement of each subsequent Calendar Year, Contractor shall submit to the JMC for review and approval a Work Programme and budget setting forth all Development and Production Operations which Contractor proposes to carry out in that Calendar Year and the estimated cost thereof, and shall also give an indication of Contractor's tentative plans for the succeeding Calendar Year. If a Work Programme and budget for the subsequent Calendar Year is not

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approved by the JMC by December 15, the JMC shall be deemed to have approved a Work Programme and budget for the subsequent Calendar Year submitted by Contractor that sets out those Petroleum Operations that Contractor determines are: (i) consistent with the commitments of a previously approved Work Programme and budget for Development and Production Operations (if any); and (ii) reasonably necessary to keep this Agreement in full force and effect and to ensure the integrity of Petroleum Operations in accordance with International Oil Field Practice provided that the submission of the Work Programme and Budget was done at least ninety (90) days before December 15.

(c) Within sixty (60) days of the Date of Commencement of Commercial Production and thereafter not later than one hundred and twenty (120) days before the commencement of each subsequent Calendar Year, Contractor shall submit to the JMC for its approval an annual production schedule which shall be in accordance with International Oil Field Practice, and shall be designed to provide for the efficient, beneficial, and timely production of the Petroleum resources. If the annual production schedule for the subsequent Calendar Year is not approved by the JMC by December 15, then Contractor shall submit Contractor's annual production schedule for the subsequent Calendar Year to the Petroleum Commission.

6.6 For purposes of Articles 6.4 and 6.5, commitments and expenditures with respect to any line item of an approved Work Programme and budget, Contractor shall be entitled to incur in connection with the corresponding Petroleum Operation, without further approval of the Joint Management Committee, a combined over-commitment and over-expenditure for such line item up to ten percent (10%) of the authorized amount for such line item; provided that the cumulative total of all over-commitments and over-expenditures for a Calendar Year shall not exceed five percent (5%) of the total annual Work Programme and budget in question.

6.7 Supplementary agreements provided for under Article 10.7, which shall include lifting procedures for Development and Production Areas, shall be subject to JMC approval.

6.8 The JMC shall review all reports submitted by Contractor pursuant to this Article 6 on the conduct of Petroleum Operations.

6.9 Contractor's insurance programme and the programmes for training and technology transfer shall be subject to JMC review.

6.10 Any contract to be entered into or awarded by Contractor for the provision of services for Petroleum Operations must comply with the provisions of Article 20, and shall be subject to: (a) JMC approved relevant contracting and tendering procedures, (which shall be approved by the JMC within thirty (30) days of the Effective Date); and (b) approval by the JMC. At the first JMC meeting, the JMC shall approve the applicable contract monetary value above which the award of contracts shall be subject to JMC approval. The applicable contract monetary

value shall be such as would allow the Operator to conduct Petroleum Operations in a timely and efficient manner. GNPC shall treat such contracts as confidential pursuant to Article 16.4, except as required by applicable law; provided that GNPC shall not disclose such contracts under Article 16.5(a)(ii). The JMC shall use reasonable endeavors to approve such contracting and tendering procedures proposed by Contractor within thirty (30) days. However, if JMC does not approve within the thirty (30) days, then such contracting and tendering procedures shall be deemed approved by the JMC.

6.11 If during any meeting of the JMC the JMC members are unable to reach agreement concerning any of the matters requiring approval pursuant to Article 6.3(d), the matter shall be deferred for reconsideration at a further meeting to be held not later than fifteen (15) days following the original meeting; provided that between the original meeting and the further meeting, senior personnel authorized by Contractor and GNPC shall seek to resolve any such matter. If at such further meeting GNPC and Contractor are still unable to reach agreement, the matter in dispute shall, at the request of either GNPC or Contractor, be referred for resolution by a Sole Expert under Article 24 unless GNPC and Contractor agree that such dispute should be submitted to arbitration pursuant to Article 24.

Article 7

RIGHTS AND OBLIGATIONS OF CONTRACTOR AND GNPC

7.1 Subject to the provisions of this Agreement, Contractor shall be responsible for the conduct of Petroleum Operations and shall perform its obligations in accordance with International Oil Field Practice, including without prejudice to the generality of the foregoing:

(a) establish offices in Ghana and to assign to those offices such representatives as it shall consider necessary for the purposes of this Agreement;

(b) conduct Petroleum Operations diligently in accordance with International Oil Field Practice, observing sound technical and engineering practices using appropriate advanced technology and effective equipment, machinery, materials, and methods;

(c) take all reasonable steps to ensure compliance with Section 50 of the Petroleum Law, including ensuring the recovery and prevention of waste of Petroleum in the Contract Area in accordance with International Oil Field Practice;

(d) prepare and maintain in Ghana full and accurate records of all Petroleum Operations performed under this Agreement;

(e) prepare and maintain accounts of all Petroleum Operations under this Agreement in such a manner as to present a full and accurate record of the costs of such Petroleum Operations, in accordance with the Accounting Guide;

(f) disclose to GNPC and the Minister all agreements among the Contractor Parties relating to the Petroleum Operations, which agreement shall not be inconsistent with the provisions of this Agreement; provided that: (i) GNPC and the Minister shall treat such agreements as confidential pursuant to Article 16.4, except as required by applicable law; and (ii) GNPC and the State shall not disclose such agreements under Article 16.5(a)ii);

(g) give first consideration to Ghanaians with the requisite qualifications, training, and experience before bringing to Ghana such number of Foreign National Employees as may be necessary for its operations, including employees assigned on permanent or resident status, with or without families, as well as those assigned on temporary basis, such as rotational employees, in accordance with the Local Content Regulations;

(h) implement a secondment programme to develop GNPC's institutional capacity to become a competent operator in accordance with Article 21.4;

(i) subject to Article 2.7, provide and be solely responsible for the payment of all costs related or incidental to all services, equipment, and supplies

necessary for the execution of the activities to be conducted by Contractor under this Agreement except as otherwise provided hereunder;

(j) prepare and submit in accordance with this Agreement for approval by the JMC: (i) the Development Plan; and (ii) such other matters as are specified in this Agreement as subject to approval by the JMC;

(k) take all measures consistent with International Oil Field Practice to: (i) control the flow and prevent loss or waste of Petroleum; (ii) prevent any injurious ingress of water and damage to Petroleum bearing strata; and (iii) manage reservoir pressure;

(l) not flare any Natural Gas except in accordance with Article 14.2;

(m) keep the Minister, the Petroleum Commission, and GNPC promptly advised in writing of all material developments which occur, or the occurrence of which is reasonably foreseeable, affecting, or highly likely to affect Petroleum Operations;

(n) take such steps in case of emergency, and make such immediate expenditures as are necessary in accordance with International Oil Field Practice, environmental, industrial hygiene, and safety legislation, and/or this Agreement for the protection of health, life, the environment, and property, and report in reasonable detail all such steps taken and expenditures made promptly to the Minister, the Petroleum Commission, and the JMC;

(o) notify promptly the Minister, the Petroleum Commission, and GNPC if Contractor becomes aware of any unusual event or circumstance occurring in the Contract Area or such other areas where Contractor is undertaking activities contemplated under this Agreement that Contractor believes could reasonably be expected to adversely affect the environment;

(p) implement and administer contracts related to Petroleum Operations entered into by Contractor with its Affiliates on an arm's-length basis; and

(q) maintain or decommission, as appropriate, all existing facilities and assets, and all other assets used or held for use in connection with Petroleum Operations in accordance with International Oil Field Practice, applicable law, and this Agreement.

7.2 In connection with its performance of Petroleum Operations, Contractor shall have the right within the terms of and pursuant to applicable law and regulations to:

(a) use public lands for installation and operation of shore bases, and terminals, harbours, and related facilities, petroleum storage and processing, pipelines from fields to terminals and delivery facilities, and camps and other housing;

(b) receive licenses and permission to install and operate such communications, Petroleum production, processing, storage facilities, transportation facilities (to the Delivery Point), and other facilities as may be necessary for the efficiency of its operations;

(c) provide or arrange for reasonable housing, schooling, and other amenities, permanent and temporary, for its employees and to import personal and household effects, furniture, and vehicles, for the use of its personnel in Ghana;

(d) be solely responsible for provision of health, accident, pension, and life insurance benefit plans of its Foreign National Employees and their families; and such employees shall not be required to participate in any insurance, compensation, or other employee or social benefit programmes established in Ghana;

(e) have, together with its personnel, at all times the right of ingress to and egress from its offices in Ghana, the Contract Area, and the facilities associated with Petroleum Operations hereunder in Ghana including the offshore waters, using its owned or chartered means of land, sea, and air transportation; and

(f) engage such Subcontractors, expatriate and national, including also consultants, and bring such Subcontractors and their personnel to Ghana as are necessary in order to carry out the Petroleum Operations in accordance with International Oil Field Practices; and said Subcontractors shall have the same rights as Contractor specified in this Article 7.2 to the extent they are engaged by Contractor for the Petroleum Operations hereunder.

7.3 GNPC shall use its best efforts to assist Contractor in carrying out Contractor's obligations expeditiously and efficiently, as stipulated in this Agreement, and in particular GNPC shall use its best efforts to assist Contractor and its Subcontractors, as long as Contractor and its Subcontractors use their reasonable efforts to appropriately complete procedures and requirements under applicable law, to:

(a) establish supply bases and obtain necessary communications facilities, equipment, and supplies;

(b) obtain necessary approvals to open bank accounts in Ghana;

(c) subject to Article 21 hereof, obtain entry visas and work permits, or any other documentation that may be required, for such number of Foreign National Employees of Contractor and its Subcontractors engaged in Petroleum Operations and members of their families who will be resident in Ghana, and make arrangements for their travel, arrival, medical services, and other necessary amenities;

(d) comply with Ghana customs procedures and obtain permits for the importation of necessary materials;

(e) obtain the necessary permits to transport documents, samples or other forms of data to foreign countries for the purpose of analysis or processing if such is deemed necessary by Contractor for the purposes of Petroleum Operations;

(f) acquire any approvals or waivers required from any State agencies or other ministerial or regulatory bodies under the direct or indirect control of the State, including those State agencies or other ministerial or regulatory bodies dealing with fishing, meteorology, navigation, environment, and communications, as required;

(g) in accordance with Article 21.3, identify Ghanaian personnel as candidates for employment by Contractor in Petroleum Operations; and

(h) procure access, on competitive commercial terms to infrastructure owned by the State, GNPC (or its Affiliates), or any third party, including facilities owned or used by contractors on oil and gas blocks adjacent to the Contract Area.

7.4 All reasonable and documented expenses incurred by GNPC in connection with any of the matters set out in Article 7.3 shall be borne by Contractor in accordance with this Agreement.

7.5 GNPC shall use its best efforts to render assistance to Contractor in emergencies and major accidents, and such other assistance as may be requested by Contractor, provided that any reasonable expenses involved in such assistance shall be borne by Contractor in accordance with this Agreement.

7.6 Subject to the provisions of this Agreement and save for Petroleum Operations undertaken by GNPC pursuant to Article 9, Contractor shall, during the term of this Agreement obtain and maintain insurance for and in relation to Petroleum Operations as required by Ghanaian law. Subject to approval of the National Insurance Commission pursuant to the Local Content Regulations, Contractor may satisfy such insurance obligations through self-insurance. Contractor shall within two (2) Months of the date of policy or renewal furnish to the Minister and the Petroleum Commission evidence that such coverage is in effect. Such insurance policies shall cover the interest of GNPC as additional insured and shall waive subrogation against GNPC except subrogation shall not be waived for claims arising from Gross Negligence/Wilful Misconduct of GNPC Senior Supervisory Personnel. For the avoidance of doubt, additional insured coverage does not extend to GNPC's negligence. The said insurance shall, without prejudice to the generality of the foregoing, cover:

(a) loss or damage to all installations, equipment and other assets for so long as they are used in or in connection with Petroleum Operations; provided, however, that if for any reason the Contractor fails to insure any such

installation, equipment or assets, it shall replace any loss thereof or repair any damage caused thereto;

(b) loss, damage or injury caused by pollution in the course of or as a result of Petroleum Operations;

(c) loss of property or damage or bodily injury suffered by any third party in the course of or as a result of Petroleum Operations for which the Contractor may be liable;

(d) any claim for which the State may be liable relating to the loss of property or damage or bodily injury suffered by any third party in the course of or as a result of Petroleum Operations for which the Contractor is liable to indemnify the State;

(e) with respect to Petroleum Operations offshore, the cost of removing wrecks and cleaning up operations following any accident in the course of or as a result of Petroleum Operations; and

(f) the Contractor's and/or the Operator's liability to its employees engaged in Petroleum Operations.

7.7 Contractor shall require its Subcontractors to obtain and maintain insurance pursuant to Article 7.6 relating mutatis mutandis to such Subcontractors.

7.8 Contractor shall indemnify and hold harmless the State and GNPC against all third party claims, losses, and damages of any nature directly caused by or resulting from the Gross Negligence / Wilful Misconduct of Contractor.

7.9 Under no circumstances shall Contractor be required to utilize local brokers except in accordance with the Local Content Regulations.

7.10 No third party shall be granted access to the Contract Area for the purposes of exploration for and production of natural resources other than petroleum unless such third party has entered into an indemnity agreement with Contractor.

7.11 No third party (for the avoidance of doubt, a party that is not an Affiliate of Contractor) shall be allowed to use any Contractor owned or operated facility unless such third party has entered into an agreement with Contractor. The tariff rates and other conditions agreed between the third party and Contractor may be modified by the Petroleum Commission in consultation with the parties prior to approval by the Petroleum Commission. Following such approval by the Petroleum Commission, the tariff rates and other conditions shall not be modified without Contractor's agreement which shall not be unreasonably withheld.

Article 8

COMMERCIALITY

8.1 Contractor shall submit a Discovery Notice to the Minister, the Petroleum Commission, as soon as possible after any Discovery is made, but in any event not later than forty eight hours (48) after such Discovery is made.

8.2 As soon as possible after the analysis of the test results of such Discovery is complete, and in any event not later than one hundred (100) days from the date of such Discovery, Contractor shall by a further notice in writing to the Minister, the Petroleum Commission, and GNPC, indicate whether in the opinion of Contractor the Discovery merits Appraisal.

8.3 Where Contractor does not make the indication required by Article 8.2 within the period indicated or indicates that the Discovery does not merit Appraisal, Contractor shall, subject to Articles 8.18 and 8.21, relinquish the Discovery Area associated with the Discovery.

8.4 Where Contractor indicates that the Discovery merits Appraisal pursuant to Article 8.2, Contractor shall within one hundred and eighty (180) days from the date of the Discovery Notice notify the Minister and submit to the Petroleum Commission for approval (and to the Minister for information purposes) a Proposed Appraisal Programme to be carried out by Contractor in respect of such Discovery. For the avoidance of doubt, unless otherwise instructed by the Petroleum Commission, Contractor shall conduct a separate Appraisal for each Discovery where Contractor indicates that such Discovery merits Appraisal.

8.5 The Petroleum Commission shall within sixty (60) days of submission of the Proposed Appraisal Programme, give Contractor a notice in writing stating:

(a) whether the Proposed Appraisal Programme has been approved (outright or conditionally) or not;

(b) if not approved, any revisions or improvements required by the Petroleum Commission to be made to the Proposed Appraisal Programme, and the reasons therefor; or

(c) if conditionally approved, the conditions to the approval of the Proposed Appraisal Programme, and the reasons therefor.

If the Petroleum Commission fails to provide such notice after such sixty (60) day period, such Proposed Appraisal Programme shall be deemed approved.

If the Petroleum Commission notifies Contractor that the Proposed Appraisal Programme is not approved or Contractor notifies the Petroleum Commission that it does not accept the revisions or conditions required for any approval pursuant to this Article 8.5, the Petroleum Commission and Contractor shall consult within fifteen (15) days of the date of the notice by the Petroleum Commission, or

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Contractor, as the case may be, with a view to amending the Proposed Appraisal Programme to be acceptable to both the Petroleum Commission and Contractor. Should the Petroleum Commission not agree to so consult or should the Petroleum Commission and Contractor fail to agree changes required for such approval within fourteen (14) days following said consultation, Contractor may notify the Minister and request resolution. If the Minister is unable to resolve the matter in a manner agreeable to the Petroleum Commission, GNPC, and Contractor within thirty (30) days from the date such notification was lodged, the resulting dispute arising out of this Article 8.5 shall be referred for resolution by a Sole Expert in accordance with Article 24.9. Where Contractor seeks to amend an Appraisal Programme, it shall submit such amendment to the JMC for review pursuant to Article 6.4(e) before submission to the Petroleum Commission for approval.

8.6 Unless Contractor and the Petroleum Commission otherwise agree, Contractor shall have a period of two (2) Years from the date of Discovery to complete the Appraisal Programme. In the event Contractor requires a period of more than two (2) Years to complete the Appraisal Programme, Contractor shall submit a request to the Petroleum Commission for an extension, with a firm programme with timelines to justify the request, and the Petroleum Commission may in special cases recommend that the Minister approve Contractor's request for an extension.

8.7 Contractor shall commence Appraisal within one hundred and fifty (150) days from the date of approval of the Appraisal Programme by the Petroleum Commission pursuant to Article 8.5. Where Contractor is unable to commence or otherwise fails to commence Appraisal within one hundred and fifty (150) days from the date of approval of the Appraisal Programme, GNPC shall be entitled to exercise the option provided for in Article 9.1 to enable prompt Appraisal unless: (a) the delay is due to Force Majeure; or (b) Contractor has commenced Appraisal or obtained an extension of time for such Appraisal, provided that if Contractor obtains an extension of time for such Appraisal and has not commenced Appraisal prior to the end of such extension, GNPC shall be entitled to exercise the option provided for in Article 9.1 to enable prompt Appraisal.

8.8 Not later than ninety (90) days from the date on which said Appraisal Programme relating to the Discovery is completed, Contractor will submit to the Minister and the Petroleum Commission a report containing the results of the Appraisal Programme. Such report shall include all available technical and economic data relevant to a determination of commerciality, including geological and geophysical conditions, such as structural configuration, physical properties and the extent of reservoir rocks, areas, thickness and depth of pay zones, pressure, volume, and temperature analysis of the reservoir fluids, preliminary estimates of Crude Oil and/or Natural Gas reserves, recovery drive characteristics, anticipated production performance per reservoir and per well, fluid characteristics, including gravity, sulphur percentage, sediment and water percentage, and refinery assay pattern; provided that Contractor makes no representations about the accuracy of its identification of reserves and that each Party retains full responsibility for making its own assessment of reserves for internal and reporting purposes.

8.9 Not later than ninety (90) days from the date on which said Appraisal Programme is completed, Contractor shall, by a further notice in writing, inform the Petroleum Commission and the Minister whether the Discovery, in the opinion of Contractor, is or is not a Commercial Discovery.

8.10 If Contractor fails to notify the Minister and the Petroleum Commission as provided in Article 8.9 or informs the Minister that the Discovery is not a Commercial Discovery, then subject to Articles 8.17 and 8.20, Contractor shall relinquish such Discovery Area; provided, however, that in appropriate cases, before declaring that a Discovery is not a Commercial Discovery, Contractor may consult with the other Parties and may make appropriate representations proposing minor changes in the fiscal and other provisions of this Agreement which may, in the opinion of Contractor, affect the determination of commerciality. The other Parties may, where feasible, and in the best interests of the Parties, agree to make such changes or modifications in the existing arrangements.

8.11 If Contractor pursuant to Article 8.9 informs the Minister that the Discovery is a Commercial Discovery, Contractor shall, not later than one hundred and eighty (180) days thereafter submit a Development Plan to the Minister.

8.12 The Development Plan referred to in Article 8.11 shall subject to Section 27(4) of the Petroleum Law be based on detailed engineering studies and shall include:

(a) Contractor's proposals for the delineation of the proposed Development and Production Area and for the development of any reservoir(s), including the method for the disposal of Associated Gas in accordance with the provisions of Part II of Article 14;

(b) the way in which the Development and Production of the reservoir is planned to be financed;

(c) Contractor's proposals relating to the spacing, drilling, and completion of wells, the production, storage, processing, transportation, gas utilization, delivery facilities, and necessary infrastructure developments required for the production, storage, and transportation (to the Delivery Point) of the Petroleum, including:

i) the estimated number, size, and production capacity of production facilities, if any;

ii) the estimated number of Production wells;

iii) the particulars of feasible alternatives for transportation of the Petroleum, including pipelines;

iv) the particulars of onshore installations required, including the type and specifications or size thereof; and

v) the particulars of other technical equipment required for the operations;

(d) the estimate of the reserves together with the estimated annual production profiles throughout the life of the field to be developed pursuant to the Development Plan for Crude Oil and Natural Gas from the Petroleum reservoirs, provided that Contractor makes no representations about the accuracy of its identification of reserves and that each Party retains full responsibility for making its own assessment of reserves for internal and reporting purposes;

(e) tie-ins with other Petroleum fields (where applicable);

(f) information on operation and maintenance;

(g) a description of technical solutions, including enhanced recovery methods;

(h) estimates of capital and operating expenditures;

(i) economic feasibility studies carried out by or for Contractor in respect of alternative methods for Development of the Discovery, taking into account:

i) location;

ii) water depth (where applicable);

iii) meteorological conditions;

iv) estimates of capital and operating expenditures; and

v) any other relevant data and evaluation thereof;

(j) safety measures to be adopted in the course of the Development and Production Operations, including measures to deal with emergencies;

(k) environmental impact assessments as required by the applicable laws of Ghana;

(l) measures to protect the environment and a contingency plan for handling emergencies (including the provision and maintenance of equipment stockpiles to respond to an emergency);

(m) Contractor's proposals with respect to the procurement of goods and services obtainable in Ghana;

(n) Contractor's technology transfer plan;

(o) Contractor's plan for training and employment of Ghanaian nationals;

(p) timetable for effecting Development Operations; and

(q) a plan for decommissioning and abandonment.

8.13 The date of the Minister's approval of the Development Plan pursuant to Articles 8.14, 8.15, or 8.16 shall be the Date of Commercial Discovery.

8.14 The Minister shall, within the ninety (90) days following submission of the Development Plan, give Contractor a notice in writing stating whether or not the Development Plan as submitted has been approved or:

(a) if not approved, any revisions proposed by the Minister to the Development Plan as submitted, and the reasons thereof; or

(b) if conditionally approved, any conditions pursuant to which the Development Plan is approved.

If the Minister fails to provide notice pursuant to Articles 8.14(a) or 8.14(b) within the ninety (90) day time period described above, then the Development Plan shall be deemed approved.

Where the Minister notifies Contractor that the Development Plan is not approved, the Minister and Contractor shall, within a period of thirty (30) days from the date of such notice by the Minister, consult (and shall include GNPC in such consultations) with a view to amending the Development Plan to be acceptable to both the Minister and Contractor. Should the Minister not agree to so consult or should the Minister and Contractor fail to agree changes required for such approval within fourteen (14) days following said thirty (30) day period, the resulting dispute arising out of this Article 8.14 shall be resolved in accordance with Article 24.9.

8.15 Where the issue in dispute referred for resolution pursuant to Article 24 is finally decided in favour of Contractor, the Minister shall forthwith give the requisite approval to the Development Plan submitted by Contractor.

8.16 Where the issue in dispute referred for resolution pursuant to Article 24 is finally decided in favour of the Minister, in whole or in part, Contractor shall forthwith:

(a) amend the proposed Development Plan to give effect to the final decision rendered under Article 24, and the Minister shall give the requisite approval to such revised Development Plan; or

(b) subject to Articles 8.17 and 8.20 below, relinquish the Discovery Area.

8.17 Notwithstanding the relinquishment provisions of Articles 8.3 and 8.10 above, if Contractor indicates that a Discovery does not at the time merit Appraisal, or after Appraisal does not appear to be a Commercial Discovery but may merit Appraisal or potentially become a Commercial Discovery at a later date during the Exploration Period, then Contractor need not relinquish the Discovery Area and may continue its Exploration Operations in the Contract Area during the Exploration Period; provided that Contractor shall explain to the Minister and the

Petroleum Commission what additional evaluations, including Exploration work or studies, are or may be planned in order to determine whether subsequent Appraisal is warranted or that the Discovery is a Commercial Discovery, and any such non-relinquishment shall be subject to the Minister's approval. Such evaluations shall be performed by Contractor according to a specific timetable (which shall not exceed the time frame specified under Article 8.18) to be approved by the JMC and the Petroleum Commission. After completion of the evaluations, Contractor shall make the indications called for under Articles 8.2 or 8.9 and either proceed with Appraisal, confirm the Discovery is a Commercial Discovery, or relinquish the Discovery Area.

8.18 In any case, if a Discovery is made in the Initial Exploration Period or First Extension Period, Contractor shall by the end of the subsequent phase (that is the First Extension Period or Second Extension Period as the case may be), take a decision to Appraise the Discovery or relinquish such Discovery. Likewise, if Contractor has completed the Appraisal of a Discovery in the Initial Exploration Period or First Extension Period, the Contractor shall by the end of the subsequent phase (that is, the First Extension Period or Second Extension Period as the case may be), take a decision to determine if such Discovery is a Commercial Discovery or relinquish such Discovery. In any event, if at the end of the Exploration Period Contractor has not indicated its intent to proceed with an Appraisal Programme or informed the Petroleum Commission and the Minister that the Discovery is a Commercial Discovery, then the Discovery Area shall be relinquished.

8.19 Upon completion of an Appraisal Programme and before Contractor makes a determination that any Discovery is not a Commercial Discovery, Contractor may consult with the other Parties and may make appropriate representations proposing minor changes in the fiscal and other provisions of this Agreement which may, in the opinion of Contractor, affect the determination of a Commercial Discovery. The other Parties may agree to make such changes or modifications in the existing arrangements. In the event the Parties do not agree on such changes or modifications, then subject to Articles 8.17 and 8.20, Contractor shall relinquish the Discovery Area.

8.20 Nothing in Articles 8.3, 8.10, 8.17, 8.19, or 9.2 shall be read or construed as requiring Contractor to relinquish:

(a) any area which constitutes or forms part of another Discovery Area in respect of which:

i) Contractor has given the Minister, the Petroleum Commission, and GNPC a separate notice stating that such Discovery merits Appraisal in accordance with Article 8.1; or

ii) Contractor has given the Petroleum Commission and the Minister a separate notice indicating that such Discovery is a Commercial Discovery in accordance with Article 8.9; or

(b) any area which constitutes or forms part of a Development and Production Area.

8.21 For the avoidance of doubt, where Contractor makes a Discovery after the expiration of the Exploration Period Contractor shall notify the Minister of such Discovery pursuant to Article 8.1 and, subject to its rights under Article 3, surrender such Discovery to GNPC.

8.22

(a) In the event a field determined to be commercial by Contractor extends beyond the boundaries of the Contract Area, the Minister in consultation with the Petroleum Commission may require Contractor and GNPC to exploit the field in association with the third party holding the rights and obligations under a petroleum agreement covering the said field (or GNPC as the case may be). The exploitation in association with said third party and GNPC shall be pursuant to good unitization and engineering principles and in accordance with International Oil Field Practice. Contractor, GNPC, and the third party shall agree a time period in which they will execute a unitization and unit operating agreement. Such unitization and unit operating agreement shall be based on the most recent version of the Association of International Petroleum Negotiators model unitization and unit operating agreement. In the event Contractor, GNPC, and said third party are unable to either agree to the time period in which to execute the unitization and operating agreement or execute the unitization and unit operating agreement within an agreed time period, Contractor shall notify the Minister in writing and the Minister shall give appropriate directions to Contractor, GNPC, and the third party to resolve the matter in accordance with International Oil Field Practice.

(b) Contractor, GNPC, and the third party holding an interest in the adjacent block shall submit a joint development and production plan to the Minister after execution of the unitization and unit operating agreement, which submission shall be within the time period agreed to among Contractor, GNPC, and the third party holding an interest in the adjacent area. The joint development and production plan shall include, mutatis mutandis, the information required by Article 8.12 for a Development Plan, and the Minister's approval of such joint development and production plan shall be, mutatis mutandis, pursuant to Articles 8.14 through 8.16.

8.23 All notices required to be submitted to the Minister under this Article 8 shall be copied to the Petroleum Commission.

8.24 In the event the Minister or the Petroleum Commission seek to modify Contractor's long term production schedule, as set forth in the approved Development Plan, or annual production rate, Contractor shall be consulted prior to such modification, and, to the extent such modification would result in a reduction in the annual

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production rate, the Minister shall apply the reduction in a non-discriminatory manner to all producing fields in proportion to their annual production rates.

Article 9

SOLE RISK ACCOUNT

9.1 Subject to Contractors rights under Article 8, GNPC may notify Contractor that it will, at its Sole Risk, commence to appraise a Discovery pursuant to Article 8.8, provided that within thirty (30) days of such notification from GNPC, Contractor may elect to commence to appraise that Discovery within its own Work Programme.

9.2 Notwithstanding anything to the contrary in this Agreement:

(c) Except for Sole Risk undertaken pursuant to Article 9.1, GNPC shall not conduct any Sole Risk: (i) during the Initial Exploration Period; (ii) within a Discovery Area; or (iii) within a Development and Production Area; and

(d) a Sole Risk to penetrate and test horizons deeper than the agreed well depth under Article 9.4 or drill an Exploration Well under Article 9.8 shall not be conducted if: (i) employing International Oil Field Practice, such operations are not technically feasible or cannot be conducted in a safe and prudent manner as determined by the Contractor; (ii) such operations may unreasonably or unduly interfere or delay Contractor's Petroleum Operations, or may result in additional costs to Contractor; (iii) such operations may have a detrimental effect on the proper performance of Contractor's Work Programme; or (iv) the objective is to drill a well and/or test a horizon in which Contractor has made a Discovery or in which Contractor has identified as being prospective or considered drilling to during the Exploration Period in the Contract Area.

9.3 Where an Appraisal undertaken under Article 9.1 at the Sole Risk of GNPC results in a determination by GNPC that a Discovery is a Commercial Discovery, Contractor may develop the Commercial Discovery upon reimbursement to GNPC of all expenses incurred in undertaking the Appraisal and after arranging with GNPC satisfactory terms for the payment of a premium equivalent to seven hundred percent (700%) of such expenses. Such premium shall not be counted as Petroleum Costs. In the event that Contractor declines to develop said Discovery, Contractor shall, subject to Article 8.20, relinquish the Sole Risk Development and Production Area established by the Appraisal Programme conducted by GNPC under Article 9.1.

9.4 During the Exploration Period and subject to Article 9.2, GNPC may, at its Sole Risk, request Contractor to continue drilling to penetrate and test horizons deeper than those contained in the Work Programme of Contractor or required under Article 4. GNPC may also at its Sole Risk request Contractor to test a zone or zones which Contractor has not included in Contractor's test programme. Notice of this request shall be given to Contractor in writing as early as possible prior to or during the drilling of the well, but in any case not after Contractor has begun work to complete or abandon the well. The exercise by GNPC of this right shall

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be in an agreed manner (such agreement not to be unreasonably withheld or delayed by Contractor) which does not prevent Contractor from complying with its work obligations under Article 4.3.

9.5 Upon receipt of a request from GNPC under Article 9.4, Contractor shall promptly notify GNPC of the estimated financial requirements to conduct the Sole Risk on GNPC's behalf and shall provide GNPC a copy of such estimate. GNPC shall make financial arrangements satisfactory to Contractor, failing which GNPC shall no longer have the right to conduct such Sole Risk. Contractor shall not be obligated to commence the Sole Risk on GNPC's behalf until GNPC has made financial arrangements satisfactory to Contractor. Stand-by costs incurred for the drilling rig and other services, equipment, and Subcontractors for the sole purpose of the Sole Risk drilling, pending satisfactory financial arrangements, shall be borne and paid by GNPC.

9.6 At any time before GNPC makes any financial and other commitments under Article 9.4 above, Contractor may elect to incorporate the required deeper drilling in its own Exploration Operation, in which case any resulting Discovery shall not be affected by the provisions of this Article 9.

9.7 Where any Sole Risk deeper drilling pursuant to Article 9.4 results in a Discovery, GNPC shall have the right, at its Sole Risk, to appraise, develop, produce, and dispose of all Petroleum resulting from such Sole Risk deeper drilling and shall conduct such Sole Risk unless GNPC proposes otherwise and Contractor agrees. Provided, however, that if at the time such Petroleum is tested from the producing horizon in a well:

(a) Contractor's Work Programme includes a well or wells to be drilled to the same producing horizon, and provided that the well or wells drilled by Contractor result(s) in a Petroleum producing well producing from the same horizon, Contractor shall, after reimbursing GNPC for all costs associated with its Sole Risk deeper drilling and testing in said well plus a premium of three hundred percent (300%), have the right to include production from that well in its total production for the purposes of establishing a Commercial Discovery, and, if a Commercial Discovery is subsequently established, to develop, produce, and dispose of the Petroleum in accordance with the provisions of this Agreement; or

(b) Contractor's Work Programme does not include a well to be drilled to the same producing horizon, Contractor has the option to appraise and /or develop, as the case may be, the Discovery for its account under the terms of this Agreement if it so elects within a period of sixty (60) days after such Discovery. In such case, Contractor shall reimburse GNPC for all expenses incurred by GNPC in connection with such Sole Risk, and shall make satisfactory arrangements with GNPC for the payment of a premium equivalent to seven hundred percent (700%) of such expenses. Such premium shall not be considered as Petroleum Costs.

9.8 During the term of this Agreement and subject to Article 9.2, GNPC shall have the right to submit a Work Programme to the JMC to drill, at its Sole Risk, a reasonable number of wells in the Contract Area provided that the work intended to be done by GNPC had not been scheduled for a Work Programme to be performed by Contractor and the exercise of such right by GNPC and the arrangements made by GNPC for undertaking such drilling do not prevent Contractor carrying out Petroleum Operations. Within thirty (30) days after receipt of such notice, Contractor may elect to drill the proposed well(s) as part of Contractor's Exploration Operations or may elect to participate in the well to be drilled by GNPC.

9.9 In the event that a well drilled at the Sole Risk of GNPC in accordance with Article 9.8 above results in a Discovery, GNPC shall notify Contractor in writing, and GNPC shall have the right to appraise such Discovery and develop or request Contractor to develop, after GNPC declares a Commercial Discovery, which Contractor may decline in its sole and absolute discretion, such Discovery for a mutually agreed reasonable service fee, GNPC taking all the interest, risk, and costs and hence having the right to all Petroleum produced from the Commercial Discovery; provided, however, that Contractor has the option to appraise and/or develop, as the case may be, the Discovery for its account under the terms of this Agreement if it so elects within a period of sixty (60) days after receipt of GNPC's written notice of such Discovery.

(a) In the event that Contractor elects to appraise and/or develop, as the case may be, the Discovery for its own account, Contractor shall reimburse GNPC for all expenses incurred by GNPC in connection with such Sole Risk, and shall make satisfactory arrangements with GNPC for the payment of a premium equivalent to seven hundred percent (700%) of such expenses before exercising the option under this Article 9.9. Such premium shall not be considered as Petroleum Costs.

(b) In the event that Contractor declines to exercise its option in this Article 9.10, Contractor shall, subject to Article 8.20, relinquish the Sole Risk Development and Production Area associated with such Commercial Discovery.

9.10 Sole Risk under this Article 9 shall not extend the Exploration Period or the term of this Agreement, and unless completion of such work would be impossible, impracticable, or imprudent in accordance with International Oil Field Practice, Contractor shall complete any agreed programme of work commenced by it under this Article at GNPC's Sole Risk, and subject to such provisions hereof as the Parties shall then agree, even though the Exploration Period as defined in Article 3 or the term of this Agreement may have expired.

9.11 Notwithstanding anything to the contrary in this Agreement, GNPC shall indemnify and hold harmless Contractor against all actions, claims, demands, and proceedings whatsoever brought by any third party or the State, arising out of or in connection with Sole Risk under this Article 9, including environmental damage,

reservoir damage, consequential, special, indirect, punitive, or exemplary damages, even though caused in whole or in part by a pre-existing defect, or the negligence (whether sole, joint, or concurrent), Gross Negligence/Wilful Misconduct, strict liability, or other legal fault of any Contractor Party.

Article 10

SHARING OF CRUDE OIL

10.1 Gross Production of Crude Oil from each Development and Production Area shall (subject to a Calendar Year adjustment developed under the provisions of Article 10.7) be distributed amongst the Parties in the following sequence and proportions:

(a) Ten percent (10%) of the Gross Production of Crude Oil shall be delivered to the State as **ROYALTY**, pursuant to the provisions of the Petroleum Law. Upon notice to Contractor, the State shall have the right to elect to receive cash in lieu of its Royalty share of such Crude Oil. The State's notice shall be given to Contractor at least ninety (90) days in advance of each lifting period, such periods to be established pursuant to the provisions of Article 10.7. In such case, said share of Crude Oil shall be delivered to Contractor, and Contractor shall pay to the State, within fifteen (15) days after the aggregated Market Price information is provided pursuant to Article 11.8, the value of said share in cash at the Market Price for the Month in which such lifting occurred;

(b) After distribution of such amounts of Crude Oil as are required pursuant to Article 10.1(a), the amount of Crude Oil, if any, shall be distributed to GNPC, to the extent it is entitled for Sole Risk under Article 9;

(c) After distribution of such amounts of Crude Oil as are required pursuant to Articles 10.1(a) and 10.1(b), the remaining Crude Oil produced from each Development and Production Area shall be distributed to Contractor and, to GNPC on the basis of their respective interests pursuant to Article 2 (unless the Contractor Parties agree otherwise);

(d) The State's AOE, if any, shall be distributed to the State out of Contractor's share of Crude Oil determined under Article 10.1(c). The State shall also have the right to elect to receive cash in lieu of the AOE share of Crude Oil accorded to it pursuant to Article 10.2. Notification of said election shall be given in the same notice in which the State notifies Contractor of its election to receive cash in lieu of Crude Oil under Article 10.1(a). In such case, said share of Crude Oil shall be delivered to Contractor, and Contractor shall pay to the State, within fifteen (15) days after the aggregated Market Price information is provided pursuant to Article 11.8, the value of said share in cash at the Market Price for the Month in which such lifting occurred

To assist in the distribution of Crude Oil in accordance with Article 10.1, there is attached as Annex 4 to this Agreement a worked example of the calculation using hypothetical figures, rates, and thresholds, for the purpose of illustration only.

10.2 At any time the State shall be entitled to a portion of Contractor's share of Crude Oil then being produced from each separate Development and Production Area on

the basis of the after-tax post-inflation-adjusted rate of return ("**ROR**") which Contractor has achieved with respect to such Development and Production Area as of that time, herein after referred to as Additional Oil Entitlement ("AOE") .Contractor's ROR shall be calculated on its NCF and shall be determined separately for each Development and Production Area at the end of each Month in accordance with the following computation:

(a) Definitions:

"**NCF**" means Contractor's net cash flow for the Month for which the calculation is being made, and shall be computed in accordance with the following formula:

NCF = x - y - z

where

"**x**" equals all revenues received during such Month by Contractor from the Development and Production Area, including an amount computed by multiplying the amount of Crude Oil taken by Contractor during such Month in accordance with Article 10.1(c), by the Market Price applicable to such Crude Oil during the Month when lifted, including any reimbursement of Petroleum Costs paid by Contractor on GNPC's behalf which was included by Contractor in "z", plus any other proceeds specified in the Accounting Guide received by Contractor, including the proceeds from the sale of any assets to which Contractor continues to have title. For the avoidance of doubt, "**x**" shall not include revenues from Crude Oil lifted by Contractor which is part of another Party's entitlement (e.g., Royalty, Crude Oil relating to the State's AOE delivered to Contractor because the State has elected to receive cash in lieu of Crude Oil, Crude Oil purchased by Contractor from GNPC or the State), but shall include revenues from Crude Oil owned by Contractor but lifted by another Party (e.g., Crude Oil purchased by GNPC or the State from Contractor).

"**y**" equals the income tax paid in the Month by Contractor to the State with respect to the Calendar Year in respect of the Development and Production Area. If there are two (2) or more Development and Production Areas, the total income tax paid by Contractor in accordance with the Income Tax Law shall for purposes of this calculation be allocated to the Development and Production Area on the basis of hypothetical tax calculations for the separate Development and Production Areas. The hypothetical tax calculation for each Development and Production Area shall be determined by allocating the total amount of tax incurred for each Calendar Year by Contractor under the Income Tax Law to each Development and Production Area based on the ratio that the chargeable income from a given Development and Production Area bears to the total chargeable income of Contractor. The chargeable income of Contractor is determined under section 2 of the Income Tax Law, and the chargeable

income of a Development and Production Area shall be calculated by deducting from the gross income derived from or allocated to that Development and Production Area those expenses deductible under section 67 of the Income Tax Law which are reasonably allocable to that Development and Production Area, and with respect to the Development and Production Area with the earliest Date of Commencement of Commercial Production, those expenses deductible under section 67 of the Income Tax Law which are not attributable to any Development and Production Area. A negative chargeable income for a Development and Production Area shall be treated as zero for purposes of this allocation, and not more (or less) than the total income tax paid by Contractor shall be allocated between the Development and Production Areas.

"**Z**" equals all Petroleum Costs specified in the Accounting Guide and expended by Contractor during such Month or with respect to abandonment costs, those calculated in accordance with Article 12.11 and actually paid, with respect to the Development and Production Area, including any Petroleum Costs paid by Contractor on GNPC's behalf and not reimbursed by GNPC within the Month, provided that all Petroleum Costs for Exploration Operations not directly attributable to a specific Development and Production Area shall for purposes of this calculation be allocated to the Development and Production Area having the earliest Date of Commencement of Commercial Production. Where Petroleum Costs for Exploration Operations are not directly attributable to a specific Development and Production Area during a Month, but are directly attributable to a subsequently delineated Development and Production Area, then Contractor may elect either to maintain the original allocation or reallocate such Petroleum Costs to the newly delineated Development and Production Area to which they are directly attributable and provided further that for the purpose of the ROR calculation, Petroleum Costs shall not include any amounts in respect of interest on loans obtained for the purposes of carrying out Petroleum Operations.

"**FA_n**", "**SA_n**", "**TA_n**", and "**YA_n**" mean first account, second account, third account and fourth account, respectively, and represent amounts as of the last day of the Month in question as determined by the formulae in Article 10.2((b) below.

"**FA_{n-1}**", "**SA_{n-1}**", "**TA_{n-1}**", and "**YA_{n-1}** respectively, mean the lesser of: (i) FA_n, SA_n, TA_n, or YA_n, as the case may be, as of the last day of the Month immediately preceding the Month in question; or (ii) zero. Stated otherwise, FA_{n-1} shall equal FA_n as of the last day of the Month immediately preceding the Month in question if such FA_n was a negative number, but shall equal zero if such FA_n was a positive number. Likewise, SA_{n-1} shall equal SA_n as of the last day of the Month immediately preceding the Month in question if such SA_n was a negative number, but shall equal zero if such SA_n was a positive number. Likewise, TA_{n-1} shall equal TA_n as of the last day of the Month immediately preceding the Month in question if such TA_n was a

negative number, but shall equal zero if such TA_n was a positive number. Likewise, YA_{n-1} shall equal YA_n as of the last day of the Month immediately preceding the Month in question if such YA_n was a negative number, but shall equal zero if such YA_n was a positive number. In the ROR calculation for the first Month of Petroleum Operations, FA_{n-1}, SA_{n-1}, TA_{n-1}, and YA_{n-1}, shall be zero.

"**i**" for the Month in question equals one (1) subtracted from the quotient of the United States Producer Price Index ("**USPPI**") for the Month that is two (2) Months before the Month in question (e.g., use August data for October's computation), as first reported in the International Financial Statistics of the International Monetary Fund, divided by the USPPI for the same Month that is two (2) Months before the Month in question of the immediately preceding Calendar Year, as first reported in the International Financial Statistics of the International Monetary Fund. If the USPPI ceases to be published, a substitute U.S. Dollar-based price index shall be used, which is to be mutually agreed upon by the Parties.

"**n**" refers to the nth Month in question.

"**n-1**" refers to the Month immediately preceding the nth Month

(b) Formulae:

$$FA_n = \left(FA_{n-1} \left(1 + \frac{(0.15 + i)}{12} \right) \right) + NCF$$

$$SA_n = \left(SA_{n-1} \left(1 + \frac{(0.20 + i)}{12} \right) \right) + NCF$$

In the calculation of SA_n an amount shall be subtracted from NCF identical to the value of any AOE which would be due to the State if reference were made hereunder only to FA_n.

$$TA_n = \left(TA_{n-1} \left(1 + \frac{(0.25 + i)}{12} \right) \right) + NCF$$

In the calculation of TA_n an amount shall be subtracted from NCF identical to the value of any AOE which would be due to the State if reference were made hereunder only to FA_n and SA_n.

$$YA_n = \left(YA_{n-1} \left(1 + \frac{(0.30 + i)}{12} \right) \right) + NCF$$

In the calculation of YA_n an amount shall be subtracted from NCF identical to the value of any AOE which would be due to the State if reference were made hereunder only to FA_n, SA_n, and TA_n

(c) Prospective Application:

The State's AOE measured in Barrels of Crude Oil will be as follows:

i) If FA_n, SA_n, TA_n, and YA_n, are all negative, the State's AOE for the Month in question shall be zero;

ii) If FA_n is positive and SA_n, TA_n, and YA_n, are all negative, the State's AOE for the Month in question shall be equal to the absolute amount resulting from the following monetary calculation:

Ten percent (10%) of FA_n for that Month divided by the Market Price as determined in accordance with Article 11.7.

iii) If both FA_n and SA_n are positive, but TA_n, and YA_n are negative, the State's AOE for the Month in question shall be equal to the absolute amount resulting from the following monetary calculation:

the aggregate of ten percent (10%) of FA_n for that Month plus fifteen percent (15%) of SA_n for that Month all divided by the Market Price, as determined in accordance with Article 11.7.

iv) If FA_n, SA_n, and TA_n are all positive but YA_n is negative, the State's AOE for the Month in question shall be equal to the absolute amount resulting from the following monetary calculation:

the aggregate of ten percent (10%) of FA_n for that Month plus fifteen percent (15%) of SA_n for that Month plus twenty percent (20%) of TA_n for that Month all divided by the Market Price, as determined in accordance with Article 11.7.

v) If FA_n, SA_n, TA_n, and YA_n are all positive the State's AOE for the Month in question shall be equal to the absolute amount resulting from the following monetary calculation:

the aggregate of ten percent (10%) of FA_n for that Month plus fifteen percent (15%) of SA_n for that Month plus twenty percent (20%) of TA_n for that Month plus twenty five percent (25%) of YA_n for that Month all divided by the Market Price, as determined in accordance with Article 11.7.

(d) The AOE calculations shall be made in U.S. Dollars with all non-dollar expenditures converted to U.S. Dollars in accordance with Section 1.3.2 of the Accounting Guide. When the AOE calculation cannot be definitively made because of disagreement on the Market Price or any other factor in the formulae, then a provisional AOE calculation shall be made on the basis

of the determination by the Contractor and Petroleum Commission estimates of such factors, and such provisional calculation shall be subject to correction and revision upon the conclusive determination of such factors, and appropriate retroactive adjustments shall be made by the Parties.

(e) The AOE shall be calculated on a Monthly basis, with the AOE to be paid commencing with the first Month following the Month in which FA_n, SA_n, TA_n, or YA_n, (as applicable) becomes positive. Because the precise amount of the AOE for a Calendar Year cannot be determined with certainty until after the end of that Calendar Year, deliveries (or payments in lieu) of the AOE with respect to a Month shall be made during such Calendar Year based upon Contractor's good faith estimates of the amounts owing, with any adjustments following the end of the Calendar Year to be settled pursuant to the procedures agreed pursuant to Article 10.7. Final calculations of the AOE shall be made by Contractor within thirty (30) days after the statutory filing date of the annual tax return for such Calendar Year pursuant to the Income Tax aw and this Agreement, and the amount of the AOE shall be appropriately adjusted in the event of a subsequent adjustment of the amount of tax owing on such term.

10.3 GNPC shall act as agent for the State in the collection of all Petroleum accruing to the State under this Article 10, and delivery to GNPC by Contractor shall discharge Contractor's obligation to deliver the share of the State. All Crude Oil delivered or distributed under this Article 10 shall be at the Delivery Point.

10.4 The State or GNPC, having met the requirements of Article 15.1, may elect, in accordance with terms and conditions to be mutually agreed by the Parties, that all or part of the Crude Oil to be distributed to the State or to GNPC pursuant to this Article shall be sold and delivered by the State or GNPC to Contractor or its Affiliate for use and disposal and in such case Contractor or its Affiliate shall pay to the State or to GNPC, as the case may be, the Market Price for any Crude Oil so sold and delivered.

10.5 Ownership and risk of loss of all Crude Oil produced from the Contract Area which is purchased by Contractor, and all of Contractor's Participating Interest share of Crude Oil, or other Crude Oil lifted by Contractor, shall pass to Contractor at the outlet flange (the "**Delivery Point**") of the marine terminal or other storage facility for loading into tankers or other transportation equipment referred to in Article 11.1.

10.6 Subject to the provisions of Article 15 thereof, Contractor shall have the right to freely export and dispose of all the Crude Oil allocated and/or delivered to it pursuant to this Article 10.

10.7 The Parties entitled to lift shall enter into supplementary agreements concerning Crude Oil offtake procedures not later than one hundred and eighty (180) days prior to the estimated Date of Commencement of Commercial Production for each

Development and Production Area. Such offtake procedures shall be consistent with International Oil Field Practice and shall provide, among other matters, detailed terms and procedures governing:

(a) short term production forecasts;

(b) nomination and calculation of entitlements;

(c) delivery and lifting schedules, which lifting schedules shall minimize the possibility of any reduction or shut-in of production;

(d) lifting procedures;

(e) right and obligation of each Party to lift;

(f) steps to be taken in the event a Party becomes a defaulting lifter;

(g) point of custody transfer;

(h) lifting tolerances;

(i) loading conditions;

(j) metering; and

(k) underlifting and overlifting, and the settlement of lifting imbalances, if any, at the end of each Calendar Year.

The Crude Oil to be distributed or otherwise made available to the Parties in each Calendar Year in accordance with the preceding provisions of this Article shall insofar as possible be in reasonably equal Monthly quantities.

10.8 To assist in the making of the AOE calculation in accordance with Article 10.2, there is attached as Annex 5 to this Agreement a worked example of the calculation using hypothetical figures, rates, and thresholds, for the purpose of illustration only.

Article 11

MEASUREMENT AND PRICING OF CRUDE OIL

11.1 Crude Oil shall be delivered by Contractor to storage tanks or other suitable holding facilities constructed, maintained, and operated in accordance with applicable laws, regulations and International Oil Field Practice.

11.2 Subject to section 37 of the Petroleum Law, Crude Oil shall be metered or otherwise measured for quantity and tested for quality in such storage tanks or other suitable holding facilities for purposes of this Agreement. Any Party may request that measurements and tests be done by an internationally recognized inspection company. Contractor shall arrange and pay for the conduct of any measurement or test so requested; provided, however, that in the case of (1) a test requested for quality purposes and/or (2) a test requested on metering (or measurement) devices, where the test results demonstrate that such devices are accurate within acceptable tolerances agreed to by the Parties or if not established by the Parties, then in accordance with International Oil Field Practice, the Party requesting the test shall reimburse Contractor for the costs associated with the test or tests.

11.3 GNPC or its authorized agents shall have the right:

(a) to be present at and to observe such measurement of Crude Oil; and

(b) to examine and test whatever appliances are used by Contractor.

11.4 In the event that GNPC considers Contractor's methods of measurement to be inaccurate, GNPC shall notify Contractor to this effect, and the Parties shall meet within ten (10) days of such notification to discuss the matter. If after thirty (30) days the Parties cannot resolve the matter, they shall refer for resolution by a Sole Expert under Article 24.9 the sole question of whether Contractor's method of measuring Crude Oil is accurate and reasonable. Retrospective adjustments to measurements shall be made where necessary to give effect a determination rendered under Article 24.9.

11.5 If upon the examination or testing of appliances provided for in Article 11.3(b) any such appliances is discovered to be defective:

(a) Contractor shall take immediate steps to repair or replace such appliance; and

(b) subject to the establishment of the contrary, such error shall be deemed to have existed in that condition during the period that is represented by half of the period from the last occasion when the method or equipment was tested or examined to the date when the method or equipment was found to be incorrect.

11.6 In the event that Contractor desires to adjust, repair, or replace any measuring appliance, it shall give GNPC reasonable notice to enable GNPC or its authorized agent to be present.

11.7 Contractor shall keep full and accurate accounts concerning all Crude Oil measured as aforesaid and provide GNPC with copies thereof on a Monthly basis, not later than ten (10) days after the end of each Month.

11.8 The Market Price for each Month shall be equal to the volume weighted average price of the Crude Oil sold by Contractor during such Month pursuant to Articles 11.8(a), 11.8(b), and 11.8(c):

(a) on Crude Oil sold by Contractor in Arm's Length Transactions, the Market Price shall be the price actually realized by Contractor on such sales;

(b) One (1) Year prior to the anticipated Date of Commencement of Commercial Production, GNPC and Contractor shall meet to agree on a formula which will be used to determine the Market Price of monthly sales of Crude Oil by Contractor not in an Arm's Length Transaction. The following principles shall apply in determining this formula:

i) a marker Crude Oil commonly used to price Crude Oil from the region (such as dated Brent) will be selected whose widely traded and transparent price is reported daily by major independent market publications. An average of such a marker Crude Oil price calculated over a period of five (5) days following the Bill of lading date will form the base value of the Market Price for each lifting;

ii) a basket of reference Crude Oils similar in quality to the Crude Oil to be valued and sourced from the same region shall be selected, and the international market prices of these Crude Oils, customarily quoted as a differential to the marker Crude Oil, shall be used to derive a differential to the marker Crude Oil for the Crude Oil to be valued. This differential will be established with due consideration for differences (versus the chosen basket) of known measures of Crude Oil quality (e.g., sulphur, API gravity, viscosity, and total acid number), as well as refining value (derived from pre-production distillation assays and expected refinery yields of marketable fuels, and calculated using the appropriate Monthly average spot product prices) in the consuming markets; and

iii) in the event that one (1) or more of the Crude Oil(s) comprising an agreed basket no longer meets the requirements of Article 11.8(b)(ii), a replacement Crude Oil basket shall be determined by agreement between GNPC and Contractor.

If GNPC and Contractor cannot agree on an appropriate formula (or an appropriate replacement formula under Article 11.8(b)(iii)) within thirty (30) days after meeting to agree such formula, the

disagreement shall be referred to a Sole Expert pursuant to Article 24.9.

(iv) At the request of GNPC or Contractor, the formula shall be reviewed Quarterly during the first Year after the Date of Commencement of Commercial Production, and every one (1) Year thereafter.

Notwithstanding anything to the contrary in this Article 11.8, the Market Price for Crude Oil sold to an Affiliate of a Contractor Party and that is later sold by Contractor's Affiliate to a third party on an arm's length basis shall be the price actually realized by Contractor's Affiliates for such sale;

(c) "**Arm's Length Transactions**" shall mean sales to purchasers independent of the seller, which do not involve Crude Oil exchange or barter transactions, government to government transaction, sales directly or indirectly to Affiliates, or sales involving consideration other than payment in United States Dollars or currencies convertible thereto, or affected in whole or in part by considerations other than the usual economic incentives for commercial arm's length Crude Oil sales;

(d) the price of Crude Oil shall be expressed in U.S. Dollars per Barrel, F.O.B. the Delivery Point by Contractor; and

(e) if Crude Oils of various qualities are produced from the Contract Area, the Market Price shall be determined separately for each type sold and/or exported by Contractor, only to the extent that the different quality grades remain segregated through to the point where they are sold, and if grades of different quality are commingled into a common stream, Contractor and GNPC shall agree on an equitable methodology for assessing relative value for each grade of Crude Oil comprising the blend and shall implement the agreed methodology for having the producer(s) of higher quality Crude Oil(s) be reimbursed by the producer(s) of lower quality Crude Oil(s).

11.9 Within fifteen (15) days after the end of each Month each Contractor Party shall provide the following information to an independent third party (appointed by the Parties to aggregate this information) for liftings that occurred during that Month: sales basis with respect to benchmark Crude Oil, the pricing basis, the differential, any deductions, bill date, and the price determined by it for such sales. The independent third party shall, within twenty-two (22) days after the end of each Month: (1) aggregate the information provided by the Contractor Parties; (2) calculate the Market Price; (3) provide such aggregated information and the Market Price on behalf of Contractor to the Minister, the Ghana Revenue Authority, and the Petroleum Commission; and (4) notify the Contractor Parties and GNPC of the Market Price and when such aggregated information has been provided to the Minister, the Ghana Revenue Authority, and Petroleum Commission. For the purposes of this Article 11.9, the obligations of the Contractor Parties shall be several.

11.10 If GNPC considers that the Market Price notified by Contractor was not correctly determined in accordance with the provisions of Article 11.8, it shall so notify Contractor not later than thirty (30) days after notification by Contractor of such price, and GNPC and Contractor shall meet not later than ten (10) days thereafter to agree on the correct Market Price.

11.11 In the event that GNPC and Contractor fail to agree on the Market Price after meeting for the purpose described in Article 11.10, the Market Price shall be referred for determination in accordance with Article 24 of this Agreement.

11.12 Pending a determination under Article 11.8, the Market Price will be deemed to be the last Market Price agreed or determined, as the case may be, or if there has been no such previous agreement or determination, the price notified by Contractor for the lifting in question under Article 11.8. Should the determined price pursuant to Articles 11.10 or 11.11 be different from that used in accordance with the price notified by Contractor under Article11.9, then any amounts due under this Agreement that are calculated using the Market Price shall be recalculated based on the differential plus interest at the Specified Rate, and shall be paid in cash, or in Crude Oil if GNPC and the relevant Contractor Party agree, by or to the relevant Contractor Party, as the case may be, within thirty (30) days of such determination.

Article 12

TAXATION AND OTHER IMPOSTS

12.1 Contractor, its Subcontractors or its Affiliates and shareholders shall be exclusively subject to the following taxes, duties, fees, and other imposts that shall be imposed by the State or any entity or any political subdivision of the State in respect of work and services related to Petroleum Operations and the sale and export of Petroleum shall be as follows:

(a) Royalty as provided for in Article 10 and Article 14.18;

(b) Additional Oil Entitlement as provided for in Article 10;

(c) Tax in accordance with the Income Tax Law, unless specifically excepted in this Article 12;

(d) Petroleum income tax under the Income Tax Law, which shall be levied at the rate of thirty-five percent (35%) for the term of this Agreement;

(e) Contractor and its Subcontractors shall not be obliged to withhold any amount of tax from any sum due in respect of work and services or the supply or use of goods for or in connection with this Agreement, except for a five percent (5%) withholding tax in lieu of the rates, required by Section 71(4) and paragraph 8(2) of the First Schedule to the Income Tax Law. No withholding tax shall be required in respect of services provided to Contractor by an Affiliate, provided such services are charged at cost.

(f) Gains/Profit arising from direct and indirect sale, transfer, disposal, or assignment of any interest in this Agreement and sale of assets to any person including GNPC shall be subject to tax in accordance with the Income Tax Law;

(g) Payments for rental of State property, public lands, or for the provisions of specific services requested by Contractor from public enterprises; provided, however, that the rates charged Contractor for such rentals or services shall not exceed the prevailing rates charged to other members of the public who receive similar services or rentals; and

(h) Acreage fees payable to the State pursuant to Section 86 of the Petroleum Law per square kilometre of the area remaining at the beginning of each Contract Year as part of the Contract Area, in the amounts as set forth below.

Phase of Operation	Acreage Fees Per Annum
Initial Exploration Period	US $50 per sq. km.
First Extension Period	US $100 per sq. km.
Second Extension Period	US $100 per sq. km.
Development & Production Area	US $200 per sq. km.

These fees shall be pro-rated where the beginning of a period and the end of a period, or the creation of a Development and Production Area occurs during the course of a Calendar Year.

12.2 For the avoidance of doubt, sales, transfer or assignments of any assets, property or partial or total interest in this Agreement to GNPC, unless the same results in profit to Contractor, shall be exempt from all taxes, duties, fees and other imposts of any kind, whether national, regional or local.

12.3 Losses incurred from Petroleum Operations shall be carried forward for five (5) years but where there is any residual, it can be carried forward for another five (5) years.

12.4 The Income Tax Law applicable generally to individuals who are not employed in the petroleum industry shall apply in the same fashion and at the same rates to employees of Contractor, its Affiliates, and its Subcontractors; provided, however, that Foreign National Employees of Contractor, its Affiliates, and its Subcontractors, as permitted under Section 71(3) of the Income Tax Law, shall be exempted from the income tax and withholding tax liabilities unless they are present in Ghana for more than one hundred and eighty-three (183) days or more in aggregate in any Calendar Year.

12.5 Contractor shall not be subject to withholding tax on dividends distributed to its shareholders as required by Section 115 of the Income Tax Law or stamp duty with respect to the Development Loan Agreement and the Default Loan Agreement.

12.6 Contractor and its Affiliates (Affiliates acting on behalf of Contractor in respect of this Agreement) shall not be liable for any export tax on Petroleum exported from Ghana, and no duty or other charge shall be levied on such exports. Vessels or other means of transport used in the export of Contractor's Petroleum from Ghana shall not be liable for any tax, duty, or other charge by reason of their use for that purpose.

12.7 Subject to the local purchase obligations hereunder, Contractor, Affiliates, and Subcontractors may import into Ghana all plant, equipment and materials to be used solely and exclusively in the conduct of Petroleum Operations without payment of customs and other duties and taxes on imports save minor administrative charges representing normal charges payable in respect of service actually rendered by agencies of the State with respect to the import into Ghana of

such plant, equipment and materials as per the description of such charges in Section 22.3 of Ghana National Petroleum Corporation Law 1983 ("PNDCL 64").

PROVIDED THAT:

(a) GNPC shall have the right of first refusal for any item imported duty free under this Article which is later sold in Ghana; and

(b) where GNPC does not exercise its right of purchase, Contractor, Affiliates, and Subcontractors may sell to any other person subject to the relevant law.

12.8 Contractor, its Affiliates and Subcontractors shall not be liable to pay VAT in respect of plant, equipment, and materials, and related services supplied in Ghana, to be used solely and exclusively in the conduct of Petroleum Operations under this Agreement.

12.9 Foreign National Employees of Contractor or its Affiliates, and of its Subcontractors, shall be permitted to import into Ghana free of import duty, their personal and household effects in accordance with Section 22.7 of PNDCL 64; provided, however, that no such property imported by such employee shall be resold by such employee in Ghana except in accordance with Article 12.7.

12.10 Subject to GNPC's rights under Article 19, Contractor, Affiliates, Subcontractors, and Foreign National Employees shall have the right to export from Ghana all items imported duty free. Such exports shall be exempt from all customs and other duties, taxes, fees, and charges on exports save minor administrative charges representing normal charges payable in respect of service actually rendered by agencies of the State with respect to such export per the description of such charges in Section 22.3 of PNDCL 64.

12.11

(a) Decommissioning costs will be estimated on a Development and Production Area basis. Upon the earlier of (i) fifteen (15) Years prior to the projected cessation of commercial production from a Development and Production Area or (ii) reasonable belief that fifty percent (50%) of the recoverable reserves have been produced from a Development and Production Area, each Contractor Party shall provide Decommissioning Security (DS) for its share of the decommissioning costs, as determined in accordance with: (1) the approved plan for decommissioning and abandonment submitted pursuant to Article 8.12(q); and (2) the following formula:

$$DS = TDC \times \frac{CP}{VR}, \text{ where:}$$

"TDC" is the Party's share of total decommissioning costs established in accordance with the approved plan for decommissioning and abandonment submitted pursuant to Article 8.12(q);

"CP" is the cumulative production of Petroleum from the start of the Calendar Year in which the Decommissioning Security was first provided; and

"VR" is the estimated remaining volume of ultimately recoverable Petroleum reserves from the Development and Production Area at the start of the Calendar Year in which the Decommissioning Security was first provided .

The Security must be issued for a minimum of one (1) Calendar Year, and must be renewed or replaced at least thirty (30) days prior to the expiration date of such Security.

If the Contract Area has more than one (1) Development and Production Area, the amount of the provision in this Article 12.11 will be subsequently increased to reflect the costs of the Development and Production assets of all Development and Production Areas. The total amount shall be adjusted periodically by Contractor to reflect new estimates of the decommissioning costs.

In lieu of Decommissioning Security, each Contractor Party can deposit cash for its share of the decommissioning costs in an escrow account opened with an international first-tier banking institution, designated by the Contractor, that has a long term debt rating of at least A+ by Standard & Poor's, or A1 by Moody's Investors Service, or an equivalent rating by a successor entity to either agency. This escrow account, intended to cover the decommissioning costs, shall be managed by Operator, and withdrawals shall be made only and exclusively to finance the decommissioning activities approved by the Government.

If GNPC elects to keep the facilities and equipment in order to continue Petroleum Operations 1) after the expiration of the Petroleum Agreement or 2) after the termination of the Petroleum Agreement by any of the Parties, the contributions deposited into the escrow account by the Contractor shall be put at GNPC's disposal to cover the later decommissioning. If the Contractor had been issuing Decommissioning Security, the Contractor shall deposit equivalent funds in the escrow account in lieu of Decommissioning Security. The Contractor shall be released from any further decommissioning liability in respect of such facilities and equipment.

12.12 It is the intent of the Parties that payments by Contractor of tax levied by the Income Tax Law or any other tax imposed on Contractor qualify as creditable against the income tax liability of each company comprising Contractor in its jurisdiction. Should the fiscal authority involved determine that the Income Tax Law does not impose a creditable tax, the Parties agree to negotiate in good faith with a view to establishing a creditable tax on the precondition that no adverse effect should occur to the economic rights of GNPC or the State.

12.13 All tax returns prepared and payments made by Contractor and its Affiliates or Subcontractors, and Foreign National Employees thereof, shall be in United States Dollars.

12.14 In the event of a conflict between the tax exemptions granted to Contractor, Subcontractors, employees, and Affiliates, as provided for in this Agreement, and the provisions of any existing or subsequently enacted statute or law which imposes taxes, duties, fees, and other imposts of any kind, the State shall assume and discharge all such taxes, duties, fees, and other imposts of any kind, including any interests, penalties, or additional amounts which may be imposed with respect thereto, which Contractor and its Subcontractors, employees and Affiliates would otherwise be required to pay.

12.15 The State shall procure that the tax authorities issue to Contractor, within a reasonable period, not exceeding ninety (90) days following the filing of the annual return due under Section 124 of the Income Tax Law, tax receipt and tax clearance certificate certifying that Contractor has met all its tax obligations for the Year. Such tax receipts shall be issued in the name of Contractor, stating the amount of taxes paid, and detailing other customary information that is contained in such tax receipts in Ghana. Such tax clearance certificate shall be issued in accordance with section 14 of the Revenue and Administration Act, 2016 (Act 915).

12.16 Contractor shall be exempt from any upfront payment and/or refund requirements on any exempt taxes, duties, fees, and other imposts of any kind.

Article 13

FOREIGN EXCHANGE TRANSACTIONS

13.1 Contractor shall, for the purpose of this Agreement, be entitled to receive, remit (with notice to the Bank of Ghana), keep, and utilise freely abroad all the foreign currency obtained from the sales of the Petroleum assigned to it by this Agreement or purchased hereunder, or from transfers, as well as its own capital, receipts from loans, and in general all assets thereby acquired abroad. Contractor shall be free to dispose of this foreign currency or assets as it deems fit.

13.2 Contractor shall open and maintain in Ghana bank accounts in foreign currency and Ghanaian currency for the funding of its local payment obligations, including payment to Ghanaian Subcontractors. No restriction shall be made on the import by Contractor of funds assigned to the performance of the Petroleum Operations, and Contractor shall be entitled to purchase Ghanaian currency through the Bank of Ghana, without discrimination, at the prevailing rate of exchange; provided, however, that such prevailing rate applicable to Contractor hereunder for all transactions for converting Ghanaian currency into United States Dollars, and vice versa, shall be at a buying or selling, as the case may be, rate of exchange not less favourable to Contractor than that quoted by the State or its foreign exchange control authority to any person or entity on the dates of such conversion.

13.3 Contractor shall be entitled to convert in an authorised manner into foreign currencies of its choice funds imported by Contractor for the Petroleum Operations and held in Ghana at the prevailing rate of exchange referred to in Article 13.2 and remit and retain such foreign currencies outside Ghana.

13.4 In the event of resale by Contractor or its Affiliate of Crude Oil purchased from the State or GNPC, the State or GNPC shall have the right to request payment for such sales of its share of production to Contractor or its Affiliate to be held in the foreign currency in which the resale transaction took place or in United States Dollars.

13.5 Contractor shall have the right to make direct payments outside of Ghana from its offices abroad, and elsewhere, to its employees, and to those of its Subcontractors and suppliers for wages, salaries, purchases of goods, and performance of services, whether imported into Ghana or supplied or performed therein for Petroleum Operations carried out hereunder, in accordance with the provisions of this Agreement, in respect of services performed within the framework of this Agreement, and such payments shall be considered Petroleum Costs. In the event of any changes in the location of Operator's offices abroad, Operator shall so notify GNPC and the State.

13.6 All payments which this Agreement obligates Contractor to make to GNPC or the State, including income taxes, shall be made in United States Dollars, except

as requested otherwise pursuant to Article 13.4 above. All payments shall be made by electronic transfer (or in such other manner as may be mutually agreed) in immediately available funds to a bank to be designated by GNPC or the State, and reasonably accessible to Contractor by way of its being able to receive payments made by Contractor and give confirmation of receipt thereof.

13.7 All payments which this Agreement obligates GNPC or the State to make to Contractor shall be made in United States Dollars. All payments shall be made by electronic transfer (or in such other manner as may be mutually agreed) in immediately available funds to a bank to be designated by Contractor, and reasonably accessible to GNPC or the State by way of its being able to receive payments made by GNPC or the State and give confirmation of receipt thereof.

13.8 Article 13.1 shall apply equally to any receipt or remittance by Contractor in connection with the Development Loan Agreement and the Default Loan Agreement.

13.9 Parliament of Ghana's ratification of this Agreement shall give effect to, and maintain throughout the term of this Agreement, Contractor's rights pursuant to this Article 13.

Article 14

SPECIAL PROVISIONS FOR NATURAL GAS

PART I - GENERAL

All Natural Gas produced by Contractor in association with GNPC under this Agreement shall be, subject to applicable law, regulations and the terms of Article 14 of this Agreement.

14.1 Contractor shall have the right to use Natural Gas produced from any Development and Production Area for Petroleum Operations within the Contract Area, such as reinjection for pressure maintenance and/or power generation at no cost.

14.2 Contractor shall not flare or vent Natural Gas except:

(a) to the extent provided for in an approved Development Plan;

(b) during production testing operations;

(c) when required for operational safety or the safety of persons engaged in Petroleum Operations in accordance with International Oil Field Practice; or

(d) as otherwise authorized by the Minister.

14.3 Contractor shall have the right to dispose of its share of production of Natural Gas, in accordance with this Agreement. Contractor has the right to equity market, either abroad or domestically, its share of Natural Gas production in a gas commercialization project; provided that priority is given to the demand for Natural Gas in the domestic market without adversely affecting an export project.

14.4 Contractor shall have the right to extract and dispose of liquid hydrocarbons from its share of Natural Gas pursuant to the provisions of this Agreement relating to Crude Oil. Commercialization of Contractor's share of liquid hydrocarbons extracted outside the Contract Area shall be subject to a separate agreement. Residual Natural Gas remaining after the extraction of liquid hydrocarbons is subject to the provisions of this Article 14.

PART II - ASSOCIATED GAS

14.5 Subject to Articles 14.1, 14.2, and 14.8, all Natural Gas produced in association with Crude Oil is the property of the State. The Development Plan of each Development and Production Area shall include a plan of utilization for Associated Gas.

14.6 If Contractor considers that production, processing, and utilisation of Associated Gas from any Development and Production Area is non-economic, GNPC shall have the option to offtake such Associated Gas (not used for Petroleum Operations or flared pursuant to Articles 14.1 and 14.2) at the outlet flange of the gas-oil separator on the Crude Oil production facility, at its Sole Risk for its own use. GNPC and Contractor shall work together to develop the appropriate interface between Natural Gas infrastructure owned by the State and/or GNPC and the Development and Production Area. To that end, Contractor's proposed Development Plan shall include:

(a) an assessment of the facilities necessary for the delivery to GNPC of such Associated Gas;

(b) a plan for the reinjection of Associated Gas into the reservoir if needed for pressure support; and

(c) GNPC's plan for any other utilization.

14.7 The decision of GNPC as to whether or not to exercise the option provided for in Article 14.6 shall be made in a timely manner. In making such decision and in its subsequent conduct, GNPC shall avoid the prevention of, or delay to: (a) the submission of the proposed Development Plan by Contractor pursuant to Article 14.6; and (b) orderly start up or continuation of the production of Crude Oil as envisaged in the approved Development Plan.

14.8 If GNPC elects to offtake Associated Gas under Article 14.6 above, GNPC shall be solely responsible for any additional facilities needed for the delivery of such Associated Gas to GNPC, provided that:

(a) if Contractor subsequently wishes to participate in GNPC's gas utilization programme, it shall reimburse GNPC for the costs of such facilities, plus a premium of three hundred percent (300%) of costs; or

(b) subject to section 42 (6) of the Petroleum Law, if Contractor subsequently develops a gas utilization programme and requires the use of GNPC's gas facilities, Contractor shall pay GNPC an agreed fee for such use.

14.9 If Contractor considers that it may be economic to produce Associated Gas for sale, Contractor shall conduct a commercial assessment of such Associated Gas prior to the submission of the Development Plan, and Part IV below shall apply as to such Associated Gas. The purpose of the commercial assessment shall be to study the uses to which production of Natural Gas from the Discovery Area can be devoted, specifically whether involving exports or domestic utilization. As part of the assessment, the Parties shall also pursue discussions on the required contractual arrangements for disposition of the Natural Gas to potential purchasers, consumers, infrastructure owners, and GNPC.

14.10 If, at the time of the submission of the Development Plan, Contractor is still conducting its commercial assessment to define the economic viability of producing the Associated Gas for sale, Contractor shall notify the Minister and the Petroleum Commission of the further evaluations planned to finalize the assessment. After completion of the assessment, and at the latest one (1) year after the submission of the Development Plan, Contractor shall declare whether it is economic to produce Associated Gas for sale. If Contractor declares the production of Associated Gas for sale is non-economic based on the assessment, GNPC shall have the option to offtake the Associated Gas per Article 14.6, otherwise, Part IV below shall apply.

PART III - NON-ASSOCIATED GAS

14.11 Contractor shall have the right to commercialize a Discovery of Non-Associated Gas in the Contract Area in accordance with the provisions of this Agreement. Except as otherwise provided in this Agreement, the terms applicable to a Discovery as provided under Article 8 of this Agreement shall apply to a Discovery of Non-Associated Gas.

14.12 Where Contractor submits notice pursuant to Article 8.2 or Article 8.17 indicating that the Discovery does not at that time merit Appraisal but may merit Appraisal or additional evaluation at a later date during the Exploration Period or during the initial period under a new petroleum agreement made pursuant to Article 14.19 below, then Contractor need not submit a Proposed Appraisal Programme at that time but instead shall indicate to the Petroleum Commission what other studies or evaluations (in accordance with a definite timetable) may be warranted before an Appraisal Programme is undertaken. Where Contractor's notice indicates that the Discovery will not merit Appraisal at any time during the Exploration Period then Contractor shall relinquish the rights to the Non-Associated Gas within that Discovery Area.

14.13 Not later than ninety (90) days from the date on which the Appraisal Programme relating to the Discovery is concluded, Contractor shall submit to the Minister and the Petroleum Commission a report containing the results of the Appraisal Programme (the "**Appraisal Report**"). The Appraisal Report may conclude that the Discovery merits commercial assessment. If the Appraisal Report concludes that the Discovery merits commercial assessment, Contractor shall submit to the Minister and the Petroleum Commission within thirty (30) days from the date of submission of the Appraisal Report, a programme incorporating a specific timetable for conducting such commercial assessment for approval by the Minister. If the Minister approves this programme in accordance with Articles 8.14 through 8.17, mutatis mutandis, such commercial assessment shall be conducted within the Exploration Period and, if applicable, during the initial period under a new petroleum agreement made pursuant to Article 14.19. Notwithstanding the above, the Minister may approve the conduct of other studies or evaluation, in accordance with a specific timetable, which may be warranted before a commercial assessment is undertaken, if Contractor notifies

the Minister that commercial assessment of the Discovery is not warranted at that time, but the Discovery may merit such assessment at a later date during the Exploration Period or during the initial period under a new petroleum agreement.

14.14 The purpose of the commercial assessment shall be to study the uses to which production of Non-Associated Gas from the Discovery Area can be devoted, specifically whether involving exports or domestic utilization. As part of the assessment, the Parties shall also pursue discussions on the required contractual arrangements for disposition of the Natural Gas to potential purchasers, consumers, infrastructure owners, and GNPC. Contractor may undertake a Non-Associated Gas commercialization project at a level that will facilitate the achievement of a reasonable rate of return for Contractor, and shall use the State's gas infrastructure if available.

14.15 Contractor may consult with the Minister and GNPC, and may make appropriate representations proposing changes in the fiscal and other provisions of this Agreement which may, in the opinion of Contractor, affect the above determinations made pursuant to Articles 14.9, 14.11, and Article 8.3. The Minister and GNPC may, where feasible and in the best interests of the Parties, agree to make such changes or modifications in the existing arrangements to be ratified by Parliament.

PART IV-NATURAL GAS PROJECTS

14.16 If at any time during the commercial assessment Contractor informs the Minister in writing that the Discovery can be produced commercially, Contractor shall, within one (1) Year submit to the Minister a Development Plan for such Discovery. The State and GNPC undertake on receipt of such notice to negotiate in good faith with Contractor with a view to reaching agreement on terms for such production. Any such agreement will be based on terms and fiscal requirements which shall be no less favourable to Contractor than those provided for in Article 10 and 12 and which recognizes the legitimate interest of the State as the resource owner pursuant to Section 3 of the Petroleum Law.

14.17 If at any time during the commercial assessment Contractor has identified:

(a) a market in Ghana for the reserves of Associated Gas and/or Non-Associated Gas, or any part thereof, that can be served without prejudice to an export project, the Parties shall proceed in good faith to negotiate the appropriate contractual arrangements for the disposition of the Natural Gas. In the event of such a domestic market for such Natural Gas, GNPC and Contractor shall receive for delivery at the Delivery Point their share of the Natural Gas at a price to be agreed between GNPC and Contractor in accordance with Article 14.18(c); or

(b) an export market for the reserves of Associated and/or Non-Associated Gas, the Parties shall proceed in good faith to negotiate the appropriate contractual arrangements with export customers for the disposition of

their respective entitlements of such Natural Gas. Contractor shall dispose of and market its share of the Natural Gas, and GNPC or the State may request Contractor to market their entitlement of such Natural Gas, subject to separate agreement between the Parties.

14.18 Except with respect to specific provisions in this Agreement concerning Natural Gas and different or additional provisions concerning Natural Gas which may be agreed by the Parties in the future, in the event of a Discovery of Natural Gas in the Contract Area which is to be developed and commercially produced, the provisions of this Agreement in respect to interests, rights, and obligations of the Parties regarding Crude Oil shall apply to Natural Gas, with the following necessary changes in points of details:

(a) The system for the allocation of Natural Gas among the Parties shall follow the same general format as Article 10.1 provides for Crude Oil, with the exception that the royalty to be delivered to the State on Natural Gas for gas projects shall be at the rate of five percent (5%) of the annual Gross Production of Natural Gas destined for the domestic market and five percent (5%) for Natural Gas to be exported. If the State elects to take its royalty on Natural Gas in cash, the value of such Natural Gas shall be the Natural Gas market price, less transportation, processing, compression, and marketing costs, as set forth in Article 14.18(c).

(b) The Parties recognise that projects for the Development and Production of Natural Gas are generally long-term in nature for both the project developers and the customers who purchase the Natural Gas. Substantial investments and dedication of facilities require long-term commitments on both sides. In order to facilitate long-term gas sales and stable lifting continuity for Contractor, no later than sixty (60) days following Contractor's submittal of the gas development plan, the State shall make its elections under Article 14.18(a) whether to receive its entitlement of Natural Gas in kind or in cash. In the event the State either elects to receive its entitlement of Natural Gas in cash or does not provide said election to Contractor, the State's share of Natural Gas shall be delivered to Contractor, and Contractor shall pay to the State in cash within fifteen (15) days of the end of the Month of such delivery.

(c) The Natural Gas market price for any sales or marketing of Natural Gas under this Agreement shall be as follows:

(i) With respect to Natural Gas export sales in arm's length transactions, the price shall be equal to the price obtained by Contractor for quantities of Natural Gas sold to such purchasers in an invoiced transaction.

(ii) With respect to Natural Gas domestic sales or sales that are not arm's length transactions, the price shall be consistent with the following principles:

(A) pricing shall assume sound marketing practices; and

(B) pricing shall assume efficient operations, taking into account among other things, the cost of finding and developing the Natural Gas, a reasonable return for Contractor on exploration and development investment, and the uses which will be made of the Natural Gas.

(iii) This Agreement, being for a specific term of years, may not cover the length of time for which customers will require commitments on the part of the Parties to this Agreement to deliver their respective shares of the output. Accordingly, the Parties agree to consider undertaking such commitments where reasonably required for the efficient and viable development of a Natural Gas project. It is recognised that, unless otherwise agreed or unless a new petroleum agreement pursuant to Article 14.19 has been entered into by the Parties hereto, Contractor will have no right or interest in the project or the Natural Gas produced and delivered after the Termination or expiration of this Agreement.

(d) In the event Contractor's Development Plan includes construction of gas facilities to convert Natural Gas into one or more commercially marketable products, and Contractor requires additional Natural Gas from the GNPC system as feedstock for those facilities, Contractor shall have the right to purchase such Natural Gas from GNPC at a mutually agreed price.

(e) The Parties will consider collaboration in obtaining any common external financing available for Natural Gas production possibilities, including project financing; however, each Party shall remain free to finance externally its share of such facilities to the extent it prefers to do so.

14.19

(a) Where Contractor has, during the continuance of the Exploration Period, made a Discovery of Non-Associated Gas but has not, before the end of the Exploration Period, declared that Discovery to be a Commercial Discovery, the State and GNPC will, if Contractor so requests, enter into a new petroleum agreement with Contractor in respect of the Discovery Area to which that Discovery relates.

(b) The State and GNPC shall not be under any obligation to enter into a petroleum agreement pursuant to Article 14.19(a) unless before the end of the Exploration Period, Contractor has carried out an Appraisal Programme in respect of that Discovery pursuant to Article 14.11 and

submitted to the Minister and the Petroleum Commission an Appraisal Report pursuant to Article 14.13, or has commenced an Appraisal Programme and has notified the Petroleum Commission of reasonable arrangements to undertake and complete such an Appraisal Programme during the period provided for in Article 14.19(c)i) below.

(c) A petroleum agreement entered into pursuant to Article 14.19(a) shall:

i) unless the Discovery in respect of which the agreement has been made is declared by Contractor to be a Commercial Discovery, continue in force for an initial period not exceeding three (3) Years;

ii) in the event that the Discovery is declared by Contractor to be a Commercial Discovery:

A. continue in force for an aggregate period of twenty-five (25) Years; and

B. include, or be deemed to include, all the provisions which, mutatis mutandis, would have applied to a Commercial Discovery of Non-Associated Gas pursuant to Article 14.18 if Contractor had declared such Discovery to be a Commercial Discovery under this Agreement;

iii) contain, in respect of the initial period or of any renewal period, details of the evaluations or studies (in accordance with a specific timetable) which Contractor proposes to undertake in order to determine or keep under review the commerciality of the Discovery; and

iv) subject to Article 14.1, confer on GNPC pre-emptive rights in respect of the Natural Gas contained in the reservoir to which the Discovery relates substantially in the form of the provisions hereinafter set out in Article 14.19(e).

(d) Where Contractor has not, before the end of the initial period of a new petroleum agreement, declared the Discovery to be a Commercial Discovery, and the Minister has, in his discretion, determined that further evaluation or studies may be required before the Discovery can be declared a Commercial Discovery, the right of Contractor to retain the Discovery Area shall continue for a further period not exceeding, in the aggregate, three (3) years. The right of Contractor to retain the Discovery Area aforesaid shall be secured by the renewal of the petroleum agreement, or where necessary by a new petroleum agreement entered into by the Parties for that purpose referred to in this Article 14.19(a).

(e) i) Where Contractor has not declared the Discovery to be a Commercial Discovery, if GNPC has identified a domestic market for the Natural Gas contained in the reservoir to which the Discovery relates, or any part thereof, it may at any time during the initial period or the aggregate period referred to in Article 14.19(d) above, serve on Contractor a notice giving particulars of the quantities of Natural Gas required to serve that domestic market and the price offered, and subject to Contractor's rights pursuant to Article 14.19(e)(ii) and on the basis of the procedure detailed in Article 9 and 14.19(e)(iii), exercise the right referred to in Article 14.19(c)iv).

ii) Within three (3) Months from the receipt of a notice as provided for in Article 14.19(e)(i), Contractor may declare the Discovery to be a Commercial Discovery and, in accordance with the petroleum agreement and the Petroleum Law, prepare and submit to the Minister a Development Plan, which may or may not be for the market identified and at the price offered, as proposed by GNPC pursuant to Article 14.19(e)(i).

iii) If Contractor has not, within the period of three (3) Months under Article 14.19(e)(ii), declared the Discovery to be a Commercial Discovery, GNPC may at its Sole Risk, develop the Discovery. If GNPC elects to develop the Discovery, Contractor shall cease to have any rights in respect of the Natural Gas in the reservoir required for that purpose.

Article 15

DOMESTIC SUPPLY REQUIREMENTS (CRUDE OIL)

15.1 Crude Oil for consumption in Ghana (the "**Domestic Supply Requirement**") shall be supplied, to the extent possible, by the State and GNPC from their respective entitlements under this Agreement and under any other contract for the production of Crude Oil in Ghana.

15.2 Contractor shall be obliged together with any third parties which produce Crude Oil in Ghana within three (3) Months' prior notice from the State, to supply a volume of Crude Oil to be used for such Domestic Supply Requirements, calculated on the basis of the ratio of Contractor's entitlement to Crude Oil under Article 10.1(c) to the sum of the similar entitlements of all such third parties and provided that Contractor's obligation to supply Crude Oil for purposes of meeting the Domestic Supply Requirement shall not exceed the total of Contractor's said entitlement of Gross Production of Crude Oil after deduction of the State's Royalty under this Agreement.

15.3 The State shall purchase any Crude Oil supplied by Contractor pursuant to this Article 15 at the Market Price determined under Article 11.8 for the Month of delivery, and the State shall pay such prices in accordance with Article 13.7 within thirty (30) days after receipt of invoice, failing which Contractor's obligations in respect of the Domestic Supply Requirement under this Article 15 shall be suspended until payment is made good, at which time deliveries shall be resumed subject to any alternative commitments that may have been reasonably entered into by Contractor to dispose of the Domestic Supply Requirement during the period of default in payment.

15.4 The calculation of the Domestic Supply Requirement shall be done on a Calendar Year basis, broken down by Month. The calculation shall begin with the determination of the quantities of Crude Oil required for Consumption in Ghana in each relevant Month during the applicable Calendar Year. "**Consumption**" shall, for purposes of this Article 15, consist of the total Crude Oil consumed in Ghana, Crude Oil processed in Ghana and LPG, kerosene, gas oil, gasoline, and fuel oil imported into Ghana.

Article 16

INFORMATION AND REPORTS: CONFIDENTIALITY

16.1 Contractor shall keep the Petroleum Commission and GNPC regularly and fully informed of Petroleum Operations being carried out by Contractor and, subject to Article 16.2, provide the Petroleum Commission and GNPC with all information, data, samples, interpretations, and reports (including progress and completion reports) including:

(a) processed seismic data and interpretations thereof;

(b) well data, including electric logs and other wireline surveys, and mud logging reports and logs, oil or hydrocarbon samples, samples of cuttings, and cores and analyses made therefrom;

(c) any reports prepared from drilling data or geological or geophysical data, including maps or illustrations derived therefrom;

(d) well testing and well completion reports;

(e) reports dealing with location surveys, seabed conditions, and seafloor hazards, and any other reports dealing with well, platform, or pipeline locations;

(f) reservoir investigations and estimates regarding reserves, field limits, and economic evaluations relating to future operations; provided that each Party retains full responsibility for making its own assessment of reserves for internal and reporting purposes;

(g) daily, weekly, Monthly, and other regular reports on Petroleum Operations;

(h) comprehensive final reports upon the completion of each specific project or operation;

(i) contingency programmes and reports on safety and accidents;

(j) a statement showing the values, executing companies, award, and completion dates.

Data shall be provided on film, paper, or in digital format to the Petroleum Commission and GNPC. In respect of the reports, including text and graphics, paper or digital copies shall be submitted.

16.2 Contractor shall have the right to retain, for its own use in connection with the conduct of Petroleum Operations under this Agreement, copies of data, well logs, maps, magnetic tapes, other geological and geophysical information, portions of core samples, and copies of reports, studies, and analyses referred to in Article

16.1. Notwithstanding anything to the contrary in this Agreement, Contractor Parties shall not be obligated to provide management communications to the Petroleum Commission and GNPC.

16.3 Not later than ninety (90) days following the end of each Calendar Year, Contractor shall submit to the Petroleum Commission and GNPC a report covering Petroleum Operations performed in the Contract Area during such Calendar Year. Such report shall include:

(a) a statement of the number of Exploration Wells, Appraisal Wells, and Development Wells drilled, the depth of each such well, and a map on which drilling locations are indicated;

(b) a statement of any Petroleum encountered during Petroleum Operations, as well as a statement of any fresh water layers encountered and of any other minerals discovered;

(c) a statement of the quantity of Petroleum produced and of all other minerals produced therewith from the same reservoir or deposit;

(d) a summary of the nature and extent of all Exploration activities in the Contract Area;

(e) a general summary of all Petroleum Operations in the Contract Area; and

(f) a statement of the number of employees engaged in Petroleum Operations in Ghana, identified as Ghanaian or non-Ghanaian.

16.4 All data, information, and reports, including interpretation and analysis supplied by Contractor pursuant to this Agreement ("**Data**") shall be treated as confidential by the Parties and shall not be disclosed by: (a) any Contractor Party to any other person without the express written consent of GNPC; or (b) GNPC or the State to any other person without the express written consent of Contractor. Such consent shall not be unreasonably delayed or withheld.

16.5 Article 16.4 shall not prevent disclosure of Data by:

(a) GNPC or the State:

i) to any agency of the State or to any advisor or consultant to GNPC or the State; or

ii) to applicants seeking to obtain a petroleum agreement in respect of any open acreage adjacent to the Contract Area; provided that such disclosure of Data: (1) within two (2) Years of the acquisition of such Data shall require Contractor consent, which consent shall not be unreasonably withheld; and (2) after two (2) Years of the acquisition of such Data shall require prior notice to Contractor;

or

(b) Contractor:

i) to its Affiliates, advisers, or consultants;

ii) to a bona fide potential assignee of all or part of Contractor's interest, provided that with respect to a bona fide assignee of Contractor's interest, GNPC is given prior notice of such potential assignee;

iii) to banks or other financial institutions for the purpose of seeking external financing of costs of the Petroleum Operations;

iv) to non-Affiliates who shall provide services for the Petroleum Operations, including Subcontractors, vendors, and other service contractors, where this is essential for their provision of such services; or

v) to governmental agencies for obtaining necessary rulings, permits, licenses, and approvals, or as may be required by applicable law or stock exchange, accounting, or reporting practices, and provided, where possible, GNPC is given prior notice of such disclosure;

or

(c) any Party:

i) to the extent necessary in any arbitration proceedings or proceedings before a Sole Expert pursuant to Article 24, or in proceedings before any court; or

ii) with respect to Data, which already through no fault of the disclosing Party is in the public domain.

16.6 Any Party disclosing information or providing Data to any third party under Article 16.5 shall require such persons to observe the confidentiality of such Data, which shall, at a minimum, require these persons to utilize the same degree of care with respect to this obligation as such persons utilize with respect to their own proprietary information and other proprietary information of third parties, and the right to disclose to the aforementioned persons under Article 16.5 also constitutes the prior written approval of GNPC, which shall procure any necessary approvals from the Petroleum Commission to export such data for these disclosures pursuant to Section 53(2) of the Petroleum Law.

Disclosures of Data to any third party other than those specified in Article 16.5, with the exception of bona fide potential assignees under Article 16.5(b)ii), shall require the execution of a confidentiality agreement.

16.7 Public statements and/or press releases regarding the Petroleum Operations undertaken under this Agreement shall be issued jointly by Contractor and GNPC, and Contractor and GNPC shall agree on the timing and wording of such statements and releases to the public. Such public statements and/or press releases shall be submitted to the Petroleum Commission prior to release or publication. Where, however, Contractor or GNPC is required to make a public statement and/or press release under the applicable laws, rules, or regulations of any government, legal proceedings, or a stock exchange having jurisdiction over such Party or any of its Affiliates, to the extent permitted by law, that Party shall inform the other Party of such requirement and submit the text of the proposed statement or release for comment and/or approval. Should a Party fail to respond within three (3) Business Days of the submission (or such shorter period as may be reasonable in the event of an emergency or disaster, or reasonably required or necessary to enable the disclosing Party to comply with applicable laws, rules, or regulations of any government, legal proceedings, or a stock exchange having jurisdiction over such disclosing Party) to a request for the approval of a public statement or press release for such purposes, such failure to respond shall be deemed approval of the request.

16.8 Subject to any applicable pre-existing obligations under any agreement, all intellectual property rights to any and all inventions, discoveries, or improvements made or conceived directly in connection with conducting Petroleum Operations shall be jointly owned by Contractor and GNPC if jointly made or conceived by: (1) a Contractor Party's employees, contractors (including the Contractor Parties), Subcontractors, or secondees; and (2) GNPC's employees, contractors, Subcontractors, or secondees. Each Contractor Party and GNPC may freely use all such inventions, discoveries, or improvements in its normal operations (including joint operations or a production sharing arrangement in which the Party or its Affiliates has an ownership or equity interest or a contractual right to produce or operate hydrocarbon interests) without the approval of any other Party. However, no Contractor Party or GNPC may grant permission to any other person or entity to use any such joint property without the consent of Contractor Parties and GNPC. Subject to obtaining such consent, each Contractor Party and GNPC is authorized to execute the appropriate grant of usage rights to any such joint property. Any revenues realised from such grant shall be distributed proportionately to Contractor and GNPC in accordance with their interest under this Agreement.

16.9 Notwithstanding any provision to the contrary in this Agreement, if a Contractor Party has used proprietary technology owned or controlled by such Contractor Party or its Affiliates in Petroleum Operations then such Contractor Party or its Affiliate may, in its sole discretion, make such proprietary technology available to GNPC on terms to be agreed between GNPC and such Contractor Party or its relevant Affiliates.

Article 17

INSPECTION, SAFETY, AND ENVIRONMENTAL PROTECTION

17.1 Subject to reasonable advance notice to the Operator, Petroleum Commission and/or GNPC shall, during regular business hours, have the right of access to all sites and offices of Operator and the right to inspect all buildings and installations used by Operator relating to Petroleum Operations. Such inspections and audits shall take place in consultation with Operator and at such times and in such manner so as not to unreasonably or unduly interfere with the normal operations of Operator.

17.2 Contractor shall take all necessary steps, in accordance with International Oil Field Practice, to perform activities pursuant to the Agreement in a safe manner and shall comply with health, safety, and environmental laws and regulations issued by the Environmental Protection Agency of Ghana and other relevant State agencies.

17.3 Contractor shall provide an effective and safe system for disposal of water and waste oil, oil based mud, and cuttings in accordance with applicable laws of Ghana and International Oil Field Practice, and shall provide for the safe completion or abandonment of all boreholes and wells.

17.4 Contractor shall exercise its rights and carry out its responsibilities under this Agreement in accordance with International Oil Field Practice, and shall take steps in such manner as to:

(a) result in minimum ecological damage or destruction;

(b) control the flow and prevent the escape or the avoidable waste of Petroleum discovered in or produced from the Contract Area;

(c) prevent damage to Petroleum-bearing strata;

(d) prevent the entry of water through boreholes and wells to Petroleum-bearing strata, except for the purpose of secondary recovery;

(e) prevent damage to onshore lands and to trees, crops, buildings, or other structures; and

(f) avoid any actions which would endanger the health or safety of persons.

17.5 Subject to Article 17.2, in the event of pollution or damage to fresh water, marine, plant, animal life, or land that is caused by Contractor as a result of Petroleum Operations, Contractor shall, in accordance with applicable laws and International Oil Field Practice, promptly take all necessary measures, in accordance with International Oil Field Practice to control the pollution, to clean up Petroleum or other released material, or to repair, to the maximum extent

feasible, damage resulting from any such circumstances. If such release or pollution does not result directly or indirectly from the Gross Negligence/Wilful Misconduct of Contractor's Senior Supervisory Personnel, the cost of clean-up and repair activities shall be included as Petroleum Costs under this Agreement. If such release or pollution results directly or indirectly from the Gross Negligence/Wilful Misconduct of Contractor's Senior Supervisory Personnel, the cost of subcontract clean-up and repair activities shall be borne by Contractor and shall not be included as Petroleum Costs under this Agreement. Contractor shall only be responsible for direct, actual (documented) costs in relation to pollution damage caused by Contractor and shall not be liable for consequential, special, indirect, punitive, or exemplary damages in relation to pollution. Contractor shall not be responsible for any environmental conditions existing prior to the commencement of the drilling of the first Exploration Well or any activities not related to Petroleum Operations.

17.6 In the event of any emergency or major accident or major release of materials into the environment, Contractor shall: (a) notify GNPC immediately, but in any event within forty-eight (48) hours after Contractor is aware of such event; and (b) take such action as may be prescribed by International Oil Field Practice.

17.7 If Contractor does not act promptly so as to control, clean up, or repair any pollution or damage, GNPC may, after giving Contractor reasonable notice in the circumstances, take any actions which are necessary, in accordance with applicable laws of Ghana and International Oil Field Practice, and the reasonable costs and expenses of such actions shall be borne by Contractor and shall, subject to Article 17.5, be included as Petroleum Costs.

17.8 Prior to commencing drilling of the first Exploration Well, Contractor shall conduct a baseline environmental study of the degree of pollution in the relevant portion of the Contract Area to determine the environmental conditions existing therein subject to applicable regulations. The terms, timing, and procedure of such baseline environmental study shall be set forth in an approved Work Programme and budget.

Article 18

ACCOUNTING AND AUDITING

18.1 Each Contractor Party shall maintain, at its office in Ghana, books of account and supporting records in the manner required by applicable law and accepted accounting principles generally used in the international petroleum industry, and shall file reports, tax returns, and any other documents and financial returns which are required by applicable law.

18.2 In addition to the books and reports required by Article 18.1, Operator (on behalf of Contractor) shall maintain, at its office in Ghana, a set of accounts and records relating to Petroleum Operations under this Agreement. Such accounts shall be kept in accordance with the requirements of the applicable law and accepted accounting principles generally used in the international petroleum industry.

18.3 The accounts required by Articles 18.1 and 18.2 shall be kept in United States Dollars or such other currency as GNPC and Contractor may agree.

18.4 Contractor will provide the Petroleum Commission and GNPC with Quarterly and annual financial statements and summaries of Petroleum Costs incurred under this Agreement.

18.5 GNPC shall review all financial statements submitted by Contractor as required by this Agreement, and shall signify its provisional approval or disapproval of such statements in writing within ninety (90) days of receipt, failing which the financial statements as submitted by Contractor shall be deemed approved by GNPC; in the event that GNPC indicates its disapproval of any such statement, Contractor and GNPC shall meet, within fifteen (15) days of Contractor's receipt of the notice of disapproval, to review the matter.

18.6 Notwithstanding any provisional approval pursuant to Article 18.5, GNPC shall have the right, upon giving reasonable notice in writing to Contractor, to audit, at GNPC's sole expense, the books and accounts of Contractor relating to Petroleum Operations within two (2) Calendar Years after the end of the Calendar Year in which any report of financial statement is submitted by Contractor to GNPC. GNPC shall not, in carrying out such audit, interfere unreasonably or unduly with the conduct of Petroleum Operations. Any such audit shall be undertaken by an independent auditing firm and shall be completed within nine (9) Months after commencement. Subject to compliance with Contractor's safety and security requirements, Contractor shall provide access to all necessary facilities for auditors appointed hereunder by GNPC and timely access to all relevant personnel, records, files, and other materials.

If GNPC desires verification of charges from an Affiliate, Contractor shall, at GNPC's sole expense, obtain for GNPC or its representatives an audit certificate for this purpose from the statutory auditors of the Affiliate concerned. Copies of audit reports shall be provided to Contractor and GNPC. Any unresolved audit

claim resulting from such audit, upon which Contractor and GNPC are unable to agree, shall be submitted to the JMC for decision, which must be unanimous. In the event that a unanimous decision is not reached in respect of any audit claim, then such unresolved audit claim shall be submitted for resolution in accordance with Article 24. Subject to any adjustments resulting from such audits, Contractor's accounts and financial statements shall be considered to be correct on expiry of a period of two (2) Calendar Years from the end of the Calendar Year in which they are submitted to GNPC unless before the expiry of such two (2) Calendar Year period GNPC has notified Contractor of any exceptions to such accounts and statements.

18.7 Nothing in this Article shall be read or construed as placing a limit on GNPC's access to Contractor's books and accounts in respect of matters arising under Article 23.3(a).

18.8 In the event of any changes in location of Operator's office in Ghana, Operator shall so notify GNPC, the Minister, and the Petroleum Commission.

18.9 Petroleum Costs incurred with respect to the Contract Area shall have no bearing on allowable or non-allowable costs under any other contract area or Contractor's eligibility or otherwise for deductions in computing Contractor's net income from petroleum operations for income tax purposes in any other contract area. Similarly, petroleum costs incurred in any other contract area shall have no bearing on allowable or non-allowable costs in respect of the Contract Area or Contractor's eligibility or otherwise for deductions in computing Contractor's net income from Petroleum Operations for income tax purposes in respect of the Contract Area.

Article 19

TITLE TO AND CONTROL OF GOODS AND EQUIPMENT

19.1 GNPC shall be the sole and unconditional owner of:

(a) Petroleum produced and recovered as a result of Petroleum Operations, except for such Petroleum as is distributed to the State and to Contractor pursuant to Article 10 or Article 14; and

(b) all physical assets other than those to which Articles 19.3 or 19.4 apply, which are purchased, installed, or constructed by Contractor in Petroleum Operations in the Contract Area as from the earlier of the following:

i) the full cost thereof has been depreciated and/or recovered in accordance with the provisions of the Accounting Guide; or

ii) this Agreement is terminated pursuant to Articles 23.2 or 23.3, or expires under Article 23.1, and Contractor has not disposed of such assets prior to such termination or expiration.

19.2 Contractor shall have the use of the assets referred to in Article 19.1(b) for purposes of its operations under this Agreement without payment, provided that Contractor shall remain liable, in accordance with the terms of this Agreement and International Oil Field Practice, for maintenance, insurance, and other costs associated with such use. Where Contractor has failed to keep any such asset in good working condition (normal wear and tear excepted), GNPC shall have the right to recover the cost of repair or replacement of such assets from Contractor. Contractor shall indemnify GNPC against all losses, damages, claims, or legal action resulting from Contractor's use of such assets, if and in as far as such losses, damages, claims, or legal actions were directly caused by the Gross Negligence/Wilful Misconduct of Contractor's personnel.

19.3 Equipment or any other assets rented or leased by Contractor which is imported into Ghana for use in Petroleum Operations and subsequently re-exported therefrom, which is of the type customarily leased for such use in accordance with International Oil Field Practice or which is otherwise not owned by Contractor shall not be transferred to GNPC, subject to section 19(4) and 19(6) of the Petroleum Law. No equipment or assets owned or leased by a Subcontractor shall by reason of the provisions of this Article 19 be deemed to be transferred to GNPC.

19.4 All assets owned by Contractor which are not affected by the provisions of Article 19.1(b) above may, where required for further Petroleum Operations, be retained by GNPC for such operations, provided that GNPC shall thereby be liable to pay a reasonable and mutually agreed fee for such use, and shall bear the cost of repair or replacement upon failure to keep such assets in good working condition (normal wear and tear excepted), and further provided that Contractor

does not require such assets for its Petroleum Operations. GNPC shall indemnify Contractor against all losses, damages, claims, or legal action resulting from GNPC's use of such assets, if and in as far as such losses, damages, claims, or legal actions were directly caused by the Gross Negligence/Wilful Misconduct of GNPC's personnel.

19.5 Subject to Article 19.3, upon the termination of Petroleum Operations in any area, Contractor shall give GNPC the option to acquire any movable and immovable assets used for such Petroleum Operations and not affected by the provisions of Article 19.1(b) at a reasonable and mutually agreed price, always provided that Contractor does not require such assets for Contractor's Petroleum Operations in the Contract Area.

19.6 All assets which are not affected by Article 19.1(b), or subject to Articles 19.4 or 19.5, and all Subcontractor equipment, may be freely exported by Contractor or its Subcontractor, respectively, at its discretion.

Article 20

PURCHASING AND PROCUREMENT

20.1 Contractor shall submit an annual local content plan which includes the engagement and utilization of local Ghanaian subcontractors for the provision of goods and services, and the employment and development of qualified Ghanaian citizens ("Local Content Plan") to the Petroleum Commission and the Minister for approval. In approving the Local Content Plan, the Petroleum Commission in consultation with the Contractor shall establish Contractor's obligations with respect to the local content threshold requirements of the First Schedule of the Local Content Regulations.

20.2 Subject to all applicable laws the Contractor shall, and shall require its Subcontractors to:

(a) acquire materials, equipment, machinery, and consumer goods produced or provided in Ghana by an Indigenous Ghanaian Company which are: (1) equivalent in terms of quality, quantity, availability, delivery, safety, and other commercial terms as foreign materials, equipment, machinery, and consumer goods; and (2) available for sale at prices which are no more than ten percent (10%) higher than the imported items, including transportation and insurance costs and customs charges due; and

(b) contract local services provided by an Indigenous Ghanaian Company to the extent to which: (1) the services they provide are equivalent in terms of quality, availability, safety, and other commercial terms as those available from foreign contractors; and (2) their prices, when subject to the same tax charges, are no more than ten percent (10%) higher than the prices charged by foreign contractors for similar services.

20.3 For the purposes of Article 20.2, price comparisons shall be made on a c.i.f. Accra delivered basis.

20.4 Any contract to be entered into or awarded by Contractor for the provision of services for Petroleum Operations shall be subject to the following contracting procedures:

(a) Contractor shall inform the Petroleum Commission of the forecasted contracting activities on a Quarterly basis;

(b) Contracts that are estimated to be in excess of the Cedi equivalent of amount to be agreed with the Petroleum Commission shall be competitively tendered.

(c) For each competitive tender or sole source contract above the agreed threshold pursuant to Article 20.4(b), Contractor shall provide the Petroleum Commission with:

(i) the information specified in Part B of the Third Schedule of the Local Content Regulations, before issuing a request for quotation; and

(ii) the information specified in Part C of the Third Schedule of the Local Content Regulations, before awarding a contract or purchase order to the selected bidder or the sole source Subcontractor

(d) Contractor shall inform the Petroleum Commission, on a Quarterly basis, of all subcontracts executed within the reported Quarter.

Article 21

EMPLOYMENT AND TRAINING

21.1 In order to establish programmes to train Ghanaian personnel for work in Petroleum Operations and for the transfer of management and technical skills required for the efficient conduct of Petroleum Operations, Contractor shall pay to GNPC:

(a) A training allowance in the amount of two million United States Dollars (US$2 million) per Contract Year. The amounts shall be payable within thirty (30) days after the beginning of each Contract Year, provided that the amount payable shall be pro rata for any period less than a full Calendar Year.

(b) A one-time technology support payment of seven million United States Dollars (US$7 million), payable within thirty (30) days of the Effective Date.

All payments made pursuant to Articles 21.1(a) and 21.1(b) shall be paid by Contractor by electronic transfer to an account designated by GNPC and verified by Contractor.

21.2 All payments under Article 21.1 shall be considered Petroleum Costs.

21.3 Where Ghanaian personnel with equivalent qualifications, training, and experience are available for employment in the conduct of Petroleum Operations, Contractor shall, as far as reasonably possible, provide opportunities for the employment of such personnel. For this purpose, Contractor shall, from time to time, submit to GNPC an employment plan stating the reasonably foreseeable number of persons (and the required professions and technical capabilities) from the commencement of Petroleum Operations. GNPC shall be given the opportunity to nominate such personnel according to the said plan for Contractor's sole consideration and approval.

21.4 Contractor shall, if so requested by GNPC, provide opportunities for a mutually agreed number of personnel nominated by GNPC to be seconded for on-the-job training or attachment in all phases of its Petroleum Operations under a secondment contract to be mutually agreed prior to such secondment. Such secondment contract shall include continuing education and short industry courses mutually identified as beneficial to the secondee. Costs and other expenses connected with such assignment of GNPC personnel shall be: (a) borne by the Contractor; and (b) considered Petroleum Costs.

21.5 Contractor shall assist GNPC personnel to acquire knowledge and skills in petroleum science, technology, economics, and engineering.

21.6 Subject in all respects to Articles 16.4 through 16.6, it is agreed that there will be no disclosure or transfer of any documents, data, know-how, technology, or other information owned or supplied by Contractor, its Affiliates, or non-Affiliates, to third parties without Contractor's prior written consent (such consent not to be unreasonably withheld), and then only upon written agreement by the recipients to retain such information in strict confidence.

Article 22

FORCE MAJEURE

22.1 The failure of GNPC or a Contractor Party to fulfil any term or condition of this Agreement, except for the payment of monies, shall be excused if and to the extent that such failure arises from Force Majeure, provided that, if the event is reasonably foreseeable, such Party shall have prior thereto taken all reasonably appropriate precautions and all reasonable alternative measures with the objective of carrying out the terms and conditions of this Agreement.

22.2 In the event that GNPC or a Contractor Party is unable, wholly or in part, to perform its obligations provided for in the Agreement as a result of such event of Force Majeure, such Party whose performance of obligations are prevented by the event of Force Majeure shall immediately, but not later than fourteen (14) days from when such an occurrence becomes evident, give written notice to the other Parties, including details of such event of Force Majeure and such Party's estimate of the duration of the event of Force Majeure.

22.3 Throughout the duration of the event of Force Majeure, the affected Party shall report to the other Parties any changes to its estimate of the duration of the delay, and any significant developments with respect to the event of Force Majeure.

22.4 A Party unable by an event of Force Majeure to perform any obligation hereunder shall take all reasonable measures to remove its inability to fulfill the terms and conditions of this Agreement with the minimum of delay, and the Parties shall take all reasonable measures to minimise the consequences of any event of Force Majeure.

22.5 During the duration of an event of Force Majeure, each Party shall bear its own costs arising from the delay in performance under the Agreement, except for those reasonably incurred costs to maintain safe and necessary Petroleum Operations.

22.6 Should the event of Force Majeure be reasonably expected to last longer than six (6) Months from the date of notification pursuant to Article 22.2, the Parties agree to enter into discussion to review and assess the situation with the aim to identify a proper recovery plan for the future implementation of this Agreement, including an extension in accordance with Article 22.8 or a modification of the applicable contractual terms. When a recovery plan is identified and agreed, any affected Party's commitment schedule will be considered revised accordingly.

Should the event of Force Majeure continue for a period of one (1) Year from the date of notification pursuant to Article 22.2, Contractor shall have the option upon at least sixty (60) days written notice to the other Parties to terminate this Agreement without further liability of any kind.

22.7 The affected Party shall notify the other Parties of the termination of an event of Force Majeure in writing within seven (7) days of such termination.

22.8 Any period set herein for the completion by a Party of any act required or permitted to be done or rights or benefits to be enjoyed under the terms of this Agreement, shall be extended for a period of time equal to that during which such Party was unable to perform such actions or enjoy such rights or benefits as a result of Force Majeure, together with such time as may be required for the resumption of Petroleum Operations.

22.9 In the case that Contractor declares Force Majeure in respect of an action, omission or provision of the State, GNPC shall be entitled to elect for the duration of such declaration by Contractor to also be relieved of substantially the same obligations that Contractor has been relieved of by its declaration of Force Majeure in respect of such State action, omission or provision (but only to the extent that GNPC is unable to perform such obligations as a result of such Force Majeure in respect of such State action, omission or provision).

Article 23

TERM AND TERMINATION

23.1 Subject to this Article 23, the term of this Agreement shall be twenty-five (25) Years commencing from the Effective Date. The Minister shall approve an extension for an additional five (5) Years, provided that Contractor:

(i) has demonstrated that production from a Development and Production Area ought to be extended beyond the initial term; and

(ii) is in compliance with all of its obligations under this Agreement.

The approval of the extension shall be subject to ratification by Parliament.

23.2 Subject to Article 22, Termination of this Agreement shall result upon the occurrence of any of the following:

(a) Contractor's relinquishment or surrender of the entire Contract Area;

(b) the termination of the Exploration Period, including extensions pursuant to Article 3, without notification by Contractor of a Commercial Discovery pursuant to Article 8 or Article 14 (Part III) in respect of a Discovery of Petroleum in the Contract Area; provided, however, Termination shall not occur while:

(i) Contractor has the right to evaluate a Discovery for Appraisal or determination of a Commercial Discovery and/or propose a Development Plan pursuant to Article 3.2, Article 8, or Article 14;

(ii) once a Development Plan has been approved; or

(iii) the provisions of Articles 8.14 through 8.20 are applicable;

(c) if, following a notice that a Discovery is a Commercial Discovery, the Exploration Period terminates under Article 3 without a Development Plan being approved; provided, however, that Termination shall not occur when the provisions of Articles 8.14 through 8.20 are applicable; or

(d) pursuant to the procedures described in Article 23.4, the failure of Contractor through any cause other than Force Majeure, to commence preparations with respect to Development Operations pursuant to Article 8.11 within three (3) Months after the Minister's approval of the Development Plan.

23.3 Subject to Article 22 and pursuant to procedures described in Article 23.4 below, GNPC and/or the State may terminate this Agreement upon the uncorrected occurrence of any of the events (or failures to act listed) below:

(a) the submission by Operator or a Contractor Party, to GNPC of a written statement which Operator or such Contractor Party knows or reasonably should have known to be false in a material particular, or the release by Operator or a Contractor Party to any print or electronic media or to a stock exchange of a written statement regarding the Petroleum Operations in Ghana in breach of Article 16.7 and in a form which Operator or a Contractor Party knows or should reasonably have known to be false in a material particular; provided that:

i) in the event of intent on the part of Operator or such Contractor Party to cause serious damage to GNPC or the State, a period for remedy of such false statement shall not be given; and

ii) the submission of such a written statement or release in violation of Article 16.7 that is false in a material particular by less than all of the Contractor Parties shall result in the withdrawal of the Contractor Party that makes such a written statement or release, and shall not lead to a termination of the Agreement if the other Contractor Parties assume all of the rights and obligations of the withdrawing Contractor Party;

(b) the assignment by Contractor of this Agreement contrary to the provisions of Article 25 hereof; provided that an assignment by less than all of the Contractor Parties shall result in the withdrawal of the assigning Party and its assignee, and shall not lead to a termination of the Agreement if the other Contractor Parties assume all of the rights and obligations of the withdrawing Contractor Party;

(c) the insolvency or bankruptcy of a Contractor Party, the entry by a Contractor Party into any agreements or composition with its creditors, taking advantage of any law for the benefit of debtors or a Contractor Party's entry into liquidation, or receivership, whether compulsory or voluntary, which in itself provides evidence that the obligations of such Contractor Party hereunder will not be performed. Provided that the insolvency or bankruptcy of one Contractor Party shall not lead to a termination of the Agreement if the other Contractor Parties and/or GNPC, as the case may be, will assume all of the rights and obligations of the defaulting Contractor Party under this Agreement. In such a case, GNPC shall have the right to acquire a share of the interest of the defaulting Contractor Party proportionate to the total of GNPC's Initial Interest and Additional Interest (if GNPC elects to take an Additional Interest pursuant to Article 2.5 prior to the insolvency or bankruptcy of the defaulting Contractor Party), in which case GNPC shall assume its proportionate share of the rights and obligations of the defaulting Contractor Party under this Agreement and the Joint Operating Agreement. GNPC may exercise this right by notice to all Contractor Parties within thirty (30) days following notification of the insolvency or

bankruptcy of the defaulting Contractor Party. GNPC's written notice shall state the percentage share of the interest of the defaulting Contractor Party which GNPC proposes to acquire. Upon exercise by GNPC of its rights pursuant to this Article 23.3(c), GNPC shall execute all appropriate transfers, assignments, novations, and Joint Operating Agreements which were in place as between or among the Parties. For clarity, the interest so acquired by GNPC pursuant to this Article 23.3(c) shall be a Paying Interest and not receive the benefits of a GNPC Carried Interest or Additional Interest;

(d) the intentional extraction by Contractor of any mineral (as defined in the Minerals and Mining Act, 2006 (Act 703)) of potential economic value other than as authorised under this Agreement, or any applicable laws of Ghana, except for such extraction as may be unavoidable as a result of Petroleum Operations. Where, however, in the course of Petroleum Operations conducted in accordance with International Oil Field Practice Contractor unavoidably extracts any mineral of potential economic value, Contractor shall immediately notify the Minister and, if requested by the Minister, Contractor shall provide further information;

(e) failure by Contractor:

i) to provide GNPC with Security pursuant to Article 4.4;

ii) to fulfil the Minimum Work Obligations pursuant to Article 4.3, save where the Minister has waived the default;

iii) to carry out an Appraisal Programme undertaken by Contractor pursuant to Article 8, unless Contractor notifies GNPC and the Petroleum Commission that the Appraisal Programme should be amended and submits said amendment to the Petroleum Commission for its approval; or

iv) to carry out the terms of an approved Development Plan;

(f) material failure by Contractor to comply with any of its obligations pursuant to Articles 7.1(a) through 7.1(o);

(g) failure by Contractor to make any payment of any sum due to GNPC or the State pursuant to this Agreement within thirty (30) days after receiving notice that such payment is due; or

(h) failure by Contractor to comply with any decisions reached as a result of any arbitration proceedings conducted pursuant to Article 24 hereof; provided that the failure of less than all of the Contractor Parties to comply with such decisions shall result in the withdrawal of such Parties and shall not lead to a termination of the Agreement if the other

Contractor Parties assume all of the rights and obligations of the Contractor Parties that fail to comply with such decisions.

23.4 failure by Contractor to comply with any applicable laws and/or regulations and/or the laws of the Republic of Ghana related to this Agreement, provided that if such failure is attributable to a Contractor Party, then termination of this Agreement shall take place only with regard to the Contractor Party in question. If GNPC and/or the State believe an event or failure to act as described in Articles 23.2(d) or 23.3 above has occurred, a written notice shall be given to Contractor describing the event or failure. Contractor shall have thirty (30) days from receipt of said notice to commence and pursue remedy of the event or failure cited in the notice. If after said thirty (30) days Contractor has failed to commence appropriate remedial action, GNPC and/or the State may then issue a written notice of Termination to Contractor which shall become effective thirty (30) days from receipt of said notice of Termination by Contractor unless Contractor has referred the matter to arbitration in accordance with Article 24. In the event that Contractor disputes whether an event specified in Articles 23.2(d) or 23.3 has occurred or been remedied, Contractor may, any time up to the effective date of any notice of Termination, refer the dispute to arbitration pursuant to Article 24. If so referred, GNPC and/or the State may not terminate this Agreement in respect of such event, except in accordance with the terms of any resulting arbitration award as provided for in Article 24.

23.5 Upon Termination of this Agreement, all rights and obligations of the Parties hereunder shall cease, except for: (a) such rights and obligations as may at such time have accrued under this Agreement prior to Termination; and (b) such rights and obligations as the Parties may have under applicable law.

23.6 Notwithstanding Termination of this Agreement, Article 1, Article 2, Article 12, Article 16, Article 18, Article 24, Articles 26.1 to 26.5, Article 26.9, and Article 26.12(k), and such other provisions of this Agreement as are reasonably necessary for the full enjoyment and enforcement of accrued rights and obligations pursuant to Article 23.5 shall survive such Termination for the period necessary.

23.7 Upon Termination of this Agreement or in the event of an assignment of all the rights of Contractor, all wells and associated facilities shall be left in a state of good repair in accordance with applicable laws of Ghana and International Oil Field Practice.

Article 24

CONSULTATION, ARBITRATION, AND INDEPENDENT EXPERT

24.1 Subject to the prior fulfillment of any procedures specified in this Agreement to resolve disputes arising hereunder and except for disputes to be resolved by Sole Expert pursuant to Article 24.9, any dispute arising between the State and GNPC or either of them on one hand and Contractor on the other hand in relation to, in connection with, or arising out of this Agreement shall be resolved by consultation and negotiation among senior personnel authorized by each Party. In the event that no agreement is reached within thirty (30) days after the date when the State and/or GNPC, on the one hand, or Contractor, on the other hand, notifies the other that a dispute exists within the meaning of this Article or such longer period specifically agreed to by the Parties or provided elsewhere in this Agreement, any Party shall have the right, subject to Article 24.9, to have such dispute settled exclusively through international arbitration under the auspices of the International Chamber of Commerce (the "**ICC**") using the Rules of Arbitration of the International Chamber of Commerce (the "**ICC Rules**") in force on the date on which the proceedings are instituted, which ICC Rules are deemed incorporated by reference into this Article 24, save as otherwise provided herein.

24.2 The failure or refusal to submit to arbitration in accordance with this Article and/or the seeking of any Pre-Award Attachment against State assets (excluding any assets of GNPC) by any Party shall be deemed a breach of this Agreement by such Party. In the event of a breach of this Article, each non-breaching Party shall, without prejudice to any other remedies, be entitled to recover from each breaching Party all costs and expenses, including reasonable attorneys' fees, that such non-breaching Party was thereby required to incur.

24.3 The tribunal shall consist of three (3) arbitrators. The State and/or GNPC, on the one hand, and Contractor, on the other hand, shall each be entitled to appoint one (1) arbitrator, and those so appointed shall appoint a chairman arbitrator. If a Party's arbitrator and/or the chairman arbitrator is/are not appointed within the periods provided in the ICC Rules, such Party's arbitrator and/or the chairman arbitrator shall, at the request of any Party to the dispute, be appointed by the ICC International Court of Arbitration in accordance with the ICC Rules.

24.4 No arbitrator or Sole Expert shall: (a) be a citizen of the home country of any Party hereto; or (b) have any economic interest or relationship with any Party hereto or any such Party's ultimate parent company.

24.5 The seat of the arbitration proceedings shall be in London, England or at such other location as the Parties to the dispute may unanimously agree in writing. The proceedings shall be conducted in the English language.

24.6 The award of the tribunal shall be final and binding upon the Parties. The Parties undertake to carry out any award without delay and waive their right to any form of recourse based on grounds other than those contained in the United Nations Convention on the Recognition and Enforcement of Arbitral Awards of 1958 insofar as such waiver can be validly made. Judgement upon the award rendered by the tribunal may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant Party or its assets.

24.7 The right to arbitrate disputes arising out of this Agreement shall survive Termination of this Agreement.

24.8 Each of the Parties, (the State, GNPC, and Contractor) agree that, to the extent such party has any right of immunity from legal proceedings in Ghana, London, or elsewhere arising from the terms and conditions of this Agreement, including immunity from service of process, immunity from the jurisdiction, judgment, or award of any arbitral tribunal, or immunity from execution of judgment, to the fullest extent permitted by law, such Party hereby expressly and irrevocably waives any such immunity and agrees not to assert or invoke any such rights or claims in any proceeding provided, however, that the provisions hereof shall not constitute a waiver by the State of any right that it now or hereafter has under applicable law to claim sovereign immunity over its Protected Assets. Notwithstanding any provision to the contrary, the Parties hereby agree that (i) the Protected Assets shall not be subjected to any proceedings in connection with this Agreement or any transaction contemplated in this Agreement in respect of any effort to confirm, enforce, or execute any Pre-Award Attachment and (ii) for the avoidance of doubt, the DWCTP Proceeds are not Protected Assets.

24.9 The Parties to a dispute arising under this Agreement, may in lieu of arbitration, mutually agree in writing to refer the dispute for determination by a sole expert to be appointed by agreement of the Parties (subject to Article 24.4), who is a recognised specialist with respect to the subject matter of the dispute (a "**Sole Expert**").

The Party desiring a Sole Expert determination shall give the other Parties to the dispute written notice of the request for such determination. If the Parties to the dispute are unable to agree upon a Sole Expert within thirty (30) days after receipt of the notice of request for a Sole Expert determination, then, upon the request of any of the Parties to the dispute, the ICC shall appoint such Sole Expert.

The Sole Expert, once appointed, must not have any ex parte communications with any of the Parties to the dispute concerning the Sole Expert determination or the underlying dispute. In such case, the Parties to the dispute shall agree on the terms of reference for such proceeding, the schedule of presentation of evidence and testimony of witnesses, and other procedural matters. Any Sole Expert proceeding pursuant to this Agreement shall be conducted in accordance with the Rules for the Administration of Expert Proceedings of the ICC in force

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on the date on which the proceeding is instituted. The Sole Expert shall have ninety (90) days after his appointment to decide the case, subject to any extensions mutually agreed to by the Parties to the dispute. Upon failure of the Sole Expert to decide the matter within such time, any Party to the dispute shall have the right to have such dispute settled through arbitration under the foregoing provisions of this Article 24.

The decision of the Sole Expert shall be final and binding upon the Parties to the dispute unless challenged in an arbitration within sixty (60) days of the date the Sole Expert's final decision is received by the Parties to the dispute. Such arbitration shall be limited to disputes regarding:

(a) the interpretation of the provisions of this Agreement governing Sole Expert determination (including the scope of the Sole Expert's jurisdiction);

(b) whether the Sole Expert determination was affected by fraud;

(c) whether there was a material breach of the Sole Expert to follow the procedures in accordance with this Agreement; or

(d) for enforcement of a Sole Expert determination. In such arbitration, the Sole Expert determination on the specific matter shall be entitled to a rebuttable presumption of correctness, and the Sole Expert shall not (without the written consent of the Parties to the dispute) be appointed to act as an arbitrator or as adviser to the Parties to the dispute.

24.10 Each Party to a dispute shall pay its own counsel and other costs; however, costs of the arbitration tribunal shall be allocated in accordance with the decision of the tribunal. The costs and fees of the Sole Expert shall be borne equally by the Parties to the dispute.

24.11 In the event of a matter being referred for resolution under this Article 24, any obligations of the Parties relating specifically and directly to such matter, including a dispute relating to Termination, shall (unless otherwise provided by this Agreement) be suspended without liability to any Party, until said matter has been resolved pursuant to this Article 24 and a final arbitration award is made by the arbitral tribunal or Sole Expert determination has been rendered, as the case may be. All time periods applicable to such obligations in the Agreement shall be extended by the period of the arbitration proceedings or Sole Expert determination proceedings, provided that any Petroleum Operations not specifically and directly related to any obligations referred to above shall not be suspended unless the Parties mutually agree otherwise.

24.12 Subject to Article 9.11, neither the State nor GNPC, on the one hand, or Contractor, on the other hand, shall be held liable to the other for any: (a) consequential, special, indirect, punitive, or exemplary damages arising directly or indirectly out of, in relation to, or in connection with this Agreement, regardless of cause or fault; or (b) reservoir or formation damage, unless such

reservoir or formation damage resulted from a Party's Gross Negligence/Wilful Misconduct.

Article 25

ASSIGNMENT

25.1 No interest in this Agreement shall be assigned by Contractor directly or indirectly, in whole or in part, without the prior written consent of GNPC and the approval of the Minister. In the case of assignments to wholly owned Affiliates of Contractor Party or assignments among Contractor Parties, the Minister's approval shall not be unreasonably withheld.

25.2 Any assignment of this Agreement shall bind the assignee as a Party to this Agreement to all the terms and conditions hereof unless otherwise agreed by the non-assigning Parties, and as a condition to any assignment Contractor shall require assignee to provide an unconditional undertaking to assume all obligations assigned by Contractor under this Agreement.

25.3 The obligations of each Contractor Party hereunder shall be in accordance with Article 26.7(b).

25.4 GNPC's acquisition of Additional Interest under Article 2 or a Sole Risk interest pursuant to Article 9 shall not be deemed to be an assignment within the meaning of this Article 25.

25.5 The transfer or disposal by a Contractor Party (the "**Selling Party**") of all or part of its Participating Interest, whether directly or indirectly by assignment, merger, consolidation, or sale of stock or other conveyance, other than:

(a) with or to a wholly-owned Affiliate of such Contractor Party's ultimate parent entity or

(b) upon a transfer of shares by the ultimate parent entity of a Contractor Party, including in connection with a takeover of such ultimate parent, or

(c) to the other Contractor Parties as a result of the insolvency or bankruptcy of the Contractor Party leading to other Contractor Parties assuming all of the rights and obligations of the insolvent or bankrupt Contractor Party as specified in Article 23.3(c) of this Agreement,

shall be subject to the following procedure:

i) Once the Selling Party and a proposed transferee have fully negotiated the final terms and conditions of a transfer, such final terms and conditions shall be promptly disclosed in detail to GNPC and the State in a notice from the Selling Party. GNPC shall have the right, subject to Article 25.5(b), to acquire the Participating Interest from the Selling Party on the same terms and conditions, including all obligations for Petroleum Costs with respect to Exploration Operations and Development Operations, agreed to by

the proposed transferee if, within ninety (90) days of Selling Party's notice, GNPC delivers to the Selling Party a counter-notice that GNPC accepts the agreed terms and conditions of the transfer without reservations or conditions. If GNPC does not deliver such counter-notice within the ninety (90) day period, the transfer to the proposed transferee shall be made, subject to the other provisions of this Agreement and applicable laws and regulations of Ghana, under terms and conditions no more favourable to the transferee than those set forth in the notice to GNPC and the State; provided that the transfer shall be concluded within two hundred (200) days from the date of the notice plus any additional period as may be required to secure requisite approvals.

ii) GNPC's right to acquire the Participating Interest pursuant to Article 25.5(a) is subject to each Contractor Party having consented in writing to such transfer, which consent shall be denied only if GNPC fails to establish, to the reasonable satisfaction of each Contractor Party, GNPC's financial capability to perform its payment obligations under this Agreement associated with such additional Participating Interest.

iii) In the event that a Selling Party's proposed transfer of all or part of its Participating Interest involves consideration other than cash, or involves other properties included in a wider transaction, then the Participating Interest (or part thereof) shall be allocated a reasonable and justifiable cash value by the Selling Party in any notification to GNPC and the State. GNPC may satisfy the requirements of this Article 25.5 by agreeing to pay such cash value in lieu of the consideration payable in the said proposed transfer.

GNPC may only assign all of its Initial Interest to an entity that is wholly owned by the State.

25.6 GNPC may only assign all of its Additional Interest to:

(a) a governmental agency or instrumentality that is wholly owned by the State; or

(b) a corporate entity controlled by the State that has been duly authorized by appropriate governmental action to hold such right or perform such obligation, provided that such assignment to a corporate entity controlled by the State shall be subject to the consent of Contractor, which consent shall be denied only if the transferee fails to establish, to the reasonable satisfaction of each Contractor Party, its:

i) financial capability to perform its payment obligations under this Agreement; and

ii) ability to comply with the provisions of Article 26.8.

Any assignment of GNPC pursuant to this Article 25 shall:

(a) not affect any of the rights of Contractor under this Agreement;

(b) bind the assignee as a Party to this Agreement to all the terms and conditions hereof unless otherwise agreed by Contractor; and

(c) require assignee to provide an unconditional undertaking to assume all obligations assigned by GNPC under this Agreement.

Article 26

MISCELLANEOUS

26.1 This Agreement and the relationship between the State and GNPC on one hand and Contractor on the other shall be governed by and construed in accordance with the laws of the Republic of Ghana.

26.2 The State confirms that it will accord to the Contractor Parties treatment consistent with the minimum standard of treatment required to be accorded to foreign investors under applicable laws and customary international law.

26.3 In the event that after the Effective Date any applicable law, rule, decree, or regulation of Ghana is made or amended (or there are changes in interpretation or application of any applicable law, rule, decree, or regulation effective as of the Effective Date) that makes further observance of the original terms and conditions of this Agreement impossible or has a material adverse effect on the rights, obligations, and benefits of Contractor under this Agreement, or otherwise materially affects the economic, fiscal, and financial balance of this Agreement, the Parties shall, if Contractor so requests, meet as soon as possible to negotiate, in good faith, possible modifications to the Agreement as may be appropriate to restore the economic, fiscal, and financial balance of this Agreement; provided that, at a minimum, to the extent Contractor's rights, obligations, or benefits (including the economic, fiscal, and financial balance) which existed at the time the Agreement was executed by all Parties, cannot be restored, even though the Parties have agreed to modify the Agreement, the State shall indemnify Contractor for the adverse effect on Contractor's rights, obligations, or benefits (including the economic, fiscal, and financial balance) through financial compensation or other means acceptable to Contractor.

26.4 Should the Parties be unable to agree on a mechanism to restore the economic, fiscal, and financial balance of this Agreement pursuant to Articles 26.3 within thirty (30) days from the date on which the notice above was received (or such longer period as may be agreed by the Parties), then any Party may refer the matter to arbitration pursuant to Article 24 of this Agreement, and the arbitration panel so appointed shall determine (a) whether the claimed change or adverse effect has occurred and (b) if so be directed to order such remedies, including damages or modifications to the Agreement, in order to restore the economic, fiscal, and financial balance of the Agreement as at the Effective Date.

26.5 This Agreement may not be modified, amended, altered, or supplemented except upon the execution and delivery of a written agreement executed by the Parties. No waiver by any Party of any of its rights hereunder shall be construed or implied, but shall be binding on such Party only if made specifically, expressly, and in writing.

26.6 Except for payment obligations arising under the Income Tax Law, any Party failing to pay any amounts payable by it under this Agreement (including the provisions of the Accounting Guide) on the respective dates on which such amounts are payable by such Party hereunder shall be obligated to pay interest on such unpaid amounts to the Party to which such amounts are payable. The rate of such interest with respect to each day of delay during the period of such non-payment shall be two and a half percent (2.5%) above Specified Rate. Such interest shall accrue from the respective dates such amounts are payable until the amounts are duly paid. The Party to whom any such amount is payable may give notice of non-payment to the Party in default, and if such amount is not paid within fifteen (15) days after such notice, the Party to which the amount is owed may, in addition to the interest referred to above, seek remedies available pursuant to Article 24.

26.7

(a) The rights and obligations under this Agreement of the State and/or GNPC, on the one hand, and Contractor, on the other hand, shall be separate and proportional and not joint. This Agreement shall not be construed as creating a partnership or joint venture, nor an association or trust (under any law other than the Petroleum Law), or as authorising any Party to act as agent, servant, or employee for any other Party for any purpose whatsoever, except as provided in Article 10.3.

(b) Subject to the terms of this Agreement, the obligations of each Contractor Party hereunder shall be joint and several, and it is recognised that each such Party shall own and be responsible for its Participating Interest in the rights and obligations of Contractor hereunder; provided, however, that the following payments shall be the separate obligation of and shall be made by each Contractor Party:

i) Payments under the Income Tax Law pursuant to Article Article 12;

ii) Payments of Royalty taken in cash under the provisions of Article10.1(a) and Article 14.18(a); and

iii) Payment of AOE under the provisions of Article 10.1(d).

26.8 Each Party agrees and warrants that, in relation to this Agreement and the subject matter hereof, neither:

(a) it or any of its Affiliates and their respective directors, officers, employees, or personnel; nor

(b) to the best of its knowledge or belief, any of its consultants, agents, representatives, or other persons retained or otherwise engaged by it

has offered or will offer, or has caused or will cause to be offered, or has given or will give, or has caused or will cause to be given, anything of value (including money, promises, or gifts), whether directly or indirectly to, or for the use of, any government official (including any person holding a legislative, administrative, or judicial office, whether appointed or elected, and any person employed by or acting on behalf of, a public agency, public enterprise, or public international organization), political party, or political candidate, or to any member of their respective families, or any person acting on behalf of anyone listed above:

i) for the purpose of influencing any decision or act which affects a Party or securing an improper advantage; or

ii) that would violate either the applicable laws of Ghana or the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention's commentaries.

26.9 If a Party is being investigated pursuant to any relevant legislation, guidelines, or regulations of any other government having jurisdiction over a Party hereto, which are designed and implemented to deter, prevent, and combat bribery or corruption in relation to international business transactions, the other Parties agree in good faith to give all reasonable assistance to the Party being investigated in relation to any reasonable requests (whether general or specific) for information or documentation regarding the subject transaction(s); provided that: (a) the Party being investigated shall use reasonable efforts to keep the other Parties informed as to the progress and disposition of such investigation or proceeding; and (b) the Parties shall not be obligated to disclose to any other Parties any information that would be considered legally privileged.

26.10 Each Party shall indemnify the other Parties for any and all damages, losses, penalties, fines, costs, and other expenses (including reasonable legal costs and attorneys' fees) resulting from, or related to, the events underlying:

(a) such Party's admission of allegations made by a governmental authority concerning operations and/or activities under this Agreement that such Party or its Affiliates, or their directors, officers, employees, or personnel have violated Article 26.8; or

(b) The final adjudication concerning operations and/or activities under this Agreement that such Party or its Affiliates, or their directors, officers, employees, or personnel have violated the warranty in Article 26.9.

Each Party agrees that it shall incorporate terms similar to those set out in Articles 26.7 through 26.10 into all or any contract entered into pursuant to this Agreement and the subject matter thereof.

26.11 No Party is in any way authorized to take any action on behalf of another Party that would result in an inadequate or inaccurate recording or reporting of assets, liabilities, or any other transaction, or which would put such Party in violation of any applicable laws of Ghana or elsewhere. Notwithstanding anything in this Agreement to the contrary, no provision shall be interpreted or applied so as to require any Party to do, or refrain from doing, anything that would be prohibited or penalized under any laws or regulations applicable to such Party, including export controls, economic sanctions, antitrust, anti-boycott, and securities and exchange laws and regulations.

26.12 In construing this Agreement:

(a) no consideration shall be given to the captions of the Articles or Sections which are inserted for convenience in locating the provisions of this Agreement and not as an aid in its construction;

(b) the word "includes" and its derivatives means "includes, but is not limited to" and corresponding derivative expressions;

(c) a defined term has its defined meaning throughout this Agreement and each annex to this Agreement, regardless of whether it appears before or after the place where it is defined;

(d) words in the plural shall be deemed to include the singular, and vice versa;

(e) words denoting persons include natural persons, corporations, companies, limited liability company competent authority or entity or association;

(f) references to "not unreasonably withheld" (and variants thereof) shall mean "not unreasonably withheld or delayed";

(g) each gender shall be deemed to include the other gender;

(h) each annex to this Agreement is a part of this Agreement, but if there is any conflict or inconsistency between the main body of this Agreement and any annex, the provisions of the main body of this Agreement shall prevail;

(i) if any term is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included;

(j) each reference to an Article or Section refers to an Article or Section of this Agreement, unless expressly otherwise provided; and

(k) no reference herein to any law, rule, decree, or regulation, including those that contemplate that such law, rule, decree or regulation may be

amended from time to time shall be construed so as to derogate from the rights of Contractor pursuant to Articles 26.2 and 26.3 .

26.13 This Agreement comprises the full and complete agreement of the Parties hereto with respect to the subject matter hereof and supersedes and cancels all prior communications, understandings and agreements between the Parties hereto, whether written or oral, expressed or implied.

26.14 Without prejudice to the rights, benefits, liabilities and obligations of the Parties in Articles 26.2, 26.3, 26.5 and 26.6, Contractor shall at all times comply, and shall ensure that its agents, Subcontractors and Affiliates while in Ghana carrying out activities contemplated by this Agreement and related documents comply, with the laws of the Republic of Ghana relating to this Agreement during the term of this Agreement to the extent that the Contractor has notice of or, with the exercise of reasonable inquiry, would have knowledge of, such laws. Nothing in this Agreement shall require Contractor or any of its agents, Subcontractors, or Affiliates to violate the laws of the Republic of Ghana.

26.15 The Parties agree that in those provisions of this Agreement where a Party is required to obtain the consent, approval, determination, or agreement of any other Party, such consent, approval, determination, or agreement shall not be unreasonably withheld or delayed.

26.16 This Agreement shall not take effect unless and until the date on which it has been ratified by the Parliament of Ghana (the "Effective Date").

Article 27

NOTICE

27.1 Any notice, application, request, agreement, consent, approval, instruction, delegation, waiver, or other communication required or permitted to be given hereunder shall be in writing and shall be deemed to have been properly given when delivered in person to an authorized representative of the Party to whom such notice is directed or when actually received by such Party through registered mail, fax, or commercial courier at the following address or at such other address as the Party shall specify in writing fifteen (15) days in advance:

FOR THE STATE:

Address: *Ministry of Energy*
P.O. Box SD40
Stadium Post Office
Accra, Ghana
Attention: Minister for Energy

Telephone: +2330302683961-4
Facsimile: +233302668262

GHANA NATIONAL PETROLEUM CORPORATION

The Chief Executive
Ghana National Petroleum Corporation
Address: *Petroleum House*
Harbour Road
Private Mail Bag
Tema, Ghana

Telephone: +233303206020
Email: info@gnpcghana.com

EXXONMOBIL

Managing Director

Address: *No. 1B Quartey Papafio Avenue,*
Airport Residential Area, Accra
P.O. Box 410
Accra, Ghana
Telephone: *+1 832 624 9699*

GOIL Offshore Ghana Limited

Managing Director

Address: *D659/4 GOIL House*
Kojo Thompson Road, P.O. Box GP 3183
Accra, Ghana
Telephone: *+233546746668*

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

FOR: THE GOVERNMENT OF THE REPUBLIC OF GHANA

By: JOHN PETER AMEWU

SIGN .....

Its MINISTER FOR ENERGY

Witnessed:

By LAWRENCE APPIAH-SE

SIGN .....

Its CHIEF DIRECTOR MOEN

FOR: GHANA NATIONAL PETROLEUM CORPORATION

By KOFI KODUAH SARPONG (DR.)

SIGN .....

Its CHIEF EXECUTIVE

Witnessed:

By FLORENCE OSEW

SIGN .....

Its EXECUTIVE ASSISTANT

FOR: EXXONMOBIL EXPLORATION AND PRODUCTION GHANA (DEEPWATER) LIMITED

By RANDI CRUZ

SIGN .....

Its MANAGING DIRECTOR

Witnessed:

By JOSEPH OPE

SIGN .....

Its LEGAL COUNSEL

FOR: GOIL OFFSHORE GHANA LIMITED

By: PATRICK AKPE KWAME AKORLI

SIGN .....

Its MANAGING DIRECTOR

Witnessed:

By KWAMENA BARTELS .....

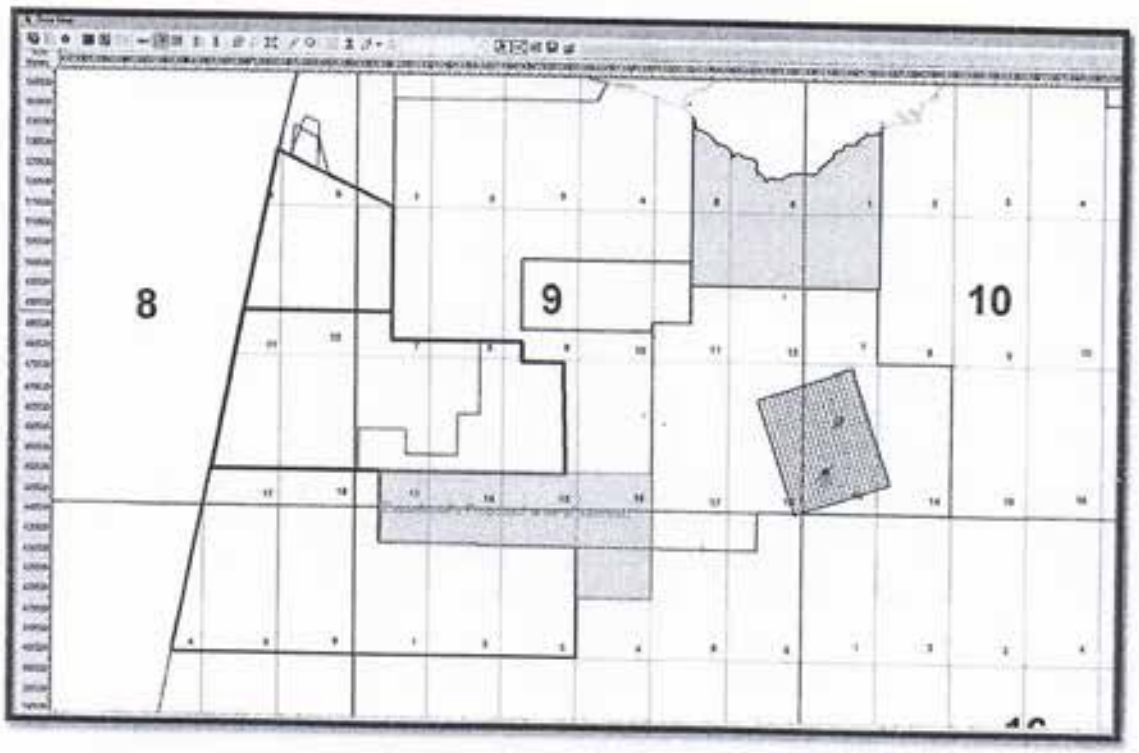
SIGN .....

Its CHAIRMAN .....

ANNEXES

ANNEX 1
CONTRACT AREA

X-Coordinates	Y- Coordinates
506548.0000	451633.0000
506558.0000	433284.0000
555508.0000	433301.0000
555516.0000	420589.0000
574059.0000	420601.0000
574034.0000	451664.0000



ANNEX 2

ACCOUNTING GUIDE

The purpose of this Accounting Guide is to establish equitable methods as between the Parties for determining charges and credits applicable to operations under the Agreement and to reflect the costs of operations such that any charge by Contractor under this Agreement shall exclude profit to Contractor.

SECTION 1

1.1 GENERAL PROVISIONS

1.1.1 Except as defined herein, words and terms appearing in this Accounting Guide shall have the same meaning as in the Agreement and to that end shall be defined in accordance with Article 1 of the Agreement.

1.1.2 This Annex may be amended by unanimous decision of the JMC.

1.1.3 In the event of a conflict between the provisions of the Accounting Guide and the provisions of the main body of the Agreement, the provisions of the main body of the Agreement shall prevail.

1.2 STATEMENTS REQUIRED TO BE SUBMITTED BY CONTRACTOR

1.2.1 Within sixty (60) days from the Effective Date, Contractor shall propose to GNPC an outline of the chart of accounts, operating records, and reports to be prepared and maintained, which shall describe the basis of the accounting principles and procedures to be used during the term of the Agreement, and shall be consistent with applicable law and accepted accounting principles generally used in the international petroleum industry.

1.2.2 Within ninety (90) days of the receipt of such proposal, GNPC shall either accept it or request such revisions as GNPC deems necessary. Failure of GNPC to notify Contractor of any requested revisions within the ninety (90) day period shall be deemed acceptance of such proposal.

1.2.3 If GNPC does not accept Contractor's proposal or is not deemed to have accepted Contractor's proposal pursuant to Section 1.2.2, then within one hundred and eighty (180) days from the Effective Date, Contractor and GNPC shall either agree on such outline or submit any outstanding issue for determination by a Sole Expert pursuant to the provisions of 0 of the Agreement.

1.2.4 Following agreement over the outline, Contractor shall, within sixty (60) days thereafter, submit to GNPC formal copies of the accounting systems and procedures manual to be followed for the Petroleum Operations. This manual shall detail the accounting, recording, and reporting functions listed in the agreed outline. GNPC shall be permitted to propose modifications to such manual. GNPC shall be permitted to audit on site Contractor's records that evidence any of the reports issued by Contractor under the Agreement in accordance with the procedures set forth in 17.8 of the Agreement.

1.2.5 Without prejudice to the generality of the foregoing, Contractor shall make separate statements relating to Petroleum Operations for each Development and Production Area as follows:

1.2.5.1 Before the Date of Commencement of Commercial Production:

(a) Cash Call Statement (see Section 5);

(b) Allowable Cost Statement (see Section 8;

(c) Statement of Net Expenditures and Receipts (see Section 9);

(d) Final End-of-Year Statement (see Section 10);

(e) Budget Statement (see Section 11); and

(f) Long Range Plan and Forecast (see 1211.3).

1.2.5.2 After the Date of Commencement of Commercial Production, in addition to the statements specified in Section 1.2.5.1:

(a) Production Statement (see Section 6); and

(b) Value of Production Statement (see Section 7).

1.3 LANGUAGE, MEASUREMENT, AND UNITS OF ACCOUNT

1.3.1 The U.S. Dollar shall be the unit of currency, and English shall be the language for all accounting and reporting under the Agreement. When transactions for an asset or liability are in Ghana Cedis or currency other than the U.S. Dollar, the respective records of such transactions shall be kept in such other currency as well as the U.S. Dollar. Measurements required shall be in the metric system and Barrels. Where necessary for purposes of clarification, Contractor may also prepare financial reports in other languages, units of measurement, and currencies.

1.3.2 The rate of exchange used to record the conversion of currency shall be the rate actually experienced in the conversion. Contractor shall record any currency translations to express the amount of expenditures and receipts for which a currency conversion has not actually occurred at the arithmetic average of the rate quoted by the Bank of Ghana at the close of each Business Day for the Month in which the revenues are received and expenditures paid. Where buying and selling rates are quoted, the arithmetic average of those rates shall be used.

1.3.3 It is the intent of the Parties that no Party shall experience any gain or loss at the expense of or to the benefit of the other as a result of exchange of currency. Where any such gain or loss arises it shall be charged or credited, as the case may be, to the accounts under the Agreement

1.3.4 The treatment of foreign exchange differences and translations shall be in accordance with International Financial Reporting Standards.

SECTION 2

2.1 CLASSIFICATION AND ALLOCATION OF COSTS AND EXPENDITURE

2.1.1 All expenditure relating to Petroleum Operations shall be classified as follows:

(a) Exploration Expenditure;

(b) Development Expenditure;

(c) Production Expenditure;

(d) Service Costs; and

(e) General and Administrative Expenses,

and shall be defined and allocated as herein below provided.

2.2 EXPLORATION EXPENDITURE

2.2.1 Exploration Expenditure shall consist of all direct, indirect, and allocated costs incurred in the search for Petroleum in the Contract Area, including, but not limited to, expenditure on or in relation to:

(a) aerial, geographical, geophysical, geochemical, paleontological, geological, topographical, and seismic surveys, and studies and their interpretation, and purchased geological and geophysical information;

(b) borehole drilling and water drilling;

(c) labour, consumables, materials, and services used in drilling wells with the objective of finding new Petroleum reservoirs or for the purpose of appraising of Petroleum reservoirs already discovered, provided such wells are not completed as producing wells, in which case the costs of drilling such well constitutes Exploration Expenditure and completion costs of such producing wells would constitute Development Expenditure;

(d) facilities used solely for Exploration Operations, including access roads, where applicable;

(e) all Service Costs allocated to Exploration Operations on the basis of procedures proposed by Contractor on an equitable basis;

(f) all General and Administrative Expenses directly attributable to Exploration Operations or allocated thereto on a consistent and equitable basis; and

(g) any other expenditure incurred in the search for and appraisal of Petroleum in the Contract Area after the Effective Date and not otherwise covered under this Section 2.2.1.

2.2.2 Exploration Expenditure shall be tied to resultant Commercial Discoveries. Where exploration activity is undertaken after a Commercial Discovery, that exploration cost shall be regarded as capital work-in-progress. If the exploratory activity results in a Commercial Discovery, it shall be regarded as a cost of the new discovery and resulting field. Where there is no Commercial Discovery, it shall be charged to the previous field that was most recently determined by Contractor to have a Commercial Discovery, if any.

2.3 DEVELOPMENT EXPENDITURE

2.3.1 Development Expenditure shall consist of all direct and allocated indirect costs and expenditure incurred in Development Operations, including, but not limited to, expenditure on:

(a) drilling wells which are completed as producing wells and drilling wells for purposes of producing a Petroleum reservoir already discovered, whether these wells are dry or producing, and drilling wells for the injection of water or gas to enhance recovery of Petroleum;

(b) tangible drilling costs for completing wells by way of installation of casing or equipment, or otherwise, after a well has been drilled for the purpose of bringing such well into use as a producing well or as a well for the injection of water or gas to enhance recovery of Petroleum;

(c) intangible drilling costs such as labour, consumable material, and services having no salvage value which are incurred in drilling and deepening of wells for producing purposes;

(d) field facilities, such as pipelines, flow lines, production and treatment units, wellhead equipment, subsurface equipment, enhanced recovery systems, offshore platforms, Petroleum storage facilities, and access roads for Production Operations;

(e) engineering and design studies for the wells and field facilities;

(f) all Service Costs allocated to Development Operations on an equitable basis; and

(g) all General and Administrative Expenses directly attributable to Development Operations or allocated thereto on a consistent and equitable basis.

2.3.2 Capital allowance for Development Expenditure, which shall be granted under the following conditions:

(a) Development activity has been approved by the Minister;

(b) Development activity has been completed; and

(c) Production activity has started after the completion of the Development activity

2.4 PRODUCTION EXPENDITURE

Production Expenditure shall consist of, but are not limited to, all direct and allocated indirect costs and expenditure incurred in Petroleum Operations, including appropriate abandonment charges, after the Date of Commencement of Commercial Production, such expenditure being other than Exploration Expenditure and Development Expenditure. The balance of General and Administrative Expenses and Service Costs not allocated to Exploration Operations or to Development Operations under Sections 2.2 and 2.2.2 shall be allocated to Production Expenditure.

2.5 SERVICE COSTS

2.5.1 Service Costs shall consist of, but are not limited to, all direct and indirect expenditure, incurred in support of Petroleum Operations, including the construction or installation of warehouses, piers, marine vessels, vehicles, motorised rolling equipment, aircraft, fire and security stations, workshops, water and sewerage plants, power plants, housing community and recreational facilities and furniture, tools, land, and equipment used in these activities.

Service Costs in any Calendar Year shall include the total costs incurred in such Calendar Year to purchase and construct or install such facilities, as well as the annual costs of maintaining and operating such facilities

2.5.2 All Service Costs will be regularly allocated on an equitable basis to Exploration Expenditure, Development Expenditure, and Production Expenditure.

2.6 GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative Expenses shall consist of:

2.6.1 All direct main office, field, and general administrative costs benefitting Petroleum Operations under the Agreement (whether in Ghana or outside of Ghana), including, but not limited to, technical, supervisory, accounting, procurement, and employee relations services;

2.6.2 An overhead charge for the actual unallocated cost of services rendered outside of Ghana by Contractor and its Affiliates for managing Petroleum Operations and for staff advice and assistance, including, but not limited to, financial, legal, accounting, and employee relations services in the following amounts:

(a) For the Exploration Phase: - One point two five percent (1.25%) of Exploration Expenditure to a cap of US$500,000.00 per annum;

(b) For Development Phase: - One point two five percent (1.25%) of Development Expenditure to a cap of US$1,000,000.00 per annum; and

(c) For Production Phase:– 1 percent (1%) of Production Expenditure to a cap of US$500,000.00 per annum.

2.6.3 All General and Administrative Expenses will be regularly allocated as specified in Sections 2.2.1(f), 2.3.1(g), and 2.4 to Exploration Expenditure, Development Expenditure, and Production Expenditure.

SECTION 3

COSTS, EXPENSES, EXPENDITURES, AND CREDITS OF CONTRACTOR

3.1 ALLOWABLE COSTS

Contractor, for the purpose of this Agreement, shall charge the following allowable costs to the accounts:

(a) costs of acquiring surface rights;

(b) labour and associated costs;

(c) transportation costs;

(d) charges for services;

(e) material and equipment costs;

(f) rentals, duties, and other assessments;

(g) insurance and losses (including deductibles/excesses);

(h) legal expenses;

(i) training expenses;

(j) general and administrative expenses;

(k) utility costs;

(l) office facility charges;

(m) communication charges;

(n) ecological and environmental charges;

(o) abandonment and site restoration costs; and

(p) such other costs necessary for Petroleum Operations.

3.2 COSTS OF ACQUIRING SURFACE RIGHTS AND RELINQUISHMENT

The costs of acquiring surface rights shall consist of all direct costs attributable to the acquisition, renewal, or relinquishment of surface rights acquired and maintained in force over the Contract Area.

3.3 LABOUR AND ASSOCIATED LABOUR COSTS

Labour and associated labour costs shall include, but are not limited to:

(a) gross salaries and wages, including bonuses of those employees of Contractor and of its Affiliates, engaged in Petroleum Operations who are permanently or temporarily assigned to Ghana;

(b) costs regarding holidays, vacation, sickness, and disability payments applicable to the salaries and wages chargeable under Section 3.3(a);

(c) expenses or contributions made pursuant to assessments or obligations imposed under the applicable laws of the Republic of Ghana which are applicable to cost of salaries and wages chargeable under Section 3.3(a);

(d) costs of established plans for employees' life insurance, hospitalisation, pensions, and other benefits of a like nature customarily granted to employees; and

(e) reasonable travel and personal expenses of employees and families, including those made for travel and relocation of the personnel.

3.4 TRANSPORTATION COSTS

Transportation costs and other related costs of transportation of employees or secondees of Contractor or its Affiliates, equipment, materials, and supplies for Petroleum Operations.

3.5 CHARGES FOR SERVICES

3.5.1 Charges for services shall include, but are not limited to:

(a) costs of third party contracts which are the actual costs of contracts for technical and other services entered into by Contractor or its Affiliates for Petroleum Operations made with third parties other than Contractor or Affiliates of Contractor.

(b) costs of technical and professional personnel of Affiliates of Contractor whose services are requested by Contractor for a specific activity in the conduct of Petroleum Operations. The costs of services shall be based on hourly rates or other allocation method for time spent performing the requested service. The charges shall exclude profit and be based on hourly rates or allocation methods consistently applied by Contractor's Affiliate to all operations served. Such charges shall be at rates commensurate with those prevailing for such services in the world market, considering the quality and availability of such services. Agreement on such services shall, where applicable, be approved by JMC, upon the recommendation of the Procurement and Contracting sub-Committee after the Effective Date.

(c) costs of general services including, but not without limitation, professional consultants and others who perform services for Petroleum Operations.

(d) costs associated with the use of equipment and facilities owned and furnished by the Contractor's Affiliates at rates commensurate with the cost of ownership and operation; provided, however, that such rates shall not exceed those prevailing from non-affiliated third parties for the supply of like equipment and facilities on comparable terms in the

area where the Petroleum Operations are being conducted. The terms for the supply of such equipment and facilities shall be determined on an arm's length basis and be documented in a contract between Contractor's Affiliate and Contractor on behalf of all Parties to this Agreement.

3.6 RENTALS, DUTIES, AND OTHER ASSESSMENTS

All rentals, taxes, duties, levies, charges, fees, contributions, and any other assessments and charges levied by the State, and any political subdivision thereof, in connection with Petroleum Operations or paid for Petroleum Operations, with the exception of the income tax specified in 0 of the Agreement.

If Contractor or any of its Affiliates is subject to income or withholding tax as a result of services performed at cost for the Petroleum Operations under the Agreement, its charges for such services may be increased by the amount required to cover such taxes in so far as such amounts have not been previously recovered.

3.7 INSURANCE AND LOSSES

(a) Insurance premium and costs incurred for insurance, provided that if such insurance is wholly or partly placed with an Affiliate of Contractor, such premium and costs shall be recoverable only to the extent not in excess of those generally charged for equivalent insurance by competitive insurance companies other than an Affiliate of Contractor, considering the quality and availability of such insurance;

(b) costs and losses incurred as a consequence of events, which are, insofar as not made good by insurance, allowable under Article 17 of the Agreement; and

(c) costs and expenses necessary for the repair or replacement of property resulting from damage or losses incurred.

3.8 LEGAL EXPENSES

All costs and expenses of litigation and legal or related services necessary or expedient for procuring, perfecting, retaining, and protecting the rights hereunder and in defending or prosecuting lawsuits involving the Contract Area or any third party claim arising out of activities under the Agreement, or sums paid in respect of legal services necessary or expedient for the protection of the joint interest of GNPC and Contractor; provided that where legal services are rendered in such matters by salaried or regularly retained lawyers of Contractor or an Affiliate of Contractor, such compensation will be included instead under either Sections 3.3 or 3.5, as applicable. The preceding costs and expenses shall not include costs of any nature (including attorneys' fees and the fees of the ICC, arbitrators, the Sole Expert, other experts, professionals, and translators) incurred in connection with any consultation, arbitration, or Sole Expert process Article 24 of the Agreement, which shall be borne in accordance with Article 24.9 of the Agreement.

3.9 TRAINING COSTS

All costs and expenses incurred by Contractor in training its employees and nominees of GNPC to the extent that such training is attributable to Petroleum Operations under the Agreement, and including, without limitation, the amounts to be paid to the Petroleum Commission pursuant to Articles 21.1(a) and 21.1(b) of the Agreement.

3.10 GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative Expenses shall consist of the costs described in Section 2.6.1, and the charge described in Section 2.6.2

3.11 UTILITY COSTS

Any water, electricity, heating, fuel, or other energy and utility costs used and consumed for Petroleum Operations.

3.12 OFFICE FACILITY CHARGES

The costs and expenses of constructing, establishing, maintaining, and operating offices, camps, housing, and any other facilities in Ghana for Petroleum Operations. The costs of constructing or otherwise establishing any operating facility which may be used at any time in operations of more than one field shall be charged initially to the field or fields for which the facility is first used. Costs incurred thereafter shall be allocated in a reasonable manner, consistent with international accounting practice, to the fields for which the facility is used

3.13 COMMUNICATION CHARGES

The costs of acquiring, leasing, installing, operating, repairing, and maintaining communication systems, including radio and microwave facilities

3.14 ECOLOGICAL AND ENVIRONMENTAL CHARGES

All charges for environmental protection and safety measures conducted in the Contract Area or area otherwise used for Petroleum Operations in accordance with Article 17 of the Agreement

3.15 ABANDONMENT COST

Amounts accrued from a reasonable date in advance based on an estimate of the cost (with subsequent adjustment to actual cost) relating to the decommissioning and abandonment costs of operations and facilities, site restoration, and other associated operations in accordance with Article 12.11 of the Agreement.

3.16 OTHER COSTS

Any other costs not covered or dealt with in the foregoing provisions which are incurred and not mentioned in Section 3.17 for the necessary and proper conduct of Petroleum Operations.

3.17 COSTS NOT ALLOWABLE UNDER THE AGREEMENT

3.17.1 The following costs shall not be allowable under the Agreement:

(a) commission paid to intermediaries by Contractor for the procurement of goods and services, except where the contracts for such goods and services: (i) include a commission for intermediaries; and (ii) are approved by the JMC;

(b) charitable donations and contributions, except where prior approval has been obtained from GNPC;

(c) costs (including duties) arising from the marketing or processing Petroleum or transportation of Petroleum beyond the Delivery Point;

(d) the costs of any bank guarantee under the Agreement and any other amounts spent on indemnities with regard to non-fulfilment of contractual obligations;

(e) premium paid as a result of GNPC exercising a Sole Risk option under Article 9 of this Agreement;

(f) costs of any nature (including attorneys' fees and the fees of the ICC, arbitrators, the Sole Expert, other experts, professionals, and translators) incurred in connection with any consultation, arbitration, or Sole Expert process under 0 of the Agreement;

(g) fines, penalties, and interest due pursuant to any applicable law or regulation and/or imposed by a final and unappealable decision of a competent administrative or judicial body;

(h) costs, damages, and other liabilities incurred as a result of Gross Negligence / Wilful Misconduct chargeable to Contractor or Operator under the terms of the Agreement;

(i) (1) income taxes (including any taxes on the net income of permanent establishments in Ghana and any capital gains taxes or taxes on assignment of interest), withholding taxes and/or royalty shares or other Petroleum entitlements, in each case paid to authorities in Ghana in connection with or related to the Agreement; (2) any taxes paid to authorities outside Ghana, except any foreign value added taxes or other foreign taxes paid with respect to products or services imported into Ghana; (3) any taxes subject to reimbursement or refund; and (4) any other taxes that should be deemed non-allowable costs;

(j) costs incurred by the Contractor under contracts or amendments thereto that were subject to approval by either the JMC or GNPC and were not so approved;

(k) costs that are not documented in accordance with Article 18.1 of the Agreement;

(l) any bonus payments payable by Contractor under the Agreement to the State, any other governmental body in Ghana, GNPC, or any Affiliates of GNPC;and

(m) interest on loans

3.18 ALLOWABLE AND DEDUCTIBILITY

The costs and expenses set forth herein shall be for the purpose of determining allowable or non-allowable costs and expenses only and shall have no bearing on Contractor's eligibility or otherwise for deductions in computing Contractor's net income from Petroleum Operations for income tax purposes under the Agreement.

3.19 CREDITS UNDER THE AGREEMENT

3.19.1 The net proceeds of the following transactions will be credited to the accounts under the Agreement:

(a) the net proceeds of any insurance or claim in connection with Petroleum Operations or any assets charged to the accounts under the Agreement when such operations or assets were insured and the premium charged to the accounts under the Agreement;

(b) revenue received from third parties for the use of property or assets charged to the accounts under this Agreement;

(c) any adjustment from the suppliers or manufacturers or their agents in connection with defective equipment or material, the cost of which was previously charged to the account under the Agreement;

(d) the proceeds received for inventory materials previously charged to the account under the Agreement and subsequently exported from Ghana or transferred or sold to third parties;

(e) rentals, refunds, or other credits received which apply to any charge which has been made to the account under the Agreement, but excluding any award granted under arbitration or Sole Expert proceedings;

(f) the proceeds from the sale or exchange of plant or facilities from the Development and Production Area, reduced by the cost of sale, where the acquisition costs of such plant or facilities were an allowable cost under the Accounting Guide;

(g) the proceeds derived from the sale or issue of any intellectual property, the development costs of which were incurred pursuant to this Agreement;

(h) the proceeds from the sale of any petroleum information derived from Petroleum Operations under this Agreement;

(i) any General and Administrative Expenses or Service Costs that benefit any operation or activity other than Petroleum Operations;

(j) any excess cost accrued pursuant to Section 3.15 of this Accounting Guide, above the actual costs of decommissioning or abandonment; and

(k) Any refunds of tax paid pursuant to the Income Tax Law which Contractor has paid on income from Petroleum Operations under this Agreement.

3.20 DUPLICATION OF CHARGES AND CREDITS

Notwithstanding any provision to the contrary in this Accounting Guide, it is the intention that there shall be no duplication of charges or credits in the accounts under the Agreement.

SECTION 4

4.1 VALUE OF MATERIAL AND EQUIPMENT CHARGED TO THE ACCOUNTS UNDER THE AGREEMENT

Material and equipment purchased, leased, or rented by Contractor for use in Petroleum Operations shall be valued at the actual net cost incurred by Contractor. The net cost shall include invoice price less trade and cash discounts, if any, purchase and procurement fees plus freight and forwarding charges between point of supply and point of shipment, freight to port of destination, insurance, taxes, customs duties, consular fees, other items chargeable against imported material, and any other related costs actually paid.

4.2 VALUE OF MATERIAL PURCHASED FROM AN AFFILIATE

4.2.1 Materials purchased from Affiliate of Contractor shall be charged at the prices specified in Sections 4.2.1, 4.2.2, and 4.2.3 below.

4.2.2 **New Material (Condition "A").** New material shall be classified as Condition "A". Such material shall be valued at the prevailing market price, plus expenses incurred in procuring such new materials, and in moving such materials to the locations where the material shall be used.

4.2.3 **Used Material (Condition "B").** Used material shall be classified as Condition "B" provided that it is in sound and serviceable condition and is suitable for reuse without reconditioning. Such material shall be valued at not more than seventy-five percent (75%) of the current price of new material valued according to Section 4.2.1 above.

4.2.4 **Used Material (Condition "C").** Used material which is serviceable for original function as good secondhand material after reconditioning and cannot be classified as Condition "B" shall be classified as Condition "C". Such material shall be valued at not more than fifty percent (50%) of the current price of new material valued according to Section 4.2.1 above. The cost of reconditioning shall be charged to the reconditioned material, provided that the value of such Condition "C" material plus the cost of reconditioning does not exceed the value of Condition "B" material.

4.3 CLASSIFICATION OF MATERIALS

Material and equipment costs shall be charged to the respective Exploration Expenditure, Development Expenditure, or Production Expenditure accounts at the time the material and equipment is acquired and on the basis of the intended use of the material and equipment. Should such material and equipment subsequently be used other than as intended, the relevant charge will be transferred to the appropriate account.

4.4 DISPOSAL OF MATERIALS

Sales of property shall be recorded at the net amount collected by Contractor from the purchaser.

4.5 WARRANTY OF MATERIALS

In the case of defective material or equipment, any adjustment received by Contractor from the suppliers or manufacturers of such materials or their agents will be credited to the accounts under the Agreement.

4.6 CONTROLLABLE MATERIALS

4.6.1 Contractor shall control the acquisition, location, storage, and disposition of materials which, in accordance with International Oil Field Practice, are subject to accounting record control, physical inventory, and adjustment for averages and shortages (hereinafter referred to as "Controllable Material").

4.6.2 Unless additional inventories are scheduled by the JMC, Contractor shall conduct one (1) physical inventory of the Controllable Material each Calendar Year, which shall be completed prior to the end of the Calendar Year. Contractor shall give GNPC written notice at least sixty (60) days in advance of its intention to conduct said inventory. Failure on the part of GNPC to participate in a JMC scheduled or Contractor annual physical inventory shall be regarded as approval of the results of the physical inventory as conducted by Contractor.

4.6.3 The gain or loss resulting from the physical inventory shall be reflected in the stock records of Controllable Materials. Contractor shall compile a reconciliation of the inventory with a reasonable explanation for such gains or losses. Failure on the part of GNPC to object to Contractor's reconciliation within thirty (30) days of compilation of said reconciliation shall be regarded as approval by GNPC.

SECTION 5

5.1 CASH CALL STATEMENT

5.1.1 In respect of any Production Expenditure to which GNPC is contributing in accordance with Article 2.4 and any Development Expenditure in which GNPC elects to take a Paying Interest in accordance with Article 2.5, and in any case where Contractor conducts Sole Risk for GNPC's account pursuant to Article 9, Contractor shall at least fifteen (15) days prior to the commencement of any Month submit a cash call statement to GNPC. Such cash call statement shall include the following information:

(a) due date;

(b) payment instructions;

(c) any balance prior to the cash call being issued;

(d) amount of U.S. Dollars due as requested by Contractor; and

(e) estimation of the amounts of U.S. Dollars required from GNPC for the following Month.

5.1.2 Each Cash Call, shall detail major budget categories in an approved Work Programme and Budget.

5.1.3 Following a cash call, GNPC shall make payments to the appropriate bank account maintained by Operator for the joint account as specified on the cash call. All such payments shall be made in sufficient time to ensure that they will each be credited to the appropriate bank account on the due date specified in the cash call and without the deduction of any bank charges.

5.2 Not later than the thirtieth (30th) day of each Month, Contractor will furnish GNPC with a statement for the previous month specifying:

(a) payments by GNPC;

(b) GNPC share of expenditures by appropriate classifications; and

(c) balance due to or from GNPC.

5.3 Contractor may in the case where a large unforeseen expenditure becomes necessary issue a special cash call statement requiring GNPC to meet such cash call within ten (10) days of receipt of such statement.

SECTION 6

6.1 PRODUCTION STATEMENT

6.1.1 Subsequent to the Date of Commencement of Commercial Production from the Contract Area, Contractor shall submit a Monthly Production statement to GNPC showing the following information for each Development and Production Area, as appropriate:

(a) the quantity of Crude Oil produced and saved;

(b) the quantity of Natural Gas produced and saved;

(c) the quantity of Petroleum used for the purpose of conducting drilling and Production Operations, pumping to field storage and re-injections;

(d) the quantity of Natural Gas flared;

(e) the size of Petroleum stocks held at the beginning of the Month; and

(f) the size of Petroleum stocks held at the end of the Month.

6.2 The Production statement of each Month shall be submitted to GNPC not later than ten (10) days after the end of such Month.

SECTION 7

7.1 VALUE OF PRODUCTION STATEMENT

Contractor shall submit, with respect to each Quarter, a statement providing: (1) calculations, with relevant details, of the value of Crude Oil and Natural Gas, if applicable, produced and saved from each Development and Production Area based on the Market Price established under 0 of the Agreement or subsequent agreement for a Natural Gas project, as the case may be; and (2) the amounts of Crude Oil and Natural Gas, if applicable, allocated to each of the Parties during that Quarter. The statement shall be submitted to the Minister and GNPC not later than thirty (30) days following the end of each Quarter.

SECTION 8

8.1 ALLOWABLE COST AND CREDITS STATEMENT

8.1.1 Contractor shall prepare with respect to each Quarter, a statement containing the following information with respect to costs and credits that are allowable under Section 3.17 of this Accounting Guide:

(a) total Petroleum Costs net of credits incurred up to the Quarter in question;

(b) Petroleum Costs for the Quarter in question;

(c) total credits in accordance with Section 3.19 for the Quarter in question; and

(d) total Petroleum Costs net of credits as of the end of the Quarter in question.

8.1.2 Petroleum Costs for Exploration Operations, Development Operations, and Production Operations as detailed above shall be separately identified for each Development and Production Area. Petroleum Costs for Exploration Operations not directly attributable to a specific Development and Production Area shall be shown separately.

8.2 The allowable cost and credits statement of each Quarter shall be submitted to GNPC no later than forty-five (45) days after the end of such Quarter.

SECTION 9

9.1 STATEMENT OF EXPENDITURES AND RECEIPTS

9.1.1 Subsequent to the Date of Commencement of Commercial Production from the Contract Area, Contractor shall prepare, with respect to each Quarter, a statement of expenditures and receipts. The statement will distinguish between Exploration Expenditure, Development Expenditure, and Production Expenditure, with major items of expenditure and credits listed within these categories. The statement will show the following:

(a) actual expenditures and receipts for the Quarter in question;

(b) cumulative expenditure and receipts for the Calendar Year in question;

(c) latest forecast of cumulative expenditures at the end of the Calendar Year;

(d) variations between budget forecast and latest forecast and explanations therefore;

(e) price per Barrel of Crude Oil sold; and

(f) price per Barrel of oil equivalent of Natural Gas sold.

9.2 The statement of expenditures and receipts of each Quarter shall be submitted to GNPC not later than forty-five (45) days after the end of such Quarter.

SECTION 10

10.1 FINAL END-OF-YEAR STATEMENT/AUDITED FINANCIAL STATEMENT

Contractor will prepare a final end-of-year statement for each Calendar Year. The statement will contain information, as appropriate, as provided in the: (1) Production statement; (2) value of Production statements; (3) allowable cost and credits statement; and (4) statements of expenditures and receipts. The final end-of-year statement of each Calendar Year shall be submitted to GNPC within one hundred and twenty (120) days of the end of such Calendar Year. Any necessary subsequent adjustments shall be reported promptly to GNPC.

A copy of any audited financial statements required from a Contractor Party under the Ghana Companies Act, 1963 (Act 179) shall be submitted to GNPC and the Petroleum Commission by such Contractor Party on or before the due date specified by the Companies Act, 1963 (Act 179).

SECTION 11

11.1 BUDGET STATEMENT

11.1.1 Contractor shall prepare an annual budget statement. This will distinguish between Exploration Expenditure, Development Expenditure, and Production Expenditure, and will show the following;

(a) Full year forecast of expenditures based on end September actuals for the current year;

(b) forecast expenditures and receipts for the Calendar Year under the Agreement;

(c) cumulative expenditures and receipts to the end of said Calendar Year;

(d) details of Exploration Expenditure, Development Expenditure, and Production Expenditure for said Calendar Year, with line items in accordance with International Oil Field Practice; and

(e) any costs relating to General and Administrative Expenses pursuant to Section 2.6 must be stated separately.

11.1.2 The annual budget statement may include a budget line or lines for unforeseen expenditures, which shall not exceed ten percent (10%) of the total budgetary expenditure.

11.2 The annual budget statement shall be submitted to GNPC and JMC with respect to each Calendar Year no less than ninety (90) days before the start of such Calendar Year, except in

the case of the first year of the Agreement, when the budget statement shall be submitted within sixty (60) days of the Effective Date.

11.3 Where Contractor foresees that during the budget period expenditures will exceed the ten percent (10%) pursuant to Section 11.1.1 hereof, Contractor shall submit a revision of the budget to GNPC.

SECTION 12

12.1 LONG RANGE PLAN AND FORECAST

12.1.1 Contractor shall prepare and submit to GNPC the following:

(a) During the Exploration Period, an Exploration plan for each Calendar Year, which shall contain the following information:

(i) estimated Exploration Expenditure showing outlays for each of the Calendar Years or the number of years agreed and covered by the Exploration plan;

(ii) details of seismic operations for each such Calendar Year;

(iii) details of drilling activities planned for each such Calendar Year; and

(iv) details of infrastructure utilisation and requirements.

The Exploration plan shall be revised on each anniversary of the Effective Date. Contractor shall prepare and submit to GNPC the first Exploration plan for the Initial Exploration Period within sixty (60) days of the Effective Date and thereafter shall prepare and submit to GNPC, no later than forty-five (45) days before each anniversary of the Effective Date, a revised Exploration plan.

(b) In the event of a Development plan being approved, Contractor shall prepare a Development forecast for each Calendar Year of the Development Period, which shall contain the following information:

(i) forecast of capital expenditure portions of Development Expenditure and Production Expenditure for each Calendar Year of the Development Period;

(ii) forecast of operating costs for each Calendar Year;

(iii) forecast of Petroleum production for each Calendar Year;

(iv) forecast of number and types of personnel employed in Petroleum Operations in Ghana;

(v) description of proposed Petroleum marketing arrangements; and

(vi) description of main technologies employed.

(c) Contractor shall prepare and submit to GNPC the first Development forecast within one hundred and twenty (120) days of the date when the first Development Plan is approved by the Minister, and thereafter shall prepare and submit a revised Development forecast to GNPC no later than forty-five (45) days before each Calendar Year, commencing as of the second Calendar Year after submission the first Development forecast.

12.2 CHANGES OF PLAN AND FORECAST

It is recognised by Contractor and GNPC that the details of the Exploration plan and Development forecast may require changes in light of existing circumstances and nothing herein contained shall limit the flexibility to make such changes. Consistent with the foregoing, the said Exploration plan and Development forecast may be revised when appropriate. The Exploration plan and Development forecast are for planning purposes only.

ANNEX 3

CONFIDENTIALITY AGREEMENT

Deepwater Cape Three Points Block, Offshore the Republic of Ghana

THIS AGREEMENT is entered into this ..... day of ....., (the "**Effective Date**") by and between [ ], a company organized and existing under the laws of [ ] (hereinafter referred to as the "**Disclosing Party**"); and ....., a company organized and existing under the laws of ..... (hereinafter referred to as the "**Receiving Party**").

The companies named above may collectively be referred to as the "**Parties**" or individually as "**Party**".

WHEREAS in connection with the Possible Transaction (as defined below) by the Receiving Party, the Disclosing Party is willing, in accordance with the terms and conditions of this Agreement, to disclose certain Confidential Information (as defined below) relating to the Deepwater Cape Three Points Block, Offshore, Ghana (the "**Area**") shown in Exhibits A attached hereto; and

WHEREAS the Petroleum Agreement covering the said Contract Area requires that the Disclosing Party require the execution of a confidentiality agreement by Receiving Party prior to the disclosure of Confidential Information in order to govern such disclosure and that a copy of all such signed confidentiality agreements be provided to GNPC.

NOW THEREFORE, in consideration for the mutual undertakings of the Disclosing Party and the Receiving Party under this Agreement, the Parties agree as follows:

1. Definitions

As used in this Agreement the following words and terms shall have the meaning ascribed to them below:

1.1 "**Affiliated Company**" means any Person which:

a. Controls directly or indirectly a Party, or

b. Is Controlled directly or indirectly by such Party, or

c. Is directly or indirectly Controlled by a Person which directly or indirectly Controls such a Party.

1.2 "**Confidential Information**"[1] means individually or collectively:

1.2.1 any and all data and information obtained as a result of petroleum operations in the Area, including without limitation well data and seismic information together with all other data and information obtained by or on behalf of the Disclosing Party in connection with the Disclosing Party's petroleum operations in the Area, as well as geological and economic reports, studies, interpretations and analyses prepared by or on behalf of the Disclosing Party in connection with its petroleum operations in the Area. Confidential Information includes certain proprietary data and information that is the property of GNPC (hereinafter "**GNPC Information**").

Provided that, the following shall not constitute Confidential Information:

1.2.2 information that can be reasonably demonstrated by the Receiving Party as being already lawfully known to Receiving Party as of the Effective Date;

1.2.3 information that is or becomes available to the public other than through the act or omission of Receiving Party or of any other Person to whom Confidential Information is disclosed by the Receiving Party pursuant to Article 4.2 unless public disclosure was made pursuant to Article 4.1;

1.2.4 information that is acquired independently from a third party that has a right to disseminate such information at the time it is acquired by the Receiving Party; or

1.2.5 information that can be reasonably demonstrated by the Receiving Party to have been developed by Receiving Party independently of the Confidential Information received from Disclosing Party.

1.3 "**Control**" means the ownership directly or indirectly of 50% or more of the voting rights in a Person or the ability to direct, directly or indirectly, the management or policies of a Person, whether through the appointment of the directors, the ownership of voting shares or other voting rights, pursuant to written contract or otherwise. "**Controls**", "**Controlled by**" and other derivatives shall be construed accordingly.

1.4 "**Evaluation Material**" means information derived in whole or in part from Confidential Information, and generated by or on behalf of the Receiving Party. For purposes of this Agreement, Evaluation Material may include without limitation models, technical, financial and economic reports, studies, interpretations, analyses, estimates of reserves, and evaluations and notes of documents or meetings.

1.5 "**GNPC**" means Ghana National Petroleum Corporation, a Statutory Corporation established by Provisional National Defence Council Law 64 of 1984 with its Head Office at Petroleum House, Harbour Road, Tema.

1.6 "**Person**" means an individual, joint venture, corporation, company, firm, partnership, limited partnership, limited liability company, trust, estate, government agency or any other entity, including unincorporated business associations.

1.7 "**Petroleum Agreement**" means the Petroleum Agreement dated [.....] between the Government of the Republic of Ghana, Ghana National Petroleum Corporation, GOIL and ExxonMobil Exploration and Production Ghana (Deepwater) Limited in respect of the Deepwater Cape Three Points Block (Offshore, Ghana) (and all amendments and supplements thereto).

1.8 "**Possible Transaction**" means any possible business arrangement with the Disclosing Party under which Receiving Party would acquire directly or indirectly all or part of the rights and interests owned by Disclosing Party and/or

Disclosing Party Affiliates in one or more offshore hydrocarbon exploration, development or production assets located within the Area.

2. Disclosure

In connection with the Possible Transaction, Disclosing Party is willing to disclose to Receiving Party certain Confidential Information. The Parties agree that the disclosure by the Disclosing Party and the receipt by the Receiving Party of the Confidential Information is subject to the terms of this Agreement.

3. Undertaking of Confidentiality, Restriction on Use and Damages

3.1 In consideration of the disclosure referred to in Article 2 above, the Receiving Party agrees that the Confidential Information and the Evaluation Material shall be held and treated strictly in confidence and may not be disclosed, licensed, traded, published or otherwise revealed in any manner whatsoever, without the prior written consent of the Disclosing Party except as provided in Article 4 below.

3.2 The Receiving Party shall (and shall procure that any Affiliated Company shall) not use or permit the use of the Confidential Information and/or the Evaluation Material other than for the purpose of evaluating the Area and determining whether to enter into negotiations in connection with the Possible Transaction with the Receiving Party.

3.3 The Receiving Party shall (and shall procure that any Person that receives Confidential Information and/or Evaluation Material pursuant to and in accordance with Article 4.2 hereof shall) keep any Confidential Information it receives and any copies thereof and any Evaluation Material secure and confidential (in a manner no less secure and confidential than Receiving Party and such Persons keep their respective confidential information) and to prevent the Confidential Information and any Evaluation Material from being disclosed in breach of this Agreement.

3.4 The Receiving Party agrees not to disclose to anyone, except as provided for by Article 4 below, the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between Disclosing Party and Receiving Party or any Party's Affiliated Companies.

3.5 The obligations of the Receiving Party for confidentiality and non-use as set forth in this Agreement shall commence from receipt of the Confidential Information by the Receiving Party. Further, the obligation not to disclose shall not be affected by bankruptcy, receivership, assignment, attachment or seizure procedures, whether initiated by or against the Receiving Party, nor by a trustee of Receiving Party in bankruptcy, or by the Receiving Party as a debtor-in-possession or the equivalent of any of the foregoing.

3.6 The Receiving Party agrees to indemnify Disclosing Party against direct damages (including, losses, damages, claims, expenses and reasonable attorney's fees) incurred or suffered as a result of a breach of this Agreement by Receiving Party or its Affiliated Companies. Such direct damages shall be the sole exclusive remedy, and all other remedies or damages at law or in equity are waived except such equitable relief as may be granted under Article 11. In no event shall the Parties be liable to each other for any other damages,

including incidental, consequential, special, or punitive damages, regardless of negligence or fault.

4. Permitted Disclosure and Obligation of Receiving Party for Permitted Disclosures

The Receiving Party may disclose Confidential Information and/or Evaluation Material without the prior written consent of the Disclosing Party:

4.1 To the extent the Confidential Information and/or Evaluation Material is required to be disclosed under applicable law, order, decree, regulation or rule of any governmental entity having jurisdiction over the Receiving Party, or any regulatory entity, securities commission or stock exchange on which the securities of the Receiving Party or any of its Affiliated Companies are listed or are to be listed, provided that the Receiving Party shall make all reasonable efforts to give written notice to the Disclosing Party prior to such disclosure (including full details of the circumstances of such disclosure); or

4.2 To the following persons on a need to know basis and only for the purpose described in Article 3.2:

4.2.1 employees, officers and directors of the Receiving Party;

4.2.2 employees, officers and directors of an Affiliated Company of the Receiving Party;

4.2.3 any professional consultant or agent retained by the Receiving Party or its Affiliated Company; or

4.2.4 any bank, financial institution or entity financing or proposing to finance the Possible Transaction, including any professional consultant retained by such bank, financial institution or entity for the purpose of evaluating the Confidential Information and/or Evaluation Material.

Prior to making any such disclosure to Persons under Articles 4.2.3 and 4.2.4 above, however, the Receiving Party shall obtain an undertaking of confidentiality, on terms no less stringent than contained in this Agreement, from each such Person; provided, however, that in the case of outside legal counsel, the Receiving Party shall only be required to procure that such legal counsel is bound by an obligation of confidentiality.

4.3 The Receiving Party shall be responsible to the Disclosing Party for any act or omission of the entities and Persons described in Article 4.2 that would constitute breach of this Agreement as if the action or omission had been perpetrated by the Receiving Party and shall immediately notify the Disclosing Party upon becoming aware that Confidential Information has been disclosed in breach of this Agreement.

5. Ownership of Confidential Information

5.1 Receiving Party acknowledges the Confidential Information, excluding the GNPC Information, remains the property of the Disclosing Party and the Disclosing Party may use such Confidential Information for any purpose without obligation to the Receiving Party.

5.2 Receiving Party acknowledges that the GNPC Information is and remains the property of GNPC and GNPC may use such GNPC Information for any purpose without obligation to the Disclosing Party or Receiving Party. In addition, Receiving Party acknowledges that in the event that it acquires, directly or indirectly an interest in the Area, that it may be required to enter into a data licensing agreement with Petroleum Commission with respect to the GNPC Information on terms to be agreed among Petroleum Commission, GNPC and the Receiving Party.

5.3 The Receiving Party shall acquire no proprietary interest in or title or right to the Confidential Information.

6. Return of Confidential Information

6.1 Disclosing Party may demand the return of the Confidential Information at any time upon giving written notice to Receiving Party.

6.2 Within thirty (30) days of receipt of the notice referred to in Article 6.1 or upon completion of the Receiving Party's review and/or evaluation of the Confidential Information, the Receiving Party shall retain no copies of the Confidential Information, but shall:

6.2.1 Return all of the original Confidential Information to the Disclosing Party;

6.2.2 Destroy or delete or cause to be destroyed or deleted all copies and reproductions (both written and electronic) of Confidential Information and any Evaluation Material in its possession and/or in the possession of persons to whom it was disclosed by the Receiving Party. Confidential Information or Evaluation Material that is in electronic format (including all electronic back-up files ± subject to Art 6.3.1) shall also be deleted; and

6.2.3 Provide a written certification, signed by an authorized officer of the Receiving Party, that Receiving Party has fully complied with its obligations under this Clause 6.2.

6.3 The provisions of Article 6.1 and 6.2 do not apply to the following:

6.3.1 Confidential Information or Evaluation Material that is retained in the computer backup system of Receiving Party or a Person to whom it was disclosed under Article 4.2 if the Confidential Information or Evaluation Material will be destroyed in accordance with the regular ongoing records retention process of Receiving Party or such Person and if the Confidential Information is not used prior to its destruction;

6.3.2 Confidential Information or Evaluation material that must be retained under applicable law or regulation, including by stock exchange regulations or by governmental order, decree, regulation or rule; and

6.3.3 any corporate documents or reports of the Receiving Party which contain data derived from the Confidential Information or Evaluation Material which were presented to its executive board (or the equivalent thereof) and are required in accordance with applicable law or its document retention policy to be retained;

provided that any Confidential Information and/or Evaluation Material that is so retained shall remain subject to the terms of this Agreement.

7. Remedies

The Receiving Party understands and acknowledges that any breach of the terms of this Agreement may cause the Disclosing Party irreparable harm, and damages may not be an adequate remedy, and therefore agrees that the Disclosing Party, an Affiliated Company of Disclosing Party shall have the right to apply, ex parte without the need to post any type of bond or security, to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any such breach or further disclosure and for such other relief as may be deemed appropriate. Such right is to be in addition to the remedies otherwise available to the Disclosing Party, an Affiliated Company of Disclosing Party at law or in equity.

8. Term

This Agreement shall terminate on the later of five (5) years from the Effective Date or the date on which disclosure by Disclosing Party is no longer restricted by the terms of the Petroleum Agreement(s) currently covering the Area.

9. Representations and Warranties

The Disclosing Party represents and warrants that it has the right and authority to disclose the Confidential Information to the Receiving Party. However, the Disclosing Party, its Affiliated Companies and their respective principals, officers, directors and employees make no representation or warranties, express or implied as to the quality, accuracy and completeness of the Confidential Information disclosed hereunder, and the Receiving Party expressly acknowledges the inherent risk of error in the acquisition, processing, and interpretation of geological and geophysical data. The Disclosing Party, its Affiliated Companies and their respective principals, officers, directors and employees shall have no liability whatsoever with respect to the use of or reliance upon the Confidential Information by the Receiving Party or its Affiliated Companies or Persons to whom the Receiving Party discloses Confidential Information under Article 4.2.

10. Assignment

The rights and obligations of the Receiving Party under this Agreement shall not be assigned in whole or in part by the Receiving Party without the prior written consent of the Disclosing Party. Any attempted assignment by Receiving Party without the prior written approval of Disclosing Party shall be void. Without limiting the prior provisions of this Article 10, this Agreement shall bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

11. Governing Law and Dispute Resolution

11.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Republic of Ghana.

11.2 Subject to Article 7 of this Agreement, any dispute arising out of, relating to, or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in

accordance with said rules. The place of arbitration shall be London, England. The proceedings shall be in the English language.

11.3 The resulting arbitral award shall be final and binding without right of appeal, and judgment upon such award may be entered by any court having jurisdiction thereof. A dispute shall be deemed to have arisen when either Party notifies the other Party in writing to that effect. Receiving Party understands and acknowledges that any breach of the terms of this Agreement may cause the Disclosing Party irreparable harm for which damages may not be an adequate remedy. Accordingly, the arbitral tribunal may award both monetary and equitable relief, including injunctive relief and specific performance or other such relief as may be deemed appropriate. The Disclosing Party may apply to any competent judicial authority for interim or conservatory relief; an application for such measures or an application for the enforcement of such measures ordered by the arbitral tribunal shall not be deemed an infringement or waiver of the Agreement to arbitrate and shall not affect the powers of the arbitral tribunal. Any monetary award issued by the arbitral tribunal shall be payable in U.S. dollars. Each Party waives any right to damages other than those provided in Article 3.6.

11.4 Unless the Parties expressly agree in writing to the contrary, the Parties undertake as a general principle to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another party in the proceedings not otherwise in the public domain - save and to the extent that disclosure may be required of a Party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.

11.5 Any Party that now or hereafter has a right to claim immunity for itself or any of its assets hereby waives such immunity and agrees not to claim such immunity, in connection with this Agreement, including any dispute hereunder. This waiver includes immunity from (A) legal process of any sort whatsoever, (B) jurisdiction or judgment, award, determination, order or decision of any court, arbitrator, tribunal or Expert, (C) inconvenient forum, and (D) any effort to confirm, enforce, or execute any decision, settlement, award, judgment, service of process, execution order, attachment (including pre-judgment attachment) or other remedy that results from an expert determination, arbitration or any judicial or administrative proceedings commenced pursuant to this Agreement.

12. Non-exclusivity

The disclosure of Confidential Information to Receiving Party is non-exclusive, and Disclosing Party may disclose the Confidential Information to others at any time pursuant to the terms and conditions of the Petroleum Agreement.

13. No Rights in the Area

Unless otherwise expressly stated in writing, any prior or future proposals or offers made in the course of the discussions of the Parties are subject to all necessary management and government approvals and may be withdrawn by either Party for any reason or for no reason at any time. Nothing contained herein is intended to confer upon Receiving Party any right whatsoever to the interest of Disclosing Party in the Area.

14. No Waiver

No waiver by either Party of any one or more breaches of this Agreement by the other Party shall operate or be construed as a waiver of any future breach or breaches by the same or other Party, whether of like or of different character. Except as may be expressly provided in this Agreement no Party shall be deemed to have waived, released or modified any of its rights under this Agreement unless such Party has expressly stated in writing, that it does waive, release or modify such right.

15. Modifications

No amendments, changes or modifications to this Agreement shall be valid except if the same are in writing and signed by a duly authorized representative of each of the Parties hereto.

16. Severability

If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

17. Interpretation

17.1 Headings. The topical headings used in this Agreement are for convenience only and shall not be construed as having any substantive significance or as indicating that all of the provisions of this Agreement relating to any topic are to be found in any particular Article.

17.2 Singular and Plural. Reference to the singular includes a reference to the plural and vice versa.

17.3 Include. The words "include" and "including" have an inclusive meaning, are used in an illustrative sense and not a limiting sense, and are not intended to limit the generality of the description preceding or following such term.

18. Counterpart Execution

This Agreement may be executed in counterparts and each counterpart shall be deemed an original Agreement for all purposes; provided that neither Party shall be bound to this Agreement until both parties have executed a counterpart. For purposes of assembling the counterparts into one document, Disclosing Party is authorized to detach the signature page from one counterpart and, after signature thereof by Receiving Party, attach each signed signature page to a counterpart.

19. Entirety

This Agreement comprises the full and complete agreement of the Parties hereto with respect to the disclosure of the Confidential Information and supersedes and cancels all prior communications, understandings and agreements among the Parties with respect to disclosure of the Confidential Information to the Receiving Party by the Disclosing Party, whether written or oral, expressed or implied.

20. No Third Party Beneficiaries

20.1 This Agreement is made for the benefit of the Parties, any Affiliated Company of the Disclosing Party and their respective successors and permitted assigns.

20.2 It is the intention of the Parties that:

(a) any person who is an Affiliated Company of the Disclosing Party; and

(b) GNPC in respect of any GNPC Information,

has a right under the Contracts Act 1960 (Act 25) to enforce or enjoy the benefit of any term of this Agreement. Except as aforesaid, a person who is not a party to this Agreement has no right under such Act to enforce or enjoy the benefit of any term of this Agreement.

20.3 Notwithstanding any provisions of this Agreement, the Parties to this Agreement do not require the consent of any third party to vary this Agreement at any time provided that the consent of GNPC will be required for any variation which relates to any provision as it applies to GNPC Information.

21. Anti-Bribery/Anti-Corruption

The Parties hereby agree that, in relation to this Agreement and the subject matter hereof, they shall at all times comply with all applicable law, regulations and codes relating to anti-bribery and anti-corruption, including but not limited to ensuring that each of the Parties and their respective representatives shall not engage in any activity, practice or conduct which would constitute an offence under any such laws, regulations or codes (as may be amended from time to time).

22. Notices

All notices authorized or required between the Parties by any of the provisions of this Agreement shall be in writing, in English and delivered in person or by courier service or by facsimile which provides written confirmation of complete transmission, and properly addressed to such Parties as shown below. Oral communication and email do not constitute notice for purposes of this Agreement and email addresses and telephone numbers for the Parties are listed below as a matter of convenience only. A notice given under any provision of this Agreement shall be deemed delivered only when received by the Party to whom such notice is directed, and the time for such Party to deliver any notice in response to such originating notice shall run from the date the originating notice is received. "**Received**" for purposes of this Article 22 shall mean actual delivery of the notice to the address or facsimile address of the Party specified hereunder. Each Party shall have the right to change its address at any time and/or designate that copies of all such notices be directed to another person, by giving written notice thereof to all other Parties.

Disclosing Party Name

Address:

Attention:
Facsimile:
Email:
Telephone

Receiving Party Name

Address:

Attention:
Facsimile:
Email:
Telephone:

ANNEX 4

SAMPLE DISTRIBUTION OF CRUDE OIL

(As per Article 10.1, for the purpose of illustration only)

SUMMARY							
					Parties Interest		
Date	Production	Status	Royalty @ 10%	Entitlement Net of Royalty @ 90%	IGC @ 4.8235%	GNPC @ 18%	Exxon @ 77.1765%
1 -31 Dec	3,100,000	Forecast	310,000	2,790,000	134,576	502,200	2,153,224

Date	Production	Status	Royalty	Entitlement Net of Royalty	IGC	GNPC	Exxon
			10%	90%	4.82%	18%	77.18%
1-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
2-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
3-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
4-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
5-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
6-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
7-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
8-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
9-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
10-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
11-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
12-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
13-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
14-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
15-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
16-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
17-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
18-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
19-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
20-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
21-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
22-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
23-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
24-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
25-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
26-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
27-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
28-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
29-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
30-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459
31-Dec	100,000	Forecast	10,000	90,000	4,341	16,200	69,459

Note:

i) The above does not take into account GNPC entitlement in respect of Sole Risk

ii) It is based on a Daily Production level of 100,000 bpd

iii) GNPC's Additional Intrest of 3% has been exercised

iv) The above does not take into account the AOE

ANNEX 5

SAMPLE AOE CALCULATION

(As per Article 10.8, for the purpose of illustration only)

	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Totals
Contractor After Tax NCF ($)		(10)	(20)	(60)	(150)	(20)	40	300	200	150	125	100	80	40	20	10	805
Cost Inflation Factor (i term)		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
AOE Account Calculation ($)	ROR tranche																
FA(n)	15%	(10)	(32)	(98)	(268)	(342)	(370)	(144)	27	150	125	100	80	40	20	10	
SA(n)	20%	(10)	(33)	(101)	(276)	(365)	(416)	(220)	(78)	38	113	90	72	36	18	9	
TA(n)	25%	(10)	(33)	(103)	(284)	(389)	(468)	(305)	(200)	(130)	(73)	(19)	36	31	15	8	
YA(n)	30%	(10)	(34)	(105)	(292)	(414)	(519)	(401)	(344)	(335)	(357)	(406)	(493)	(641)	(854)	(1146)	
AOE Payment Calculation ($)	AOE Tranche																
FA(n)	10%	0	0	0	0	0	0	0	3	15	13	10	8	4	2	1	55
SA(n)	15%	0	0	0	0	0	0	0	0	6	17	14	11	5	3	1	56
TA(n)	20%	0	0	0	0	0	0	0	0	0	0	0	7	6	3	2	18
YA(n)	25%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total AOE ($)		0	0	0	0	0	0	0	3	21	29	24	26	16	8	4	130

Cost of inflation used 5%
Annualized version of Monthly Calculation
Hypothetical figures, rates and thresholds